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Private Equity Real Estate at a glance

In a world of zero interest rate policy, for an institutional investor like an insurance group, pension fund or an endowment it is getting more and more difficult to create an investment performance which enables the organisation to fulfil the obligations it has on the balance sheet. For many of them bonds and equities may not be sufficient enough to reach this goal. Therefore, the discussion about an increase of the alternative investment portfolio is ongoing in this sector. For many other investors adding alternatives is part of their overall investment strategy of diversification and they simply want to add alternative asset classes to their portfolio. Others may have different reasons to invest in this sector but all of them need to decide which of the alternative asset classes can help them reach their goals.

Real estate and infrastructure have been the most popular asset classes in the last couple of years to fix this situation. Investing in direct standing property in this context allows the investor to possess real estate as an asset class, but it requires much more work from an investor as other alternative investments. First, the investor has to identify a location and a property with growth potential and prepare the due diligence. Then he has to take care of the paperwork, get the property registered, and find a tenant if he wants to earn a regular income. If his goal is capital appreciation, he has to find a purchaser once the price crosses his target. Buying direct real estate investments causes a lot of work and a lot of resources are required to manage it properly.

Investors who are not able or willing to invest directly or want to have better diversification may choose “Private Equity Real Estate (PERE)” which ideally combines the benefits of real estate with a private equity approach.

This bulletin is about PERE, an interesting asset class for long term investors who want to diversify their real estate investment strategy with small-sized investment amounts on a lower risk level. It gives an overview of the benefits and risks of an asset class whose popularity has increased over the last decade tremendously. In the 80’s Sam Zell raised the first PERE fund up to 400 million USD in capital. According to Preqin Research, as of 2014 the market has grown to more than 700 billion USD in global assets under management in PERE funds.

Benefits Investing in PERE

PERE funds allow high-net-worth individuals and institutional investors to invest in real estate without creating resources in this asset class. Using an active management strategy, PERE can gain access to a diversified property ownership. Fund Managers are able to invest in a wide range of different real estate types as well as to diversify by location. Furthermore the manager’s strategy can range from new project developments, raw land holdings to a complete redevelopment of an existing property or cash-flow injections into struggling properties. This type of investment can reduce the risk by investing in projects across locations and sectors.

Another benefit is the low investment effort. The investor just needs to put money in a PERE fund and the fund manager will take care of the rest. This offers an investor participation in a well-diversified portfolio with relative low investment effort. In addition the fund managers provide excellent know-how in real estate expertise. Usually they are experts in their field of real estate with proven track records of success and they could be a door opener to investment opportunities an ordinary investor has no access to. Due to their actively-managed nature, PERE funds present opportunities to savvy management teams to seek out and turn-around underperforming properties and create high yields by executing value-added and opportunistic strategies.

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The private nature of PERE funds, grant management teams more direct input in the course of daily affairs, without worrying about the volatility inherent in public equity markets. Moreover, this private nature offers the management the flexibility to pursue a variety of strategies such as, subdividing or combining different properties as well as selling, financing or leasing the existing real estate portfolio by any number of criteria (geography, type, etc.).

Managers of PEREs tend to invest along with the investors (limited partners or LPs), usually with a capital contribution of 3-10 percent. They are precluded from forming additional funds until the capital committed to the current fund has been substantially deployed. These factors are important to ensure the alignment of interest with the manager.

Accepting Risks, Restrictions and Long-Term Outlook

Besides the benefits, investors in PERE should take into account that their capital may be tied up for a predetermined period which could last many years. Many GPs structure their funds as decade-long investments and provide little or no opportunities for investors to withdraw or redeem their money. The illiquid nature of PERE funds makes investors understand the risks of little flexibility, since the investment requires a significant upfront capital commitment which can be called upon at any time even when an investor has a liquidity shortfall.

Also the nature of private equity fund structures makes it difficult to evaluate a fund's financial performance or the assets it holds. Due to limited regulation of PERE funds GPs are not obliged to offer any updates to investors on potential investments, valuations of the portfolio, or any other information related to the investments. Therefore, limited partners have to trust the fund manager that he will meet his investment goals without having any level of transparency. Nevertheless, fund managers are typically transparent and send performance updates to their investors in order to instill confidence in any current or future fund. Generally it is up to the investor to negotiate with the general partner about the volume of the reporting individually.

