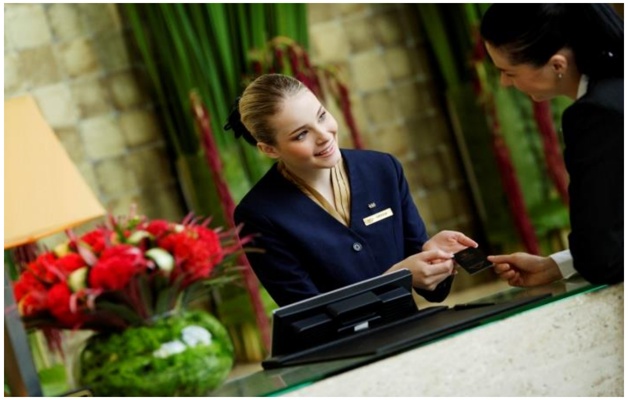



ASCOTT
RESIDENCE TRUST
A Member of CapitaLand

Ascott Residence Trust
A Leading Global Serviced Residence REIT

2Q 2018 Financial Results

24 July 2018

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

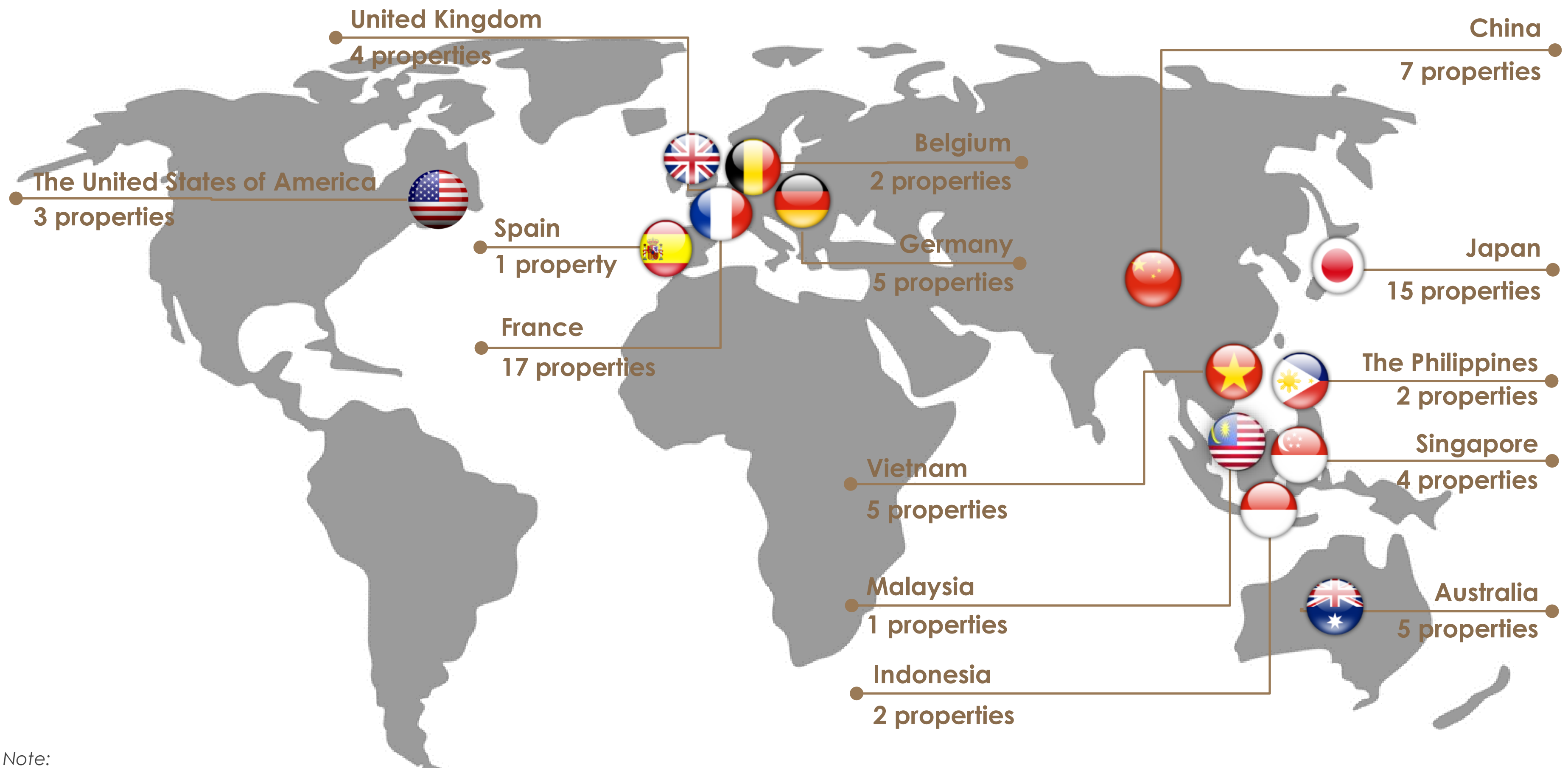
- Overview of Ascott REIT
- Key Highlights of 2Q 2018 and 1H 2018
- Distribution Details
- Portfolio Performance
- Key Country Updates
- Capital and Risk Management
- Conclusion
- Outlook
- Appendix

Ascott REIT – A Leading Global Serviced Residence REIT

ASCOTT RESIDENCE TRUST
A Member of CapitaLand

Diversified and defensive portfolio of quality assets located in major gateway cities

S$2.4b[1]	S$5.3b	11,430	73	37
Market Capitalisation	Total Assets	Apartment Units	Properties	Cities in 14 Countries



Note:
Figures above as at 30 June 2018, unless otherwise indicated.
1. Based on closing unit price as of 20 July 2018

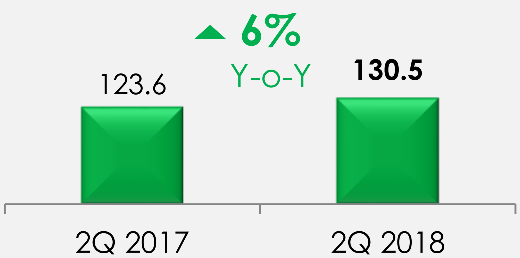
Key Highlights of 2Q 2018 and 1H 2018

Ascott Orchard Singapore

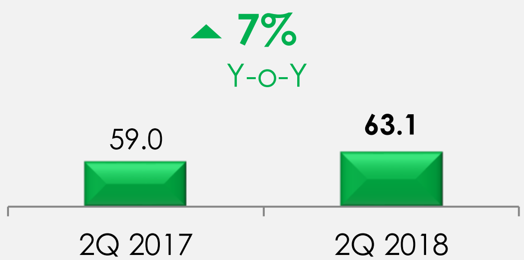
Financial Highlights for 2Q 2018
(2Q 2017 vs 2Q 2018)

Revenue and Gross Profit grew **6%** and **7%** y-o-y respectively due to contributions from properties acquired in FY 2017

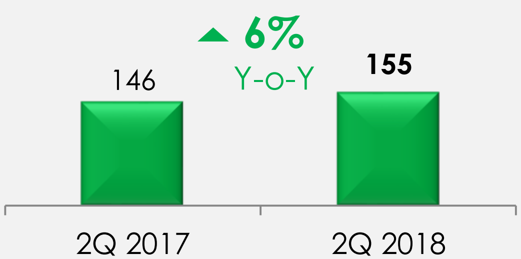
Revenue (S$m)



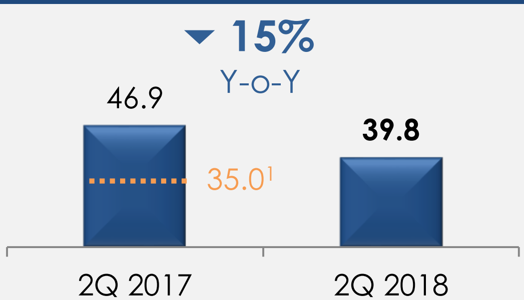
Gross Profit (S$m)



Revenue Per Available Unit (S$)



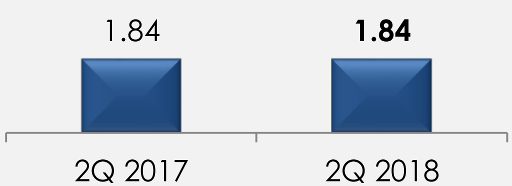
Unitholders' Distribution (S$m)



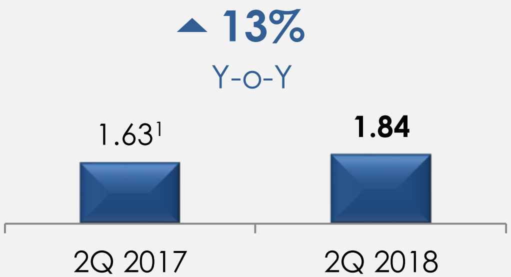
- Mainly due to one-off realised foreign exchange gain of S$11.9m included in 2Q 2017. **Excl one-off, Distribution increased by 14%**

Distribution Per Unit (S cents)

maintained



Adjusted Distribution Per Unit (S cents)



- 2Q 2017 DPU restated for Rights Issue[2] and adjusted for one-off realised foreign exchange gain

Notes:

1. *Excluding one-off realised foreign exchange gain arising from repayment of foreign currency bank loans with proceeds from Rights Issue and divestments.*
2. *Refers to the Rights Issue of 481,688,010 units on 11 April 2017*

Financial Highlights for 1H 2018
(1H 2017 vs 1H 2018)

ASCOTT RESIDENCE TRUST
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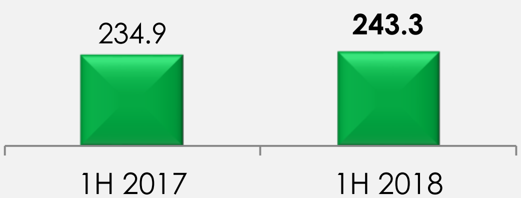
Revenue and Gross Profit grew **4%** and **5%** y-o-y respectively due to contributions from properties acquired in FY 2017

