NORGES BANK
INVESTMENT MANAGEMENT

EXPERIENCE WITH REAL ESTATE INVESTMENTS

10 March 2014

Executive summary **3**

1. Real estate portfolio **4**

1.1. Initial investment strategy *4*

1.2. Investments *5*

2. Investment process **9**

2.1. Real Estate Advisory Board *9*

2.2. Real Estate Committee *9*

2.3. Investment stages *10*

2.4. Environmental considerations *11*

3. Investment structure **12**

3.1. Governance *12*

3.2. Holding structures *13*

3.3. Audits *14*

4. Organisation **15**

5. Conclusion **16**

Appendix **17**

Executive summary

In March 2010 the Ministry of Finance expanded the Government Pension Fund Global (GPFG) mandate to include an allocation of up to 5 per cent in real estate, and in April 2011 NBIM made its first unlisted real estate investment. As at 31 December 2013, real estate investments amounted to 51.8 billion kroner, corresponding to 1.0 per cent of the GPFG, and comprised investments in five currencies on two continents in the office, retail and industrial sectors.

Investments in unlisted real estate differ significantly from other GPFG investments, and a key objective in the initial stages was to build an organisation with a well-functioning team and a solid infrastructure platform capable of handling a large portfolio of international real estate investments.

The explicit strategy in the initial phase was to invest in core markets in Europe and subsequently in the US. It was a stated strategy to invest through joint ventures with partners that possess local market knowledge and strong asset management capabilities, and with whom NBIM could align its interests through joint investments. With the exception of one investment, all of NBIM's real estate investments were in the form of joint ventures.

NBIM relied on a measured, deliberate and focused approach to invest within its real estate mandate. The effort has been marked by a methodical build-up of resources, systems and a framework to start investing in an orderly manner with no critical incidents.

1. Real estate portfolio

1.1. Initial investment strategy

The Ministry of Finance decided in 2010 that up to 5 per cent of the GPFG should be invested in real estate. Since then, the objective of the fund has been to build a portfolio of private, unlisted real estate assets that may deliver a sustainable long-term return. The 5 per cent maximum allocation corresponded to about 150 billion kroner in 2010, 250 billion kroner at the end of 2013, and may reach approximately 365 billion kroner in 2020. When fulfilled, this allocation will make NBIM one of the world's largest real estate investors.

Investments in private markets differ significantly from the GPFG's other investments. Unlike securities that trade on exchanges, investments in private market real estate offer little or no publicly available information on pricing, and different requirements exist when it comes to the execution of investment decisions, the management framework, oversight and control. Before making the fund's first investment, careful assessments of different markets were undertaken. It was an explicit strategy to focus on the large European, mature and transparent markets. With close proximity to the UK market through NBIM's regional offices in London, the fund's investments in London and Paris in 2011 marked the beginning of the GPFG's exposure to private market investments.

It was on the back of an established European portfolio that NBIM in 2013 made its first investment in unlisted real estate in the US. This investment included office properties in Boston, New York and Washington DC. The US is the world's largest economy and has the world's largest real estate market, so being present there is a necessity when building a global real estate portfolio. Strategically, the fund's entry into the US real estate market was carried out similarly to the fund's European investments by starting in core, transparent markets in traditional property types.

NBIM's initial strategy directed investments to traditional property types, in particular the office and retail sectors, but also logistics facilities. With no short-term liquidity needs and a long-term investment horizon, NBIM can tolerate a certain degree of volatility in the real estate market and can invest in situations where short-term prospects can seem challenging due to market-specific events. NBIM was able to pursue large lot-size transactions without having to rely on third-party financing, and became an investor of choice where liquidity is limited.

Because of the local nature of the business and the typically labour-intensive nature of the day-to-day management of real estate assets, the stated strategy of the real estate investment programme was to invest with partners. By having invested in joint venture, the fund benefitted from the local market knowledge and asset management capabilities of its partner. This allowed NBIM to focus on investment decisions and be less involved in day-to-day operating matters. Alignment of interest ensured such joint ventures functioned properly. Partners invested significant permanent capital alongside NBIM with a focus on creating value through the investment, and not through fees. Aligning NBIM with local expertise was an integral part of the strategy. With the exception of the acquisition of Credit Suisse's Uetlihof office complex in Zurich in a sale-leaseback transaction, all of NBIM's investments were in the form of joint ventures. The exception was driven by the limited asset management work required in that particular asset.

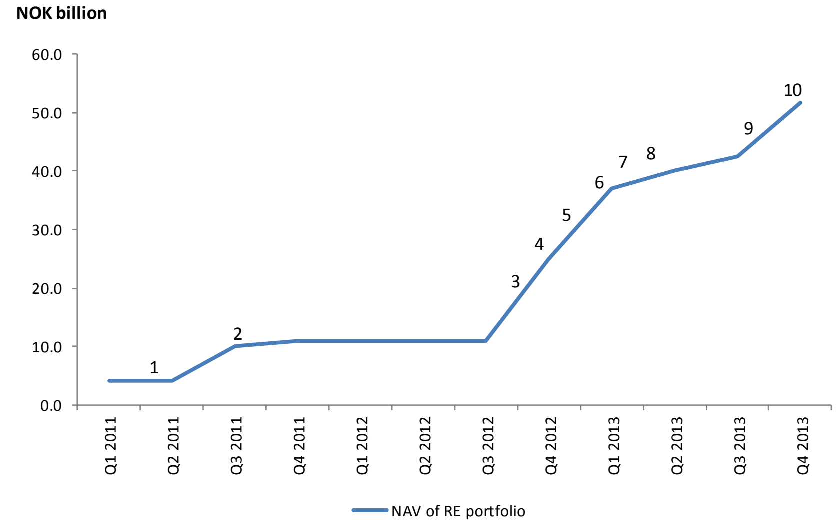
Unlike equities and fixed-income securities, real estate transactions typically take months to complete. As an example, the acquisition of a 25% stake in Regent Street started with a letter of intent in August 2010, a closed auction during September to November of the same year, selection of NBIM as preferred bidder in November, signing of contracts in January 2011, and completion of the transaction in April 2011. Also, transaction costs typically amount to 1-5 per cent of the acquisition price. While it is difficult to minimise the cost per transaction, long hold periods will avoid frictional costs of trading that are typical of a high-turnover portfolio. All investments were considered in light of NBIM's intention to hold the investments for long periods.

