

Irish Life Investment Managers announces new Pan European Real Estate initiative which is targeted to grow to over €1bn.

- *Gives access to diversification benefits of investing in pan-European real estate markets, with good inflation-linked features*
- *Well positioned to provide returns with strong sustainability characteristics*
- *First two properties in France and Belgium have been purchased*

8th May 2022. Irish Life Investment Managers (ILIM) has announced the successful launch of its new European Real Estate Fund. The new fund has been designed to provide institutional investors with access to the diversification benefits of investing in pan-European real estate markets.

The ILIM fund is targeting a property portfolio of over €1bn. It has got off to a strong start by securing initial investor equity commitments of €300 million and is seeking an additional €200m in its first closing.

The fund's investment strategy is focused on the primary markets in continental Europe, with sector exposure diversified across the main market segments. The fund is focused on a combination of income assets, which will benefit from index-linked rents, and value-add assets requiring active asset management. The indexed nature of the rents in most continental markets is a strong attraction for investors in the current environment. Also with no legacy properties, the fund is very well positioned to provide investors with returns from properties with strong sustainability credentials.

ILIM's real estate team is supported by abrdn, one of Europe's largest real estate investment managers. Acting on behalf of ILIM, abrdn will use its local resources and market insights for continental European property deal sourcing and asset management. The combined real estate strength of ILIM and abrdn will best position fund investors to capitalise on the continuing momentum within the European real estate sector.

Martin O'Reilly, Head of Property at ILIM, stated that:

"This is an exciting time to be entering the European real estate market. Market disruption from interest rate and inflationary pressures, combined with the emerging paradigm shift in investor and occupier real estate sustainability requirements, is creating opportunities which we believe will deliver attractive risk adjusted returns and diversification benefits for our investors. The new European Fund also complements our existing domestic strategies in both the commercial and residential sectors, where we have in excess of €3 billion under management and continue to actively invest."

The ILIM European Real Estate Fund has completed its first two deals, both are new recently completed developments with strong sustainability features.

The first is a 16,991 square meter logistic asset in South Brussels, Belgium in a strong logistics location with multimodal connectivity servicing mainland Europe. The European logistic sector is continuing to perform very strongly, driven by exceptional growth from online sales activity and the asset is let to a leading pharma and healthcare distribution tenant, on a new 15-year lease. The rent equates to €49 per square metre per annum which is indexed annually, making it particularly attractive as a hedge against inflation.

The second acquisition is a new 6,893 square metre office building, called "Online", in Strasbourg, France. Strasbourg is a significant regional French office market, which benefits from the presence of the European Parliament Headquarters that adjoins the ILIM building, and the city's proximity to the

German border which serves as a catalyst for a range of international businesses. “Online” has been constructed by progressive French office developer the Lazard Group, and the building has been successfully leased on long leases to four tenants, the largest being Crédit Mutuel, which is a significant occupier in the area. The rent equates to €195 per square metre and is again linked to local inflation.

Commenting on the European Real Estate Fund’s first acquisitions, Paul Baragwanath, Fund Manager for the new ILIM Fund added:

“These first acquisitions are high quality assets, with strong tenant covenants and are in excellent strategic locations. They both have attractive income characteristics that creates a natural hedge against external inflationary pressures. We look forward to working with our European real estate partner, abrdn, on securing many more attractive assets for the fund.”

Ends.

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About Irish Life:

Irish Life is one of Ireland’s leading financial services groups, now taking care of over 1.4 million customers. We help people to confidently prepare for and embrace life’s changes with our wide range of health, life, pension, and investment solutions.

We are part of the Great-West Lifeco group of companies, one of the world’s leading life assurance organisations. Great-West Lifeco and its subsidiaries have over CAD\$2.3 trillion in consolidated assets under administration* and are members of the Power Financial Corporation group of companies.

Irish Life delivers innovative solutions for personal and corporate customers, backed by the highest standards of service. And as part of Great-West Lifeco, we have access to experience and expertise on a global scale, so we can continuously enhance our leading range of services and solutions.

- As at 31 December 2021