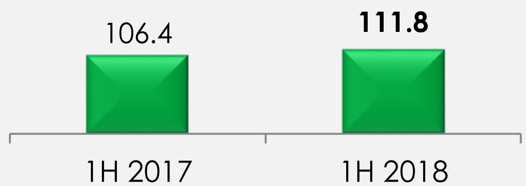
Revenue (S$m)

▲ **4%** Y-o-Y



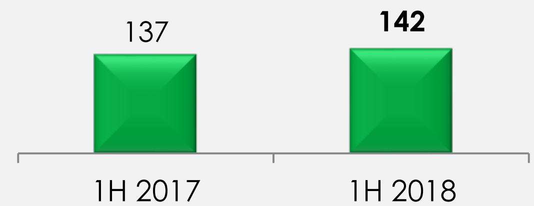
Gross Profit (S$m)

▲ **5%** Y-o-Y



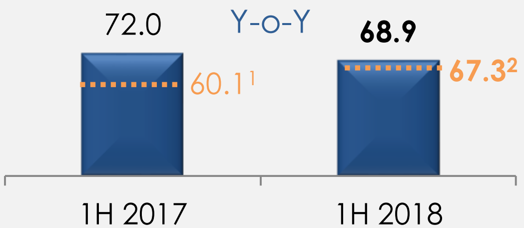
Revenue Per Available Unit (S$)

▲ **4%** Y-o-Y



Unitholders' Distribution (S$m)

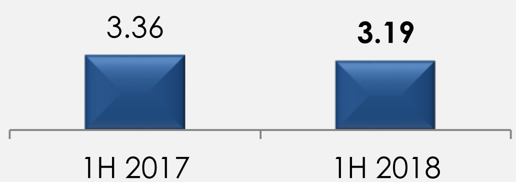
▼ **4%** Y-o-Y



- Mainly due to one-off realised foreign exchange gain of S$11.9m[1] included in 1H 2017 & S$1.6m[2] in 1H 2018. **Excl one-off, Distribution increased by 12%**

Distribution Per Unit (S cents)

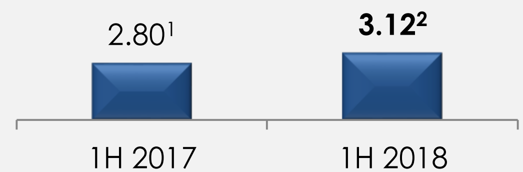
▼ **5%** Y-o-Y



- Mainly due to one-off realised foreign exchange gain of S$11.9m[1] included in 1H 2017 & S$1.6m[2] in 1H 2018.

Adjusted Distribution Per Unit (S cents)

▲ **11%** Y-o-Y



- DPU adjusted for one-off realised foreign exchange gain

Notes:
1. *Excluding one-off realised foreign exchange gain arising from repayment of foreign currency bank loans with proceeds from Rights Issue and divestments*
2. *Excluding one-off realised foreign exchange gain arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds*

Revenue and Gross Profit by Contract Type (2Q 2018 vs 2Q 2017)

Revenue and RevPAU grew 6% y-o-y. Gross Profit improved 7% y-o-y

	Revenue (S$'mil)			Gross Profit (S$'mil)			RevPAU (S$)		
	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change
Master Leases 28 Properties	21.8	17.3	26	20.0	15.6	28	n.m	n.m	n.m
Management Contracts with Minimum Guaranteed Income 7 Properties	20.0	18.1	11	8.8	8.3	6	192	176	9
Management Contracts 38 Properties	88.7	88.2	1	34.3	35.1	(2)	149	141	6
Total 73 Properties	130.5	123.6	6	63.1	59.0	7	155	146	6

Key Highlights of 2Q 2018

Stable Operating Performance

- Y-o-Y growth of 6%, 7% and 6% for Revenue, Gross Profit and RevPAU respectively, as compared to 2Q 2017
- Adjusted DPU increased 13%[1] to **1.84 cents**
- Higher proportion of stable income: contribution to Gross Profit from stable income contracts[2] increased to **46%** from 40% y-o-y, due to the acquisition of 3 properties under master lease arrangements in FY 2017
  - Y-o-Y growth in Revenue and Gross Profit from acquisition of properties in FY 2017
  - On same store basis, better operating performance in Singapore, as well as Belgium and United Kingdom which saw higher RevPAU with stronger demand
- Performance of properties under management contracts remain stable. **46%** of Gross Profit contributed by **key markets - China (9%)**, **Japan (11%)**, **Singapore (4%)**, **United States (14%)** and **Vietnam (8%)**
  - Divestment of properties in **China** and **Japan** in FY 2017 led to dip in Revenue and Gross Profit; but contributions from same store remain strong
  - Gradual pick-up and growth in **Singapore** and **United States**
  - **Vietnam** performance affected by fewer project groups in Hanoi
- Recorded **S$26.7m** revaluation surplus[3] mainly from higher valuation of properties in Vietnam, United Kingdom, France and the Philippines.
- Generated **S$68.9m** of Unitholders' Distribution in 1H 2018, which will be fully paid out to Unitholders, at 3.192 cent per unit

Note:
1. *2Q 2017 DPU restated for Rights Issue and adjusted for one-off realised foreign exchange gain*
2. *Refers to Master Leases and Management Contracts with Minimum Guaranteed Income*
3. *Valuation carried out by Colliers International using the Discounted Cashflow Approach*

Key Highlights of 1H 2018

Disciplined Capital and Risk Management

Prudent Capital and Debt Management

- Overall effective borrowing cost of **2.3%** per annum, with an interest cover of **4.5X**
- **84%** of total borrowings at fixed interest rates
- Current gearing level **35.7%,** with available **debt head room of ~S$875m** to reach aggregate leverage limit of 45% set by MAS
- Well-spread debt maturity, with **84%** maturing in **2020 and beyond**; no re-financing risks for loans due in 2018 envisaged with ongoing discussions underway

Balanced Foreign Exchange Risk Approach

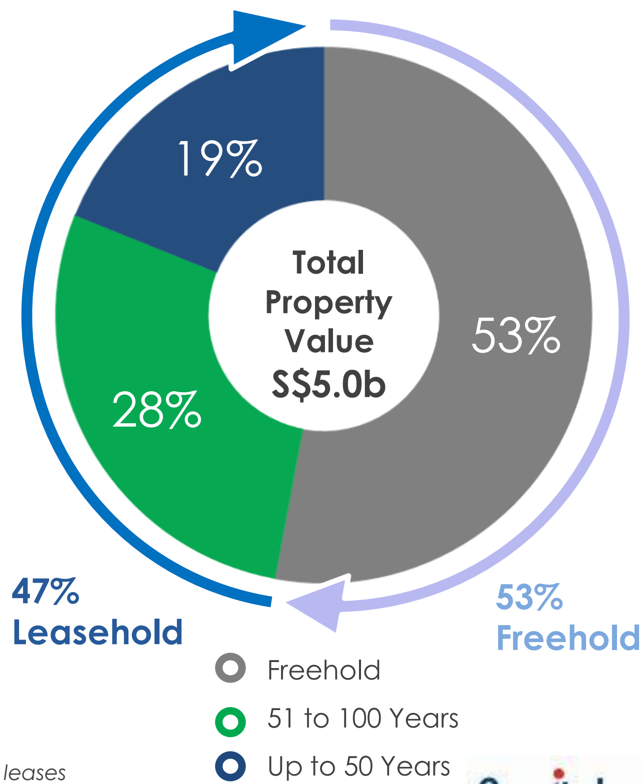
- **46%** of total assets denominated in foreign currency has been hedged
- **48%** of distributable income derived in EUR, GBP, JPY and USD has been hedged
- Impact of foreign exchange fluctuation on 1H 2018 Gross Profit was positive at **0.1%**

Key Highlights of 1H 2018

Diversified and Defensive Portfolio of Properties

- Geographically diversified portfolio provides resilience and stability during economic cycles. Asset allocation comprise: **60.5% Asia Pacific**, **27.4% Europe** and **12.1%** in **The Americas**
- **Freehold** land tenure properties make up **>50%** of portfolio[1]
- Continue to focus on a healthy balance of stable income contracts[2] vs growth income contracts[3], targeting at both long-stay and short-stay segments
  - Weighted average tenure of stable income contracts[2] of **~5.0 years**
  - Average length of stay by guests remained stable at **~3.1 months**
- Inorganic and organic growth strategies -
  - **Acquisitions** from third-parties or Sponsor. Ready access to ~20 pipeline properties via ROFR
  - Continuous **Asset Enhancement Initiatives**
  - Develop **yield management** and **marketing strategies** to tap on rising global travelling demands

Land Tenure by Property Value



Note:
1. *Based on land tenure by property value as at 30 June 2018; freehold Includes properties with 999 year leases*
2. *Refers to Master Leases and Management Contracts with Minimum Guaranteed Income*
3. *Refers to Management Contracts*

Distribution Details

Ascott Raffles Place Singapore

Distribution Details

Distribution Period	1 January 2018 to 30 June 2018
Distribution Rate	3.192 cents per Unit
Last Day of Trading on “cum” Basis	27 July 2018, 5pm
Ex-Date	30 July 2018, 9am
Books Closure Date	1 August 2018
Distribution Payment Date	27 August 2018

