



**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 Announces  
Distributable Income of S\$14.9 million in 4Q FY19**

**Performance Highlights:**

- Successfully inked approximately 1.5 million<sup>1</sup> sq ft of new leases and renewals in FY19 on the back of proactive and robust leasing efforts
- Maintained strong committed portfolio occupancy of 95.3%, amidst the soft market in 2019, which was higher than the 95.0% as at end-2018
- 4Q FY19 achieved higher distributable income and DPU of S\$14.9 million and 1.376 Singapore cents respectively as compared to 3Q FY19

**Financial Performance**

*In S\$'000 unless otherwise noted*

|   | 4Q<br>FY19           | 4Q<br>FY18 | Change<br>(%) | 3Q<br>FY19 | Change<br>(%) | FY19    | FY18    | Change<br>(%) |
|---|----------------------|------------|---------------|------------|---------------|---------|---------|---------------|
| <b>Gross Revenue</b>                                | 27,202               | 30,988     | (12.2)        | 27,721     | (1.9)         | 113,555 | 121,540 | (6.6)         |
| <b>Net Property Income ("NPI")</b>                  | 20,482               | 23,368     | (12.4)        | 21,140     | (3.1)         | 85,844  | 90,924  | (5.6)         |
| <b>Distributable Income</b>                         | 14,941               | 16,178     | (7.6)         | 14,213     | 5.1           | 59,770  | 63,409  | (5.7)         |
| <b>Distribution per Unit ("DPU") (cents)</b>        | 1.376 <sup>(2)</sup> | 1.502      | (8.4)         | 1.313      | 4.8           | 5.523   | 5.903   | (6.4)         |
| <b>No. of Units in Issue and to be issued (mil)</b> | 1,085.8              | 1,077.9    | 0.7           | 1,082.8    | 0.3           | 1,085.8 | 1,077.9 | 0.7           |

**Singapore, 23 January 2020** – ARA Trust Management (Cache) Limited, the manager (the “**Manager**”) of Cache Logistics Trust (“**Cache**”), announced today a Distributable Income of S\$14.9 million for the period 1 October 2019 to 31 December 2019 (“**4Q FY19**”). The distribution per unit (“**DPU**”) for 4Q FY19 was 1.376 cents.

Although 4QFY19 Gross Revenue decreased by 1.9% to S\$27.2 million and NPI decreased by 3.1% to S\$20.5 million as compared to 3Q FY19, Distributable Income and DPU rose 5.1% and 4.8% respectively for

<sup>1</sup> Excluding short-term leases executed.

<sup>2</sup> Based on 1,085,818,549 units issued and to be issued as at 31 December 2019.

the same period on the back of higher tax-exempt distribution for the quarter in relation to the disposal of Jinshan Chemical Warehouse in 2018.

4Q FY19 Gross Revenue and NPI decreased year-on-year (“y-o-y”) by 12.2% and 12.4% to S\$27.2 million and S\$20.5 million respectively. Lower Gross Revenue was mainly attributable to transitory vacancy downtime between leases, lower signing rents for leases as compared to the previous leases, conversion of Cache Gul LogisCentre from the previous master lease to a multi-tenancy structure in April 2019, absence of contribution from the divested Jinshan Chemical Warehouse in 2018 and a weaker Australian dollar. This was partially offset by additional rental contribution from the warehouse in Altona, Victoria, Australia which was acquired in April 2019. DPU lowered by 8.4% y-o-y to 1.376 cents.

Gross Revenue in FY19 decreased by 6.6% to S\$113.6 million as compared to S\$121.5 million in FY18. The decrease was primarily due to the conversion of Commodity Hub and Cache Gul LogisCentre from master lease to multi-tenancy lease structures, transitory vacancy downtime between leases, lower signing rents for leases as compared to the previous leases, absence of contribution from the divested 40 Alps Ave and Jinshan Chemical Warehouse in 2018 and a weaker Australian dollar. This was partially offset by additional rental contribution from the warehouse in Altona, Victoria, Australia and a full year contribution from the 9-property Australia portfolio acquired in February 2018. NPI for FY19 was at S\$85.8 million, 5.6% lower from S\$90.9 million in FY18.

### **Quality Portfolio with Strong Operating Metrics**

For the year ended 31 December 2019, Cache maintained a strong committed portfolio occupancy of 95.3% and the WALE by net lettable area was 3.0 years. Approximately 202,100<sup>3</sup> and 1.5 million square feet (“sq ft”) of leases were successfully executed in 4QFY19 and FY19 respectively. The strong portfolio committed occupancy rate achieved in 2019, amidst this soft market environment, is testament to the quality of Cache’s portfolio and the asset management strategy of staying relevant to the market needs.

### **Maintaining a Prudent Capital Structure**

As at 31 December 2019, Cache’s aggregate leverage ratio stood at 40.1% and YTD all-in financing cost stood at 3.84%. The weighted average debt maturity profile continues to remain well-staggered at 3.3 years. The Management is in the process of finalising a term loan facility to refinance the existing Australian dollar facilities as well as to repay certain Singapore dollar debts.

On foreign exchange exposure, approximately 84.1% of Cache’s distributable income is either hedged or derived in Singapore dollars - representing minimal foreign currency risk.

Chief Executive Officer of the Manager, Daniel Cerf commented: “It has been an eventful year. In 1Q FY19, we continued to successfully execute our Portfolio Rebalancing and Growth Strategy through the acquisition of the Maidstone property in Altona, Victoria, Australia. With the completed transaction, the Australian portfolio has grown to 17 properties or approximately 32% of the total assets under management.

