



PRESS RELEASE

3 DECEMBER 2018

**ARA Acquires Portfolio of 38 Select Service Hyatt Hotels
in its Maiden Entry into the USA**

Singapore, 3 December 2018 – ARA Asset Management Limited (“ARA”, together with its ultimate holding company ARA Asset Management Holdings Pte. Ltd. and the Group of companies (“ARA Group”)), a global premier integrated real assets fund manager, is pleased to announce the completion of the acquisition of a portfolio of 38 select service hotels (the “Hyatt Portfolio”) branded as Hyatt Place and Hyatt House across 21 states in the United States of America (“USA”).

The successful acquisition, which is part of ARA’s global expansion plans over the past year, signifies a key milestone for the Group as it makes its maiden entry into the USA.

Mr John Lim, Group CEO of ARA, said: “Over the past year, ARA has made headways in expanding globally as we established our presence beyond Asia Pacific to Europe. This latest acquisition marks our first foray into the United States with a sizable portfolio of 38 quality, well-connected select service hotels geographically diversified across the country.

Expanding into the US hospitality sector adds on to ARA’s diversified suite of products and services in the public and private markets. We will look at injecting this quality portfolio into our growing REITs and private fund platforms in the near future as part of our multi-platform, multi-product global fund management strategy. We are confident of the US hospitality sector, particularly in select service hotels, where entry yields remain attractive.”

The United States has the most developed hotel market and lodging industry globally, representing 41% of total global hotel rooms and 40% of global rooms revenue. The select service sector, which offers efficient, economical hotel rooms to business travelers, has outperformed the full service sector over the past two decades due to its simpler operating model and steady demand. In addition, the sector is supported by a robust US economy which is anticipated to grow close to 3% in 2018¹ and positive long-term business outlook.

¹ Source: International Monetary Fund World Economic Outlook 2018



Consistent with this theme, the portfolio comprises Hyatt Hotels Corporation's Hyatt Place and Hyatt House select service brands. Hyatt believes that the opportunity for properties which provide a select offering of services at a lower price point compared with full service hotels is particularly compelling in markets where there is a large and growing middle class along with a meaningful number of local business travelers. Hyatt Place hotels offer a modern, comfortable and seamless experience, combining style and innovation to create a casual simple hotel environment for today's multi-tasking traveler. Hyatt House hotels are designed to welcome guests as extended stay residents and offer services, amenities, communal spaces, and a casual, comfortable environment that reminds guests of home.

ARA Assistant Group CEO and Group Chief Investment Officer, Mr Moses Song, commented: "Acquisition of the Hyatt Portfolio is a strategic initiative for ARA, and it presents us with great potential for business and AUM growth both in the hospitality sector and the US market. We are excited to work with our new partners, Hyatt Hotels and Aimbridge Hospitality, and we are fortunate to have identified a very talented management team with deep experience in the hospitality industry to manage and expand our new business there."

ARA will open an office in Dallas, Texas that will serve as its base of operations in the United States, led by Mr Jin Y. Lee, an industry veteran with more than 25 years of experience in the hospitality sector. The office will provide key functions, such as investment and asset management, business development and related services. The acquisition also extends the Group's global footprint to 99 cities in 21 countries.

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About ARA Asset Management Limited

ARA Asset Management Limited is a premier global integrated real assets fund manager. As at 30 June 2018, the Gross Assets Managed by ARA Group and its Associates is approximately S\$78.2 billion² across 62 cities in 20 countries.

Driven by a vision to be the best-in-class real assets fund management company, ARA Group and its Associates' businesses include:

- (a) **REITs** – ARA is one of the largest REIT managers in Asia. The Group directly manages Fortune REIT, dual-listed in Singapore and Hong Kong; Suntec REIT and Cache Logistics Trust, listed in Singapore; and Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan and Australia through its associate companies.
- (b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.
- (c) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment in line with the increasing opportunities in this asset class.
- (d) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia and Europe. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. In Korea, ARA manages six private REITs; In Japan, ARA holds a strategic stake in Kenedix, Inc.; In Europe, ARA's platform is extended through its strategic partnership with Australia-based Cromwell Property Group.
- (e) **Real estate management services** – As part of the Group's investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets around the world.

Its multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge enables the Group to offer enduring value to its investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit <http://www.ara-group.com>.

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² Includes assets under management by ARA Asset Management Holdings Pte. Ltd. and the Group of companies ("ARA Group") and its Associates and Joint Ventures as at 30 June 2018.