



Diversify your investment portfolio with Singapore REITs

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Exchange Partner

my**Stocks**Investing.com



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About The Trainer - Kenny Loh

Certified Financial Planner (CFP®) & REITs Specialist
of an Independent Financial Advisory Firm



- Investment Coach & S-REIT Strategist



- Trainer, Panelist and Speaker



- Certified REIT Trainer



- Personal Financial Blog Owner



About The Trainer - Kenny Loh (SGX Academy)

Panelist and Speaker at various financial events incl. REITs Symposium and InvestFair



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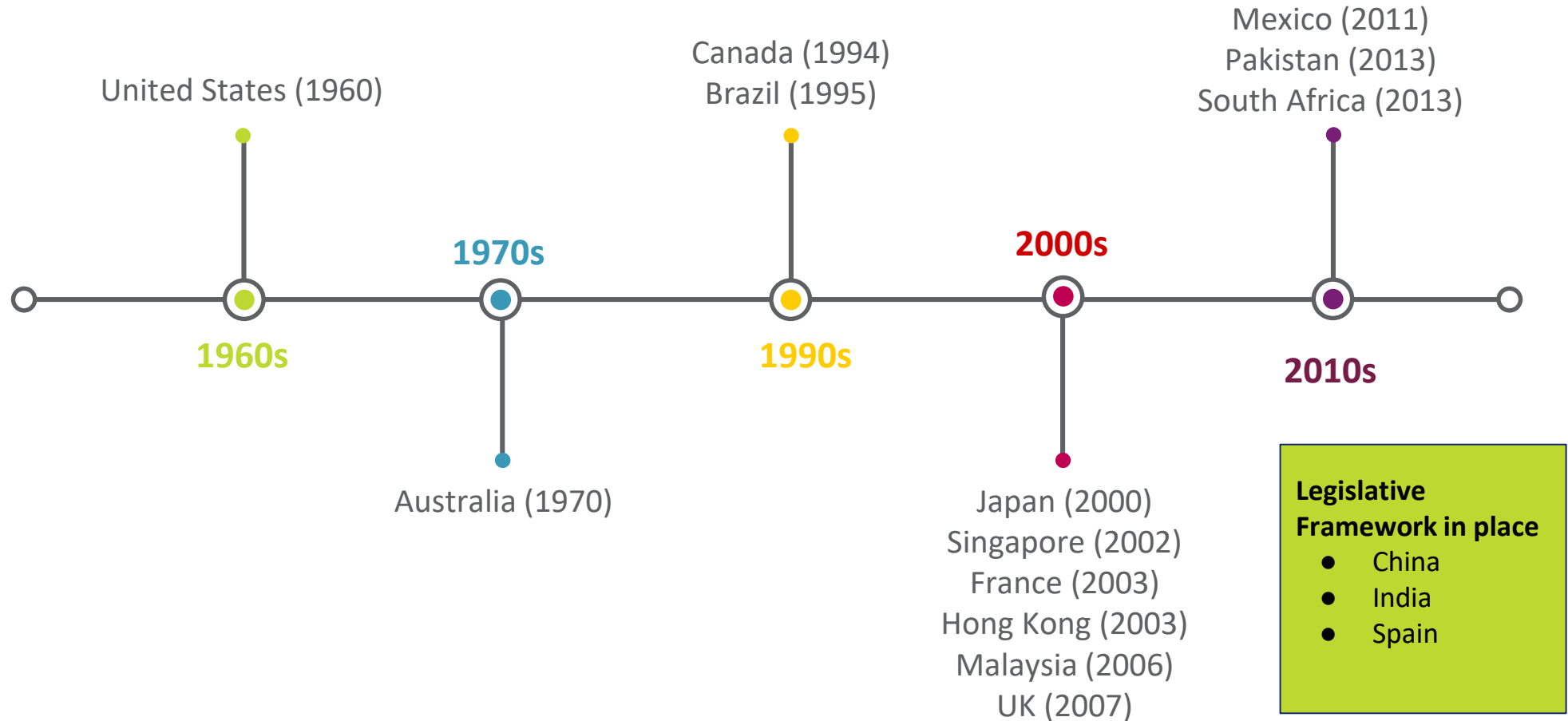
1	Overview of Singapore REIT Industry
2	Why Invest in Singapore REITs?
3	Investing Opportunities

Overview of Singapore REIT Industry



Suntec City

A Real Estate Story: A history of REITs Globally



Overview of the Singapore REIT Industry



44

REITs and
Property Trusts

2nd

Largest REIT Market
in Asia

\$100B

Market
Capitalisation

12%

S-REITs % of
SGX's market
capitalisation

15%

10 Year Market Cap
Compounded Annual
Growth Rate

Overview of the Singapore REIT Industry



Country	REIT Market Cap (\$B)	% of Stock Market Cap
Singapore (2nd Largest in Asia)	100	12%
Australia	143	7%
Canada	107	3%
France	112	3%
USA (World's Largest)	1188	3%
Malaysia	14	2%
UK	89	2%
Japan (Largest in Asia)	155	2%
Hong Kong	52	1%

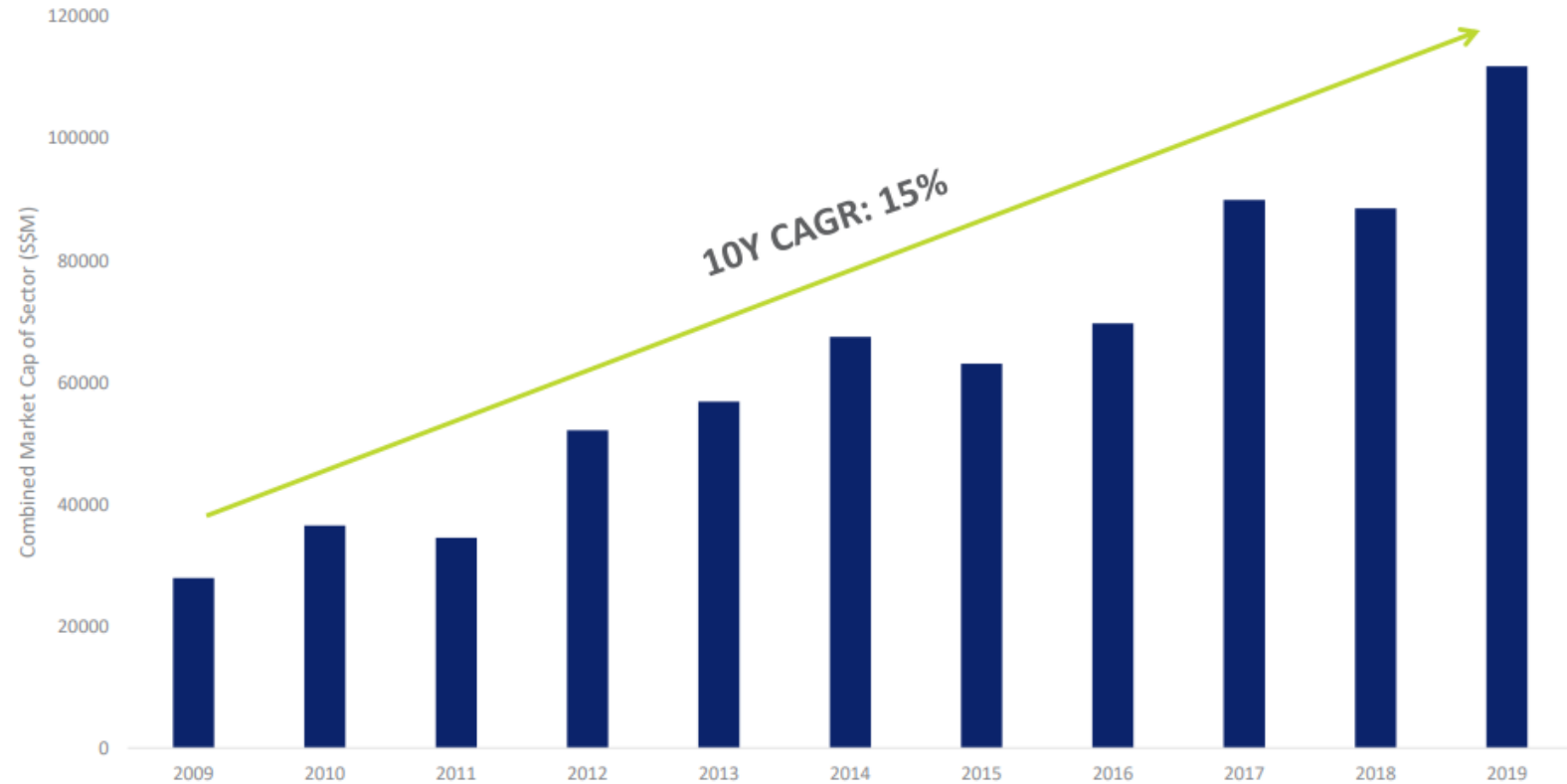
Source: REITAS

Overview of Singapore REIT Industry



SGX's SREITs & Property Trusts cluster has grown at a CAGR of 15% across 10 years

Combined Market Cap of Sector
at end of each year (\$M)



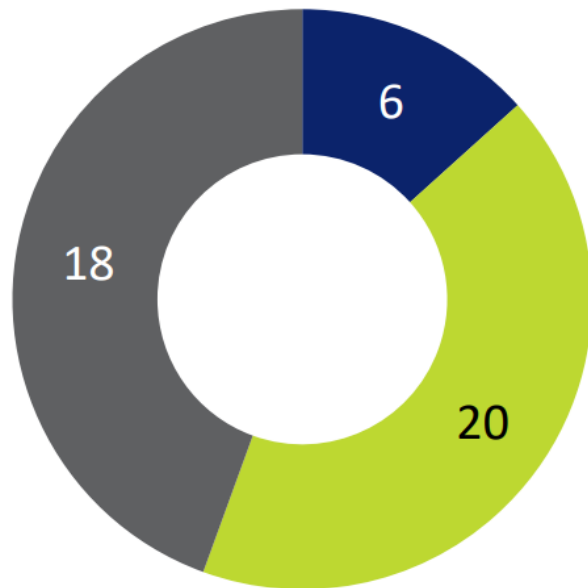
Source: Bloomberg, SGX, data as of 31 January 2020

