

# Aberdeen Standard Pan European Residential Property Fund

March 2019

For professional investors only, in Switzerland for Qualified Investors only – not for use by retail investors or advisers

## A Core fund investing in sustainable residential property across Western Europe

### Investment objective and strategy

The Aberdeen Standard Pan European Residential Property Fund SICAV-RAIF (ASPER) is an open-ended, Core fund designed for institutional investors which aims to deliver income and capital growth by investing in large, high quality, sustainably constructed, purpose built residential blocks in “triple A” locations (that provide Accessibility, Amenity and Affordability for the occupier).

ASPER pursues a strategy that has ESG principles at its core, and which is focused on achieving strong, defensive returns from the western European residential sector, with a multi-country approach that reduces risk through diversification. Residential property exhibits very strong demand/supply fundamentals, particularly in Europe’s leading cities. In these ‘winning cities’ there is significant growth potential achievable via improved operational efficiency, and by tapping into increasing demand in the rental market. ASPER does not engage in speculative property development and pursues active management during holding periods in order to enhance performance in a controlled way. The fund has a long-term absolute return target, comprising a cash dividend return of 3-4% per year, and a total return of 5-7% per year.

### Fund commentary

ASPER is managed by a highly experienced team located across three European countries, and is led by Marc Pamin who is based in Frankfurt. The team can call upon the wider resources of Aberdeen Standard Investments, Europe’s second largest real estate investment manager, which includes approximately 240 dedicated property investment professionals operating out of 11 offices across the continent.

### Investors

We established ASPER at the end of March 2018 with first-close commitments of €355.5 million. During 2018 we had two further closes, ending the year with €405.2 million in committed capital from 12 investors located in the Netherlands, Switzerland, Ireland, France, South Korea, Luxembourg and the UK. Both last year and into 2019, we have been effective and efficient in securing assets and allocating committed capital, and with a strong investment pipeline, believe that ASPER is well placed to continue to lead the pan-European residential market in 2019 with further closes expected during the year.

### Transactions

In June 2018, ASPER made its first investment by acquiring a high quality core asset in Vienna’s 3<sup>rd</sup> district. A month later, three further high quality properties were signed in the South Harbour of Copenhagen, 10<sup>th</sup> district of Vienna, and in Suresnes, Paris. In September, these acquisitions were followed by a portfolio asset transaction in the Helsinki Metropolitan area, and in late 2018 ASPER’s first UK asset (in Birmingham) was acquired. In early 2019, another asset, this time in Copenhagen’s Valby district, was contracted bringing ASPER’s number of acquired assets to seven with three more (two in Paris, and one in Copenhagen) under exclusivity and in due diligence respectively. The fund also has two assets in Frankfurt and another portfolio asset in Stockholm currently under negotiation. In total, 1,789 apartments have been secured with a lettable area of 116,492 sqm. The market value of these acquired properties as at February 2019 was €561.3 million with another €427.2 million in the pipeline.

### Portfolio management

Local management expertise and resources are among our key strengths in Europe. Having native speakers on the ground, with local expertise and networks, is essential for maximising portfolio returns and optimising risk control. The current focus is on overseeing the development status of various asset construction phases, together with letting activities in respect of the standing investments in the South Harbour of Copenhagen and the Helsinki portfolio, to achieve an occupancy rate close to 100%.

Continued overleaf

### Key information

Legal structure	SICAV-RAIF
Domicile	Luxembourg
Risk style	Core
Launch	29 March 2018
Term	Open-ended, infinite
Investors	12 institutional investors
Geographic universe	Western Europe
Sector universe	Residential real estate
Target size (GAV)	EUR >1.5 billion
Current size (GAV)	EUR 395.1 million
Minimum commitment	EUR 3 million
Current total commitments	EUR 405.2 million
Current investor queue	EUR 67.5 million; 1-2 quarters (as at 02/19)
Target return	Income return: 3-4% p.a. Total return: 5-7% p.a.
Currency	EUR
Leverage	Maximum LTV of 40% of GAV; Current LTV of 26.8% of GAV; Long-term LTV of 25% of GAV
Liquidity	Quarterly (3 year lock in with a max. 2 years for repayment)
NAV reporting frequency	Quarterly
External asset valuation	Quarterly. Valuation advisors rotated every 3 years
Annual management fee	Fund management fee of: 90bps of NAV for commitments up to EUR 25 million; 80bps for commitments of EUR 25-50 million; 70bps for commitments > EUR 50 million

The value of investments and the income from them can go down as well as up and an investor may get back less than the amount invested.

