

Top 50 fund managers increased their average AUM by €5 billion

- > A total of €1.9 trillion across 4,963 non-listed real estate vehicles
- > Non-listed real estate funds account for €1.0 trillion of AUM
- > Funds with a European strategy amount to €405.7 billion

This year's sample of total real estate assets under management (AUM) increased to €2.4 trillion, up 20.1% from €2.0 trillion in 2015. Overall, the 10 largest fund managers represent 38.0% of the total AUM, down from 41.0% last year.

With €143.2 billion of total real estate assets under management, The Blackstone Group tops the list in the 2016 survey. Brookfield Asset Management ranks second overall with €140.5 billion of total real estate AUM. PGIM, Inc occupies the

third position with €115.5 billion of global real estate AUM.

For European strategies, AXA Investment Managers – Real Assets is in top position with €58.1 billion of real estate assets under management. The second and third slots are filled by CBRE Global Investors and Aviva Investors, with AUM of €45.3 billion and €43.3 billion respectively.

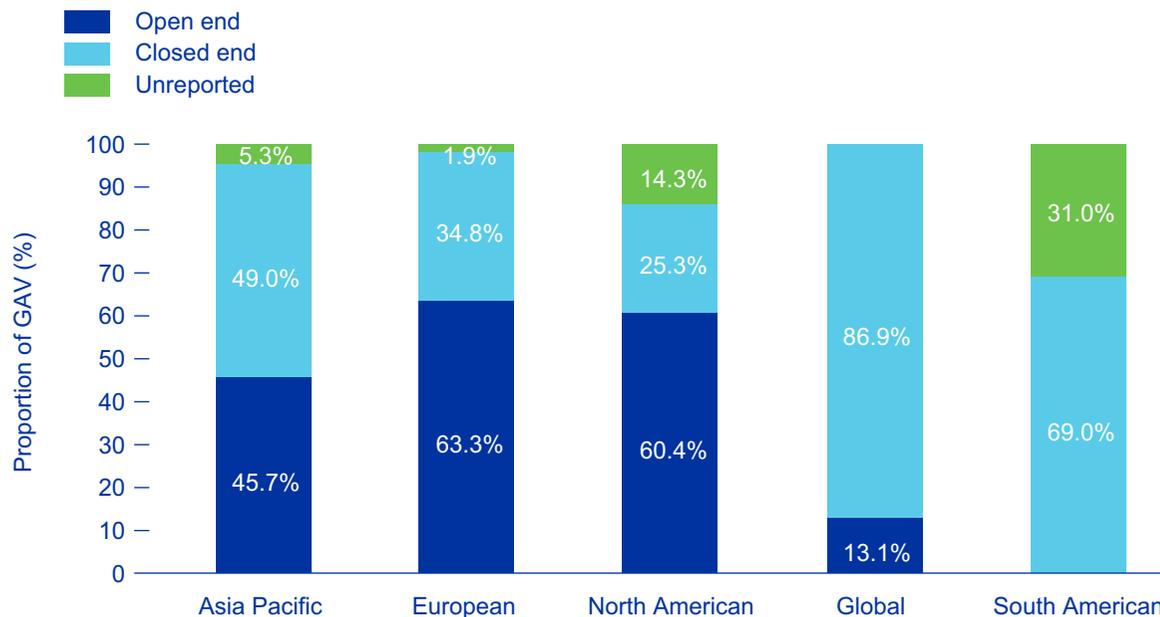
In terms of Asia Pacific strategies, CapitaLand is the largest fund manager, just as in 2016, with total real estate AUM of €40.2 billion. The second place goes to Fosun Property Holdings with €30.8 billion in AUM, and next is Mapletree Investments with €22.4 billion of real estate AUM.

For North America strategies, PGIM, Inc is the largest fund manager, with total real estate AUM of €92.6 billion. Second place for North American strategies goes to Brookfield Asset Management with €89.0 billion in AUM, and next is Hines with €67.0 billion of real estate AUM.