Source: SGX Research

Overview of Singapore REIT Industry

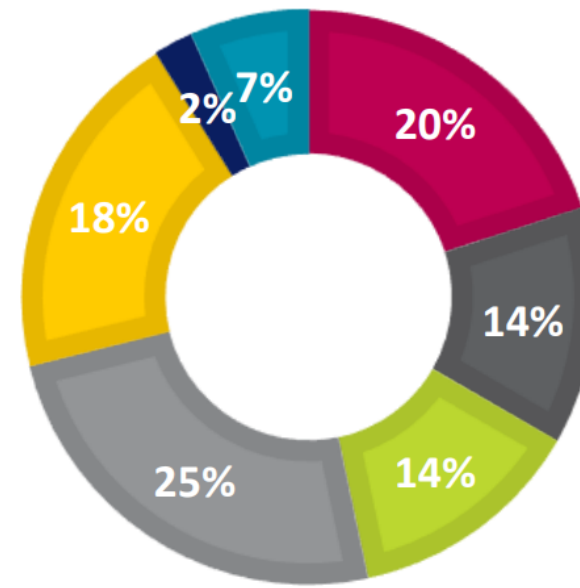


OVER 80% (38) OF SINGAPORE REITS & PROPERTY TRUSTS HOLD OVERSEAS ASSETS



■ Singapore ■ Overseas ■ Singapore & Overseas

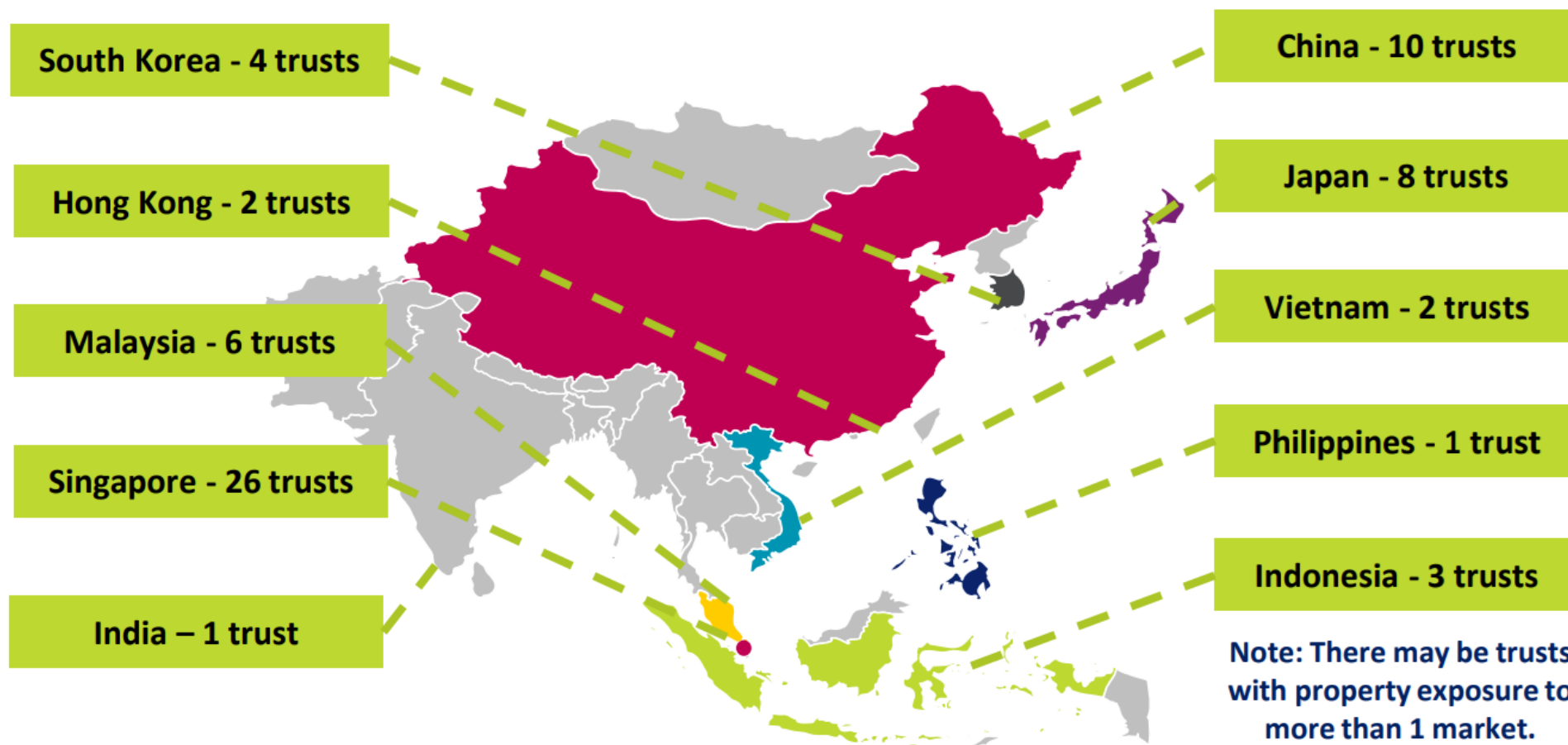
TRUSTS HAVE DIVERSIFIED PROPERTY SUB-SEGMENTS (% BY TRUST COUNT)



- Industrial REITs
- Hospitality REITs
- Diversified REITs
- Retail REITs
- Office REITs
- Specialized REITs
- Health Care REITs

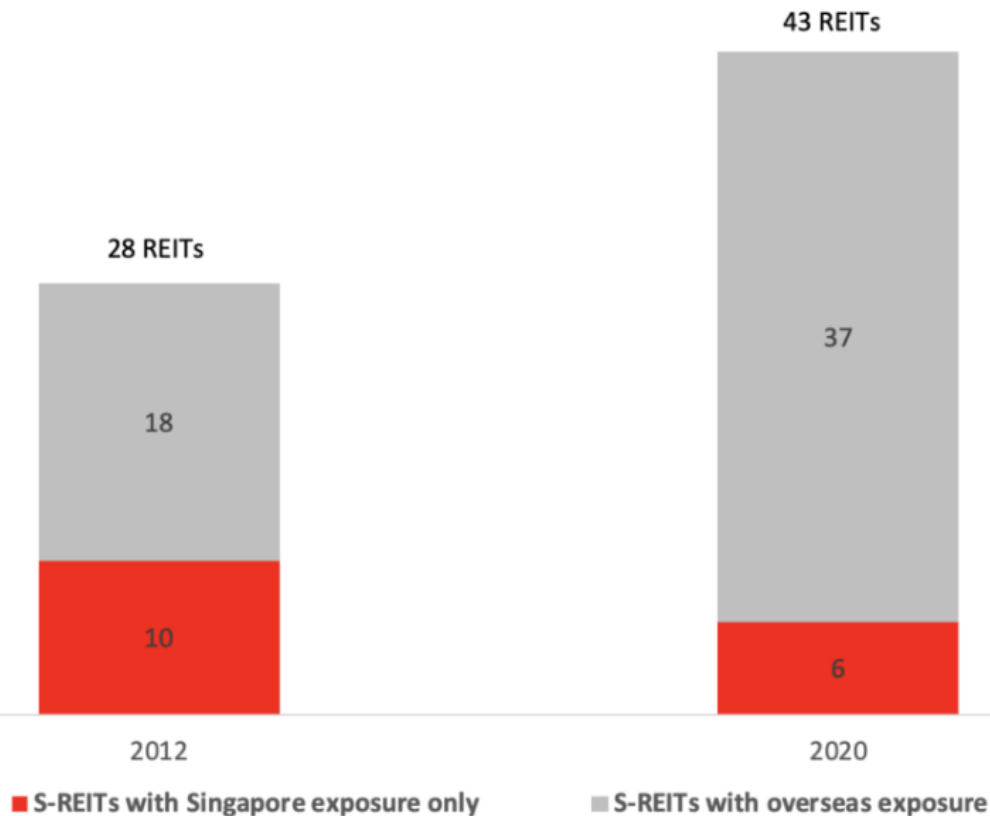
Source: SGX Research
(May 2020)

Overview of Singapore REIT Industry



Source: SGX Research
(May 2020)

Overview of Singapore REIT Industry



- S-REITS increasing investing in overseas properties to grow
- More opportunities for Yield Accretive acquisitions overseas
- S-REITS need size to compete globally
- S-REITs will continue to grow in market capitalization in SGX

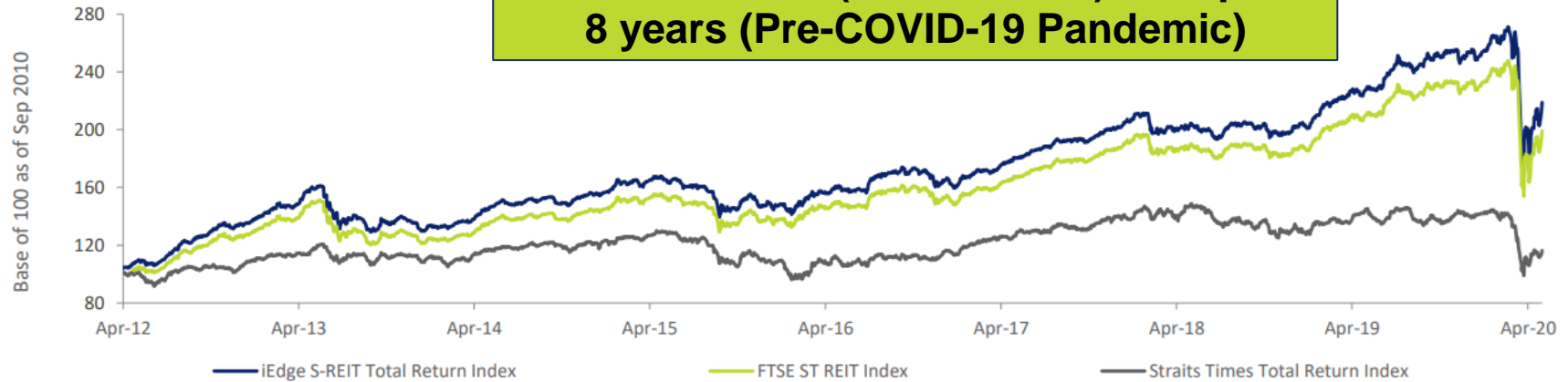
Source: REITAS
(May, 2020)

Singapore REIT Performance

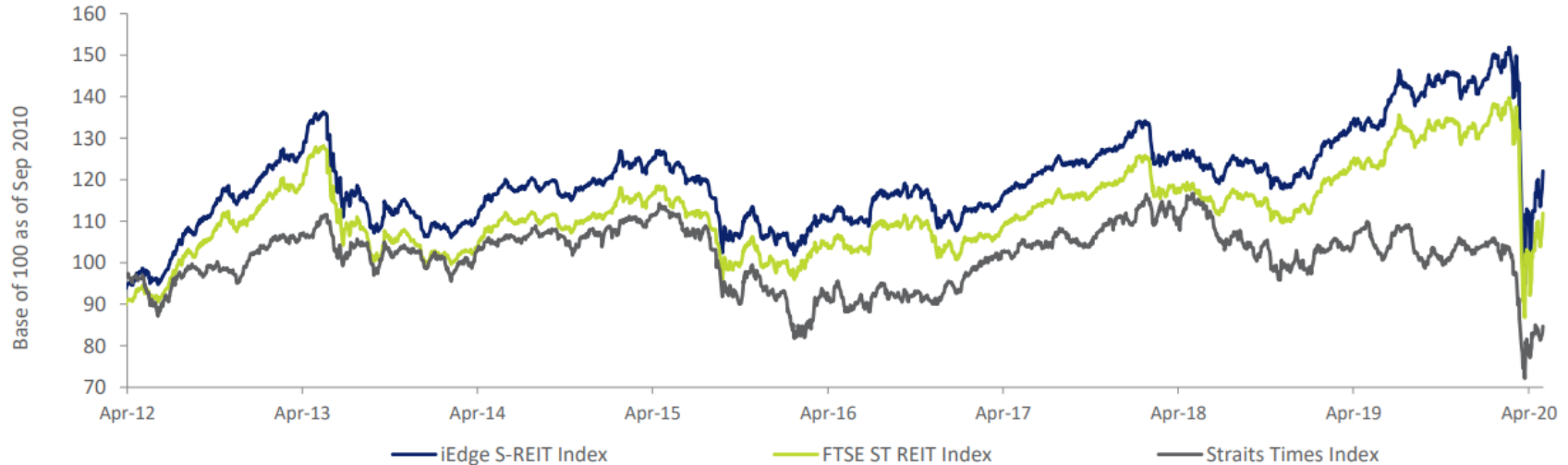


Total Return Indices*

c.250% Growth (Total Return) over past 8 years (Pre-COVID-19 Pandemic)

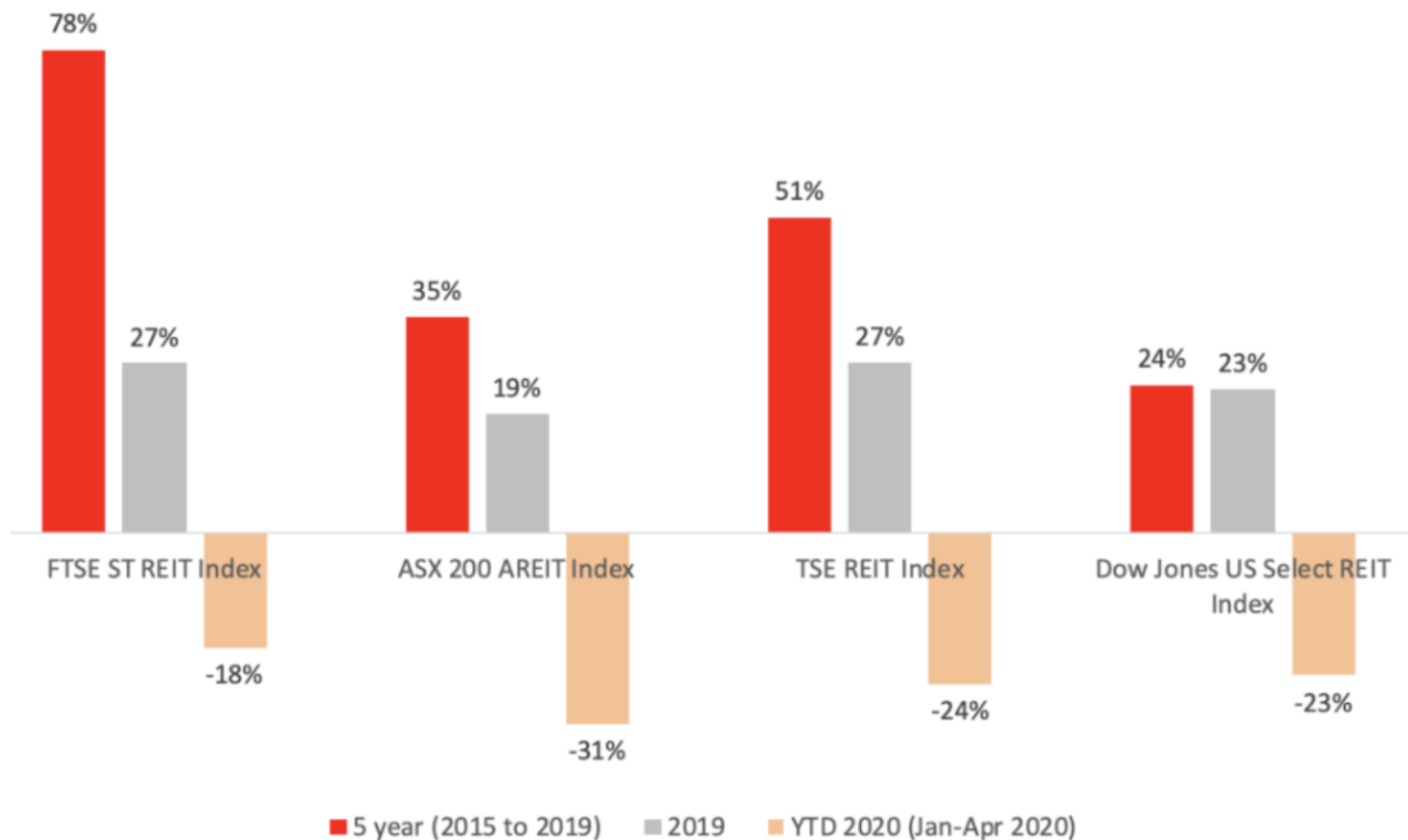


Price Return Indices



Source: SGX Research (May 2020)

