



AREF FutureGen Educational Series 2020
'The Bricks and Mortar of Real Estate'
Event 1: Investment Management
Wednesday 30th September 10:15 – 11:00am

THE WEBINAR WILL BEGIN AT 10:15am

Please remember to mute your microphone and turn off your camera (we will do this for you, if they are turned on) - this will keep the focus on the speakers.

*To view all speakers, select '**active cameras only**' from the viewing options on your screen*

Questions can be asked via the 'chat' function (look for the speech bubble and type your message to 'Organizers (only)')

This webinar will be recorded



Proudly sponsored by:

CAREY OLSEN



Welcome

Rory Blazeby

Director – Alternative Investments at Ocorian
& Member of AREF FutureGen Committee



Introduction

Christopher Griffin

Partner, Carey Olsen

Speakers



Christopher Griffin
Partner – Carey Olsen



Phil Clark
Global Head of Real Assets
Equity,
Aegon Asset Management



Karen Fox
Fund Manager - Property
Aegon Asset Management &
Member of AREF's Education &
Training Committee

Agenda

- **Introduction** - Christopher Griffin
- **Training Presentation** - Phil Clark and Karen Fox of Aegon Asset Management
- **Moderated Q&A** (moderated by Christopher Griffin)
- 11:00 - Finish

Phil Clark – Global Head of Real Assets Equity
Karen Fox – Co manager, Aegon Property Income Fund

September 2020



*Beyond
borders™*

✓ **A Fund manager's role is to provide financial security for investors through performance from their investment decisions**

Developing a fund - how is a fund created?



✓ **Client at the foundation of all decisions**

Do restrictions shape individual funds... YES!

Two types of restrictions



- FCA
- Pension rules
- Offshore constraints
- Charity rules

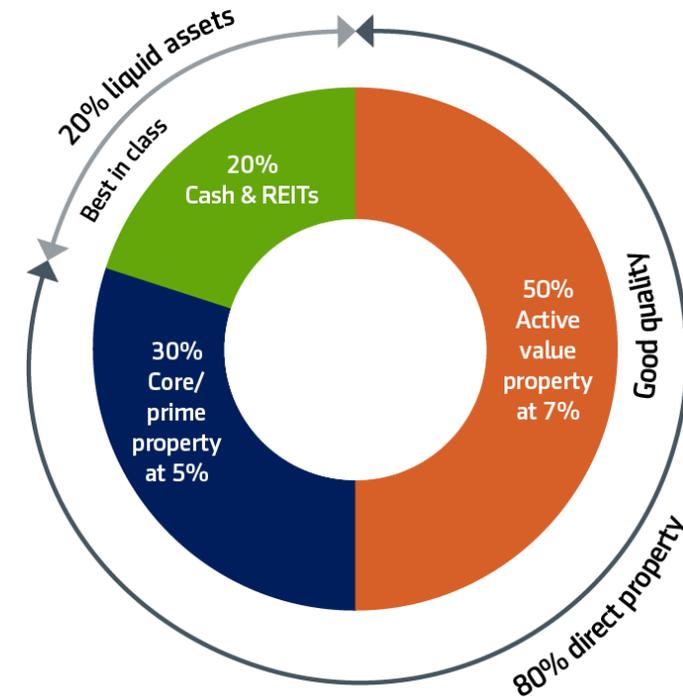


- USP
- Benchmark requirements
- Yield requirements
- Sector specialists
- Lease length requirements

