



PERE

Investor Forum Seoul 2019

20 November | The Westin Chosun

Post event report



The PERE Investment Forum in Korea was a great way for us to deepen our relationship with Korean investors and to discuss upcoming real estate trends and strategies.

Anne Kavanagh
Patrizia

PEI

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Thank you for attending the **PERE Investor Forum: Seoul**

The 6th annual PERE Investor Forum: Seoul greeted more than 250 senior decision-makers from across the world to the Westin Chosun on 20 November 2019 to discuss the latest trends and opportunities in global real estate markets.

The Forum featured some of Korea's largest LPs sharing their investment strategies and fund manager selection criterias on-stage, including Korea Post, ABL Life, POBA, KTCU and more. I would like to take this opportunity to thank each of our speakers for sharing their knowledge with our audience in an interesting and actionable way.

Thanks must also go to our sponsors for their support to PERE, proving the Investor Forum as the leading private real estate conference in Korea.

We will be hosting the 7th edition of the Forum in Seoul on 15 September 2020 - I hope you can join us. If you have any enquiries about the programme or speaking at the 2020 edition I would love to hear from you.

Kind regards,

Florian Neussel
florian.n@peimedia.com

Connecting Korean Capital with global real estate

Over 250 delegates from across the globe attended to meet the Korean institutional investors looking to allocate to private real estate funds, financing and projects outside of Korea.

As part of PERE's industry-leading outbound investment conference series, the Forum gathered leading Korean investors and global fund managers to look at the capital flow from the region to global real estate markets.



Key speakers at the PERE Investor Forum: Seoul 2019



Steve Choi

Managing Director and Head of Real Estate Asia
Oaktree Capital Management



Jiroo Eoh

Team Head
ABL Life Insurance



Anne Gales

Partner and Co-Founder
Threadmark



Anne Kavanagh

Chief Investment Officer
Patrizia



Jin Won Lee

General Manager
Local Finance Association



Jinho Lee

Head of Global Real Assets, Postal Savings
Korea Post



Changeun (Harry) Song

Head of Overseas Real Estate
Public Officials Benefit Association (POBA)



Philip Yoon

Former Head of Overseas Corporate Finance
The Korean Teachers' Credit Union



Key takeaways from the Forum

1. Diverging trend between Korean investors

Korean investors hold two different views on whether they should move up the risk curve to maintain their target returns or lower their expectations, according to Andrew Shin, head of investments in Korea at Willis Towers Watson. He pointed out that of the two main investor groups in Korea - insurance companies and mutual aids/public pension funds - the former is constrained by regulation from deploying capital freely and typically invests only in real estate debts, while the latter can move up the risk curve more flexibly.

Harry Song, head of overseas real estate at the 12.23 trillion won (\$10.4 billion; €9.4 billion) Public Officials Benefit Association, told the audience that the investor had decided to look into opportunistic and value-add investments to achieve its target return. The pension fund currently has 1.6 trillion won of assets under management in real estate and plans to grow its allocation to 2 trillion won by the end of this year, according to Song.

2. Blind pools vs direct deals

Shin also pointed out that, unlike their counterparts elsewhere, plenty of Korean investors started investing in overseas real estate with direct deals rather than through commingled funds, given their preference for having direct ownership of assets. One such investor is the general manager of Korea's Local Finance Association, which told the audience that it preferred to

purchase assets through sell-downs from Korean securities firms. Such firms act as an "extra layer to manage the frontline risk," he said.

By contrast, the 35 trillion won Korean Teachers' Credit Union has decided to increase its investments in blind-pool funds for diversification purposes, according to Philip Yoon, the organization's former head of overseas corporate finance. Currently, KTCU has invested \$3.7 billion in overseas real estate, of which around 40.9 percent is in funds while the rest is invested in single projects.

3. Greater caution with securities firms

Not every Korean investor is opting to invest with securities companies, however. Jiroo Eoh, real estate team leader at the 16.41 trillion won ABL Life Insurance, a wholly owned Korean insurance arm of Anbang Group, told the audience that he preferred to work with investment managers directly than the local securities companies. He explained that investors can be uncomfortable with some products offered by securities firms due to a lack of clarity in bundled investments.

Willis Towers' Shin, meanwhile, pointed out that many Korean investors are getting concerned about securities firms bidding more aggressively for real estate assets overseas. However, he expects investors will continue to work with these firms but will spend more time doing their own due diligence in the future.



