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Ascott Residence Trust Acquisition of 4 Student Accommodation Properties in USA

27 December 2021

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Contents

- Overview of Acquisition
- Acquisition Rationale
- Acquisition Portfolio Details
- Conclusion

The completion of the acquisition is subject to conditions precedent, and this presentation deck has been prepared on the basis that all conditions are met. For more details, please refer to the acquisition announcement.



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Overview of Acquisition

Doubling Student Accommodation Presence to 8 Properties

Accretive acquisition of 4 new, quality student accommodation properties in USA



The Link University City, Pennsylvania



Latitude on Hillsborough, North Carolina



Uncommon Wilmington, North Carolina



Latitude at Kent, Ohio

US\$213.0 mil¹

Total purchase consideration

US\$222.6 mil

Independent valuation

1,651

beds across 582 units

1-2 years

in operation

c.94%

Average occupancy for
Academic Year (AY) 2021

**92% by debt and
8% by proceeds from
Sep 2021 placement**

Funding structure

c.4.9%

Average EBITDA² yield

c.3.0%

DPS accretion³

Acquisition expected to complete in phases from **end-December 2021**

Notes: Based on exchange rate of US\$1 = S\$1.367

1. The purchase consideration of US\$213.0 mil (S\$291.2 mil) arrived at on a willing-buyer and willing-seller basis, is based on the agreed value of the property and the independent valuation dated 10 December 2021 by Newmark Knight Frank Valuation & Advisory, LLC of US\$222.6 mil (equivalent to approximately S\$304.3 mil)

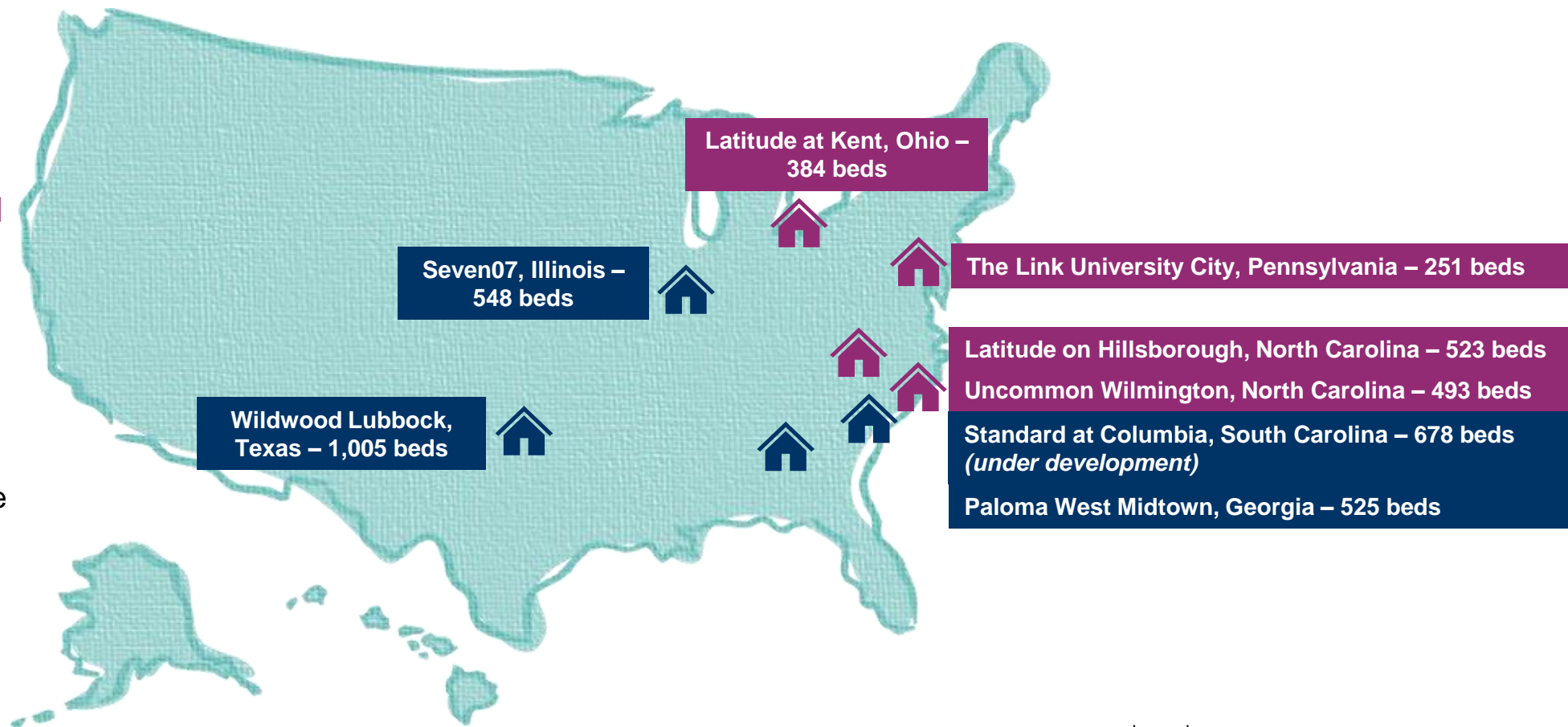
2. Earnings before interest, tax, depreciation and amortisation

