SABANA
SHARI'AH COMPLIANT REIT



SABANA SHARI'AH COMPLIANT INDUSTRIAL REIT

Morgan Stanley Thirteenth Annual Asia Pacific Summit

Investor Presentation

14 November 2014

Important notice

Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("**Sabana REIT**" or the "**Trust**") for the third quarter from 1 July 2014 to 30 September 2014 ("**3Q 2014**").

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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this presentation between the listed amounts and total thereof are due to rounding.

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About Us – Overview



High-tech Industrial



Chemical Warehouse & Logistics



Warehouse & Logistics



General Industrial

- Diversified portfolio of 22 industrial properties (in the process of acquiring the 23rd property) in Singapore with a wide tenant base of both local & international companies;
- Total assets currently valued above S$1.2 billion;
- Assigned a 'BBB-' long term corporate credit rating and 'aXA-' ASEAN scale rating with a stable outlook from Standard & Poor's Rating Services
- The world's first and largest listed REIT to be certified with the GCC standard of Shari'ah compliance(1);
- Sabana REIT is listed in several indices within the Morgan Stanley Capital International, Inc (MSCI) Index, the Global Property Research (GPR) index, FTSE index and S&P Dow Jones Indices.

(1) GCC Shari'ah compliance standards refers to the Shari'ah compliance standards applied by The Cooperation Council For The Arab States of The Gulf countries. This mandates Sabana REIT to keep the total rental income from lessees, tenants and/or sub-tenants engaging in activities which are non-permissible under the GCC-Shari'ah investment principles at or below 5.0% of Sabana REIT's annual gross revenue. As at 30 September 2014, Sabana REIT's non-Shari'ah income represents approximately 0.05% of the Trust's total rental income

About Us – Rated by S&P (BBB- with Stable Outlook)

Assigned a 'BBB-' long term corporate credit rating and 'aXA-' ASEAN scale rating with a stable outlook from Standard & Poor's Rating Services in June 2014

- Stable outlook reflects an expectation that Sabana REIT will satisfactorily manage its peak lease expiry in late 2015 and maintain its business and financial risk profiles, with gradual improvement in occupancy rates, over the next 12 to 18 months from the date of rating.
- Sabana REIT's leverage expected to remain low below 40.0% as the management conserves cash by paying fees and partial dividends in Units. In addition, the management expects to divest underperforming assets as and when opportunities arise.
- Conservative approach to interest management, with more than 75.0% of its floating rate risk hedged. As at 30 September 2014, 91.0% of Sabana REIT's total debt is fixed rate.
- Strong operating cash flows coupled with cash and equivalents balance of S$12.4 million plus unused committed revolving facility of about S$17.5 million as at 30 September 2014 minimises Sabana REIT's liquidity risk.

About Us

1 Singapore's first listed REIT which is certified Shari'ah compliant

The Manager adheres to guidelines set out by the Independent Shari'ah Committee to ensure that Sabana REIT has adopted a standard of Shari'ah compliance that is generally accepted by the GCC in all aspects of its operations.

2 Significant portion of the Trust's portfolio located on land rent-free sites

Approximately 30.0% of the Trust's properties by gross floor area ("GFA") are located on land rent-free sites.

3 Long weighted average unexpired lease term

The Trust's portfolio has a long weighted average unexpired lease term of more than 38 years for the underlying land[(1)].

4 Healthy capital structure

The Trust's aggregate leverage is at 37.0%[(1)], well within the aggregate leverage limit of 60% for REITs which have obtained credit ratings[(2)] as set out in the Property Funds Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

(1) Weighted by GFA.
(2) As at 30 September 2014.
(3) The aggregate leverage of a property fund may exceed 35% of the fund's deposited property only if a credit rating of the property fund from Fitch, Moody's or Standard and Poor's ("S&P's") is obtained and disclosed to the public.

About Us - Our Strategy

Acquisition Growth

We aim to expand our portfolio by acquiring properties that are aligned with Sabana REIT's investment strategy and Shari'ah investment principles. This will enable the REIT to enjoy attractive income distributions.

Capital and Risk Management

The Manager will employ an appropriate mix of debt and equity in financing acquisitions, and use the right financial instruments to optimise risk-adjusted returns to stakeholders.

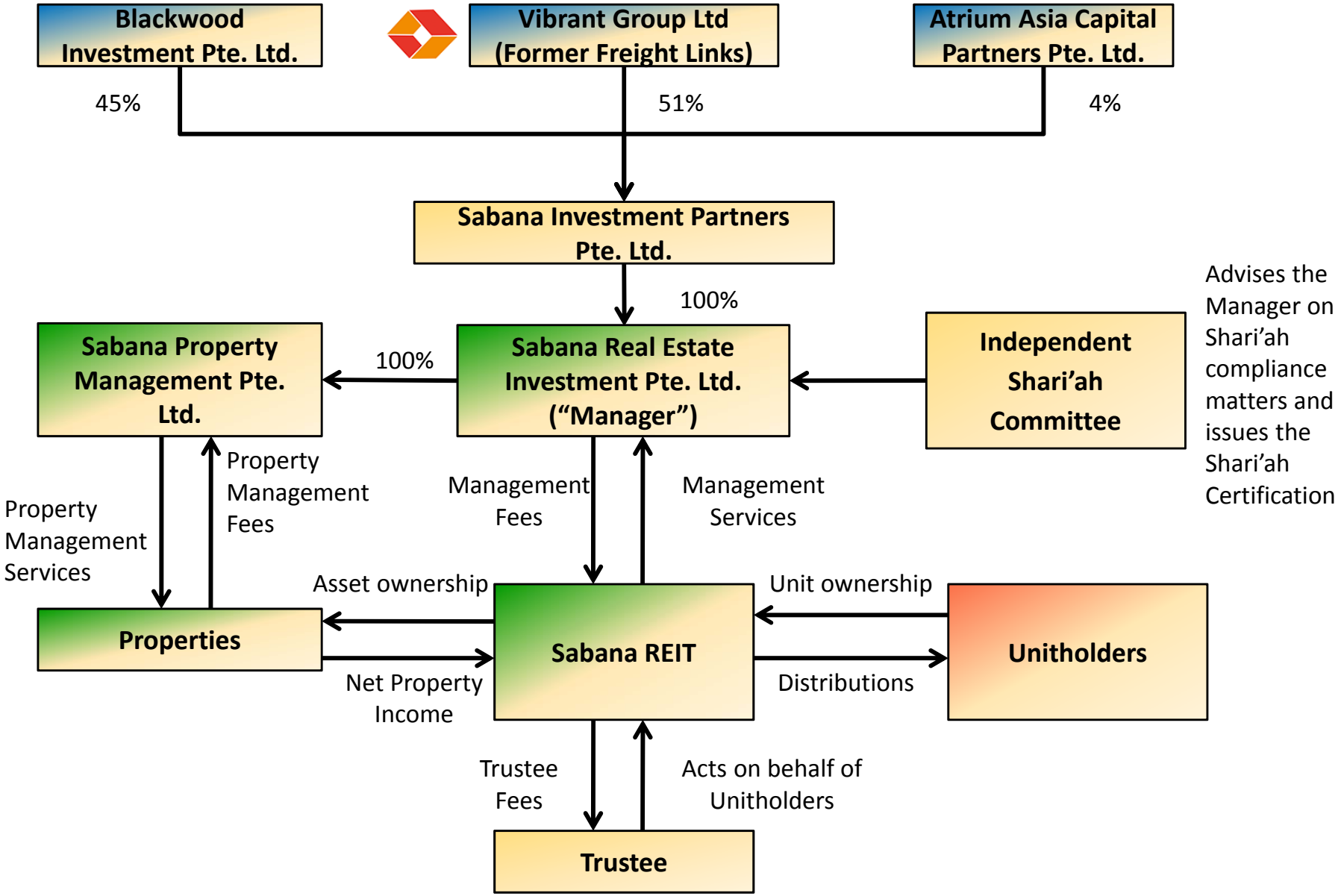
Active Asset Management

We will pro-actively manage and maintain the properties in our portfolio to improve the overall rental yields.

Opportunistic Development

The Manager will prudently undertake development activities when appropriate opportunities arise.

About Us – Shareholders & REIT Structure



About Us - Awards And Recognition

2014

September

Awarded “Honours” in the Non-traditional Annual Report category of the 28th International ARC Awards Competition, a prestigious international annual report competition based in New York, USA.

2013

January

Named “Equity Deal of the Year” and “Real Estate Deal for the Year” for its S$80.0 million Convertible Sukuk al Ijarah by Islamic Finance News’ 2012 Deals of the Year awards.

September

Conferred “Most Outstanding Islamic Real Estate Product” to recognise its successful issuance of the Convertible Sukuk – the first in the world to be convertible into units in a real estate investment trust.

2012

January

Received “The Gold Standard Award for Corporate Financial Communications” by PublicAffairsAsia.

February

Awarded “Best Domestic Securitization” at the The Asset Triple A Regional Deal Awards 2011 for the S$132 million Islamic securitisation facility it launched in November 2011.

