



ENDURING. EVOLVING. GROWING.

# CACHE LOGISTICS TRUST Annual General Meeting 19 April 2017

MANAGED BY:



ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED



- 1 **FY2016 Performance**
- 2 **Cache Logistics Trust at Present**
- 3 **Market Outlook for Singapore and Australia**
- 4 **Going Forward: The Strategy**





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# FY2016 Performance

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### Achieved Distribution per Unit (DPU) of 7.725 cents

S\$'000 unless otherwise noted	FY2016	FY2015	Change (%)
Gross Revenue	111,271	89,721	24.0
Net Property Income (NPI)	88,014	76,156	15.6
Income Available for Distribution	69,318	67,960	2.0
- <b>from operations</b>	<b>66,915</b>	<b>62,883</b>	<b>6.4</b>
- <i>from capital<sup>(1)</sup></i>	2,403	5,077	(52.7)
Distribution per unit (DPU) (Cents)	7.725	8.500	(9.1)
- <b>from operations</b>	<b>7.457</b>	<b>7.886</b>	<b>(5.4)</b>
- <i>from capital<sup>(1)</sup></i>	0.268	0.614	(56.4)

<b>NPI</b>	Higher due to contributions from the Australian portfolio and DHL Supply Chain Advanced Regional Centre, offset by lower income from 51 Alps Ave
<b>Distributable Income</b>	Higher on the increase in NPI despite a lower capital distribution from the sale proceeds of Kim Heng Warehouse
<b>DPU</b>	DPU was lower due to an enlarged unit base. On a like-for-like basis, excluding the capital distribution, DPU fell by a lower 5.4% yoy

Note:

(1) Relates to a portion of the sale proceeds from the disposal of Kim Heng Warehouse in June 2015

### Balance Sheet

#### Net Asset Value per Unit of S\$0.78

In S\$'000 unless otherwise noted	as at	31 December 2016
Investment Properties		1,210,902
Other Assets		47,404 <sup>(1)</sup>
<b>Total Assets</b>		<b>1,258,306</b>
Debt, at amortised cost		(538,865)
Other Liabilities		(18,303)
<b>Total Liabilities</b>		<b>(557,168)</b>
Net Assets Attributable to Unitholders		701,138
Total units in issue (units)		900,450,086
<b>NAV per Unit (S\$)</b>		<b>0.78</b>

Note:

(1) Includes Cache Changi Districentre 3 which was classified under "Asset Held for Sale"

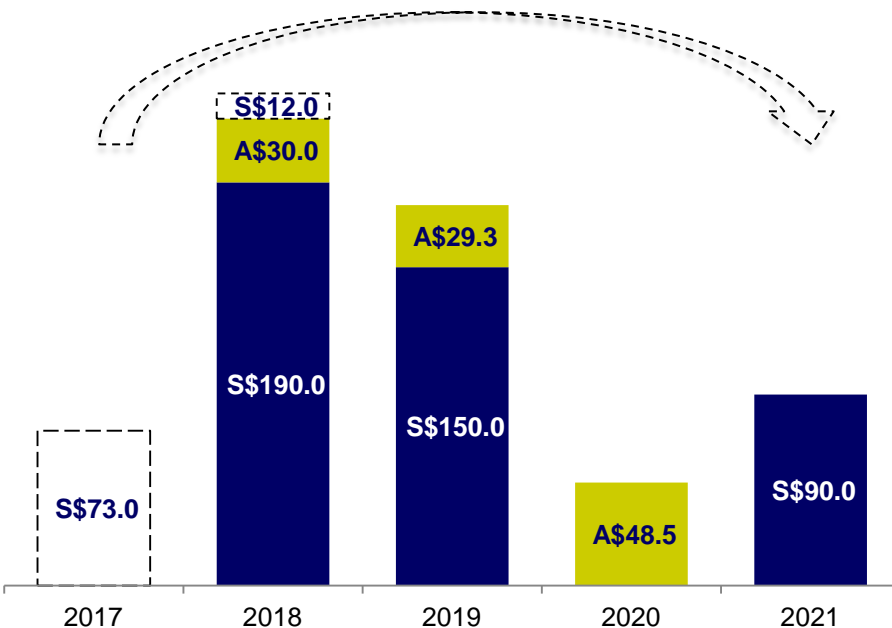


### Well-staggered debt maturity profile

**Refinanced existing loan facilities with new S\$90 million unsecured 5-year term loan**

□ Borrowings Repaid    ■ A\$ borrowings    ■ S\$ borrowings

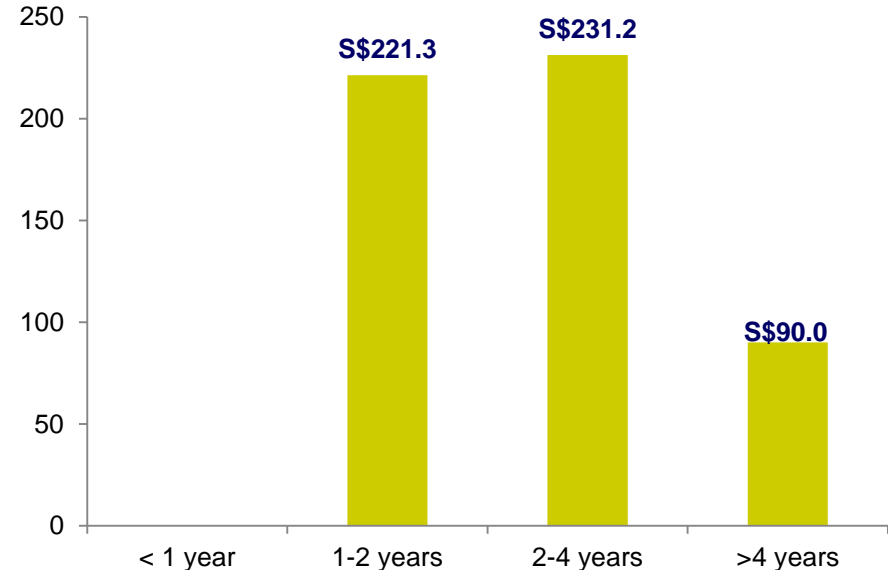
**Debt Maturity Profile (\$mil)**



**No SGD borrowings due for refinancing until 2H 2018**

- S\$542.5 million in total borrowings<sup>(1)</sup>
- 43.1% aggregate leverage as at 31 Dec 2016

(\$mil)

