

# Press Release

## DIR Deutsche Investment Retail GmbH

○ Nuremberg, 29 September 2022

### Deutsche Investment Launches Its Second Food Retail Fund

- “Deutsche Investment – Nahversorgung I” to be licensed as Article 8 fund
- Investments to focus on food-anchored convenience centres in Germany
- Initial investment worth c. EUR 13 million already transacted

Deutsche Investment is launching its second investment fund in the food retail asset class, to be called “Deutsche Investment – Nahversorgung I.” The fund product is aimed at institutional investors, and has already been approved as an Article 8 fund by the German Supervisory Authority for Financial Services (BaFin).

The “Deutsche Investment – Nahversorgung I” open-ended special AIF will concentrate on investments in food-anchored retail locations that include complementary ranges and uses and that are in line with the company’s sustainable development goals. The fund’s investment focus includes, in addition to the grocery-retail-anchored tenants, secondary tenants of systemic relevance as well as synergetic types of use, e. g. doctors’ surgeries and other medical or social amenities, which supplement the range of options available at a given site. “In the case of the ‘Deutsche Investment – Food Retail I’ fund, we focused predominantly on grocery-anchored locations. The recently launched fund expands the investment focus to include locations characterised by complementary uses. Since our first fund in this asset class is almost fully invested, our second separate asset pool, which will initiate a new fund series, seamlessly connects to the first product,” elaborated Susanne Klaussner MCRIS, the Managing Partner of Deutsche Investment Retail.

The value of any single property should be at least c. EUR 5 million but not exceed EUR 40 million. The fund will also aim for a regional spread of its assets across Germany. The fund will target a total volume of c. EUR 300 million. This is initially to be achieved using equity capital. The first capital commitments have already permitted an opening investment in the amount of c. EUR 13 million. The fund targets a forecast annual cash-on-cash yield of 3.5 to 4.0 percent on average (over an imputed ten-year term).

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For the purpose of monitoring the sustainability development goals, an ESG scoring model was developed specifically for grocery retail real estate, which can be used to measure the degree to which the sustainability targets are achieved and monitor the progress made during the lifetime of the fund. “Given our long-term experience in the food retail asset class, we are perfectly aware that this segment often requires differentiated angles. Especially in the area of sustainability, the challenges we face here differ considerably from those in the asset classes of residential or office, for instance.

Working closely with our specialised divisions, we developed a harmonised model that examines common attributes within a homogeneous classification system while leaving room for the specificities of each asset class. This model is already being applied during our acquisition processes. Because one thing is for sure: Our scoring model must take account of the Taxonomy requirements while also needing to be in line with the needs and long-term strategies of our tenants. And this requires extensive foresight as well as a certain flexibility,” added Achim Ellguth, the Head of Asset Management and ESG Officer of DIR Deutsche Investment Retail GmbH.



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### Deutsche Investment Retail.

#### An Investment and Asset Manager Specialising in the Grocery Asset Class

Operating under the umbrella of the Deutsche Investment Group, investment and asset manager Deutsche Investment Retail is responsible for the retail warehouse and retail warehouse park segment, focusing specifically on food retailing. Deeply convinced that specialisation will deliver top results, a team of 15 experts focuses exclusively on the grocery asset class, bringing decades of experience to the job. Established in 2019, the company already has its own special AIF in this segment, which was launched and is administrated by Deutsche Investment Kapitalverwaltung AG, while having about 60 properties worth c. EUR 240 million in assets under management overall.



Deutsche Investment