

Press release

AXA Investment Managers - Real Assets makes a strategic move into Australian Healthcare Sector through Joint Venture with Grosvenor Group and Centuria Heathley

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 it has entered the Australian Healthcare Sector with investment on behalf of clients in an existing portfolio of two hospital assets in a joint venture with an international property company, Grosvenor Group, and Centuria Heathley (Joint Venture).

AXA IM – Real Assets has also formed a strategic relationship with healthcare property specialist, Centuria Heathley Limited, which as asset manager, will assist the Joint Venture in gaining exposure to additional high quality pipeline opportunities in the Australian healthcare real estate sector with the aim to create a diversified cAUD\$500 million portfolio in the near term. As part of the arrangements, Centuria Heathley Limited will originate and manage delivery of assets, and assist in driving asset management. Centuria Heathley currently manages Australian assets across the spectrum of healthcare segments including medical centres, day hospitals and tertiary aged care while having established strategic relationships with specialist healthcare operators. This is further aligned by Centuria Heathley retaining a minority stake in the Joint Venture.

This transaction enables AXA IM – Real Assets to expand its real assets platform in Australia into the healthcare sector whilst building on its existing global Healthcare expertise and portfolio of AUD\$3.2 billion.

The two seed assets which set the foundation for this new diversified healthcare venture are the Mater Women’s & Children’s Hospital in Townsville and the Westside Private Hospital, a multi-tenanted private hospital in the inner-western suburbs of Brisbane. Both assets are secured with long leases to established national healthcare operators. The Westside Private Hospital in particular is a newly developed state of the art facility offering an ecosystem of complementary health services including a day hospital (leased to a major national operator), specialist medical consulting suites, a dental clinic, a medi-hotel, a childcare centre and retail.

Kumar Kalyanakumar, Head of Australia, at AXA IM - Real Assets, commented: “Our strategy is to continue to invest on behalf of clients in alternate real asset sectors in Australia. This is driven by our conviction on the long term fundamentals of the alternate sectors as well as our global and local experience which allows us to execute and drive value in these sectors”

“Healthcare ownership in Australia is highly fragmented with minimal securitisation of real estate, and we see the opportunity for AXA IM - Real Assets to become a leading institutional investor in the sector. AXA IM - Real Assets recognises the attractiveness of this sector which is underpinned by demographic trends including Australia’s aging population and longer life expectancy, along with ongoing healthcare needs of the population and the focus of stakeholders on preventative and low cost models of care in Australia.”

“Through this strategic venture, AXA IM - Real Assets will be able to partner with Centuria Heathley and assist in providing purpose built, high quality real estate solutions for healthcare operators across Australia.”

“Grosvenor Group, an existing JV partner with Centuria Heathley, has similar ambitions to ours within this sector. We are excited to partner with them in this transaction, which marks another major milestone for AXA IM - Real Assets in growing its presence in Asia Pacific and cementing its position as a true alternatives manager to institutional clients.”

Andy Yates, Investment Director - Indirect Investment, Grosvenor Group, said: “We are pleased to welcome AXA IM - Real Assets into the Joint Venture, which brings together like-minded investors and the right skill sets to create a successful long-term oriented healthcare portfolio. We look forward to working alongside a local and experienced institutional investor in AXA IM - Real Assets, and continuing to leverage off Centuria Heathley’s asset management capability, to increase our exposure in a sector with such promising long term prospects.”

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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 €757 billion in assets under management as at end of June 2019⁽¹⁾, AXA IM employs over 2,350 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.

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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 2019 in terms of assets under management

About Grosvenor Group

Grosvenor Group is one of the world's largest privately-owned property companies. It develops, manages and invests in property in more than 60 cities around the world. Through the activities of Grosvenor Britain & Ireland, Grosvenor Americas, Grosvenor Asia Pacific and Grosvenor Europe the Group diversifies its property portfolio by geography, sector, activity, currency and management teams. Grosvenor Group's Indirect Investment business further diversifies its property interests by backing specialist third-party management teams. It invests Grosvenor's capital in Africa, Australia, Europe and North and South America. Approximately half of the Group's property assets by value are held outside the UK. The purpose of the Group is to improve properties and places to deliver lasting commercial and social benefit. This is achieved by adopting a farsighted perspective, by being locally engaged and sharing and benefitting from the Group's international experience.

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