

## **The State Oil Fund of Azerbaijan invests US\$100 million into ESR's logistics portfolio in Japan**

**Tokyo/Shanghai/Singapore/Baku, 13 February 2017** – ESR (e-Shang Redwood), one of the leading logistics fund developers and managers in Asia announced that it has closed on a US\$100 million investment from the State Oil Fund of Azerbaijan (“SOFAZ”).

Rapid growth in the operations of third-party logistics companies and the e-commerce sector, combined with Japan's stable overall economy and the shortage of modern warehouse space (less than 10% of the total market supply), has made the logistics sector here an attractive option for developers and investors.

Charles de Portes, President of ESR and Stuart Gibson, Co-CEO and head of its Japan operations stated: "We are excited to build upon the relationship with SOFAZ, the Sovereign Wealth Fund of the Republic of Azerbaijan. Over the last 3 years, SOFAZ has displayed both insight and acumen through their impressive series of Asian-focused investments and selection of product classes witnessing the highest demand and growth in the region."

“Shahmar Movsumov, Executive Director of SOFAZ stated: “We are delighted to have made our first investment into the Japanese logistics real estate market with ESR –a leading developer and operator of industrial real estate. This investment is consistent with our strategy of identifying through rigorous diligence and then committing to the most compelling and focused strategies by geography and asset class. Development of state-of-the-art logistics real estate in Japan, which has witnessed increasing levels of demand associated with growth of e-commerce industry particularly in Tokyo and Osaka is such a strategy and complements well our existing real estate portfolio.”

### **About ESR**

ESR is a leading pan-Asia logistics real estate developer, owner and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Backed by some of the world's preeminent investors including APG, Warburg Pincus, PGGM, CPPIB, Ping An and Morgan Stanley, our platform represents one of the largest in the region managing 7.3 million sqm of projects owned and under development across China, Japan, Singapore and South Korea, and capital and funds management offices in Hong Kong and Singapore. ESR is one Asia's largest third-party landlords for some of the world's top e-commerce companies as well as for cold-chain logistics.

### **About SOFAZ**

The State Oil Fund of the Republic of Azerbaijan (“SOFAZ”), established in 1999 is a sovereign wealth fund located in the port city of Baku, Azerbaijan. The main responsibility of the Fund is to manage foreign currency reserves generated from the sale of oil and gas. SOFAZ has circa US\$34 billion in assets under management, 10% of which is allocated to real estate investments.

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