October

Voted “Most Innovative Asset Management Company” and “Best Investor Relations by an Asset Management Company” in the 2nd Islamic Finance News Islamic Investor Poll.

2011

February

Clinched the Triple A Award for “Best Islamic Deal in Singapore” and “Most Innovative Islamic Deal” by The Asset.

February

Awarded “IPO Deal of the Year (2010)” and “Real Estate Deal of the Year (2010)” by Islamic Finance News.

July

Awarded “Golden World Award” by International Public Relations Association (IPRA).

October

Emerged as “The Most Outstanding Islamic REIT” at the KLIFF Islamic Finance Awards Ceremony.

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Our Assets

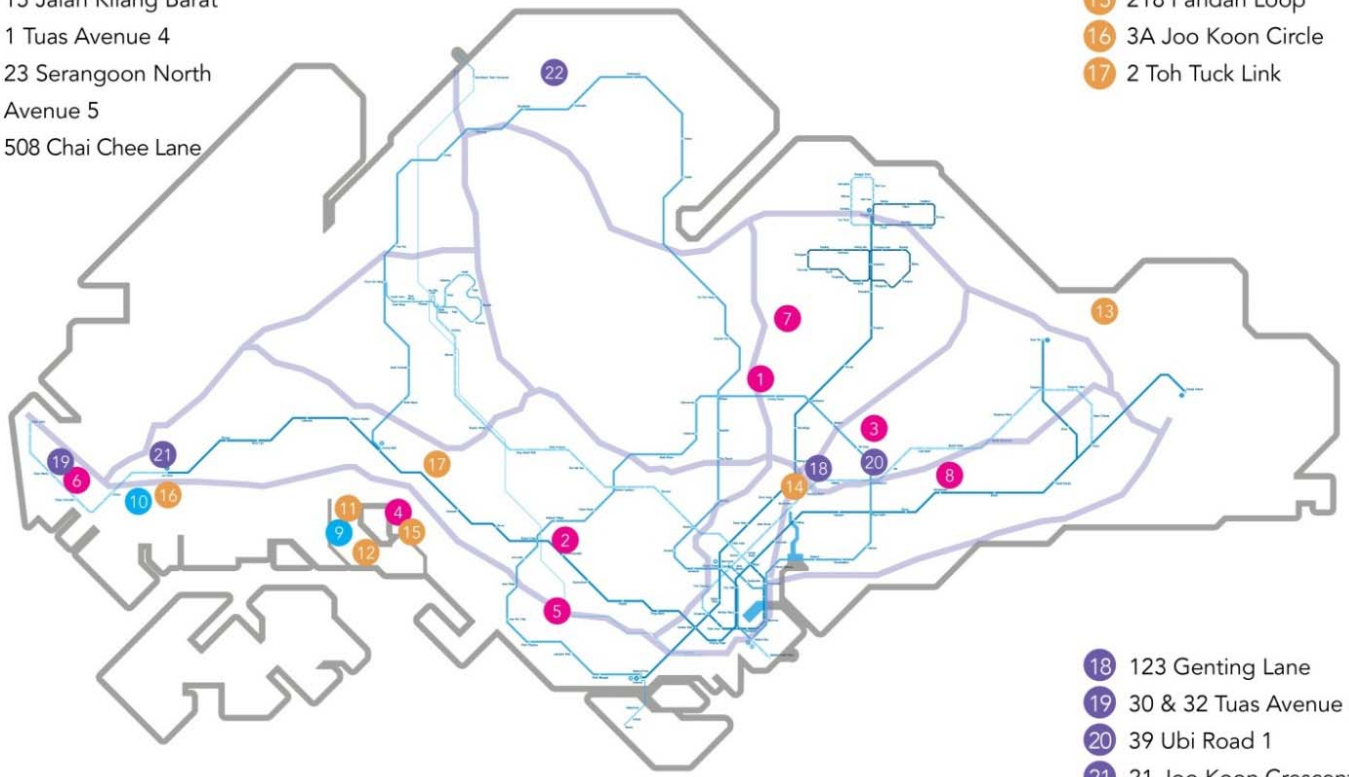
Properties are located in high-tech industrial and logistic hubs across Singapore, in close proximity to expressways and public transportation

High-tech Industrial

1. 151 Lorong Chuan
2. 8 Commonwealth Lane
3. 9 Tai Seng Drive
4. 200 Pandan Loop
5. 15 Jalan Kilang Barat
6. 1 Tuas Avenue 4
7. 23 Serangoon North Avenue 5
8. 508 Chai Chee Lane

Warehouse and Logistics

11. 34 Penjuru Lane
12. 51 Penjuru Road
13. 26 Loyang Drive
14. 3 Kallang Way 2A
15. 218 Pandan Loop
16. 3A Joo Koon Circle
17. 2 Toh Tuck Link



Chemical Warehouse and Logistics

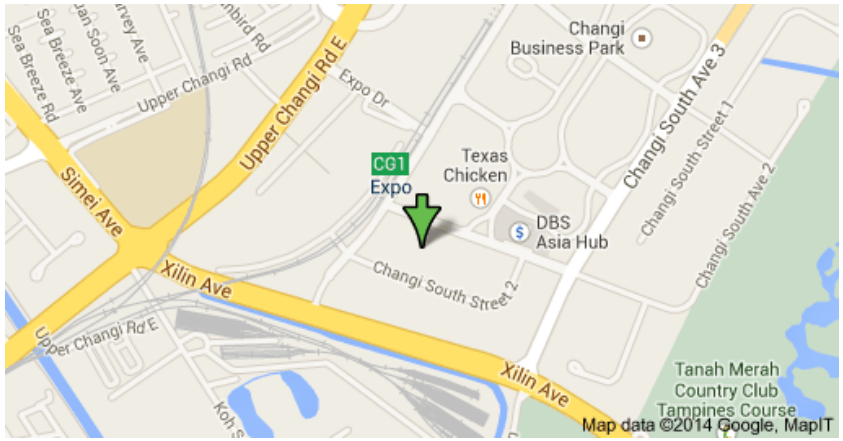
9. 33 & 35 Penjuru Lane
10. 18 Gul Drive

General Industrial

18. 123 Genting Lane
19. 30 & 32 Tuas Avenue 8
20. 39 Ubi Road 1
21. 21 Joo Koon Crescent
22. 6 Woodlands Loop

Our Assets – Latest Proposed Acquisition





[1] Includes proposed purchase price of S$50.0 million, JTC upfront land premium of approximately S$4.3 million, stamp fee on the land premium, acquisition fee of S$0.5 million (being 1% of the purchase price) payable to the Manager, and other transaction related costs.

10 Changi South Street 2

Location
10 Changi South Street 2, Singapore 486596

Description
A purpose-built part single-storey/part six-storey warehouse building with ancillary office areas, located within the Changi South Industrial Estate, next to Changi Business Park, some 13.5 km from the city centre.

Total Cost of Acquisition (S$ million)[1]
55.1

Valuation by Cushman & Wakefield VHS Pte. Ltd (S$ million)
54.3 (as at 16 July 2014)

Occupancy Rate (%)
100.0

Remaining Lease Tenure
37 years approx. (the Property is a JTC leasehold estate of 30 + 27 years tenure commencing from 1 October 1994)

Gross Floor Area (sq Ft)
189,609

Vendor
Adviva Distribution Pte. Ltd.

Expected Acquisition Completion
4Q 2014

Our Assets – Portfolio Highlights





151 Lorong Chuan

Location
151 Lorong Chuan, New Tech Park, Singapore 556741

Description
A 6-storey industrial building with a ground level carpark. One-minute walk to Lorong Chuan MRT.

Purchase Consideration (S$ million)
305.9

Latest Valuation (as at 31 December 2013) (S$ million)
341.3

Gross Rental Income for FY 2013 (S$ million)
24.8

Occupancy Rate (%) (as at 30 September 2014)
89.6

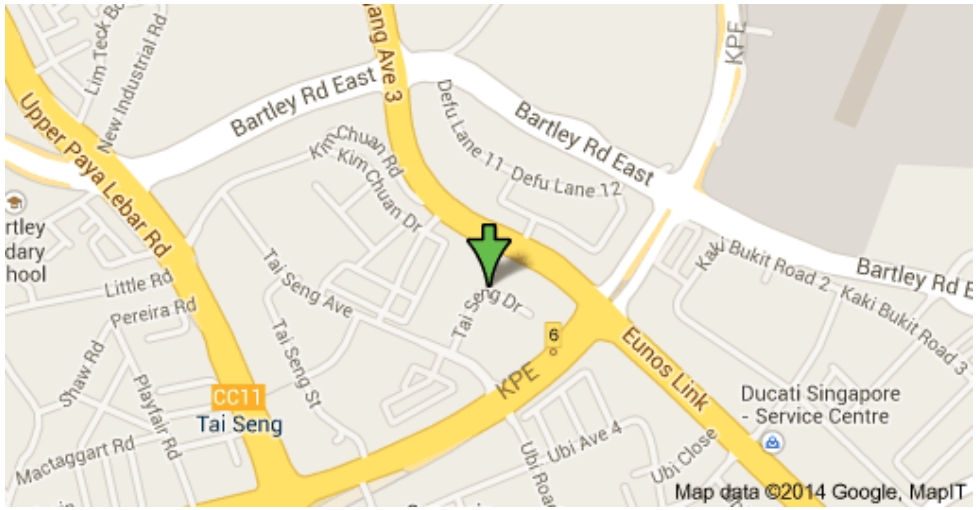
Land Lease Expiry
2055 (45 years with effect from 26 November 2010)

Gross Floor Area (Sq Ft)
810,710

Major Tenants
Wincor Nixdorf Pte Ltd, SP Services Limited, Epsilon Telecommunications (SP) Pte. Ltd.