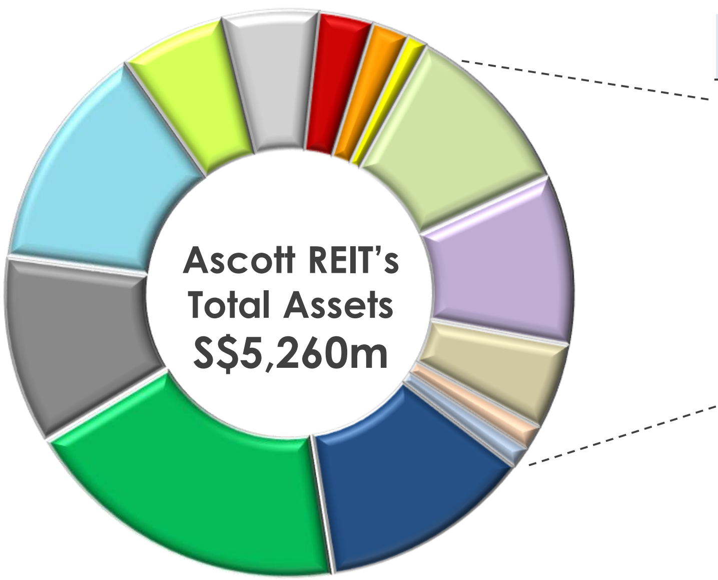
Portfolio Performance

Ascott Guangzhou

Stable Performance Driven by A Balanced and Diversified Portfolio

Breakdown of total assets by geography
As at 30 June 2018

Asia Pacific	60.5%
Singapore	18.9%
Japan	13.1%
China	10.7%
Vietnam	6.0%
Australia	5.5%
Philippines	3.1%
Indonesia	2.1%
Malaysia	1.1%



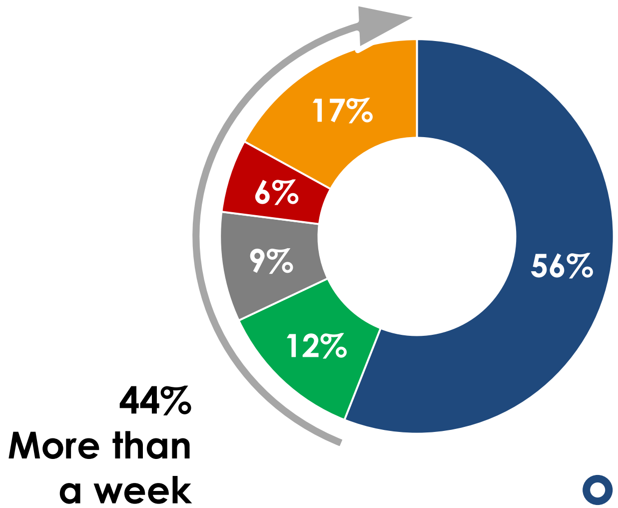
Europe	27.4%
France	10.2%
UK	9.7%
Germany	4.9%
Spain	1.4%
Belgium	1.2%

The Americas	12.1%
USA	12.1%

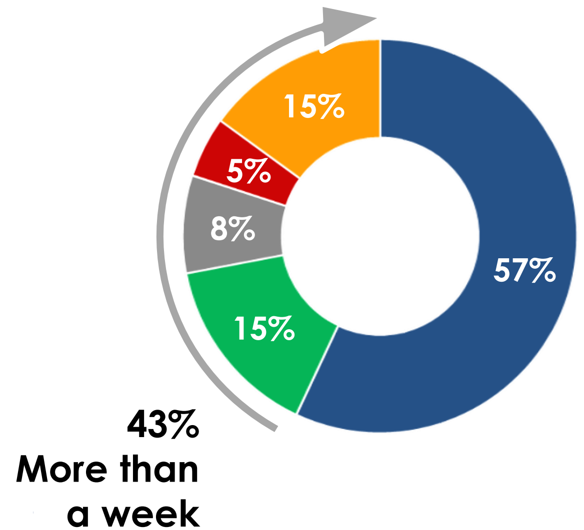
Continue to Focus on Longer Stay Segments

Average length of stay[1] remains at ~3.1 months, providing income stability

YTD March 2018



YTD June 2018



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

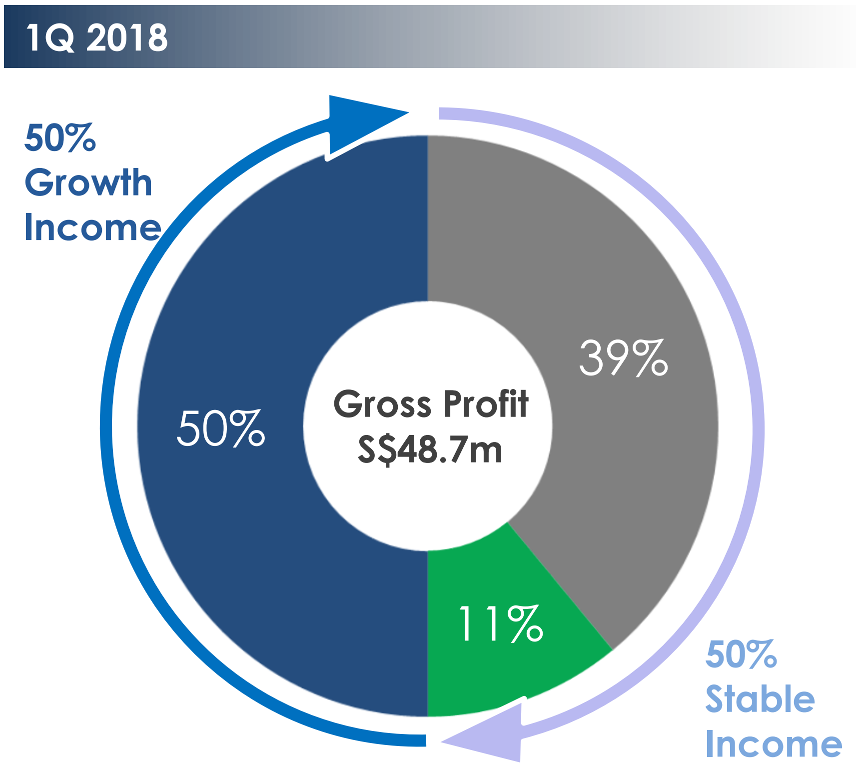
Overall average length of stay = 3.0 months

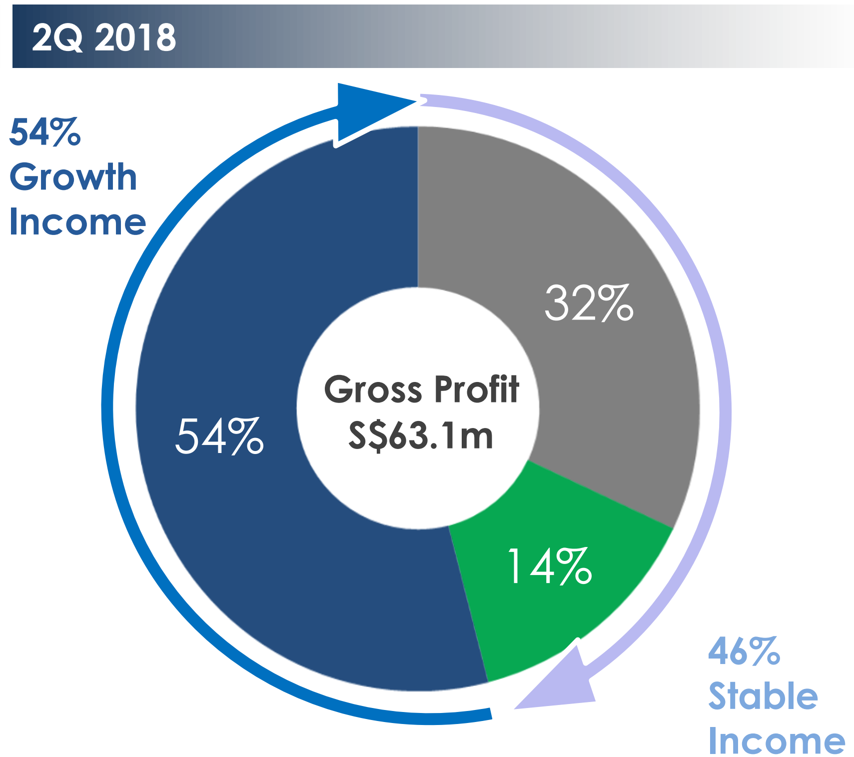
Overall average length of stay = 3.1 months

Notes:
1. Average length of stay computed based on rental income. Excluding properties on Master Leases

