



US REIT



Acquisition of Centerpointe in Virginia, Washington, D.C. Metro Area

29 April 2019

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- ② Rationale and Key Benefits of the Acquisition
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Overview of Centerpointe

Overview of Centerpointe I & II, Virginia

Property	Centerpointe I & II (Centerpointe)
Description	- Two-tower, 11-storey Class A building - Located 30 mins from Washington, D.C. by car
Location	4000 & 4050 Legato Road, Fairfax, Virginia
Land Tenure	Freehold
NLA	419,981 sq ft
Parking Lots	1,456 parking spaces (3.5 spaces/1,000 sq ft)
Year of Completion	Centerpointe I – 1987 Centerpointe II – 1989 (>US\$8 million capital expenditures and renovation since 2012)
Purchase Price	US\$122.0 million (US\$290.49 per sq ft)
Valuation¹	US\$122.1 million
Implied Cap Rate	7.55%
Occupancy Rate²	98.7%
WALE (by NLA)²	6.9 years
Tenants²	21

(1) Based on independent valuation by Colliers as at 20 Mar 2019

(2) Based on committed leases as at 31 Mar 2019





Rationale and Key Benefits of the Acquisition

Rationale and Key Benefits of the Acquisition

- 1 High-Quality Asset in an Attractive Location**
- 2 Solid Tenancy and Favorable Lease Profile Providing Stable Cash Flow**
- 3 Enhance Diversification and Strengthen Existing Portfolio**
- 4 Accretive Acquisition Enhances Unitholder Returns**

1 Washington MSA, One of the Largest in U.S.

- Ranked 5th largest by GDP, 6th largest by population with one of the highest median household income among 383 metro areas in the U.S.
- Nation's capital, government hub, HQ for many global firms including defense and aerospace, technology, financial and business services
- Strong transportation network via railways, highways and airports

MSA	Median Household Income ¹	Population ²	Ranked by Population	GDP ³	Ranked by GDP
U.S.	57,652	327,167,434	-	20,494,100	-
New York	72,205	19,979,477	1	1,717,712	1
Los Angeles	65,331	13,291,486	2	1,043,735	2
Chicago	65,757	9,498,716	3	679,699	3
Dallas-Fort Worth	63,870	7,539,711	4	535,499	4
Houston	62,922	6,997,384	5	490,074	7
Washington	97,148	6,249,950	6	529,990	5
Miami	51,758	6,198,782	7	344,882	12
Philadelphia	66,285	6,096,372	8	444,975	8
Atlanta	61,733	5,949,951	9	385,542	10
Boston	81,838	4,875,390	10	438,684	9

(1) Source: 2013 – 2017 American Community Survey Five-year Estimate

(2) Source: U.S. Census Bureau – Population Estimate by MSA: 2018

(3) Source: Bureau of Economic Analysis – Current-Dollar GDP by MSA: 2017

1 Expanding Footprint into Virginia, Washington MSA

- Proximity to Washington, D.C. and part of Washington MSA
- Excellent connectivity via public transport, interstate highways and home to two major airports (Reagan National Airport and Dulles International Airport)
- Of 10 richest counties in U.S., 5 are located in Virginia¹

1	Loudoun County, Virginia	6	Douglas County, Colorado
2	Fairfax County, Virginia	7	Hunterdon County, New Jersey
3	Howard County, Maryland	8	Los Alamos County, New Mexico
4	Falls Church City, Virginia	9	Morris County, New Jersey
5	Arlington County, Virginia	10	Fairfax City, Virginia

- Top east coast technology region serving Pentagon, military and Homeland Security
- HQs include CapitalOne, Hilton Worldwide, General Dynamics and now Amazon HQ2

Amazon HQ2, Arlington

- Testament to Arlington's competitive office market with access to high-calibre talent pool
- Local government is committed to additional investment in education infrastructure and continuous investment in transport
- Up to 25,000 new hires
- May fuel office demand resulting in residential and retail development, attracting more tech tenants for Centerpointe

