



Ascott Residence Trust

A Leading Global Hospitality REIT

Annual General Meeting

10 April 2019



Important Notice

The value of units in Ascott Residence Trust (“Ascott REIT”) (the “Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Ascott Residence Trust Management Limited, the Manager of Ascott REIT (the “Manager”) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott REIT is not necessarily indicative of its future performance.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Prospective investors and Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Unitholders of Ascott REIT (the “Unitholders”) have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.



Content

- Overview of Ascott REIT
- Key Highlights of 2018
- Portfolio Performance
- Digitalisation and Innovation
- Contributing to Community
- Looking Forward

Overview of Ascott REIT





Ascott REIT – A Leading Global Hospitality REIT

Well-diversified portfolio of quality assets located in major gateway cities

S\$2.3b¹

Market Capitalisation

S\$5.3b

Total Assets

11,430

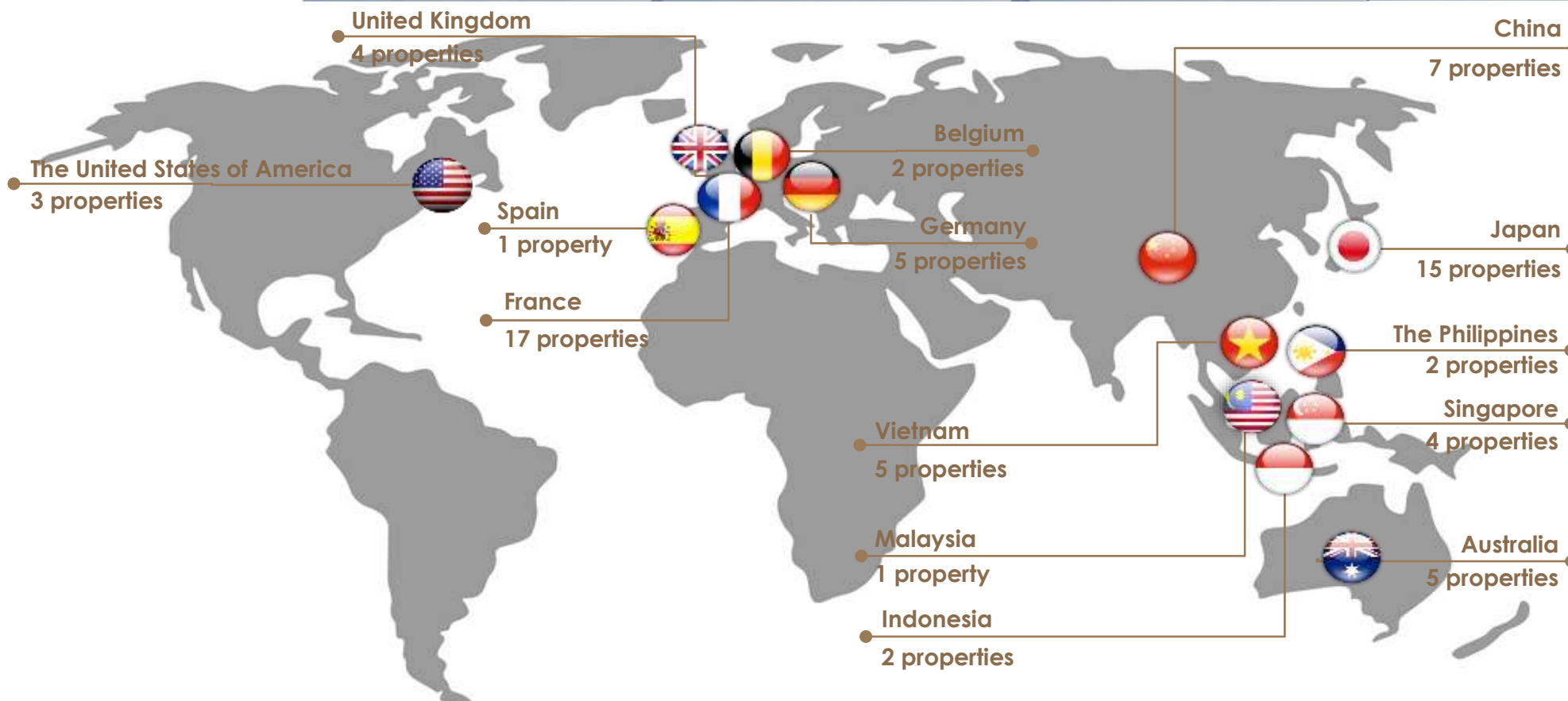
Apartment Units

73

Properties

37

Cities in 14 Countries



Note:

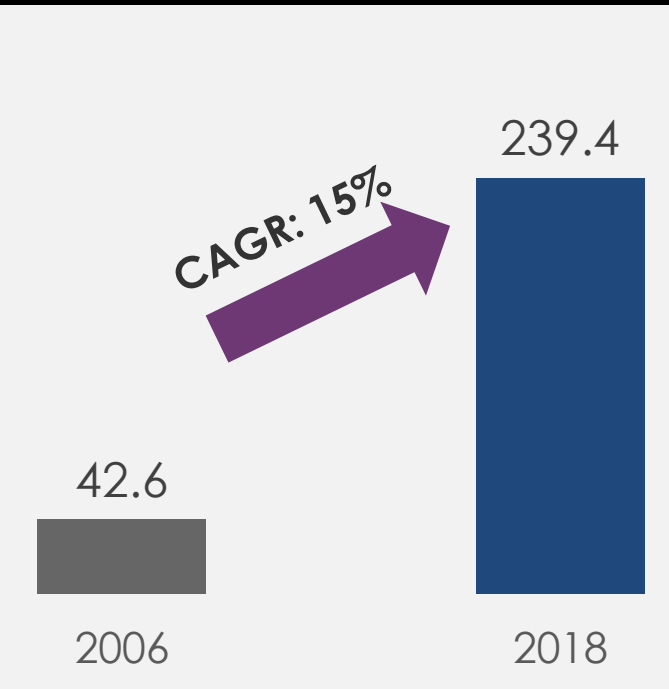
Figures above as at 31 December 2018 and exclude 1 of one-north Singapore (under-development). Market capitalisation based on closing unit price of S\$1.08 as at 31 December 2018



