

“Platzhirsch” fund continues successful KGAL real estate strategy focusing on basic supply

Grünwald, 16.11.2015 – The new institutional special AIF “Platzhirsch” (local champion) - Selected Commercial Property Fund 1 (SCPF1) managed by KGAL invests in German and Austrian mixed-use district centres as well as retail parks, which have a dominant position in the particular sub-market. The focus lies on long-term stable distributions which are largely unaffected by economic cycles.

For the Austrian Retail Park Portfolio (ARPP) Real Estate fund, KGAL had been able to collect a total of around EUR 350 million in equity capital from institutional investors since 2013. Attributable to the professional market forecasting and the strong networks of KGAL experts, the capital was invested in seven Austrian retail parks within three years, most recently with the purchase of the "Shopping Bruck" retail park. The properties acquired are predominantly even higher-end structures than previously announced and feature almost 144,000 m² of rental space. The occupancy rate is 100%. KGAL placed particular emphasis on a wide variety of tenants with a balanced mix of industries and strong anchor tenants. The fund distributions are evolving as forecasted.

This successful strategy will now also be extended to the German market with the new Platzhirsch SCPF 1 Real Estate fund, supplemented by the local and basic supply components. Focusing on sustainable and stable yields, a portfolio of mixed-use district centres and retail parks will be established. The core of the investment strategy is formed by the criteria of dominance in the sub-market, focus on basic supply and the sustainability of location, building and usage type.

Typical investment properties have an excellent standing locally and are difficult to reproduce. This mainly applies to learned locations with excellent infrastructural connections. "Platzhirsch"(local champion) objects are often located in the centre of local supply and have a tenant mix geared to basic supply. For example, this includes retail for basic consumer goods, public institutions, food services and doctors, as well as sectors offering personal services in health, wellness and sport.

These characteristics make the real estate less susceptible to crises, as the high frequency rate and the focus on basic supply are largely unaffected by current economic situations and potential competition from e-commerce providers. "The results of our comprehensive analysis on the crisis-resilience of various types of real estate consistently lead to the concept of the Platzhirsch fund. With the objective of generating stable distributions, this new strategy offers a valuable hedge against market fluctuations," explains André Zücker, Managing Director and Head of Real Estate at KGAL Investment Management GmbH & Co. KG.

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KGAL GmbH & Co. KG, a German based asset- and investment manager, with registered offices in Grünwald near Munich (Germany) has been initiating and managing long-term real capital investments with sustainable and stable yields for more than 47 years. The company's portfolio of services comprises the design and management of funds for institutional investors. The quality of KGAL products in the main asset categories of real estate, aviation and infrastructure is based on the experience of its in-house experts.

As of December 31st 2014, the KGAL Group manages an investment volume of EUR 22.3 billion. KGAL currently manages capital for 102,000 investors (incl. multiple subscriptions) with equity investments in a total of 129 active limited partnership funds. Investors have entrusted EUR 6.8 billion in equity capital to KGAL for these funds. The KGAL Group has 322 employees (as of 31.12.2014).