

ASCOTT
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TRUST

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Ascott Residence Trust

A Leading Global Serviced Residence REIT

Acquisition Of A Third Property In New York, United States of America

31 May 2017

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- 1 Overview of the Acquisition
- 2 Rationale for the Acquisition
- 3 Impact on Ascott REIT
- 4 Conclusion

Overview of the Acquisition

Ascott Raffles Place Singapore

Overview of the Acquisition

Property Details



Property	DoubleTree by Hilton Hotel New York – Times Square South (the “ Property ”)
Location	341 West 36 th Street, New York, NY 10018, the United States of America (“ U.S. ”)
No. of Units	224 units
Title	Freehold
Brand	Franchised under the DoubleTree by Hilton brand
Property Manager	CM-36 Management LLC, an unrelated third party
Year of Opening	2008
Acquisition Price	US\$106.0m (S\$148.4m ¹) US\$473,000/key (S\$662,000 ¹ /key)
Valuation²	US\$109.2m (S\$152.9m ¹) US\$488,000/key (S\$683,000 ¹ /key)
FY 2016 Pro Forma EBITDA Yield³	6.0%
FY 2016 Pro Forma DPU Impact⁴	0.8% accretion

Notes:

1. Based on exchange rate of US\$1.00 to S\$1.40
2. Valuation, appointed by DBS Trustee Limited, in its capacity as trustee of Ascott REIT, derived by Jones Lang LaSalle Americas, Inc with effective date as of 8 May 2017
3. Based on the acquisition price of US\$106.0m
4. Assuming acquisition is funded by bank loans and/or perpetual securities

Overview of the Acquisition

Location of the Property

Located in Midtown Manhattan, the Property is within walking distance to many of Manhattan's attractions such as Times Square, Madison Square Garden, the Jacob K. Javits Convention Center and the Empire State building.



The Property is strategically located in Midtown Manhattan catering to both corporate and leisure demand

- Proximate to Times Square, New York City's major tourist attraction and a sought-after location for office, residential entertainment and retail.
- The Property is a few blocks away from the US\$30 billion Hudson Yards development, which is expected to contain more than 18 million square feet of new office, residential, and retail space.
- It is also in close proximity to Penn Station, the busiest train station in North America, serving ~600,000 passengers on a daily basis.



Rationale for the Acquisition

Ascott Raffles Place Singapore

Rationale for the Acquisition

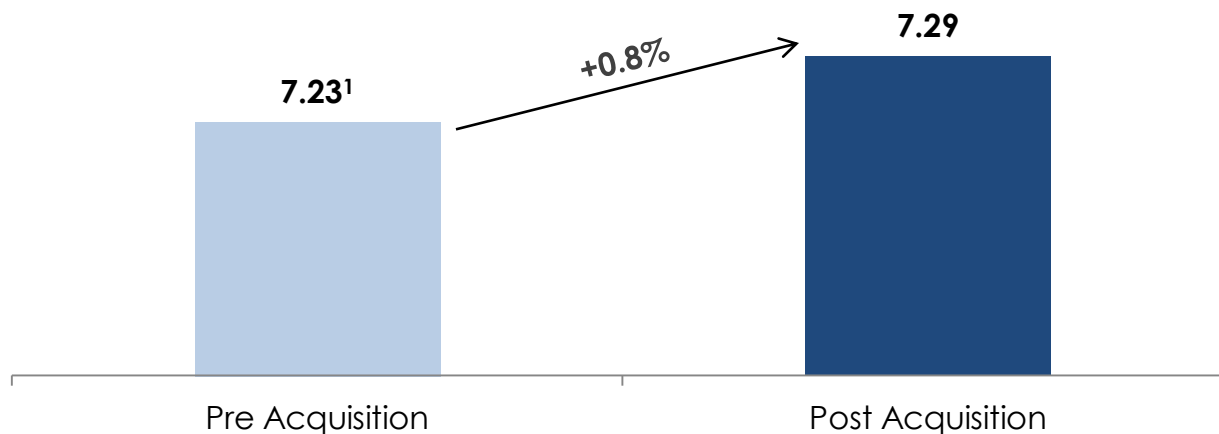
Key Rationale

- 1 Enhance DPU to Unitholders
- 2 Increase exposure to the resilient hospitality market in New York City (“NYC”)
- 3 Strategic location within Midtown Manhattan
- 4 High quality asset franchised under reputable brand and managed by experienced operator
- 5 Consistent with Ascott REIT’s investment strategy to increase scale in the U.S.

