



CACHE LOGISTICS TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 11 February 2010 as amended and restated)

Press Release

Cache Logistics Trust Expands Further in Australia
Acquires its Largest Warehouse to date in Victoria
Good location, quality freehold property
with an Initial Net Property Yield of 6.8%



Aerial view of 182-198 Maidstone Street, Altona, Victoria, Australia

Singapore, 20 March 2019 – As part of its continued progress in its Portfolio Rebalancing and Growth Strategy, ARA Trust Management (Cache) Limited, the manager (the “**Manager**”) of Cache Logistics Trust (“**Cache**”), is pleased to announce the proposed acquisition (the “**Proposed Acquisition**”) of a single-storey logistics warehouse and office facility located at 182-198 Maidstone Street, Altona, Victoria, Australia (the “**Property**”) from AGIT Investment Pty Ltd (the “**Vendor**”). The purchase consideration of the Property is A\$41.2 million¹ with an initial property yield of 6.8%.

Located within the established industrial suburb of Altona, the Property enjoys close proximity to main arterial roadways, the Port of Melbourne and the central business district of Melbourne. The Altona area is slated to greatly benefit from a reduced travel time and increased demand from users of the Port of Melbourne upon completion of the ongoing West Gate Tunnel Project. The

¹ Based on an exchange rate of A\$1.00 = S\$0.9624.

A\$5.5 billion infrastructure improvement project, which provides an alternative river crossing to the West Gate Bridge and direct access to the Port of Melbourne, is expected to complete in 2022.

Situated on a land area of 83,020 square metres (894,000 square feet) with a net lettable area of 37,853 square metres (407,000 square feet), the freehold Property enjoys good logistics warehouse specifications, including a warehouse ceiling height clearance of 8.5 to 11 metres and a super-sized canopy of 6,601 square metres which provides for a truck drive-through capability and all-weather access.

The Property is currently 76% anchored by a Melbourne-based transport and logistics company specialising in container transport services in Melbourne metropolitan and regional areas. The weighted average to lease to expiry (“**WALE**”) is 2.53 years². The lease structure includes a fixed rental escalation of 3.25% p.a. as well as recovery of land tax and all property outgoings. The Vendor has agreed to provide a two-year rental guarantee for the balance 24% vacant warehouse space on market rental terms including 3.25% annual rental escalation.

The Proposed Acquisition is in line with the Manager’s Portfolio Rebalancing and Growth Strategy where it seeks to proactively recycle capital through strategic divestments and disciplined acquisitions of assets that contribute to sustainable long-term earnings and asset values. The proposed Acquisition will not only enhance income and geographic diversification and provide income growth, but also strengthen Cache’s existing portfolio through increasing the proportion of high quality, freehold properties.

Mr Daniel Cerf, Chief Executive Officer of the Manager, said: “We are pleased to announce the Proposed Acquisition of this warehouse in Altona, Victoria, Australia. Cache has made enormous strides in our expansion since our first entry into Australia in 2015. This Acquisition marks another milestone in our portfolio rebalancing strategy where we look to acquire higher-performing freehold assets. Furthermore, we are facilitating the funding of the transaction by way of recycling capital from our recent divestment of Jinshan Chemical Warehouse which closed in December 2018.”

Australia has experienced long-term economic growth, recording 27 consecutive years of positive economic activity. Gross Domestic Product in 2018 was just above 3%, above the 10-year annual average of 2.6%, and is expected to remain above 3% to 2020³. The Australian Government continues to diversify the economy away from an emphasis on commodity-based earnings. Public infrastructure investment growth is expected to remain high⁴. With the fastest growing population in Australia, strong economic growth, continuing infrastructure investment and a diversified economic base, the state of Victoria has experienced healthy leasing demand for logistics facilities.

² As at 28 February 2019, by Gross Rental Income.

³ Deloitte Access Economics Business Outlook.

⁴ Reserve Bank of Australia, Statement on Monetary Policy – November 2018.

The Proposed Acquisition will be funded by a combination of the net sale proceeds of approximately S\$16.0 million from the divestment of Jinshan Chemical Warehouse⁵ and debt. Upon completion of the Acquisition, the Aggregate Leverage of Cache will be 36.9%. The Proposed Acquisition is expected to complete by end of March 2019.

Post acquisition, Cache's assets under management ("**AUM**") in Australia, which comprises a total of 17 high quality logistics warehouses located in major trade and distribution cities along the eastern seaboard of Australia, would constitute approximately 30.8% of Cache's total AUM.

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By Order of the Board
ARA Trust Management (Cache) Limited (as manager of Cache Logistics Trust)
(Company registration no. 200919331H)

Daniel Cerf
Chief Executive Officer
20 March 2019

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⁵ Jinshan Chemical Warehouse in Shanghai, China was divested on 31 December 2018.

ABOUT CACHE LOGISTICS TRUST (“CACHE”)

Listed on the Singapore Exchange on 12 April 2010, Cache Logistics Trust is a real estate investment trust (“REIT”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets, in Asia Pacific.

As at 31 December 2018, Cache’s portfolio comprised 26 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia. The portfolio has a total gross floor area of approximately 8.6 million square feet valued at approximately S\$1.3 billion.

For more information, please visit www.cache-reit.com.

ABOUT ARA TRUST MANAGEMENT (CACHE) LIMITED

ARA Trust Management (Cache) Limited is a wholly-owned subsidiary of ARA Asset Management Limited (“ARA” or the “Group”).

ARA Asset Management Limited is a premier global integrated real assets fund manager. As at 31 December 2018, the Gross Assets Managed by ARA Group and its Associates is approximately S\$80.1 billion⁶ across over 100 cities in 23 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 Pacific. 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, Australia, Singapore and Malaysia 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) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.
- (d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.
- (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 globally.

ARA’s 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 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 www.ara-group.com

⁶ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates and Joint Ventures as at 31 December 2018.

IMPORTANT NOTICE

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 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.