



4Q / FY2019 FINANCIAL RESULTS

23 January 2020



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01

KEY HIGHLIGHTS



Commodity Hub is one of Singapore's largest warehouses and one of the largest in SE Asia. Measuring close to 2.3 mil sf, the large floor plate and high ceiling clearance appeals to 3rd Party Logistics Providers.

01 FY19 Key Highlights



Financial Performance

FY19 Gross Revenue
S\$113.6 mil

FY19 NPI
S\$85.8 mil

FY19 Distributable
Income
S\$59.8 mil

FY19 DPU
5.523 cents

Capital Management

Aggregate Leverage
40.1%

YTD All-in Financing Cost
3.84%

% of borrowings
hedged to fixed rates
66.8%

% of distributable income
either hedged or derived in
Singapore dollars –
minimising foreign currency
risk
84.1%

Weighted Average Debt
Maturity
3.3 years

Portfolio Update

Portfolio Occupancy
95.3% committed

Singapore – 94.2%
Australia – 99.6%

WALE (by NLA)
3.0 years

Leases Secured
~ **0.2 mil sf** in 4Q FY19
~ **1.5 mil sf** in FY19

Rebalancing & Growth

Acquired 182 – 198
Maidstone in AUS in **Apr 2019**

Sustainability Initiatives

Completed maiden solar
farm project in joint
partnership with Sembcorp

Key Highlights – ARA and LOGOS Partnership



ARA Trust Management (Cache) Limited

LOGOS



ARA and LOGOS Partnership to Grow APAC Logistics Platform⁽¹⁾

- **Strategic venture to establish a best-in-class logistics real estate development and investment management platform**
- **ARA will transfer its holdings in the REIT Manager and units in Cache Logistic Trust (~10% of total issued Cache units) to LOGOS**
- **ARA will retain control of the Manager through LOGOS**
- **Transaction expected to complete within 1Q 2020**

Note:

1) Announced on 12 Dec 2019.

Leading Owner, Developer and Manager of Logistic Properties in APAC

- **Experienced logistics real estate specialist** with operations across Australia, China, Singapore, Indonesia, Malaysia, Vietnam, India and New Zealand.
- **Extensive track record in managing every aspect of logistics real estate**, from sourcing land or facilities to undertaking development and asset management.

LOGOS

| | |
|---|---------|
| Total Equity Commitments | S\$4.6b |
| People | 225 |
| Corporate Offices throughout Asia-Pacific | 12 |
| Countries | 8 |
| Industrial Estates Comprising over 100 Properties Owned and Under Development | 58 |
| Ventures Managed | 16 |



01 ARA – Reputable Manager, Proven Track Record



- ✓ *ARA - a premier global integrated real assets fund manager with a presence across more than 100 cities in 23 countries around the globe*
- ✓ *ARA - a key contributor to the success of Cache's diversification into Australia*
- ✓ *Consolidation of interest and decision-making within a single entity in ARA*

PORTFOLIO & PRESENCE ⁽¹⁾



**S\$83.1
billion**

in Gross Assets Managed by
ARA Group and its Associates



**23
countries**



**> 100
cities**

PRODUCTS & SERVICES ⁽¹⁾



**21
REITs**



**Country
Desks**



**>70
Private real
estate funds**



Infrastructure



**Real Estate
Management
Services**

Notes:

1) Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 30 Jun 2019.



02

FINANCIAL PERFORMANCE



*Build-to-Suit development for DHL Supply Chain completed in July 2015.
The logistics facility houses significant storage and retrieval automation as well as
DHL Supply Chain's Asia Pacific Solutions & Innovation Centre.*

4Q FY19 Y-o-Y Performance

| <i>S\$'000 unless otherwise noted</i> | 4Q FY19 | 4Q FY18 | Change (%) |
|--|----------------------------|----------------|---------------|
| Gross Revenue | 27,202 | 30,988 | (12.2) |
| Net Property Income (NPI) | 20,482 | 23,368 | (12.4) |
| Distributable Income | 14,941 | 16,178 | (7.6) |
| - from operations | 14,398 | 15,804 | (8.9) |
| - from capital ⁽¹⁾ | 543 | 374 | 45.2 |
| Distribution per Unit (DPU) (cents) | 1.376⁽²⁾ | 1.502 | (8.4) |
| - from operations | 1.326 | 1.467 | (9.6) |
| - from capital ⁽¹⁾ | 0.050 | 0.035 | 42.9 |
| Issued Units Base (in mil units) | 1,085.8 | 1,077.9 | 0.7 |

Review of Performance:

- Lower gross revenue was mainly due to:
 - i. conversion of Cache Gul LogisCentre from the previous master lease to a multi-tenancy structure in April 2019;
 - ii. transitory vacancy downtime between leases;
 - iii. lower signing rents for leases as compared to the previous leases;
 - iv. absence of contribution from Jinshan Chemical Warehouse divested in Dec 2018;
 - v. weaker Australian dollar;
 - vi. partially offset by additional rental contribution from the Altona, AUS warehouse acquired in Apr 2019.
- Lower NPI was mainly due to:
 - i. lower gross revenue;
 - ii. higher expenses from the conversion of Cache Gul LogisCentre; and
 - iii. partially offset by the exclusion of land rent from property expenses following the adoption of FRS 116 effective 1 Jan 2019.

Notes:

(1) Capital distribution for both 4Q FY19 and 4Q FY18 relates to reimbursements received from the vendor in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia. Additionally, capital distribution for 4Q FY19 includes rental support received from the vendor in relation to the Altona, AUS warehouse acquired in Apr 2019.

(2) Based on 1,085,818,549 units issued and to be issued as at 31 Dec 2019.

4Q FY19 vs 3Q FY19 Performance

| <i>S\$'000 unless otherwise noted</i> | 4Q FY19 | 3Q FY19 | Change (%) |
|--|----------------------------|----------------|---------------|
| Gross Revenue | 27,202 | 27,721 | (1.9) |
| NPI | 20,482 | 21,140 | (3.1) |
| Distributable Income | 14,941 | 14,213 | 5.1 |
| - from operations | 14,398 | 13,677 | 5.3 |
| - from capital ⁽¹⁾ | 543 | 536 | 1.3 |
| DPU (cents) | 1.376⁽²⁾ | 1.313 | 4.8 |
| - from operations | 1.326 | 1.263 | 5.0 |
| - from capital ⁽¹⁾ | 0.050 | 0.050 | - |
| Issued Units Base (in mil units) | 1,085.8 | 1,082.8 | 0.3 |

Review of Performance:

- Lower NPI mainly due to lease expiries for certain properties and transitory downtime between leases.
- Distributable Income and DPU rose by 5.1% and 4.8% respectively, mainly due to higher tax-exempt distribution for the quarter in relation to the disposal of Jinshan Chemical Warehouse in 2018.

Notes:

(1) Relates to reimbursements received from the respective vendor in relation to lease incentives and rental support in 4Q FY19 of certain property acquisitions in Australia.

(2) Based on 1,085,818,549 units issued and to be issued as at 31 Dec 2019.

FY19 Y-o-Y Performance

| <i>S\$'000 unless otherwise noted</i> | FY19 | FY18 | Change (%) |
|--|----------------------------|----------------|--------------|
| Gross Revenue | 113,555 | 121,540 | (6.6) |
| NPI | 85,844 | 90,924 | (5.6) |
| Distributable Income | 59,770 | 63,409 | (5.7) |
| - from operations | 58,042 | 62,241 | (6.7) |
| - from capital ⁽¹⁾ | 1,728 | 1,168 | 47.9 |
| DPU (cents) | 5.523⁽²⁾ | 5.903 | (6.4) |
| - from operations | 5.363 | 5.794 | (7.4) |
| - from capital ⁽¹⁾ | 0.160 | 0.109 | 46.8 |
| Issued Units Base (in mil units) | 1,085.8 | 1,077.9 | 0.7 |

Review of Performance:

- Lower gross revenue mainly due to:
 - i. conversion from a master lease to a multi-tenancy structure for Commodity Hub and Cache Gul LogisCentre;
 - ii. transitory vacancy downtime between leases;
 - iii. lower signing rents for leases as compared to the previous leases;
 - iv. absence of contribution from 40 Alps Ave and Jinshan Chemical Warehouse divested in 2018;
 - v. weaker Australian dollar;
 - vi. partially offset by additional rental contribution from the warehouse in Altona, AUS acquired in Apr 2019 and the full year contribution from the 9-property Australia portfolio acquired in Feb 2018.
- Lower NPI mainly due to:
 - i. lower gross revenue;
 - ii. partially offset by the exclusion of land rent from property expenses following the adoption of FRS 116 effective 1 Jan 2019.