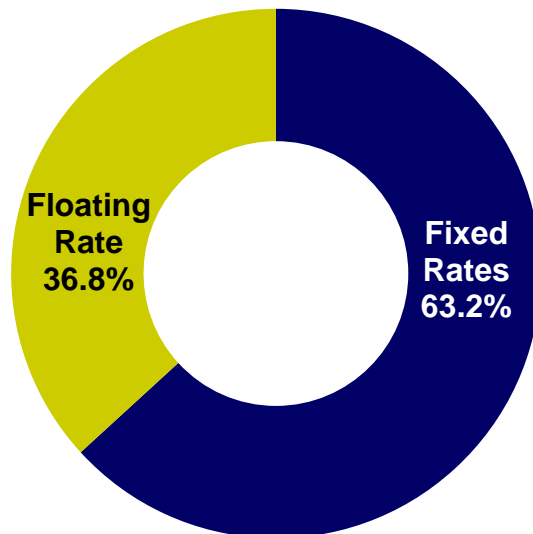


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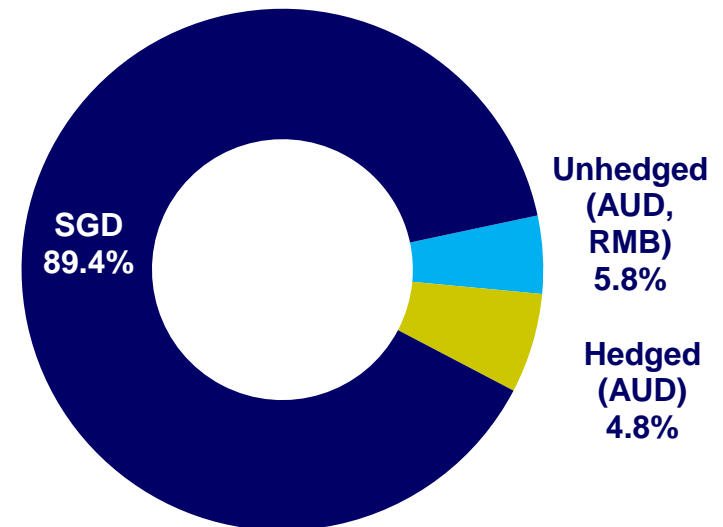
(1) Including A\$ borrowings based on an exchange rate of S\$1.00 = A\$0.9578

## Prudent Interest Rate and Foreign Currency Management

**63.2% of total borrowings  
hedged into fixed rates**



**94.2% of distributable income  
hedged or derived in SGD**



- 70.3% of SGD borrowings
- 50.0% of onshore AUD borrowings



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# Cache Logistics Trust at Present

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ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED





# Cache at Present Milestones Since Listing

Listed on SGX Mainboard with 6 IPO Properties valued at S\$744 mil



Acquired Pan Asia Logistics centre for S\$35.2 mil



Commenced first Build-to-Suit development of DHL Supply Chain Advanced Regional Centre

Made first foray into Australia with the acquisition of 6 warehouses



Divested Kim Heng Warehouse

Successfully refinanced existing loan facilities with new S\$90 mil unsecured term loan

Announced the divestment of Cache Changi Districentre 3<sup>(1)</sup>

2010

2011

2012

2013

2014

2015

2016

Acquired APC Districentre (Cache Changi Districentre 3) for S\$30.9 mil

Acquired Kim Heng Warehouse for S\$8.9 mil

Acquired Air Market Logistics Centre for S\$13.0 mil

Acquired Jinshan Chemical Warehouse in China for RMB 71 mil

Awarded "Most Committed to a Strong Dividend Policy" by Finance Asia

Received Silver award in "Best Investor Relations" (REITs & Business Trusts category) at the Singapore Corporate Awards

Received strong support from Unitholders for the master lease renewal of CWT Commodity Hub

Received Bronze award in "Best Investor Relations" (REITs & Business Trusts category) at the Singapore Corporate Awards

Successfully raised equity of S\$100.0 mil  
Further strengthened the Board with appointment of 2 new Independent Directors  
Completed first BTS development of DHL Supply Chain Advanced Regional Centre

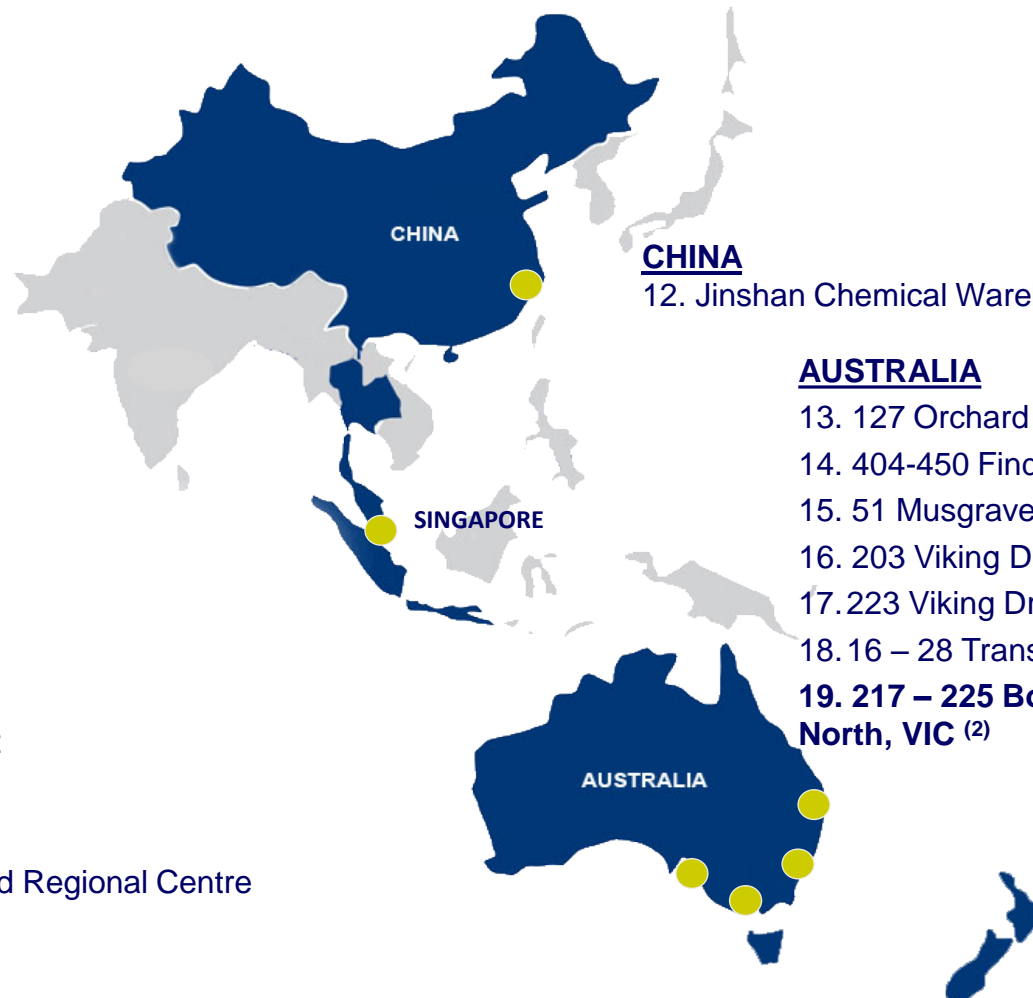
Received Bronze award in "Best Investor Relations" (REITs & Business Trusts category) at the Singapore Corporate Awards

