



**Acquisition of 1750 Pennsylvania Ave (Washington, D.C.)
& Phipps Tower (Atlanta, GA) in U.S.
13 April 2018**

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Introduction to Acquisition

Solidifying the Portfolio

Acquisition of Sponsor's Assets - Total Purchase Price US\$387.0 million

Click to watch video!








**1750 Pennsylvania Ave,
Washington, D.C. (Penn)**



Phipps Tower, Atlanta (Phipps)

Investment Criteria

	Long WALE	6.8 years	10.0 years
	High Occupancy	97.2%	97.3%
	Live, Work, Play	Centre of U.S government drawing major corporations and global agencies	Desirable work location, high-end retail, hotels and deluxe residential
	Strong Economic Fundamentals	5 th largest economy in U.S.	10 th largest economy in U.S.
	Trophy/Class A Assets	Class A	Trophy

Overview: 1750 Pennsylvania Avenue, Washington, D.C.



Property	1750 Pennsylvania Avenue (Penn)
Description	<ul style="list-style-type: none"> • 13-storey Class A office building • Located a block from the White house on highly coveted Pennsylvania Avenue
Location	1750 Pennsylvania Avenue NW, Washington, D.C.
Land Tenure	Freehold
NLA	277,243 sq ft
Parking Lots	287
Year of Completion	1964 (renovated between 2012-2018)
Purchase Price¹	US\$182.0 million
Valuation²	Colliers: US\$186.0 million Cushman & Wakefield: US\$184.0 million
Occupancy Rate	97.2%
WALE (by NLA)	6.8 years
Tenants	10

Data as at 31 Dec 2017

(1) Subject to closing and post-closing adjustments in the ordinary course of business.

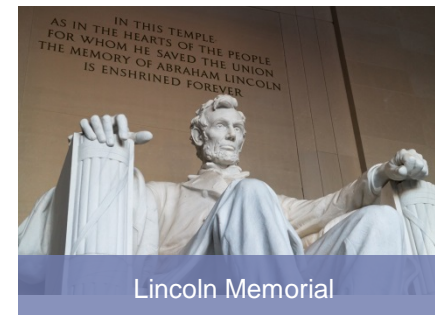
(2) As at 31 Mar 2018.

Overview: 1750 Pennsylvania Avenue, Washington, D.C.

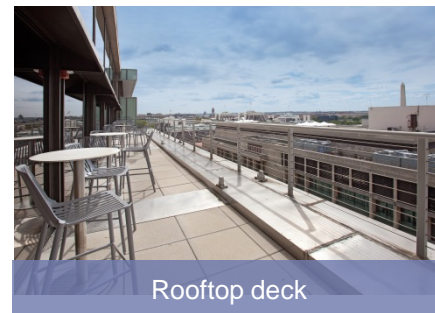
Superb Location in Washington, D.C.'s Central Business District



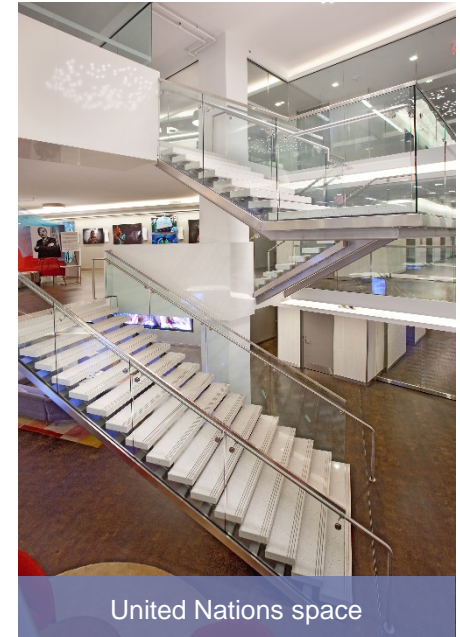
- Close to White House, International Monetary Fund (IMF), the World Bank and Federal Reserve Bank
- Serving the U.S. government, leading U.S. corporates and global agencies
- Excellent highly amenitised mixed-use area
- Convenient access via subway, rail and major highways



Lincoln Memorial



Rooftop deck



United Nations space

Overview: 1750 Pennsylvania Avenue, Washington, D.C.