Due to the high minimum investment amount PERE funds are generally available only to institutional investors and high-net worth individuals. However, members of the general public can gain exposure to PEREs through fund of funds which allow investors to participate in the realty market with an investment lower than a direct real estate investment typically requires. However, given real estate's popularity as an asset class, it provides high potential levels of income with strong price appreciation in the future.

Types of PERE Strategies

When investing in PERE, there are traditionally more or less six types of investment strategies:

- Core is the most conservative strategy, and might only include properties offering lower-risk and lower potential returns. They are typically located in major metropolitan areas in prime locations. This strategy might focus mainly on investments in high-quality and high-value properties that require very little redevelopment or maintenance. These properties offer predictable cash flows and are commonly comprised of fully leased, multi-tenant structures.
- Core-plus requires a bit more risk but can offer a higher return than the core strategy. These properties require modest levels of value-added activity or enhancement to the location.

- Value-added is a medium-to-high return, moderate-risk strategy that focuses more on property development and market timing. In this strategy, portfolio managers purchase properties, engage in some level of redevelopment, and sell when the market performs. Value-added properties typically require changes to management, physical improvement, or the addressing of capital constraints. These steps include building renovations and seeking ways to increase rental rates in improving markets. Value-added strategies also include the turnaround of failing operating companies or assuming debt for control of underlying properties.
- Opportunistic provides the highest level of return, but assumes the highest risk. With this strategy, managers purchase properties, including undeveloped land or invest in underperforming or lightly trafficked markets.
- Mezzanine Lending/Distressed Debt are strategies employed by firms that are comfortable with owning the underlying assets in the event of borrower default, as the loans issued by the firms involved in this strategy have more aggressive terms than traditional lenders.
- Fund-of-Funds are entities investing in third-party managed PERE funds. They offer diversified investment solutions to smaller investors, investors lacking resources or know how in this sector, or simply to investors which are looking to gain access to certain PERE funds or strategies.

Finding the Ideal PERE Fund

First, truth to be told, finding the right PERE fund can be challenging. Depending on the strategy an investor pursues, he has the choice to select from approximately 500 PERE funds currently offered worldwide.

Second, the average person may be incapable of taking part in PERE investments as a traditional PERE fund requires an investment of 5 million USD minimum. Most managers seek individuals or institutions that are willing to provide up to 20 million USD or more into a long-term collective investment scheme with other institutional investors. Therefore, most PERE funds are for bigger institutions only, whereas fund of funds can give access to PERE funds already with lower amounts as they pool the money of many investors.

Since there is little regulation over PERE funds, opportunities are traditionally limited to “accredited or institutional investors.” Individuals seeking to invest in PERE should locate a fund manager who are specialized in this discipline. Upon examining a private equity firm’s fund offers, one should understand the nature of a PERE fund’s structure, which is typically a limited partnership.

When committing to a fund, outside investors will become limited partners. This means they accept liability for the invested money without having a right of veto over the properties selected by the general partner. The money of all limited partners will be pooled and fund managers will build a portfolio of properties aimed at maximizing profitability and minimizing financial risk.

Besides finding the right PERE fund it is also important to understand the structural and contractual issues of a PERE fund.

Understanding the Fund’s Costs and Investment Structure

By investing in PERE, an investor will get in contact with structural and fee issues they may not have been aware of with regards to direct investments. All of them can vary individually, so a diligent survey of certain aspects may be appropriate to understand their impact on the fund’s performance.

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Investment Structures - PERE funds are typically formed using an entity which is either a limited partnership or a limited liability company. Both entity types are known as pass-through entities, which are disregarded for tax purposes. All gains and losses can be directly attributed to the limited partners or members of the entity.

Since investments in real estate are illiquid, private real estate funds have many unique structural issues that must be addressed. An initial consideration is whether to use an open-end or closed-end fund structure. The illiquid nature of PERE fund's investment assets makes the closed-end fund structure the most appropriate one.

Subsequent Closings - If managed properly, private real estate fund's investment assets should appreciate over time and therefore many early investors would consider the participation of subsequent investors inequitable without some sort of compensation for that appreciation. The difficulty comes in trying to determine the appropriate valuation for subsequent investors since formal real property appraisals may be the only way to properly assess the value of the fund's investment assets. The appraisal process is expensive, can be time consuming, and in some circumstances may not be available at all. The solution for PERE funds is to charge a subsequent closing interest to all investors accessing the fund after the first close so they are enabled to participate from the very first beginning in risk and performance. On the other hand first closers get a certain true up for the period until the second or later closings take place.

