



RESILIENCE. RESPONSIBILITY. RESULTS.

Savills IM Japan Residential Evergreen Fund

December 2023 | Discussion Materials

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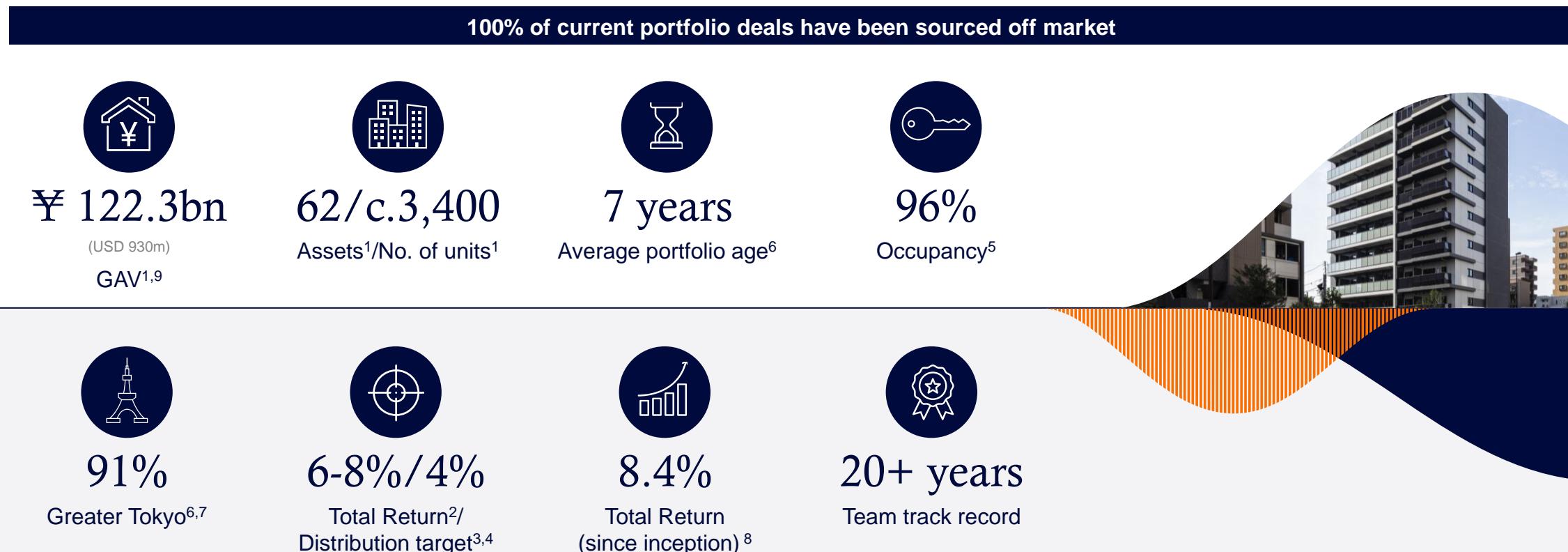
1

Executive Summary



Japan Residential Evergreen Fund – Portfolio Snapshot

Open-ended Fund focused on multifamily in Greater Tokyo



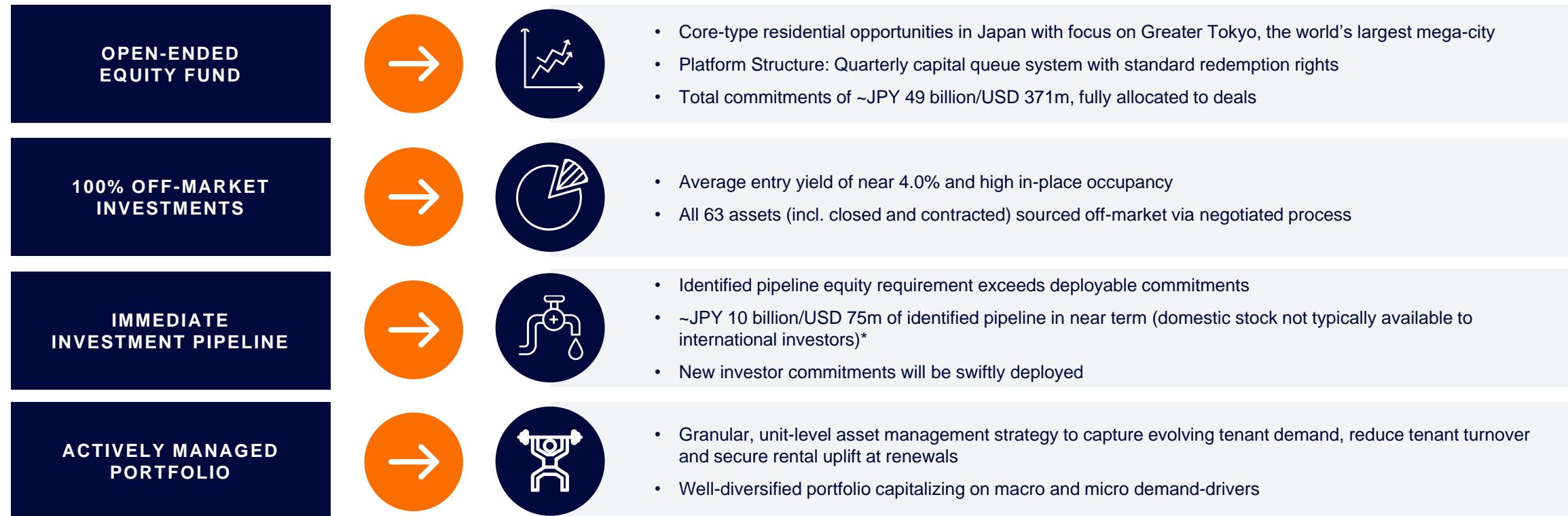
Notes: 1. Including contracted assets 2. A net, leveraged total return p.a. (on a long-term basis) 3. Upon stabilization 4. Target returns and distributions are not a reliable indicator of future performance and cannot be guaranteed; based on proforma aggregated net cash flows from imputed pipeline residential deal assumptions, after application of leverage, tax and fee overlays in line with the proposed fund structure and market benchmarks. 5. As a % of NRA; calculated excluding forward commitments 6. Weighted by allocated deal equity 7) Greater Tokyo constitutes Tokyo, Kanagawa, Saitama and Chiba prefectures 8. Annualised; The time period for annualised return is computed from the Fund's first closing date (15 October 2020) to 31 December 2023. Figures stated refer to past performance and are not a reliable indicator of future results. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. The currency in which the GAV of the Fund and each interest is calculated is in Japanese Yen (JPY) which may be different currency than the investor's home currency. Please bear in mind that returns may increase or decrease as a result of currency fluctuations. 9. GAV = Gross Asset Value;

Note: i) Exchange rate of JPY to USD = 0.0076 applied; ii) JREF is a Yen-denominated Fund iii) Data as on 31 December 2023; iv) The "Fund" and "Japan Residential Evergreen Fund" refers to the Japan Residential Evergreen Fund, LP (Singapore); Japan Residential Evergreen Fund Parallel (A), LP (Cayman Islands); Japan Residential Evergreen Feeder Fund A, SCSP SICAV-RAIF (Luxembourg). All the portfolio details reported are aggregated across all vehicles of the Fund .

*There is no guarantee that the platform will be able to consummate any particular investment or on any specific deal terms. Generally speaking, every investment presents a risk of loss of capital.

Unique Opportunity in Japan's Multifamily Sector

Existing portfolio and rapid deployment offers immediate scale to open-ended income-focused growth platform



Note: Exchange rate of JPY to USD = 0.0076 applied.

*There is no guarantee that the platform will be able to consummate any particular investment or on any specific deal terms.

2

Team & Track Record



Principals Have 20+ Years Partnership

A strong team of over 20 qualified people from various backgrounds and hands-on experience

CO-HEADS, SIM JAPAN



Tom Silecchia
25 Years Experience



Tadaaki Kurozumi
30 Years Experience

PORTFOLIO AND INVESTMENT DIRECTORS



Will Johnson
16 Years Experience



Ryohei Fukumura
13 Years Experience

INVESTMENT, ESG, ASSET MANAGEMENT & EXIT



Roderic Curtis
Investments & ESG
Associate



Takao Ohara
Senior Advisor - Portfolio
Management



Shima Fukubayashi
Senior ESG Manager



Hideki Kadokura
Investments & ESG
Associate



Takaaki Watanabe
Senior Advisor – Portfolio
Management



Maki Matsuba
Senior Asset Manager



Kazuki Nishikawa
Investments & ESG
Associate



Kaori Hara
Senior Advisor – Asset
Management



Joseph Odell
Senior Asset Manager &
Head of Property Data
Management



Yasuhiro Nakamura
Senior Advisor – Asset
Management



Mizuki Yoshida
Assistant Asset Manager

SPC MANAGEMENT, FINANCE & REPORTING



Ken Shimamura
Head of Fund Finance,
Japan



Yukiko Takai
Fund Finance Manager



Elizabeth Seah
Head of Fund Finance,
Singapore



Jun Keat Sam
Asst. Fund Finance
Manager



Hannah Cho
Research
Analyst

FUND FINANCE, RESEARCH

2023

Japan Value Fund II capital sourced from SE Asia, Japan, US & Europe, with participation from institutional investors, corporations & family offices

Separate account investment partners have included Metropolitan, Townsend, TPG Capital, and Citigroup

Originated, managed and realized c. 100 investments since 2005, with an aggregate value of over USD 2.6 billion¹

Developed stable and experienced teams locally and regionally

Co-founded Merchant Capital ("Merchant") in 2005, an independent real estate-focused Japanese merchant bank

2000

Worked together on the real estate special situations team at Merrill Lynch Japan from 2000 to 2005

¹ Investments referenced herein were made by the senior Savills IM team; Japan co-heads founded and co-owned the predecessor entity, Merchant Capital ("Merchant") in 2005, which was acquired by Savills IM in 2014.

Track Record in Japan

Value Add and Core Residential

All Japan products have outperformed Benchmarks

All Investments (Office & Residential)						Performance benchmarks ⁴			
Realized Funds/Portfolios ¹	Vintage	No. of Deals	Invested Capital JPY bn / USD m	Net IRR (post-promote)	Net MOIC (post-promote)	Weighted Avg.		Top Quartile	
						Net IRR	Net MOIC	Net IRR	Net MOIC
Value Add Portfolio I ¹	2005	65	33 / 251	5% ✓	1.1x	-2%	1.0x	8%	1.3x
Value Add Portfolio II ^{1,2}	2011	11	26 / 198	33% ✓	2.3x	18%	1.7x	26%	2.0x
Japan Value Fund I ^{3,5}	2015	7	18 / 137	17% ✓	1.4x	13%	1.2x	19%	1.3x
Japan Residential Fund I ^{3,6}	2017	9	7 / 53	15% ✓	1.4x	n/a	n/a	n/a	n/a
<hr/>									
Ongoing Funds	Vintage	No. of Deals	Invested Capital JPY bn / USD m	Net IRR (post-promote)	Net MOIC (post-promote)	Strategy			
Japan Value Fund II (Closed-ended, no longer investing)	2018	14 (inc. portfolios)	43 / 327 (inc. co-investments)	12-15% annual target	1.3x-1.4x target	Value Add/Special situations: Office & Residential			
Japan Residential Evergreen Fund (Open-ended)	2020	18 (56 assets closed)	44 / 336	6-8% p.a. total return target ⁷ 4% annual distribution target		Core-type residential opportunities in Japan, mainly acquired 'off market' at negotiated pricing			

Past performance is not indicative of future results. Please refer to Important Footnotes appended to this presentation related to performance information herein.

