



**Acquisition of
PARK TOWER**
Sacramento, California
12 February 2020



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Overview of Park Tower

Maiden Acquisition of Park Tower, Sacramento



Description	24-storey Class A office tower and 5-storey mixed use retail/parking garage
Location	980 9th St and 1010 8th St, Sacramento, California
Land Tenure	Freehold
NLA	489,171 sq ft
Parking Lots	1,157 (2.4/1,000 sq ft)
Valuation²	US\$170.0 million
Purchase Price³	US\$165.5 million
FY19 NPI Yield⁴	6.9%
WALE by NLA	5.6 years
Tenants	43

Class A

Prime CBD Location

92.2%¹ Occupancy



Note: Data as at 1 January 2020

- (1) Committed occupancy as at 1 January 2020, assumes (i) building amenities of 9,609 sq ft are on a leased basis, (ii) lease with California Public Radio for 8,196 sq ft, which was signed on 30 January 2020, was in place as at 1 January 2020, and (iii) non-leaseable static vacancy of 28,194 sq ft in the basement is excluded
- (2) Based on valuation as at January 2020 by Joseph Blake & Associates, an independent 3rd party appraiser.
- (3) Subject to closing and post-closing adjustments in the ordinary course of business
- (4) Based on annualised cash NPI for FY2019 of US\$11.5 million and purchase consideration of US\$165.5 million



Rationale and Key Benefits of the Acquisition

Rationale and Key Benefits of the Acquisition

1 Exposure to California's Capital, Sacramento



2 Class A Tower with World Class Amenities located in a PRIME location



3 Enhanced Portfolio Diversification



4 Provides Resilience and Growth to PRIME's Portfolio



5 Accretive Acquisition Enhances Unitholders' Return



Exposure to California's Capital, Sacramento



Expanding Economy

- Average Gross Metropolitan Product annual growth rate of 3.2% vs U.S. average of 2.3 % (2013 – 2018)

Growing Population

- Significant in-migration and population growth trends

Highly Educated Workforce

- Abundant and highly-educated workforce due to presence of world-renowned institutions

Strong Government Presence

- Government employment makes up about 22% of the region's employment providing economic stability

Growing Private Sector

- Attractive destination for employers in healthcare, education and technology, amongst others

Good Alternative to San Francisco

- Lower cost of business and living, extensive transportation networks and retail amenities



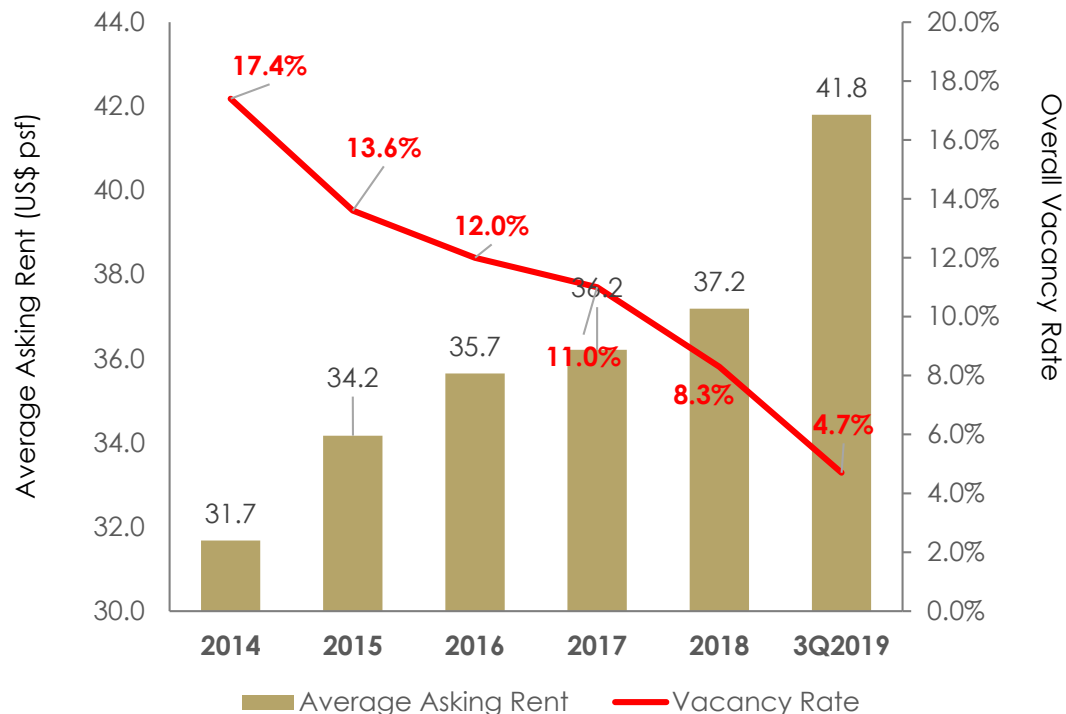
Sacramento - One of US' Strongest Real Estate Markets