Capital Call Structure - PERE funds possess certain unique capital needs based on the nature of the fund's investment assets. Funds typically utilise a "capital call" structure where investors are required to make an initial capital contribution at the time the fund accepts investment subscriptions. The remaining amount of each investor's capital commitment is periodically "called down" by the fund. The capital call structure recognises that most private real estate funds will be unable to precisely time the closing of the fund and the full deployment of all of the fund's capital. The fund may also be making real estate investments where:

- a substantial amount of time is required between the fund's commitment to purchase the investment and the consummation of the underlying transaction, or
- development activities are being undertaken and the fund is only required to make periodic progress payments on its investment asset.

Not only is the timing of an investor's capital contributions critical to a PERE fund's ability to fund its investments, but the contribution of capital also generally starts the clock running on the "preferred return" that the fund will pay to the investors.

Preferred Return/Performance Split - Most PERE funds offer their investors a preferred return, together with a split of the fund's overall net profits. The structure specifies the order in which a fund's profits and losses are allocated among investors and the fund's manager is often referred to as the "waterfall." Waterfalls vary widely in their structure and operation, depending upon a private real estate fund's investment assets and overall investor profile.

Generally, profits are allocated in the following order:

- investors will receive a return of their capital contributions
- investors will receive a preferred return, calculated on the total amount of their capital contributions while such sums are held by the private real estate fund

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- the fund's manager will receive an allocation equal to a portion of the total preferred return allocated to the investors (usually in the same percentage as the profit split and referred to as the preferred return "catch-up" or sponsor/ GP "catch-up")
- finally, the remaining profits are split between the investors and the fund's sponsor

Catch Up - While no fund can ever guarantee the payment of a preferred return, investors are assured that they will receive the initial profits from the fund's investment activities before the fund's manager is entitled to any allocation of profits. However, there are a variety of ways to specify the calculation of a preferred return based on the timing of capital contributions or fund investments. The purpose of including a preferred return "catch-up" in a waterfall is to allow a PERE fund's general partner to have some participation in the fund's profits, so long as the preferred return has been allocated to the investors. The catch-up feature ensures that the profits resulting from a successful private real estate fund are allocated exactly in accordance with the agreed upon profit split and conversely, the profits from a marginally successful fund will be primarily allocated to investors rather than the fund's manager.

Claw Back Mechanism - Some funds will employ a "claw back" mechanism as a check against any over-allocation to a private real estate fund's sponsor group. Claw back provisions take many different forms, but they generally serve as a contractual obligation of the fund's manager to return any and all profit allocations it receives, in the event that any investor does not receive both a return of the investor's entire capital contribution, and the entire preferred return on invested capital; or the total amount allocated to the general partner over the life of the fund is greater than the agreed upon profit split.

Distribution of Funds Liquidity - PERE funds can also differ from other types of funds in how and when capital contributions are returned to investors. A PERE fund sponsor must closely consider the fund's investment strategy when structuring for the return of capital. For example, a fund that is focused on fixing and "flipping" real estate would likely prefer to retain the proceeds resulting from the sale of early investment assets for future investment activity. On the other hand, there would be no reason for a PERE fund focused on the development of a single project to retain investor capital. Some funds may also choose to treat current income generated from the fund's investment assets differently than the proceeds from the sale of the fund's investment assets, such that the waterfall for current income does not include a return of capital. However, it is important to keep in mind that the preferred return generally continues to accrue on all unreturned capital contributions and it may make more sense for the private real estate fund to return capital to investors at its earliest opportunity.

Third Party Fees - As an investment type, real estate is often susceptible to the imposition of many fees and costs, some of which can appear to be duplicative or improperly allocated to investors in a PERE fund. PERE funds generally charge investors a fixed management fee, based on a percentage of the fund's assets under management, to cover the manager's costs of operating the fund. General fund expenses are also typically factored into the overall net profit or net loss available to investors. For example, if a PERE fund contracts with a third-party to serve as a property developer, general contractor or property manager for the fund's investment assets, rather than utilising the fund's general partner in such roles, investors may question the purpose or amount of the management fee.

