

ASCOTT
RESIDENCE
TRUST

A Member of CapitaLand

Ascott Residence Trust

A Leading Global Serviced Residence REIT

CapitaLand & REITs
Corporate Day, Bangkok

17 August 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
- Strategies and Value Creation
- Strong Sponsor – The Ascott Limited
- Key Financial Highlights and Portfolio Performance
- Conclusion
- Appendix



Overview of Ascott REIT

Ascott Raffles Place Singapore



A Leading Global Serviced Residence REIT

Ascott REIT: Most Geographically Diversified and Largest Hospitality S-REIT by Asset Size and Market Capitalisation



11,430 units

37 cities

14 countries

Defensible Portfolio of Quality Assets Located in Major Gateway Cities
Asset Allocation : 61% Asia Pacific ; 27% Europe ; 12% The Americas

Market Capitalisation

S\$2.4b¹



Total Assets

S\$5.3b



Total Shareholder Return Since IPO

~200%²



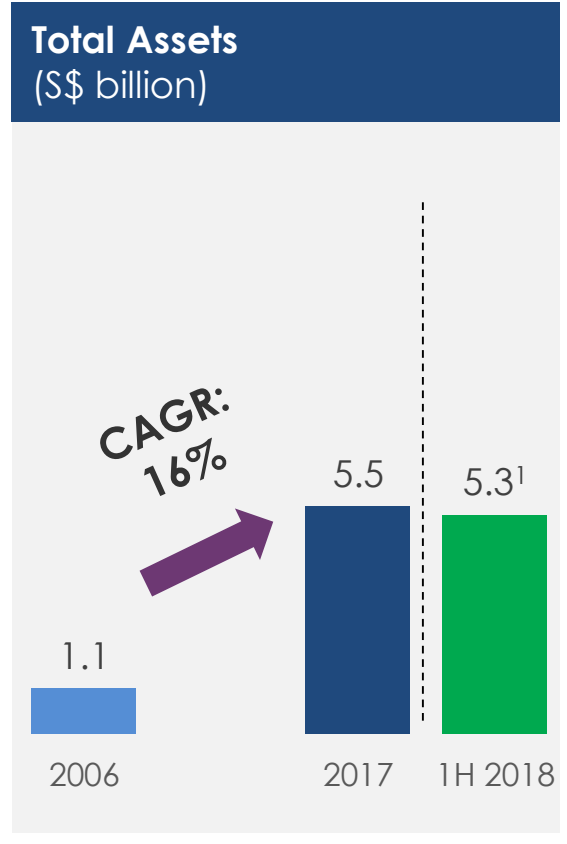
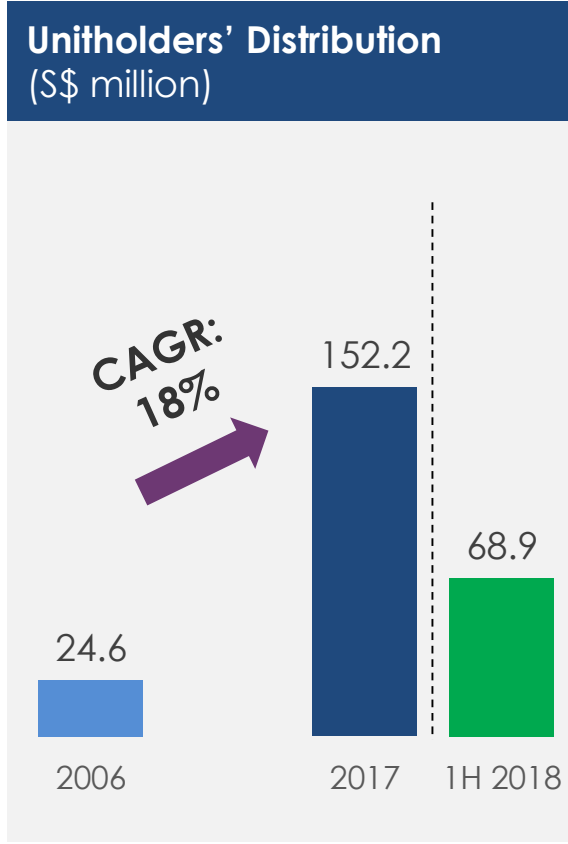
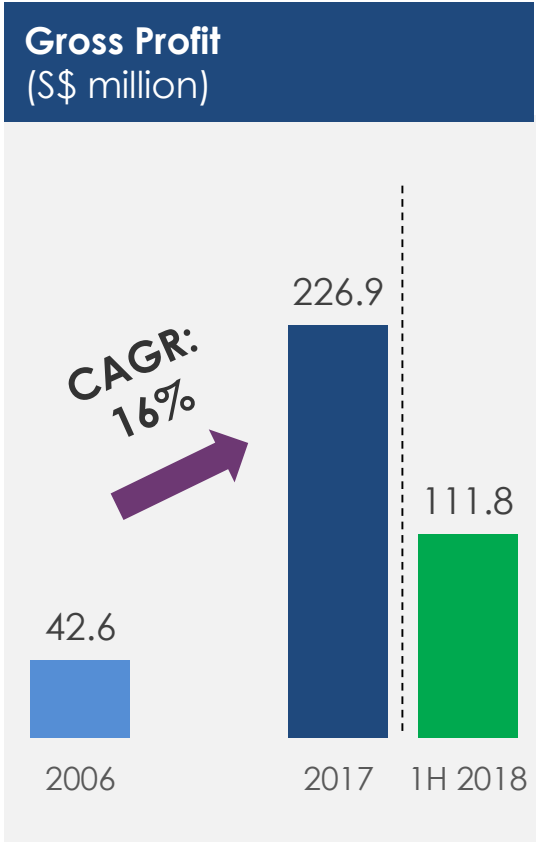
Notes:
Figures above as at 30 June 2018, unless otherwise indicated

1. Based on closing unit price as of 20 July 2018
2. Consists all distributions and capital appreciation of Ascott Reit's unit price from IPO in March 2006 to 30 June 2018.