1. As of Jun 30, 2019. Includes 37 non-office investments (residential, corporate, or mixed-use assets) in Value Add Portfolio I and Portfolio II; assumes 65% leverage as a percentage of total capital invested. Value Add portfolio net, pre-promote returns assume similar terms as Japan Value Fund series. See appended Important Footnotes on Slide 60 for additional detail. 2. Portfolio II excludes one realized investment that was acquired after the vintage and outside the strategy of Fund I in terms of return profile. See appended Important Footnotes for additional detail. 3. Total return based on cash calls and forecasted cash distributions net of taxes, fees and promote; reflects adjustments for management fee rebates for certain LPs. Subject to change pending actual cash distributions, remaining fund fees/expenses and final calculation of promote. 4. Source: Preqin Benchmark for Global Value-add Real Estate Funds by Vintage as of 31 March 2018. 5. Net IRRs are annualized returns based upon portfolio cash flows from September 2015 to July 2020 6. Net IRRs are annualized returns based upon portfolio cash flows from September 2017 to August 2022. 7. On a long-term basis.

*Target returns and distributions are not a reliable indicator of future performance and cannot be guaranteed. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future.

Note: Exchange rate of JPY to USD = 0.0076 applied. MOIC denotes multiple on invested capital.

3

Investment Strategy and Framework



Fund Investment Strategy – Defensive Income & Liquidity

Targeting defensive Core-type residential assets

Established asset class with stable demand drivers

- Focus on Greater Tokyo – a mega city with positive demographics
- Target mass-market stock – focus on affordability and upside potential
- Target sub-locations with easy public transport access

Local team with in-house origination expertise

- Direct off-market origination capabilities based on long-term relationships with creditors, developers and trustees
- Multiple origination channels in addition to traditional approach to quickly scale the portfolio



Focus on quality, liquid assets

- Condo quality assets provide larger lot sizes – valuations responsive to strengthening institutional demand
- Inclusion of small to mid scale apartment buildings with defensive valuations provide interim liquidity and scope for capital gains via stock replacement

Actively managed portfolio

- Strategic asset management – capturing tenant demand, reducing tenant turnover and securing rental uplift at renewals
- Improve utility for tenants - co-working, share cycles, light capex works / refurbishment
- Sustainability enhancements – low energy fittings/recycling facilities/utilities data capture

Investment Framework

Active through the value chain and positioned as ‘one-stop shop’ for broad range of sellers and their creditors



Framework to detect and realize special situation opportunities

- Proven reputation and ability to execute quickly thus discreetly address seller's unique situation
- Trusted financing partner for construction companies and developers
- Specialist knowledge and technical skills for distressed debt workouts

Expertise

- Lease-up
- Tenant relations & lease renewals
- Optimizing operational efficiency
- Capex and repositioning
- Targeted off-market sales to qualified buyers

4

Portfolio & Pipeline



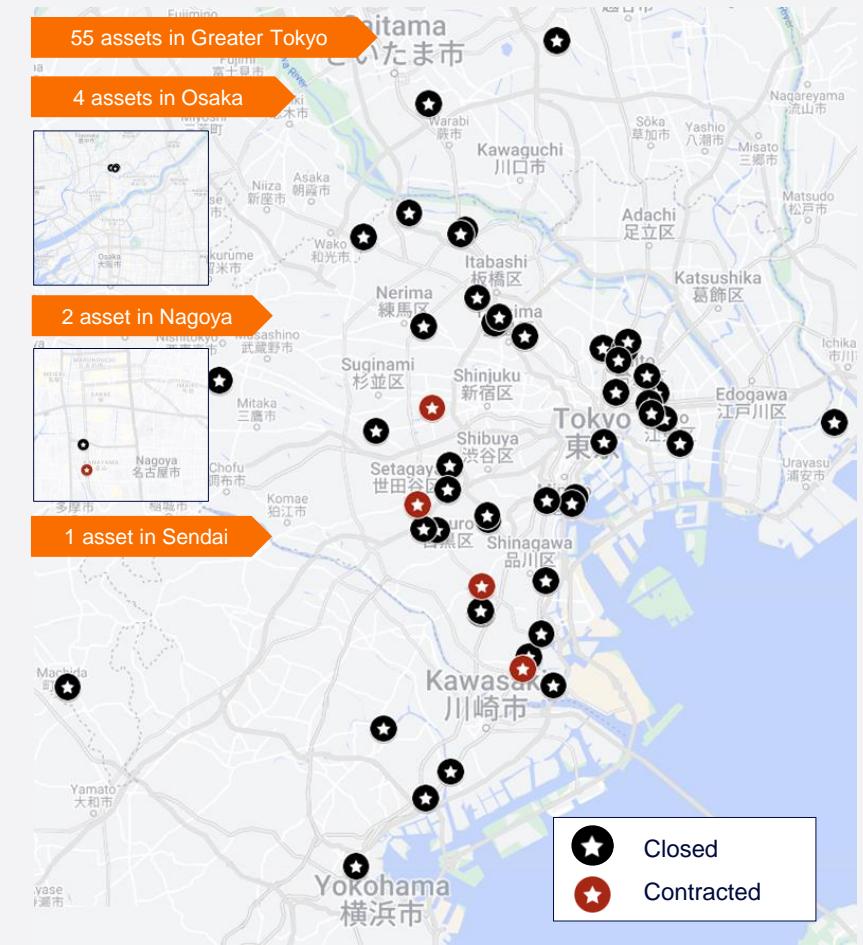
Diversified Portfolio Allocation

Deployable equity allocated to immediate pipeline – new capital partners would be next in queue

No	Name	Status	No. Assets	No. Units	NLA (sqm)	Age (years)	Occupancy (Dec-23, %)	Entry Yield (stabilised entry)	Date Status
1.	Project Alpha	Closed	9	638	21,964	14	97%	4.0%	Nov-20
2.	Project Steel 1.0	Closed	2	62	2,096	4	97%	3.4%	Apr-21
3.	Project DL Ikebukuro	Closed	1	36	973	2	86%	3.9%	Apr-21
4.	Project Joy 1.0	Closed	8	366	9,064	5	92%	4.5%	Jun-21
5.	Project Royal 1.0	Closed	3	209	7,668	2	94%	3.8%	Mar-22
6.	Project Ikejiri	Closed	1	34	883	3	97%	3.7%	May-21
7.	Project Kinshicho	Closed	1	30	1,052	4	100%	3.9%	Jun-21
8.	Project Gyotoku	Closed	1	85	2,426	33	100% (corporate lease)	4.8%	Jun-21
9.	Project Kita-Ueno	Closed	1	58	1,831	1	100% (master-lease)	3.8%	Sep-22
10.	Project Royal 2.0	Closed	2	70	2,488	1	97%	4.2%	Aug-22
11.	Project Steel 2.0	Closed	1	58	1,565	2	79%	3.7%	Apr-22
12.	Project Trinity	Closed	3	246	7,401	2	93%	3.6%	Apr-22
13.	Project Esaka	Closed	2	72	2,002	1	97%	4.3%	Apr-23
14.	Project Neo	Closed	3	143	4,724	6	96%	3.6%	Sept-22
15.	Project Joy 2.0	Closed	1	85	2,011	12	96%	4.0%	Apr-23
16.	Project Sky Blue	Closed	6	297	7,484	14	98%	4.2%	Apr-23
17.	Project Joy 3.0	Contracted	2	127	8,993	<1	11% (under stabilization)	4.1%	Dec-23/Mar-25
18.	Project James	Closed	5	175	5,352	9	99%	4.3%	Dec-23
19.	Project Joy 4.0	Closed	4	262	6,930	<1	46% (under stabilization)	3.8%	Dec-23
20.	Project Mahogany	Contracted	4	101	3,569	-	(forward commitment)	3.7%	Mar-24/May-24
21.	Project Patriot	Contracted	1	114	3,418	-	(forward commitment)	3.9%	Feb-25
22.	Project Royal 3.0	Contracted	1	166	8,721	-	(forward commitment)	3.8%	Jun-25
Total/Average			62	3,482	114,170	7	96%¹	3.9%	

¹ Calculated excluding properties under stabilization period and forward commitments

2 All data as of 31 December 2023



Project Joy 1.0

Closed end-June 2021

INVESTMENT OVERVIEW

LOCATION

Tokyo, Osaka and Nagoya

ENTRY PRICE

c. JPY 6.3 bn

LEASING STATUS AT ACQ.

Near stabilization

SIZE

NRA 9,064 sqm / Land 3,389 sqm

APARTMENTS/UNITS

8 / 366

WAULT*

2 years (auto-rolling)

ENTRY YIELD

c. 4.5% (stabilised)

Asset Description

- High quality; designed and constructed by a top-tier domestic developer.
- Inclusion of four highly-liquid smaller apartment buildings in Tokyo's Ota Ward and Machida boost the interim yield.

Investment Thesis

- Off market acquisition direct with developer and its affiliates at negotiated pricing.
- Mix of modern stabilized assets and new completions with lease up requirement (2017 to 2021); in-place vacancy allows for full mark to market.

Asset Management Strategy

- Rapid stabilization to achieve stable cash flow through hold period.
- Leasing strategy would focus on optimizing headline rents and capturing rent reversion at lease renewals.

*WAULT (Weighted Average Unexpired Lease term)



Project Royal 1.0

Closed 3 of 3 assets as of end-March 2022

INVESTMENT OVERVIEW

LOCATION	Asset Description
Tokyo	<ul style="list-style-type: none"> • Phased completion between Q3 2021 to Q1 2022. • Situated within 5-13 minutes walk from Metro and JR/Tokyu Line stations. • High construction quality with unit sizes focused on single tenants and small families.
ENTRY PRICE	Investment Thesis
c. JPY 7.0 bn	<ul style="list-style-type: none"> • Off market acquisition direct with developer via its creditor at negotiated pricing. • Newly completed at acquisition with lease up requirement; in-place vacancy allows for full mark to market.
LEASING STATUS AT ACQ.	Asset Management Strategy
Vacant Occupation	<ul style="list-style-type: none"> • Rapid stabilization to achieve stable cash flow through hold period. • Leasing strategy focused on optimizing headline rents and capturing rent reversion at lease renewals. • Re-positioning of excess common area into co-working space to enhance income and tenant utility.
SIZE	
NRA 7,668 sqm / Land 3,516 sqm	
APARTMENTS/UNITS	
3 / 209	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.8% (stabilised)	

*WAULT (Weighted Average Unexpired Lease term)

Asset Description

- Phased completion between Q3 2021 to Q1 2022.
- Situated within 5-13 minutes walk from Metro and JR/Tokyu Line stations.
- High construction quality with unit sizes focused on single tenants and small families.

Investment Thesis

- Off market acquisition direct with developer via its creditor at negotiated pricing.
- Newly completed at acquisition with lease up requirement; in-place vacancy allows for full mark to market.

Asset Management Strategy

- Rapid stabilization to achieve stable cash flow through hold period.
- Leasing strategy focused on optimizing headline rents and capturing rent reversion at lease renewals.
- Re-positioning of excess common area into co-working space to enhance income and tenant utility.



Setagaya Ward

Taito Ward

Project Neo

Closed Sept 2022

INVESTMENT OVERVIEW

LOCATION	Tokyo
ENTRY PRICE	c. JPY 5.2 bn
LEASING STATUS AT ACQ.	c. 97%
SIZE	NRA c.4,700 sqm / Land c.1,100 sqm
APARTMENTS/UNITS	3 / 143
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 3.6% (stabilised)

Asset Description

- Assets are located in core-residential neighbourhoods (Kikukawa, Kita-Ueno, and Ryogoku) and near their respective metro stations
- Assets comprises of high-quality finishes, and with unit sizes and types focused on single tenants and small families.