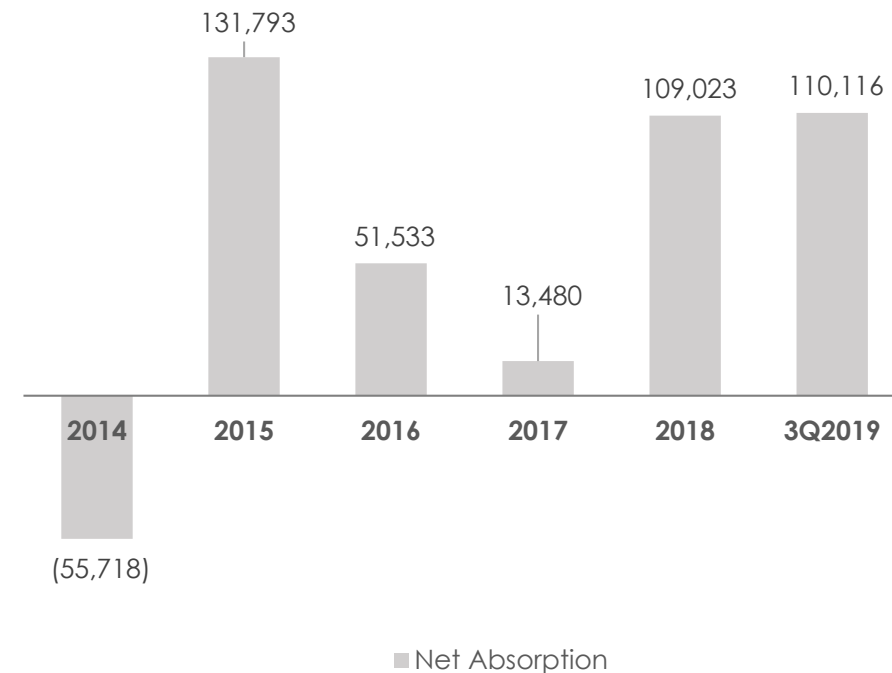
Low overall vacancy and increasing asking rents¹

Demand outpaces supply¹

Historical Asking Rent and Vacancy Rate



Historical Net Absorption (US\$) (sq ft)



Strong competitive micro market underpinned by low vacancy, healthy rent growth, high demand and limited new supply

Class A Tower with World Class Amenities



Timeless Design

Designed by the renowned architectural firm Kaplan McLaughlin Diaz and recently renovated magnificent three-storey atrium lobby



~15,000 – 28,000 sq ft of Flexible Floor Plates



Robust Onsite Amenities

Including recently renovated fitness centre, locker rooms, conference centre, and tenant lounge