How do restrictions shape strategy and portfolio structure

Case study – Aegon Property Income Fund

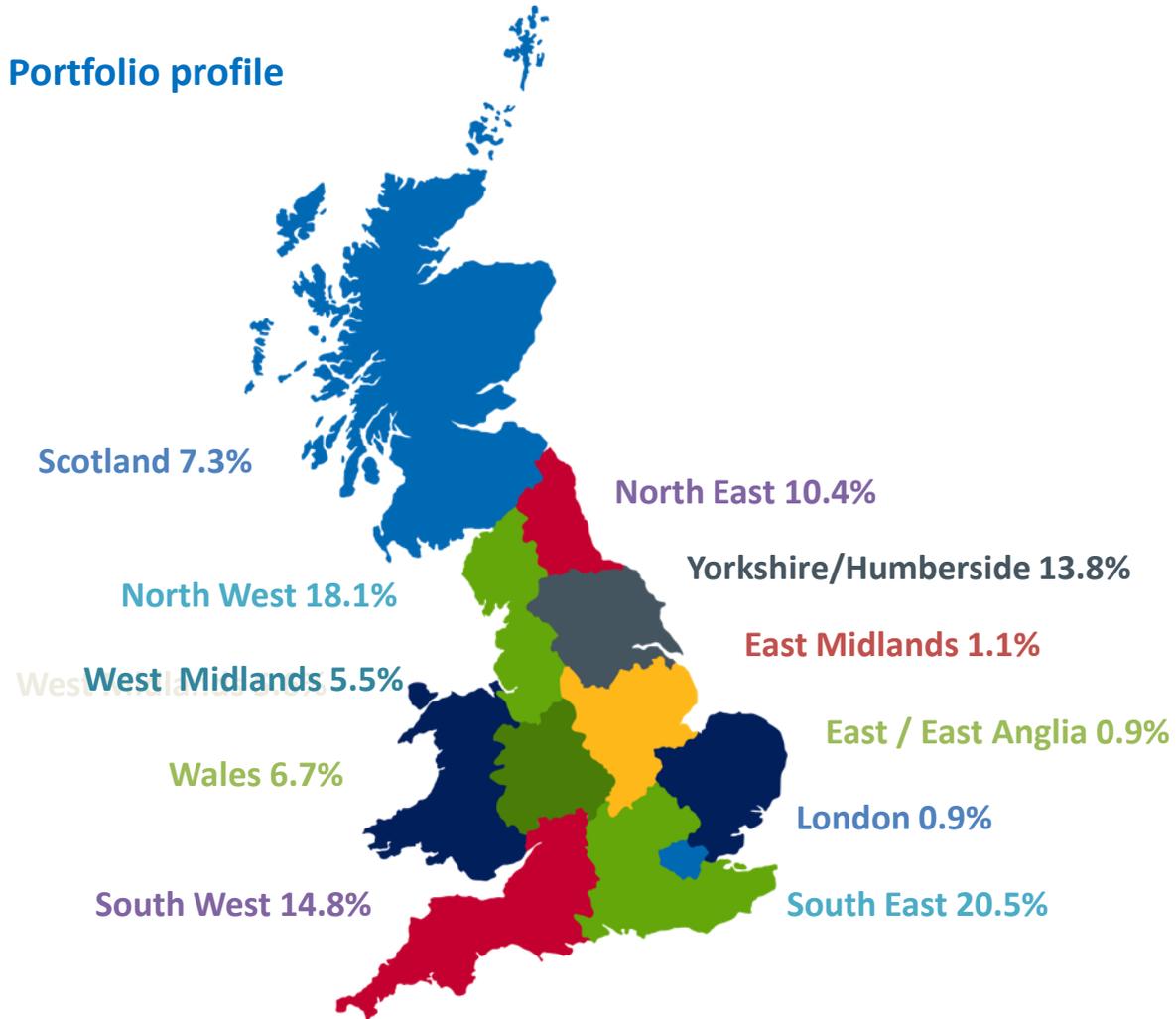
- **Client** – identified demand in market for a retail investor fund. Only 8 PAIF's in the market and most large core funds with low distribution yield
- **Structure** – FCA regulate retail investor funds, which are daily dealt PAIF's. 20% cash required to be held in the structure for liquidity
- **Objective** – Deliver income return of over 5% through active value/core plus assets and liquidity through core assets. All in small lot sizes of £2-£20m
- **Strategy** – 50% active value assets, 30% core assets, 20% cash/REITs



