



# Lipa Real Estate Fund

**Value driven income  
and growth**

June, 2020

# An introduction to the Lipa Real Estate Fund



- The Lipa Real Estate Fund features a “Core Plus” strategy focused on income producing properties in the heart of Europe. The Prague based investment management team is comprised of seasoned team of managers with more than 20 years of experience and a strong network of contacts. Our managers will seek opportunities in the Czech Republic, Poland, Austria, Germany and Northern Italy.
- The Fund targets a return of 12% per annum including a dividend of 3%. The managers plan to invest in a mix of about 75% income producing properties and 25% properties near to completion that can be readily developed and improved.
- The Fund is capped in size at a maximum of EUR 100 mn so it will be poised to exploit a wider set of opportunities than would normally be available to larger funds.
- The Fund is designed for relatively conservative investors who are willing to accept limited risk in exchange for the prospect of a stable and predictable return from a diversified portfolio.
- The management team follows a highly disciplined [investment process](#) and is lead by real estate veteran [Arnaud Bricout](#).
- More information can be found on our web: [Symfonie Lipa Real Estate Fund](#)

COVID-19 created a global economic dislocation, thus opening up new opportunities. The impact on the real estate sector is substantial:

- General economic slowdown may force highly leveraged investors to sell
- Banks are likely to revalue real estate in order to increase collateral
- Hotel occupancy and rates are likely to decline
- Retail occupancy and rates are likely to decline
- Commercial space will be more competitively offered
- Developers are likely to see a longer than anticipated exit windows
- Development projects may be delayed or foregone

***The Lipa opportunity is to identify income generating properties than can be purchased at attractive prices, thus generating yield and medium term capital appreciation.***

- **Target 12% return per annum**
- **Target annual income distributions 3%**
- Geographical focus: Central Europe
- Targeted asset class: Light Commercial & Residential
- Approx. 60% completed with income & growth potential
- Approx. 25% development completed, near completion or ready for development for rental and resell or sale directly
- Up to 15% for special opportunities
- Maximum LTV: 50%
- Minimum of assets targeted: 10
- % maximum invested by assets: 20% of equity
- Active currency policy if needed
- Max. leverage 1:1
- Maximum EUR 100 million fund size, first close EUR 25 million in commitments
- Fully invested within 12 months
- Drawdown as and when projects are identified

# Key Fund Terms

Term	Description
Investment Manager	Symfonie Capital, FCA Reg 580587
Minimum commitment	EUR 50,000
Legal Structure	Delaware LP
Valuation Currency	EURO
Lockup period	6 years
Management fee	2%
Performance fee	20% over 8% hurdle
Acquisition fees	Up to 2% of total deal size
Maturity	6+1+1
Valuation	Annual
Valuer	TBD
Reports	Quarterly
Auditor	PWC
Legal	TBD

# Portfolio Structure

Project Categories	Valued Added Management	Fully Leased	Near Completion	Special Opportunities
% of Fund	40%	30%	15%	15%
Project horizon	5 years	5 Years	18 months	24 months
Gross running yield	5%	4%	4%	
Capital appreciation	3%	3%	25%	35%
Equity/Debt	50%/ 50%	60% / 40%	100%	100%





- CZ residential thus far resistant
- Covid currency effect in CZK and PLN – rebound will deliver of itself capital value for Euro denominated
- The low interest rate environment to bring Flight to quality " to core commercial assets showing resilience.
- Working-from-home (WFH) is a game changer - satellite offices outside of larger cities may be a new trend
- Market will be favorable to unleverage funds, alternative lenders will gain market share.
- Bigger demand for online shopping and increase in flex/co-working or shared arrangements
- The spread between RE Yields and Gvt Bonds yields remains at levels that more sufficiently reward the RE Investor.
- Multifamily widely considered to be most resilient sector to the RE impacts from Covid.

- A dedicated team of professionals with decades of experience and a track record of success in European Real Estate
- Professional investment managers with experience in financial analysis, transaction structuring, fund management, and real estate markets



Arnaud Bricout

*Investment Principal*

- 30 years experience managing European real estate investments



Michael Sonenshine,

CFA

*Symfonie CEO*

- 30 years in fund management, banking and credit analysis



Paul Kucera

*Property analyst*

- 25 years experience in business consulting, marketing and real estate





- Established in 2012, offices and affiliates in the US, UK, CZ, Poland and other CEE and EU markets
- Founding partner has 30 years experience as an emerging markets equity and credit analyst and investment manager
- Real estate partner has decades of financial, fund and real estate experience with significant EU and CEE real estate track record
- Team has experience in financial analysis, transaction structuring, IPOs, fund management, strategic communication, startup, digital and real estate markets

