

Overview

SG REITs underperformed the STI in 2020 and 1Q2021. Net sector returns were -10.8% in 2020 and 5.3% in 1Q2021 vs. the STI's -8.4% and 11.7% respectively.

In 2020, DPUs fell 21.2%. The hospitality sub-sector fared the worst, with a 62.1% drop. Office REITs led the charge with a 2.1% gain. Book value per unit slipped 4.8%, with the biggest fall affecting the healthcare sub-sector. Cap rates were tightened to reflect a potential decline in demand as consumer behaviour shifts after COVID.

Singapore government bond yields have risen 69 bps YTD to 1.59%, mirroring a 75 bps rise in US Treasury yields to 1.67%. Parliament has tabled a bill for the MAS to issue up to S\$90bn worth of infrastructure bonds to fund national infrastructure development. This is likely to hold up yields. Launch of the first tranche is expected in Q4.

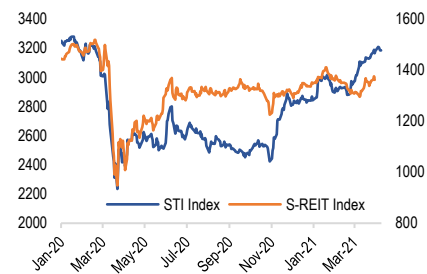
SG REITs are trading at average yields of 5.43%, 384 bps above SG government bond yields. Real yields are 4.73%.

CapitaLand is planning a restructuring that will result in the formation of a real estate investment manager holding stakes in six of its listed REITs and 20 private real-estate funds. The six listed REITs are: 22.89% in CICT, 40.7% in ART, 35.3% in CRCT, 18% in Ascendas REIT, 21.5% in Ascendas India Trust and 34.7% in CapitaLand Malaysia Mall Trust, with a total market cap of S\$8.1bn or 7.5% of SG REITs' total market cap.

A resumption of business activities following a ramp-up of vaccinations is raising footfalls at malls and offices. Singapore further relaxed mobility restrictions from 5 April, encouraging more to return to their offices and increasing event attendance to 750 from 250. Potential border re-opening should also help to lift the hospitality sector, albeit slowly to prevent a resurgence of COVID cases. India, France, Brazil and the Philippines are battling renewed waves of COVID cases.

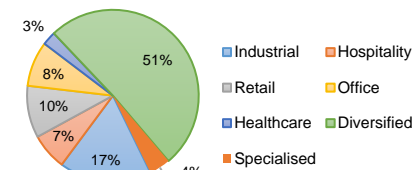
COVID remains the single biggest risk to the REIT sector. Countries that are able to tame the virus and achieve herd immunity are likely to lead the recovery. US vaccinations are on course to exceed 70% by Q3. Together with its recent US\$1.9tn stimulus package, this should provide a shot in the arm for the country's Q2 GDP. The five listed SG REITs with pure US assets offer average yields of 6.25%.

STI Index vs iEdge S-REIT Index



Index	Price	1M chg	3M chg	6M chg	1Y chg	YTD chg
STI	3184.5	+2.4%	+6.7%	+25.7%	+23.8%	+12.0%
iEdge S-REIT	1381.7	+6.7%	+0.8%	+4.3%	+22.7%	+2.6%

SG REIT by Market Cap



No. of REITs	Market Cap	Avg. Div Yield	Avg. P/B
40	S\$108.3B	5.4%	1.0x

Excluded RHT Health Trust, Eagle Hospitality Trust and Soilbuild Business Space REIT

SG 10-Year Bond Yield



Source: Bloomberg, SGX, SAC Capital (as at 9 April 2021)

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Significant Events

Ascendas REIT – acquisition

- Ascendas REIT acquired 11 data centres in Europe
- Total acquisition cost of S\$960m
- Raise share of data centre from 4% to 10% to total asset value
- NPI yield of these assets is 5.7%, ahead of current achieved yield of 5.13%

Soilbuild Business Space REIT – taken private and delist

- Privatisation offer is made by Soilbuild Group Holdings' executive chairman Lim Chap Huat and Blackstone Real Estate
- Offer is priced at S\$0.55/unit, or market cap of S\$700.3m
- Price is equivalent to NAV as at end 2020, and ~7.1% FY20 distribution yield
- The REIT will be delisted on 14 April 2021

