

ASCOTT
RESIDENCE
TRUST

A Member of CapitaLand

Ascott Residence Trust

A Leading Global Serviced Residence REIT

Presentation for PhillipCapital
Lunch Seminar

12 September 2017



Important Notice

The value of units in Ascott Residence Trust (“**Ascott REIT**”) (the “**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott REIT (the “**Manager**”) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott REIT is not necessarily indicative of its future performance.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Unitholders of Ascott REIT (the “**Unitholders**”) have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.



Content

- Overview Of Ascott REIT
- Portfolio Highlights
- Key Highlights Of 2Q 2017
- Strong Sponsor – The Ascott Limited
- Ascott REIT's Strategies
- Conclusion

Overview Of Ascott REIT



Citadines Mount Sophia

Overview of Ascott REIT

A Leading Global Serviced Residence REIT With 75 Properties Located In Key Gateway Cities Across The World

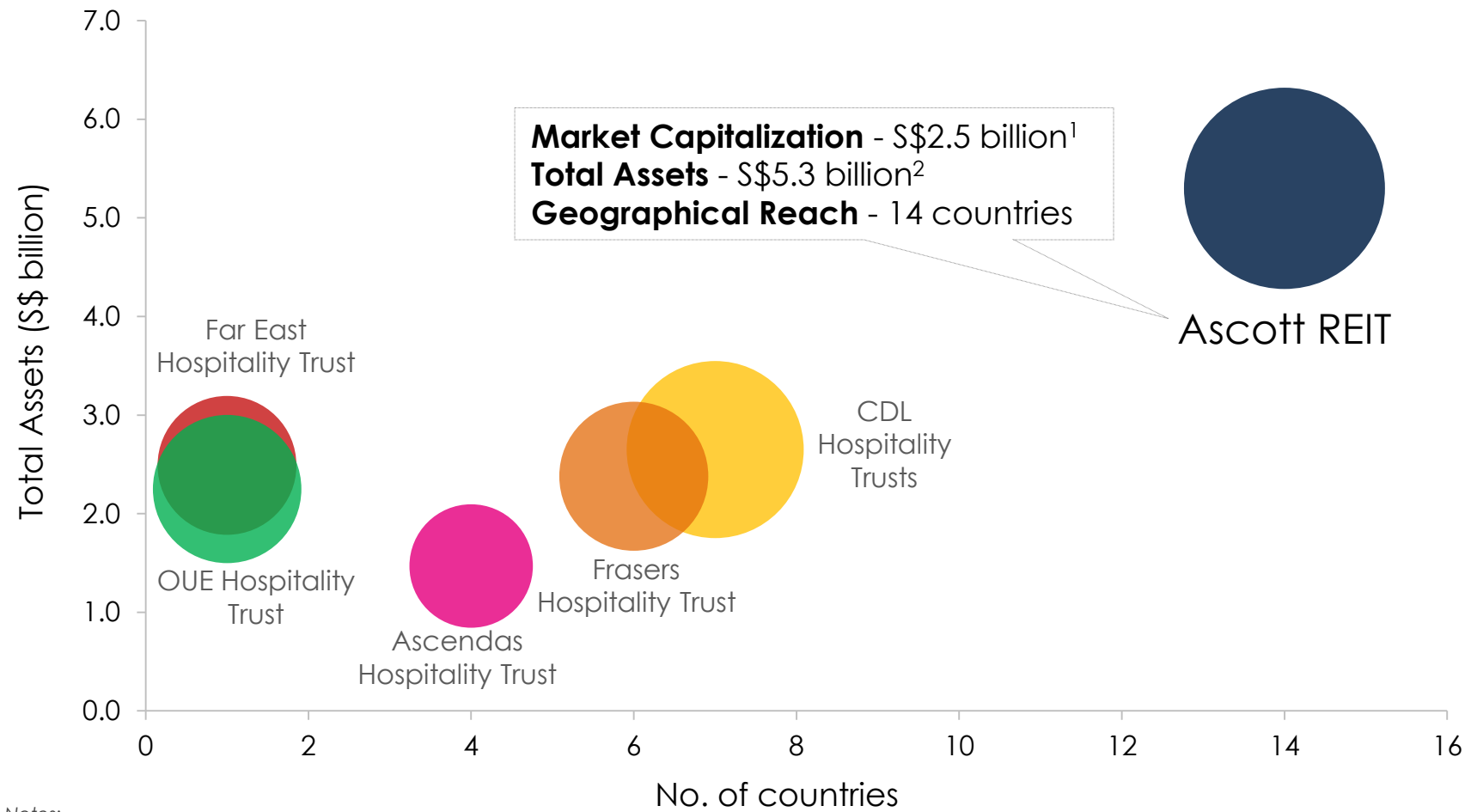
S\$2.5b¹ Market Capitalisation	S\$5.3b Total Assets	11,861 Apartment Units	75 Properties	38 Cities in 14 Countries
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Notes:
 1. Market capitalization as at 4 September 2017
 Figures above as at 30 June 2017, including the acquisition of Ascott Orchard Singapore, which is targeted to be completed in 4Q 2017 and DoubleTree by Hilton Hotel New York – Times Square South which was completed on 17 August 2017



Ascott REIT Is The Most Geographically Diversified REIT And The Largest Hospitality S-REIT By Asset Size And Market Capitalisation¹



Notes:

1. Size of bubbles denotes market capitalization extracted from Bloomberg as at 4 September 2017
2. As at 30 June 2017, including the acquisition of Ascott Orchard Singapore, which is targeted to be completed in 4Q 2017 and DoubleTree by Hilton Hotel New York – Times Square South which was completed on 17 August 2017

Above figures based on latest company filings

Awards and Accolades



- **The Asia Pacific Best of the Breeds REITs Awards™ 2017**
– Best Hospitality REIT, Platinum Award (the highest in the category)



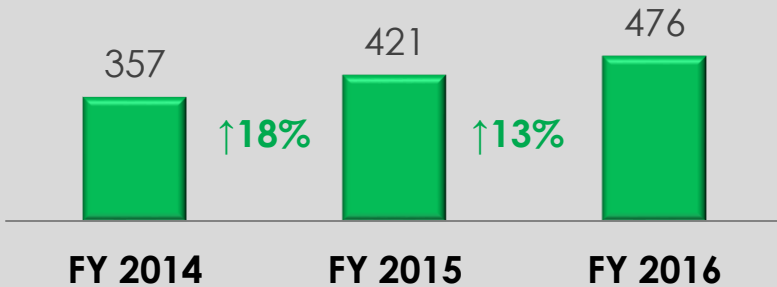
- **Singapore Governance and Transparency Index 2017 – REIT and Business Trust Category**
– Ranked 6th out of a total of 42 REITs and Business Trusts



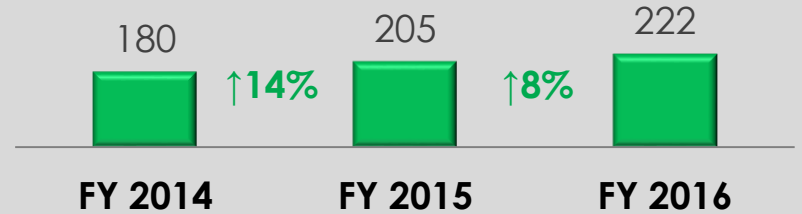
Stable And Sustainable Returns

With Solid Financial Performance, Ascott REIT Continuously Delivers Stable And Sustainable Returns For Unitholders

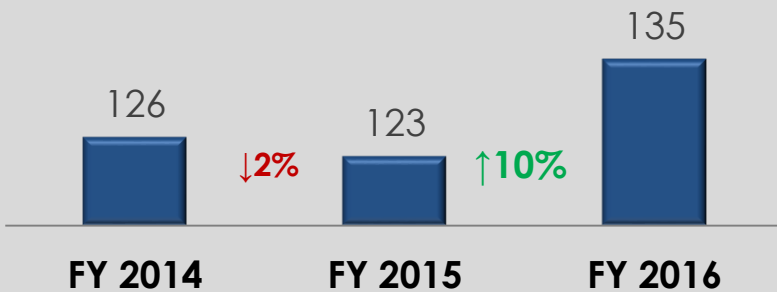
Revenue (\$m)



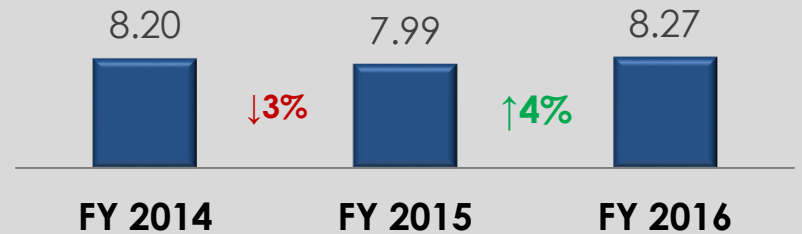
Gross Profit (\$m)



Unitholders' Distribution (\$m)



Distribution Per Unit (\$ cents)



Key Features Of Ascott REIT

Investment Mandate

- Invests primarily in real estate and real estate-related assets which are income-producing and which are used, or predominantly used, as serviced residences, rental housing properties and other hospitality assets in any country in the world

Leverage

- Low gearing of 32.4% as at 30 June 2017¹
- Historically, Ascott REIT's aggregate leverage has been at c.34%-41%²

Distribution Payout Ratio

- Since its listing, Ascott REIT has distributed **100%** of Unitholders' distribution
- Distribution is on a semi-annual basis

Sponsor-aligned Interest

- CapitaLand Limited, through The Ascott Limited ("Ascott"), is a substantial Unitholder of Ascott REIT (c.44% interest in Ascott REIT)

Notes:

1. Gearing would be approximately 36% upon the target completion of the acquisition of Ascott Orchard Singapore in 4Q 2017, DoubleTree by Hilton Hotel New York – Times Square South, which was completed on 17 August 2017, and the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an
2. Based on Ascott REIT's gearing for financial years 2011 – 2016



What Are Serviced Residences?