Notes:

(1) Capital distribution for both FY19 and FY2018 relates to reimbursements received from the vendor in relation to outstanding lease incentives at the point of completion of the acquisition of certain properties in Australia. Additionally, capital distribution for FY19 includes rental support received from the vendor in relation to a warehouse acquired in Australia in April 2019. Capital distribution in FY18 also includes the capital gains/sale proceeds from the disposal of Kim Heng warehouse in 2015.

(2) Based on 1,085,818,549 units issued and to be issued as at 31 Dec 2019.

Balance Sheet and Key Financial Indicators

| Balance Sheet | 31 Dec 19 |
|--|------------------|
| Total Assets | S\$1,358.7 mil |
| Total Liabilities | S\$617.7 mil |
| Net Assets Attributable to Unitholders | S\$639.4 mil |
| NAV ⁽¹⁾ | S\$0.59 per unit |

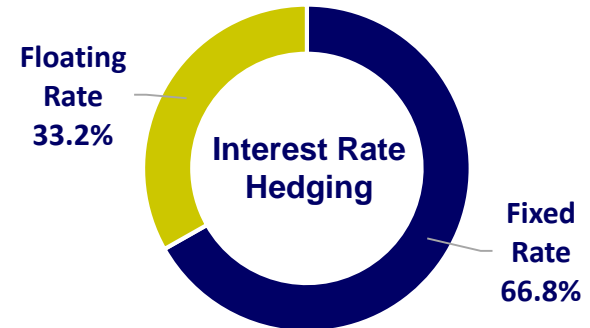
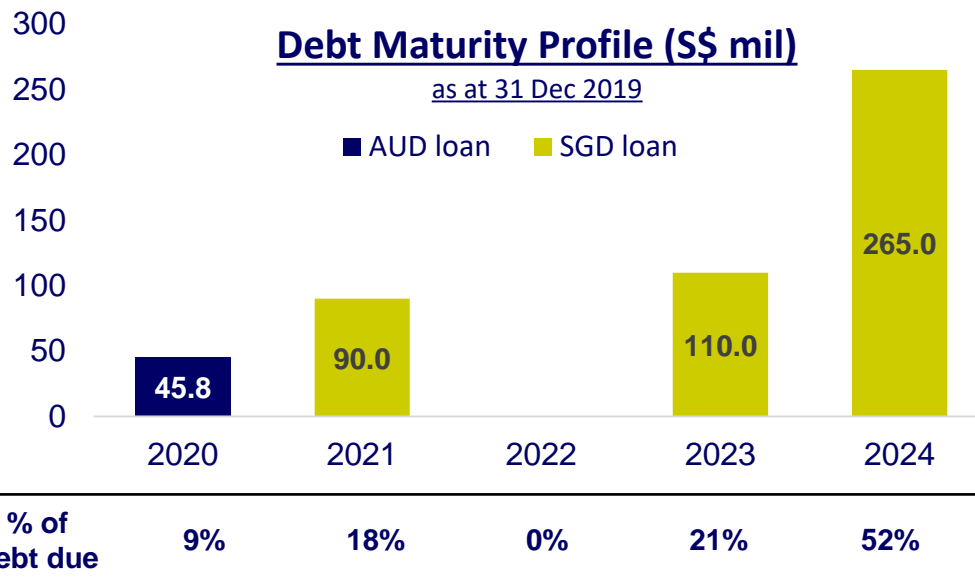
| Key Financial Indicators | 31 Dec 19 |
|--|--------------|
| Total Debt ⁽²⁾ | S\$513.3 mil |
| Aggregate Leverage Ratio | 40.1% |
| All-in Financing Cost YTD | 3.84% |
| Interest Coverage Ratio ⁽³⁾ | 3.8 times |
| Average Debt Maturity | 3.3 years |

Notes:

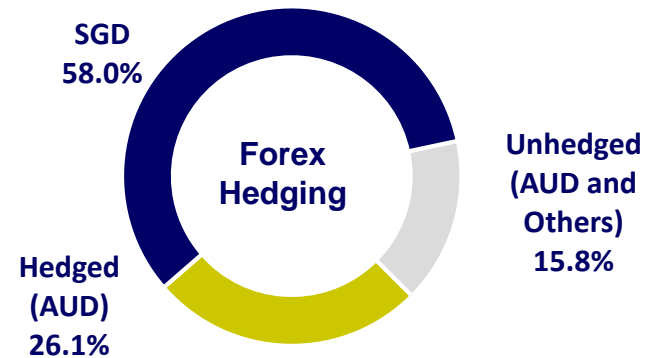
- (1) Based on 1,085,818,549 Units. The NAV Per Unit is computed based on the net assets attributable to Unitholders.
- (2) Excludes unamortised transaction costs.
- (3) Includes margin and amortisation of capitalised upfront fee, excluding non-recurring finance expenses and FRS 116 adjustments.

Well-Spread Debt Maturity Profile and Diversified Funding Sources

- Additional uncommitted short-term borrowings of S\$20 mil was secured during the year.
- In the process of finalising a term loan facility to refinance the existing Australian dollar facilities as well as to repay certain Singapore dollar debts.
- Weighted Average Debt Maturity was 3.3 years as at 31 Dec 2019.



- 66.8% of total debt hedged.
- 71.5% of SGD debt and 50.0% of onshore AUD borrowings are hedged with an average term of 3.0 years.



- 84.1% of distributable income is hedged or derived in SGD to reduce the impact of adverse exchange rate fluctuation.

02 Distribution Details

| SGX Stock Code | Distribution Period | Distribution Per Unit (S\$) | Payment Date |
|-------------------|------------------------------|--------------------------------|------------------|
| K2LU | 1 October – 31 December 2019 | 1.376 cents | 27 February 2020 |

| Distribution Timetable | |
|------------------------------------|------------------|
| Last day of trading on “cum” basis | 30 January 2020 |
| Ex-Dividend Date | 31 January 2020 |
| Books Closure Date | 3 February 2020 |
| Distribution Payment Date | 27 February 2020 |



03 PORTFOLIO UPDATE



This warehouse facility is located in a well-established inner-West precinct approx. 20km west of the Sydney CBD and is fully-leased to McPhee Distribution Services, an Australian-owned transport family business established in 1923.