Cromwell European REIT – equity fund-raise; share consolidation

- Issued 232.6m new units at €0.43/unit, to raise €100m
- To cover working capital, after recent €52.6m acquisition of Italian logistic park, and ~€64m for purchase of 11 assets in Czech Republic and Slovakia
- Price is ~15.5% discount to NAV of €0.509, and 8.1% FY20 distribution yield
- New units represent 8.3% of enlarged share base
- Proposed a 5:1 unit consolidation (pending unitholders' approval)

Keppel REIT – equity fund-raise

- Issued 238.9m new units at S\$1.13/unit to raise S\$270.0m
- To part fund the purchase of Keppel Bay Tower
- Price is ~12.4% discount to NAV of S\$1.29 and ~5.1% FY20 distribution yield
- New units represent 6.5% of the enlarged share base

Top 5 REITs

By Total Return	Sector	Mkt Cap (mil)	Price (\$)	1Q CY21 Total Return	Latest FY P/B (x)	Latest FY Div Yield
ARA Logos Logistics Trust	Industrial	952.2	0.745	23.0%	1.3	7.0%
ARA US Hospitality Trust (in USD)	Hospitality	297.9	0.525	18.2%	0.8	0.0%
Sabana REIT	Industrial	431.8	0.410	16.3%	0.8	6.7%
Prime US REIT (in USD)	Office	922.6	0.870	15.1%	1.0	8.0%
Starhill Global REIT	Retail	1,260.1	0.570	14.6%	0.7	5.2%
By Price to Book						
Lippo Mall Indonesia Retail Trust	Retail	552.5	0.072	7.1%	0.4	4.7%
First REIT	Healthcare	384.4	0.240	9.6%	0.5	17.3%
BHG Retail REIT	Retail	291.7	0.570	0.0%	0.7	3.4%
OUE Commercial REIT	Diversified	2,198.3	0.405	6.3%	0.7	6.0%
Starhill Global REIT	Retail	1,260.1	0.570	14.6%	0.7	5.2%
By Distribution Yield						
First REIT	Healthcare	384.4	0.240	9.6%	0.5	17.3%
Keppel Pacific Oak US REIT (in USD)	Office	694.8	0.735	8.9%	0.9	8.5%
Prime US REIT (in USD)	Office	922.6	0.870	15.1%	1.0	8.0%
Manulife US REIT (in USD)	Office	1,177.8	0.740	1.5%	1.0	7.6%
Cromwell European REIT (in EUR)	Diversified	1,286.5	0.460	-0.4%	0.9	7.6%

Bottom 5 REITs

By Total Return	Sector	Mkt Cap (mil)	Price (\$)	1Q CY21 Total Return	Latest FY P/B (x)	Latest FY Div Yield
Dasin Retail Trust	Retail	565.3	0.725	-4.5%	0.5	5.4%
Mapletree Industrial Trust	Industrial	6,583.2	2.800	-4.1%	1.7	4.4%
Mapletree Logistics Trust	Industrial	8,352.3	1.950	-3.3%	1.6	4.2%
Keppel DC REIT	Data Centre	4,443.0	2.720	-2.2%	2.3	3.4%
CapitaLand China Trust	Diversified	2,101.4	1.390	-1.0%	0.9	4.6%
By Price to Book						
Keppel DC REIT	Data Centre	4,443.0	2.720	-2.2%	2.3	3.4%
Parkway Life REIT	Healthcare	2,480.5	4.100	6.3%	2.1	3.4%
Mapletree Industrial Trust	Industrial	6,583.2	2.800	-4.1%	1.7	4.4%
Mapletree Logistics Trust	Industrial	8,352.3	1.950	-3.3%	1.6	4.2%
Ascendas India Trust	Diversified	1,761.6	1.530	10.3%	1.4	5.8%
By Distribution Yield						
ARA US Hospitality Trust (in USD)	Hospitality	297.9	0.525	18.2%	0.8	0.0%
Frasers Hospitality Trust	Hospitality	1,069.0	0.555	1.0%	0.9	2.5%
Ascott Residence Trust	Hospitality	3,363.2	1.080	0.9%	0.9	2.8%
SPH REIT	Retail	2,389.8	0.860	5.0%	1.0	3.2%
Parkway Life REIT	Healthcare	2,480.5	4.100	6.3%	2.1	3.4%