3. Based on FY 2020 pro forma Distribution per Stapled Security. The pro forma is based on the audited financial statements of ART for the financial year ended 31 December 2020, assuming that (1) the acquisition was completed on 1 January 2020 and ART held and operated the properties through to 31 December 2020 and (2) the acquisition will be funded approximately 92% by debt and 8% by funds raised from the private placement in September 2021

c.4,400 Student Accommodation Beds Acquired Since Jan 2021

Post-acquisition, longer-stay accommodation¹ will comprise c.16% of portfolio value, on track to meet ART's medium-term target of 20%

ART's student accommodation properties are predominantly located in strategic locations within USA's Sunbelt states, Ivy League, 'Power 5' markets, where there are reputable universities with strong athletics programmes, large student populations and steady enrolment growth.



Note:

1. Refers to student accommodation and rental housing properties

Legend



New acquisition



Existing ART property



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Acquisition Rationale

1

Quality Assets that Augment ART's Student Accommodation Portfolio

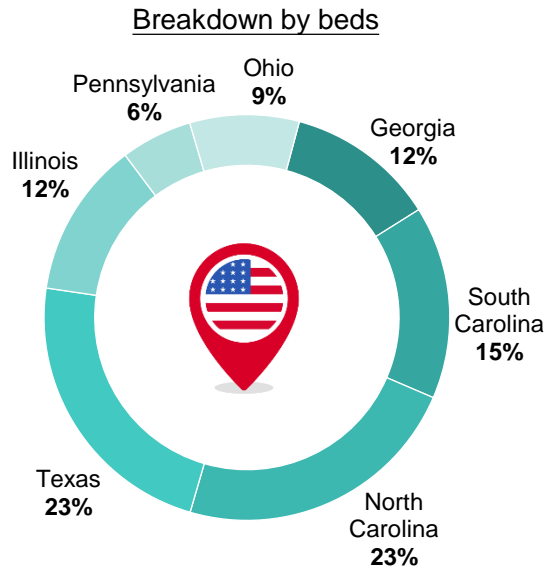
Positive attributes that fulfil ART's investment criteria



2 Building a Diversified Student Accommodation Portfolio

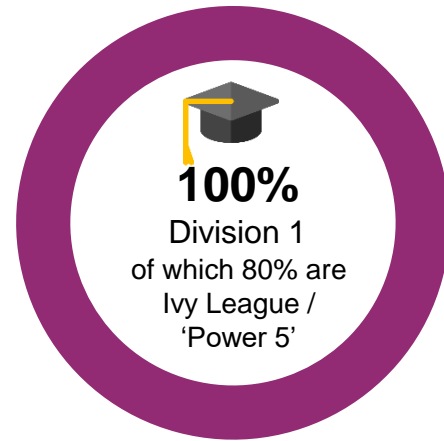
Post-acquisition, each USA state accounts for less than 23% of total beds, down from 36%

Reduced concentration risk with diversified presence



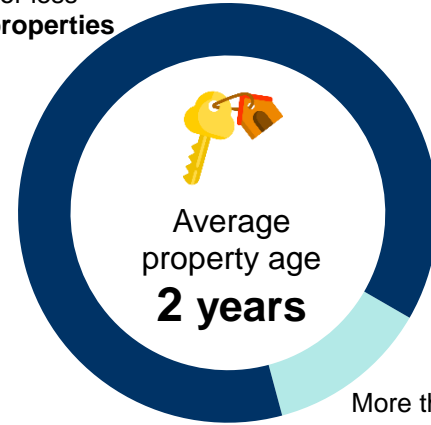
Serving reputable universities with strong athletics programmes

Serving over **250,000** students



New product offerings with best-in-class community facilities

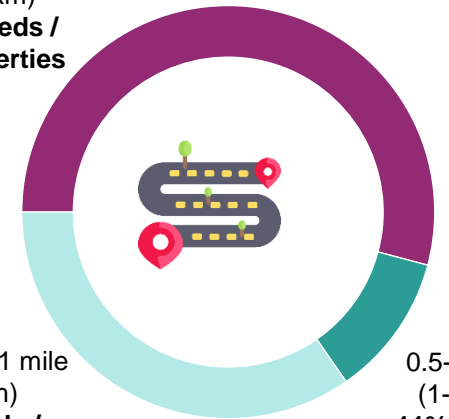
2 years or less
7 properties



More than
2 years
1 property

Well-located properties that are within walking distance to campus or close to amenities

0-0.5 mile
(0-1km)
**54% beds /
5 properties**



Less than 1 mile
(2-3km)
**35% beds /
2 properties**

0.5-1 mile
(1-2km)
**11% beds /
1 property**

Note: Distance data is from RealPage

3

Riding the Tailwinds of USA Student Accommodation Sector Recovery and Performance