86.2% of Tenants are Defensive High Quality Government and Global Agencies

Tenants by Gross Rental Income

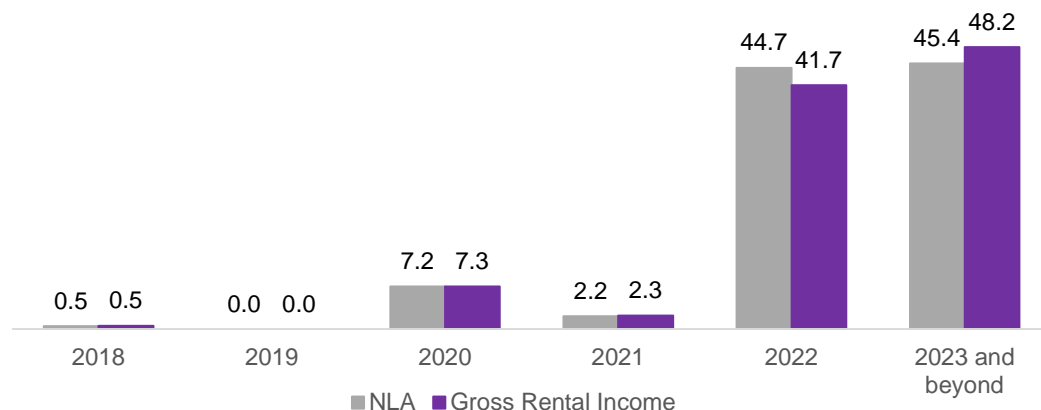
Tenants	Profile	% of Gross Rental Income
U.S. Department Of Treasury	Government agency that manages the finances of the U.S. Federal Government.	41.7%
United Nations Foundation	Global organisation - fosters global peace, prosperity and justice.	37.4%
U.S. Chemical Safety Board	Independent federal agency charged with investigating chemical accidents.	4.8%
United States Postal Service	Mail processing and delivery services to individuals and businesses	2.3%
AOL	Leading source of news, opinion entertainment and digital information.	6.3%
Board of Regents of the University Texas	Governing body for the University of Texas system.	4.4%
VIPS Catering	Catering company servicing the surrounding area and special events.	1.0%
Taylor Gourmet	Food service company servicing various areas in the CBD.	0.9%
General Nutrition Corporation	U.S. company selling health and nutrition related products.	0.7%
Export-Import Bank of India	Export finance institution providing financial services in India.	0.5%
Total		100.0%

Data as at 31 Dec 2017

Overview: 1750 Pennsylvania Avenue, Washington, D.C.

Long WALE of 6.8 years; Minimal Expiries before 2022

Lease Expiry Profile (%)



- ✓ ~US\$6.0 million of asset enhancement in the last six years
- ✓ Over 90.0% by NLA expiring in 2022 and beyond
- ✓ Leases with built-in rental escalations, typically mid-term or annual
- ✓ Passing gross rent of US\$48.90 psf vs market gross rent of US\$55.00 psf

Data as at 31 Dec 2017



Overview: Phipps Tower, Atlanta



Property	Phipps Tower (Phipps)
Description	<ul style="list-style-type: none"> • 19-storey Trophy office building • LEED-CS Gold Certification • High-end “Live, work, play” environment
Location	3438 Peachtree Road, Atlanta, Georgia
Land Tenure	Leasehold ¹ (with rights to acquire Freehold)
NLA	475,091 sq ft
Parking Lots	1,150
Year of Completion	2010
Purchase Price²	US\$205.0 million
Valuation³	Colliers: US\$210.2 million Cushman & Wakefield: US\$208.2 million
Occupancy Rate⁴	97.3%
WALE (by NLA)⁴	10.0 years
Tenants⁴	9

(1) 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. For more details, see Acquisition Announcement on 13 Apr 2018.

(2) Subject to closing and post-closing adjustments in the ordinary course of business.

(3) As at 31 Mar 2018.

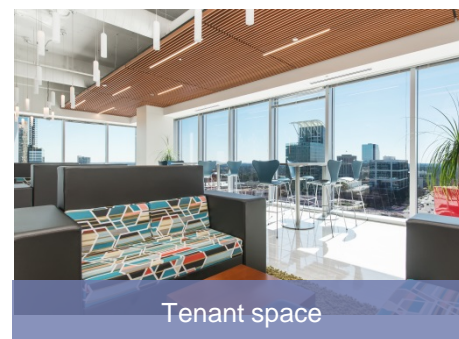
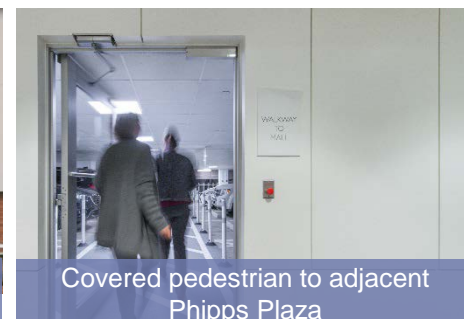
(4) As at 31 Dec 2017. Excluding a lease with H.I.G. Atlanta, Inc. which expired on 28 Feb 2018.