Where is Ascott REIT since IPO 12 Years Ago

Robust Growth in Gross Profit, Unitholders' Distribution and Total Assets Since IPO in 2006



Notes:

1. The decrease in total assets is due to the divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an on 5 January 2018

Key Features of Ascott REIT

Investment Mandate	<ul style="list-style-type: none">Invests primarily in real estate and real estate-related assets which are income-producing and which are used, or predominantly used, as serviced residences, rental housing properties and other hospitality assets in any country in the world
Leverage	<ul style="list-style-type: none">Based on regulatory requirements, Ascott REIT's aggregate leverage limit cannot exceed 45%¹Historically, Ascott REIT's aggregate leverage has been at approximately 34%-41%²
Minimum Distribution Payout Ratio	<ul style="list-style-type: none">Required to distribute at least 90% of its taxable income to Unitholders to qualify for the Inland Revenue Authority of Singapore tax transparency treatment for REITsSince its listing, Ascott REIT has paid out 100% of its distributable income to Unitholders
Sponsor-aligned Interest	<ul style="list-style-type: none">CapitaLand Limited, the parent company of The Ascott Limited ("Ascott"), is a substantial Unitholder of Ascott REIT (~45% interest in Ascott REIT)
Corporate Governance	<ul style="list-style-type: none">Externally managed by Ascott Residence Trust Management Limited³<ul style="list-style-type: none">– Majority Independent Non-Executive Directors on the Board

Notes:

1. Ascott REIT is governed by the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore.
2. Based on Ascott REIT's gearing for financial years 2011 – 2017.
3. An indirect wholly-owned subsidiary of CapitaLand Limited

Diversified Geographical Footprint in Key Gateway Cities

United States of America

- o DoubleTree by Hilton Hotel New York – Times Square South
- o Element New York Times Square West
- o Sheraton Tribeca New York Hotel

United Kingdom

- o Citadines Barbican London
- o Citadines Holborn-Covent Garden London
- o Citadines South Kensington London
- o Citadines Trafalgar Square London

China

- o Ascott Guangzhou
- o Citadines Xinghai Suzhou
- o Citadines Zhuankou Wuhan
- o Somerset Grand Central Dalian
- o Somerset Heping Shenyang
- o Somerset Olympic Tower Property Tianjin
- o Somerset Xu Hui Shanghai

Japan

- o Citadines Central Shinjuku Tokyo
- o Citadines Shinjuku Tokyo
- o Somerset Azabu East Tokyo
- o Citadines Karasuma-Gojo Kyoto
- o Actus Hakata V-Tower
- o Big Palace Kita 14jo
- o Gravis Court Kakomachi
- o Gravis Court Kokutaiji
- o Gravis Court Nishiharaekimae
- o Infini Garden
- o Roppongi Residences Tokyo
- o S-Residence Hommachi Marks
- o S-Residence Tanimachi 9 chome
- o S-Residence Midoribashi Serio
- o S-Residence Fukushima Luxe

Spain

- o Citadines Ramblas Barcelona

France

- o Citadines Austerlitz Paris
- o Citadines Didot Montparnasse Paris
- o Citadines Les Halles Paris
- o Citadines Maine Montparnasse Paris
- o Citadines Montmartre Paris
- o Citadines Place d'Italie Paris
- o Citadines République Paris
- o Citadines Tour Eiffel Paris
- o Citadines Trocadéro Paris
- o La Clef Louvre Paris
- o Citadines Croisette Cannes
- o Citadines City Centre Grenoble
- o Citadines City Centre Lille
- o Citadines Presqu'île Lyon
- o Citadines Castellane Marseille
- o Citadines Prado Chanoit Marseille
- o Citadines Antigone Montpellier

Belgium

- o Citadines Sainte-Catherine Brussels
- o Citadines Toison d'Or Brussels

Germany

- o Citadines Arnulfpark Munich
- o Citadines City Centre Frankfurt
- o Citadines Kurfürstendamm Berlin
- o Citadines Michel Hamburg
- o Madison Hamburg

Philippines

- o Ascott Makati
- o Somerset Millennium Makati

Malaysia

- o Somerset Ampang Kuala Lumpur

Indonesia

- o Ascott Jakarta
- o Somerset Grand Citra Jakarta

Vietnam

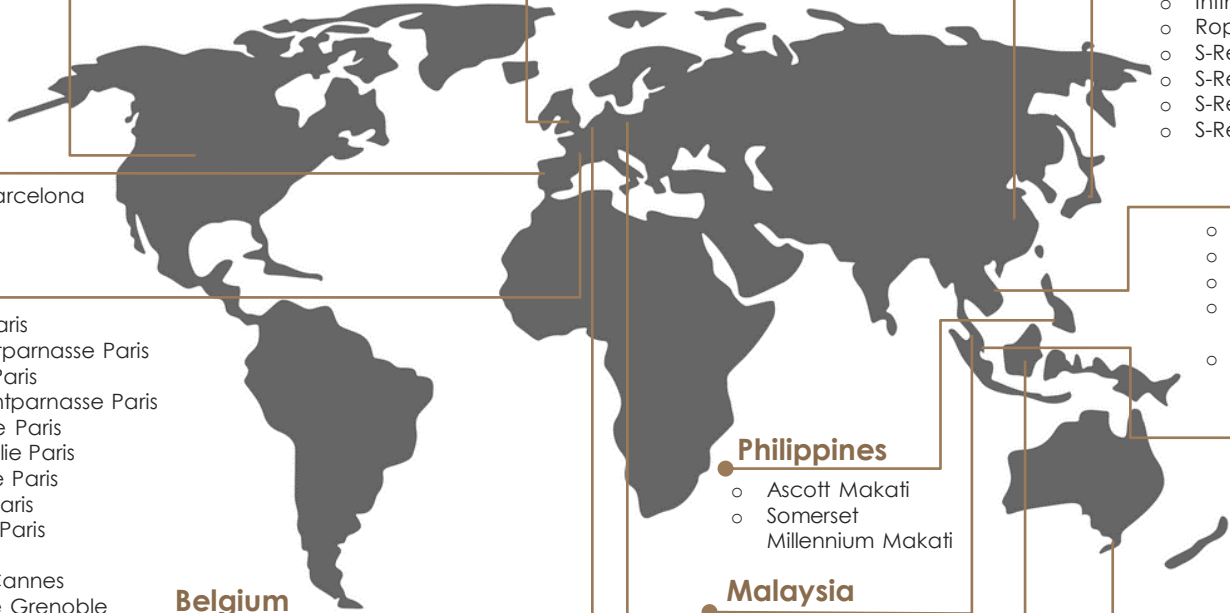
- o Somerset Grand Hanoi
- o Somerset Hoa Binh Hanoi
- o Somerset West Lake Hanoi
- o Somerset Chancellor Court Ho Chi Minh City
- o Somerset Ho Chi Minh City

Singapore

- o Ascott Orchard Singapore
- o Ascott Raffles Place Singapore
- o Citadines Mount Sophia Property Singapore
- o Somerset Liang Court Property Singapore

Australia

- o Citadines On Bourke Melbourne
- o Citadines St Georges Terrace Perth
- o Quest Campbelltown
- o Quest Mascot
- o Quest Sydney Olympic Park





Balanced Portfolio Underpinned by Stable and Growth Income

	Stable Income		Growth Income
	Properties under Master Lease	Properties under Management Contracts with Minimum Income Guarantee	Properties under Management Contracts
Description	Master Lessees pay fixed rental per annum ¹ to Ascott REIT	Properties on management contracts that enjoy minimum guaranteed income	No fixed or guaranteed rental but Ascott / third party operator manages Ascott REIT's properties for a fee
Percentage of Gross Profit ²	32%	14%	54%
Location of Properties ²	<u>Total: 28 properties</u> Australia: 3 properties France: 17 properties Germany: 5 properties Japan: 1 property Singapore: 2 properties	<u>Total: 7 properties</u> Belgium: 2 properties Spain: 1 property United Kingdom: 4 properties	<u>Total: 38 properties</u> Australia: 2 properties China: 7 properties Indonesia: 2 properties Japan: 14 properties Malaysia: 1 property The Philippines: 2 properties Singapore: 2 properties United States: 3 properties Vietnam: 5 properties

46%

Notes:

- The rental payments under the master leases are generally fixed for a period of time. However, the master leases provide for annual rental revisions and/or pegged to indices representing construction costs, inflation or commercial rental prices according to market practice. Accordingly, the rental revisions may be adjusted upwards or downwards depending on the above factors.
- Based on 2Q 2018 gross profit.