FTSE ST REIT Index Comparative Performance (Last 5 Years)



Source: REITAS (May 2020)

Singapore REIT Performance



**S-REIT recovers strongly (Total Return)
YTD amid COVID-19 Pandemic**

FTSE EPRA Nareit Developed REITs/Non-REITs Country Performance - LOC

GROSS TOTAL RETURN

Yld%	P/E	P/B	P/CE	P/S	ROE		Gross Total Return				Market Cap LOC (mn)	Dev Idx Wgt %	No of Stocks	
							Index	1M%	3M%	YTD%				12M%
Americas														
5.58	8.8	0.8	12.2	4.8	9.3	Canada REITs Index	2,591.17	-2.36	-24.91	-24.34	-18.44	43,181	2.43	18
6.21	14.1	1.0	9.3	2.6	6.6	Canada Non-REITs Index	1,096.47	-8.13	-34.87	-37.54	-37.55	3,489	0.20	2
4.82	25.1	1.8	13.7	5.6	7.5	USA REITs Index	1,836.02	-0.16	-17.25	-23.19	-17.28	694,700	54.07	122
6.28	8.9	1.4	-ve	3.5	17.0	USA Non-REITs Index	921.22	-0.92	-29.49	-36.10	-28.55	1,706	0.13	1
Asia Pacific														
6.97	11.1	0.7	14.0	5.4	6.7	Australia REITs Index	1,279.76	2.59	-27.27	-28.58	-25.89	61,022	3.15	11
5.18	6.4	0.6	20.0	9.0	9.3	Hong Kong REITs Index	5,230.46	-16.39	-19.56	-29.24	-36.08	135,945	1.37	3
5.61	6.5	0.4	7.0	2.6	6.2	Hong Kong Non-REITs Index	1,565.09	-13.06	-15.50	-24.59	-28.35	441,792	4.44	9
4.44	23.1	1.3	13.3	10.1	5.9	Japan REITs Index	1,810.34	7.95	-15.41	-19.51	-8.27	10,877,127	7.86	40
2.05	11.7	1.0	7.5	1.3	8.9	Japan Non-REITs Index	884.82	2.08	-10.42	-19.69	-14.22	6,159,143	4.45	7
5.69	62.3	1.1	23.3	10.9	1.8	New Zealand REITs Index	1,884.76	0.66	-31.29	-36.13	-33.01	3,979	0.19	2
5.59	16.5	1.2	21.0	13.0	7.6	Singapore REITs Index	3,048.08	7.28	-3.36	-4.13	6.65	47,628	2.62	13
3.38	8.5	0.6	7.6	2.3	7.9	Singapore Non-REITs Index	1,249.77	-2.88	-16.65	-23.69	-6.63	14,164	0.78	3

Source: <https://www.ftserussell.com/products/indices/epra-nareit> (May 2020)

Why Invest in Singapore REITs?



What is REIT?



REIT = Real Estate Investment Trust

- Basket of real estate assets aimed at generating regular investment income
- Distributes more than **90% of rental income** back to shareholders (for tax transparency treatment)



**Collective
Investment,
Similar to unit trusts**



**Publicly Traded over
Exchanges**



**Professionally
Managed**



**Debt Limit: 50% of
Total Asset Value**

Why Invest in REIT?



Highly Liquid



**Low investment
capital requirement**



**Diversification from
Traditional
Investments**



**Diversified REIT
portfolios (with low
correlation)**



**Minimal Investment
Skills and knowledge
required**



Inflation Hedge

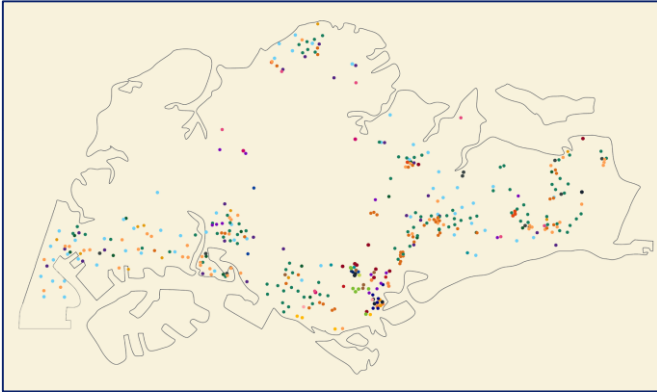


**Preference towards
investment income and
capital appreciation
(long term)**



**Passive Income
Source**

Why Invest in REIT?



REITs possess the following characteristics suitable for **income-focused** objectives:

- Capital preservation
- Stable income payout
- Inflation-hedge
- Low earnings and price volatility
- Liquid



Good source of stable income generating assets for retirement planning



Allows structure of dividend investment plans

Correlation Matrix SREIT vs Other Asset Classes

Correlation Matrix (Jan 2012- Apr 2020)	FTSE ST REIT Index	iEdge S-REIT Index	Asia ex Japan REITs	Asia Ex Japan Equities	Asia Bonds	US REITs	US Equities	US Bonds	Global REITs	Global Equities	Global Bonds
FTSE ST REIT Index	1.00	1.00	0.93	0.74	0.73	0.69	0.72	0.67	0.82	0.76	0.70
iEdge S-REIT Index	1.00	1.00	0.94	0.73	0.75	0.71	0.74	0.70	0.83	0.78	0.71
Asia ex Japan REITs	0.93	0.94	1.00	0.77	0.90	0.82	0.88	0.85	0.94	0.87	0.78
Asia Ex Japan Equities	0.74	0.73	0.77	1.00	0.68	0.54	0.79	0.58	0.76	0.87	0.63
Asia Bonds	0.73	0.75	0.90	0.68	1.00	0.86	0.95	0.97	0.95	0.89	0.81
US REITs	0.69	0.71	0.82	0.54	0.86	1.00	0.82	0.79	0.91	0.78	0.57
US Equities	0.72	0.74	0.88	0.79	0.95	0.82	1.00	0.90	0.96	0.98	0.75
US Bonds	0.67	0.70	0.85	0.58	0.97	0.79	0.90	1.00	0.88	0.81	0.84
Global REITs	0.82	0.83	0.94	0.76	0.95	0.91	0.96	0.88	1.00	0.95	0.76
Global Equities	0.76	0.78	0.87	0.87	0.89	0.78	0.98	0.81	0.95	1.00	0.72
Global Bonds	0.70	0.71	0.78	0.63	0.81	0.57	0.75	0.84	0.76	0.72	1.00

Asia Indices

- 1) FTSE ST REIT Index
- 2) iEdge S-REIT Index
- 3) Asia ex Japan REITs (FTSE EPRA/NAREIT Asia ex Japan Index)
- 4) Asia ex Japan Equities (MSCI Asia ex Japan Index)
- 5) Asia Bonds (JP Morgan Asia Credit Index)

US Indices

- 1) US REITs (MSCI US REIT Index)
- 2) US Equities (S&P 500 Index)
- 3) US Bonds (Bloomberg Barclays US Aggregate Index)

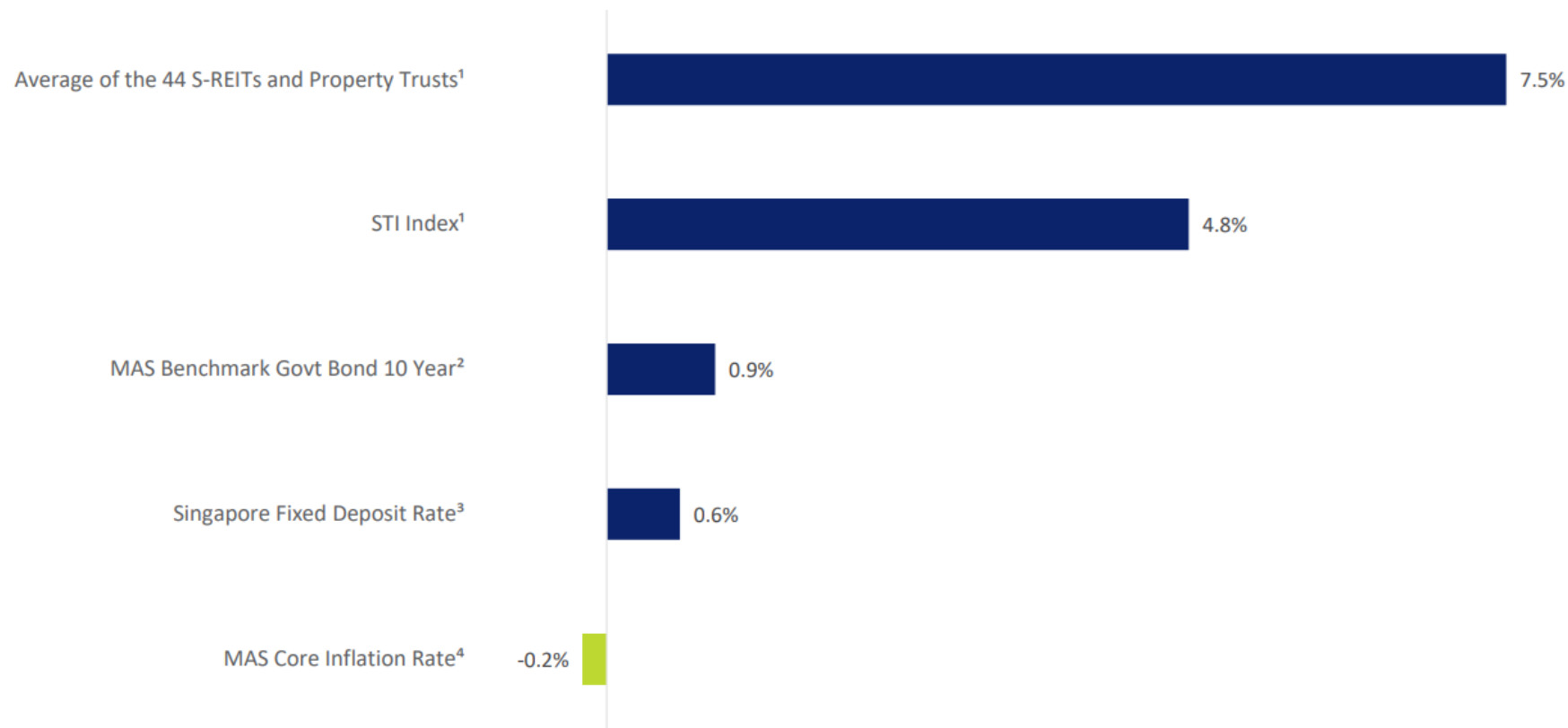
Global Indices

- 1) Global REIT (FTSE EPRA/NAREIT Global REITs Index)
- 2) Global Equities (MSCI ACWI Index)
- 3) Global Bonds (Bloomberg Barclays Global Aggregate Index)

Figures refer to price correlation

Source: Bloomberg, SGX, data as of 30 April 2020

Yield Comparison vs other Asset Classes (Singapore)



