



For Immediate Release

CANYON CATALYST FUND FORMS JOINT VENTURE WITH PARAGON COMMERCIAL GROUP THROUGH EMERGING MANAGER PROGRAM

New partnership will result in \$60-100 million of retail investment throughout California

LOS ANGELES, Calif. (July 1, 2013)—The Canyon Catalyst Fund has entered into a joint venture with Los Angeles-based Paragon Commercial Group, representing one of several new partnerships for the groundbreaking fund designed to cultivate the next generation of real estate investment fund managers. Paragon Commercial Group's investments will result in \$60-\$100 million of retail property acquisitions in urban markets throughout California.

Founded by Mark Harrigian, Erwin Bucy and Jim Dillavou, Paragon Commercial Group specializes in developing and redeveloping retail properties across California with a focus on underutilized assets in infill and high-barrier to entry submarkets. Specifically, the group targets grocery and other community based assets as well as the redevelopment of existing centers.

"Paragon Commercial Group is an ideal partner for the Canyon Catalyst Fund, which is focused on identifying talented real estate investors and providing the necessary support to grow their capabilities," said Bobby Turner, Chairman and CEO of Canyon Capital Realty Advisors. "We are hopeful this new partnership will translate to unique acquisition opportunities and broaden Paragon's commercial investment platform."

"Mark, Erwin and Jim have developed outstanding relationships with retail tenants and have a great sense of how to optimize property layouts, improve operations and plug into the local market," said Maria Stamolis, Managing Director at Canyon Capital Realty Advisors. "We look forward to working closely with them on this new joint venture."

The Canyon Catalyst Fund is a new joint venture between Canyon Capital Realty Advisors and the California Public Employees' Retirement System (CalPERS). The \$200 million fund, which will facilitate \$400 million of investment, is designed to identify early stage real estate managers with strong potential for success, access to unique investment opportunities, and cultivate the next generation of CalPERS portfolio talent. Canyon provides direct oversight of investment sourcing, selection and deal structuring, and oversees asset management through to final realization.

"We are honored to be selected as the retail partner to invest this new fund alongside the team at Canyon, which has a proven track record in urban investing," said Jim Dillavou of Paragon Commercial Group. "We see our new partnership with Canyon as a great opportunity to leverage our retail investment capabilities and take advantage of the growing number of value-add opportunities in the retail space."

Canyon Catalyst Fund / 2-2-2

About the Canyon Catalyst Fund

The Canyon Catalyst Fund is a joint venture between Canyon Capital Realty Advisors (CCRA) and the California Public Employee's Retirement System (CalPERS) aimed at developing the next generation of real estate managers and deploying \$400 million into urban markets across California. Leaders from CCRA will work closely with emerging managers, acting as mentors and advisors to ensure the incorporation of best-in-class practices. CCRA is the real estate direct investing arm of Canyon Partners, LLC. Canyon Partners and its affiliates, including Canyon Capital Advisors, CCRA and ICE Canyon, are investment management firms and registered investment advisors headquartered in Los Angeles, California, with approximately \$20 billion in assets under management.

About Paragon Commercial Group

Paragon Commercial Group was formed to opportunistically invest into value-add acquisition and tenant-driven retail development and redevelopment opportunities. With over 50 years of collective retail experience and a retail resume in excess of 10 million square feet of neighborhood and community centers on the West Coast, Paragon's deep market knowledge and extensive tenant relationships provide a constant grass roots pipeline of retail investment opportunities. Paragon enters into each acquisition with a commitment to quality that extends to each constituency involved in the development process including, capital partners, government agencies, lenders, property owners, tenants and clients.

The team's current portfolio ranges from smaller properties, including single tenant assets and neighborhood grocery anchored centers, to larger more complex projects, such as the retail portion of Runway, a 221,000 square foot retail development anchored by Whole Foods in Playa Vista.

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