Portfolio Well-balanced by Growth and Stable Income

Gross Profit contribution by contract type



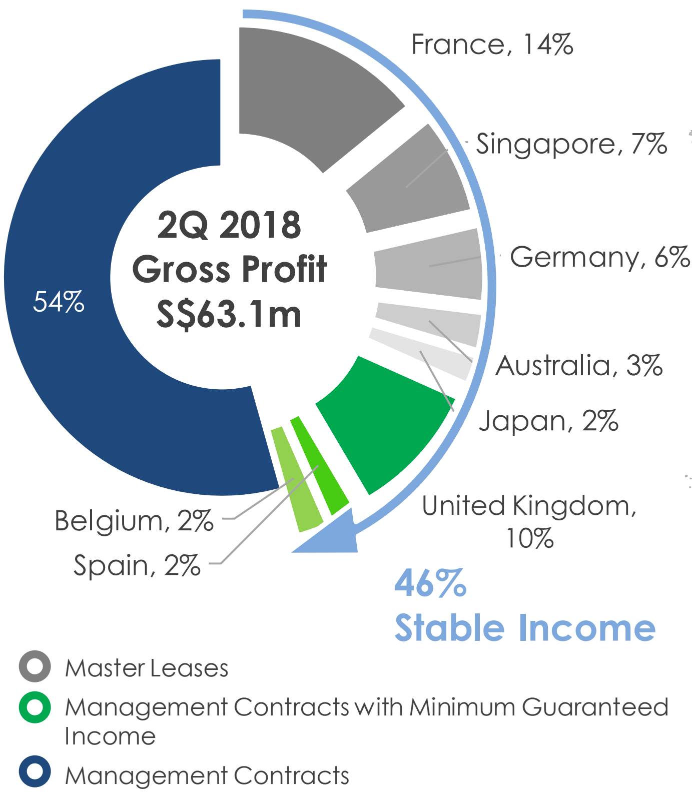


- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

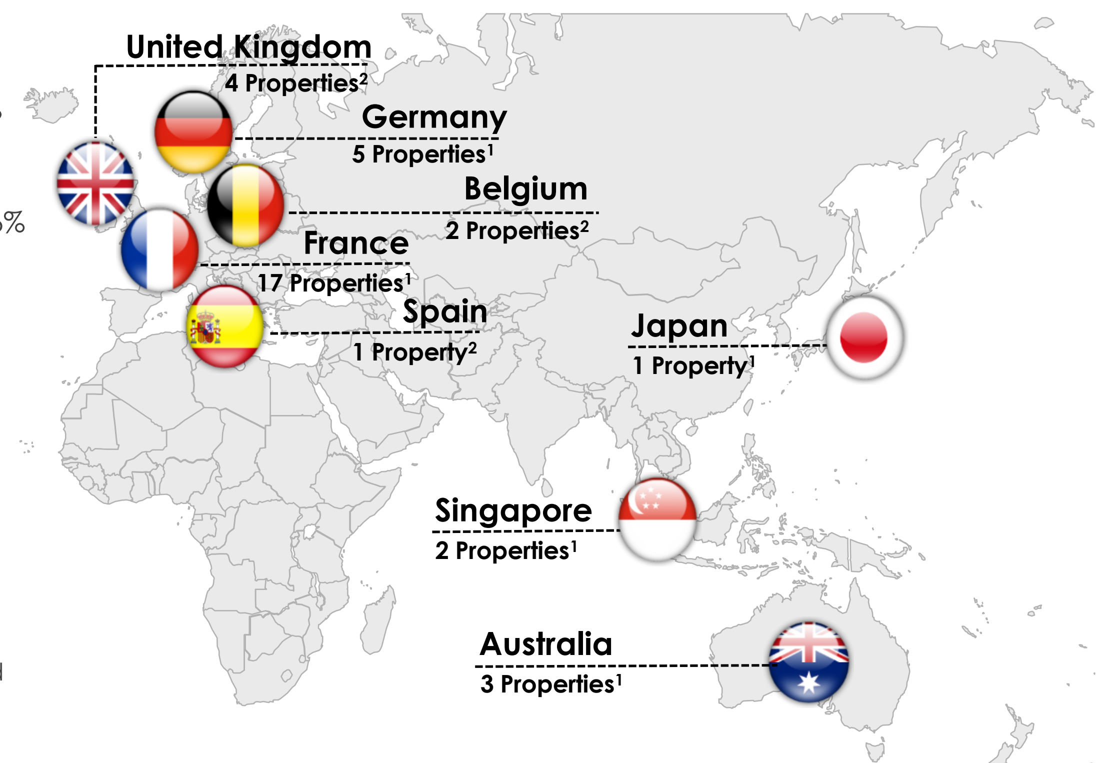
46% of Gross Profit in 2Q 2018 Contributed by Stable Income

35 out of 73 properties enjoy income visibility derived from Master Leases and Minimum Guaranteed Income Contracts with weighted average tenure of **~5.0 years**

Gross Profit contribution by contract type in 2Q 2018



Properties under Master Leases and Management Contracts with Minimum Guaranteed Income



Notes:
1. Properties under Master Leases
2. Properties under Management Contracts with Minimum Guaranteed Income

Master Leases (2Q 2018 vs 2Q 2017)


La Clef Louvre Paris


Citadines Les Halles Paris


Citadines Croisette Cannes


Citadines Arnulfpark Munich


Ascott Raffles Place Singapore


Quest Sydney Olympic Park

Revenue and Gross Profit grew 26% and 28% y-o-y respectively mainly from inorganic growth; on same store basis, better operating performance contributed by Singapore and a stronger EUR against SGD

	Revenue ('mil)			Gross Profit ('mil)		
	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change
Australia (AUD)[1] 3 Properties	1.9	1.8	6	1.7	1.7	-
France (EUR)[2] 17 Properties	5.7	5.8	(2)	5.6	5.3	6
Germany (EUR)[3] 5 Properties	2.4	2.0	20	2.2	1.9	16
Japan (JPY) 1 Property	133.3	133.3	-	104.0	104.2	-
Singapore (SGD)[4] 2 Properties	5.4	1.8	200	4.6	1.6	188
Total (SGD) 28 Properties	**21.8**	**17.3**	**26**	**20.0**	**15.6**	**28**

Notes:

1. *Higher revenue due to annual rent increment.*
2. *Revenue decreased due to lower rent upon renewal of Master Leases for four properties from 1 January 2018. Higher gross profit arose from reversal of provision of business tax no longer required.*
3. *Both revenue and gross profit increased due to the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt in May 2017.*
4. *Increase mainly due to the acquisition of Ascott Orchard Singapore in October 2017. On same store basis, revenue and gross profit increased by 11% and 13% respectively*

Management Contracts with Minimum Guaranteed Income (2Q 2018 vs 2Q 2017)

Citadines Toison d'Or Brussels

Citadines Ramblas Barcelona

Citadines Trafalgar Square London

RevPAU grew 9% y-o-y. Better performance from United Kingdom and Belgium due to stronger demand; Spain affected by political instability

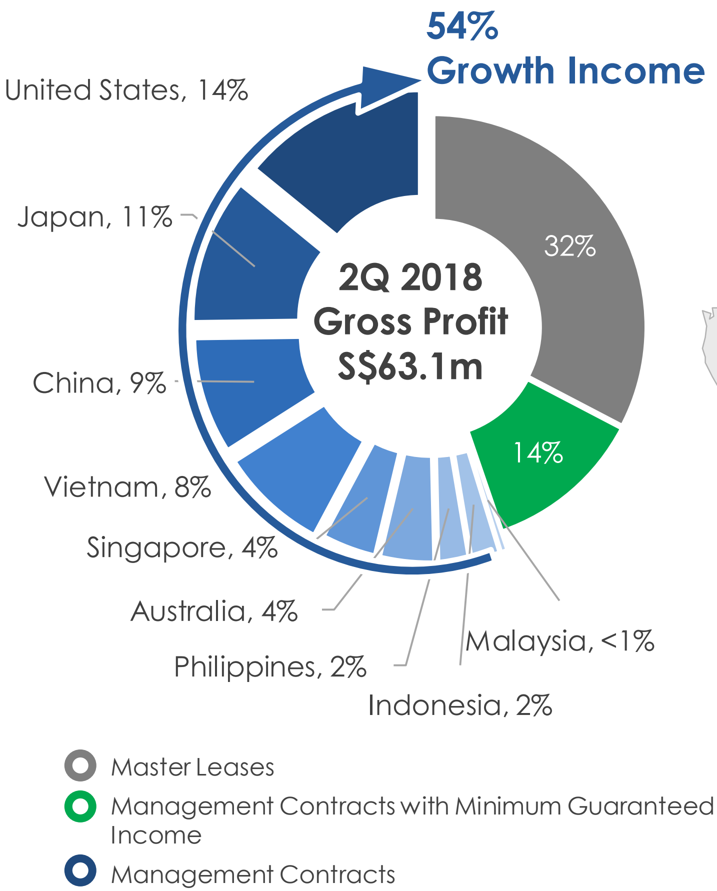
	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change
Belgium (EUR)[1] 2 Properties	2.4	2.1	14	0.9	0.7	29	75	65	15
Spain (EUR)[2] 1 Property	1.4	1.6	(13)	0.7	0.9	(22)	106	118	(10)
United Kingdom (GBP)[3] 4 Properties	7.6	7.1	7	3.4	3.2	6	130	123	6
Total (SGD) 7 Properties	**20.0**	**18.1**	**11**	**8.8**	**8.3**	**6**	**192**	**176**	**9**

Notes:
1. Revenue and gross profit increased due to stronger demand after market recovery from spate of terrorist attacks in FY 2016
2. Lower revenue and gross profit due to weaker leisure demand arising from political instability in Catalonia
3. Increased revenue and gross profit due to higher leisure demand and higher contributions from the refurbished apartments at Citadines Barbican London

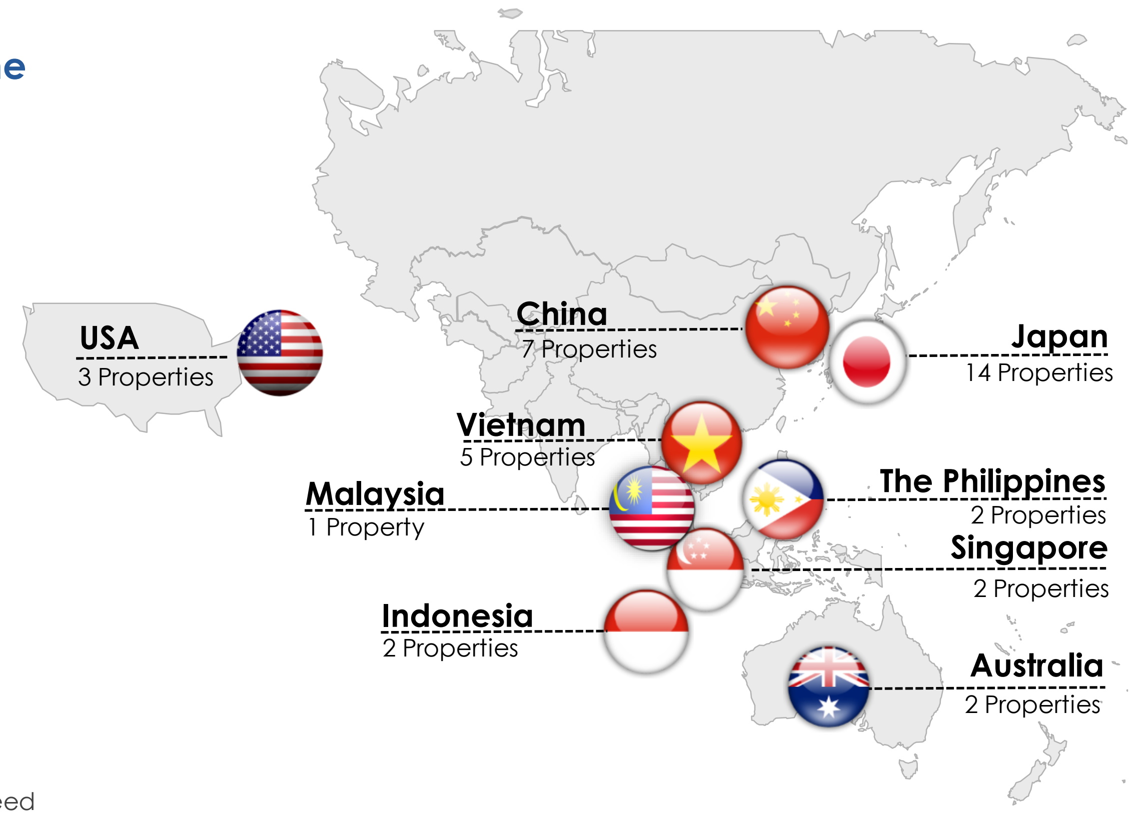
54% of Gross Profit in 2Q 2018 Contributed by Growth Income