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Name	FY End	Share Price	Market Cap (Mil)	S-REIT Market (%)	Price Change CY20	Price Change 1QCY21	Total Return CY20	Total Return 1QCY21	FY20 DPU (cents)	DPU Change (vs FY19)	FY20 NAV Per Share	NAV Change (vs FY19)	P/B	Dividend Yield
Industrial														
Mapletree Logistics Trust	Mar	1.950	8,352.3	7.5%	15.5%	-4.0%	-3.3%	-3.3%	8.142	2.5%	1.21	3.4%	1.6	4.2%
Mapletree Industrial Trust	Mar	2.800	6,583.2	5.9%	11.2%	-5.2%	-4.1%	-4.1%	12.240	0.7%	1.62	7.3%	1.7	4.4%
ESR REIT	Dec	0.405	1,454.4	1.3%	-25.5%	-1.3%	0.9%	0.9%	2.800	-30.2%	0.41	-6.5%	1.0	6.9%
ARA Logos Logistics Trust	Dec	0.745	952.2	0.9%	-16.1%	21.7%	23.0%	23.0%	5.220	-4.8%	0.57	-3.4%	1.3	7.0%
Aims APAC Trust	Mar	1.360	961.1	0.9%	-12.6%	3.2%	4.8%	4.8%	9.500	-7.3%	1.35	0.7%	1.0	7.0%
EC World REIT	Dec	0.725	584.9	0.5%	-4.0%	0.0%	2.0%	2.0%	5.359	-11.4%	0.89	4.7%	0.8	7.4%
Sabana REIT	Dec	0.410	431.8	0.4%	-22.8%	9.9%	16.3%	16.3%	2.760	-5.5%	0.51	-10.5%	0.8	6.7%
Average					-7.8%	3.5%	-2.1%	5.7%		-8.0%		-0.6%	1.2	6.2%
Hospitality														
Ascott Residence Trust	Dec	1.080	3,363.2	3.0%	-19.5%	-0.9%	0.9%	0.9%	3.030	-60.2%	1.15	-8.0%	0.9	2.8%
CDL Hospitality Trust	Dec	1.280	1,567.4	1.4%	-21.6%	-2.4%	0.3%	0.3%	4.950	-45.1%	1.32	-13.3%	1.0	3.9%
Far East Hospitality Trust	Dec	0.635	1,247.2	1.1%	-16.2%	1.6%	3.8%	3.8%	2.410	-36.7%	0.79	-8.1%	0.8	3.8%
Frasers Hospitality Trust	Sep	0.555	1,069.0	1.0%	-26.1%	1.0%	1.0%	1.0%	1.398	-68.3%	0.65	-10.7%	0.9	2.5%
ARA US Hospitality Trust (in USD)	Dec	0.525	297.9	0.4%	-50.0%	18.2%	18.2%	18.2%	0.000	-100.0%	0.62	-28.7%	0.8	0.0%
Average					-26.7%	3.5%	-23.6%	4.8%		-62.1%		-13.8%	0.9	2.6%
Retail														
Frasers Centrepoint Trust	Sep	2.500	4,246.3	3.8%	-12.5%	0.0%	0.0%	0.0%	9.042	-25.1%	2.27	2.7%	1.1	3.6%
SPH REIT	Aug	0.860	2,389.8	2.2%	-21.0%	3.6%	5.0%	5.0%	2.720	-51.4%	0.91	-4.2%	0.9	3.2%
Starhill Global REIT	Jun	0.570	1,260.1	1.1%	-30.3%	10.9%	14.6%	14.6%	2.960	-33.9%	0.81	-8.0%	0.7	5.2%
Sasseur REIT	Dec	0.905	1,094.5	1.0%	-7.3%	8.5%	10.9%	10.9%	6.545	0.2%	0.91	2.5%	1.0	7.2%
Dasin Retail Trust	Dec	0.725	565.3	0.5%	-6.0%	-7.0%	-4.5%	-4.5%	3.940	-42.2%	1.41	2.9%	0.5	5.4%
Lippo Mall Indonesia Retail Trust	Dec	0.072	552.5	0.5%	-71.7%	7.1%	7.1%	7.1%	0.340	-84.8%	0.17	-38.3%	0.4	4.7%
United Hampshire US REIT (in USD)	Dec	0.670	333.2	0.4%	-17.5%	1.5%	6.1%	6.1%	4.810	N.A.	0.75	N.A.	0.9	7.2%
BHG Retail REIT	Dec	0.570	291.7	0.3%	-19.7%	-3.5%	0.0%	0.0%	1.950	-49.6%	0.86	3.6%	0.7	3.4%
