

Singapore Industry Focus

Frasers Property Group

Refer to important disclosures at the end of this report

DBS Group Research . Equity

13 Apr 2018

Enriching your portfolio's soul

- Potential re-rating catalysts on the horizon for Frasers Property Limited and its listed REITs
- Europe a key investment focus for the Frasers Group given attractive yield spreads on offer
- Perceived lack of liquidity an opportunity
- Positive outlook for FPL and its REITs still warrants BUY recommendations

Blooming outlook. Similar to the cherry blossoms, the Frasers Group is blooming with several catalysts to drive the respective stocks higher, as we learnt from hosting Frasers Property Limited (FPL) and its stable of REITs for a Frasers Day in Seoul. These include the expected upturn in the Singapore residential market for FPL and the potential recycling of retail, industrial and business park assets to its REITs. These potential DPU-accretive transactions for FPL's REITs are not only expected to accelerate the growth profile but the higher growth outlook should mitigate the impact of rising interest rates which is a common investor concern. Furthermore, acquisitions made by FPL's REITs are likely to be funded via equity raisings which should increase the liquidity of these REITs and in turn result in yield compression over the medium term.

Attractive opportunities in Europe. A common theme we also gleaned from the investor presentations by FPL, FCOT, FHT and FLT was UK/Europe being a core pillar or a source of potential acquisitions. This arises from the fact that Europe is on the recovery path and the majority of properties there are freehold unlike Singapore where properties are on 30- to 99-year leasehold land. Furthermore, the low costs of debt present attractive yield spreads which are difficult to achieve in other key markets such as Singapore, Australia or China.

Liquidity premium unjustified. Some investors have been reluctant to invest in FPL and its listed REITs due to their relatively lower liquidity compared to other property counters. However, the large liquidity premium is unjustified given the healthy outlook for FPL (2-year earnings CAGR of 27%), FLT (c.5% DPU growth) and FCT (c.5% DPU growth). The yields for FPL's REITs are also above their peers and historical averages. For example, FCOT's yield spread to the large-cap REITs stands at c.2% versus historical 0.8% average, while FHT trades at a 0.7% premium to its peers (0.5% average). Thus, we maintain our bullish stance and retain our BUY calls on **FPL (TP: S\$2.35)**, **FCT (TP: S\$2.48)**, **FCOT (TP: S\$1.71)**, **FHT (TP: S\$0.89)** and **FLT (TP: S\$1.24)**.

STI : 3,468.61

Analyst

Mervin SONG, CFA +65 6682 3715
mervinsong@dbs.com

Derek TAN +65 6682 3716
derektan@dbs.com

STOCKS

	Price S\$	Mkt Cap US\$m	12-mth Target Price S\$	Performance (%)		Rating
				3 mth	12 mth	
Frasers Property Ltd	1.96	4,349	2.35	(10.5)	9.5	BUY
Frasers Centrepont Trust	2.24	1,580	2.48	(1.3)	7.2	BUY
Frasers Commercial Trust	1.46	979	1.71	(1.4)	9.4	BUY
Frasers Hospitality Trust	0.75	1,063	0.89	(5.1)	4.9	BUY
Frasers Logistics & Industrial Trust	1.07	1,243	1.24	(7.8)	9.7	BUY

Source: DBS Bank, Bloomberg Finance L.P.

Closing price as of 12 Apr 2018

Summary of key attributes of FPL and its REITs

Company / REIT	Market Cap (\$m)	Key Highlights	Growth Drivers	Risks	Potential upcoming newsflow
Fraser's Property Limited (FPL)	5,650	<ul style="list-style-type: none"> Has a stable and recurring income stream from the its property assets representing 78% of operating profit before interest and tax in 1Q18. Diversified exposure across different countries (more than 60% of earnings generated outside of Singapore) and exposure not only to residential but also the office, hotel, retail and industrial sectors. 	<ul style="list-style-type: none"> Further deepening of presence in Europe via the purchase of business parks in UK and warehouse/properties in Germany. Replenishment of land bank in Singapore which provides leverage to the upturn in the Singapore residential property market. 	<ul style="list-style-type: none"> Slower-than-expected increase in the residential prices in Singapore and slowdown in the Australian market may result in lower-than-expected profits or even losses. However, this risk is mitigated by high land prices for developments near FPL's projects and in Australia projects targeting local domestic buyers. Net debt-to-equity ratio of 84.3% which is high compared to other listed developers in Singapore. However, this can easily be pared down should FPL recycle its assets into its stable of REITs. 	<ul style="list-style-type: none"> Potential acquisition of additional land bank in Singapore. Disposal of properties such as Waterpoint/Northpoint to FCT, and European logistics and business parks to FLT and FCOT respectively.