38 out of 73 properties to enjoy potential growth and upside derived from properties under Management Contracts, especially in emerging markets

Gross profit contribution by contract type in 2Q 2018



Properties under Management Contracts



Management Contracts (2Q 2018 vs 2Q 2017)

RevPAU grew 6% y-o-y. Revenue and Gross Profit contributions remained stable

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change	2Q 2018	2Q 2017	% Change
Australia (AUD)	6.3	6.5	(3)	2.5	2.5	-	134	139	(4)
China (RMB)	66.3	76.5	(13)	25.8	30.3	(15)	473	413	15
Indonesia (USD)	2.8	2.9	(3)	0.9	1.0	(10)	70	74	(5)
Japan (JPY)[1]	1,025.9	1,068.2	(4)	559.6	566.5	(1)	12,203	12,289	(1)
Malaysia (MYR)[2]	3.2	3.9	(18)	0.9	1.1	(18)	172	207	(17)
Philippines (PHP)[3]	206.2	216.4	(5)	56.0	70.6	(21)	4,145	4,285	(3)
Singapore (SGD)	6.1	6.1	-	2.5	2.4	4	190	191	-
United States (USD)	22.8	17.1	33	6.9	4.9	41	243	237	3
Vietnam (VND)[4]	168.5	182.7	(8)	86.8	101.1	(14)	1,528	1,708	(11)
Total (SGD)	**88.7**	**88.2**	**1**	**34.3**	**35.1**	**(2)**	**149**	**141**	**6**

Notes:
1. *RevPAU for Japan refers to serviced residences and excludes rental housing*
2. *Weaker performance due to lower occupancy arising from keen competition*
3. *Lower gross profit due to ongoing renovation at Ascott Makati, coupled with higher staff costs*
4. *Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands*


Key Country Updates
Ascott Makati

United Kingdom

Contributes 10% to Gross Profit

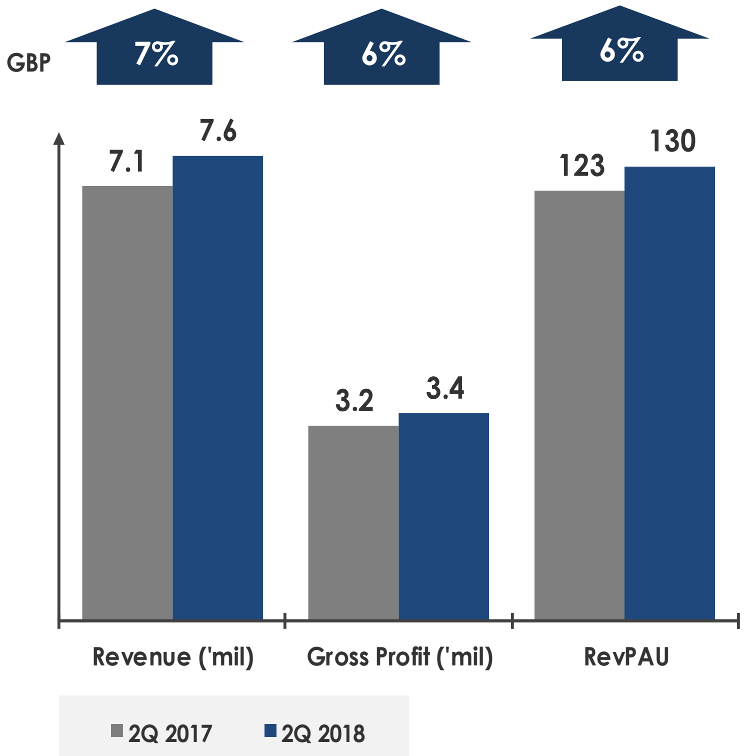
Better performance from leisure demand and refurbished property

Citadines Trafalgar Square London

Citadines Holborn-Covent Garden London

Citadines Barbican London

Citadines South Kensington London



Key Market Performance Highlights

- Higher leisure demand resulted in better performance
- The refurbished apartments at Citadines Barbican London contributed to higher Revenue, Gross Profit and RevPAU
- GDP growth forecasted at 1.4% by IMF for 2018 ; risks of trade tensions remain
- Tourist arrivals are expected to reach 41.7 million in 2018, registering a 4.4% Y-o-Y, with approximately GBP27 billion in visitor spending[1]
- Sharp spike in supply with potentially 9,000 new rooms in 2018 with another 5,000 rooms in 2019. Forecasted occupancy and RevPAU growth will remain modest at 0.4% and 0.6% respectively in 2018[1]

Note

1. *Sources: Visit Britain (2018), pwc (2018)*

Country Performance for Properties Under Management Contracts

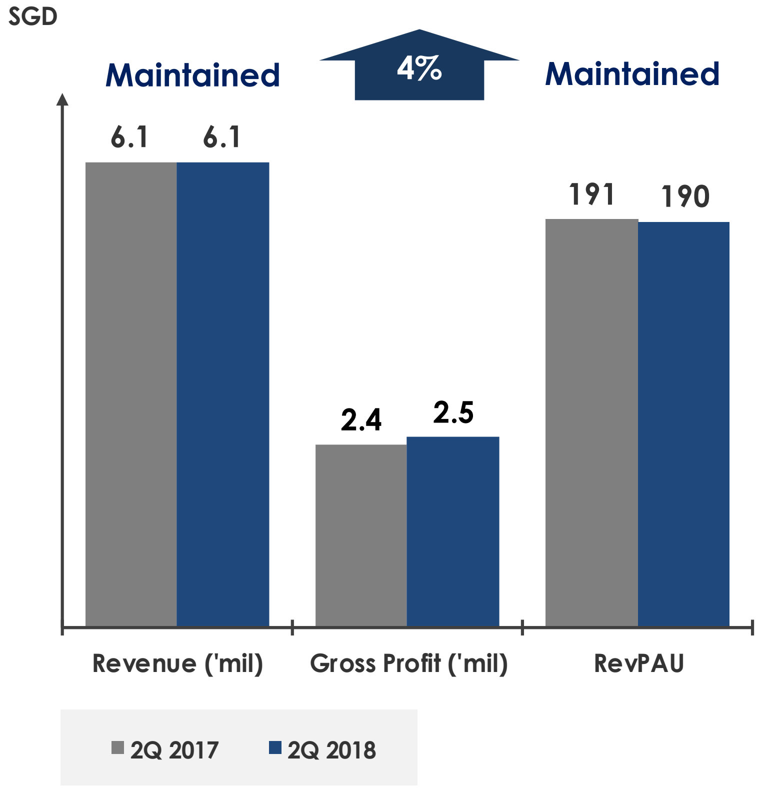
Singapore

Contributes 4% to Gross Profit

Somerset Liang Court Property Singapore

Citadines Mount Sophia Property Singapore

Corporate demand and leisure market increasing



Key Market Performance Highlights

- Revenue and RevPAU remained stable
- Higher Gross Profit mainly due to lower depreciation expense
- 2018 GDP growth forecasted by IMF at 2.9%
- Tourism prospects generally optimistic, but travel sentiments may be affected by geopolitical tensions[1]
- 2018 visitor arrivals projected to increase between 1% to 4% from the previous year[1]

Note:

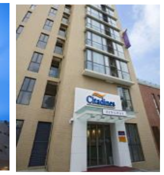
1. Source: The Straits Times (Feb 2018)