Received Bronze award in "Best Investor Relations" (REITs & Business Trusts category) at the Singapore Corporate Awards

Note:

(1) The divestment of Cache Changi Districentre 3 was legally completed on 23 January 2017

## Quality Portfolio of 19 Warehouses in Singapore, Australia and China



### CHINA

12. Jinshan Chemical Warehouse, Shanghai

### AUSTRALIA

- 13. 127 Orchard Road, Chester Hill, NSW
- 14. 404-450 Findon Road, Kidman Park, SA
- 15. 51 Musgrave Road, Coopers Plains, QLD
- 16. 203 Viking Drive, Wacol, QLD
- 17. 223 Viking Drive, Wacol, QLD
- 18. 16 – 28 Transport Drive, Somerton, VIC
- 19. 217 – 225 Boundary Road, Laverton North, VIC <sup>(2)</sup>

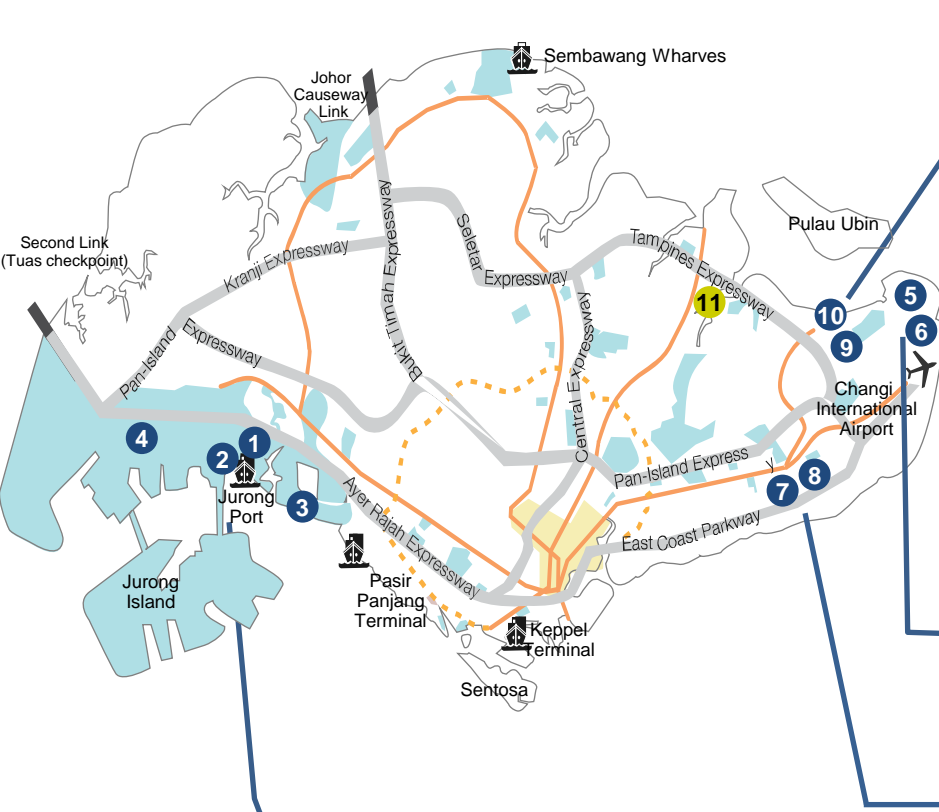
### SINGAPORE<sup>(1)</sup>

- 1. CWT Commodity Hub
- 2. Cache Cold Centre
- 3. Pandan Logistics Hub
- 4. Precise Two
- 5. Schenker Megahub
- 6. Hi-Speed Logistics Centre
- 7. Cache Changi Districentre 1
- 8. Cache Changi Districentre 2
- 9. Pan Asia Logistics Centre
- 10. Air Market Logistics Centre
- 11. DHL Supply Chain Advanced Regional Centre

Note:

(1) Excludes Cache Changi Districentre 3. The property was divested on 23 January 2017

(2) Includes the acquisition of 217 – 225 Boundary Road, Laverton North, Victoria, Australia on 22 March 2017



## Changi North & Loyang



**9** Pan Asia Logistics Centre  
21 Changi North Way



**10** Air Market Logistics Centre  
22 Loyang Lane

## Tampines LogisPark



**11** DHL Supply Chain ARC  
1 Greenwich Drive

## Airport Logistics Park ("ALPS")



**5** Schenker Megahub  
51 ALPS Avenue



**6** Hi-Speed Logistics Centre  
40 ALPS Avenue

## Changi South



**7** Cache Changi Districentre 1  
5 Changi South Lane



**8** Cache Changi Districentre 2  
3 Changi South Street 3

## Pandan/Penjur/ Gul Way



**1** CWT Commodity Hub  
24 Penjuru Road



**2** Cache Cold Centre  
2 Fishery Port Road



**3** Pandan Logistics Hub  
49 Pandan Road



**4** Precise Two  
15 Gul Way



### Revenue Contribution from first Build-to-Suit Development



<b>Address</b>	<b>1 Greenwich Drive, Tampines LogisPark, Singapore</b>
<b>Gross Floor Area</b>	<b>989,260 sf</b>
<b>Valuation</b>	<b>S\$150.3 million</b>
<b>Lease commitment</b>	<b>10-yr lease term with options to renew until end of 30-yr land lease</b>