Source: DBS Bank

Summary of key attributes of FPL and its REITs (cont'd)

Company / REIT	Market Cap (\$m)	Key Highlights	Growth Drivers	Risks	Potential upcoming newsflow
Fraser's Centrepunkt Trust (FCT)	2,036	<ul style="list-style-type: none"> Resilient earnings profile given it owns suburban malls. Its two key properties Causeway Point and Northpoint are located in the Northern region of Singapore which is enjoying strong population growth and limited competition. In addition, these two properties are located at major transport hubs which provide strong footfall traffic to the malls. FCT has a strong track record of AELs delivering double-digit returns, as seen with the refurbishments conducted at Anchorpoint, Northpoint, Causeway Point and Northpoint. 	<ul style="list-style-type: none"> Near-term boost in earnings upon the completion of the AEI at Northpoint as occupancy recovers and the property benefits from higher rents. 	<ul style="list-style-type: none"> Decline in retail sales from increased penetration of e-commerce in Singapore and higher spending by Singaporeans overseas which translates into weaker demand for retail space and a decline in rents. This risk is partially mitigated by FCT's key properties being dominant malls in their submarkets. 	<ul style="list-style-type: none"> Potential acquisition of Waterpoint and/or Northpoint City extension should its sponsor decide to dispose these assets. Expansion into Australia but this is subject to having well-located assets with upside potential being available for sale at a reasonable price.

Source: DBS Bank

Summary of key attributes of FPL and its REITs (cont'd)

Company / REIT	Market Cap (\$m)	Key Highlights	Growth Drivers	Risks	Potential upcoming newsflow
Fraser's Commercial Trust (FCOT)	1,250	<ul style="list-style-type: none"> With a recovery in the Singapore office market, FCOT is well positioned to ride the uptrend. 37% of leases have inbuilt step-up rents which provide for steady organic DPU profile. The UK business market outside London that FCOT has expanded into is typically a stable market as new supply is only built with clear demand and there is limited speculative build. 	<ul style="list-style-type: none"> Near-term earnings uplift from the recent acquisition of Franborough Business Park in the UK. Completion of S\$45m asset enhancement initiative (AEI) at Alexandra Technopark in mid-2018 should enhance the competitive position of the property. This should translate into higher occupancies and rents going forward. 	<ul style="list-style-type: none"> Given FCOT has exposure to UK and Australia, the REIT is exposed to changes in the AUD and GBP exchange rates. This risk is managed with AUD and GBP borrowings and hedging the income. Weaker-than-expected rents in FCOT's three key markets would pose downside risks to earnings. However, the geographically diversified portfolio should help temper any downturn or weakness in any single market. 	<ul style="list-style-type: none"> Updates on new tenants at ATP (30.5% of 1Q18 NPI) taking up space vacated by HP. Potential further deepening of its presence in UK as the expansion into UK has now doubled its acquisition pipeline. UK/Europe is the third largest market for FCOT's sponsor.