Key takeaways from the Forum

4. Residential for diversification

Both KTCU and POBA told the delegates at PERE Seoul that they would increase their allocations to the residential sector for diversification purposes. Like many other Korean investors, KTCU and POBA have huge exposures to the office sector, but a source at POBA told PERE that it had less than 3 percent of its overseas real estate investment in residential in 2018, while KTCU announced at the conference that it currently has 3.5 percent of its overseas real estate portfolio in multifamily.

5. Market and operational risks

Concerns over market and operational risks are the two most common themes among Korean investors. In terms of market risks, low interest rates have led to an abundance of capital for a limited number of deals, which in turns leads

to overpricing, according to Jayme Han, executive director for Asia funds advisory and distribution of real estate brokerage firm JLL. Prior to joining JLL, Han spent almost 20 years working with Korea's National Pension Service.

On the operational side, investors are learning to effectively manage their relationships with the growing numbers of domestic and overseas asset managers as they continue to build their property portfolios. Jinho Lee, head of global real assets at the 125.11 trillion won Korea Post, noted that he had a strong preference for managers who have a team and office in Korea. He explained that proximity was an important factor in helping investors develop long-term relationships with their managers.

Visit perenews.com/seoul for more information about the event

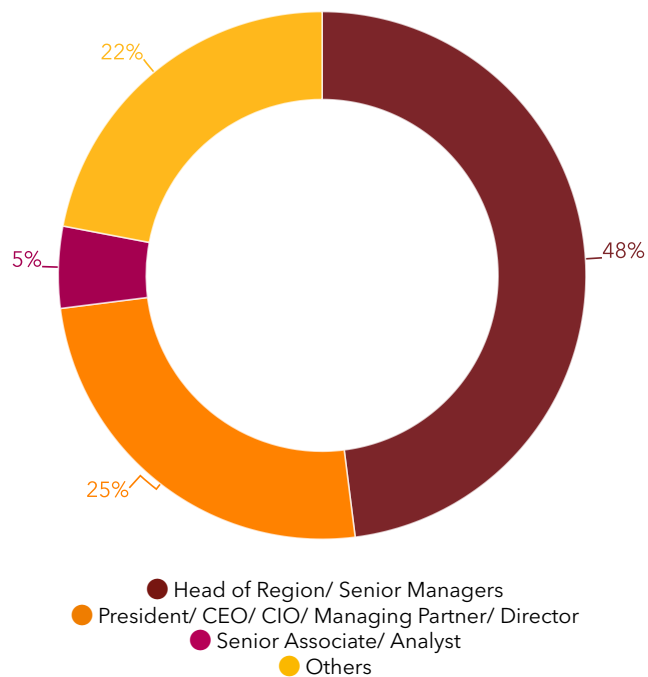
The PERE Seoul Forum was informative, insightful and well organized to encourage participants to network informally while in a formal context.

Peter Sotoloff
Q Investment Partners

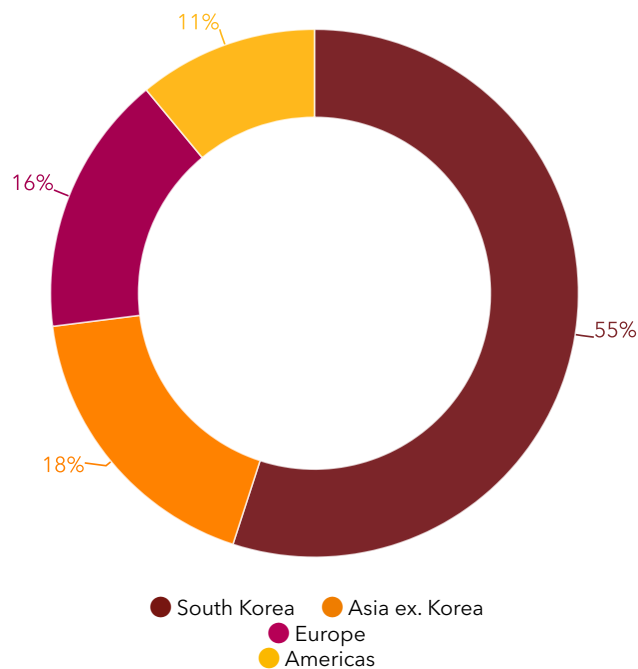


2019 attendee breakdown

Attendees included:



Regional attendance breakdown:



267
Attendees



148
Companies



40
Speakers



2:3
GP to LP ratio

Companies that attended the **PERE Investor Forum: Seoul 2019** include:

- | | | | | | |
|---|---------------------------------------|---|---|---|--|
| » Aberdeen Standard Investments | » Evidence Capital | Rosenman UK LLP | » Marcus & Millichap | » Partners Group | Management |
| » ABL Life Insurance | » FAP Invest | » KB Insurance | » Meritz Securities | » PATRIZIA Immobilien | » Shinhan Life Insurance |
| » Aetos Japan | » Forsters LLP | » KB Kookmin Bank | » MetLife Insurance | » Patrizia Property Investment Managers LLP | » Simon-Kucher & Partners Strategy & Marketing Consultants LLP |
| » AIA Life Korea | » Gemdale USA Corporation | » KB Life Insurance | » MG Korean Federation of Community Credit Cooperatives | » Payton Capital | » Skanska CDE |
| » Almanac Realty | » GIC Real Estate International Korea | » KDB Life Insurance | » MG Non-Life Insurance | » Prudential Life Insurance | » Sungdam |
| » Apeiron Capital | » Global Hospitality Investment Group | » Kennedy Wilson | » Military Mutual Aid Association | » Public Investment Corporation | » Taba Enterprises |
| » Arnold Immobilien | » GLP | » KKR | » Mirae Asset Global Investments | » Public Officials Benefit Association (POBA) | » TGM |
| » Asia Pacific Land | » GRE Asset Management | » KORE Investments | » Mosaic Real Estate Investors | » Realterm | » The K Non-Life Insurance |
| » AXA Investment Managers | » Greenberg Traurig LLP | » Korea Federation of Community Credit Cooperatives | » National Credit Union Federation of Korea | » Revetas Capital Advisors LLP | » The Korean Teachers' Credit Union |
| » BlackRock | » Hana Alternative Asset Management | » Korea Fire Officials Credit Union | » New World Capital Advisors | » RIFA Asset Management | » The Valesco Group |
| » BNK Asset Management | » Hanwha Life Insurance | » Korea Investment Corporation | » NH-Amundi Asset Management | » Samsung Fire & Marine Insurance (SFMI) | » Thor Equities |
| » CA Ventures | » Hyundai Marine & Fire Insurance | » Korea Post Pension | » NIAM | » Samsung Life Insurance | » Threadmark |
| » Canan Pratt Asset Management | » IDERA Capital Management | » KT&G | » NPS | » Schroder Real Estate Management | » United Partners Asset Management |
| » Capital Bay | » IDG Capital | » Kyowon Invest | » Oaktree Capital Management | » Sculptor Capital Management | » Vistra Corporate Services |
| » CapitaLand Fund Management | » IGIS Asset Management | » LINA Insurance company of Korea | » Old Mutual Real Estate Holding | » Seoul Guarantee Insurance | » Willis Towers Watson |
| » Catella Asia | » Invel Real Estate Advisors | » Local Finance Association | » Orange Life Insurance | » Shinhan Alternative Investment | » Woori Bank |
| » Construction Workers Mutual Aid Association | » InvestHK | » Lotte Insurance | » Palmira Capital Partners | | » Xander Investment Management |
| » Cushman and Wakefield | » JS Partners | » M3 Capital Partners | | | » Zenitas Investment |
| » Daishin Investments | » Katten Muchin | » Madison Realty Capital | | | |
| » DB Life Insurance | | » Mapletree Investments | | | |
| » DGB Life Insurance | | | | | |

PERE delivered a top-notch event where we were able to meet a number of Korean institutions looking to invest in Europe across a variety of strategies.

Tingting Peng
ESO Capital



Interactions at the PERE Investor Forum: Seoul 2019



13k

website views



165

mobile app users



3.15k

engagements with the event app



461

event content downloads

Networking at the Forum

The PERE Investor Forum: Seoul provides a unique opportunity for leading fund managers, institutional investors, service providers and developers to meet, share experiences and build relationships with those in the industry from Seoul and around the globe.



10+
hours of
networking
opportunities



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PERE

Japan Korea Week 2020

15-17 September | Seoul & Tokyo

In 2020, PERE is combining our two industry-leading outbound investment conferences to enhance your fundraising and efficiently spend your time in North Asia.

The 7th annual **Investor Forum: Seoul** will take place on **15 September** and the 9th annual **Investor Forum: Tokyo** on **17 September**, allowing you to connect with more than 200 influential Japanese and Korean LPs in the space of one week.

Learn more - perenews.com/japankoreaweek

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