

# Ascott Residence Trust

## A Leading Global Serviced Residence REIT

1Q 2018 Financial Results

18 April 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.

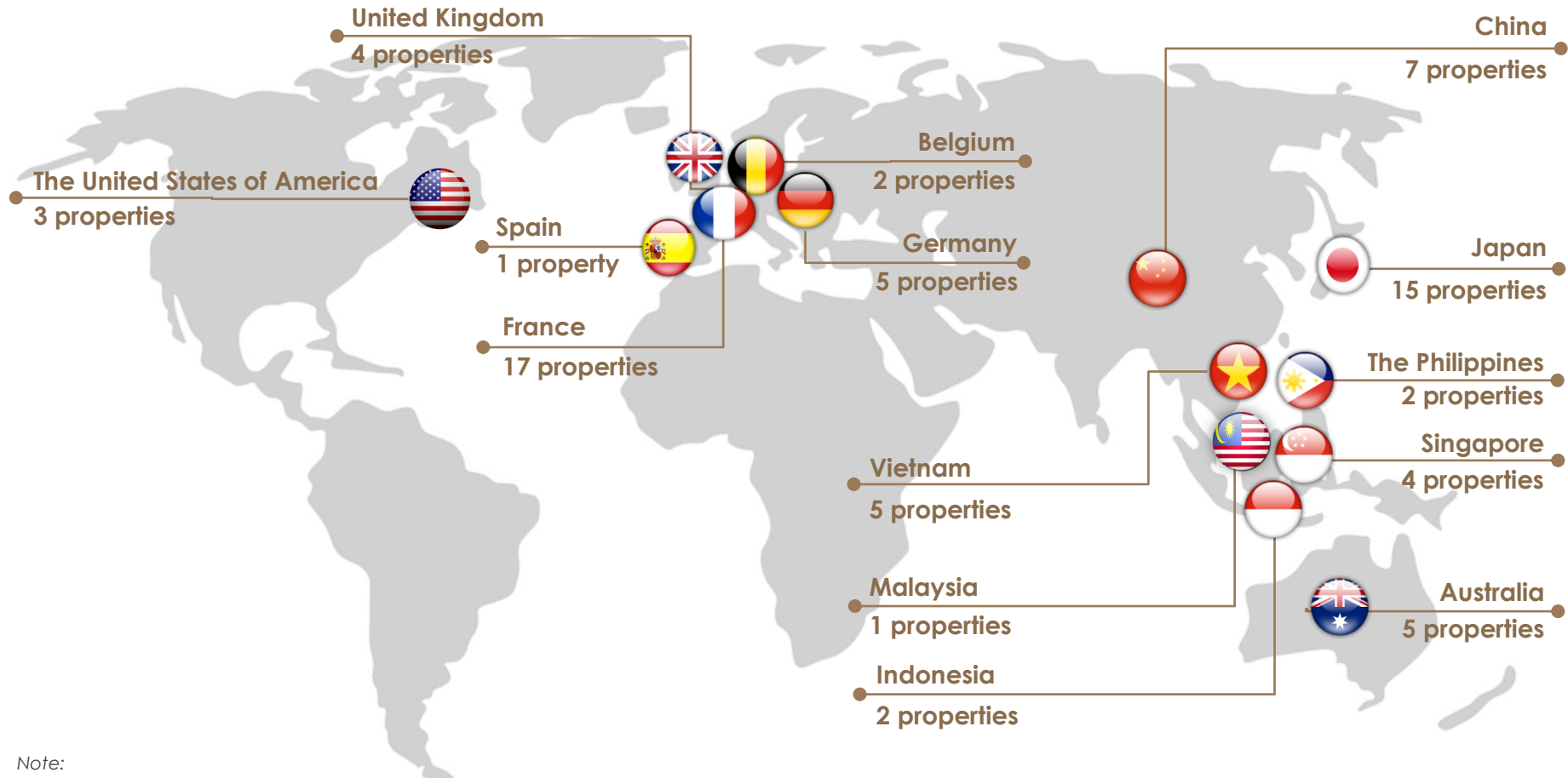
Unitholders of Ascott REIT (the "Unitholders") have no right to request the Manager to redeem their units in Ascott REIT while the units in Ascott REIT are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST").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

- Overview of Ascott REIT
- Key Highlights of 1Q 2018
- Portfolio Performance
- Capital and Risk Management
- Asset Enhancement Initiatives
- Conclusion
- Outlook
- Appendix

# Ascott REIT – A Leading Global Serviced Residence REIT

Diversified and defensive portfolio of quality assets located in major gateway cities

<b>\$S\$2.5b</b> Market Capitalisation	<b>\$S\$5.2b</b> Total Assets	<b>11,430</b> Apartment Units	<b>73</b> Properties	<b>37</b> Cities in 14 Countries
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Note:  
Figures above as at 31 March 2018.



# Key Highlights of 1Q 2018

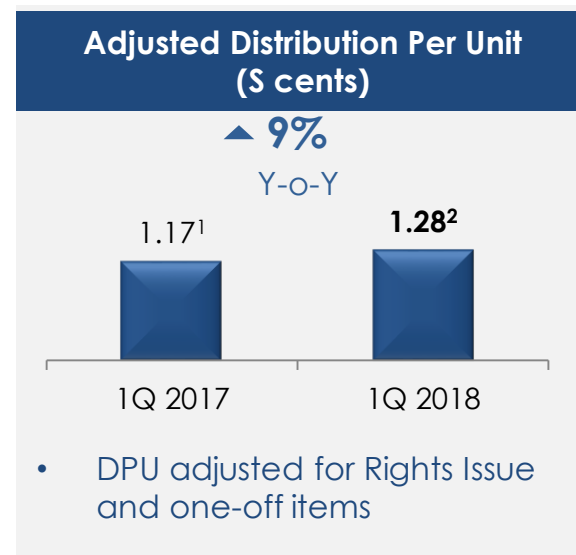
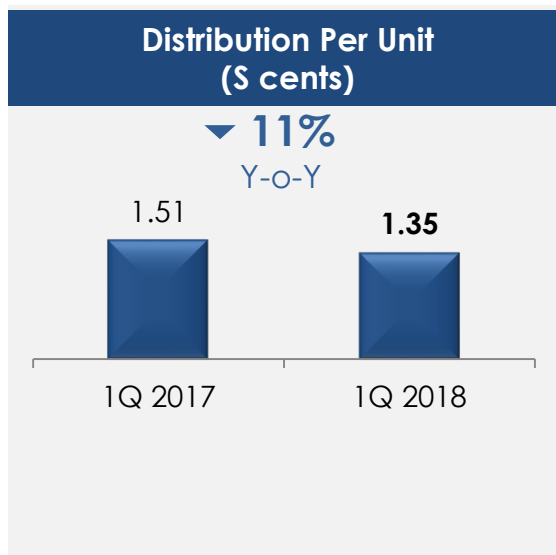
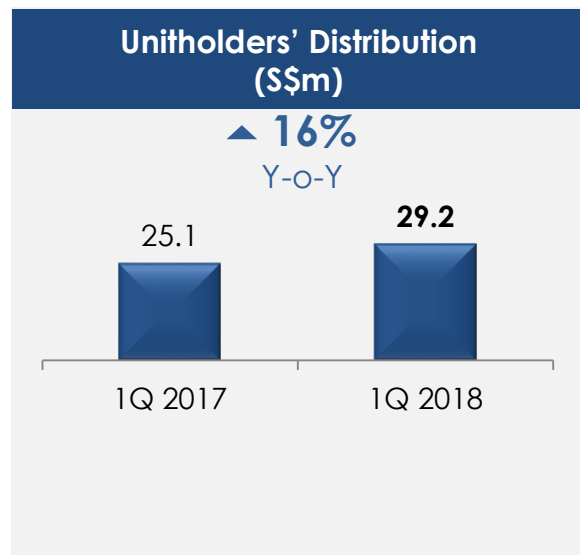
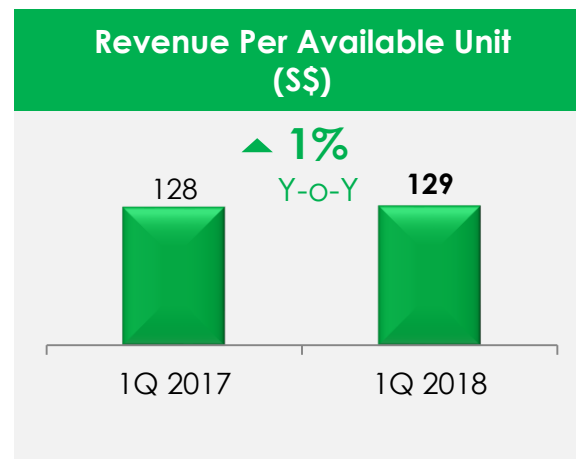
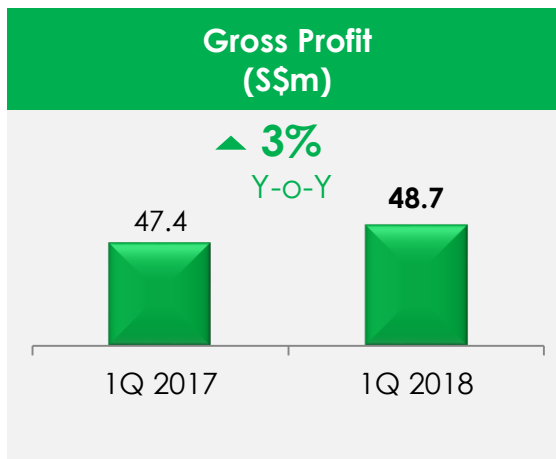
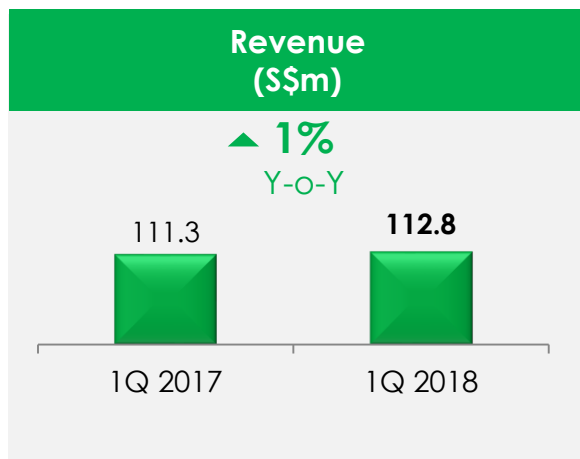




# Financial Highlights for 1Q 2018

## (1Q 2017 vs 1Q 2018)

Gross Profit and Unitholders' Distribution grew **3%** and **16%** y-o-y respectively



Notes:

- DPU has been restated for the Rights Issue, through which 481,688,010 units were issued on 11 April 2017.
- Excluding the one-off realised exchange gain of S\$1.6m.