1.2. Investments

NBIM entered into its first unlisted real estate investment in the spring of 2011 when it acquired a 150-year lease on a 25 per cent stake in The Crown Estate's Regent Street portfolio in London. Subsequently, investments were made in five more European and three US investment structures (The Appendix provides a brief description of each investment).

The chart below provides an overview of the value of the real estate portfolio since inception.

Net asset value of real estate portfolio



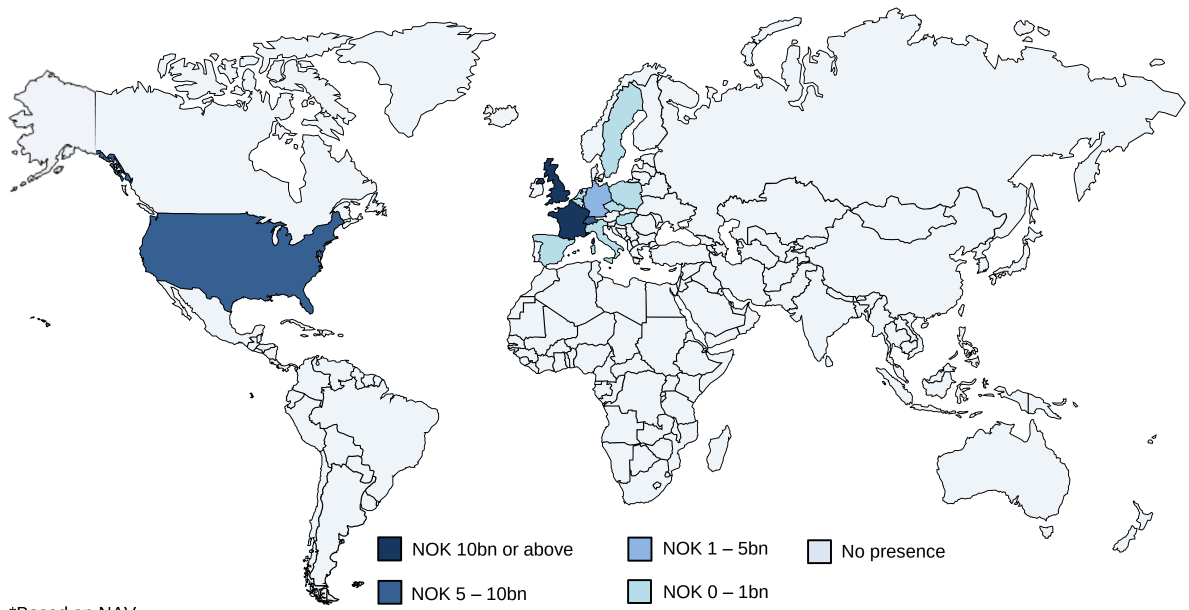
	Location	Partner
1	London	The Crown Estate
2	Paris	AXA
3	Paris	Generali
4	Sheffield	British Land
5	Zurich	-
6	Various Germany	AXA
7	US - East Coast	TIAA-CREF
8	Various Europe	Prologis
9	New York	Boston Properties
10	Boston	Met Life

As at Q4 2013, the net asset value (NAV) of the GPFG's real estate investments was 51.8 billion kroner and constituted 1.0 per cent of the GPFG's total assets. This comprised investments in five currencies in the office, retail and industrial sectors in 13 countries. The property-level gross asset value (GAV) of the portfolio was 57.2 billion kroner[1].

[1] The property-level GAV is based on formal third-party property valuations and shows the value of the real estate assets regardless of how they are financed. The difference between the 57.2 billion kroner GAV and the 51.8 billion kroner NAV principally relates to the collateralised debt on the investments with Prologis, British Land and Met Life. The NAV balance would also typically include other net assets which are not included in the property-level GAV.

The map below outlines the global presence of NBIM's real estate portfolio. The colour code represents the value of NBIM's investments.

