



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 Reports Income Available for Distribution of S\$15.2 million in 2Q FY18

Performance Highlights:

- A quarter's contribution from nine-property Australia portfolio acquired in February 2018
- CWT Commodity Hub maintains strong occupancy of 92.7% after master lease conversion
- ARA takes full control of the Manager and Property Manager of Cache

Financial Performance

In S\$'000 unless otherwise noted

	2Q FY18	2Q FY17	Change (%)	YTD FY18	YTD FY17	Change (%)
Gross Revenue	30,028	27,894	7.7	59,054	54,952	7.5
Net Property Income (NPI)	21,633	21,657	(0.1)	44,493	42,433	4.9
Income Available for Distribution	15,228	16,253	(6.3)	31,373	32,488	(3.4)
- from operations	14,820	16,135	(8.1)	30,965	31,441	(1.5)
- from capital ⁽¹⁾	408	118	245.8	408	1,047	(61.0)
Distribution per Unit (DPU) (cents)⁽²⁾	1.419	1.722	(17.6)	2.926	3.445	(15.1)
- from operations	1.381	1.709	(19.2)	2.888	3.333	(13.4)
- from capital ⁽¹⁾	0.038	0.013	192.3	0.038	0.112	(66.1)
Number of Units in Issue and to be issued at the end of the financial period	1,072.9	943.9	13.7	1,072.9	943.9	13.7

Notes:

(1) This relates to the capital gains/ sale proceeds from the disposal of Kim Heng warehouse in 2015.

(2) The 2Q FY17 and YTD FY17 DPU was recomputed to reflect the effects of the Rights Issue in 2017. The actual DPU in 2Q FY17 and YTD FY17 was 1.800 cents and 3.600 cents respectively.

Singapore, 31 July 2018 – ARA Trust Management (Cache) Limited, the manager (the “**Manager**”) of Cache Logistics Trust (“**Cache**”), announced today an Income Available for Distribution of S\$15.2 million for the period 1 April 2018 to 30 June 2018 (“**2Q FY18**”). The distribution per unit (“**DPU**”) for 2Q FY18 was 1.419 cents.

2Q FY18 Gross Revenue increased by 7.7% year-on-year (“yoy”) to S\$30.0 million and Net Property Income was flat at S\$21.6 million. The increase in gross revenue was mainly attributable to a quarter’s contribution from the nine-property Australian portfolio acquired in February 2018 and higher contribution from 51 Alps Ave and its rental top-up¹, offset by the loss of contribution from Hi-Speed Logistics Centre (40 Alps Ave, Singapore) which was divested in May 2018. NPI was flat mainly due to higher property expenses and vacancy at CWT Commodity Hub which was converted from master lease to multi-tenancy during the quarter. Taking into account the distribution to perpetual security holders, the Income Available for Distribution to Unitholders was down 6.3% S\$15.2 million.

Year-to-date (“YTD”) 2018 Gross Revenue and NPI increased by 7.5% and 4.9% to S\$59.1 million and S\$44.5 million respectively. The increase in both the Gross Revenue and NPI were mainly attributable to a quarter’s contribution from the nine-property Australian portfolio acquired in February 2018 and higher contribution from 51 Alps Ave and its rental top-up, offset by a loss of contribution from Hi-Speed Logistics Centre which was divested, and a lower NPI contribution from CWT Commodity Hub. Disregarding the effect of capital distributions, Income Available for Distribution to Unitholders was marginally lower by 1.5% at S\$31.0 million. YTD 2018 DPU dropped by 15.1% to 2.926 cents, factoring in the lower Income Available for Distribution to Unitholders and an enlarged units base.

On 2 July 2018, ARA Asset Management Limited (“**ARA**”), through its wholly-owned subsidiaries, completed a share purchase agreement with CWT Pte. Limited (“**CWT**”) to acquire all of CWT’s shares in the Manager and Property Manager of Cache. At the same time, the Manager further bolstered the composition of its Board through the appointment of Mr Moses K. Song and Mr Chia Nam Toon, who are both veterans in the real estate fund management industry².

The Manager’s Chief Executive Officer, Daniel Cerf said: “With our continuing efforts at rebalancing and growing the portfolio, Cache’s operating metrics remained healthy, notwithstanding the weakness in our DPU. During the quarter, we successfully executed 15 new leases and renewals totalling 762,000 square feet, achieving a strong committed portfolio occupancy of close to 97%, with only 3.1% of the portfolio due to expire in the second half of the year.