Average					-23.3%	2.6%	-19.5%	4.9%		-41.0%		-5.5%	0.8	5.0%
Office														
Keppel REIT	Dec	1.220	4,468.7	4.0%	-9.7%	8.9%	12.4%	12.4%	5.730	2.7%	1.29	-4.4%	0.9	4.7%
Manulife US REIT (in USD)	Dec	0.740	1,177.8	1.4%	-25.5%	-2.0%	1.5%	1.5%	5.640	-5.4%	0.73	-8.8%	1.0	7.6%
Prime US REIT (in USD)	Dec	0.870	922.6	1.1%	-18.1%	8.9%	15.1%	15.1%	6.940	3.6%	0.86	-3.4%	1.0	8.0%
Keppel Pacific Oak US REIT (in USD)	Dec	0.735	694.8	0.8%	-11.5%	4.3%	8.9%	8.9%	6.230	3.7%	0.82	2.5%	0.9	8.5%
IREIT Global (in EUR)	Dec	0.640	600.9	0.5%	-19.8%	-1.5%	1.8%	1.8%	3.210	5.9%	0.47	-16.1%	1.4	5.0%
Elite Commercial REIT (in EUR)	Dec	0.670	314.6	0.5%	-7.1%	5.4%	6.7%	6.7%	4.440	N.A.	0.65	N.A.	1.0	6.6%
Average					-15.3%	4.0%	-8.4%	7.7%		2.1%		-6.0%	1.0	6.7%
Diversified														
Capitaland Integrated Commercial Trust	Dec	2.180	14,112.4	12.7%	-12.2%	0.5%	1.3%	1.3%	8.690	-27.4%	2.01	-4.7%	1.1	4.0%
Ascendas REIT	Dec	3.090	12,424.4	11.6%	0.3%	2.3%	2.9%	2.9%	14.688	-6.1%	2.21	2.3%	1.4	4.8%
Mapletree Commercial Trust	Mar	2.140	7,096.7	6.4%	-10.9%	-0.5%	-0.5%	-0.5%	8.000	-12.5%	1.75	9.4%	1.2	3.7%
Frasers Logistics & Commercial Trust	Sep	1.470	5,040.2	4.5%	2.8%	2.8%	2.8%	2.8%	7.120	1.7%	1.10	19.6%	1.3	4.8%
Suntec REIT	Dec	1.610	4,568.7	4.1%	-19.0%	4.7%	6.2%	6.2%	7.402	-22.1%	2.06	-3.3%	0.8	4.6%
Mapletree North Asia Commerical Trust	Mar	1.080	3,709.1	3.3%	-16.4%	9.3%	9.3%	9.3%	7.124	-7.4%	1.41	-2.3%	0.8	6.6%
OUE Commercial REIT	Dec	0.405	2,198.3	2.0%	-31.9%	2.6%	6.3%	6.3%	2.430	-26.6%	0.59	-4.8%	0.7	6.0%
Capitaland China Trust	Dec	1.390	2,101.4	1.9%	-13.7%	-1.4%	-1.0%	-1.0%	6.350	-35.2%	1.49	-3.9%	0.9	4.6%
Cromwell European REIT (in EUR)	Dec	0.460	1,286.5	1.9%	-11.1%	-5.2%	-0.4%	-0.4%	3.484	-14.6%	0.51	-1.4%	0.9	7.6%
Ascendas India Trust	Dec	1.530	1,761.6	1.6%	-11.0%	7.2%	10.3%	10.3%	8.830	36.9%	1.08	-0.9%	1.4	5.8%
Lendlease Global Commercial REIT	Jun	0.790	933.0	0.8%	-21.5%	10.3%	13.5%	13.5%	3.050	N.A.	0.85	N.A.	0.9	3.9%
Average					-11.7%	3.0%	-7.5%	4.6%		-11.3%		1.0%	1.0	5.1%
Healthcare														
Parkway Life REIT	Dec	4.100	2,480.5	2.2%	16.6%	5.4%	6.3%	6.3%	13.790	4.5%	1.96	0.5%	2.1	3.4%
First REIT	Dec	0.240	384.4	0.3%	-76.4%	-2.1%	9.6%	9.6%	4.150	-51.7%	0.50	-49.9%	0.5	17.3%
Average					-29.9%	1.6%	-25.1%	8.0%		-23.6%		-24.7%	1.3	10.3%
Data Centre														
Keppel DC REIT	Dec	2.720	4,443.0	4.0%	35.1%	-3.9%	-2.2%	-2.2%	9.170	20.5%	1.19	4.4%	2.3	3.4%
Average					-35.1%	-3.9%	-2.2%	-2.2%		-20.5%		4.4%	2.3	3.4%
Sector Average					-15.5%	3.0%	-10.8%	5.3%		-21.2%		-4.8%	1.0	5.4%