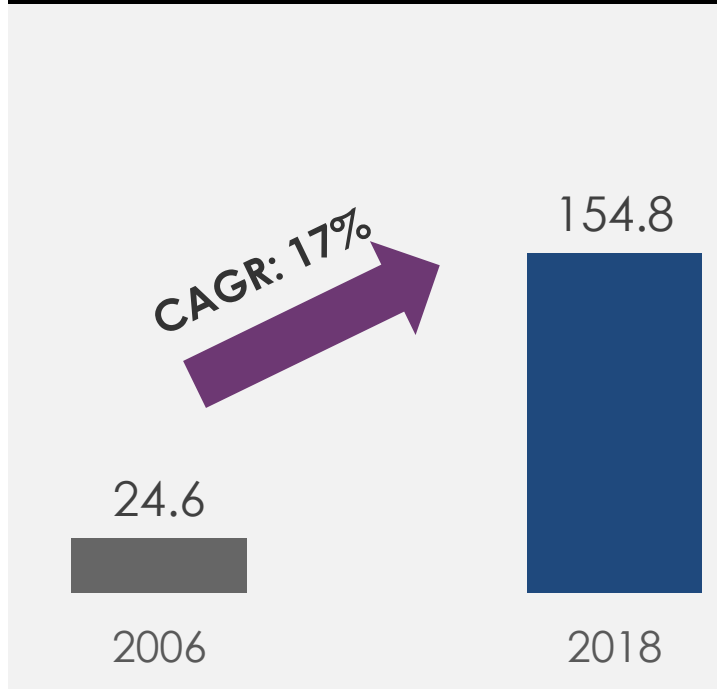
Where is Ascott REIT Since IPO 12 Years Ago

Geographical presence deepened from 7 to 37 cities

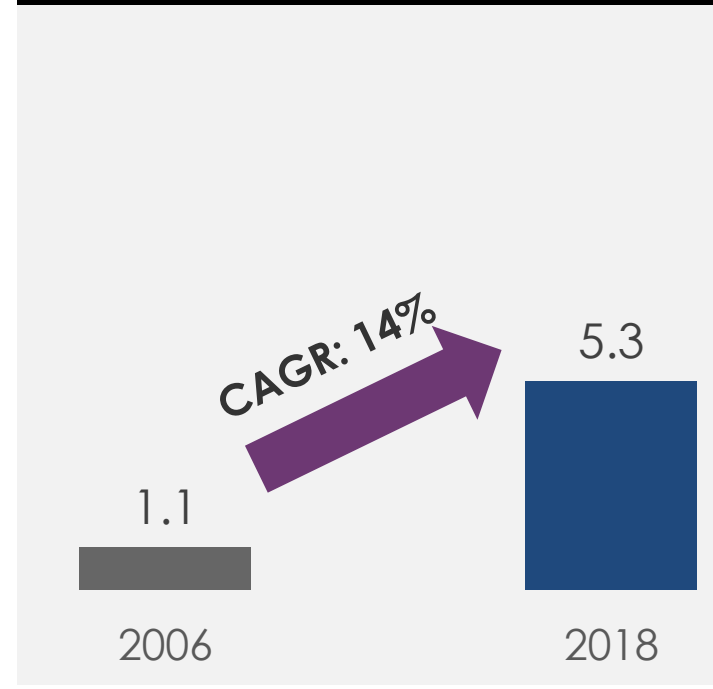
Gross Profit (S\$ mil)



Unitholders' Distribution (S\$ mil)



Total Assets (S\$ b)



Total Unitholder's Return¹
>300%

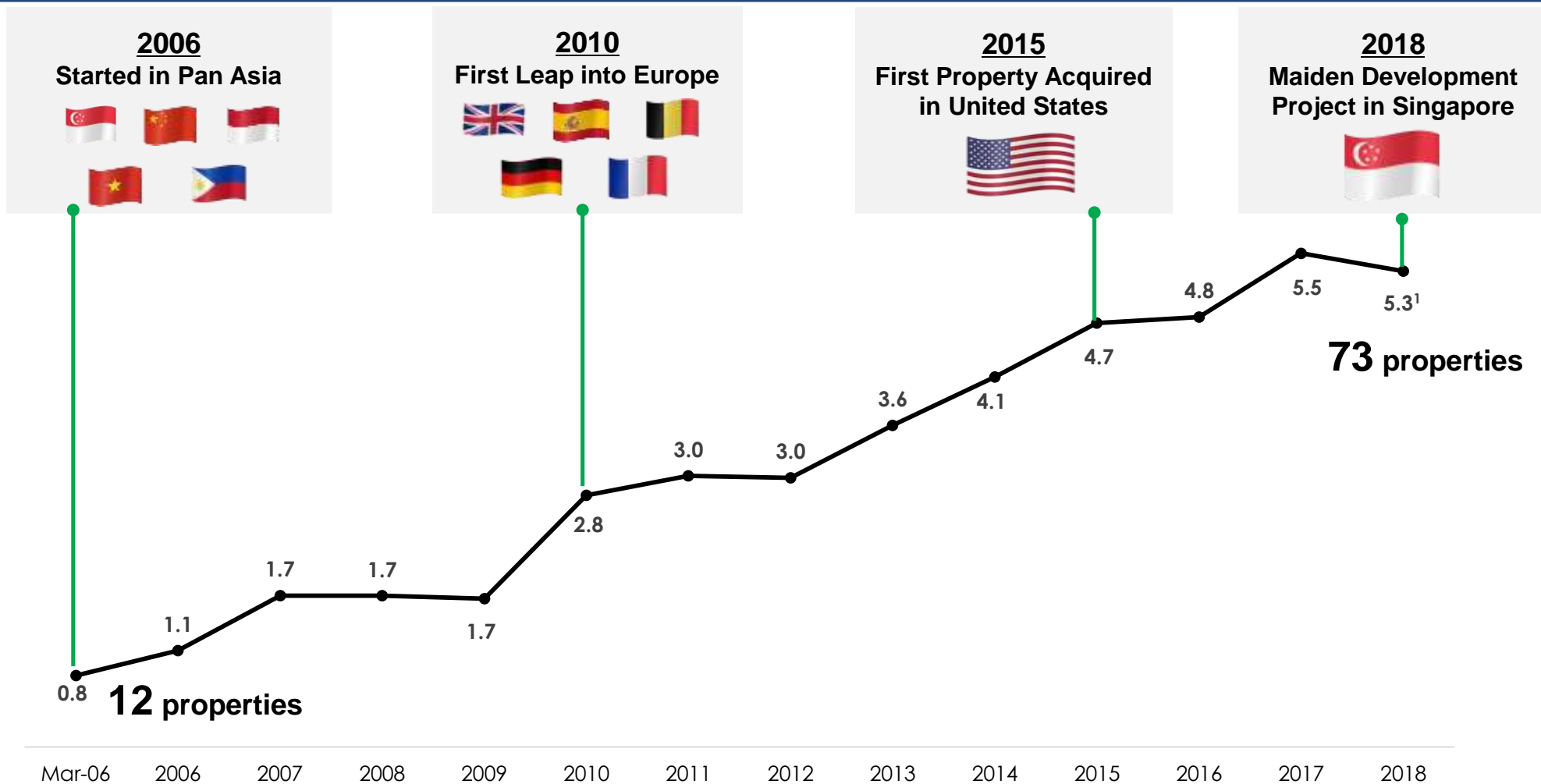
Notes:

1. Consists of all distributions and capital appreciation of Ascott REIT's unit price from IPO in March 2006 to 31 December 2018 (Source: Bloomberg)



Key Milestone Acquisitions since IPO

Total assets since listing (\$b)



Notes: Figures above exclude 1yf one-north Singapore (under development)

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



Ascott REIT's Well-Diversified and Resilient Portfolio

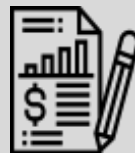


Geographical
diversification

60% : 40%

Asia Pacific *Europe/US*

Diversified
income streams



44% : 56%

*Stable
Income* *Growth
Income*

Range of product
offering including



serviced residences,
rental housing and
coliving properties

Properties catering to
**long- and short-
stay, business
and leisure
guests**



Resilient portfolio



**~3 months
average
length of
stay**

Valuable portfolio
of properties with

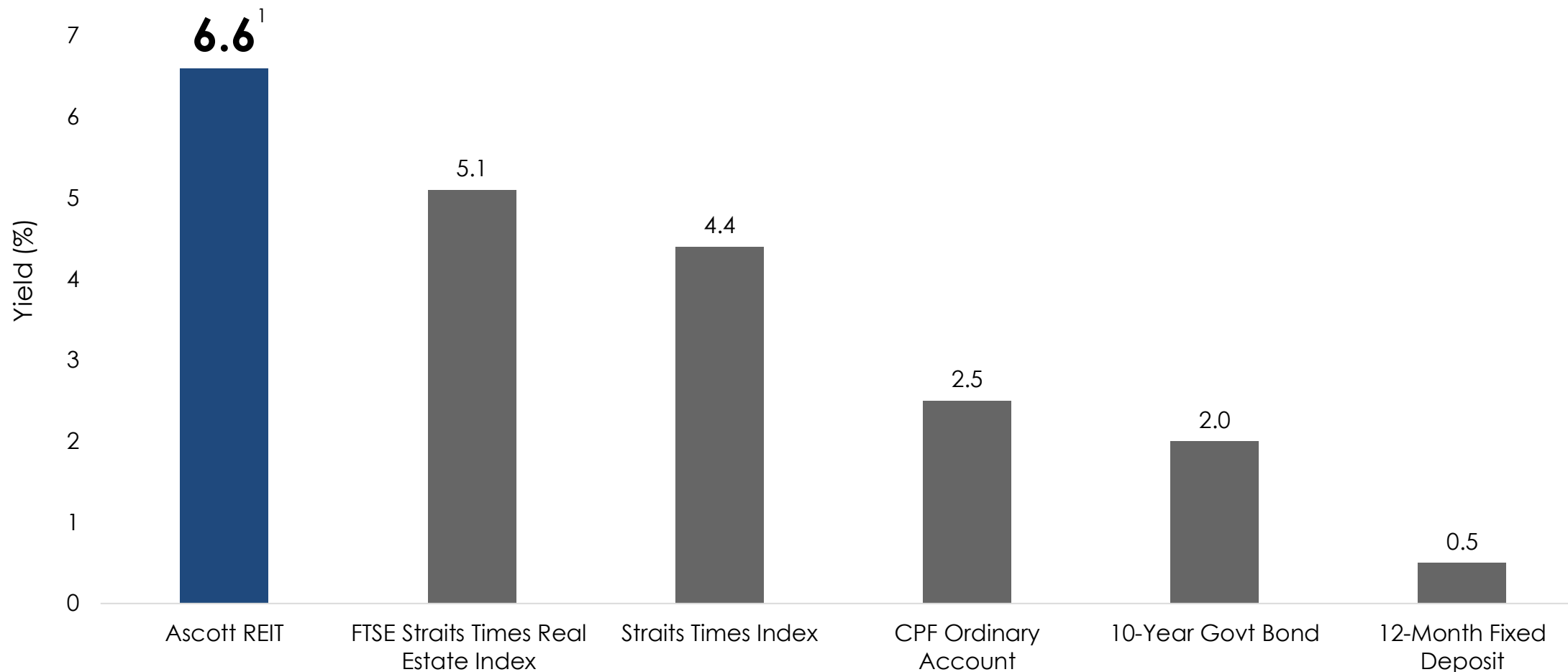
**>50%
freehold**





Attractive and Stable Yield

5-Year Average DPU Yield > 6.5%¹



Sources: Bloomberg, Central Provident Fund Board, Monetary Authority of Singapore,

Notes:

1. Ascott REIT DPU yield of 6.6% is based on FY 2018 DPU of 7.16 cents and closing unit price of S\$1.08. 5-year average DPU yield is the average of the FY 2014 to FY 2018 distribution yield



Awards and Accolades

Clinched Highly Coveted Accolades



World Travel Awards 2018

- Leading Serviced Apartments in respective countries

TripAdvisor Awards

- Travellers' Choice Award 2018 & Certificate of Excellence Award 2018



Asia Pacific
Best of the Breeds
REITs AWARDS™

Asia Pacific Best of the Breeds REITs Awards™ 2018

- Best Hospitality REIT (Platinum award)

Business Traveller Asia-Pacific Awards 2018

- Best Serviced Residence Brand in Asia Pacific



Singapore Governance and Transparency Index 2018

- Ranked 3rd out of the 43 Trusts



Travel Weekly Asia Readers' Choice Awards 2018

- Best Serviced Residence Group

Key Highlights of 2018



lyf one-north Singapore
(Artist Impression)

Concept Design by WOHA

Key Achievements – FY 2018



Record high
Unitholders'
Distribution

\$S\$154.8mil

*(including \$S\$6.5m Capital
Gains Distribution)*

Recorded

\$S\$35.5mil



of valuation uplift
for portfolio of
properties



Maiden acquisition
of prime site
to develop
first coliving property

**lyf one-north
Singapore**



Completed **5**
Asset
Enhancement
Initiatives

10-20% ADR uplift
post refurbishments



Successful
refinancing
of MTNs
**at lower
interest rates**



Reaffirmed by
Fitch Ratings

“BBB”