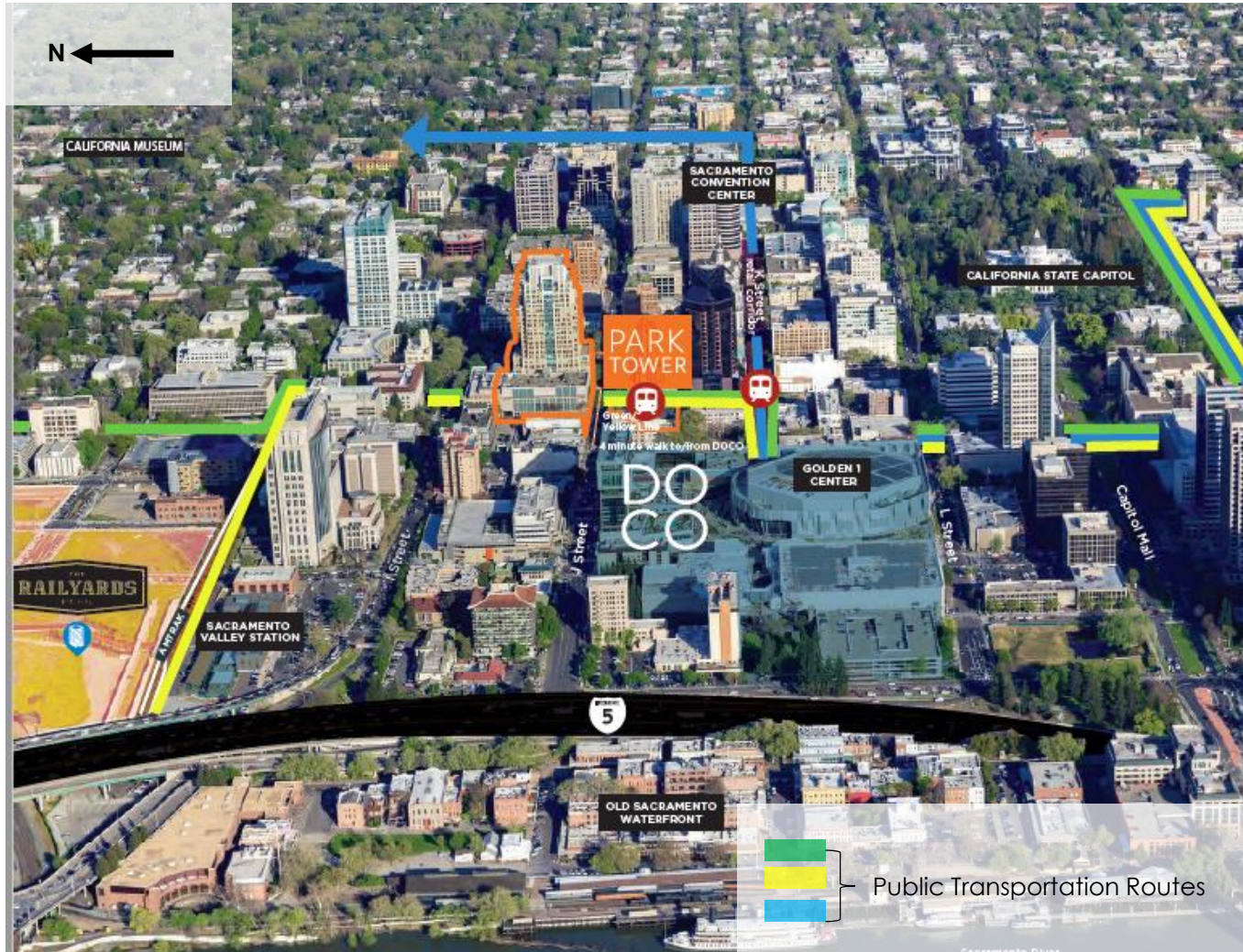


Above Market Parking

Two parking garage at a above average parking ratio of 2.4/1,000 sq ft in the submarket



Situated in the Heart of Sacramento's Downtown Core



LIVE, WORK, PLAY

An outstanding combination of recreational, cultural, educational offerings and relatively lower cost of living has resulted in Sacramento attracting residents from neighbouring states.

Sacramento's highly-educated and growing workforce is one of the key factors that have attracted various globally recognised employers to Sacramento.