# Key Highlights of 1Q 2018

## Stable Operating Performance

- Master Leases and MCMGI<sup>1</sup>: Revenue and gross profit grew **24%** and **25%** respectively mainly due to the assets acquired in FY 2017 and stronger performance in Belgium and UK
- **Belgium** and **UK** continued to register robust RevPAU growth of **20%** and **7%** respectively y-o-y
- Management Contracts: Lower revenue and gross profit mainly due to divestment and foreign exchange impact
- Ongoing renovations at **Ascott Makati** and **Sheraton Tribeca** affected 1Q 2018 performance
- Stable and resilient return underpinned by **50% growth income** and **50% stable income**
- Diversified portfolio of quality assets with **60%** of total assets in **Asia Pacific**, **28%** in **Europe** and **12%** in **The United States**
- Average length of stay maintained at **~3 months**; Weighted average tenure remained stable at **~5.2 years**
- Adjusted DPU<sup>2</sup> increased **9%** y-o-y

Notes:

1. MCMGI: Management contracts with minimum guaranteed income
2. Adjusted for rights issue and one-off items.



# Key Highlights of 1Q 2018

## Prudent Capital & Risk Management

- Gearing maintained at a healthy level of **36.1%** as at 31 March 2018
- Lowered effective borrowing rate to **2.3% per annum**, due to refinancing at lower interest rates
- Remaining **~10%** of total borrowings to be refinanced in 2018, have commenced discussions to refinance the loan facilities due in 2018
- **~86%** of total borrowings at fixed interest rates to hedge against rising interest rate
- **~46%** of the total assets denominated in foreign currencies has been hedged
- Impact of foreign exchange fluctuation on gross profit was positive at **0.4%**



# Portfolio Performance



Ascott Guangzhou

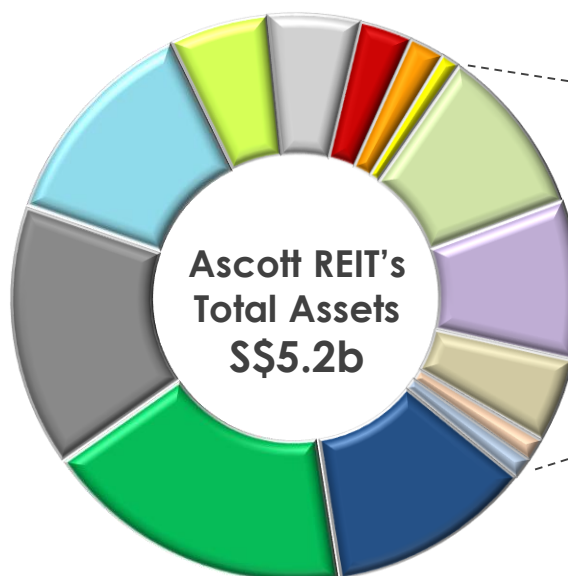


# Stable Performance Driven by A Balanced and Diversified Portfolio

Breakdown of total assets by geography  
As at 31 March 2018

## Asia Pacific 60.1%

○ Singapore	18.6%
○ Japan	13.3%
○ China	10.7%
○ Vietnam	5.7%
○ Australia	5.6%
○ Philippines	3.0%
○ Indonesia	2.1%
○ Malaysia	1.1%



## Europe 28.0%

○ France	10.5%
○ UK	9.7%
○ Germany	5.2%
○ Spain	1.4%
○ Belgium	1.2%

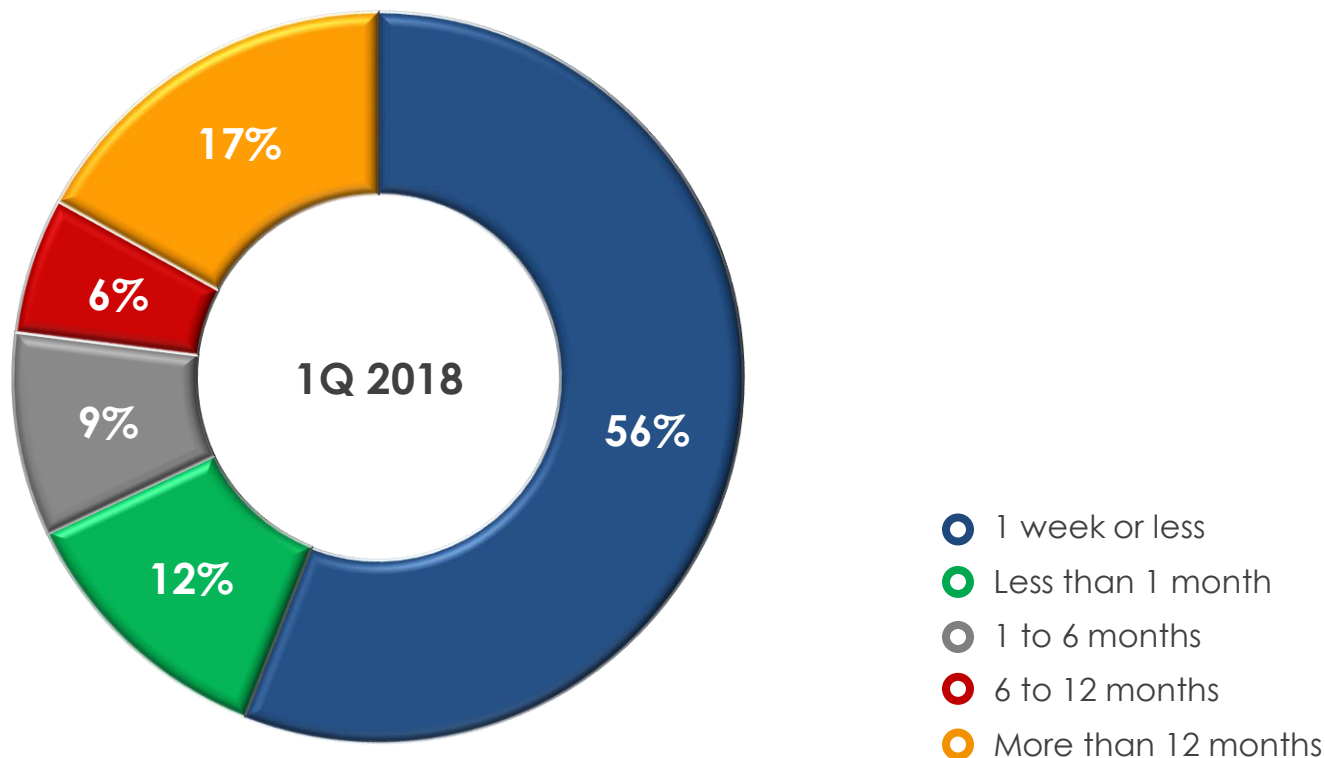
## The Americas 11.9%

○ USA	11.9%
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# Average length of stay remains high, providing income stability

1Q 2018 average length of stay:  
**~3 months<sup>1, 2</sup>**



Notes:

1. Based on rental income. Excluding properties on master leases.

2. Excluding Citadines Biyun Shanghai and Citadines Gaoxin Xi'an which were divested on 5 January 2018.

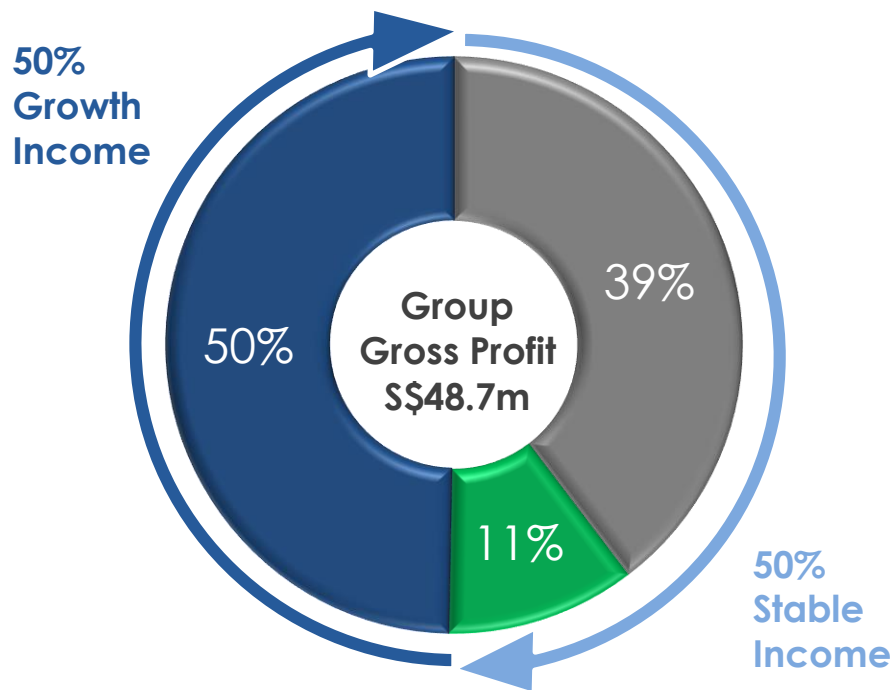




# Portfolio underpinned by growth and stable income

## Gross profit contribution by contract type

1Q 2018



- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

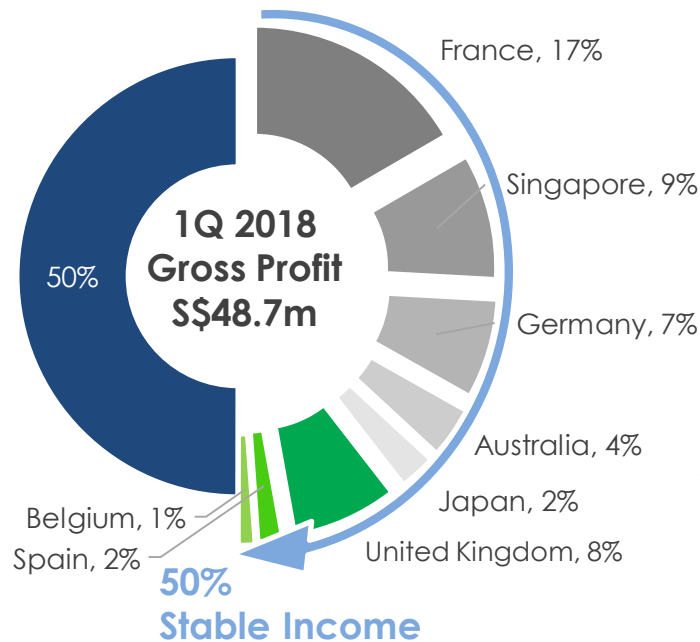




# 50% of Gross Profit in 1Q 2018 contributed by stable income

35 out of 73 properties enjoy income visibility derived from master leases and minimum guaranteed income contracts with weighted average tenure extended to ~5.2 years

## Gross profit contribution by contract type in 1Q 2018

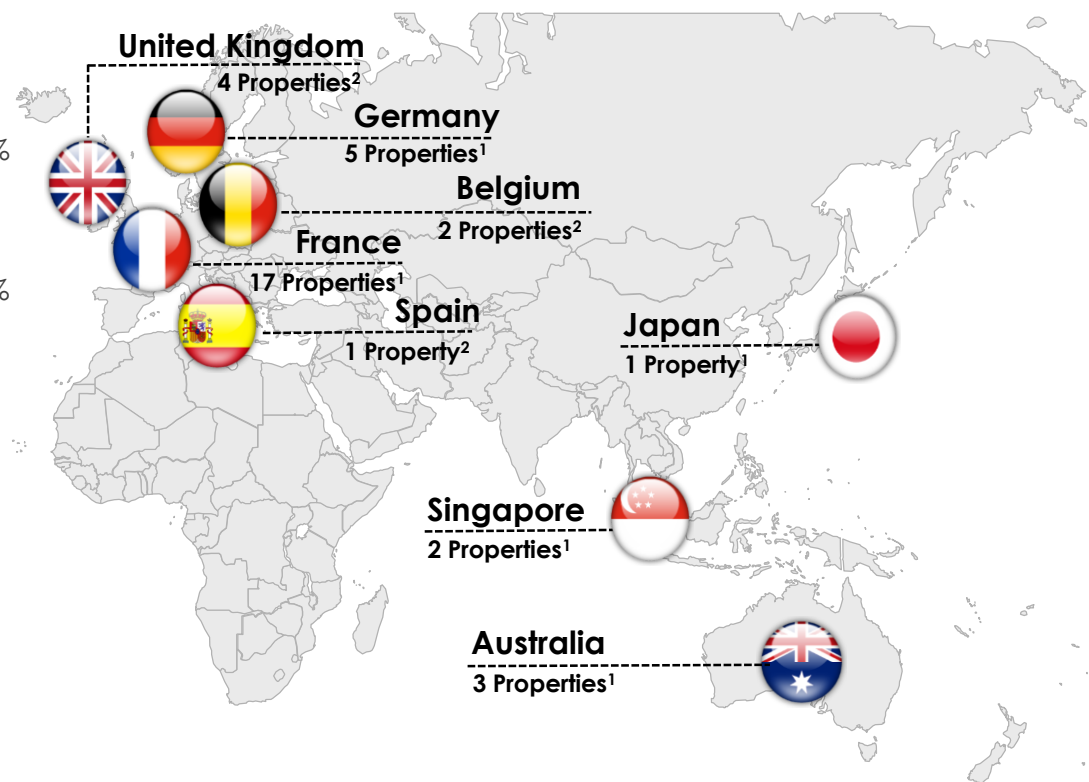


- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

Notes:

- Properties under master leases.
- Properties under management contracts with minimum guaranteed income.

## Properties under master leases and management contracts with minimum guaranteed income





# Master Leases (1Q 2018 vs 1Q 2017)



La Clef  
Louvre Paris



Citadines  
Les Halles Paris



Citadines  
Croisette  
Cannes



Citadines  
Arnulfpark  
Munich



Ascott  
Raffles Place  
Singapore



Quest Sydney  
Olympic Park

Revenue and gross profit grew **33%** and **32%** y-o-y respectively mainly due to inorganic growth

	Revenue ('mil)			Gross Profit ('mil)		
	1Q 2018	1Q 2017	% Change	1Q 2018	1Q 2017	% Change
<b>Australia (AUD)<sup>1</sup></b> 3 Properties	1.9	1.8	6	1.7	1.7	-
<b>France (EUR)<sup>2</sup></b> 17 Properties	5.5	5.8	(5)	5.0	5.3	(6)
<b>Germany (EUR)<sup>3</sup></b> 5 Properties	2.4	1.3	85	2.2	1.2	83
<b>Japan (JPY)</b> 1 Property	133.3	133.3	-	106.5	105.1	1
<b>Singapore (SGD)<sup>4</sup></b> 2 Properties	5.3	1.9	179	4.5	1.8	150
<b>Total (SGD)</b> <b>28 Properties</b>	<b>21.6</b>	<b>16.3</b>	<b>33</b>	<b>19.3</b>	<b>14.6</b>	<b>32</b>

Notes:

1. Compared to last year, revenue increased due to annual rent increment.
2. Both revenue and gross profit decreased due to reversal of over recovery of prior year's costs and lower rent upon renewal of master leases for four properties from 1 January 2018.
3. Against last year, both revenue and gross profit increased due to the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt.
4. As compared to last year, revenue and gross profit increased due to the acquisition of Ascott Orchard and better performance from Ascott Raffles Place.



# Management Contracts with Minimum Guaranteed Income (1Q 2018 vs 1Q 2017)



Citadines Toison  
d'Or Brussels



Citadines Ramblas  
Barcelona



Citadines Trafalgar  
Square London

Revenue and RevPAU grew **14%** y-o-y and Gross Profit increased **4%** y-o-y due to turnaround of Belgium performance and organic growth

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	1Q 2018	1Q 2017	% Change	1Q 2018	1Q 2017	% Change	1Q 2018	1Q 2017	% Change
<b>Belgium (EUR)</b> 2 Properties	2.0	1.7	18	0.3	0.5	(40)	60	50	20
<b>Spain (EUR)</b> 1 Property	1.1	1.1	-	0.5	0.5	-	78	78	-
<b>United Kingdom (GBP)</b> 4 Properties	6.0	5.5	9	2.0	2.0	-	102	95	7
<b>Total (SGD)</b> 7 Properties	15.9	13.9	14	5.2	5.0	4	151	133	14



# Belgium

Contributes 1% to Gross Profit

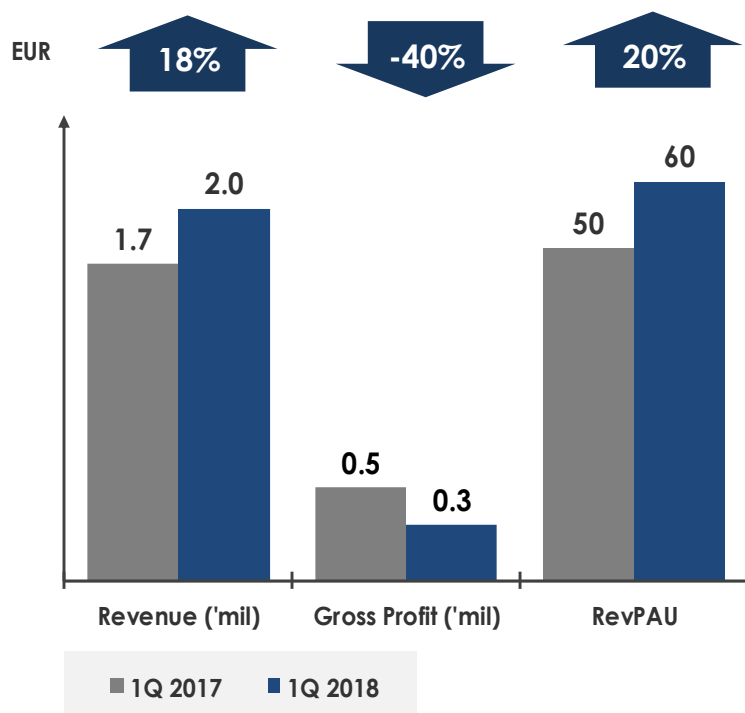


Citadines Sainte-Catherine  
Brussels



Citadines Toison d'Or  
Brussels

## Market performance recovery gains momentum



### Key Market Performance Highlights

- Revenue and RevPAU increased due to stronger demand
- Gross profit was lower due to higher depreciation expense and property tax expense. Gross profit in 1Q 2017 included a reversal of over-provision of property tax
- Market recovery from spate of terrorist attacks in 2016, as demand regained momentum
- GDP growth forecasted at 1.6% by IMF for 2018