¹Based on 12M Average Dividend Yield

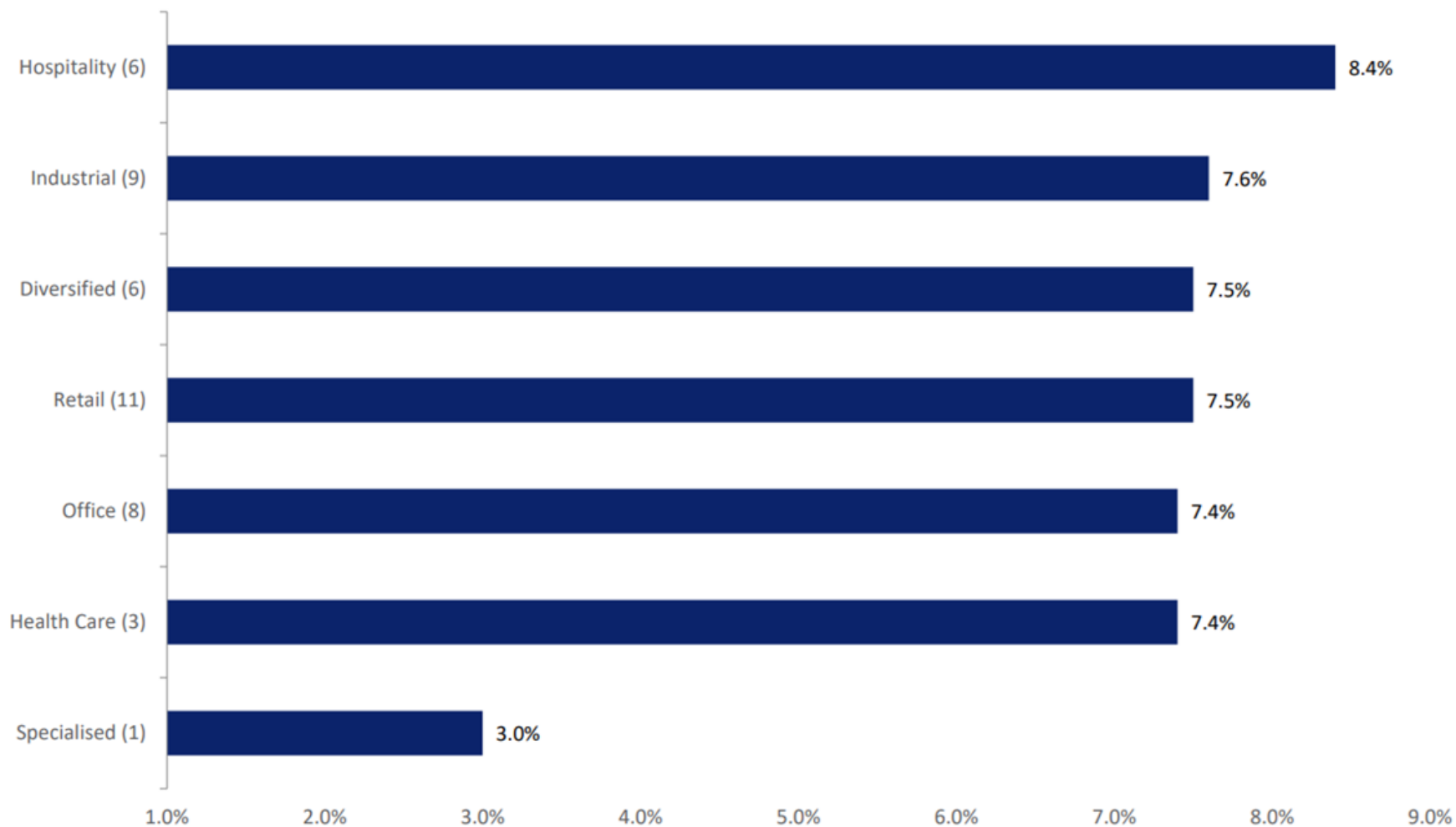
²Based on 10 Year Yield

³12M Bank fixed deposit rates from MAS as of 30 April 2020

⁴MAS Core Inflation based on 29 February 2020 figures

Source: Bloomberg, SGX, data as of 30 April 2020

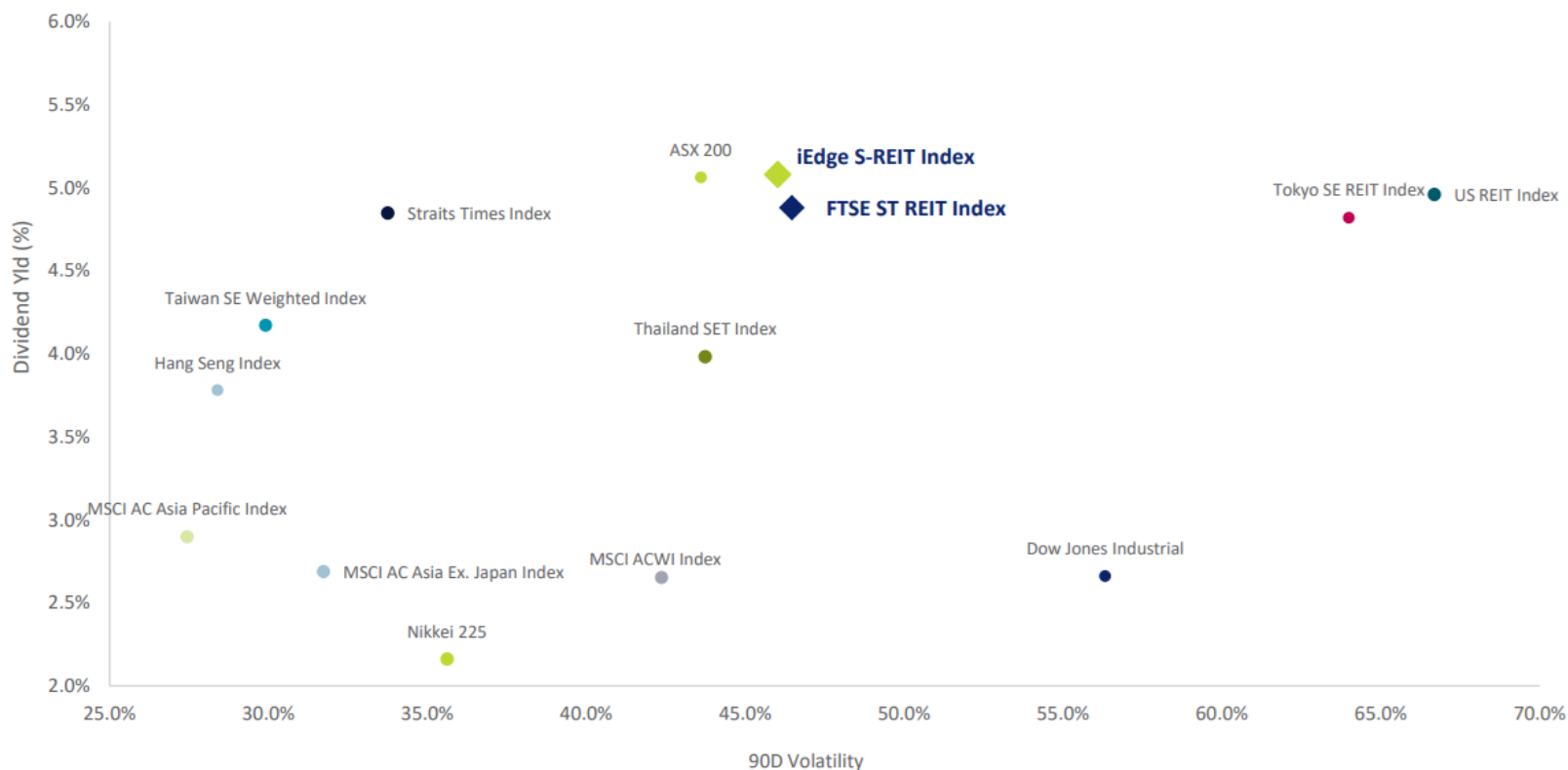
S-REIT & Property Trusts Average Dividend Yields by Sub-Segments



S-REITs offer one of the Highest Dividend Yield and Lower Volatility (After Market Crash in March due to COVID-19)

Average distribution yield of all 44 trusts: 7.5%

- FTSE ST REIT Index: 37 out of the 44 trusts represented
- iEdge S-REIT Index: 35 out of the 44 trusts represented



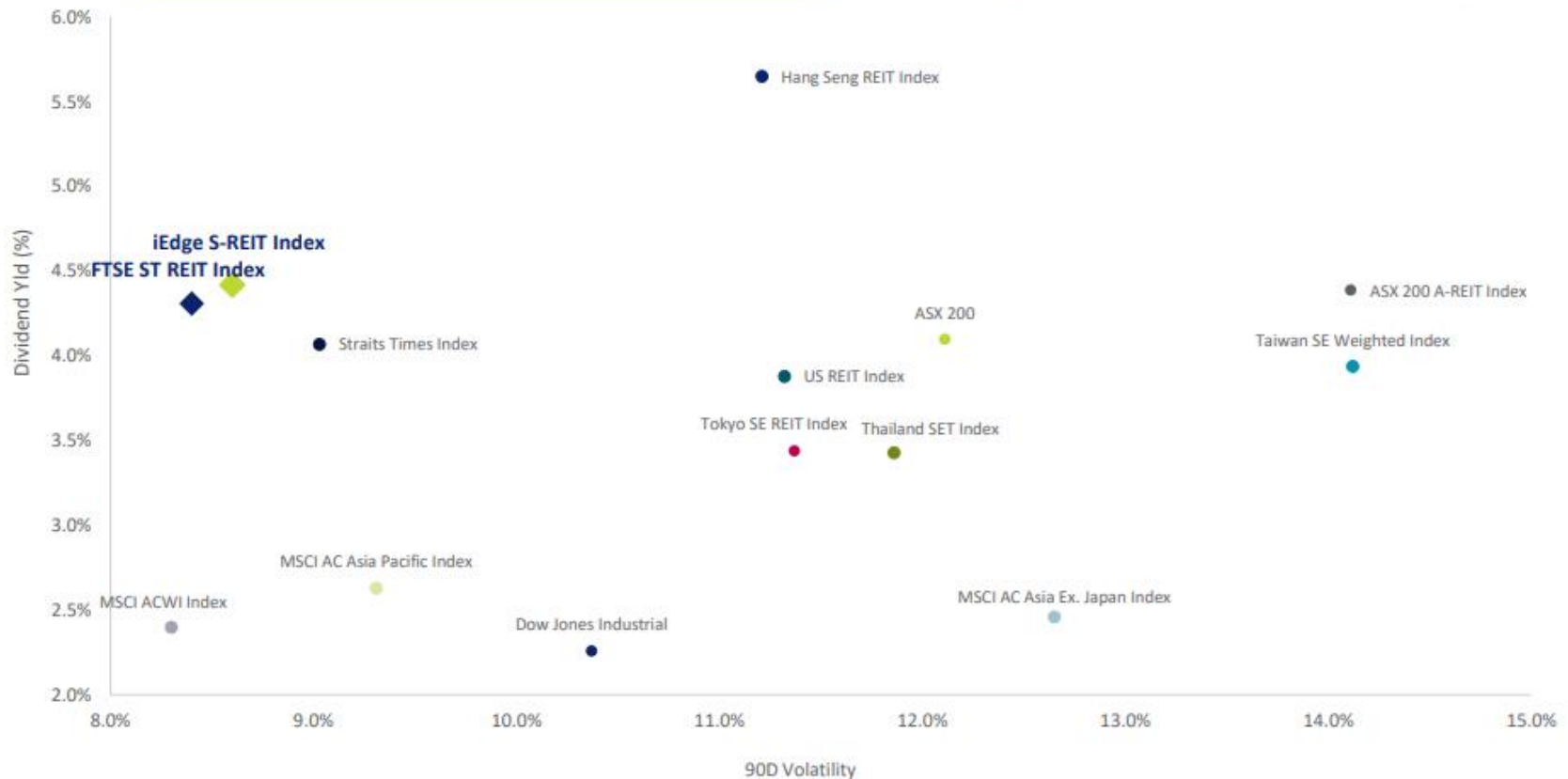
Source: Bloomberg, SGX, data as of 30 April 2020

Source: SGX Research (May 2020)

S-REITs offer one of the Highest Dividend Yield and Lower Volatility (After Market Crash in March due to COVID-19)

Average distribution yield of all 43 trusts: 6.3%

- FTSE ST REIT Index: 38 out of the 43 trusts represented
- iEdge S-REIT Index: 36 out of the 43 trusts represented



Source: Bloomberg, SGX, data as of 31 January 2020

Source: SGX Research (Feb 2020)

