

Cheyne Capital's Impact Real Estate Strategy Sets "A New Standard of What Should be Possible", according to King's College Audit

- *King's College audit confirms that Cheyne has met its objective of generating impact without concessionary returns*
- *Audit was commissioned to provide a third party, independent assessment of Cheyne's activity*

London, 9th March 2021 – The Policy Institute at King's College London has released its final social audit of the Cheyne Social Property Impact Fund ("the Fund"), confirming that the Fund's approach has "offered genuine value to local authorities compared with their other options for delivering affordable housing. This is despite the Fund not generating its impact through concessionary returns...Sources have consistently reported that the quality of homes delivered by the Fund is higher than what is generally available for affordable housing, providing a new standard of what should be possible."

Launched in 2014 to help tackle the chronic shortage of housing solutions for disadvantaged groups in the UK, Cheyne's inaugural impact real estate fund was the first of its kind. The Policy Institute has independently audited the Fund on an annual basis, documenting the true social impact that it has made over the past seven years.

This final audit of Cheyne's first impact real estate fund looked at each of the Fund's investments, which range across affordable and keyworker housing, temporary accommodation and homes for adults with a learning disability. The report found that Cheyne's involvement in each project has been instrumental in raising the standards of living, making a "real impact on [the] individual lives" of the various stakeholders involved – be they tenants, council representatives or the wider community. It cites two overarching conclusions from its years of studying the Fund: firstly, that "during a protracted housing affordability crisis, the Fund enabled local authorities to provide high quality emergency and temporary accommodation", and secondly that "the Fund has filled a need in several housing spheres, beyond homelessness." Indeed, it goes so far as to state that the Fund's investment "can be thought of as a proof-of-concept for the viability and cost-saving potential of private investment to help local authorities in the provision of affordable housing".

Stuart Fiertz, Cheyne Capital's Co-Founder, President and Head of Responsible Investment said: "When we launched this strategy seven years ago, we were confident that our approach would balance social and financial returns – but, as is often the case when venturing into new territory, many questioned whether this could be done. It is therefore a source of great pride to read an independent audit by a leading institution like King's College London which not only confirms our belief – that social and financial returns can be complementary – but which also asserts that we are setting a new standard of what is possible."

Dr Rebecca Benson of King's College London said: "Many of our fieldwork participants for this and previous reports have commented on the Fund's flexibility and creativity, and reported a general impression of the Fund as an investor willing to work with partners to find financial solutions for their unique needs."

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Notes to Editors

About the Policy Institute at King's College London

The Policy Institute at King's College London works to solve society's challenges with evidence and expertise. We combine the rigour of academia with the agility of a consultancy and the connectedness of a think tank. Our research draws on many disciplines and methods, making use of the skills, expertise and resources of not only the institute, but the university and its wider network too.

About Cheyne Impact Real Estate

Alternative investment manager Cheyne Capital launched its first Social Property Impact Fund in November 2014 and second Impact Real Estate Trust in April 2020 in order to help tackle the chronic shortage of affordable housing solutions in the UK. The Funds are socially responsible landlords which deliver property for use as affordable / keyworker housing, supported living and social care facilities to high quality counterparties such as local councils, housing associations and charities. The Funds form part of Cheyne Capital Real Estate which has provided financing solutions since 2009 and which now manages approximately £3 billion of assets across social impact equity, direct real estate lending, securitised European real estate debt and selective special situations.

About Cheyne Capital

Founded in 2000, Cheyne Capital is a London-based alternative investment fund manager. Cheyne is known for its innovative approach and specialises in identifying and capturing compelling long-term investment opportunities presented by market dislocations and inefficiencies. With an investment philosophy grounded in rigorous fundamental analysis, the firm's areas of expertise are Real Estate Debt, Impact Real Estate, Investment-Grade Credit, Strategic Value Credit and Equity-Linked investing.

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