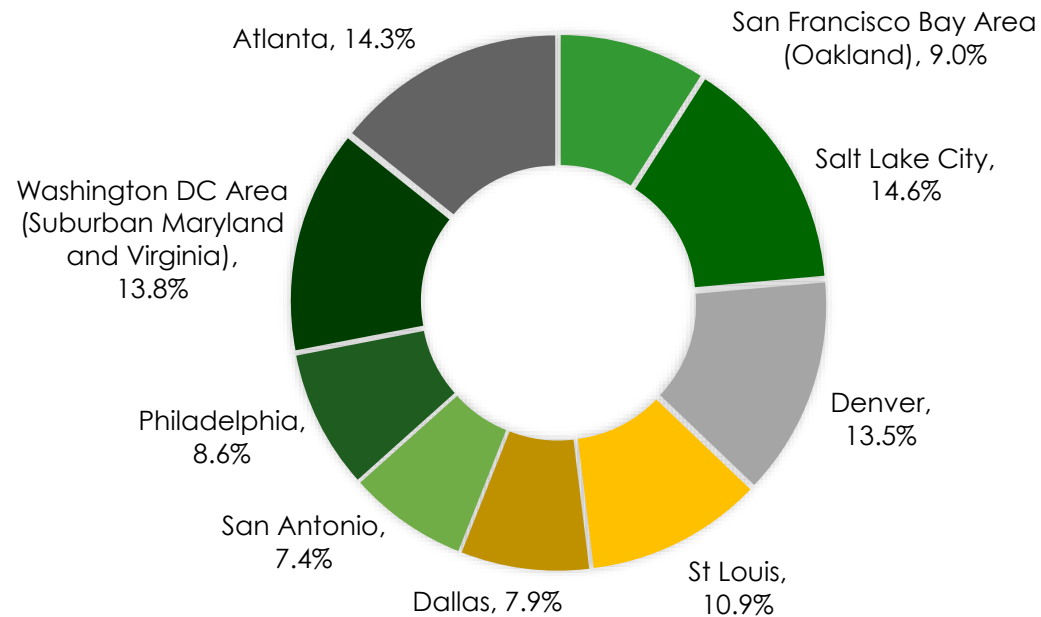
Furthermore, Sacramento is undergoing an entertainment evolution. New entertainment and leisure venues continue to open. One such major venue is Downtown Commons (DOCO), which is a newly developed, mixed-use entertainment and shopping complex with 630,000 sq. ft of retail, including popular eateries, department stores, cinema and gym.

With such transportation infrastructure and amenities for its residents, Downtown Sacramento has become a true *LIVE-WORK-PLAY* Environment.