Note:

1. Source: Toerisme Vlaanderen (2018)





# Spain

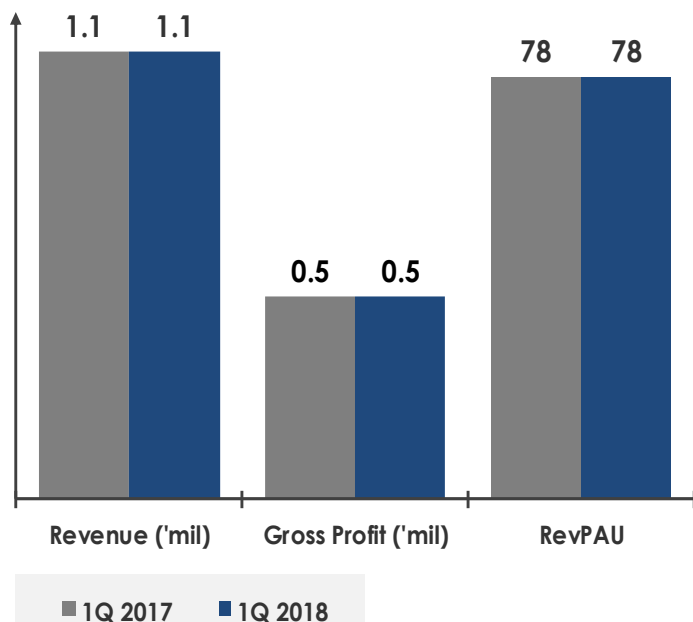
Contributes 2% to Gross Profit



Citadines  
Ramblas  
Barcelona

Performance remained  
stable

EUR



## Key Market Performance Highlights

- Revenue and gross profit remained stable despite political tensions and unease in the region
- IMF forecasted 2018 GDP to grow by 2.4%
- Fitch Ratings raised rating for the country from *BBB* to *A-*, reaffirming the strong economic performance and resilience of the economy

Note:

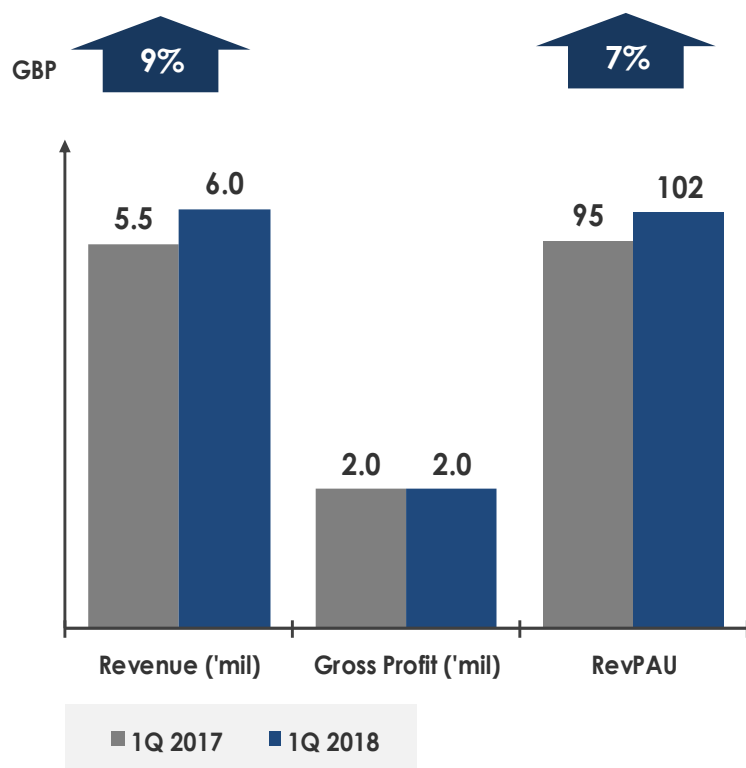
1. Source: National Statistics Institute (2018)



# United Kingdom

Contributes 8% to Gross Profit

Positive growth due to post renovation and higher leisure demand



Citadines  
Trafalgar  
Square London



Citadines  
Holborn-Covent  
Garden London



Citadines  
Barbican  
London



Citadines South  
Kensington  
London

## Key Market Performance Highlights

- Revenue and RevPAU growth due to higher leisure demand and increased revenue from the refurbished apartments at Citadines Barbican London
- Gross profit remained stable, arising from the increased revenue, offset by higher property tax and marketing expenses
- GDP growth forecasted at 1.5% by IMF for 2018
- Tourist arrivals are expected to reach 41.7 million in 2018, registering a 4.4% Y-o-Y, with approximately GBP27 billion in visitor spending<sup>1</sup>

Note

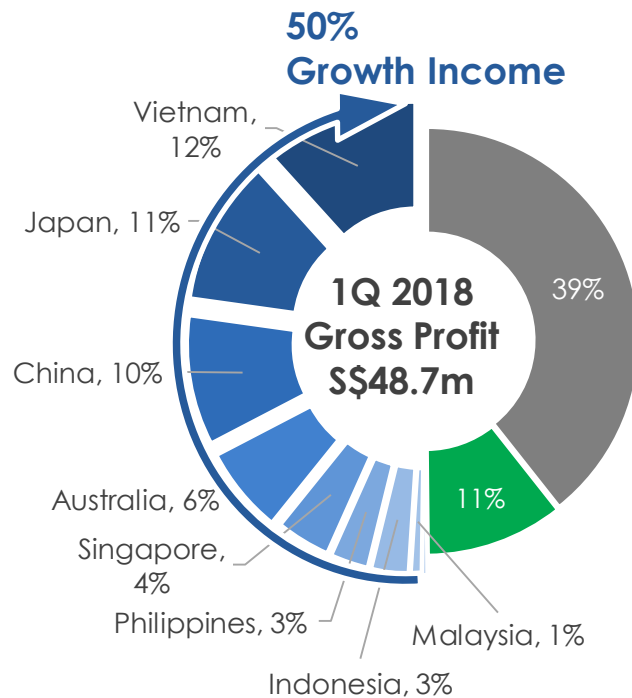
1. Sources: Visit Britain (2018)



# 50% of Gross Profit in 1Q 2018 contributed by growth income

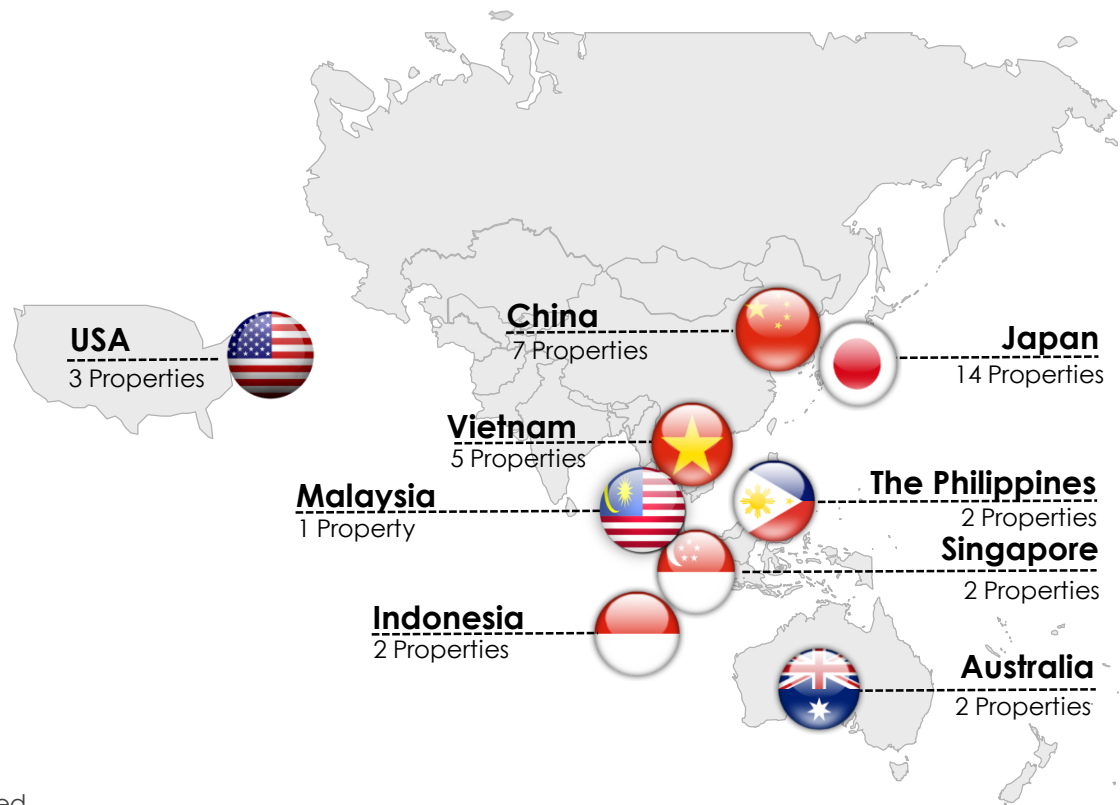
38 out of 73 properties enjoy upside growth potential derived from management contracts

## Gross profit contribution by contract type in 1Q 2018



- Master Leases
- Management Contracts with Minimum Guaranteed Income
- Management Contracts

## Properties under management contracts





# Management Contracts (1Q 2018 vs 1Q 2017)

On a same store basis, excluding foreign exchange fluctuations, revenue and gross profit would have decline **2%** and **5%** y-o-y respectively

