

# APG and Xander Group form \$450 million joint venture

In the largest single deal in the retail real estate sector in India, Dutch pension fund asset manager APG Asset Management (“APG”) and Virtuous Retail (“VR”), sponsored by leading emerging markets investment firm The Xander Group Inc. (“Xander”), have partnered to form a joint venture that has acquired an initial portfolio of 3 retail assets from a Xander sponsored fund in a transaction valued at ~ INR 2,000 crores (US\$ 300 million). APG has invested 77% of the equity for a majority shareholding in the joint venture. Xander has invested the balance 23%. The two partners will have equal representation on the board of the new company which will be chaired by Sid Yog, the founder of Virtuous Retail.

## Expand the portfolio through new acquisitions and greenfield development

Simultaneously, APG and Xander have committed an additional US\$ 150 million as equity capital giving the new company investment capacity of ~ US\$ 300 million that will be used to expand the portfolio through new acquisitions and greenfield development. The joint venture has also integrated VRs 150-strong management and operational team in India, creating a new company – Virtuous Retail South Asia (“VRSA”). Headquartered in Singapore, VRSA will be the partners’ exclusive, integrated retail mall developer, owner, operator and asset manager for India. Rohit George, who was responsible for overseeing Xander’s retail portfolio in India, has relocated to Singapore and joined VRSA as Managing Director and an executive director on the board.

## Landmark transaction for Indian retail real estate

"This is a landmark transaction for Indian retail real estate at a time when the sector is at an inflection point." said Sachin Doshi, Managing Director & Head of Private Real Estate Investments for Asia-Pacific at APG. He further added "With the arrival and expansion of major global and domestic brands, coupled with the severe shortage of high quality malls, we believe organized retail is in early stages of take-off in the country. We have

been impressed with VR's management team in India, institutional approach to lifestyle retail and the assets they have delivered to date. This transaction allows us to get immediate scale and access to a portfolio of dominant shopping centers and management capability through the integration of VR's Indian management and operating platform into VRSA. We are also delighted to expand our relationship with Xander and look forward to growing VRSA together into a leadership position in India's emerging retail landscape."

## Retail market is evolving

VR will continue to be at the forefront of building and operating cutting edge lifestyle centers that serve the evolving retail market and the discerning Indian consumer. The initial portfolio comprises c. 3.5 million square feet across three flagship centers developed by VR in Bengaluru, Surat and Chennai, that will continue to operate under the VR flag. The company will leverage its now decade old capabilities across the value chain of development, ownership and operations, to grow its national portfolio of dominant retail-anchored lifestyle projects by adding centers in key markets, including the National Capital Region of Delhi, the Mumbai Metropolitan Region, and Hyderabad.

## In line with vision

Sid Yog, Founder of Xander and Virtuous Retail, said "By partnering with APG, a likeminded long term investor, we take a big leap forward in the evolution of VR's Indian platform. The transaction creates a self-managed operating company, in line with successful global trends of well capitalized ventures with clearly defined strategies, not limited by fund life. This is exactly in line with our 2007 vision, when we set up VR in India, which is deeply satisfying. For over a decade, through high and low market cycles, Xander has consistently been the leader in developing and executing new and successful strategies for foreign direct investment in the Indian real estate sector. We are very proud to launch a new and exciting next phase for VR in India, as an end to end, evergreen platform of substantial scale, and most importantly, as the sub continent's leading institutional retail real estate company."