Our Assets – Portfolio Highlights





9 Tai Seng Drive

Location
9 Tai Seng Drive, Geo-Tele Centre, Singapore 535227

Description
A six-storey industrial building with a basement carpark. Situated within a three minute drive from the newly-opened Tai Seng MRT station.

Purchase Consideration (S$ million)
46.3

Latest Valuation (as at 31 December 2013) (S$ million)
49.1

Gross Rental Income for FY 2013 (S$ million)
5.6

Occupancy Rate (%) (as at 30 September 2014)
100.0

Land Lease Expiry
2055 (30 + 30 years with effect from 1 June 1995)

Gross Floor Area (Sq Ft)
218,905

Major Tenants
DHL Supply Chain Singapore Pte. Ltd., Savvis Singapore Company Pte Ltd.

Our Assets – Portfolio Highlights





33 & 35 Penjuru Lane

Location
33 & 35 Penjuru Lane, Freight Links Express Logisticpark, Singapore 609200/609202

Description
Comprise of three buildings, including a single-storey warehouse with mezzanine floor, a four-storey warehouse and a part single-storey/part three-storey warehouse with a basement. Near to major expressways and Jurong East MRT station.

Purchase Consideration (S$ million)
78.9

Latest Valuation (as at 31 December 2013) (S$ million)
84.3

Gross Rental Income for FY 2013 (S$ million)
6.3

Occupancy Rate (%) (as at 30 September 2014)
100.0

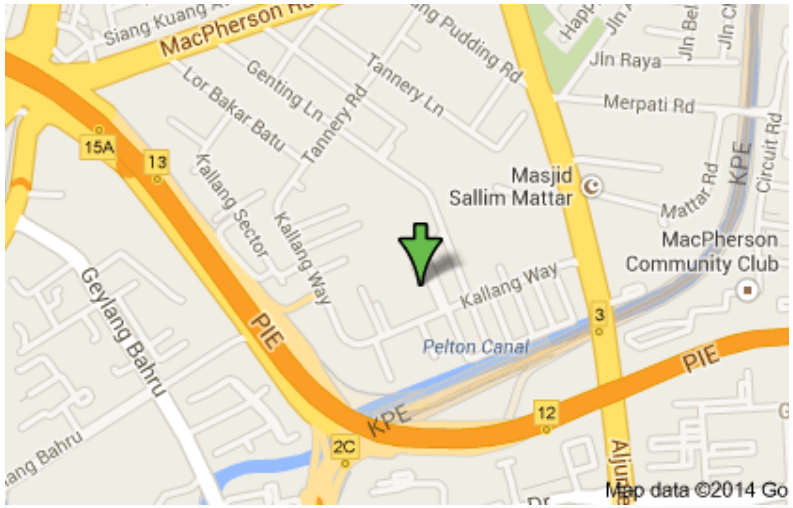
Land Lease Expiry
2049 (30 + 31 years with effect from 16 February 1988)

Gross Floor Area (Sq Ft)
286,192

Master Tenant
Vibrant Group Limited

Our Assets – Portfolio Highlights





3 Kallang Way 2A

Location
3 Kallang Way 2A, Fong Tat Building, Singapore 347493

Description
A seven-storey building with basement carpark and ancillary offices. Near Pan Island Expressway, Kallang Paya Lebar Expressway and Aljunied Road.

Purchase Consideration (S$ million)
15.0

Latest Valuation (as at 31 December 2013) (S$ million)
16.2

Gross Rental Income for FY 2013 (S$ million)
1.2

Occupancy Rate (%) (as at 30 September 2014)
100.0

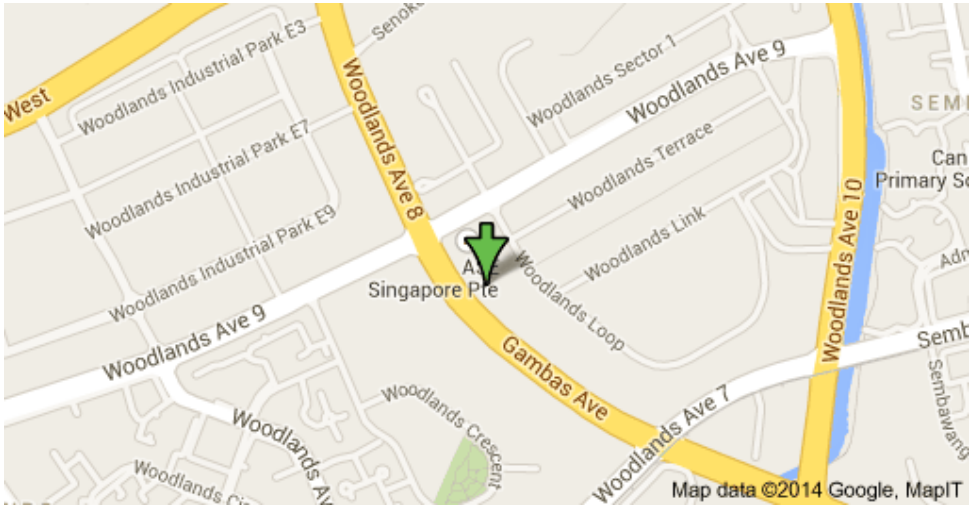
Land Lease Expiry
2055 (30 + 30 years with effect from 1 May 1995)

Gross Floor Area (Sq Ft)
83,646

Master Tenant
Fong Tat Motor Co. Pte. Ltd.

Our Assets – Portfolio Highlights





6 Woodlands Loop

Location
6 Woodlands Loop, Singapore 738346

Description
A three-storey industrial building with ancillary office and mezzanine extension.

Purchase Consideration (S$ million)
14.8

Latest Valuation (as at 31 December 2013) (S$ million)
15.1

Gross Rental Income for FY 2013 (S$ million)
1.3

Occupancy Rate (%) (as at 30 September 2014)
100.0

Land Lease Expiry
2054 (30 + 30 years with effect from 16 September 1994)

Gross Floor Area (Sq Ft)
77,544

Master Tenant
MMI Holdings Limited

Our Assets – Quality Tenant Base

Top ten tenants by gross rental income as at 30 September 2014

No.	Tenant	Gross Rental Revenue (%)
1.	Subsidiaries of Vibrant Group Limited*	16.2
2.	SB (Lakeside) Investment Pte. Ltd.	5.4
3.	Ban Teck Han Enterprise Co Pte Ltd	4.7
4.	Advanced Micro Devices (S) Pte Ltd*	4.3
5.	Ringford Pte. Ltd.	3.1
6.	Crescendas Logistics Solutions Pte. Ltd.	3.1
7.	ESPN Star Sports	3.0
8.	Ho Bee Developments Pte Ltd*	2.7
9.	Wincor Nixdorf Pte Ltd*	2.7
10.	Oxley & Hume Builders Pte Ltd	2.6
	Top 10 tenants	**47.8**

* Listed companies or subsidiaries of listed entities.



508 Chai Chee Lane
Tenant: Advanced Micro Devices (S) Pte Ltd



23 Serangoon North Avenue 5
Master tenant: Ban Teck Han Enterprise Co Pte Ltd



51 Penjuru Road
Master tenant: Subsidiary of Vibrant Group Limited



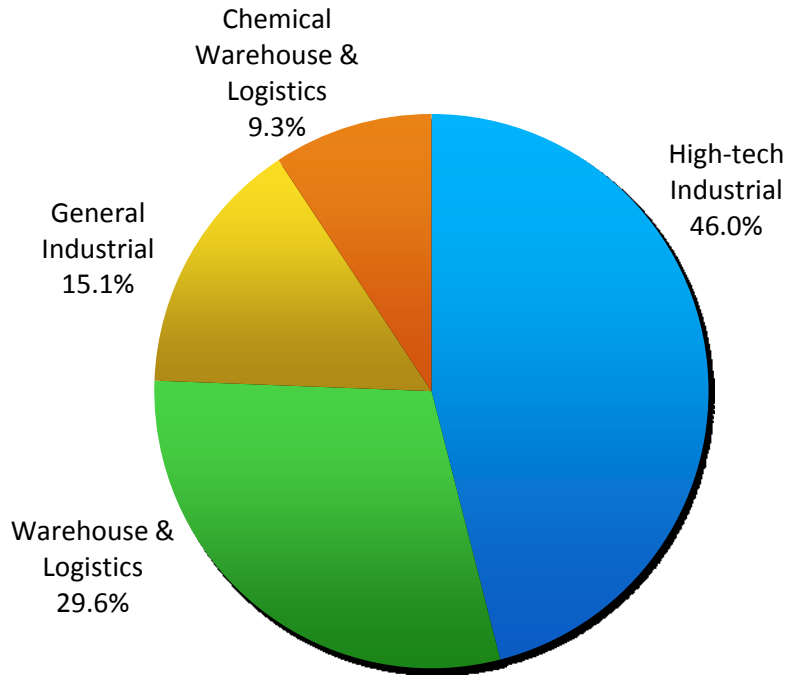
15 Jalan Kilang Barat
Master tenant: Ho Bee Developments Pte. Ltd.