Source: DBS Bank

Summary of key attributes of FPL and its REITs (cont'd)

Company / REIT	Market Cap (\$m)	Key Highlights	Growth Drivers	Risks	Potential upcoming newsflow
Fraser's Logistics & Industrial Trust (FLT)	1,673	<ul style="list-style-type: none"> • FLT's portfolio weighted average lease expiry (WALE) of 6.79 years is among the longest in the S-REIT market and provides for clear and stable cashflow profile. • The key markets Sydney and Melbourne, while experiencing new supply growth that is above the ten-year average, are also experiencing strong demand which has translated into healthy increases in prime grade net face rents. • FLT has a strong acquisition track record having grown its portfolio from 51 properties at listing to 61 properties currently. 	<ul style="list-style-type: none"> • The inbuilt organic rental escalations of 3.1% per annum underpin a steady DPU profile. • Near term, FLT should benefit from acquisitions made over the past 12 months. 	<ul style="list-style-type: none"> • As FLT sources 100% of its income in AUD, its DPU is subject to volatility in AUD/SGD exchange rate. This risk is managed via rolling FX hedges. • There is potential for negative rental reversions as seen in the last quarter's financial results owing to overall market rents falling or rising at a slower pace than the annual inbuilt rental escalations such as the Brisbane market. However, the rental reversions remain a small proportion of FLT's overall portfolio. 	<ul style="list-style-type: none"> • Further acquisitions in Australia as it leverages on its sponsor's development pipeline. There currently are 16 properties for which the sponsor has extended the right of first refusal (ROFR). • FLT's sponsor has been expanding in Europe. This presents a potential opportunity for FLT should it decide to expand its portfolio geographically and there are DPU-accretive targets available from third parties or its sponsor. FLT has ROFR over 25 properties in Europe.

Source: DBS Bank

Summary of key attributes of FPL and its REITs (cont'd)

Company / REIT	Market Cap (\$m)	Key Highlights	Growth Drivers	Risks	Potential upcoming newsflow
Fraser's Hospitality Trust (FHT)	1,387	<ul style="list-style-type: none"> Geographically diversified portfolio with 15 hotels located in key global gateway cities in Australia (40% of 1Q18 NPI), Singapore (21%), Japan (15%), Malaysia (6%), Germany (5%) and UK (13%). This provides earnings resilience and mitigates against any downturn in any particular market. Has the best of both worlds, with a suite of its sponsor's accommodation brands as well as those from international hotel groups such as Accor, Marriott and IHG. 	<ul style="list-style-type: none"> Near-term earnings should benefit from the expected upturn in the Singapore hospitality market as supply pressures ease. While the Sydney market should slow down from the very strong RevPAR performance over the past few years, due to the reopening of its convention centre and continued growth in the number of inbound tourists, RevPAR performance should remain on a healthy trend. Furthermore, the Australian operations should gain from the completion of renovations at Novotel Sydney Darling Square, which should deliver better room rates ahead. 	<ul style="list-style-type: none"> Potential headwinds in FHT's UK operations due to Brexit. The business may experience slowing corporate demand and negative impact from a depreciating GBP. Profitability may also be impacted by an increase in the minimum wage. These headwinds should however be partially mitigated by growing leisure demand on account of a weaker GBP and uplift post the AEI at Best Western Cromwell London, which will be rebranded into an ibis Styles property. FLT's Japanese property in Kobe may face softer demand due to increased competition from hotels in Osaka which is only a short train ride away. 	<ul style="list-style-type: none"> Finalisation of potential AEIs at various properties such as ANA Crowne Plaza Kobe, Park International London and Novotel Melbourne on Collins. Potential acquisitions in Europe as FHT's gearing is relatively low at 33%.

