
Press Release

For immediate release

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Schroders Capital acquires NH Collection Milan CityLife hotel from Invesco Real Estate's European Hotel Fund

LONDON, 13th February, 2025 – Schroders Capital, the USD97.3 billion private markets business of Schroders, has acquired the NH Collection Milan CityLife hotel on behalf of one of its pan-European hotel funds from Invesco Real Estate, the USD 85bn global real estate investment business of Invesco Ltd. (NYSE: IVZ).

The sale has allowed Invesco's flagship European Hotel Fund to capture the strong performance delivered by the hotel since it was completed in 2022 and release capital for reinvestment.

Developed around a former church dating back to the 1930s and located in Milan's Citylife business district, an area with limited direct competition, the NH Collection Citylife Milan is recognised for the quality of its architecture and services. Operated by NH Hotels Group, the four-star hotel offers 185 rooms and caters for both business and leisure travellers.

Schroders Capital, through its hotel platform, currently manages EUR3.6 billion¹ investments into hotel businesses operated by a dedicated team of 40 people located in offices in Paris, London and Amsterdam.

The platform manages a wide range of hotel investment profiles, from independent assets directly operated by Schroders Capital, with or without affiliations, to hotels under management or lease agreements operated by a third party. Other luxury lifestyle hotels include the likes of Hoxton Paris, Hoxton Amsterdam, Standard Ibiza, and Grand Hotel Central Barcelona.

Invesco's European Hotel Fund is a diversified, open-ended, pan-European Hotel portfolio of high-quality centrally located assets. The Fund is available to professional investors only. Invesco Real Estate's dedicated hotels team has an 18-year track record allocating over EUR2 billion equity into the sector, managing 53 different hotel investments across eleven countries and 31 different brands. The team has continued to create long-term value through an active asset management strategy, working with leading sector partners and focusing on prime hotels in European gateway cities.

Thibaut Leonard, Schroders Capital, Co-Head of Investments, Hotels, said: "We continue to invest into high-quality hotels across key European markets with high barriers to entry and proven demand. This is our third hotel in Italy alongside the Westin Milan and St Regis, Venice, and the third asset for the Schroders Capital European Leased Hotel Fund that focuses on leases linked to operating performance of the hotel. We look forward to working with NH Hotels Group on this exciting asset."

¹ As of 30 June 2024

David Kellett, Managing Director, Head of Alternative Investments, Europe at Invesco Real Estate, said: “The NH Collection Citylife Milan has been an excellent performer for Invesco Real Estate. The sale, which capitalises on the strong performance delivered by the hotel since its completion in 2022, allows us to release capital for reinvestment. This profitable transaction will enable us to re-invest the proceeds in new deals and develop our well-regarded pan-European hotel portfolio. The current market timing is favourable, with an established operating recovery, making it an opportune moment to invest in hotels with significant value growth potential.”

The European hotels sector is currently benefiting from positive demand and supply fundamentals, coupled with good relative pricing. The market is seeing a strong rebound in transaction volumes, underscoring the attractive dynamics for well-positioned investors. Since the acquisition of the NH Collection Milan CityLife hotel by Invesco, the Milan market has performed strongly, helping the hotel to overperform its initial business plan by almost 15%.²

As part of this transaction, Schroders Capital was assisted by Legance (legal advice and due diligence), Deloitte (financial due diligence), Artelia (technical due diligence) and CA-CIB (debt). Invesco Real Estate was advised by Eastdil Secured and Hogan Lovells (legal).

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About Invesco Ltd.

Invesco Ltd. (Ticker NYSE: IVZ) is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. With offices in more than 20 countries, Invesco managed USD 1.8tn in assets on behalf of clients worldwide as of 31 December 2024. For more information, visit www.invesco.com/corporate.

About Invesco Private Markets

² Invesco Real Estate as of 31 January 2025

Invesco has global expertise and strong capabilities in private markets. With a global platform of USD 128.5bn of assets under management in real estate and private credit, we offer both scale and depth of expertise with over 600 investment professionals across 16 countries and over 40 years of innovative experience to our investors as of 31 December 2024.

About Invesco Real Estate

Invesco Real Estate is a global leader in the real estate investment management business with USD 85.0bn in real estate assets under management, 606 employees and 21 regional offices across the U.S., Europe and Asia. Invesco Real Estate has a 40-year investment history and has been actively investing across the risk-return spectrum, from core to opportunistic, in equity and debt real estate strategies, and in direct and listed real estate for its c. 400 institutional client relationships during this time. In Europe, Invesco Real Estate has eight offices in London, Munich, Milan, Madrid, Paris, Prague, Luxembourg and Warsaw, and 183 employees. It manages 205 assets across 14 European countries and with assets under management of USD 16.4bn. The team has a strong track record across all the commercial sectors, hotels and residential sectors as of 30 June 2024.