Rationale for the Acquisition

1 Enhance DPU to Unitholders

Distribution Per Unit (S cents)



FY 2016 pro forma DPU will increase by 0.8% from 7.23¹ cents to 7.29 cents post acquisition²

Notes:

1. Adjusted for the pro forma effects of the issuance of 481,688,010 new units in Ascott REIT as announced on 11 April 2017, acquisition of Citadines Michel Hamburg, Citadines City Centre Frankfurt and Ascott Orchard Singapore and the divestment of 18 rental housing properties in Japan.
2. Assuming acquisition is funded by offshore bank loans and/or perpetual securities

Rationale for the Acquisition

2 Increase exposure to the resilient hospitality market in NYC

As the world's financial capital and an international cultural destination, NYC draws millions of travellers all-year round, making it one of the most resilient hospitality markets in the world.

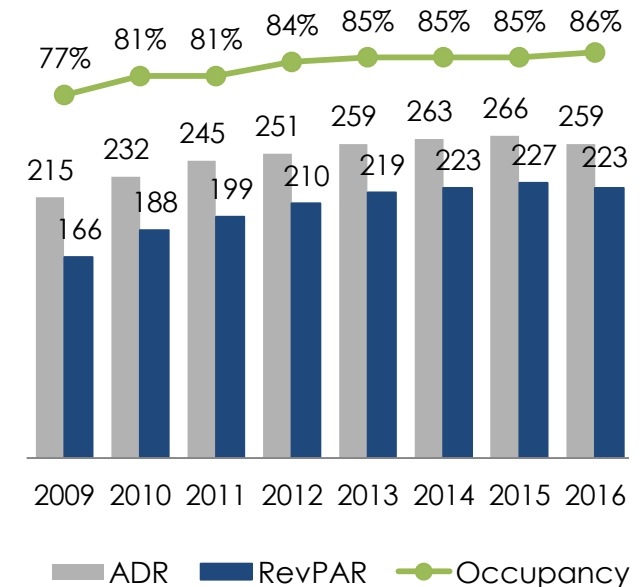
NYC saw record breaking visitation levels each year since 2009, making 2016 the seventh consecutive year of growth

- A record of 60.3 million visitors visited Manhattan in 2016, and is expected to grow to a record 61.7 million in 2017¹.
- Business travellers account for a quarter of all visitors annually and generate ~US\$10 billion of visitor expenditure per year¹.

The Manhattan hospitality market is the strongest performing in the US

- Ranked as the number one RevPAR holder throughout the U.S. at US\$223 as of year-end 2016.
- The city's diverse base of demand generators has produced a hospitality market with a RevPAR CAGR of 4.3% from 2009 to 2016.
- In 2016, new supply that came online has put some pressure on ADR though occupancy remained healthy at 86%.

**Manhattan Hospitality Market Performance²
2009 – 2016**



Notes:

1. Source: NYC & Company, New York's convention and tourism bureau
2. Source: STR

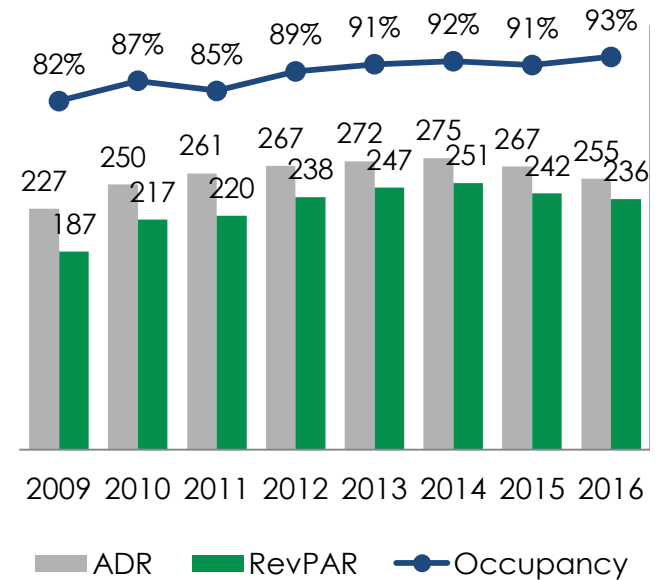
Rationale for the Acquisition

2 Increase exposure to the resilient hospitality market in NYC (cont'd)

The Times Square hospitality market consistently outperforms most other Manhattan submarkets in terms of occupancy given its access to leisure, corporate and group demand.