Overview: Phipps Tower, Atlanta

Strongest Office Submarket; High-End “Live, Work, Play” Environment



- Surrounded by ~2.5 million sq ft of retail space, 5-star hotels and deluxe residential
- Direct access to largest luxury mall in Atlanta, Phipps Plaza – Louis Vuitton, Tiffany, Gucci, Fendi, Omega
- Excellent connectivity to major highways and train stations



Overview: Phipps Tower, Atlanta

High Occupancy Rate of 97.3%¹ with Strong Tenant Base

Tenants by Gross Rental Income¹

Tenants	Profile	% of Gross Rental Income
Carter's (NYSE:CRI)	Major American designer and marketer of children's apparel – OshKosh B'gosh.	64.6%
Northwestern Mutual	Financial representative, providing a wide range of financial products and services.	12.6%
CoStar (NASDAQ:CSGP)	Commercial real estate information and marketing provider.	9.9%
Daugherty Business Solutions	Provides business technology consulting services to local and state governments, organisations and Fortune 500 companies.	3.8%
Speakeasy Communication	Provides personal growth, communication development and consulting services worldwide.	3.6%
Cornerstone Investment	Employee-owned registered investment advisor.	2.3%
Government of Japan	Consulate-General of Japan.	2.3%
Quantum National Bank	Community bank, locally owned and operated.	0.4%
Carole Parks	Catering services company.	0.1%
Total²		99.6%

Data as at 31 Dec 2017

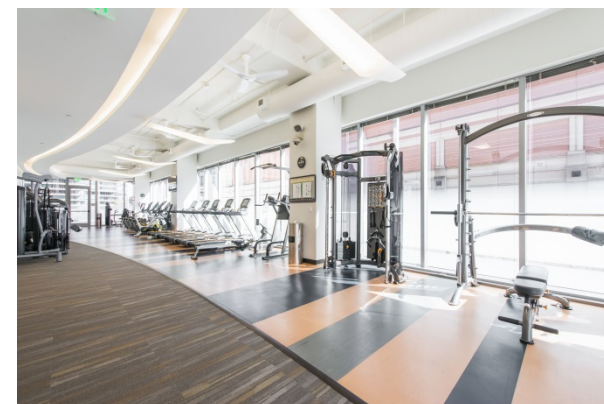
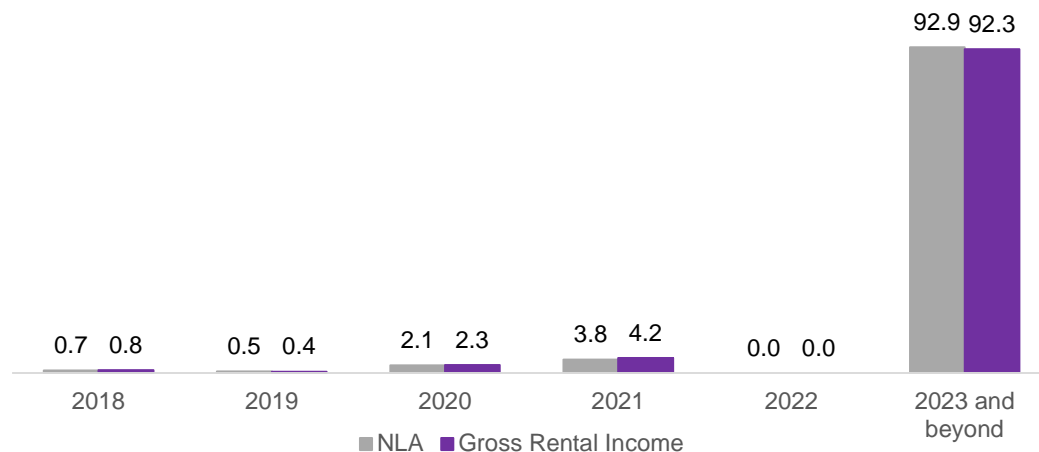
(1) Excluding a lease with H.I.G. Atlanta, Inc. which expired on 28 Feb 2018.

(2) JHUSA operates a property management office in Phipps, and accounts for the remaining 0.4% of the Gross Rental Income, but is not listed as a tenant.

Overview: Phipps Tower, Atlanta

Long WALE of 10.0 years; Minimal Expiries before 2023

Lease Expiry Profile (%)



- ✓ Over 90% by NLA and GRI expiring in 2023 and beyond
- ✓ Majority of leases with built-in rental escalations, typically mid-term or periodic
- ✓ Passing net rent of US\$22.20 psf vs market net rent of US\$30.00 psf

Data as at 31 Dec 2017



Capitol Building

Department of Commerce

Washington Monument

National Mall

DAR - Constitution Hall

White House

Department of Treasury

Lafayette Square

Pennsylvania Avenue

Executive Offices

17th Street

Federal Reserve

Federal Deposit Insurance Corporation

World Bank

World Bank

Key Rationale

1750 PENNSYLVANIA AVENUE

Key Rationale

1 Landmark Assets and Exposure to Prime Office Submarkets

2 Fortifying Trade Sectors and Quality of Tenants

3 Strengthening Portfolio by Lengthening Lease Expiries

4 Delivering Returns through Accretive Acquisitions

Washington, D.C.: Conquering the Capital

Nation's Capital, Government Hub, Heart of CBD

Epi-centre of power and influence

- Hosts 176 foreign embassies
- HQ for many global firms, trade unions, non-profit companies and professional associations
- One of the strongest cities in the world:
 - ✓ Highest educated population in U.S.
 - ✓ 2nd highest median household income in U.S.
 - ✓ Highest level of consumer expenditure in U.S.

