



11 April 2016

**VENN ANNOUNCES SECOND CLOSE OF COMMERCIAL REAL ESTATE DEBT FUND SECURING £185 MILLION OF INSTITUTIONAL INVESTMENT**

***Fund targets direct lending opportunities in the European commercial real estate market to generate regular income distributions and strong risk-adjusted returns to investors***

***Some 80% of commitments are invested in high-quality commercial real estate loans and the Fund continues to benefit from a strong pipeline of loan opportunities***

Venn Partners, a leading investment manager of real estate and other asset-backed loans, is pleased to announce that it has secured circa £185m from institutional investors following the second close of its commercial real estate discretionary debt fund, Venn Commercial Real Estate Fund I ("VeCREF I" or the "Fund").

Commitments for the Fund have been sourced primarily from UK and North American pension funds, and should benefit from the Fund's regular cash distribution and a low double digit total return. Venn's experienced commercial real estate team, headed by Paul House, former Head of Citigroup's Real Estate EMEA business, has completed over £1.2 billion in 27 loans since commencing operations in January 2013, including over £140 million of loan investments within the Fund.

The Fund is a closed-ended structure focused on value-add loans in the mid-market, £5 million to £50 million range, where there is strong borrower demand and opportunities to generate attractive risk adjusted returns. The loans will be offered at up to 75% LTV and will include loan maturities for a period of six months to five years. Geographically, the Fund will focus on UK and selective Western European commercial real estate markets. VeCREF's current investment portfolio is defensively positioned with a conservative loan to value metric, which provides strong downside protection while maximizing returns for investors. A final close of the Fund is expected to take place during the third quarter of 2016.

The market opportunity for the Fund remains attractive, in view of the ongoing dynamic where the banking sector continues to grapple with a combination of increased regulatory capital requirements and scrutiny and reduced exposure to the commercial real estate debt as an asset class. Recent equity market volatility, combined with a low-interest rate environment, provides a conducive environment for commercial real estate debt investments as a source of yield. Exposure to commercial real estate debt also offers investors with the benefit of diversification against other fixed income assets, where credit spreads are at historic lows. In addition, the underlying real estate market fundamentals remain broadly stable, thus supporting the continued investment opportunity to find attractive risk adjusted loan investments.

**Paul House, Managing Partner of Venn Partners and Portfolio Manager of VeCREF I, commented:**

"We are delighted with the level of commitments secured for the Fund and grateful for the trust investors have placed in us. Over the past few years we have built a strong team and track record through managing investment accounts for institutional investors and have demonstrated that we have solid origination and underwriting skills, in-depth market knowledge and a robust infrastructure to successfully manage real estate debt investments."

**Beatrice Dupont, Partner of Venn Partners and Deputy Portfolio Manager of VeCREF I, commented:**

"As a consequence of the continued evolution within the bank lending market, set against our borrowers'

needs to work with solution-orientated debt providers, we continue to source and underwrite attractive investment opportunities with strong downside protection for our investors. We are delighted to use our expertise and strong relationships in the UK and European commercial real estate debt markets to identify and capitalise on this favourable backdrop on behalf of our institutional investor base."

**ENDS**

**NOTES TO EDITORS:**

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**About Venn Partners:**

Venn Partners is an investment manager of prime asset-backed direct lending businesses in Europe. Founded in 2009 and headquartered in London, its focus to date has covered commercial real estate finance and residential mortgage finance. Venn's approach is to offer a stable and long-term lending alternative to banks, combining rigorous underwriting and investment management processes with access to maturity-matched funding channels and its lower cost business model. Venn led the first non-bank issuance of publicly placed Dutch RMBS since the financial crisis, has originated close to £1.2bn of commercial real estate debt, has been mandated by the UK government as the operator and manager of a £3.5 billion government guaranteed lending scheme for UK private rental housing, and recently launched its own branded Dutch residential mortgage lending business in the Netherlands. In addition, it has developed a proprietary risk analytics system for asset-backed credit which it uses internally and licences to external asset managers on portfolios in excess of £2bn since inception. Venn is independently owned and invests alongside its institutional investors, ensuring alignment of interest. It has developed a team-based ethos that values transparency, innovation, long-term partnerships and results.