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Press release

2019, a year of strong growth for La Française Group driven by real estate and international development

La Française records inflows of €5.6 billion. As at 31/12/2019, the Group posted more than €69 billion in assets under management for third parties and reaffirms the advantages of its multi-boutique model to meet the new challenges of asset management.

A clear vision of today's challenges

In the global context of strong changes linked to environmental and societal challenges, in 2019 La Française reaffirmed its position as a responsible player by structuring its approach around the creation of a dedicated transversal department. It thereby proves its commitment to participating in international efforts which aim to direct capital towards financing the energy transition and reducing greenhouse gas emissions. As a responsible asset manager, La Française is convinced that it is essential to integrate these major changes. These are all opportunities to reconsider the future, by identifying new performance levers, so that savings becomes a means of taking action. This is the approach of La Française Group, made possible thanks to its extra-financial research center Inflection Point by La Française.

A full range of complementary expertise: the multi-boutique model

The Group began 2020 with a streamlined structure, organised around two pillars, real estate and financial assets. It is thereby pursuing its ambitious development, thanks to a multi-boutique strategy ensuring complementary expertise and a solid foundation to the Group, all of which is leveraged by an innovation platform, which brings together the new activities identified as key businesses of tomorrow. La Française will continue to develop investment solutions based on its flagship expertise and its entrepreneurial and innovative initiatives such as the development of its BtoC platform, Moniwan, or Newtown Square and its eco-working concept.

Xavier Lépine, Chairman of the Board of Directors of La Française Group, concludes, "The year 2019 was marked by a number of successes for La Française Group. We will pursue our development strategy in 2020, a year which promises to be full of challenges. The low interest rate environment, pension reforms and civil society's awareness of climate issues will fundamentally change the asset management industry. The strength of our model, our commitment and that of our employees in terms of social and environmental responsibility place La Française Group in a good position to respond favorably to new challenges."

Focus on the Group's results

A record year for the Real Estate pillar

La Française's "real estate" pillar posted €3.7 billion in gross inflows in 2019, 16% more than in 2018, bringing its total real estate assets to €23.6 billion as at 31/12/2019. 32% of 2019 inflows in real estate come from foreign investors, mainly from Asia.

The low interest rate environment favored investments in real estate. The European market continues to attract institutional investors as evidenced by the co-acquisition of Crystal Park in Neuilly-sur-Seine with Samsung Securities, the signing of the joint venture with the CMNE and CPPIB (Canada Pension Plan Investment Board) for the development of Foncière du Grand Paris and the co-investment in D-Square in Luxembourg alongside South Korean investors. Xavier Lépine points out, "This is proof of the installation of La Française as a key player for foreign investors: South Korea, which was the second largest investor in France in 2019, has entrusted nearly half of its transactions to the Group." The mandates signed in 2019 represent nearly €2 billion in inflows for La Française and the first weeks of 2020 confirm this trend, particularly with the signing of a mandate with PFA, the Danish pension fund.

Retail investors favored collective real estate investment vehicles in 2019, and La Française benefited greatly from this interest thanks to a complete and diversified range allowing it to reach a historical record of gross inflows with more than €1.2 billion. The attraction for unit-linked life insurance contracts suggests good prospects for La Française and its real estate offering in 2020.

Thanks to its European investment platform with management centers in Paris, Frankfurt and London, La Française signed €4 billion in acquisitions on behalf of retail funds and mandates and sold €330 million, in a dynamic European market, particularly in France with the volume of commercial real estate transactions reaching €38.6 billion (Source: CBRE). The most emblematic acquisitions included:

- *The Watt in Courbevoie (92), offices;*
- *The M in Paris (17th), offices;*
- *The Smart'Up in Chatillon (92), offices;*
- *The 6B in Lyon (69), offices;*
- *The Identity 2 in Rennes (35), offices;*
- *The World Rugby House in Dublin (Ireland), offices;*
- *The Steag in Essen (Germany), offices;*
- *Ansgari Haus, Bremen (Germany), offices and retail;*
- *The Baxter Building in Amsterdam (Netherlands), offices;*
- *The Babel Community, co-living building in Marseille (France).*

A Financial Assets pillar driven by strong international development

La Française's "financial assets" pillar posted some €2 billion in net inflows, bringing its assets in securities under management to almost €46 billion, 34% of which on behalf of foreign investors.



With the integration of Veritas, Germany has become La Française's second market and represents more than 12% of the group's assets under management. The Risk@Work quantitative multi-asset model developed by Veritas is now integrated into the management process of several French funds. Management synergies are emerging and the "carbon" investment strategy, developed by La Française AM with its extra-financial research center Inflection Point by La Française, is now an integral part of a number of quantitative funds, managed by its German subsidiary, La Française AM GmbH.

Two of the Group's credit funds exceeded the symbolic mark of USD1 billion under management on 31/12/2019, confirming the appeal to investors of La Française AM's bond solutions. During 2019, La Française launched three new fixed-maturity funds, one with a low carbon credit strategy. The group now offers investors a range of solutions enabling them to position themselves on promising strategies linked to limiting the rise in global warming.

LFIS' assets under management increased by 6% in 2019 to €14 billion. Growth was driven by strong fund performance across the range as well as inflows into LFIS' premia range of funds from a broader scope of clients including from Australia and Canada. 2019 also saw momentum for LFIS' multi-strategy Perspective approach and the launch of a number of new strategies expected to drive growth going forward.

Specialized in identifying and investing in management companies and technology start-ups on behalf of French and international institutions, NewAlpha recorded net inflows of more than €200 million, bringing its AUM to €2.2 billion.

About La Française

Environmental and societal challenges are opportunities to reconsider the future. Identifying drivers of change and understanding how they will fashion global growth and ultimately influence long-term financial performance is at the heart of La Française's mission. The group's forward-looking investment strategy is built upon this conviction.

Organized around two business lines, financial and real estate assets, La Française has developed a multi-boutique model to serve institutional and retail clients in France and abroad.

La Française, aware of the importance of the extensive transformations occurring in our increasingly digital and connected world, has created an innovation platform which brings together the new activities identified as key businesses of tomorrow.

La Française has 69.25 billion euros in assets under management as of 31/12/2019 and has operations in Paris, Frankfurt, Geneva, Hamburg, London, Luxembourg, Madrid, Milan, Stamford (CT, USA), Hong Kong, Seoul and Singapore.

La Française is a subsidiary of Caisse Fédérale de Crédit Mutuel Nord Europe (CMNE). Standard and Poor's Credit Rating (12/2018): Medium Long-term: A / Short-term: A-1 / LT Outlook: stable.



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