Opportune time to capture the return to in-person classes and on-campus activities



Occupancy back to pre-Covid-19 levels



On-site occupancy hit 94% in October 2021, higher than the past 3 years

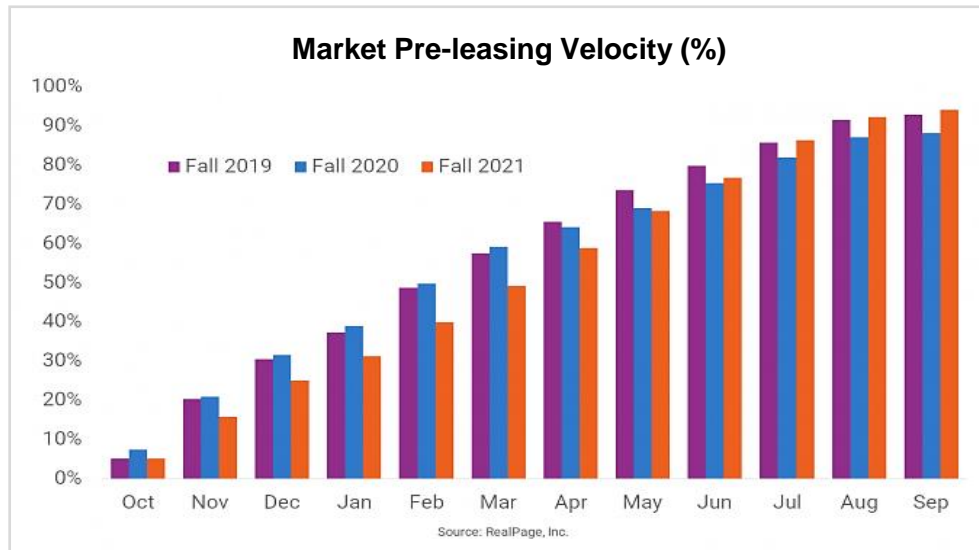


AY 2021 rents registered strongest growth since 2016, up by 2.3% from previous year

Market pre-leasing velocity for AY 2021 indicated that occupancy had returned to pre-Covid-19 levels

More students occupied their leased units, indicative of a fundamental recovery driven by the return to campus

A quarter of universities¹ recorded rent growth at or above 4% in AY 2021, a strong performance compared to previous years



Notes:
Source: Real Page
1. Refers to the 175 universities tracked by Real Page

4

Increasing Asset Allocation in Longer-stay Assets

Executing on focused strategy to enhance income stability with 11 investments since Jan 2021

c.S\$780 mil¹ in acquisitions
year-to-date

Replacing distributable income of
divested assets at higher yields

Divesting at average exit yield of **c.2%** and
investing at average EBITDA yield of **c.5%**²

Building a sizeable
stable income base for resilience

Post-acquisition, student accommodation and
rental housing will comprise
c.16% of portfolio value

Property	Location	No. of units / beds	EBITDA yield	Acquisition date / target completion date
Student accommodation in USA				
Paloma West Midtown	Georgia	183 / 525	c.5%	Feb 2021
Standard at Columbia (under development)	South Carolina	247 / 678	c.6.2% ²	Announced in Jun 2021; construction expected to complete in 2Q 2023
Wildwood Lubbock	Texas	294 / 1,005	c.5.1%	Sep 2021
Seven07	Illinois	218 / 548	c.4.5%	Nov 2021
The Link University City	Pennsylvania	126 / 251		On or about 29 Dec 2021
Latitude at Hillsborough	North Carolina	180 / 523		On or about 29 Dec 2021
Uncommon Wilmington	North Carolina	150 / 493	c.4.9%	On or about 29 Dec 2021
Latitude at Kent	Ohio	126 / 384		No later than 11 Feb 2022
Rental housing in Japan				
Alpha Square Kita 15 jo	Sapporo	127		Jun 2021
Big Palace Minami 5 jo	Sapporo	158	c.4.%	Jun 2021
City Court Kita 1 jo	Sapporo	126		Jun 2021

Notes:

- Refers to the total purchase consideration for the student accommodation and rental housing properties, as well as ART's investment in Standard at Columbia, which is under development (comprising ART's investment in the initial 45% stake, estimated cost of the additional 5% stake which ART will acquire at fair market valuation, and other deal-related expenses)
- For Standard at Columbia, which is under development, the EBITDA yield is a target yield on a stabilised basis

5 Driving Returns for Stapled Securityholders

DPS accretive investment that will contribute immediately to earnings



c.4.9%
EBITDA yield

c.3.0%¹
DPS accretion

37.8%²
Post-acquisition gearing



Successfully deploying funds from private placement in Sep 2021 into yield-accretive acquisitions

- Acquisition costs will be 92% funded by debt and 8% funded by the remaining proceeds of the Sep 2021 private placement