Singapore Government's Support to REIT sector due to COVID-19 Pandemic



Rendezvous Hotel

Singapore Government's Support through Coordinated Efforts

Distribution of Taxable Income extended to 12 months

Gearing Ratio increased from 45% to 50%



Temporary Relief for tenant inability to Perform Contract

Minimum Interest Coverage Ratio deferred to Jan 2022

Rental Rebates, Rental Waiver & Property Tax Rebates

The Difference between Investing in Physical Property vs REITs



Objectives of Investing in REIT



**Regular dividend
payouts by owning
REITs**



**Stable passive income
(half yearly/quarterly)**

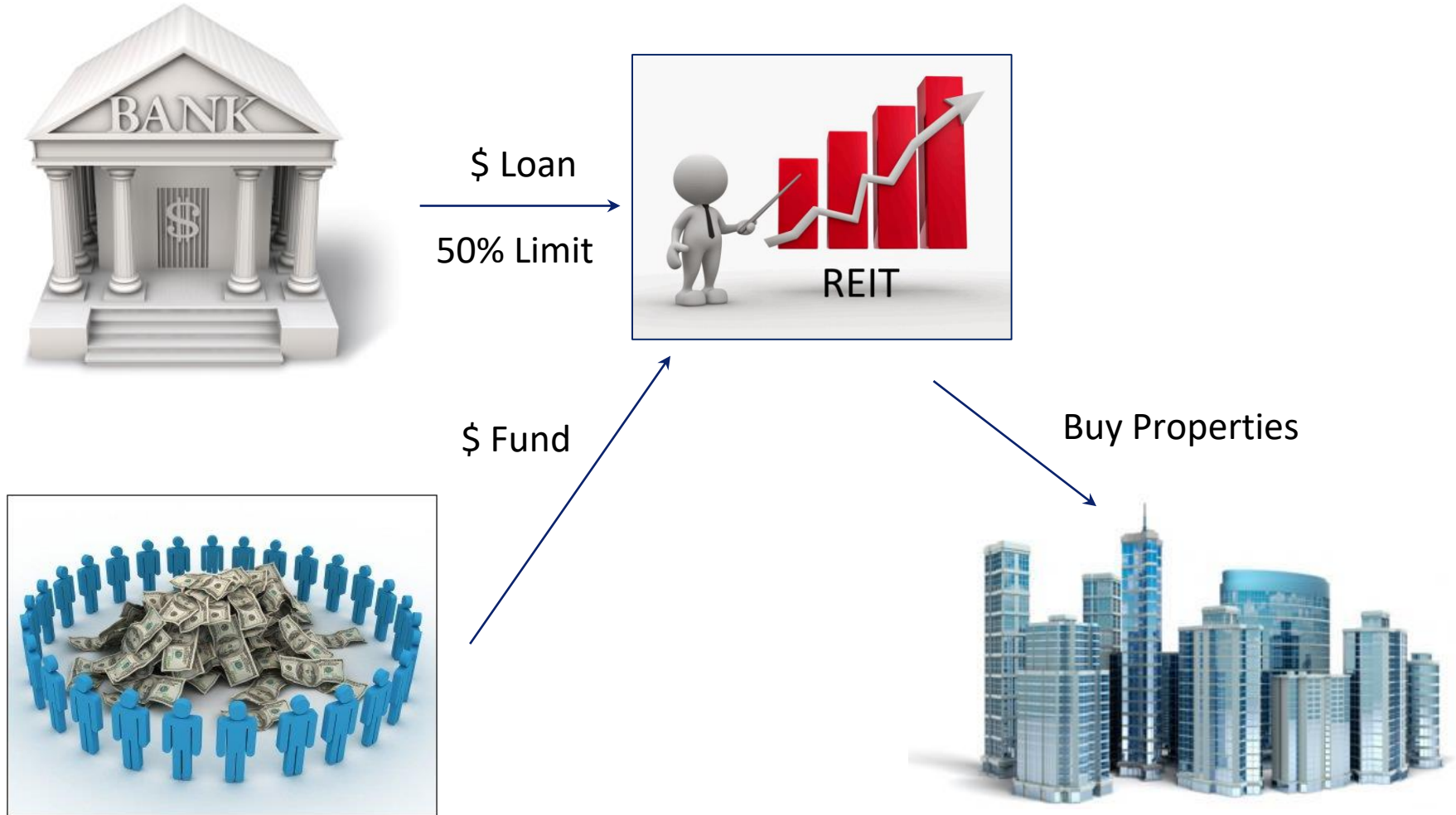


**Medium - long term time
horizon**

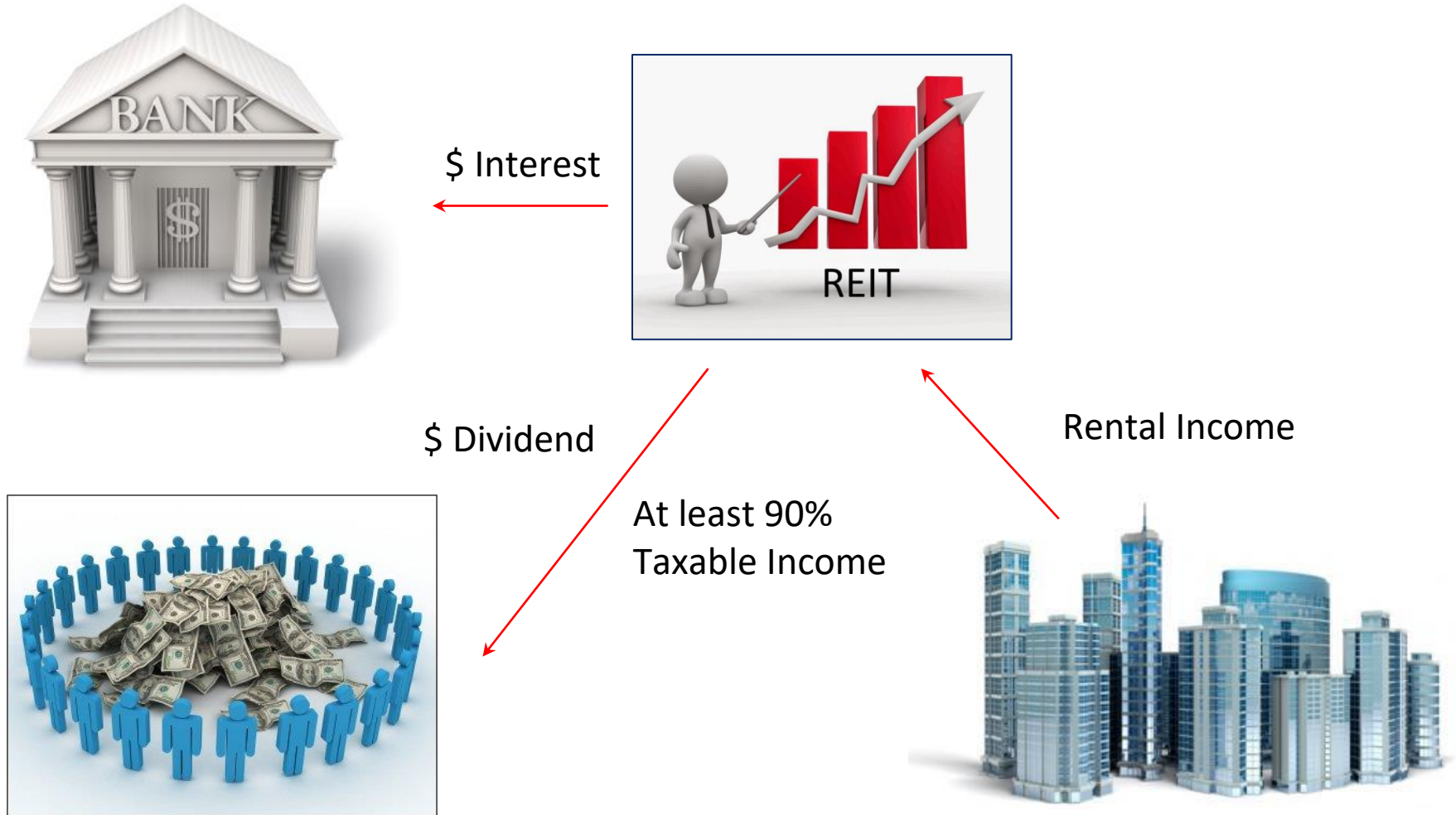


**Potential capital
appreciation**

The REIT Business Model



The REIT Business Model



Difference Between Physical Property and REIT



Physical Property vs REIT #1 - Transaction Value



S\$500,000

**Consequences of Making
Investment Mistakes - Huge!**



**As low as S\$500
(100 shares)**

**Investors can start with very
low capital to become a
landlord.**

Physical Property vs REIT #2 - Tax & Cost



Entry: 3-4% BSD, 12-15% ABSD,
Exit: 4-12% SSD, Agent Commission, Legal Fee
Holding: Property Tax (10% AV), Rental (Income Tax),
Maintenance Cost Insurance (Home, Mortgage)

+ Estate Planning required!



No Capital Gain Tax
No Dividend Tax No
Estate Duty

Min S\$10 to S\$25++ 0.1%
to 0.18% Contract Value

Physical Property vs REIT #3 - Management

Financing

Source for Tenants
Marketing
Legal

REIT Manager



Trustee

Property
Maintenance

Lease
Management

Property
Manager

Physical Property vs REIT #4

Portfolio Diversification (Sectors & Geographical)



Physical Property vs REIT #5 - Yield



**Unpredictable
Income
Binary & Idle Period**

2-3%



4-10%

**Income Predictability
Stable & Immediate**



4-6%


Physical Property vs REIT #6 - Leverage



- LTV up to 75% (Residential)
- Lower Residential Loan Interest
- ROI > 10%



- Margin Financing
- Finance Charges
- Risk of Margin Call
- ROI up to 20%

A photograph of the Gardens By the Bay in Singapore at night. The image shows several Supertrees, which are tall, artificial trees with illuminated canopies. The canopies are lit up in various colors, including red, orange, yellow, and purple. The trees are reflected in a body of water in the foreground. The sky is a deep blue, and the overall scene is illuminated by the lights of the trees and the surrounding area.

Examples of Properties owned by S-REITs

REITs Sectors



**Industrial/Logistics
(Warehouse, Factories)**



Retail (Shopping Malls)



Offices



**Healthcare (Hospitals,
Nursing Homes)**



**Hospitality (Hotels,
Service Apartments)**

Shopping Malls (Singapore)



Bedok Mall



Bugis Junction



Bugis+



Bukit Panjang Plaza



Clarke Quay



Funan(3)



IMM Building



JCube



Junction 8



Lot One Shoppers' Mall



Plaza Singapura



Raffles City Singapore
(40% stake)



Tampines Mall



The Atrium@Orchard









Westgate

Shopping Malls (Indonesia)



OUR INDONESIA PRESENCE

Over the years, we have established a growing presence in key cities in Indonesia, where we see a steady demand for quality retail enclaves.

 30	 1,826.6 million (S\$)	 3,767	 913,958 sqm	 91.5%	 168.3 million
Properties	Portfolio Valuation	Tenants	Net Lettable Area*	Portfolio Occupancy	Annual Shopper Traffic

Shopping Malls (China)

14 Well-Located Malls with Strong Presence in Prominent Cities of China



Existing Portfolio

A. Beijing



B. Shanghai



C. Harbin



D. Changsha



E. Guangzhou



F. Chengdu



To be Divested

G. Zhengzhou



H. Hohhot



Under Fit-out

H. Hohhot



I. Wuhan



- ✓ Listed in **Dec 2006**
- ✓ Geographically diversified portfolio in **9 cities**
- ✓ CapitaLand, our Sponsor, is the Pioneer and Biggest S-REIT Manager

Hospital

SUPERIOR HEALTHCARE PORTFOLIO 20 PROPERTIES ACROSS 3 REGIONS



S\$1.34 bln

Total Assets-Under-Management

2021

Nearest date of rental renewals

350,850 sqm

Total GFA of Properties

100%

Total Committed Occupancy

5,092

Maximum number of beds/saleable rooms

10-15 years

Long lease terms with step up escalation



Office (Singapore)