What are Serviced Residences?

“Home Away From Home”

- Fully furnished apartments catered for both short and extended stays
- Kitchen facilities with separate living and dining area





What are Serviced Residences?

	Hotels	Serviced Residences
Lease Structure & Terms	<ul style="list-style-type: none">Short-term accommodation	<ul style="list-style-type: none">Variable lease terms
Revenue	<ul style="list-style-type: none">Revenue from rooms and other sources e.g. F&B, ancillary, etc.	<ul style="list-style-type: none">Revenue predominantly from rooms
Cost Structure	<ul style="list-style-type: none">Higher staff-to-room ratioFull range of hospitality services	<ul style="list-style-type: none">Lower staff-to-room ratioLimited services provided
Seasonality	<ul style="list-style-type: none">Predominantly seasonal nature of tourism industry	<ul style="list-style-type: none">Predominantly driven by long-term macroeconomic factors such as GDP growth and FDI inflows



Awards and Accolades

Clinched Highly Coveted Accolades

World Travel Awards 2018

- Leading Serviced Apartments in respective countries
 - Citadines Arnulfpark Munich
 - Citadines Sainte-Catherine Brussels
 - Citadines Ramblas Barcelona

TripAdvisor Awards

- Travellers' Choice Award 2018
 - Ascott Makati
 - Citadines South Kensington London
 - La Clef Lourve Paris
 - Somerset Ampang Kuala Lumpur
 - Somerset Grand Hanoi
 - Somerset Ho Chi Minh City
 - Somerset Xu Hui Shanghai
- Certificate of Excellence Award 2018
 - 24 properties¹



Asia Pacific Best of the Breeds REITs Awards 2018

- Best Hospitality REIT - Platinum



Asia Pacific
Best of the Breeds
REITs AWARDS™

Singapore Governance and Transparency Index 2018

- Ranked **3** out of the 43 Trusts

Business Traveller Asia-Pacific Awards 2017

- Best Serviced Residence in Asia Pacific
 - Ascott Raffles Place Singapore

Travel Weekly Asia Readers' Choice Awards 2017

- Best Serviced Residence Property
 - Ascott Orchard Singapore

Strategies and Value Creation



Citadines City Centre Frankfurt



Ascott REIT's Value Creation

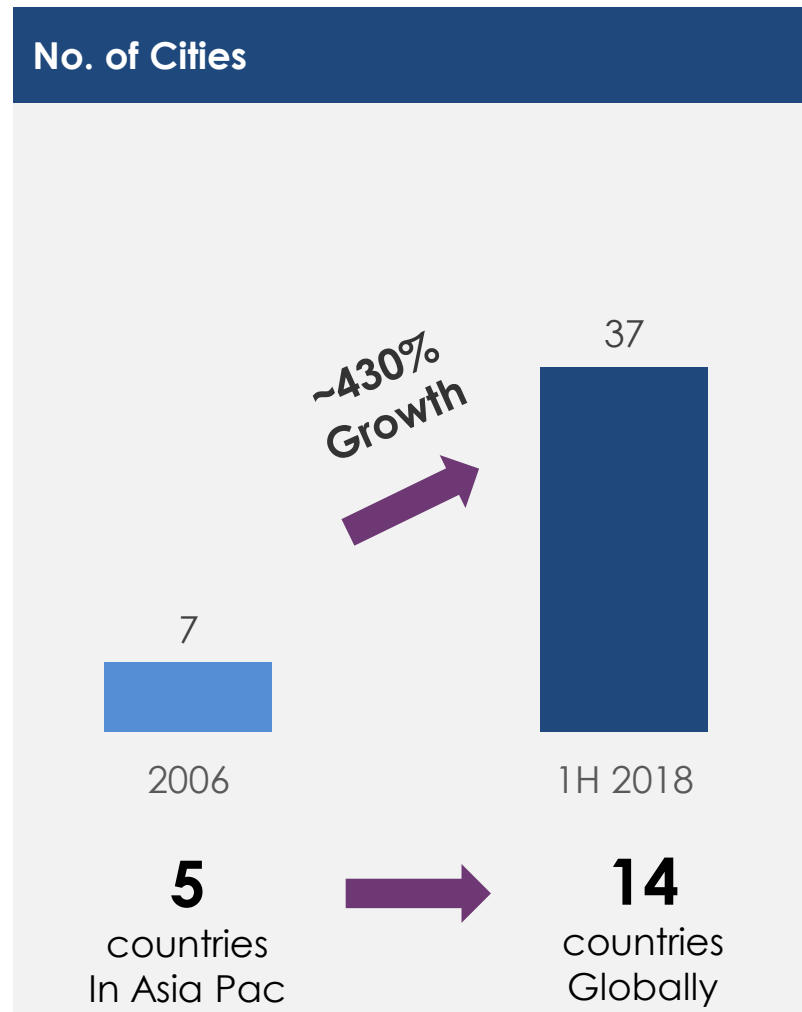
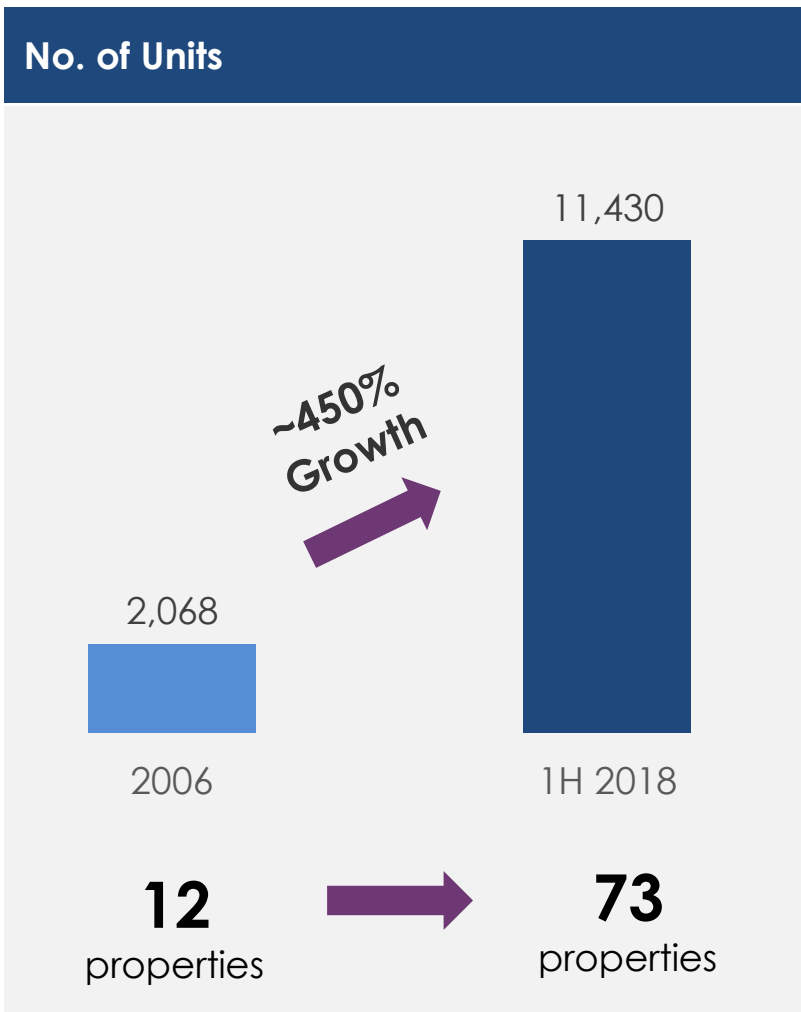