Stabilised portfolio that will contribute immediately to earnings



EBITDA yield of c.4.9% and DPS accretion of c.3.0%¹



Gearing of 37.8%² post-completion of acquisition

Notes:

1. Based on FY 2020 pro forma Distribution per Stapled Security. The pro forma is based on the audited financial statements of ART for the financial year ended 31 December 2020, assuming that (1) the acquisition was completed on 1 January 2020 and ART held and operated the properties through to 31 December 2020 and (2) the acquisition will be funded approximately 92% by debt and 8% by funds raised from the private placement in September 2021
2. Based on the unaudited financial statements of ART as at 30 September 2021 and assuming that the acquisition was completed on 30 September 2021



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Acquisition Portfolio Details

Portfolio Overview

	The Link University City	Latitude on Hillsborough	Uncommon Wilmington	Latitude at Kent
Location	3600 Lancaster Ave, Philadelphia, Pennsylvania	5701 Hillsborough St, Raleigh, North Carolina	2421 Playa Way, Wilmington, North Carolina	1450 E Summit St, Kent, Ohio
Purchase Consideration / Independent Valuation	US\$65.5 mil / US\$68.5 mil	US\$64.0 mil / US\$66.6 mil	US\$54.0 mil / US\$56.4 mil	US\$29.5 mil / US\$31.1 mil
Year of Opening	2019	2020	2020	2019
Land Tenure	Freehold	Freehold	Freehold	Leasehold (expiring Dec 2117)
Key Educational Institution	University of Pennsylvania and Drexel University	North Carolina State University	University of North Carolina, Wilmington	Kent State University
Net Rentable Area	Residential – 105,129 sq ft (93%) Commercial – 7,466 sq ft (7%)	212,210 sq ft	Residential – 184,284 sq ft (97%) Commercial – 4,965 sq ft (3%)	152,307 sq ft
Building Height / Units / Beds	3 to 5 storeys / 126 units / 251 beds	3 storeys / 180 units / 523 beds	2 to 4 storeys / 150 units / 493 beds	5 storeys / 126 units / 384 beds
AY 2021 Occupancy	84%	97%	94%	98%

1 The Link University City

Modern, fully-furnished apartments within 10-minute walk of two universities



Located in the heart of Philadelphia's University City and less than 200m from the campus boundary of University of Pennsylvania and Drexel University

- Philadelphia is the second largest city in the East Coast and the University City is home to prestigious universities, academic research operations, healthcare and life science companies
- The property is a 10-minute walk to key campus buildings and adjacent to uCity Square, a mixed-use development with retail, residential, clinical, office, and laboratory space. Over the next 10 years, uCity Square will develop an additional 4 mil sq ft of space under its master plan, growing the development to 6.5 mil sq ft

1 The Link University City

Occupancy expected to pick up in AY 2022 with the return of on-campus activities



One of the newer pedestrian student accommodation in the market

- Opened in 2019 and commands a higher rate than other properties in the vicinity
- 126 units / 251 beds
 - Studio: 2 / (570 sq ft)
 - 1-Bedroom: 40 / (519 – 660 sq ft)
 - 2-Bedroom: 43 / (745-1,111 sq ft)
 - 3-Bedroom: 41 / (902 – 1,375 sq ft)
- Best-in-class amenities include a 2-storey 24-hour fitness and wellness centre, co-working and research lounges, front-lobby lounge with breakfast and coffee bar, and community kitchen

Favourable demand-supply dynamics

- Occupancy of c.84% in AY 2021 is expected to pick-up in AY 2022 with the return to in-person classes and significant increase in freshmen intake
- Demand-supply dynamics to remain favourable due to limited upcoming supply

About University of Pennsylvania

Ivy league university ranked #1 in state and #8 in USA

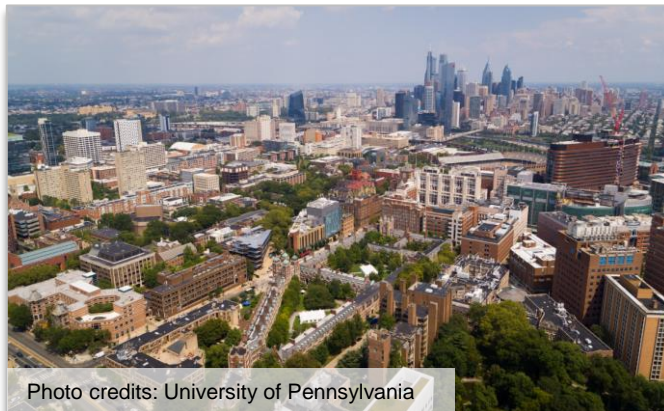


Photo credits: University of Pennsylvania



Private Ivy league, R1 research university

Consistently ranked as one of the best in the world, #8 in National Universities and #1 Business School in the USA

'Very High Research Activity' (R1) designation by the Carnegie Commission on Higher Education

Ivy League and Division 1 college athletics status

Participates in the Ivy League and Division 1 in the US National Collegiate Athletics Association (NCAA)

c.21,800
undergraduate and graduate students

0.9%
Enrolment CAGR from 2011 to 2019

75%
of students from USA

Started over a decade ago, Penn Connects is the university's **masterplan** that seeks to transform the university campus.