Excellent transportation

- 3 major airports:
 - ✓ Reagan International Airport
 - ✓ Dulles International Airport
 - ✓ Thurgood Marshall Baltimore - Washington International Airport
- Efficient road network for easy access to city
- Amtrak train connects Washington to Baltimore, Philadelphia, New Jersey, New York City and Boston

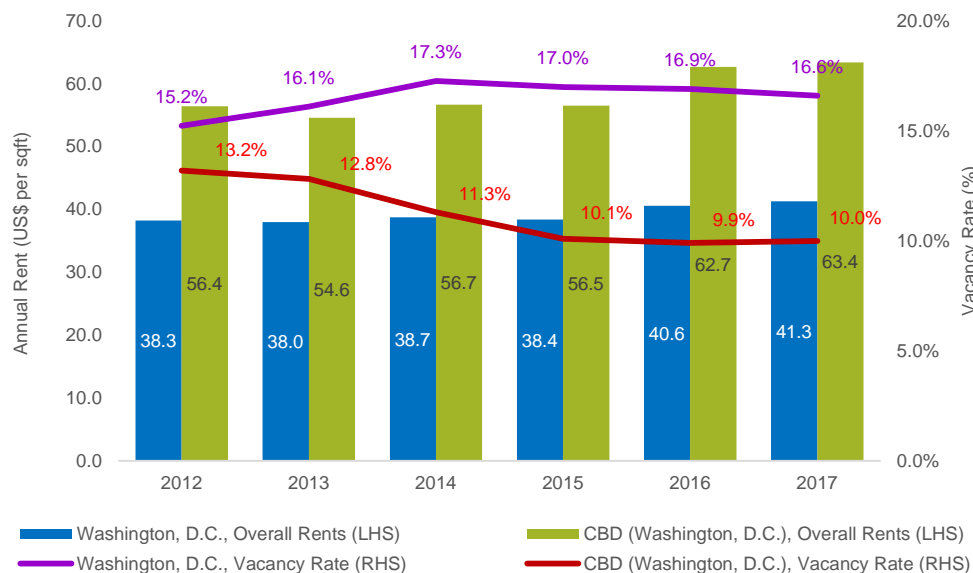


Source: JLL Independent Market Research Report, March 2018

CBD Washington, D.C.: Exposure to Prime Office Submarket

CBD Washington, D.C.

Preeminent Commercial District Commands Higher Rentals



- White House, World Bank and International Monetary Fund anchors submarket
- Pennsylvania Avenue - preferred address for high-profile law firms, global agencies and political think tanks
- Wide variety of restaurants, luxury shops, hotels, sports and cultural entertainment
- CBD is fully built out with development focus on repositioning Class B/C buildings to Trophy/Class A with asking rents of ~US\$68.00 psf
- 10-year average vacancy rate of 10.7% - lowest in the city
- Rental rates are ~50.0% higher in D.C.'s CBD vs overall D.C.

Demographics (2017)

	D.C.	U.S.
Population	6.1 million	327.4 million
Median Household Income	US\$95,843	US\$55,775

Source: JLL Independent Market Research Report, March 2018

Atlanta: Economic Centre of Southeast U.S.

International Gateway - Headquarters for 15 Fortune 500 Firms



Big business

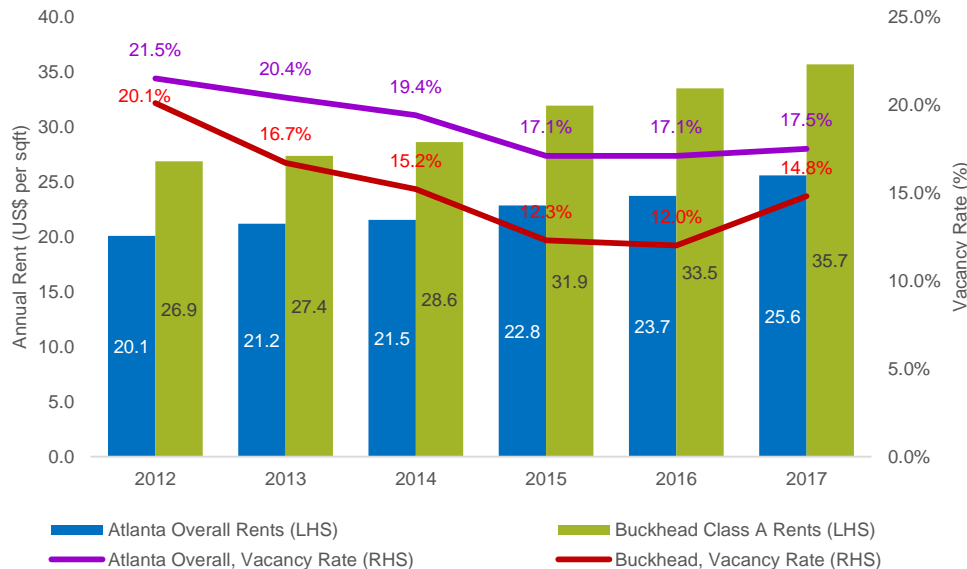
- 10th largest economy in U.S.
- 15 Fortune 500 companies
- Average ~85,000 jobs created annually
- Lowest cost of doing business among 50 largest Metropolitan Statistical Area in U.S.
- Dynamic and affluent workforce
 - ✓ Median household income above U.S. average
 - ✓ Ranked 4th nationally in annual population growth
 - ✓ 35.8 median age compared to 37.9 U.S. average
 - ✓ 37.7% of population has a bachelor's degree or higher
- Atlanta's Hartsfield-Jackson International Airport - world's busiest airport, serving ~100 million passengers annually