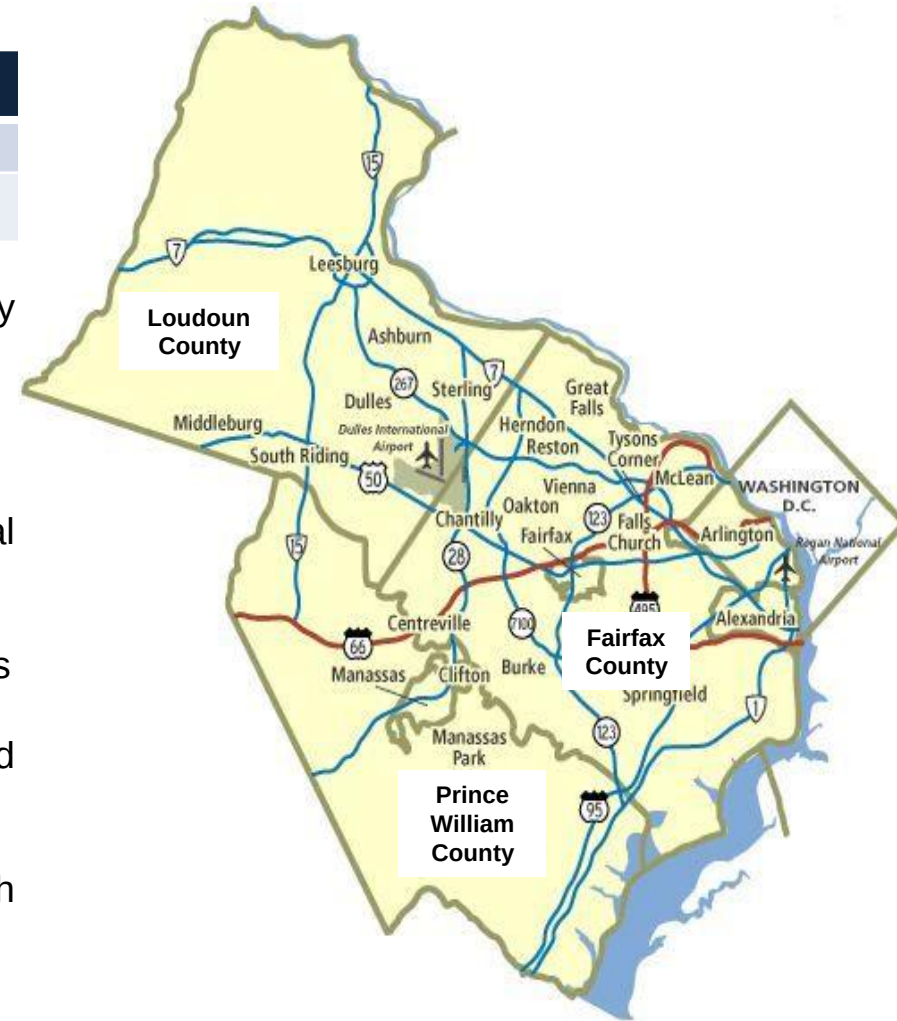
Source: CoStar Market Analysis & Forecast – Washington DC market as of 14 Mar 2019

(1) U.S. News World Report – The 10 Richest Counties in the U.S; American Community Survey's 5-year estimates (2013-2017)

1 Fairfax Center Submarket, Economic Engine to Washington, D.C.

Demographics	Fairfax County	Washington MSA
Population ¹	1.1 million	Over 6.2 million
Median Household Income ²	\$117,515	\$97,148

- Cost efficient, convenient for commuters, live, work, play environment
- 63% of residents have Bachelor's degree or higher
- Established tenant base of government contractors, financial services and technology firms
- High growth technology sector with 150,000 tech professionals
- ~4.8 mil sq ft of office space, 6 mil sq ft of retail amenities and ample hotels
- Limited supply of Class A office buildings due to high construction costs



