

REAL ASSETS

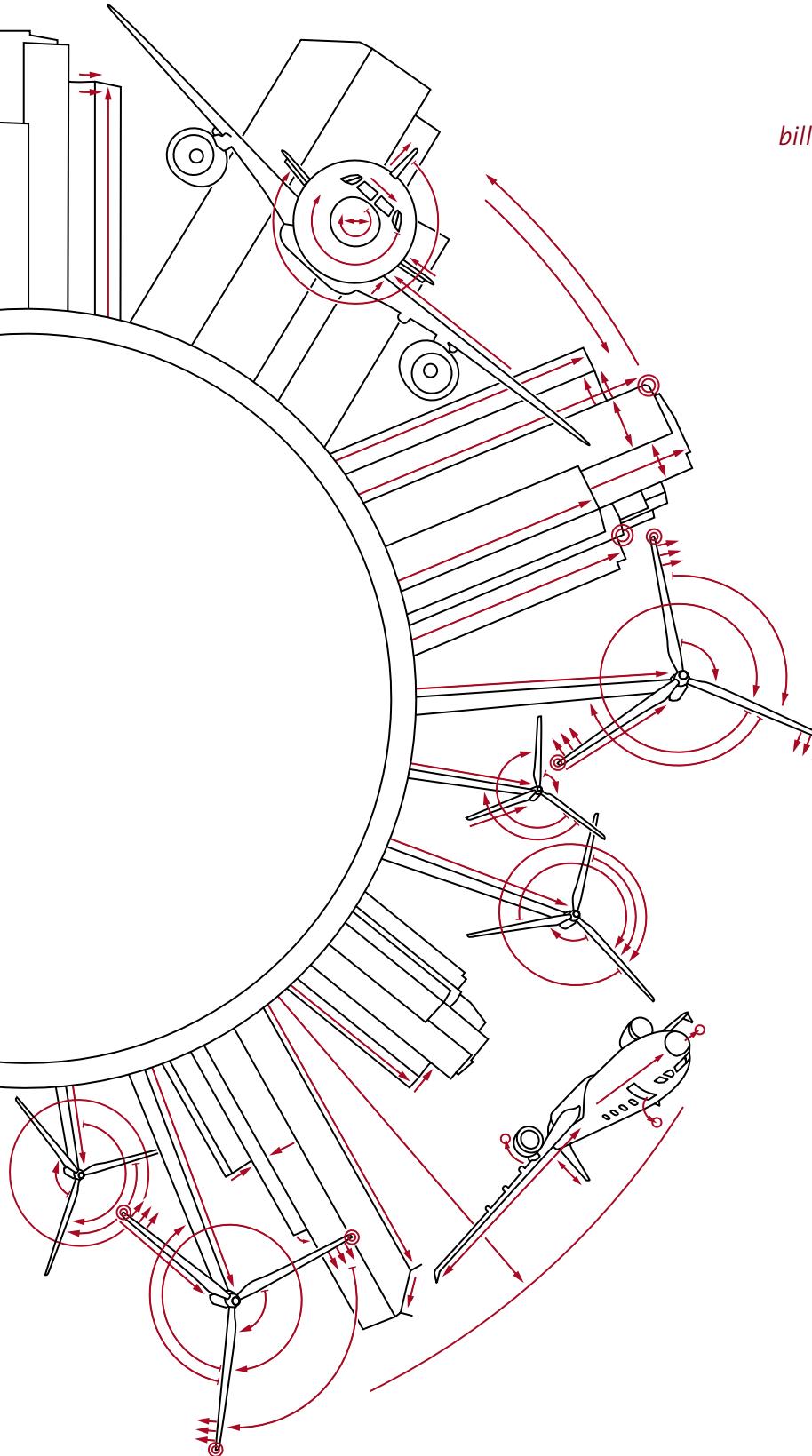
REAL ESTATE | INFRASTRUCTURE | AVIATION



KGAL
REAL INVESTMENTS

KEY FIGURES*

OVERVIEW



FOREWORD



GERT WALTENBAUER
CHIEF EXECUTIVE OFFICER (CEO),
KGAL GMBH & CO. KG

KGAL has opened the new decade with a highly successful financial year. Our institutional investors have persuasively expressed their confidence in us with equity commitments of 1.6 billion euros. We are particularly delighted about breaking through internationally, with new investors from 13 countries.