Source: JLL Independent Market Research Report, March 2018

Atlanta: Exposure to Strongest Office Submarket

Buckhead Atlanta

Lower Vacancy and Higher Rentals



Great connectivity

- Direct access to highways
- Trains run directly to Midtown and Downtown Atlanta
- 20 mins by car to Atlanta's Hartsfield-Jackson International Airport

Desirable high-end location

- Highly sought after by young professionals and senior executives for high-end “live, work, play”
- Traditionally commands highest office rents in Atlanta
- Rents growing 58.4% faster than the broader market since 2012
- Overall vacancy rate 14.8% is lower than Atlanta's average 17.5%

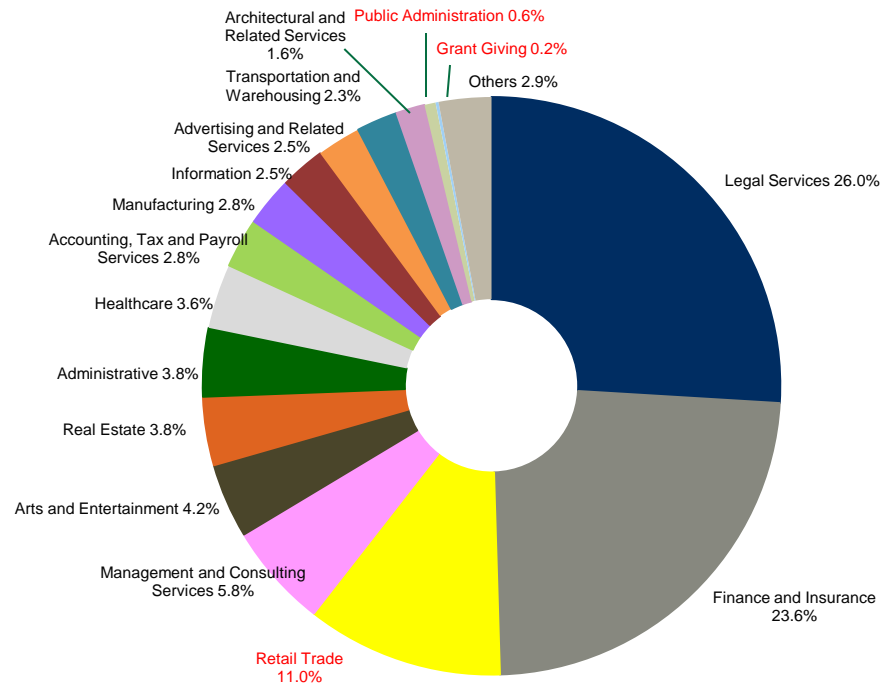
Demographics (2017)

	Atlanta	U.S.
Population	5.8 million	327.4 million
Median Household Income	US\$62,613	US\$55,775