## Brisbane, Queensland



**15** 51 Musgrave Road,  
Coopers Plains



**16** 203 Viking Drive, Wacol



**17** 223 Viking Drive, Wacol

## Sydney, New South Wales



**13** 127 Orchard Road, Chester Hill

## Melbourne, Victoria



**18** 16 – 28 Transport Drive, Somerton



**19** 217 – 225 Boundary Road,  
Laverton North

## Adelaide, South Australia



**14** 404 – 450 Findon Road, Kidman Park



## 2 Cache at Present Australia – Geographical Diversification

### Portfolio Diversification & Expansion into Australia

- **7 warehouses in Australia<sup>(1)</sup>:**

- ✓ Located in major trade/distribution cities: **Sydney, Melbourne, Brisbane and Adelaide**
- ✓ approx. **1.7 million sf** GFA
- ✓ approx. **A\$191 million** in market valuation

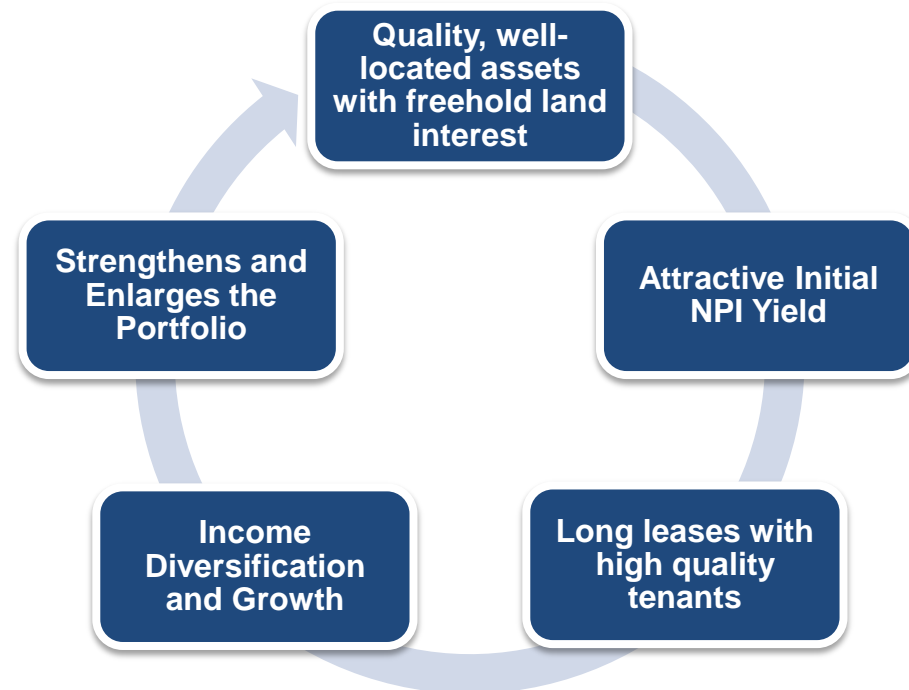
- **Freehold land tenure** provides good balance against leasehold land in Singapore

- **Long WALE** of 6.1 years<sup>(2)</sup>

- **High quality tenants** such as McPhee Distribution, Linfox, Western Star Trucks and Metcash

- **Rental escalations** of 3.0% - 4.0% p.a. or at least CPI

#### Investment Merits



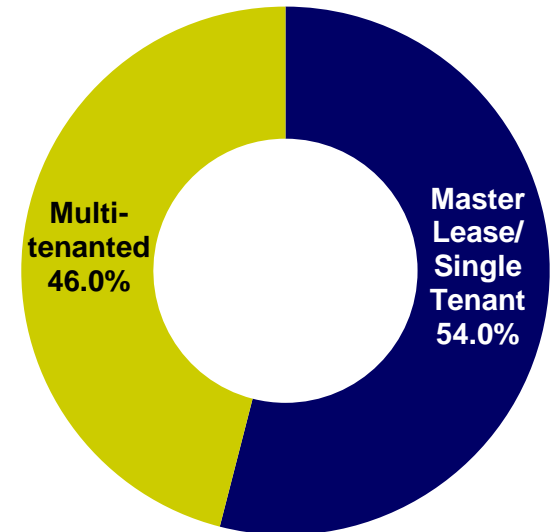
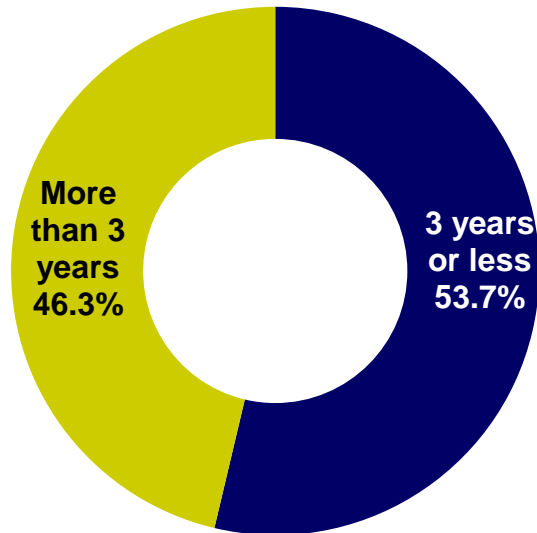
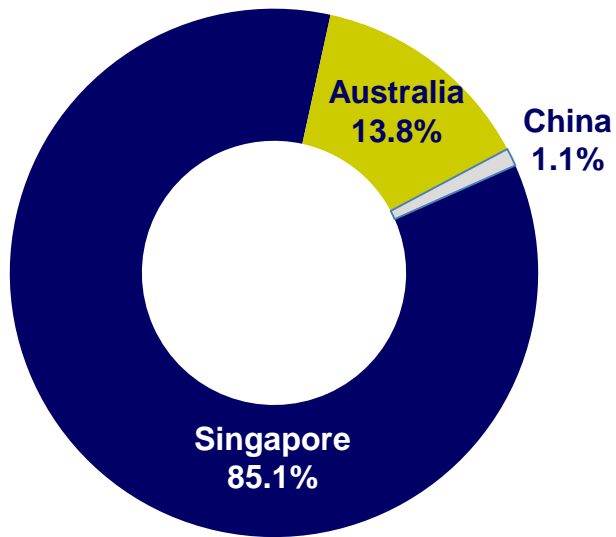
Notes:

(1) Includes the acquisition of 217 – 225 Boundary Road, Laverton North, Victoria, Australia which was completed on 22 March 2017

(2) As at 31 December 2016

## 2 Cache at Present Geographical & Income Diversification

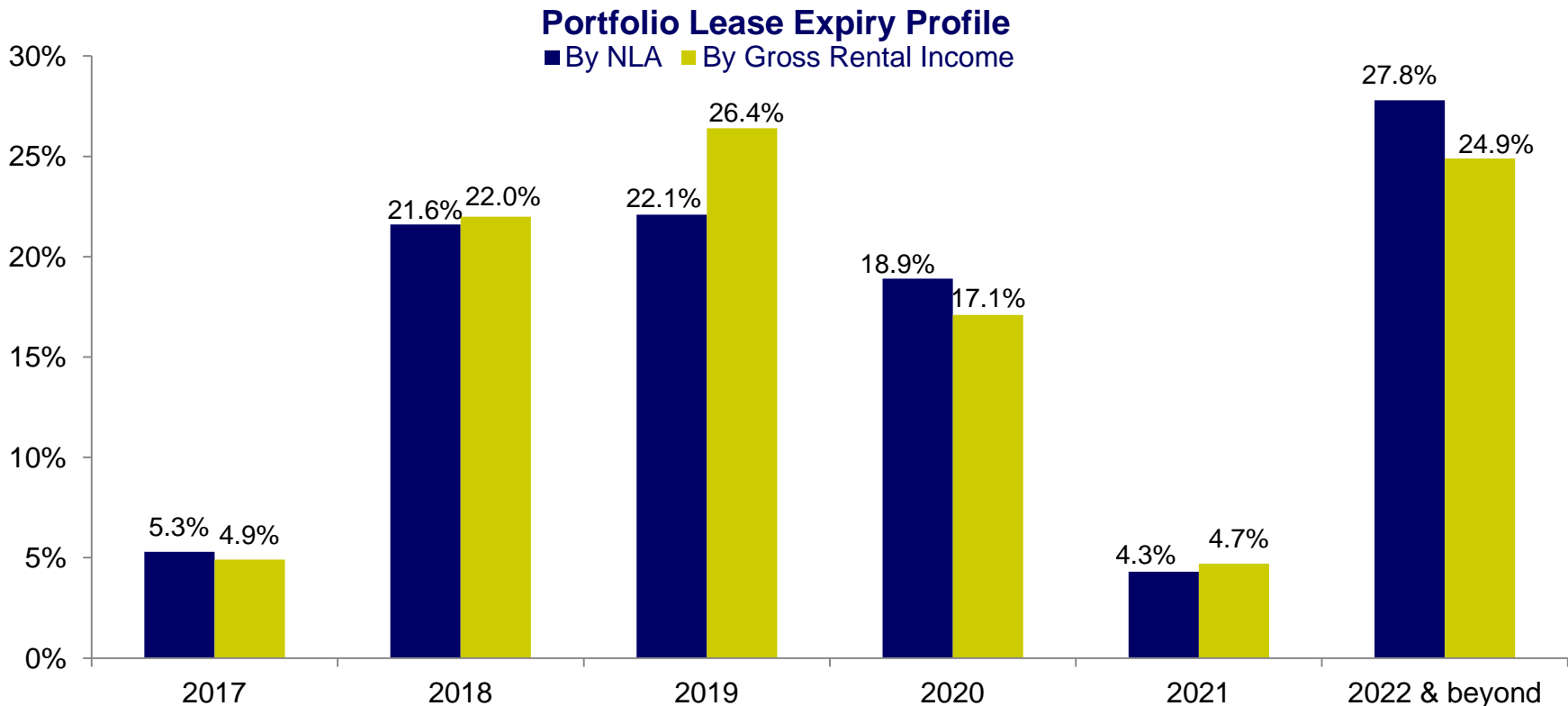
### Portfolio Diversification



- Overseas properties contributed **14.9%** of FY2016 Gross Rental Income
- Leases with more than 3-years accounted for **46.3%** of FY2016 Gross Rental Income
- Multi-tenanted properties contributed **46.0%** of FY2016 Gross Rental Income

**Proactive lease management: High Portfolio Occupancy of 96.4%**  
**Well-staggered lease expiry profile**

**WALE by NLA : 3.9 years**  
**WALE by Gross Rental Income : 3.8 years**



Approx. half of all leases committed till 2020 and beyond

## Active Engagement with Investors

# FinanceAsia

### 2012 Finance Asia – Most Committed to a Strong Dividend Policy



### League of American Communications Professionals (LACP) Vision Awards 2013, 2014, 2015

# SINGAPORE CORPORATE AWARDS

### 2013 Best Investor Relations, Silver (REITs & Business Trusts)

### 2014, 2015, 2016 Best Investor Relations, Bronze (REITs & Business Trusts)





*Schenker Megahub ("51 Alps Ave Singapore") is the largest freight and logistics property located at the Airport Logistics Park of Singapore, the free trade zone adjacent to Changi International Airport.*

Date	Updates
30 May 2016	Cache received a summons from Schenker seeking the Court to declare that the Anchor Lease Agreement ('ALA') signed between Schenker and C&P Land ('C&P', the Master Lessee to Cache) is binding on Cache. The summons also ask the Court to order Cache to apply to JTC to seek approval on the ALA renewal.
31 Aug 2016	Master Lease between Cache and C&P expired.
1 Sep 2016	C&P did not deliver vacant possession of the property.
7 Sep 2016	Cache filed a writ against C&P claiming, amongst others, double the amount of rent payable under the Master Lease Agreement for the duration of the holding over period or damages arising as a result of Schenker remaining on the property.
26 Sep 2016	Under a "holding arrangement" without prejudice to Cache's rights, Cache receives a monthly payment from Schenker under protest from 1 September 2016 until resolution of the Court proceedings.
31 Dec 2016	Legal proceedings continue. Cache continues to defend itself vigorously that it is not a party to the ALA and all matters relating to the ALA renewal should be resolved between C&P and Schenker. Timely updates will be provided to the market as/when progress is made.