“Home away from home”

- Fully furnished apartments catered for both short and long term stay
- Kitchen facilities with separate living and dining area





What Are Serviced Residences?

	Hotels	Serviced Residences
Lease Structure & Terms	<ul style="list-style-type: none"> Short-term accommodation 	<ul style="list-style-type: none"> Variable lease terms
Revenue	<ul style="list-style-type: none"> Revenue from rooms and other sources e.g. F&B, ancillary 	<ul style="list-style-type: none"> Revenue predominantly from rooms
Cost Structure	<ul style="list-style-type: none"> Higher staff-to-room ratio Full range of hospitality services 	<ul style="list-style-type: none"> Lower staff-to-room ratio Limited services provided
Seasonality	<ul style="list-style-type: none"> Predominantly seasonal nature of tourism industry 	<ul style="list-style-type: none"> Predominantly driven by long-term macroeconomic factors such as GDP growth and FDI inflows

Portfolio Highlights

Ascott Raffles Place Singapore

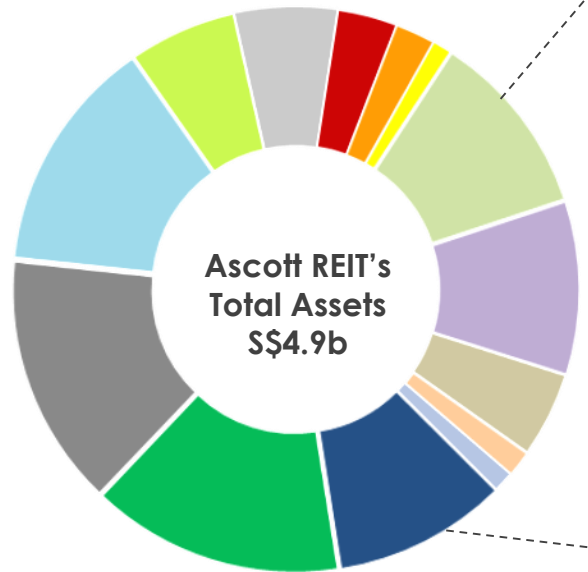


Portfolio Diversified Across Property And Economic Cycles

Breakdown Of Total Assets By Geography As At 30 June 2017

Asia Pacific 61.6%

● Japan	14.6%
● Singapore	14.5%
● China	13.6%
● Vietnam	6.2%
● Australia	5.9%
● Philippines	3.4%
● Indonesia	2.3%
● Malaysia	1.1%



Europe 28.4%

● France	10.7%
● UK	10.1%
● Germany	4.9%
● Spain	1.5%
● Belgium	1.2%

The Americas 10.0%

● USA	10.0%
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Competitive Strengths Of Ascott REIT's Properties

Strategic Locations

- Conveniently located within or in close proximity to the local prime business districts in their respective micro-markets
- Enjoy high levels of connectivity via public transportation

Strong Brand Recognition

- Internationally recognized brands
- A desired choice of accommodation for corporate executives and travellers seeking accommodation for extended stays

Operational synergies with the Ascott Group

- Ascott REIT can leverage on Ascott's competitive advantages in the market through Ascott's ability to develop, invest, operate and manage serviced residences and rental housing properties across the world

Flexible Business Model

- Longer leases provide certainty and stability to revenue
- Shorter leases provide higher operating margins

Strong Guest Base And Geographical Diversification

- Guest base comprises expatriate families, business travellers, corporate clients and government bodies which provides relative stability to revenue
- Properties located in 14 different countries which reduces dependence of Ascott REIT's revenue on any particular market

Types Of Contracts¹

	Stable Income		Growth Income
	Properties under Master Lease	Properties under Management Contracts with Minimum Income Guarantee	Properties on Management Contracts
Description	Master Lessees pay fixed rental per annum ² to Ascott REIT	Properties on management contracts that enjoy minimum guaranteed income	No fixed or guaranteed rental but Ascott / third party operator manages Ascott REIT's properties for a fee
Location	28 properties	7 properties	40 properties

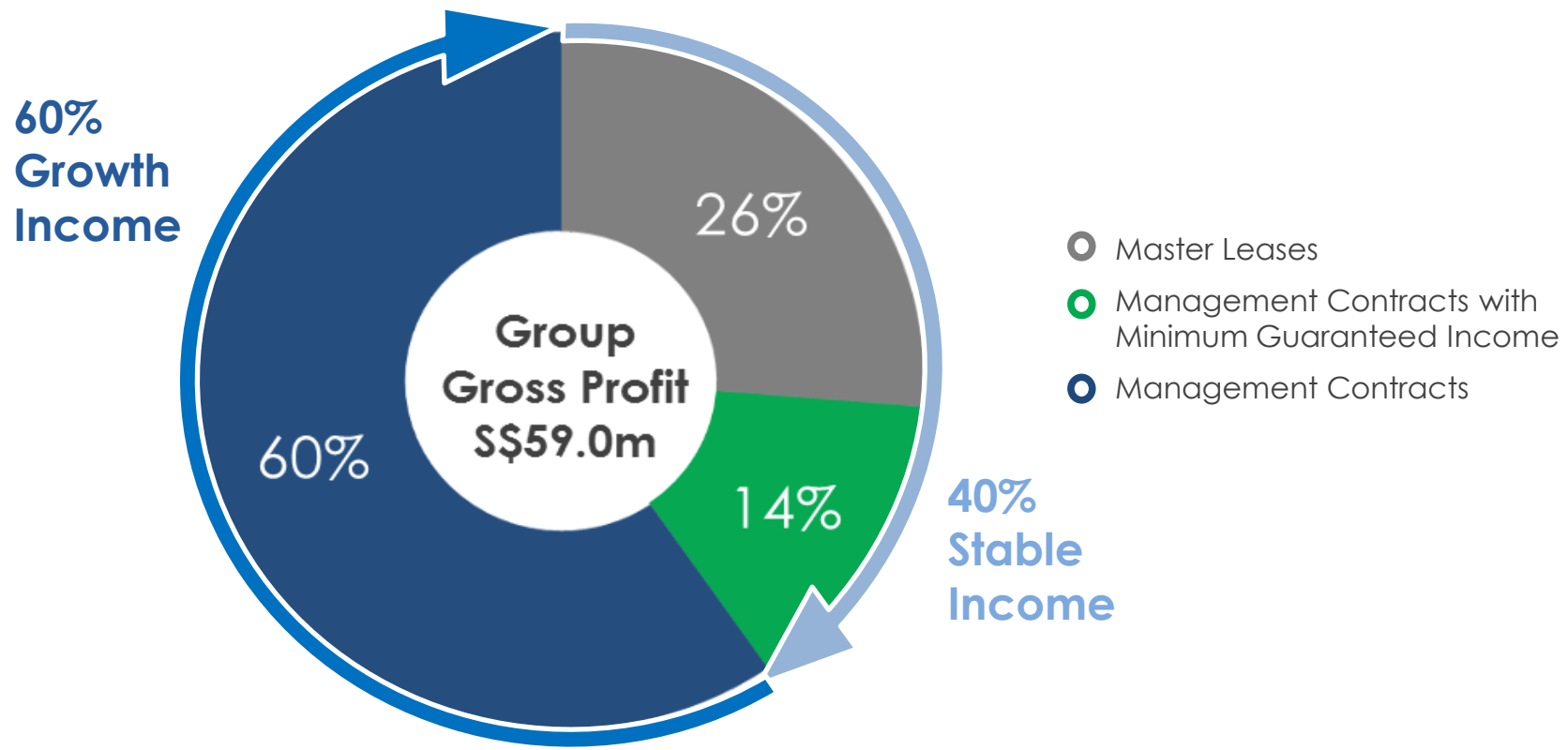
Notes:

1. Figures above as at 30 June 2017, including the acquisition of Ascott Orchard Singapore, which is targeted to be completed in 4Q 2017 and DoubleTree by Hilton Hotel New York – Times Square South which was completed on 17 August 2017.
2. The rental payments under the master leases are generally fixed for a period of time. However, the master leases provide for annual rental revisions and/or pegged to indices representing construction costs, inflation or commercial rental prices according to market practice. Accordingly, the rental revisions may be adjusted upwards or downwards depending on the above factors.