1

Growth by Acquisition

Ascott REIT's Total Assets Has Increased Fivefold Since Its Listing In 2006

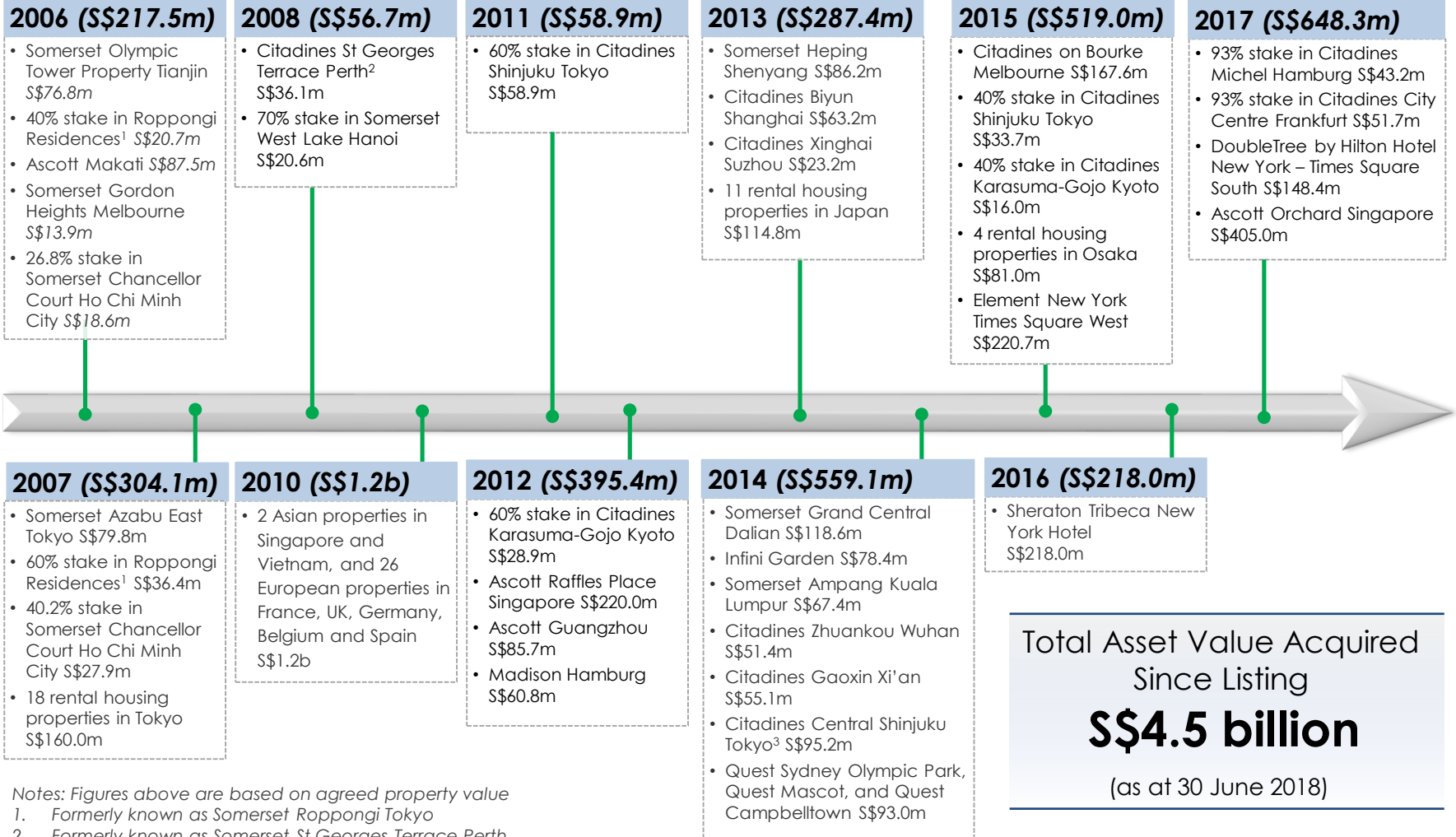




1

Growth by Acquisition

Ascott REIT's Strong Acquisition Track Record Since Listing



Notes: Figures above are based on agreed property value

1. Formerly known as Somerset Roppongi Tokyo
2. Formerly known as Somerset St Georges Terrace Perth
3. Formerly known as Best Western Shinjuku Astina Hotel



2

Active Asset Management through Capital Recycling

Properties with a Total Divestment Value of **S\$1.3 billion** have been Recycled and Re-deployed into Higher Yielding Assets since 2010

2010 (S\$335.7m)

- Ascott Beijing S\$301.8m
- Country Woods Jakarta S\$33.9m



The proceeds from the 2012 divestments were deployed to fund the yield accretive acquisitions of

- Ascott Raffles Place Singapore
- Ascott Guangzhou

2014 (S\$140.0m)

- Fortune Garden Apartments¹



2015 (S\$60.3m)

- 6 Rental Housing Properties in Japan S\$53.1m
- Salcedo Residence S\$7.2m



Ascott REIT Divested

- 18 Rental Housing Properties in Japan
- Citadines Biyun Shanghai
- Citadines Gaoxin Xi'an

The proceeds from the 2010 divestments were used to partly fund the yield accretive acquisitions of

- Citadines Mount Sophia Property Singapore,
- Somerset Hoa Binh Hanoi
- 26 European properties in France, UK, Germany, Belgium and Spain

2012 (S\$374.6m)

- Somerset Gordon Heights Melbourne S\$15.6m
- Somerset Grand Cairnhill Singapore S\$359.0m



Ascott REIT has completed the strata sale of 81 apartment units as at July 2017.

