

# GLP Continues to Grow Fund Management Platform; Expands Global Network to the United States

8 December 2014

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# Strategic Growth of Fund Management Platform; GLP Expands Global Network to the United States

## Strategic Rationale

- Co-investing with GIC to acquire US\$8.1 billion logistics portfolio in the US
- GLP plans to syndicate ownership from 55% initially to 10% by August 2015; Strong indicative interest from other capital partners
- GLP's organizational structure ready to support this new market entry; Experienced local management company further strengthens GLP's team

## Expand Fund Management Platform

- GLP continues its strategy of expansion into the best logistics markets globally via fund management platform; China remains key growth market
- GLP's final 10% stake represents US\$330 million of equity or 4% of NAV
- Assets under fund management grow 61% to US\$21.3 billion; significant growth in recurring fee income

## High Quality Portfolio with Embedded Growth

- One of the largest industrial portfolios in the US comprising 117 million sq ft (11 million sqm) across 36 major sub-markets
- US\$8.1 billion portfolio acquired at significant discount to replacement cost
- In-place rents estimated to be approximately 7% below market
- GLP is focused on increasing the lease ratio in the near-term; Increasing rents and occupancy provide potential for upside

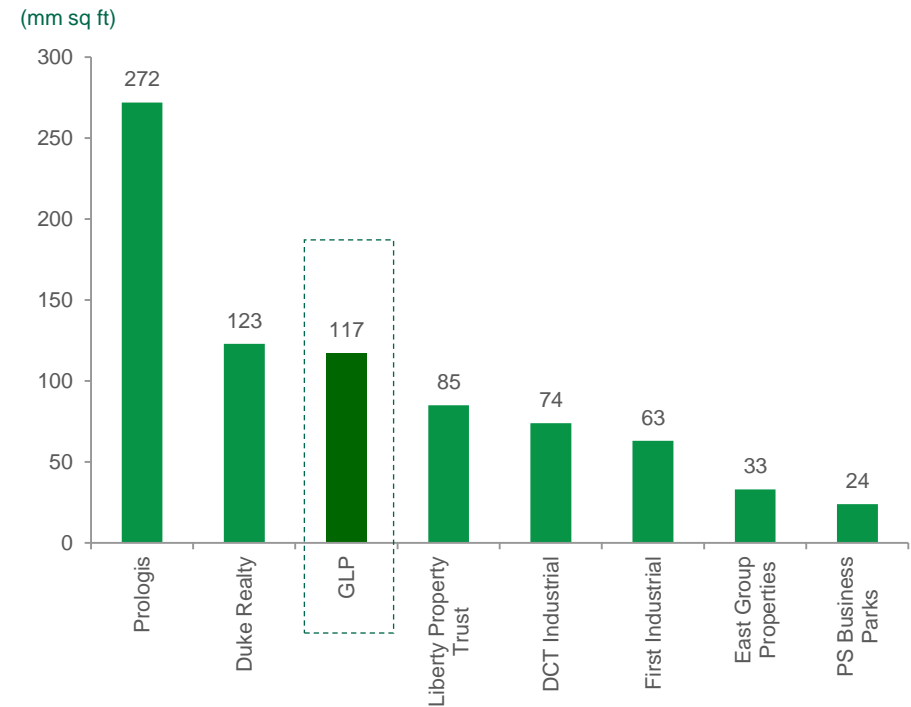
# Transaction Accretive to Earnings and Enhances ROE Longer-Term

- GLP's 10% investment in GLP US Income Partners I is expected to generate a pre-tax cash-on-cash yield of 9% in the first year<sup>1</sup>

## Overview of GLP US Income Partners I

Purchase Price	US\$8.1 billion <sup>2</sup>
Total Equity	US\$3.2 billion <sup>2</sup>
Total Debt	US\$4.9 billion (60% LTV)
Total Area	117 million sq ft (11 million sqm)
In-Place Cap Rate	6.0%
Occupancy	90% <sup>3</sup>
In-Place Rent	US\$4.83 per sq ft per year
Target Closing and Ownership	<p>Target closing in the first quarter of 2015</p> <ul style="list-style-type: none"> <li>➢ GIC: 45%</li> <li>➢ GLP: 55% as of closing and sell down to 10% by August 2015; GLP already in negotiations with interested capital partners</li> </ul>

## Competitive Landscape



Source: Public filings

Chart represents total operating/in-service industrial presence in the US as presented in latest supplemental materials; office and retail properties are excluded

<sup>1</sup> Determined on a pre-tax basis using, among other things, estimates of fund management fees and rental income

