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Press Release

Bouwinvest Real Estate Investors

KENEDIX
Kenedix, Inc.

Bouwinvest, TH Real Estate and Kenedix partner in Tokyo multifamily

- TH Real Estate to launch Tokyo multifamily opportunity, raising an initial US$200m for seed portfolio
- Creates a Tokyo Multifamily vehicle, ERES APAC III – Tokyo Multifamily ('the venture')
- Bouwinvest as cornerstone investor with US$90m
- Kenedix will be providing the local asset management service for the seed portfolio
- Initial six asset portfolio comprises 516 multifamily units in highly-sought after neighbourhoods across Tokyo to be jointly managed by Kenedix
- The venture to invest up to US$1bn in Tokyo multifamily and raise additional capital

24 May 2018 – TH Real Estate has identified an opportunity to invest in Tokyo multifamily, focusing on high-quality, well located, assets in Tokyo, Japan.

TH Real Estate has formed a partnership with Dutch real estate investor Bouwinvest as a cornerstone investor, for a new Tokyo Multifamily investment vehicle, which has secured six assets in Central Tokyo for a purchase price of US$180m.

The partnership, established and managed by TH Real Estate, is the third vehicle in its 'enhanced' series, and focuses on generating consistent, stable income from a target demographic in the middle to upper-middle income bracket. Kenedix will act as local asset manager in Japan for the seed portfolio. TH Real has selected Kenedix due to its strong deal sourcing capability, proven track record and proficient asset management services. Kenedix will continue to provide deal information aligning to the investment criteria of the partnership and support expansion of the venture.

The first close of US$200m includes capital sourced from two institutional investors, including Bouwinvest, in addition to TH Real Estate's parent company - TIAA. A second close is expected later this year, with a target capital raise of an additional US$275m.

The initial six asset seed portfolio, comprises 516 premier multifamily units, and is located in a number of highly-sought after neighbourhoods with excellent amenities across Tokyo. The assets are within a 30-minute commute to Tokyo's central business district, and include 272 studios, 185 one-beds and 59 two-bed units. All six assets are modern, well-located properties, all within an average walking distance to the nearest station of under seven minutes.

Derived from its city's approach and commitment to identifying emerging sectors and locations, TH Real Estate has identified Tokyo's multifamily sector as an exciting opportunity for institutional investors seeking stable, income-generating assets. The multifamily sector is the third largest real estate asset class in Japan and has demonstrated stability across 10-year performance. TH Real Estate believes that it is further backed by strong demographic megatrends and high demand from institutional investors. Meanwhile, it highlights that Tokyo is one of the most populous metropolitan areas in the world representing a 'political powerhouse' and 'culture capital'.

Kenedix is the largest listed real estate asset management company in Japan, managing JPY2.04tn AUM with 545 properties. Among its portfolio, Kenedix is managing 190 multifamily assets* and boasts an extensive track record in the asset class. Meanwhile, TH Real Estate has been investing in the residential sector for over six decades and has built up a $10bn* portfolio globally. It entered the Japanese market in 2016, with the acquisition of a multi-use asset in Ginza, Tokyo.

Shu Watanabe, Director of Capital Transactions, Asia at TH Real Estate, comments: *"With Japan's economy expected to expand above-trend over the next five years, this partnership is an exciting opportunity to capitalise on a stable and diversified income from the exposure to an alternative asset class, which has seen substantial growth and an increased investor appetite across Asia Pacific. This partnership leverages both our global relationship with capital partners and, locally in Japan, with one of the leading players in this space. We look forward to developing this partnership as part of our broader commitment to growth in Asia Pacific. Between the global and local platform with a specialist sector expert, we believe that we can provide an unrivalled product for institutional investors seeking to invest in multifamily properties in Tokyo."*

Soushi Ikeda, Managing Director, Head of Strategic Investment Department at Kenedix comments: *"We are experiencing a strong increase in demand from both domestic and overseas investors with long-term, core investment strategies, seeking to invest into Japanese real estate. In order to accommodate such investor demands, Kenedix is now strategically focusing on sourcing and arranging core investment opportunities, as evidenced by our equity raise for our core office fund in October 2017, which acquired the JPY31bn office building in Yokohama.*

This partnership with TH Real Estate marks our entry into the multifamily investment space on behalf of core, overseas institutional investors representing a welcome diversification of our business model. We look forward to future opportunities such as these."

Tjarko Edzes, Director Asia-Pacific, Bouwinvest Real Estate Investors, comments: *"Bouwinvest is embarking on a major global expansion programme and expects to invest €1.5bn in new equity in international markets over the next few years, raising the proportion of these assets to around 40% of our total portfolio, with the remainder in our core Dutch funds. We are excited to cornerstone this partnership, and we are especially attracted by the quality seed assets that our client will get immediate exposure to. This investment will be an important component of our Asia Pacific growth strategy, as we believe the Tokyo multifamily sector provides solid fundamentals and attractive risk-adjusted returns. Bouwinvest has decades of experience with managing and investing in multifamily assets, both in our home market The Netherlands and globally. We are pleased to partner with both TH Real Estate and Kenedix in this venture."*

This new venture sits within TH Real Estate's enhanced series, which applies strategies that work with market cycles, use a more active asset management and repositioning approach, and/or invest in emerging sectors and locations. These strategies are designed for investors looking for an enhanced level of capital growth. Prior instances in the Asia Pacific enhanced series includes ERES APAC II – China Outlets and ERES APAC I – Silk Road.

*as at 31 March 2018

About TH Real Estate

TH Real Estate, an affiliate of Nuveen, the investment manager of TIAA, is one of the largest real estate investment managers in the world with $114bn in AUM. Managing a suite of funds and mandates spanning both debt and equity across diverse geographies, sectors, investment styles and vehicle types, we provide access to every aspect of real estate investing. With over 80 years of investing experience, and more than 500 real estate professionals located across 24 cities throughout the US, Europe and Asia Pacific, the platform offers unparalleled geographic reach, which is married with deep sector expertise.

Our investment, asset management and corporate strategies grow from a deep understanding of the structural trends that we believe will shape the future of real estate and responsible investing beyond market cycles. This 'Tomorrow's World' approach sits

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at the core of our investment process and business operations, informing our long-term view of real estate investments for the enduring benefit of both clients and society.

threalestate.com
AUM figures as at 31 March 2018

About Kenedix

Kenedix, Inc. was established in 1995. The company made a full-fledged entry into the real estate asset management business in 1999, and has developed its business through the application of advanced investment and financial approaches. The company's Asset Management Business, which began with the management of private real estate funds, has expanded into the management of several J-REITs, and is currently expanding its scope of operations to include long-term core funds. Based on the asset management expertise Kenedix has accumulated to date, it has recently been cultivating such markets as overseas real estate and infrastructure assets. As Japan's largest independent real estate asset management company with JPY2.04 trillion in AUM at the end of March 2018, going forward Kenedix plans to continue expanding its business by extending the scope of its operations in line with the needs of its client investors.

Notes to Editors
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