Investment Thesis

- Off market and exclusive negotiation with the seller
- Seller is a domestic asset manager who were seeking to contract and close the assets within the semi-fiscal year due to an approaching term end point of their closed end structure

Asset Management Strategy

- Leasing strategy would focus on tenant retention while optimizing headline rents and capturing rent reversion at lease renewals



*WAULT (Weighted Average Unexpired Lease term)

Robust deal pipeline: Swift deployment of new commitments

>USD 75m deployable across identified pipeline in addition to contracted assets

Equity	Project Ichikawa JPY 2.3bn (USD 17m)	Project Ebisu JPY 1.8bn (USD 14m)	Project Albatross JPY 5.1bn (USD 39m)	Project Morishita JPY 0.8bn (USD 6m)
Description	1 stabilised asset located in Ichikawa, Chiba under exclusive negotiations with the seller	1 stabilised asset located in central-Tokyo under exclusive negotiations with the seller	8 asset portfolio located in central-Tokyo (6 assets), central-Osaka and central-Nagoya under exclusive negotiations with the seller.	9 asset portfolio located in central-Tokyo (7 assets), central-Osaka and central-Nagoya under exclusive negotiations with the seller.
Background	Off-market deal directly with seller at negotiated pricing. Contract/closing timing to meet seller's financial reporting needs	Off-market deal directly with seller at negotiated pricing. Contract/closing timing to meet seller's financial reporting needs	Off-market deal directly with seller at negotiated pricing. Contract/closing timing to meet seller's financial reporting needs	Off-market deal directly with seller at negotiated pricing. Contract/closing timing to meet seller's financial reporting needs
Strategy	Focus on maximizing NOI levels	Focus on maximizing NOI levels	Focus on lease-up of in-place vacancies to achieve stable occupancy and minor capex works to maximize NOI levels through hold period	Focus on rent growth strategies and minor capex works to maximize NOI levels through hold period
Timing	Q1-2024 (contract)	Q1-2024 (contract)	Q1-2024 (contract)	Q1-2025 (contract)

... plus multiple other deals at various stages of negotiation

Project Ichikawa

High priority pipeline

INVESTMENT OVERVIEW

LOCATION	Greater Tokyo
ENTRY PRICE	c. JPY 4.7 bn
LEASING STATUS AT ACQ.	97% (in-place)
SIZE	NRA 7,600 sqm / Land 1,500 sqm
APARTMENTS/UNITS	1 / 220
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 4.3% (stabilised)

Asset Description

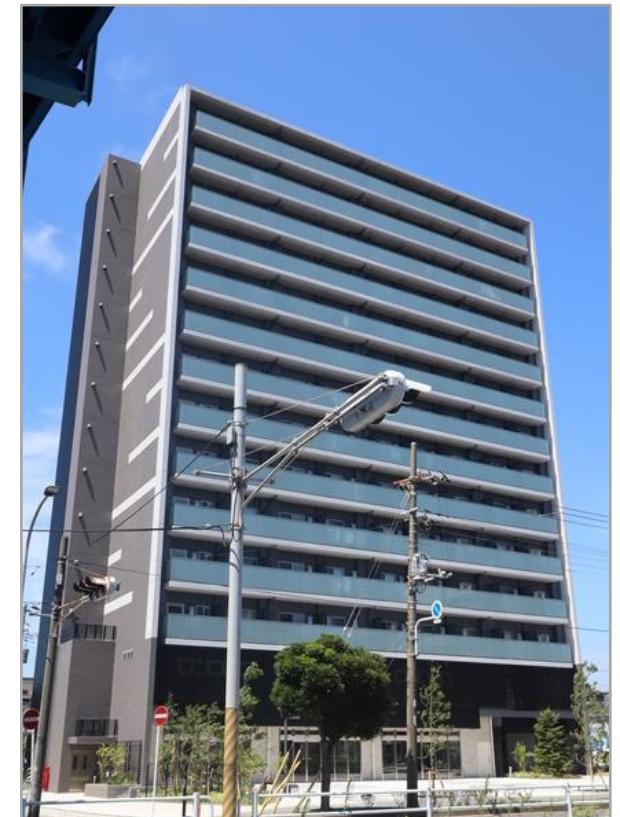
- Fully stabilized asset in Ichikawa, Chiba under exclusive negotiations with the seller.
- Well-located in core-residential area in Greater Tokyo with unit sizes focused on single tenants and DINKs
- Asset was newly completed in 2022 and includes high-quality finishes. It is well positioned to capture leasing demand for mid-market compact units.

Investment Thesis

- Seller, a domestic developer, is under pressure from the creditor to dispose of the asset and is seeking to contract and close on the assets in Q1-2024 for financial reporting purposes
- The investment will be acquired at a discount to market, fitting well within the Fund target investment profile.
- Asset is fully stabilized and will provide strong income from Day 1.

Asset Management Strategy

- Asset management strategy would focus on maintaining strong occupancy and optimizing headline rents to achieve stable cash flow through hold period as well as light asset management initiatives to improve leaseability and ESG credentials



Ichikawa, Chiba

*WAULT (Weighted Average Unexpired Lease term)

Project Ebisu

High priority pipeline

INVESTMENT OVERVIEW

LOCATION	Tokyo
ENTRY PRICE	c. JPY 3.6 bn
LEASING STATUS AT ACQ.	98% (in-place)
SIZE	NRA 1,300 sqm / Land 500 sqm
APARTMENTS/UNITS	1 / 36
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 3.6% (stabilised)

Asset Description

- Fully stabilized asset in central-Tokyo's Ebisu-Hiroo neighborhood under exclusive negotiations with the seller.
- Construction completed in late-2019 and well-located in prime residential area with unit sizes focused on single tenants and DINKs.
- Asset includes high-quality finishes with large balconies and is well positioned to capture leasing demand for mid-market compact units.

Investment Thesis

- Seller, a domestic developer, is under pressure from the creditor to dispose of the asset and is seeking to contract and close on the assets in Q1-2024 for financial reporting purposes
- The investment will be acquired at a discount to market, fitting well within the Fund target investment profile.
- Asset is fully stabilized and will provide strong income from Day 1.

Asset Management Strategy

- Asset management strategy would focus on maintaining strong occupancy and optimizing headline rents to achieve stable cash flow through hold period as well as light asset management initiatives to improve leaseability and ESG credentials



*WAULT (Weighted Average Unexpired Lease term)

Project Albatross

High priority pipeline

INVESTMENT OVERVIEW

LOCATION	Greater Tokyo, Osaka, Nagoya
ENTRY PRICE	c. JPY 11.2 bn*
	<i>*Potential to split into sub-portfolios</i>
LEASING STATUS AT ACQ.	95% (blended; in-place)
SIZE	NRA 20,000 sqm / Land 9,900 sqm
APARTMENTS/UNITS	8 / 537
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. Mid-4% (stabilised)

Asset Description

- 8 asset portfolio located in Greater-Tokyo (6 assets), central-Osaka and central-Nagoya under exclusive negotiations with the seller.
- Well-located in core residential areas within their respective areas and diversified in terms of location and unit type.
- Assets vary in completion year with an average completion year of 2005, with the older assets being bubble-vintage properties and well-maintained.

Investment Thesis

- Seller, a domestic brokerage corporate, holds the assets on their balance sheet and are facing revenue loss in their primary brokerage business and face pressure from the creditor to dispose of the assets to offset the losses
- To be acquired at a large discount to market and therefore fits well within the Fund target investment profile. Portfolio will provide full income yield and attractive yield from Day 1. Potential to split portfolio under negotiation

Asset Management Strategy

- Leasing strategy would focus on steady lease-up of minor in-place vacancy at optimized headline rents to asset stabilization, rent reversion for under rented units, and achieving stable cash flow through hold period.
- Light asset management initiatives and capex works to improve leaseability and ESG credentials



*WAULT (Weighted Average Unexpired Lease term)

Project Morishita

High priority pipeline

INVESTMENT OVERVIEW

LOCATION	Asset Description
Tokyo	<ul style="list-style-type: none"> 1 forward commitment asset located in central-Tokyo under exclusive negotiations with the seller.
ENTRY PRICE	<ul style="list-style-type: none"> Well-located in core residential areas within its area and diversified in terms of location and unit type.
c. JPY 1.6 bn	<ul style="list-style-type: none"> Assets vary in completion year with an average completion year of 2005, with the older assets being bubble-vintage properties and well-maintained.
LEASING STATUS AT ACQ.	Investment Thesis
Forward Commitment	<ul style="list-style-type: none"> Repeat seller, a subsidiary of a top-tier domestic developer, is seeking an early commitment of this asset for financial reporting purposes and to satisfy pressure from their creditor. An MOU was executed with the seller to secure deal exclusivity.
SIZE	<ul style="list-style-type: none"> Being a brand new, high-spec residential property, there will be minimal capex or intensive asset management besides initial lease-up activities.
NRA 1,183 sqm / Land 321 sqm	
APARTMENTS/UNITS	Asset Management Strategy
1 / 33	<ul style="list-style-type: none"> Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents
WAULT*	<ul style="list-style-type: none"> Light asset management initiatives to improve leaseability and ESG credentials
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.7% (stabilised)	

*WAULT (Weighted Average Unexpired Lease term)

**Building image is for indicative purposes only; Of a similar sized asset by the same developer



Strong Exit Track Record – Significantly Above Third-party Valuation

Active through the value chain and positioned as ‘one-stop shop’ for broad range of sellers and their creditors

Japan Residential Evergreen Fund's underwriting assumptions validated by asset sales out of Japan Value Fund (JVF) II*

ORIGINATION

DATE

- 5 project investments including phased forward commitments
- Mar. 2020 – Nov. 2020 (contract)

PRICING

Acquisition prices reflected discount to market value, driven by the sellers' required transaction timing, including forward commitment of pre-completion assets.

ASSET MANAGEMENT

- Stabilization of rent rolls and optimization of OPEX
- Full lease-up of 3 assets through peak of pandemic
- Cosmetic/ESG capex of 1 vintage asset

3.2% Exit Yield (blended)



Fund: JVFII*

- 9 multi-family assets
- Avg. age of 6 years
- Total 318 rental units



SALE

DATE

Q1 2023
(two transactions)

PRICING

Strong exit above underwritten sale price

- Avg. 10% higher than latest valuation
- Avg. 30% above the acquisition price
- 3.2% blended exit yield (stabilized NOI)

BUYER

Two domestic companies – one blue-chip, one local

5

ESG Goals and Initiatives



Savills Investment Management – Committed to positive impact

We are proud of our ESG achievements to date

-
- 2014
- Became a signatory to UNPRI & GRESB
- 2018
- Formed an ESG Committee
- 2020
- Negotiated 1st Green Loan for an Italian asset
 - Member of the Better Buildings Partnership
- 2021
- Reported our global carbon footprint for scope 1, 2 and 3*
 - Began construction on Net Zero Ready developments in the UK
 - Became a member of the UK Green Building Council
- 2022
- Net zero target set
 - Restorative business champions initiative launched
 - 5 GWh of Renewable Energy produced
 - GHG intensity reduced by 8.5% on prior year
- 2023
- New Natural Capital pillar launched and Impact investment screening added to IC process
 - Deepki chosen as Savills IM's new ESG Platform
 - Appointed our Net Zero Carbon Lead
 - Awarded maximum ratings in 3 out of 4 categories in UN PRI assessment

SIGNATORY OF:



The Net Zero Asset Managers initiative

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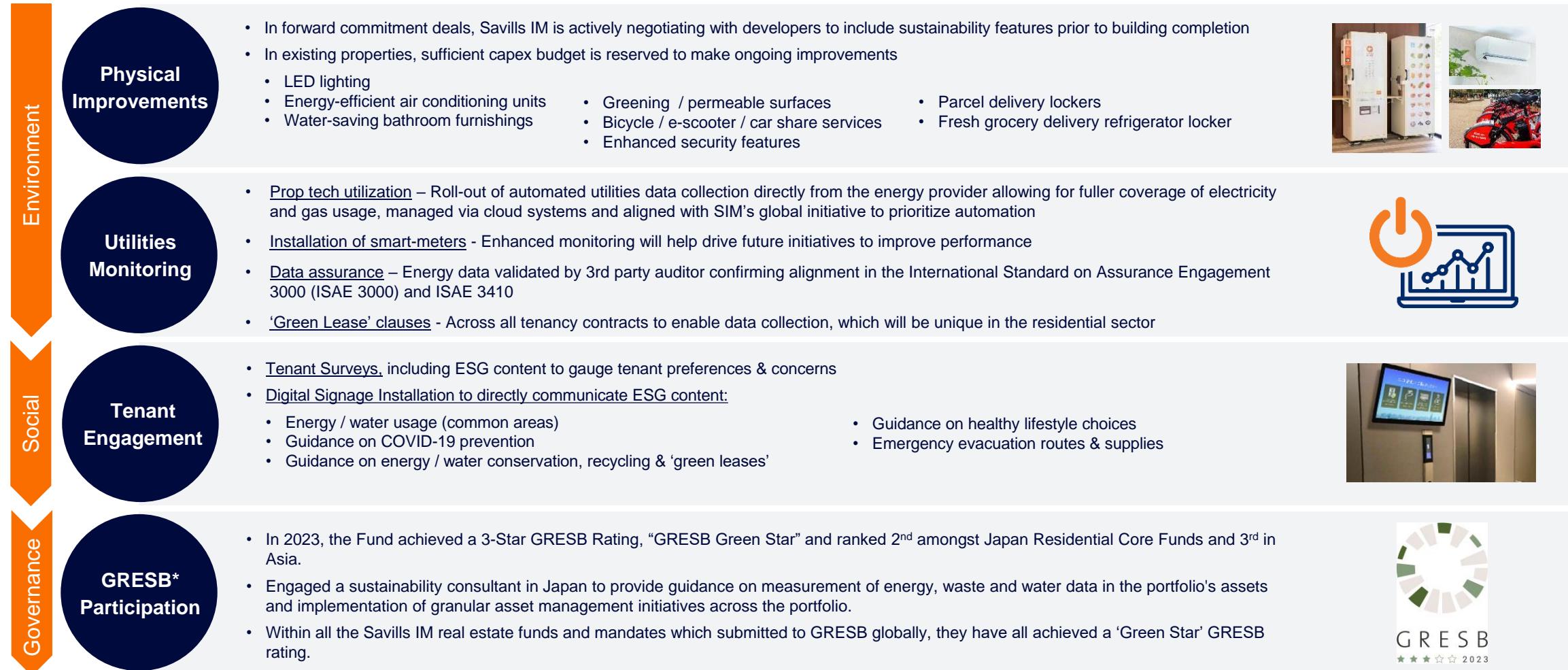


MEMBERS OF:



JREF - ESG Goals and Initiatives

Striving for substance as well as form

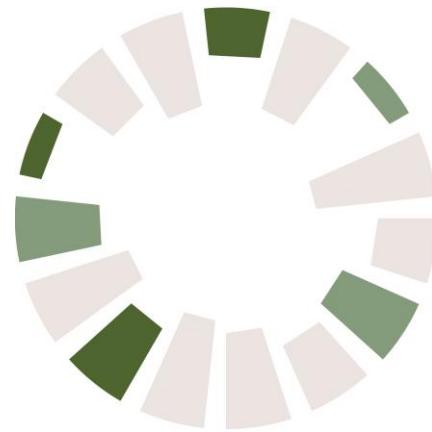


* Global Real Estate Sustainability Benchmark

Note: For the avoidance of doubt, (i) the term 'EVERGREEN' indicates the Fund's perpetual life and does not indicate, and no claim is made, as to its environmental credentials through Fund's name and (ii) the Fund is neither qualified as a financial product under Art. 8 nor under Art. 9 of EU Regulation(EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

2023 GRESB Results

JREF ranked 2nd amongst Core-Residential Funds in Japan



Focused on all 3 components of ESG

Peer Comparison



ESG Breakdown



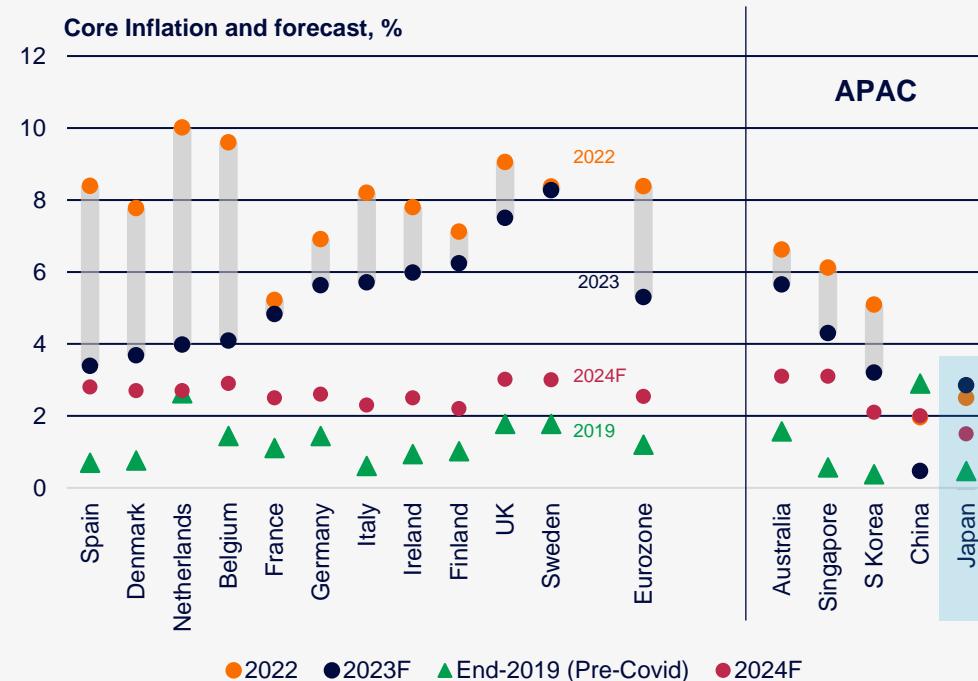
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Japan Market Outlook

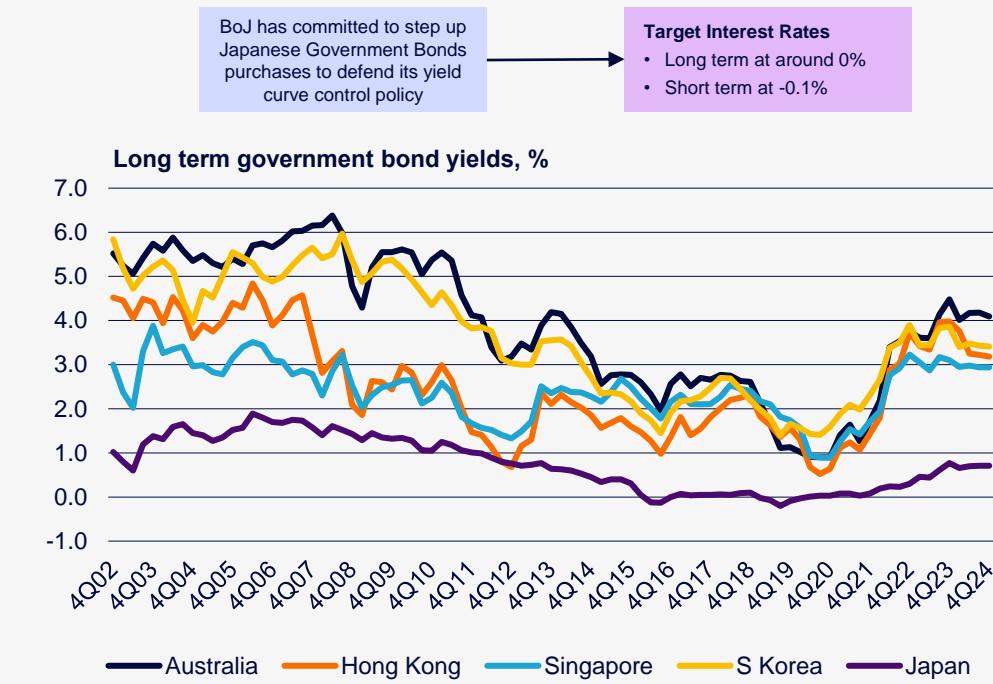


With its Modest Inflation Outlook and Accommodative Monetary Policy, Japan Continues to be an Attractive Investment Hub

INFLATIONARY OUTLOOK FOR JAPAN IS STILL RELATIVELY MODEST AMONG EUROPEAN AND OTHER ASIAN COUNTRIES



LOWEST BOND YIELDS GLOBALLY; LOW INTEREST RATE ENVIRONMENT SUPPORTS ATTRACTIVE RE YIELD SPREADS



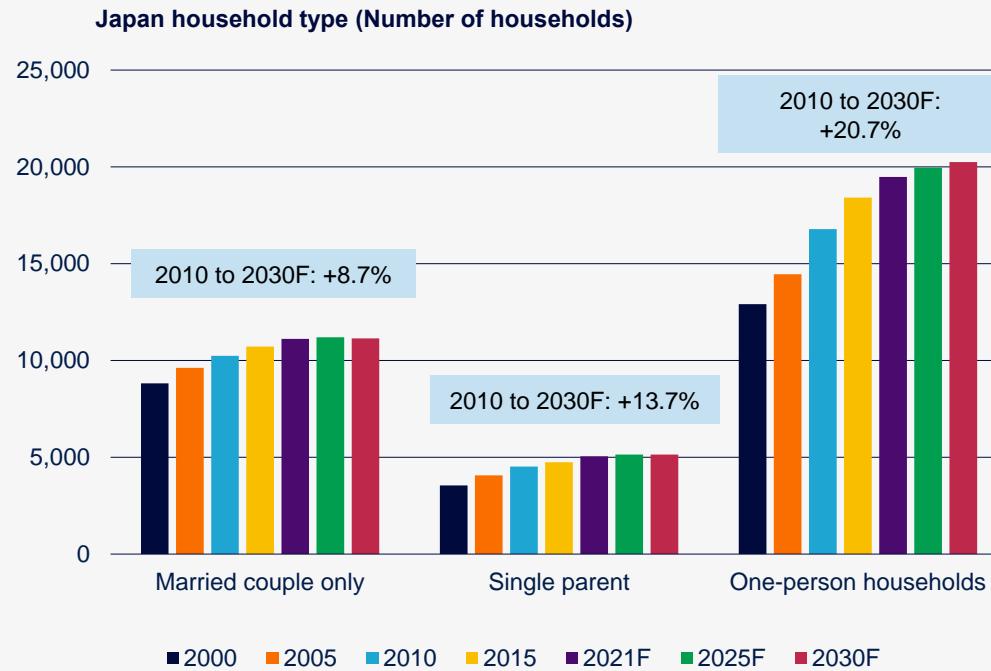
Source: Property Market Analysis LLP (October 2023), Oxford Economics (as at 10 January 2024)

Source: Bank of Japan (BoJ), Oxford Economics (as at 20 February 2024)

