



FOR IMMEDIATE RELEASE

# Investors On iSTOX Acquire Stake In Mapletree MERIT Fund As Digital Securities For The First Time

*The Mapletree fund MERIT is invested in European Grade A office properties, and a part of the fund has been made available in tokenised form and in smaller units*

**SINGAPORE, 7 APRIL 2021** – Private market platform iSTOX has announced a digital securities<sup>1</sup> issuance that gives individual accredited investors partial access to Mapletree Investment's ("Mapletree") latest office fund, [Mapletree Europe Income Trust](#) ("MERIT" or "the Trust").

The Trust targets a 12% internal rate of return, and will be managed by Mapletree Real Estate Advisors Pte. Ltd., a wholly-owned subsidiary of Mapletree. MERIT will be Mapletree's 11th private equity fund and the 4th in a series of fully seeded funds which are invested in real estate sectors such as Australia commercial, Europe and US logistics, as well as student accommodation in the US and UK. With EUR 507 million (approximately SGD 816 million<sup>2</sup>) in total fund equity, MERIT is fully invested at closing and consists of seven Grade A office properties totalling approximately 270,000 square metres at a total asset value of EUR 1.2 billion (SGD 1.93 billion<sup>2</sup>). The Trust has a term of five years with provision for two one-year extensions and will make distributions on a semi-annual basis in Euro.

A part of the fund has been made available to individual accredited investors<sup>3</sup> in tokenised form (through Prometheus-2 Pte. Ltd.)<sup>4</sup> and in smaller units. As at 31 March 2020, Mapletree has more than SGD 60 billion of assets under management, with offices across 13 markets, including Asia Pacific, Europe, the United Kingdom and the United States.

Oi Yee Choo, Chief Commercial Officer of iSTOX, said, "For an individual accredited investor, real estate funds can form a valuable component of a diversified portfolio because of the

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<sup>1</sup> Digital securities are also known as security tokens or digital tokens.

<sup>2</sup> Based on exchange rate EUR 1 : SGD 1.61 as at 30 September 2020

<sup>3</sup> MAS defines an individual accredited investor as someone whose net personal assets exceed SGD 2 million (or its equivalent in another currency), or whose net financial assets exceed SGD 1 million (or its equivalent in another currency), or whose income in the preceding 12 months is at least SGD 300,000 (or its equivalent in another currency).

<sup>4</sup> This issuance of digital tokens by iSTOX was carried out through a special purpose vehicle company (Prometheus-2 Pte. Ltd.) incorporated for this issuance.



stable income they generate. But generally speaking, smaller accredited investors find it very difficult to gain access to private real estate funds because of the minimum investment amount. With tokenisation, iSTOX enables that access by using blockchain and smart contract technology to overcome manual processes in the life cycle of a security – including the issuance, custody and post-sale management phases.”

She added, “Mapletree has demonstrated far-sightedness and progressive thinking in allowing a part of its Europe fund to be made available to smaller investors. At a time when companies and governments globally are increasing their efforts in promoting income and wealth equality, Mapletree is showing true leadership. At iSTOX, we expect digital securities to eventually become a regular part of the conversation for any company planning an issuance. As they are fundamentally more efficient, we expect digital securities to grow rapidly as a share of total securities issued – benefiting both issuers and investors.”

Featuring seven high-quality Grade A office assets that are strategically located in regional cities (e.g. Manchester, Bristol, Aberdeen, Warsaw, Munich, Dublin, and Utrecht) with vibrant innovation and service oriented ecosystems, the portfolio offers a well-diversified tenant base with a significant number of companies of high credit quality from growth industries as well as defensive industries in light of Covid-19. These include technology, media, and telecommunications, professional services, as well as the healthcare and pharmaceutical sectors. In addition, the portfolio boasts high occupancy and a long WALE<sup>5</sup> of 6.8 years.

Primary subscription for individual investors via iSTOX closed last month. Subscribed units are now listed on the iSTOX exchange for secondary trading, providing existing accredited investors liquidity and new accredited investors a chance to participate.

According to a [Bain report](#) last year, the private real estate market is about 32 times the size of the public real estate market. With its overall portfolio showing a 5-year average return on invested equity of 13.8% per annum, Mapletree is a leading global player with both private and public real estate funds under its management.

Founded in 2017, iSTOX is fully regulated by the Monetary Authority of Singapore as a multi-asset digital securities platform for the issuance, custody and secondary trading of private market products, such as hedge funds, wholesale bonds and private equity. iSTOX is backed by Singapore Exchange, Temasek-subsidiary Heliconia Capital and Japan government-backed investors JIC Venture Growth Investments (JIC-VGI) and the Development Bank of Japan (DBJ)<sup>6</sup>. Individual accredited investors using the iSTOX platform today come from 24 countries, spanning Asia, Europe, the Americas (excluding the US), Australia and New Zealand.

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<sup>5</sup> Weighted Average Lease Expiry (WALE)

<sup>6</sup> Other investors include Korea’s Hanwha Asset Management, Japan’s Tokai Tokyo Financial Holdings and Thailand’s Kiatnakin Phatra Financial Group.



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### **About iSTOX**

iSTOX is a future-ready capital markets platform set to usher in a new era for capital fundraising and investment. Through digital securities, iSTOX offers a more innovative, flexible, inclusive, and efficient system for an emerging generation of investors and issuers. As part of its mission, iSTOX seeks to enable all users to transact exactly the way they want to and extends capital market access to a wider segment of the community. iSTOX is owned and operated by ICHX, which has been approved by MAS as a recognised market operator (RMO) and has a capital markets services (CMS) license to deal in securities and collective investment schemes, and to provide custodial services. For more information, visit [www.iSTOX.com](http://www.iSTOX.com).