

APG Invests in Korea's First Perpetual Open-Ended Logistics Fund

Hong Kong/Amsterdam, 19 February 2024 – Dutch pension investor, APG Asset Management N.V. (APG) announces today that it has closed an investment in the ESR Korea Logistics Core Fund (The Fund) on behalf of its pension fund clients. The Fund has been established by ESR Kendall Square (ESRKS), the Seoul-based subsidiary of APAC's leading real asset manager ESR Group Limited (ESR).

A joint venture platform was first established among APG, Canada Pension Plan Investment Board (CPP Investments) and ESR in 2015 to develop and own a portfolio of institutional-grade, modern logistics real estate assets across South Korea. The partnership expanded in 2020 with a second joint venture to continue capturing growth in a sector that proved to be resilient in return generation.

The Fund, which is South Korea's first perpetual open-ended core fund, is a continuation of the cooperation between APG, CPP Investments and ESR to target best-in-class logistics warehouse assets in strategic prime locations predominately in the Greater Seoul and Greater Busan areas. APG's initial commitment to the Fund stands at over USD400 million.

With Class A logistics warehouses at its core, the initial portfolio of the Fund comprises seven assets built within the past three and half years with a combined 1 million sqm of floorspace. As an open-ended vehicle, the Fund aims to acquire high-quality income producing stabilised assets, including those from an extensive pipeline of development assets managed by ESRKS. The logistics property firm was one of the earliest market entrants and has developed a leading industry track record, including implementing high ESG standards across its logistics properties.

To further integrate ESG considerations into the management of the portfolio, the Fund aims for 100% of assets to adopt Leadership in Energy and Environmental Design (LEED) Certification. The current portfolio has already scored highly under the GRESB reporting framework and integrates renewable power systems.

Graeme Torre, Head of Real Estate, APG Asset Management Asia-Pacific said: "We are delighted to continue our role as a leading investor in the logistics sector in South Korea, which complements our investments in diverse logistics assets across Asia Pacific markets. With logistics and e-commerce tenants seeking high-quality modern warehouse space that can service growing domestic and global supply chains, we see significant long-term potential in South Korea. The Fund enables our clients to maintain long-term exposure to a fast-growing, high-value sector with an experienced local management team focussed on long-term returns and strong ESG practices."

About APG

As the largest pension provider in the Netherlands APG looks after the pensions of 4.8 million participants. APG provides executive consultancy, asset management, pension administration, pension communication and employer services. We work for pension funds and employers in the sectors of education, government, construction, cleaning, housing associations, sheltered employment organizations, medical specialists, and architects. APG manages approximately €569 billion (December 2023) in pension assets. With approximately 3,000 employees we work from



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