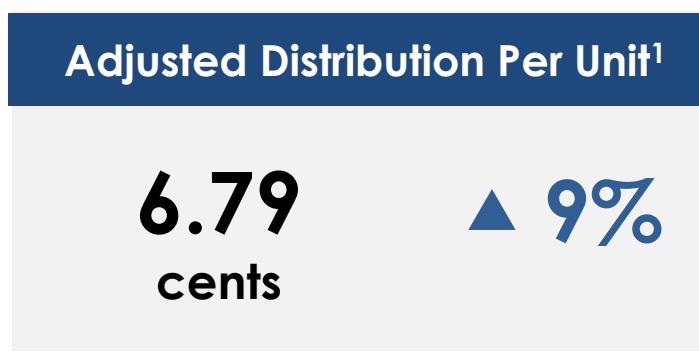
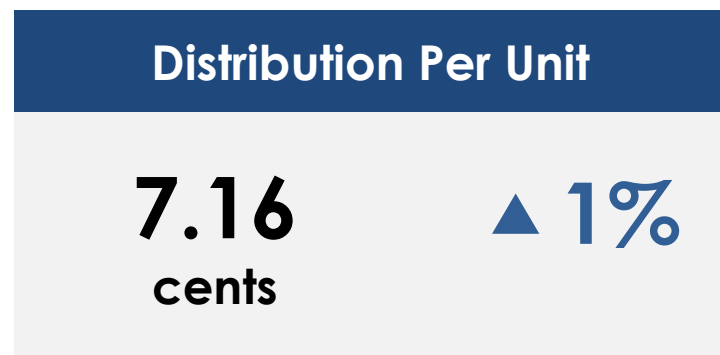
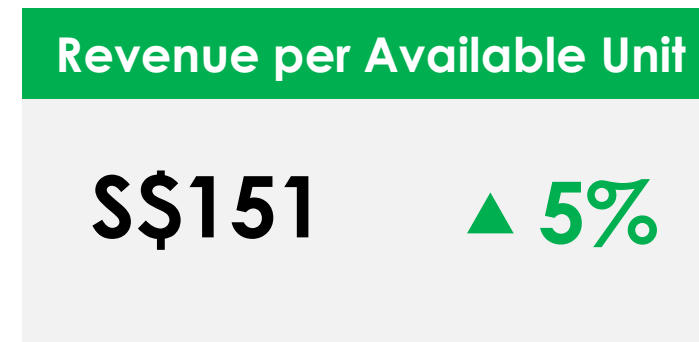
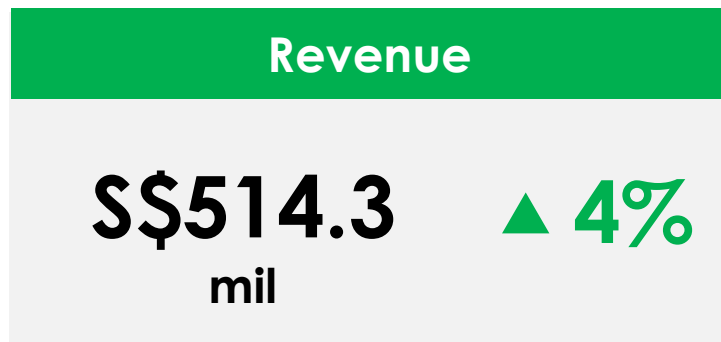
(Stable Outlook)



Financial Highlights

(FY 2018 vs FY 2017)

Revenue and Gross Profit grew **4%** and **5%** y-o-y respectively, boosted by enlarged portfolio from acquisitions and higher same-store contributions



Notes:

1. Adjusted distribution per unit for FY 2018 excludes one-off realised foreign exchange gain of S\$1.6m arising from the receipt of divestment proceeds and repayment of foreign currency bank loans with the divestment proceeds and one-off partial distribution of divestment gains of S\$6.5m

Adjusted distribution per unit for FY 2017 excludes one-off realised foreign exchange gain of S\$11.9m arising from repayment of foreign currency bank loans with proceeds from Rights Issue and divestments and one-off partial distribution of divestment gains of S\$6.5m



Portfolio Valuation Increased S\$35.5mil

As at 31 December 2018, Ascott REIT's portfolio of properties were valued at **S\$4.9b**

- By country, United Kingdom, France, Belgium and Vietnam had the largest increase in property valuations





Maiden Development Project

lyf one-north Singapore - new coliving product targeted at rising millennial-minded business traveller market

Concept Design by WOHA



- Maiden **development project**; first **coliving** property
- Located in **prime** developing district; strengthening presence in Singapore
- one-north an **underserved market** with **limited lodging supply**
- Comprising 324 studio and loft units¹, target to open in **2021**
- Yield on cost of **~6%**

Note:
1. Subject to change



New Product Catered for the Rising Millennial-Minded Market

Ascott REIT's first coliving property - the first coliving development in one-north precinct



Artist's impression - Room



Artist's impression – Communal kitchen

- Coliving – a rising trend in today's sharing economy
- Efficiently designed apartment units complemented by “Connect” social spaces designed to facilitate interaction – coworking areas easily converted to workshop zones, event spaces, and social kitchens
- Social programmes held regularly to foster a new way of community living, building connections and being inspired by a like-minded travelling tribe



Active Asset Management (Completed Asset Enhancement Initiatives)

Achieved ADR uplift of **10% to 20%** upon completion of Asset Enhancement Initiatives

Ascott Makati (Philippines)



Pre-refurbishment



Post-refurbishment

Renovation of 183 apartment units was completed in July 2018



Active Asset Management (Completed Asset Enhancement Initiatives)

Achieved ADR uplift of **10% to 20%** upon completion of Asset Enhancement Initiatives

Somerset Grand Hanoi (Vietnam)



Pre-refurbishment



Post-refurbishment



Renovation of apartment units, toilets and public areas (Phase II) was completed in December 2018



Active Asset Management

(Updates¹ on Asset Enhancement Initiatives)



Element New York Times Square South

The United States of America

Renovation of apartment units, lobby and public area

Target to complete in 1H 2019



Somerset Grand Citra Jakarta

Indonesia

Renovation of 84 apartment units

Target to complete in 1H 2019

Note:

1. Excluding properties under Master Leases



Disciplined Capital & Risk Management

Strong Balance Sheet

At comfortable target gearing of approximately 40%

Gearing remained low at

36.7%

(vs 36.2%)

3.9 years

Weighted average debt to maturity

(vs 4.1 years)

~80%

Total debts on fixed rates to hedge against rising interest rates

(vs ~81%)

Liquidity and Interest Rate Risk Management

Diversified funding sources and proactive interest rate management

'BBB' (stable outlook)
Long-term rating by Fitch

Healthy Metrics



Interest cover

4.8X

(vs 4.7X)

Foreign Exchange Risk Management

Manage exposure through natural hedges and derivatives

Reduced Effective borrowing cost at

2.3% per annum

(vs 2.4% p.a.)