- Times Square is one of the most visited locations in the world, welcoming more than 40 million visitors each year. On average, over 300,000 people pass through Times Square on a daily basis.
- During the current cycle from 2009 to 2016, RevPAR has improved at a CAGR of 3.4%.
- Occupancy has surpassed prior peak performance. As of 31 December 2016, occupancy in Times Square was 92.5%, an increase of 2.1% compared to the prior year.

**Times Square Hospitality Market Performance¹
2009 – 2016**

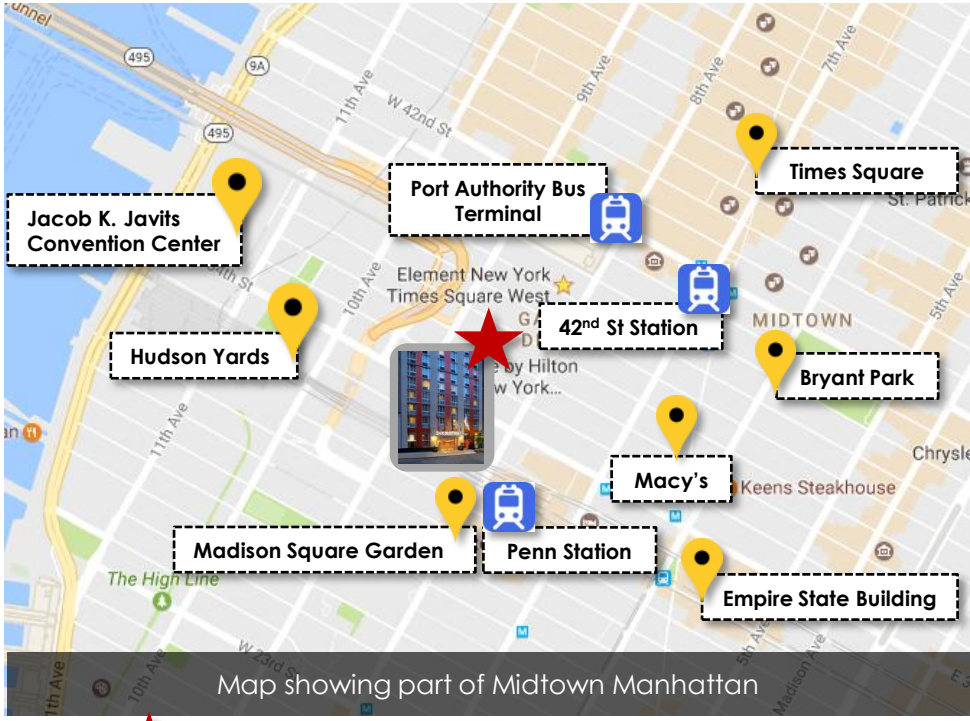


Note:
1. Source: STR

Rationale of the Acquisition

3 Strategic location within Midtown Manhattan

Located in Midtown Manhattan, the Property is within walking distance to many of Manhattan's attractions such as Times Square, Madison Square Garden, the Jacob K. Javits Convention Center and the Empire State building.



- Midtown Manhattan houses headquarters of numerous major companies such as Bloomberg L.P., Ernst & Young, Citigroup, Deloitte, Morgan Stanley, The New York Times, NBC Universal, Time Warner Cable etc.
- The Property enjoys healthy corporate and group demand due to its proximity to Times Square, Jacob K. Javits Convention Center and Hudson Yards.
- The Property is in close proximity to many of the world's most iconic tourist attractions and retail destinations.
- Immediate access to public transportation, directly served by a multitude of subway lines.