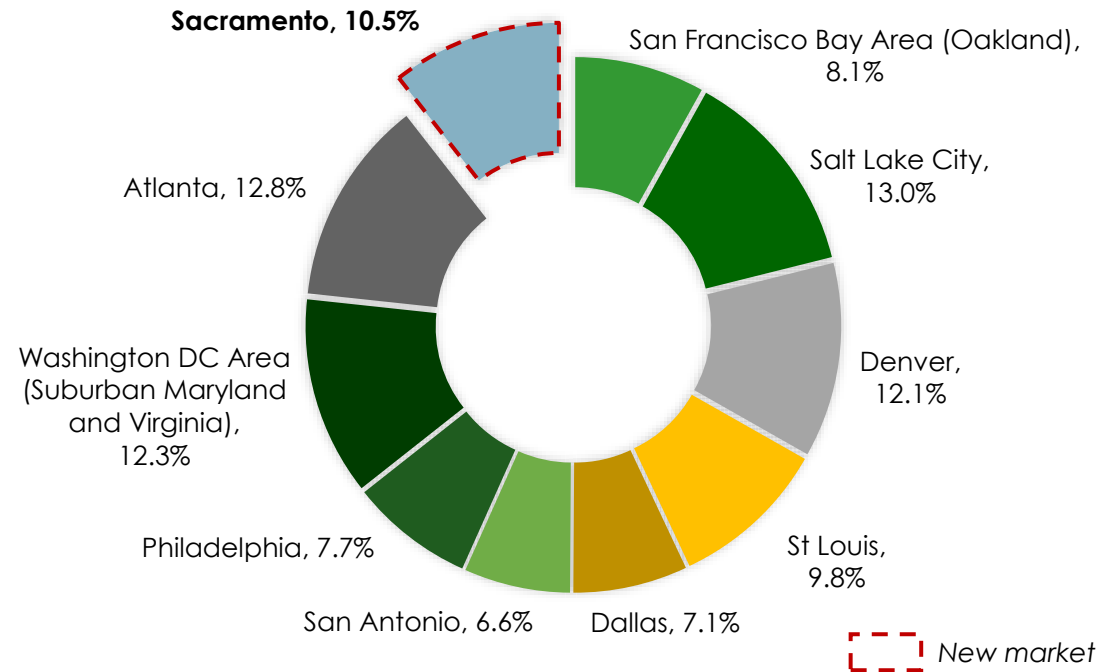
Enhance Asset Diversification



Current Portfolio: Cash Rental Income¹ by Market²



Enlarged Portfolio: Cash Rental Income¹ by Market²



Expand footprint to a new target market

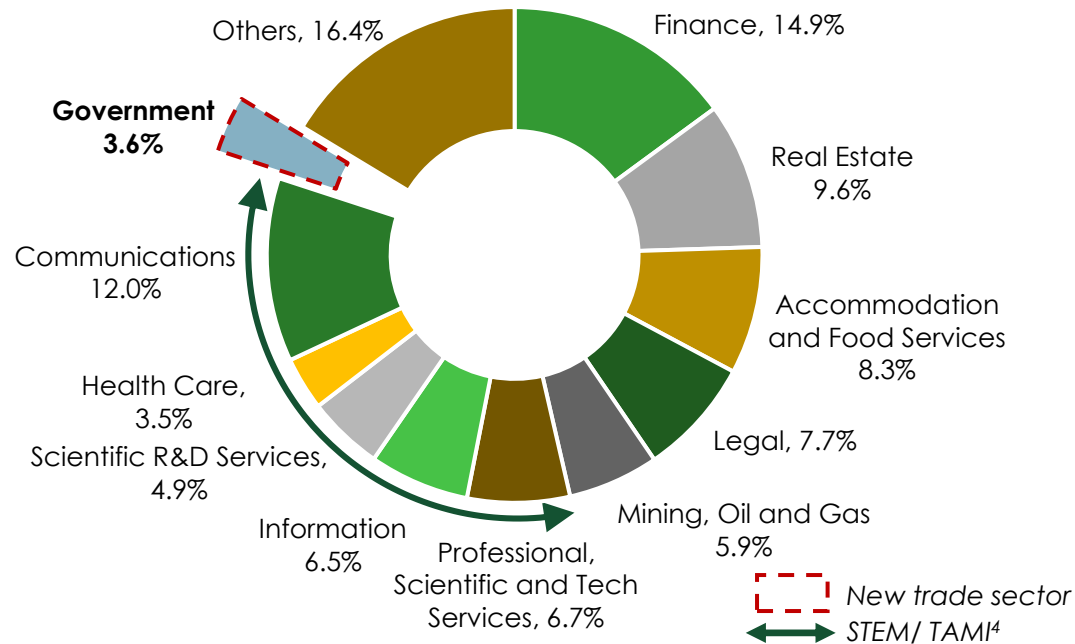
No Single Market Contributes More Than 13.0% of Cash Rental Income

Tenant and Cash Rental Income Diversification



Enlarged Portfolio Tenant Mix

Trade Sector by Cash Rental Income¹



Top 10 Tenants of Park Tower²

No. Tenant	Industry	NLA (sq ft)	% of Cash Rental Income ^{1,3}
1	State of California	141,372	29.8%
2	ICF Consulting	35,000	8.8%
3	Delta Conveyance Design and Construction Joint Powers Authority	26,199	7.6%
4	Sacramento County Employee Retirement	17,190	4.6%
5	Deloitte	17,065	4.5%
6	Regus	17,066	4.5%
7	Association of California Water Agencies	12,769	3.3%
8	California Strategies	9,222	2.8%
9	California Nurses Association	10,721	2.7%
10	BKF Engineers	9,243	2.5%
Total Top 10 Tenants		295,847	71.1%