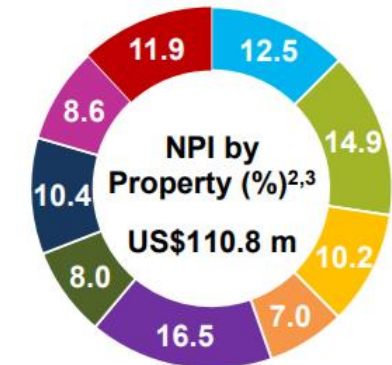
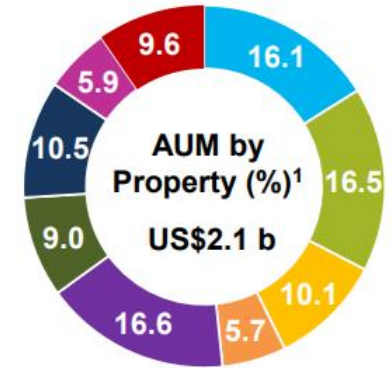
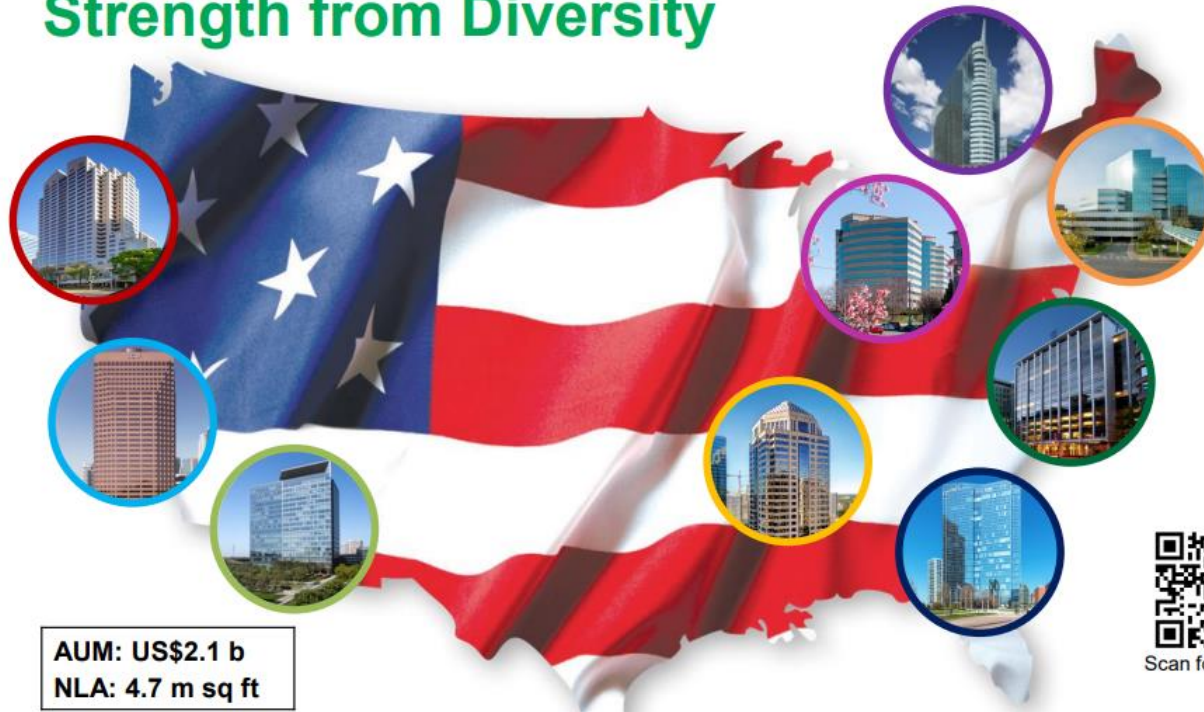
Portfolio Overview

Best-in-Class Assets in Strategic Locations	Largest Portfolio of Premium Office Assets	Assets Under Management
9 quality Premium Grade and Grade A assets in the business and financial districts of Singapore and Australia ⁽¹⁾	3.7 million sf total attributable NLA ⁽¹⁾	S\$8.5 billion ⁽¹⁾⁽²⁾



Office (USA)

Fortified Portfolio of Trophy/Class A Assets – Strength from Diversity

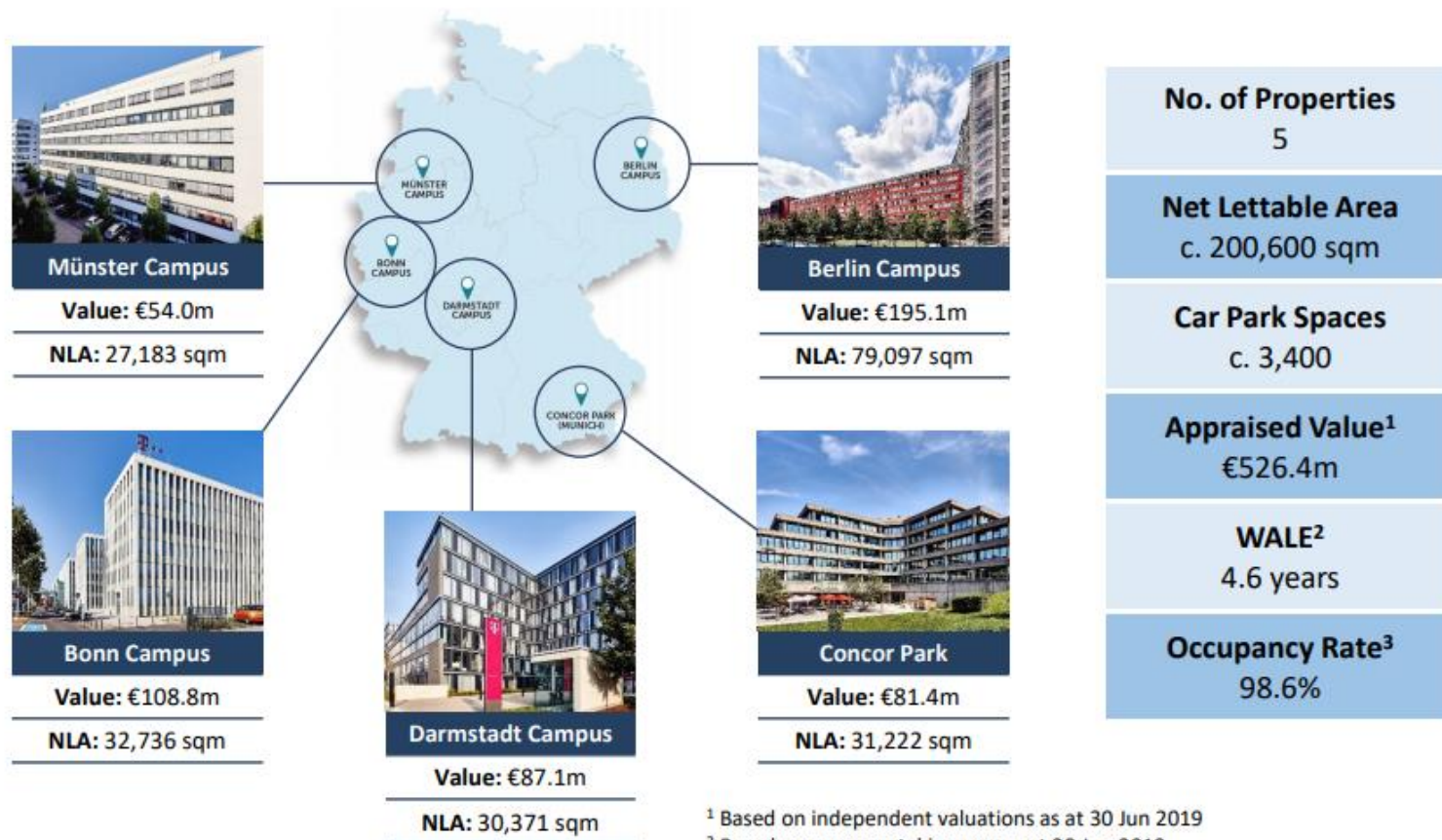


- Figuroa
- Michelson
- Peachtree
- Plaza
- Exchange
- Penn
- Phipps
- Centerpointe
- Capitol

(1) Based on fair values as at 31 Dec 2019
 (2) NPI for Centerpointe was extrapolated based on actual results (for the period 10 May 2019 to 31 Dec 2019) to full year FY 2019
 (3) NPI for Capitol was extrapolated based on actual results (for the period 29 Oct 2019 to 31 Dec 2019) to full year FY 2019

Office (Germany)

Strategic Assets in German Cities of Berlin, Bonn, Darmstadt, Münster and Munich



No. of Properties	5
Net Lettable Area	c. 200,600 sqm
Car Park Spaces	c. 3,400
Appraised Value¹	€526.4m
WALE²	4.6 years
Occupancy Rate³	98.6%

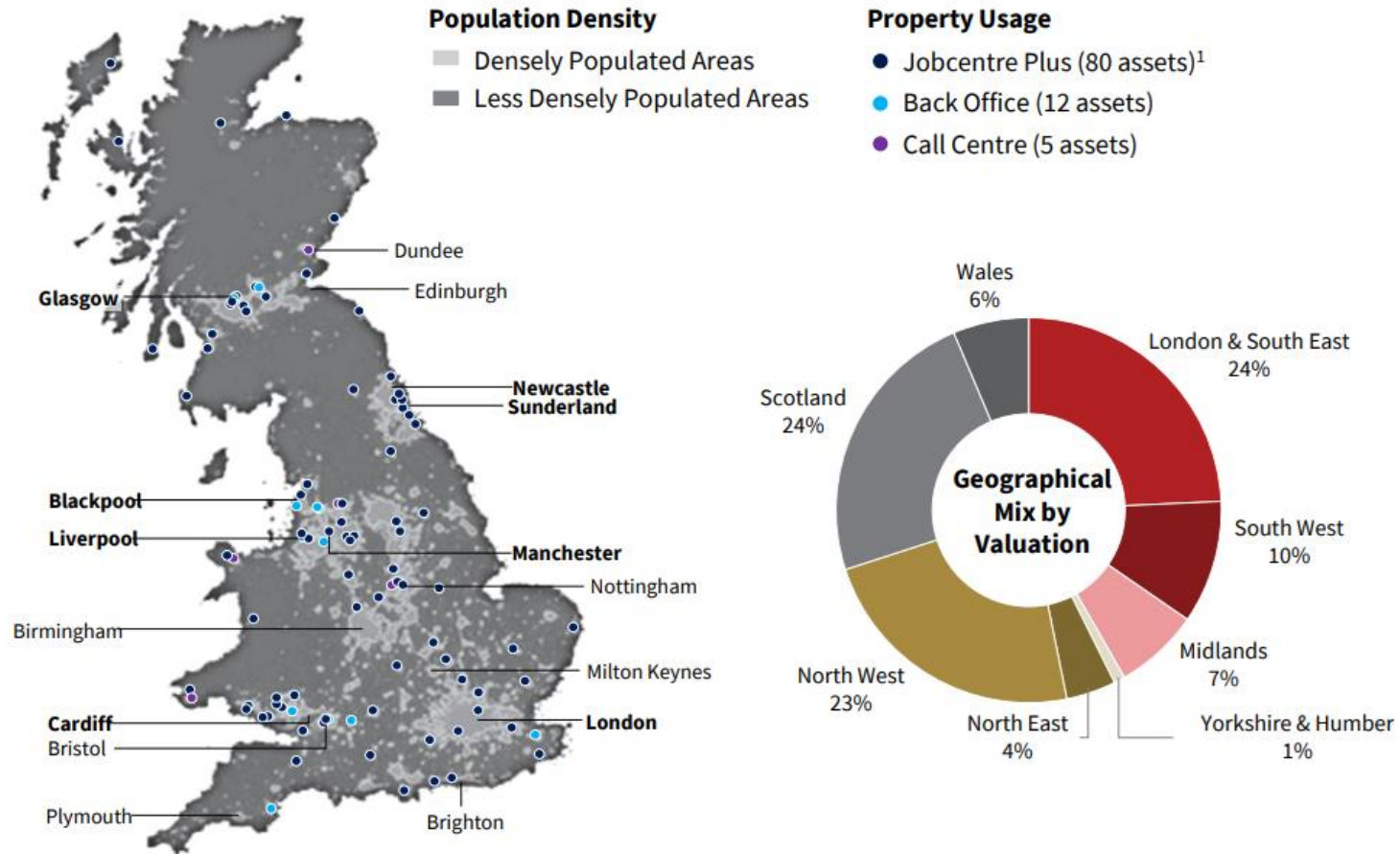
¹ Based on independent valuations as at 30 Jun 2019

² Based on gross rental income as at 30 Jun 2019

³ Based on all current leases in respect of the properties as at 30 Jun 2019

Office (United Kingdom)

Geographically Diversified Portfolio Located in Predominantly Populous Areas



Industrial / Logistic / Office (Europe)

€
€2.1 BILLION¹
 DIVERSIFIED PORTFOLIO



94
 PRIMARILY FREEHOLD
 PROPERTIES



7
 EUROPEAN
 COUNTRIES

1.4 million sqm
 NET LETTABLE AREA



Industrial (Singapore)

Largest Singapore Industrial Reit

Total 197 properties

- This Reit is the largest Singapore industrial REIT by AUM and market capitalisation
- Its business space and industrial properties are located across 4 developed markets – Singapore, Australia, the United Kingdom (UK) and the United States (US)



