



## DEUTSCHE FINANCE INTERNATIONAL

### **DEUTSCHE FINANCE INTERNATIONAL CLOSES INAUGURAL FUND HAVING RAISED €436 MILLION**

*-Fund launches with €856 million portfolio including London's iconic Olympia Exhibition Centre-*

Deutsche Finance International (“DFI”), the London based pan-European private equity real estate investor specialising in operational real estate, announces the close of its inaugural fund, DFI European Value-Add Fund (“DFI EVAF” or the “Fund”), having raised €436 million, which includes co-investment vehicles invested alongside the Fund into a seed portfolio. Capital commitments, which achieved the Fund’s hard cap, have been secured from a range of international institutional investors, comprising insurance companies, pension funds, family offices and financial intuitions, with approximately one third each sourced in the U.S., Germany and the rest of Europe.

The DFI EVAF capital raise, together with potential further co-investment, provides DFI with significant investable capital, which can be further enhanced by the application of the firm’s conservative leverage policy. On behalf of the Fund and its co-investors, DFI has already assembled a portfolio of €856 million of assets, diversified across five European markets. The high quality seed portfolio was sourced on an off-market basis at attractive pricing levels. DFI expects to conclude the acquisition of a further two investments on behalf of the Fund in the coming months.

The Fund pursues value-add investments into small to mid-cap properties and special situations, predominantly in Western European gateway cities. A key focus will be on operational real estate and capturing opportunities from real estate’s evolution to ‘space-as-a-service’. DFI takes a customer facing approach to property and believes that treating real estate as a service for the end-user underpins value creation and sustainable long term performance.

DFI seeks to create value within its investments by transforming under-appreciated and under-managed real estate assets and operating companies through active asset management. In addition to creating value through repositioning or developing individual assets as institutional quality product, particularly in sectors where it can capitalise on yield or trend arbitrage, DFI also specialises in building portfolios or platforms of scale by aggregating small to mid-cap properties. DFI typically takes a partnership approach to value creation, working with local operating partners aligned through co-investment.

The seed investments include a programme to aggregate previously undermanaged residential multi-family assets in Barcelona and Madrid, Spain; the creation of a student accommodation platform in Copenhagen, Denmark; a student accommodation asset in Canterbury in the U.K; and an office refurbishment opportunity in central Lisbon

DFI EVAF and its co-investment partners also own London's iconic 133 year old Olympia Exhibition Centre and the 14 acre prime central London site it forms part of, which was acquired in April from Capital & Counties plc for £296 million, making it the Fund's first and largest asset. Since acquisition, planning approval has been secured for a significant and transformational masterplan that will allow the asset to capitalise on its prime location and strong heritage to create a new mixed-use cultural quarter for London.

**Frank RoccoGrande, Co-founder and Co-Managing Partner, said:** "The level of support we have received for our first fund is a thorough endorsement of our differentiated strategy, the quality of our team and our ability to source high quality investments off market. We have strong ambitions for the platform we are building and, having only launched in 2017, set a clear and deliberate strategy for our maiden fund to be more measured in size and with a higher proportion of co-investment. This approach has allowed us to put our clients' capital to work quicker, without compromising our investment strategy or ability to execute larger transactions. It is hugely satisfying to have exceeded our initial target for the Fund and I would like to thank all of our investors for their support and commitment to this important stage in DFI's evolution."

**Commenting on the Fund and the growth of DFI, Gavin Neilan, Co-founder and Co-Managing Partner, added:** "To assemble the Fund's seed portfolio, we predominantly pursued thematic investment strategies into operational value-add real estate in gateway cities. By applying our asset management skills we have already begun to drive value and cash flow through a range of initiatives including active leasing, capex investment and building portfolios. We have a number of further deals that we expect to transact in the near future, as well as strong pipeline of additional opportunities under consideration. I would like to take this opportunity to also express my gratitude to our investors as well as our exceptional team, local partners and advisers for their hard work, talent and belief in the firm's potential."

DFI is part of the Deutsche Finance Group ("DFG"), a global investment management firm that specialises in private market real estate and infrastructure investments. Active since 2005, DFG has a

reputation for accessing differentiated investment opportunities and best-in-class specialist local investment and operating partners. DFG currently manages over €3bn of AUM and is headquartered in Munich with offices in London, Denver, Zurich and Luxembourg. DFG is privately owned and regulated by the Federal Financial Supervisory Authority of Germany, BaFin. DFI was established in 2017 to broaden and deepen DFG's product offering and investor base by building a direct real estate investment platform.

**For Further information:**

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