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Certainly, conflicts of interest may arise when a fund's manager does provide development or property management services to the fund and care should be exercised to fully disclose any and all amounts that the fund may pay to the fund manager and its affiliates. It is often helpful for a PERE fund to consider a more customised compensation system for its general partner or manager in order to better align the interests of all parties. More complex compensation structures include fully-disclosed acquisition, development, and disposition fees fixed limitations on total fees and expenses payable to the manager and limitations that provide ancillary fees will only be paid from the fund's cash flow when it is ultimately distributed to the investors. In any case, investors must be given detailed disclosure regarding any compensation to a PERE fund's manager or the sponsor group risks significant potential liability as a result of non-disclosure.

By their nature, PERE funds often reflect many of the characteristics of traditional operating businesses. The sponsor's principal managers and employees must consider numerous operational issues that generally don't arise in the course of operating other, open-end private investment funds. For example, a PERE fund must be able to provide for the development, improvement, property management, and/or maintenance of its investment assets. Real estate investments also encounter unique requirements for insurance, compliance with state and local codes and ordinances and will usually be subject to property taxes and other ongoing taxes and assessments. Successful real estate fund sponsor groups plan for operational challenges in advance to allow the fund to achieve its objectives and return capital to investors.

Investments in PERE funds are a very interesting way to enhance the performance of an existing portfolio and or to get access to diversification, to certain markets or to strategies a direct investment may not make sense. But some investors are not able or willing to put bigger amounts in one strategy or do not have sufficient resources to find or manage an investment in PERE. Fund of funds can help to solve these issues and is a great way to get access to a well performing asset class with great diversification impact on a portfolio.

The Benefits of Fund of Funds in PERE

The potential benefits of fund of funds for real assets are often discussed in the asset management industry. How can a fund of funds manager justify the additional fees on a second investment level? Can he argue fund of funds deliver excess returns? One can always argue fund of funds investors may indeed benefit from attractive risk-adjusted returns: firstly, because diversification reduces volatility; secondly, because diversification may even increase returns. Additionally, fund of funds managers who want to justify their services going forward, will have to add value beyond the premier fund selection and diversification.

The main reason is that investors can benefit from a different asset management approach, combining the traditional benefits of a fund of funds, with additional support. By assessing the relative attractiveness of different PERE strategies and instruments, funds of fund managers can considerably improve efficiency and returns to their investors and funds.

Discussions about the attractiveness of fund of funds often focus on the double layer of fees charged by fund of funds. For many investing institutions, this is a reason to eschew the fund of funds model in favor of investing directly in a selection of PERE funds.

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However, a comparison of management fees by itself is not the entire story. Instead, a sound decision about which approach to use should rely on a close look at all factors that contribute to the overall value. Investment performance as the largest contributor to investor benefit is unknowable in advance but other benefits of a fund of funds model may be more easily identifiable. They include the following:

Professional Research and Due Diligence – As mentioned before investing in PERE can be a very complex strategy, especially the due diligence is a critical part of the process. With a fund of funds, institutions without in-house PERE expertise and experience can rely on professionals to perform the kind of investment research, monitoring and due diligence that is necessary to avoid choosing the wrong manager, avoiding fraud and other potential costly mistakes. Manager selection is certainly the foremost area of expertise of a professional PERE fund of funds. A well-structured and executed due diligence process, financial and operational understanding and access to the best PERE funds in the market are the core competences of a traditional fund of funds. Most of the experienced fund of funds around the globe follow similar principles in the due diligence process and strive for the same goal and select managers that generate best in class returns for their investors in their respective market segment. Although diligent fund selection should certainly limit the downside of a PERE portfolio, most investors would rather pick a fund of funds for the upside potential through manager selection.

Wider Access to Fund Managers – Institutional investors without or with limited PERE fund expertise in certain markets may make more conservative choices in large and well known funds or would avoid certain markets. In contrast, experienced fund of funds managers knowledgeably navigate a wide universe of potential managers and sometimes concentrate on more focused strategies to identify those that may offer a unique competitive advantage or more favorable investment terms.

Portfolio Diversification to Reduce Risk - Many investors lack the necessary size for appropriate diversification, and only fund of funds may allow these investors to reduce manager or market specific risk in selected segments.

Portfolio Diversification to Enhance Performance - Seeking portfolio diversification for the purpose of enhancing returns may seem to be a contradiction for many investors, given that the principal reason for portfolio diversification is to reduce risk. However, it is likely that the performance of a single fund is lower than the performance of a pool of funds. For an investor with a given return target, it is wise to diversify the portfolio to increase the probability so that this return will be achieved.