Legend: **The Property**

Attractions and buildings

Transportation Node

Rationale of the Acquisition

3 Strategic location within Midtown Manhattan (cont'd)

Healthy corporate and group demand drivers

The Jacob K. Javits Convention Center generates strong group business for the Property

- The Jacob K. Javits Convention Center (“**Javits Center**”) is New York's largest convention center.
- It hosts more than 150 events a year, including trade shows, business conventions and special events, and is home to 20 of the top 200 tradeshows in the U.S.
- The Javits Center's performance has followed an upward trend, recording 2.2 million visitors in 2015. Total number of attendees increased 44% YoY in YTD May 2016¹.
- In January 2016, NYC officials unveiled a US\$1 billion project to further expand the center by 1.2 million square feet, resulting in a fivefold increase in meeting and ballroom space. It is expected to be completed by 2021.



Jacob K. Javits Convention Center

Note:

1. Source: Javits Center Annual Report 2015-2016

Rationale of the Acquisition

3 Strategic location within Midtown Manhattan (cont'd)

Healthy corporate and group demand drivers

The ongoing US\$30 billion Hudson Yards project, the largest private real estate project in the history of U.S., is slated to bring further corporate demand to the Property

- Hudson Yards is expected to contain more than 18 million square feet of new office, residential, and retail space.
- Firms such as Blackrock, Kohlberg Kravis Roberts, Time Warner, Coach have moved, or will be moving, their headquarters to the development. 10 Hudson Yards, a 1.7 million square foot office skyscraper, was completed in 2016.
- The 5.8 million square feet of office space currently under construction or completed at Hudson Yards is already 88% committed as of December 2016.
- The entire development is expected to be completed in 2025.



Ongoing development at Hudson Yards



Artist's impression of Hudson Yards

Rationale of the Acquisition

4 High quality asset...

- The Property has outperformed its competitive set with its high occupancy performance, averaging 95.2% from 2013 through 2016.
- The Property offers a range of stylish rooms and facilities include a 24-hour fitness centre, business centre, meeting rooms, a restaurant and bar.
- Room revenue makes up approximately 95% of total revenue and majority of the remaining 5% comes from the in-house restaurant.
- Its freehold status provides potential for better capital appreciation in the long term.



Rationale of the Acquisition

4 ...franchised under reputable brand and managed by experienced operator

The Property will continue to be managed by third party operator and franchised under DoubleTree by Hilton brand

DoubleTree by Hilton is an American hotel chain that has been established for close to 50 years

- DoubleTree by Hilton is a part of Hilton Worldwide, a leading global hospitality company with a portfolio of 14 world-class brands comprising more than 5,000 properties with over 812,000 rooms in 103 countries and territories.
- The brand expects to open more than 40 locations in 2017 and more than 60 in 2018.

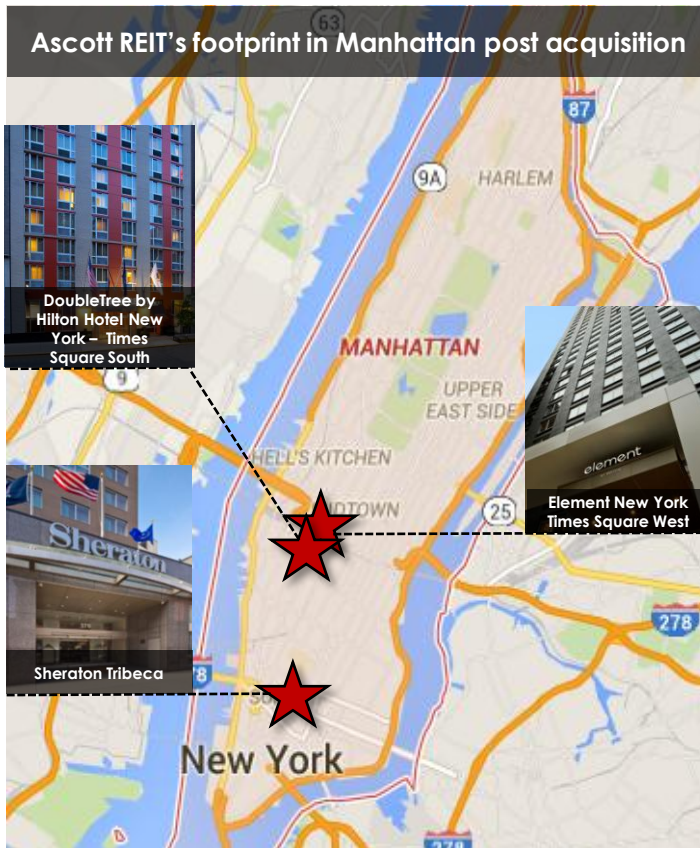


Rationale for the Acquisition

5 Consistent with Ascott REIT's investment strategy to increase scale in the U.S.

Ascott REIT continues to deepen its presence in developed markets with good fundamentals and strong growth potential