Portfolio Underpinned By Growth And Stable Income

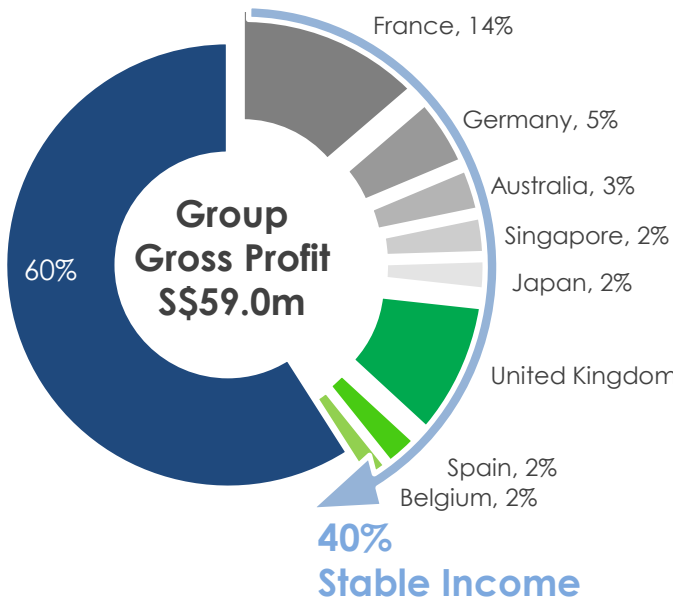
Gross Profit Contribution By Contract Type For 2Q 2017



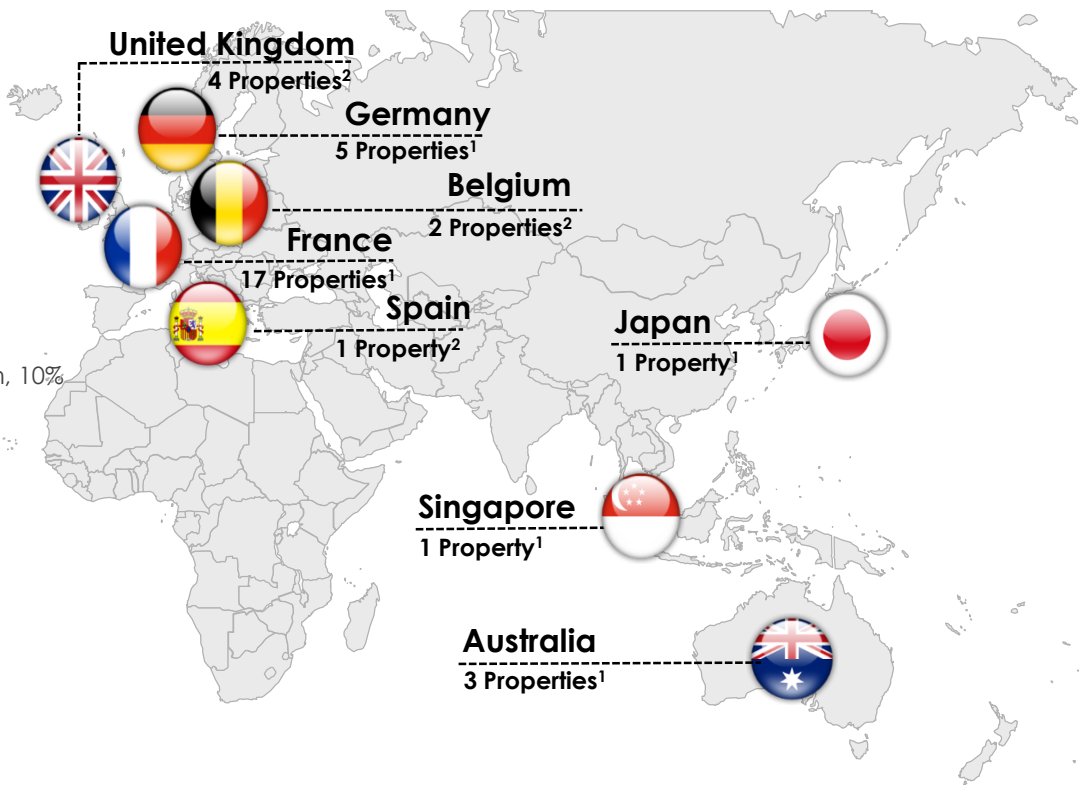


40% Of Group Gross Profit In 2Q 2017 Contributed By Stable Income

Gross Profit Contribution By Contract Type In 2Q 2017



Properties Under Master Leases And Management Contracts With Minimum Guaranteed Income



- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

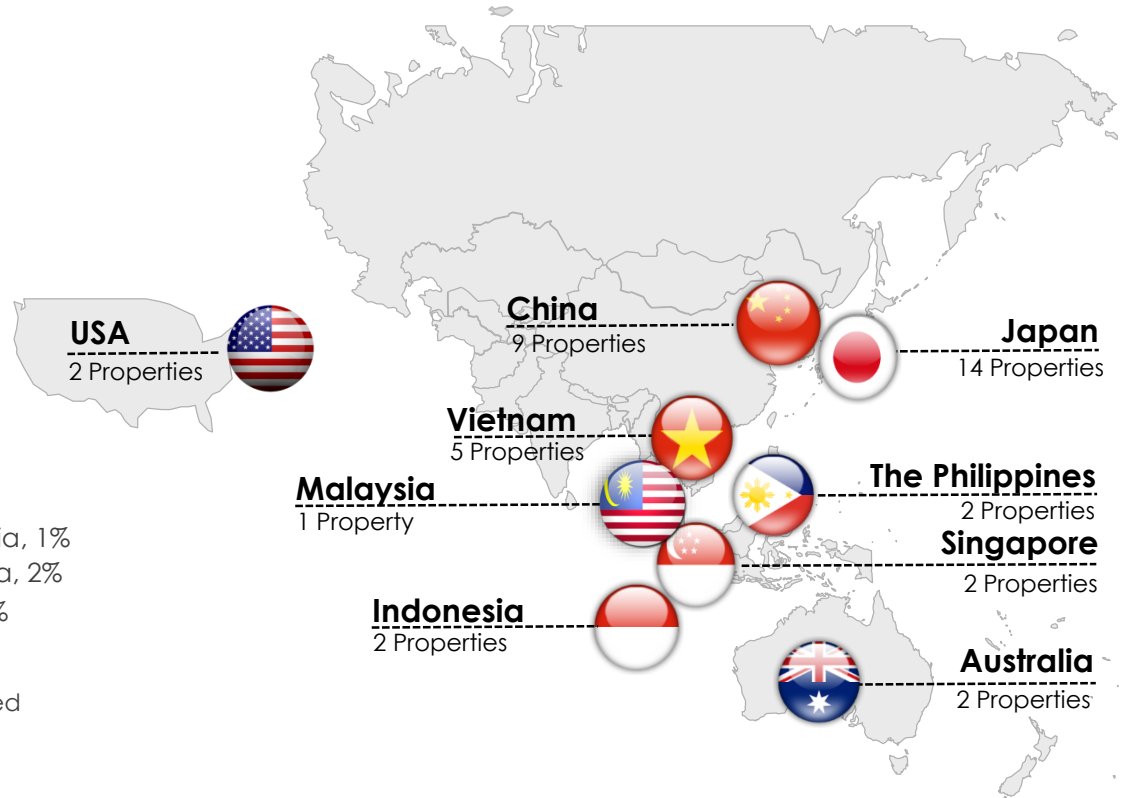
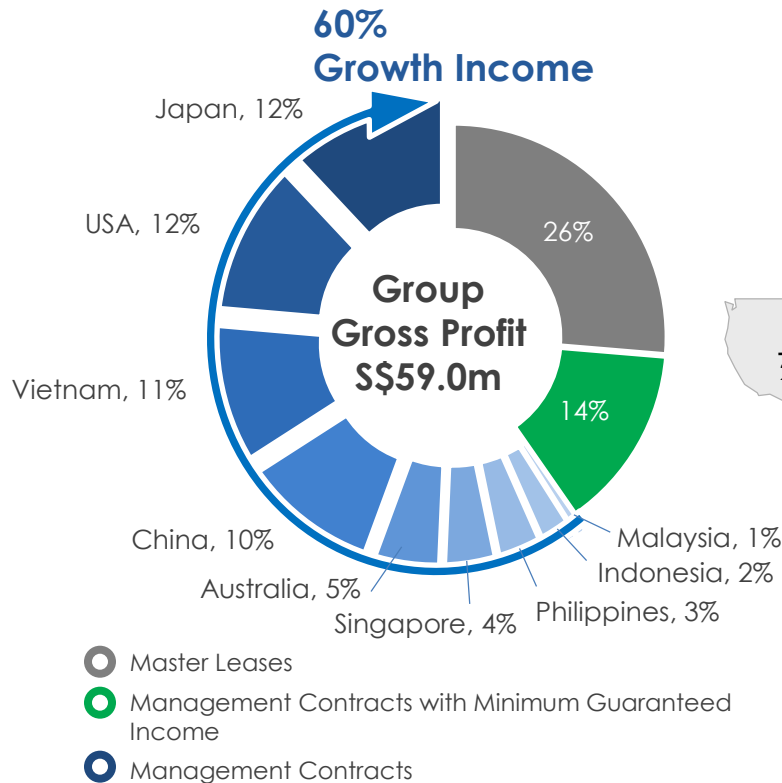
Remaining weighted average tenure of approximately 4 years

Notes:
 1. Properties under master leases
 2. Properties under management contracts with minimum guaranteed income