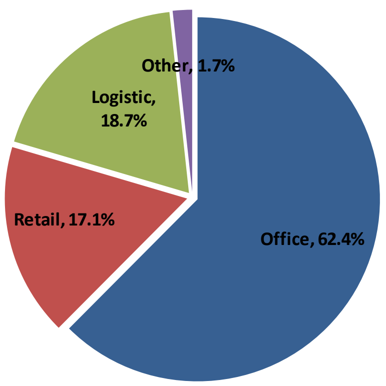
Real estate portfolio - Global presence *



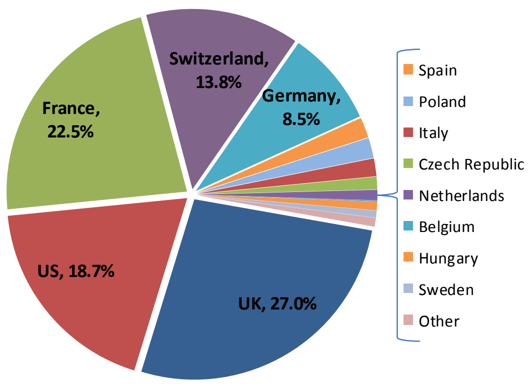
*Based on NAV

Offices accounted for 62.4 per cent of the total real estate portfolio, followed by Logistics at 18.7 per cent and retail at 17.1 per cent. The largest regional exposure was to the UK (27.0 per cent), followed by France (22.5 per cent) and the US (18.7 per cent).

Real estate portfolio - Sector breakdown



Real estate portfolio - Country breakdown



*Charts are based on NAV

As at Q4 2013, the real estate portfolio comprised investments in five currencies with a 39.2 per cent exposure to euros, followed by GB pounds at 27.0 per cent and US dollars at 18.7 per cent. Exposure to Swiss francs and Swedish kronor was 13.8 per cent and 0.6 per cent respectively. The largest exposure to a single tenant, measured by NBIM's share of contracted rent, was to Credit Suisse (9.8 per cent). The top 5 tenants in the portfolio constituted 16.6 per cent of the portfolio's overall contracted rent.

Real estate portfolio - Currency exposure breakdown

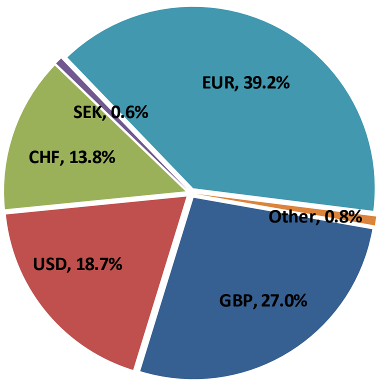
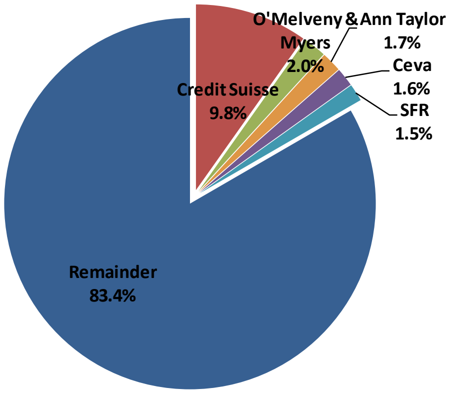


*Chart based on NAV
**Other refer to net unallocated balance sheet items

Real estate portfolio - 5 largest tenants



* Chart based on NBIM's share of contracted rent

With the exception of one investment, the acquisition of Credit Suisse's Uetlihof office complex in Zurich in a sale-leaseback deal, all of the fund's investments to date were in joint venture. Due to the triple net[2] nature and 25-year term of the lease, it was considered that a joint venture partner was not required.

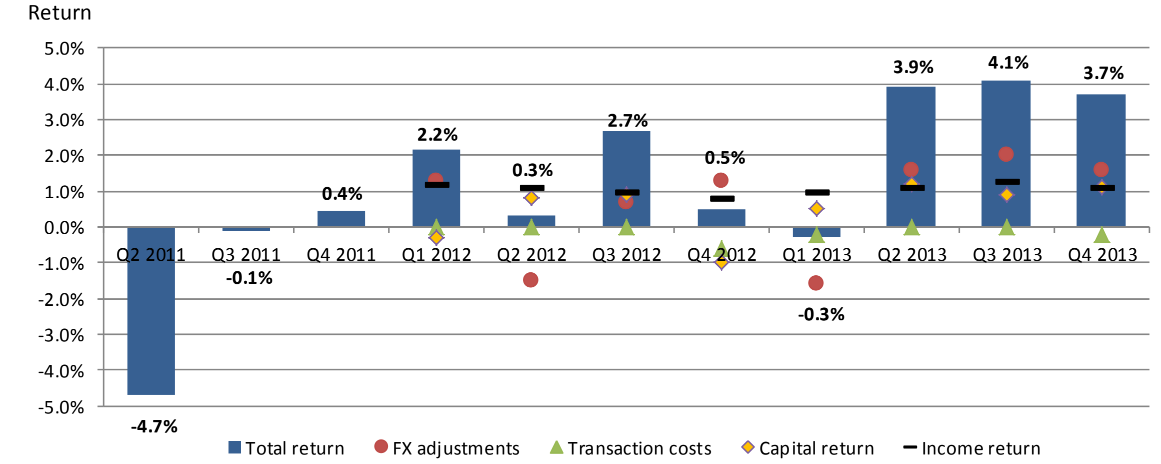
The performance of real estate investments is largely determined by rental income and changes in property values. Unlike bonds and listed equity investments, real estate investments often have significant one-off transaction costs. These typically include fees to advisors (e.g. lawyers and valuation experts) and transaction taxes. The transaction costs are either (i) expensed on recognition and classified as expenses or (ii) presented as fair value changes. Transaction costs typically lead to a negative return in the first quarter after an investment is made. The impact of transaction costs on returns is diminishing as the portfolio and holding periods grow. NBIM's real estate assets are valued on a quarterly basis by external appraisers.

