



GROWTH IS NO COINCIDENCE AND ANYTHING BUT "ME TOO"

The development and success of a new investment product depends largely on the definition of a clear strategy, the experience and market knowledge of the sponsor as well as an attractive and credible product concept. None of this is "rocket science", but it requires the right and structured approach, taking into account the aforementioned success factors.

THE RIGHT STRATEGY AT THE VERY BEGINNING

Growth of investment and asset managers can take many different forms. What they all have in common is an overarching and specified management strategy. This is based on internal and external requirements, taking into account investor interests and needs as well as the company itself.

„The right mix of innovation (vertical growth) and geographic expansion (horizontal growth) is the foundation of growth strategies and products that stand out in the market“

Developing a strategy that is sustainably attractive for both customers and investors, but also for the company itself and its growth ambitions, requires the right focus and the right impulses.

It is crucial to step out of one's comfort zone. In particular, looking beyond country borders and the domiciled portfolio is an exciting opportunity to expand the investable universe and optimise the risk-return profile, especially through:

- Diversification of investments
- Exploitation of rental growth in different countries
- Risk mitigation due to acyclical markets (low to negative country correlations)
- Leverage of own experience | expertise (track-record) and know-how



- Cooperation with local partners and thus access to local expertise and networks

The initial idea | strategy is thus a directional decision and the basis for further examination and detailing of implementation options.

The process of launching a new and innovative product begins with the structured derivation of specific opportunities and framework conditions through guided strategy workshops.

TME Associates will provide support and guidance through:

- Information on options for expanding the product universe as well as specific requirements of individual vehicles (e.g. special and public funds)
- Impulse presentations on relevant topics, e.g., real estate investments abroad

HORIZONTAL GROWTH DIMENSIONS	
Market	Expansion into other countries markets sectors
Product	Expansion of the product universe investment groups sectors
Capital	Expansion of the investor base from national to international national outbound

...each with its key areas being:



- Guided discussions on topics related to "investment vehicles abroad"
- Structured brainstorming on relevant requirements for the organisation and target products in terms of geographies | sectors | products and investment strategies | market access and entry strategies
- Identification of internal and external requirements of the company, the organisation and processes themselves.

FEASIBILITY STUDY: FROM STRATEGY TO PRODUCT

On the basis of the joint directional decisions, e.g. for an investment focus abroad, a comprehensive feasibility study for the further examination and detailing of the implementation options as well as for the decision-making process is the essential next step. The feasibility study can be divided into five consecutive phases:



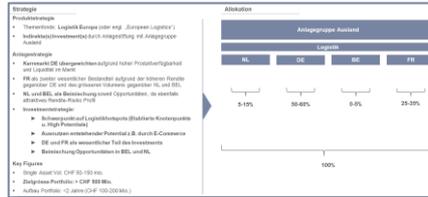
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1. The market analysis

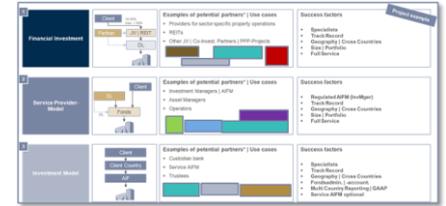


For the identified strategy, a comprehensive analysis and market research on current trends and potential target countries against the background of the analysis of the macro- | micro-economy, investment profiles, transaction volumes, capital inflow | availability, liquidity | returns, product availability is the basis for deriving well-founded decisions regarding target countries and thematic focuses of the product.

vidual asset classes and sub-asset classes (e.g. urban logistics, light industrial, etc.) in order to achieve attractive returns.



In addition to the product concept (blueprint), the requirements for the organisation, the setup, must also be defined. Are the necessary internal competences - including foreign countries | sector | controlling (outsourcing | participation) - sufficient or are external partners and service providers needed for administration | service functions?



The necessary target structure can be achieved through organic growth (recruitment of individuals | existing team with a mandate to build a platform, outsourcing management activities) or through inorganic growth (corporate | M&A). Key success factors are a local presence and expertise, or a local network to ensure market and product access.

„All business is local“

2. The product conception

The extensive research resulting from the analysis must be transferred into a blueprint (product concept) of the product. The specific selection and (target) allocation of countries as well as the thematic focus can then be worked out accordingly.

The focus can be on classic asset classes (e.g. logistics), but also on specific investment strategies that combine indi-

