The PERE Investor Forum: Seoul 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
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 Nuessel
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.

perenews.com/seoul
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

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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.
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:

- Head of Region/ Senior Managers: 48%
- President/ CEO/ CIO/ Managing Partner/ Director: 22%
- Senior Associate/ Analyst: 5%
- Others: 5%

Regional attendance breakdown:

- South Korea: 48%
- Asia ex. Korea: 14%
- Europe: 16%
- Americas: 11%
- Others: 18%

- 267 Attendees
- 148 Companies
- 40 Speakers
- 2:3 GP to LP ratio

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

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

**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_

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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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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