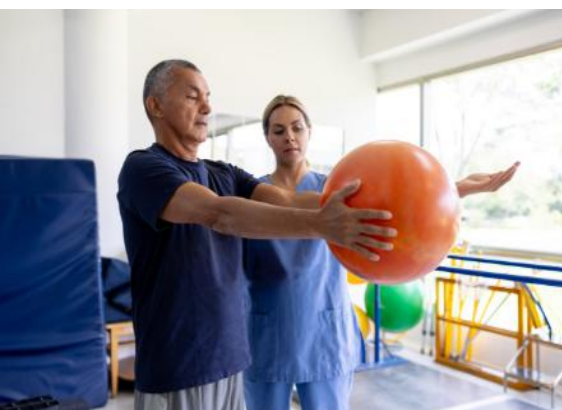


Real Asset Snapshot

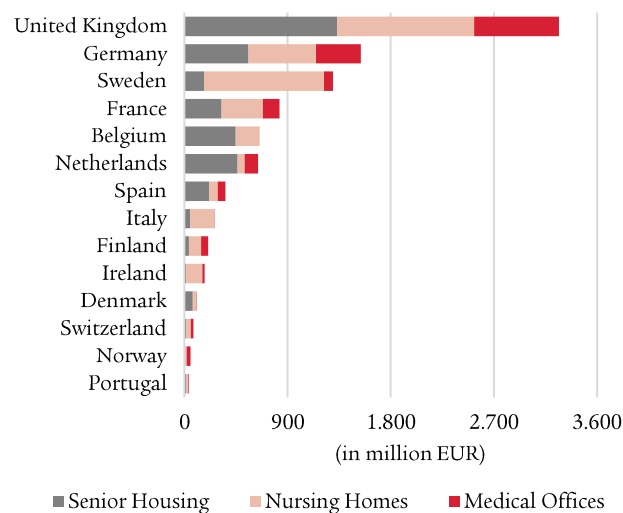
European Healthcare Investment



Healthcare Real Estate 2026 – Capital Returns Selectively

European healthcare real estate has seen a clear recovery in transaction activity over the past 12 months, driven by the return of institutional, listed and cross-border capital. Investor focus remains highly selective, with underwriting increasingly centered on operational quality, tenant resilience and long-term cash flow security. While the UK, Germany, Sweden, France and the Netherlands continue to dominate sector liquidity, Southern Europe is attracting growing investor attention. Recent increasing transactions across Spain, Italy and Portugal, reflect confidence in markets supported by favorable demographics and rising demand for healthcare and elderly care services. Large-scale transactions, including Aedifica's acquisition of Cofinimmo, Primary Health Properties' acquisition of Assura and Welltower's acquisition of Barchester Healthcare, further underline the importance of scale, platform ownership and operating expertise in capturing Europe's structural healthcare demand.

Investment Volume Europe by Market 5-year Average H2 2021-H1 2026



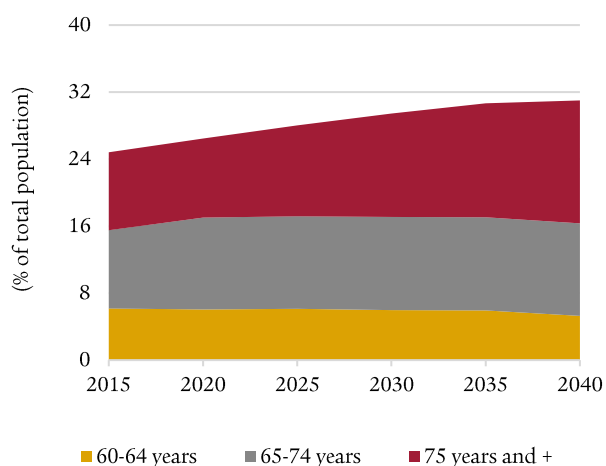
Source: MSCI/RCA, based on rolling 12-month investment volumes from H2 2021-H1 2022 to H2 2025-H1 2026

Demographics Support Growth

Demographic trends remain a powerful tailwind for European healthcare real estate. The rapid growth of the 75+ and 80+ age cohorts, combined with increasing life expectancy, is expected to drive demand for healthcare services and care-related real estate for decades to come.