Investment Properties

~ **S\$13 b**



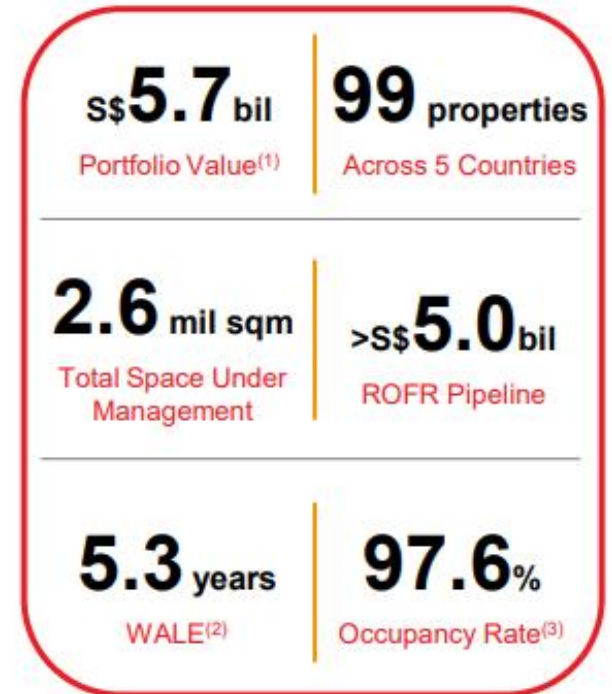
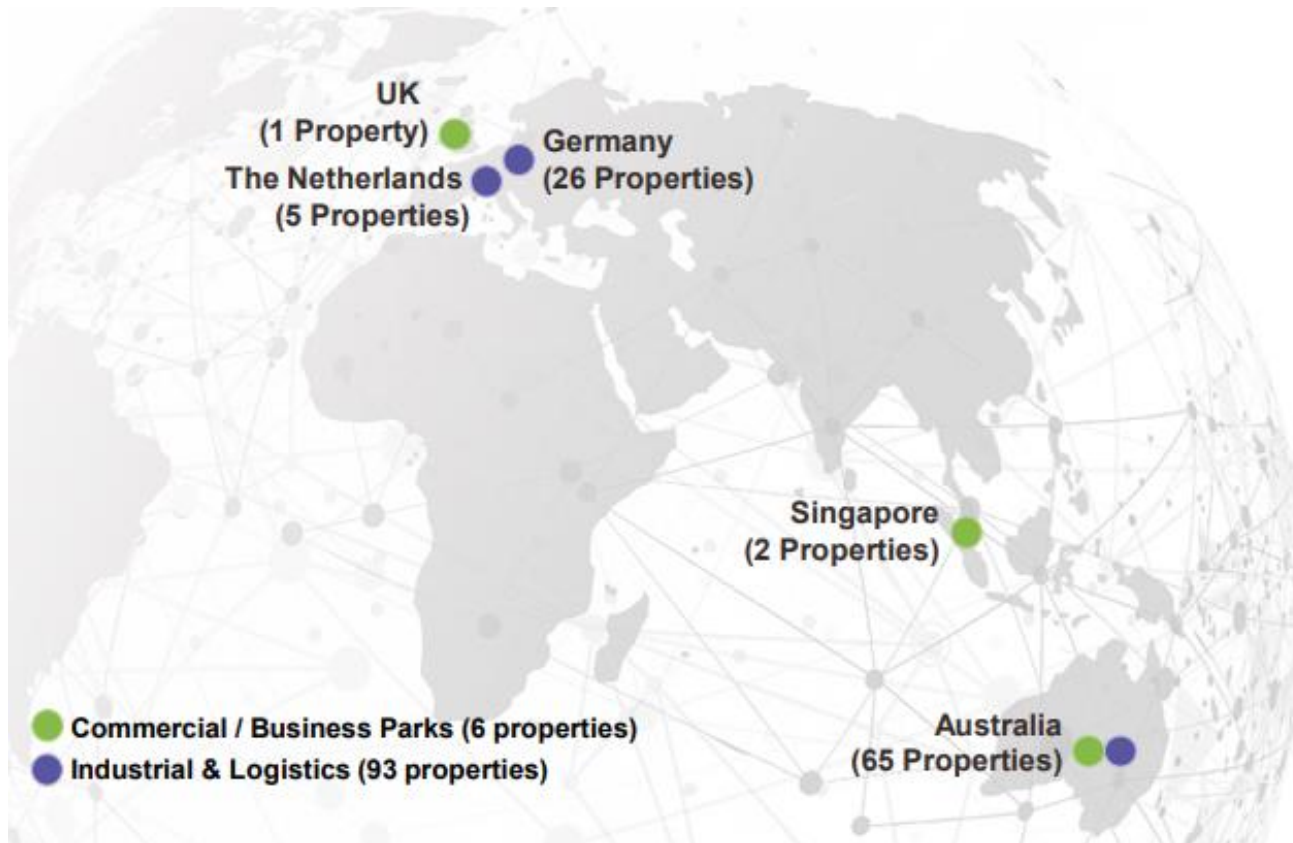
Market Capitalisation

> **S\$10 b**

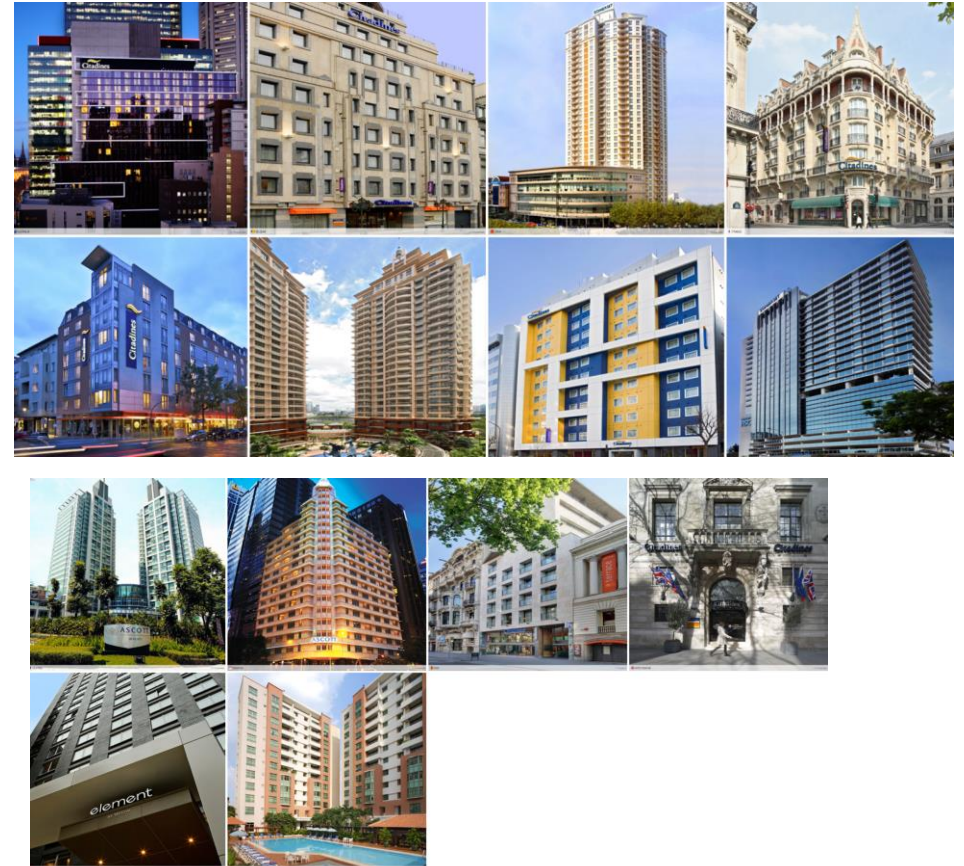
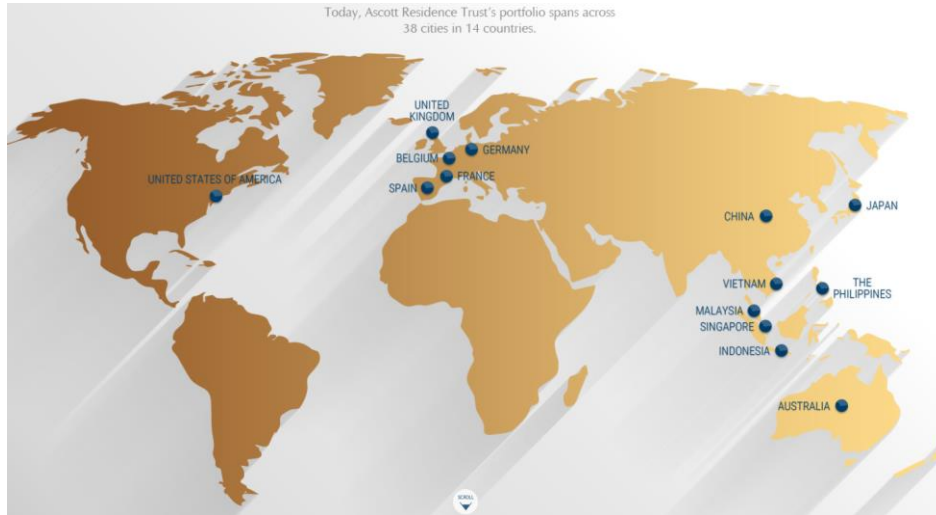


As at 31 March 2020

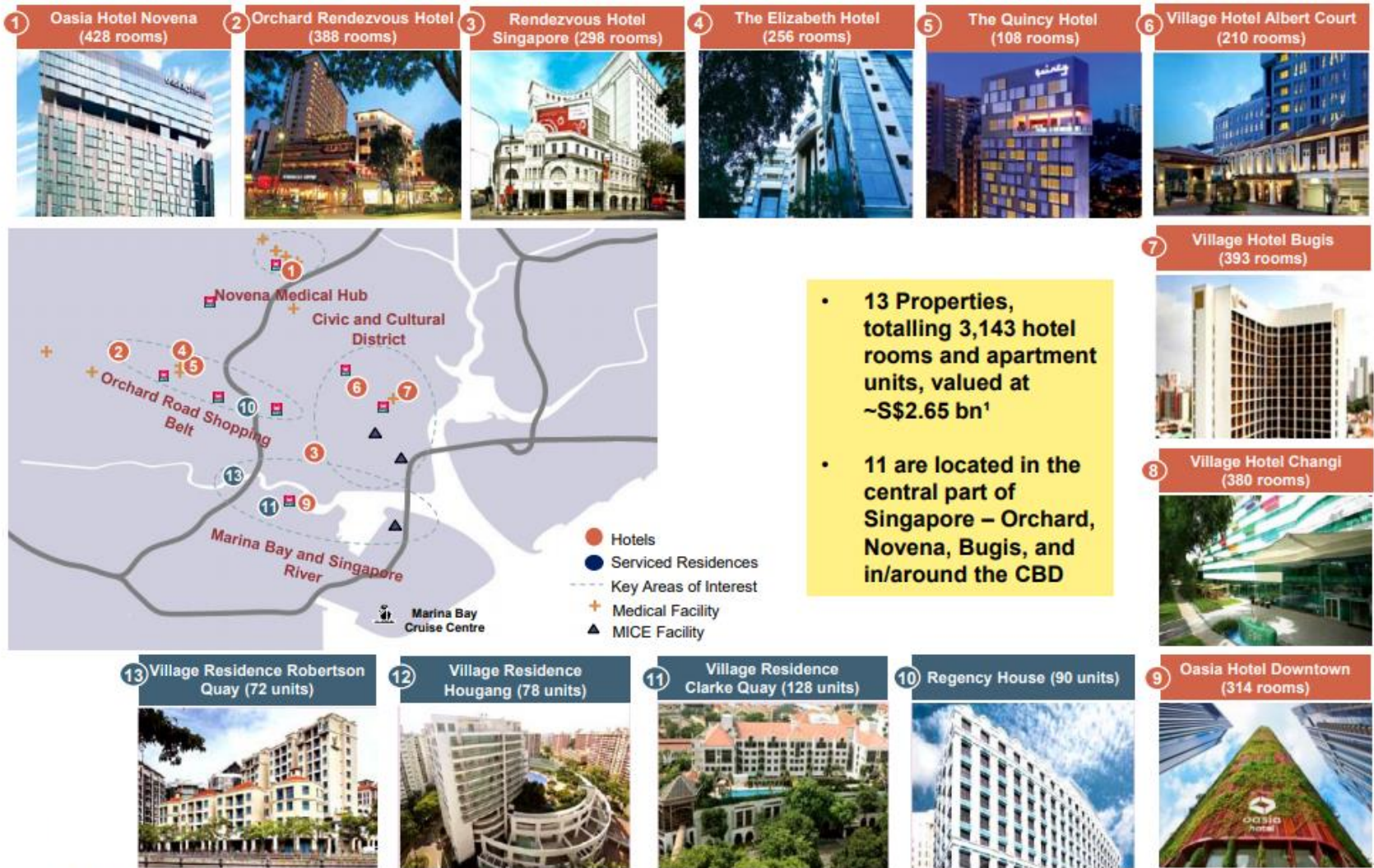
Industrial (Australia)



