

13 March 2019

## **Swiss Life Asset Managers reports further growth in its real estate business in 2018**

- **Real estate transaction volume in 2018 throughout Europe roughly EUR 10 billion**
- **Increase in total managed real estate holdings at end of 2018 from EUR 9 billion to EUR 81 billion**
- **Switzerland: A focus on quality portfolio growth**
- **France: Vesta portfolio worth more than EUR 1 billion acquired, foray into impact investing and new hospitality segments**
- **Germany: BEOS AG off to successful start under the Swiss Life Asset Managers umbrella, CORPUS SIREO completes Allianz Campus in Berlin**
- **United Kingdom: Introduction of real estate funds with thematic investment approach**
- **Outlook: Managed real estate assets expected to continue growing in the context of current Swiss Life 2021 corporate programme**

Swiss Life Asset Managers reports positive results for its real estate business in 2018. Last year, the asset management company reported a real estate transaction volume throughout Europe amounting to around EUR 10 billion. A total of roughly EUR 7.6 billion in residential and commercial real estate was acquired in the Swiss, French, German and UK markets in 2018. These acquisitions were accompanied by the sale of residential and commercial real estate amounting to around EUR 1.9 billion in 2018. Around EUR 500 million was invested in project developments. At the end of 2018, Swiss Life Asset Managers managed real estate assets totalling EUR 81 billion Europe-wide.

Real estate acquisitions in 2018 included acquisitions of investment instruments managed by Swiss Life Asset Managers and the real estate portfolio of the insurance companies belonging to

Swiss Life. The residential and office categories accounted for half of the acquisitions. Another 31 percent of the total investment volume was allocated to mixed-use properties as well as industrial and logistics buildings.

Stefan Mächler, Group CIO of Swiss Life: 'We were able to expand our real estate business in all countries and use categories in 2018 despite a highly competitive market. Due to the risk premiums, which remain attractive, institutional investors continue to show strong interest in real estate. In 2018, we aligned our spectrum of fund products even more consistently with the needs of these customers as well as those of private investors. In this way, we hope to offer them unrivalled access to the European real estate market.'

### **European real estate products serve growing demand from institutional investors**

To meet the demand from institutional investors for European investment solutions, Swiss Life Asset Managers offers geographically diversified real estate investments in various sectors and risk categories. In addition to the recently launched hotel real estate fund, current initiatives also include a real estate fund that invests in retail properties. Meanwhile, Swiss Life Asset Managers is also planning a European healthcare real estate fund and Europe-wide thematic investment approach with core/core-plus returns. This fund will invest in large European cities and regional centres and consider the socio-economic trends that are driving real estate demand, such as infrastructure, demographic shifts and technology.

Stefan Mächler: 'Our real estate products rest on our 1,400 employees' extensive knowledge of the market and many years of local expertise in various real estate use categories. The depth of value-added in Swiss Life Asset Managers' real estate management is backed by a well-founded approach to research and risk management. We are now systematically integrating environmental and social issues, as well as ones relating to good corporate governance, into our investment processes and are thereby making the investments more sustainable.'

### **Switzerland: A focus on quality portfolio growth**

In Switzerland, where Swiss Life is the owner of the country's largest privately held real estate portfolio, the focus is on the gradual expansion of the real estate holdings through the acquisition of residential, office and retail properties in prime locations and with outstanding features. In addition, the investment focus is on the future segments with high growth potential, such as healthcare real estate, student housing and co-working spaces. One of the biggest single acquisitions in Switzerland in 2018 was the Widder hotel property in Zurich and the 4 Torri residential tower project in Locarno. The performance and expansion of the portfolio of a real estate fund launched at the end of 2017 to invest in value-retaining office, retail and residential real

estate, as well as mixed-use properties in European metropolitan regions, moved in a positive direction in 2018. At the end of January 2019, the portfolio of projects included eight properties in five countries, with an investment volume of around EUR 288 million.

### **France: Vesta portfolio worth more than EUR 1 billion acquired, foray into impact investing and new hospitality segments**

A large portion of acquisitions in 2018 took place in France, with a transaction volume totalling over EUR 3 billion. Together with an institutional partner, French residential properties valued at more than EUR 1 billion were acquired from SNCF on behalf of five institutional investors. In addition, two OPPCI investment instruments were introduced for institutional investors. Through a partnership with Cedrus Partners, one of these instruments focuses on the emerging asset class of 'impact investing', which is aimed at financial as well as socially sustainable returns. Another investment instrument involves outdoor hotels: a portfolio of seven French campsites was acquired in November 2018. Properties were also acquired in Spain and Italy. For example, the Corso Italia complex, which enjoys protected historical monument status and was built in 1956 by Luigi Moretti in Milan, is one of the most prominent acquisitions of the past year. In Spain, a premium retail portfolio that includes assets in Madrid, Valencia and Burgos was acquired as well. In addition, the current rankings published by the market research institute IEIF confirmed the position of Swiss Life Asset Managers as a leading provider of real estate mutual funds in France.