	Revenue ('mil)			Gross Profit ('mil)			RevPAU		
	1Q 2018	1Q 2017	% Change	1Q 2018	1Q 2017	% Change	1Q 2018	1Q 2017	% Change
<b>Australia (AUD)</b>	7.0	7.0	-	3.1	3.0	3	153	155	(1)
<b>China (RMB)</b>	63.1	71.5	(12)	23.4	22.4	4	449	387	16
<b>Indonesia (USD)</b>	3.0	2.9	3	1.0	1.0	-	79	76	4
<b>Japan (JPY)<sup>1</sup></b>	911.5	1,106.5	(18)	449.2	604.8	(26)	10,396	11,130	(7)
<b>Malaysia (MYR)</b>	3.8	4.1	(7)	1.2	1.2	-	207	220	(6)
<b>Philippines (PHP)</b>	199.5	225.1	(11)	54.3	70.9	(23)	4,049	4,626	(13)
<b>Singapore (SGD)</b>	5.2	5.7	(9)	2.0	2.2	(9)	165	178	(7)
<b>United States (USD)</b>	13.8	11.5	20	(0.1)	0.1	N.M.	147	161	(9)
<b>Vietnam (VND)<sup>2</sup></b>	173.2	178.1	(3)	99.0	101.3	(2)	1,614	1,669	(3)
<b>Total (SGD)</b>	<b>75.3</b>	<b>81.1</b>	<b>(7)</b>	<b>24.2</b>	<b>27.8</b>	<b>(13)</b>	<b>125</b>	<b>127</b>	<b>(2)</b>

Notes:

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

2. Revenue and gross profit figures for VND are stated in billions. RevPAU figures are stated in thousands



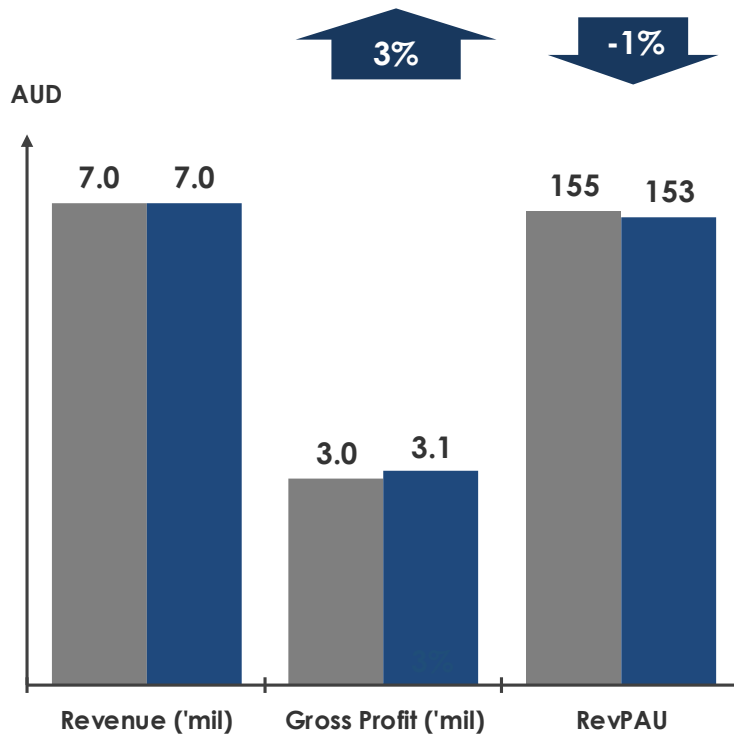


Citadines on  
Bourke Melbourne



Citadines  
St Georges  
Terrace Perth

## Modest growth ahead



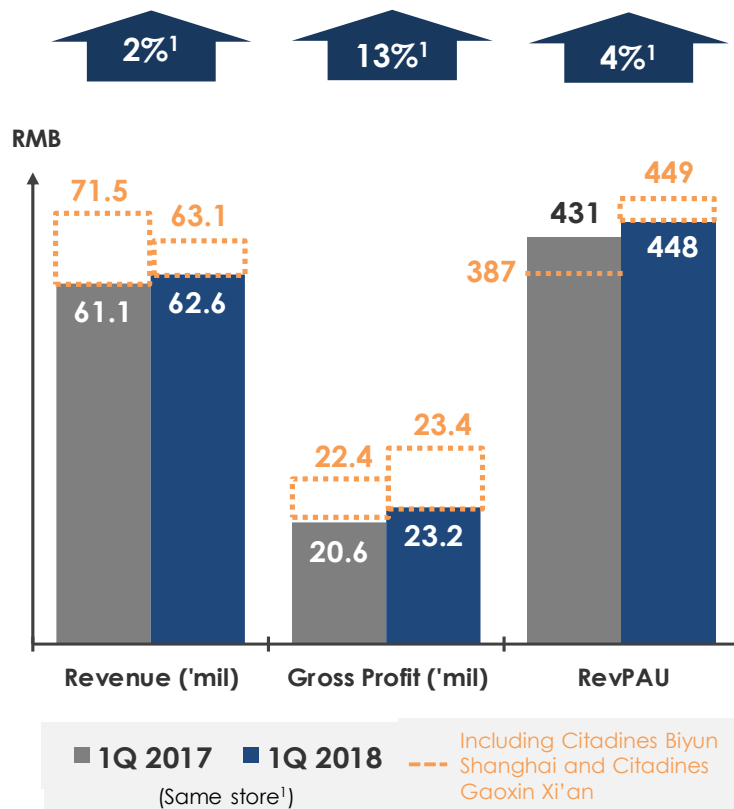
## Key Market Performance Highlights

- Revenue and RevPAU remained stable
- Gross profit increased due to lower depreciation and marketing expenses
- GDP growth forecasted at 2.9% in 2018 by IMF
- Business and employment-related travel are expected to grow by 3.9% and 6.3% in 2018 – 2019 respectively<sup>1</sup>

Note:

1. Source: Tourism Research Australia (2017)

## Healthy operating performance



Somerset  
Xu Hui  
Shanghai



Ascott  
Guangzhou



Citadines  
Xinghai  
Suzhou



Somerset  
Olympic Tower  
Property  
Tianjin



Somerset  
Grand  
Central  
Dalian



Citadines  
Zhuankou  
Wuhan



Somerset  
Heping  
Shenyang

## Key Market Performance Highlights

- Revenue decreased due to divestment of Citadines Biyun Shanghai and Citadines Gaoxin Xi'an on 5 January 2018
- RevPAU increased from the divestment of the two properties, which had lower RevPAU comparatively against the other properties
- On a same store basis, revenue and RevPAU increased due to better performance of Ascott Guangzhou and Somerset Olympic Tower Tianjin
- Gross profit on a same store basis increased due to higher revenue and lower depreciation expense
- GDP growth forecasted at 6.6% in 2018 by IMF
- Uncertainty over China's economic outlook due to the growing tension in its global trade relations<sup>2</sup>

Notes:

- Excluding Citadines Biyun Shanghai and Citadines Gaoxin Xi'an which were divested on 5 January 2018.
- Source: The Economist (2018)

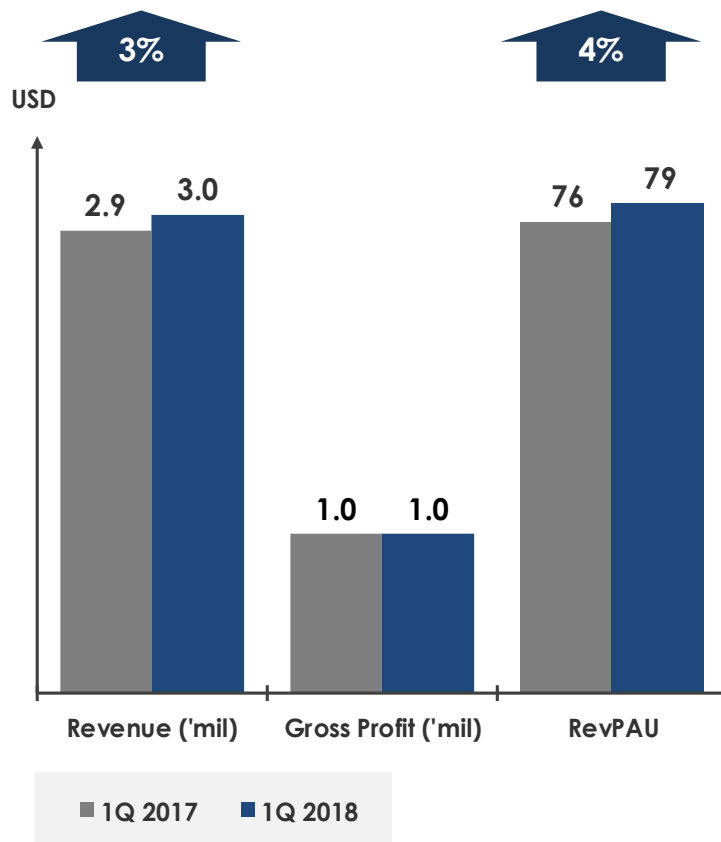


Somerset Grand  
Citra Jakarta



Ascott Jakarta

## Healthy operational performance



## Key Market Performance Highlights

- Healthy growth registered for revenue and RevPAU due to higher demand
- GDP growth forecasted at 5.3% for 2018 by IMF
- Potential pipeline of 1,914 rooms in 2018 might offset the growth from higher demand, exerting pressure on occupancy and room rates<sup>1</sup>
- Refurbishment of the apartment units in Somerset Grand Citra Jakarta has commenced in phases from 1Q 2018 and target to complete in 2Q 2019

Note:

1. Source: Colliers (2017)



Citadines Central  
Shinjuku Tokyo



Citadines  
Shinjuku  
Tokyo



Citadines  
Karasuma-Gojo  
Kyoto

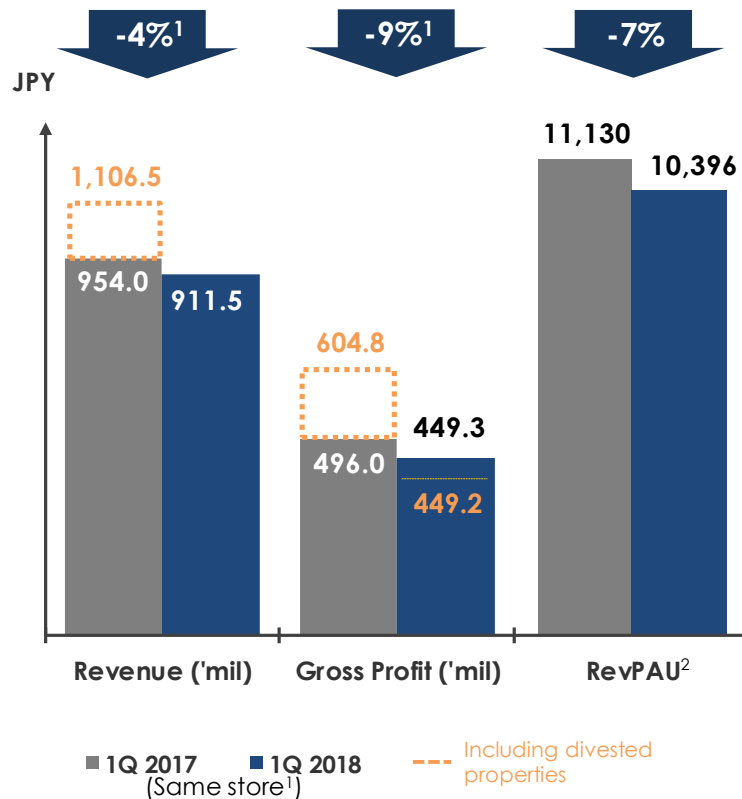


Somerset  
Azabu East  
Tokyo



11 rental housing  
properties  
in Japan

Subdued performance due  
to keen competition



## Key Market Performance Highlights

- Lower revenue and gross profit due to divestment of 18 rental housing properties on 26 April 2017
- On a same store basis, revenue and RevPAU decreased due to keen competition
- Gross profit decreased due to lower revenue and higher marketing expenses
- IMF forecasted a 1.2% GDP growth in 2018
- Tourist arrivals expected to remain robust in coming years, reaching 40 million by 2020<sup>3</sup>
- Keen competition from the new supply is expected to continue in the near term

### Notes:

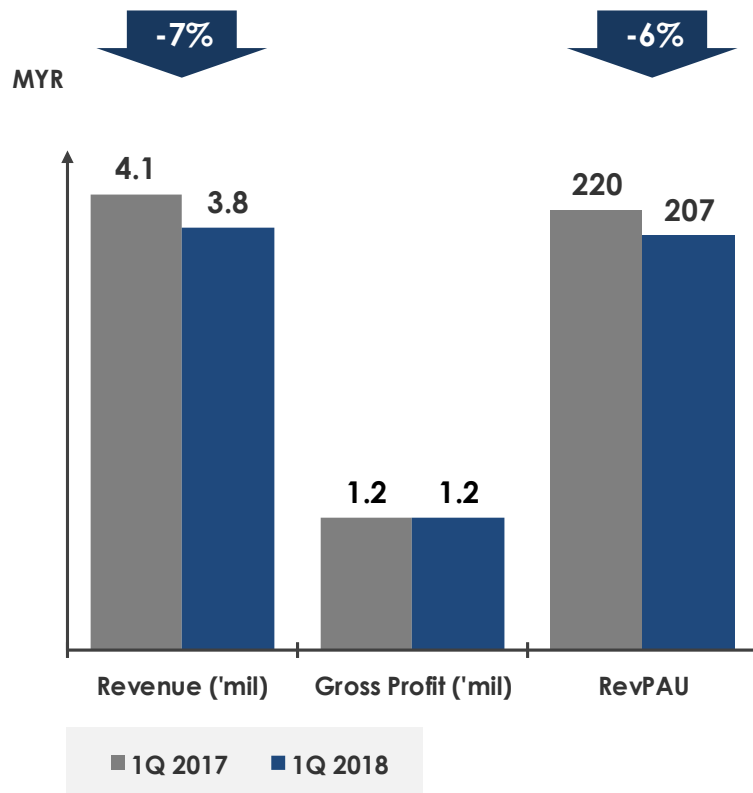
1. Excluding the 18 rental housing properties in Tokyo, which were divested on 26 April 2017.
2. RevPAU relates to serviced residences and excludes rental housing properties.
3. Source: The Japan Times (2017)





Somerset Ampang  
Kuala Lumpur

Rates affected by keen competition, but maintained gross profit



## Key Market Performance Highlights

- Revenue and RevPAU decreased due to keen competition and softer corporate demand
- Gross profit remained stable due to tighter cost controls to offset lower revenue
- Pressure on occupancy and room rates due to price competition from new supply, and tighter corporate travel budgets
- As the Malaysia General Elections will be taking place on 9 May 2018, the market is observing the outcome of the Elections and the potential developments
- IMF forecasted 2018 GDP growth at 4.8%
- With the Malaysian government's effort to ramp up the tourism industry, they are expecting to see a total of 33.1 million tourist arrivals and RM134 billion spending in 2018<sup>1</sup>

Note:  
1. Source: Tourism Malaysia (2018)

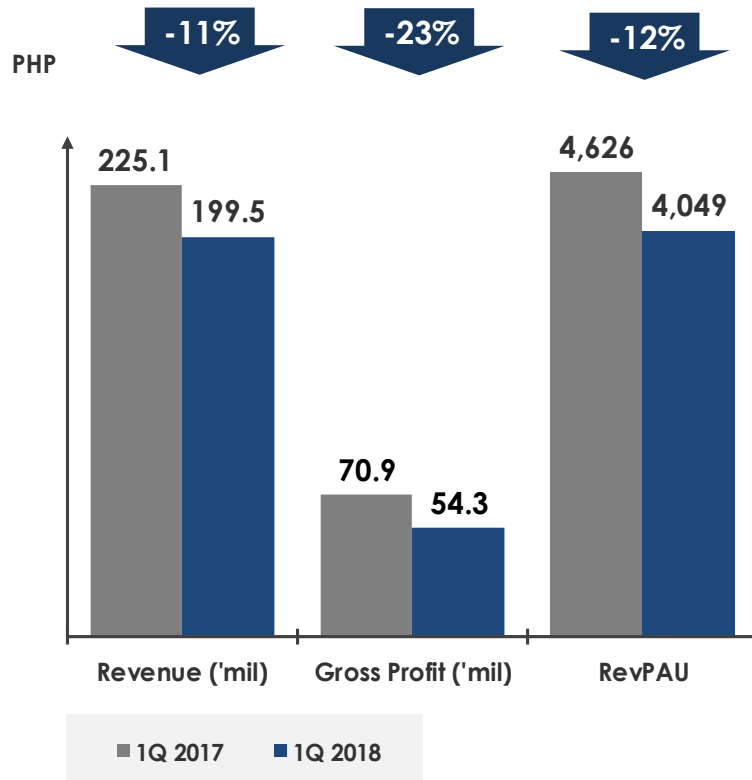


Somerset  
Millennium Makati



Ascott Makati

Performance affected by  
ongoing renovation



## Key Market Performance Highlights

- Performance was weaker mainly due to ongoing renovation at Ascott Makati which is targeted to complete in 2Q 2018, expected performance to recover post renovation
- IMF forecasted 2018 GDP to grow 6.7%
- Incoming supply of rooms in Metro Manila in the coming years may potentially impact ADR<sup>1</sup>
- Visitor arrivals reached all-time high in January 2018, marking a promising start to the year<sup>1</sup>

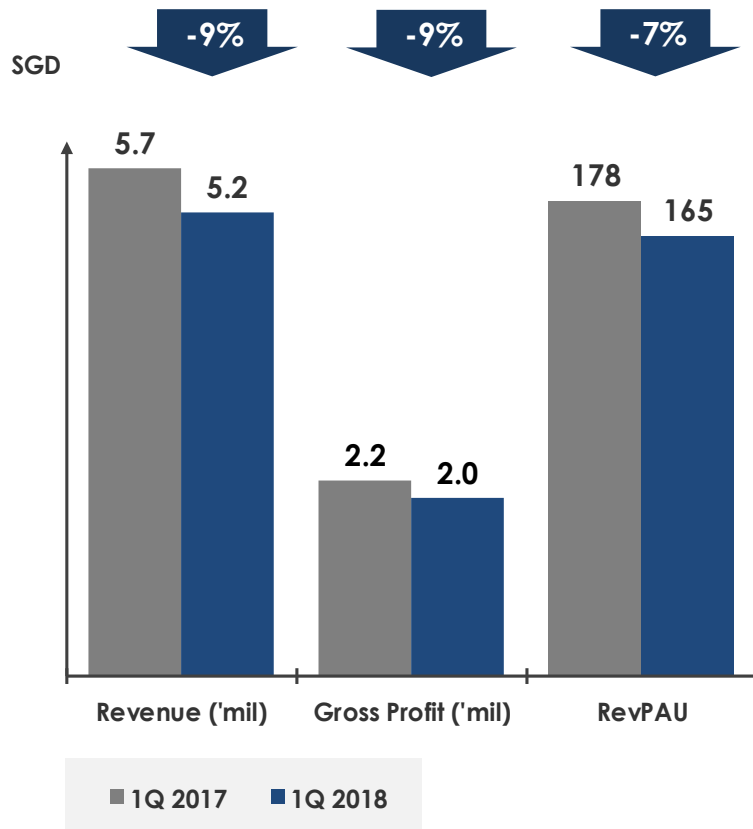
Note:

1. Sources: Colliers (2018); Philippines Department of Tourism (2018)



Somerset Liang Court Property Singapore  
 Citadines Mount Sophia Property Singapore

Subdued performance from weaker corporate demand



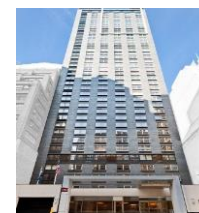
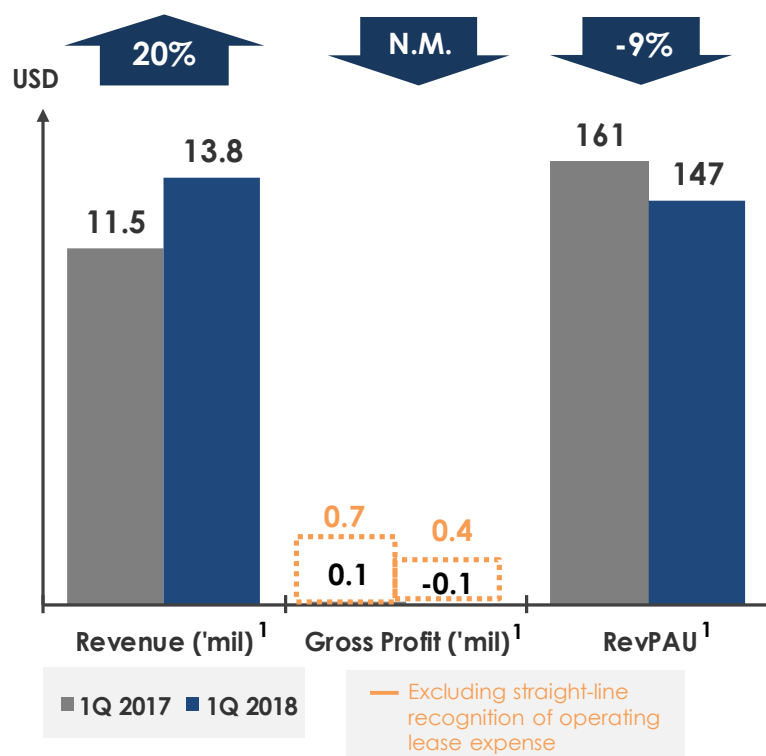
### Key Market Performance Highlights

- Revenue and RevPAU decreased due to weaker corporate demand and the resultant price competition within the industry
- Gross profit declined from lower revenue but partially offset by lower depreciation expense
- 2018 GDP growth forecasted by IMF at 2.6%
- SR industry was negatively impacted by the Government's reduction of minimum lease for condominiums from 6 months to 3 months
- New supply is expected to taper gradually and ease in 2H 2018, RevPAU for the overall industry is expected to pick up thereafter<sup>1</sup>

Note:

1. Source: The Edge Singapore (2018)

## Cautious growth from keen competition



Element  
New York  
Times Square  
West



DoubleTree by  
Hilton Hotel New  
York – Times  
Square South



Sheraton  
Tribeca New  
York Hotel

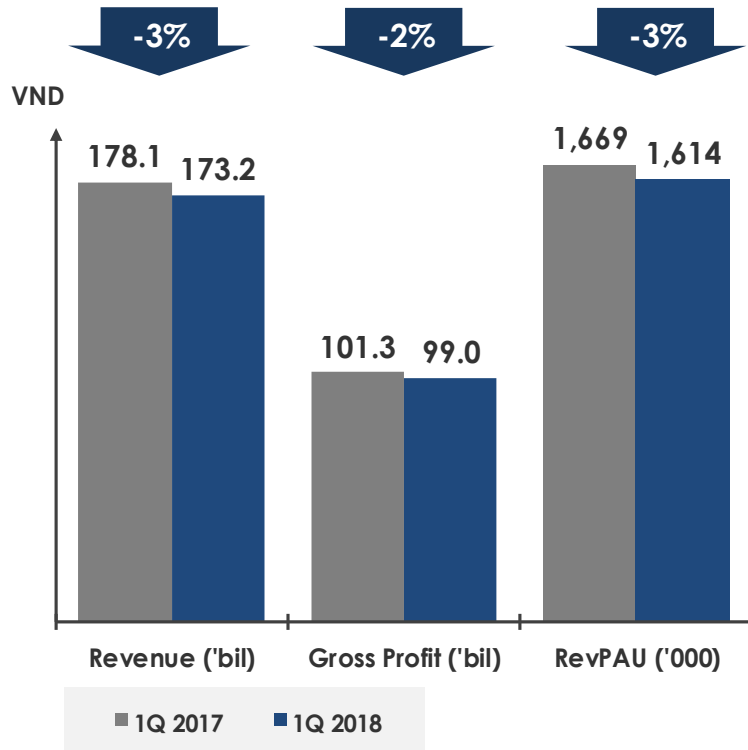
### Key Market Performance Highlights

- Revenue increased due to the acquisition of DoubleTree by Hilton Hotel New York – Times Square South
- Decrease in RevPAU due to lower RevPAU of DoubleTree by Hilton Hotel New York – Times Square South
- On a same store basis, excluding straight-line recognition of operating lease expense, revenue and RevPAU decreased due to the ongoing renovation at Sheraton Tribeca New York Hotel, keen competition and new supply
- Gross profit decreased due to lower revenue and higher operating expenses
- GDP growth forecasted at 2.7% by IMF for 2018
- Anticipated 3.7% increase in international visitor arrivals to 65.1 million in 2018<sup>2</sup>
- Room supply in Manhattan is expected to increase by another 6,500 rooms in 2018<sup>1</sup>, with RevPAU levels expected to remain stagnant in the near term<sup>2</sup>

#### Notes:

- On a same store basis and excluding straight line recognition of operating lease expenses, revenue and gross profit would decrease by USD0.3m and USD0.6m respectively due to keen competition and new supply. RevPAU would decrease by 4% as compared to 1Q 2017.
- Sources: NYC & Company (March 2018); HVS (February 2018)

Performance affected by weaker demand



Somerset  
Grand Hanoi



Somerset  
Hoa Binh  
Hanoi



Somerset West  
Lake Hanoi



Somerset Ho  
Chi Minh City



Somerset  
Chancellor  
Court Ho Chi  
Minh City

## Key Market Performance Highlights

- Revenue and RevPAU decreased due to lower commercial revenue; in addition, as Chinese New Year fell on a later period of the quarter than last year, there was a decline in travelling
- Gross profit decreased due to lower revenue, partially offset by lower staff costs
- IMF forecasted 2018 GDP growth at 6.3%
- Tourist arrivals surged around 30% Y-o-Y in the first two months of 2018, totaling over 2.86 million<sup>1</sup>
- Remains as one of the world's fastest growing economies as foreign direct investment continue to stream in<sup>1</sup>
- Potentially impacted by influx of new supply in coming years<sup>1</sup>

Note:

1. Sources: Forbes (2017); Jones Lang LaSalle (2017); VN Express (2018)



# Capital and Risk Management



Citadines City Centre Frankfurt



# Key Financial Indicators

## Healthy Balance Sheet and Credit Metrics

	<b>As at 31 March 2018</b>	<b>As at 31 December 2017</b>
Gearing	<b>36.1%</b>	<b>36.2%</b>
Interest Cover	<b>4.0X</b>	<b>4.7X</b>
Effective Borrowing Rate	<b>2.3%</b>	<b>2.4%</b>
Total Debts on Fixed Rates	<b>86%</b>	<b>81%</b>
Weighted Avg Debt to Maturity (Years)	<b>4.0</b>	<b>4.1</b>
NAV/Unit	<b>S\$1.22</b>	<b>S\$1.25</b>
Adjusted NAV/Unit (excluding the distributable income to Unitholders)	<b>S\$1.21</b>	<b>S\$1.21</b>
Ascott REIT's Issuer Rating <sup>1</sup>	<b>BBB (outlook stable)</b>	<b>BBB (outlook stable)</b>

Notes:

1. Ascott Reit has ceased engagement with Moody's credit rating service in 1Q 2018.



# Ascott REIT continues to diversify funding sources and spread out debt maturity over the long-term

Well-spread debt maturity; have commenced discussions to refinance the loan facilities due in 2018

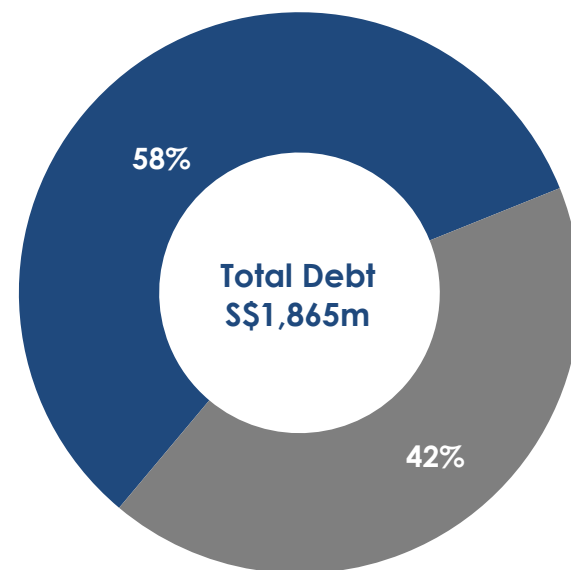
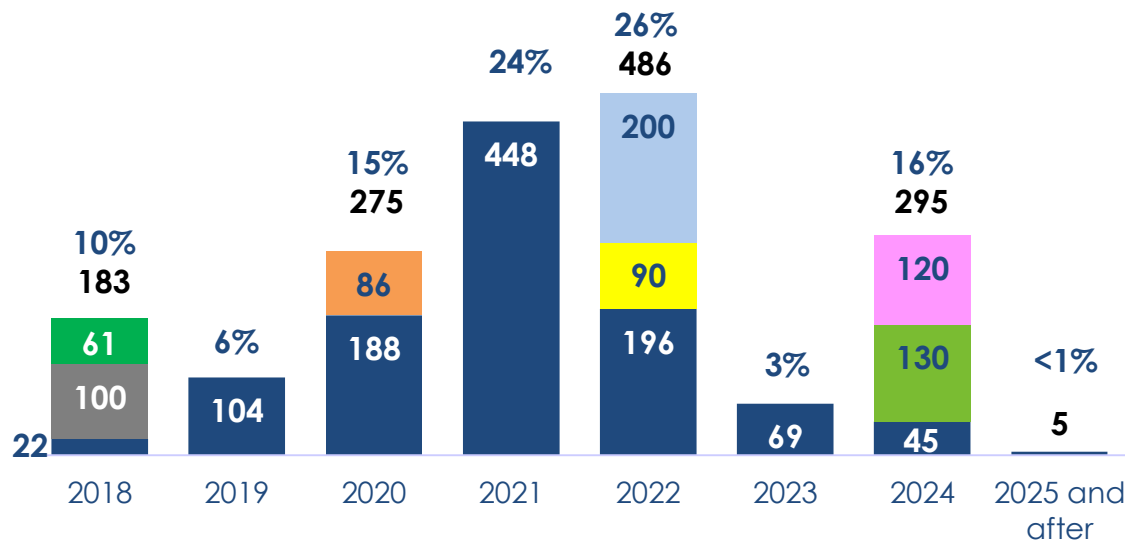
## Debt Maturity Profile