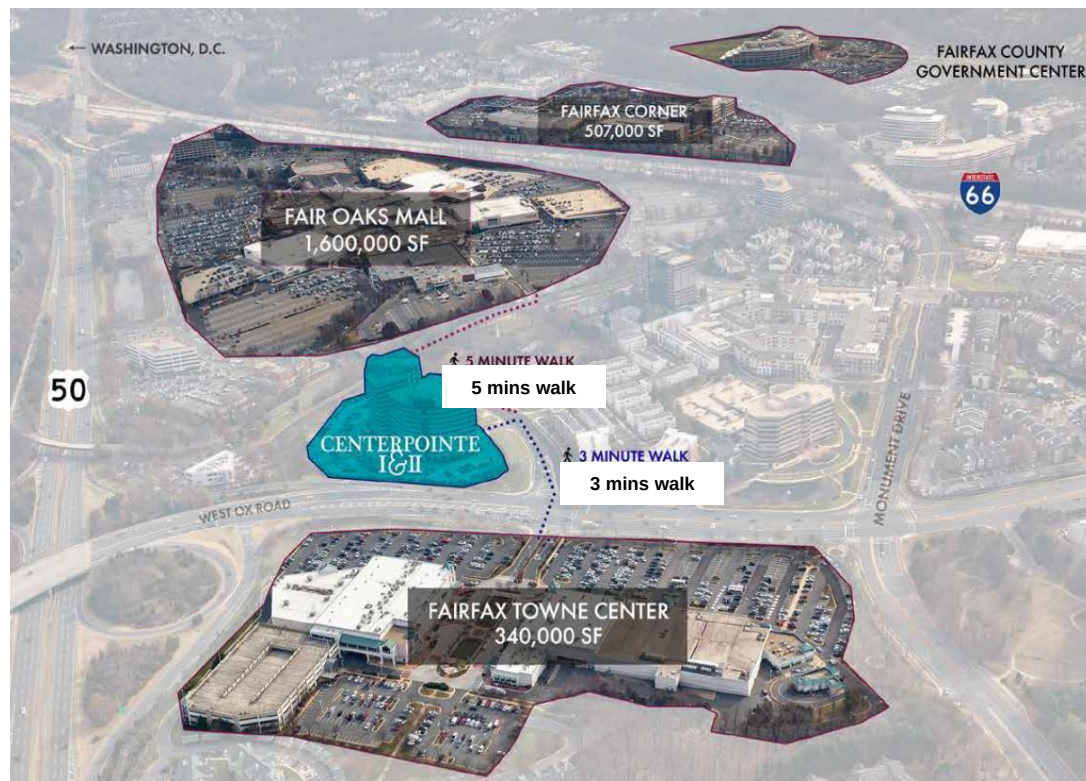
(1) U.S. Census Bureau- Metropolitan Statistical Area data 2018

(2) Source: 2013 – 2017 American Community Survey Five-year Estimate

1 Amenity-Rich Neighbourhood, Convenient Commute

Facilitating Live, Work, Play– Abundance of Retail, Recreational and Lifestyle Amenities

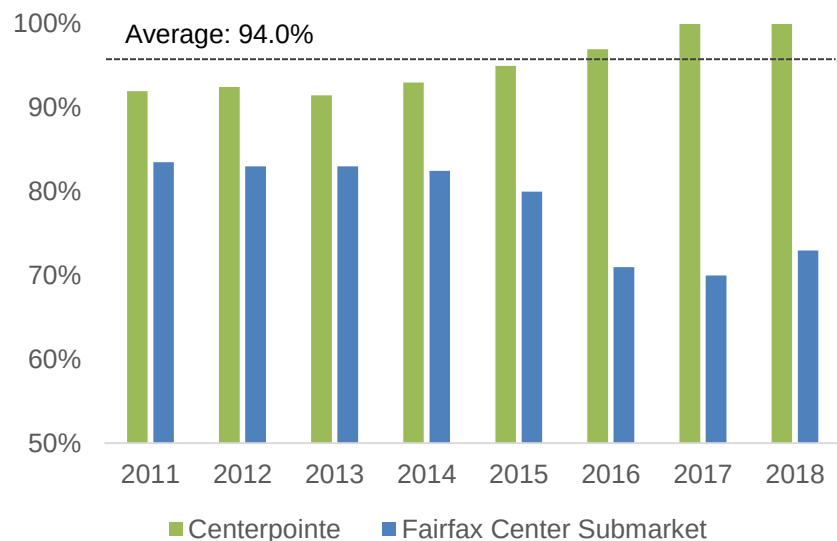
- ~30 km and 30 mins drive from Washington, D.C.
- Great Connectivity
 - ✓ Direct access to highways
 - ✓ 10 mins drive from Metrorail station
 - ✓ 15 mins drive from Dulles International Airport
 - ✓ 30 mins drive from Reagan National Airport
- Proximity to ample and diverse housing, sporting facilities and educational establishments
- ~1.9 mil sq ft of retail space
 - ✓ 5 mins walk to Fair Oaks Mall – largest mall in the submarket and 2nd largest in the state
 - ✓ 3 mins walk to Fairfax Towne Center
- Providing tenants access to large talent pools



