

Press release

AXA Investment Managers - Real Assets forms German business park joint venture with Sirius Real Estate following €168 million portfolio acquisition

AXA Investment Managers - Real Assets (“AXA IM - Real Assets”), a global leader in real asset investments and the leading⁽¹⁾ real estate portfolio and asset manager in Europe, announces that, on behalf of clients, it has created a new German business parks joint venture (the “Joint Venture”) with Sirius Real Estate, a leading operator of branded business parks providing conventional space and flexible workspace in Germany. The Joint Venture, which will be known as Titanium, was formed following AXA IM - Real Assets’ acquisition, on behalf of clients, of a 65% stake in a diversified seed portfolio of five properties valued at €168 million from Sirius Real Estate.

Subject to suitable investment opportunities, the JV partners may grow the portfolio including through the acquisition of larger stabilised business park assets with strong tenant profiles and portfolio acquisitions. Investments will be sourced through the local investment platforms of AXA IM - Real Assets and Sirius Real Estate’s. Sirius Real Estate will continue to provide operational management services to the Joint Venture.

The five assets in the 191,000 sqm seed portfolio are located Berlin, Mainz, Nurnberg and Bayreuth. These are strong high demand business park markets, in good regional areas which are key consumer, logistics and manufacturing hubs that also benefit from strong economic fundamentals, in terms of population growth and employment levels.

The portfolio primarily comprises offices, industrial and storage spaces with a balance for other uses. The assets are almost fully let to a healthy combination of relatively large tenants with good covenants and to SMEs (under shorter leases), offering a stable cash flow from long term anchor tenants that is complemented by the higher-income from the conventional and flexible workspace offerings. In addition to these sustainable income streams, there is also an opportunity to capture rental reversion on the smaller units that generally have shorter lease terms and more regular tenant rotation.

Additionally, the assets in Berlin offer further expansion potential due to attractive land reserves and the possibility to refurbish existing buildings.

John O’Driscoll, European Head of Transactions at AXA IM - Real Assets, commented: “This transaction allows us to invest in an attractive portfolio of assets and provides us with immediate scale in this important asset class in Germany, a geography that we are actively growing in. This transaction also enables us to establish a long term joint venture with Sirius Real Estate, a leading operator and investor in branded business parks in Germany. We look forward to working with them on this portfolio and on future opportunities.”

“The portfolio is expected to deliver sustainable and growing income streams while also offering the potential for value creation through asset management. The assets are well let and located in strong urban areas where supply is being taken out of the market for other uses as structural drivers including urbanization and changing consumer habits are accelerating demand.”

– ENDS –

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

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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 €730 billion in assets under management as at end of December 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 €82 billion in assets under management, including €62.1 billion in direct property & infrastructure and €16.6 billion in real asset finance as of end of December 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 13 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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