Note:Excluded RHT Health Trust (which has become a cash trust and trading has been suspended), Eagle Hospitality Trust (whose trading was voluntarily suspended on 24 Mar 2020) and Soildbuild Business Space REIT (which is expected to undergo privatisation),

Sources: Company Announcement, Bloomberg, REITAS, SAC Capital

Name	FY End	Avg Cost of Debt	Avg Debt Maturity (Years)	Total Assets (Mil)	Total Liabilities (Mil)	Gearing	Interest Coverage Ratio (x)	Geographical Exposure
Industrial								
Mapletree Logistics Trust	Mar	2.5%	4.1	9,051	4,034	39.3%	4.9	Singapore, Australia, China, Hong Kong, Japan, Vietnam, Malaysia, South Korea
Mapletree Industrial Trust	Mar	2.9%	4.7	5,188	1,628	37.6%	7.7	Singapore, USA
ESR REIT	Dec	3.5%	2.2	3,187	1,589	41.6%	3.5	Singapore
ARA Logos Logistics Trust	Dec	3.2%	3.1	1,412	632	39.0%	4.0	Singapore, Australia
Aims APAC Trust	Mar	3.5%	2.4	1,649	694	34.8%	4.3	Singapore, Australia
EC World REIT	Dec	4.3%	1.6	1,816	1,100	38.1%	2.6	China
Sabana REIT	Dec	3.1%	1.2	931	391	33.5%	4.2	Singapore
Average		3.3%	2.8			37.7%	4.5	
Hospitality								
Ascott Residence Trust	Dec	1.8%	2.9	7,163	3,122	36.3%	2.2	Singapore, Australia, Indonesia, Malaysia, Vietnam, The Philippines, China, Japan, Spain, France, Belgium, Germany, UK, USA
CDL Hospitality Trust	Dec	1.9%	2.4	2,854	1,227	37.5%	2.2	Singapore, Australia, New Zealand, The Maldives, Japan, UK, Germany
Far East Hospitality Trust	Dec	2.4%	2.3	2,581	1,024	40.9%	2.4	Singapore
Frasers Hospitality Trust	Sep	2.3%	3.6	2,361	1,008	37.7%	2.3	Singapore, Australia, UK, Malaysia, Germany, Japan
ARA US Hospitality Trust (in USD)	Dec	3.4%	3.0	736	387	48.2%	N.A.	USA
Average		2.4%	2.8			40.1%	2.3	
Retail								
Frasers Centrepoint Trust	Sep	2.4%	2.1	3,883	1,345	35.9%	5.0	Singapore
SPH REIT	Aug	2.7%	2.9	4,241	1,426	30.5%	4.7	Singapore, Australia
Starhill Global REIT	Jun	3.2%	2.7	3,081	1,312	39.7%	2.9	Singapore, Australia
Sasseur REIT	Dec	3.2%	2.2	1,858	753	27.9%	7.8	China
Dasin Retail Trust	Dec	2.5%	2.5	2,509	1,407	37.8%	1.7	China
Lippo Mall Indonesia Retail Trust	Dec	5.8%	2.3	1,636	864	41.9%	1.8	Indonesia
United Hampshire US REIT (in USD)	Dec	2.8%	4.3	630	252	36.2%	6.3	USA
BHG Retail REIT	Dec	4.1%	1.2	995	383	35.7%	2.3	China
