



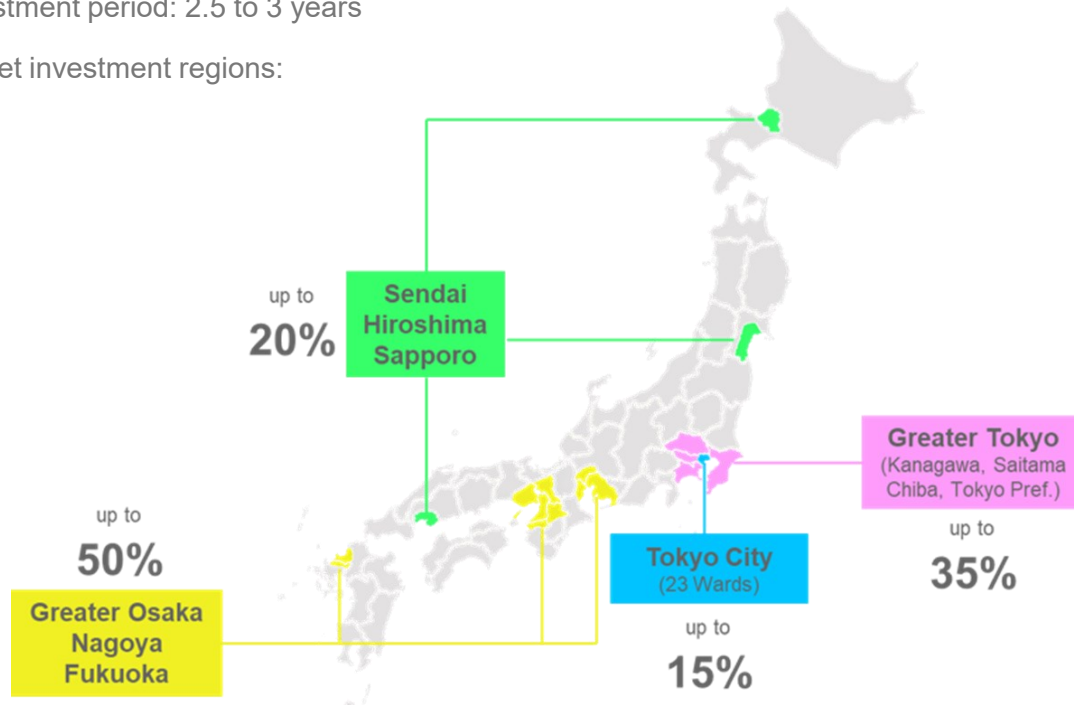
**Kensho Wohnen Japan Fund  
Marketing Fast Facts**

# INVESTMENT STRATEGY KENSHO WOHNEN JAPAN

## Executive Summary

AIF Group (AIF) is currently establishing the BaFin-approved investment fund in the **affordable comfortable housing** segment in Japan.

- ❑ The fund will be launched as an **open-ended special AIF** with a target fund size of at least **¥75 billion** with an equity share of **¥40 billion**.
- ❑ Investment in Japan via TMK structures
- ❑ Investment period: 2.5 to 3 years
- ❑ Target investment regions:



## FUND PARAMETER

Fund structure	Open Special-AIF
ESG classification	Article 9 – Disclosure Regulation
Targeted fund volume	¥ 75 Bil.
Debt financing ratio (leverage)	max. 50%
Minimum investment volume for inclusion in the Investment Committee	¥ 3 Bil.
Average dividend yield	approx. 4,25% p.a. <sup>1)</sup>
Internal Rate of Return	approx. 5,0% p.a. <sup>1)</sup>
BVI Rendite	approx. 5,0% p.a. <sup>1)</sup>

## FONDS STRATEGY

Risk profile	Core / Core plus (max. 40%)
Fund strategy	Core: Buy, Manage and Hold (Long Term) Core plus: Buy, Repair/Reposition, Manage and Hold
Target segment	Residential
Target investment regions	Tokyo City 23 Wards ( up to 15% ) Tokyo Metropolitan Region ( up to 35% ) Osaka / Nagoya / Fukuoka ( up to 50% ) Sendai / Hiroshima / Sapporo ( up to 20% )
Single properties	Purchase Value: ¥ 900 – 7.000 Millionen

<sup>1)</sup> a 10-year investment period is assumed for the profit calculation

# INVESTMENT STRATEGY KENSHO WOHNEN JAPAN

## ESG & Social Impact Strategy

ESG criteria are an essential part of the fund's investment strategy and performance.