Good Quality, Resilient Portfolio in Singapore and Australia



Portfolio Statistics

- ✓ 27 Properties
- ✓ 9.0 mil sf GFA
- ✓ S\$1.26 bil in property value
- ✓ WALE of 3.0 years by NLA

Singapore

1. Commodity Hub
2. Cache Cold Centre
3. Pandan Logistics Hub
4. Cache Gul LogisCentre (formerly Precise Two)
5. Schenker Megahub
6. Cache Changi DistriCentre 1
7. Cache Changi DistriCentre 2
8. Pan Asia Logistics Centre
9. Air Market Logistics Centre
10. DHL Supply Chain Advanced Regional Centre

Australia

11. 51 Musgrave Road, Coopers Plains, QLD
12. 196 Viking Drive, Wacol, QLD
13. 203 Viking Drive, Wacol, QLD
14. 223 Viking Drive, Wacol, QLD
15. 11 – 19 Kellar Street, Berrinba, QLD
16. 127 Orchard Road, Chester Hill, NSW
17. 3 Sanitarium Drive, Berkeley Vale, NSW
18. 16 – 28 Transport Drive, Somerton, VIC
19. 217 – 225 Boundary Road, Laverton North, VIC
20. 16 – 24 William Angliss Drive, Laverton North, VIC
21. 151 – 155 Woodlands Drive, Braeside, VIC
22. 41 – 51 Mills Road, Braeside, VIC
23. 67 – 93 National Boulevard, Campbellfield, VIC
24. 41 – 45 Hydrive Close, Dandenong South, VIC
25. 76 – 90 Link Drive, Campbellfield, VIC
26. 404 – 450 Findon Road, Kidman Park, SA
27. 182-198 Maidstone Street, Altona, VIC

Good Quality, Resilient Portfolio in Singapore and Australia

| Property Portfolio Statistics | as at 31 Dec 2019 |
|---|--|
| 27 Logistics Warehouse Properties | Singapore - 10 Australia - 17 |
| Total Valuation ⁽¹⁾ | S\$1.26 bil |
| Gross Floor Area (GFA) | 9.0 million sq ft |
| Committed Occupancy | Portfolio – 95.3% Singapore – 94.2% Australia – 99.6% |
| Average Building Age | 15.5 years |
| Weighted Average Lease to Expiry (“WALE”) by NLA | 3.0 years |
| WALE by Gross Rental Income | 3.0 years |
| Weighted Average Land Lease Expiry | 54.4 years ⁽²⁾ |
| Rental Escalations within Single-Tenant / Master Leases | ~1% to 4% p.a. |
| Number of Tenants | 72 |

Notes:

(1) Based on FX rate of S\$1.00 = A\$1.0588.

(2) For the purpose of presentation, freehold properties are computed using a 99-year leasehold tenure.

03 Independent Property Valuation

- Singapore portfolio valuation was lower by 6% on a y-o-y basis mainly due to valuer's assumptions in respect of lower market rent and rental growth, as well as inherent shorter land lease tenure.
- Excluding 182-198 Maidstone, Altona, VIC acquired in April 2019, on a like-for-like basis, Australia portfolio valuation increased by 2.6% y-o-y in AUD terms, up by 1.0% y-o-y in SGD terms due to a weaker AUD as at 31 Dec 2019.

| 2019 Valuation as at 31 December 2019 ^{(1) (2)} | | | | 2018 Valuation as at 31 December 2018 ^{(3) (4)} | | |
|---|-------------------|----------------------|------------------|---|----------------------|------------------|
| Location | No. of Properties | Valuation (\$mil) | Average Cap Rate | No. of Properties | Valuation (\$mil) | Average Cap Rate |
| Singapore | 10 | S\$851.3 | 6.3% | 10 | S\$905.8 | 6.3% |
| Australia | 17 | A\$428.4 S\$404.6 | 6.3% | 16 | A\$378.4 S\$363.2 | 6.5% |
| Total | 27 | S\$1,255.9 | 6.3% | 26 | S\$1,269.0 | 6.4% |

Notes:

(1) Based on exchange rates of S\$1.00 = A\$1.0588.

(2) Independent valuations as at 31 Dec 2019 were undertaken by Edmund Tie & Co. (SEA) and CBRE Valuations Pty Limited, which includes the valuation 182-198 Maidstone, Altona, VIC, AUS acquired in Apr 2019.

(3) Independent valuations as at 31 Dec 2018 were undertaken by Edmund Tie & Co. (SEA), Colliers and m3property.

(4) Based on exchange rates of S\$1.00 = A\$1.0418.

