



14 March 2018

Swiss Life Asset Managers continues to grow its European real estate business

- **Europe-wide real estate transaction volume stood at EUR 3.9 billion in 2017**
- **The total portfolio of properties under management at the end of 2017 shows an increase of EUR 1.8 billion to EUR 69.2 billion**
- **Switzerland: qualitative portfolio growth and investments in emerging niche segments**
- **France: launch of pan-European retail real estate fund and first SCPI**
- **Germany: public real estate fund wins "Scope Award" for best product innovation**
- **UK: expansion of "core and value-add" funds**
- **Outlook: focus on growth in fund and services business**

The asset manager Swiss Life Asset Managers reports positive results for its real estate business in the 2017 financial year. During this period, the company engaged in Europe-wide real estate transactions amounting to around EUR 3.9 billion. In the context of its operations in the core markets of Switzerland, Germany, France and the UK, 2017 saw the acquisition of residential and commercial properties worth a total of around EUR 2.9 billion. The purchases compare with disposals of residential and commercial real estate over the same period amounting to around EUR 1 billion. At the end of 2017, Swiss Life Asset Managers managed real estate across Europe worth a total of EUR 69.2 billion.

In 2017, the real estate acquisition business was dominated by individual and portfolio acquisitions for investment vehicles managed by Swiss Life Asset Managers as well as for the real estate portfolio of Swiss Life's insurance companies. The retail and residential use classes accounted for the bulk of the acquisitions amounting to some EUR 2.9 billion. While more than EUR 1.2 billion flowed into retail properties, just under EUR 1 billion was spent on buying residential properties.

Stefan Mächler, Group CIO of Swiss Life, says: "All real estate units contributed to the positive trend of our results. In 2017, we expanded our range of fund products for institutional and private investors internationally and in this way are giving our clients unique access to the European real estate market. But the environment remains challenging, interest rates remain still low, transaction

volumes were down slightly and the European real estate market did not grow as strongly in 2017 as in the previous year.”

Switzerland: Focus on qualitative portfolio growth

Swiss Life Asset Managers is aiming for a further incremental expansion of its real estate holdings in Switzerland by purchasing outstanding properties in top locations in the residential, office and retail sector. Investment will also focus on niche segments with high growth potential such as healthcare properties, student residences and coworking spaces. In addition, at the end of 2017 Swiss Life Asset Managers launched a real estate fund exclusively for purchase by qualified investors, which invests in prime-quality properties across European cities and regional centres. The most important individual acquisitions in Switzerland include the mixed-use property "Hochhaus zur Palme" in Zurich, the "Esplanade 1" new-build office building in Geneva's Pont-Rouge quarter and eight residential high-rise buildings in a new area of Schaffhausen being built on the former steel foundry site.

France: launch of pan-European retail real estate fund and first SCPI

Last year saw Swiss Life Asset Managers launch eight new funds, including a pan-European retail real estate fund exclusively for purchase by institutional investors in France and the first SCPI real estate fund, similarly for purchase only by French investors. Aimed at French private investors, the public real estate fund invests in French and German operator-run properties, such as hotels or healthcare properties. Last year's most important individual acquisitions in Paris included the "Palatin I" office building in the "La Défense" district, the office building at "83 Rue la Boétie", the "Ivry" student residence project and the food and gastronomy market hall "Secrétan", as well as the "Les Bains Douches" project, which combines living with coworking and was nominated for the "Reinventing Paris" competition. Furthermore, an OPCI public fund was named best OPCI in 2017 ("Victoires de La Pierre-Papier").

Germany: Public real estate fund commences operations and garners "Scope Award" for best product innovation

Last year, CORPUS SIREO Real Estate, which is active in Germany together with Swiss Life KVG, launched five new special real estate funds and investment vehicles for institutional investors via the regulated platforms of Swiss Life Asset Managers in Germany and Luxembourg. In addition, an open-ended public real estate fund intended exclusively for German private investors was launched. The fund already owns ten properties with an investment volume of around EUR 200 million and at the end of 2017 won the "Scope Award" for the best product innovation. While the institutional funds concentrate on investments sectors types such as office, retail or healthcare, this

public real estate fund pursues a diversified investment strategy. The focus is on German and European residential and healthcare properties as well as office and retail properties. Major acquisitions in 2017 include the "Oasis" office complex in Prague, the "Marximum" office complex in Vienna, the mixed-use "Castra-Regina-Center" in Regensburg and the "GK Residential" portfolio with properties in six German cities. 2017 also saw the acquisition of undeveloped or developed plots of land for new construction projects or for the revitalisation of residential and commercial properties at a large number of attractive individual locations in Germany. The largest single acquisition was made in Frankfurt am Main, where a new build project will see the construction of 180 apartments in the Bockenheimer district by 2021.

