



PRESS RELEASE

ARA ANNOUNCES NEW US\$500 MILLION ROUND OF EQUITY FINANCING SMBC GROUP JOINS AS STRATEGIC SHAREHOLDER

Singapore, 17 May 2021 - ARA Asset Management Limited (**ARA**), the largest real assets manager in Asia Pacific, welcomes Sumitomo Mitsui Banking Corporation (**SMBC**) as a new strategic partner and the lead investor of a US\$500 million equity round of financing. SMBC, the largest entity of the Sumitomo Mitsui Financial Group, is among the world's premier financial institutions with US\$2.25 trillion in assets as at 31 December 2020, and a global presence in 40 countries.

Since its privatization in 2017, ARA has transformed its business from a dedicated Asia real estate fund manager with approximately S\$36 billion of gross AUM¹ led by its REITs, private funds and property management businesses, to become the largest real assets manager in Asia Pacific with S\$116 billion of gross AUM² as at 31 December 2020.

Today, ARA's business model is robust, scalable and well-diversified. Beyond expanding into new alternative asset classes, it has bolted on new operating platforms, such as LOGOS Property Group, one of Asia Pacific's leading logistics property development managers, with AUM of over A\$14 billion. LOGOS operates as ARA's exclusive platform for logistics assets, in a sector well supported by secular macroeconomic trends in Asia such as the outsized growth of e-commerce. LOGOS also features a growing presence in data centres, in partnership with leading data centre operators and investors in the region and globally.

With the new support of SMBC, ARA, together with its existing shareholders, will further strengthen its core asset management business and bolster its expansion plans in new economy sectors, such as logistics, data centres, infrastructure and private credit, and in key markets globally.

Dr Justin Chiu, Chairman of ARA, said: "We warmly welcome SMBC Group as a new partner and investor to our thriving platform, and view the strategic investment in ARA by SMBC as a tremendous endorsement of our enduring business model and growth prospects. As the largest real assets manager in Asia Pacific, ARA Group stands to benefit from long-term market trends in the APAC region, such as the surge in demand for new economy real assets. We are very excited about the prospect of working with our new shareholders and hope to expand swiftly on our new partnership with SMBC."

Going forward, ARA's growth potential is expected to be underpinned by two powerful secular trends: (i) the financialization of real estate in Asia where listed REITs are poised to proliferate rapidly in new markets such as India, China, and Korea, and (ii) the tremendous growth in alternative asset classes as a key investment holding for institutional and private investors alike.

¹ As at 31 December 2016

² Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates



In Asia Pacific, current public REIT equity market capitalization is a mere US\$320 billion, representing just 1% of GDP, as compared to US public REIT equity market capitalization of over US\$1.3 trillion, or over 5% of GDP. Accordingly, the REIT market in Asia Pacific is expected to grow rapidly, and at comparable US levels, represents an over \$1 trillion market opportunity for investors and market participants. As one of the largest managers and sponsors of REITs in Asia Pacific and a pioneer in the Singapore REIT market, ARA is exceedingly well positioned to capture this emerging opportunity.

The growth in alternative assets in Asia Pacific has also hit an inflection point, far outpacing the growth in the US and Europe. According to Preqin, alternative assets in this region are expected to grow at a CAGR of 25.2% over the next five years. ARA's continued push into logistics, data centres, infrastructure and real estate credit via its private funds business further positions it to capture significant capital flows as institutional investors pivot towards Asia for growth.

SMBC said: "We look forward to working with ARA in support of its asset-light business model and expansion plans, which align very well with SMBC Group's own growth strategies in Asia. ARA's diversified business, large suite of investment offerings and AUM scale are unrivalled in Asia, so we are pleased to enter into this mutually beneficial and strategic partnership, which we hope will help to further strengthen ARA's competitive position and market leadership."

With the cash infusion from this latest financing round, ARA will continue to execute its "*Raise, Invest, Manage and Build*" strategy. Group-wide, it has raised over US\$16 billion in equity capital since 2016, which has supported a gross transaction volume of acquisitions, divestments and development activity of almost US\$20 billion during the same period. ARA utilizes an investor-operator model to manage its investments and to add value at every stage of an asset's life cycle. Its real estate asset management capabilities cover the entire property value chain and reflects its competitive advantage. Over time, ARA has built a demonstrable track record in growing its business and ultimately delivering value for all its stakeholders.

Also integral to ARA's growth strategy is a strong focus on sustainability where it adopts a holistic approach in incorporating ESG considerations into its business operations. ARA's initiatives on the sustainability front include joining as a signatory for the Net Zero Carbon Buildings Commitment under the World Green Building Council and adopting the United Nation Principles for Responsible Investment (**UNPRI**). To date, the ARA Group has secured green loans exceeding S\$1 billion and looks to do more in the area of green financing. ARA is also an active participant in GRESB, and many of its publicly listed REITs and private real estate funds have obtained 5-Green Star Ratings. In recognition of its sustainability efforts, ARA has won numerous awards and accolades, including Best Sustainable REIT Fund Manager in Asia Pacific, ESG Real Estate Investor of the Year in Asia, among others.

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About ARA Asset Management Limited

Founded in 2002, ARA is the largest real assets manager in Asia Pacific. With S\$116 billion in gross assets under management³ across 28 countries, ARA Group operates a diversified multi-product platform across assets, strategies and geographies in both the public and private markets, covering real estate investment trusts (REITs) and private funds in real estate, infrastructure and credit globally. ARA's vertically-integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, ARA manages funds on behalf of many of the world's largest pension funds, sovereign wealth funds and financial institutions.

For more information, please visit <http://www.ara-group.com>.



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