

Hedge Funds

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MJ Hudson advises West 4 Capital on US REITs fund launch

MJ Hudson's Hedge team acted as lead counsel for West 4 Capital in relation to the launch of a fund with a Cayman Islands 'mini-master' structure investing in non-listed US real estate investment trusts (REITs). The fund will invest in REITs focusing on specialised areas of the US real estate market and is based on an existing strategy which was successfully launched for Israeli investors.

West 4 Capital was founded by Omer Granit, who is a member of the board of Balkan Energy Investments and the Monte Rosa Private Equity Fund. Granit was previously a member of the board of the Dragon Variation Fund and Head of M&A and Managing Director at Migdal Capital Markets. Yaron Eilat, Managing Partner, was previously VP of Business Development at Conduit and Senior Product Manager at Yahoo! in San Francisco. West 4 Capital has offices in London and Israel.

The firm is targeting assets of \$1bn within three years of the new launch and will distribute at least 90% of its revenue to investors, in accordance with US Reit regulations.

Leverage within the fund is limited to 70%. The current non-listed US Reit market is around \$100bn in size.

Dividend yield on the fund is anticipated to be between 5% and 7% with low correlation to bond and equity markets.

West 4 Capital is targeting returns of between 8% and 12% based on the performance of the Israeli investor portfolio.

The firm will have a 12month lock-up period, charge a management fee of 1% with a 15% performance fee over a hurdle rate of 3.5%.