03 Portfolio Overview: Singapore

Changi North / Loyang



8 Pan Asia Logistics Centre
21 Changi North Way



9 Air Market Logistics Centre
22 Loyang Lane

Airport Logistics Park

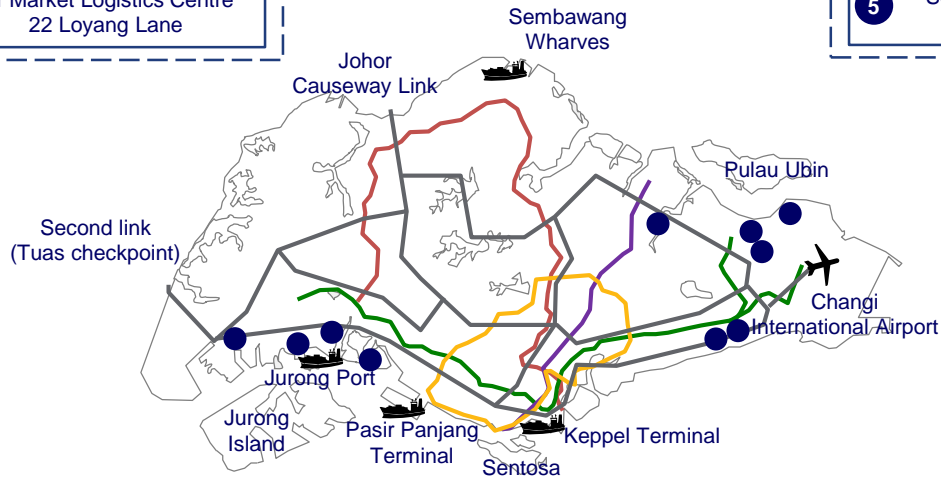


5 Schenker Megahub
51 Alps Avenue

Tampines LogisPark



10 DHL Supply Chain ARC
1 Greenwich Drive



Changi South



6 Cache Changi DistriCentre 1
5 Changi South Lane



7 Cache Changi DistriCentre 2
3 Changi South Street 3

Pandan/ Penjuru/ Gul Way



1 Commodity Hub
24 Penjuru Road



2 Cache Cold Centre
2 Fishery Port Road



3 Pandan Logistics Hub
49 Pandan Road



4 Cache Gul LogisCentre
15 Gul Way

03 Portfolio Overview: Australia

Brisbane, Queensland



11 51 Musgrave Road, Coopers Plains



12 203 Viking Drive, Wacol



13 223 Viking Drive, Wacol



14 11 - 19 Kellar Street, Berrinba



15 196 Viking Drive, Wacol

Sydney, New South Wales



16 127 Orchard Road, Chester Hill



17 3 Sanitarium Drive, Berkeley Drive

Melbourne, Victoria



18 16 - 28 Transport Drive, Somerton



19 217 - 225 Boundary Road, Laverton North



20 16 - 24 William Angliss Drive, Laverton North



21 151 - 155 Woodlands Drive, Braeside



22 41 - 51 Mills Road, Braeside



23 67 - 93 National Boulevard, Campbellfield



24 41 - 45 Hydrive Close, Dandenong South



25 76 - 90 Link Drive, Campbellfield



27 182 - 198 Maidstone Street, Altona

Adelaide, South Australia



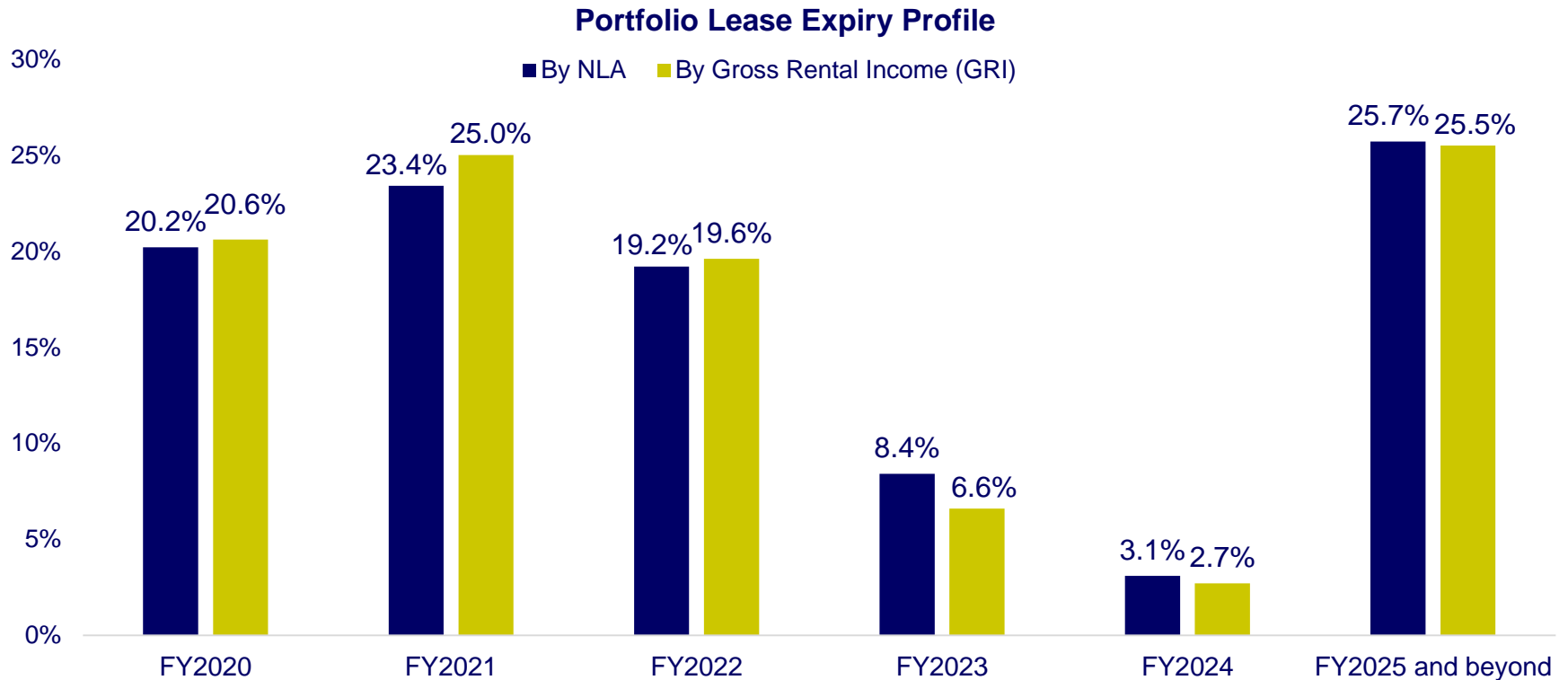
26 404 - 450 Findon Road, Kidman Park



03 Lease Expiry Profile

Proactive Lease Management: Well-staggered lease expiry profile

WALE by NLA : 3.0 years
WALE by Gross Rental Income : 3.0 years



More than half of all leases (by NLA) committed till 2022 and beyond

Driving Organic Growth Through Proactive Lease Management

Secured approx. 1.5 mil sq ft of leases in FY19

| | |
|--|--------------------|
| Committed Portfolio Occupancy | 95.3% |
| Leases secured in 4Q FY19 ⁽¹⁾ | 202,100 sq ft |
| Leases secured in FY19 ⁽¹⁾ | ~1.5 million sq ft |

| | Area (sq ft) |
|-------------------------------------|---------------------|
| 4Q FY19⁽¹⁾ | |
| Renewal | - |
| New Lease | 202,100 |
| Total | 202,100 |
| Rental Reversion ^{(2) (3)} | 9.1% ⁽⁴⁾ |
| FY19⁽¹⁾ | |
| Renewal | 260,500 |
| New Lease | 1,208,500 |
| Total | 1,469,000 |
| Rental Reversion ^{(2) (3)} | -0.3% |



Notes:

(1) Excludes short-term leases.

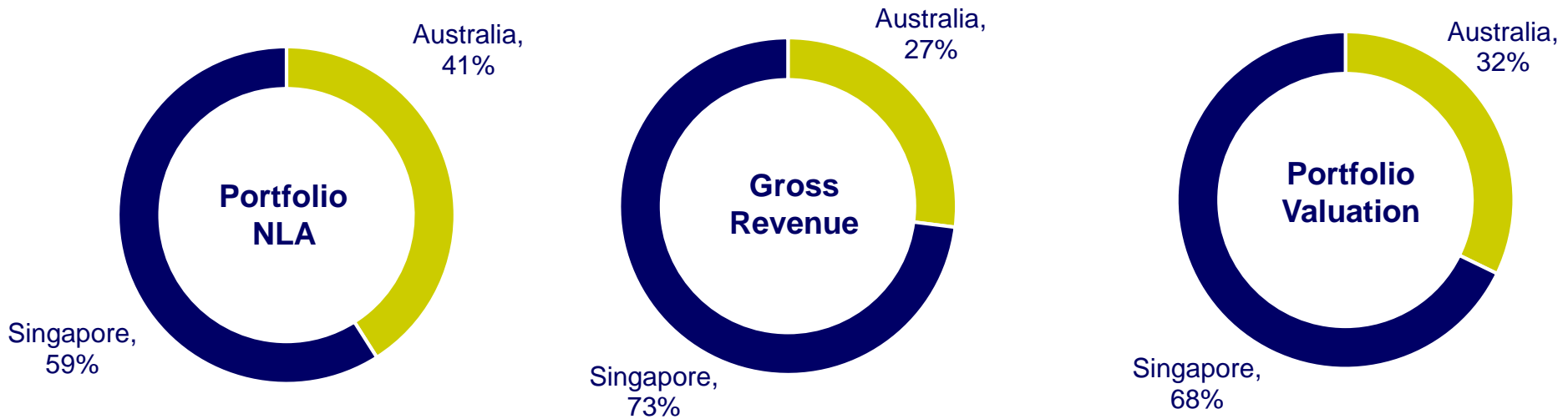
(2) Based on the weighted average variance between the *average signing rents for new and renewed leases* and the *average signing rents of preceding leases*.

(3) Excludes leases with different lease structures (e.g. master lease to multi-tenant), short-term leases and when the leased areas differ significantly.

(4) Based on 37,000 sq ft of relevant leased areas (in line with footnote 3 above) for 4Q FY19.

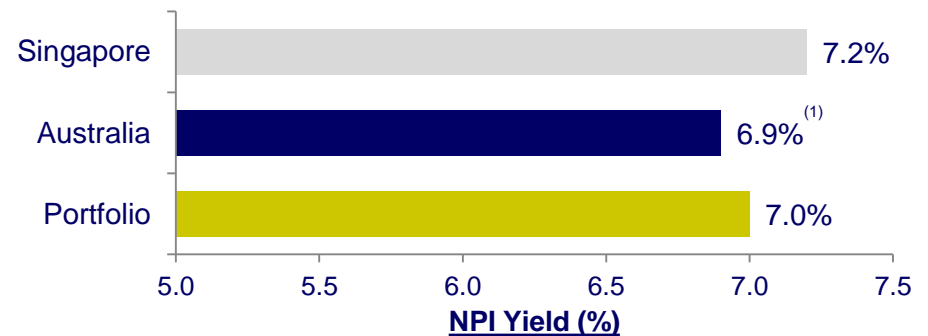
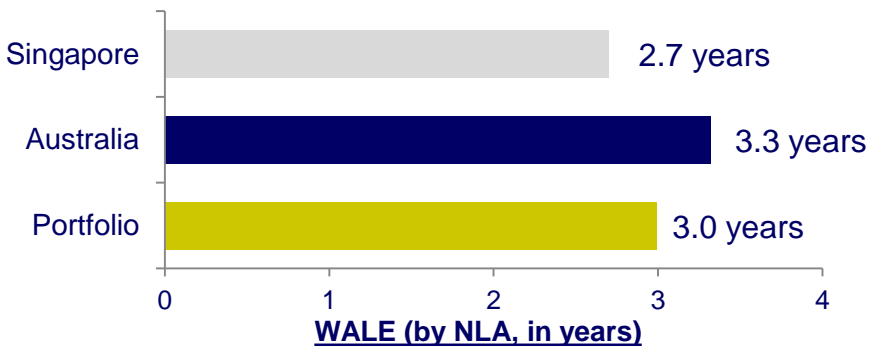
03 Portfolio Rebalancing & Growth