60% Of Group Gross Profit In 2Q 2017 Contributed By Growth Income

Gross Profit Contribution By Contract Type In 2Q 2017

Properties Under Management Contracts



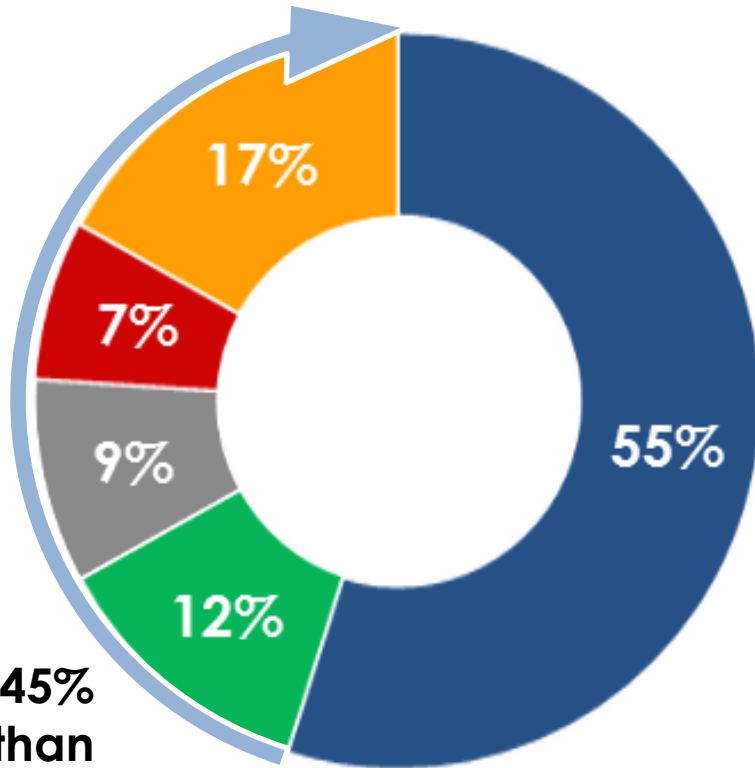
Growth potential derived from properties under management contracts



Continue To Focus On Long Stay Segments

Breakdown Of Apartment Rental Income¹ By Length Of Stay

YTD June 2017



**45%
More than
a week**

Average length of stay was about 3.2 months, which provides income stability

- 1 week or less
- Less than 1 month
- 1 to 6 months
- 6 to 12 months
- More than 12 months

Notes:
1. Information for properties on master leases are not included



Key Highlights of 2Q 2017

Ascott Raffles Place Singapore

Key Highlights of 2Q 2017

Successful Fund Raising

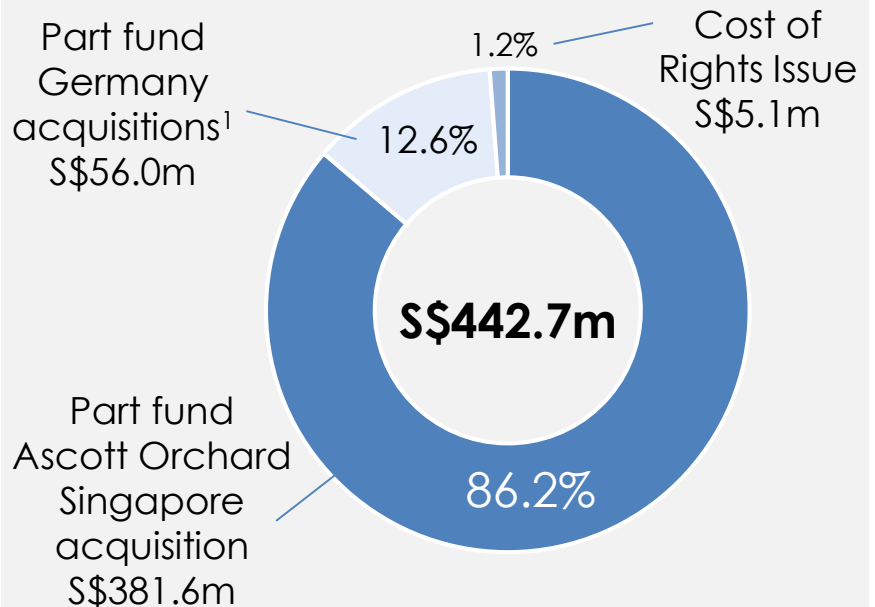
- In April 2017, Ascott REIT successfully completed a rights issue to raise gross proceeds of **S\$442.7m**
- The rights issue has been oversubscribed at **1.8 times**

Rights Issue Price

29 for 100 rights issue at an issue price of **S\$0.919** for each right unit, which represents a discount of:

- **~17.5%** to the theoretical ex-rights price (TERP) of S\$1.114 per unit
- **~21.5%** to the closing price of S\$1.170 per unit on 6 March 2017

Use of Gross Proceeds



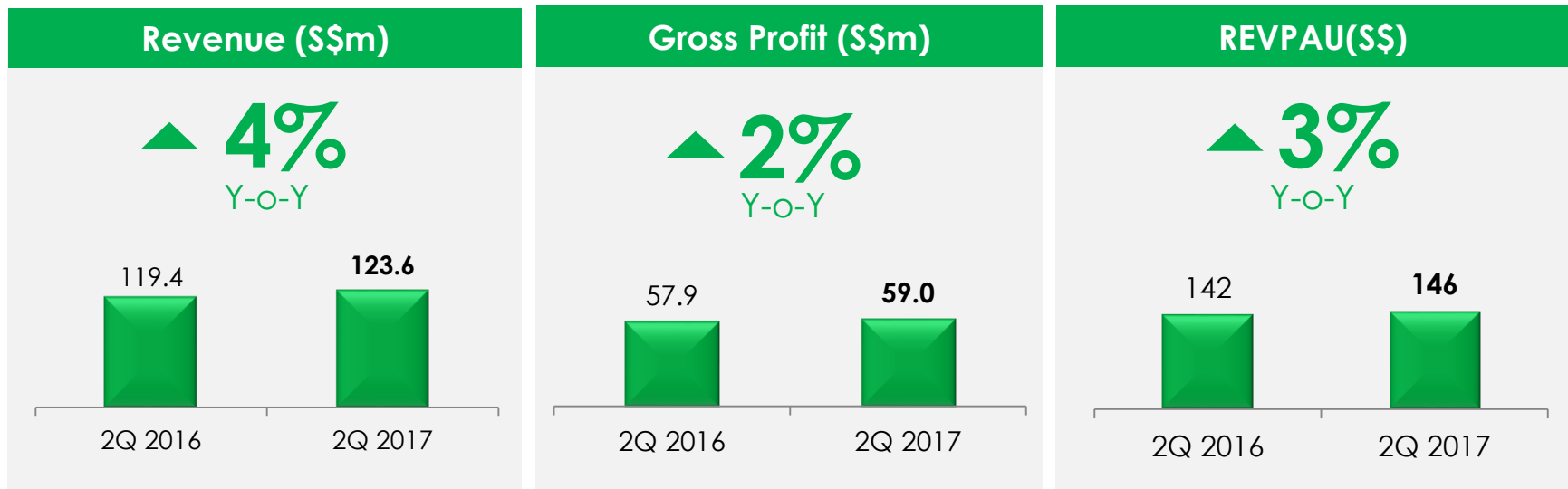
Note:

1. The acquisitions of two serviced residence properties in Germany, Citadines Michel Hamburg and Citadines City Centre Frankfurt, were completed on 2 May 2017

Key Highlights of 2Q 2017

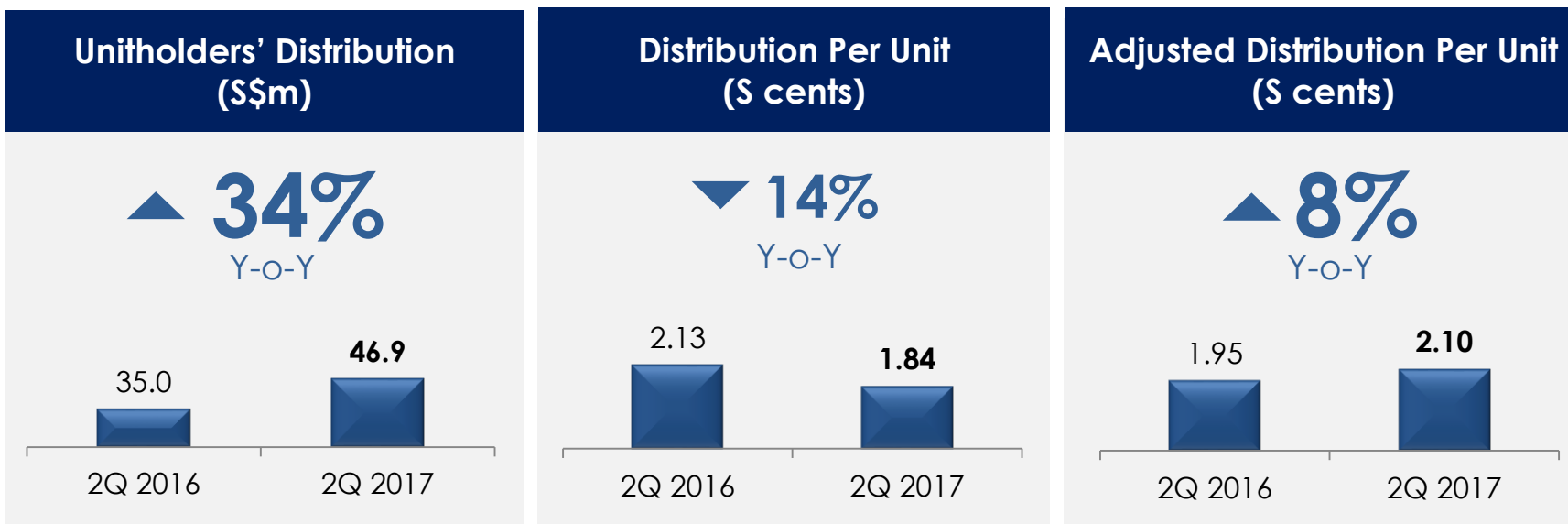
Improved Operational Performance

- Notwithstanding slow-paced global economic recovery, portfolio REVPAU increased **3%** Y-o-Y, in particular, posting double-digit increase in RevPAU in Belgium, Philippines and Vietnam



