

MEDIA RELEASE

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European investments deliver excellent returns for LGIAsuper members

LGIAsuper's investment strategy continues to deliver for members with the sale of properties in Paris, Copenhagen and Warsaw recently yielding excellent returns.

Europa Capital, one of LGIAsuper's European real estate managers, has announced the €142.5 million (\$230m) sale of the Sémaphore investment, a fully tenanted office building in a sought-after area north west of central Paris.

The investment, in which LGIAsuper held an 11% share, was sold a year ahead of the business plan and is forecast to generate an internal rate of return of 33 per cent, with 50 per cent extra capital created from the original 2017 investment.

Meanwhile, in the well-connected Copenhagen suburb of Valby, the real estate manager has announced the €62.6 million (\$102m) sale of a 127-unit residential building in which LGIAsuper held an 11% share. The building was part of an investment portfolio projected to generate an outstanding return of 48 per cent on completion in 2023.

In Warsaw, Poland the Radisson Collection Hotel has sold for €82.5 million (\$133m) and is projected to generate returns for the fund of more than 50%. The property is ideally located within Warsaw's city centre, close to the financial district. LGIAsuper CEO Kate Farrar said the properties were great examples of our partners' value-add approach to asset investment.

"Europa Capital did a top-to-bottom refurbishment of the Paris building after it was acquired, including adding a new staff restaurant and cafeteria and re-landscaping the roof terraces and internal courtyard," Ms Farrar said.

"The fund was then able to increase the tenanting of the building to 100 per cent occupancy and on-sell it for an excellent return for our members.

"In Copenhagen, the fund took delivery of one, two and three bedroom apartments through a 2016 forward funding agreement. The apartments had been constructed to a high building standard with strong environmental credentials which helped make them attractive in the competitive rental market of Copenhagen.

"The hotel in Warsaw was acquired by the fund in 2017 with a view to capitalising on the city's growing popularity as a destination for business travellers and tourists. After completing a comprehensive refurbishment of the property, the asset was sold ahead of business plan with some really great returns.

Ms Farrar said LGIAsuper's long-term, highly diversified approach to investing had proven successful with members receiving 9.1% growth in LGIAsuper's default MySuper Lifecycle U75 investment option over 34 years to 30 June 2019 and 8.6% over the past 10 years.



“As a boutique super fund our point of difference is that we are able to pursue profitable mid-market investments because we can react quickly to opportunities in ways that big funds may not,” Ms Farrar said.

“It’s why we appeal to members who want confidence that their fund’s investment strategy is going to protect them from market fluctuations and take advantage of all available opportunities.”

For more information on LGIAsuper’s investment strategy, please visit www.lgiasuper.com.au.

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About LGIAsuper – Trusted. Reliable. Understanding

LGIAsuper is a Queensland-based super fund that has provided trusted and reliable investment, advice and insurance solutions for more than 50 years. It looks after more than \$12 billion in retirement savings for around 80,000 members. The fund understands the needs of its members and their local communities because they listen and care.

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