

Tremont Markets Recast Debt Fund

Tremont Realty Capital is seeking to raise at least \$300 million of equity for a revamped version of its second high-yield-debt fund.

The Boston firm originally sought \$250 million for a vehicle, called Tremont Subordinated Loan Fund 2, that would have invested in preferred equity and mezzanine debt. It started marketing the vehicle earlier this year.

But when the market downturn deepened, Tremont decided to broaden the investment strategy to include distressed debt. The modified vehicle, Tremont Special Opportunity Debt Fund, has a 15%-plus return goal, up from 11-13% for the original version.

Tremont started soliciting investors in the past couple of weeks. It hopes to line up \$300 million to \$500 million of equity.

The company's debut high-yield-debt vehicle, Tremont NET, closed last year with \$100 million of equity.

Tremont, which was started in 2000 by **Richard Gallitto** and **Daniel Mee**, has primarily solicited capital from institutional players and funds of funds. For the new vehicle, it may target foreign investors as well. ❖