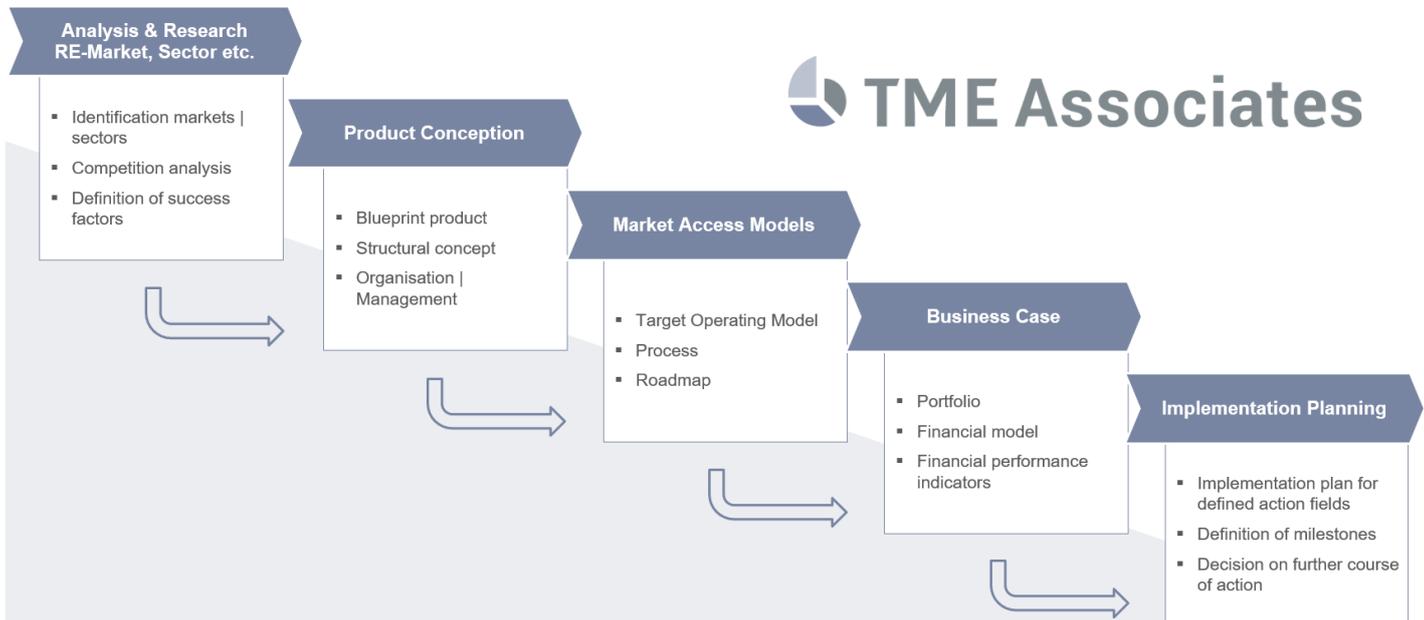
3. Market access | entry models

The joint development of the target operating model includes the concrete definition of all necessary partners and service providers as well as the cooperation model. For each target country, the respective market access must be comprehensively detailed and elaborated, also against the background of the sponsor's strategy.

4. The High-level Business Case

The results and parameters obtained from the market analysis and the development of the target organisation must be analysed extensively in terms of costs and effort. For this purpose, a business

FEASIBILITY STUDY: FROM STRATEGY TO PRODUCT





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case is developed for the product and the organisation.



The target allocation and returns in combination with validated investment time-lines allow to derive a realistic picture of the underlying financial key performance indicators (KPIs) as well as the expected return on investment (ROI) and cash-on-cash return based on best-practice business case modelling.



The development of the internal organisation and the consideration of a fee model in line with the market supports the final decision-making through the development of balance sheets and P&L forecasts.

5. The implementation planning

Finally, the specific implementation plan, including detailed fields of action and timelines, must be prepared as a basis for the decision to be submitted to the management and the supervisory board.

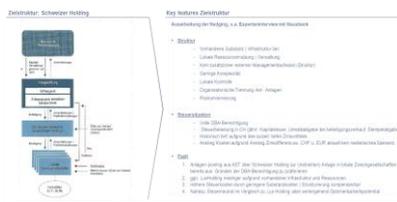


IMPLEMENTATION: LAUNCH OF THE NOT "ME TOO" PRODUCT

We accompany the launch of the concerted product with a 360° approach that encompasses three dimensions. The first

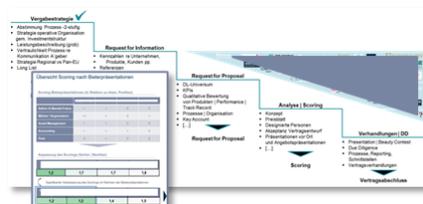
dimension is the structuring, i.e. in particular the necessary approvals for the investment structure. This includes, among other things:

- Audit of Structure Legal | Tax | Regulatory
- Project management | Partner management (Legal | Tax)
- Concept investment structure, if necessary, with hedging requirements
- Approval | Licensing



Furthermore (second dimension), the partners required are to be identified within the framework of a structured manager selection process. This includes:

- Definition of requirement profile | selection criteria
- Implementation of a structured and 2-step selection process by means of RFI | RFP
- Scoring of the results by means of a weighted evaluation model
- Derivation of long-list of candidates for selected cooperation model
- Conduction management presentations and creating a decision matrix
- Due diligence of service partners incl. organisation | processes
- Participation in and organisation of contract drafting
- Support during the onboarding of the mandate



The third dimension is the implementation of the necessary organisational structures and procedures in the sponsor's own company. This means:

- Roles | Functions | Profiles for new employees
- Recruitment
- Organisational model | Optimisation of existing organisation

Often forgotten, but critical to success, are the following in particular:

- TOM for cooperation with partner service providers
- Integration of service provider according to partner model
- Conception | Integration IT system requirements | model
- Change management

CONCLUSION

At the end of this comprehensive process, there is a new and innovative product which, through a sophisticated organisation on the part of the issuing sponsor and through cooperation with the right partners and service providers, makes a significant contribution to future success and growth.

Our approach model is

- Tried and tested,
- demonstrably successfully implemented and
- „Best practise“ | Know-how.

Please feel free to contact us!



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TME Associates

TME is an international management consultancy focusing on Real Estate Management and Brands & Retail. Founded in 2011, we advise corporates, investment & asset managers, investors, housing companies and service providers along the entire real estate value chain.

Our consulting approach is as sustainable as it is holistic: from strategy to organization to implementation.

Around 50 employees work at TME's German-speaking sites in Munich, Frankfurt and Zurich. TME Associates also has international offices in China, Korea, UK and USA.