



GENERATIONS CONFERENCE 2021

CLUB DEALS IN REAL ESTATE

Investing as a Family for Families

PEER BENDER

CEO ACRON AG, Zurich

September 7, 2021



ZURICH

LUXEMBOURG

DÜSSELDORF

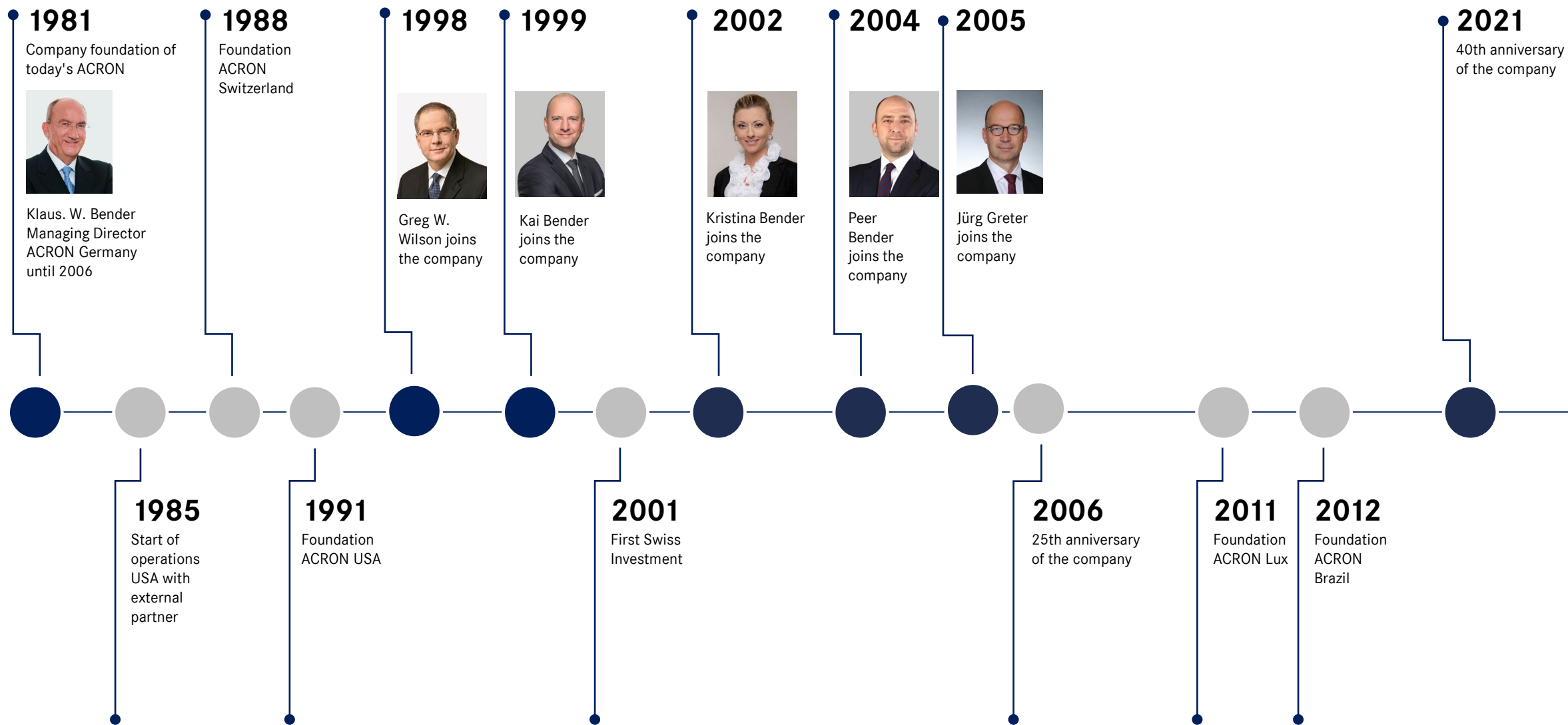
DALLAS

SÃO PAULO

ACRON builds the bridge between investors and unique properties and creates exclusive investments with a local presence in the USA and Switzerland.

- Building Wealth since 1981
- Family Business
- Real Estate Investment Manager
- Single Asset-Deals
- Club Deals
- Tailormade Investment
- Investment Markets:
Switzerland, USA, Austria,
Germany, Luxembourg, Brazil







From left to right:
Richard B. Cheney
Greg W. Wilson
Klaus W. Bender

October 2002



Klaus W. Bender



f.l.t.r.: Jürg Greter, Klaus W. Bender, Greg W. Wilson, Kai Bender, Peer Bender



25TH JUBILEE 2006



Peer Bender, Kai Bender



Klaus W. Bender



GRAND OPENING KIMPTON OVERLAND 2017



Greg W. Wilson



Greg W. Wilson



Klaus W. Bender



f.l.t.r.: Greg W. Wilson, Klaus W. Bender, André N. Lagler



ACRON

REAL ESTATE INVESTMENTS
SINCE 1981

REAL ESTATE CLUB DEALS IN THEORY



ACRON ASSUMES 100% OF RESPONSIBILITY AND RISK

IDENTIFYING THE INVESTMENT

Our acquisition team carefully monitors various assets which have been either directly offered to us or identified through our network.

STRUCTURING OF THE ACQUISITION & START OF MARKET SOUNDING

At this point, market sounding begins in order to gauge the interest of potential investors.

REGULATORY ISSUES

We ensure that all regulatory rules are properly considered and addressed.

SALES AND EQUITY FUNDING, CAPITAL CALL TO INVESTORS

Once investors have been brought on board, the equity is allocated and a loan contract is secured.

ASSET MANAGEMENT

ACRON implements measures to preserve the value of existing properties and to increase the returns from ownership.

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DUE DILIGENCE

Once a decision to acquire a project has been made, a thorough investigation of the business is carried out. This can include financing negotiations, design or project changes.

REQUEST FOR FINANCING OFFERS

Choosing the right financing structure helps to ensure the success of our investment.

COMPLETING THE INVESTMENT ESSENTIALS

This entails putting into place investment essentials, such as obtaining equity required to start or closing a funding round. Development risk is covered by a sustainable completion guarantee.

FINANCING AND CLOSING

Once investors have been brought on board, the equity is allocated and a loan contract is secured.

BUILDING WEALTH

The exit produces returns and wealth is built.

12-14-MONTH TIME FRAME

2-3-MONTH TIME FRAME

EXIT AFTER 4-5 YEARS
(UP TO PROJECT/ASSET)

INDIRECT INVESTMENTS		CLUB DEALS		DIRECT INVESTMENTS
Unlimited amount of investors	➡	Club of investors with aligned interest	←	One investor
Know-how is unnecessary at the level of the investor	➡	Know-how will be provided by Sponsor – enabling investors to invest in projects they lack experience in		Investor know-how necessary - limiting investment opportunities to simple investments
Passive investment		Active investment - "investor has a say"	←	Active investment
Limited transparency		Full transparency	←	Full transparency
No financial risks before closing	➡	No financial risks before closing		Financial risk for the investor before closing (pre-purchase costs)
Investment custodian capable	➡	Investment custodian capable		Investment not custodian capable
Diversified - not influenced by investors		Diversification decision at the level of investor	←	No diversification: Single asset
Existing pressure from manager to invest funds		No pressure to invest	←	No pressure to invest
Fee-driven model: incentive to keep investments		Aligned interest with investor – co-investment with the same interests: Incentive to exit and perform	←	Focus on value appreciation and returns
Low returns		High returns	←	High returns or personal advantages (apartments for own use)
Low to High Equity Commitment	➡	Mid to High Equity Commitment	←	Full Equity Commitment



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ADVANTAGES OF INVESTING WITH OTHER FAMILIES



- Procedures, goals, and investment decisions at ACRON and our investors are comparable.
We invest our money alongside yours!
Don't deal with OPM (other people's money).
- We take a long-term view to meet the long-term investment needs of our clients.
Not going for the best possible quarterly targets is mitigating risks
- What's important to us and our clients?
Focus vs. Growth.
Size vs. Track Record.
Offering something special to our customers, independent and of greater value.

Private equity: a key driver of returns

Key survey findings:

1. More than two thirds (69%) of family offices view private equity as a key driver of returns.
2. For many business families, private equity is in the blood. A third (34%) of family offices describe private equity as a passion for the owner.
3. In the turbulent environment after the onset of COVID-19, 35% of family offices regarded the greater control offered by private equity as a plus, against just over a quarter (27%) beforehand.

- Only if you can differentiate yourself from others, then you create added value for your clients.
- The commitment to strategic asset allocation has meant that family offices have performed in line with, or above, targets during one of the most volatile moments in the history of financial markets. Yet they also see the uncertain environment as a chance to deploy cash, raising rather than reducing their risk profiles.
- Club Deals in Private Equity Real Estate (PERE) allows access to a broader range of opportunities.

Families stick to their plans, even when market volatility makes it uncomfortable. They hold their position. They are disciplined!

48%

invest in private equity to access
a broader range of opportunities.

Family offices embrace and manage risk like no other investor. This should come as no surprise. First-generation beneficial owners are by definition risk takers. They instill this mindset into their successors, and they seek out professionals who share it. They want to have a say in investment decisions.

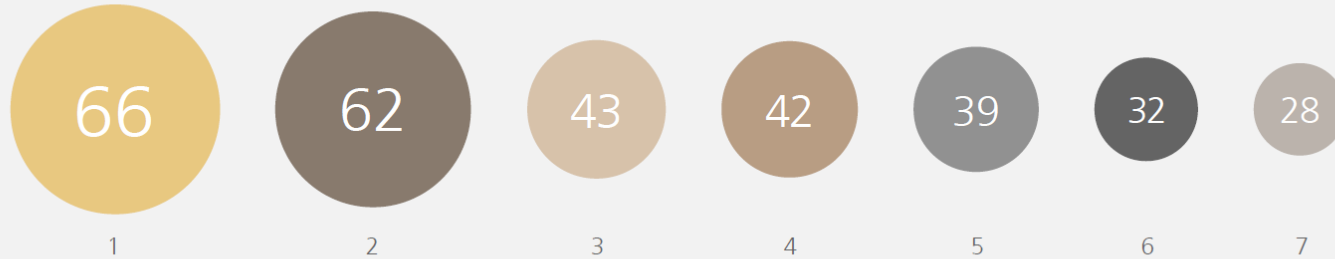
- A family business must always strike the right balance between family ownership, compliance and governance. The independence of our Board of Management and our dealings with minority shareholders are important in this context.
- The advantage of the decision procedure within families must not become a threat.
- In some senses, family offices with assets under management above USD 1 billion have institutional-like profiles. They apply meticulous asset allocation strategies and rigorous investment processes – with major decisions still in the hand of the family.

Asset allocation

More than half (56%) of families remain closely involved in strategic asset allocation, making it a priority for the family office and a cornerstone of wealth preservation.

SUSTAINABLE INVESTING – FIGURE 1

Taking the pulse, in %



- 1 Performance evaluation is a big challenge in impact investment projects
- 2 The family believes impact investments are important for their legacy
- 3 Sustainable investing is a top priority for the business owner's family
- 4 Climate change has already made us change some of our instrument selection
- 5 Sustainable investments will be the majority of our portfolio in five years' time
- 6 We have prepared our office's team to make sustainable investments
- 7 We have an active pipeline for direct impact investment opportunities

Source: UBS Evidence Lab

- When evaluating impact investments, 43% of family offices still prioritize investment performance. They put return on investment among their top three performance indicators.
- BUT almost two thirds (62%) of families regard sustainable investing as important for their legacies, yet it's unclear whether good intentions will turn into reality.
- Megatrends play an important role for long-term focused investors.

- 54% of next-in-line are just as interested in traditional investments as their parents.
- But more than two thirds (69%) of family offices report that the different generations have different passions.
- Driving digital transformation will become more important for the next generation: Family offices supporting younger generations appear more likely to invest in digital technology such as automation and fintech. For example, almost all (95%) of the relatively small number of family offices where the third generation is involved are likely to introduce automation, compared with just under three quarters (71%) of those just supporting the first generation.

THE NEXT-IN-LINE – FIGURE 2

Activities in the family office over time and generations, in %



First
generation –
the owner

51	Strategic asset allocation
49	Real estate buying/management
43	Sit on the board of the family office
41	Tactical asset allocation
41	Philanthropy initiatives
40	Private equity – direct investment deals
30	Management/Executive role in the family office
28	Sustainable investment (bonds, equities)
26	Art and antiques buying
22	Impact investment deals/projects



Second
generation

50	Strategic asset allocation
45	Real estate buying/management
45	Philanthropy initiatives
43	Tactical asset allocation
41	Management/Executive role in the family office
41	Sit on the board of the family office
38	Private equity – direct investment deals
31	Impact investment deals/projects
26	Sustainable investment (bonds, equities)
17	Art and antiques buying



Third
generation

39	Philanthropy initiatives
35	Strategic asset allocation
35	Tactical asset allocation
31	Management/Executive role in the family office
27	Private equity – direct investment deals
27	Impact investment deals/projects
27	Real estate buying/management
27	Sit on the board of the family office
15	Sustainable investment (bonds, equities)
8	Art and antiques buying



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REAL ESTATE CLUB DEALS IN PRACTICE / CASE STUDY



ACRON's
U.S. Hospitality
Series



ACRON ASPEN SNOWMASS RESORT AG
WESTIN SNOWMASS RESORT,
ASPEN/SNOWMASS, COLORADO, USA

INVESTMENT: Existing resort complex with 2 hotels (“The Westin” and “Wildwood”), a conference center and a shopping mall in Aspen/Snowmass, Colorado, USA

ISIN: CH0574450794

IRR: 16% p.a.*

MULTIPLE: 1.7x*

LOCATION: 100 Elbert Lane, Snowmass Village, CO 81615

ASSET CLASS: Hotel, Conference Centre and Mall

INVESTMENT VOLUME: USD 134,700,000

EQUITY ACRON INVESTORS: USD 43,200,000

EQUITY PARTNER: USD 6,800,000

INTENDED EXIT: 2024

*ESTIMATED



RED GEHRY TOWER

MEDIENHAFEN DÜSSELDORF, NORTH RHINE-WESTPHALIA, GERMANY

INVESTMENT: Investment in an architectural masterpiece of *Frank O. Gehry*. Comprehensive renovations totaling around EUR 6.5 million to increase rental income from EUR 18/m² to EUR 23/m². Repositioning by approaching top tenants in the case of new leases.

ASSET CLASS: Office and commercial property with parking garage

LOCATION: Neuer Zollhof 1, Media Harbour Dusseldorf (Medienhafen Düsseldorf)

ISIN: LU2004883000

IRR: 6,6%*

MULTIPLE: 1.35x*

INVESTMENT HORIZON: Approx. 5 years (2023)

TOTAL PROJECT VOLUME: EUR 56.7 million

EQUITY INVESTMENT: EUR 26.7 million

STABILIZED CAP RATE**: 4.0%

*Estimated

**) Stabilized market rents in relation to net purchase price plus investments





ACRON SWISS PREMIUM ASSETS

OFFICE PORTFOLIO

ZURICH & BERN, SWITZERLAND

INVESTMENT: Two premium office properties in Zurich and Bern, which are managed directly by ACRON AG and combines many years of expertise with efficiency. The main tenants (Takeda, Baxter, T-Systems) have been very satisfied for many years and will remain at the site for the long term.

ASSET CLASS: Office property

LOCATION: In a prime location Zurich and Bern – Excellent accessibility to major Swiss cities and the Zurich metropolitan area, close to the airports

ISSUER: ACRON Swiss Premium Assets AG

ISIN: CH0328641490

FORECASTED IRR: 9.0% p.a.

REALIZED IRR: 16.9% *

PREDICTED INVESTMENT TERM: 4 years

INVESTMENT VOLUME: CHF 162,250,000

AVG. CASH-ON-CASH DISTRIBUTIONS (2018 TO 2021): ø6.25%

* further increase in IRR expected after final tax assessment



TRACK RECORD ACRON EUROPE

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INVESTMENT COMPANY ASSET		YEAR ACQUIRED*	YEAR SOLD*	IRR P.A.
1 ACRON HELVETIA I Immobilien AG Office and logistics property in Buchs, ZH, Switzerland		2007	active	
2 ACRON HELVETIA II Immobilien AG Hotel in Gstaad, BE, Switzerland		2005	2015	IRR 9,6 %
3 ACRON HELVETIA III Immobilien AG Office property in Berne, BE, Switzerland		2005	2018	IRR 8,4 %
4 ACRON HELVETIA IV Immobilien AG Hotel in Zurich, ZH, Switzerland		2005	2009	IRR 18,7 %
5 ACRON HELVETIA V Immobilien AG Logistic- and office property in Münchenstein, BL, Switzerland		2011	2019	IRR 8,4 %
6 ACRON HELVETIA VI Immobilien AG Logistic- and office property in Zurich, ZH, Switzerland		2009	active	
7 ACRON HELVETIA VII Immobilien AG Office property in Zurich, ZH, Switzerland		2009	2017	IRR 10,2 %
8 ACRON Berlin Brandenburg International Airport AG Hotel in Berlin, Germany		2010	2013	IRR 8,9 %
9 ACRON HELVETIA IX Immobilien AG Shopping center in Näfels, GL, Switzerland		2009	2011	IRR 6,8 %
10 ACRON Wien West A3 S.A. Retail, Hotel and Office property in Vienna, Austria		2012	2017	IRR 14,5 %
11 ACRON Swiss Premium Assets AG Office property in Zurich, ZH, Switzerland Office property in Bern, BE, Switzerland		2017 2018	2020 2019	IRR 16,9 %**
12 ACRON HELVETIA XII Immobilien AG Hotel in Interlaken, BE, Switzerland		2017	active	
13 ACRON Red Gehry Investment S.C.S. Office property in Dusseldorf, Germany		2019	active	
14 ACRON Helvetia XIV Immobilien AG Hotel & Casino „Radisson Blu & Grand Casino“ Specialty Store „Westcenter“ in St. Gallen, SG, Switzerland		2019	active	

*or year merged | ** further increase in IRR expected after final tax assessment

A photograph of a modern conference room. In the foreground, a large, curved wooden conference table is visible. Several black office chairs are arranged around the table. In the background, a large, dark screen is mounted on a grey wall. The text "THANK YOU" is overlaid in the center of the image.

THANK YOU