Demographic Trends Supportive of Multifamily Demand

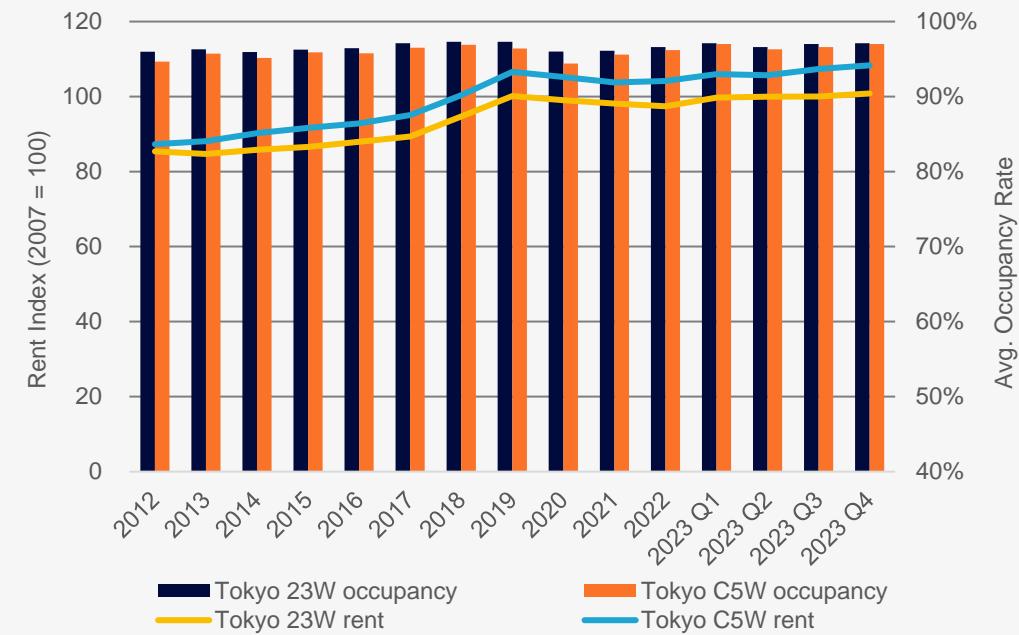
Occupancy and rents have displayed clear defensive characteristics over cycles

STRUCTURAL CHANGES IN HOUSEHOLD COMPOSITION



Source: National Institute of Population and Social Security Research, Statistics Bureau Japan; Ministry of Internal Affairs and Communications (2019)

...FAVORS A STRONGER PROPENSITY TO RENT AND OCCUPANCY RATES



Source: Savills IM based on Savills Research. As of Q4 2023.

Note: Rent data is based on surveys of RC apartment buildings built within the last ten years and located within ten minutes' walk of the nearest station. Occupancy data is based on J-REIT disclosures.

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Vehicle Terms + Summary



Summary Term Sheet

Status / Timing	<ul style="list-style-type: none"> Initial Close (15 Oct 2020): USD 200m of cornerstone equity; acquisition of seed portfolio Additional USD 240m raised in subsequent closings
Investments	<ul style="list-style-type: none"> Core-type residential opportunities in Japan, mainly acquired 'off market' at a discount
Geographic Focus	<ul style="list-style-type: none"> Primarily target investments in the Greater Tokyo market, but will have some flexibility to invest in major regional markets <ul style="list-style-type: none"> Greater Tokyo here is defined as all of Tokyo Prefecture and Chiba, Saitama and Kanagawa
Fund Term	<ul style="list-style-type: none"> 2-year lock-up period Capital drawn down via a capital queue system Open-Ended vehicle with conventional redemption mechanisms; 10% redemption charge if redeemed during lock-up period
Annual Distribution Target¹	<ul style="list-style-type: none"> >4.0% p.a. (net, levered) upon stabilization
Total Return Target¹	<ul style="list-style-type: none"> Investments generating Net Total Return of 6.0 - 8.0% p.a. (on a long-term basis)
Target Fund Size	<ul style="list-style-type: none"> c. 50% LTV of the Gross Asset Value of the Fund (commencing on 31 December 2026)
Fees Structure²	<ul style="list-style-type: none"> Preferential Fee Structure for Initial Investors <ul style="list-style-type: none"> 80-110 bps on contributed capital, depending on size and speed of commitment 40 bps Acquisition Fee (only on investments without 3rd party brokers** and acquired at more than 3% discount) Performance Fee of 10% of distributions in excess of amounts representing a 4% per annum yield
Vehicle Structure	<ul style="list-style-type: none"> Singapore LP to Singapore Holdco / Feeder Fund (Cayman Islands) / Parallel Fund (Cayman Islands) / Feeder Fund (Luxembourg)

¹ Target returns are indicative and cannot be guaranteed; based on proforma aggregated net cash flows from imputed pipeline residential deal assumptions, after application of leverage, tax and fee overlays in line with the fund structure and market benchmarks.

² Indicative and subject to change.

** Defined as not vendor-associated brokerage

Summary and Q&A

Occupancy and rents have displayed clear defensive characteristics over cycles



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Appendices



Project Alpha

Closed Nov-2020

INVESTMENT OVERVIEW

9 properties
Well-let, quality built income generating

c.22,000 sqm rentable area

Tokyo 23 Wards (7 assets)
Saitama (2 assets)

638 units

95% occupancy - stabilized assets, unit basis
93% incl. newly-completed Hatchobori asset

12 years average building age

Entry Price: c. JPY 18.67 bn /
Entry Yield: 4.0%

Reinforced Concrete (RC) Structures

100% freehold



Project Steel 1.0

Closed end-April 2021

INVESTMENT OVERVIEW

LOCATION	
Tokyo	
ENTRY PRICE	
c. JPY 3.05 bn	
LEASING STATUS AT ACQ.	
Near stabilization	
SIZE	
NRA 2,096 sqm / Land 811 sqm	
APARTMENTS/UNITS	
2 / 62	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.4% - 3.5% (stabilised)	

Asset Description

- Completed in 2019; Well located in central Tokyo locations – Ikebukuro and Yoyogi-Uehara
- Situated within 8-9 minutes walk from Metro and JR Line stations providing access to multiple lines.
- High construction quality by major listed developer.

Investment Thesis

- Off market acquisition at negotiated pricing c.5-10% below pre-COVID asking level.
- Properties of recent construction; in-place vacancy allows for full mark to market.

Asset Management Strategy

- Rapid stabilization to achieve stable cash flow through hold period.
- Leasing strategy will focus on optimizing headline rents and capturing rent reversion at lease renewals.



Toshima-ward



Shibuya-ward

*WAULT (Weighted Average Unexpired Lease term)

Project DL Ikebukuro

Closed end-April 2021

INVESTMENT OVERVIEW

LOCATION	
Tokyo	
ENTRY PRICE	
c. JPY 1.15 bn	
LEASING STATUS AT ACQ.	
Vacant Occupation	
SIZE	
NRA 957 sqm / Land 200 sqm	
APARTMENTS/UNITS	
1 / 36	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.8% (stabilised)	

Asset Description

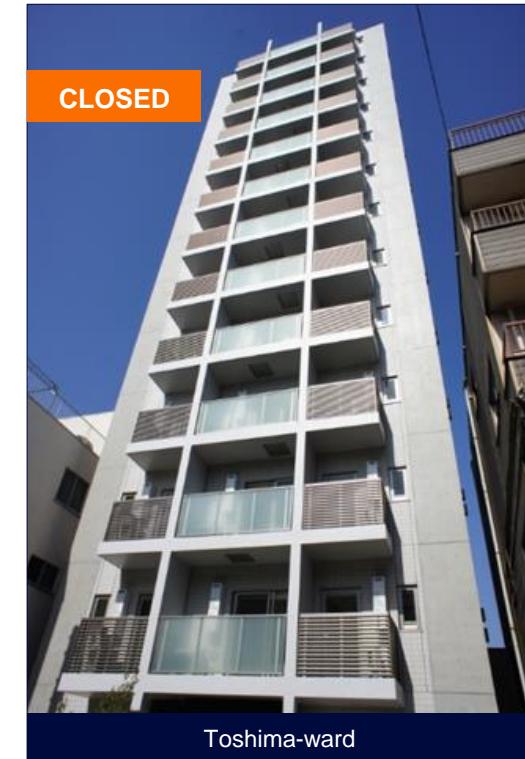
- Studio-type rental units
- Located in central Tokyo, a 10-minute walk from the Ikebukuro commercial district in Toshima Ward – home of the world's third busiest rail hub
- Well situated to benefit from demand from professional individuals, students and corporate occupiers given the convenient access to the Tokyo CBD and surrounding areas of Greater Tokyo

Investment Thesis

- Off market acquisition direct with developer and its affiliates at negotiated pricing.
- Newly completed in March 2021 with lease up requirement; in-place vacancy allows for full mark to market.

Asset Management Strategy

- Rapid stabilization to achieve stable cash flow through hold period.
- Leasing strategy will focus on optimizing headline rents and capturing rent reversion at lease renewals.



*WAULT (Weighted Average Unexpired Lease term)

Project Ikejiri

Closed May 2021

INVESTMENT OVERVIEW

LOCATION

Tokyo

ENTRY PRICE

c. JPY 1.25 bn

LEASING STATUS AT ACQ.

Vacant Occupation

SIZE

NRA 871 sqm / Land 571 sqm

APARTMENTS/UNITS

1 / 34

WAULT*

2 years (auto-rolling)

ENTRY YIELD

c. 3.7% (stabilised)

Asset Description

- Single asset, 4 stories in a quiet residential neighbourhood close to a bustling commercial district
- Situated in Setagaya Ward, an 8-minute walk from Ikejiri-Ohashi Station on the Tokyu Den-en-Toshi line, with ready access to Shibuya and nearby Nakameguro
- New-build with vacant possession; high-quality design and construction

Investment Thesis

- Off market acquisition direct with developer and its affiliates at negotiated pricing.
- Newly developed asset completed in July 2020; vacant delivery will allow us to fully capture upward rent trend in prime central Tokyo residential sub-market.

Asset Management Strategy

- Rapid stabilization to achieve stable cash flow through hold period.
- Leasing strategy would focus on optimizing headline rents and capturing rent reversion at lease renewals.



Setagaya-ward

*WAULT (Weighted Average Unexpired Lease term)

Project Kinshicho

Closed May 2021

INVESTMENT OVERVIEW

LOCATION

Tokyo

ENTRY PRICE

c. JPY 1.2 bn

LEASING STATUS AT ACQ.

