

# Press release

## AXA Investment Managers - Real Assets agrees to acquire French lifestyle housing operator, Kley

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, announces that it has signed an agreement to acquire, on behalf of clients, Groupe Kley (“Kley”), a fully integrated student housing and co-living operator, and its portfolio of student residences across France, from funds managed by Oaktree Capital Management, L.P. (“Oaktree”). AXA IM - Real Assets will become the long-term partner of Kley and will support its management team in its strategy to further expand the company.

Kley was established in 2014 and is one of the leading operators of purpose-built student housing and co-living properties in France. Its portfolio comprises c. 2,500 beds across seven operational residences, plus a secured pipeline of c. 3,300 beds across 14 residences, many of which are currently under construction. All assets are located in either regional university cities (Angers, Toulouse, Rennes, Marseille and Caen) or Paris, Île-de-France, in close proximity to student campuses or city centres where demand is greatest. In addition to the current and secured future portfolio, this acquisition also presents AXA IM - Real Assets with access to Kley’s ongoing pipeline of student housing and co-living opportunities.

The French student housing market is characterised by a lack of purpose-built student accommodation (PBSA) despite having one of Europe’s largest, and most rapidly growing, student populations, with 10% growth seen over the last decade<sup>(2)</sup>. Similarly, with a number of globally leading educational institutions, the country is proving increasingly attractive to international students, with this contingent representing 13% of enrolments last year<sup>(3)</sup>. Furthermore, the quality of available PBSA is generally low, making Kley’s modern, newly built and well managed portfolio stand out as unique in the French student housing landscape.

This acquisition sees AXA IM - Real Assets build on its extensive global student housing expertise comprising a portfolio of over 15,000 beds. It is in line with AXA IM - Real Assets’ strategy of investing in alternative asset classes and platforms with the capacity to grow and comes shortly after its entry to the Australian student accommodation market, where it has partnered with leading student housing operator and manager, Scape, as well as its acquisition of Spain’s largest student accommodation platform, Resa, in 2017.

**John O’Driscoll, European Head of Transactions at AXA IM - Real Assets, commented:** “This transaction gives us an immediate leadership position in the highly attractive French student housing market and the opportunity to build further scale with an experienced management team. The transaction also shows our willingness to invest in operational platforms, particularly in alternative asset classes, to access attractive opportunities for our clients. It is clear evidence of our ability to secure unique investment opportunities using our strong reputation, combined local and global sector expertise and complex transaction experience. We look forward to working with Kley’s management team to grow the business, taking advantage of the very positive market dynamics and proven demand for its product.”

**Jean-Baptiste Mortier, CEO of Groupe Kley, commented:** “We are looking forward to pursue our development with the support of AXA IM - Real Assets. Since the beginning of our story with Oaktree, we have continuously been thinking forward with the students’ needs at the heart of our strategy. AXA IM - Real Assets shares the same vision and our strong commitment to innovate and adapt their new ways of life.”

**Vincent Catherine, Managing Director at Oaktree added:** “Five years ago, we launched the Kley platform from scratch with our first site in Caen. Over time we have assembled a talented team led by Jean Baptiste Mortier, defined a differentiated product, and developed a tier one portfolio of residences so that Kley has become a unique asset in the student housing market. We believe AXA - IM Real Assets is the right partner for Kley to pursue the development of the group and its most recent initiatives going forward.”

The transaction is expected to close by the end of the year.

– ENDS –

1 Source: INREV/ANREV Fund Manager Survey – May 2019 – in terms of assets under management

2 Source: MENESR, UNESCO

3 Source: MENESR

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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<sup>(1)</sup>, 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 €85 billion in assets under management, including €64.3 billion in direct property & infrastructure and €16.9 billion in real asset finance as of end of June 2019<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 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](http://www.axa-im.com) / <https://realassets.axa-im.com>

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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 2019 – in terms of assets under management

## About Groupe Kley

Created in 2014, KLEY group is a unique leading platform in French student housing with the largest owner-operator portfolio. As a key partner of real estate agencies, municipalities, universities and other schools, KLEY proposes a differentiated, best-in-class offer designed to create a true living space experience for its residents. KLEY is also a co-living pioneer in France, under the “Kley Urban Village” brand name. For additional information, please visit KLEY’s website at <https://kley.fr>

## About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$122 billion in assets under management as of September 30, 2019. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 950 employees and offices in 18 cities worldwide. For additional information, please visit Oaktree’s website at <http://www.oaktreecapital.com/>.

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