The Manager and the Trustee will continue to vigorously defend Cache in the interest of Unitholders and seek to resolve the case expeditiously





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# Market Outlook

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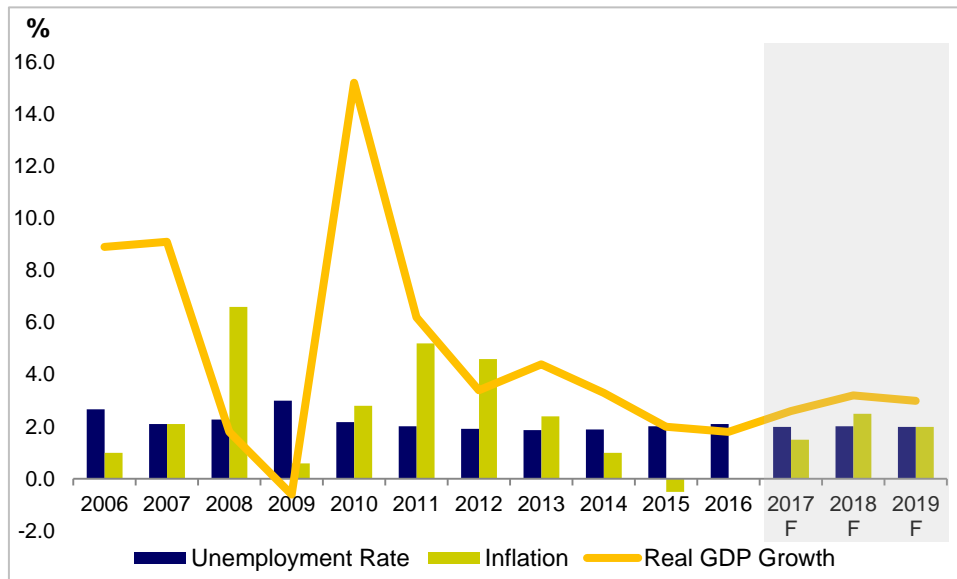


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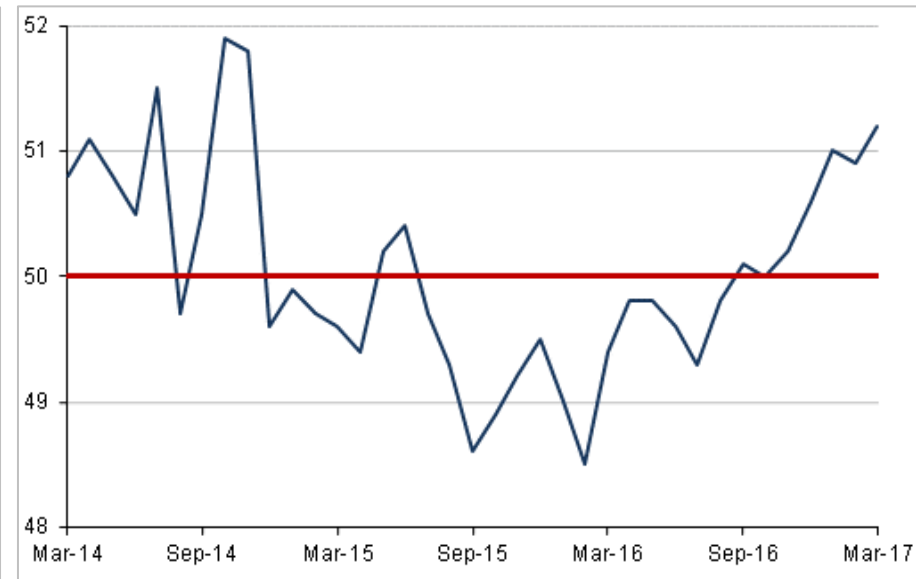


## Pick-up in Economic Growth in early 2017 Positive PMI and Export Statistics thus far

- GDP growth of 1 - 3% is expected in 2017. The pick up in economic activity experienced in the final quarter of last year appears to have carried over into the first months of 2017
- Manufacturing Purchasing Managers Index ('PMI') edged up from 50.9 in February to 51.2 in March 2017
- On a Y-o-Y basis, non-oil domestic exports ('NODX') expanded by 21.5% in Feb 17, extending the growth in preceding months due to the increase in both electronic and non-electronic exports<sup>(1)</sup>