Our Assets - Diverse Asset Types

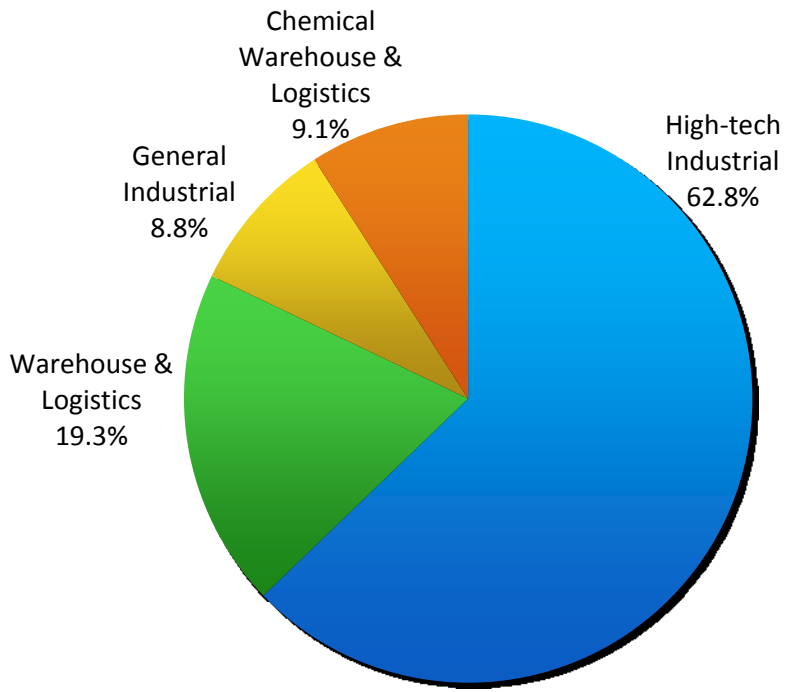
Sabana REIT's portfolio is diversified across the following asset types:

Property Class	Average Occupancy Rate (%)	Property Class	Average Occupancy Rate (%)
High-tech Industrial	83.6	Warehouse & Logistics	100.0
Chemical Warehouse & Logistics	100.0	General Industrial	95.0

Asset Breakdown by NLA for 3Q 2014(1)



Gross Revenue by Asset Type for 3Q 2014



(1) Net lettable area, as at 30 September 2014.

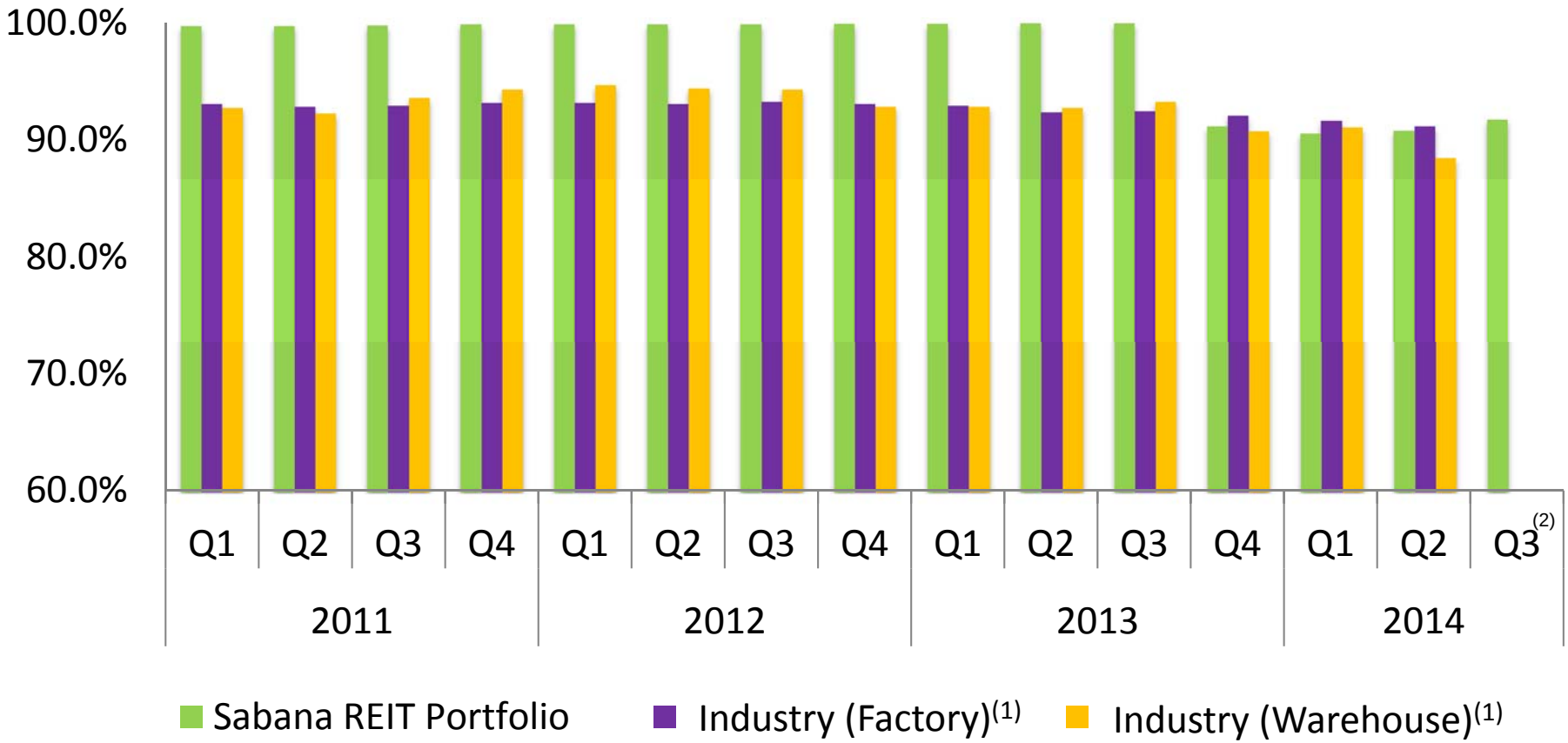
Our Assets - High Occupancy Rates

As at 30 September 2014	
Total portfolio GFA	4,485,755 sq ft
Portfolio occupancy	
16 properties, master leases[(1)]	100.0%
6 properties, multi-tenanted[(2)]	79.6%
22 properties, total portfolio[(3)]	91.8%
Weighted average lease term to expiry[(4)]	1.5 years
Weighted average unexpired lease term for the underlying land[(5)]	38.2 years

(1) 14 triple net & 2 single net master leases
(2) 151 Lorong Chuan, 8 Commonwealth Lane, 9 Tai Seng Drive, 200 Pandan Loop, 508 Chai Chee Lane and 123 Genting Lane
(3) By Net Lettable Area ("NLA").
(4) Weighted by gross revenue (master leases of 16 properties).
(5) Weighted by GFA.