Investment of US\$3.8 bil has been made in phases 1 and 2, towards the addition of over 6 mil sq ft of new construction, 2.7 mil sq ft of renovated space and 1.3 mil sq ft of new open space.

With the completion of Phase 3 in 2022, the total investment in campus facilities and infrastructure is estimated to be US\$6.6 bil.

Sources: University of Pennsylvania website and Common Data Set (CDS), 2020

About Drexel University

Highly-ranked R1 private research university



Photo credits: Drexel University



Private research university with over 200 degree programmes

Top 15 largest private universities in USA and amongst Best Graduate Schools

R1 designation by the Carnegie Commission on Higher Education

Division 1 college athletics status

Participates in Division 1 of the NCAA and is a member of the Colonial Athletic Association

c.23,600
undergraduate and
graduate students

Stable
Enrolment
from 2011 to 2019

90%
of students
from USA

Drexel's Campus Master Plan, Drexel 2030: Designing the Future

outlines the university's future growth to expand and improve the campus.

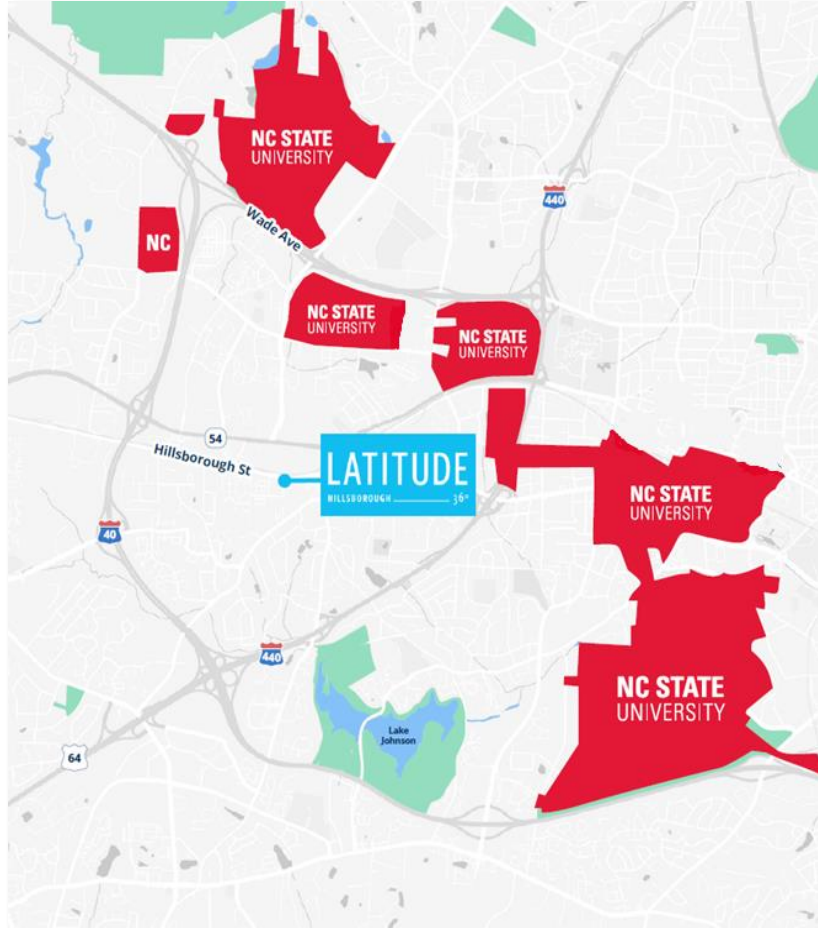
Drexel has completed c.US\$600 mil in third-party real estate development since 2010.

In 2017, Drexel and the developer broke ground on the Schuylkill Yards project, a US\$3.5 bil, 570k sq ft development that will include commercial laboratories as well as retail, office, academic, and green space.

Sources: Drexel University website and Common Data Set (CDS), 2020

2 Latitude on Hillsborough

Stylish and spacious townhome student accommodation located in Raleigh, a city within the Research Triangle



Prime off-campus location within Raleigh city

- Raleigh is one of the fastest-growing cities in the USA. Together with Durham and the town of Chapel Hill, they form the Research Triangle, a leading life science and technology hub anchored by major universities
- The property is located west of North Carolina State University, c.2km or 3-minute drive from the campus boundary. A direct shuttle bus is also available

