



A Member of CapitalLand

Ascott Residence Trust

Acquisition of Student Accommodation Property in Atlanta and Expansion of Investment Strategy

27 January 2021

Important Notice

This presentation may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. ("**Managers**") nor any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of Ascott Residence Trust ("ART") is not indicative of future performance. The listing of the stapled securities in the ART ("Stapled Securities") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.

Content

- Expansion of Investment Strategy
- Overview of Acquisition
- Market Overview
- Rationale and Benefits
- Transaction Milestones

Expansion of Investment Strategy



Expansion of Investment Strategy

Principal investment strategy of Ascott REIT will be expanded to include investments primarily in real estate and real estate related assets which are income producing and which are used, or predominantly used, as serviced residences, rental housing properties, **student accommodation** and other hospitality assets in any country in the world, and such change in investment strategy shall be effected on 27 February 2021, being the 30 days from the date of this announcement.

Overview of Acquisition



First Foray into Purpose-built Student Accommodation

Quality, freehold property in the heart of Atlanta

Signature West Midtown

Location	800 Marietta Street NW, Atlanta, Georgia, USA
Purchase consideration¹	US\$95.0 million (\$126.3 million)
Total acquisition cost (including transaction costs)	US\$97.9 million (\$130.2 million)
Land tenure	Freehold
Net rentable area	215,895 square feet (sq ft)
Building height / units / beds	Mid-rise building with 183 units and 525 beds
Unit mix	Studio: 29 / (511 sq ft) 1-Bedroom: 14 / (673 sq ft) 2-Bedroom: 38 / (979 sq ft) 3-Bedroom: 11 / (1,296 sq ft) 4-Bedroom: 81 / (1,487 sq ft) 4-Bedroom Townhome: 1 / (1,686 sq ft) 5-Bedroom: 9 / (2,006 sq ft)
	All units come with ensuite bathrooms
Key educational institution	Georgia Institute of Technology
Contract type	Management contract
Ave. occupancy rate	c.95% ²
Ave. length of stay	c.1 year
EBITDA³ yield	c.5%
DPS⁴ accretion	4.4%



Notes: Based on average exchange rate for FY 2020 of 1 USD= 1.3298 SGD

1. The purchase consideration takes into account the agreed property value of the property, which was arrived at on a willing-buyer and willing-seller basis and derived based on the independent valuation of the property by Colliers International at US\$97.5 million (equivalent to approximately S\$129.7 million).
2. For the full year of 2020
3. Earnings before net interest expense, tax, depreciation and amortisation
4. Distribution per Stapled Security

One of Atlanta's Newest Student Accommodation

Prime location, stone's throw from Georgia Tech



Opened in 2019



Walking distance to Georgia Institute of Technology (Georgia Tech), an internationally recognised university

- 5 to 15-minute walk to Georgia Tech's sports hub, lecture halls, and planned 2.2 million sq ft Technology Enterprise Park expansion¹
- Reputable university ranked 35th in the USA and 2nd in Georgia²
- About 40,000 students



Convenient access to Midtown and Downtown Atlanta

Sources:

1. Atlanta Business Chronicle, "Georgia Tech clears major hurdle for \$750M Technology Enterprise Park expansion", November 2020

2. US News Best Colleges Ranking

Market Overview

Student Accommodation in USA

World's largest student accommodation market



World's largest student accommodation market with investment volumes of US\$11 billion¹

- Strong demand for purpose-built assets that are within walking distance of tier 1 institutions and those with premier sports status



Enrolment expected to set new records with population growth

- Largest student population in the developed world
- Undergraduate numbers expected to increase 13% from 2020 to 2026²
- About 80% of undergraduates live in off-campus housing¹



95% of USA student population is domestic¹

- Established student accommodation properties maintained high occupancy rates despite COVID-19³
- Demand expected to remain robust in 2021 as vaccination efforts increase and international travel resumes⁴

Sources:

1. CBRE Research, "United States Student Housing 2019",

2. Knight Frank, "Global Student Property Report 2019", May 2019

3. Real Page, "Student housing pre-lease season ends just below last year's results", September 2020

4. Savills, "Spotlight on Student Accommodation", September 2020



Atlanta & Higher Education

Home to 57 colleges and universities



Atlanta is the largest metro in Southeast USA with one of the fastest-growing populations