Ascott REIT Divested

- Six Rental Housing Properties In Japan
- Salcedo Residences in Philippines

2017 (S\$351.6m)

- 18 Rental Housing Properties in Japan S\$153.6m
- Citadines Biyun Shanghai & Citadines Gaoxin Xi'an S\$198.0m



Generated an aggregated net divestment gain of **S\$304.4m** from 2010 to 2017

Note: Figures above are based on agreed sale price.

1. Formerly known as Somerset Grand Fortune Garden Property Beijing

Augmenting Value through Asset Enhancement Initiatives

Robust ADR Uplift at Refurbished Properties upon Completion

Somerset Ho Chi Minh City

▲ **23%**
Y-o-Y



Somerset Millennium Makati

▲ **14%**
Y-o-Y



Citadines Barbican London

▲ **10%**
Y-o-Y



Augmenting Value through Asset Enhancement Initiatives (continued)

Citadines Barbican London
Additional rental revenue from Sourced Market, a F&B retailer



Somerset Millennium Makati
Rejuvenated Living Area and Bedrooms



2

On-going Asset Enhancement Initiatives



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



3 Capital and Risk Management

Disciplined and Prudent Approach Towards Capital and Risk Management

Gearing remained low at

35.7%



Effective borrowing cost maintained at

2.3% per annum

3.9 years

Weighted average debt to maturity



Interest cover

4.5X

'BBB' (outlook stable)

Long-term rating by Fitch



~84%

Total debts on fixed rates to hedge against rising interest rates



NAV Per Unit
S\$1.23

Adjusted NAV Per Unit¹
S\$1.20

Notes:

Figures above as at 30 June 2018

1. Excluding the distributable income to be paid to Unitholders in August 2018



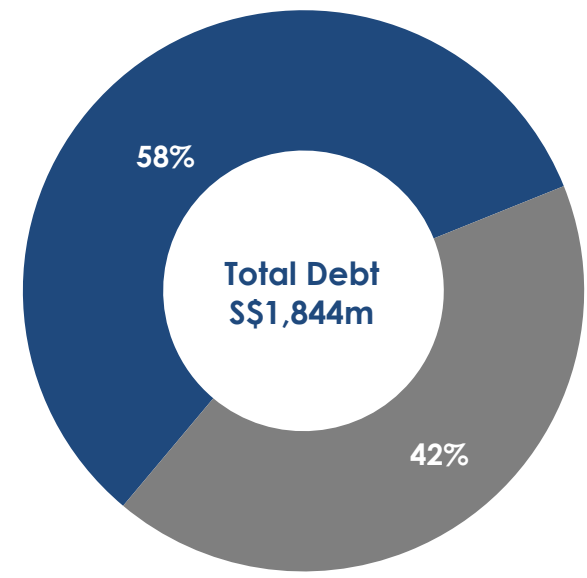
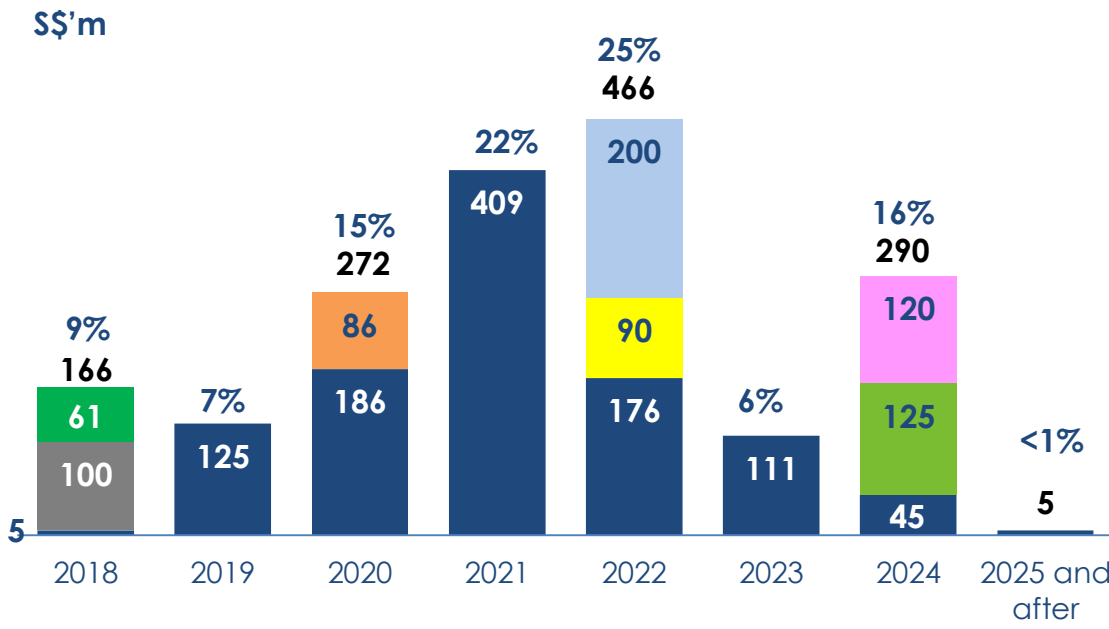


Diversified Funding Sources and Well Spread-Out Debt Maturity

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



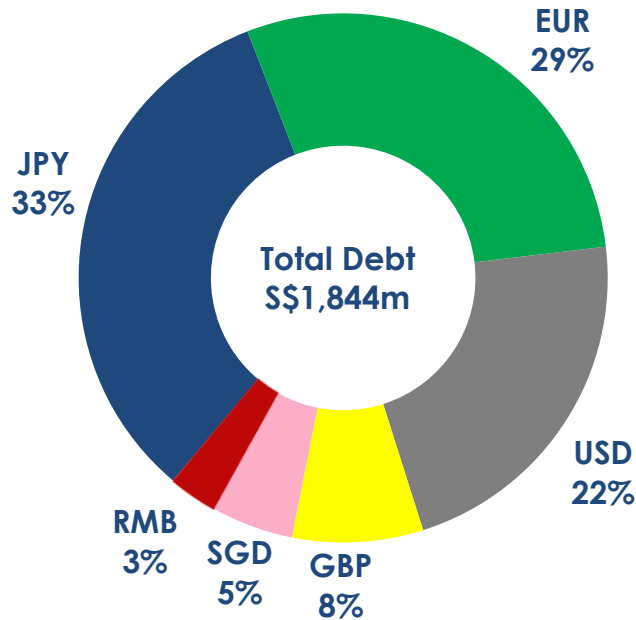
- Bank loans
- 2.01% p.a. fixed rate JPY5b MTN
- 4.30% p.a. fixed rate S\$100m MTN
- 1.65% p.a. fixed rate JPY7b MTN
- 4.21% p.a. fixed rate S\$200m MTN¹
- 1.17% p.a. fixed rate JPY7.3b MTN
- 2.75% p.a. fixed rate EUR80m MTN
- 4.00% p.a. fixed rate S\$120m MTN²