Exposure to fast growing STEM/TAMI⁴ sectors

Introduction of a new industry sector, Government providing added stability to the portfolio



(1) For the month of December 2019
 (2) As at 1 January 2020
 (3) Expressed as a percentage of total cash rental income of Park Tower for the month of December 2019
 (4) STEM: Science, Technology, Engineering and Math; TAMI: Technology, Advertising, Media and Information

Provides Resilience and Growth to PRIME's Portfolio



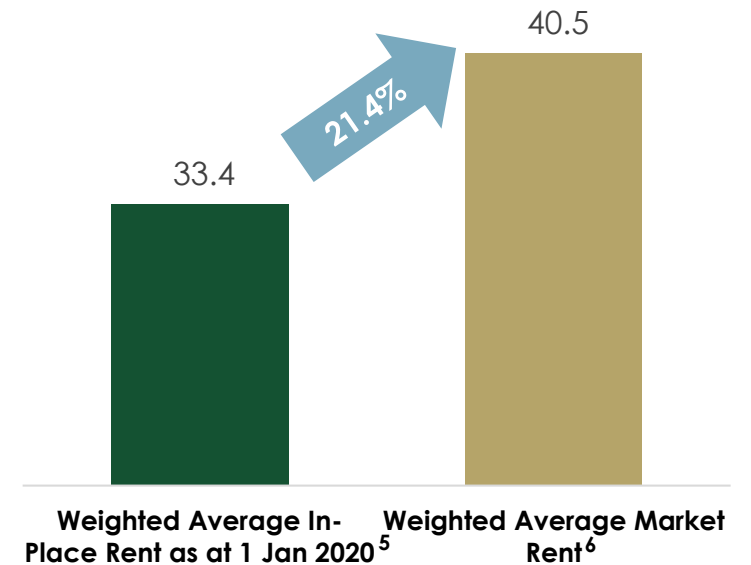
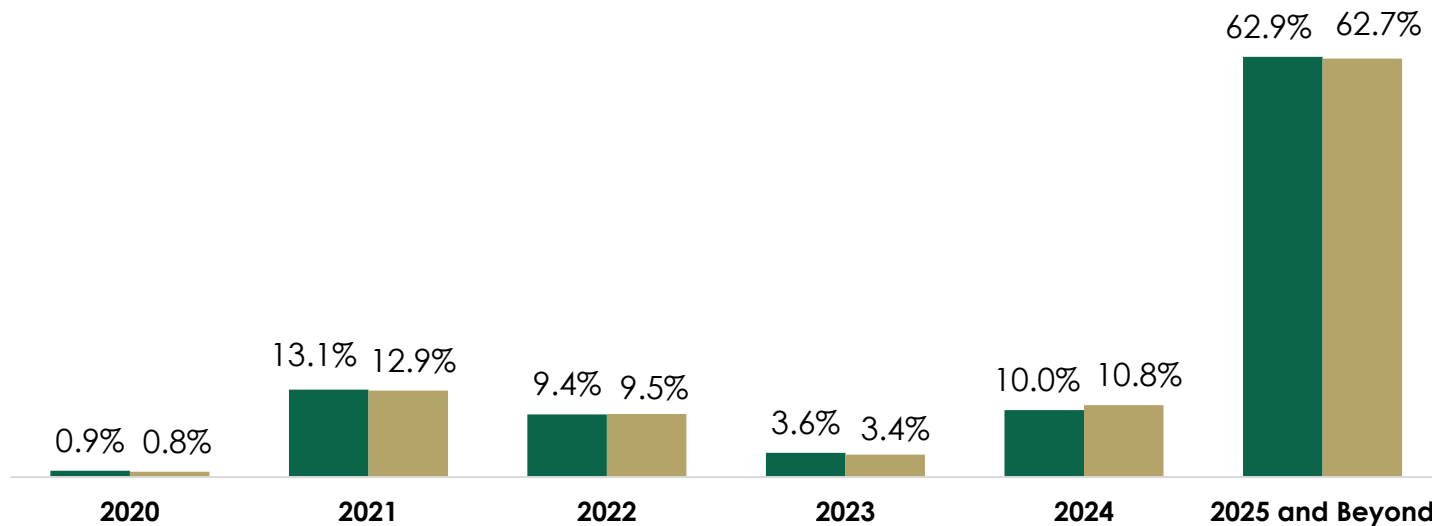
92.2%¹

Occupancy Rate with an average of 2.9%² rental escalation p.a.

