**Press Release**

**14 May 2018**

## PEAKSIDE CAPITAL CLOSES THIRD TRANSACTION FOR ITS NEW VALUE ADD FUND "PREF III"

Peakside Capital, the independent, owner-operated real estate investment manager with offices in Frankfurt, Munich, Warsaw, Prague, Zug (CH) and Luxembourg, has completed its third transaction for Peakside Real Estate Fund III (PREF III/ the "Fund") with an acquisition in Frankfurt's "City West. It is the second acquisition by Peakside in the area and demonstrates its positive assessment of the "City West" as an attractive investment location. The most recent purchase takes the equity invested by PREF III to date to over €50 million.

The 9,270 sqm commercial and residential building has been undermanaged in recent years and the purchase price is below replacement cost. The asset is currently sitting with a substantial 50% vacancy on the commercial space which Peakside will look to reduce on completion of a light refurbishment. The asset is located in a sub market which is currently benefitting from strong occupational demand.

The purchase has helped Peakside get off to a good start in 2018, following a busy 2017 which saw the business undertake over €760 million of transactions (more than double the 2016 transaction volume) of which €510 million was in Germany and the remainder in CEE. As in previous years, Peakside showed strong leasing activity with more than 80,000 sqm let across its portfolio in 2017.

Fundraising activity has continued to gain momentum. Based on another recent close for PREF III and several additional planned commitments by investors, the €150 million total equity raising target is expected to be substantially exceeded. That provides PREF III with €500-€600 million of total investment firepower. In addition, PREF III will invest in selected co-investments that it manages.

PREF III will continue the proven and successful strategy of its predecessor funds, targetting value-add investments in strong locations across Germany's top seven cities and regional hubs. PREF III has attracted capital commitments from institutional investors and family offices from across Europe, many of which

invested in the predecessor fund, PREF II, which, following several recent and successful asset disposals, is expected to realise a return exceeding underwriting with a gross IRR in excess of 25% and an MoC of 1.9-2.1x.

**Boris Schran, founding partner of Peakside Capital, said:**

"Our most recent Frankfurt transaction fits firmly within our strategy of acquiring distressed or poorly managed assets in good or evolving micro locations at attractive entry points.  With our strong track record of leasing and a thriving Frankfurt occupier market, we are confident that we can quickly improve on the operational performance of this property."

**Stefan Aumann, founding partner of Peakside Capital, said:**

"We continue to demonstrate that even in a competitive market environment, we are able to source attractive value-add opportunities for our investors. Peakside's strong acquisition and asset management capabilities are supporting our fund raising effort which is exemplified by the latest close."

**For further Information:**

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**Note to Editors**

Peakside Capital is a specialist European Investment Manager, owned by its management. It manages real estate assets currently totalling over EUR 1 billion in gross asset value with a focus on CEE and Germany. The company has offices in Frankfurt, Munich, Zug (CH), Warsaw, Prague and Luxembourg.

Peakside Capital provides fund management and investment advisory services for managed portfolios that include its four real estate funds and a significant number of separate account investments.

The investment strategies it pursues serve the individual requirements of its investors, and range from core to opportunistic across the office, residential, hotel and retail sectors. The investment spectrum comprises investments in single assets and portfolios through to distressed debt and investments in real estate operating companies.