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Press release

AXA Investment Managers - Real Assets forms new affordable housing strategic partnership with in'li through major investment in greater Paris residential portfolio

- Acquisition of 75% share in initial portfolio of 143 residential assets across greater Paris region with ambitious long-term growth targets -

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 created a long term strategic partnership with in'li, a leading operator of affordable housing in Île-de-France and a subsidiary of French social housing giant Action Logement, with the acquisition, on behalf of clients, of a 75% stake in a newly created property company, which currently comprises a portfolio of c.9,800 residential units in the greater Paris region. Through the partnership, in'li and AXA IM - Real Assets will also seek to develop a further 1,500 new units per year.

The initial portfolio is diversified across the whole of Île-de-France, Europe's largest city area with a population of over 12 million people, and totals c. 565,000 sqm across 143 assets. It consists of 61 existing income producing properties dedicated to affordable housing and comprising c. 5,800 units which are fully occupied, as well as a further c. 4,000 units across 82 purpose-built assets that are currently under construction and are being forward funded by the venture as part of the transaction.

In 2014, the French government created affordable housing regulation (*logement intermédiaire*) with the objective of attracting private sector finance to help address the shortage of good quality and affordable rental accommodation for the middle classes, who do not qualify for social housing but are priced out of the private rental market. It is focused on supply-constrained areas, particularly in the greater Paris region, and generally located in or around existing or potential new areas of employment to make locations or regions more attractive to employers, thereby facilitating job mobility.

Access to regulated affordable housing is means-tested according to income ceilings, and offers rents set at between 10-20% below market rate. At the same time the rental leases are linked to the IRL consumer price index providing highly visible and defensive income returns which are well suited to matching the long-term liabilities of institutional investors such as pension funds or insurance companies.

As part of the partnership, in'li, which retains a 25% interest in the property company thus created, will source new forward funding development opportunities as well as undertake project management, property management and leasing for the venture through its property management subsidiary in'li Property Management, while AXA IM - Real Assets will be responsible for asset and fund management.

The acquisition forms part of AXA IM - Real Assets' wider long-term strategy, on behalf of clients, to invest into residential asset classes which it believes are supported by strong demographic drivers and adds to its c. €22 billion portfolio of residential assets under management spread across 15 countries⁽²⁾.

Isabelle Scemama, CEO of AXA IM - Real Assets, commented: "This is a strategic transaction for AXA IM - Real Assets that is in line with our long-term investment policy and allows us to offer our clients access to a portfolio of resilient and good quality assets. As a European leader in real estate asset management, we have been implementing an ambitious residential investment strategy for several years, focusing on markets where there is significant need and favouring intermediate segments in order to provide affordable housing for local populations. With the signing of this partnership, we are pleased to further materialise this ambition in the Paris region and to bring to in'li, a first-class and committed intermediate housing operator, our deep financial capacity and expertise to develop a significant programme of new housing production by 2030."

Benoist Apparu, Chairman of in'li commented: " This long-term partnership with AXA IM - Real Assets is an opportunity for the development of intermediate housing in the Paris region. It will contribute to the production, through the property company or directly, of 80,000 new intermediary housing units over the next 10 years – an ambitious objective that in'li has set itself since its creation. Ile-de-France residents have high expectations, and our responsibility is to do everything we can to meet them."

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

2 Source: AXA IM - Real Assets' unaudited data as of 30 June 2020

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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 €804 billion in assets under management as at end of March 2020⁽¹⁾, AXA IM employs over 2,360 employees around the world and operates out of 28 offices across 20 countries. AXA IM is part of the AXA Group, a world leader in financial protection and wealth management.

1 Source: AXA IM - Real Assets' unaudited data. All figures as of March 2020.

About AXA IM - Real Assets

AXA IM - Real Assets is part of AXA IM Alts, one of the global leaders in alternative investments with €146 billion of assets under management as of end of March 2020⁽¹⁾, across real estate, infrastructure, private debt, structured finance and hedge funds. AXA IM Alts employs over 700 people located in 15 offices around the world and serve the needs of more than 300 clients from Europe, North America, Asia Pacific and Middle East. We are a global leader in real assets investment with €100 bn of assets under management, the number one property portfolio and asset manager in Europe ⁽²⁾, and one of the largest worldwide.

1 Source: AXA IM - Real Assets' unaudited data. All figures as of March 2020.

2 Source: INREV Fund Manager Survey – May 2019 in terms of assets under management

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About in'li

Created from the merger of four entities of the Action Logement group in October 2017, in'li is a leader in intermediate housing in the Ile-de-France region, with a portfolio of more than 43,000 homes spread throughout the region. in'li's purpose is to enable middle-class employees and young working people to have access to housing in order to promote the employment-housing link, facilitate professional mobility and participate in the revitalisation of the region.

www.inli.com

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