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Expo Real 2019: Swiss Life Asset Managers continues to grow its European real estate business

- **Total portfolio of properties under management at the end of June 2019 shows an increase compared to year-end 2018 of EUR 5.5 billion to EUR 86.5 billion**
- **Switzerland: qualitative portfolio growth remains in focus**
- **France: premium office portfolio worth EUR 1.7 billion acquired in Paris**
- **Germany: BEOS expands real estate portfolio, launch of “Swiss Life REF (DE) European Living” public fund**
- **United Kingdom: Mayfair Capital launches two new theme funds**
- **Outlook: ESG approach to be extended to all asset classes and countries**

Swiss Life Asset Managers reports positive results for its real estate business in the first half of 2019. The real estate business has continued to grow: at the end of June 2019, Swiss Life Asset Managers managed real estate across Europe worth a total of EUR 86.5 billion. That corresponds to an increase of EUR 5.5 billion (+6.8%) compared to the end of 2018.

Stefan Mächler, Group CIO of Swiss Life, says: “Our plan is to continue to grow in those parts of Europe where there is heavy demand from institutional and private investors for long-term investment solutions with a pan-European reach. We offer pan-European real estate funds investing in established and emerging segments, in addition to local investment opportunities, to investors in our core markets of Switzerland, Germany, France and the United Kingdom, and to international clients who want to invest in Europe. We thus provide our clients and partners with unique access to the European real estate market.”

Switzerland: the focus remains on qualitative portfolio growth

In Switzerland, where Swiss Life owns the country’s largest privately held real estate portfolio worth over CHF 30 billion at the end of June 2019, the focus is on incremental portfolio expansion through the acquisition of residential and commercial property and through the acquisition of development sites with high location quality and excellent property features. Furthermore, investments are being made in forward-looking segments with growth potential, for example

healthcare properties, student housing and coworking spaces. The BASF Klybeck site in Basel is a significant acquisition made in the third quarter of 2019. It offers the unique opportunity to develop a new urban area. Other important transactions included the purchase of a residential and commercial construction project in Winterthur and two prominent commercial buildings in Zurich. The successful listing of the “Swiss Life REF (CH) Swiss Properties” real estate fund on SIX Swiss Exchange on 11 June 2019 was a milestone for Swiss Life Asset Managers. The overall market capitalisation came to over CHF 1 billion. Moreover, the Swiss Life Investment Foundation is planning to open the “Real Estate Switzerland” and “Commercial Real Estate Switzerland” investment groups at the start of December 2019, in the amount of up to CHF 650 million.

France: premium office portfolio in Paris worth EUR 1.7 billion

The acquisition of a core office real estate portfolio from Foncière Terreis in France in the central business district of Paris at a value of about EUR 1.7 billion was the largest real estate transaction in the country in the first half of 2019. In addition, a number of investments were made in four recently issued investment vehicles for institutional investors in the retail, hotel, outdoor hotel and impact investing sectors. Furthermore, the first club deal OPCI was liquidated shortly following the sale this summer to Icade and Primonial of a health portfolio worth about EUR 250 million. Health and ageing remain topics of current interest, what with investments in France this year being focused for the most part on senior citizens’ residences. Finally, Swiss Life Asset Managers confirmed its position as a leading provider of public real estate funds and its commitment to sustainable real estate development in France according to the latest rankings issued by the market research institute IEIF.

Germany: BEOS expands real estate portfolio, launches “Swiss Life REF (DE) European Living” public fund

BEOS AG increased its total investment volume under management to just under EUR 3.7 billion in mid-2019. The portfolio now comprises over 120 corporate properties. Beos acquired several properties for the “BEOS Corporate Real Estate Fund Germany III” (CREFG III) open-end real estate special AIF, including corporate real estate in Berlin and Hanover plus two commercial properties from Siemens AG in the metropolitan region of Nuremberg. CREFG III already achieved its target volume of EUR 1.3 billion with a capital increase in summer 2018. In addition, acquisitions for “BEOS Corporate Real Estate Fund Germany IV I” (CREFG IV), “BEOS Value Investment Fund Germany I” (BVIFG I) and for other institutional investors ensured positive business development.