Overall, fund managers manage a total of 4,963 non-listed

'Non-listed real estate funds are dominant within the category of non-listed vehicles'

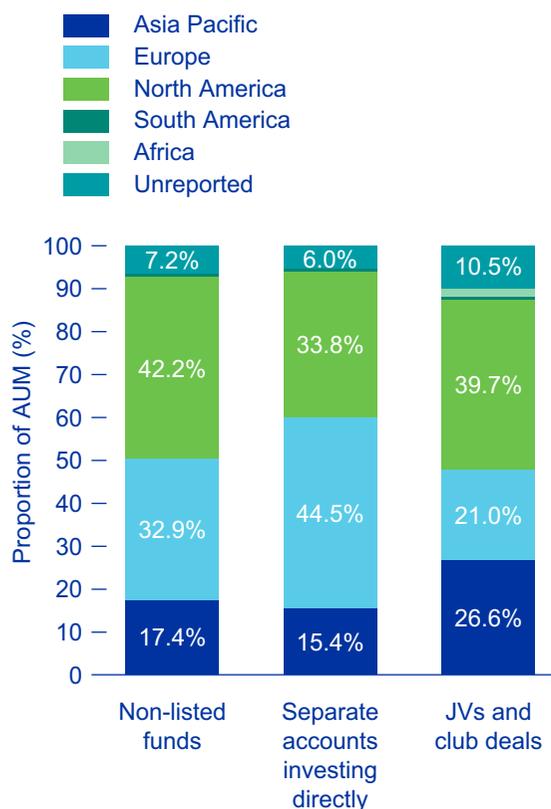
Figure 1: Value of non-listed real estate funds by structure and regional strategy



real estate vehicles with a combined value of €1.9 trillion. Of that amount, non-listed funds account for €1.0 trillion spread across 1,629 different funds.

By value, funds with a European strategy amount to €405.7 billion (39.4%) in total. North American funds constitute €351.5 billion (34.1%). Global funds hold €137.1 billion

Figure 2: Non-listed direct real estate vehicles by type and institutional investor domicile



(13.3%) and Asia Pacific funds have €128.3 billion (12.5%). Funds with a South American regional strategy amount to €7.3 billion (0.7%) only.

Turning to the structure within each regional strategy, the picture is of two broad camps (measured by value): the European and North American strategies, where open end is preferred, and the other strategies, where closed end structures are preferred. In Asia Pacific the preference for closed end over open end is relatively slight (49.0% versus 45.7%), whereas for the other strategies the preference for closed end is overwhelming.

When the same structure analysis within regional strategies is done by number of funds rather than asset value, a different picture emerges. The preference for open end structures in European and North American mandates is considerably less marked, reflecting the large size of a relatively small number of open end funds with European and North American strategies. For global strategies there is little difference between the value-based and number-based analysis: closed end funds dominate.

In terms of assets, institutional investors continue to be the main investor type for non-listed direct real estate vehicles. For non-listed real estate funds, institutional investors make up 68.7% of the total assets under management.

For separate accounts the corresponding percentage is 92.4%, while for joint ventures and clubs it is 79.8%.

‘Open end funds are preferred in North America and Europe, but not elsewhere’

Pension funds continue to dominate the market for non-listed funds, representing 55.9% of institutional buyers. They are also the largest purchaser of separate accounts investing directly, representing 43.3% of that market. For joint ventures and club deals, they represent a smaller share of the total (21.2%), though they are still the largest purchaser type.

Regarding the domicile of investors, North American and European based investors are the main sources of capital for non-listed direct estate vehicles. These two together account for 75.1% of the AUM in funds, 78.3% of the AUM in separate accounts and 60.7% of the AUM in JVs and clubs. Asia Pacific investors make up less than 20% of the AUM in funds and separate accounts, but 26.6% of the AUM in JVs and clubs.

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