About Schroders Capital

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Schroders Capital

Schroders Capital provides investors with access to a broad range of private market investment opportunities, portfolio building blocks and customised private market strategies. Its team focuses on delivering best-in-class, risk-adjusted returns and executing investments through a combination of direct investment capabilities and broader solutions in all private market asset classes, through comingled funds and customised private market mandates.

The team aims to achieve sustainable returns through a rigorous approach and in alignment with a culture characterised by performance, collaboration and integrity.

With \$97.3 billion (£77.0 billion; €90.8 billion)* assets under management, Schroders Capital offers a diversified range of investment strategies, including real estate, private equity, secondaries, venture capital, infrastructure, securitised products and asset-based finance, private debt, insurance-linked securities and BlueOrchard (Impact Specialists).

**Assets under management as at 30 June 2024 (including non-fee earning dry powder and in-house cross holdings)*

Schroders plc

Schroders is a global investment manager which provides active asset management, wealth management and investment solutions, with £773.7 billion (€912.6 billion; \$978.1 billion) of assets under management at 30 June 2024. As a UK listed FTSE100 company, Schroders has a market capitalisation of circa £6 billion and over 6,000 employees across 38 locations. Established in 1804,

Schroders remains true to its roots as a family-founded business. The Schroder family continues to be a significant shareholder, holding approximately 44% of the issued share capital.

Schroders' success can be attributed to its diversified business model, spanning different asset classes, client types and geographies. The company offers innovative products and solutions through four core business divisions: Public Markets, Solutions, Wealth Management, and Schroders Capital, which focuses on private markets, including private equity, renewable infrastructure investing, private debt & credit alternatives, and real estate.

Schroders aims to provide excellent investment performance to clients through active management. This means directing capital towards resilient businesses with sustainable business models, consistently with the investment goals of its clients. Schroders serves a diverse client base that includes pension schemes, insurance companies, sovereign wealth funds, endowments, foundations, high net worth individuals, family offices, as well as end clients through partnerships with distributors, financial advisers, and online platforms.

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Risk warnings

For complete information on risks, refer to the legal documents.

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Real estate investments can be illiquid and difficult to sell, so the fund may not be able to sell its assets when desired and at the intended price. This may negatively influence the liquidity of open-ended funds and may lead to long delays before the fund can meet redemptions requests.

The value of real estate investments is generally determined by an independent valuer's opinion and may not be realizable. Real estate investments are typically not listed on any market and need to be valued via the application of appropriate models (potentially applied by independent experts): this may lead to valuations which may not be reflected in transaction prices.

Changes in market rents, net operating incomes, interest rates, FX rates, market trends and general economic conditions may result in fluctuations in the value of real estate assets, of the funds and of the level of cash-flows generated by the fund's portfolio.

The fund may use derivatives and borrowings, which may result in the fund being significantly leveraged and may result in large fluctuations in the value of the invested capital.

Real estate investments and portfolios are exposed to counterparty risk, which is the risk that a counterparty is unable to deal with its obligations.

Real estate investments may be exposed to new sustainability-related regulatory requirements and trends that may negatively affect the value of investments which are not compliant. This may lead to a requirement for significant capital expenditure in order to meet mandated standards or characteristics.

In addition, real estate investments may be exposed to negative economic effects stemming from climate change, natural disasters and the general preference of investors for assets with better sustainability features.

Real estate investments are labour-intensive and require a significant amount of human/manual input and activity, and may therefore be exposed to several types of operational risk that may affect activities such as administration, operations, reporting obligations and many others.

Important information

This press release is for trade press only. Views and opinions are based on current market conditions and are subject to change. By accepting this document, you consent to communicate with us in English, unless you inform us otherwise.

Data as of 5th December, unless otherwise stated.

This is marketing material and not intended as a recommendation to buy or sell any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication.

The fund, as a Reserved Alternative Investment Fund domiciled in Luxembourg, is eligible for Well-Informed Investors (as defined in the Luxembourg Law dated 28 July 2023) and marketing in the EEA is permitted to Professional Clients only. The fund is a dedicated Luxembourg open-ended unregulated fund. It qualifies as an alternative investment fund (AIF) managed by Invesco Real Estate Management S.à r.l. as external alternative investment fund manager (AIFM).

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