



PRESS RELEASE

**CHEYNE CAPITAL LAUNCHES
THE CHEYNE REAL ESTATE CREDIT HOLDINGS FUND III: CRECH III**

London, 14 February 2014 - Cheyne Capital Management (UK) LLP ("Cheyne Capital"), one of Europe's leading alternative investment managers with over \$6.5 billion of assets under management, announces the launch of a new debt-focused opportunity fund, Cheyne Real Estate Credit Holdings Fund III. CRECH III will capitalise on the continuing dislocation of the European real estate debt markets and meet the growing demand for real estate finance.

Like its predecessors, CRECH I and CRECH II, CRECH III will invest in core European (mainly UK and German) real estate opportunities across the debt spectrum and via a range of instruments (CMBS, senior loans, mezzanine loans, equity and special situations workouts). These funds focus on mid-market borrowers constrained by the more stringent lending criteria and low-LTV senior loans of traditional real estate lenders, as well as by the bias among non-bank players for larger ticket loans. Cheyne is addressing a need for more comprehensive financing solutions across the capital structure and for varying real estate asset profiles.

Ravi Stickney, head of Cheyne's real estate debt business, said: "Cheyne is launching CRECH III in response to continued investor demand following the success of CRECH Funds I and II, which both closed to new investment last year. As a long-established capital solutions provider for the real estate industry in the UK and Western Europe, Cheyne Capital is well placed to source and understand the attractive opportunities arising from the dislocation in the real estate lending and the CMBS market, which continue to suffer from a supply/demand imbalance."

Stuart Fiertz, co-founder of Cheyne added: "As European banks continue to retreat from real estate lending due to increasing regulatory pressures, Cheyne is able to step into the void with a viable financing solution for mid-market borrowers, who are increasingly recognising the team's ability to understand complex real estate financing needs and execute creative solutions in a short timeframe."

Cheyne Capital's real estate debt team is headed by Ravi Stickney with Graham Emmett as his investment partner. The team consists of an additional nine dedicated professionals, with approximately 100 years of combined experience in European real estate. The team's investment approach combines a comprehensive valuation of the underlying residential or commercial property and a detailed analysis of the debt structure in order to identify investments offering attractive yields and robust downside protection. The team manages over \$2 billion across a range of public and private funds. The Cheyne Real Estate Credit Holdings Fund (CRECH I) returned 12.7% in 2013 from investments in loans and real estate-backed bonds. The value of ordinary shares, including dividend distributions, in Cheyne's London Stock Exchange listed company, Real Estate Credit Investments (RECI), rose 50.1% in 2013.

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About Cheyne Capital

Launched in 2000, Cheyne Capital is one of Europe's leading alternative investment managers with over \$6.5 billion of assets under management. Cheyne is a multi-strategy firm focusing on the four contiguous business areas of Real Estate Debt, Corporate Credit, Event Driven and Equity & Equity-Linked Securities, bound together by a common philosophy of fundamental, bottom-up analysis. Cheyne Capital Management (UK) LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority, and registered as an Investment Adviser in the US by the Securities and Exchange Commission.