The chart below provides an overview of quarterly returns on the GPFG's real estate investments measured in the fund's currency basket (CCY). Total return figures comprise income return, change in capital values, transaction costs and foreign exchange adjustments. The income return remained stable quarter-on-quarter at approximately 1.0 per cent, while capital return figures were more volatile. The strong performance in 2013 was largely driven by foreign exchange adjustments. Applying a time-weighted rate of return (TWR)[3] methodology, the annualised total return for the real estate portfolio was 4.6 per cent over the period (inception to Q4 2013) measured in CCY.

[2] A triple net lease is a lease agreement that designates the tenant as being solely responsible for all of the expenses related to the asset, including property tax, insurance and maintenance.

[3] The time-weighted return measures the compounded rate of return over a period of time and determines rates of return without considering the amount of investment made in each period. This methodology is normally used when the manager of the portfolio does not control the timing of capital allocation. The time-weighted return gives equal weight to each time period return disregarding the amount of capital invested. The IRR is the discount rate at which the net present value of an investment equals zero (or where the present value of inflows equals the present value of outflows). The IRR considers the amount allocated.

Total return of real estate portfolio (TWR) *



* Breakdown of attribution for 2011 is not available

Applying a money-weighted internal rate of return (IRR) methodology over the same period, the annualised return for the real estate portfolio was 8.8 per cent measured in CCY and 13.3 per cent measured in kroner.

The table below provides an overview of key return metrics for the real estate portfolio.

Returns						
Total return TWR (CCY)	Total return IRR (CCY)	Cash multiple (CCY)	Total return IRR (NOK)	Cash multiple (NOK)	Cash-on-cash yield (NOK)	Cash-on-value yield (NOK)
4.6%	8.8%	1.11 x	13.3%	1.17 x	5.1%	4.4%

A total of 44.2 billion kroner of equity had been invested in real estate as at Q4 2013. The net asset value of the portfolio was 51.8 billion kroner. For 2014, the real estate portfolio is expected to generate an operating cash flow of 2.3 billion kroner (based on the Q4 2013 portfolio composition).

2. Investment process

Investment decisions were taken under a delegated authorisation structure. There were two advisory bodies that were involved at different stages in the investment process for real estate.

2.1. Real Estate Advisory Board

The Real Estate Advisory Board (REAB) acted as an advisory forum for NBIM's Chief Investment Officer Real Estate (CIO Real Estate) with respect to unlisted real estate investments. REAB advised the CIO Real Estate on a range of real-estate-related issues from a commercial investment perspective, including:

- Considering compliance with the strategic plan for real estate investments
- Confirming that there were no apparent conflicts with external regulations
- Considering the investment case, including the financial analysis and legal, reputation and any other risks identified relating to the proposed investment
- Approving the due diligence outline as proposed by NBIM Real Estate
- Reviewing any major risks and considerations which were brought to the REAB's attention over and above those identified in the investment case memorandum

Besides the CIO Real Estate, the REAB consisted of externally appointed advisors with wide industry expertise and experience. In addition, the Chief Executive Officer (CEO) and the Chief Risk Officer (CRO) of NBIM attend REAB meetings when major investments are considered.

2.2. Real Estate Committee

The Real Estate Committee (REC) acted as an advisory forum for the CEO with respect to proposed unlisted real estate investments. The purpose of the committee was to advise the CEO on a range of issues related to NBIM's real estate investments. As the commercial rationale for making the investment was usually discussed in the REAB, the main focus of the REC was to assess the investment opportunity in a broader context. This included advice on:

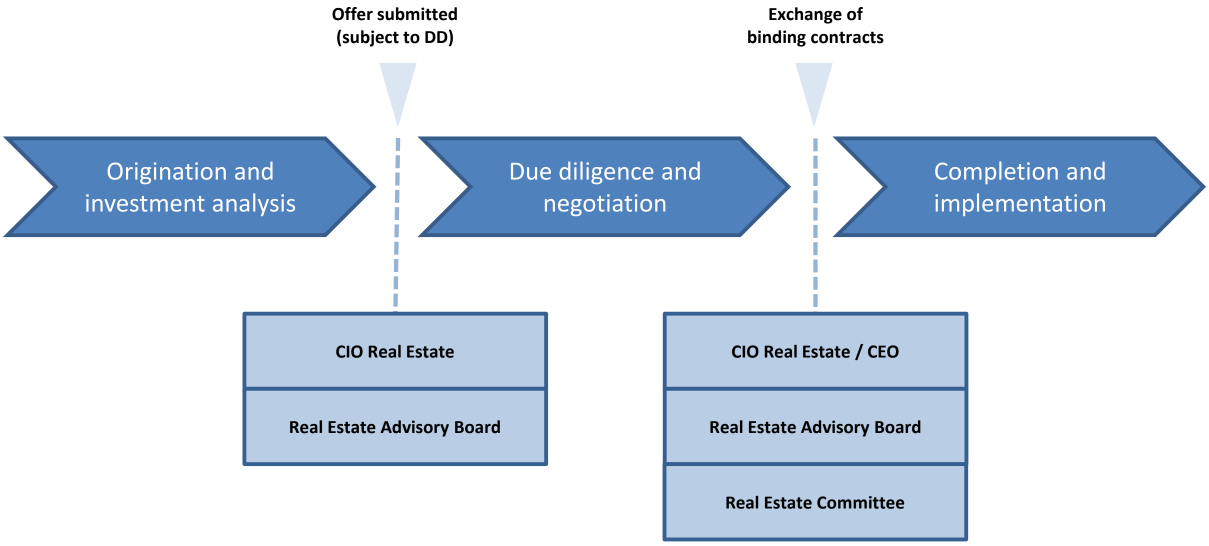
- Development of NBIM's governance framework associated with subsidiaries and investment entities established to support real estate investments
- Appointment of directors to the boards of subsidiaries and investment entities established as part of structures to support real estate investments.
- Approval of new private real estate investments, where such investments exceeded the level of authority delegated through the investment mandate to the CIO Real Estate, or as requested by the CEO
- Issues on risks relating to the real estate investment process, such as new markets, company structures and partners, at the request of the CEO

When evaluating matters referred to the REC, the CEO took into consideration the views and recommendations of the other members of the committee. In addition to the CEO, the REC comprised senior NBIM executives.