Source: Department of Statistics, Edmund Tie & Company

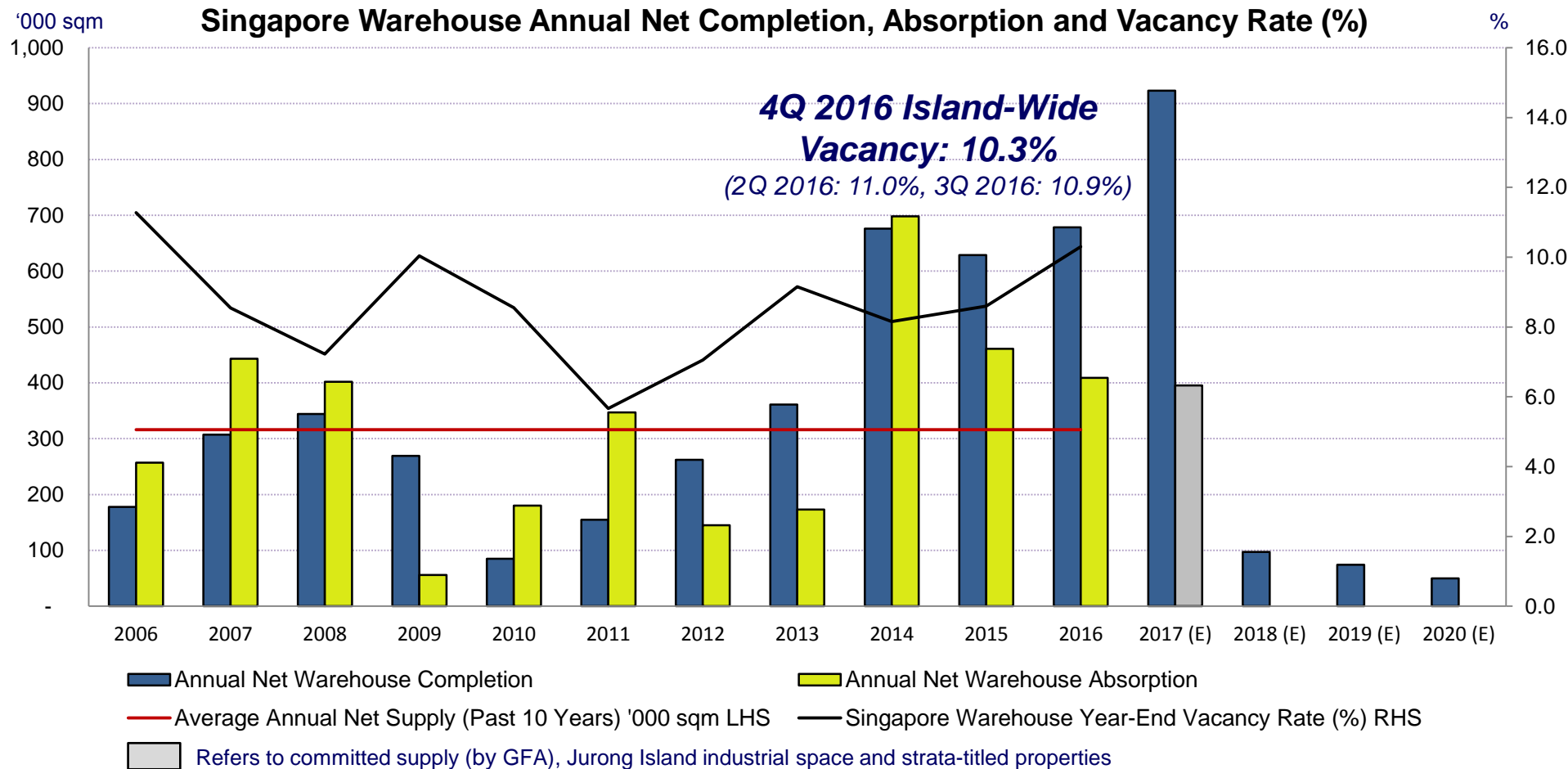


Source: Focus Economics

Note:

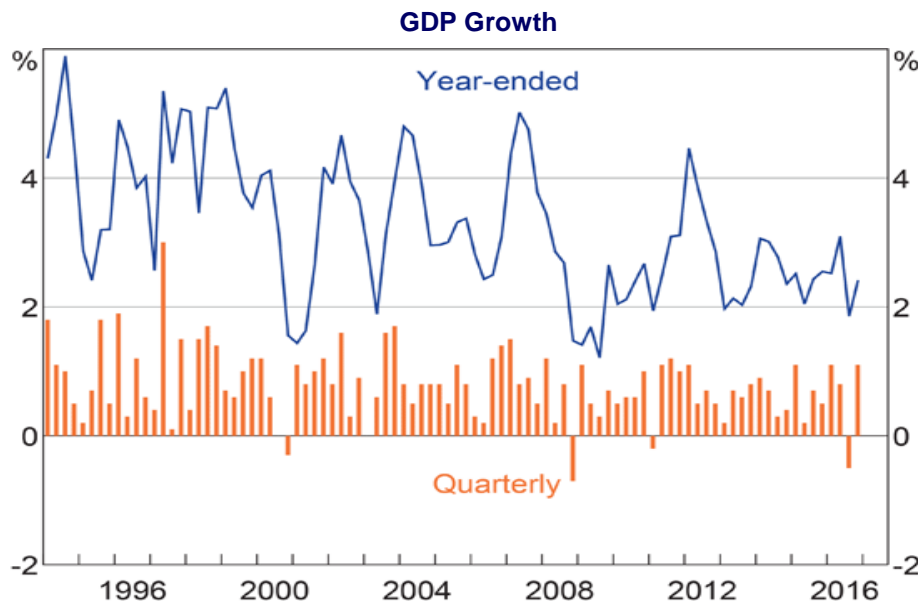
(1) IE Singapore, 17 March 2017, "Singapore's External Trade – February 2017"

## Singapore: Imbalance in Supply & Demand

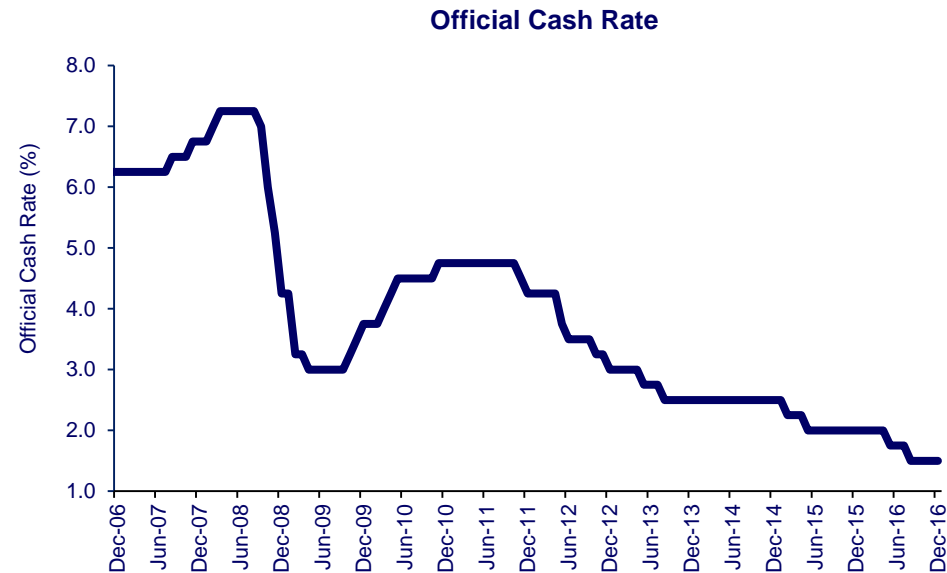


### Higher GDP growth expected in short-to-medium term Interest Rates remain low at present

- GDP growth of 2.4% in Australia in 2016. Expected to pick up to 2.5 - 3.5% between 2017 and 18<sup>(1)</sup>
- Australian industrial properties continue to draw strong interest from offshore and onshore investors



Source: Australian Bureau of Statistics



Source: Reserve Bank of Australia

Source: <sup>(1)</sup> Reserve Bank of Australia

# Market Outlook: Australia Infrastructure Development

- Eastern Seaboard states (NSW, VIC, QLD) have been the beneficiary of highest growth in the country and where Government is placing most of the infrastructure improvements



## Inland Rail

- A direct Melbourne – Brisbane rail freight corridor will significantly cut freight transit time
- Upon completion, approx. 12 mil tonnes of freight annually will transit along the rail corridor



## WestConnex (Sydney)

- Australia's largest transport infrastructure project at AUD16.8 bil
- Doubles capacity of the M5, one of Sydney's key motorways
- Integrates the M4 and M5 motorways

