

EXCLUSIVE: Benson Elliot hits €625m hard cap for BEREP IV

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'Trust and track record' were behind the London-based private equity real estate firm achieving its largest capital despite Europe's geopolitical uncertainty, says managing partner Marc Mogull.

Benson Elliot has held the final closing for its latest European private real estate opportunity fund, Benson Elliot Real Estate Partners (BEREP) IV, PERE can reveal. Including co-investment capital, the firm has raised more than €700 million for the vehicle.

Launched last year, Benson Elliot originally targeted a capital raising of €600 million. However, due to strong institutional demand for the vehicle, the firm closed fundraising at €625 million with the extra capital coming via sidecar arrangements.

"Trust and track record. We have been helped greatly by both of those," remarked the firm's managing partner Marc Mogull. "In our sector, the strong and weak performers are pretty clear to see. We can give our investors 15 years of performance data: a long enough period to conclude the results we're delivering aren't a coincidence."

The fund was backed by approximately 30 investors, including private and public pension funds, university endowments, sovereign wealth funds, insurance companies and family offices. About 50 percent of the capital came from the US, with 40 percent from Europe and the balance from the Middle East and Asia. More than 60 percent was from repeat investors.

Benson Elliot did not disclose a target return for the fund, however, it is understood to have returned an average of 15 percent net to investors since its inception more than 10 years ago.

Speaking to PERE a day before the result of the Britain's EU referendum, Mogull said: "Market uncertainty and industry change are constants in our world. Investors are reluctantly accepting that when they go into the water, the waves are choppy. So they look for managers with experience and teams who really have been through battles before. They are hiring us to take advantage of distress and market distortions."

Benson Elliot has already deployed a significant amount of BEREP's capital in nine transactions across six countries. Besides prime hotels in Paris and Milan, offices and residential properties in Berlin and a shopping center in Bologna, the firm also has acquired three shopping centers in the UK, investments Mogull said were defensive in nature. "We look for dominant retail in its market," he said.