At the same time, evolving care models and patient preferences are shifting demand towards outpatient care, assisted living and medical offices, reinforcing the attractiveness of these segments for long-term investors.

Elderly Population in Europe

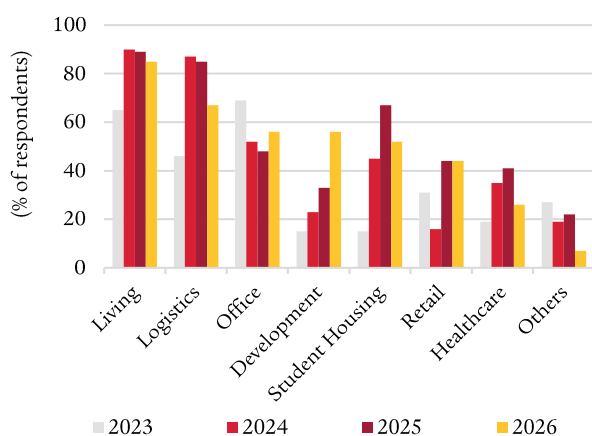


Source: Eurostat

Appetite Exceeds Available Product

Against this backdrop of sustained demand growth, healthcare real estate is increasingly becoming an established component of diversified real estate portfolios. Investor interest remains elevated, with around one quarter of institutional investors expressing an allocation interest in the sector in 2026. Healthcare, including assisted living and senior housing, is now widely regarded as part of the broader living investment universe rather than a niche segment. However, demand continues to exceed the availability of investment-grade products, supporting pricing stability for high-quality assets and reinforcing selectivity in acquisitions. The scarcity of investable assets has also increased the appeal of platform acquisitions, enabling investors to deploy capital at scale through diversified portfolios and established operating platforms.

Investor Intentions Europe



Source: INREV Investment Intentions Survey 2026

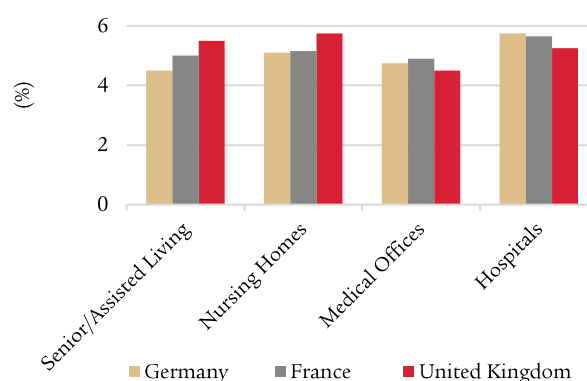
Focus on Operational Resilience

Investor underwriting in European healthcare real estate has become more disciplined, with capital increasingly focused on operational resilience, tenant quality and long-term income security. While nursing homes remain the sector's largest and most liquid asset class, accounting for 36% of H1 2026 investment volumes (vs. 45% over the past five years), investors are placing greater emphasis on covenant strength, operator scale and embedded CapEx requirements. As a result, assets lacking operational resilience or scale face longer transaction periods. Capital is gradually rotating toward lower-risk healthcare segments. Assisted living accounted for 52% of healthcare investment volumes in H1 2026, compared with a 5-year average of 37%, supported by lower regulatory exposure, scalable operating models and demographic demand. Medical offices and outpatient facilities continue to attract investor interest, representing around 15% of sector investment volumes and benefiting from diversified tenant bases, predictable cash flows and the shift toward outpatient care. Across all segments, investors favour established platforms and operators with proven track records.

Yields Reflect Operational Risk

Yield differentials across healthcare segments reflect varying levels of operational and regulatory risk. Nursing homes typically command higher yields due to their reliance on operator performance and reimbursement frameworks, while senior housing and medical offices benefit from more predictable cash flows and lower regulatory exposure. As healthcare delivery shifts towards outpatient care, investors are increasingly favoring medical office and outpatient assets, highlighting the growing importance of asset selection and risk-adjusted returns.