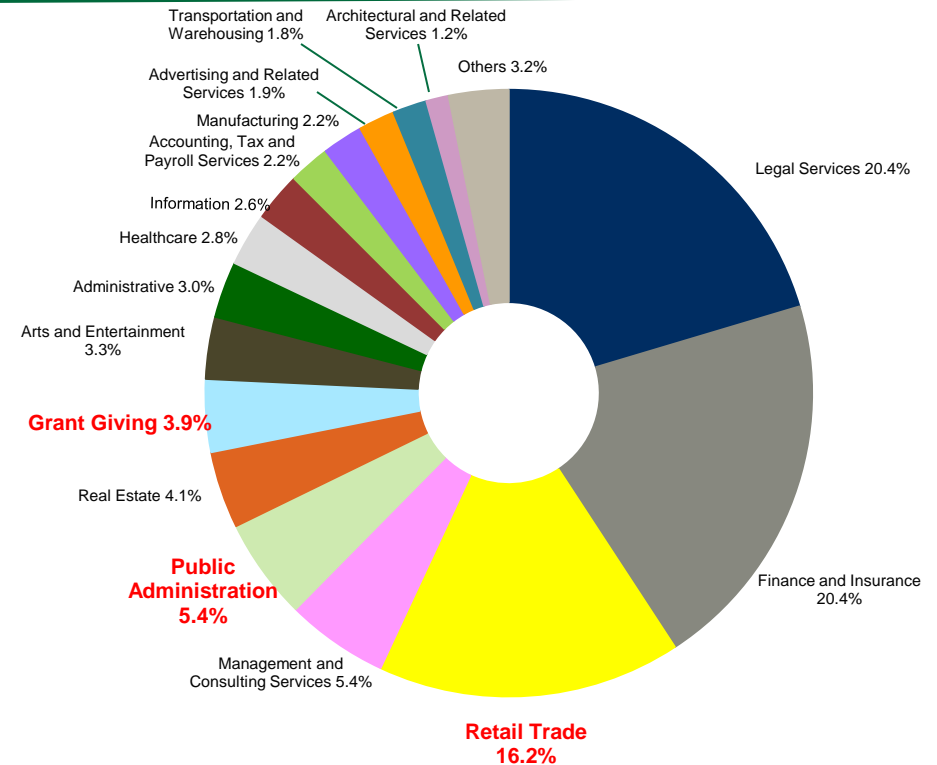
Source: JLL Independent Market Research Report, March 2018

Fortifying Trade Sectors and Quality of Tenants

Current Portfolio Trade Sectors by GRI



Enlarged Portfolio Trade Sectors by GRI



- ✓ Improve tenant diversification from current portfolio
- ✓ Significantly increased exposure to Retail Trade, Public Administration and Grant Giving
- ✓ High exposure to quality tenants

Data as at 31 Dec 2017

Fortifying Trade Sectors and Quality of Tenants

Acquisition Introduces Three New Quality Tenants into Top 10 Tenants

Current Portfolio	
Tenants	% Gross Rental Income
Kilpatrick Townsend	6.7%
TCW Group	6.4%
Hyundai Motor Finance	5.8%
The Children's Place	5.4%
Quinn Emanuel Trial Lawyers	4.5%
Amazon	4.4%
Quest Diagnostics	3.5%
Gibson Dunn	3.2%
LA Fitness	3.0%
Rabo Support Services, Inc	3.0%
Total Top 10 Tenants	45.9%



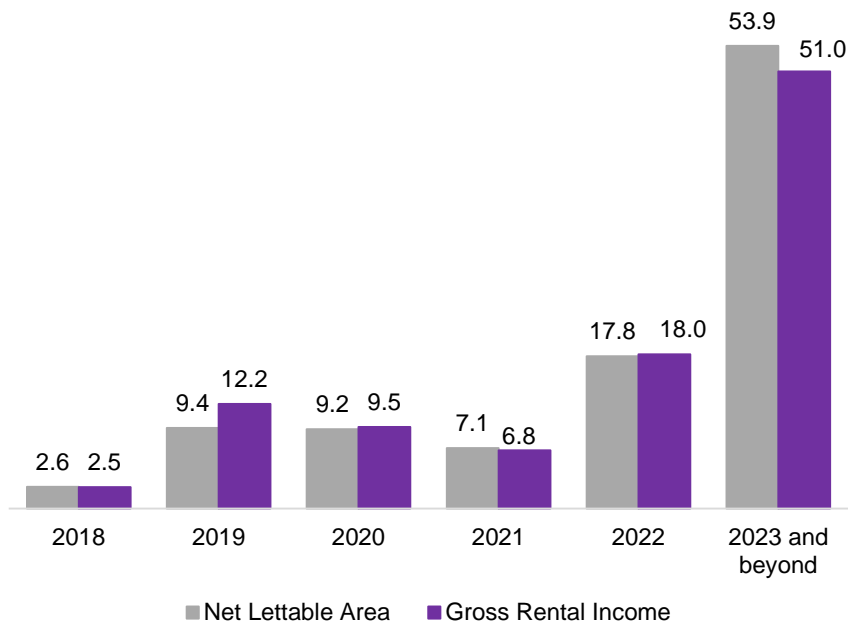
Enlarged Portfolio	
Tenants	% Gross Rental Income
Carter's	7.4%
Kilpatrick Townsend	5.2%
TCW Group	5.0%
Hyundai Motor Finance	4.5%
The Children's Place	4.3%
U.S. Department of Treasury	4.2%
United Nations Foundation	3.7%
Quinn Emanuel Trial Lawyers	3.5%
Amazon	3.5%
Quest Diagnostics	2.8%
Total Top 10 Tenants	44.1%