Successful Execution of Portfolio Rebalancing & Growth Strategy



WALE

NPI Yield



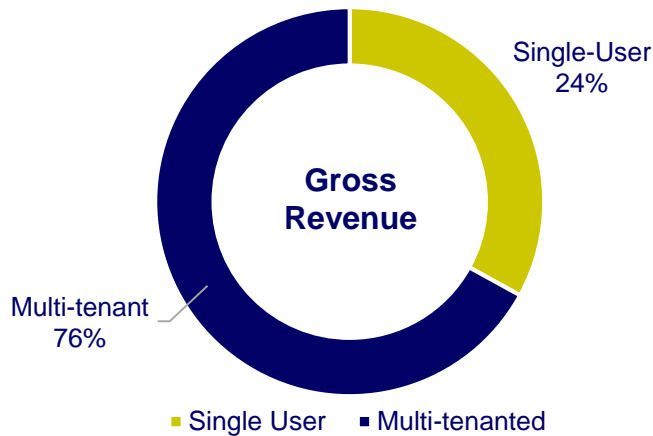
Note:

(1) Includes the incentives reimbursed by the vendor in relation to the acquisition of the 9-property portfolio in Australia which was completed on 15 Feb 2018 and rental support by the vendor in relation to acquisition of the property in Altona, VIC, Australia which was completed on 29 Apr 2019.

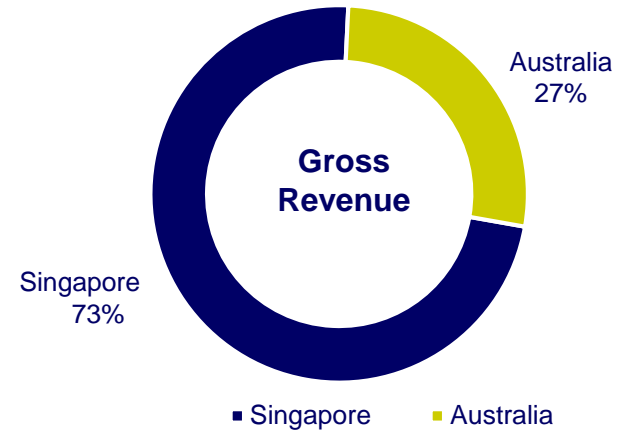
03 Portfolio Diversification

Diversification across Geographies and Tenant Base

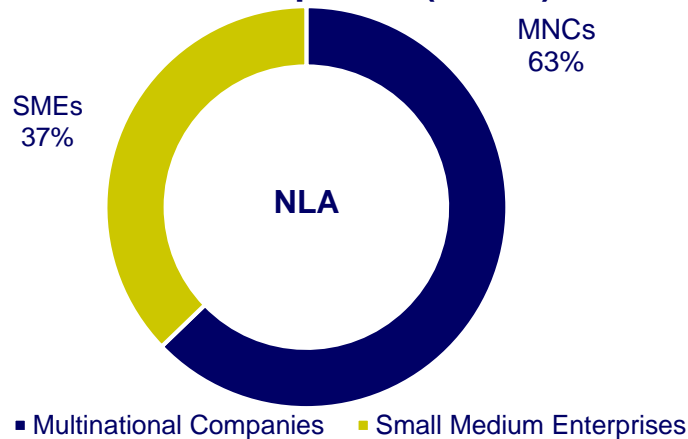
1. Greater Balance between Multi-tenanted and Single-User Lease Structures



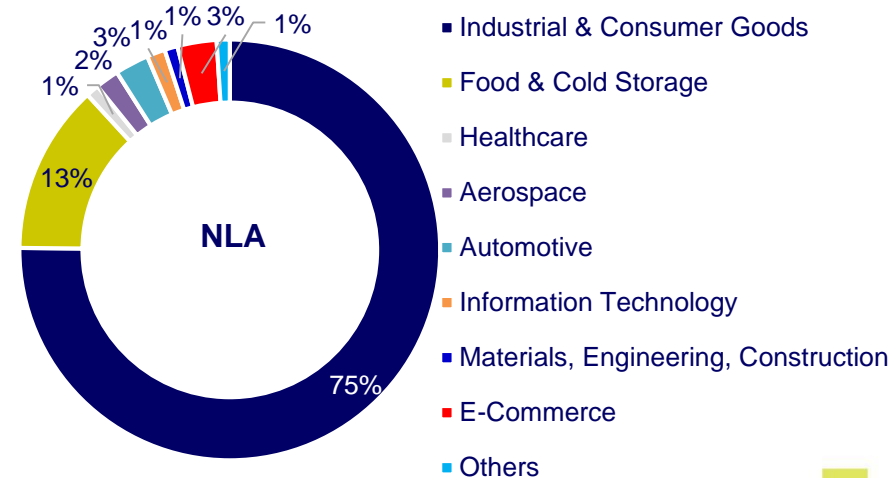
2. Geographical Diversification beyond Singapore



