

# Press release

Paris, 15 January 2019

## **AXA Investment Managers - Real Assets raises €643 million for its second Pan-European Value-Added Venture**

***- PEVAV II aims to deploy up to c. €1.3 billion into well-located value-add investment opportunities in Europe's major cities and has already closed two major acquisitions -***

AXA Investment Managers - Real Assets ("AXA IM - Real Assets"), a global leader in real asset investments and the leading<sup>(1)</sup> real estate portfolio and asset manager in Europe, has raised €643 million for its second Pan-European Value-Added Venture ("PEVAV II" or the "Venture") from a global institutional investor base. The capital raised has exceeded the Venture's initial €500 million target and provides an investment capacity of up to c. €1.3 billion, including leverage, to invest in value-add opportunities throughout Europe. Over 60% of the equity raised was from follow-on investors from AXA IM - Real Assets' first value-add venture, PEVAV, which closed in May 2016 having raised €445 million and is now realising its portfolio. €240 million of equity was raised from five new institutional clients from Europe, Israel and South Korea.

PEVAV II will seek to invest in and create value from underperforming assets with inherently core qualities through a range of asset refurbishment and repositioning activities, as well as letting and re-letting initiatives which aim to generate and/or improve income streams. In line with its strategy to combine these value-add drivers, AXA IM - Real Assets acquired the 8Gallery shopping centre in Turin, Italy in July 2018 on behalf of the Venture, followed in December 2018 by the acquisition of TechnoCampus Berlin, a 48,000 sqm landmark office campus on the fringe of Berlin's CBD, with significant rental reversion potential and plans to extend and reposition the asset with additional floorspace.

The Venture primarily targets assets in proven locations in France, Germany, Italy, the Nordics, Spain and the UK and specifically in and around the largest and most liquid tier-one European cities, which are expected to continue to outperform. It is seeking investments ideally in the €50 million to €150 million range across both traditional real estate asset classes, particularly where there is limited supply, as well as alternative asset classes. These last are led by demographic, technological and lifestyle changes, such as student housing, PRS, senior living, and hospitality strategies which tend to be less sensitive to economic cycles.

**Ian Chappell, Head of Value Add and Development Funds at AXA IM - Real Assets, commented:**

"Having been an early mover back into value-add investing in 2011 and following the success of our first venture, the amount raised for PEVAV II has exceeded our initial expectations. I am particularly pleased by the high level of support shown by our follow-on investor base which is a strong endorsement of the success of our value-add platform."

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“Our disciplined approach to selecting opportunities is critical to successful investing at this stage in the cycle and we will leverage our large network of local European offices to cherry pick opportunities where we can reposition underperforming assets with core characteristics. We will continue to take on asset or tenant risks where we have a proven track record of exploiting these to create value for our clients.”

– ENDS –

<sup>1</sup> Source: INREV/ANREV Fund Manager Survey – May 2018 – in terms of assets under management

### Press Contacts

#### AXA Investment Managers - Real Assets

Charline Coué, Media Relations Manager  
Jocelyne Tamssom, Head of Communications  
Tel: +33 1 44 45 97 95  
PressOfficeAXAIMRealAssets@axa-im.com

#### FTI Consulting Inc.

Richard Sunderland, Richard Gotla, Ellie Sweeney  
Tél: +44 20 3727 1000  
AXAIMRealAssets@fticonsulting.com

### Note to editors

**AXA Investment Managers** is an active, long-term, global, multi-asset investor. We work with clients today to provide the solutions they need to help build a better tomorrow for their investments, while creating a positive change for the world in which we all live. With approximately €740 billion<sup>(1)</sup> in assets under management as at end of September 2018, AXA IM employs over 2,390 employees around the world and operates out of 30 offices across 21 countries.

**AXA Investment Managers - Real Assets** has €79 billion in assets under management, including €59.8 billion in direct property & infrastructure and €15.8 billion in real asset finance as of end of September 2018<sup>(2)</sup>. We offer a 360° approach to investing in real assets, which comprises opportunities in equity or debt, across different geographies and sectors, as well as via private or listed instruments. We are a global leader in real assets investment, the number one property portfolio and asset manager in Europe<sup>(3)</sup>, and one of the largest worldwide. Our teams have been managing funds and mandates for over 30 years and comprise over 600 people in 14 offices that operate in over 20 countries around the world, which provide us with in-depth knowledge of countries, cities and sectors.

AXA Investment Managers is part of the AXA Group, a world leader in financial protection and wealth management.

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<sup>1</sup> Source: AXA IM unaudited data

<sup>2</sup> Source: AXA IM - Real Assets' unaudited data

<sup>3</sup> Source: INREV/ANREV Fund Manager Survey – May 2018 in terms of assets under management

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