Healthcare Prime Yields by Segment, Q2 2026

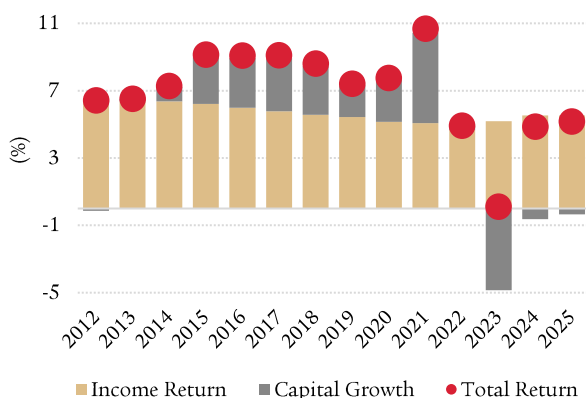


Source: CBRE, Cushman & Wakefield, Savills, Swiss Life Asset Managers

Risk and Return Profiles

While yield differentials vary across healthcare segments, the sector's long-term appeal is reflected in its attractive risk-return profile. Over the past decade, European healthcare real estate generated average total returns of approximately 6-8% p.a., combining stable income with comparatively low volatility. Income returns have remained consistently positive through periods of macroeconomic uncertainty, highlighting the sector's defensive characteristics. While the risk profile, measured by return volatility, is broadly comparable to office and residential real estate, healthcare benefits from long lease structures, indexation mechanisms, resilient occupancy and largely non-discretionary demand. As a result, healthcare real estate continues to offer an attractive combination of stable income, capital preservation and long-term growth potential, reinforcing its role as a core component of diversified real estate portfolios.

Total Return Healthcare in Europe since 2012

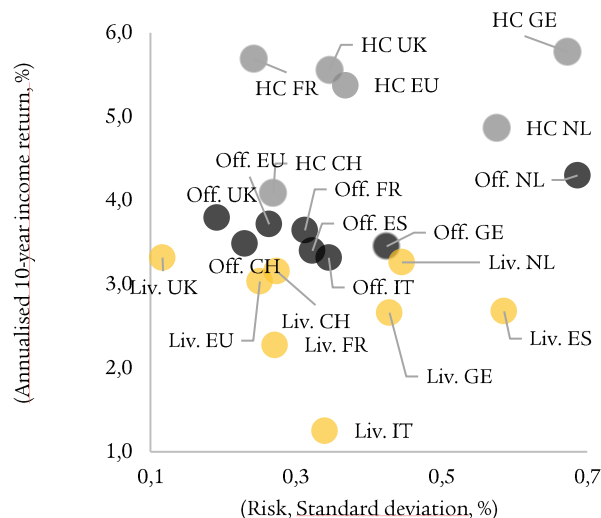


Source: MSCI

Attractive Income at Manageable Risk

An analysis of historic income returns shows that the healthcare sector outperformed living and offices as an asset class during the past decade. During the same period, the risk in healthcare income returns was comparable to that of office and living investments. This shows the resilience of the income return at a very manageable risk. In terms of total return, the analysis shows that standard deviation was far lower in healthcare than in the office sector, while healthcare outperformed offices by roughly 200 basis points in terms of total return.

Risk Versus Income Return by Country



Source: MSCI, 10-year period 2016-2025, HC = Healthcare, Off. = Office, Liv. = Living

Implications for 2026 and Beyond

European healthcare real estate strategies should continue to favor outpatient care, medical offices and assisted living, supported by strong demographic tailwinds, lower regulatory exposure and diversified income streams. While nursing homes remain the sector's largest and most liquid segment, successful underwriting increasingly depends on operator quality, balance sheet strength and the ability to manage labor and reimbursement pressures. The scarcity of investment-grade assets has reinforced platform acquisitions as an efficient route to deploy capital at scale, while emerging markets in Southern Europe are attracting growing investor interest. Scenario-based underwriting remains essential, considering reimbursement reforms, operator consolidation, wage inflation and ESG-related capital expenditure.

Key Takeaways for Investors

- Transaction activity is recovering, supported by the return of institutional, listed and cross-border capital, while investor focus remains on operators, cash flows and regulatory risk.
- Investor demand exceeds available product, supporting pricing discipline for high-quality healthcare assets.
- Nursing homes remain the sector's largest liquidity pool, but underwriting is increasingly operator- and cash flow-driven.
- Capital is gradually shifting towards outpatient care, medical offices and assisted living, supported by lower regulatory exposure, diversified income streams and evolving healthcare delivery models.
- Demographic tailwinds remain intact, but successful investment outcomes increasingly depend on operational insight, asset selection and active asset management.



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