The REC ensured that all relevant areas of NBIM provided necessary input into the assessment of an investment. The REC did not have any external members, and the CEO was the ultimate decision maker in the REC.

2.3. Investment stages

The figure below illustrates the three broad stages of a typical investment process:



The first phase involves origination and investment analysis. NBIM Real Estate identifies the investment opportunity and performs an initial assessment, including financial analysis, based on publicly available information and, where available, information provided by the vendor. Investments are typically analysed over a 10-year holding period under various scenarios. Assumptions are made with regard to the expected cash flow of the asset, including forecasted rental growth, exit yields, void periods, rent-free periods and capital expenditure requirements. If NBIM Real Estate decides to proceed with the transaction after the initial analysis, the investment opportunity is presented to the REAB, where the CIO Real Estate decides whether NBIM should proceed with the investment opportunity or not. Advice from the REAB is sought prior to due diligence and prior to incurring material transaction costs.

In the second phase, NBIM Real Estate, with support from external advisors, undertakes a thorough due diligence of the asset(s) and NBIM's counterparties in the transaction. The due diligence usually covers financial, legal, tax and structuring, operational, technical and insurance aspects. Environmental due diligence is also undertaken with particular emphasis attached to energy efficiency and to water and waste management. Besides undertaking the due diligence exercise, NBIM Real Estate negotiates the transaction documentation with the partner/vendor. The formal decision to make an investment and the execution of the actual transaction are made through the relevant body within NBIM and through the boards of the relevant subsidiaries.

The third and final phase involves the closing and implementation of the transaction. NBIM's partners have a contractual responsibility to manage the assets post acquisition.

2.4. Environmental considerations

NBIM established a procedure to assess, manage and report environmental aspects of real estate investments. The procedure outlines how sustainability considerations are integrated throughout the decision-making process, through operational processes, risk management and reporting.

Environmental and sustainability due diligence was performed as an integral part of the investment process. The aim was to identify risks and potential environmental liabilities posed by inefficient use of energy and water, existing pollution or asbestos, or unsustainable environmental management practices. The identification of any meaningful risks induced NBIM to identify risk mitigation measures and make price adjustments, but have not resulted in aborting a transaction.

Post acquisitions NBIM has been assessing whether its real estate assets were sustainably and efficiently managed by collecting relevant data and information from all its real estate assets. The aim was to ensure that the manager of a given asset optimises energy and water usage and minimises waste streams in a manner that protects and enhances the financial value of the asset. NBIM did not uncover unsatisfactory management practices or performance results.

NBIM has been a member of the Global Real Estate Sustainability Benchmark (GRESB) since 2012. GRESB is an industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. The organisation collects information on performance indicators, such as energy and water consumption, greenhouse gas emissions and waste reduction, but the survey also covers broader sustainability issues, such as climate change risk assessments, performance improvement programmes and engagement with employees, tenants and suppliers. The dynamic benchmark is used by institutional investors and real estate investment managers to engage with their investments with the aim of improving the sustainability performance of their investment portfolio and the global property sector at large.

NBIM participated in the GRESB survey for the first time in 2012 by providing sustainability information to GRESB for approximately 26 billion kroner worth of real estate assets. The results provided an important overview of the sustainability performance of NBIM's joint venture partners and their ability to deliver on environmental, social and governance (ESG) principles. NBIM's real estate assets and partners achieved an overall score above the benchmark.

3. Investment structure

3.1. Governance

The oversight and control structure for real estate investments has multiple components. Investments in real estate are covered by NBIM's overall governance structure in the same way as investments in fixed income and listed equities. The oversight model is based on governing documents issued by the Executive Board. Building on these, NBIM has established an internal framework for real estate activities.

NBIM's unlisted real estate investments are in general held through corporate structures including investment and holding entities. The entities are directly or indirectly wholly owned by Norges Bank or jointly owned with co-investors. That means governance takes place on multiple levels. The REAB and REC are involved in investment decisions on behalf of GPFG, although a delegation of authority cascades through holding structures. The legal entities have their own boards to which NBIM normally appoints or nominates directors. Delegated authorities are designed with the objective of promoting transparency and placing authority and accountability at appropriate levels. The structures also ensure sound governance, operational efficiency and sufficient segregation of duties to mitigate risks, and to ensure compliance with the investment mandate.

