

Media release

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

- The total portfolio of properties under management at the end of June 2018 shows an increase compared to year-end 2017 of EUR 3.0 billion to EUR 72.2 billion
- Switzerland: qualitative portfolio growth and investments in emerging niche segments
- France: accelerated cross-border real estate acquisition
- Germany: continued growth and enhanced access to institutional clients via CORPUS SIREO and BEOS
- Great Britain: expansion of "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 first half of 2018. Our real estate portfolio has continued to grow, due mainly to purchases with further positive price developments also playing their part. At the end of June 2018, Swiss Life Asset Managers managed real estate across Europe worth a total of EUR 72.2 billion, which corresponds to an increase of EUR 3.0 billion (plus 4% compared to end-2017).

Stefan Mächler, Group CIO of Swiss Life, says: "We have grown in all real estate units. In the months ahead we aim to launch new pan-European real estate funds in our core markets and beyond. This includes a European healthcare property fund that takes up the company-wide guiding theme of a longer self-determined life. In addition, by signing the Principle of Responsible Investment and becoming a member of GRESB, we have also further strengthened the role played by sustainability in our investment decisions. These are further steps towards our goal of affording customers unique access to the European real estate market."

Switzerland: Qualitative portfolio growth and investments in emerging niche segments

Swiss Life Asset Managers is aiming for a further incremental expansion of its real estate holdings in Switzerland by purchasing outstanding properties and participating in development projects in top locations in the residential, office and retail sector. Investment will also focus on niche segments with high growth potential such as retirement and healthcare properties, student

residences and co-working spaces. In addition to the acquisition of new properties, aggregation potential for the existing portfolio will also be pursued. Key current single acquisitions in Switzerland include the office property at Bellerivestrasse 241 / 245 and the Widder Hotel in Zurich, the commercial and residential property at Rue du Rhône 57 / Quai du Général-Guisan 38 in Geneva and the further development of the SBB headquarters, with modern workplaces for some 1800 employees, in Bern-Wankdorf.

France: Accelerated cross-border real estate acquisition

In France, Swiss Life Asset Managers continued to implement its European investment strategy in the first half of the year. Acquisitions included two hotels in Milan, an office building in Brussels and two retail properties in Germany. A retail portfolio comprising 13 properties in Madrid, Valencia, Burgos and San Sebastian was purchased for three existing real estate funds, Swiss Life Asset Managers' debut on the Spanish market. Furthermore, an OPCI public fund this year reached EUR 200 million in assets under management and received four industry awards. By end-2018 another five funds accessible to institutional investors are to have been launched in the hotel and healthcare real estate sector. In addition, Swiss Life Asset Managers in France has been mandated to develop two further investment products.

Germany: Continued growth and enhanced access to institutional clients via CORPUS SIREO and the acquisition of BEOS

At the end of August Swiss Life completed the acquisition of BEOS, the leading investment manager of corporate real estate in Germany. With BEOS, Swiss Life Asset Managers can continue its successful growth strategy in investment business for third-party customers and expand access to new institutional clients. At the end of 2017, BEOS had real estate to the value of EUR 2.6 billion with a mixed use rental space of over 2.6 million square metres.

In 2018, CORPUS SIREO Real Estate acquired real estate portfolios and individual properties in Germany, Scandinavia and Belgium for existing and recently launched special real estate funds and investment vehicles aimed at private and institutional investors. Among the major purchases in 2018 is an office portfolio with potential for rent increases and eleven properties in northern and central Germany. A further significant acquisition is a portfolio of 15 "high-street" retail properties in the high and middle-level centres of Germany, with their robust purchasing power. Moreover, several undeveloped or developed plots of land for new construction of residential and commercial properties at attractive individual locations in Germany were also acquired. The largest single acquisition in the residential segment was in Cologne, where as many as 500 new apartments are to be built in the section of the Ehrenfeld district adjacent to the city centre. In Bonn, meanwhile, commercial properties were acquired on the grounds of the west.side project, where CORPUS

SIREO will develop a mixed neighbourhood with mainly commercial uses. The “Living + Working” open-ended public real estate fund, oriented to German private investors, also showed positive growth, with a current total of 11 properties, an investment volume of more than EUR 200 million and a diversified investment strategy that is novel for public funds. The focus is on German and European residential and healthcare properties as well as office and retail properties.

Great Britain: 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.

Outlook: Fund and service business to continue to grow

In response to high customer demand, Swiss Life Asset Managers plans to further expand its real estate fund volume. With new fund investment solutions and Europe-wide coverage, Swiss Life Asset Managers aims to meet the needs of institutional investors such as insurance companies, pension funds and employee benefits institutions.

Exclusion of liability

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.

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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. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg and the UK.

As at 30 June 2018 assets under management for third-party clients amount to EUR 55.8 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 194.4 billion.

Swiss Life Asset Managers is the leading real estate manager in Europe¹. Of the assets totaling EUR 194.4 billion, EUR 47 billion is invested in real estate. In addition, Swiss Life Asset Managers has real estate under administration of EUR 25.2 billion through its subsidiaries Livit and Corpus Sireo. Total real estate under management and administration at the end of June 2018 thus came to EUR 72.2 billion.

Swiss Life Asset Managers employs about 1600 people in Europe.

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