Source: DBS Bank

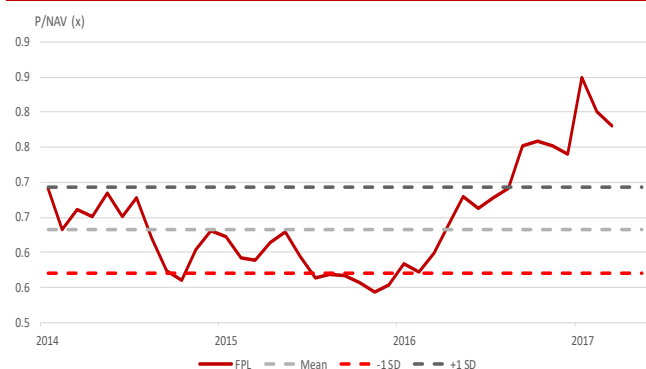
Financial statistics

Company/REIT	Sector	Operational		Outlook	WALE	Financial		
		Asset Size	Gearing			Debt Maturity	Interest Cost	% Hedge
		(\$m)	(%)		(yrs)	(yrs)	(%)	(%)
FPL	Developer	28,060	45.3*	Positive	n/a	3.2	2.9	62.8
FCT	Retail	2,767	29.4	Positive	2.5	2.7	2.4	55.0
FCOT	Commercial	2,139	34.8	Positive	3.6	2.3	3.0	81.0
FLT	Industrial	A\$1,987m	30.9	Positive	6.8	2.7	2.8	68.0
FHT	Hotel	2,497	33.0	Positive	n/a	2.6	2.8	88.5

* gross debt / total assets or 84.3% based on net debt / total equity

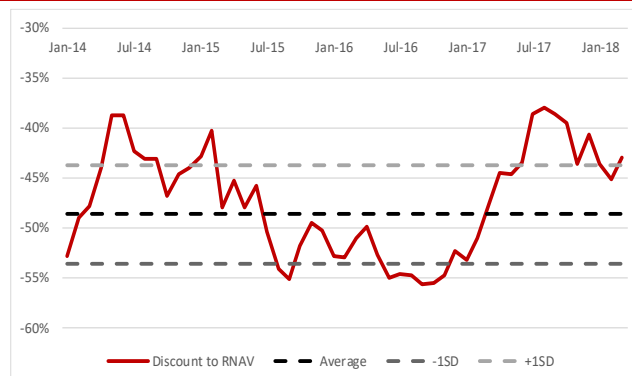
Source: FPL, FCT, FCOT, FLT, FHT, DBS Bank