The public real estate fund business in Germany also underwent further expansion with the support of Corpus Sireo. The “Swiss Life REF (DE) European Living” open-end real estate fund will be launched with Deka. It is managed by Swiss Life Asset Managers, distributed via Deka and

invests in residential real estate in European metropolitan regions. The “Swiss Life REF (DE) Living + Working” open-end public real estate fund now has 18 properties in four European countries with an investment volume in excess of EUR 350 million. It invests in European residential and healthcare properties as well as office and retail properties. One of the larger acquisitions by Corpus Sireo in the first half of 2019 was the purchase of the landmark property ZOOM at Bahnhof Zoo in Berlin, in conjunction with Bayerische Versorgungskammer (BVK). Corpus Sireo acquired healthcare properties in Berlin, Cologne, Düren, Solms and Wilhelmshaven for the special healthcare funds and “Living + Working”. Corpus Sireo also made progress with its project development business, with 43 000 square metres of office space currently undergoing development. There are also about 2500 new apartments undergoing construction throughout Germany.

United Kingdom: Mayfair Capital launches two new theme funds

Mayfair Capital expanded its portfolio in the first half of 2019. Real estate was acquired for institutional, family office, charity and foundation clients in the UK and Ireland. Mayfair Capital Property Income Trust for Charities (PITCH), an investment instrument for foundations in the UK, has maintained its position as UK’s best-performing diversified private equity real estate fund over three, five and ten years. The “UK Thematic Growth Fund” launched in 2018 pursues a “value-add strategy” based on a forward-looking thematic approach and focuses on key trends infrastructure, demographic change and technology. It was provided with starting capital by Swiss Life and has invested in the region of GBP 100 million including third-party equity capital. Swiss Life Asset Managers has also launched two new theme funds with the support of Mayfair Capital: the “European Thematic Income & Growth Fund” (TIGR) and the “Swiss Life London Office Club” (LOC). Both funds target institutional investors. Initial acquisitions for this new fund are imminent with the office ensemble Kustermann Park in Munich and an office building in London (Moorgate/Liverpool Street).

Outlook: ESG approach to be extended to all asset classes and countries

Since mid-2018, Swiss Life Asset Managers has systematically integrated sustainability criteria from the Environmental, Social & Governance (ESG) triad into its risk management and investment strategy. The asset manager wants to extend its sustainable investment approach to all asset classes and countries in which it operates in order to align its investment goals more with clients who consider sustainability criteria in addition to financial aspects in their investment decisions. “We are emphasising our support for sustainable investment solutions by intensifying and harmonising our ESG activities. This will enable clients to benefit more from our know-how in the future”, says Stefan Mächler.

Disclaimer

This press release is neither an invitation nor a recommendation to purchase or sell investment instruments; it is intended for informational purposes only. The funds can only be acquired in their respective countries and by the respective type of investors mentioned.

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Swiss Life Asset Managers

Swiss Life Asset Managers has more than 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. That's how we lay the groundwork for our clients to make solid, long-term plans – in self-determination and with financial confidence. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg and the UK.

As at 30 June 2019 assets under management for third-party clients amount to EUR 71.6 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 225.0 billion.

Swiss Life Asset Managers is the leading real estate manager in Europe¹. Of the assets totaling EUR 225.0 billion, EUR 60.5 billion is invested in real estate. In addition, Swiss Life Asset Managers has real estate under administration of EUR 26.0 billion through its subsidiaries Livit and Corpus Sireo. Total real estate under management and administration at the end of June 2019 thus came to EUR 86.5 billion.

Swiss Life Asset Managers employs about 2300 people in Europe.

¹ PropertyEU, Top 100 Investors, December 2018