- Bank Loans
- Medium Term Notes ("MTN")

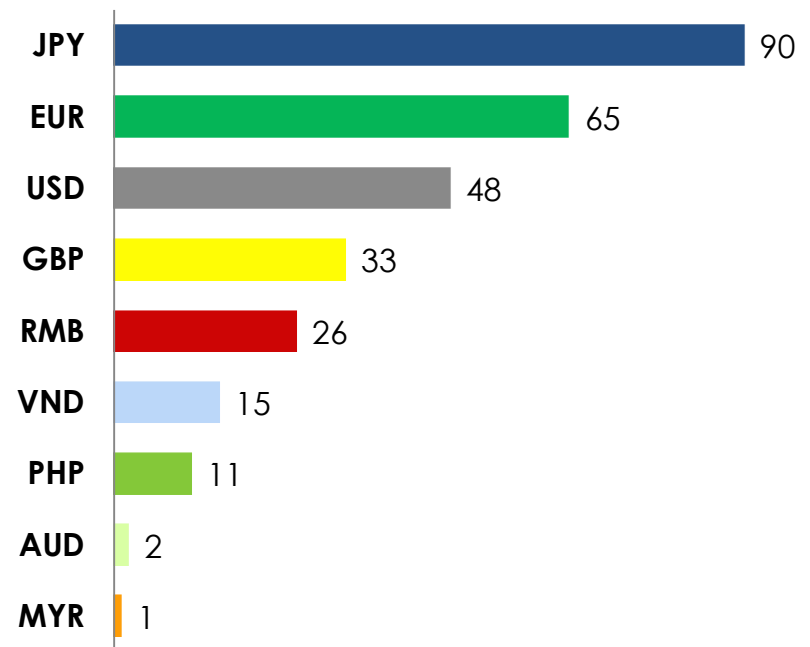
Notes:
 1. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 1.82% p.a. over the same tenure
 2. S\$ proceeds from the notes have been swapped into Euros at a fixed interest rate of 2.15% p.a. over the same tenure

Adopt 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

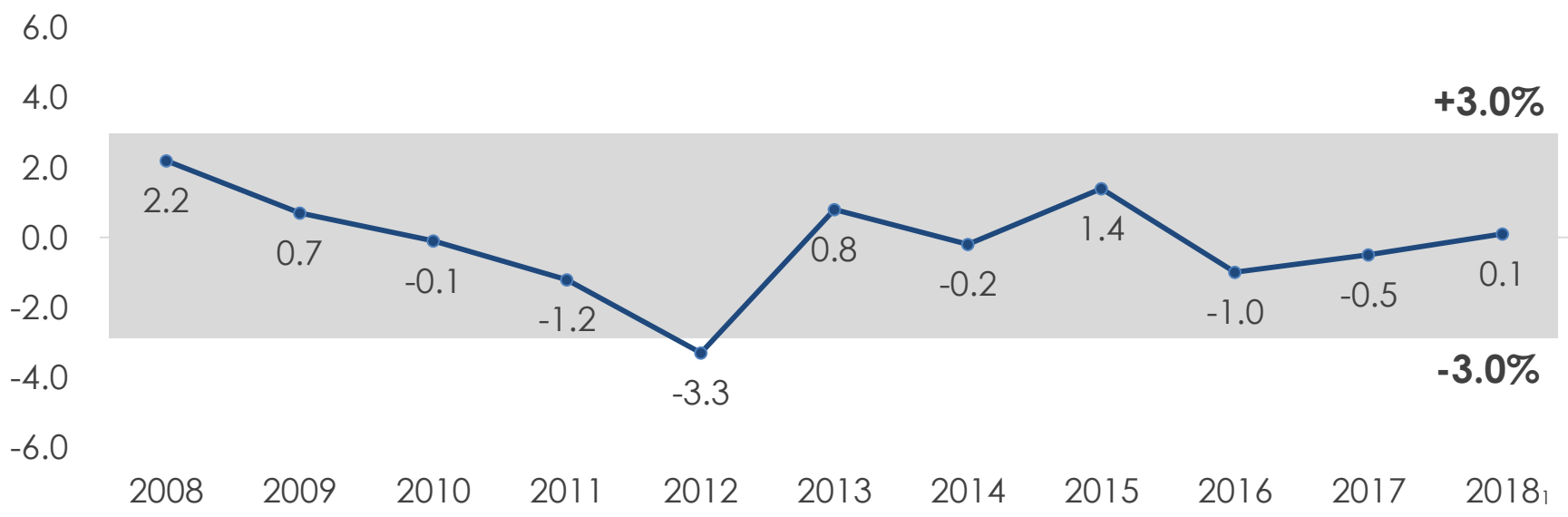




3

Foreign Currency Risk Management

Limited Impact of Exchange Rate Movement on Gross Profit over the Years (%)



Impact of exchange rate movement on gross profit has largely been kept within the threshold of +/- 3.0%.

Note:
1. Based on 1H 2018 gross profit

Strong Sponsor – The Ascott Limited



Strong Sponsor – The Ascott Limited



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

~45% CapitaLand ownership in Ascott REIT

Award-winning brands with worldwide recognition

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

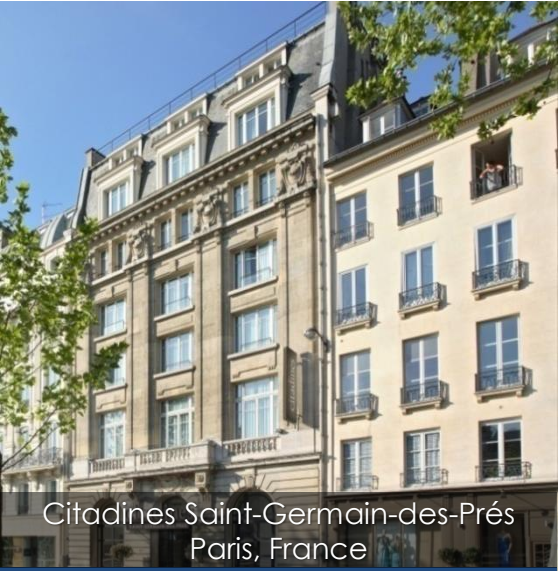


Ascott's Brands



Ascott Orchard Singapore

Ascott
Exclusive city living homes with discreet services for business travellers in key gateway cities.