The Kensho Wohnen Japan Fund has been granted a distribution license as an Article 9 fund by the German Financial Supervisory Authority BaFin. The fund aims to provide a clear focus on social sustainability through the investment strategy of "appropriate apartment sizes" while considering affordability.

As a further requirement, at least 70% of the investment volume must be certified by the Development Bank of Japan Green Building Certificate, which is based on a combination of E, S and G rating criteria.

ESG Sustainability



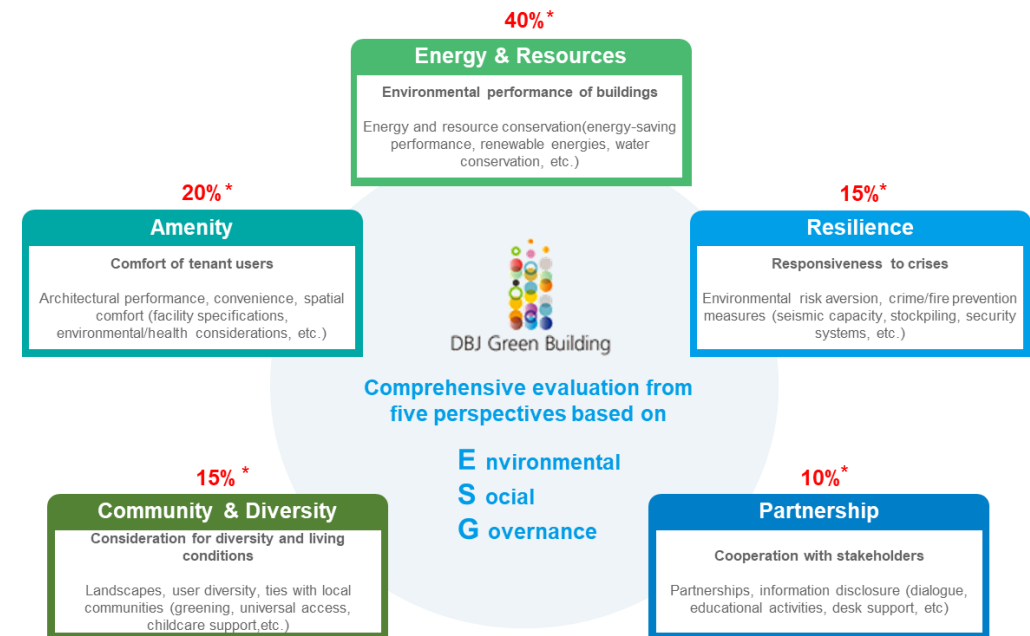
For 70% of investment volume



Social Impact Strategy

Requirements „appropriate apartment sizes“

\* individual apartments in residential projects may be outside the set limits as an exception, but not more than 10% of any residential property.



\* Weight of single components within the DBJ Green Building Framework

# INVESTMENT STRATEGY

General and product-specific risks, incl. sustainability risks.

▶ **Beside opportunities, an investment in a real estate fund also entails risks, which can be controlled with the following measures:**