Additionally the combination of primary funds with secondaries and co-investments in an indirect portfolio is not easily executed by a typical investor for many reasons. It can enhance the performance of a portfolio significantly when it comes to peak equity exposure I, but it also requires a lot of experience in how to combine a portfolio, organise access to secondaries and co-investments and it requires resources to conduct a proper due diligence on the different strategies and to make quick decisions.

Performance Incentive Alignment – Fund of fund managers often invest alongside their investors, which provides incentive to generate attractive returns that benefit managers and clients equally.

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Beside the arguments discussed above there are more areas of expertise of a Fund of Funds manager which are often not on the screen of an investor but just as much important:

Favourable Investment Terms – Intensively negotiating fund and investment terms is an important element of value creation which is often not recognised by investors. Funds of funds are able to leverage the negotiating power of a large pool of comingled assets to arrange for more favourable investor terms and rights with underlying managers. For example, managers may agree to fewer restrictions on redeeming capital, lower fees, more alignment of the manager, more performance related share of fees and greater transparency.

Fund of funds negotiate with PERE funds to ensure that terms are in line with industry standards. Fund of funds are important to ensure proper downside protection and alignment of interest between limited partners and general partners. Many GPs are even willing to accept more LP-friendly terms to get a renowned investor, which should ultimately attract further investors. A good fund of funds manager always negotiates hard to get a GP fully aligned to the investors and to make sure that the GP does not earn money before the investors does.

Reporting – Proper and regular reporting is just as important for most investors. Gaining the know-how, setting up the necessary software and staffing a qualified team means significant costs that are inappropriate when an institution is invested in just a handful of PERE funds. Professional fund of funds managers that have to deal with more than a hundred fund investments in their various vehicles, by contrast, have the necessary economies of scale to justify such expenses. Furthermore, established fund of funds managers can provide their investors with a state-of-the-art reporting that reduces the administrative burden for their clients.

Access to Co-investments and Secondaries – For the PERE industry network to include secondaries and co-investments in a PERE portfolio, an extensive GP network is necessary to provide for the necessary deal flow. Moreover, while PERE funds are generally not selective when it comes to accepting money for fund commitments, access to secondaries and co-investments is not always the norm. A number of highly successful fundraisings for secondary funds in recent years, and the increased appetite for secondary transactions displayed by investors, often leads to auctions. What are a fund of funds advantages in such competitive situations? GPs often favour buyers with a solid primary business. After all, PERE funds would like to keep or grow their investor base and would rather give transfer consent to potential long-term investors. For them, the ideal secondary investor will likely re-up to the next fund. Pure secondary players start to give more notice to these facts, reserving a part of their fund for primary commitments, in order to help them in obtaining transfer consents when purchasing secondary portfolios.

When looking at co-investments, why would a GP share the best investment opportunities and give up the performance fee on these deals? There are two reasons why a GP in the case of a fund of funds may behave like this. Firstly, fund of funds managers are often large investors and thus have the necessary leverage to secure co-investment rights. Secondly, fund of funds can add value to the GP through their extensive industry network. After all, PERE is a people's business and putting the right people together can help GPs to solve some of their issues.


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Investment Efficiency - The case for co-investments and secondary investments as beneficial additions to a fund portfolio can be easily made. Secondaries on the one hand allow for a quick increase of a PERE portfolio's investment level for better capital efficiency, early distributions and attractive IRRs and multiples. Moreover, the visibility of the return potential is significantly higher for secondaries than for primaries. Adding co-investments, on the other hand, may increase the upside potential of a diversified portfolio as the exposure to selected assets has been carefully increased. Moreover, co-investments may decrease the overall fee load as direct deals are often offered at reduced, or even eliminated, fees and carry.

Information - For fund of funds managers with an integrated approach, administration is much more than reporting and data warehousing; it is the data backbone that allows assessing their PERE portfolios in depth. Clearly, such managers have a competitive advantage both for secondaries and co-investments. They can often move more quickly in secondary transactions, as they might already be invested in some of the funds being transacted or even have insight from advisory board seats. Knowing both the GPs as well as the portfolio assets is a key advantage that allows for fast execution of secondary transactions. For co-investments, a thorough analysis of the asset and the characteristics of the transaction are necessary to determine whether it is worth taking a higher concentration risk on a single deal. Fund of funds managers with portfolios of more than a hundred funds and thus potential exposure to thousands of PERE assets clearly have an advantage in assessing a deal's risk-adjusted performance potential.