Key Highlights of 2Q 2017

Unitholders' Distribution Rises 34% Y-o-Y



- Mainly due to one-off realised foreign exchange gain arising from the repayment of foreign currency bank loans and improved operational performance
- Decline in DPU by 14% due to Rights Issue completed in April 2017
- DPU that was adjusted for one-off items¹, Rights Issue and equity placement², increased 8% Y-o-Y

Notes:

1. Unitholders' distribution in 2Q 2017 included a realised exchange gain of \$11.9 million arising from repayment of foreign currency bank loans with the proceeds from the Rights Issue and divestment proceeds. Unitholders' distribution in 2Q 2016 included a realised exchange gain of \$3.5 million arising from repayment of foreign currency bank loans
2. On 23 March 2016, 94,787,000 new units were issued on SGX-ST in relation to the equity placement exercise to raise proceeds to fund the acquisition of Sheraton Tribeca New York Hotel as completed on 29 April 2016

Key Highlights of 2Q 2017

Growth Through Yield Accretive Acquisitions

— *Germany*

**Citadines City Centre Frankfurt and
Citadines Michel Hamburg**

- Accretive at an EBITDA yield of 5.4%¹
- Completed on 2 May 2017

— *The United States of America*

**DoubleTree by Hilton Hotel New York –
Times Square South**

- Accretive at an EBITDA yield of 6.0%¹
- Completed on 17 August 2017

— *Singapore*

Ascott Orchard Singapore

- On track for completion in 4Q 2017



Citadines Michel Hamburg



Citadines City Centre Frankfurt



Ascott Orchard
Singapore



DoubleTree by Hilton
Hotel New York –
Times Square South

Note:
1. Based on FY2016 pro forma

Key Highlights of 2Q 2017

Proactive Asset Management Through Asset Enhancement Initiatives

Somerset Ho Chi Minh City (Final Phase)



Pre-refurbishment



Post-refurbishment

ADR
uplift of
~23%¹

Somerset Millennium Makati



Pre-refurbishment



Post-refurbishment

ADR
uplift of
~14%¹

Notes:

1. Figures refer to the year-on-year ADR improvement of refurbished apartments in 2Q 2017

Key Highlights of 2Q 2017

Strategic Portfolio Reconstitution

Divested a portfolio of 18 rental housing properties in Tokyo, Japan on 26 April 2017

- Sale price of JPY12.0 billion (S\$153.6m) is **16%** above the latest valuation as at 31 December 2016
- Net gain of **S\$17.2m**

Announced the divestment of 2 serviced residences in China, Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, in July 2017

- Sale price of RMB980 million (S\$198.0m) is **69%** above the latest valuation as at 31 December 2016
- Net gain of **S\$48.3m**



Total Sales Proceeds: S\$351.6m
Total Divestment Gain: S\$65.5m

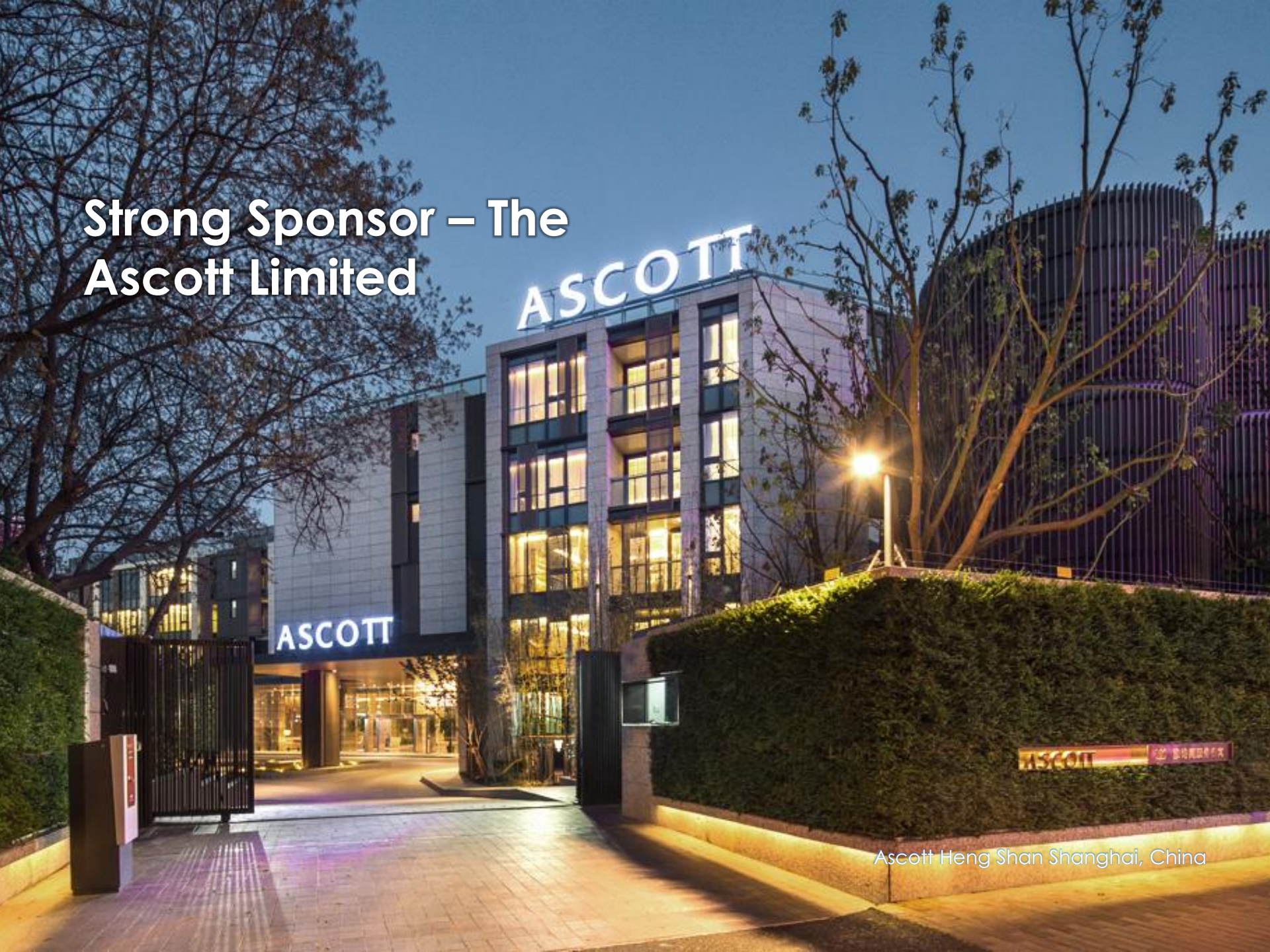
Disciplined and Prudent Capital Management

- Low gearing of **32.4%** as at 30 June 2017¹
- The refinancing of the loans that are coming due in 2017 is completed²
- Effective borrowing rate remained stable at **2.4% per annum**
- Approximately **85%** of total borrowings is on fixed interest rates to hedge against the rising interest rate environment
- On a portfolio basis, approximately **32%** of estimated FY 2017 foreign currency distribution income had been hedged
- **Baa3** issuer rating affirmed by Moody's in March 2017

Notes:

1. Upon the completion of the acquisition of Ascott Orchard Singapore, DoubleTree by Hilton Hotel New York – Times Square South (completed on 17 August 2017) and the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an, gearing would be approximately 36%
2. Excluding Citadines Gaoxin Xi'an, which will be divested in 2H 2017

Strong Sponsor – The Ascott Limited



Ascott Heng Shan Shanghai, China

Strong Sponsor

The Ascott Limited, A Wholly-owned Subsidiary Of CapitaLand Limited



Ascott is one of the leading international serviced residence owner-operators with close to 70,000 units in over 500 properties across 124 cities in 31 countries¹

Over 30 year track record having pioneered Pan-Asia's first international-class serviced residence property in 1984

Award-winning brands with worldwide recognition



Sponsor – c.44% CapitaLand ownership in Ascott REIT

Note:
1. Including the Quest's portfolio of serviced residences in Australia, New Zealand and Fiji.



Ascott's Global Portfolio

Approx. 70,000
Apartment Units

502¹
Properties

124
Cities in 31 Countries



Figures above as at 21 July 2017; include units under development

Note:

1. Exclude the number of properties under the Synergy corporate housing portfolio
2. Exclude Quest NewQuay Docklands, Quest Cannon Hill, Quest at Sydney Olympic Park, Quest Mascot and Quest Campbelltown which are owned by Ascott and/or its affiliates



Expanding Global Network Through Acquisitions

In July 2017, Ascott Acquired An Additional 60% Stake In Quest Apartment Hotels and 80% Stake In Synergy Global Housing In U.S.