China

Contributes 9% to Gross Profit

Somerset Xu Hui Shanghai

Ascott Guangzhou



Citadines Xinghai Suzhou

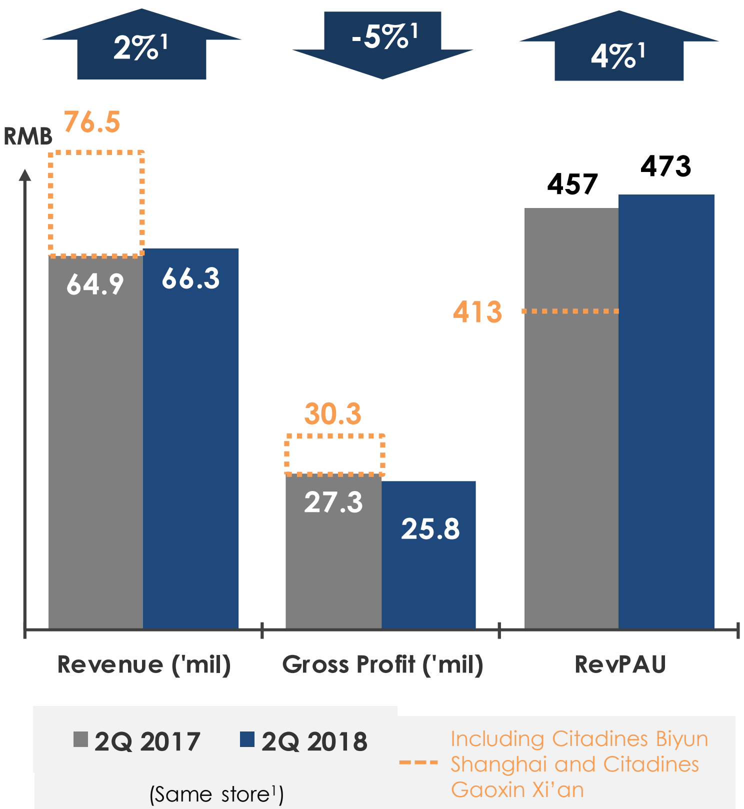
Somerset Olympic Tower Property Tianjin

Somerset Grand Central Dalian

Citadines Zhuankou Wuhan

Somerset Heping Shenyang

Higher RevPAU from re-constitution of properties



Key Market Performance Highlights

- Revenue decreased due to divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an in January 2018
- RevPAU increased as the two divested properties had relatively lower RevPAU against the other properties
- On a same store basis, Revenue and RevPAU increased by 2% and 4% respectively, contributed by stronger performance from all properties, except for Somerset Heping Shenyang
- Gross Profit, on a same store basis, decreased due to one-off property-tax refund and lower depreciation in 2Q 2017. Excluding this, Gross Profit increased by RMB 2.3mil (or 3%)
- IMF forecasted China GDP growth of 6.6% and 6.4% for 2018 and 2019 respectively; moderated by regulatory tightening of the financial sector and softening external demand

Notes:
1. Excluding Citadines Biyun Shanghai and Citadines Gaoxin Xi'an which were divested on 5 January 2018

Japan

Contributes 11% to Gross Profit

Citadines Central Shinjuku Tokyo

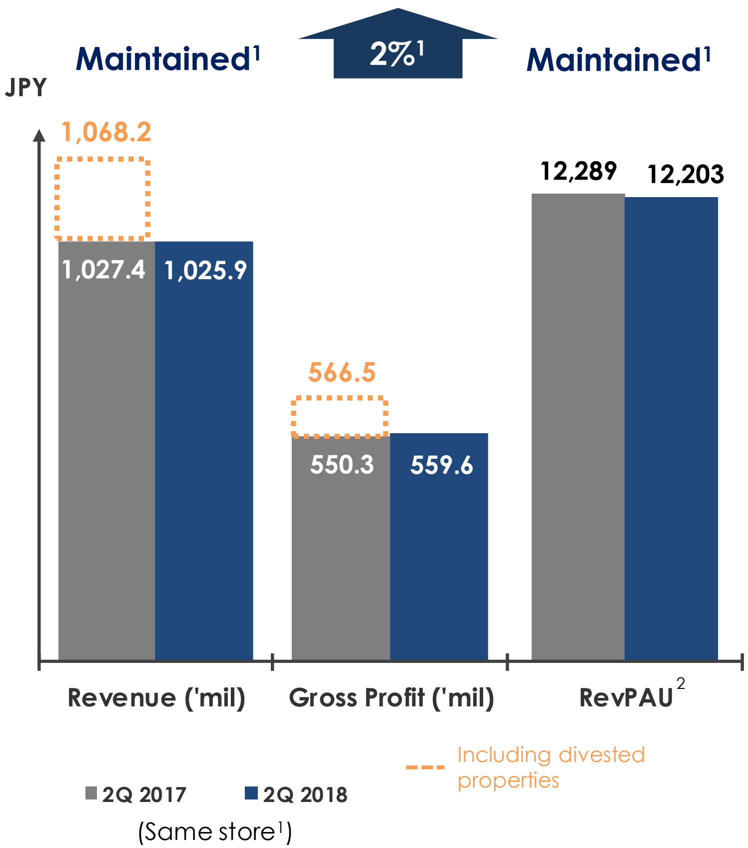
Citadines Shinjuku Tokyo

Citadines Karasuma-Gojo Kyoto

Somerset Azabu East Tokyo

11 rental housing properties in Japan

Performance stabilised



Key Market Performance Highlights

- Lower Revenue and Gross Profit due to divestment of 18 rental housing properties in Tokyo in April 2017
- On a same store basis, Revenue and RevPAU remained generally on par with 2Q 2017, as competition remains keen and influx of new supply in Kyoto
- Higher Gross Profit arose from lower operation and maintenance expense, as well as lower depreciation expense
- Projected 2018 GDP growth of 1.0% by IMF; economy expected to strengthen in later part of 2018, after contraction in the first quarter of 2018
- Number of international travellers to Japan remain strong, with the government targeting to attract 40 million tourists by 2020[3]
- Competition increases with new supply – number of hotel rooms in Tokyo, Osaka and Kyoto expected to increase by 38% between 2017 and 2020[3]

Notes:
1. *Excluding the 18 rental housing properties in Tokyo, which were divested on 26 April 2017*
2. *RevPAU relates to serviced residences and excludes rental housing properties*
3. *Source: CNBC (2018), CBRE (2018)*

United States

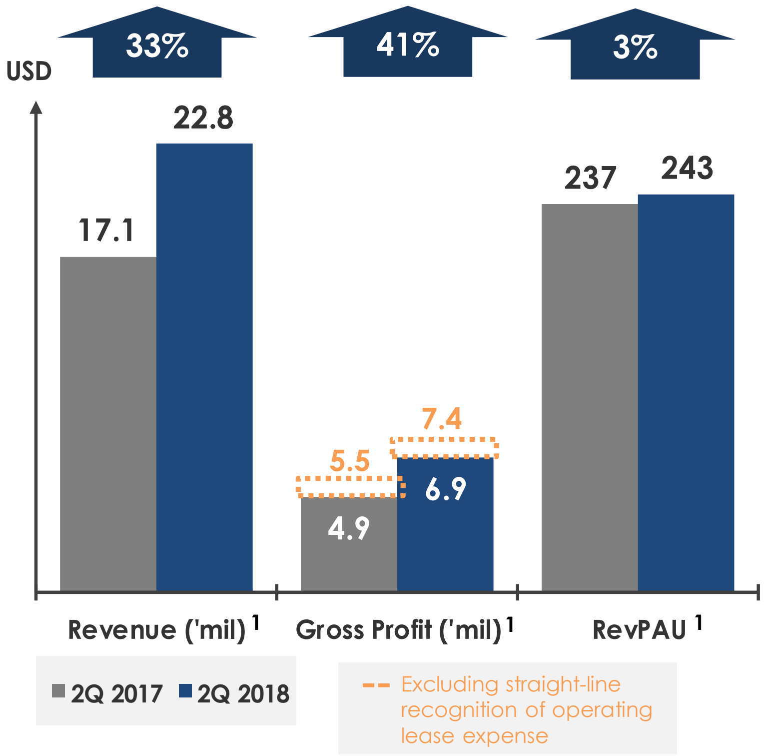
Contributes 14% to Gross Profit

Element New York Times Square West

DoubleTree by Hilton Hotel New York – Times Square South

Sheraton Tribeca New York Hotel

Stronger market demand



Key Market Performance Highlights

- Higher Revenue and Gross Profit due to acquisition of DoubleTree by Hilton Hotel New York – Times Square South in August 2017
- On a same store basis, excluding straight-line recognition of operating lease expense, Revenue and RevPAU increased due to stronger market demand. Gross Profit remained stable due to higher revenue, offset by higher staff costs and marketing expense
- GDP growth forecasted by IMF at 2.9% for 2018
- Anticipated 3.7% increase in international visitor arrivals to 65.1 million in 2018[2]
- Hotel supply in New York city is expected to increase by 5% each in 2018 and 2019[2]

Notes:
1. *On a same store basis and excluding straight line recognition of operating lease expenses, Revenue and RevPAU increased by USD0.9m (5%) and USD12 (5%) respectively. Gross profit remained stable*
2. *Sources: NYC & Company (2018); HVS (2018)*

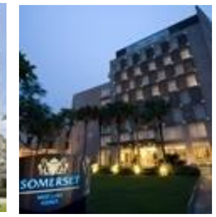
Vietnam

Contributes 8% to Gross Profit

Performance affected by fewer project groups in Hanoi


Somerset Grand Hanoi

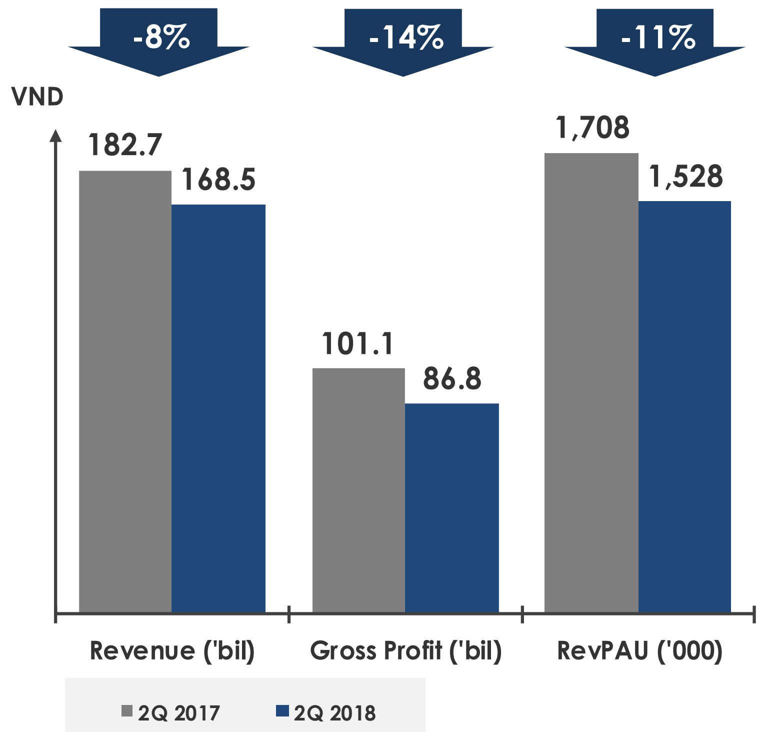

Somerset Hoa Binh Hanoi



Somerset West Lake Hanoi


Somerset Ho Chi Minh City


Somerset Chancellor Court Ho Chi Minh City



Key Market Performance Highlights

- Revenue and RevPAU decreased due to fewer project groups in Hanoi
- Gross Profit decreased due to lower revenue, and higher staff costs
- Foreign direct investment continues to stream into Vietnam, with Ho Chi Minh City attracting the largest portion[1]
- IMF forecasted 2018 GDP growth at 6.6%
- 2018 tourist arrivals expected to exceed last year; visitors in the first six months of 2018 surged 27% Y-o-Y, exceeding 7.89 million[1]
- Direct contribution by travel and tourism industry to Vietnam's GDP remains substantial at ~6% in 2018[1]