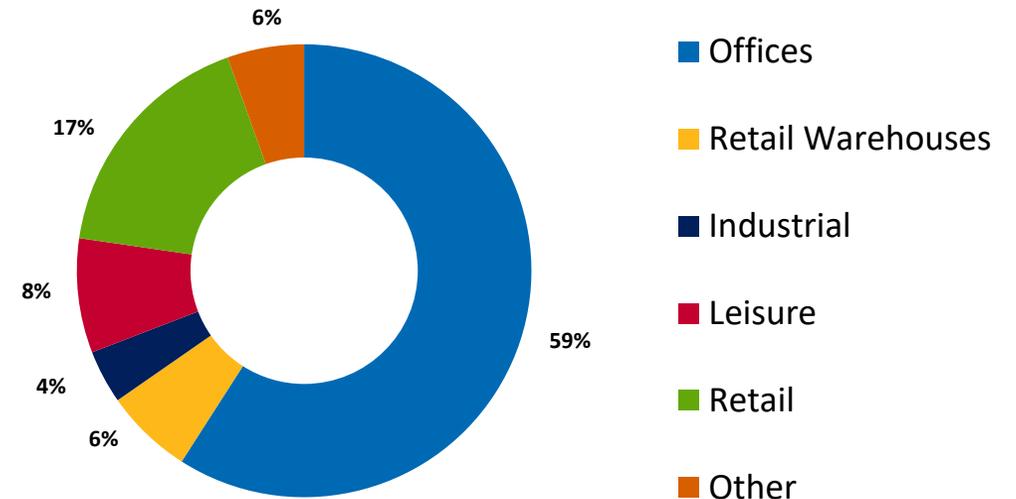
How do restrictions shape strategy and portfolio structure

Case study – Aegon Property Income Fund

Portfolio profile



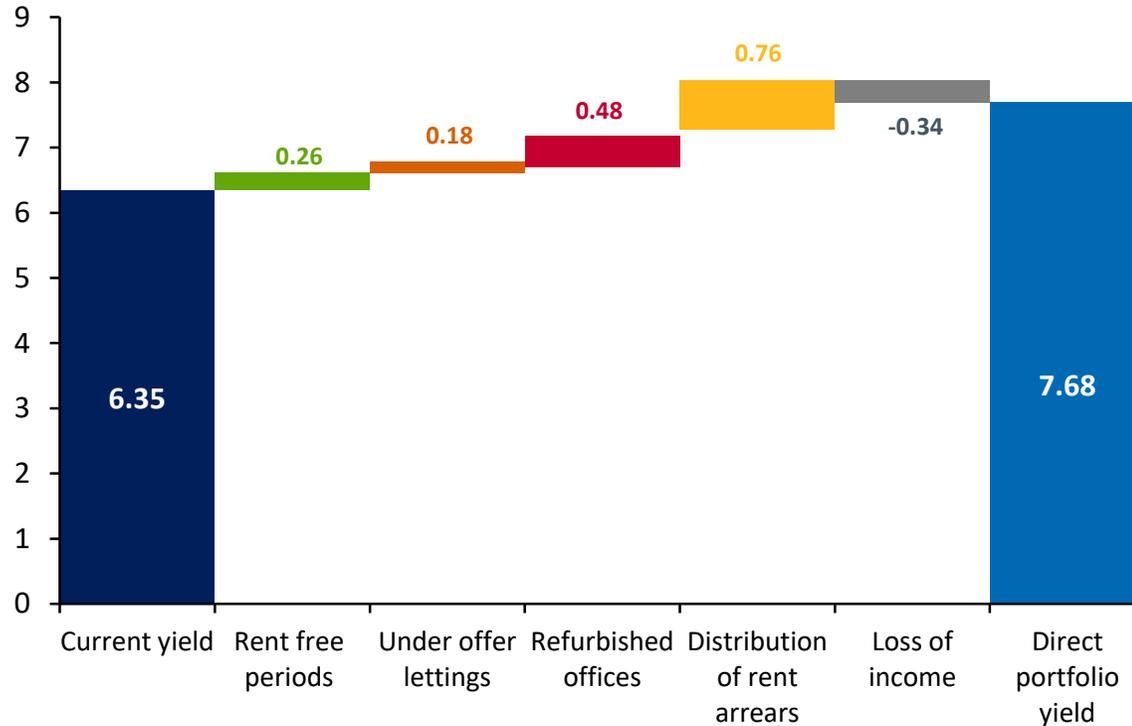
Sector weightings (%)