Ascott REIT's footprint in Manhattan post acquisition



- Demonstrates Ascott REIT's commitment to increase scale in the highly demanded and hotly contested hospitality market of Manhattan
- Ascott REIT will acquire the Property in the developed market of the U.S. at an attractive yield of 6.0%
- Exhibits Ascott REIT's strong ability to seize market opportunities and execute third-party transactions
- With this acquisition, Ascott REIT will own three strategically located properties in Manhattan, comprising over 1,000 units, thus bringing its U.S. exposure to over 12% of Ascott REIT's total assets

Impact on Ascott REIT

Ascott Raffles Place Singapore

Impact on Ascott REIT

Pro Forma Financial Effects

	Pre Acquisition ¹	Post Acquisition ²
DPU	7.23 cents	7.29 cents
Net Asset Value Per Unit	S\$1.24	S\$1.24
Gearing	35.2%	36.0%

Notes:

1. Adjusted for the pro forma effects of the issuance of 481,688,010 new units in Ascott REIT as announced on 11 April 2017, acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt as completed on 2 May 2017, the divestment of 18 rental housing properties in Japan as completed on 26 April 2017, as well as the acquisition of Ascott Orchard Singapore which is targeted to be completed in 4Q 2017.
2. Assuming acquisition is funded by bank loans and/or perpetual securities

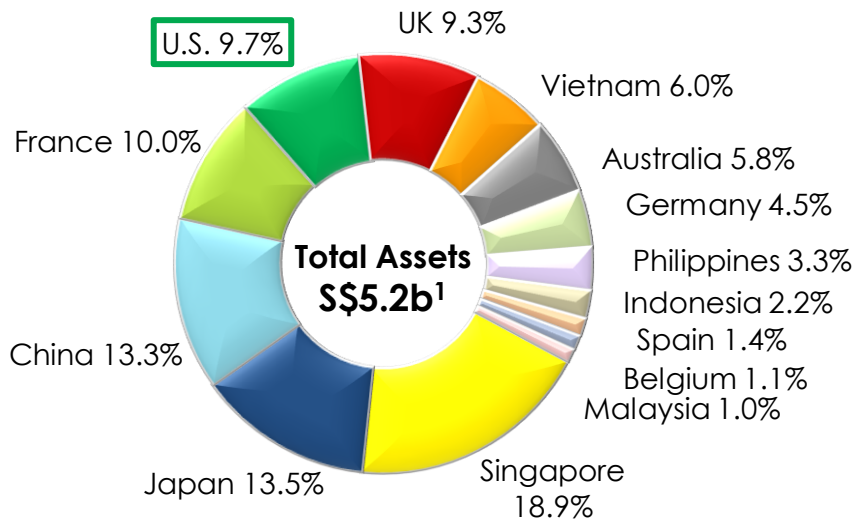
Impact on Ascott REIT

Ascott REIT's portfolio is diversified across a geographical spread of 38 cities in 14 countries and across property and economic cycles