Ascott has bought an additional 60% stake in Quest Apartment Hotels (“Quest”) for A\$180 million (\$\$191 million)

- This will increase Ascott’s stake in Quest from its current 20% to 80%, propelling Ascott to become the leading serviced residence provider in Australasia and provide another engine of growth outside of its existing market through Quest’s highly scalable business format franchise platform



Ascott has acquired an 80% stake in Synergy Global Housing (“Synergy”)

- Synergy is the leading corporate housing provider in the U.S. with close to 2,000 units located predominantly in the U.S. West Coast
- The acquisition will expand Ascott’s footprint in the U.S. by leveraging Synergy’s platform for significant cross selling opportunities and synergies through complementary geographical reach, target segments and strengths



The Acquisitions Will Further Solidify Ascott’s Leadership Position In The Serviced Residence Industry In The World

Award Winning Properties Under 6 Distinct Serviced Residence Brands



citadines
APART' HOTEL



QUEST
APARTMENT HOTELS

The Crest Collection
by The Ascott Limited

lyf



Ascott Raffles Place Singapore



Citadines Saint-Germain-des-Prés Paris, France



Somerset Wusheng Wuhan, China



Quest West Perth Australia



La Clef Tour Eiffel Paris, France



lyf Show Suite

Ascott
Exclusive city living homes with discreet services for business travellers

Citadines
Ideal home in the city with flexible services for individuals on the go

Somerset
Stylish apartments offering the comforts and familiarity of home for executives

Quest
Spacious serviced apartment style hotel rooms perfect for short and long stays, located across Australia, New Zealand and Fiji

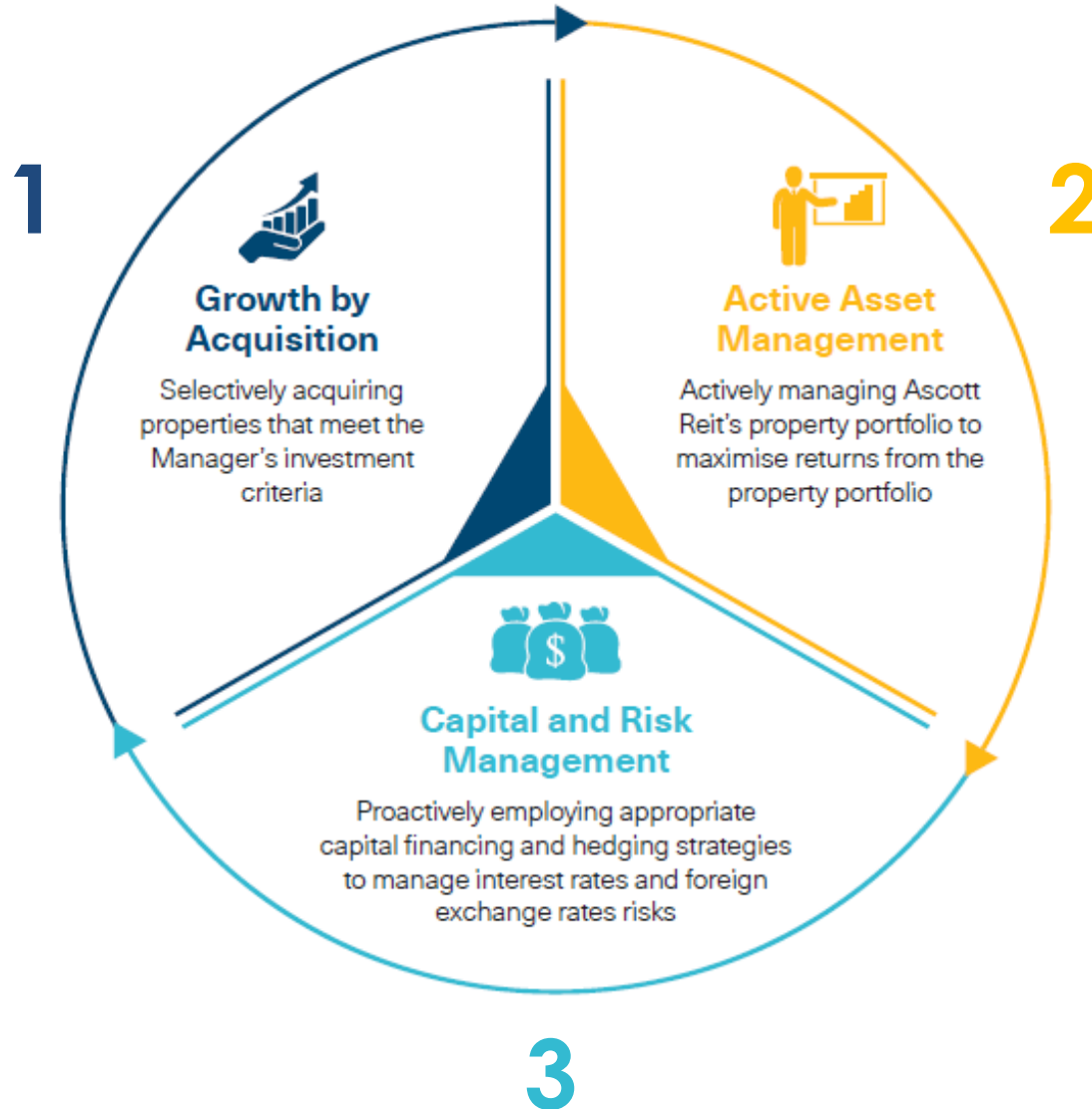
The Crest Collection
Luxurious city living with discreet services for business and leisure travellers

lyf
A new way of living and collaborating as a community, connecting guests with fellow travellers and change-makers

Ascott REIT's Strategies

Somerset Liang Court Singapore

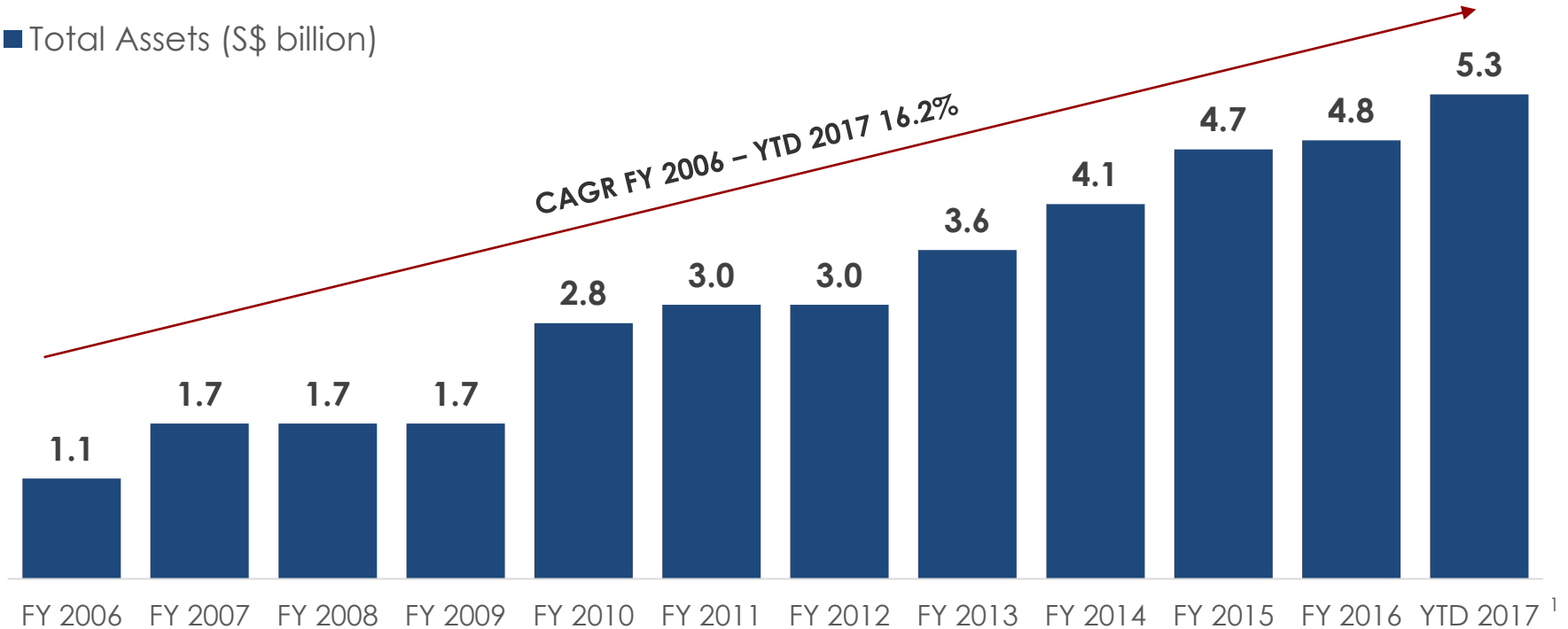
Ascott REIT's Strategies



1. Growth By Acquisition

Ascott REIT Has More Than Quadrupled Its Total Assets Since Its Listing In 2006

■ Total Assets (\$\$ billion)