On a similar note, the closing for the KGAL ESPF 4 renewable energies fund with 750 million euros on 30 September 2019 represented another milestone in our company history. Our expectations were exceeded by far in terms of institutional investors' interest in this core-plus strategy, which specifically combines greenfield and brownfield investments, primarily in Europe-based wind power, photovoltaics and hydropower, and as such covers the entire value chain. In light of this unforeseen enthusiasm, we adjusted the placement goal upward multiple times and delayed the final closing.

What else has happened? We have implemented two club deals and stocked one single-client account with one billion euros of equity. We have started to offer institutional customers investments in private equity transactions with companies associated with real estate and infrastructure, through our newly founded subsidiary KGAL Equity Partners. We have also broken new ground with our open property fund KGAL immoSUBSTANZ, and are now giving private customers the opportunity to invest in property markets in the same way as professionals do. We successfully completed the first short financial year on 31 October 2019. The BVI return for KGAL immoSUBSTANZ as at 31 December 2019 was 3.8 percent – significantly above the average BVI return for open property funds, of 3.2 percent.

KGAL is well-positioned for the future, both in terms of its product range and our most important capital: our employees. The only way to bring on board and retain the best people is to be a cutting-edge employer, which is why last year we introduced mobile working patterns. We will also shortly be providing new resources throughout KGAL Group, along with advanced workplaces that take into account the requirements of digitisation. IT and digitisation are also the focus of our training this year, as we make our 371 employees – of whom more than 1 in 9 has an international background – digitally fit for the future.

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KGAL GROUP

KGAL Group is a leading independent investment and asset manager with an investment volume of 20.2 billion euros, across 62,000 investors. The Group, founded in 1968, operates across Europe and has its registered office in Grünwald near Munich, Germany.

It focuses on long-term capital investments for institutional investors in the real estate, infrastructure and aviation asset classes.

371 employees contribute to achieve earnings that are stable in the long term, taking into account aspects of risk and return.

(As at: 31 December 2019)

THE MANAGEMENT OF KGAL GMBH & CO. KG



GERT WALTENBAUER
CHAIRMAN

Gert Waltenbauer is Chief Executive Officer (CEO) and is responsible for Human Resources, Marketing & Communications, Audit, General Counsel and Compliance/Anti-Money Laundering. He joined KGAL Group in 1993.



DR. THOMAS SCHRÖER
CHIEF FINANCIAL OFFICER

Dr Thomas Schröer is Chief Financial Officer (CFO). In this role, he is responsible for all financial topics at KGAL Group, including the areas of Financial Controlling, Treasury, Group Accounting, Accounting, IT & Corporate Services and Taxes. He joined KGAL Group in 1999.



DR. KLAUS WOLF
CHIEF INVESTMENT OFFICER

As Chief Investment Officer (CIO), Dr Klaus Wolf is responsible for the areas of Legal, Structured Finance and Structuring. He joined KGAL Group in 1992.

CAPITAL MANAGEMENT AND SALES

KGAL INVESTMENT MANAGEMENT GMBH & CO. KG

KGAL Investment Management is a regulated capital management company and full subsidiary of KGAL GmbH & Co. KG. It acts as the investment manager for new funds in the asset areas of real estate, infrastructure and aviation. Another task is business development (sales).



DR MARTIN BARANOWSKI
MANAGING DIRECTOR RISK MANAGEMENT

Dr Martin Baranowski is member of the Board of Managing Directors and responsible for Risk Management, Fund Controlling, Outsourcing, Audit, Legal, Compliance and Data Protection.



MICHAEL EBNER
MANAGING DIRECTOR INFRASTRUCTURE

Michael Ebner is Speaker of the Board of Managing Directors and responsible for Infrastructure. He is also in charge for HR, Structuring and Human Resources.



JOCHEN HÖRGER
MANAGING DIRECTOR AVIATION

Jochen Hörger is member of the Board of Managing Directors with responsibility for the Aviation division. He is also in charge for Finance/Controlling, and Tax divisions within KGAL Investment Management.