Stable/Less Volatile Performance – A portfolio of PERE or infrastructure funds with different cash flow streams over the investment period provides for an investor a less volatile performance stream. A portfolio of funds is much more stable than single funds can be. For investors who are dependent on a regular income stream a fund of funds can be the ideal solution to generate stable cash flows.

Widen the Opportunities – Sometimes investors are restricted to invest in certain fund structures but are not prohibited to invest in the asset class at all. For structural issues fund of funds provide a blocker function and can enable an investor to use the fund of funds model as a gateway to access interesting PERE or infrastructure funds.

Fund of funds can not only give access to a market or sector but also help to find the right strategies in a market. As mentioned above the benefits of fund of funds are much more. Fund of funds managers are well specified asset managers which live on reputation, access, long term experience, negotiation power and a very special know how. This is the reason why there is only a handful of fund of funds manager in the PERE market. Deutsche Finance is one of the most active European managers and has been awarded many times. They offer great products and services for institutional clients and for individuals as well.

Deutsche Finance Business Model

When the partners of Deutsche Finance Group started their business 10 years ago, their vision was to establish an investment company offering diversified products for private and institutional clients different to the existing competitors. The target was not only to be different but to develop investment products which are more diversified, long term oriented, actively managed, more transparent and deliver higher performance based on risk adjusted returns.

Based in Munich with offices in Zurich and Paris today more than 50 people manage indirect investment vehicles for private individuals and institutional investors.

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Deutsche Finance fund of funds offer investors diversified access to institutional PERE and infrastructure strategies to delivering long-time superior investment performance, broad diversification, excellent manager allocation and ongoing risk management capabilities. Deutsche Finance Group is an investment company offering all types of clients tailor-made products with an excellent investment team, top in class investment managers and a well implemented investment process. Every target investment is handpicked, with a thorough due diligence process and serious negotiations to have a fully aligned investment manager. Deutsche Finance has access to the best in class managers in the PERE and infrastructure business. All of them are best positioned, well focused specialists for certain markets and sectors with proven track record of success over a long period. They all help us to capitalise on the extraordinary opportunities in the global PERE and infrastructure landscape.

Products - Private individuals for example are serviced with structured fund of funds (Deutsche Finance Private Funds). In this area Deutsche Finance offers two main product series: a short term PERE fund of fund series with a onetime investment cycle, and a long term PERE and infrastructure fund of funds with reinvestments and active management approach to build up a portfolio of real assets. Both products are in the market already for many years and more than 18.000 clients committed in these funds.

The product range for professional and institutional investors is very individual (Deutsche Finance Individual Funds/Deutsche Finance Institutional Funds). With regards to certain needs and restrictions of any individual investors Deutsche Finance is able to structure a tailor-made fund of funds strategy for a PERE and/or infrastructure portfolio. A broad diversification focus can also be on emerging managers, emerging markets, distress assets or even on a regional or sector focus. Additional services can be added as per request of the investor. The fields of competencies of Deutsche Finance are real estate and infrastructure, investment strategy, fund of funds, segregated accounts, fund selection, emerging managers, mature and emerging markets, value add and opportunistic investments, development and distress strategies.

Network – With investments of 4 billion USD in more than 200 investment strategies worldwide the investment team of Deutsche Finance is one of the most active European private market investors and most experienced teams in the international fund selection and co-investment arena. The company team established a worldwide network of GPs, LPs and service partners and earned a lot of reputation in executing secondaries and co-investment opportunities diligently and quickly. Thus, Deutsche Finance has a permanent access to interesting opportunities in this market. With their annual “Deutsche Finance Group Investment Forum” Deutsche Finance invites 150 of their best distribution people to learn more about their strategies and partners. Their quarterly organized “LP round table” is to bundle the know-how and investment power of some of the largest fund of funds investors in the European and US-market. It is a perfect platform to share investment ideas, create deal flow and maintain an approach as a well-respected player in the PERE and infrastructure asset management business.

Regulation – Deutsche Finance Group is an integrated investment company serving all steps of an investment process in-house. Fully regulated by German Financial Markets Supervisory Authority (BaFin) they stand for a well implemented investment process, a proper risk management and integrated compliance management. Furthermore they offer clients solutions for regulated and unregulated products.

Awards – Deutsche Finance has been awarded many times for their indirect investment strategy and innovative asset management team. Recently the company has been awarded with the fund awards 2015 as “Best for individual indirect investment portfolios in real assets” and 2016 as “Best Real Estate & Infrastructure Fund of Funds Manager – Europe”.