NAV Per Unit

S\$1.22¹

(vs S\$1.25)

Historical impact of exchange rate movement of

±1.4% on Gross Profit
for the past 5 years

Notes:

Figures above as at/for the year ended 31 December 2018, with 31 December 2017 comparable in brackets

1. Adjusted NAV per unit, excluding the distributable income to Unitholders, is S\$1.18

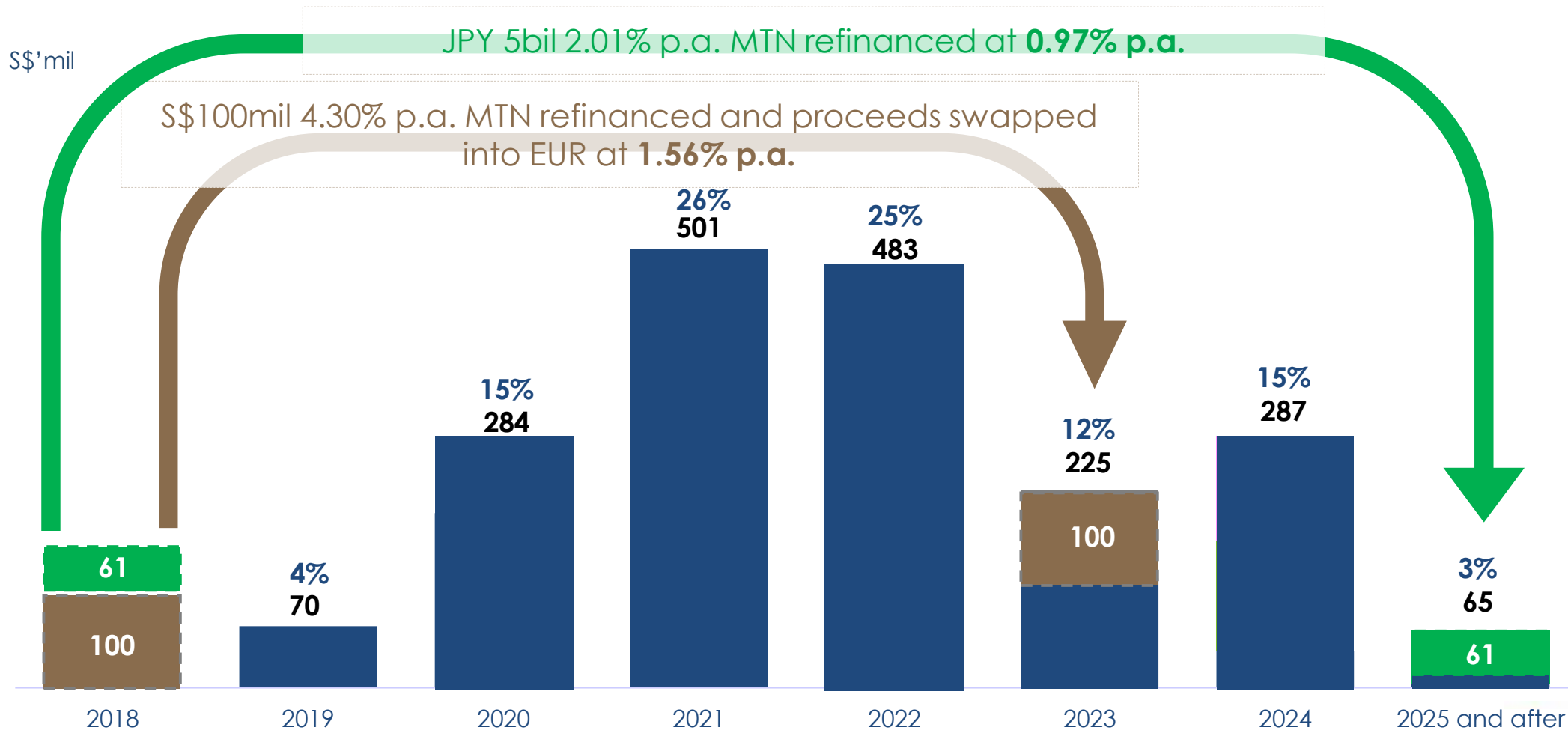


Successfully Refinanced MTNs at Lower Interest Rates

<5% debts maturing in 2019

Well-diversified funding sources comprising 59% Bank Loans : 41% MTN

Debt Maturity Profile as at 31 December 2018





Foreign Currency Risk Management

Striking a balance between cost of hedging and uncertainty in currency fluctuations

Considerations for Hedging

- 1. Natural Hedge Proportion
- 2. Portfolio Diversification
- 3. Cost of Hedging
- 4. Need for Certainty

~49%

**Total Assets in Foreign
Currency Hedged**

0%

**Impact of Foreign Exchange after
hedges on Gross Profit for FY2018**

Balance Sheet Hedge

Use of foreign borrowings as natural hedge and swaps to match the capital value of assets on a portfolio basis

Income Hedge

Use of forward contracts to hedge foreign currencies income to protect distribution

Portfolio Performance



Citadines South Kensington London



Balanced Portfolio of Stable Income and Growth Income

	Stable Income		Growth Income
	Master Lease	Management Contracts with Minimum Income Guarantee	Management Contracts
Description	Fixed rental ¹ received	Enjoy minimum guaranteed income	Variable amount (no fixed or guaranteed rental)
Location and Number of Properties ²	27 properties mainly in Europe France(17) Germany(5) Australia(3) Singapore(2)	7 properties in Europe United Kingdom(4) Belgium(2) Spain(1)	39 properties mainly in Asia Pacific Australia(2) China(7) Indonesia(2) Japan(15) Malaysia(1) The Philippines(2) Singapore(2) United States(3) Vietnam(5)
Percentage of Gross Profit ³	31%	13%	56%
44% Stable			56% Growth

Notes:

1. Rental received under master leases are generally fixed. However, some contracts provide for annual rental revisions pegged to indices; while some contracts include a variable rental above fixed rental if certain conditions are met