Breakdown of Ascott REIT's Assets by Geography

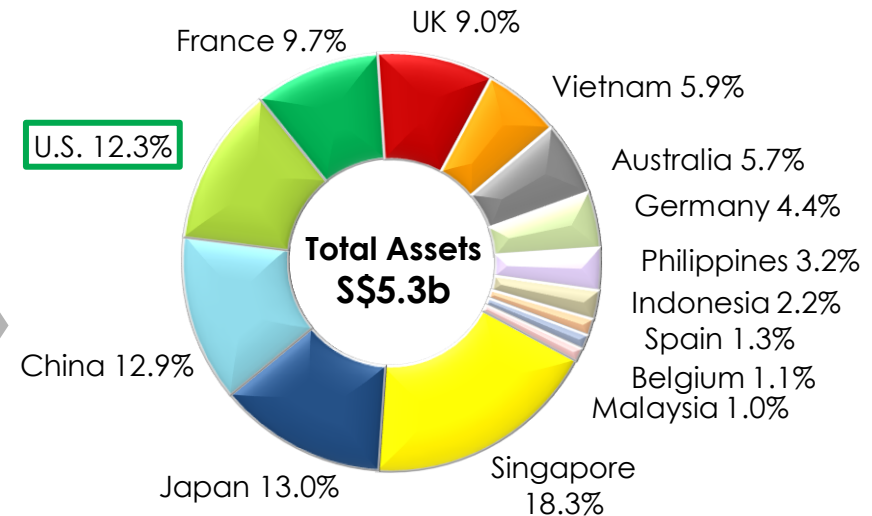
Pre Acquisition¹

- The Americas – 9.7%
- Asia Pacific – 64.0%
- Europe – 26.3%



Post Acquisition

- The Americas – 12.3%
- Asia Pacific – 62.2%
- Europe – 25.5%



Note:

1. As at 31 December 2016, including the divestment of 18 rental housing properties in Japan as completed on 26 April 2017, the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt as completed on 2 May 2017 and Ascott Orchard Singapore, which acquisition is targeted to be completed in 3Q 2017.

Conclusion

Ascott Raffles Place Singapore

Acquisition Of A Third Property In New York, United States of America

1

Enhance DPU to unitholders

- FY 2016 pro forma DPU will increase by 0.8% from 7.23 cents to 7.29 cents post acquisition, assuming acquisition is funded by bank loan and/or perpetual securities

2

Increase exposure to the resilient hospitality market in NYC

- Strong visitor arrivals into NYC reaching a record high of 60.3m in 2016
- NYC's diverse base of demand generators has produced a hospitality market with a RevPAR CAGR of 4.3% from 2009 to 2016.

3

Strategic location within Midtown Manhattan

- Property is within walking distance to many of Manhattan's attractions such as Times Square, Madison Square Garden, the Jacob K. Javits Convention Center and the Empire State building.

Conclusion (cont'd)

Acquisition Of A Third Property In New York, United States of America

4 High quality asset franchised under reputable brand and managed by experienced operator

- The Property has outperformed its competitive set with its high occupancy performance, averaging 95.2% from 2013 through 2016.
- The property is operated by an experience third party operator under a reputable brand in the U.S.

5 Consistent with Ascott REIT's investment strategy to increase scale in the U.S.

- With this acquisition, Ascott Reit owns three strategically located properties in Manhattan, comprising over 1,000 units.
- Ascott REIT will acquire the Property in the developed market of the U.S. at an attractive yield of 6.0%

Conclusion (cont'd)

