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[China Life inks \\$950m recapitalization deal with US-based PE ElmTree Funds](#)

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China Life Insurance Group has signed a \$950 million recapitalization deal with US-based private equity real estate firm ElmTree Funds LLC of an existing ElmTree net lease portfolio.

This transaction gives China Life immediate scale and diversification in the US market as both companies will explore additional opportunities to invest together, said Jim Koman, managing principal at ElmTree Funds in a statement issued on Tuesday.

The joint venture's portfolio will initially comprise 48 single-tenant properties which is more than 5.5 million square feet across 20 states. The transaction agreement also provides for the acquisition of two additional single-tenant net lease properties from ElmTree Net Lease Fund II, subject to certain conditions.

The vast majority of the assets in the portfolio are recently constructed build-to-suit properties that are primarily leased to investment grade tenants and situated in secondary and tertiary markets that exhibit strong long-term economic and demographic fundamentals.

Net Lease is a provision that requires the tenant to pay a portion or all of the taxes, fees and maintenance costs for the property that is leased in addition to rent.

St Louis, Missouri-headquartered ElmTree Funds will continue to serve as asset manager of the portfolio and employ a core/core-plus investment strategy, according to the announcement.

China Life is engaged in life insurance, property & casualty insurance, pension, asset management, alternative investment, overseas business and others. By the end of 2015, consolidated total assets of the group company exceeded RMB 3 trillion, which is ranked as the highest in the industry in China.

For the current deal, Hodes Weill Securities, LLC, a global real estate advisory boutique, acted as the exclusive financial advisor to ElmTree Funds.

ElmTree Funds, founded in 2011, has acquired, developed or financed more than \$1.5 billion of office, industrial and healthcare properties. It targets investments in secondary and tertiary markets across the US that are leased to investment grade tenants on a long-term basis.