Near stabilisation

SIZE

NRA 1,052 sqm / Land 313 sqm

APARTMENTS/UNITS

1 / 30

WAULT*

2 years (auto-rolling)

ENTRY YIELD

c. 3.9% (stabilised)

Asset Description

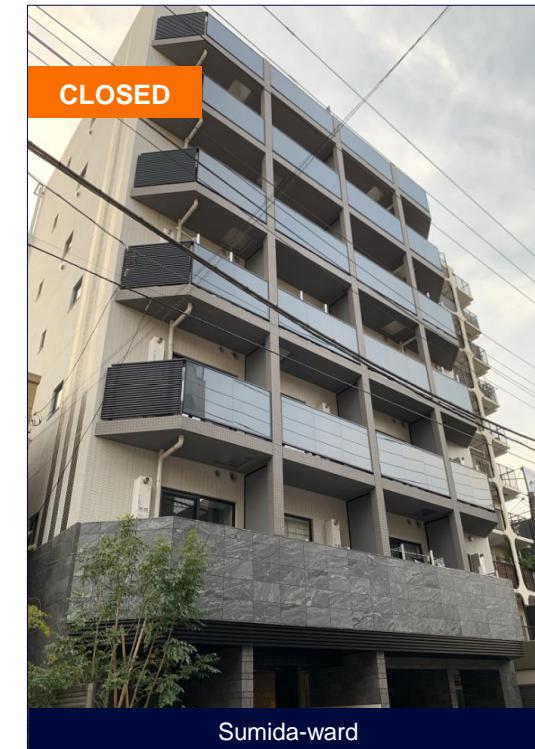
- Single asset with 7 stories situated in Sumida Ward, a 10-minute walk from Kinshicho Station, providing direct access to central Tokyo via JR and Tokyo Metro lines
- Completed in 2020 and stabilized to near-full occupancy
- Provides mix of studio, 1-bed and 2-bed units between c. 26-48 sqm

Investment Thesis

- Off-market negotiation with seller, a domestic family office facing liquidity issues, supported by the seller's main creditor
- Opportunity to acquire asset at attractive negotiated pricing while benefiting from in-place diversified rent roll

Asset Management Strategy

- Leasing strategy would focus on tenant retention while optimizing headline rents and capturing rent reversion at lease renewals



Sumida-ward

*WAULT (Weighted Average Unexpired Lease term)

Project Gyotoku

Closed May 2021

INVESTMENT OVERVIEW

LOCATION	Chiba
ENTRY PRICE	c. JPY 1.3 bn
LEASING STATUS AT ACQ.	c. 100% (master-leased)
SIZE	NRA 1,800 sqm / Land 1,400 sqm
APARTMENTS/UNITS	1 / 85
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 4.8% (stabilised)

Asset Description

- Well-maintained bubble-vintage multifamily asset with 6 stories, completed in 1990, leased to a single high-credit corporate tenant. Readily convertible to multi-tenant use without significant CAPEX.
- Situated a 7-minute walk from Gyotoku Station in Chiba, a popular residential due to its convenient access to central Tokyo and comparatively inexpensive rent price bracket

Investment Thesis

- Direct negotiation with seller, a domestic property company.
- Master-lease to high-credit, sticky corporate tenant provides rent security through hold period; longer-term opportunity to increase NRA and rents via multi-tenant conversion
- Attractive high-yielding asset, well maintained by current owner, a professional property manager

Asset Management Strategy

- Focus on effective relations with sole occupier and budgeted capex works.
- Due diligence will include re-tenancy scenario considering the assumed long-term hold strategy of the Fund



Chiba

*WAULT (Weighted Average Unexpired Lease term)

Project Kita-Ueno

Closed September 2022

INVESTMENT OVERVIEW

LOCATION

Tokyo

ENTRY PRICE

c. JPY 1.8 bn

LEASING STATUS AT ACQ.

100% (master-leased)

SIZE

NRA 1,800 sqm / Land 273 sqm

APARTMENTS/UNITS

1 / 58

WAULT*

10 years (fixed-term master-lease)

ENTRY YIELD

c. 3.8% (stabilised)

Asset Description

- New build asset with 14 stories situated in Taito Ward, a 4-minute walk from Minowa Station on the Tokyo Metro Hibiya Line
- Completed in Q3 2022, providing a mix of studio, 1-bed and 2-bed units between c. 26-51 sqm.
- Master-lease overlay agreed with major domestic property company

Investment Thesis

- Off-market forward commitment with seller, a domestic property company/family office facing liquidity issues, supported by the seller's main creditor
- Opportunity to acquire asset at attractive negotiated pricing while benefiting from stable income profile via a planned master-lease agreement

Asset Management Strategy

- Negotiate master-lease agreement to be in place from acquisition
- Focus on effective building management and oversight of leasing program implemented by the master-lessee



Taito-ward

*WAULT (Weighted Average Unexpired Lease term)

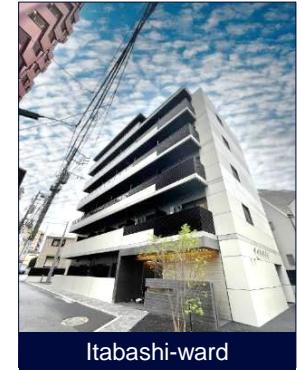
Project Royal 2.0

Closed August 2022

INVESTMENT OVERVIEW

LOCATION	Asset Description
Tokyo	<ul style="list-style-type: none"> Completed in Q2 2022 with high quality design by top-tier developer. Situated within 3-8 minutes walk from Toei Subway and Tobu Line stations. Unit sizes focused on single tenants and small families.
ENTRY PRICE	Investment Thesis
c. JPY 2.0 bn	<ul style="list-style-type: none"> Off-market forward commitment for two assets with developer of the Project Royal portfolio, via its creditor at negotiated pricing. Newly completed at acquisition with lease up requirement; in-place vacancy allows for full mark to market.
LEASING STATUS AT ACQ.	Asset Management Strategy
Non-stabilised	<ul style="list-style-type: none"> Rapid stabilization to achieve stable cash flow through hold period. Leasing strategy would focus on optimizing headline rents and capturing rent reversion at lease renewals.
SIZE	
NRA 2,470 sqm / Land 950 sqm	
APARTMENTS/UNITS	
2 / 70	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 4.2% (stabilised)	

*WAULT (Weighted Average Unexpired Lease term)



Project Steel 2.0

Closed end-April 2022

INVESTMENT OVERVIEW

LOCATION	Asset Description
Tokyo	<ul style="list-style-type: none"> Completed in May 2021 with high quality design by top-tier developer. Situated within 5 minutes walk from Oimachi station and 8 minutes walk from Samezu station Unit sizes focused on single tenants and small families.
ENTRY PRICE	Investment Thesis
c. JPY 2.0 bn	<ul style="list-style-type: none"> Off market acquisition direct with developer of the Project Steel portfolio, via its creditor at negotiated pricing. Property is of recent construction. Leasing activities paused by seller during sales process; low in-place occupancy allows for full mark to market.
LEASING STATUS AT ACQ.	Asset Management Strategy
Non-stabilised	<ul style="list-style-type: none"> Rapid stabilization to achieve stable cash flow through hold period. Leasing strategy would focus on optimizing headline rents and capturing rent reversion at lease renewals.
SIZE	
NRA 1,565 sqm / Land 662 sqm	
APARTMENTS/UNITS	
1 / 58	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.7% (stabilised)	

*WAULT (Weighted Average Unexpired Lease term)



Shinagawa-ward

Project Trinity

Closed March-April 2022

INVESTMENT OVERVIEW

LOCATION	
Tokyo	
ENTRY PRICE	
c. JPY 9.6 bn	
LEASING STATUS AT ACQ.	
N/A (Forward Commitment)	
SIZE	
NRA 7,400 sqm / Land 2,000 sqm	
APARTMENTS/UNITS	
3 / 246	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.6 - 3.7% (stabilised)	

Asset Description

- Grade-A new-build multifamily assets, completed in Q1-2022, located in core-residential neighbourhoods and near their respective metro stations
- Assets comprises high-quality finishes and are positioned for the upper mid-market price bracket for their sub-markets
- Unit types are diversified within the portfolio, fitting for single-living, DINK and family demographics in the areas

Investment Thesis

- Off-market transaction facilitated by the seller's creditor, which will retain a passive minority co-investor position in the transaction.
- Seller is a top-tier, listed developer with a hard deadline to take the assets off its balance sheet by March 2022 for financial reporting reasons
- Opportunity to acquire Grade-A and highly liquid assets in Tokyo central 23-ward locations

Asset Management Strategy

- Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents



Toshima-ward



Minato-ward



Taito-ward

*WAULT (Weighted Average Unexpired Lease term)

Project Esaka

Closed April 2023

INVESTMENT OVERVIEW

LOCATION	Osaka
ENTRY PRICE	c. JPY 1.3 bn
LEASING STATUS AT ACQ.	N/A (Forward Commitment)
SIZE	NRA 2,000 sqm / Land 847 sqm
APARTMENTS/UNITS	2 / 72
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 4.3% (stabilised)

Asset Description

- Portfolio of one newly-built, stabilized and one forward commitment asset completed in Jan-2023
- Well located in Esaka, Suita, a core-residential submarket in northern Osaka situated within 13 minutes walk from the Midosuji Line, Osaka's primary metro line.
- Unit sizes focused on single tenants and DINKs.

Investment Thesis

- Off market and exclusive negotiation with the seller, introduced and supported by the current PM of our existing Esaka properties within Project Joy
- Seller is an Osaka-based local developer who were seeking to contract the assets within the semi-fiscal year end and close by fiscal year-end for financial reporting purposes in order to satisfy its creditor's liquidity requirements to fund their planned future developments

Asset Management Strategy

- Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents.



Esaka, Suita



Esaka, Suita

*WAULT (Weighted Average Unexpired Lease term)

Project Joy 2.0

Closed April 2023

INVESTMENT OVERVIEW

LOCATION

Tokyo and Kyushu

ENTRY PRICE

c. JPY 2.69 bn

LEASING STATUS AT ACQ.

c. 97%

SIZE

NRA 3,570 sqm / Land 850 sqm

APARTMENTS/UNITS

2 / 133

WAULT*

2 years (auto-rolling)

ENTRY YIELD

c. 3.9% (stabilised)

Asset Description

- 2 stabilized, modern multifamily residential well located in Tokyo's Ota-ward and Kagoshima's Tenmonkan, core-residential neighborhoods in their respective sub-markets
- Unit sizes focused on single tenants and DINKs.

Investment Thesis

- The investment fits well within the Fund target investment profile comprising core-type residential assets in their respective cities that will provide attractive income yield from day one upon acquisition.
- The negotiation is off market direct with repeat seller of the Project Joy portfolio to be acquired at a discount to market, additionally benefitting from zero brokerage fees.

Asset Management Strategy

- Ensure stabilized occupancy level with light asset management initiatives and investigate potential improvement in the ESG qualities with a focus on monitoring of energy and water usage.



CLOSED

Ota-ward, Tokyo



Kagoshima-city,
Kyushu

*WAULT (Weighted Average Unexpired Lease term)

Project Sky Blue

Closed April 2023

INVESTMENT OVERVIEW

LOCATION	Tokyo and Sendai
ENTRY PRICE	c. JPY 5.8 bn
LEASING STATUS AT ACQ.	c. 96%
SIZE	NRA 7,484 sqm / Land 2,925 sqm
APARTMENTS/UNITS	6 / 297
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 4.2% (stabilised)

Asset Description

- Portfolio comprises high-quality finishes and well positioned in their sub-markets to capture leasing demand for mid-market compact units.
- 4 of the assets completed between 2001-2006; 2 completed in 2022 and all stabilized under a diversified tenant base, leased to individual residents.

Investment Thesis

- The investment fits well within the Fund target investment profile comprising core-type residential assets in their respective cities that will provide attractive income yield from day one upon acquisition.
- The portfolio was sourced off-market via the creditor with direct negotiations with the seller entities.

Asset Management Strategy

- Ensure stabilized occupancy level with light asset management initiatives and investigate potential improvement in the ESG qualities with a focus on monitoring of energy and water usage.



*WAULT (Weighted Average Unexpired Lease term)

Project Royal 3.0

Contracted Q2-2023

INVESTMENT OVERVIEW

LOCATION	Tokyo
ENTRY PRICE	c. JPY 8.0 bn
OCCUPANCY	Forward Commitment
SIZE	NRA 8,721 sqm / Land 4,629 sqm
APARTMENTS/UNITS	1 / 166
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 3.8% (stabilised)

*WAULT (Weighted Average Unexpired Lease term)

Asset Description

- Forward commitment multifamily building, well-located in a core residential area (Tokiwadai) and scheduled to complete in Q1-2025
- Unit sizes diversified across all tenancy types, singles, DINKs and families, reflective of the wide range in demand in the area
- A high-quality construction by a major developer, incorporating high-spec features that are expected to improve leaseability and secure optimized rent levels; with advanced sustainability features that will enhance the green credentials of the Fund portfolio.