<sup>2</sup> Subject to post-closing adjustments

<sup>3</sup> As of 30 September 2014

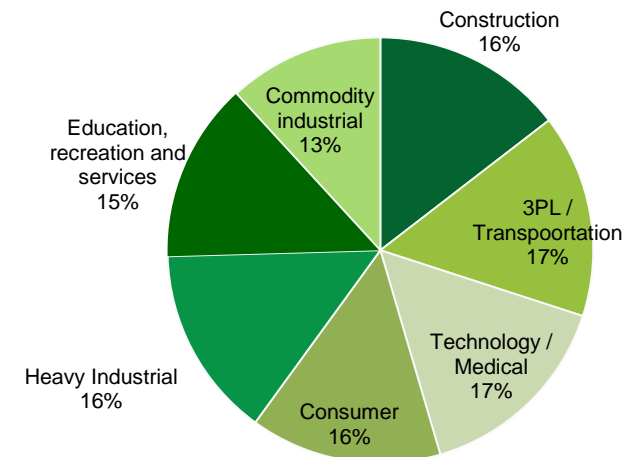
# High Quality Portfolio with Embedded Growth

- Rare opportunity to amass a platform of scale and quality in the US industrial sector
- On-the-ground execution by best-in-class local management team
- US\$8.1 billion portfolio acquired at significant discount to replacement cost
- 3,500+ diversified customers; 10 largest customers make up 9.0% of leased area
- Clear potential for upside:
  - Portfolio is currently 90% leased; target to reach 95% in the near-term
  - In-place rents approximately 7% below market

## 10 Largest Customers by Leased Area

Rank	Name	Industry	% leased area
1	Whirlpool	Retailer	3.1%
2	Home Depot USA	Retailer	1.2%
3	Ozburn-Hessey Logistics	3PL	1.1%
4	Amazon.com	Retailer	0.7%
5	Federal Express Corporation	3PL	0.7%
6	Iron Mountain	3PL	0.6%
7	Baker & Taylor	Retailer	0.6%
8	Allied Beverage Group	Retailer	0.4%
9	US Government	-	0.4%
10	Petco Animal Supplies Stores	Retailer	0.1%
<b>Total</b>			<b>9.0%</b>

## Breakdown of Leased Area



# US Logistics Market: Favorable Fundamentals

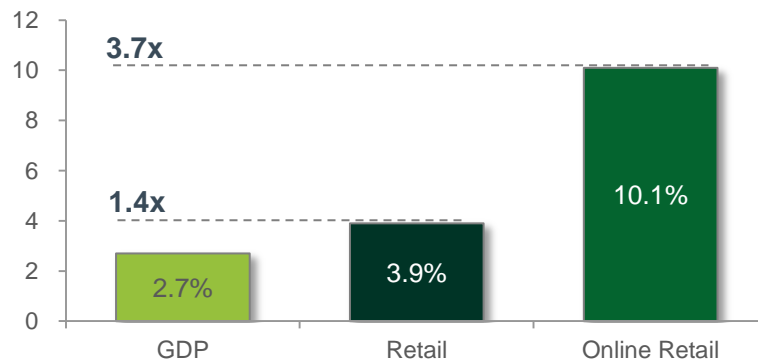
## Demand

- Retail sales and e-commerce expected to continue growing faster than GDP
  - Online retail sales expected to grow at 10% CAGR in next 3-5 years
- Rising industrial production
  - “Reshoring” trend: Growing number of firms moving their manufacturing back to the US

## Supply

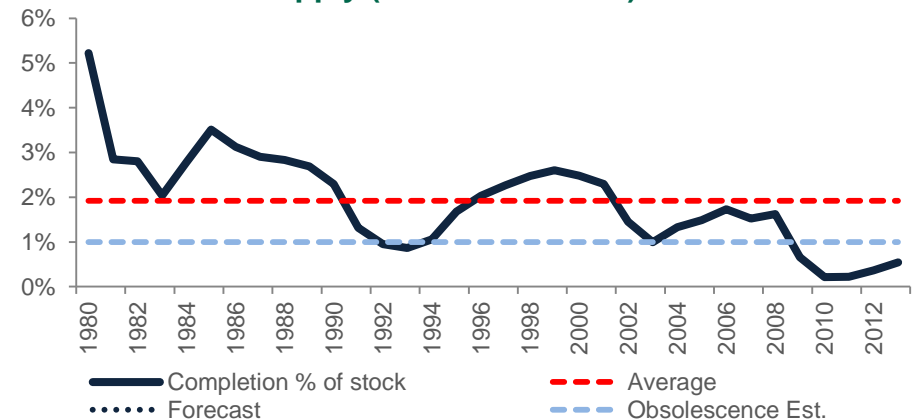
- Lack of construction over past 5 years; Demand outstripping supply
  - Average new supply of 0.4% p.a. of total stock over past 5 years vs. long term average of 1.7% p.a.
- 18 consecutive quarters of positive net absorption

