

Commerz Real Luxembourg issues infrastructure fund

- **Focus on the energy generation and energy networks sectors**
- **Planned equity capital of 500 million euros from institutional investors**
- **IRR of six to eight per cent per annum planned**

Commerz Real has issued an infrastructure fund through its Luxembourg-based company CR Fund Management S.à r.l.. With a term of around 15 years CR Institutional Infrastructure Multi-Asset Fund II intends to invest in at least six to eight infrastructure projects. To this end Commerz Real intends to acquire approx. 500 million euros through institutional investors. These are to receive an internal rate of return (IRR) of six to eight per cent per annum. The fund is structured as an SICAV-RAIF (SICAV = société d'investissement à capital variable / investment company with variable capital; RAIF = reserved alternative investment fund) in the legal form of an SCA (société en commandite par actions / partnership limited by shares). "With this internationally established structure we are consciously also addressing foreign investors," explains Johannes Anschott, the member of the board of Commerz Real responsible for institutional business.

With approx. 60 per cent of the total investment costs the focus of the CR Institutional Infrastructure Multi-Asset Fund II is on the two sectors energy generation and energy networks, as well as other energy infrastructure. As much as 20 per cent may be invested in the transport/mobility sector and 20 per cent in other infrastructure projects. The geographical focus is to be placed on Europe, as much as 40 per cent of the investments may also be allocated outside of the European Economic Area. In this respect the objective is to issue at least 90 per cent in euro or with currency hedging. The investment strategy is geared to core and core-plus, but may be supplemented with selective opportunist shareholdings. These may not account for more than 25 per cent of the fund assets, however.

"With the new fund we intend to give our investors the possibility to profit from the attractive opportunities of a segment whose capital requirements are soaring worldwide, and in doing so to utilise our many years of experience in the infrastructure sector," says Anschott. According to estimates by the Global Infrastructure Hub (GI Hub), an organisation established by the G20, global spending on infrastructure through to 2040 is expected to rise to more than 4,500 billion US dollars. In this respect nearly 90 per cent of the estimated capital expenditure requirements are accounted for by the energy, transport and mobility sectors. Alone for the period from 2017 to 2020 GI Hub expects a global investment shortfall of approx. 1.7 billion US dollars. In the past 20 years Commerz Real has structured and managed more than 70 infrastructure projects with a transaction volume of more than 4.1 billion euros.

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Commerz Real Fund Management S.à r.l.

Commerz Real Fund Management S.à r.l. is a wholly-owned subsidiary of Commerz Real. The company, founded in 2014 and domiciled in Luxembourg, is responsible within the Commerz Real Group for the issue, marketing and management of Luxembourg alternative investment funds (AIF).

Commerz Real AG

Commerz Real is a subsidiary of Commerzbank AG with more than 45 years of market experience and approximately 31 billion euros in assets under management. The company combines comprehensive know-how in asset management and a broad-based structuring expertise to deliver its signature range of services of fund products focused on tangibles and bespoke financing solutions. The fund spectrum includes the open-ended real estate fund hausInvest, institutional investment products as well as entrepreneurial participations in real estate, aircraft, regenerative energy and ships. In its role as leasing company of Commerzbank Group, Commerz Real offers tailored equipment leasing concepts along with bespoke financing arrangements for assets such as real estate, big-ticket equipment and infrastructure projects. www.commerzreal.com