Serviced Residences (Global)



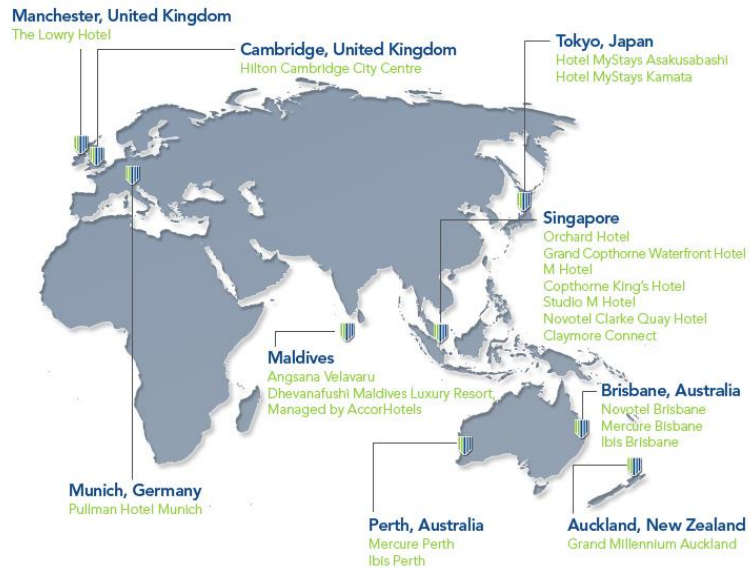
Hotel (Singapore)



Note: The independent valuations of the properties were carried out by Savills and Knight Frank, figures are as at 31 December 2019

Hotel (Overseas)

PORTFOLIO



CDLHT Portfolio



THE MALDIVES



Angsana Velavaru

Number of rooms: 113
Valuation: US\$66.0M

[READ MORE](#)



Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels

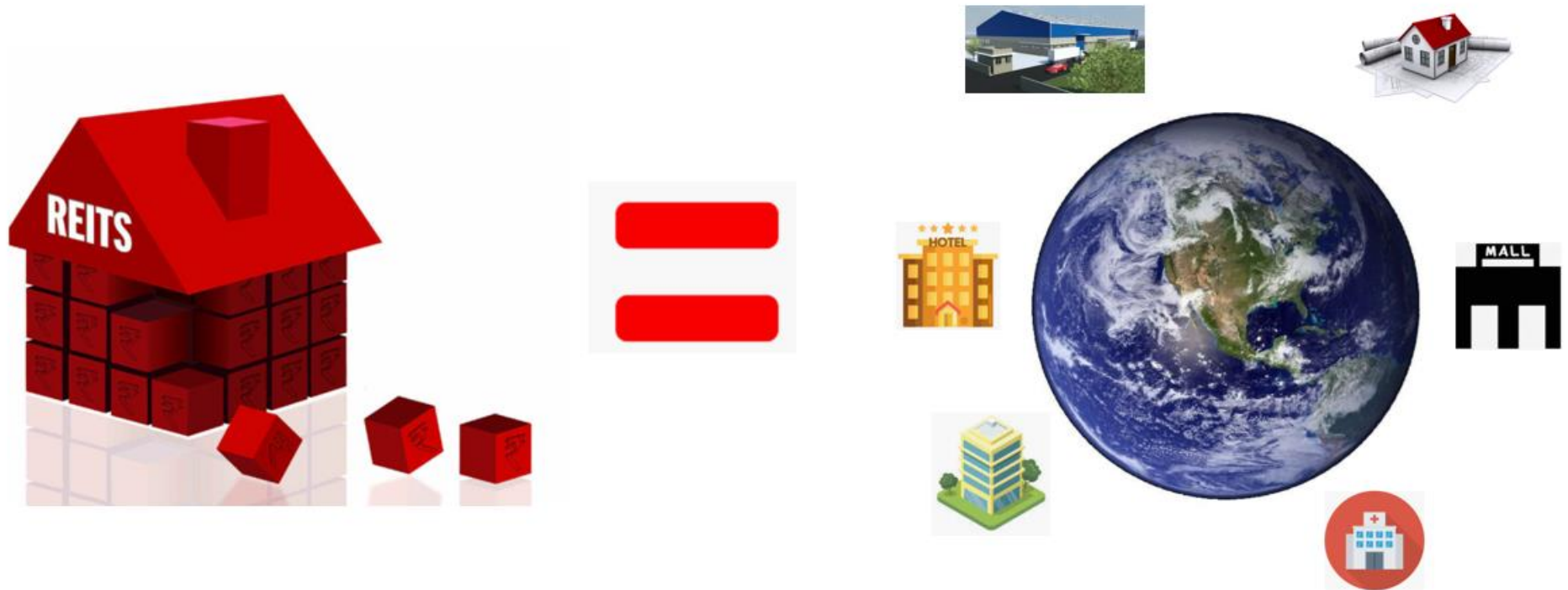
Number of rooms: 37
Valuation: US\$49.5M

[READ MORE](#)

Investing Opportunities



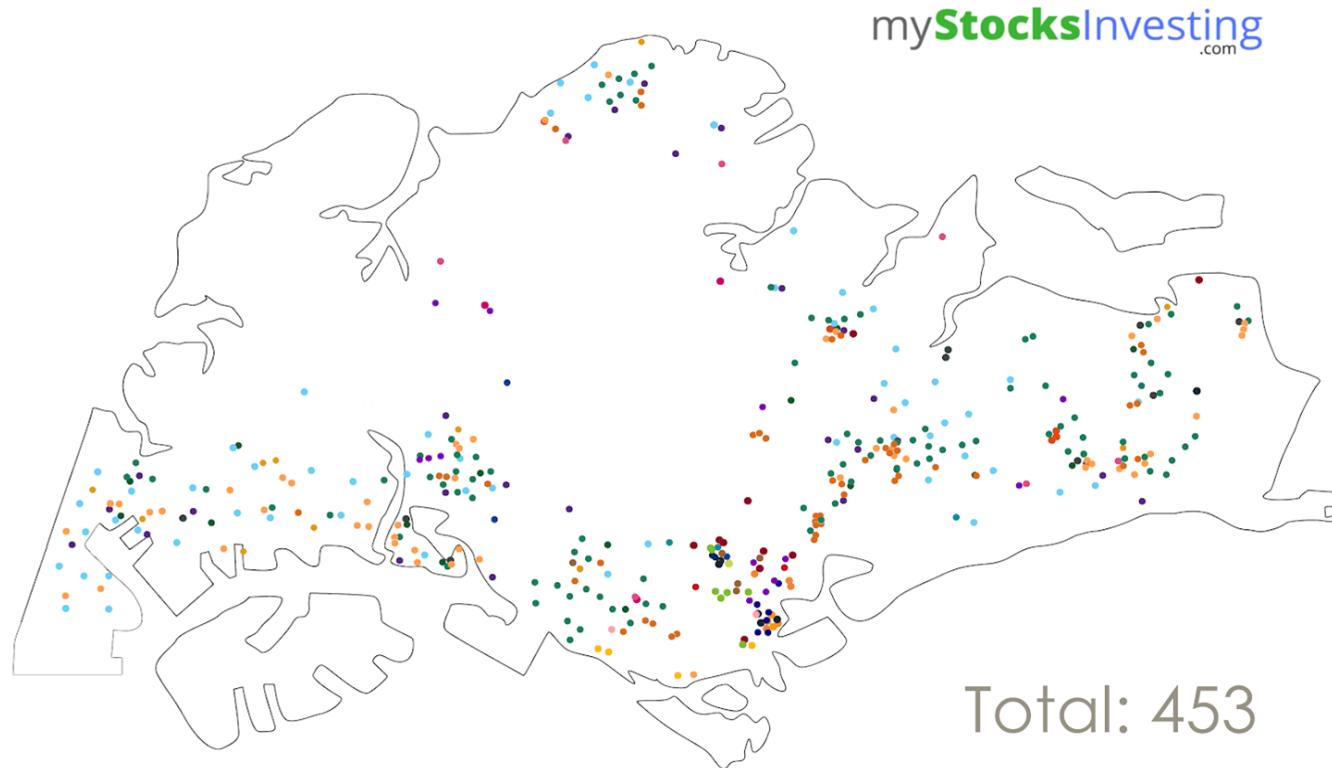
REITs = Portfolio of Diversified Properties



REITs allow investors to own > 1000 properties globally with ten of thousands dollars with minimal hassle.

A Portfolio of all Singapore REITs (26)

Including Shopping Malls, Hotels, Offices, Logistics, Industries, Data Centres etc.



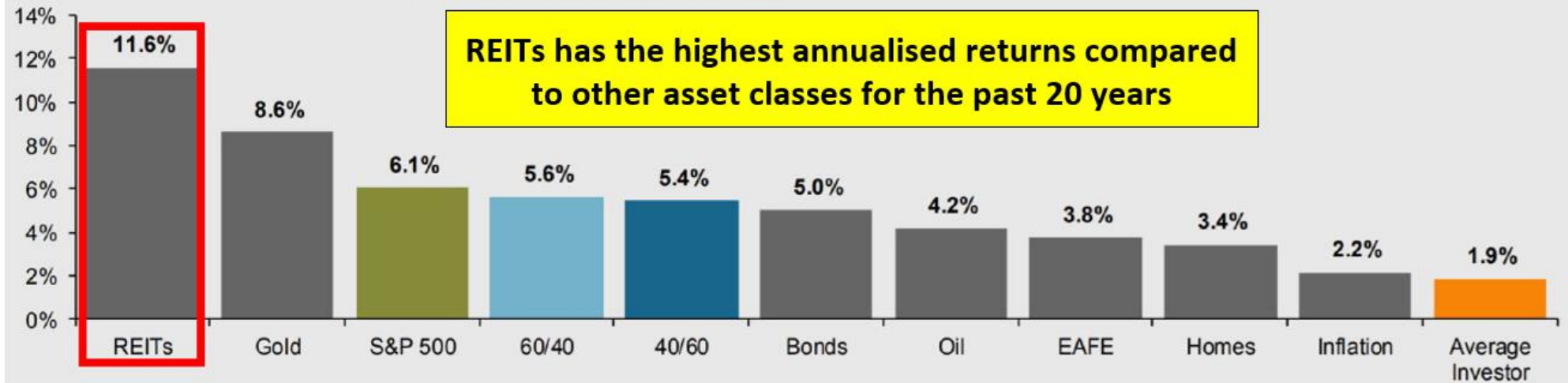
A Singapore REIT Portfolio



- Stability
 - Political (Strong, Clean and Credible Government)
 - International Neutral Stance
 - AAA Sovereign Credit Rating helps Singapore Dollar (SGD)
- Singapore as one of the Global Financial Hub and Wealth Management Center
 - Transparent & Complete Legal System
 - Well regulated Wealth Management and Financial Service System
- Economy Growth in All Aspects
 - Participate in Singapore Long Term Economic Growth & Economic Transformation
 - Investing in the property sector in land scarce small little island

20 Years Annualised Returns by Asset Classes

20-year annualized returns by asset class (1999 – 2019)



Source: J.P. Morgan Asset Management; (Top) Barclays, Bloomberg, FactSet, Standard & Poor's; (Bottom) Dalbar Inc.

Indices used are as follows: REITS: NAREIT Equity REIT Index, EAFE: MSCI EAFE, Oil: WTI Index, Bonds: Bloomberg Barclays U.S. Aggregate Index, Homes: median sale price of existing single-family homes, Gold: USD/troy oz., Inflation: CPI. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high-quality U.S. fixed income, represented by the Bloomberg Barclays U.S. Aggregate Index. The portfolio is rebalanced annually. Average asset allocation investor return is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/19 except the average investor which is through 12/31/18 and is based on Dalbar's most recent analysis. *Guide to the Markets – U.S.* Data are as of March 31, 2020.

J.P.Morgan
Asset Management

Summary:



1. Singapore REIT is one of the best performers in global REIT space.
2. The political stability of Singapore as a nation.
3. The strength and stability of Singapore Dollar.
4. Singapore offers investors a place to diversify their investment and manage risks (political, forex, geographical, well regulated financial system, etc)

Thank you

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