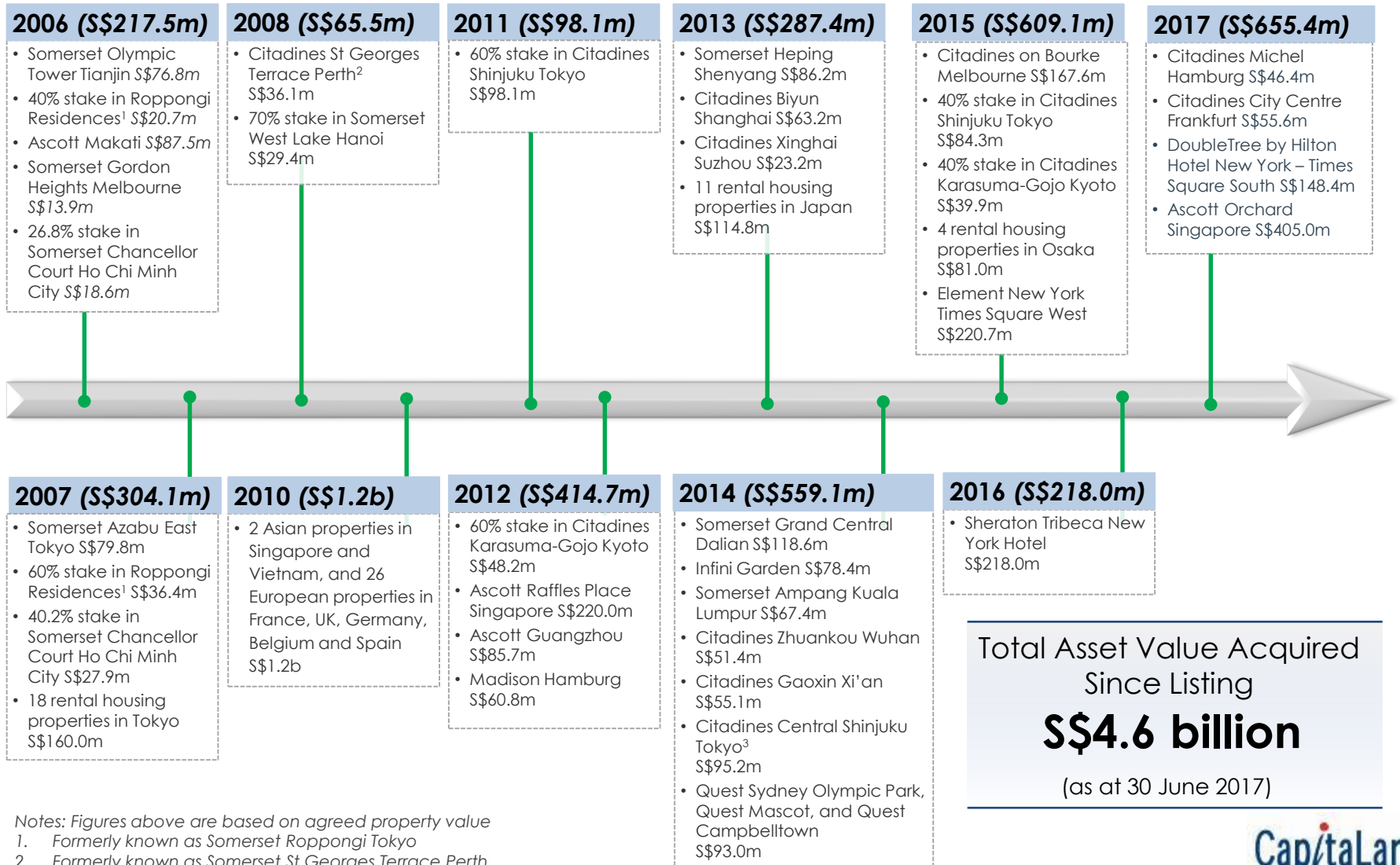


Note:

1. As at 30 June 2017, including the acquisition of Ascott Orchard Singapore, which is targeted to be completed in 4Q 2017 and DoubleTree by Hilton Hotel New York - Times Square South which was completed on 17 August 2017

1. Growth By Acquisition

Ascott REIT's Strong Acquisition Track Record Since Listing



Notes: Figures above are based on agreed property value

1. Formerly known as Somerset Roppongi Tokyo
2. Formerly known as Somerset St Georges Terrace Perth
3. Formerly known as Best Western Shinjuku Astina Hotel

2. Active Asset Management

Approximately 90% Of Ascott REIT's Serviced Residence Properties Have Undergone, Or Are Undergoing, Asset Enhancement Initiatives¹ ("AEI")



Somerset Xu Hui Shanghai (Final Phase)



- Renovation of 42 apartment units from level 2 to 12, and 42 units from level 15 to 21



Ascott Makati (Phase 1)



- Renovation of 177 units, café, business centres and public area
- Upgrade mechanical and electrical infrastructure

Note:
1. As at 30 June 2017, excluding properties acquired since 2014, and rental housing properties

2. Active Asset Management

Properties With A Total Divestment Value Of S\$1.3 billion Have Been Recycled And Re-deployed Into Higher Yielding Assets Since 2010

2010 (S\$335.7m)

- Ascott Beijing S\$301.8m
- Country Woods Jakarta S\$33.9m



The proceeds from the 2012 divestments were deployed to fund the yield accretive acquisitions of

- Ascott Raffles Place Singapore
- Ascott Guangzhou

2014 (S\$140.0m)

- Fortune Garden Apartments¹



2015 (S\$60.3m)

- 6 Rental Housing Properties in Japan S\$53.1m
- Salcedo Residence S\$7.2m



Ascott REIT Divested

- 18 Rental Housing Properties in Japan
- Citadines Biyun Shanghai
- Citadines Gaoxin Xi'an

The proceeds from the 2010 divestments were used to partly fund the yield accretive acquisitions of

- Citadines Mount Sophia Property Singapore,
- Somerset Hoa Binh Hanoi
- 26 European properties in France, UK, Germany, Belgium and Spain

2012 (S\$374.6m)

- Somerset Gordon Heights Melbourne S\$15.6m
- Somerset Grand Cairnhill Singapore S\$359.0m



Ascott REIT has completed the strata sale of 81 apartment units as at July 2017.

Ascott REIT Divested

- Six Rental Housing Properties In Japan
- Salcedo Residences in Philippines

2017 (S\$351.6m)

- 18 Rental Housing Properties in Japan S\$153.6m
- Citadines Biyun Shanghai & Citadines Gaoxin Xi'an S\$198.0m



Aggregate net divestment gain of S\$297.5m during the period FY 2010 – YTD 2017

Note: Figures above are based on agreed sale price.

1. Formerly known as Somerset Grand Fortune Garden Property Beijing

3. Capital and Risk Management

Healthy Balance Sheet and Credit Metrics

As at 30 June 2017

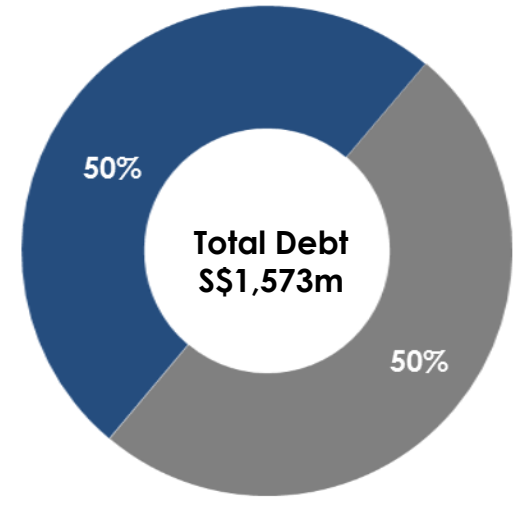
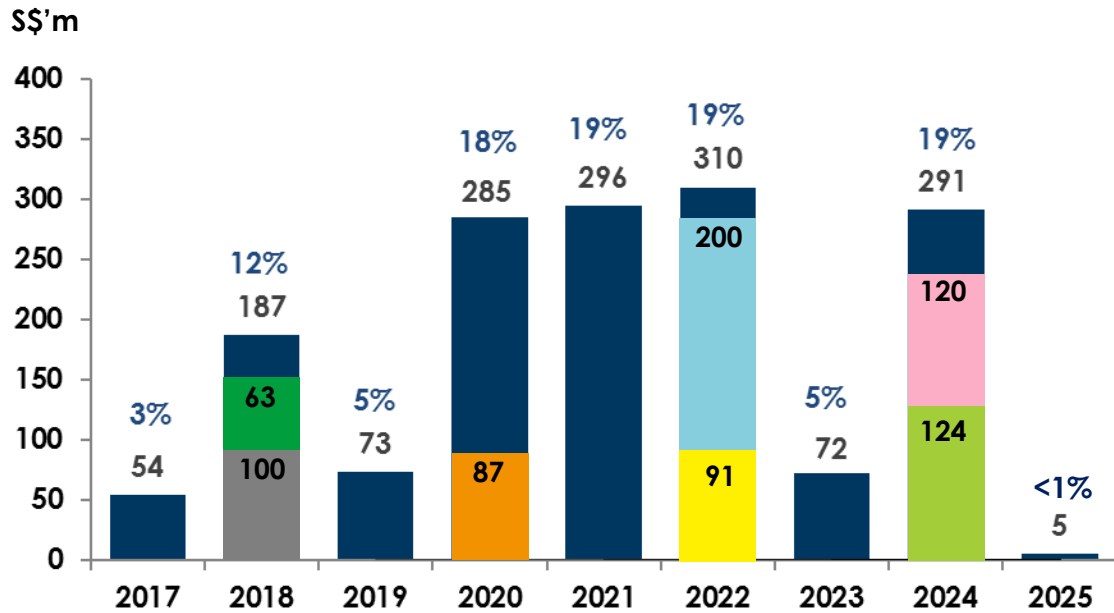
Gearing	32.4%
Interest Cover	4.4X
Effective Borrowing Rate	2.4%
Total Debts on Fixed Rates	85%
Weighted Avg Debt to Maturity (Years)	4.8
NAV/Unit	S\$1.23
Ascott REIT's Issuer Rating by Moody's	Baa3