FPL - P/NAV



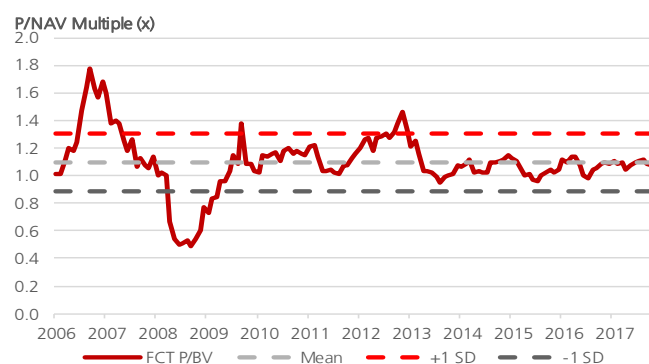
Source: DBS Bank

FPL - P/RNAV



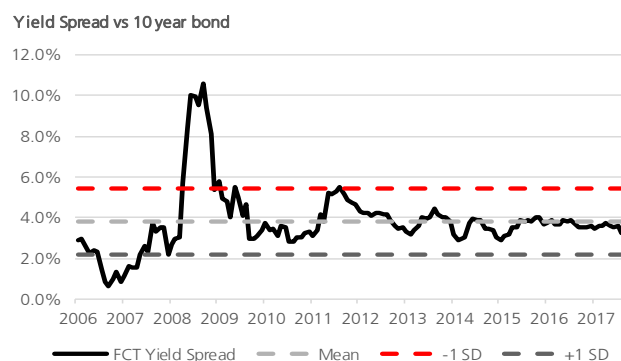
Source: DBS Bank

FCT - P/NAV



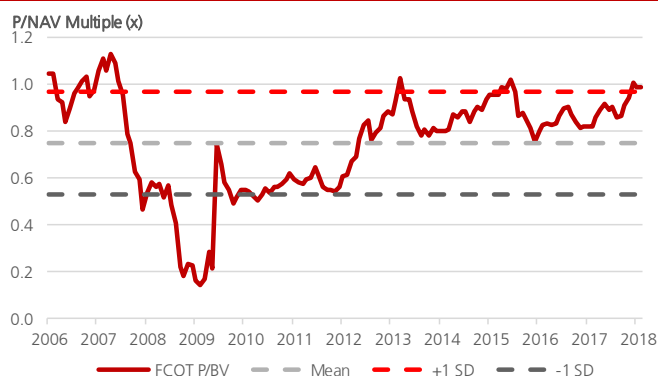
Source: DBS Bank

FCT - Yield Spread Chart



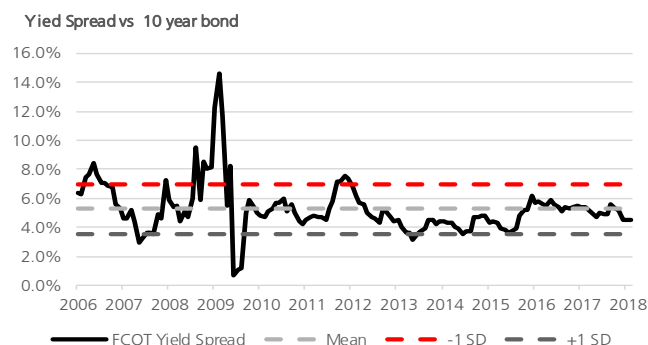
Source: DBS Bank

FCOT - P/NAV



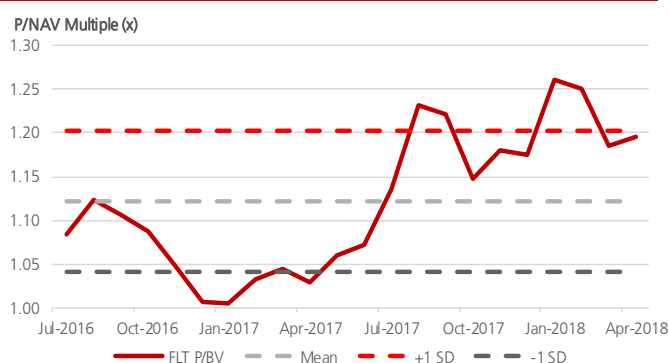
Source: DBS Bank

FCOT - Yield Spread Chart



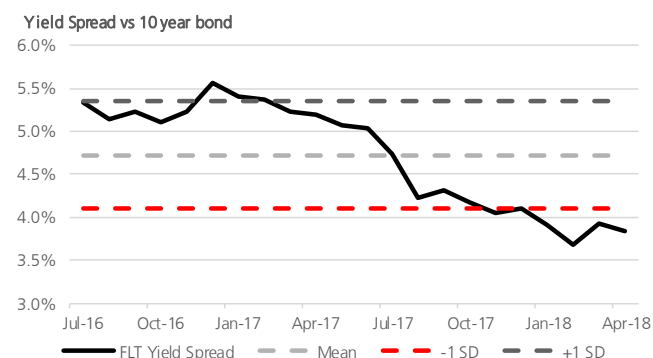
Source: DBS Bank

FLT - P/NAV



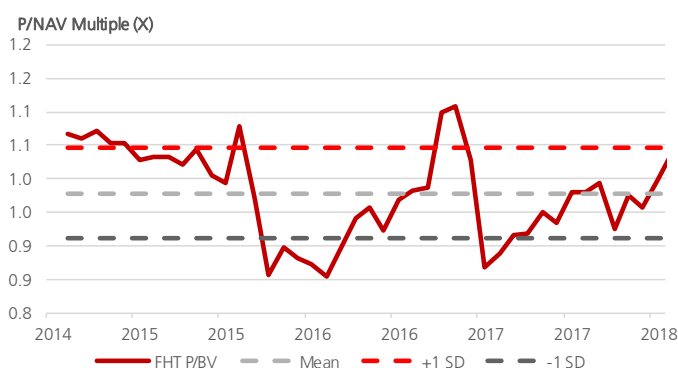
Source: DBS Bank

FLT - Yield Spread Chart



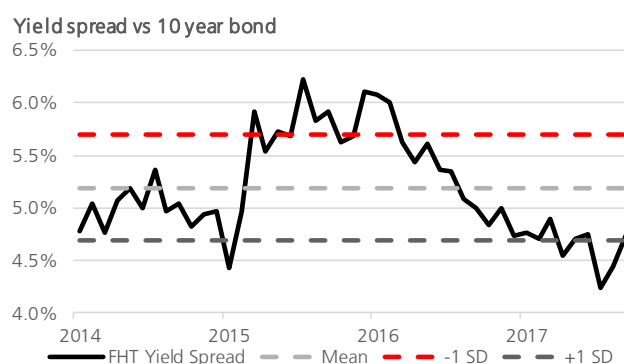
Source: DBS Bank

FHT - P/NAV



Source: DBS Bank

FHT - Yield Spread Chart



Source: DBS Bank

S-REIT Peer Comparison Table (12 April 2018)

REIT	FYE	Price	Rec	TP	Mkt Cap (\$'m)	Yield @ Current Price			P/Bk @ Current Price		
						FY18 /19F	FY19 /20F	FY20 /21F	FY18 /19F	FY19 /20F	FY20 /21F
SG Office		(\$)		(\$)							
CCT	Dec	1.83	BUY	2.10	6,609	4.8%	4.8%	5.0%	1.03	1.03	1.03
FCOT	Sep	1.46	BUY	1.71	1,285	6.8%	6.9%	6.9%	0.95	0.96	0.97
KREIT	Dec	1.21	BUY	1.41	4,101	4.6%	4.6%	4.8%	0.87	0.88	0.89
OUECT	Dec	0.71	HOLD	0.73	1,096	6.4%	6.3%	6.4%	0.79	0.79	0.80
Suntec	Dec	1.87	BUY	2.30	4,976	5.3%	5.3%	5.3%	0.89	0.90	0.91
						5.1%	5.1%	5.3%	0.93	0.94	0.95
SG Retail		(\$)		(\$)							
CRCT	Dec	1.54	BUY	1.80	1,494	7.0%	7.0%	7.1%	0.95	0.98	1.00
CMT	Dec	2.08	BUY	2.19	7,380	5.5%	5.6%	5.6%	1.06	1.06	1.06
FCT	Sep	2.24	BUY	2.48	2,074	5.6%	5.8%	6.2%	1.11	1.11	1.12
SPH REIT	Aug	0.99	BUY	1.07	2,542	5.6%	5.9%	6.0%	1.05	1.06	1.06
						5.7%	5.8%	5.9%	1.06	1.06	1.06
SG Commercial		(\$)		(\$)							
MCT	Mar	1.59	BUY	1.75	4,579	5.6%	5.7%	5.8%	1.15	1.16	1.16