2 Latitude on Hillsborough

Well-leased property that outperforms the market



Uniquely-positioned townhome student accommodation asset

- Opened in 2020 and one of the newest townhome properties in the area
- 180 units / 523 beds
 - 1-Bedroom: 21 / (591 sq ft)
 - 2-Bedroom: 58 / (821 – 841 sq ft)
 - 3-Bedroom: 27 / (1,075 sq ft)
 - 4-Bedroom: 65 / (1,630 – 1,682 sq ft)
 - 5-Bedroom: 9 / (1,754 sq ft)
- Best-in-class amenities include fitness centre, on-demand fitness classes, heated swimming pool with poolside cabanas & hot tub, on-site café & lightbox lounge

Demand-supply dynamics expected to remain favourable

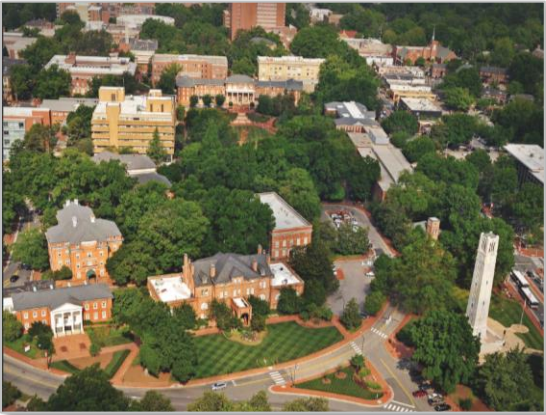
- Property is well-leased at 97% for AY 2021, outperforming the market average of 93%
- Apart from North Carolina State University, demand for accommodation could also come from numerous smaller colleges within Raleigh city
- No upcoming private bed supply in the pipeline

About North Carolina State University

Largest university in the Carolinas and one of the best public universities in North Carolina



Photo credits: North Carolina State University



One of the best public universities in the state

Ranked #4 in North Carolina – over 100 students were national scholars and fellows over the past 5 years

Has 12 colleges representing more than 300 major fields, with 11 graduate programmes ranked among the top 30 in their field nationally

‘Power 5’ college athletics status

Participates in the Atlantic Coast Conference, one of the five ‘Power 5’ athletics conferences in the US NCAA

c.36,000
undergraduate and graduate students

0.5%
Enrolment CAGR from 2011 to 2019

98%
of students from USA

North Carolina State University’s physical master plan

is a guide to purposeful design. Along with its **strategic plan**, both share a focus on the enhancement of educational innovation, infrastructure, interdisciplinary collaboration and strategic partnerships.

Future plans for growth and improvement include new and remodeled academic buildings, new research facilities and enhanced infrastructure.

Sources: North Carolina State University website and Common Data Set (CDS), 2020

3 Uncommon Wilmington

Spacious, resort-style townhome student accommodation close to retail amenities



Well-located premier student accommodation

- Situated between University of North Carolina Wilmington and a major retail cluster
- c.1.5 km or 3-minute drive from campus

3 Uncommon Wilmington

Well-positioned in a market with healthy demand growth and limited new supply



One of the newer student accommodation in the market

- Newly opened in 2020 and commands a higher rate than other properties
- 150 units / 493 beds
 - 1-Bedroom: 17 / (534 – 722 sq ft)
 - 2-Bedroom: 28 / (795 sq ft)
 - 4-Bedroom: 105 / (1,317 – 1,533 sq ft)
- Best-in-class amenities include a resort style pool with cabanas and a fitness/yoga studio that offers fitness on demand classes, club room with gaming tables, arcade and hydration station

Demand expected to outpace supply growth

- University enrolment growth has traditionally been strong at 3.6% over the past 9 years and the property is well-leased at 94% for AY 2021
- Demand-supply dynamics to remain favourable due to limited upcoming supply

About University of North Carolina Wilmington

One of the top universities in North Carolina with significant enrolment growth



Photo credits: University of North Carolina Wilmington

One of the top public universities in the state

Part of a 17-campus University of North Carolina system and offers over 90 undergraduate and graduate programmes

'High Research Activity' (R2) designation by the Carnegie Commission on Higher Education

Division 1 college athletics status

Participates in Division 1 of the NCAA in the Football Bowl Subdivision and is a member of the Colonial Athletic Association

c.18,000
undergraduate and graduate students

3.6%
Enrolment CAGR from 2011 to 2019

99%
of students from USA

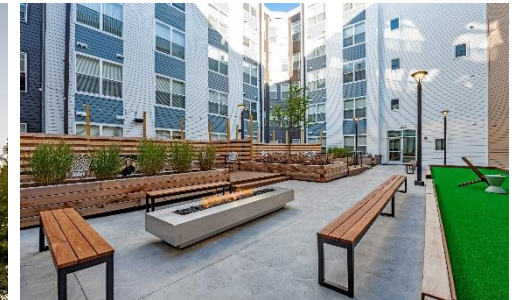
To accommodate its growing student population, the university's **Campus Master Plan** recommends various projects to meet current and future space needs. The projects are aligned with its **2016-2022 Strategic Plan**.

Over the past decade, the university has constructed or renovated more than 40 buildings. Future plans include a US\$66 mil, 165k sq ft Health and Human Services building and a 20k sq ft Baseball and Softball Indoor Hitting Facility.