FLORIAN MARTIN
MANAGING DIRECTOR CAPITAL

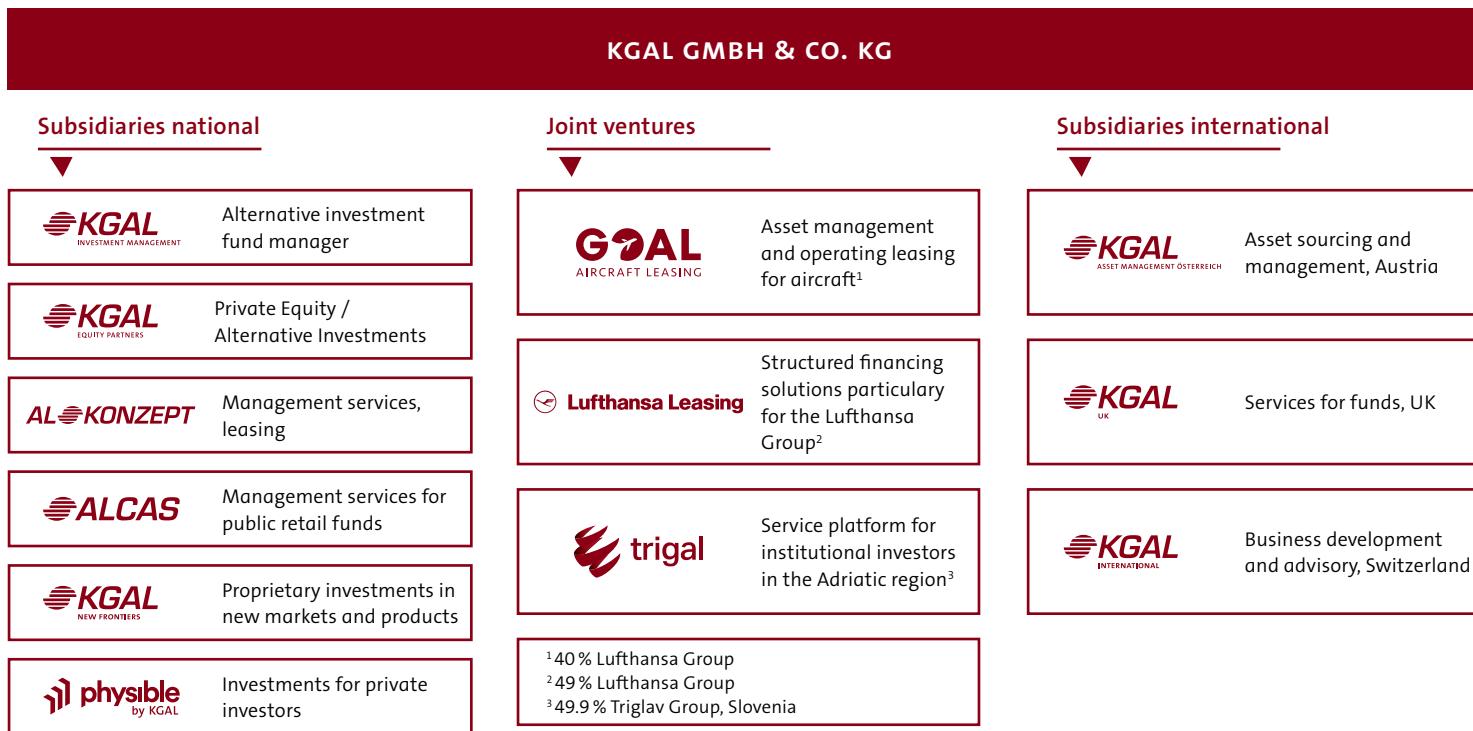
Florian Martin is the managing director Capital and is responsible for Institutional und Retail Business, IT and Digitalization and Marketing & Communications. Prior to that position he was speaker of the management board of KGAL Capital.



ANDRÉ ZÜCKER
MANAGING DIRECTOR REAL ESTATE

André Zücker is member of the Board of Managing Directors and responsible for the Real Estate division. He is also responsible for IT within KGAL Investment Management.

SUBSIDIARIES AND HOLDINGS



INTEGRATED FUND MANAGEMENT

The quality of KGAL funds is based on the experience of in-house experts. They professionally assess risks and appreciation potential, and actively and continuously supervise the tangible assets throughout the life of the fund – from acquisition to marketing.