Average		3.5%	2.5			35.7%	4.1	
Office								
Keppel REIT	Dec	2.4%	3.2	7,764	2,544	37.3%	3.4	Singapore, Australia, South Korea
Manulife US REIT (in USD)	Dec	3.2%	2.3	2,088	930	41.0%	3.5	USA
Prime US REIT (in USD)	Dec	2.7%	4.1	1,447	539	33.5%	5.8	USA
Keppel Pacific Oak US REIT (in USD)	Dec	3.2%	2.9	1,367	595	37.0%	4.7	USA
IREIT Global (in EUR)	Dec	1.8%	5.3	769	327	34.8%	7.4	Germany, Spain
Elite Commercial REIT (in EUR)	Dec	1.9%	4.0	333	116	31.0%	7.7	UK
Average		2.5%	3.6			35.8%	5.4	
Diversified								
Capitaland Integrated Commercial Trust	Dec	2.8%	4.1	22,416	9,348	40.6%	3.8	Singapore, Germany
Ascendas REIT	Dec	2.7%	3.7	15,123	5,933	32.8%	4.3	Singapore, Australia, UK, USA
Mapletree Commercial Trust	Mar	2.9%	4.2	9,007	3,220	33.3%	4.3	Singapore
Frasers Logistics & Commercial Trust	Sep	1.9%	3.0	6,735	2,928	37.4%	6.4	Singapore, Australia, Germany, The Netherlands, UK
Suntec REIT	Dec	2.5%	2.7	11,227	5,114	44.3%	2.6	Singapore, Australia
Mapletree North Asia Commerical Trust	Mar	2.3%	3.4	8,587	3,856	39.3%	2.8	China, Hong Kong, Japan
OUE Commercial REIT	Dec	3.0%	2.3	6,766	2,991	41.2%	2.7	Denmark, France, Germany, Italy, The Netherlands
Capitaland China Trust	Dec	2.8%	3.0	4,310	1,965	31.8%	3.7	Singapore, China
Cromwell European REIT (in EUR)	Dec	1.7%	3.8	2,250	940	38.1%	6.4	China
Ascendas India Trust	Dec	5.3%	2.8	2,651	1,328	30.0%	4.0	India
Lendlease Global Commercial REIT	Jun	0.9%	3.1	1,555	563	35.1%	9.0	Singapore, Italy
Average		2.6%	3.3			36.7%	4.5	
Healthcare								
Parkway Life REIT	Dec	0.5%	3.5	2,067	883	38.5%	18.1	Singapore, Malaysia, Japan
First REIT	Dec	3.6%	1.2	1,005	541	49.0%	3.6	Singapore, Indonesia, South Korea
Average		2.1%	2.4			43.8%	10.9	
Data Centre								
Keppel DC REIT	Dec	1.6%	3.2	3,350	1,368	36.2%	13.3	Singapore, Australia, Germany, UK, Italy, Malaysia, The Netherlands, Ireland
Average		1.6%	3.2			36.2%	13.3	
Sector Average		2.8%	3.0			37.3%	4.9	

Note:Excluded RHT Health Trust (which has become a cash trust and trading has been suspended), Eagle Hospitality Trust (whose trading was voluntarily suspended on 24 Mar 2020) and Soildbuild Business Space REIT (which is expected to undergo privatisation),

Sources: Company Announcement, Bloomberg, REITAS, SAC Capital