			
<ul style="list-style-type: none"><li>✓ Tailored investment management solutions</li><li>✓ Corporate advice and transaction management</li><li>✓ Capital raising</li><li>✓ Debt restructuring</li></ul>	<ul style="list-style-type: none"><li>✓ Professionally managed Angel and P2P investments</li><li>✓ Focused opportunities and diversified portfolios</li><li>✓ Bringing entrepreneurs and investors together</li></ul>	<ul style="list-style-type: none"><li>✓ P2P lending</li><li>✓ Financing credit worthy small and medium sized businesses</li><li>✓ Self-directed and automated investment selection</li></ul>	<ul style="list-style-type: none"><li>✓ Communications management &amp; strategy</li><li>✓ Marketing and business development</li><li>✓ IT project management</li></ul>

## Michael Sonenshine: CFO

Mr. Sonenshine has over 30 years of experience in investment management and banking. He specialises in credit investments. His investment process is research driven with an emphasis on fundamental analysis. He founded Symfonie Capital in 2012. He is the architect driving the establishment of a Peer to Peer lending platform in Central Europe, under the SymCredit and SymVest brands. His experience includes:

- 2012–... Symfonie Group – SymCredit, SymVest, Symfonie Capital, Symfonie Consulting
- 2003–2012 MT Thaler, Prague/London: CEO/Partner, Head of Research. Investment funds focused on central and eastern Europe and pan-European credit markets
- 2000–2003 CSFB, London: European High Yield Debt Research
- 1998–2000 ING Bank, London: European High Yield Debt Research
- 1995–1998 ING Investment Management, Prague: CEO, Czech Republic
- 1994–1995 ING Bank, London: Analyst
- 1993–1994 Driehaus Capital, Prague: Analyst
- 1992–1993 Evrobank, Prague: Advisor
- MBA William Simon School, University of Rochester
- B.A., Tufts University

## Arnaud Bricout: CEO

After graduation, Arnaud spent the first 16 years of his career in financial markets as General Manager of the brokerage firm Fortis Securities after a very successful MBO. During this time he handled more than 20 IPOs. Joining Orco Property Group, a former corporate client, he undertook more than 1000 road-shows globally within 6 years, raising close to 1 Billion Euros through different instruments including straight equity, step-up equity programs, commons bonds, convertible bonds or bonds with warrants attached. Arnaud also collaborated on the launch of Endurance Real Estate Fund with 2 sub-funds managing CEE investment properties and development with a value of 250 mil. EUR. Currently he is a 50% shareholder of Impulse Corporate Finance, a fund raising and advisory service based in Paris. He still manages his own portfolio of flats in Prague.

- 2020–... Symfonie Lipa Real Estate Fund: Principal
- 2018–2019 Master Management Group Poland: Vice President Corporate Finance
- 2015–... Impulse Corporate Finance: Non-executive Chairman, Senior Advisor
- 2012–2015 Realitka-Zdarma, Prague: General Manager
- 2010–2011 Capeor: Fund Manager
- 2003–2009 Orco Property Group, Paris/Prague: VP Corporate Finance and Financial Communication
- 1987–2003 Fortis Securities, Paris: General Manager
- Paris Dauphine University, Masters in Management

## Paul Kucera: COO

Mr. Kucera is responsible for overseeing Symfonie Group's marketing efforts and business development, a field with which he has close to 30 years experience. Prior to joining Symfonie Group, he worked with startups, international agencies and individual companies as a business development and marcom consultant / interim manager. He is the responsible for the Symfonie Consulting arm, founded in November 2018, that advises both SymCredit, SymVest and external clients. He has experience with real estate and real estate insurance. Prior to this his experience includes:

- 2018– Symfonie Group: Partner
- 2017–2018 Symfonie Group: External consultant including for clients (Big Terra, Skriply, Boldbricj etc.)
- 2017–2019 Keller Williams: Advisory work to CZ Master Franchisee – setup and launch, also via Symfonie
- 2016 OKsystem: C-suite advisory work for rebranding and relaunch of Babelnet (now BabelApp) encrypted communication platform in Prague and Brussels
- 2012–2019 Hill+Knowlton + Ogilvy Prague: Senior and Managing Consultant (including merger of former into later)
- 2010–2013 Guarenty Group: Co-founder, residential tenant default insurance
- 2007–2010 Osin Financial: Partner, SME operational refinancing
- 1994–2004 Eklektik Porter Novelli: Partner / COO – Public Relations & Public Affairs

## **Zuzana Cinařová:** Client services and operations manager



Ms. Cinařová oversees all client administrative and operational issues for Symfonie in the SymCredit P2P arena, monitoring and improving the integrity and efficiency of all operational processes, on both sides of the marketplace (loan servicing processes, loan bidding and funding, investor reporting, etc...). She also manages day-to-day operational tasks and works on the development and continuous improvement of process flows and related operational tools.

- 2015– Symfonie Group – SymCredit, SymVest Client services and platform operations manager
- 2011–2015 CQK Holding – Operations Manager
- B.A, Charles University - Faculty of Humanities



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