Overview of Ascott REIT's portfolio post acquisition

US\$5.3b¹

Total Assets

11,862

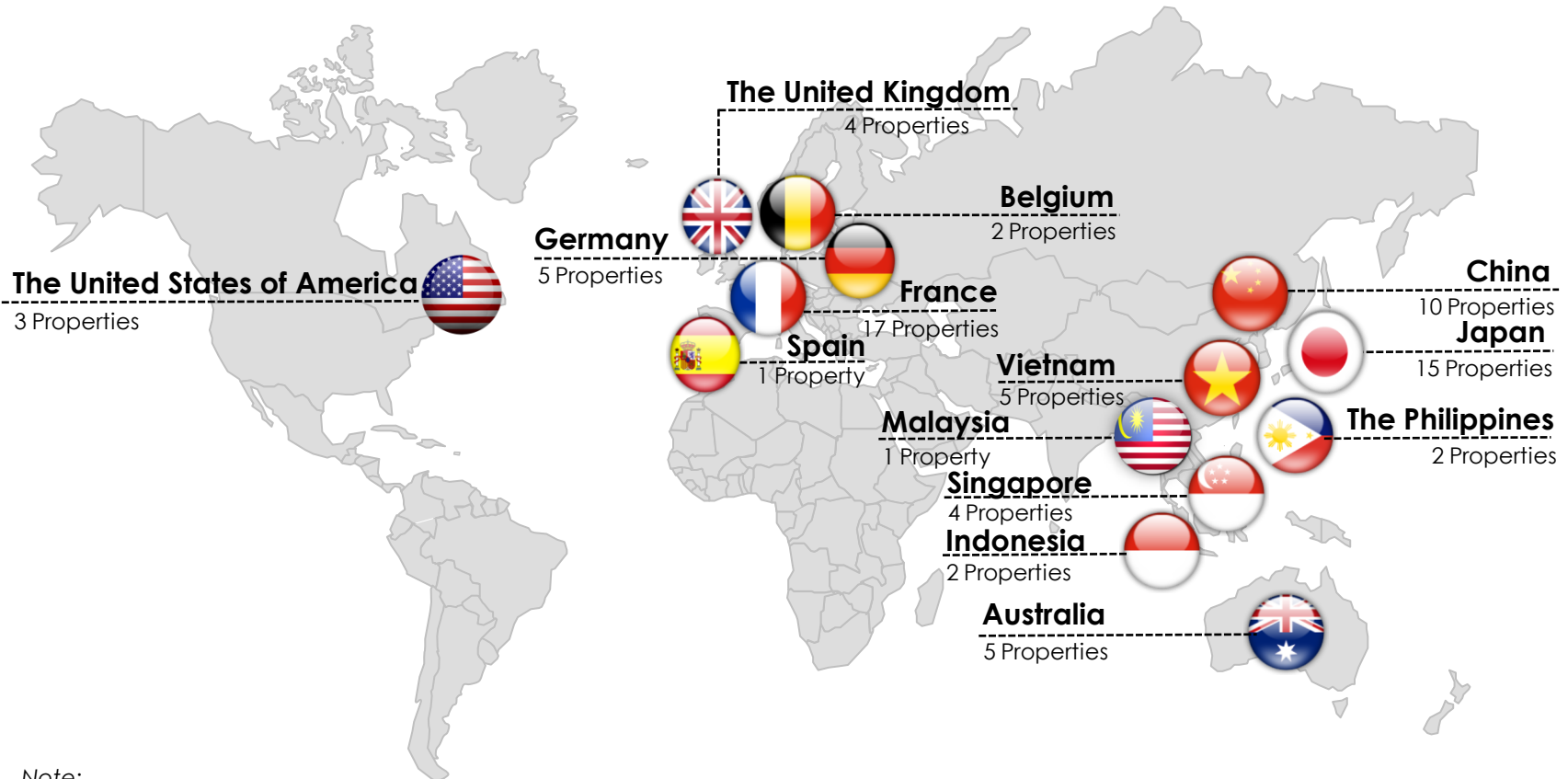
Apartment Units

76

Properties

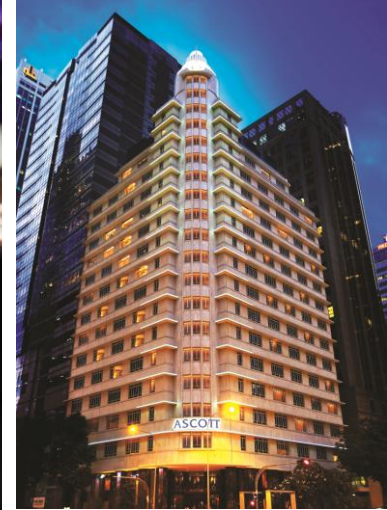
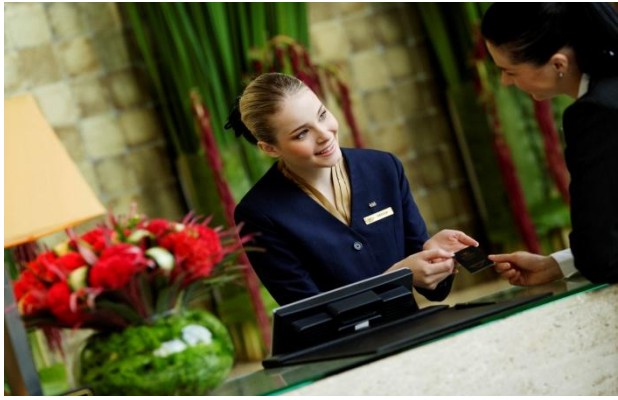
38

Cities in 14 Countries



Note:

- As at 31 March 2017, including the divestment 18 rental housing properties in Japan as completed on 26 April 2017, the acquisition of Citadines Michel Hamburg and Citadines City Centre Frankfurt as completed on 2 May 2017 and Ascott Orchard Singapore, which acquisition is targeted to be completed in 2017.



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Thank You