For further information please contact the relevant representative from your region:

**Robert Matthews, UK, Europe, North America**  
Phone +44 131 528 4328  
Email: robert.matthews@aberdeenstandard.com

**Lina Alvmur, Nordics**  
Phone +46 8412 8026  
Email: lina.alvmur@aberdeenstandard.com

**Sin-Niew Loh, Asia Pacific**  
Phone + 65 6395 2441  
Email sin-niew.loh@aberdeenstandard.com

[aberdeenstandard.com](http://aberdeenstandard.com)

# Aberdeen Standard Pan European Residential Property Fund

March 2019

## Market outlook

European direct real estate is set for a slightly more benign year of performance, owing to the likely softening in demand fundamentals and signs that prime asset pricing trends are reaching their peak. While risks remain tilted towards the external environment and domestic growth drivers remain in better shape, we believe risk-adjusted returns will continue to be attractive to many pools of capital. We expect Europe to grow by around 1.2% in 2019 and by 1.5% in 2020. On balance, the more relevant economic drivers to real estate are holding up comparatively well.

Our overall performance outlook remains positive in relation to other global markets, but it has weakened as we have moved further through the cycle. Our most-favoured investment themes in the Eurozone include the private rented residential sector, which benefits from strong population growth in winning cities, restricted supply, and limited sites for new development.

Continental Europe is still expected to outperform the UK, but returns are expected to be at lower levels than experienced in recent years. We continue to have a strong focus on stock picking within the investment themes on which we have the strongest conviction.

Our view of the residential sector itself remains relatively unchanged. We continue to focus on newer, modern, and flexible assets in central locations. We monitor development levels, which have picked up in some markets, as higher levels of completions may have short-term effects on turnover, voids and rental levels.

## Important information

For professional investors only, in Switzerland for Qualified Investors only – not for use by retail investors or advisers.

Issued by Aberdeen Standard Investments Luxembourg S.A. Registered in Luxembourg. Registered Office: 35a, avenue John F. Kennedy, L-1855 Luxembourg. Authorised and regulated by the Commission de Surveillance du Secteur Financier in Luxembourg.

Distribution in the European Economic Area:

As at the date of this document, the Fund has been notified, registered or approved (as the case may be and howsoever described) in accordance with the local law/regulations implementing the Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the "AIFMD") for marketing to professional investors into the following member states of the EEA (each a "Member State"): Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden and the United Kingdom.

In relation to other Member States, this document may only be distributed and Shares may only be offered or placed in a Member State: (i) at the investor's own initiative; or (ii) to the extent that this document may otherwise be lawfully distributed and the Shares may lawfully be offered or placed in that Member State.

Distribution in Switzerland:

Pursuant to Article 120 para. 4 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"), the Shares may only be offered and the Offering Memorandum may only be distributed in or from Switzerland to Qualified Investors as defined in the CISA and its implementing ordinance. Further, the Shares may be sold under the exemptions of Article 3 para. 2 CISA.

The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. The Offering Memorandum, the Articles as well as the annual and semi-annual reports may be obtained free of charge from the representative.

Issued in Switzerland by Aberdeen Standard Investments (Switzerland) AG ("ASIS"). Registered in Switzerland under company no. CHE-114.943.983. Registered Office: Schweizergasse 14, 8001 Zurich. ASIS holds a distribution license from FINMA.

This document is for information purposes and should not be considered as an offer or solicitation to deal in any of the investments mentioned herein.

This document is not intended for distribution or use by anyone in any jurisdiction where such distribution, publication or use would be prohibited. The information, opinions or data in this document do not constitute investment, legal, tax or other advice and should not be relied upon in making an investment or other decision.

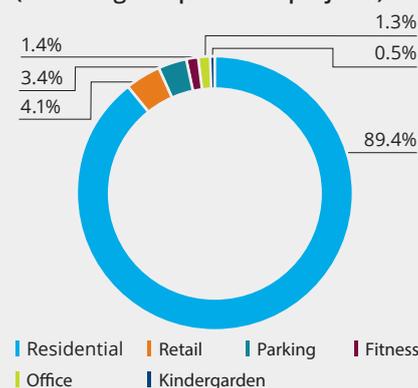
Property is a relatively illiquid asset class, the valuation of which is a matter of opinion. There is no recognised market for property and there can be delays in realising the value of assets. The capital value of investments and the income from them can go down as well as up, and an investor may get back less than the amount originally invested. Past performance is not an indication of future results.

Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Professional advice should be obtained before making any investment decision.

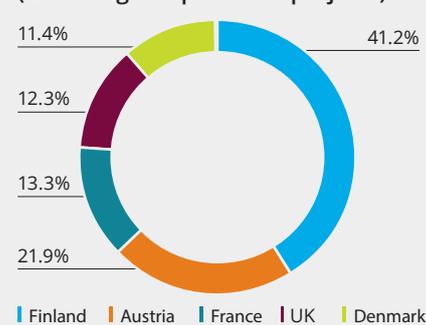
Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments

"Last year, Europe was in a 'goldilocks' situation of solid growth and low interest rates. This year, the expectations are switching towards a more 'bearish' scenario."

## Sector allocation (assuming completion of projects)



## Geographic allocation (assuming completion of projects)



Figures may not always sum to 100% due to rounding.

All figures (unless otherwise indicated) are as at 31 December 2018.

## Investment universe



aberdeenstandard.com