21.4%
Rental Reversion Potential

Lease Expiry Profile of Park Tower
■ By NLA³ ■ By Cash Rental Income³

Potential Rental Reversion to Market⁴
(US\$ per sqft)



Note: Data as at 1 January 2020

(1) Committed occupancy as at 1 January 2020, assumes (i) building amenities of 9,609 sq ft are on a leased basis, (ii) lease with California Public Radio for 8,196 sq ft, which was signed on 30 January 2020, was in place as at 1 January 2020, and (iii) non-leasable static vacancy of 28,194 sq ft in the basement is excluded

(2) Represents step-up in base rent in FY2020 for leases in place as at 1 January 2020

(3) NLA as at 1 January 2020. Cash rental income for the month of December 2019.

(4) Reimbursement/lease structures of in-place leases matches with the reimbursement structure of its respective market rent

(5) In-place rents refer to base rents of signed leases as at 1 January 2020, weighted by NLA as at 1 January 2020

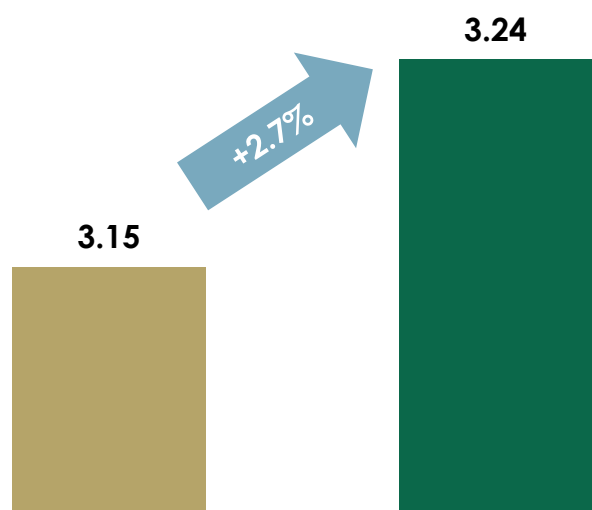
(6) Comprises the market base rents of signed leases in the appraisal report of Park Tower by Joseph Blake & Associates, weighted by NLA as at 1 January 2020

Accretive Acquisition Enhances Unitholders' Return



DPU Accretion of 2.7%¹

Pro Forma DPU for FY2019
(Listing Date to 31 Dec 2019)
(US cents)

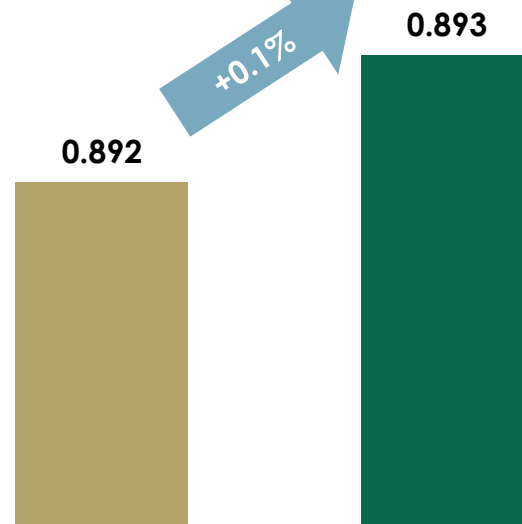


Pre-Acquisition

Post-Acquisition

NAV per Unit Accretion of 0.1%¹

Pro Forma NAV per Unit as at 31 Dec
2019
(US cents)