- ❑ **Price risks** may arise due to participation in the performance of the properties and other investments in the fund. These have a correspondingly greater effect when debt capital is used. The fund is managed in Japanese yen (JPY). In this respect, there is no currency risk within the fund. However, it should be noted that from the perspective of an investor whose local currency is not JPY, the value of the investment is exposed to an exchange rate risk and may fluctuate significantly depending on the development of the local currency in relation to JPY.
- ❑ **Individual risks** of the individual properties, in particular letting risk, market development risk, substance risk and legal risks (tenancy law, building law, etc.) are possible.
- ❑ **Concentration risks** due to restriction to certain countries, regions and market segments are possible.
- ❑ **Counterparty risks** relating to the fund's business partners (tenants, project developers, issuers, banks, service providers, etc.) are possible.
- ❑ **Liquidity risks** may arise in connection with the redemption of units, as these generally cannot be serviced from the liquidity held by the fund. This may also lead to markdowns and price fluctuations in the event of limited tradability of assets.
- ❑ A **sustainability risk** is an environmental, social and governance (ESG) event or condition that, if realized, could have an actual or potential material adverse effect on the value of the investments made ("sustainability risk"). Sustainability risk affects the known types of risk.
- ❑ The **investment strategy** of the AIF is designed in accordance with Article 9 of the Disclosure Regulation. After a start-up phase of 3 years, the Company shall continuously invest at least 90% in properties (measured in terms of the leasable area of all properties of the type of use residential of the investment fund) that meet the social and environmental characteristics defined by AIF Kapitalverwaltungs-AG for the investment fund. The aim of these sustainable assets is to offer "appropriate apartment sizes".
- ❑ It cannot be ruled out that the Company wrongly considers the **requirements for sustainable assets** to be met due to a misjudgment. In this case, there is a risk that the Company may unintentionally violate the defined investment limits.
- ❑ AIF Kapitalverwaltungs-AG also considers the interrelated, material and adverse impacts on sustainability factors (environmental, social, labor rights, human rights, corruption, bribery and corporate governance) for each **investment decision** in order to comply with its due diligence obligation. At the same time, the indicators for the material adverse impacts on sustainability are considered in the context of the investment decisions.
- ❑ Specific risks are associated with the arrangement to meet the criteria defined for the investment fund. Compliance with these criteria of the properties is reviewed at regular intervals and accordingly measures are taken by the Company to improve or maintain them during the holding period. This is associated with **costs** that must be borne by the investment fund in economic terms and may therefore have a negative impact on the return.
- ❑ In particular, there is a risk that the **investment spectrum** will be limited by the sustainability strategy and that investment opportunities may not be available in the required number or can only be acquired at increased prices.
- ❑ **Further information** on the management of sustainability risks can be found on our website [https://aif.capital/esg\\_kvq/](https://aif.capital/esg_kvq/)

# DISCLAIMER

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## Important notice

This is a marketing document. Please read the AIF's information document before making a final investment decision. It cannot be ruled out that the legal requirements and the relevant administrative practice of the competent supervisory authorities will change so that the AIF no longer qualifies as a financial product that meets the requirements under Art. 9 of the Disclosure Regulation. This document is for informational purposes only and should under no circumstances be construed as a commercial offer or acquisition in the real estate market. Therefore, no guarantee is given and liability accepted for any loss or damage arising directly or indirectly from the reader's actions on the basis of this document. The target distribution yield is an estimate of future yield development based on current market developments and is not an exact indicator. How much you actually receive depends on how the market develops and how long you hold the product. Performance according to the BVI method (cf. <https://www.bvi.de/service/statistics-und-research/wertentwicklungstatistik/>). The BVI return is an estimate of future performance based on current market developments and is not an exact indicator. How much you actually get depends on how the market performs and how long you hold the product. The information contained herein, including any opinions or forecasts made, has been obtained from sources believed to be reliable, but no guarantee is made as to its accuracy, adequacy or completeness. Where reference is made to past performance of the advertised fund, such past performance is based on historical data and is not indicative of future returns. Any scenarios presented are an estimate of future performance based on past knowledge of the performance of that investment and/or current market conditions and are not an exact indicator. The level of return generated or actually available will depend on how the market performs and how long the investment/product is held. Future performance is also subject to taxation. It should be noted that this depends on the individual situation of the respective investor and may change in the future. The companies and all companies belonging to the respective group of companies (both AIF Capital Group and Kensho and Partners) assume no responsibility for any changes and possible influences on the performance and income distributions. When deciding to invest in the advertised fund, all characteristics and objectives of the advertised fund should be considered as described in the prospectus or annual report.



Kensho Capital Management K.K.

President & CEO

Dr. Leonard Meyer zu Brickwedde

Telephone: +81-3-6205-3109

Mobile: +81-80-4461-0433

E-Mail:

[leonard.meyerzubrickwedde@ken-sho-investment.com](mailto:leonard.meyerzubrickwedde@ken-sho-investment.com)