Investment Thesis

- The investment fits well within the Fund target investment profile, acquired off-market at a discount with repeat seller via the creditor
- Originally planned to be sold as condominiums to individual investors by the seller, however, due to rising competition in condominium sales and pressure from the creditor and shareholders, have proceeded to sale en-bloc and have accepted our heavily negotiated pricing to secure a forward commitment with a reliable counterparty.

Asset Management Strategy

- Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents, with light asset management initiatives to improve leaseability and ESG credentials



Itabashi-ward

Project Joy 3.0

Contracted Q3-2023

INVESTMENT OVERVIEW

LOCATION	Tokyo and Yokohama
ENTRY PRICE	c. JPY 8.1 bn
OCCUPANCY	Forward Commitment
SIZE	NRA 8,993 sqm / Land 6,098 sqm
APARTMENTS/UNITS	2 / 127
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 4.1% (stabilised)

*WAULT (Weighted Average Unexpired Lease term)

Asset Description

- 2 forward commitment multifamily buildings, well-located in core residential areas, focused on family-type reflective of the demand in the area
- A high-quality construction by a major developer, incorporating high-spec features that are expected to improve leaseability and secure optimized rent levels; with advanced sustainability features that will enhance the green credentials of the Fund portfolio.
- Phased completion with handover of 1 asset each in Q4-2023 and Q3-2024

Investment Thesis

- The investment fits well within the Fund target investment profile, to be acquired off-market at a discount with repeat seller, additionally benefitting from zero brokerage fees.
- Originally planned to be sold as condominiums to individual investors by the seller, however, due to rising competition in condominium sales and pressure from the creditor and shareholders, have proceeded to sale en-bloc as a set and have accepted our heavily negotiated pricing to secure a forward commitment with a reliable counterparty.

Asset Management Strategy

- Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents, with light asset management initiatives to improve leaseability and ESG credentials



Ota-ward, Tokyo



Yokohama, Kanagawa

Project Mahogany

Contracted Q3-2023

INVESTMENT OVERVIEW

LOCATION	Asset Description
Tokyo	<ul style="list-style-type: none"> Portfolio of four forward commitment multifamily buildings, well-located in core residential areas. Includes high-quality finishes and are well positioned in their sub-markets to capture leasing demand for mid-market compact units focused on single tenants and DINKs. Construction of the assets are phased and scheduled to complete between Q4-2023 and Q2-2024.
ENTRY PRICE	Investment Thesis
c. JPY 4.5 bn	<ul style="list-style-type: none"> Off market and exclusive negotiation with the seller, a boutique developer specializing in small to mid-sized residential and retail assets in central-Tokyo. The Japan Team have a long-standing relationship with the seller, spanning over two decades. Seller sought to contract the assets in Q3-2023 for financial reporting purposes, accepting our negotiated pricing to mitigate execution risk and additionally benefiting from zero brokerage fees.
OCCUPANCY	Asset Management Strategy
Forward Commitment	<ul style="list-style-type: none"> Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents, with light asset management initiatives to improve leaseability and ESG credentials
SIZE	
NRA 3,569 sqm / Land 1,842 sqm	
APARTMENTS/UNITS	
4 / 101	
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.7% (stabilised)	

*WAULT (Weighted Average Unexpired Lease term)

Asset Description

- Portfolio of four forward commitment multifamily buildings, well-located in core residential areas.
- Includes high-quality finishes and are well positioned in their sub-markets to capture leasing demand for mid-market compact units focused on single tenants and DINKs.
- Construction of the assets are phased and scheduled to complete between Q4-2023 and Q2-2024.

Investment Thesis

- Off market and exclusive negotiation with the seller, a boutique developer specializing in small to mid-sized residential and retail assets in central-Tokyo. The Japan Team have a long-standing relationship with the seller, spanning over two decades.
- Seller sought to contract the assets in Q3-2023 for financial reporting purposes, accepting our negotiated pricing to mitigate execution risk and additionally benefiting from zero brokerage fees.

Asset Management Strategy

- Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents, with light asset management initiatives to improve leaseability and ESG credentials



Setagaya-ward



Ota-ward



Ota-ward



Nakano-ward

Project Joy 4.0

Closed Q4-2023

INVESTMENT OVERVIEW

LOCATION

Tokyo, Yokohama and Nagoya

ENTRY PRICE

c. JPY 7.6 bn

OCCUPANCY

c. 32% (partial forward commitment)

SIZE

NRA 6,930 sqm / Land 1,473 sqm

APARTMENTS/UNITS

4 / 262

WAULT*

2 years (auto-rolling)

ENTRY YIELD

c. 3.8% (stabilised)

Asset Description

Portfolio of 2 recently completed, stabilized properties and 2 forward commitment properties scheduled to complete in Q4-2023

Well-located in core residential areas within their respective areas with unit sizes focused on single tenants and DINKs

Assets include high-quality finishes and are well positioned in their sub-markets to capture leasing demand for mid-market compact units.

Investment Thesis

The investment fits well within the Fund target investment profile to be acquired off-market at a discount with repeat seller, additionally benefitting from zero brokerage fees.

Seller was seeking to contract the assets in Q3-2023 for financial reporting purposes, accepting our negotiated pricing to mitigate execution risk and additionally benefiting from zero brokerage fees.

Asset Management Strategy

Leasing strategy would focus on rapid stabilization for assets with in-place vacancy and ensure stabilized occupancy level for stabilized properties with light asset management initiatives to improve leaseability and ESG credentials



Sumida-ward,
Tokyo



Yokohama



Koto-ward,
Tokyo



Nagoya

*WAULT (Weighted Average Unexpired Lease term)

Project Patriot

Contracted Q3-2023

INVESTMENT OVERVIEW

LOCATION	Asset Description
Tokyo	1 Forward Commitment asset in central-Tokyo under exclusive negotiations with the seller.
ENTRY PRICE	Forward commitment multifamily building, well-located in a core residential area (Shibaura) and scheduled to complete in Q1-2025
c. JPY 5.4 bn	Includes high-quality finishes and is well positioned to capture leasing demand for mid-market compact units focused on single tenants and DINKs.
OCCUPANCY	Investment Thesis
Forward Commitment	The investment fits well within the Fund target investment profile to be acquired off-market by a major developer in a central-Tokyo location, and will provide attractive income yield upon stabilization.
SIZE	Seller was seeking to contract the assets in Q3-2023 for financial reporting purposes and close in Q1 2025 upon physical completion of the building, accepting our negotiated pricing to mitigate execution risk.
NRA 3,418 sqm / Land 872 sqm	
APARTMENTS/UNITS	Asset Management Strategy
1 / 114	Leasing strategy would focus on rapid asset stabilization to achieve stable cash flow through hold period while optimizing headline rents, with light asset management initiatives to improve leaseability and ESG credentials
WAULT*	
2 years (auto-rolling)	
ENTRY YIELD	
c. 3.8% (stabilised)	

*WAULT (Weighted Average Unexpired Lease term)



Minato-ward, Tokyo

Project James

Closed Q4-2023

INVESTMENT OVERVIEW

LOCATION	Tokyo and Yokohama
ENTRY PRICE	c. JPY 4.4 bn
LEASING STATUS AT ACQ.	c. 99%
SIZE	NRA 5,352 sqm / Land 2,990 sqm
APARTMENTS/UNITS	5 / 173
WAULT*	2 years (auto-rolling)
ENTRY YIELD	c. 4.3% (stabilised)

Asset Description

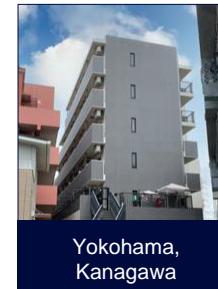
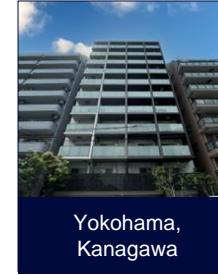
- Portfolio of 5 stabilized properties in Greater Tokyo - 2 located in central-Tokyo's Ota-ward and 3 located in Yokohama
- Well-located in core residential areas within their respective areas with unit sizes focused on single tenants and DINKs
- Assets include high-quality finishes and are well positioned in their sub-markets to capture leasing demand for mid-market compact units.

Investment Thesis

- The investment fits well within the Fund target investment profile to be acquired off-market and will provide attractive income yield from day one upon acquisition.
- Seller was seeking to close and contract the assets in Q4 2023 for financial reporting purposes, accepting our negotiated pricing to mitigate execution risk

Asset Management Strategy

- To focus on tenant retention to maintain a high occupancy while optimizing headline rents.



*WAULT (Weighted Average Unexpired Lease term)

Tadaaki Kurozumi

Co-Head of Japan, Savills Investment Management



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Tadaaki joined Savills Investment Management in 2014, having co-founded the predecessor entity to the Japanese platform, Merchant Capital, in 2005. His role focuses on origination as well as overall Japanese investment strategy, management and operations.

Tadaaki has 30 years of Japanese real estate investment experience. He joined Merrill Lynch Japan in 2000 and as a Director was responsible for the pricing and underwriting of distressed debt and real estate-related M&A, financing and equity transactions. The team originated and managed nonperforming loan transactions valued in excess of USD 5bn.

Tadaaki is a graduate of the University of Tokyo, Faculty of Engineering, and has an MBA from the Wharton School of the University of Pennsylvania.

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Azabudai, Minato-Ku
Tokyo, Japan
106-0041

2014 – present

Co-Head of Japan, Savills IM

2005 – 2014

Managing Partner and Co-Founder, Merchant Capital

2000 – 2005

Director, Merrill Lynch Japan Incorporated

1997 – 1998

UG Toshi Kenchiku

1993 – 1997

Sumitomo Realty & Development Corporation

Qualifications

- Registered First Class Architect
- Licensed Real Estate Transaction Manager (Takken)
- Certified Urban Renewal Coordinator and Condominium Redevelopment Consultant.

Tom Silecchia

Co-Head of Japan, Savills Investment Management



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Tom joined Savills Investment Management in 2014, having co-founded the predecessor entity to the Japanese platform, Merchant Capital, in 2005. His role involves overseeing Japan's investment and financing strategy, deal structuring, management and operations.

Tom has over 25 years of Japanese real estate investment experience. Prior to co-founding Merchant Capital in August 2005, he was a director on the principal investment team of Merrill Lynch Japan, where he worked for seven years. At Merrill, Tom was responsible for investments in real estate-secured non-performing loan portfolios, real properties and real estate-related entities. He was also involved in origination, structuring, negotiation and execution of nonrecourse loans and other financings.

Tom is a graduate of Yale University and the Cardozo School of Law. He is fluent in Japanese.

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106-0041

2014 – present

Co-Head of Japan, Savills IM

2005 – 2014

Representative Director and Co-Founder,
Merchant Capital

1998 – 2005

Director, Merrill Lynch Japan Incorporated

Qualifications

- Licensed to practice law in the States of New York and Connecticut

Fund Team Bio

Portfolio & Investment Directors

WILL JOHNSON, MRICS

Portfolio & Investment Director

16 years of experience



will.johnson@savillsim.com

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Will joined Savills IM in 2015. He is responsible for portfolio management and strategy, including analysis of investment opportunities, transaction and asset management oversight, performance tracking and reporting, as well as the formulation of house views on Japan's real estate market.

Prior to joining the team, he was Head of Research & Consultancy at Savills Japan. In this role he provided bespoke analysis for real estate investors, developers and occupiers.

Qualifications

- Master's degree in International Real Estate and Planning.
- University College London's Bartlett School of the Built Environment
- Qualified RICS valuation surveyor.

RYOHEI FUKUMURA

Portfolio & Investment Director

13 years of experience



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Ryohei joined Savills IM in 2017. His role focuses on the pricing and underwriting of transactions, execution, and asset management oversight.

Prior to joining the team, he was an associate in the real estate group of Mitsubishi UFJ Morgan Stanley Securities where he focused on non-recourse financing of real estate and infrastructure assets.