3. Ascott REIT Continues To Diversify Funding Sources And Spread Out Debt Maturity Over The Long-term

Refinancing Of The Loans That Are Coming Due In 2017 Is Completed¹

Debt Maturity Profile
As at 30 June 2017

By Debt Type
As at 30 June 2017



- Bank loans
- 2.01% p.a. fixed rate JPY5b MTN
- 4.30% p.a. fixed rate S\$100m MTN
- 1.65% p.a. fixed rate JPY7b MTN
- 4.21% p.a. fixed rate S\$200m MTN²
- 1.17% p.a. fixed rate JPY7.3b MTN
- 2.75% p.a. fixed rate EUR80m MTN
- 4.00% p.a. fixed rate S\$120m MTN³

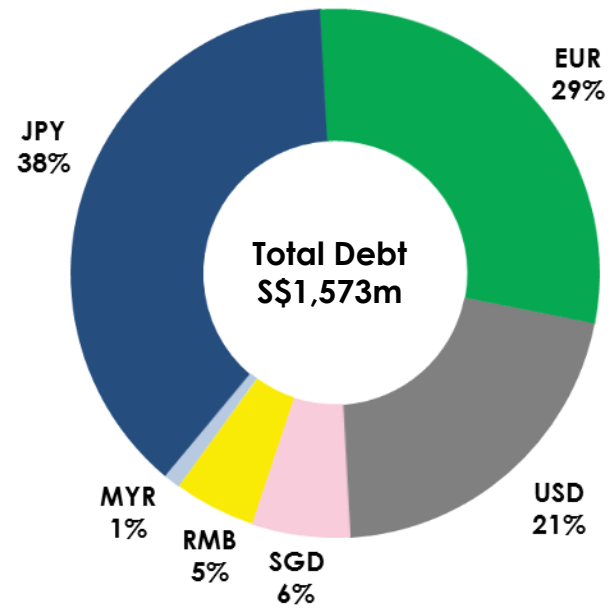
Notes:
 1. Excluding *Citadines Gaoxin Xi'an*, which will be divested in 2H 2017
 2. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 1.82% p.a. over the same tenure
 3. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 2.15% p.a. over the same tenure



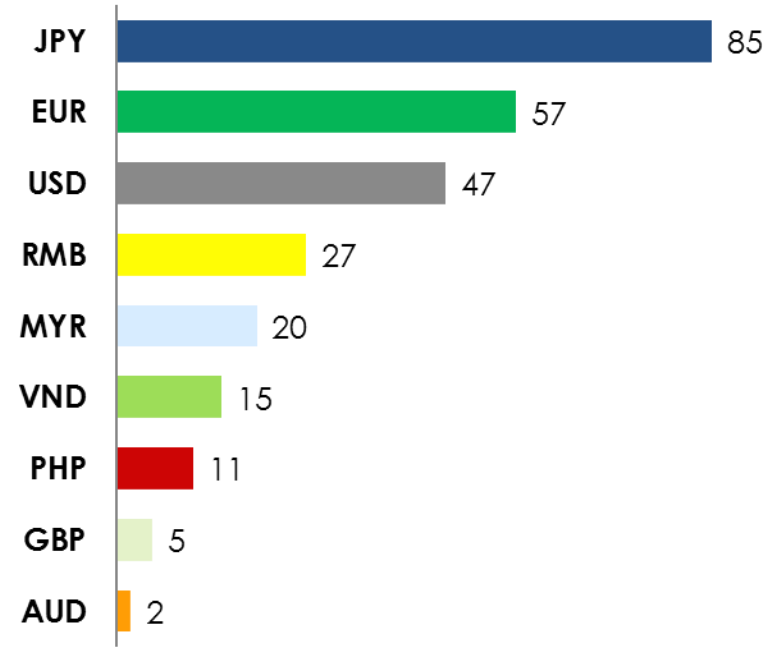
3. Foreign Currency Risk Management

Ascott REIT Adopts A Natural Hedging Strategy To The Extent Possible

Debt By Currency (%)
As at 30 June 2017



Balance Sheet Hedging (%)
As at 30 June 2017



3. Foreign Currency Risk Management

Overall Exchange Rate Fluctuations Have Been Largely Mitigated

Currency	Gross Profit YTD Jun 2017 (%)	Exchange Rate Movement From 31 Dec 2016 to 30 Jun 2017 (%)
EUR	23	-0.3
JPY	16	2.5
VND	12	-1.6
RMB	10	-1.1
AUD	9	-0.9
GBP	9	-0.7
USD	9	-1.1
SGD	7	-
PHP	4	-1.6
MYR	1	0.3
Total	100	-0.3

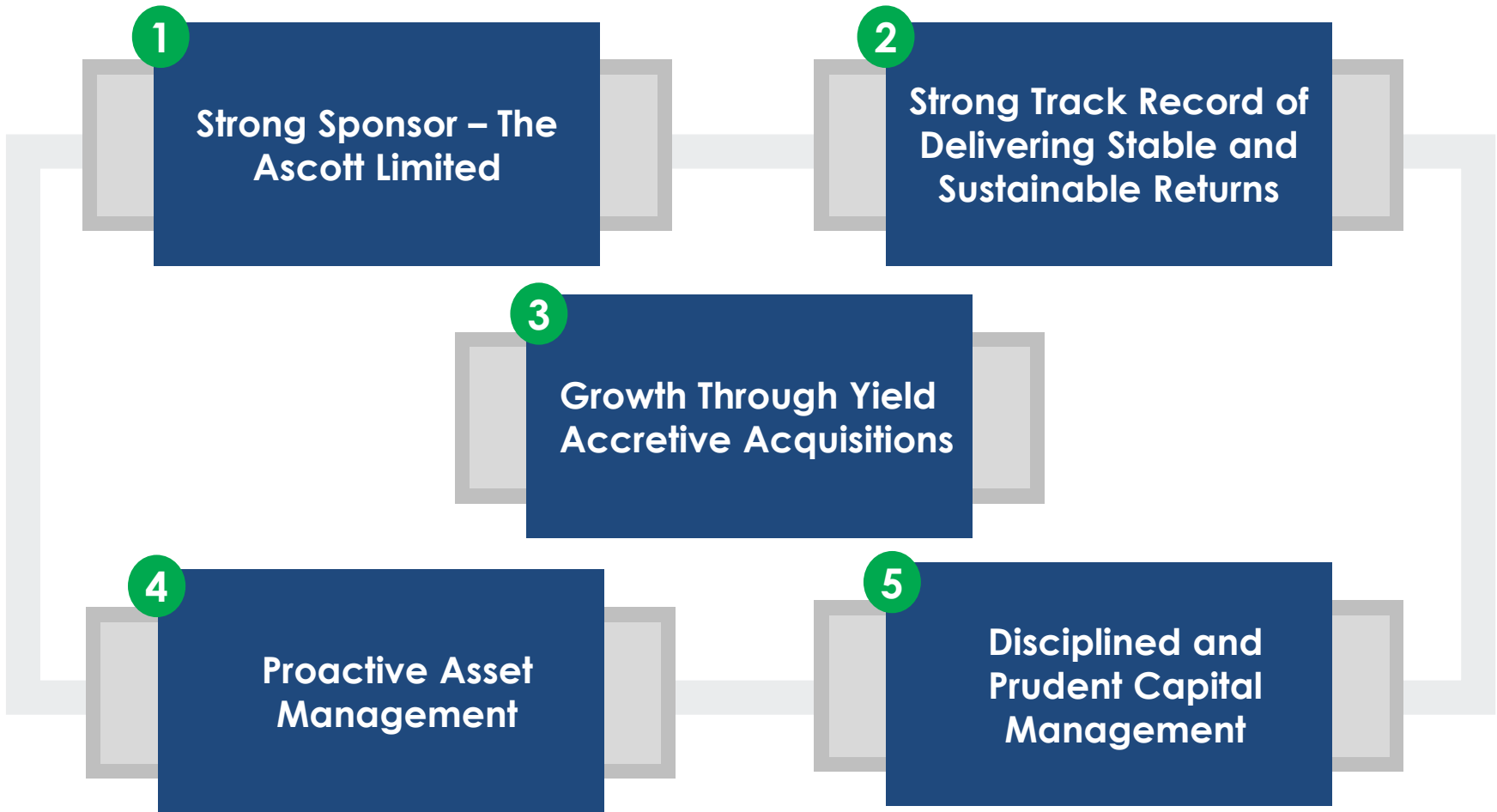
Distribution income derived in EUR, GBP and JPY had been hedged. On a portfolio basis, approximately 32% of estimated FY 2017 foreign currency distribution income had been hedged.

Conclusion

Ascott Raffles Place Singapore



Conclusion



Going forward, Ascott REIT will continue to focus on creating stable income and returns to Unitholders through its diversified portfolio and extended-stay business model, together with the master leases and management contracts with minimum guaranteed income.



Appendix

Ascott Raffles Place Singapore

Overview of Ascott REIT

Trust Structure

