

Strategic partner



PENSION FUND



TRINFICO

# TRINFICO Investment Group

## Russian Real Estate Investment

09/2015

A++ Highest level of reliability and service quality

1993 Founded in

INVESTOR AWARDS 2015

2011  
СЕРТИФИКАЦИОННОЕ  
ИЗВЕЩАНИЕ



Financial Elite of Russia

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# Introduction

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- **TRINFICO Investment Group** was established in 1993 and today is one of the largest independent companies in Russia which specializes in serving institutional and private clients. The company offers a diversified portfolio of financial products and services, including the asset trust management of private pension funds, closed-end investment funds management (CEIF), individual structured products, real estate management, investment-banking operations, brokerage and depository services.
- **Pension Fund BLAGOSOSTOYANIE** (the “Pension Fund”) is the pension fund for circa 2 million employees and pensioners of the Russian railways. With assets exceeding US\$ 8 billion it is the second largest private pension fund in the Russian Federation.
- The Pension Fund has appointed its affiliate asset management firm **TRINFICO** and advisory firm **Feldberg Capital GmbH** to assist in developing its real estate investment strategy. Also, the advisers have been asked to identify interest among global institutions for this proposal.
- The Pension Fund expects **achievable net returns of between 12% and 25 % IRR**, depending on the risk profile and leverage of each investment.
- The Pension Fund is seeking like-minded strategic partners willing to take exposure to the Russian real estate market and co-invest alongside the Pension Fund.

# Investment Position

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- **Proposition**

- ✓ Creation of a joint investment platform between Russian and foreign institutional investors to invest in Russian commercial Real Estate

- **Objective**

- ✓ Establish a balanced portfolio of real estate assets in Russia, both in terms of risk profile and asset type

- **Opportunities**

- ✓ Professional team of investment managers
- ✓ Deep local insight
- ✓ Extensive contacts with property owners

## Investment Outlook

<b>Allocation geography</b>	Commercial Real Estate in Moscow/Moscow region, St. Petersburg and diligently selected Russian regional markets with perspective economic base
<b>Asset types</b>	Income generating offices is the primary focus, possibly followed by retail, warehouses and other real estate asset classes
<b>Target IRR</b>	Over 15% for cash-generating assets
<b>Holding period</b>	5-7 years, depending on the asset type the period may be extended
<b>Essential condition</b>	Participation of a foreign strategic partner and institutional co-investor

# Investment Priorities - OFFICES

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<b>Risk-profile</b>	Value-add/ Opportunistic
<b>Allocation geography</b>	Moscow and St. Petersburg
<b>Types of Investments</b>	100% of investments – stabilized cash-generating portfolio (with potential to increase value by professional and efficient management)
<b>Target IRR</b>	>15%
<b>Key investment criteria</b>	<ul style="list-style-type: none"><li>✓ Class A only</li><li>✓ Preferred size – 20,000-30,000 sq. m</li><li>✓ Properties with further 5+ year leases</li><li>✓ Target entry yield – more than 10%</li><li>✓ International tenants or major Russian companies</li></ul>

# Investment Priorities - RETAIL

<b>Risk-profile</b>	Value-add/ Opportunistic
<b>Allocation geography</b>	<ul style="list-style-type: none"><li>✓ Moscow</li><li>✓ Moscow satellite cities (within 200 km from Moscow)</li><li>✓ St. Petersburg</li><li>✓ Largest Russian urban centers with low saturation of quality retail space</li></ul>
<b>Types of Investments</b>	80% of investments – stabilized cash-generating portfolio (with potential to increase value by professional and efficient management) 20% of investments could be in development/redevelopment
<b>Target IRR</b>	>15%
<b>Key investment criteria</b>	<ul style="list-style-type: none"><li>✓ Class A only</li><li>✓ Assets running over two years and possessing all the attributes of a stabilized rental income</li><li>✓ Preferred size – 30,000-50,000 sq. m GLA</li><li>✓ Target entry yield: In Moscow &gt; 12.0%, regions &gt;14.0%</li><li>✓ Anchored by a strong grocery brand: Auchan, X5 Retail brands, Lenta</li><li>✓ Outlet retailing opportunities</li><li>✓ Sale-leaseback opportunities with well established grocery, DIY and W&amp;B anchors</li></ul>

# Investment Priorities - WAREHOUSE/INDUSTRIAL

<b>Risk-profile</b>	Value-add/ Opportunistic
<b>Allocation geography</b>	<ul style="list-style-type: none"><li>✓ Moscow region</li><li>✓ St. Petersburg</li><li>✓ Largest Russian urban centers with low saturation of quality warehouse space</li></ul>
<b>Types of Investments</b>	80% of investments – stabilized cash-generating portfolio (with potential to increase value by professional and efficient management) 20% of investments could be in development/redevelopment
<b>Target IRR</b>	>15%
<b>Key investment criteria</b>	<ul style="list-style-type: none"><li>✓ Class A only (warehouse and light-industrial space)</li><li>✓ Assets running over two years and possessing all the attributes of a stabilized rental income</li><li>✓ Preferred size – in excess of 70,000 sq.m</li><li>✓ Target entry yield: In Moscow &gt; 12.0%, regions &gt;14.0%</li><li>✓ Standing assets with excess rezoned land available for extension (to secure built-to-suit opportunities on site); secured electricity supply should exceed 60Wt/sq.m. of all expansion</li><li>✓ Sale-leaseback opportunities in existing owner-occupied warehouses in excess of 20,000 sq.m.</li></ul>

# Contacts

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