SGREIT	Jun	0.73	BUY	0.82	1,581	6.8%	6.9%	7.1%	0.79	0.78	0.78
						6.0%	6.1%	6.2%	1.27	1.27	1.28
SG Industrial		(\$)		(\$)							
a-itrust	Mar	1.01	BUY	1.25	1,043	6.6%	7.2%	7.7%	1.22	1.22	1.21
A-REIT	Mar	2.70	BUY	2.85	7,907	6.0%	6.1%	6.1%	1.32	1.32	1.33
Cache	Dec	0.84	HOLD	0.90	899	7.5%	7.9%	7.9%	1.17	1.18	1.19
ESR REIT	Dec	0.55	BUY	0.63	863	7.3%	7.5%	7.5%	0.95	0.96	0.98
FLT	Sep	1.07	BUY	1.24	1,627	6.5%	6.8%	6.9%	1.15	1.15	1.15
MINT	Mar	2.04	BUY	2.15	3,846	6.0%	6.1%	6.2%	1.44	1.44	1.44
MLT	Mar	1.27	BUY	1.45	3,884	6.1%	6.4%	6.4%	1.20	1.20	1.20
SBREIT	Dec	0.68	HOLD	0.62	710	7.2%	7.3%	7.7%	1.06	1.06	1.06
						6.3%	6.4%	6.5%	1.27	1.27	1.28
SG Hospitality		(\$)		(\$)							
ASCHT	Mar	0.80	BUY	0.97	904	7.2%	7.3%	7.4%	0.78	0.78	0.78
ART	Dec	1.14	BUY	1.34	2,459	6.4%	6.5%	6.6%	0.92	0.93	0.94
CDREIT	Dec	1.72	BUY	2.00	2,063	5.9%	6.2%	6.5%	1.12	1.12	1.12
FEHT	Dec	0.68	BUY	0.76	1,264	6.1%	6.5%	6.8%	0.75	0.79	0.79
FHT	Sep	0.75	BUY	0.89	1,396	7.1%	7.4%	7.6%	0.92	0.93	0.94
OUEHT	Dec	0.81	BUY	0.93	1,471	6.3%	6.7%	6.9%	1.07	1.08	1.09
						6.4%	6.7%	6.9%	0.95	0.96	0.97
SG Healthcare		(\$)		(\$)							
P-Life	Dec	2.78	BUY	3.15	1,682	4.6%	4.7%	4.7%	1.58	1.57	1.57
RHT	Mar	0.79	HOLD	0.85	636	6.6%	6.9%	7.5%	0.94	0.96	0.96
European Commercial		(\$\$/EUR)		(\$\$/EUR)							
CERT	Dec	0.60*	BUY	0.63*	1,529	7.2%	7.3%	7.3%	1.14	1.14	1.15
IREIT	Dec	0.78	HOLD	0.75	490	7.4%	7.4%	7.4%	1.12	1.11	1.11
US Office		(\$)		(\$)							
KORE	Dec	0.88	BUY	0.95	725	6.8%	7.1%	7.4%	1.06	1.07	1.07
MUST	Dec	0.93	BUY	1.00	1,257	6.8%	6.8%	6.8%	1.12	1.14	1.15
Others		(\$)		(\$)							
KDCREIT	Dec	1.45	BUY	1.60	1,635	5.3%	5.6%	5.7%	1.50	1.44	1.44
Singapore Average						5.9%	6.0%	6.1%	1.09	1.09	1.10

