



European pension fund invests in Australian real estate debt via MaxCap

BY FLORENCE CHONG | 12 JULY 2023

An unnamed Northern European pension fund has committed A\$200m (€121m) to a vehicle managed by Australian real estate debt specialist MaxCap.

The investment into the MaxCap Investment Trust marks the entry of the institution, which is described as the largest pension plan in its home market, into Asia-Pacific, with Australia as its key market.

Robert Hattersley, MaxCap group head of capital, told IPE Real Assets the investor had long-term exposure to the CRE market in the US and Europe.



The investor saw an opportunity, he said, that existed in Australia's nascent commercial real estate debt market, which in the current environment offered better returns at lower risk than real estate equity investment.

"Our sector presently benefits from strong structural tailwinds, heavy regulatory pressures on the bank sector and negative correlations to real assets and equities," said Hattersley.

The investment from the European investor was currently the single-largest in the evergreen Maxcap flagship fund, he said, adding that several other foreign and Australian investors were undertaking due diligence, and were expected to make commitments, some of the same magnitude, to the MaxCap fund.

"It has two investment sleeves. Investors have the option of the first-mortgage sleeve, which delivers 9% plus returns, net of fees, or the high-yield sleeve, which delivers 12% plus returns, net of fees." The European investor had opted for the first-mortgage sleeve.

"The fund has is a deep diversified pool of credit, made up of 45 loans totalling A\$1.1bn," Hattersley said.

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