2. As at 31 December 2018 and excluding lyf one-north (under development)

3. Based on FY 2018 Gross Profit



Delivering Resilient Performance

8 Key Markets contribute ~**85%** of Total Gross Profit
No concentration in any single market

44% Stable

Master Leases 31%

France 14%

Singapore 8%

Germany 6%

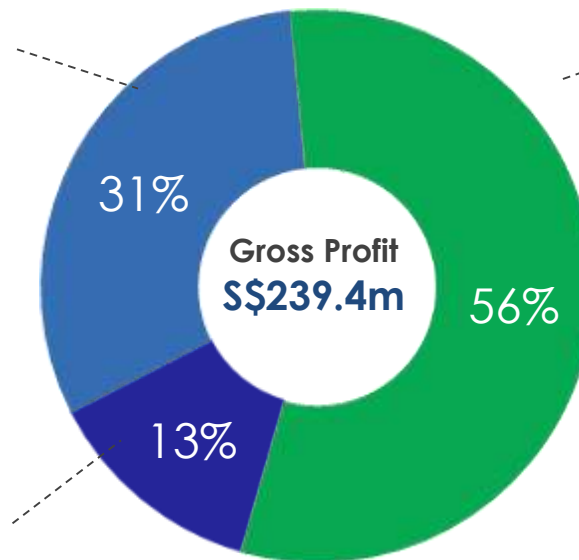
Australia 3%

MCMGI¹ 13%

United Kingdom 9%

Belgium 2%

Spain 2%



56% Growth

Management Contracts 56%

Japan 13%

United States 11%

Vietnam 9%

China 9%

Australia 5%

Singapore 4%

Philippines 3%

Indonesia 2%

Malaysia <1%

8 Key Markets: **Australia (8%), China (9%), France (14%), Japan (13%), Singapore (12%), United Kingdom (9%), United States (11%) and Vietnam (9%)** contribute ~85% of Total Gross Profit

Notes:

Based on FY 2018 Gross Profit

1. Management Contracts with Minimum Guaranteed Income



8 Key Markets Generally Performed Well

Contributed to ~85% of Total Gross Profit



Australia

China

France

Japan

	Australia	China	France	Japan
Contribution to Total Gross Profit	8%	9%	14%	13%
YoY% change to Gross Profit	2	(2)	(2)	(3)
YoY% change to RevPAU	1 ¹	13	n.a.	-2
Key Reason for Variance	Growth mainly due to higher corporate and leisure demand in Melbourne	Lower gross profit mainly due to divestment of two China properties	Decline in gross profit due to lower rent upon master lease renewal	Fall in gross profit due to divestment of 18 rental housing properties

Notes: Percentage change to Gross Profit and RevPAU computed on local currency terms

1. RevPAU for Australia refers to properties on management contracts

2. RevPAU for Japan refers to serviced residences and excludes rental housing



8 Key Markets Generally Performed Well

Contributed to ~85% Total Gross Profit



	Singapore	United Kingdom	United States	Vietnam
Contribution to Total Gross Profit	12%	9%	11%	9%
YoY% change to Gross Profit	49	3	24	(6)
YoY% change to RevPAU	4 ¹	7	-	(6)
Key Reason for Variance	Better operating performance and full-year contribution from Ascott Orchard Singapore	Growth due to higher leisure demand	Higher gross profit due to stronger market demand, acquisition of DoubleTree by Hilton Hotel New York – Times Square South and higher rates post-refurbishment at Sheraton Tribeca New York Hotel	Fewer project groups in Hanoi, increased supply and competition

Notes: Percentage change to Gross Profit and RevPAU computed on local currency terms
1. RevPAU for Singapore refers to properties on management contracts

Digitalisation and Innovation



Leveraging Innovation and Technology

Through Sponsor Initiatives



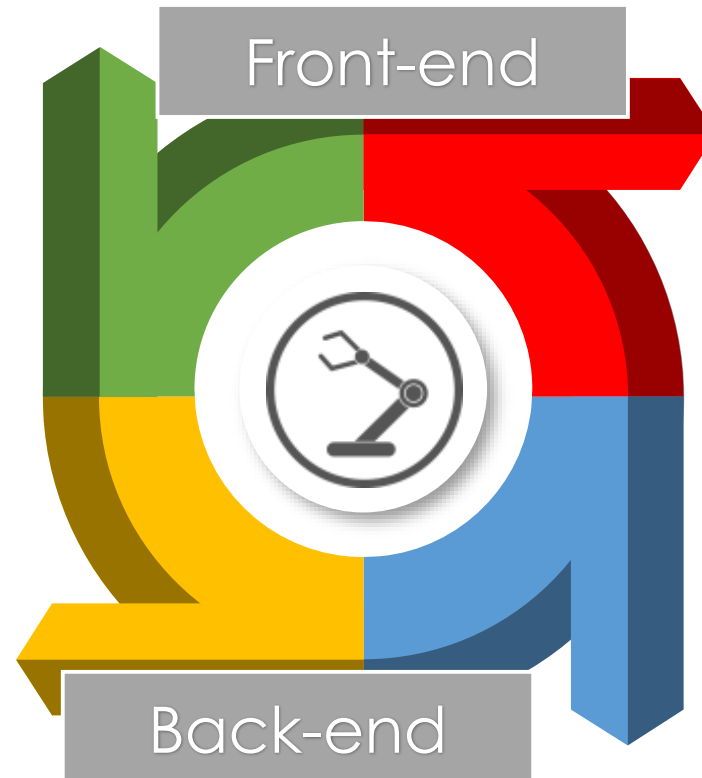
Enhance Guest Experience

- Online booking system
- Mobile apps
- Self check-in kiosks
- 3D virtual tours
- Ascott Star Rewards loyalty programme



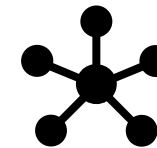
Data Management

- Data analytics
- Cloud services



Improve Productivity

- Service robots
- Digital housekeeping system
- Cloud-based property management system



Business Sustainability

- Building a connected eco-system across different digital channels and business platforms



Contributing to Community

lyf one-north Singapore
(Artist Impression)

Concept Design by WOHA



Heart of Giving

Bazaar for Lombok recovery



Ascott Indonesia team spearheaded the “Charity Bazaar for Lombok” drive where donated items from staff and residents were sold and proceeds donated to Save the Children foundation



Other community involvement



Photo by Adrienne Loh

Ascott Malaysia team worked with Kechara Soup Kitchen; packing and distributing food to the needy