The following measures were implemented to achieve sufficient influence and consistency across the subsidiaries:

- NBIM board representation for part-owned entities
- NBIM and master holding company representation on boards of wholly-owned entities
- Appropriate board composition and decision-making requirements
- Rights for NBIM/shareholders to immediately replace board members
- Appropriate shareholder-reserved matters and veto rights (in particular in relation to acquisitions, disposals, additional capital requirements and distributions)
- Constitutional documents which incorporate shareholder safeguards
- Advisory arrangements between Norges Bank (or master holding company) and special-purpose entities in order to ensure that group-wide considerations and NBIM analysis and expertise are available to special-purpose entity
- Shareholder approval required for external debt in subsidiary entities
- Requirement for special-purpose entities to request funding (directly or indirectly) from Norges Bank to implement investment decisions

Norges Bank only provided funding for investments which were aligned with Norges Bank's interests. For master holding companies, the board-approved strategy plan and budget, including organisation, were subject to shareholder (i.e. NBIM) ratification. Significant changes to strategy plans and budgets followed the same procedure. Further, cash in the structures were up streamed to Norges Bank as soon as practical.

Company policies for special-purpose entities were created to ensure appropriate corporate governance across the Norges Bank group and to facilitate necessary information and reporting flow to the ultimate parent, Norges Bank. Reporting requirements for each investment structure were developed to ensure consistent accounting practices, compliance with all relevant laws and regulations, and that NBIM could conduct risk assessments across its investments. Reporting procedures also captured the requirements of NBIM's audit bodies.

3.2. Holding structures

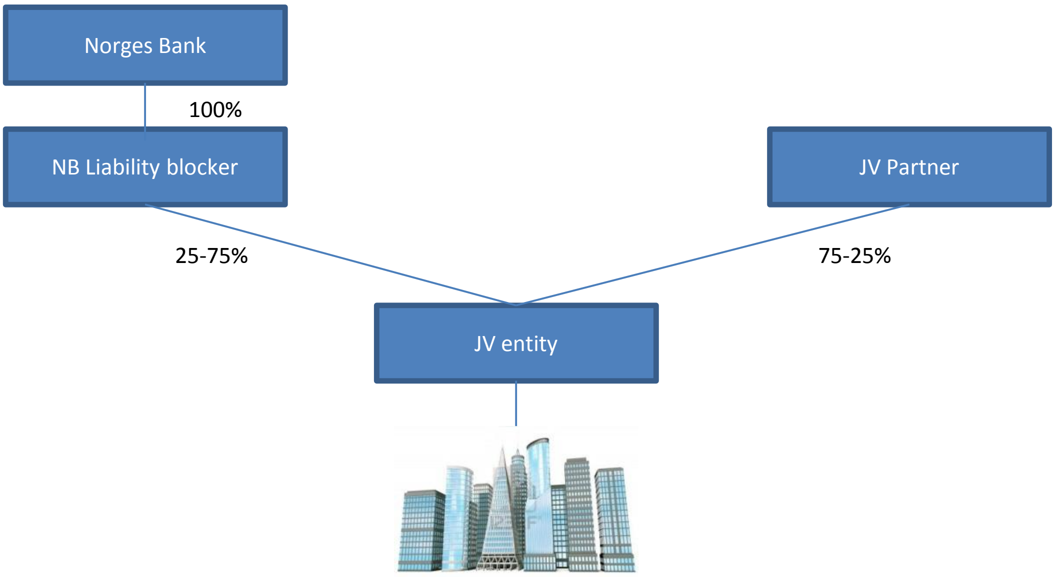
NBIM's activities and risks related to private real estate investments differ significantly from those related to fixed-income instruments or to publically listed equities. While the investment risks associated with bonds and listed equities are normally limited to the sum invested, and the bond- or shareholders do not assume liability for the acts or omissions of the issuer, this is not necessarily the case for a real asset. An owner of real estate assets may be held liable for amounts exceeding the endowment capital as a result of, for example, disputes with tenants or neighbours or damage to property. Real estate is inherently a contract based business through the purchase or sale of property, the signing of a lease, the development of a property, etc. Each contract needs to have a contracting party and using Norges Bank directly would trigger an inefficient and burdensome investment process within the bank.

To shield Norges Bank from liabilities and potential law suits, protect its balance sheet, facilitate governance and signing authorities, and provide flexibility in the capital structure, all unlisted real estate investments were made through subsidiaries, as is considered good investment discipline and is standard practice in the real estate industry. The structures ensured that existing assets were protected and that Norges Bank's and the State of Norway's sovereign immunity from jurisdiction, enforcement and taxation were maintained.

NBIM Real Estate reviewed suitable operational platforms for real estate investments prior to making the first investment. The strategic decision was to invest alongside investment partners with whom the GPFG would have aligned interests, and who could provide the necessary asset management capabilities required for a given asset.

In the choice of structures NBIM focused on: (i) limitation of liability and protection of the central bank's assets against claims arising as a consequence of investments in real estate (both on an ongoing basis and in a transaction), (ii) an appropriate and robust oversight and control structure, (iii) cost-effectiveness, including administration and tax costs, and (iv) efficient operational management. Furthermore, it was of importance that the structuring would fit well with potential investment partners in the various jurisdictions where the fund would be investing.

The chart below provides a simplified illustration of the investment structures.



The corporate structure varied from investment to investment and from country to country. In selecting a structure, importance was attached to oversight and control, tax costs, complexity and operational factors. Entities giving sufficient liability protection could be found in most jurisdictions; however, operationally it was an advantage to have entities domiciled in as few jurisdictions as possible. When considering different options, the key factor was to safeguard the interests of Norges Bank and the GPFG.

3.3. Audits

NBIM is subject to supervision and audit by three different bodies. The real estate area was a main focus area for all of these three bodies in the first three years.

Norges Bank's Internal Audit (IA) unit audited the real estate area four times. The focus was on the governance and internal control environment related to the investment process. Real estate was also a focus area for IA in 2013.