Citadines Saint-Germain-des-Prés Paris, France

Citadines
Ideal home in the city with flexible services for individuals on the go.



Somerset Wusheng Wuhan, China

Somerset
Stylish apartments offering the comforts and familiarity of home for executives.



Ascott's Brands

QUEST
APARTMENT HOTELS



Quest West Perth, Australia

Quest
Spacious serviced apartment style hotel rooms perfect for short and long stays, located in prime locations across Australia, New Zealand and Fiji.

The Crest Collection



La Clef Tour Eiffel Paris, France

The Crest Collection
Luxurious city living with discreet services for business travellers.

lyf



lyf Funan, Singapore

lyf
A new way of living and collaborating as a community, connecting guests with fellow travellers and change-makers.

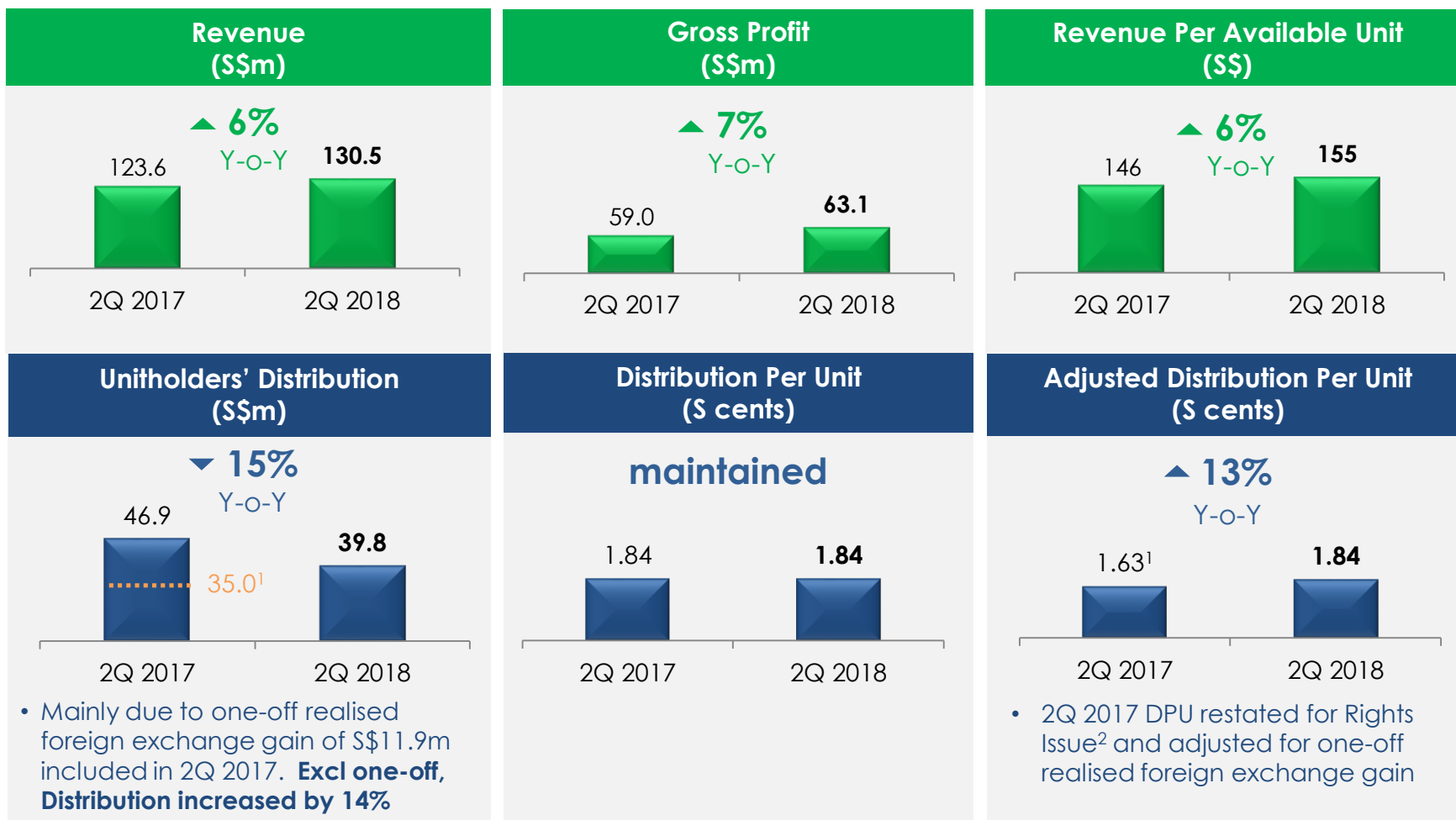
Key Financial Highlights and Portfolio Performance 2Q 2018





Financial Highlights of 2Q 2018

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



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



Revenue and Gross Profit by Contract Type

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

	Revenue (\$\$'mil)			Gross Profit (\$\$'mil)			RevPAU (\$\$)		
	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 contracts² 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 **\$S26.7m** revaluation surplus³ mainly from higher valuation of properties in Vietnam, United Kingdom, France and the Philippines.
- Generated **\$S68.9m** 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

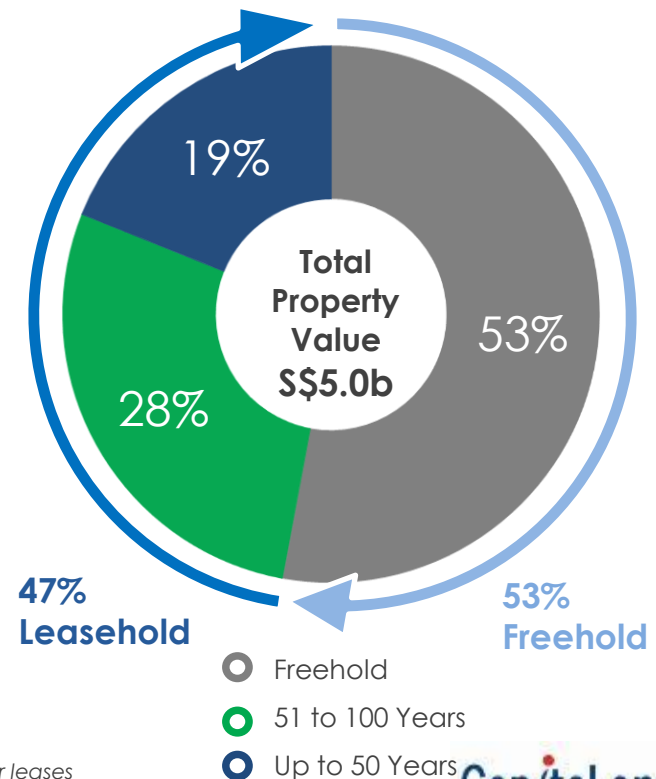


Key Highlights of 1H 2018

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 portfolio¹
- Continue to focus on a healthy balance of stable income contracts² vs growth income contracts³, targeting at both long-stay and short-stay segments
 - Weighted average tenure of stable income contracts² 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:

- Based on land tenure by property value as at 30 June 2018; freehold Includes properties with 999 year leases
- Refers to Master Leases and Management Contracts with Minimum Guaranteed Income
- Refers to Management Contracts

Conclusion





Ascott REIT Investment Proposition

1



Largest hospitality REIT in Singapore

- Total assets of **S\$5.3b**
- Market capitalisation of **S\$2.4b¹**

2

Well-balanced portfolio with growth income contracts and stable income contracts each contributing ~50% towards gross profit



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





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

- Remain 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
- Continue to enhance value of properties through Asset Enhancement Initiatives

3 Disciplined and Prudent Capital Management

- Maintain effective borrowing rate at a healthy level with ~80% of the 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 financing plans

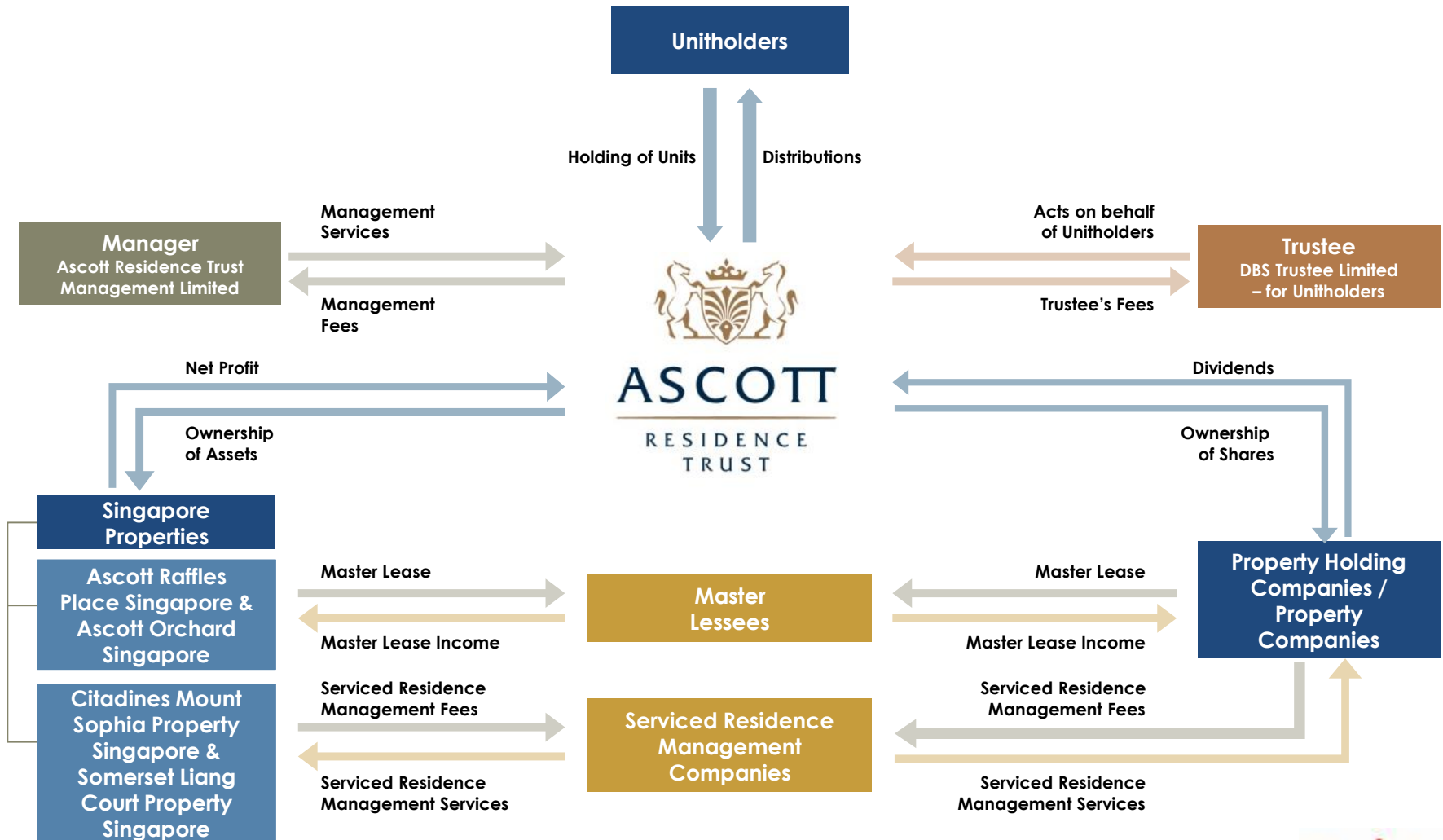
Appendix

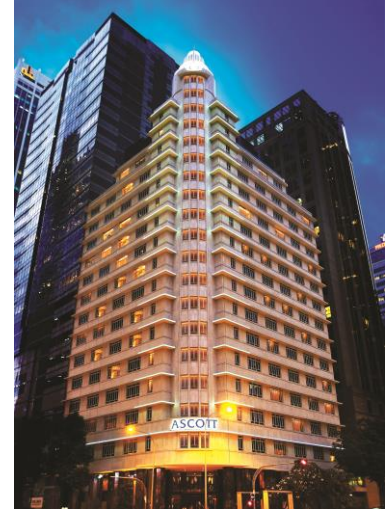
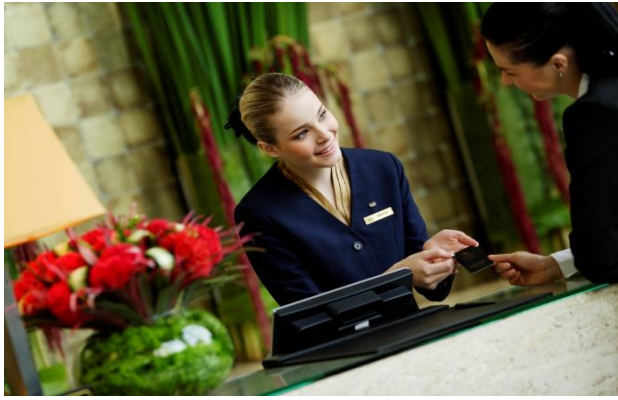


Citadines on Bourke Melbourne

Overview of Ascott REIT

Trust Structure





ASCOTT
RESIDENCE
TRUST

A Member of CapitaLand

Thank You