Expected Growth (CAGR) 2013 to 2018



Source: UPS Rates & Forecasting, eMarketer, Forrester

Supply (% of Total Stock)

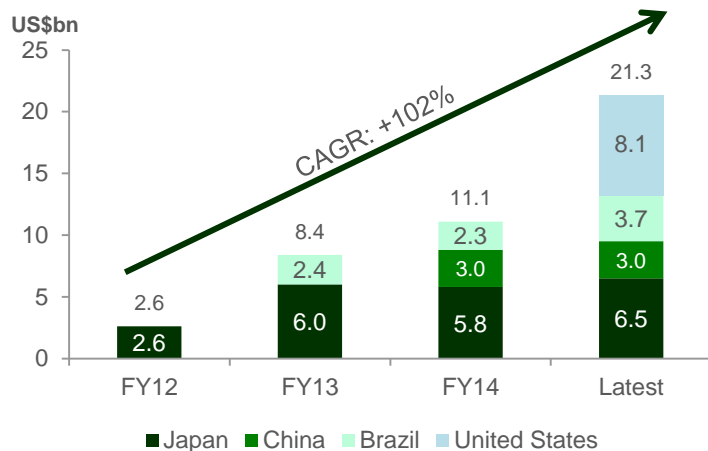


Source: CBRE

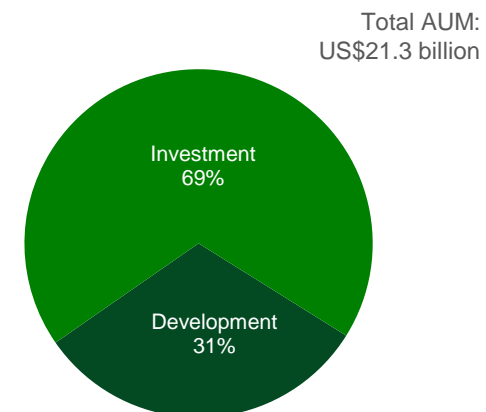
# Significant Boost to Fund Management Platform

- **Another Leg of Growth**
  - ✓ Platform today: US\$21.3 billion (uncalled capital: US\$4.4 billion)
  - ✓ Fund fees expected to grow significantly, with further upside from promotes
- **Scalable Platform**
  - ✓ Provides significant capital to support long-term growth, while enhancing GLP's returns
- **World Class Investors**
  - ✓ Leverage relationships with leading global institutions
  - ✓ Continued demand from capital partners looking to leverage on GLP's operational expertise and market leadership positions








**Growth in Assets Under Management (US\$'bn)**



**Breakdown of Investment Type**



# Appendix: GLP Fund Management Platform

								
Vintage	Sep 2011	Dec 2011	Nov 2012	Nov 2012	Dec 2012	Nov 2013	Oct 2014	Dec 2014
Fund Name	GLP Japan Development Venture	GLP Japan Income Partners I	GLP Brazil Income Partners I	GLP Brazil Development Partners I	GLP J-REIT	CLF I	GLP Brazil Income Partners II	GLP US Income Partners I
Assets under Management <sup>1</sup>	US\$2.2bn	US\$1.0bn	US\$1.1bn	US\$1.5bn	US\$3.3bn	US\$3.0bn	US\$1.1bn	US\$8.1bn
Investment To-Date	US\$800m	US\$1.0bn	US\$1.0bn	US\$700m	US\$3.3bn	US\$900m	US\$1.1bn	US\$8.1bn
Joint Venture Partners	CPPIB	CIC & CBRE	CIC, CPPIB & GIC	CPPIB & GIC	Public	Various	CPPIB & Other Investor	GIC & Potentially Others <sup>2</sup>
Total Equity Commitment	US\$1.2bn	US\$500m	US\$500m	US\$1.0bn	US\$1.5bn	US\$1.5bn	US\$600m	US\$3.2bn
GLP Co-Investment	50.0%	33.3%	34.2%	40.0%	15.0%	55.9%	40.0%	10.0% <sup>2</sup>
Investment Mandate	Opportunistic	Value-add	Value-add	Opportunistic	Core	Opportunistic	Value-add	Core

Note:

1 AUM based on cost for in-progress developments (does not factor in potential value creation) and latest appraised values for completed assets

2 GLP plans to syndicate ownership from 55% as of day one closing (first quarter of 2015) to 10% by August 2015

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