The Supervisory Council (SC) concerned themselves significantly with the establishment of real estate as a new investable asset class. In 2012, the SC, together with Deloitte, conducted an assurance review of the investment risk, governance and control framework of the real estate area. In 2013, the SC and Deloitte conducted another assurance assignment on the design and implementation of NBIM's current governance framework.

As part of the regular annual financial audit and quarterly financial reviews, the real estate area met the external auditor, currently Deloitte, more often than quarterly. Based on a risk assessment and real estate being a new asset class to the GPFG, Deloitte established a separate team that focused on the real estate area of the GPFG. The real estate team and Deloitte also had a separate process related to the coordination and communication of the appointment of auditors and the ongoing audits in all real estate subsidiaries.

There have been no significant adverse findings in any of the audits, which further suggest the establishment of the real estate area has been performed in a measured, controlled and deliberate manner over the past 3 years.

4. Organisation

As an asset class, real estate has a number of characteristics that distinguishes it from investments in bonds and listed equities. These typically include illiquidity, high transaction costs, large lot sizes, lack of standardisation in ownership and transaction execution, lack of publicly available information, and required management attention. Further, investments in unlisted real estate markets differ significantly from investments in bonds and listed equities as properties are bought and sold outside regulated exchanges and therefore subject to less transparency in pricing. While the investment risk associated with bonds and listed equities is normally limited to the sum invested, the owner of real estate assets risks being held liable for amounts exceeding the invested capital. As a result of these differences, real estate investments typically have different requirements when it comes to execution of investments, management framework, oversight and control. These requirements were drivers in the build-up and hiring of the team.

The strategy to invest with partners allowed NBIM to leverage its partners' local expertise and asset management capabilities. By investing alongside a joint venture partner with a management team responsible for driving the business plan of each asset, NBIM focused on investment decisions and was less involved in the day-to-day operation of each asset. NBIM is establishing a real estate *investment* organisation much in line with the rest of NBIM, rather than becoming an *administrator* managing external mandates.

At the time of NBIM's first investment, three people were employed in the NBIM Real Estate team. As the real estate portfolio grew, the headcount increased accordingly. As at 31 December 2013, 37 people from 15 different countries were employed directly in NBIM Real Estate.

The real estate team recruited skilled personnel externally, but also benefited from transfers from various departments within NBIM. Besides recruiting dedicated resources NBIM developed a solid infrastructure around the team to handle a large-scale real estate portfolio. Support functions for real estate investments operate within a thorough risk and governance framework and through the development of transparent reporting structures and solid cash transfer processes. The platform needed to be robust and scalable with systems and databases that track the investments in an efficient manner.

5. <u>Conclusion</u>

Over the past three years, real estate within NBIM has developed from a project to a business. The growth in the team, the organisation and the portfolio has been done responsibly, deliberately, methodically and according to the plan outlined in 2010. The initial focus on core markets in Europe, then a broadening to the USA, as well as the focus on joint venture type investments were planned and stated from the beginning.

The pace of investment was initially slow but increased as the team grew and new markets offered new opportunities. The challenge remained to build a portfolio, team and organisation with effective governance and decision-making structures in parallel and in an orderly manner. The reviews, audits, and experience of the team suggest that was achieved.

Appendix

Individual investments

1. London, The Crown Estate

Overview: The 390,000 square metres Regent Street portfolio comprises 106 properties and is situated in the heart of London's West End. The portfolio includes material asset management and redevelopment opportunities, and work is currently under way on five developments on the street. Since inception, NBIM has purchased six buildings, or parts of buildings, together with or from The Crown Estate that the partnership did not previously own directly. With a street frontage of two kilometres and over 10,000 people employed there, Regent Street receives more than 7.5 million tourist visits each year.

Key facts

Type	Joint venture (started Q2 2011)
NBIM ownership	25 per cent
Partner	The Crown Estate
Location	London
Size (square metres)	390,000
Total investment (LCY million) (NBIM share)	£629

Partner: The Crown Estate is one of the UK's largest property owners, with 8.3 billion pounds of assets under management. It is the owner of, among other assets, some 750,000 square metres of real estate in Regent Street and St James's in London. The Crown Estate's ownership of Regent Street dates back to the 16th century.

2. Paris, AXA

Overview: The 190,000 square metre portfolio consists of ten properties which are spread across the Paris region. The original transaction saw NBIM acquire a 50 per cent interest in seven properties owned entirely by AXA. A further three properties were acquired from a third party at a later stage in partnership with AXA. The portfolio now comprises ten properties, of which one building is under redevelopment.

Key facts

Type	Joint venture (started Q3 2011)
NBIM ownership	50 per cent
Partner	AXA
Location	Paris region
Size (square metres)	190,000
Total investment (LCY million) (NBIM share)	€872

Partner: AXA SA is one of the world's largest multi-line insurance companies; it has approx. 160,000 employees in 57 countries and an annual turnover of 90.0 billion euros. The asset management division, AXA Investment Managers, has 523.0 billion euros of assets under management (of which 45.2 billion euros in real estate).

3. Paris, Generali

Overview: The 44,000 square metre portfolio comprises six properties, of which five are located in the central business district of Paris and one in the 12th arrondissement.

