

Press release

Paris, 8th January 2019

AXA Investment Managers - Real Assets completes acquisition of over ¥100 billion Japanese logistics portfolio in new joint venture with ESR and a major sovereign wealth fund

AXA Investment Managers - Real Assets (“AXA IM - Real Assets”), a global leader in real asset investments and the leading⁽¹⁾ real estate portfolio and asset manager in Europe, announces that, on behalf of clients, it has formed a new long term Japanese core logistics joint venture with ESR, a leading Asia-Pacific logistics real estate platform⁽²⁾, alongside a leading sovereign wealth fund (the “Joint Venture”), through the acquisition of a portfolio of six modern logistics assets in Japan for over ¥100 billion (c. €807 million).

The Joint Venture has significant growth ambitions and will seek further investment and development opportunities diversified across Japan’s gateway cities, using commitments from the existing investors while over time considering raising new capital from new investors. It will target large high quality modern logistics facilities, which have the ability to deliver secure income returns over the long term. The Joint Venture will have access to ESR’s several hundred JPY billion development pipeline of state-of-the-art distribution facilities across Japan’s gateway cities. It will also consider investments sourced through other channels, in a market where demand is expected to remain strong due to tight supply and some highly supportive structural growth drivers most notably in the form of e-commerce.

The c. 37,700 sqm portfolio comprises five assets in the Greater Tokyo area and one within the Greater Osaka region, which are on average over 95% leased with strong interest in the remaining space. All of the assets are newly constructed within the past three years and are located in proven logistics hubs which are able to serve the last mile delivery needs of both cities.

This transaction expands AXA IM - Real Assets’ c. €2 billion global logistics portfolio⁽³⁾ into Japan for the first time.

Laurent Jacquemin, Head of Asia Pacific at AXA IM - Real Assets, commented: “This transaction represents a rare opportunity for us to not only invest in a large and well established logistics portfolio in high demand locations that serve Japan’s two largest cities, but also establish a new joint venture with two like-minded investors. Internet retailing continues to grow in Japan but the level of penetration is low compared to many other global markets, underpinning our confidence that building a portfolio of well-located modern logistics assets will allow us to deliver secure income returns over the long term for our clients.”

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Press release

¹ Source: INREV/ANREV Fund Manager Survey – May 2018 – in terms of assets under management

² Source: ESR website

³ Source: AXA IM – Real Assets unaudited

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Note to editors

AXA Investment Managers is an active, long-term, global, multi-asset investor. We work with clients today to provide the solutions they need to help build a better tomorrow for their investments, while creating a positive change for the world in which we all live. With approximately €740 billion⁽¹⁾ in assets under management as at end of September 2018, AXA IM employs over 2,390 employees around the world and operates out of 30 offices across 21 countries.

AXA Investment Managers - Real Assets has €79 billion in assets under management, including €59.8 billion in direct property & infrastructure and €15.6 billion in real asset finance as of end of September 2018⁽²⁾. We offer a 360° approach to investing in real assets, which comprises opportunities in equity or debt, across different geographies and sectors, as well as via private or listed instruments. We are a global leader in real assets investment, the number one property portfolio and asset manager in Europe⁽³⁾, and one of the largest worldwide. Our teams have been managing funds and mandates for over 30 years and comprise over 600 people in 14 offices that operate in over 20 countries around the world, which provide us with in-depth knowledge of countries, cities and sectors.

AXA Investment Managers is part of the AXA Group, a world leader in financial protection and wealth management.

Visit our websites: www.axa-im.com / <https://realassets.axa-im.com>

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¹ Source: AXA IM unaudited data

² Source: AXA IM - Real Assets' unaudited data

³ Source: INREV/ANREV Fund Manager Survey – May 2018 in terms of assets under management

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