## NorthConnex (Sydney)

- Australia's largest tunnel project costing AUD3.0 bil
- Tunnel to extend 9 km and connect the M1 and M2 Motorways
- Benefits western industrial precincts with seamless transport routes





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# Looking Ahead: The Strategy

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ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED



### Growth Driver: Portfolio Rebalancing & Growth Strategy

#### Investment Pursuits

- Pursue yield accretive acquisitions
- Leverage on broad Asia-Pacific mandate
- Be ready for Right Of First Refusal properties from CWT and C&P
- Maintain prudent capital and risk management



#### Proactive Portfolio Management

- Work closely with the master lessees and end-users to manage lease renewals
- Maintain high portfolio occupancy
- Secure longer-term tenure with strong credit-worthy end-users

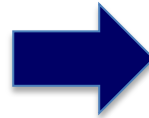
#### Focused Build-to-Suit Development

- Leverage on strengths of the Sponsor and relationships with end-users to develop opportunities

**VISION: To provide our customers with high quality logistics real estate solutions in Asia Pacific**

## Portfolio Rebalancing & Growth Strategy: Focus on Australia

Divestment of Cache Changi Districentre 3



Acquisition of 217 – 225 Boundary Road, Laverton North, Victoria, Australia



Recycling capital by way of:

- **Divesting** existing properties that are: (i) difficult to lease; (ii) limited in rental growth; (iii) lower in land tenure, and
- **Re-investing** into higher-performing assets with the following characteristics:
  - Freehold properties
  - Long WALE
  - Well-located properties with generic layout and modern building specifications
  - Diversification of quality tenant base
  - Potential for rental growth with built-in rental escalations

## Growth Pipeline: Right of First Refusal Properties from Sponsor

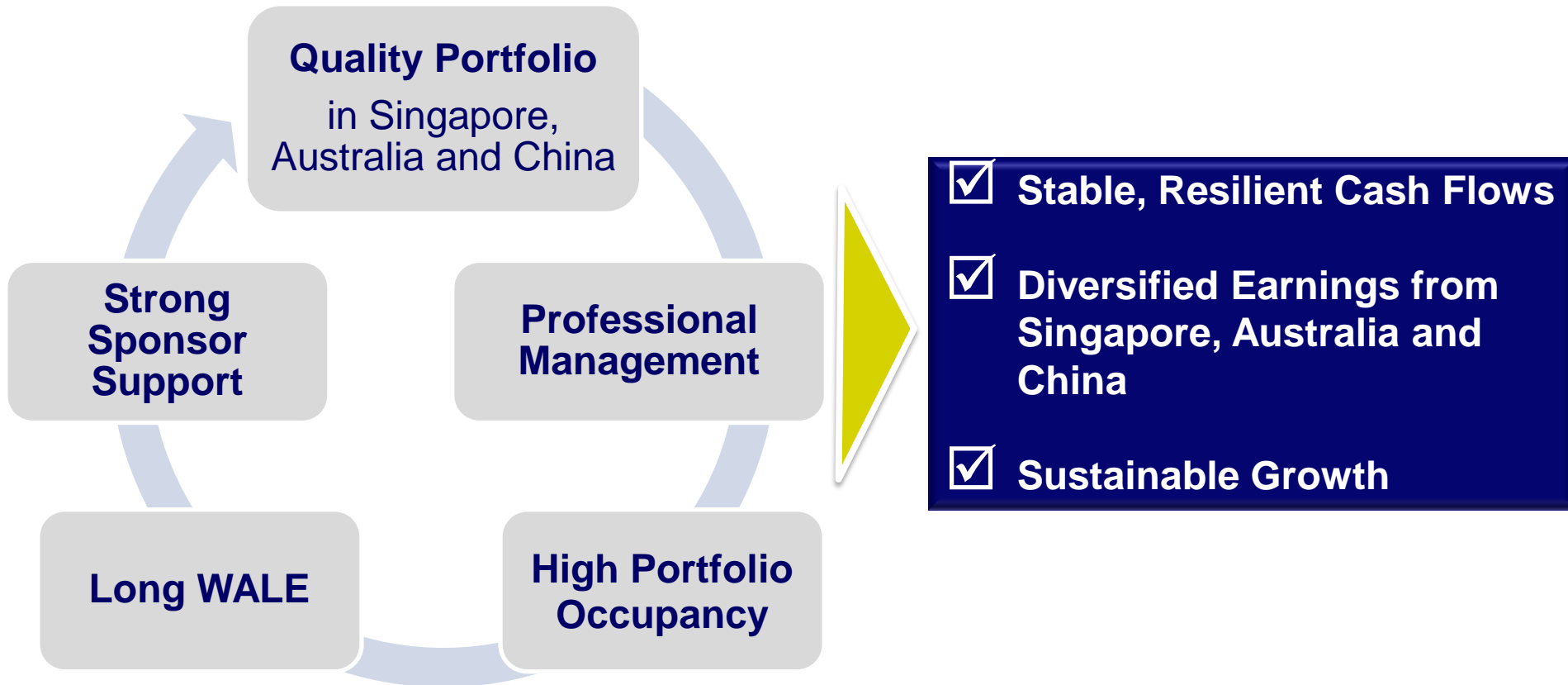
### Properties Covered by ROFR

- Granted by Sponsor (CWT) and C&P on properties in Asia Pacific
- 16 properties with approx. 8.2 million square feet in GFA
- Located in Singapore and Malaysia

Selected properties covered by the ROFR:

No.	Name	Description	Year of Completion	Location	GFA (sq ft)
1	47 Jalan Buroh	Multi-Storey Warehouse	Expected 2017	Singapore	2,344,000
2	CWT Logistics Hub 3	5-storey ramp-up warehouse	2011	Singapore	846,303
3	CWT Wine Vault	Multi-Storey Warehouse	2014	Singapore	747,178
4	5A Toh Guan Road East	6-storey ramp-up warehouse	2014	Singapore	600,301
5	4 Pandan Ave	5-storey ramp-up warehouse	2015	Singapore	638,857
6	Tampines Distrihub	4-storey ramp-up warehouse	2013	Singapore	454,475
7	CWT Logistics Hub 1	2-storey ramp-up warehouse	2007	Singapore	375,233
8	PKFZ Warehouse	Single storey warehouse	2012	Malaysia	112,768

### Competitive Strengths





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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 costs), 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Cache (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA-CWT Trust Management (Cache) Limited (as the manager of Cache) (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Cache is not necessarily indicative of the future performance of Cache.