Key facts

Type	Joint venture (started Q4 2012)
NBIM ownership	50 per cent
Partner	Generali
Location	Paris
Size (square metres)	44,000
Total investment (LCY million) (NBIM share)	€324

Partner: Generali is one of the world's largest multi-line insurance companies; it has over 80,000 employees in 66 countries and 491.0 billion euros of assets under management. Through its subsidiary Generali Real Estate, the company has 29.0 billion euros of real estate assets under management. Generali Real Estate employs more than 550 dedicated resources in 11 countries.

4. Sheffield, British Land

Overview: The 141,000 square metre shopping centre is located in Sheffield and is one of the largest shopping centres in the UK. The Meadowhall Shopping Centre has 303 units and comprises 209 standard shops, ten large stores, 53 kiosks, 30 catering units and an 11-screen cinema. The ownership also includes two petrol filling stations, a 12-unit distribution centre, a 103-bedroom hotel, a standalone restaurant and 74 acres (300,000 square metres) of undeveloped brownfield land. Meadowhall dominates its catchment area and has the lowest level of competing town centre floor space relative to other UK super-regional shopping centres. The shopping centre attracts an annual footfall of 25m people for an estimated annual spend of 1.1 billion pounds.

Key facts		
	**Type**	Joint venture (started Q4 2012)
	NBIM ownership	50 per cent
	Partner	British Land
	Location	Sheffield
	Size (square metres)	141,000
	Total investment (LCY million) (NBIM share)	£355

Partner: British Land is the second-largest REIT in the UK with a gross asset value of 11.2 billion pounds (17.1 billion pounds of assets under management). British Land owns a diversified real estate portfolio, but the emphasis is on central London offices (mainly in the City) and retail warehouses. British Land employs more than 200 people.

5. Zurich, NBIM wholly-owned

Overview: The 174,000 square metre office campus is situated approximately 3km southwest of Zurich city centre and is the global administrative centre of Credit Suisse.

Key facts		
	**Type**	Wholly owned (acquired Q4 2012)
	NBIM ownership	100 per cent
	Partner	n/a
	Location	Zurich
	Size (square metres)	174,000
	Total investment (LCY million) (NBIM share)	CHF 1,002

Partner: In this acquisition the need for local expertise was non-existent, and with a triple net lease there are no maintenance or other day-to-day management burdens on NBIM.

6. Frankfurt/Munich/Berlin, AXA

Overview: The 216,000 square metre portfolio comprises one property in Frankfurt, one in Munich and one in Berlin. The acquisition was carried out through the existing 50/50 joint venture with AXA, whereby the joint venture bought the two assets from a third party.

Key facts

Type	Joint venture (started Q1 2013)
NBIM ownership	50 per cent
Partner	AXA
Location	Frankfurt, Munich, Berlin
Size (square metres)	216,000
Total investment (LCY million) (NBIM share)	€479

Partner: See section 2 above.

7. New York/Boston/Washington DC, TIAA-CREF

Overview: The 165,000 square metre portfolio consists of five buildings. Two are located in New York City, two in Washington DC, and one in Boston. The acquisition marked the fund's first private-market real estate investment in the US.

Key facts

Type	Joint venture (started Q1 2013)
NBIM ownership	49.9 per cent
Partner	TIAA-CREF
Location	New York, Boston, Washington DC
Size (square metres)	165,000
Total investment (LCY million) (NBIM share)	$622

Partner: TIAA-CREF is an American insurance company with more than 8,000 employees in more than 80 offices primarily located in the US. TIAA-CREF currently has 523.0 billion dollars of assets under management, including 40.5 billion dollars in real estate investments.

8. Various Europe, Prologis

Overview: The 4,700,000 square metre portfolio comprises 211 logistic properties in 11 European countries. Most of the properties are located in close proximity to major transportation gateways and hubs that serve large population centres.

Key facts

Type	Joint venture (started Q1 2013)
NBIM ownership	50 per cent
Partner	Prologis
Location	Various Europe
Size (square metres)	4,700,000
Total investment (LCY million) (NBIM share)	€1,137

Partner: Prologis is a leading owner, operator and developer of industrial real estate, focused on global and regional markets across the Americas, Europe and Asia with 46.0 billion dollars of assets under management. The company leases its operating portfolio of approx. 3,000 distribution facilities in 21 countries across four continents to more than 4,500 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. Prologis employs 1,400 people worldwide.

9. New York, Boston Properties

Overview: The 115,000 square metre building is located in New York, just south of Times Square. The building was developed in 2004 and is 47 stories high.

Key facts	
Type	Joint venture (started Q4 2013)
NBIM ownership	45 per cent
Partner	Boston Properties
Location	New York
Size (square metres)	115,000
Total investment (LCY million) (NBIM share)	$686

Partner: Boston Properties is an American REIT that owns and manages a portfolio of office buildings in cities such as New York City, Boston, Washington DC and San Francisco. Boston Properties' portfolio consists primarily of first-class office space, with 4.2 million square metres of space owned across 157 properties. Boston Properties has 29.5 billion dollars of real estate assets under management and employs approximately 700 people.

10. Boston, Met Life

Overview: The 120,000 square metre building is located in the financial district of Boston. The building, named One Financial Centre, is 46 stories high.

Key facts	
Type	Joint venture (started Q4 2013)
NBIM ownership	47.5 per cent
Partner	Met Life
Location	Boston
Size (square meter)	121,000
Total investment (LCY million) (NBIM share)	$238

Partner: Met Life is a global provider of insurance, annuities and employee benefit programs, serving 90 million customers worldwide. Met Life has approximately $490 billion of assets under management of which approximately $55 billion in real estate. The company provides a significant team with over 140 dedicated real estate professionals.