Source:
1. *World Travel & Tourism Council (2018) ; Vietnam National Administration of Tourism ; Vietnam News*

Capital and Risk Management

Citadines City Centre Frankfurt

Key Financial Indicators

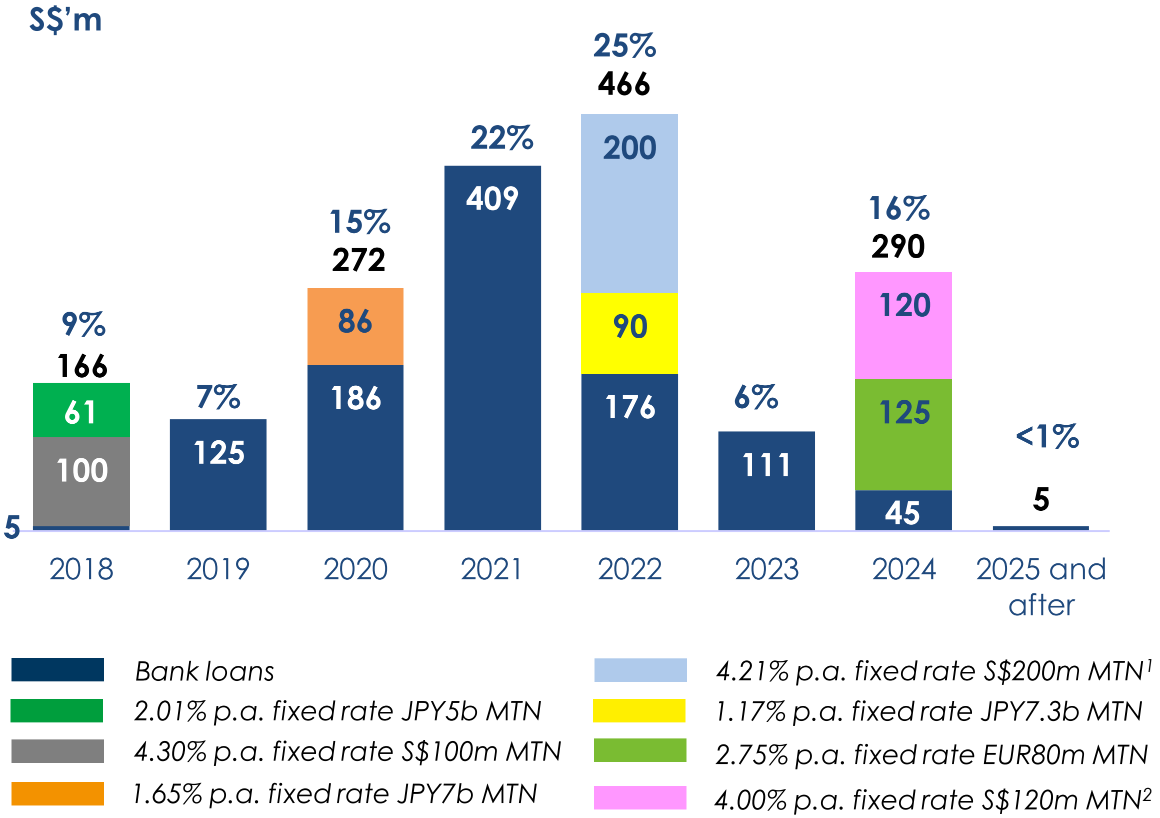
Healthy Balance Sheet and Credit Metrics

	As at 30 June 2018	As at 31 March 2018
Gearing	35.7%	36.1%
Interest Cover	4.5X	4.0X
Effective Borrowing Rate	2.3%	2.3%
Total Debts on Fixed Rates	84%	86%
Weighted Avg Debt to Maturity (Years)	3.9	4.0
NAV/Unit	S$1.23	S$1.22
Adjusted NAV/Unit (excluding the distributable income to Unitholders)	S$1.20	S$1.21
Ascott REIT's Issuer Rating (by Fitch)	BBB (outlook stable)	BBB (outlook stable)

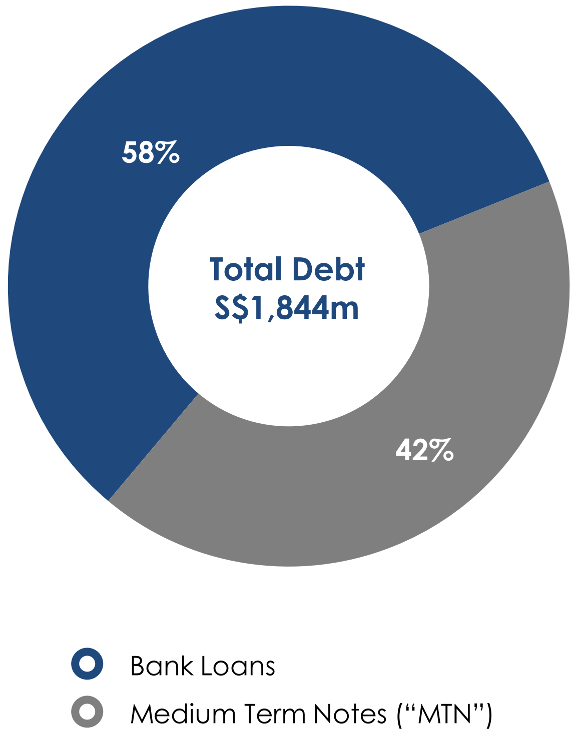
Diversified Funding Sources and Well Spread-out Debt Maturity Over the Long-term

84% debt maturing in 2020 and beyond; no re-financing risks for loans due in 2018 envisaged with ongoing discussions underway

Debt Maturity Profile
As at 30 June 2018



By Debt Type
As at 30 June 2018

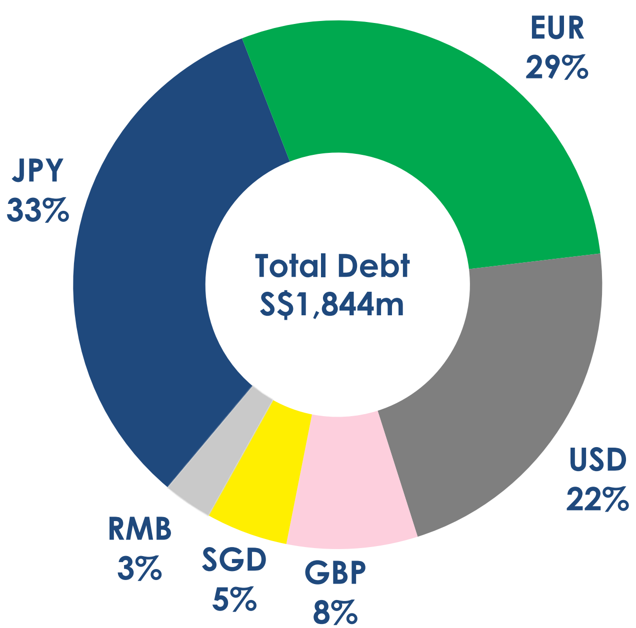


Notes:
1. S$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 1.82% p.a. over the same tenure
2. S$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 2.15% p.a. over the same tenure

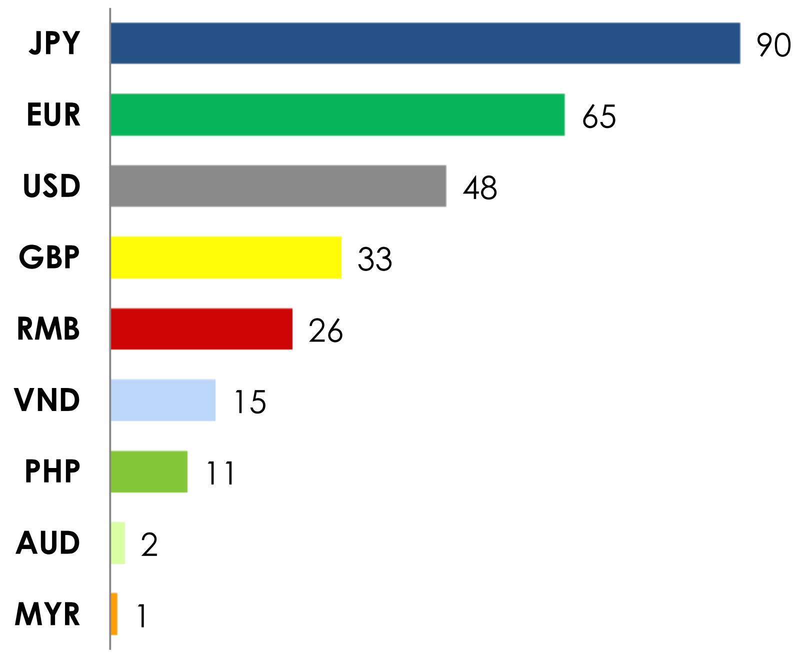
Foreign Currency Risk Management

Ascott REIT adopts a natural hedging strategy to the extent possible;
~46% of total assets denominated in foreign currency has been hedged

Debt By Currency (%)
As at 30 June 2018



Balance Sheet Hedging (%)
As at 30 June 2018



Foreign Currency Risk Management

Overall exchange rate fluctuations have been largely mitigated with impact to Gross Profit at 0.1%

Currency	Gross Profit 1H 2018 (%)	Exchange Rate Movement From 31 Dec 2017 to 30 Jun 2018 (%)
EUR	25.1	1.1
JPY	13.3	0.5
SGD	12.2	-
USD	10.3	(1.6)
VND	9.7	(3.3)
RMB	9.1	1.9
GBP	8.9	1.8
AUD	8.3	0.3
PHP	2.5	(4.2)
MYR	0.6	2.6
Total	100.0	**0.1**

~48% of the distributable income derived in EUR, GBP, JPY and USD had been hedged.
Continuous monitoring of the foreign exchange movement and hedging of exposure.