* In EUR

Closing price as of 12 Apr 2018

Source: DBS Bank, Bloomberg Finance L.P.

DBS Bank recommendations are based on Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return i.e. > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

Share price appreciation + dividends

Completed Date: 13 Apr 2018 07:40:00 (SGT)

Dissemination Date: 13 Apr 2018 07:45:32 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the “**DBS Group**”) have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), DBSV HK or their subsidiaries and/or other affiliates have a proprietary position in CapitaLand Commercial Trust, Frasers Commercial Trust, Keppel REIT, Suntec REIT, CapitaLand Retail China Trust, CapitaLand Mall Trust, Frasers Centrepoint Trust, SPH REIT, Mapletree Commercial Trust, Starhill Global REIT, Ascendas REIT, Cache Logistics Trust, Frasers Logistics & Industrial Trust, Mapletree Industrial Trust, Mapletree Logistics Trust, Soilbuild Business Space Reit, Ascendas Hospitality Trust, Ascott Residence Trust, CDL Hospitality Trusts, Frasers Hospitality Trust, OUE Hospitality Trust, Parkway Life Real Estate Investment Trust, RHT Health Trust, Cromwell European Real Estate Investment Trust, Keppel-KBS US REIT, Manulife US Real Estate Inv, Keppel DC REIT, recommended in this report as of 30 Mar 2018.
2. Neither DBS Bank Ltd, DBS HK nor DBSV HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.
3. DBS Bank Ltd, DBS HK, DBSVS, DBSV HK, their subsidiaries and/or other affiliates have a net long position exceeding 0.5% of the total issued share capital in CapitaLand Commercial Trust, Frasers Commercial Trust, Keppel REIT, Suntec REIT, Frasers Centrepoint Trust, SPH REIT, Mapletree Commercial Trust, Starhill Global REIT, Cache Logistics Trust, Frasers Logistics & Industrial Trust, Mapletree Industrial Trust, Mapletree Logistics Trust, Soilbuild Business Space Reit, Ascendas Hospitality Trust, Ascott Residence Trust, CDL Hospitality Trusts, Frasers Hospitality Trust, OUE Hospitality Trust, Cromwell European Real Estate Investment Trust, Keppel-KBS US REIT, Manulife US Real Estate Inv, Keppel DC REIT recommended in this report as of 30 Mar 2018.
4. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, DBSV HK or their subsidiaries and/or other affiliates beneficially own a total of 1% of any class of common equity securities of Frasers Commercial Trust, SPH REIT, Starhill Global REIT, Cache Logistics Trust, Frasers Logistics & Industrial Trust, Soilbuild Business Space Reit, Ascendas Hospitality Trust, Ascott Residence Trust, CDL Hospitality Trusts, Frasers Hospitality Trust, OUE Hospitality Trust, Cromwell European Real Estate Investment Trust, Keppel-KBS US REIT, Manulife US Real Estate Inv, Keppel DC REIT as of 30 Mar 2018.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

