



AVIVA INVESTORS REAL ESTATE FRANCE SGP AND ALGONQUIN ANNOUNCE THE CREATION OF « PRIMOTEL EUROPE »

- The fund « PRIMOTEL EUROPE » has the objective of investing 240 million Euros over 3 years, in French and European hotels in the 3 to 5-star category.
- « PRIMOTEL EUROPE » has made its first acquisition in December, of two hotels in Brussels: the Renaissance Brussels and the Marriott Executive Apartments Brussels, both situated close to the European Parliament.

Creation of Primotel Europe, a European hotel investment fund

Aviva Investors Real Estate France SGP (AIREF SGP) and Algonquin announce the founding of « PRIMOTEL EUROPE », a regulated investment fund dedicated to the hotel market and directed towards institutional investors. Its portfolio will be composed of prime French and European city hotels from 3 to 5 stars, with a participation in either real estate only or both real estate and operations (PropCo and OpCo).

With a total available equity of 240 million euros to invest over 3 years, « PRIMOTEL EUROPE » will offer its investors an attractive diversification of assets (geographical diversification and segment diversification) in a very competitive European real estate market.

To affirm its conviction in this type of assets and in the strategy proposed, Aviva France is the first investor of the fund. To finance « PRIMOTEL EUROPE's » first acquisition in December 2015, the group has already invested 40 million euros. Algonquin will remain a minority equity investor and will be the operating partner of the fund.

*« Today, hospitality is a sector which is being totally remodelled », said **Jonathan Moss, Managing Director and CFO of Aviva France.** « Some important transformations in the Insurance sector are encouraging us to anticipate future evolutions of the other key economic sectors. We have to propose specific solutions in terms of financing and investment, like the creation of this new fund. »*

A first acquisition for the fund

Last December, « PRIMOTEL EUROPE », in line with the fund's strategy, made its first acquisition with a club deal of investors.

The Renaissance Brussels and the Marriott Executive Apartments Brussels, perfectly located next to the European Parliament, have been acquired under a management contract with the Marriott group. Together, the assets account for 318 rooms and offers attractive amenities (gym, pool, restaurants...) aimed at both the leisure and business segments.

AIREF SGP and Algonquin appointed De Pardieu Brocas Maffei and NautaDutilh to advise them in the creation of the fund and its first acquisition.

Two well-known actors in an ambitious partnership

After the success of its publicly marketed products with the Aviva and Afer life-insurance contracts (1.2 billion euros of assets at the end of 2014), AIREF SGP shows its will to target a new clientele of institutional investors through the creation of special purpose regulated funds dedicated to different classes of assets. Algonquin, in their part, is pursuing its present strategy of ambitious partnerships with institutional actors ready to be accompanied in the acquisition of strategic European hotels which it will manage and/or asset manage. Algonquin already owns participations in more than 40 assets in Europe, accounting for c. 7,000 rooms, and manages them directly or through franchise or management contracts with well-known international brands.

François Grandvoinnet, President of Aviva Investors Real Estate France SGP:

« The creation of Primotel Europe is perfectly in line with our development strategy for AIREF SGP which is constantly looking for new growth drivers like the investment funds for institutional investors and Club Deals. Our partnership with Algonquin allows us to rely on the expertise of a recognized actor of the hospitality sector, a sector in which we strongly believe as part of a complex real estate market. »

Frédéric de Brem, Managing Director Algonquin Management Partners:

« With the creation of Primotel Europe, Algonquin is very pleased to substantiate the trusted relationship it has built with AIREF SGP. Primotel Europe's capability to take positions on the acquisition of hotel real estate and operating businesses in Europe will offer the possibility to target investments with attractive risk-rewards. »

Public Relation

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About Aviva France :

Aviva France is a subsidiary of one of the largest life and damage insurance company in Europe. It offers a complete range of products to 3 million customers, individuals, small business owners, independent workers and SMEs, with over 180 years of experience in France. The firm manages to distinguish itself with a strong and profitable multi distribution model (insurance agents, brokers, life insurance advisors, UFF wealth management advisors and direct insurance). Aviva also has some partners like AFER, largest association of private investors in France, and the Groupe Crédit du Nord. Aviva France directly employs more than 4,300 workers. For more information on Aviva France, please refer to <http://presse.aviva.fr/> or on Twitter: @AvivaFrance.