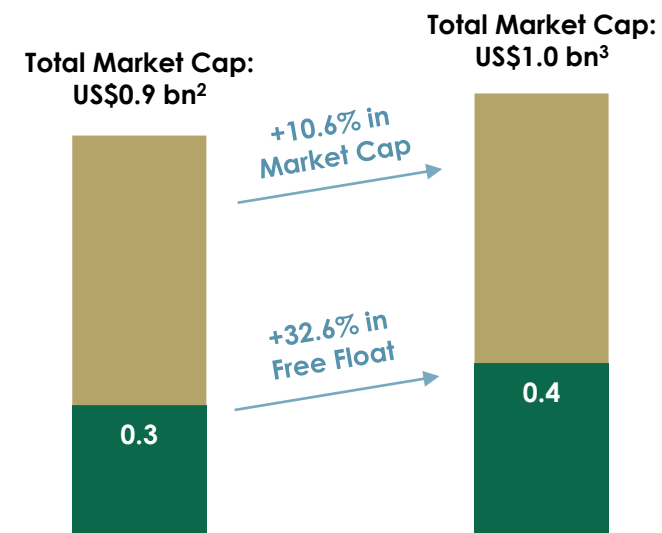
Pre-Acquisition

Post-Acquisition

Free Float Increase of 32.6%

Pro Forma Market Capitalisation
(US\$ billion)

■ Sponsor and Substantial Unitholders' Stakes
■ Free Float Market Cap



Pre-Acquisition

Post-Acquisition

Acquisition in line with Management's Strategy



Located in
Business
Districts /
Urban
Centres



Proximity to
Major
Universities
and
Educated
Workforce



Attractive
Live-Work-
Play
Amenities



Transportation
Connectivity

Aligned with Management's strategy of achieving portfolio growth through the acquisition of quality income-producing office properties



Conclusion

Acquisition Strengthens PRIME's Portfolio

1 Exposure to California's Capital, Sacramento



2 Class A Tower with World Class Amenities located in a PRIME location



3 Enhanced Portfolio Diversification



4 Provides Resilience and Growth to PRIME's Portfolio



5 Accretive Acquisition Enhances Unitholders' Return



Appendix

Portfolio Overview

	Name of Property	Primary Market	Land Tenure	Completion Year	Year of Last Refurbishment	NLA (sq ft)	Parking Stalls	Occupancy ¹	Number of Tenants ¹	WALE	Valuation
1	Tower I at Emeryville	San Francisco Bay Area (Oakland)	Freehold	1972	2012	222,207	509	90.2%	16	6.7	US\$125.8m
2	222 Main	Salt Lake City	Freehold	2009	2018 (Lobby)	433,346	852	95.9%	17	5.0	US\$220.0m
3	Village Center Station I	Denver	Freehold	2009	2019	241,846	786	87.2%	13	3.2	US\$88.5m
4	Village Center Station II	Denver	Freehold	2018	N.A.	325,576	1,165	100.0%	1	8.5	US\$145.8m
5	101 South Hanley	St. Louis	Freehold	1986	2016 / 2017	360,505	916	95.7%	36	4.9	US\$81.5m
6	Tower 909	Dallas	Freehold	1988	2013-2015	374,251	1,107	94.4%	40	4.4	US\$82.4m
7	Promenade I & II	San Antonio	Freehold	2011	N.A.	205,773	768	99.6%	13	3.5	US\$75.0m
8	CrossPoint	Philadelphia	Freehold	1974	2014	272,360	1,035	100.0%	13	4.3	US\$99.5m
9	One Washingtonian Center	Washington D.C. Area (Suburban Maryland)	Freehold	1989	2013-2018	314,284	1,222	95.6%	14	4.8	US\$106.0m
10	Reston Square	Washington D.C. Area (Suburban Virginia)	Freehold	2007	2015	139,018	704	96.9%	8	4.1	US\$49.2m
11	171 17th Street	Atlanta	Freehold	2003	N.A.	510,268	1,200	97.1%	16	5.1	US\$181.0m
12	Park Tower ¹	Sacramento	Freehold	1961/1992	2019	489,171	1,157	92.2% ²	43	5.6	US\$170.0m
	Total / Average	N.A.	N.A.	N.A.	N.A.	3,888,605	11,421	96.3%	230	5.1	US\$1.42b