Occupancy Levels Since Listing

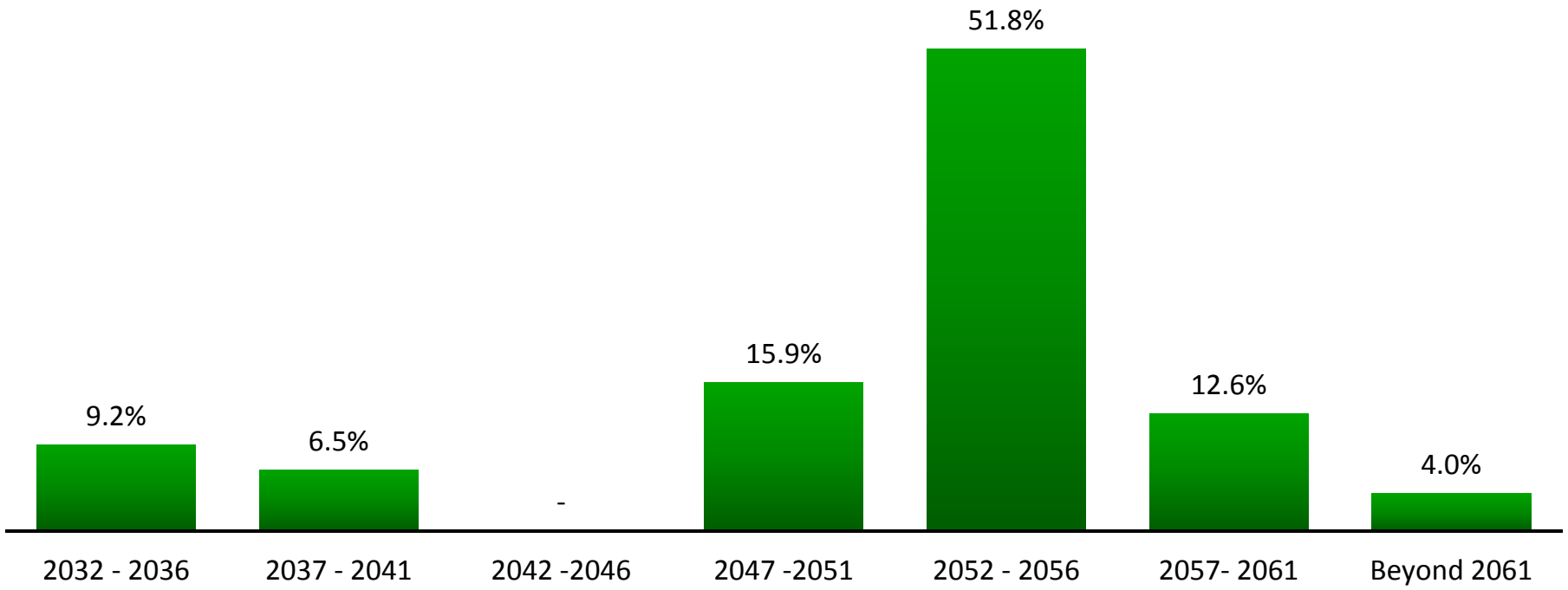
Comparisons to Singapore industrial average occupancy levels



(1) Source: Property Market Information by Urban Redevelopment Authority and Quarterly Market Report by Jurong Town Corporation.
(2) 3Q 2014 data are not available as at 30 September 2014 from Jurong Town Corporation.

Our Assets - Long Weighted Average Land Leasehold

Percentage of unexpired land lease term by GFA(1)



Well distributed, long underlying land leases, with an average of 38.2 years by GFA.

(1) As at 30 September 2014, weighted by GFA.

Our Assets – Healthy Tenants Make-up

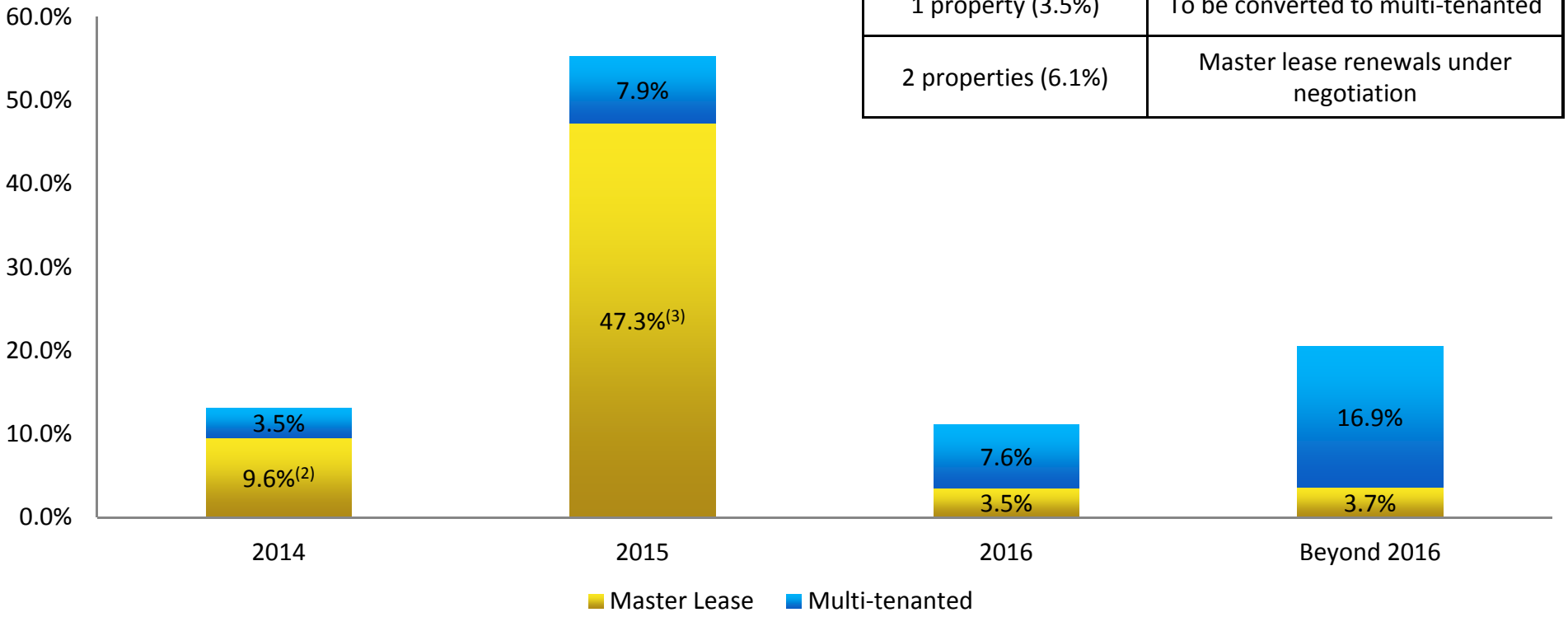
	As at 30 September 2014	As at 30 June 2014
Total NLA (sq ft)	3,558,267	3,558,267
Total number of direct and sub-tenants	150	151
Weighted average lease term to expiry (mths)(1)	30.7	30.0

(1) Weighted by sub-tenancy gross rent.

Our Assets - Active Lease Management

Lease Expiry by NLA for 3Q 2014(1)

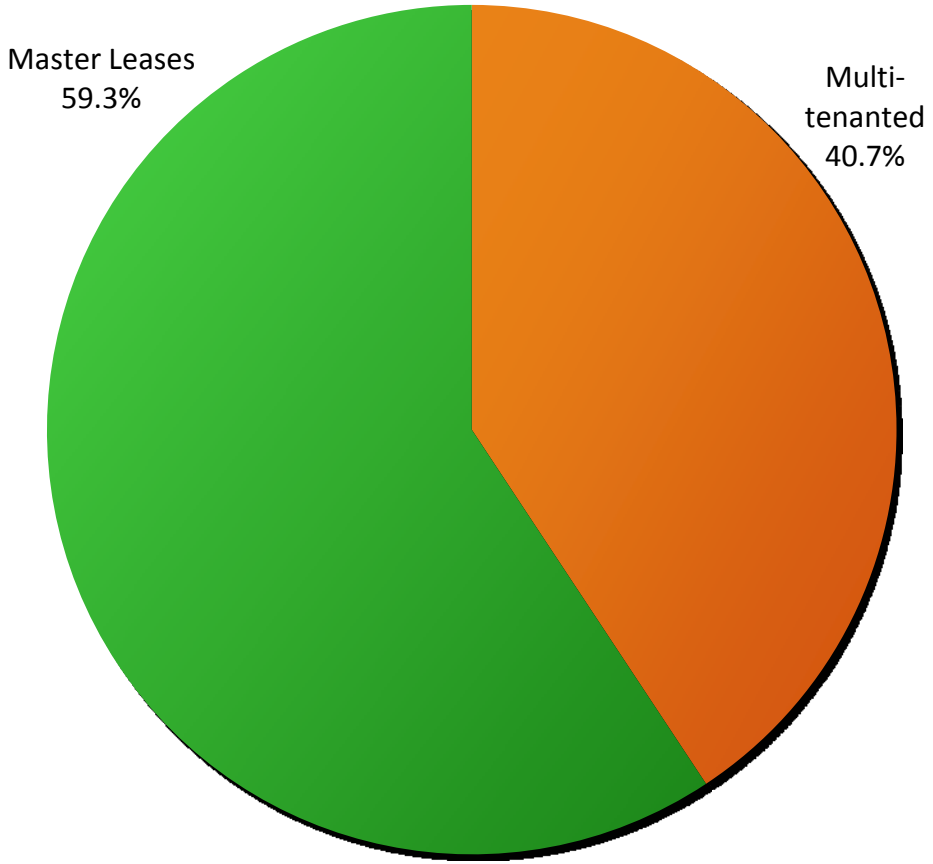
Total of 3 Master-leased Properties Expiring in 2014	
1 property (3.5%)	To be converted to multi-tenanted
2 properties (6.1%)	Master lease renewals under negotiation



(1) As at 30 September 2014.
(2) Comprises 3 master leases (2 Toh Tuck Link, 3A Joo Koon Circle and 6 Woodlands Loop), which will expire in 4Q 2014.
(3) Comprises of 11 properties (NLA 1,558,552 sq ft) of which 5 properties (NLA 708,894 sq ft) are currently leased back by the Sponsor, SGX-listed Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited). Out of the 11 master leases, 10 are to expire in 4Q 2015.

