

Brunswick

REAL ESTATE

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Media release

Brunswick Real Estate launches third debt fund with investment commitments of SEK 12 billion (€1.2 billion)

Brunswick Real Estate ("Brunswick") has launched its third senior debt fund Brunswick Real Estate Capital III (BREC III) with SEK 12 billion (€1.2 billion) in secured commitments from investors. Among the investors are some of the largest Nordic institutional investors, including investors in Brunswick's previous funds. The new fund will focus on lending to commercial property with clear sustainability goals.

In 2013, Brunswick established the first Nordic fund focused on commercial real estate senior debt. As with previous funds, the third senior debt fund will be an unleveraged debt fund offering financing of commercial property in growth regions. Through a strong institutional capital base, with investors such as Folksam and KLP, the fund will offer sustainable real estate debt funding with maturities of up to ten years. A formal first close of the fund is expected during the autumn.

"We are very proud of the continued confidence shown by our investors, especially given the current circumstances in the market in the wake of Covid-19. Our business model of senior secured and long-term financing is becoming more important for the property sector as an alternative to traditional bank loans and bonds with shorter maturities," said Pontus Sundin, CEO Brunswick Real Estate Capital.

Through the second fund, Brunswick has already been able to offer certified green loans. The third fund will have an even clearer focus on sustainable property investments.

"We are committed to ensuring our investors contribute to a measurably positive change. In addition to green issues such as reduced carbon dioxide emissions and smarter energy consumption, we also want to ensure that our investments lead to an improvement in aspects of social sustainability," continued Pontus Sundin.

"This historically large investment is an excellent example of how we can complement our investment in fixed interest assets, equities and property. This is an area with strong growth and this investment gives us an attractive return with low risk," said Ylva Wessén, CEO and President, Folksam Group.

"This investment is part of our ambition to give our customers the best risk adjusted returns as possible. BREC III is an established fund that provides secured loans for property financing. They also have positive ambitions in their sustainability work and continues to raise the bar, for example by having developed a framework for green loans," said Michael Kjeller, Deputy CEO and Head of Asset Management and Sustainability, Folksam Group.

“As Norway’s largest pension company with high focus on environment and responsible investment, KLP is pleased to see that Brunswick’s third senior debt fund will have increased attention to environmental aspects of buildings through its green framework. We particularly welcome the focus on providing incentives that may increase the environmental performance of existing buildings. We look forward to continuing our collaboration with Brunswick and are eager to see where their green journey will take them further in the future,” said Aage Schaanning, Executive Vice President and Chief Financial Officer at KLP.

For more information:

Pontus Sundin

t. +46 73 089 97 12

e: pontus.sundin@brunswickrealestate.com

Rob Yates (Edelman Smithfield)

t. +44 (0)7715 375 443

e: ryates@smithfieldgroup.com

About Brunswick Real Estate’s senior debt property funds

Brunswick Real Estate’s senior debt property funds offer financing of primarily commercial property with maturities of up to ten years. Fund I, which closed in 2013, was the Nordic region’s first fund with a focus on senior debt financing of commercial property in Sweden. The second fund closed in June 2018 and increased assets under management to SEK 10 billion. During 2018 and 2019, Brunswick distributed close to SEK 5.9 billion.

Brunswick Real Estate Capital is an investment adviser to Brunswick Real Estate Capital, FCP-SIF (the “Fund” or “Brunswick Real Estate Capital III”), an unincorporated co-proprietorship of investments organized in the form of a mutual fund with multiple compartments/Sub-funds governed by the laws of the Grand Duchy of Luxembourg which has obtained the authorisation of the Luxembourg Supervisory Commission of the Financial Sector. Crestbridge Management Company S.A. is appointed as an external alternative investment fund manager to the Fund.

About Brunswick Real Estate

Brunswick Real Estate is one of the Nordic region's leading investors in the Nordic real estate market, with an offering including investment management through real estate investment and debt financing. The group has repeatedly been awarded best in class within its areas by Prequin and Euromoney. The team comprises about 60 people in Stockholm, Helsinki and Copenhagen.

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