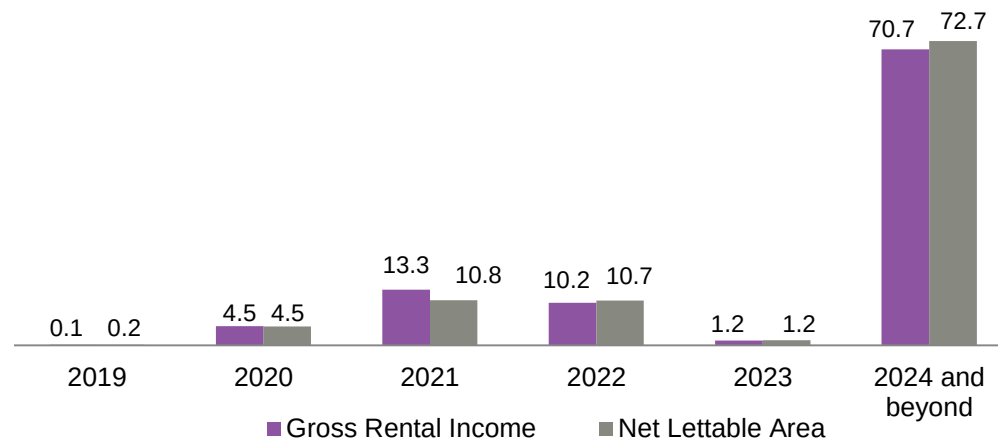
2 High Historical Occupancy and Long WALE

- High occupancy rates averaging 94.0% over the last 8 years
- Long WALE of 6.9 years
- 100% of leases have built-in rental escalations ranging 2.5% to 3.0% p.a.
- Rental rates at a premium of 10% - 25% above market over the last 8 years

Historical Occupancy (%)



Lease Expiry Profile of Centerpointe¹ (%)



(1) As at 31 Mar 2019

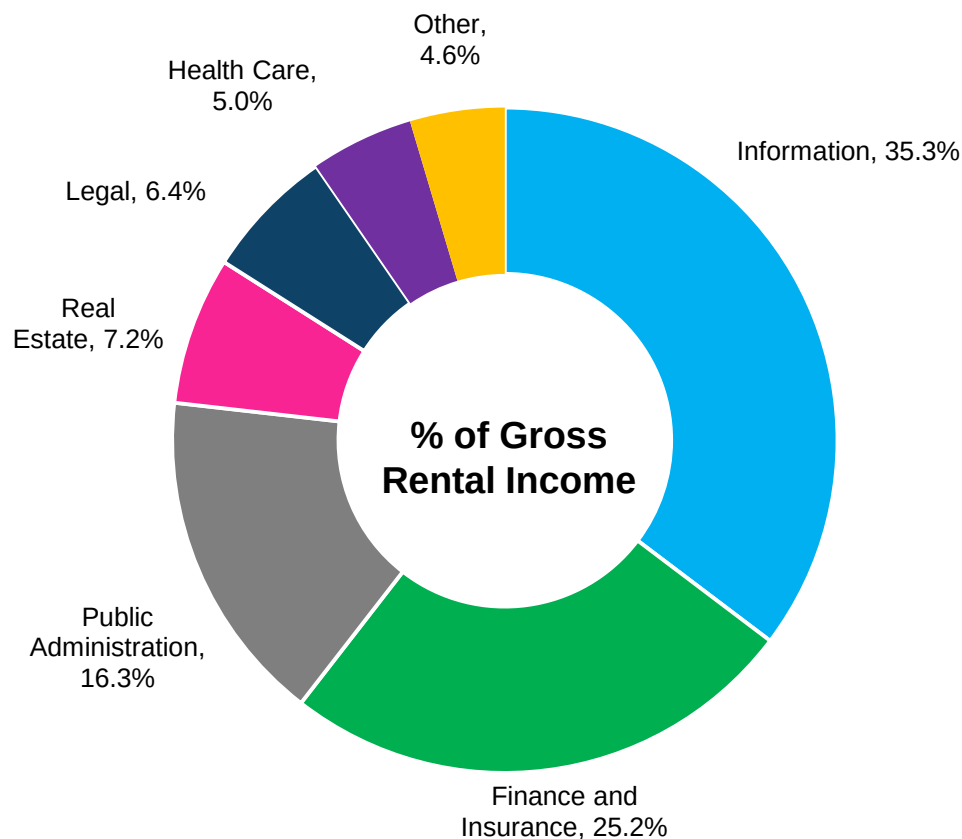
2 High-Quality and Credit-Worthy Tenant Base