Data as at 31 Dec 2017

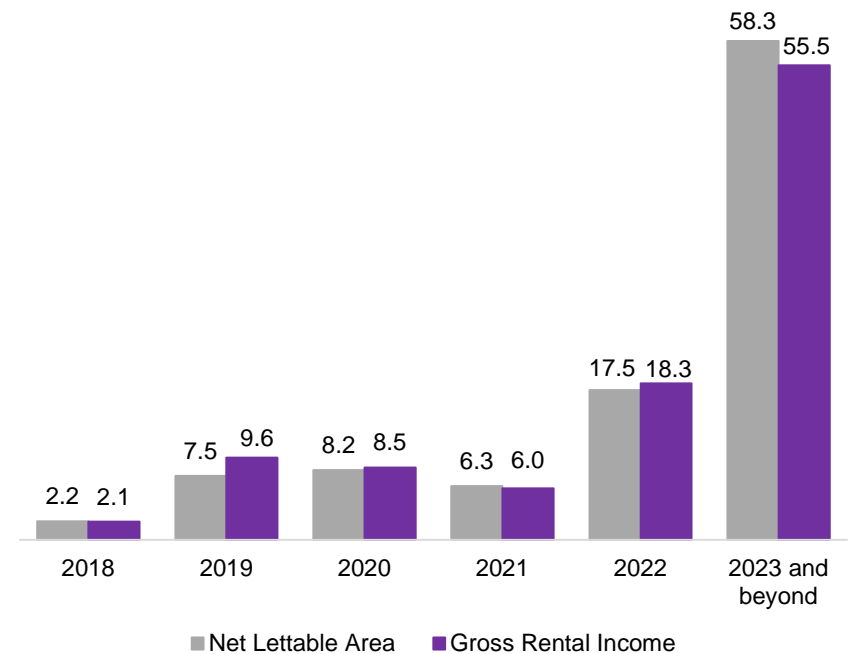
3 Strengthening Portfolio Resilience by Lengthening Lease Expiries

Lengthen WALE from 5.7 to 6.3 years by NLA

Current Portfolio Lease Expiries Profile (%)



Enlarged Portfolio Lease Expiries Profile (%)

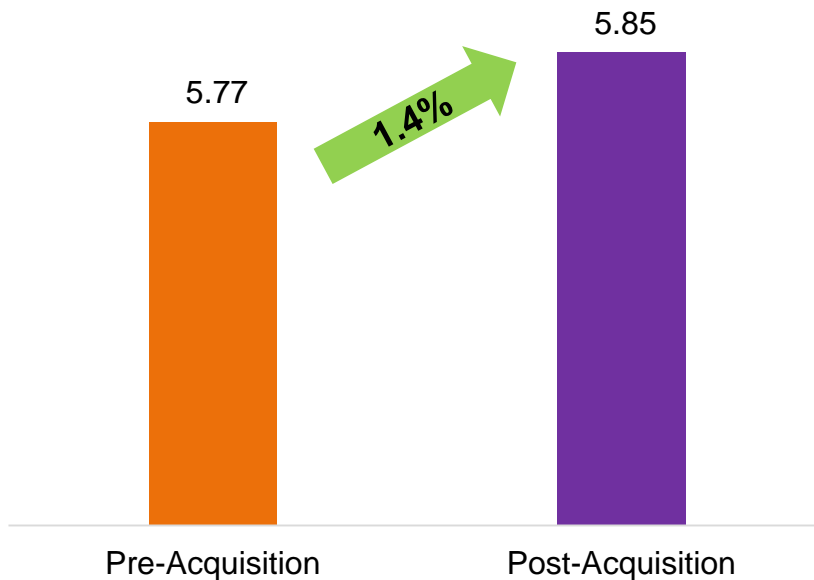


Data as at 31 Dec 2017

Delivering Returns through Accretive Acquisitions

Acquired at 1.8% Discount to Valuation¹; DPU Accretion of 1.4%²

**Illustrative Purpose:
FY2017 Pro Forma DPU Accretion³**



	FY2017 Pre-Acquisition	Pro Forma FY2017 Post-Acquisition
Distributable Income (US\$ m)	46.7	47.5
DPU (US cents)	5.77	5.85
DPU Yield ² (%)	6.27	6.36
NAV (US\$ m)	852.1	855.0
NAV per Unit (US\$)	0.82	0.82

(1) Based on the average valuation of US\$394.2 million of two independent appraisals.

(2) Based on closing price of US\$0.92 as at 10 Apr 2018.