Our Assets - Active Lease Management

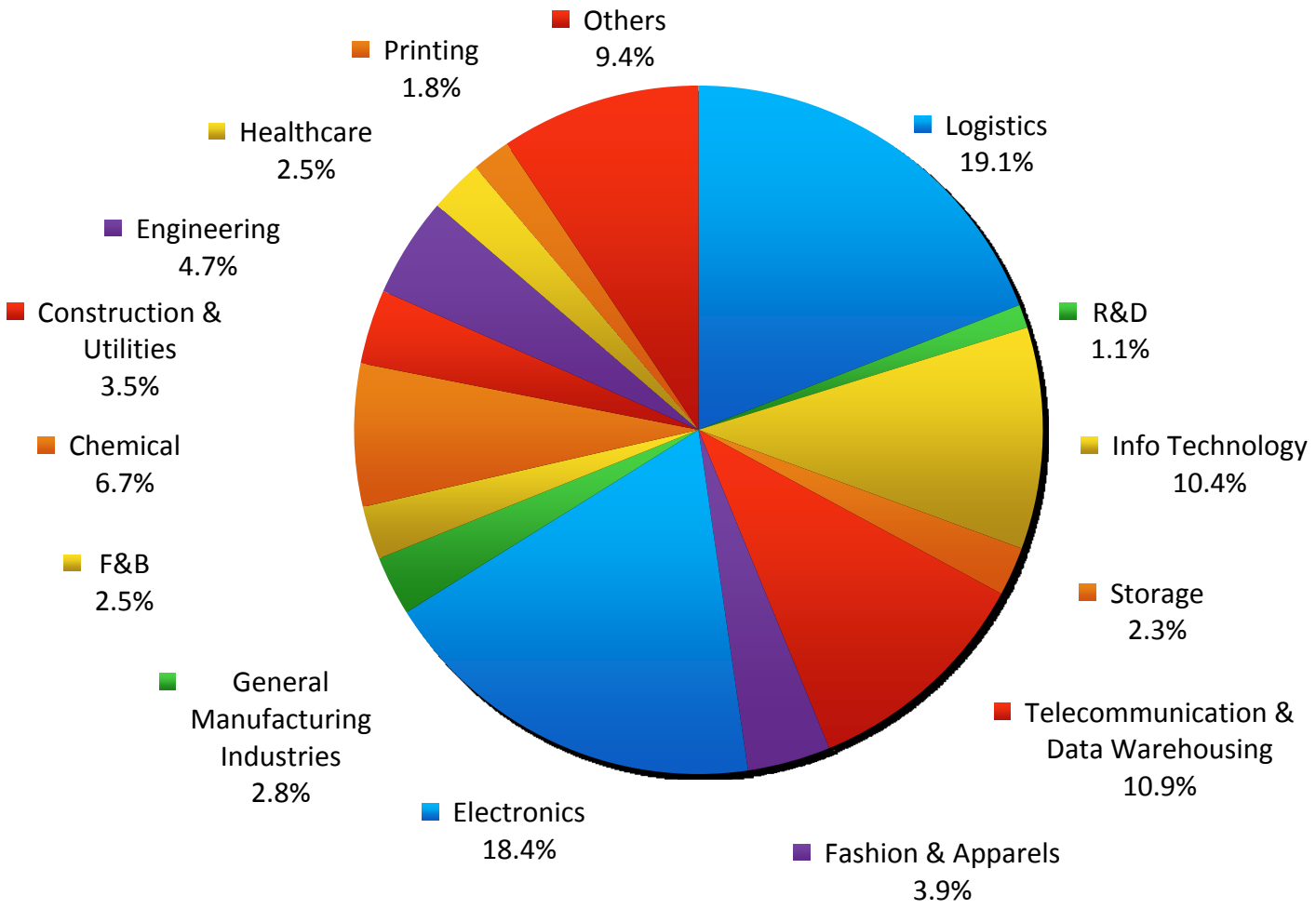
Lease Type by NLA for 3Q 2014(1)



(1) As at 30 September 2014.

Our Assets - Diverse Sub-tenant Base

Sub-tenants' industry diversification by NLA[(1)]:



No concentration in any single trade sector

(1) As at 30 September 2014.

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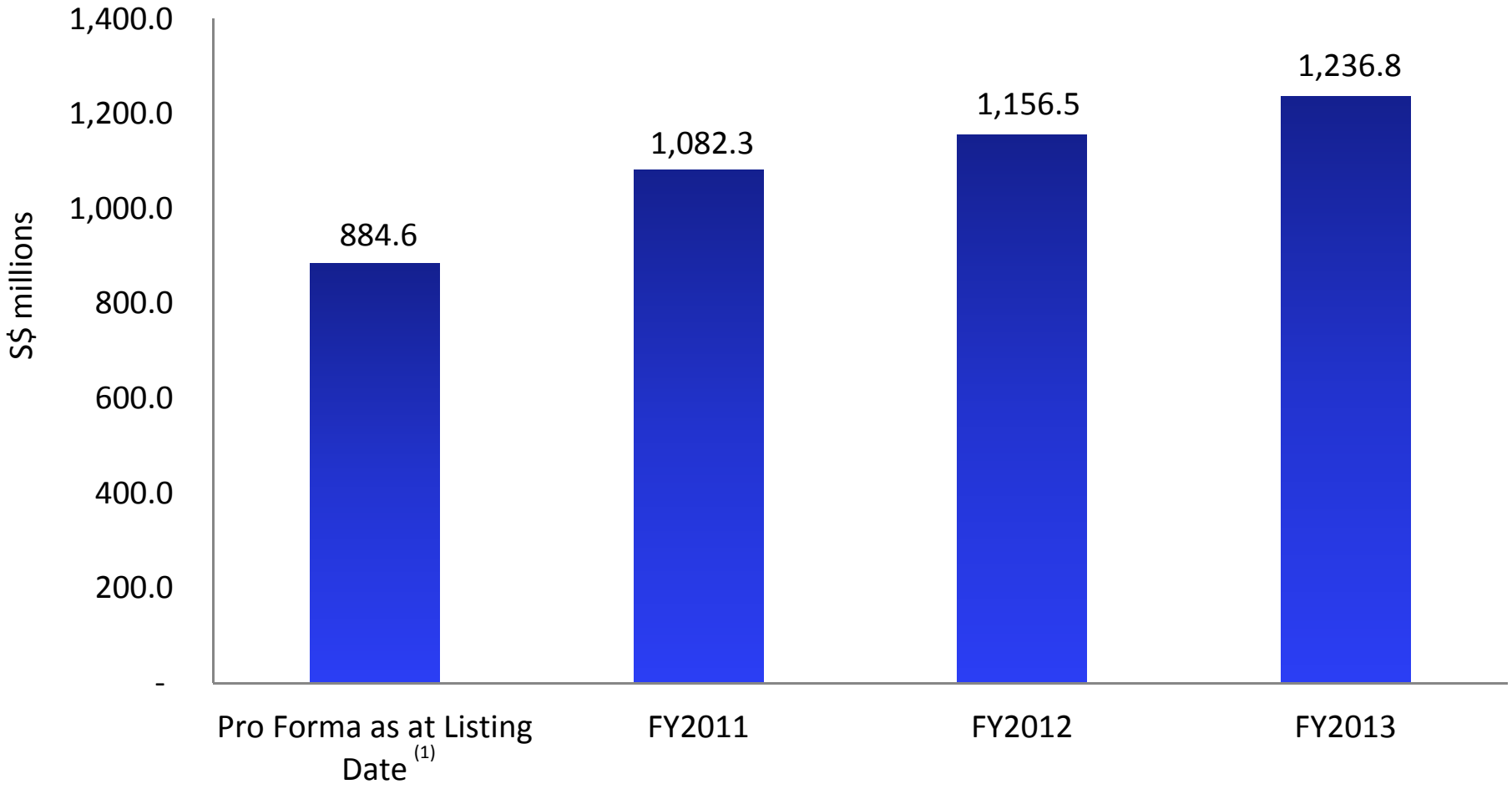
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Our Assets

