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Union Investment purchases 49% stake in four U.S. retail properties, forming a joint venture with TH Real Estate

Properties located in prime urban shopping locations in New York, San Francisco and Philadelphia

Union Investment is further diversifying its international real estate portfolio by making its first investments in U.S. urban retail via a joint venture with TH Real Estate (a division of TIAA Global Asset Management). Union Investment is acquiring a 49 per cent stake in four high street properties with a total area of 113,500 sq ft for its open-ended real estate fund Unimmo: Global. TH Real Estate will act as the managing member and the assets are owned by its open-ended U.S. core real estate fund, the TIAA-CREF Core Property Fund LP (being re-launched as the [U.S. Cities Fund Series](#)). The Fund will continue to hold a 51 per cent stake in the portfolio. The four properties are located in prime shopping locations in New York, San Francisco and Philadelphia. The purchase price is not disclosed.

This deal marks Union Investment's first step in building a retail portfolio in the U.S. The company's investment strategy targets the full spectrum of the retail property universe, from urban retail to grocery anchored shopping centres and malls.

"Diversification and internationalisation are two strategic goals for our retail portfolio that go hand in hand. Four properties in major cities with global reputations are an excellent start in the US market, with our ambition being to significantly increase our retail exposure," said Henrike Waldburg, head of Retail Investment Management at Union Investment Real Estate GmbH.

"We are very pleased to be working with Union Investment, an experienced and like-minded partner," said Adriana De Alcantara, a senior director and a member of the TH Real Estate portfolio management team in the U.S. "These four properties offer diversified exposure to prime urban retail, an asset class we believe will remain in high demand as the trend toward urbanization continues and both residents and businesses seek the convenience of urban centers."

Assets in New York

Two of the properties that make up the urban retail portfolio are in New York and together represent around 70 per cent of the total value. Located in the Upper East Side of New York, 1511 Third Avenue, which comprises approximately 43,300 sq ft, is occupied by fashion retailer GAP and a fitness studio. In 636 Sixth Avenue, 18,300 sq ft of ground floor space belongs to the portfolio and is let to a pharmacy on a long lease. Both buildings date from the early 20th century and have been upgraded in recent years.

Assets in San Francisco and Philadelphia

The remaining 30 per cent of the portfolio is split between 856 Market Street in San Francisco and 1608 Chestnut Street in Philadelphia. The tenant of the approximately 9,100 sq ft of space close to Union Square in San Francisco is sportswear manufacturer New Balance. Union Square is regarded as the best shopping location in the city and is one of the prime retail areas in the US. The property in Philadelphia is located in the city centre, the historic and cultural heart of the city. The entire 42,800 sq ft three-storey building, which is let to Japanese fashion retailer Uniqlo, belongs to the portfolio.

Worldwide, Union Investment manages real estate assets of EUR 28.5 billion, of which some 30 per cent are retail properties held by various funds. In Europe the company holds 46 retail properties with total space of 17.2 million sq ft.

About Union Investment Real Estate GmbH

Union Investment stands for forward-looking real estate investment worldwide. The company provides private and institutional property investors with a comprehensive investment platform. Union Investment currently has real estate assets under management totalling around EUR 32 billion in its open-ended retail real estate funds, specialised funds and via service and pooling mandates. The company invests in the office, retail, hotel and logistics sectors and holds some 320 properties across 24 countries.

About TH Real Estate

TH Real Estate, an operating division of TIAA Global Asset Management, is one of the largest real estate investment managers in the world with \$97 billion in AUM. Managing a suite of nearly 80 funds and mandates spanning both debt and equity across diverse geographies, sectors, investment styles and vehicle types, the firm provides access to every aspect of real estate investing. With offices in 18 cities throughout the U.S., Europe and Asia Pacific, over 400 professionals and 60 years of investing

experience, the platform offers deep local expertise coupled with a sophisticated global perspective. TH Real Estate's investment, asset management and corporate strategies grow from a deep understanding of the structural trends that will shape the future of real estate and responsible investing beyond market cycles. This 'Tomorrow's World' approach sits at the core of our investment process and business operations, informing our long-term view of real estate investments for the enduring benefit of both clients and society. www.threalestate.com

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