3. Credit Quality: Majority of End-Users/Tenants are Multi-national Companies (MNCs)



4. End-Users from Diverse Industry Sectors

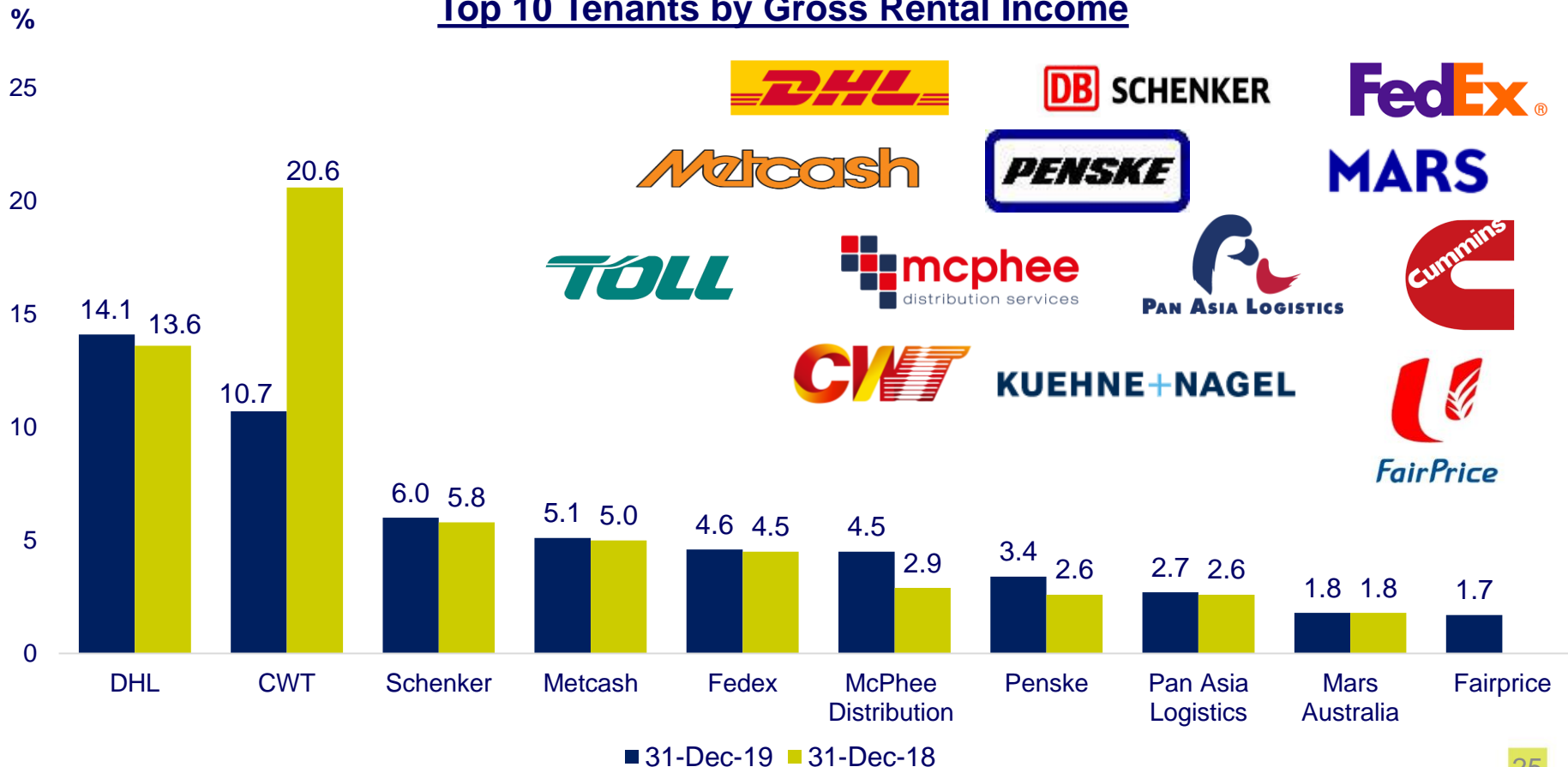


03 Diversified Tenant Base

Diversified Base of High Quality Tenants

- Top 10 tenants make up approximately 54.6% of Gross Rental Income.
- Tenants comprise mainly high quality multinational businesses in the logistics / supply chain and other diverse sectors including FMCG, transportation and construction.

Top 10 Tenants by Gross Rental Income



Reducing Carbon Footprints and Conventional Energy Consumption Levels



- **Joint project with Sembcorp Industries** - Maiden rooftop solar project
- **Over 21,000 solar panels** installed across :
 - Commodity Hub
 - Pandan Logistics Centre
 - Cache Changi DistriCentre 1
- Commodity Hub houses **Singapore's largest operating rooftop solar facility to date.**
- Savings of approximately S\$200,000 p.a. in utility costs.
- Engaging Phase 2 of the solar panel installation programme.

Optimising Portfolio Value and Quality

■ Reinforcing the Brand and Corporate Identity:

- New colour and signage scheme for Cache's properties
- Portraying Cache as a more easily identifiable, dynamic and vibrant owner

OLD



NEW



■ Value-Adding Efforts: Improving Specifications, Leveraging on Enhancement Opportunities, Maintaining Competitiveness

- Upgraded fire-service systems to over 600,000 sq ft of lettable area to meet modern logistics warehouse user requirements
- Undertook AEI to suit tenants' operational needs and secured leases with higher rental
 - converted ambient warehouse space to aircon space at Commodity Hub
 - in the midst of upgrading power, LED lights and subdivision at Cache Gul LogisCentre providing a ROI >12%

03 Portfolio Rebalancing & Growth Strategy

Divestments



Kim Heng Warehouse,
Singapore



Cache Changi District Centre 3,
Singapore

Divesting and Re-Investing Capital
into good quality assets with credit-worthy tenants, sustainable earnings and longer WALE



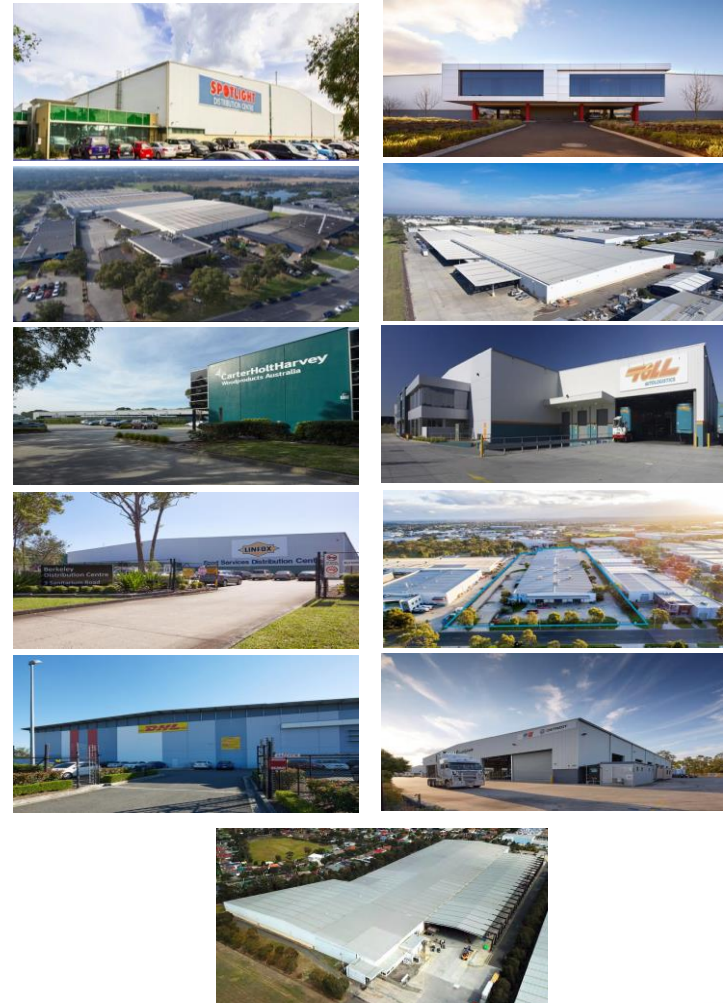
Hi-Speed Logistics Centre,
Singapore



Jinshan Chemical Warehouse,
China

Acquisitions

Quality Logistics Warehouses in Australia





04

MARKET OUTLOOK & STRATEGY



Located within the established industrial suburb of Wacol, the property is fully-leased to Western Star Trucks Australia Pty Ltd for a long WALE of 7.9 years at the time of purchase.

Singapore Economy

- Singapore's economy in 2019 grew only 0.7%, considerably lower than 2018's 3.1%. 4Q 2019 saw a growth of 0.8% on a y-o-y basis, higher than the 0.7% experienced in 3Q 2019. On a q-o-q seasonally-adjusted annualised basis, the economy saw a lower expansion rate of 0.1%, as compared to 2.4% growth in 3Q 2019.
- Y-o-Y, the manufacturing sector experienced a contraction of 2.1% in 4Q 2019, extending the 0.9% decline from the preceding quarter. This was mainly due to decline in outputs in the electronics, chemicals and transport engineering clusters, more than offsetting the output expansions in the precision engineering and biomedical and general manufacturing clusters.⁽¹⁾
- Singapore's PMI rose to 50.1 in Dec 2019, rising above 50 for the first time since April, due to an expansion in factory activity. ⁽²⁾

Singapore Industrial Market

- Singapore's industrial rents lowered by 1.6% y-o-y in 2019 on the back of prolonged trade disputes and electronic sector downturn. Leasing transactions for warehouse and multiple-user factory space lowered by 3.4% and 11.5% y-o-y respectively in Oct and Nov 2019 compared to the same period in 2018.
- Industrial rents are expected to remain flat in 2020 as the global economy continue to face headwinds due to uncertainties such as the rising tensions in the Middle East. ⁽³⁾