---

<sup>3</sup> Excluding short-term leases executed.

In addition, our proactive asset management and leasing efforts continue in maintaining high occupancy in a market showing significant vacancy across the island. In this instance, Cache signed close to 1.5 million sq ft of leases and maintained a strong committed portfolio occupancy of 95.3% despite soft rental conditions. Meanwhile, the successful completion of our maiden solar farm project in our joint efforts with Sembcorp Industries has reinforced our commitment to sustainability initiatives. We continue to be committed to integrating sustainability throughout Cache's business."

## **Outlook**

The global economy outlook remains muted as slow economic growth, subdued inflation and low interest rates are likely to continue. Singapore's economy experienced a lower overall growth of 0.7% in 2019 as compared to 3.1% in 2018. However, the economy saw a higher growth rate y-o-y of 0.8% in 4Q 2019 in comparison to 0.7% in 3Q 2019. <sup>(4)</sup>

According to Knight Frank Research, Singapore's industrial rents lowered by 1.6% y-o-y for the whole of 2019 on the back of prolonged global trade disputes and electronic sector downturn. Gross rents for industrial space in 4Q 2019 remained fairly stagnant, with a marginal decrease q-o-q of 0.1%. Leasing transactions for warehouse and multiple-user factory spaces lowered by 3.4% and 11.5% y-o-y respectively in October and November 2019 as compared to the same period in 2018. Knight Frank expects industrial rents to remain flat in 2020 as the global economy continue to face headwinds due to uncertainties such as the rising tensions in the Middle East. <sup>(5)</sup>

Following their meeting in December 2019, the Reserve Bank of Australia has maintained its low cash rate of 0.75%. Australia's economy is expected to see a turning point after experiencing a softening growth period in 2H 2019. Growth is expected to pick up slowly to around 3% in 2021, backed by factors such as low interest rates, recent tax cuts, ongoing spending on infrastructure, upswing in housing prices and a brighter outlook for the resources sector. <sup>(6)</sup>

In a report by Knight Frank Australia, the core industrial markets along the Eastern Seaboard are expected to remain tightly held, with continued constraints in supply within the traditional markets. This has created heightened demand for new industrial products beyond the current core areas. In addition, the strong performance for industrial real estate space continues to be driven by key factors such as infrastructure spending, rising e-commerce sector and higher demand for companies to implement supply-chain efficiencies, thus indicating that the sector is well-placed for further future growth. <sup>(7)</sup>

## **ARA and LOGOS Strategic Partnership to Grow Logistics Platform**

On 12 December 2019, ARA Asset Management Limited ("**ARA**") and LOGOS Group ("**LOGOS**") announced its venture to establish a best-in-class logistics and real-estate development and investment partnership within the Asia-Pacific region. While ARA will be transferring its entire holdings in Cache and the Manager to LOGOS

---

<sup>4</sup> Ministry of Trade and Industry, Press Release, "Singapore's GDP Grew by 0.8 Per Cent in the Fourth Quarter of 2019", 2 January 2020.

<sup>5</sup> Knight Frank Research, Singapore, 4Q 2019 Industrial Market Snapshot.

<sup>6</sup> Statement by Philip Lowe, Governor: Monetary Policy Decision, 3 December 2019.

<sup>7</sup> Knight Frank Research, 2020 Outlook Report, Australia.

as part of the transaction, ARA will continue to retain control of the Manager through LOGOS. The transaction is expected to be completed in 1Q 2020.

Mr Cerf continued: “We are excited for the future bearing in mind the proposed relationship between ARA and LOGOS. In addition to the combined resources and track record in investment, asset and development management of logistics real estate, the strategic partnership brings to the table a strong deal pipeline to Cache. We will provide the market with further updates when the ARA-LOGOS transaction is complete.”

Looking ahead, the Manager will continue to find ways to optimise the portfolio’s potential and seek out opportunities for growth in line with the Portfolio Rebalancing and Growth Strategy. With a softening global outlook ahead, the Manager will also continue to monitor the macro environment and manage Cache’s risks-return profile to generate sustainable returns and long-term growth for our Unitholders.

### **Distribution to Unitholders**

For 4Q FY19, Cache will pay a distribution of 1.376 cents per unit on 27 February 2020 for the period from 1 October 2019 to 31 December 2019. The books closure date is on 3 February 2020.

<END>

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  
23 January 2020

For enquiries, please contact:  
**ARA Trust Management (Cache) Limited**  
Cassandra Seet  
Manager, Investor Relations  
Tel: +65 6512 1420  
Email: [cassandraset@ara-group.com](mailto:cassandraset@ara-group.com)

### **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. Cache is managed by ARA Trust Management (Cache) Limited.

As at 31 December 2019, Cache’s portfolio comprised 27 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia. The portfolio has a total gross floor area of approximately 9.0 million square feet valued at approximately S\$1.26 billion.

For more information, please visit [www.cache-reit.com](http://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 30 June 2019, Gross Assets Managed by ARA Group and its Associates is more than S\$83 billion<sup>8</sup> across over 100 cities in 23 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 Pacific. The Group directly manages Suntec REIT, Cache Logistics Trust and ARA US Hospitality Trust, listed in Singapore; and Fortune REIT, Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan, Australia, Singapore and Malaysia 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) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.
- (d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.
- (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 globally.

ARA’s 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 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 <http://www.ara-group.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.

---

<sup>8</sup> Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 30 June 2019.