

## **ESR Successfully Launches Korea's First Open-ended Logistics Core Fund**

*Creation of new flagship logistics core fund amid a challenging market reinforces  
ESR's best-in-class track record in Korea*



*ESR's Flagship Asset in Seoul, Korea*

**SEOUL/HONG KONG, 14 February 2024** – ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries, the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, today announced that its South Korean platform, ESR Kendall Square (hereinafter referred to as “ESRKS”), has established Korea’s first perpetual, open-ended core logistics fund. The newly-formed core fund portfolio includes seven trophy assets which are developed and managed by ESRKS.

Strategically located in the Greater Seoul and Greater Busan areas, the initial seven assets, with a total Gross Floor Area (“GFA”) of 1 million sqm, have an average occupancy of over 99%. Built within the last three and a half years on average, these assets are state-of-the-art, Class A logistics warehouses that come with modern ESG features including rooftop solar power systems and EV charging stations for forklifts to enable tenants to enhance operational efficiency. The tenant base of the core fund portfolio primarily comprises major e-commerce and global third-party logistics (“3PL”) companies.

As an open-ended vehicle, the newly-formed core fund will have the opportunity to acquire high-quality income producing stabilised assets from not only third-party entities, but also the extensive pipeline of development assets managed by ESRKS. With its launch, ESR also now has fund structures in new development, core-plus acquisitions and two complementary perpetual core vehicles with the ESR Kendall Square REIT and the new core fund, both of which are first-of-its-kind in the market.

Jeffrey Shen and Stuart Gibson, ESR Group Co-founders and Co-CEOs, said: “ESR is delighted to lead the way with the debut of our flagship open-ended logistics core fund in Korea. This further reinforces our strong commitment to capital recycling and the desire to retain and manage our best-in-class assets and strategic tenant relationships over the long term. We thank our existing and new core fund investors, which include large global institutional investors, for their support. This achievement reinforces our excellent full cycle development track record in Korea, as well as the compelling long-term income potential of our market leading Korean logistics portfolio. We target to continue to bring in more high-quality institutional investors as we further scale this new vehicle.”

Josh Daitch, ESR Group CIO, commented: “The establishment of the Korea Core Fund now adds to ESR’s full range of investment products across the risk spectrum. This strategy matches product to investors’ risk tolerance and enables them to better access the compelling fundamentals of New Economy real estate in Asia. From a Group perspective, we now have dedicated and sizable core vehicles in Australia, China (both RMB and USD), Japan, Korea and Singapore with our inaugural ESR China REIT in process.”

Thomas Nam, CEO, ESR Korea, added: “We are proud to announce another milestone in successfully establishing Korea’s first open-ended logistics core fund that will be managed perpetually. We expect modern logistics facilities, such as those in our core fund portfolio, to be increasingly sought after as they provide operational efficiencies for tenants. With this milestone, we believe that the seven trophy assets will lay the foundations for a core vehicle that will deliver long-term sustainable growth for our investors.”

ESRKS and its affiliates are together the largest logistics real estate manager in South Korea with an estimated US\$14 billion of assets under management (“AUM”) and an estimated 6 million sqm of GFA to date.

## **About ESR**

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of approximately US\$45 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. For more information on ESR, please visit [www.esr.com](http://www.esr.com)

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