

Press release

AXA Investment Managers - Real Assets acquires 831 room Australian hotel portfolio for A\$330.4 million

AXA Investment Managers - Real Assets (“AXA IM - Real Assets”), a global leader in real assets investment and the leading⁽¹⁾ real estate portfolio and asset manager in Europe, announces that it has acquired a portfolio of four Australian hotels for A\$330.4 million (c. €207 million)⁽²⁾, on behalf of clients. The acquisition is one of the largest hotel transaction in Australia over the past 12 months.

The 831 room portfolio managed by AccorHotels includes four hotels among which three are located in the Sydney Olympic Park precinct and one in Canberra’s Central Business District. They comprise:

- Pullman Sydney Olympic Park, 5 star, with 218 rooms
- Novotel Sydney Olympic Park, 4.5 star, with 177 rooms
- Ibis Sydney Olympic Park, 3.5 star, with 150 rooms
- Novotel Canberra, 4.5 star with 286 rooms

The three hotels in the Sydney Olympic Park precinct are all adjacent to each other and AXA IM - Real Assets believes that this, along with their diversified product offering across three brands, provides a unique opportunity to create value through strategic asset management initiatives. The hotels are very well located within the former Sydney Olympics site, Sydney’s No.1 events precinct, which hosted 10.5 million visitors and over 5,500 events in 2017-2018⁽³⁾. The area boasts three major stadiums: the ANZ, the Spotless and Qudos stadia, as well as a diverse range of other sporting and exhibition facilities.

AXA IM - Real Assets’ Sydney based team has a strong conviction over the long term investment performance of the Sydney Olympic Park hotels due to the forecast economic, residential and worker population growth in western Sydney, coupled with a growing calendar of events that are held in the park annually. The area should also benefit directly from a number of major infrastructure projects within the New South Wales state government’s recently released ‘Three Cities Plan’, which aims to bring 47,000 additional jobs to an already highly diverse and established employment zone, where a large proportion of Australia’s top 500 companies currently have a presence.

While the Novotel Canberra is one of the top performing hotels in the city’s business district, it is also expected to benefit from the delivery of the new light rail terminal immediately opposite the hotel’s entrance in early 2019. Its strategic location in the heart of the CBD also provides a broad base of demand drivers and a diversified income profile which positions it well for future growth.

AXA IM - Real Assets’ manages a €2.3 billion⁽⁴⁾ portfolio of hotels across the globe on behalf of its clients, which are primarily operated by leading hotel brands through all variations of management contracts, from traditional leases to franchise agreements.

Kumar Kalyanakumar, Head of Australia, at AXA IM - Real Assets, commented: “This transaction presents a rare opportunity to invest in a portfolio of high quality and extremely well located hotels as well as to build on our team’s strong track record of hotel investments. While these assets already offer strong fundamentals in their own right, they are also set to benefit greatly

from a number of value-adding initiatives we have earmarked which will be further enhanced by a forecast growth in tourism and a number of transport infrastructure improvements in Canberra and Western Sydney.”

– ENDS –

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

2 Source: Conversion as of February 25th, 2019

3 Source: Sydney Olympic Park Authority Annual Report 2017–18

4 Source: AXA IM - Real Assets data, unaudited

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About AXA Investment Managers

AXA Investment Managers (AXA IM) 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 in assets under management as at end of September 2018⁽¹⁾. AXA IM employs over 2,390 employees around the world and operates out of 30 offices across 21 countries. AXA IM is part of the AXA Group, a world leader in financial protection and wealth management.

About AXA Investment Managers - Real Assets

AXA Investment Managers - Real Assets has €79 billion in assets under management, including €59.8 billion in direct property & infrastructure and €15.6 billion in real asset finance as of end of September 2018⁽²⁾. 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⁽³⁾, 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.

Visit our websites: www.axa-im.com / <https://realassets.axa-im.com>

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¹ Source: AXA IM unaudited data

² Source: AXA IM - Real Assets' unaudited data

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

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