The KGAL asset classes are clearly divided into the areas of transaction management, portfolio management, risk management and asset management. Portfolio management assumes full responsibility for the investments.

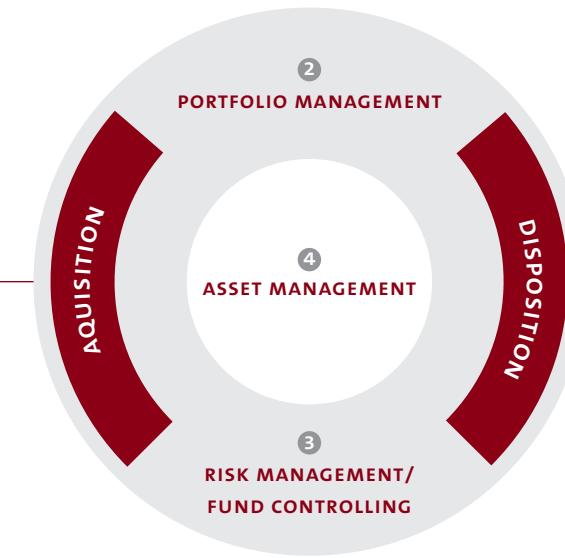
① TRANSACTION MANAGEMENT

- Continuous market presence and monitoring
- Purchase and sale of investment properties
- Ensuring access to relevant markets
- Implementation of individual transactions

① TRANSACTION MANAGEMENT

③ RISK MANAGEMENT

- On-going identification, measurement, control and reporting of relevant risks
- Regular monitoring of key parameters at market, fund and investment levels
- Development of recommended actions



② PORTFOLIO MANAGEMENT

- Clear strategic specifications for funds
- Monitoring compliance with targets
- Research and reaction to market changes
- Active composition of the portfolio

① TRANSACTION MANAGEMENT

④ ASSET MANAGEMENT

- Technical responsibility for professional management as well as performance at property level
- Implementation of efficient measures to maintain performance

STRENGTHS

CLEAR FOCUS ON CORE BUSINESS



KGAL has established itself as a leading, bank-independent European asset manager in the real asset sector. Its focus is on individual, tailored investment solutions. The fund's compliance with INREV guidelines ensures international acceptance.

WIDE-RANGING, FUTURE-ORIENTED INVESTMENT SPECTRUM



The product portfolio of KGAL comprises investments from the equity, core, core+, value added and opportunistic segments. As a pioneer with innovative investment solutions for institutional investors, KGAL opens up future-oriented investment markets.

SUSTAINED PERFORMANCE COMMITMENT



Fund Management pursues the goal of performance with substance, i.e. achieving attractive and sustainable returns even in a volatile environment. For more than 50 years, this has made us an attractive and stable partner for our clients.

POWERFUL RESOURCES



KGAL has a full-service platform with significant transaction capacities. Strong partnerships, for example two joint ventures with Lufthansa, ensure market access and create additional acquisition and marketing opportunities.

EXTENSIVE COMMITMENT TO SUSTAINABILITY



KGAL takes into account mega trends such as climate change, mobility and urbanisation with its investment behaviour, thus contributing to sustainable development. Social commitment is deeply rooted in the company's values.

MEGA TRENDS IN THE EXPANDING MARKET

GLOBAL AND LASTING REVOLUTIONS IN THE ECONOMY AND SOCIETY

DEMOGRAPHIC CHANGE

- The UN 2030 forecast: approx. 390 million more people over 65 years
- High life expectancy increases the need for personal pension schemes

RECONSTRUCTION OF SOCIAL SYSTEMS

- From contribution-financed to equity-financed pension schemes
- Greater private initiative is required
- Personal savings rates for pension schemes must increase

CLIMATE CHANGE

- Populations in developed national economies have high levels of awareness
- KGAL offers capital investments in renewable energies
- KGAL pursues a clear sustainability strategy (ESG)

URBANISATION

- Level of urbanisation worldwide in 2018: 55,3 %
- Germany: 77 %; France: 80 %; Italy: 70 %
- KGAL is a first mover for market trends: Launch of "Walkability" fund

