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### **New data centre fund showcases Guernsey's capability**

The UK's largest data centre is being built by a new fund that is domiciled and administered in Guernsey and listed on the Channel Islands Stock Exchange (CISX).

The PFB Data Centre Fund has been set up to focus on the specialist property sector and has entered into a joint venture with a German-based developer e-shelter to build a data centre facility on a 50 acre site at Saunderton, near High Wycombe in Buckinghamshire. The development should rank as the second-largest data centre facility in Europe.

The fund has been established as a Guernsey registered closed ended investment company and is listed on the CISX. It is managed by Pinder Fry & Benjamin in the UK and International Administration Guernsey (IAG) has been appointed as the administrator. The legal advisers are Macfarlanes in the UK and Carey Olsen in Guernsey.

The development has already gained notable publicity through a recent article in the *Financial Times*.

"This is a prime example of how Guernsey can provide a one-stop shop for funds," said Peter Niven, Chief Executive of GuernseyFinance – the promotional agency for the Island's finance industry.

“The Island has a registered fund regime that provides a fast-track process for regulatory consent, legal and administration capability with experience and expertise of the broadest range of asset classes and also a local stock exchange offering primary and secondary listings in a pragmatic environment. It is this offering which enables Guernsey to continue to punch above its weight as a leading funds jurisdiction.”

Alison Simpson, Chief Executive of IAG, who is on the fund’s board, said: “We are extremely delighted to have been appointed as administrators to this fund which has gained significant media coverage for investing in what is a specialist but potentially very rewarding market.

“At IAG we pride ourselves on delivering a personal service and this mandate shows that the team is more than capable of delivering for the complete range of funds, including those that have public profile and are particularly niche.”

The PFB Data Centre Fund aims for the development at Saunderton to tackle the bottleneck in modern data centre supply.

A shortage of data warehousing has followed the failure of many former data centre operators, which were wiped out following the dotcom bust eight years ago. An expansion in the supply of data centres has also been limited because the cost of developing the properties is high and their stringent locational and energy supply demands.

At the same time there has been an explosion of online consumer spending, data-rich online applications, such as video and peer-to-peer file sharing and tougher regulation on financial services groups’ retention of data. All of these factors have boosted demand.

The fund has agreed to finance the acquisition and development of the Saunderton site. This is the first investment for the fund and it is in discussions with e-shelter about further opportunities in the UK and on the Continent.

The Saunderton site is being acquired from Molins, the tobacco machinery manufacturer, for £17.5m. Once the site has been developed and the data centres have been fitted out, its gross value could be approximately £1bn.

The fund aims to raise between £100m and £200m of equity, through a number of share offers, by the end of 2009. The second share offer closes at the end of June. The fund will have a life of five to seven or more years and the manager anticipates returns, based on various assumptions, of 17% to 19% a year.

Ben Morgan, Partner at Carey Olsen, said: "The team here at Carey Olsen has extensive experience and expertise in structuring funds varying from the traditional to alternatives such as funds of funds, private equity and property. Increasingly we are seeing the specialist closed ended funds taking advantage of the new fast-track process for gaining regulatory consent that is available to them. The PFB Data Centre Fund is a particularly interesting example of the sort of funds coming to the Island."

**Release Ends**