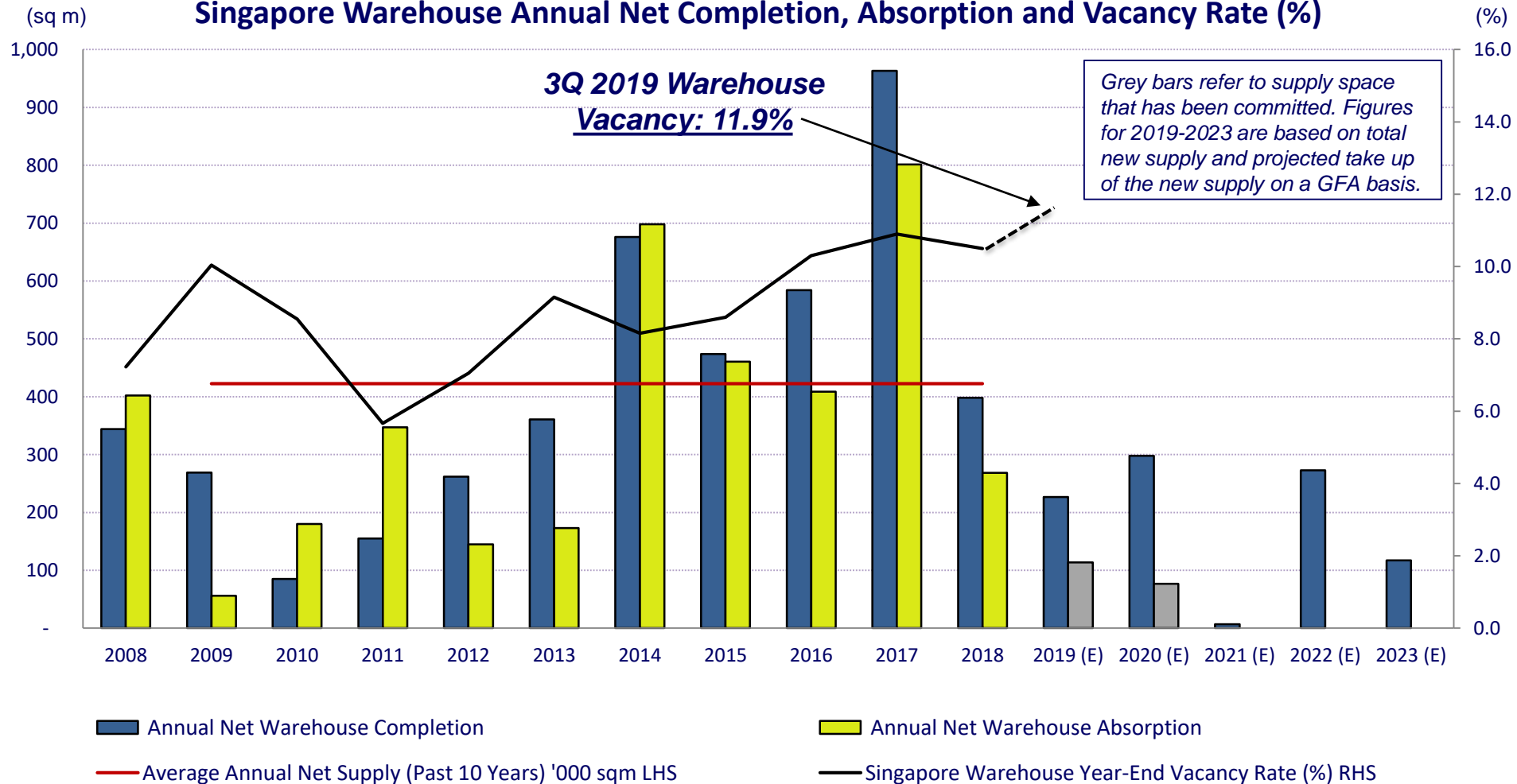
Notes:

- (1) Ministry of Trade and Industry, Press Release, "Singapore's GDP Grew by 0.8 Per Cent in the Fourth Quarter of 2019", 2 Jan 2020.
- (2) The Straits Times, Manufacturing shows signs of recovery, 4 Jan 2020.
- (3) Knight Frank Research, Singapore, 4Q 2019 Industrial Market Snapshot.

04 Market Outlook: Singapore

Moderated Supply Pipeline; Cautious Outlook on Business Environment

Singapore Warehouse Annual Net Completion, Absorption and Vacancy Rate (%)



Australia Economy

- The RBA kept the cash rate unchanged at 0.75%. Australia's economy is expected to see a turning point after experiencing a softening growth period in 2H 2019.
- Growth is expected to pick up slowly to around 3% in 2021, backed by drivers such as low interest rates, recent tax cuts, ongoing spending on infrastructure, upswing in housing prices and a brighter outlook for the resources sector.⁽¹⁾

Australia Industrial Market

- Strong performance for industrial real estate space continues to be driven by key factors such as infrastructure spending, rising e-commerce sector and higher demand for companies to implement supply-chain efficiencies, thus indicating that the sector is well-placed for further future growth. ⁽²⁾

Notes:

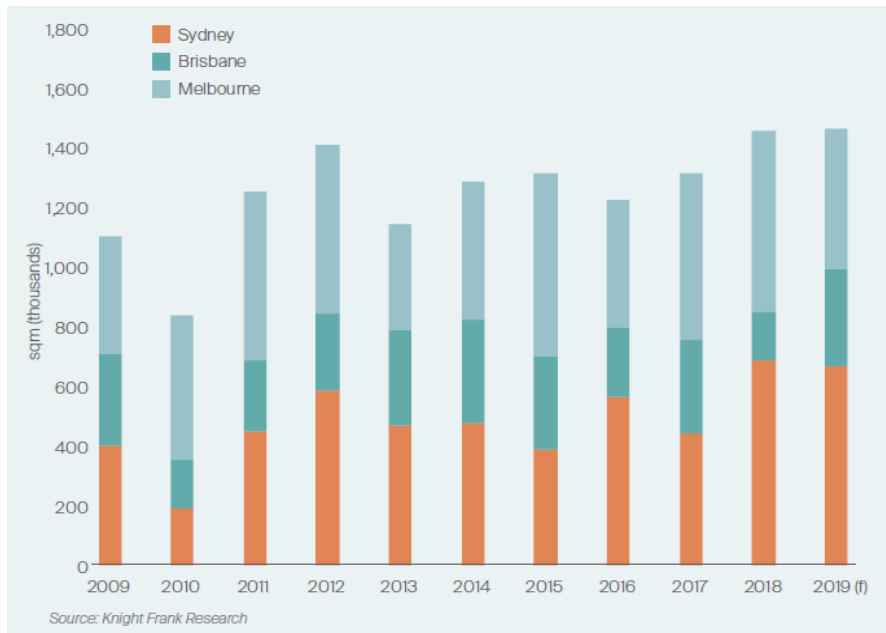
(1) RBA Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 Dec 2019.

(2) Knight Frank Research, 2020 Outlook Report, Australia.

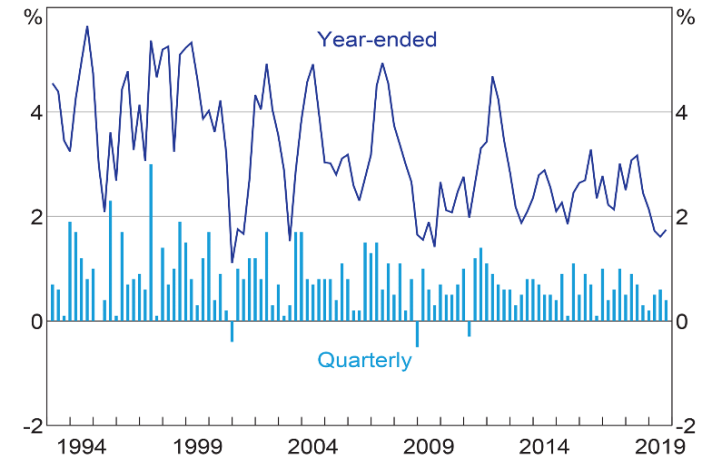
Slower growth outlook expected ahead

- RBA lowered interest rates by a cumulative 75 b.p. since June 2019 to 0.75% on the back of low inflation, ongoing spare capacity in the labour market and global outlook volatility.
- However, government spending has contributed strongly to growth and AUD depreciation boosted demand for exports.
- E-commerce demand and continual evolution of the supply-chain continues to bolster growth in the industrial and logistics sector.