Qualifications

- Keio University with a BA in Economics.

Credentials and Residential Sector experience

Savills IM Japan Licenses and Accreditation

Japan co-heads have been active ‘product innovator’ in Japan’s residential market since the late 1990s							
1	Off-market acquisitions in Tokyo and regional cities	5	Development & acquisition non-recourse debt lending				
2	Development project equity investments	6	Residential asset management company incubation				
3	Forward commitments with development management	7	Corporate investment in residential sector				
4	Conversions & value-add capex strategies	8	Single asset exits & primary sales (strata) on condo projects				



In-house design office:
Savills Investment Architecture Design



Registered **First Class** Architect



Registered **Apartment Reconstruction** Advisor



Registered **Urban Renewal** Planner



Licensed **Real Estate Transaction Manager** (Takken)



RICS Chartered Valuation Surveyor

Investment Allocation Strategy

Focus on Greater Tokyo, world's largest megacity with 37m residents and positive demographics

Target Loan to Gross Asset Value of the Fund is 50% (commencing from 31 December 2026)

INVESTMENT FOCUS

- Minimum 70% allocation to properties located in Greater Tokyo market
- Flexibility to invest up to 30% in non-Greater Tokyo regional markets
- Target blended portfolio property age: <20 years^{1,3}
- Target stabilised portfolio occupancy rate: >=90%^{2,3}
- Freehold interest

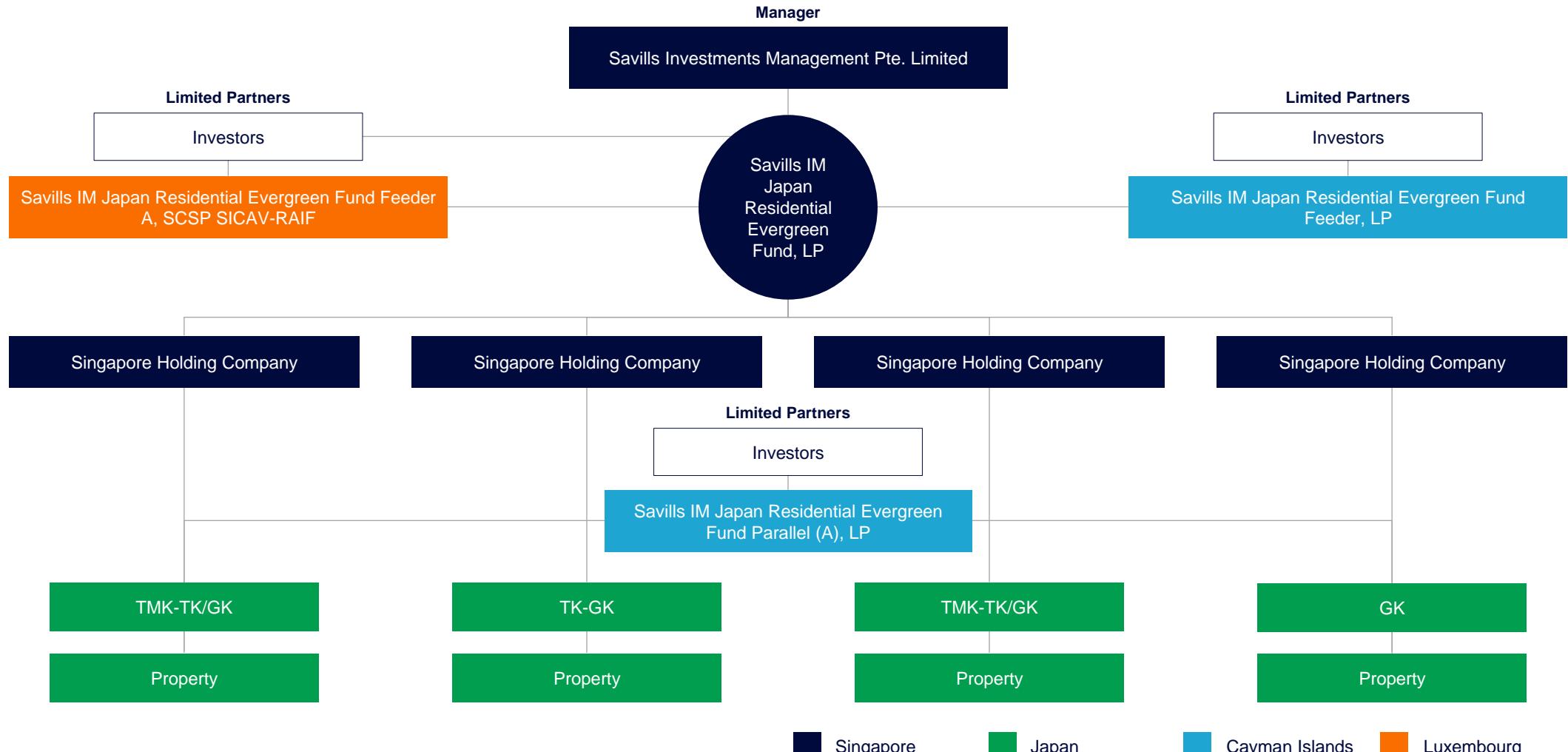
INVESTMENT CONSTRAINTS

- Not >20% of Adjusted NAV in properties in stabilization period
- Not >30% outside Greater Tokyo
- No investment of >5% outside Greater Tokyo and the Regional Markets⁴
- No single asset >25% of aggregate commitments
- No investments specialist operational properties, except where a master lease is in place and asset can be readily re-leased as standard multi-family
- No investments in Properties where the underlying land is predominately leasehold
- No investments in debt instruments, securities (listed or unlisted), funds
- No short-selling, securities financing transactions and investments that requires the Fund to incur unlimited liability
- No properties that do not meet 1981 seismic code



1) Weighted on invested Capital Contributions; 2) Weighted on net lettable area; 3) Commencing on 31 Dec 2023; 4) Established residential areas of Osaka, Nagoya & Fukuoka; 5) All investment parameters are as a % of Committed Capital

Efficient Fund Structuring to benefit from Singapore - Japan Tax Treaty*



*Simplified for indicative purposes

Case Study: Corporate Investment in Residential sector

Corporate Private Equity – Mid-tier Residential Developer

In addition to direct property investments, the Japan team has a successful track-record in corporate equity investment and advisory in the real estate sector.

HIGHLIGHTS

OPPORTUNITY	Distressed corporate acquisition involving Japanese residential developer
ACQUIRED	2012
EXITED	2015
STRATEGY	Advisor to sponsor in corporate reorganization process
STATUS	Realized
RETURN PROFILE	Opportunistic



The Savills IM Japan team has concluded several corporate distressed transactions. Bankruptcy procedures in Japan, particularly 'kaisha kosei' or corporate revitalization, are rigid and tightly controlled by the court appointed trustees.



One of the SIM Japan principals was appointed as a representative of the bankruptcy trustee for Joint Corporation, a mid-tier residential developer which filed for corporate reorganization in 2009.



The team worked with the courts to draft and complete the reorganization plan and operated/managed the company and its sponsorship on behalf of a global hedge fund.



Rejuvenated the business and strengthened the corporate balance sheet through the reinforcement of performing business lines, launching new revenue-generating business lines, and implementing granular asset management strategies for under-performing assets.



The investment was successfully exited with robust returns.



There is ongoing potential for real estate-oriented corporate opportunities, which the Japan team continue to originate and track with the goal of realizing the value upside of the underlying assets.

Important Footnotes Regarding Track Record

Past performance is not indicative of future results.

In addition to the seven investments made for the Greater Tokyo Office Fund (“Japan Value Fund I”) between September 2015 and September 2017, the Japan team’s realized track record is comprised of 76 investments originated and managed through exit by Merchant Capital on a deal-by-deal basis between 2005 and 2015 for the benefit of multiple investment partners, collectively referred to as “Savills IM Value Add Investments”.

One realized investment made by Savills IM in Q2 2016 (Shin-Toyo), was outside the strategy of Fund I in terms of return profile and managed by Savills IM on behalf of separate account client (“SA Investment”).

Savills IM Value Add Investments do not include transactions where Savills IM/Merchant Capital (a) remained as a non-discretionary asset manager after an acquisition from a Merchant Capital joint venture; (b) transactions where the third-party group holding controlling interests was liquidated for reasons unrelated to the investments; and (c) investments where a Savills IM/Merchant Capital joint venture partner established or utilized its own Japan asset management resources to manage the transaction through to exit.

Savills IM Value Add Investments were made on a deal-by-deal basis and not subject to standard fund deductions, including management fees, carried interest, fund expenses or reserves. In addition, investments were made over a period of ten years (from 2005 to 2015), which is substantially longer than a “typical” closed-end fund investment period as well as the Fund’s investment period. Consequently, the following assumptions have been made in order to derive an imputed Net IRR and Net MOIC for Savills IM Value Add Investments:

Aggregation of Investment-level Cash Flows:

Cash flows for 65 Japan Value Add Investments made between 2005 and 2008 have been aggregated, together comprising “Value Add Portfolio I”, with the remaining 11 Savills IM Value Add Investments made between 2011 and 2015 aggregated as “Value Add Portfolio II” in order to determine both investment-level and portfolio-level returns for the Savills IM Value Add Investments.

Realized investment-level (Gross) returns were derived from actual cash flows from the initial date of investment through the actual date of payoff. Investment-level cash flows were aggregated from inception through actual date of payoff for realized investments.

These aggregate cash flows reflect withholding taxes that apply to profits at time of sale (at 20% for Value Add Portfolio I and 16% for Value Add Portfolio II) based on average historic rates applied to the Savills IM Value Add Investments.

The allocations into Value Add Portfolio I and II were strictly chronological by transaction date to create two separate funds with investment periods that are more typical of closed-end funds and with a size that is similar to the Japan Value Fund series.

Leverage was applied to aggregated cash flows described above by assuming 65% leverage as follows: interest at market rate terms, based on historic Japanese 3 month LIBOR rates through March 2019, as reported by Federal Reserve Economic Data (“FRED, plus a 125 basis points spread and deduction of 1% loan origination fees, reflected in Fund-level Net Unlevered Returns.

Derivation of Value Add Portfolio Returns:

Deductions from aggregated levered investment-level cash flows described above were made to derive imputed Net IRRs and Net MOICs for Value Add Portfolio I and II, including the following:

- an imputed management fee equal to Japan Value Fund headline management fees of 2.0% per annum on assumed committed capital over a 2-year commitment period and on unreturned invested capital thereafter, charged quarterly (with a 25bp reduction assumed for LPs with commitments over USD \$50million, assuming that comprises 25% of LP committed capital);
- a 9% hurdle on contributed capital followed by a 50% GP catch-up and 20% carried interest;
- deductions for upfront partnership expenses of 96 million Yen and 91 million Yen for Value Add Portfolio I and II, respectively, plus annual partnership expenses of 45 million Yen and 40 million Yen, respectively (in addition to imputed management fees); and
- a 10% additional reserve applied to fees during the commitment period.

Value Add Portfolio IRRs are annualized returns based upon monthly cash flows. MOICs were calculated by dividing projected cash received by assumed fund investors by cash assumed to be invested by them over the fund life.

Other Track Record Notes:

For the Value Add Investments, actual leverage was generally higher, but assumed at 65% to be consistent with the Fund.

To the extent Gross MOIC and Gross IRR weighted averages are shown, average investment-level returns are weighted by Total Equity Invested and calculated prior to the deduction of carried interest, management fees, and partnership expenses, all of which affect returns and are material. Where a third party guaranteed the performance of an SPC under a pre-commitment contract, the guaranteed amounts were deemed funded as of the contract date for purposes of calculating unleveraged gross IRR.

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