Compensation for investment banking services:

5. DBS Bank Ltd, DBS HK, DBSVS, DBSV HK, their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from CapitaLand Commercial Trust, Frasers Commercial Trust, Keppel REIT, OUE Commercial REIT, Suntec REIT, CapitaLand Retail China Trust, CapitaLand Mall Trust, Frasers Centrepoint Trust, Ascendas India Trust, Ascendas REIT, Cache Logistics Trust, ESR REIT, Frasers Logistics & Industrial Trust, Mapletree Industrial Trust, Mapletree Logistics Trust, Soilbuild Business Space Reit, Ascott Residence Trust, CDL Hospitality Trusts, Parkway Life Real Estate Investment Trust, RHT Health Trust, Cromwell European Real Estate Investment Trust, Keppel-KBS US REIT, Manulife US Real Estate Inv, as of 30 Mar 2018.
6. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for CapitaLand Commercial Trust, Frasers Commercial Trust, Keppel REIT, OUE Commercial REIT, Suntec REIT, CapitaLand Retail China Trust, CapitaLand Mall Trust, Frasers Centrepoint Trust, Ascendas India Trust, Ascendas REIT, Cache Logistics Trust, ESR REIT, Frasers Logistics & Industrial Trust, Mapletree Industrial Trust, Mapletree Logistics Trust, Ascott Residence Trust, CDL Hospitality Trusts, Parkway Life Real Estate Investment Trust, RHT Health Trust, Cromwell European Real Estate Investment Trust, Keppel-KBS US REIT, Manulife US Real Estate Inv in the past 12 months, as of 30 Mar 2018.
7. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.


Directorship/trustee interests:

8. Olivier Lim Tse Ghow, a member of DBS Group Holdings Board of Directors, is a Advisor of Frasers Property Ltd as of 31 Mar 2018

Disclosure of previous investment recommendation produced:

9. DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd. ("DBS") or DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"). DBS holds Australian Financial Services Licence no. 475946.</p> <p>DBSVS is exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. DBSVS is regulated by the Monetary Authority of Singapore under the laws of Singapore, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	<p>This report has been prepared by a person(s) who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Vickers Hong Kong Limited, a licensed corporation licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).</p> <p>For any query regarding the materials herein, please contact Paul Yong (CE. No. ASE988) at equityresearch@dbs.com.</p>
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;"> Wong Ming Tek, Executive Director, ADBSR</p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at PO Box 506538, 3rd Floor, Building 3, East Wing, Gate Precinct, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.

United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG

DBS Vickers (Hong Kong) Ltd

Contact: Paul Yong
18th Floor Man Yee Building
68 Des Voeux Road Central
Central, Hong Kong
Tel: 65 6878 8888
Fax: 65 65353 418
e-mail: equityresearch@dbs.com
Participant of the Stock Exchange of Hong Kong

MALAYSIA

AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek (128540 U)
19th Floor, Menara Multi-Purpose,
Capital Square,
8 Jalan Munshi Abdullah 50100
Kuala Lumpur, Malaysia.
Tel.: 603 2604 3333
Fax: 603 2604 3921
e-mail: general@alliancedbs.com

SINGAPORE

DBS Bank Ltd

Contact: Janice Chua
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
Fax: 65 65353 418
e-mail: equityresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: research@id.dbsvickers.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand