

## **APG and CPPIB Establish US\$500 Million Korean Logistics Development Platform with e-Shang and Kendall Square Logistics Properties**

**Seoul, Hong Kong, Toronto – November 16, 2015** — Dutch pension asset manager APG Asset Management N.V. (“APG”) and Canada Pension Plan Investment Board (“CPPIB”) today announced that they have established a joint venture platform (the “JV”) with logistics developer, owner, operator e-Shang and its Seoul-based subsidiary Kendall Square Logistics Properties (“KSLP”). The JV will develop and own a portfolio of institutional-grade, modern logistics real estate assets across South Korea and will initially be capitalized with equity commitments totalling US\$500 million with an option to upsize the JV to a total capitalization of US\$1 billion.

e-Shang was initially founded in 2011 by global private equity firm Warburg Pincus and two Chinese entrepreneurs and focuses on developing institutional quality warehouses across major gateway markets in Asia. Since its inception, e-Shang has grown rapidly to become one of the largest domestic logistics developer, owner and operator of warehouses with over 2 million square meters in operation and under development across China. In 2014, e-Shang received a substantial investment from APG. Later in the year, e-Shang also expanded its business outside of China and partnered with logistics real estate veterans Thomas Nam and Jihun Kang to form KSLP to develop, acquire and manage a best-in-class logistics real estate portfolio in South Korea.

Mr. Nam and Mr. Kang have over 25 and 15 years of experience in real estate investment, development and management in South Korea and previously led ProLogis and AMB, respectively. The KSLP senior management team has closed and managed over US\$2 billion of transactions which is comprised of over 600,000 square meters of institutional quality logistics/industrial developments, 450,000 square meters of acquisitions and over 1 million square meters of managed industrial and logistics properties on behalf of international investors.

“We are delighted to expand our successful relationship with e-Shang into the South Korean market along with the local team at KSLP,” said Sachin Doshi, Managing Director and Head of Private Real Estate Investments, Asia-Pacific at APG. He further added, “We are also pleased to have CPPIB joining us in this venture. We believe this is an opportune time to enter the logistics sector in South Korea given the compelling fundamentals and supportive government policies for the development of modern logistics warehousing. Logistics continues to be a sector of particular focus for APG globally and this investment consolidates our substantial logistics positions in the Asia-Pacific region to an exciting new market that remains severely under-institutionalized. As the sector matures in Korea, we anticipate significant upside through rental growth and cap rate compression similar to what we have seen over the years in Japan and China.”

“This investment is a great opportunity for CPPIB to enter the growing and highly sought-after logistics sector in South Korea,” said Jimmy Phua, Managing Director and Head of Real Estate Investments Asia. “Developing logistics facilities in a market like Korea – which is supported by increased trading volume and greater domestic consumption – is an attractive use of capital for a long-term investor like CPPIB. In addition, we look forward to expanding our relationship with APG through this joint venture and to working with e-Shang and KSLP.”

e-Shang and KSLP have identified a pipeline of development opportunities in the Seoul and Busan Metropolitan Areas and have already secured two assets in the Seoul region that will be used to seed the JV. The JV will target to own a portfolio of logistics real estate assets with an aggregate size of over 1.5 million square meters in gross floor area over the next several years.

Jeffrey Shen, CEO of e-Shang, commented, "We are very pleased to partner with APG again, and welcome a new investor, CPPIB, to the Korea venture. The logistics sector in Korea is poised to undergo a meaningful transformation of the value chain over the medium term and this JV is well positioned to take advantage of these emerging trends towards consolidation of space among more concentrated and larger distribution centers across South Korea."

Thomas Nam, CEO of KSLP, further added, "With a significant capital commitment from these world class investors coupled with our strong and highly experienced management team, we are confident that the joint venture can assemble a best-in-class portfolio of institutional quality warehouses."

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**About APG Asset Management N.V.**

APG Asset Management N.V. is a Dutch pension fund asset manager in the Netherlands. For its pension fund clients and their 4.5 million active and retired participants from the public and private sectors representing over 30% of all collective pension schemes in the Netherlands, APG Asset Management N.V. manages pension assets of c.€400 billion as at the end of September 2015. For further information, please visit: [www.apg.nl/en](http://www.apg.nl/en).

**About Canada Pension Plan Investment Board**

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2015, the CPP Fund totaled C\$272.9 billion. For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com).

**About e-Shang**

e-Shang, headquartered in Shanghai, China, is a fully-integrated developer and total solutions provider of warehousing infrastructure and facility management catering to clients focused on domestic consumption in Asia Pacific. Since inception in 2011, e-Shang has grown rapidly and currently has over 20 e-commerce, retail and cold distribution centers which represents over 2.5 million square meters in operation and under development in China and South Korea. For more information on e-Shang, please visit <http://en.e-shang.com.cn/>

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