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## PRESS RELEASE

### ARA MAKES FORAY INTO FINTECH VIA ACQUISITION OF CROWDFUNDING PLATFORM MINTEREST

**Singapore, 5 May 2020** – ARA Asset Management Limited (**ARA** or **the Group**), Mr John Lim<sup>1</sup> and Minterest Holdings Pte Ltd (**Minterest**) are pleased to announce that ARA (via its property management arm, APM Property Management Pte. Ltd. (**APM**)) and Mr John Lim have jointly acquired a majority stake in Minterest, a Singapore-based crowdfunding platform.

The deal, which reflects ARA’s forward-looking take on fintech and the role of real estate digitalisation in the future economy, seeks to expand the alternative finance platform to meet the growing demand for crowdfunding and is the Group’s first foray into the fintech sector.

Established in 2016, Minterest is a leading non-bank fintech company in Singapore with licences to provide both corporate and personal loans, and boasts a cumulative deal origination of over S\$85 million in Singapore.

#### **Bringing A New Class of Institutionally-Managed Real Estate Deals to Retail Investors**

The investment in Minterest is part of ARA’s wider ambitions in the global real estate credit business, in line with its recent acquisition of a majority stake in Venn Partners, a London-based specialist debt fund manager with £5 billion of assets under management. In the current and near-term volatile market environment driven by reactions to the COVID-19 pandemic, the real estate credit market is a positive space to be in as the security and covenant protection relative to equity exposure is regarded as more defensive. ARA sees immense potential in the Minterest platform as a crowdfunding channel for real estate financing, complementing its real assets equity fund management business.

Crowdfunding for real estate investments has seen significant investor interest in the last few years. With data-driven models and lower operating costs, crowdfunding platforms provide opportunities to directly access a pool of curated real estate investment opportunities. This enhances investors’ portfolio diversification across geographies and asset classes while delivering higher risk-adjusted returns. Global real estate crowdfunding is one of the fastest growing segments of crowdfunding, expected to grow at a CAGR of 18.5% to a market size of US\$9 billion by 2021<sup>2</sup>.

Mr John Lim, ARA Group CEO said, “As a progressive real assets fund manager, ARA sees vast potential in the use of technology in real estate. By combining the Group’s strong track record and experience in underwriting real estate deals with Minterest’s robust crowdfunding platform, we are able to bring quality institutional-grade real estate investment opportunities to everyone. Investors can rest assured that the deals presented to them are endorsed by a reputable fund manager.”

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<sup>1</sup> Via JL Family Office

<sup>2</sup> Ernst & Young Report, “Real Estate Crowdfunding – Introduction to an alternative way of investing”, March 2019

No stranger to the real estate industry, ARA, co-founded by Mr John Lim, is a leading real assets fund manager with a global reach with an AUM of S\$88 billion<sup>3</sup>. The firm, which counts some of the world's leading investors, CK Asset Holdings, The Straits Trading Company (**Straits**), Warburg Pincus and AVIC Trust as its shareholders, is a strong believer in embracing technology in real estate.

Ms Charis Liau, Group CEO of Minterest, said, "The investment from ARA and Mr John Lim is a great boost to Minterest. With ARA's strong backing, we will be able to enlarge our user base, develop more products to provide alternative investment options to retail investors, especially at a time where interest rates are expected to stay lower-for-longer."

Ms Janice Koh, Director of Fintech at APM added, "With ARA's strong real estate investment capabilities and Minterest's technology platform, we aim to create real estate investment products that provide attractive risk-adjusted returns to investors."

Ms Koh, who also serves as the Chief Commercial Officer at Minterest, further elaborated, "Traditionally, investors who want to own real estate would have to acquire the physical property or invest in REITs. Today, technology has opened the doors to real estate investment in exciting new ways. Crowdfunding is an increasingly popular way for developers to access the working capital required for development projects and for investors to achieve attractive risk-adjusted returns without the need to come up with a large amount of capital."

#### **Minterest to Launch First Real Estate Secured Mezzanine Debt Financing Product**

Minterest, backed by ARA and Mr John Lim, will be launching the first real estate secured mezzanine debt financing product in the coming weeks, by way of co-investment with Straits Real Estate (**SRE**). SRE, which is co-owned by Straits and Mr John Lim, invests in real estate related investment opportunities in Asia Pacific. The real estate investment company manages a well-diversified investment portfolio across various asset classes spanning China, Malaysia, Singapore, South Korea, Japan and Australia, with an AUM of S\$1.7 billion as at 31 December 2019. The product will be professionally managed by SRE on investors' behalf.

Mr John Lim said, "The launch of Minterest's inaugural real estate product will present retail investors with a unique opportunity to invest alongside SRE and myself. The robust credit scoring process and system that Minterest has in place enables us to reach out to investors directly and efficiently, aided by technology. With the successful launch of the first real estate product on the Minterest platform, in partnership with SRE, ARA will leverage the platform to offer more real estate products in the near future."

Investors will have the opportunity participate in the secured mezzanine debt financing of a 64-level high rise residential development project in Melbourne's Central Business District by an established local residential developer. Details on the product launch will be available on Minterest's website at [www.minterest.sg](http://www.minterest.sg)

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<sup>3</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 31 December 2019



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**About ARA Asset Management Limited**

ARA Asset Management Limited (ARA or the Group) is a leading APAC real assets fund manager with a global reach. With S\$88 billion<sup>4</sup> in gross assets under management as at 31 December 2019, ARA manages listed and unlisted real estate investment trusts (REITs), private real estate funds and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA's multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge and expertise, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

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

**About Minterest Group**

The Minterest Group is a Singapore-based online financial services solutions provider that connects borrowers with investors. Established in 2016, it is a leading non-bank fintech group with dual licences in Singapore enabling the group to facilitate, by leveraging on technology, corporate loans through marketplace lending and personal loans at customised interest rates. It has a cumulative deal origination volume of over S\$85 million in Singapore.

Minterest is founded on the belief that everyone is entitled access to financial solutions to meet their corporate and individual requirements. Using the team's deep financial experience and expertise, Minterest offers relevant financial and investment solutions to both borrowers and investors through the use of technology.

For more information, please visit [www.minterest.sg](http://www.minterest.sg)

**About JL Family Office**

JL Family Office (JLFO) is the investment holding group of companies founded by Mr John Lim, Co-Founder, Group Chief Executive Officer and Executive Director of ARA Asset Management Limited. JLFO comprises an investment arm which oversees a global portfolio based on the investment philosophy of Mr John Lim, as well as a philanthropic arm, Lim Hoon Foundation. Its core portfolio companies include a 19.85% stake in ARA Asset Management, a leading APAC real assets fund manager with a global reach, and a 10.5% stake in Straits Real Estate, a co-investment vehicle with

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<sup>4</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 31 December 2019



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The Straits Trading Company Limited that seeks out real estate related investments and opportunities globally.

For more information, please visit <https://www.jlfo.com.sg/>

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