As at 31 March 2018

## By Debt Type

As at 31 March 2018

S\$'m



- 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 MTN<sup>1</sup>
- 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 MTN<sup>2</sup>

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

Notes:

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

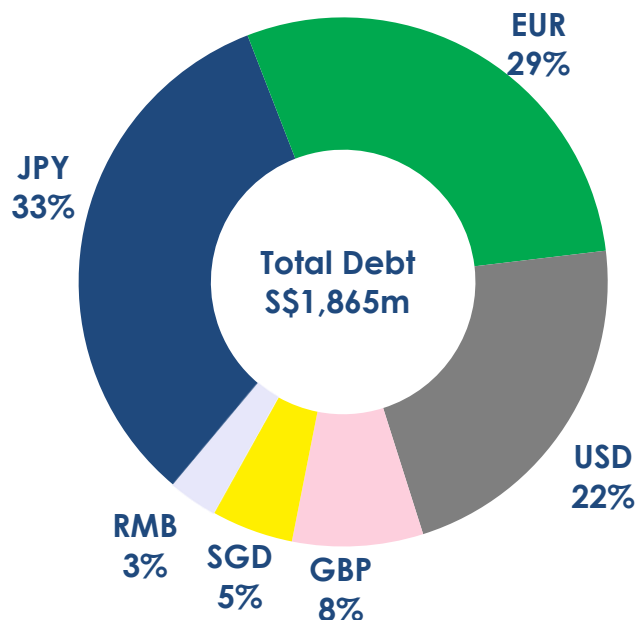


# Foreign Currency Risk Management

Ascott REIT adopts a natural hedging strategy to the extent possible;  
~46% of the total assets denominated in foreign currency has been hedged

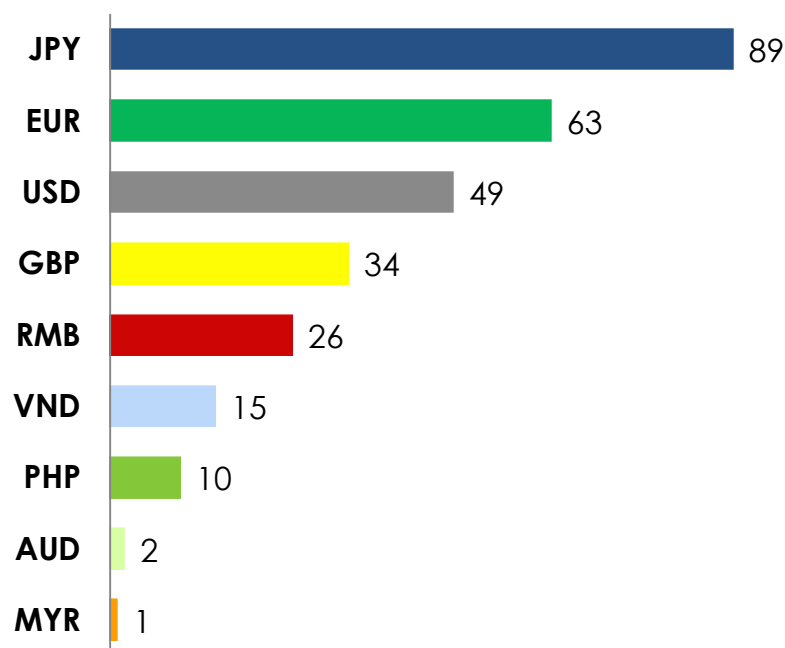
## Debt By Currency (%)

As at 31 March 2018



## Balance Sheet Hedging (%)

As at 31 March 2018







# Foreign Currency Risk Management

Overall exchange rate fluctuations have been largely mitigated with impact to gross profit at 0.4%

Currency	Gross Profit 1Q 2018 (%)	Exchange Rate Movement From 31 Dec 2017 to 31 Mar 2018 (%)
EUR	26.9	1.4
JPY	13.8	(0.1)
SGD	13.3	-
VND	11.9	(3.3)
AUD	10.3	2.1
RMB	9.9	1.5
GBP	7.7	1.8
PHP	2.9	(3.2)
USD	2.5	(1.6)
MYR	0.8	2.1
<b>Total</b>	<b>100.0</b>	<b>0.4</b>

**~44%** of the distributable income derived in EUR, GBP, JPY and USD had been hedged. We will continue to monitor the foreign exchange movement and hedge our exposure.



# Asset Enhancement Initiatives





# Proactive Asset Management – Ongoing AEs<sup>1</sup>

<b>Sheraton Tribeca New York Hotel</b> The United States of America	<b>Description</b>	Phase I: Renovation of public areas Phase II: Renovation of guestrooms and toilets
	<b>Period of renovation</b>	Target to complete in 2Q 2018
<b>Ascott Makati (Phase II)</b> The Philippines	<b>Description</b>	Renovation of 183 apartment units
	<b>Period of renovation</b>	Target to complete in 2Q 2018
<b>Somerset Grand Hanoi</b> Vietnam	<b>Description</b>	Renovation of apartment units, toilets and public area
	<b>Period of renovation</b>	Completed phase I in Dec 2017, phase II to commence in 2Q 2018
<b>Somerset Grand Citra Jakarta (Phase 1)</b> Indonesia	<b>Description</b>	Renovation of 44 apartment units
	<b>Period of renovation</b>	1Q 2018 – 1Q 2019

Note:

1. Excluding properties under Master Lease agreement



# Conclusion





# Ascott Reit Investment Proposition

1



Largest hospitality REIT in Singapore

- Total asset of **S\$5.2b**
- Market capitalisation of **S\$2.5b**

2

Well-balanced portfolio with **50%** of gross profit contributed by growth and stable income each



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

- Remains 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
- Continues to enhance value of properties through AEI for certain properties in Vietnam, Philippines and Indonesia

## 3 Disciplined and Prudent Capital Management

- Maintained effective borrowing rate at a healthy level with ~86% of the Group's 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 our financing plans



# Outlook



Citadines Trafalgar Square London

On 5 January 2018, Ascott Reit completed the divestment of two properties in China, Citadines Biyun Shanghai and Citadines Gaoxin Xi'an. Moving forward, we will continue to look out for future accretive opportunities in key gateway cities while identifying new opportunities to unlock values for higher yielding assets.

With the International Monetary Fund forecasting a 3.9% growth for 2018, the global economy started the new year on an optimistic note. Economists and analysts globally have also largely agreed that 2018 would herald an improving economy. New supply in some of the countries we operate in is likely to rise steadily, resulting in keen competition and exerting a downward pressure on rates. Nevertheless, we continue to manage our properties proactively to stay competitive.

The US Federal Reserve raised interest rates in March 2018, with an expectation for an additional two more hikes for the year. Despite that, we maintain a disciplined and prudent approach on capital management to mitigate potential risks. Approximately 86% of our total borrowings is on fixed interest rates to hedge against any potential increases. We are also in the midst of discussions with banks to refinance the debts that are due this year, ahead of their maturity dates. We continue to remain vigilant in monitoring our interest rate and exchange rate exposure.

Ascott Reit remains committed in delivering stable and resilient returns to our Unitholders through our depository of diversified and quality assets, together with the extended-stay business model and the properties operating under master leases and management contracts with minimum guaranteed income.



# Appendix





# 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

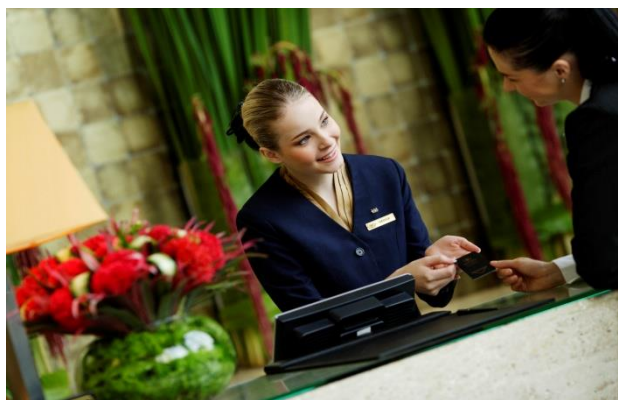
Sponsor – c.44% CapitaLand ownership in Ascott REIT

Award-winning brands with worldwide recognition

Note:

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





# Thank You

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