



CHEYNE CAPITAL CLOSES FIFTH REAL ESTATE LENDING FUND AT £600 MILLION (\$800 MILLION)

- **Cheyne Real Estate Credit (CRECH) Fund V – Opportunistic closes at £600 million (\$800 million) hard cap**
- **Latest fundraising for flagship strategy takes Cheyne’s real estate debt assets to £2.3 billion (\$3 billion)**
- **Demonstrates institutional appetite for filling the gap left by the retreat of traditional lenders**

London, 02 August 2018 – Alternative asset manager Cheyne Capital Management (UK) LLP (“Cheyne Capital”) today announced it has successfully reached its capacity limit of £600 million (\$800 million) for Cheyne Real Estate Credit (CRECH) Fund V – Opportunistic (“CRECH V” or “the Fund”), bringing the net assets of Cheyne’s Real Estate group to £2.3 billion (\$3 billion).

“European real estate debt markets continue to be structurally inefficient. Regulatory pressures have reduced the lending volume and risk appetite of European banks, creating a sustained demand for non-bank lending”, said **Jonathan Lourie, CEO and Founder of Cheyne Capital**. “At Cheyne, we seek to uncover attractive investment opportunities presented by dislocations and to identify the best ways of delivering their value to investors. Our Real Estate group has demonstrated a successful track record of doing this over the last ten years”.

CRECH V is the fifth fund in Cheyne’s real estate direct lending strategy, which launched in 2011 following on from the firm’s real estate bond strategy in 2009. Over this period the team has deployed £2.3 billion of capital across 63 loans and had £1.3 billion of capital returned by borrowers to date.

CRECH V takes an opportunistic approach to the asset class, with an ability to invest across the capital structure. The Fund targets double-digit returns whilst maintaining an overarching focus on capital preservation. In the current environment, Cheyne’s Real Estate group sees the best risk/return opportunities in senior lending to mid-market borrowers on value-add assets and also in core/core+ senior and mezzanine lending to large global institutional borrowers. All of the Fund’s investments are in Western Europe.

Approximately 80% of the Fund’s capital has already been deployed, with investments including a €155m senior loan to French luxury hotel operator, LOV Hotel Collection, a £105m whole loan to Quintain to fund the development of a residential and office building on the Wembley Park site, a £100m whole loan to fund the development of two bespoke residential schemes in central Manchester, and a £35m junior loan to SME regional housebuilder Larkfleet Homes.

Ravi Stickney, Head of Real Estate at Cheyne Capital said, “The closure of our fifth real estate lending fund and deployment of almost all of the capital is testament to the market’s need for customised, non-bank lending solutions. Over the last nine years, I believe Cheyne’s Real Estate group has established a reputation with borrowers for innovative credit solutions, dependability and timely delivery, which has led to many referrals and repeat business. ”

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About Cheyne Capital

Founded in 2000, Cheyne Capital is a London-based alternative investment fund manager. Cheyne is known for its innovative approach and has been early and successful at delivering value to investors from important dislocations in the market place. Today Cheyne is one of the largest providers of European Real Estate Debt and has developed an Investment-Grade & Crossover Corporate Credit programme that has generated net annualised returns of 15% since its inception in 2002. With an investment philosophy grounded in rigorous fundamental analysis, the firm’s other areas of expertise are Strategic Value Credit, Social Property Impact and Equity-Linked investing.

Cheyne Capital Management (U.K.) LLP is authorised and regulated in the U.K. by the Financial Conduct Authority, and registered as an Investment Adviser in the U.S. by the Securities and Exchange Commission.

In real estate specifically, Cheyne has provided financing solutions since 2009 and now manages approximately \$3 billion of assets across direct real estate lending, securitised European real estate debt and selective special situations. Cheyne seeks to provide specialised non-bank loans to borrowers in select European markets, with a flexible approach that enables it to invest into all parts of the capital structure.