### **Germany: BEOS AG off to successful start under the Swiss Life Asset Managers umbrella, CORPUS SIREO completes Allianz Campus in Berlin**

Last year, BEOS AG, which has been owned by Swiss Life Asset Managers since 2018, reported its highest transaction volume in the company's history. This can be attributed, among other things, to the acquisition of the Laetitia portfolio with 32 corporate real estate properties. These make up the starting portfolio for the BEOS Corporate Real Estate Fund Germany IV (CREFG IV), which was set up by Swiss Life KVG in 2018 and has a planned fund volume of EUR 1.1 billion. A portfolio deal also played a major role in the sales: as part of the planned exit of the BEOS Corporate Real Estate Fund Germany I that was set up in 2010, Helaba Invest Kapitalverwaltungsgesellschaft mbH acquired the regulated open-end special real estate fund through a share certificate deal for several German institutional investors. BEOS AG will continue to manage the 21 fund real estate properties.

In 2018, CORPUS SIREO was particularly successful with its real estate project developments. The Allianz Campus, which has 60,000 square meters of office space, was completed in Berlin-Adlershof. In addition, undeveloped or developed plots for new construction or revitalization projects for residential and commercial real estate were acquired throughout Germany, including

the Cologneo I district development for nearly 10,000 people in Cologne for an open-end special real estate fund for German institutional investors. The larger acquisitions in 2018 included the premium Oskar office complex in Munich as well as the Marximum office district in Vienna. For the healthcare special fund, which currently has a total volume of almost EUR 400 million, CORPUS SIREO acquired a senior citizens' residence in Brandenburg, as well as medical centres in Bremen and Neumarkt in Bavaria. A co-investment deal played a major role in the sales. Here a majority stake in the German value-add office portfolio Artemis was transferred to the Lebanese SFO Group. CORPUS SIREO will remain the asset manager of the portfolio. The German open-end real estate mutual fund Living + Working now holds twelve real estate properties in three countries with an investment volume of more than EUR 300 million. It invests in European residential and healthcare real estate as well as office and retail real estate.

#### **United Kingdom: Introduction of real estate fund with theme-based investment approach**

The investment manager Mayfair Capital's current fund reported positive performance in 2018. A mezzanine financing fund for residential building projects in London was phased out as planned after finishing the last project. It generated annual returns of 16.1% during its term. The Property Income Trust for Charities, an investment instrument for foundations in the UK, also reported positive results. In addition, Mayfair Capital introduced the MC Thematic Growth Fund in 2018, which takes a thematic approach, investing in infrastructure, demographic shifts and technology, for example. The fund was set up with starting capital from Swiss Life. Together with the third-party equity, it has already invested around GBP 100 million. Mayfair Capital was also given the mandate by one of the most prominent family offices in the UK to invest between GBP 80 and 100 million regionally in the UK each year over the next four to five years.

#### **Outlook: Managed real estate assets expected to continue growing in the context of current Swiss Life 2021 corporate programme**

The category of real estate investments is also important for the Swiss Life Group in the context of its new Swiss Life 2021 strategy. The growth in the real estate sector is expected to cover all major real estate markets in Europe and reflect the high demand institutional investors are showing for investment solutions with efficient, long-term Europe-wide coverage.

#### **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.

## INFORMATION

### Switzerland

#### Swiss Life Media Relations

Phone: +44 43 284 77 77  
[media.relations@swisslife.ch](mailto:media.relations@swisslife.ch)

#### Investor Relations

Phone: +41 43 284 52 76  
[investor.relations@swisslife.ch](mailto: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](mailto: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](mailto:yvonne.hoberg@corpussireo.com)

#### BEOS AG

Cornelia Schmidt, Communications  
Phone: +49 30 28 00 99 115  
[cornelia.schmidt@beos.net](mailto:cornelia.schmidt@beos.net)

### UK

#### Mayfair Capital Investment Management Ltd.

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

[www.swisslife-am.com](http://www.swisslife-am.com)



#### 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 31 December 2018 assets under management for third-party clients amount to EUR 63.3 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 206.7 billion.

Swiss Life Asset Managers is the leading real estate manager in Europe<sup>1</sup>. Of the assets totaling EUR 206.7 billion, EUR 55.7 billion is invested in real estate. In addition, Swiss Life Asset Managers has real estate under administration of EUR 25.3 billion through its subsidiaries Livit and Corpus Sireo. Total real estate under management and administration at the end of December 2018 thus came to EUR 81.0 billion.

Swiss Life Asset Managers employs about 1800 people in Europe.

<sup>1</sup> PropertyEU, Top 100 Investors, December 2018