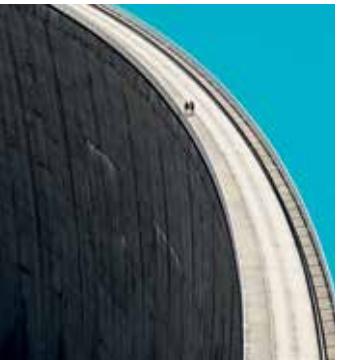
DIGITALISATION

- Unlocking new distribution channels and customer groups
- Developing new channel- and target-group-specific products

LOW-INTEREST PHASE

- Risk spreading is even more important
- Value add strategy: creating value along the entire value add chain

ASSET CLASSES



REAL ESTATE

The increased demand for security for investors and the favourable investment environment continue to ensure a strong demand for real estate. KGAL mainly focuses on selected European locations for its investments. KGAL combines transaction management, portfolio management, asset management and risk management as part of an integrated approach.

INFRASTRUCTURE

Climate change and the global focus on aspects of sustainability, e.g. for transport and in the heating sector, are the drivers of growth for sustainable energies. KGAL invests in diversified portfolios comprising wind, water and solar energy, and utilizes return opportunities through early entry into the value chain of projects while simultaneously continuing to manage risks.

AVIATION

KGAL has been operating in the aviation industry for over 40 years. The branch assumes that aviation will continue growing over the long term. Our mission is to promote full awareness of our responsibility as regards growth. KGAL's Aviation Portfolio Funds (APF) are widely diversified aircraft funds, whereby the technical asset management is handled by GOAL German Operation Aircraft Leasing.

PRIVATE EQUITY

KGAL Equity Partners GmbH & Co. KG specializes in portfolio, real estate and process optimization as well as the repositioning of various assets through modernization, optimization and adaptation to changing market conditions. Our strategy is based on the expertise, experience and expertise of the KGAL Group and its employees.

REFERENCES FROM OUR FUNDS



STADTFENSTER, LEIPZIG

The prestigious office development not only has a striking exterior and boasts total rentable space of around 22,300 m². The building complex is almost fully occupied and is sited directly opposite Leipzig's historic Thomaskirche church in an attractive city location that meets a number of KGAL's fundamental investment criteria, including very good road and public transport connections as well as extensive retail, service and restaurant facilities nearby.

"Leipzig is one of the most dynamically growing cities in Germany and home to rising numbers of companies from diverse fields related to future-focused technology."



AIRBUS A321-NEO / INDIGO AIRLINES

The manufacturer delivered two new Airbus A321neo aircraft in April and May 2019. The transaction volume is around 110 million euros. The leasing agreements with IndiGo Airlines have a duration of six years from delivery.

"We are delighted to add another solid building block to the aircraft portfolio of APF 3 with this transaction."



OFFSHORE WIND FARM VEJA MATE

With a total of 67 wind turbines and a total output of 402 megawatts this is the second largest Germany's offshore wind farm and is one of the ten largest parks worldwide. KGAL and further partners have invested 400 million euros in the project.