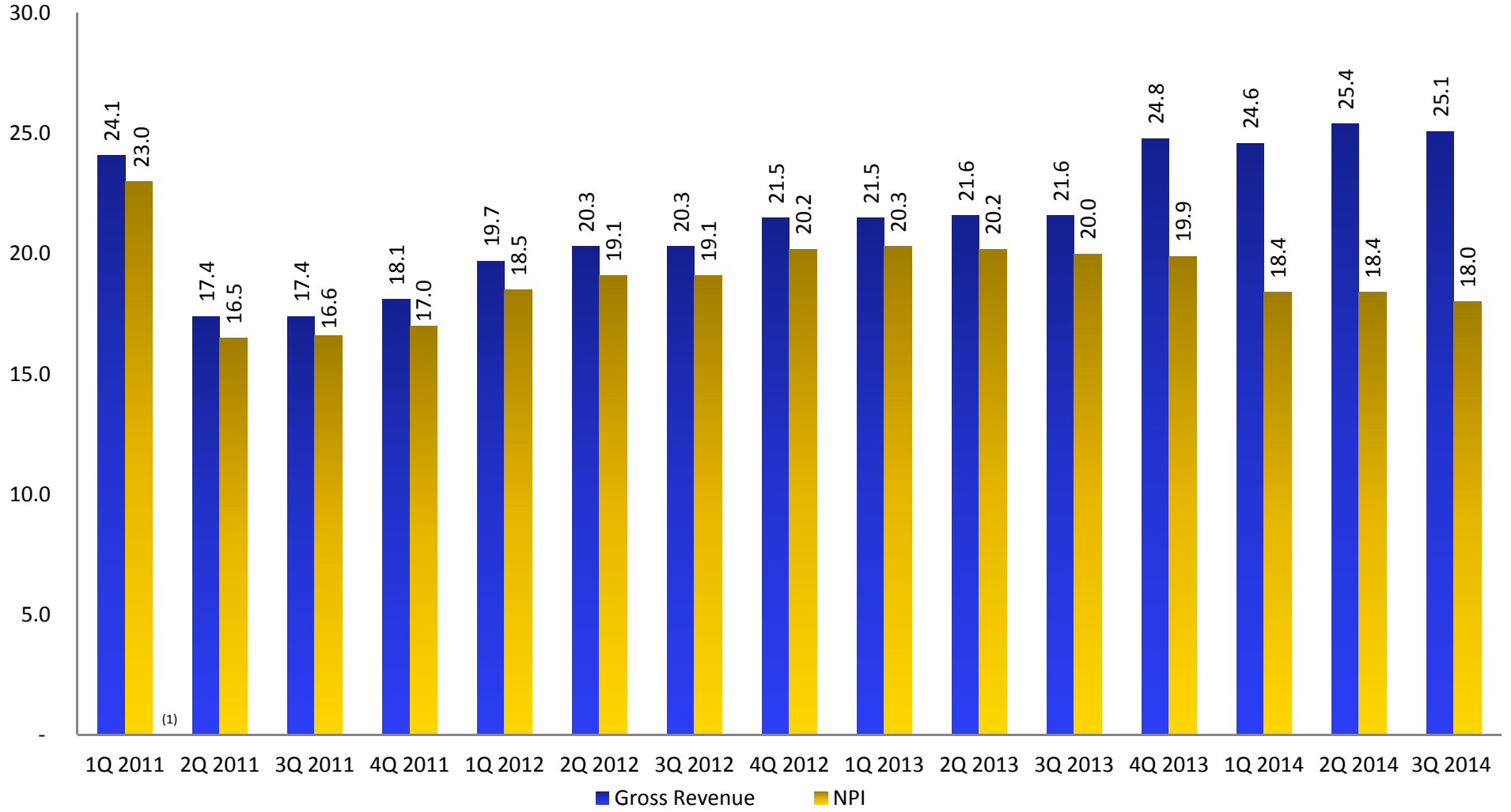
Total assets since listing



(1) Based on unaudited pro forma balance sheet on the listing date as disclosed in Sabana REIT's IPO Prospectus.

Our Assets

Gross revenue and NPI since listing



(1) For the period from date of listing on 26 November 2010 to 31 March 2011.

Financial Highlights – Selected P&L Data

Quarter-on-Quarter Performance for the quarter ended 30 September 2014

(in S$'000)	3Q 2014	2Q 2014	Variance (%)
Gross revenue	**25,126**	25,354	(0.9)
Net property income ("NPI")	**18,048**	18,350	(1.6)
Income available for distribution	**12,689**	13,000	(2.4)
DPU (in cents)	**1.81**(1)	1.86	(2.7)
Annualised DPU (in cents)	**7.18**	7.46	(3.8)
Annualised distribution yield(2)	**7.18%**	7.46%	(3.8)

(1) Based 699,653,525 Units issued and to be issued as at 30 September 2014.
(2) Based on the last traded price of S$1.00 per unit as at 14 October 2014.

Financial Highlights – Selected P&L Data

Year-on-Year Performance for the quarter ended 30 September 2014

(in S$'000)	3Q 2014	3Q 2013	Variance (%)
Gross revenue	**25,126**	21,598	16.3
Net property income ("NPI")	**18,048**	19,998	(9.8)
Income available for distribution	**12,689**	15,552	(18.4)
DPU (in cents)	**1.81**(1)	2.38	(23.9)
Annualised DPU (in cents)	**7.18**	9.44	(23.9)
Annualised distribution yield(2)	7.18%	9.44%	(23.9)

(1) Based 699,653,525 Units issued and to be issued as at 30 September 2014.
(2) Based on the last traded price of S$1.00 per unit as at 14 October 2014.

Financial Highlights –Selected Balance Sheet Data

As at 30 September 2014

(in S$'000)	S$'000
Investment properties	1,212,300
Intangible assets	788
Other assets	20,722
Total assets	1,233,810
Borrowings, at amortised cost	449,296
Other liabilities	27,239
Total liabilities	476,535
Net assets attributable to Unitholders	757,275
Units in issue[(1)]	699,653,525
NAV per unit (S$)	1.08
Adjusted NAV per unit[(2)] (S$)	1.06

(1) Comprises 698,425,418 Units in issue as at 30 September 2014 and 1,228,107 units to be issued to the Manager by 31 October 2014, as partial consideration of Manager's fees incurred for the period from 1 July 2014 to 30 September 2014.
(2) Excludes distributable income of approximately S$12.7 million available for distribution for the quarter ended 30 September 2014.

Financial Highlights – Borrowings Profile

	As at 30 September 2014
Aggregate leverage(1)	37.0%
Total borrowings	S$455.8million
Fixed as % of total borrowings	91.0%
Weighted average all-in borrowing cost(2)	4.1%
Weighted average tenor of borrowings	2.3 years
Profit coverage(3)	4.2 times
Unencumbered investment properties	S$281.8 million

(1) Ratio of total borrowings and deferred payments over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.
(2) Includes amortisation of upfront fees and other transaction costs.
(3) Ratio of net property income over profit expenses (excluding amortisation and other fees)

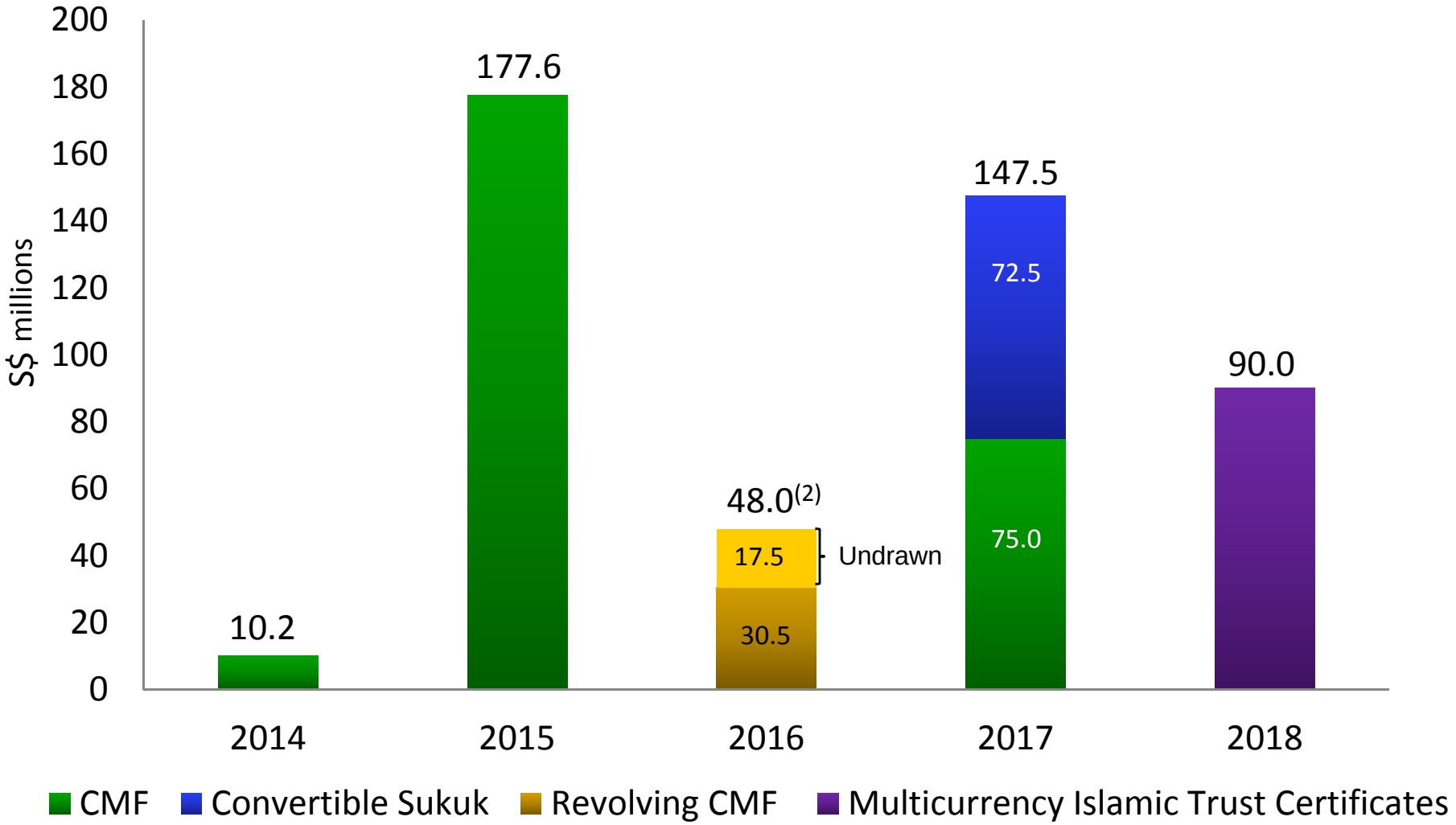
Financial Highlights - Capital Structure At A Glance