Sources: University of North Carolina Wilmington website and Common Data Set (CDS), 2020

4 Latitude at Kent

Newest private student accommodation, located closest to the Kent State University campus



Stellar location in the heart of Kent State University campus

- Property is just across the street from the university academic core
- Walking distance to major faculties and facilities

4 Latitude at Kent

Strong demand expected to continue given the property's excellent location and absence of new supply



Highly sought-after property with strong take-up during AY 2021 pre-leasing

- Opened in 2019 and commands a higher rate than other properties
- 126 units / 384 beds
 - 1-Bedroom: 10 / (752 – 804 sq ft)
 - 2-Bedroom: 23 / (891 – 897 sq ft)
 - 3-Bedroom: 44 / (1,114 – 1,301 sq ft)
 - 4-Bedroom: 49 / (1,387 – 1,612 sq ft)
- Best-in-class amenities include a 24-hour fitness and wellness centre, resort-style pool, outdoor courtyard, game room, co-working and research lounges

Demand expected to outpace supply growth

- Property well-leased at 98% for AY 2021
- No supply in the pipeline

About Kent State University

Leading regional university for North-east Ohio



Photo credits: Kent State University

One of the top public universities in the state

Part of a 8-campus system and offers over 340 undergraduate and graduate programmes

Classified as a Research University by the Carnegie Commission on Higher Education, averaging US\$30 mil annually in research funding

Division 1 college athletics status

Participates in Division 1 of the NCAA and is part of the Mid-American Conference

c.27,000
undergraduate and graduate students

Stable
Enrolment from 2011 to 2019

96%
of students from USA

Kent State University's US\$1.2 bil facilities master plan

encompasses campus improvements such as new and remodeled facilities, halls and buildings, improved parking, greener spaces and research facility expansions. It is carried out in 3 phases and expected to be completed by 2027.

The university's newest project is the 100,000 sq ft new College of Business Administration Building which is projected to cost over US\$72 mil and complete in 2024.

Sources: Kent State University website and Common Data Set (CDS), 2020



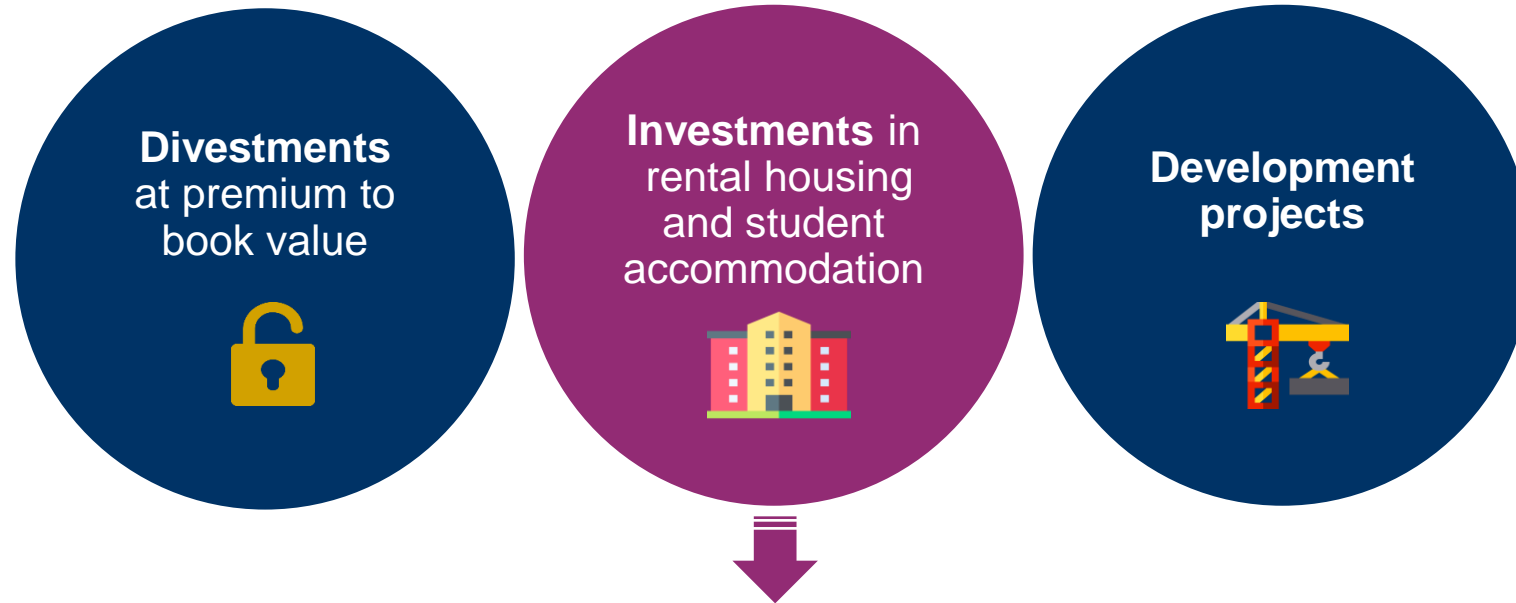
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Conclusion