- 14% increase in population from 2010 to over 6 million in 2019¹



Healthy jobs growth and business-friendly environment

- Beneficiary of migration of workers from higher-cost coastal cities
- Home to large multinational companies such as Coca Cola, Delta Airlines and United Parcel Service



Top 10 among USA metros in students enrolled, research spending and degrees earned²

- 7th in student enrolment among America's largest urban areas and 6th in annual college graduates
- Among top 7 urban centres in number of degrees awarded

Sources:

1. Curbed Atlanta, "Census: Metro Atlanta packed on 730,000 more residents in nine years", March 2020

2. Discover Atlanta website



Georgia Tech

Leading advanced science and technology research university



Reputable university

- Ranked 35th in the USA and 2nd in Georgia¹
- Participant of the Atlantic Coast Conference, one of the “Power 5” athletics conferences in the USA National Collegiate Athletics Associations



Strong enrolment growth

- 9% growth in enrolment in Fall 2020 vs Fall 2019 despite COVID-19
- 6.7% 10-year compounded annual growth in enrolment



Predominantly domestic students

- c.80% domestic students



Planned 2.2 million sq ft expansion at Technology Enterprise Park²

- Poised to be a state-of-the-art biosciences and health innovation district which includes more laboratory and office space for research and entrepreneurship
- 5,000 new jobs expected to be created at full build out in 2029

Sources:

1. US News Best Colleges Ranking

2. Bizjournals, “Georgia Tech plans \$750M expansion of Technology Enterprise Park; would create 5,000 jobs”, August 2020



Rationale and Benefits



Rationale and Benefits

1

Enhancing returns to Stapled Securityholders

2

Attractive opportunity to acquire quality student accommodation asset

3

Pivoting towards longer-stay accommodation for income stability

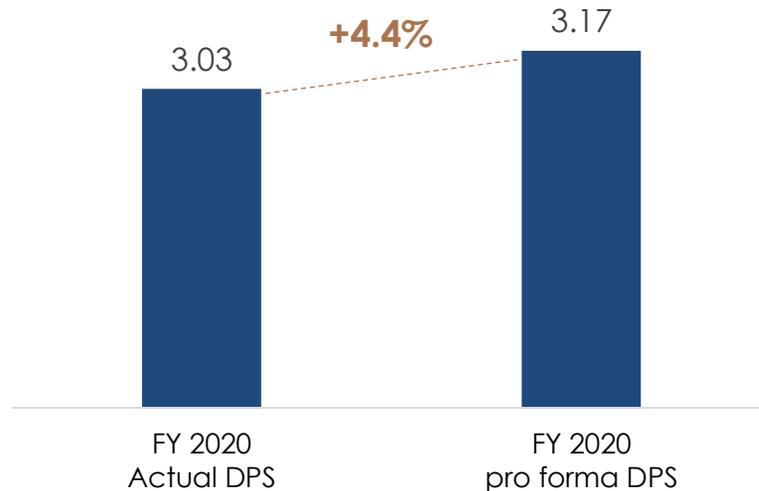
4

Enhancing diversification, adding a new platform for growth

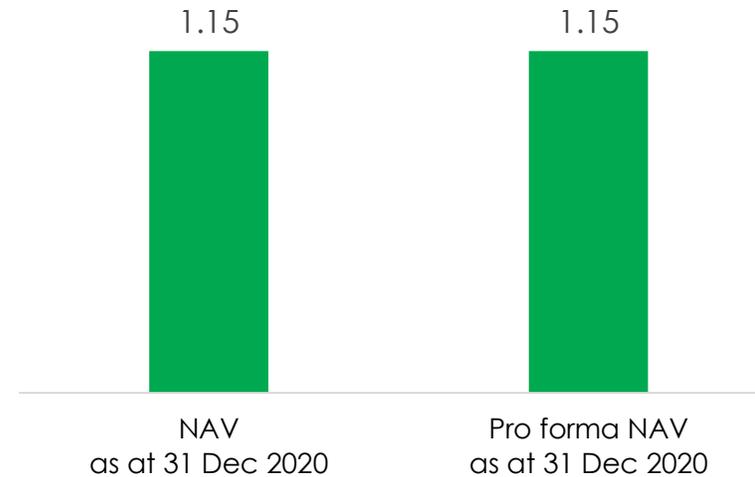
1 Enhancing Returns to Stapled Securityholders