Construction of New Industrial Supply – East Coast



GDP Growth



Source: ABS

Cash Rate Remained Unchanged at 0.75%



Source: RBA

04 Our Vision & Strategy

Provide highest quality, best-in-class logistics real estate solutions to our customers



3 Focus Areas for Sustainable Earnings and Growth over the Longer Term

Asset Management

- Maintain **high occupancy, improve income margin**
- **Stabilize** portfolio income; ensure **longevity** of returns
- Maintain **prudent** capital and risk management
- **Manage lease renewals** by close engagement with tenants
- **Secure** longer-term relationships with **strong credit-worthy** tenants

Acquisitions

- **Leverage** on broad Asia-Pac mandate and continue to execute **Portfolio Rebalancing & Growth Strategy** for earnings growth and sustainability
- **Prudently manage assets & capital recycling** – review potential of selling lower yielding properties, redeploy into higher-yield / better performing assets with upside
- **Pursue freehold assets:**
 - To preserve and grow NAV
 - **Increase proportion of income return** generated by revenue from freehold assets
- **Right-price leasehold properties** and associated risk
- Seek **longer WALE** profile and incorporate annual rent step-ups where possible to improve sustainability and income performance

Focused AEs & Development

- **Explore** AEI, redevelopment and Build-to-Suit opportunities
- Maintain **attractiveness** and **competitiveness** of assets
- **Optimize** portfolio performance and unlock value
- Utilize **under-developed plot ratio** to increase NLA and rental revenue
- **Increase rental and WALE** by rentalizing AEI works and improvements for tenants
- **Leverage** on strengths of -
 - **Track Record**
 - **ARA Depth & Support**
 - **Strategic Relationships** of tenants, funds as potential partners as well as developers



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05

MORE INFO ON CACHE



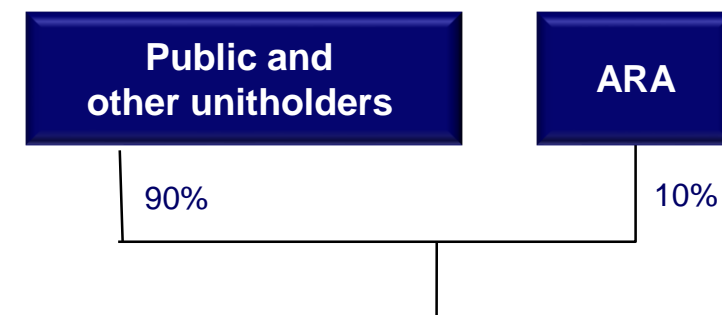
Located 2km from the Adelaide Airport, this large distribution facility which comprises four single-storey warehouses, a cold store and freezer warehouse and an administrative office block, is fully-leased to Metcash Trading.



Asia Pacific- focused Logistics REIT with Assets in Singapore and Australia

| | |
|---|--------------------------------------|
| REIT Manager | ARA Trust Management (Cache) Limited |
| Property Manager | Cache Property Management Pte. Ltd. |
| Listing Date | 12 April 2010 |
| Market Capitalisation | ~S\$776 million ⁽¹⁾ |
| No. of units in issue and to be issued | 1,085,818,549 |
| Investment Mandate | Asia Pacific |
| Distribution | 100% of Distributable Income |
| Distribution Period | Quarterly |
| Distribution Yield | 7.7% ⁽²⁾ |
| SGX Stock Code | K2LU |

Unitholding Structure



Notes:

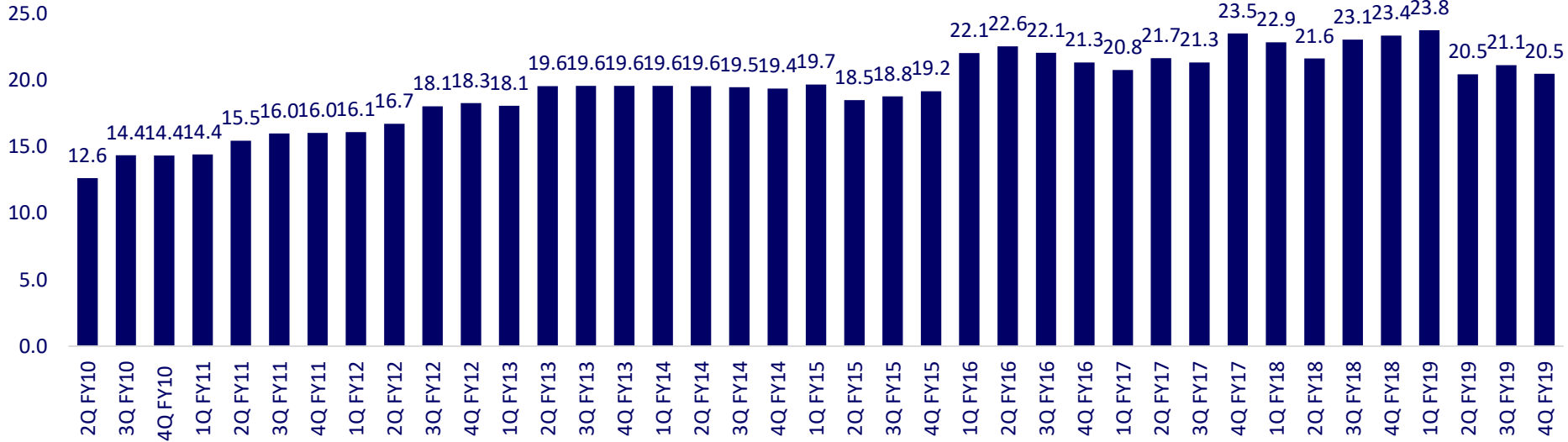
(1) Based on closing unit price of Cache at S\$0.715 as at 31 Dec 2019 and no. of units in issue and to be issued, rounded to the nearest million.

(2) Based on the FY19 DPU of 5.523 Singapore cents and closing unit price of S\$0.715 as at 31 Dec 2019.

05 Distribution History

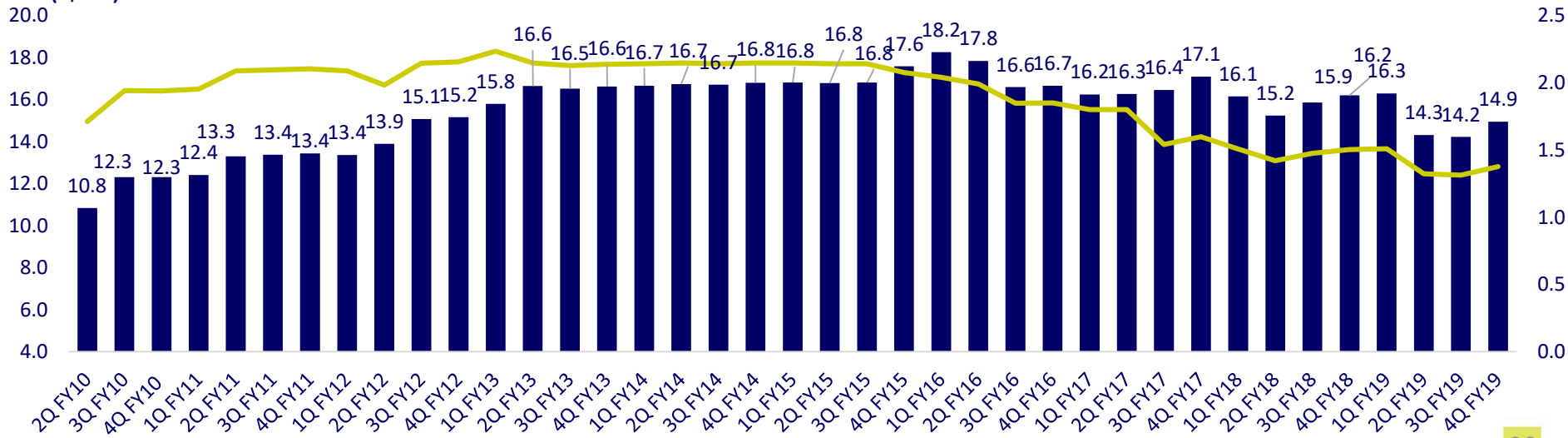


Net Property Income
S\$ million



Distributable Income
(S\$ mil)

DPU (cents)



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