Ascott Vietnam team spent time with, and donated food and supplies, to the orphans from Go Vap Orphanage Centre



“Clean Up Jakarta Day” was organized to clean up trash around the neighborhood and spread the message of Recycle, Reuse & Reduce



Commitment to Sustainability

Certification and awards



Ascott Makati achieved the **EDGE green building certification** from the International Finance Corporation, a member of the World Bank Group



Somerset Ho Chi Minh City achieved the Building and Construction Authority (BCA)'s **Green Mark (GM) Gold^{PLUS}** award, making it the highest BCA-rated property in Vietnam

Looking Forward





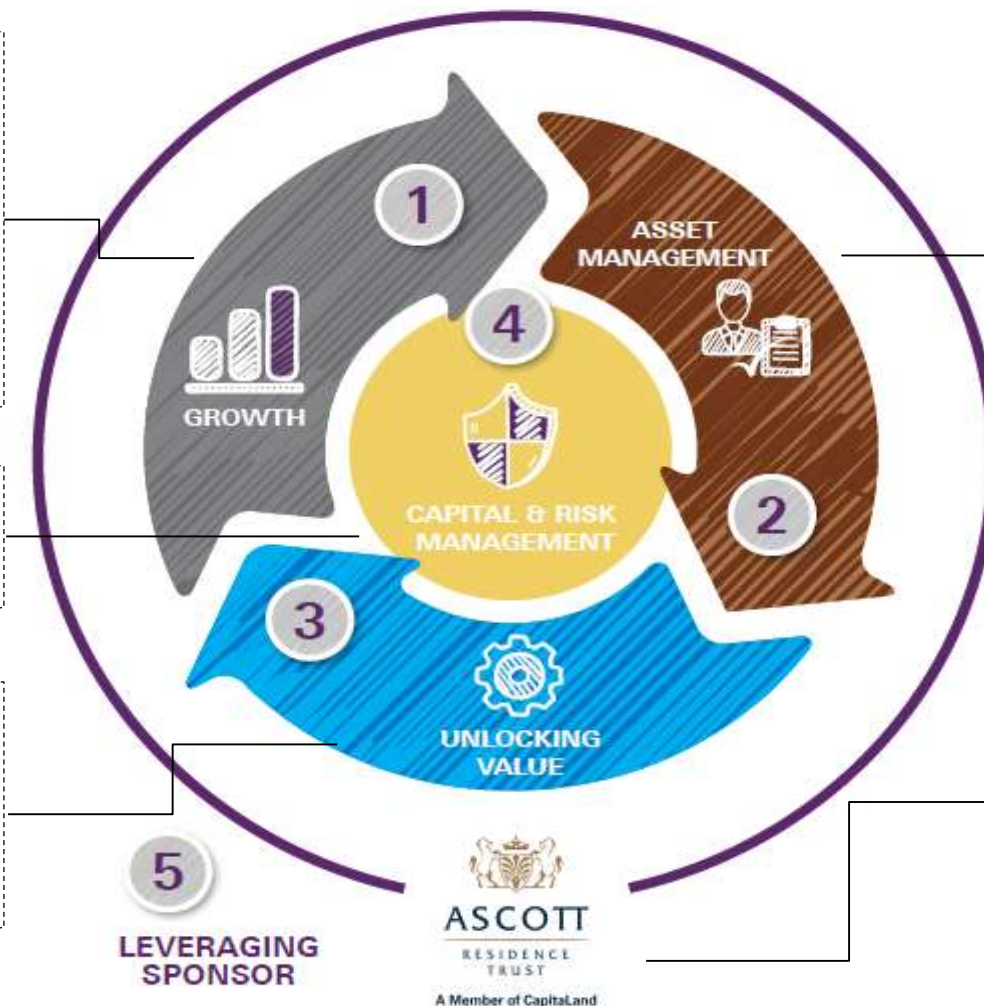
Value Creation

Creation of long term, stable returns to Unitholders through diversified portfolio and extended-stay business model

- Total assets **grew sixfold** since IPO to S\$5.3b
- **Maiden development** project for **first coliving** property

- **“BBB”** (outlook stable) ratings by Fitch Ratings

- Generated **S\$0.4b net divestment gains**¹ and reinvested into higher-yielding assets



- **RevPAU optimisation** & yield management
- **Asset Enhancement Initiatives**
- **Portfolio diversification:** geographical spread; product offering; contract types; etc

- Strong **brand recognition** and **global footprint**
- **RoFR** and **pipeline** assets
- **Alignment** of Unitholder interests with ~45% stake

Note:

1. For divestment of over 30 properties since listing to March 2019 and includes expected divestment gains of ~S\$134.0 mil from the sale of Ascott Raffles Place Singapore, to be completed in May 2019 at a sale price of S\$353.3 mil



Yield-Enhancing Capital Recycling

Divestment of Ascott Raffles Place Singapore



- Sale Price of **S\$353.3mil**, or **64.3%** above book value
- Exit Yield of **~2%**
- Estimated net gain of **S\$134.0mil**
- Target completion in **May 2019**