	As at 30 September 2014
Weighted average all-in borrowing cost[(1)]	4.1%
Outstanding Term CMF	S$262.8 million
Outstanding Revolving CMF	S$30.5 million
Convertible Sukuk due 2017	S$72.5 million
Trust Certificates due 2018	S$90.0 million
Trust Certificates due 2019	S$100.0 million

(1) Includes amortisation of upfront fees and other transaction costs.

Financial Highlights – Borrowings Maturity Profile

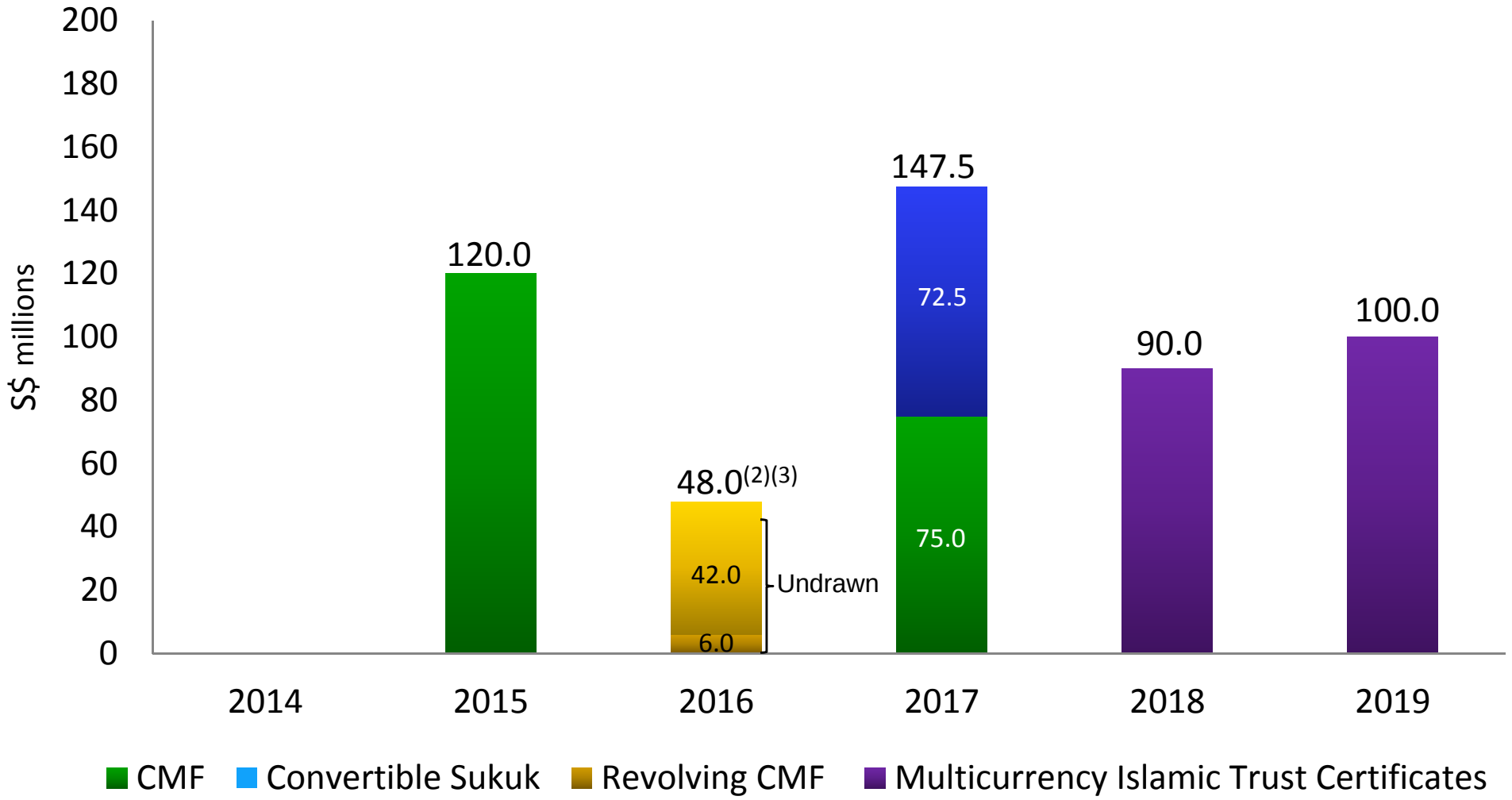
Before issuance of Trust Certificates Series II[(1)]



(1) As at 30 September 2014.
(2) Comprises S$30.5 million and S$17.5 million of undrawn and drawn credit facilities respectively.

Financial Highlights – Borrowings Maturity Profile

After issuance of Trust Certificates Series II[(1)]



(1) As at 3 October 2014.
(2) Comprises S$42.0 million and S$6.0 million of undrawn and drawn credit facilities respectively.
(3) Approximately S$24.5 million of the proceeds from Trust Certificates Series II was used to repay outstanding Revolving CMF, pending the deployment of such funds for the proposed acquisition of 10 Changi South Street 2.

Financial Highlights – Financial Institutions

















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Outlook

Singapore Economy	**Singapore's GDP grew 2.4% y-o-y in 3Q 2014** • Based on advanced estimates, the Singapore economy grew by 2.4% on a y-o-y basis in 3Q 2014, the same pace of growth as the previous quarter, though markedly slower compared to the 5.0% growth in 3Q 2013.(1) • On a q-o-q seasonally adjusted annualised basis, the economy expanded by 1.2%, a reversal from the 0.1% contraction in 2Q 2014.(1)
Industrial Property Sector	**Capital and rental values of conventional industrial space remains stable** • Industrial property market was relatively more subdued in 3Q 2014 compared to 2Q 2014, with sales of strata-titled industrial properties easing by approximately 36.0% compared to 2Q 2014, though business parks remained a bright spot with monthly gross rents rising by 2.0% q-o-q. (2) • Leasing activity was stable in 3Q 2014 as industrialists' real estate decisions remained largely guided by cost containment and longer cost savings objectives.(3) • Citing caveats from the Urban Redevelopment Authority's REALIS, DTZ said both average capital and rental values of conventional industrial space remained unchanged in 3Q 2014.(2)
The Trust	**Management strategy and outlook** • The Manager expects to see rental contribution from the proposed acquisition of 10 Changi South Street 2, in the later part of 4Q 2014, subject to approval from JTC. • For 4Q 2014, Sabana REIT will have three master leases expiring and the Manager is in the process of signing new master leases for two of the three properties. The Manager expects to convert the remaining one into a multi-tenanted property. • The Manager anticipates market conditions to remain challenging. • The Manager will continue to prudently manage Sabana REIT's capital structure by improving borrowings maturity profile and maintaining aggregate leverage below 40%. • It will actively manage Sabana REIT's lease expiry profile and continue to be aggressive in its marketing and leasing efforts to increase the Trust's portfolio occupancy. • In addition, the Manager will continue to evaluate potential yield-accretive acquisition opportunities and also explore opportunities to divest underperforming assets to recycle Sabana REIT's capital.

Sources:

(1) "Singapore's GDP Grew 2.4 Per Cent in the Third Quarter of 2014". www.mti.gov.sg. Ministry of Trade and Industry Singapore. 14 October 2014. Web. 14 October 2014.

(2) "Industrial property transactions down sharply in Q3: DTZ". http://www.channelnewsasia.com/news/singapore/industrial-property/1405682.html. Channel News Asia. 9 October 2014. Web. 9 October 2014.

(3) "Stable leasing activity and weak sales amid mixed sentiments". http://www.colliers.com/-/media/Files/APAC/Singapore/Research-Reports/TKInd-3Q2014.pdf. Colliers International. 9 October 2014. Web. 14 October 2014.

Thank you!

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