UK: Expansion of "core and value-add" funds

With their thematic approach, Mayfair Capital's real estate specialists primarily focus on acquiring real estate assets with the potential for rental growth. These were added to the European real estate funds launched by Swiss Life Asset Managers. Mayfair Capital pursues a disciplined thematic approach with its investments on behalf of various new and existing fund vehicles. It mainly invests in properties benefiting from their core themes technology, infrastructure and demographics, leading to a focus on the following sectors: regional UK offices, distribution and logistics, and healthcare. Major acquisitions in 2017 included the "6 Queen Street" office block in Leeds and the Centrica Building in Oxfordshire. Mayfair's existing funds also performed very strongly in 2017 relative to their absolute and relative benchmarks.

Investments in healthcare properties take up the company-wide guiding theme of "the longer self-determined life"

All in all, Swiss Life Asset Managers purchased healthcare properties in the three-figure million EUR range for special institutional funds, as well as for the German open-ended public real estate fund. In this way, Swiss Life Asset Managers is responding to the Swiss Life Group's guiding theme of "the longer self-determined life", which the company consistently addresses in its Group-wide campaigns, making it a topic of public debate.

Outlook: Fund and service business to continue to grow

In response to high client demand, Swiss Life Asset Managers plans to further expand its real estate fund volume. This segment forms the focal point of growth in the company's real estate operations. With new fund investment solutions and its European pillars, Swiss Life Asset Managers aims to meet the needs of institutional investors such as insurance companies, pension funds and employee benefits institutions.

Swiss Life has defined the investment business for third parties as a growth driver. Stefan Mächler has this to say: "The 'real estate' asset class plays an important role for the Swiss Life Group. In a property market that continues to make positive headway, we are posting attractive returns compared with risk-free investments. Growth in real estate business thus needs to expand to all key real estate markets in Europe."

In the medium term, therefore, Swiss Life Asset Managers will not only have a presence in its core European markets of Switzerland, Germany, France and the UK, but will become more active with its own local operations in the Scandinavian, Benelux and Central and Southern European investment markets.

Disclaimer

This media release is not intended as a solicitation or recommendation to buy or sell investment instruments, but only serves to provide information. The funds may be purchased only in the country and for the investor category mentioned in each case.

INFORMATION

Switzerland

Swiss Life Media Relations

Phone: +44 43 284 77 77
media.relations@swisslife.ch

Investor Relations

Phone: +41 43 284 52 76
investor.relations@swisslife.ch

France

Swiss Life REIM France

Carine Quentin, Directeur Marketing et Communication
Phone: +33 4 91 16 34 86
carine.quentin@swisslife-reim.fr

Germany

CORPUS SIREO Real Estate

Yvonne Hoberg, Director Public Relations
Phone: +49 221 39 90 0 120
yvonne.hoberg@corpussireo.com

UK

Mayfair Capital Investment Management Ltd.

James Lloyd, Director of Business Development and Marketing
Phone: +44 20 7291 6664
jlloyd@mayfaircapital.co.uk

www.swisslife-am.com



Swiss Life Asset Managers

Swiss Life Asset Managers has over 160 years of experience in managing the assets of the Swiss Life Group. This insurance background has exerted a key influence on the investment philosophy of Swiss Life Asset Managers, which is governed by such principles as value preservation, the generation of consistent and sustainable performance and a responsible approach to risks. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg and Great Britain.

As at 31 December 2017 assets under management for third-party clients amount to EUR 52.5 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 191.1 billion.

Swiss Life Asset Managers is the leading real estate manager in Europe¹. Of the assets totaling EUR 191.1 billion, EUR 44.3 billion is invested in real estate. In addition, Swiss Life Asset Managers has real estate under administration of EUR 24.9 billion through its subsidiaries Livit and Corpus Sireo. Total real estate under management and administration at the end of December 2017 thus came to EUR 69.2 billion.

Swiss Life Asset Managers employs about 1600 people in Europe.

¹ PropertyEU, Top 100 Investors, October 2015, 2016 and 2017