Acquisition of Citadines Connect Sydney Airport

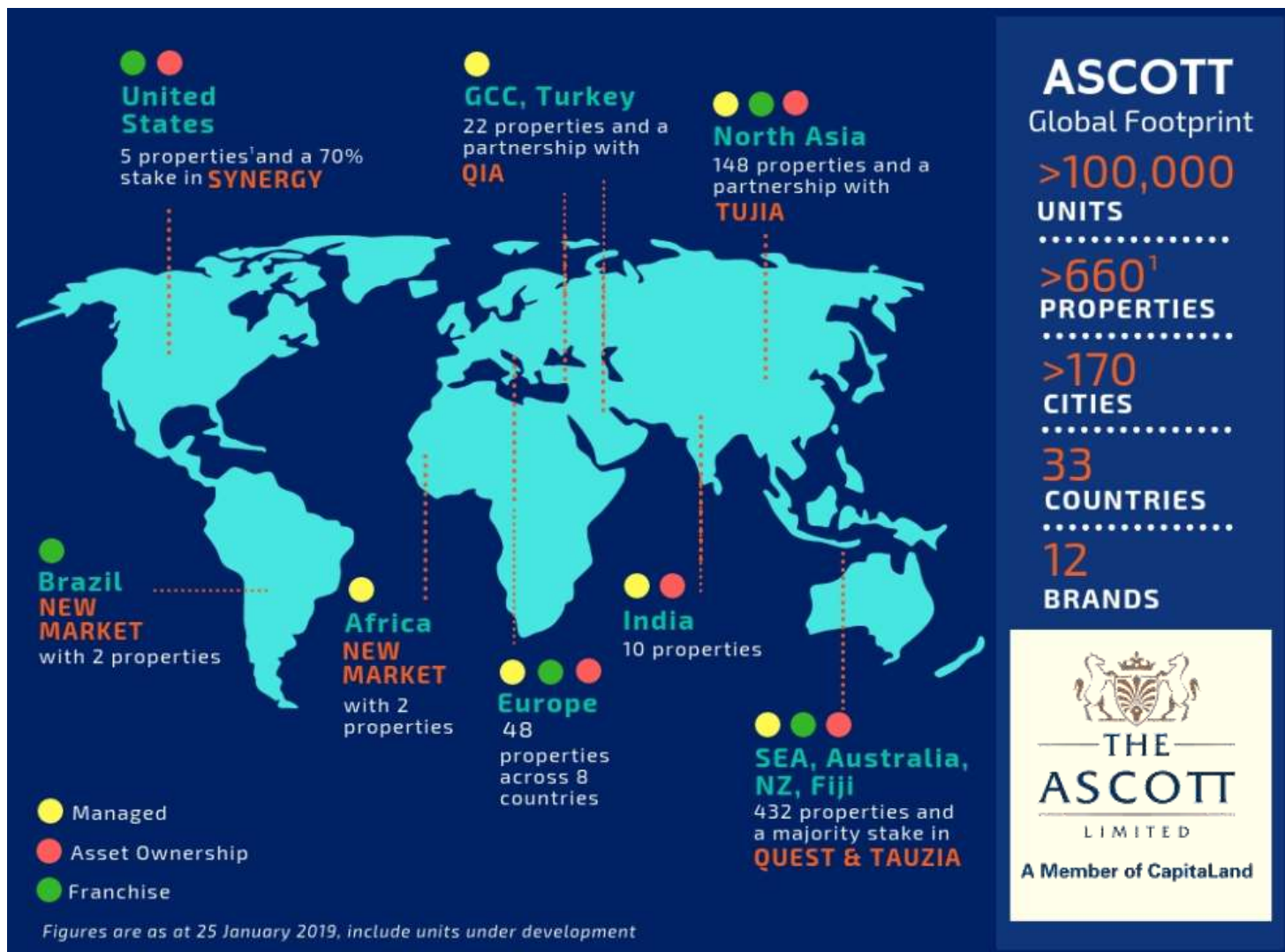


- Deepen market presence in the stable and resilient market of **Australia**
- Acquired at **A\$60.6mil**, with EBITDA yield of **>6%**
- Target completion in **early May 2019**



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

Sponsor: ~45% CapitaLand ownership in Ascott REIT

~20 pipeline assets via ROFR

Award-winning brands with worldwide recognition

Note:

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



Looking Forward

Remain Focused and Committed on Delivering Stable and Resilient Returns to Unitholders

IMF forecasted global economic growth of 3.5%¹ in 2019



International trips increased 6% in 2018, crossed 1.4 billion mark;
Further growth of 3% to 6% projected for 2019²



Identify opportunities to unlock values of properties that reached optimal stage
Lookout for accretive investment opportunities in key gateway cities



Active asset management and asset enhancements to improve guest experience
Leverage innovation and technology



Active capital management by diversifying funding sources, optimising debt tenure,
managing funding costs and foreign currency exposure



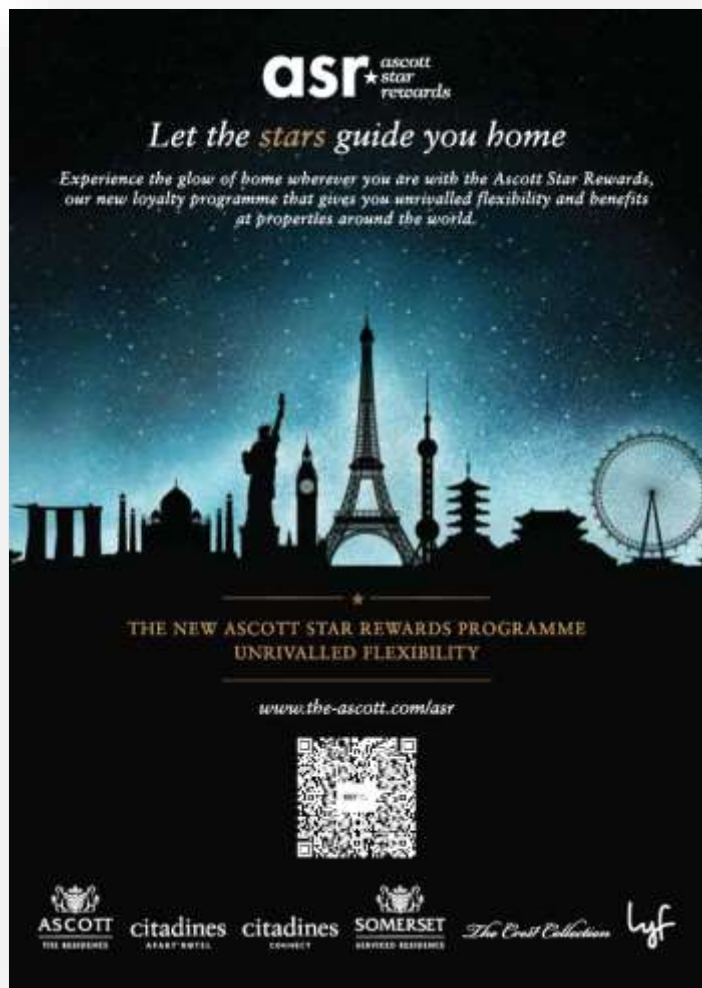
Source:

1. Based on IMF's January 2019 World Economic Outlook
2. United Nations World Tourism Organisation (2019) and IPK International (2018)



Ascott Star Rewards

Let the stars guide you home ...



Ascott Star Rewards, a new loyalty identity to unify our global presence alongside our members

- Earn points and enjoy more benefits, including
 - Discounts off best flexible rates
 - Birthday discount e-vouchers
 - Early check-in and late check-out, subject to availability
- Redeem apartment stays
- 4 membership tiers

From now till 31 December 2019

- **3,000 bonus points** when you sign up as a new member
- **5,000 bonus points** when existing Ascott Online Advantage members book and stay during promotional period






ASCOTT
RESIDENCE
TRUST
A Member of CapitaLand

Thank You