TOP INVESTORS: DEALMAKERS
PART III

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Tristan Capital Partners, Internos Global Investors and Orion Capital Managers are clear winners among the UK-based boutique firms, according to the latest edition of PropertyEU’s Top 100 Investors.

TRISTAN CAPITAL PARTNERS
By how much has the company grown?
At the beginning of this year, Tristan Capital Partners had €5 bn of assets under management, accumulated in as many years.

How has the company grown and where?
The London-based company headed by American-born Ric Lewis is celebrating its 5th anniversary this year with a string of successes in terms of equity raising and investment. Lewis launched Tristan in April 2009, just six months after the onset of the global financial crisis. The newly formed company was able to take with it a sizeable number of clients from predecessor vehicles under the Curzon and AEW Europe flags due, Lewis said, to a legacy of good performance. Earlier this year, the fund manager capped the final equity raise on its EPISO 3 value-add/opportunistic fund just short of the €1 bn mark at €950 mln, exceeding its original fundraising target by 25%. And, following a big industrial portfolio sale earlier this year, the company sealed another major transaction in August that brings its industrial disposals for full-year 2014 to just under €1 bn.

How did it manage that?
The bulk of the assets were less than five years old and bought from reputable but overstretched vendors at a time when institutional investors were still sitting on their hands and wary of touching anything less than 100% core, Lewis told PropertyEU in an interview earlier this year. ‘We bought the assets knowing they were mispriced with a plan to fix them individually.’

Another coup for Tristan this year has been an unreported transition of the EPISO I and II funds that Tristan has managed on behalf of AEW Europe for the past five years since Lewis broke away from the former parent company and set up his own business. Tristan has confirmed that the funds are now part of its portfolio and that AEW Europe would stay on as co-investor in the vehicles.

INTERNOS GLOBAL INVESTORS
By how much has the company grown?
Internos Global Investors has grown from scratch since 2008 and now has just over €4 bn of assets under management.

How has the company grown and where?
Like Tristan, Internos Global Investors has swum against the tide in the past five years and is now ready for the next phase in its evolution. In early 2008, Andrew Thornton and Jos Short set up Internos Global Investors, a new real estate business based on the traditional private equity model. The aim of their partnership was to back real estate opportunities across the risk spectrum with a small team of bright and experienced people, but that was before Lehman hit. Thornton and Short’s fledgling company may not have been one of the major fund-raising machines...
since the outbreak of the global financial crisis, but the pair quickly found another lane to swim in. At end-2009, the London-based company led the acquisition from the Sydney-based GPT Group of the Halverton real estate investment management business for a nominal sum of €2. In one fell swoop, Internos gained €1.7 bn of gross assets under management in five funds and two separate account mandates in Germany and the Netherlands.

**How big is the platform today?**

The Halverton deal provided a pan-European platform with offices in London, Amsterdam, Berlin, Frankfurt and Luxembourg and a team of around 100 people. The subsequent takeover of Luxembourg-registered Invista Real Estate Trust SICAF (IERET) broadened the platform and gave it access to strong teams in France. Internos now has a platform spanning 1,000 properties across Europe and a team of 110. A successful bid for a KAG licence from Germany’s financial supervisory body BaFin has cemented Internos’ reputation and put it in a league with the likes of players such as Aberdeen Asset Management, La Salle Investment Management and Warburg-Henderson.

**ORION CAPITAL MANAGERS**

**How much has the company grown?**

Orion Capital Managers has seen its assets under management increase only modestly in the past three years, from €3 bn to €3.5 bn, but the London-based company is widely seen as one of the most successful boutique managers in Europe.

**Why?**

Earlier this year, Orion Capital Managers spearheaded a new wave of opportunistic investment by pan-European boutique firms after raising €1.3 bn at end-2013. Its latest vehicle – Orion European Real Estate Fund IV – has a remit to invest in the full gamut of real estate assets, including portfolios, loans and also real estate companies across Europe that provide opportunistic returns, according to co-founder Aref Lahham. Unlike many other smaller European investment managers, Orion has managed to chalk up a string of successes since the outbreak of the financial crisis and has invested €1.2 bn in real estate assets globally since 2009. Founded by Aref Lahham, Van Stults and Bruce Bossm in London in 1999, the private equity firm has launched five funds since its inception. It has been on the acquisition trail across Europe for its third fund during the last three years and the fund is now committed, having invested over €1.1 bn of equity in transactions including office and residential developments in Central London. Last October, Orion took full control of the 82,600 m2 Puerto Venecia retail complex in Zaragoza, Spain, by buying British Land’s 50% stake for €144.5 mln. Orion previously held a 50% interest in the centre.

**What sectors and countries is Orion now targeting?**

Since the financial crisis, Orion has shifted from primarily investing in offices, retail and industrial properties to also targeting prime residential properties in London ‘because of the returns available as a result of demand from both UK and overseas buyers’, according to Lahham. Key target countries include the UK, France, Germany, Spain, Italy and Scandinavia.

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About Tristan Capital Partners
Tristan Capital Partners is an employee-owned investment management boutique specialising in public and private market real estate investment strategies across the UK and Continental Europe.

Tristan is the Portfolio Manager for Curzon Capital Partners III and for the private equity funds European Property Investors, LP, European Property Investors Special Opportunities, LP and European Property Investors Special Opportunities 3, LP. Its pan-European real estate funds include core-plus and value-added/opportunistic strategies with total assets under management of €5 Billion. Tristan’s headquarters are in London and it has offices in Luxembourg, Milan, Paris, Stockholm, Dusseldorf, Barcelona and Warsaw.

Please check out the new Tristan web-app – available for download at www.tristancap.com