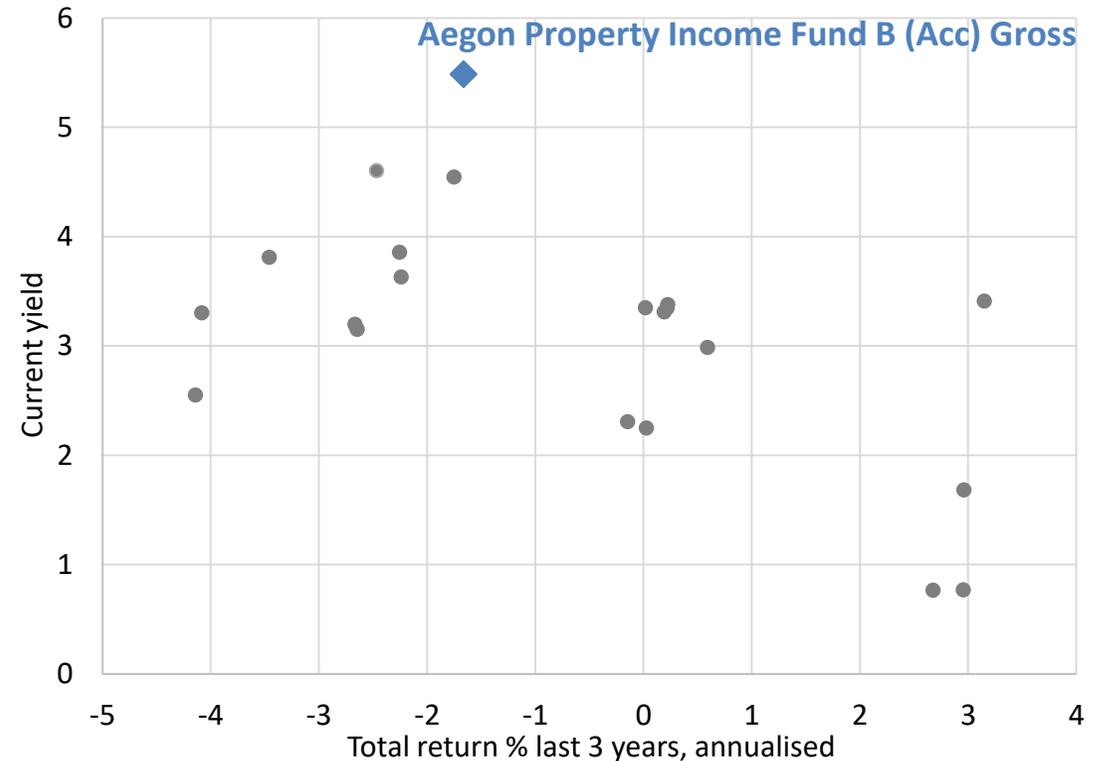
Delivering performance

Case Study - Aegon Property Income Fund

Income forecast (%)



Current 12 month yield and 3yr total return



Lhs chart: the current yield is as at 31 August 2020. The other figures are as at 22 September 2020. The rent-free periods and under offer lettings are based on contractual terms. The under-offer income is based on deals in solicitors' hands. Refurbished offices is based on the rental value of vacant space in three refurbished office buildings (Leeds, Slough and Sheffield). The distribution of rent arrears is based on the current bad debt provision in the fund's NAV for unpaid rent. The loss of rent is based on our analysis of lease events over the next 12 months. Rhs chart: as at 31 August 2020. Source: Lipper, gross of tax and ongoing charges (due to charges being taken from capital). The IA Sector includes both PAIFs and Feeders in its calculation. Full list of competitors is available on request. **Past performance is not a guarantee of future performance.**



Moderated Panel Discussion & Q&A

Moderator: Christopher Griffin

Questions can be asked via the 'Chat' function (look for the speech bubble) and type your message to 'Organizers – only'



Thank you

The slides and recording from this webinar will be available to AREF members later this afternoon (sent via email and on website)