Conclusion

La Clef Louvre Paris

Ascott REIT Investment Proposition

1 Largest hospitality REIT in Singapore
- Total assets of **S$5.3b**
- Market capitalisation of **S$2.4b**[1]

2 Well-balanced portfolio with ~**54%** of gross profit contributed by growth income

3 Stable & resilient returns through a portfolio of quality & geographically diversified assets
- **73** properties across **37** cities and **14** countries

4 Strong sponsor support
- Extensive global footprint
- Proven track record of serviced residence management
- A suite of well established brands

Note:.
1. Based on closing unit price as of 20 July 2018

Conclusion

Continue to focus on creating stable returns to Unitholders through our diversified portfolio and extended-stay business model

1 Growth Through Yield Accretive Acquisitions

- Remains on the lookout for suitable opportunities for accretive opportunities in key gateway cities

2 Proactive Asset Management

- Closely monitor and evaluate the assets to identify opportunities to unlock values of the properties that have reached their optimal stage
- Continues to enhance value of properties through AEI for certain properties in Vietnam, Philippines and Indonesia

3 Disciplined and Prudent Capital Management

- Maintained effective borrowing rate at a healthy level with 84% of the Group's borrowings on fixed interest rates
- Ensure no major refinancing required in any specific period and stay vigilant to changes in macro and credit environment that may impact our financing plans

Outlook

Citadines Trafalgar Square London

Outlook

In the July 2018 update to the World Economic Outlook growth forecasts, whilst International Monetary Fund had kept the FY 2018 global growth projection unchanged at 3.9%, the optimistic sentiments of an improving economy earlier this year lessened to some extent. This is largely due to the tightening of global financial conditions, and recent escalating trade tensions, which in turn impact trade, businesses and investment sentiments and introduce more uncertainties to the global economy.

Coupled with continuous competition from direct and indirect players in the serviced residence industry, Ascott REIT will continue to face challenges amidst new supply. Nevertheless, Ascott REIT remains committed to delivering stable income and resilient returns to our Unitholders through our diversified portfolio, extended-stay business model and properties operating under the three types of contracts: *Master Leases, Management Contracts with Minimum Guaranteed Income* and *Management Contracts*.

The US Federal Reserve had further raised interest rates in June 2018, following the first hike earlier in April. With an expectation of further hikes for the year that might stretch to 2019 and 2020, we remain proactive in maintaining a disciplined and prudent approach towards capital management to mitigate potential risks. Approximately 84% of our total borrowings are on fixed interest rates to hedge against any potential increases. We continue to remain vigilant in monitoring our interest rate and exchange rate exposure.

Ascott REIT remains dedicated in managing and enhancing our properties to stay competitive. This is achieved through our asset enhancement initiatives including the recently completed renovation of Sheraton Tribeca New York Hotel, and on-going refurbishments of three other properties. At the same time, we continue to stay alert for potential yield-accretive acquisition and divestment opportunities that strengthen our portfolio for sustained growth.

Note:
1. *Sources: International Monetary Fund (2018); The Washington Post (2018); The Straits Times (2018)*

Appendix

Somerset Ho Chi Minh City

Proactive Asset Management – Updates on AEIs[1]

Sheraton Tribeca New York Hotel The United States of America	Phase I: Renovation of public areas Phase II: Renovation of guestrooms and toilets	**Completed in May 2018**
Ascott Makati (Phase II) The Philippines	Renovation of 183 apartment units	Target to complete by end July 2018
Somerset Grand Hanoi Vietnam	Renovation of apartment units, toilets and public area	Phase I : completed in December 2017 Phase II : target to complete by end 2018
Somerset Grand Citra Jakarta Indonesia	Renovation of 44 apartment units	Target to complete in 1Q 2019

Note:
1. Asset Enhancement Initiatives (AEIs) excluding properties under Master Leases

Strong Sponsor – The Ascott Limited

THE ASCOTT LIMITED
A Member of CapitaLand

A wholly-owned subsidiary of CapitaLand Limited

One of the leading international serviced residence owner-operators with extensive presence

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

Sponsor: ~44% CapitaLand ownership in Ascott REIT

Award-winning brands with worldwide recognition

Note:
1. Exclude the number of properties under the Synergy corporate housing portfolio

Master Leases (1H 2018 vs 1H 2017)

La Clef Louvre Paris

Citadines Les Halles Paris

Citadines Croisette Cannes

Citadines Arnulfpark Munich

Ascott Raffles Place Singapore

Quest Sydney Olympic Park

Higher y-o-y Revenue and Gross Profit mainly from inorganic growth; on same store basis, better operating performance contributed by Singapore and a stronger EUR against SGD

	Revenue ('mil)			Gross Profit ('mil)		
	1H 2018	1H 2017	% Change	1H 2018	1H 2017	% Change
Australia (AUD)[1] 3 Properties	3.7	3.6	3	3.4	3.4	-
France (EUR)[2] 17 Properties	11.2	11.6	(3)	10.6	10.6	-
Germany (EUR)[3] 5 Properties	4.8	3.3	45	4.4	3.1	42
Japan (JPY) 1 Property	266.6	266.6	-	210.5	209.3	1
Singapore (SGD)[4] 2 Properties	10.6	3.7	186	9.1	3.4	168
Total (SGD) 28 Properties	**43.4**	**33.5**	**30**	**39.4**	**30.3**	**30**

Notes:

1. *Revenue increased due to annual rent increment.*
2. *Revenue decreased due to lower rent upon renewal of master leases for four properties from 1 January 2018. Gross profit remained flat as lower revenue was offset by the reversal of provision of business tax no longer required.*
3. *Increase due to acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt in May 2017.*
4. *Increase mainly due to the acquisition of Ascott Orchard Singapore in October 2017. On same-store basis, Revenue and Gross Profit increased by 5% and 6% respectively.*

Management Contracts with Minimum Guaranteed Income (1H 2018 vs 1H 2017)

Citadines Toison d'Or Brussels

Citadines Ramblas Barcelona

Citadines Trafalgar Square London

RevPAU grew 11% y-o-y. Better contributions from United Kingdom and Belgium; Spain affected by political instability

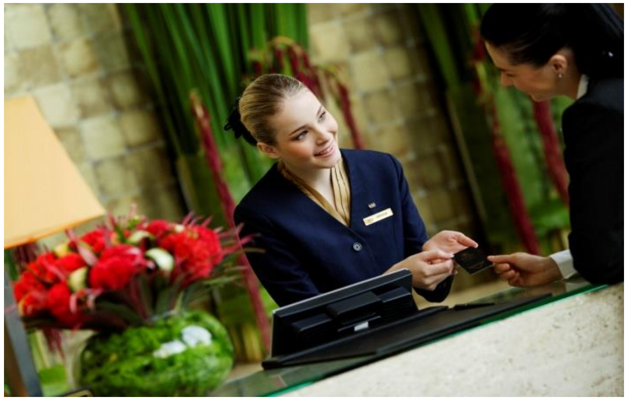
	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	1H 2018	1H 2017	% Change	1H 2018	1H 2017	% Change	1H 2018	1H 2017	% Change
Belgium (EUR) 2 Properties	4.4	3.7	19	1.2	1.2	-	67	57	18
Spain (EUR) 1 Property	2.5	2.8	(11)	1.2	1.4	(14)	92	98	(6)
United Kingdom (GBP) 4 Properties	13.6	12.6	8	5.4	5.2	4	116	109	6
Total (SGD) 7 Properties	**35.8**	**32.0**	**12**	**13.9**	**13.1**	**6**	**172**	**155**	**11**

Management Contracts (1H 2018 vs 1H 2017)

On a same store basis, excluding foreign exchange fluctuations, Revenue and Gross Profit would have declined 1% and 4% y-o-y respectively

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	1H 2018	1H 2017	% Change	1H 2018	1H 2017	% Change	1H 2018	1H 2017	% Change
Australia (AUD)	13.3	13.5	(1)	5.6	5.5	2	143	147	(3)
China (RMB)	129.4	148.0	(13)	49.2	52.7	(7)	461	400	15
Indonesia (USD)	5.8	5.8	-	1.9	2.0	(5)	74	75	(1)
Japan (JPY)[1]	1,937.4	2,174.7	(11)	1,008.8	1,171.3	(14)	11,304	11,713	(3)
Malaysia (MYR)	7.0	8.0	(12)	2.1	2.3	(9)	189	214	(12)
Philippines (PHP)	405.7	441.5	(8)	110.3	141.5	(22)	4,097	4,455	(8)
Singapore (SGD)	11.3	11.8	(4)	4.5	4.7	(4)	177	185	(4)
United States (USD)	36.6	28.6	28	6.8	5.0	36	196	199	(2)
Vietnam (VND)[2]	341.7	360.8	(5)	185.8	202.4	(8)	1,570	1,689	(7)
Total (SGD)	**164.1**	**169.4**	**(3)**	**58.5**	**63.0**	**(7)**	**137**	**134**	**2**

Notes:
1. *RevPAU for Japan refers to serviced residences and excludes rental housing*
2. *Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands*

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Thank You

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