Replacing lost income from recent divestments and reinvesting at higher yields

4.4% increase in FY 2020 pro forma distribution per Stapled Security (DPS)
(Singapore cents)



Neutral to net asset value (NAV)
(Singapore dollars)



Note: The pro forma DPS and NAV are calculated based on the unaudited consolidated financial statements of ART for FY2020 and 3,108,047,703 Stapled Securities in issue as at 31 December 2020 and on the following assumptions: (i) ART had completed the Acquisition on 1 January 2020 and (ii) the Acquisition is funded based on a funding structure of 40% debt and 60% divestment proceeds.

2 Attractive Opportunity to Acquire Quality Student Accommodation Asset



Strong property fundamentals

- New, purpose-built, freehold student accommodation
- Walking distance to Georgia Tech, a “Power 5¹”, Tier 1 university
- Strong enrolment growth and pre-leasing momentum
- Beneficiary of Georgia Tech’s 2.2 million sq ft expansion of its Technology Enterprise Park which will drive up economic activities and general rent levels around West Midtown



Note:

1. A “Power 5” university is one which participates in the Power Five conferences, which are elite conferences in college football in the USA

3 Pivoting Towards Longer-stay Accommodation for Income Stability



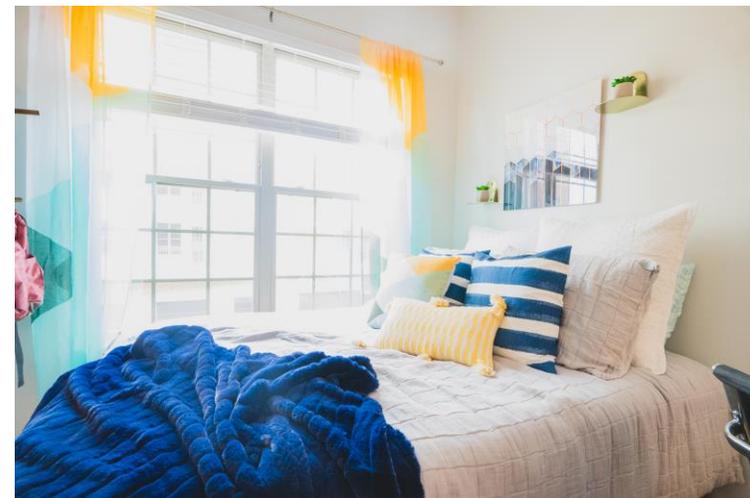
Plan to increase asset allocation in longer-stay properties

- Seeking opportunities in longer-stay asset classes such as student accommodation and rental housing
- Post-acquisition, rental housing and student accommodation properties will comprise about 7% of ART's total assets



Increasing income stability

- High average occupancy of c.95% despite COVID-19
- Average length of stay of about 1 year
- Predominantly domestic student mix makes the property less dependent on issuance of student visas and international travel restrictions



4 Enhancing Diversification, Adding a New Platform for Growth



Mitigating near-term headwinds of traditional hospitality asset classes

- Hospitality market conditions are expected to remain challenging in the near term
- Countercyclical asset class as students tend to invest in education during recession in preparation for economic recovery



Tapping growth opportunities in the student accommodation market

- Student accommodation has proven to be a resilient asset class even during a pandemic
- Enrolment at reputable universities continues to expand, supported by rising middle class and population growth
- Keen investment demand by institutional investors

Post-acquisition...



57
Serviced
Residences



18
Hotels /
Business Hotels



11
Rental Housing



1
Student
Accommodation

Transaction Milestones

Transaction Milestones

Date	Milestone
27 January 2021	Signing of Sale and Purchase Agreement 1.0% of the purchase consideration paid
End-1Q 2021	Expected completion, subject to conditions precedent Remainder of the purchase consideration to be paid, subject to adjustments



Thank you



ASCOTT
RESIDENCE
TRUST

A Member of CapitalLand