50% of Tenants by NLA use Centerpointe as their HQ Location

Profile of Top 5 Tenants by GRI

Tenants	Profile
ASM Research <i>Headquarters</i>	Information and technology provider and a subsidiary of Accenture (NYSE: ACN)
Edelman Financial Services <i>Headquarters</i>	U.S.'s leading independent investment advisory practice focusing on financial planning and investment management
Board of Supervisors for Fairfax County	Fairfax County government responsible for establishing county policies, passing ordinances, setting tax rates and other municipal responsibilities
Salient Federal Solutions <i>Headquarters</i>	Leading technology company providing health, data analytics, cloud and many other solutions
ECS Federal	Information technology provider delivering advanced solutions to military, federal civilian and commercial organizations and a subsidiary of ASGN Incorporated (NYSE: ASGN)

Tenant Breakdown by Trade Sector¹



(1) Based on committed leases as at 31 Mar 2019

3 Diversifying and Strengthening of Portfolio



Before: Current Portfolio ¹		After: Enlarged Portfolio ^{1,3}
AUM	US\$1.7 b ²	US\$1.9 b
NLA (sq ft)	3.7 m	4.2 m
WALE by NLA	6.0 years	6.1 years
Tenants	117	138
Occupancy	97.4%	97.6%

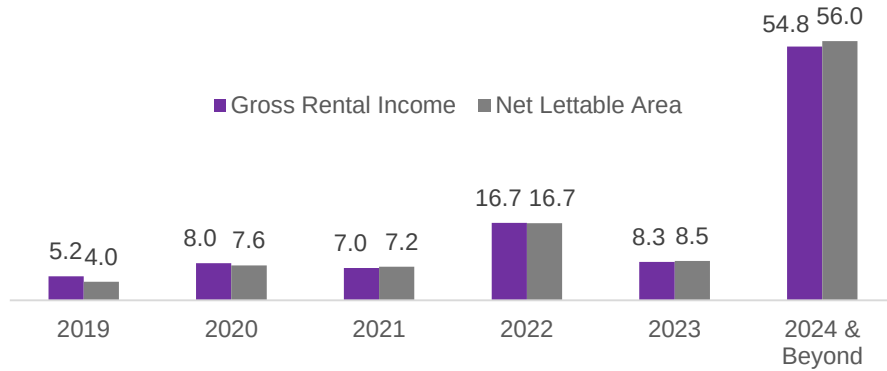
(1) As at 31 Mar 2019

(2) Based on appraised values as at 31 Dec 2018

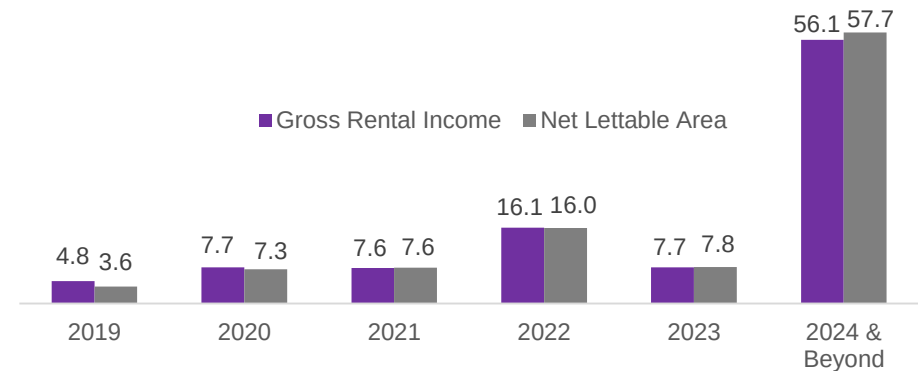
(3) Based on independent valuation by Colliers dated 23 Apr 2019

3 Improve Portfolio WALE and Increase Exposure to Tech and Government Sector

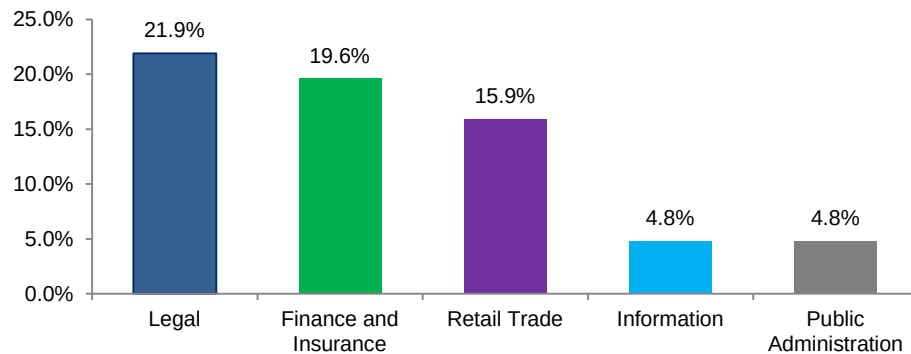
Current Portfolio Lease Expiry Profile¹



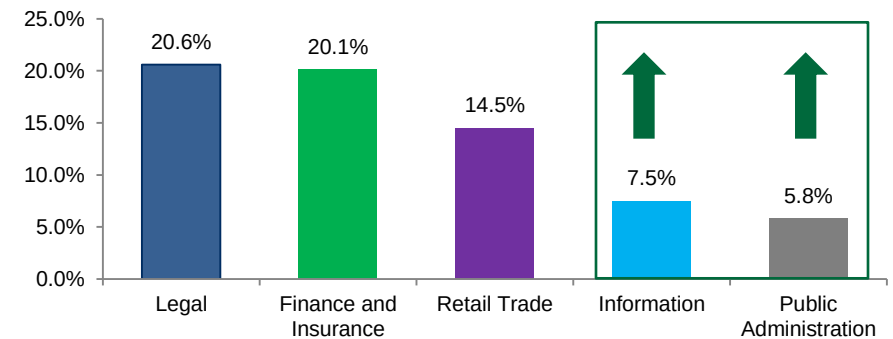
Enlarged Portfolio Lease Expiry Profile¹



Current Portfolio Top 5 Trade Sectors by GRI¹



Enlarged Portfolio Top 5 Trade Sectors by GRI¹

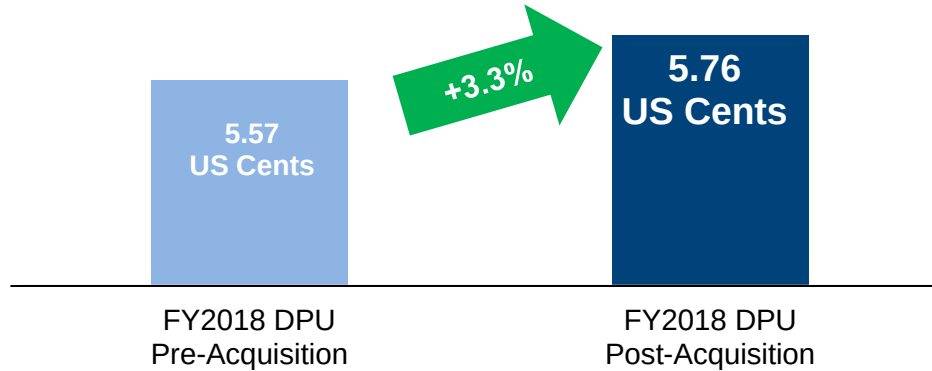


(1) As at 31 Mar 2019

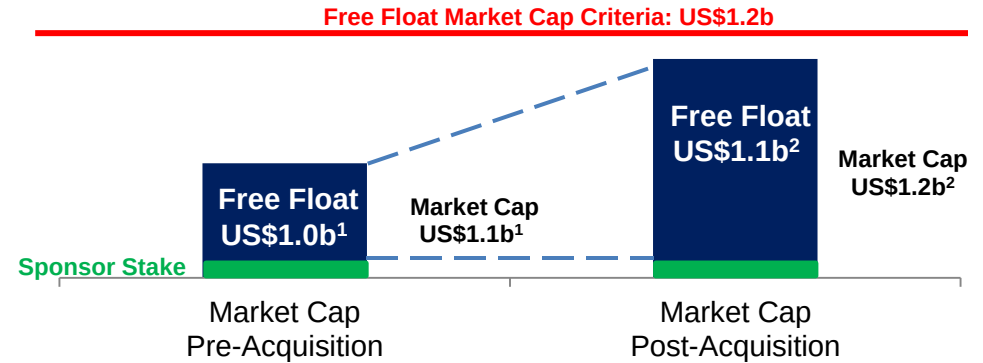
4 Accretive Acquisition Enhances Unitholder Returns

Gearing Improves from 37.6% to 36.8% Post-Acquisition as at 31 Mar 2019

FY 2018 Pro Forma DPU



Target Index Inclusions with Free Float Market Cap of US\$1.1b



FY2018 Pro Forma	Pre-Acquisition	Post-Acquisition ³	Change
Distributable Income (US\$'000)	70,981	79,945	▲ 12.6%
DPU (US cents)	5.57	5.76 ⁴	▲ 3.3%
Adjusted DPU ⁵ (US cents)	6.05	6.21	▲ 2.6%
NAV per Unit (US\$)	0.83	0.83	-

- (1) Market Cap based on 1,280,114,375 Units in issue and the weighted average price of US\$0.8703 per Unit as at 26 Apr 2019. Free float market cap excludes sponsor stake of 117,669,784 Units as at 26 Apr 2019
- (2) Market Cap based on 1,280,114,375 Units in issue and the weighted average price of US\$0.8703 per Unit as at 26 Apr 2019 and additional gross proceeds pursuant to the Placement of approximately US\$94.0 million being raised at the illustrative issue price of US\$0.819 per New Unit. Free float market cap excludes sponsor stake of 117,669,784 Units as at 26 Apr 2019
- (3) Assuming that the New Units in relation to the private placement are issued at an illustrative price of US\$0.819 per Unit
- (4) The DPU is computed based on distributable income over Units in issue. The Units in issue includes existing Units issued as at 31 Dec 2018, new Units issued from Private Placement to acquire the Property and Units issued as payment for base and property management fees in respect of the Property for the period from 1 Jan 2018 to 30 Sep 2018
- (5) Adjusted DPU was calculated based on the weighted average number of Units in issue. The adjusted DPU normalises the drag from the enlarged Unit base from the Preferential Offering issued to fund Penn and Phipps acquisition in 2018



Conclusion

Solidify Portfolio with Accretive Acquisition

- 1 High-Quality Asset in an Attractive Location**
- 2 Solid Tenancy and Favorable Lease Profile Providing Stable Cash Flow**
- 3 Enhance Diversification and Strengthen Existing Portfolio**
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Portfolio Overview

	Figueroa	Michelson	Peachtree	Plaza	Exchange	Penn	Phipps	Centerpointe
Location	Los Angeles	Irvine	Atlanta	Secaucus	Jersey City	Washington, D.C.	Atlanta	Fairfax
Property Type	Class A	Trophy	Class A	Class A	Class A	Class A	Trophy	Class A
Completion Date	1991	2007	1991	1985	1988	1964	2010	1989
Last Refurbishment	2015	-	2015	2016	-	2018	-	2018
Property Value (US\$ million)¹	329.3	345.0	203.7	119.8	340.7	189.0	211.2	122.1
Occupancy² (%)	93.3	96.0	99.4	98.9	97.7	99.1	100.0	98.7
NLA² (sq ft)	702,861	532,933	557,560	461,525	736,383	277,597	475,199	419,981
WALE² (Years by NLA)	4.4	5.2	5.4	7.2	6.0	5.6	8.9	6.9
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold ²	Freehold
No. of Tenants³	28	14	25	7	23	10	10	21

(1) Based on appraised values as at 31 Dec 2018. The value of Centerpointe is based on independent valuation by Colliers as at 20 Mar 2019

(2) The property is held in a leasehold until the end of 2020 to afford it certain real estate tax advantages but will be converted to a freehold for a nominal sum of US\$100.0 thereafter

(3) As at 31 Mar 2019