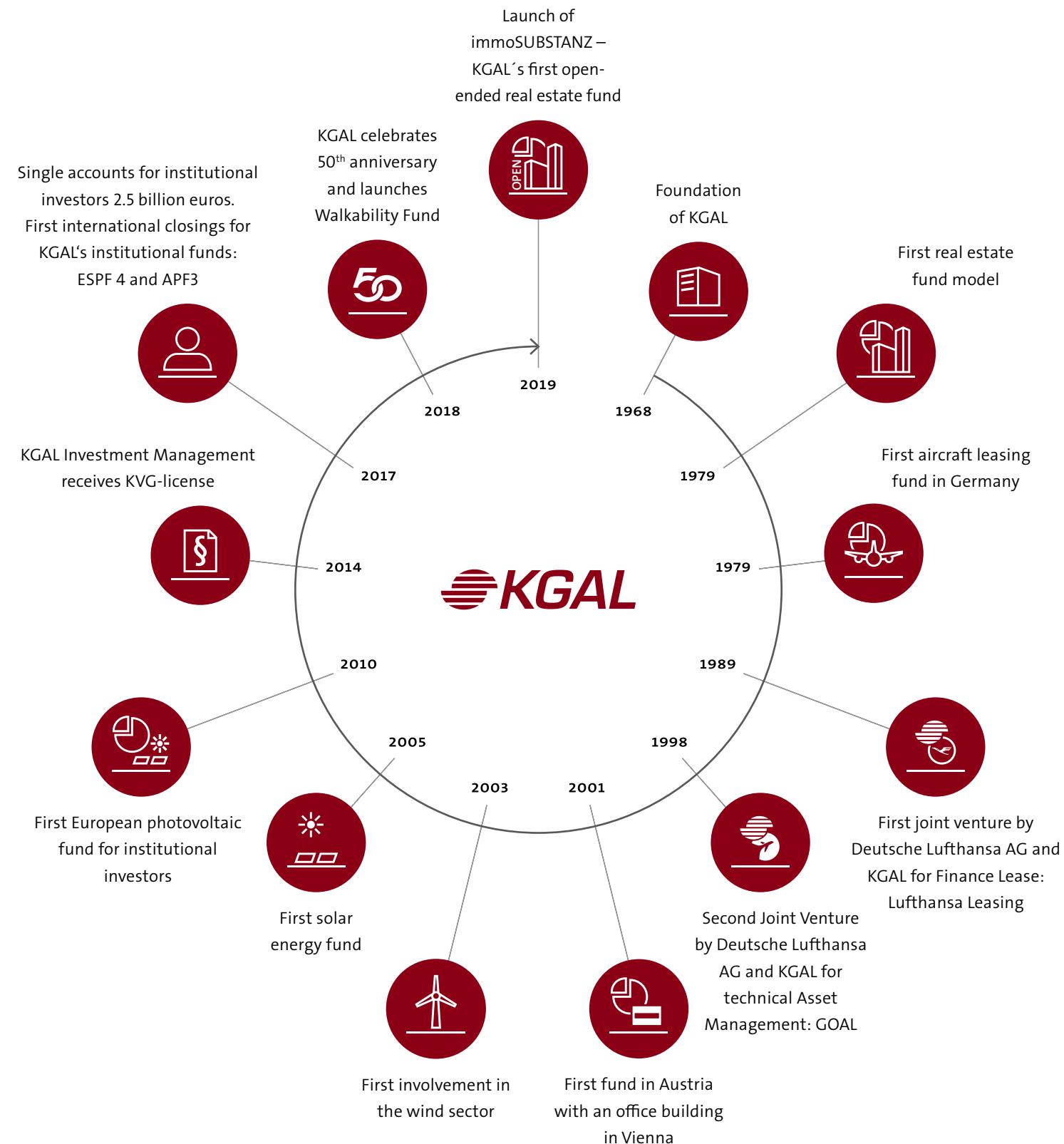
"Veja Mate will stabilize the performance of KGAL's current renewable energy fund ESPF4 due to its stable, regulated cash-flows."

REAL ASSETS

REAL ASSETS	REAL ESTATE	INFRASTRUCTURE	AVIATION
In the market since	1968	2003	1979
Number of fund and leasing companies	190	175	59
Managed active investment volume in EUR million	6,954	2,875	1,988
of which are assets under administration in EUR million	2,319	0	103
of which are assets under management in EUR million	4,634	2,875	1,885
New business volume in 2019 in EUR million	490	220	1,174
Key figures	1,576,584 m ² assets under management	70 photovoltaic investments	> 800 transactions
	99.4 % leasing level	54 wind parks	2 joint ventures with Deutsche Lufthansa AG
		4 hydroelectric	
		1,120 MW total output	

As at: 31.12.2019

MILESTONES OF COMPANY DEVELOPMENT



Publisher

KGAL GmbH & Co. KG
Tölzer Straße 15 · 82031 Grünwald, Germany
T + 49 89 64143 – 0
F + 49 89 64143 – 150
kgal@kgal.de · www.kgal.de

Personally liable managing partner:

KGAL Verwaltungs-GmbH

Board of Managing Directors:

Gert Waltenbauer (Chairman)
Dr Thomas Schröer
Dr Klaus Wolf

Trade register:

Munich District Court (Amtsgericht)
HRA 61 588

VAT number:

DE 129 992 086

Supervisory authority in accordance
with § 34c of the GewO industrial code:
Munich District Office (Landratsamt)
Mariahilfplatz 17
81541 Munich, Germany

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