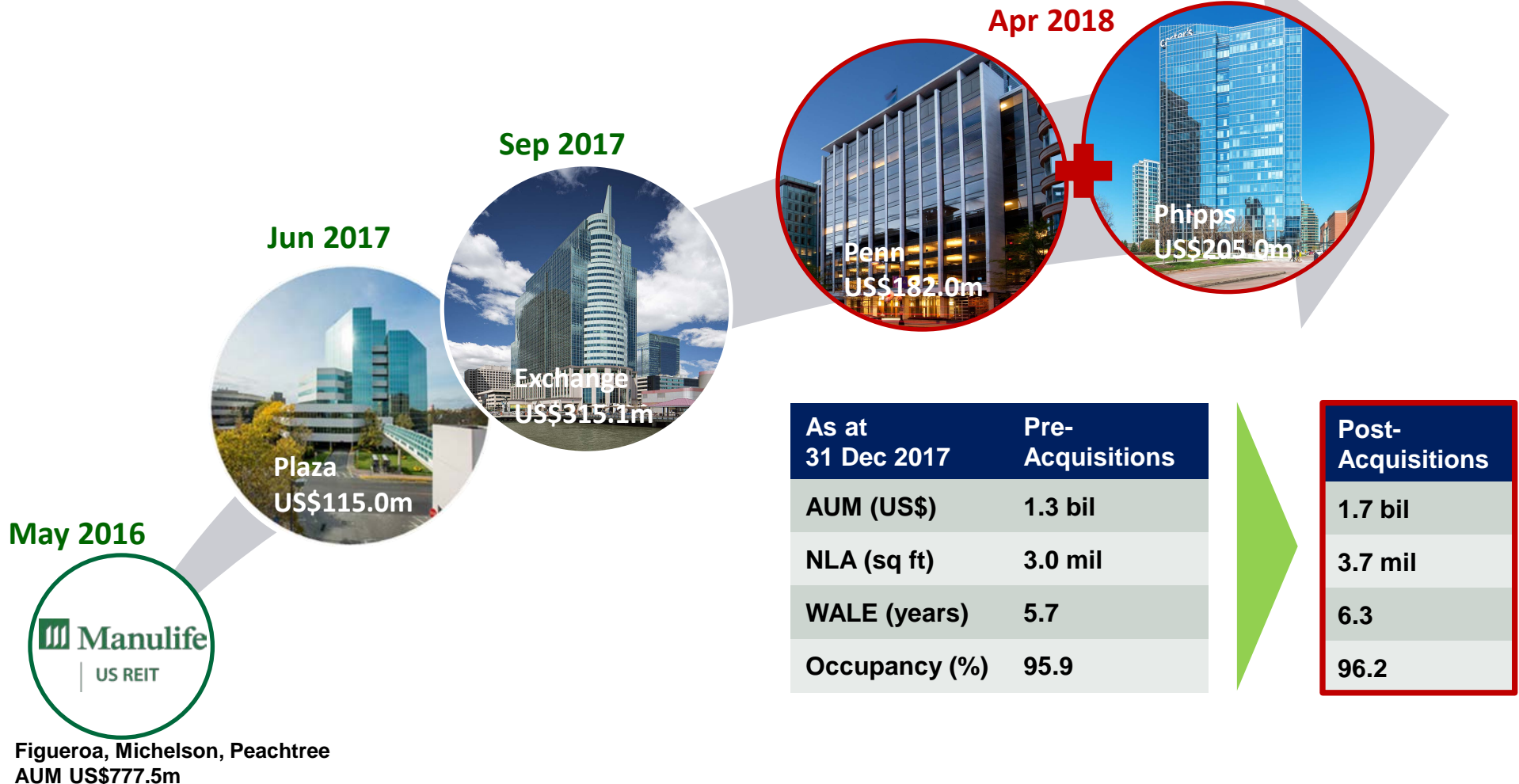
(3) The illustration FY2017 Pro Forma DPU assumes the acquisitions costs (excluding acquisition fees) is funded through combination of debt and issuance of capital market instruments such as perpetual securities. Refer to the announcement dated 13 Apr 2018 for details of the Pro Forma financial effects of the Acquisitions.



Conclusion

Expanding Beyond - Fortifying the Portfolio








Growing from Strength to Strength





Appendix

Portfolio Overview

							
	Figueroa	Michelson	Peachtree	Plaza	Exchange	Penn	Phipps
Location	Los Angeles	Irvine	Atlanta	Secaucus	Jersey City	Washington, D.C.	Atlanta
Property Type	Class A	Trophy	Class A	Class A	Class A	Class A	Trophy
Completion Date	1991	2007	1991	1985	1988	1964	2010
Last Refurbishment	2015	-	2015	2016	-	2014	-
Property Value	326.0	342.0	194.2	118.0	332.6	182.0 ¹	205.0 ¹
Occupancy (%)	92.9	96.5	96.8	98.9	95.7	97.2	97.3 ²
NLA (sq ft)	701,978	532,663	556,587	461,525	730,823	277,243	475,091
WALE (by NLA)	4.9 years	4.4 years	5.8 years	8.3 years	5.5 years	6.8 years	10.0 years
No. of Tenants	28	15	25	7	25	10	9 ²

Data as at 31 Dec 2017

(1) Based on Purchase Price

(2) Excluding a lease with H.I.G. Atlanta, Inc. which expired on 28 Feb 2018.



Thank You

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