



NEWS RELEASE

APG, CPP Investments and ESR establish new US\$1 billion development joint venture to boost investment in South Korean logistics real estate

- *Represents one of the largest global logistics real estate capital raisings to date this year*
- *Successor development vehicle to maiden capital vehicle among APG, CPP Investments and ESR*

SEOUL/HONG KONG, 23 April 2020 – APG, Canada Pension Plan Investment Board (“CPP Investments”) and ESR Cayman Limited (“ESR”; SEHK Stock Code: 1821) announced today they have entered into a strategic agreement to establish a new development joint venture, ESR-KS II (“ESR-KS II” or the “Joint Venture”), with a total equity allocation of US\$1 billion, representing an investment capacity to deliver as much as US\$2 billion of new development projects.

ESR-KS II is a new development joint venture which will invest in and develop a best-in-class industrial and warehouse logistics portfolio in the Seoul and Busan metropolitan areas, the two markets with the largest populations and highest consumer spending in South Korea. APG, CPP Investments and ESR have agreed to initial investments in the Joint Venture in the amounts of US\$350 million, US\$450 million and US\$200 million, respectively. The partners have allocation expansion options that could bring the total equity investment capacity to as much as US\$2 billion over time. APG, CPP Investments and ESR will hold 35%, 45% and 20%, respectively, of the total issued shares of the Joint Venture.

The Joint Venture marks APG’s fourth development collaboration with ESR, and CPP Investments’ third joint venture with ESR. It is a successor vehicle to a US\$1 billion joint venture – which was later upsized to US\$1.15 billion – between the three parties that has led to the development of 17 projects totalling 2.2 million sqm of GFA in South Korea.

Graeme Torre, Head of Real Estate, APG Asset Management Asia commented: “Following the success of our first joint venture with ESR and CPP Investments in Korean logistics, we are delighted to be able to repeat the partnership. This will allow us to capture the next wave of growth and opportunity in a sector that even in these uncertain times, is demonstrating resilience. Throughout our global portfolio we look for investment opportunities that allow us to meet the long term return and sustainability objectives of our pension fund clients. With like-minded partners such as CPP Investments and the local execution expertise of ESR, this new venture is perfectly placed to do just that.”

Jimmy Phua, Head of Asia Real Estate at CPP Investments, said, “Asia’s consumer sector has been one of our key investment themes. The continued growth of South Korea’s e-commerce market is driving the demand for quality logistics facilities. This new joint venture deepens our longstanding relationship with ESR and APG. It will be key to our growth strategy in the logistics sector globally.”

ESR's integrated fund management platform has provided its capital partners with access to some of the world's best secular growth opportunities propelled by the positive trends of e-commerce, urbanisation and domestic consumption in the region.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, said, "This extension of our partnership with APG and CPP Investments is a testament to our best-in-class local management team led by Thomas Nam and Jihun Kang and our market leading position in South Korea. Riding on the robust fundamentals of the APAC logistics sector, we will continue our strategy to expand our fund management platform across the region to grow our AUM while delivering solid returns for our capital partners and stakeholders."

ESR-Kendall Square, ESR's South Korean platform, has not only built a strong track record in funds management, its modern logistics facilities have gained industry-wide recognition for their advanced architectural designs and their sustainability-focused approach. ESR-Kendall Square's properties have earned numerous awards and certifications, including APAC's first WELL Gold Certification for logistics real estate and a number of LEED Gold Certifications.

The transaction is expected to close before July 2020, subject to relevant regulatory approvals.

About APG

APG is the largest pension administrator in the Netherlands; its approximately 3,000 employees provide executive consultancy, asset management, pension administration, pension communication and employer services. APG performs these services on behalf of (pension) funds and employers in the sectors of education, government, construction, cleaning and glasscleaning, housing associations, energy and utility companies, sheltered employment organizations, medical specialists, and practices of architects. APG manages approximately €533 billion (February 2020) in pension assets for its clients in these sectors. APG works for over 22,000 employers, providing the pension for one in five families in the Netherlands (over 4.7 million participants). APG has offices in Heerlen, Amsterdam, Brussels, New York and Hong Kong.

About CPP Investments

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits in the best interests of 20 million contributors and beneficiaries. In order to build diversified portfolios of assets, investments in public equities, private equities, real estate, infrastructure and fixed income instruments are made by CPP Investments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At December 31, 2019, the CPP Fund totalled C\$420.4 billion. For more information about CPP Investments, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 31 December 2019, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$22.1 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 17.2 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019. For more information on ESR, please visit www.esr.com.

MEDIA CONTACTS

APG

Michael Vos
Spokesperson
+31 6 1211 3757
michael.vos@apg.nl

CPP Investments

Connie C. Ling
Director, Corporate Communications
+852 3959 3476
cling@cppib.com

ESR

Media

Antonia Au
Executive Director
Group Corporate Communications
+852 2376 9617
antonia.au@esr.com

Investors

Chang Rui Hua
Managing Director
Group Capital Markets and Investor Relations
+852 2376 9623 / +852 5506 7719
rh.chang@esr.com