

PRESS RELEASE



FOR THE ATTENTION OF THE EDITOR

DATE: 26th February 2008

Just how easy is it to set up an investment fund? – Could you do it?

The Romanian Eagle Land Fund is the brain child of Dr Simon Pearce-Hughes. Simon's initial interest in Romania was spurred by charity work that brought him into contact with members of the then incumbent government. "I saw the profits that people were making from relatively straight forward land deals and was staggered. They were turning 700-800 per cent on deals just by buying in the right place," said Simon.

After dealing successfully on the Romanian real estate market Simon teamed up with Edward Russell, an Englishman, who was amongst the first to actively trade in the country, to form Homes in Romania Ltd.

Edward and Simon initially marketed single-asset companies to high net-worth and sophisticated investors in the UK. "This structure provided an alignment of interests with the investor and a chance to build track record, our ultimate goal was always the creation of a vehicle that could roam Romania seeking opportunities and acting upon them in a swift and relatively discretionary manner."

It was obvious to them that a vehicle would need to offer the investor credible security backed by a recognised organisation. This is what they set out to achieve.

Simon explained, "In early 2007 I approached LLP services, a fund promoter, in London with my idea; they had been working with smaller investment structures and agreed to help. Through LLP Services we obtained backing from Fortis Fund Services in Guernsey. We decided to list the fund on the Channel Islands Stock Exchange, this proved an important tool for us, not only was it cheaper than using AIM but it endowed us with the credentials necessary to attract some institutional investment. We opted for a cell company approach; this is a relatively new structure in the Channel Islands which provides ring fenced liability together with certain economies of scale which suited us perfectly.

LLP Services also helped us to implement the legal and administrative structures necessary for the running of such a company. There were numerous stringent background checks which, now that they are in place, will make any subsequent investment structures easier to set up.

We spent the best part of a year jumping through regulatory hoops, however, it has all been worth it in the end and there is a huge satisfaction in seeing people invest in a fund that you have put together”.

The fund was launched towards the end of 2007 and the closed ended raise period concluded in 2008 with €7m in the pot. Not bad for a first attempt at an investment fund!

The fund has now just three years to deliver its promises to its investors. Edward Russell is now heading up operations in Romania where he and his team of scouts are busily seeking suitable land and property to for the fund. Simon adds “Ed and I trust each other implicitly; he’s got a great talent for finding a deal and the deals are there if you know where to go and who to ask. Ed does”.

‘The investors are for the most part sophisticated investors; many of them City professionals, notwithstanding that anyone can invest. The proposition of a land trading fund appeals to those who are not keen on long-term development risk’.

So says Robert Guest, Partner to Beachcroft LLP, legal advisor to the Romanian Eagle Land Fund.

Robert Guest goes on to say ***‘The fund’s main activity is to buy land, obtain planning permission and sell it. Investors believe that Romania will continue to develop at a cracking pace over the next three years and the fund will benefit accordingly. Investors like to see that there is a local management team in place with a decent track record as in this case.’***

So what’s next for Simon, Ed and Romania?

“Well, I don’t want to give too much away, explains Simon, but the possibilities out in Romania are endless and we are looking at several different avenues at the minute. One thing for sure is that we are committed to providing investors with quality products and will continue to do so for a very long time. Both Ed and I have shown that if you are absolutely committed and structure a fund that investors will go for then anything is possible, all it takes is hard work”.

END

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