Underpinned by ART's Portfolio Reconstitution Strategy

Recycling capital into higher-yielding investments with a focus on increasing proportion of stable income



- 1 Quality assets that augment ART's student accommodation portfolio
- 2 Building a diversified student accommodation portfolio
- 3 Riding the tailwinds of USA's student accommodation sector recovery and performance
- 4 Increasing asset allocation in longer-stay accommodation
- 5 Driving returns for Stapled Securityholders

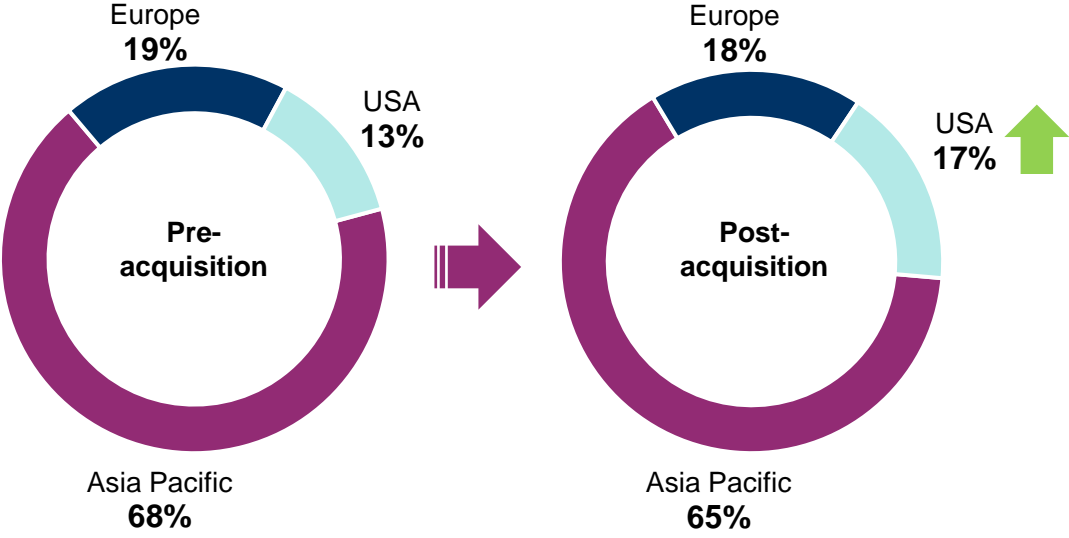
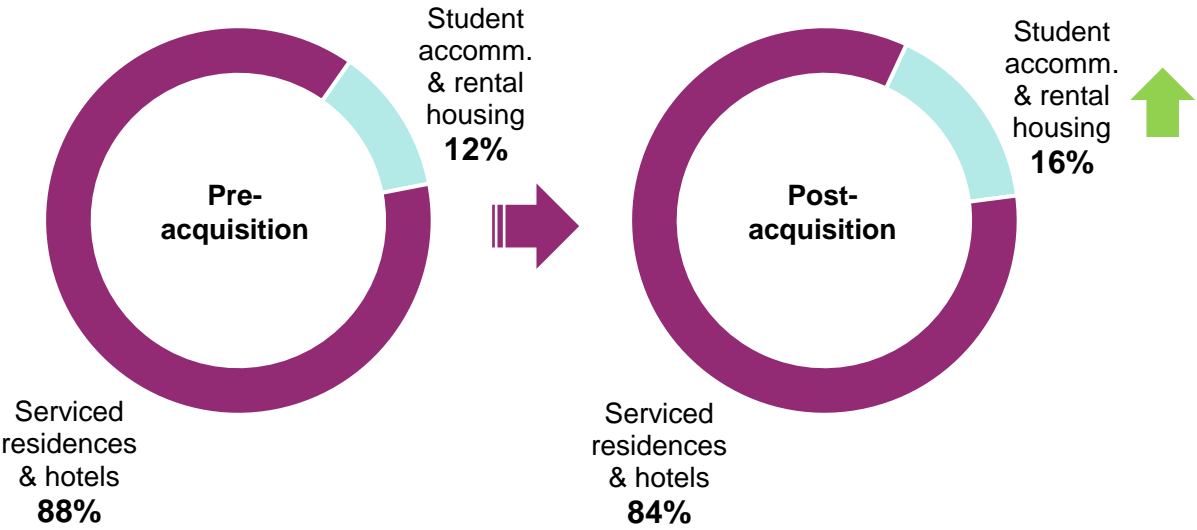
ART Portfolio Post-Acquisition

Higher asset allocation in longer-stay accommodation and USA



Portfolio Value by Asset Class

Portfolio Value by Region



Note: Portfolio value is based on property valuations as at 31 December 2020, property development expenditure of properties acquired year-to-date and properties under development



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