The acquisition of a full control in the Manager and the Property Manager by ARA is also a significant development for Cache. ARA, which currently manages approximately S\$7 billion in gross assets under management by the Group and its Associates³ in Australia, was a key contributor to the REIT’s successful diversification strategy. We will continue to tap on ARA’s expanded network and resources in the Asia Pacific to further the growth of the REIT and its earnings.”

Portfolio Update

As at 30 June 2018, Cache maintained a strong committed portfolio occupancy of 96.8% and the portfolio weighted average lease to expiry (“**WALE**”) by net lettable area was 3.5 years.

¹ Cache announced the amicable settlement to the lease dispute at 51 Alps Ave, Singapore on 31 October 2017. As part of the resolution, Cache received rental top-up to market rental in relation to its new lease with Schenker at the property till August 2021.

² For more information on the Manager’s Board of Directors, please click [here](#).

³ Includes assets under management by ARA Asset Management Holdings Pte. Ltd. and the Group of companies.

YTD FY18, the Manager has secured approximately 925,100 square feet of leases with only 3.1% of the portfolio expiring for the remainder of the year.

During the quarter, CWT Commodity Hub was converted from a master lease to a multi-tenancy lease structure. With proactive lease marketing and given the property's strategic location, the Manager has achieved a strong committed occupancy of 92.7% at the premises as at 30 June 2018, up from 86.0% in April 2018.

As part of the Manager's ongoing portfolio rebalancing and growth strategy, Cache completed the divestment of Hi-Speed Logistics Centre on 18 May 2018.

Capital Management Update

As at 30 June 2018, Cache maintained a prudent capital structure with an aggregate leverage of 35.3% and a weighted average debt maturity of 2.4 years. The year-to-date all-in financing cost was relatively stable at 3.61%. Close to 90% of Cache's distributable income has been hedged into or was derived in Singapore dollars, representing minimal foreign currency risk.

Outlook

According to JLL, gross rents and capital values for warehouse premises were unchanged in 2Q 2018, for the third straight quarter, following ten consecutive quarterly declines. According to the report, with a positive business outlook and tapering new supply, warehouse rents and capital values may see a turnaround by year-end, barring unforeseen external shocks.⁴

The Reserve Bank of Australia kept the cash rate unchanged in July 2018 at 1.5%. GDP grew strongly in the first quarter of 2018, with the economy expanding by 3.1% over the year. Business conditions in Australia remain positive and non-mining business investment is continuing to increase, with higher levels of public infrastructure investment supporting the economy.⁵

The Manager is of the view that the market sentiment has improved on the back of a recent increase in tenant enquiries. Management remains focused on its proactive asset management strategy to maintain high occupancy and optimise overall returns as well as continue its pursuit of strategic acquisitions and asset enhancement initiatives to grow its portfolio and earnings over time.

Distribution to Unitholders

Cache will pay a distribution of 1.419 cents per unit on 29 August 2018 for the period from 1 April 2018 to 30 June 2018. The books closure date is on 7 August 2018.

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⁴ JLL, Singapore Property Market Monitor, July 2018.

⁵ Reserve Bank of Australia, Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 July 2018.

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
31 July 2018

For enquiries, please contact:

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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 30 June 2018, Cache’s portfolio comprised 27 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 8.8 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

Cache is managed by ARA Trust Management (Cache) Limited, 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 1 June 2018, the Gross Assets Managed by ARA Group⁶ and its Associates is approximately S\$77.2 billion across 62 cities in 20 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. 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 and Australia 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) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment in line with the increasing opportunities in this asset class.
- (d) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia and Europe. The country desks employ a strong understanding of each local market to facilitate the flow

⁶ ARA Asset Management Holdings Pte. Ltd. and the Group of companies.

of inbound and outbound capital and cross-country collaborations. In Korea, ARA manages six private REITs; In Japan, ARA holds a strategic stake in Kenedix, Inc. with approximately S\$25 billion in assets under management (“AUM”); In Europe, ARA’s platform is extended through its strategic partnership with Australia-based Cromwell Property Group which has approximately S\$11 billion in AUM, of which S\$5 billion is in Europe.

- (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 around the world.

Its 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 its 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-asia.com.

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.