



Fraser's Logistics & Commercial Trust

2HFY20 and FY2020 Results Presentation

6 November 2020

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Stable financial performance

For the second half and financial year ended 30 September 2020

2HFY20

Revenue
S\$213.3 m
▲ 94.6%



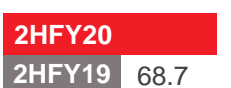
Period	Revenue (m)
2HFY20	213.3
2HFY19	109.6

Adjusted NPI⁽¹⁾
S\$161.4 m
▲ 80.6%



Period	Adjusted NPI (m)
2HFY20	161.4
2HFY19	89.4

Distributable Income
S\$124.9 m
▲ 81.7%



Period	Distributable Income (m)
2HFY20	124.9
2HFY19	68.7

DPU
3.65 S cents
▲ 5.5%



Period	DPU (cents)
2HFY20	3.65
2HFY19	3.46

FY2020

Revenue
S\$332.0 m
▲ 53.0%



Period	Revenue (m)
FY20	332.0
FY19	217.1

Adjusted NPI
S\$258.3 m
▲ 46.2%



Period	Adjusted NPI (m)
FY20	258.3
FY19	176.6

Distributable Income
S\$201.1 m
▲ 48.8%



Period	Distributable Income (m)
FY20	201.1
FY19	135.1

DPU
7.12 S cents
▲ 1.7%



Period	DPU (cents)
FY20	7.12
FY19	7.00

As at 30 September 2020



NAV per Unit
S\$1.10
▲ 19.6%



Aggregate Leverage
37.4%



Debt Headroom⁽²⁾
S\$1,651 m



Interest coverage ratio⁽³⁾
6.4 times

Note: Unless otherwise stated, the metrics presented excludes the Sale Property. Please refer to the announcement dated 3 August 2020 for details. FLCT has adopted S\$ as its functional currency with effect from 15 April 2020, being the effective date of the Merger. Prior period results which were based in A\$ were translated at the 15 April 2020 exchange rate of A\$1: S\$0.9016 used for conversion of the accounts to S\$. The change in functional currency has no impact on distributable income.

1. As defined in Slide 6 of this presentation. 2. Prior to reaching the 50.0% aggregate regulatory leverage limit. 3. As defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore on 16 April 2020 and clarified on 29 May 2020 and computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months borrowing costs. Borrowing costs include effects of FRS 116.

Resilient portfolio

Proactive asset management and value-creating transactions

Proactive asset management



Portfolio value

\$S\$6.2 b

High-quality properties in developed countries⁽¹⁾



Portfolio valuation uplift

\$S\$93.7 m

Up 1.5% from carrying value



Occupancy rate

97.5%

High portfolio occupancy⁽²⁾



WALE

4.9 years

Long WALE⁽²⁾



New leases and renewals

267,996 sqm

In FY2020, representing 10.5% of portfolio lettable area



Rental reversion

-0.1%

FY2020 leasing/renewals⁽³⁾



Upcoming expiries

7.9% of portfolio GRI

For renewal in FY2021⁽²⁾



Top-10 tenants % of GRI

23.6%

Well-diversified⁽²⁾

Value-creating transactions



15 Apr 20: Completed **milestone merger** with Frasers Commercial Trust; higher weightage in the FTSE EPRA/NAREIT Index



30 Apr 20: **Acquisition** of the remaining 50% interest in FBP at an agreed property value of approximately **\$S\$158.4 million**⁽⁴⁾



3 Aug 20: Announced **divestment** of remaining 50% stake in the Cold Storage Facility for a sale consideration of approximately \$S\$150.5 million⁽⁵⁾, representing a **12.2% premium to book value**



12 Aug 20: Completed the **acquisition** of two 100% occupied freehold properties, comprising the IVE Facility in Australia and 100% interest in Maxis in the UK, at a total agreed property value of approximately **\$S\$143.2 million**^(5,6)



1. As at 30 September 2020 and excludes the recognition of right-of-use assets upon the adoption of FRS 116 Leases with effect from 1 October 2019. 2. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases. 3. Calculated based on the signing gross rent (excluding any contracted fixed annual rental step-ups) of the new/renewed lease divided by the preceding terminating gross rent of each new/renewed lease (weighted by gross rent) of existing space. 4. \$S\$ value is based on an assumed exchange rate of £1: \$S\$1.75. 5. \$S\$ values are based on assumed exchange rates of A\$: \$S\$0.9872 and £1: \$S\$1.7969. 6. Based on the agreed property value. Refer to the announcement dated 3 August 2020 for details.

Financial Review

Key Financial Highlights

Second half ended 30 September 2020

- ◆ 2HFY20 financial results includes FCOT following the merger of FLT and FCOT which became effective on 15 April 2020

Financial Highlights (S\$'000)	2HFY20	2HFY19	Change (%)	Explanatory Notes
Revenue	213,284	109,610	▲ 94.6	<ul style="list-style-type: none"> ◆ Contributions from the Merger with FCOT, the FY2019 Acquisitions, the German Properties Acquisition and the FY2020 Acquisitions⁽²⁾
Adjusted Net Property Income ⁽¹⁾	161,355	89,366	▲ 80.6	<ul style="list-style-type: none"> ◆ Contributions mainly from the higher A\$:S\$ and €:S\$ exchange rates <i>which were partially offset by:</i> ◆ The effect of the FY2019 Divestments and the Heatherston Road Divestment⁽²⁾
Finance costs	27,513	11,839	▲ 132.4	<ul style="list-style-type: none"> ◆ Excluding the impact of the interest expense on lease liabilities recognised due to the adoption of FRS 116 <i>Leases</i> effective from 1 October 2019, 2HFY20 finance costs increased by S\$13.0 million as compared to 2HFY19 ◆ Increase was due mainly to higher borrowings due to the Merger with FCOT and to finance the various acquisitions ◆ The weighted average cost of debt for 2HFY20 was 1.9% per annum compared to 2.4% per annum for 2HFY19
Net change in fair value of investment properties	334,306	109,893	▲ 204.2	<ul style="list-style-type: none"> ◆ Relates mainly to (a) net fair value gain arising from revaluation of the Group's investment properties based on valuations performed by independent valuers as at 30 September 2020 (S\$93.7m); (b) accounting fair value gain arising from the Merger of S\$223.2m due to the difference in the FLCT unit price as determined for the FCOT purchase consideration and the market price on the completion date and taking into consideration other acquisition adjustments; and (c) fair value adjustments made based on independent valuations for the Sandstone Place Divestment⁽²⁾ (S\$15.3m)
Distributable Income to Unitholders	124,863	68,730	▲ 81.7	<ul style="list-style-type: none"> ◆ Contributions from the Merger and the various acquisitions <i>which were partially offset by:</i> ◆ 92.8% of management fees paid in the form of units (2HFY19: 92.7%)

1. 2HFY20 and FY20 Adjusted net property income ("Adjusted NPI") is calculated based on the actual net property income excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets. 2HFY19 and FY19 Adjusted NPI is calculated based on the actual net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases. 2. Please refer to Pages 2 and 19 of FLCT's Financial Statements Announcement dated 6 November 2020 for details of the capitalised terms.

Key Financial Highlights

Period from 1 October 2019 to 30 September 2020

- ◆ FY20 financial results includes FCOT following the merger of FLT and FCOT which became effective on 15 April 2020

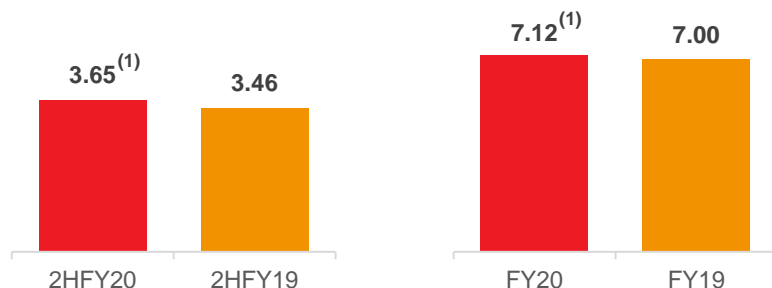
Financial Highlights (S\$'000)	FY20	FY19	Change (%)	Explanatory Notes
Revenue	332,029	217,076	▲ 53.0	<ul style="list-style-type: none"> ◆ Contributions from the Merger with FCOT and the various acquisitions in FY19 and FY20 ◆ Contributions mainly from the higher A\$:S\$ and €:S\$ exchange rates <i>which were partially offset by:</i> ◆ The effect of the FY2019 Divestments and the Heatherton Road Divestment⁽²⁾
Adjusted NPI ⁽¹⁾	258,335	176,641	▲ 46.2	
Finance costs	41,169	25,139	▲ 63.8	<ul style="list-style-type: none"> ◆ Excluding the impact of the interest expense in lease liabilities recognised due to the adoption of FRS 116 <i>Leases</i> effective from 1 October 2019, FY20 finance costs increased by S\$11.0 million as compared to FY19 ◆ Increase was due mainly to higher borrowings due to the Merger with FCOT and to finance the various acquisitions ◆ The weighted average cost of debt for FY20 was 1.9% per annum compared to 2.4% per annum for FY19
Net change in fair value of investment properties	334,306	109,990	▲ 203.9	<ul style="list-style-type: none"> ◆ Relates mainly to (a) net fair value gain arising from revaluation of the Group's investment properties based on valuations performed by independent valuers as at 30 September 2020 (S\$93.7m); (b) accounting fair value gain arising from the Merger of S\$223.2m due to the difference in the FLCT unit price as determined for the FCOT purchase consideration and the market price on the completion date and taking into consideration other acquisition adjustments; and (c) fair value adjustments made based on independent valuations for the Sandstone Place Divestment⁽²⁾ (S\$15.3m)
Gain on divestment of investment property held for sale	1,422	1,487	▼ 4.4	<ul style="list-style-type: none"> ◆ Relates to the gain on the sale of the Heatherton Road Divestment⁽²⁾
Distributable Income to Unitholders	201,080	135,098	▲ 48.8	<ul style="list-style-type: none"> ◆ Contributions from the Merger and the various acquisitions <i>which were partially offset by:</i> ◆ 95.4% of management fees paid in the form of units (FY19: 92.2%)

Distribution

For the second half and financial year ended 30 September 2020

- ◆ Higher DPU of 7.12 Singapore cents by 1.7% as compared to 7.00 Singapore cents for FY19, and higher DPU of 3.65 Singapore cents by 5.5% as compared to 3.46 Singapore cents for 2HFY19
- ◆ FLCT has paid out 100% of distributable income since IPO
- ◆ FLCT manages foreign exchange volatility on its distributable income with hedging instruments and targets to hedge distributions on a rolling six-month basis

DPU (Singapore cents)



- ◆ Total distribution for the period from 1 April 2020 to 30 September 2020 was 3.65 Singapore cents, representing **full payout of 2HFY20 distributable income**, comprising:
 - **Advanced distribution of 0.26 Singapore cents** for the period from 1 April 2020 to 14 April 2020 paid out on 26 June 2020
 - **Latest distribution of 3.39 Singapore cents** for the period from 15 April 2020 to 30 September 2020

Distribution Details

Distribution Period	15 April 2020 to 30 September 2020
Distribution Rate	3.39 Singapore cents
Ex-date	13 November 2020
Record Date	16 November 2020
Distribution Payment Date	17 December 2020

1. Includes the contribution from FCOT following the merger of FLT and FCOT which became effective on 15 April 2020.

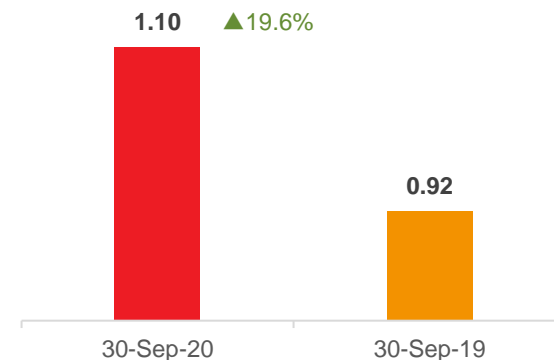
Healthy Balance Sheet

As at 30 September 2020

- ◆ **The value of investment properties increased by 101.8% from S\$3,221 million as at 30 September 2019 to S\$6,501 million as at 30 September 2020, due mainly to:**
 - Net fair value adjustments
 - Completion of the Merger with FCOT and acquisition of remaining 50% interest in Farnborough Business Park
 - Completion of the FY2020 Acquisitions, German Properties Acquisition and the Heatherton Road Divestment⁽¹⁾
 - Recognition of the existing operating lease arrangements as right-of-use assets upon the adoption of FRS 116 *Leases* with effect from 1 October 2019
- ◆ FLCT is in a net current liability position as at 30 September 2020 due to the maturity of short-term borrowings of S\$676.0 million. The REIT Manager is in discussion with banks to refinance the various loans
- ◆ Net asset value per Unit increased 19.6% from S\$0.92 as at 30 September 2019 to S\$1.10 as at 30 September 2020 post-merger with FCOT and from higher valuation achieved for the properties

Balance Sheet (S\$'000)	As at 30 Sep 20	As at 30 Sep 19
Investment properties ⁽²⁾	6,500,881	3,220,787
Other non-current assets	34,182	1,909
Current assets	199,584	130,401
Total assets	6,734,647	3,353,097
Loans and borrowings ⁽³⁾	2,620,806	1,114,240
Other liabilities	307,164	126,551
Total liabilities	2,927,970	1,240,791

Net asset value per Unit (S\$)



1. Please refer to Page 2 of FLCT's Financial Statements Announcement dated 6 November 2020 for details of the capitalised terms. 2. Includes investment property held for sale. 3. Gross borrowings net of upfront debt related expenses, includes lease liabilities recognised due to the adoption of FRS 116 *Leases* effective from 1 October 2019.

Debt Maturity Profile

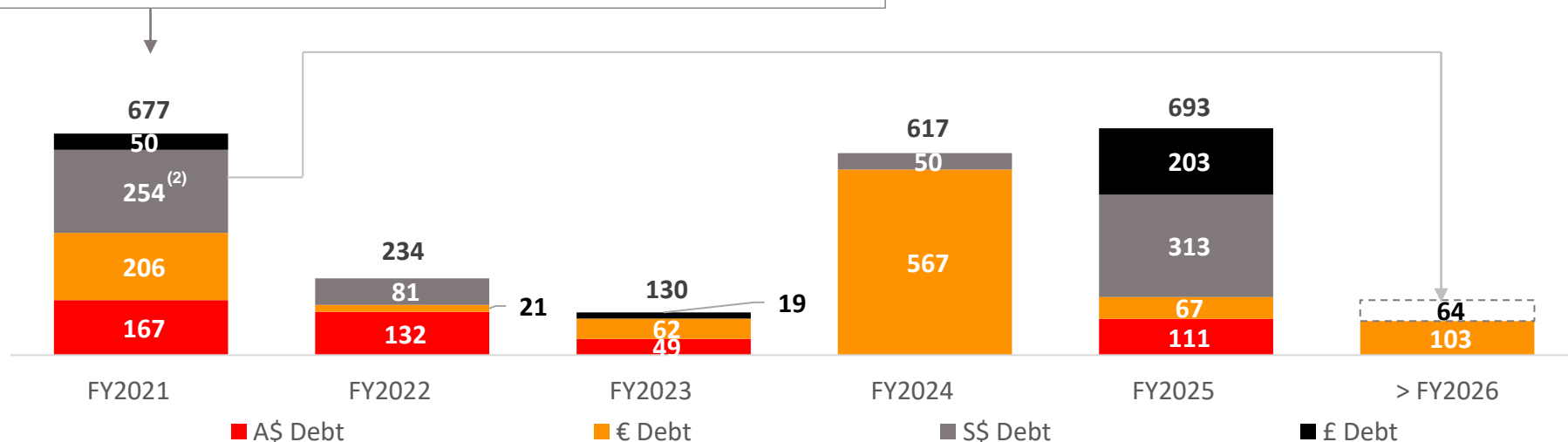
As at 30 September 2020

- ◆ The Manager is confident on refinancing the debt maturing in FY2021 with existing undrawn and new facilities
- ◆ FY2021 borrowings are expected to be partially paid down with proceeds from the Sandstone Place Divestment⁽¹⁾

Weighted Average Debt Maturity: 3.0 years

- ◆ S\$64 million borrowings have been refinanced to FY2026 in October 2020, thereby lengthening the weighted average debt maturity from 3.0 to 3.2 years
- ◆ Approximately 48% of borrowings maturing in FY2021 are due in 2HFY2021

Total Gross Borrowings: S\$2,454 million



1. The divestment is expected to be completed by December 2020. 2. Includes S\$64 million borrowings that have been refinanced to FY2026 in October 2020.

Prudent capital management

As at 30 September 2020

Key Credit Metrics

Aggregate Leverage **37.4%**

Cost of Borrowings **1.9%⁽¹⁾**

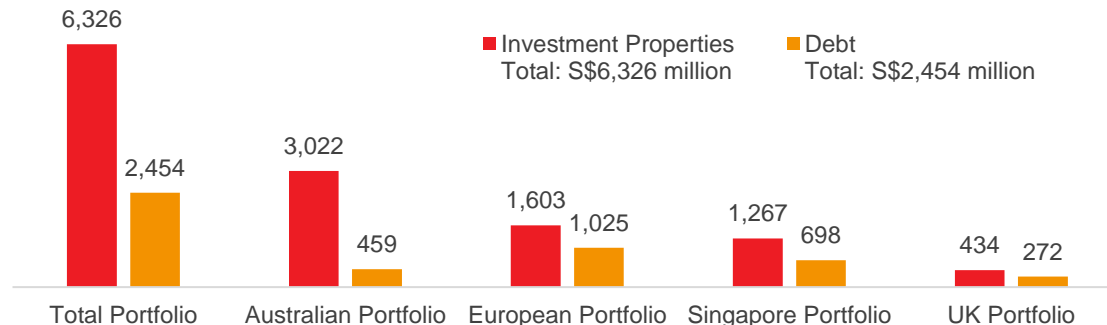
Average Weighted Debt Maturity **3.0 years**

Interest Rate Exposure Fixed **54.6%**

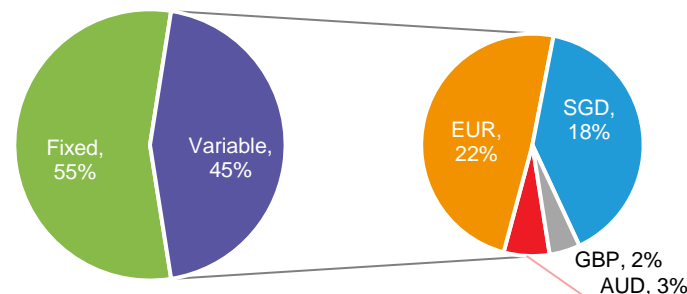
Interest Coverage Ratio **6.4 times⁽²⁾**

Debt Headroom⁽³⁾ **S\$1,651 million**

Investment Properties⁽⁴⁾ and Debt⁽⁵⁾



Interest Risk Management



1. Based on trailing 12 months borrowing cost (including FCOT from date of completion of merger). 2. As defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore on 16 April 2020 and clarified on 29 May 2020 and computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months borrowing costs. Borrowing costs include effects of FRS 116. 3. Prior to reaching the 50.0% aggregate regulatory leverage limit. 4. Includes Investment Property held for sale and excludes recognition of right-of-use assets upon the adoption of FRS 116 Leases with effect from 1 October 2019. 5. Refers to debt in the currency or hedged currency of the country of the investment properties.



A modern, two-story commercial building with a white facade and large glass windows. The building is situated in a parking lot with a clear blue sky in the background. A red banner is overlaid on the left side of the image.

Portfolio Review

Portfolio valuation

Valuation uplift of 1.5% over carrying value

- The FLCT portfolio was valued at S\$6.2 billion as at 30 September 2020, **up 1.5% or S\$93.7 million** over the carrying value of S\$6.1 billion

Industrial⁽¹⁾

Location	No of properties	Valuation as at 30 September 2020			
		Valuation (million)	Valuation (million)	Capitalisation rate	
Australia⁽²⁾					
Australia	62	A\$2,058.9	S\$2,013.3	5.00% - 16.22%	
Europe				Gross initial yield⁽³⁾	Net initial yield⁽⁴⁾
Germany	26	€821.1	S\$1,314.0	4.26% - 8.10%	3.85% - 7.23%
The Netherlands	5	€180.6	S\$289.0	5.24% - 6.49%	4.90% - 5.62%
Europe total:	31	€1,001.7	S\$1,603.0		
Total industrial portfolio	93		S\$3,616.3		

Commercial⁽⁵⁾

Location	No of properties	Valuation as at 30 September 2020			
		Valuation (million)	Valuation (million)	Capitalisation rate	
Australia	3	A\$879.0	S\$859.6	4.88% - 7.00%	
Singapore	2	S\$1,267.0	S\$1,267.0	3.50% - 6.00%	
				Gross initial yield⁽³⁾	Net initial yield⁽⁴⁾
UK	2	£246.3	S\$434.4	5.55% - 6.91%	5.20% - 6.30%
Total commercial portfolio	7		S\$2,561.0		

Total FLCT portfolio: 100 properties; S\$6,177.3 million

Based on the exchange rates of A\$1: S\$0.9779, €1: S\$1.6003 and £1: S\$1.7642 as at 30 September 2020.

1. Refer to slide 29 for further details. 2. Excludes a 50% interest in the property at 99 Sandstone Place, Parkinson, Queensland, Australia which is classified as "Investment Properties Held for Sale". 3. In-place rent divided by net property value. 4. In-place rent net of non-recoverable expenses divided by gross property value. 5. Refer to slide 30 for further details.

A flagship logistics and commercial portfolio

Diversified across five major developed countries



S\$6.2b

Portfolio Value ⁽²⁾



100

Properties



4.9 years

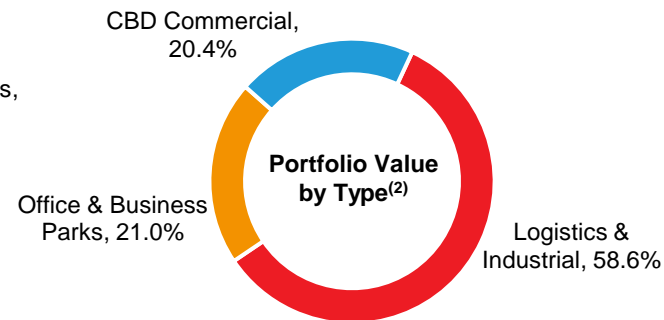
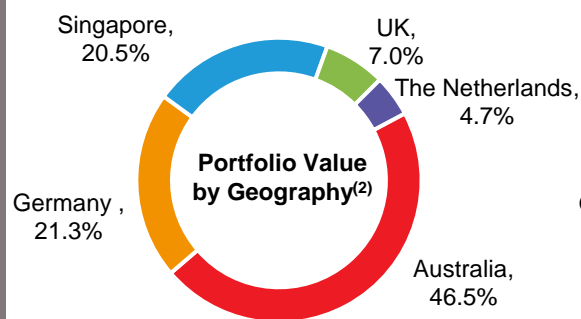
WALE ⁽³⁾



97.5%

Occupancy Rate

As at 30 September 2020	Logistics & Industrial Portfolio	Commercial Portfolio	Overall Portfolio
No. of Properties	93 ⁽¹⁾	7	100
Portfolio Value (S\$ million) ⁽²⁾	3,616.3	2,561.0	6,177.3
Lettable Area (sqm)	2,218,893	339,788	2,558,681
WALE ⁽³⁾	5.5 years	4.2 years	4.9 years
WALB ⁽³⁾	5.5 years	3.7 years	4.7 years
Occupancy Rate ⁽³⁾	100.0%	94.3%	97.5%



1. Excludes a 50% interest in the property at 99 Sandstone Place, Parkinson, Queensland, Australia which is classified as "Investment Properties Held for Sale". 2. As at 30 September 2020. 3. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

Leasing update

Active management with 267,996 sq m of deals completed in FY20

FY2020 leasing summary:

- ◆ 267,996 sq m^(1,2) of leasing completed, representing 10.5% of portfolio lettable area
- ◆ Average rental reversion of -0.1%

2HFY20 Industrial Leasing Summary	Lease Type	Tenant	Lettable Area (sqm)	Lease Term	Lease Expiry	Annual Increment	Reversion ⁽³⁾
22-26 Bamwine Court, Victoria	Renewed	BAM Wines	17,606	0.7 years	July 2024	3.0%	-8.9%
5 Butler Boulevard, Adelaide	New	Direct Couriers	2,594	5.0 years	December 2025	3.0%	-10.7%
16-32 South Park Drive, Victoria	Renewed	Australian Postal	12,729	1.0 year	July 2022	N.A.	-
5 Butler Boulevard, Adelaide	Renewed	APS	1,222	3.0 years	January 2024	3.0%	-7.0%
77 Atlantic Drive, Victoria	Renewed	Miele	15,095	5.0 years	August 2027	3.0%	-7.5%
150-168 Atlantic Drive, Victoria	Renewed	ESR Group	16,065	1.5 years	March 2023	3.0%	-12.1%
21 Kangaroo Avenue, Victoria	Renewed	TTI	41,401	1.0 year	July 2023	N.A.	+2.7%
49-75 Pacific Drive, Victoria	Renewed	Auto Pacific	25,163	5.0 years	Dec 2026	3.0%	-3.5%
1-27 Sunline Drive, Victoria	Renewed	Freight	12,021	1.0 year	April 2023	N.A.	-6.6%
10 Stanton Road, New South Wales	Renewed	CSR	7,065	5.0 years	August 2026	3.0%	-19.6%
20-22 Butler Boulevard, South Australia	Renewed	TNT	5,607	1.5 years	March 2022	3.5%	+2.9%
Koperstraße 10, Germany	Renewed	Roman Mayer	5,676	2.2 years	June 2025	CPI	-1.6%
Total:			162,244			Average Reversion:	-4.4%

2HFY20 Commercial Leasing Summary ⁽²⁾	No. of Leases	Lettable Area (sqm)	Average Lease Term	Reversion ⁽³⁾
Singapore	18	11,343	3.1 years	+9.5%
Australia	4	809	5.1 years	-3.3%
United Kingdom	2	365	3.0 years	+12.8%
Total:		12,517	Average Reversion:	+8.3%

1. Includes all commercial leasing completed from 1 October 2019 to 30 September 2020. 2. Includes existing and newly created space. 3. Calculated based on the signing gross rent (excluding any contracted fixed annual rental step-ups) of the new/renewed lease divided by the preceding terminating gross rent of each new/renewed lease (weighted by gross rent) of existing space.

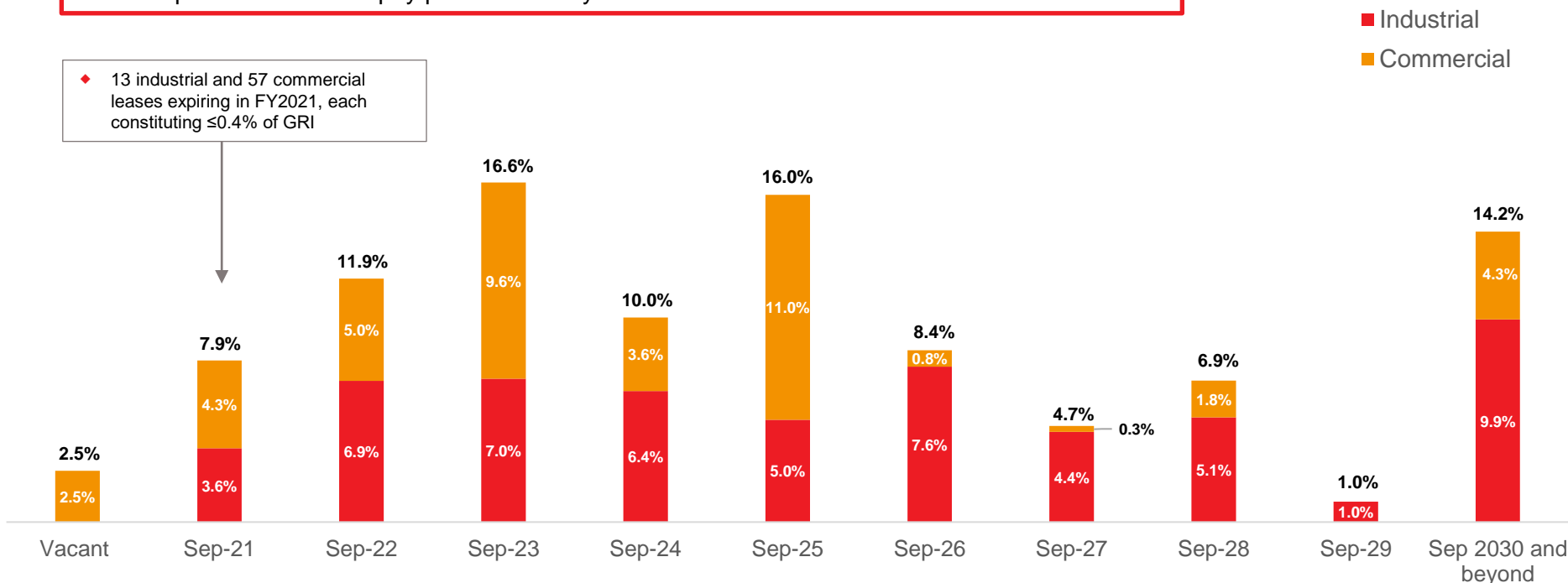
Portfolio Lease Expiry Profile

Minimal near-term lease expiries

Portfolio Lease Expiry Profile as at 30 September 2020⁽¹⁾

◆ Well spread-out lease expiry profile with only **7.9%** of GRI due for renewal in FY2021

◆ 13 industrial and 57 commercial leases expiring in FY2021, each constituting $\leq 0.4\%$ of GRI



1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

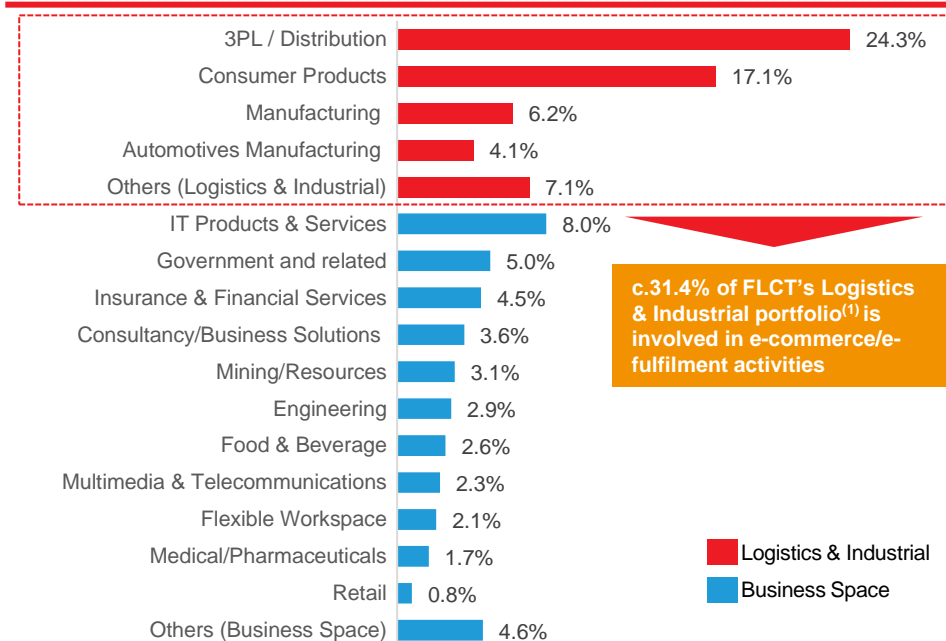
Portfolio mix

High-quality and diverse tenant mix

- ◆ Well-diversified tenant base with no single tenant accounting for more than 4.7% of portfolio GRI⁽¹⁾
- ◆ High-quality tenant base with majority of portfolio tenants comprising Government or related entities, MNCs, conglomerates and listed companies

Top-10 Portfolio Tenants ⁽¹⁾	% of GRI	WALE (Years)
Commonwealth of Australia	4.7%	4.8
Google Asia Pacific, Singapore	4.0%	4.3
Rio Tinto, Australia	2.6%	9.7
Commonwealth Bank of Australia	2.0%	2.3
BMW, Germany	1.9%	5.2
Ceva Logistics, Australia	1.9%	4.7
Schenker, Australia	1.7%	4.1
Techtronics Industries, Australia	1.7%	3.1
Fluor Limited, United Kingdom	1.6%	4.1
Mainfreight, Germany	1.5%	5.4
Total:	23.6%	Average: 4.4 years

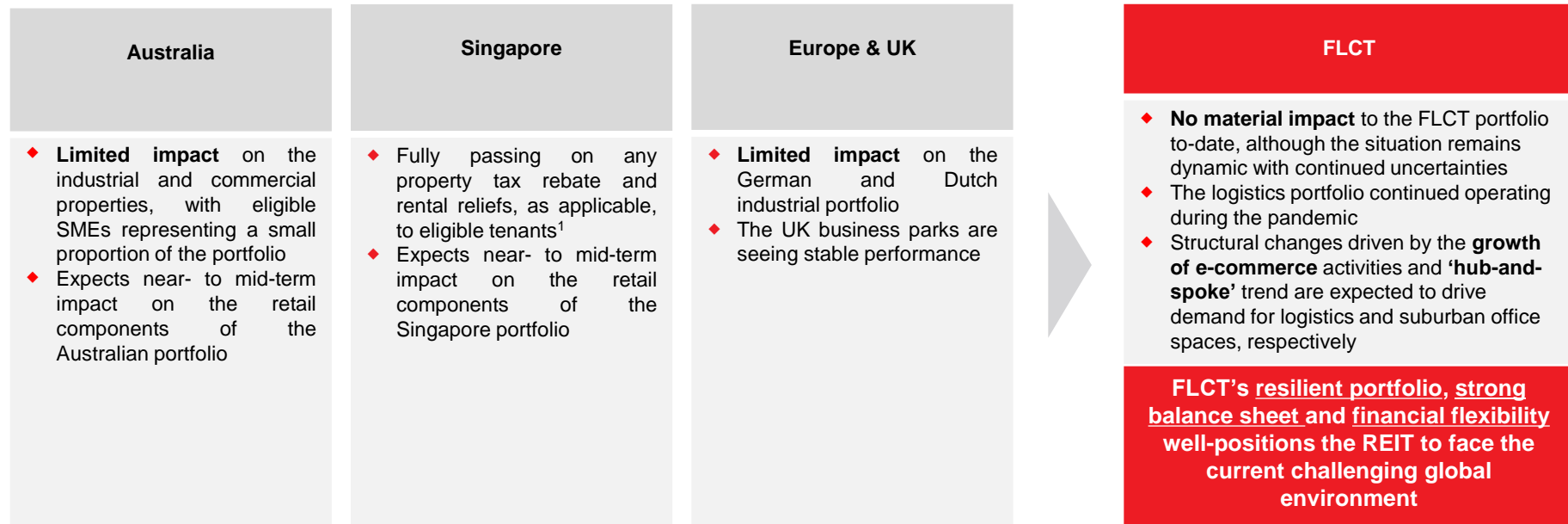
Portfolio Tenant Sector Breakdown⁽¹⁾⁽²⁾





Market Information and Strategy

- ◆ The REIT Manager is working closely with FLCT's customers to overcome this trying period together while focusing on managing any near- to mid-term downside risk from the pandemic
- ◆ The COVID-19 impact on FLCT's distributable income in the year-to-date to September 2020, which includes mainly rental waiver granted and provisions for rental waiver for qualifying SME tenants were approximately S\$5.7 million, which has not been material for the REIT
- ◆ The REIT Manager will continue to monitor the situation closely and exercise prudence



1. [COVID-19 \(Temporary Measures\) Act 2020](#), 16 July 2020, [Rental Relief Framework for SMEs](#)

Operating environment in Australia

Key economic indicators and market overview

Key Economic Indicators⁽¹⁾



-6.3% GDP for the Jun 20 quarter
Year-on-year GDP change



6.9% for the month of Sep 20
Unemployment Rate⁽¹⁾



0.7% 12 months to the Sep 20 quarter
Consumer Price Index



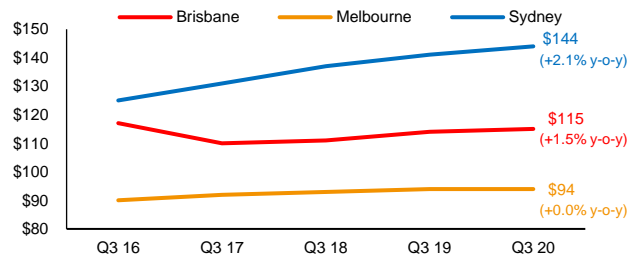
0.10% Cash rate
Reduction from 0.25% to support employment



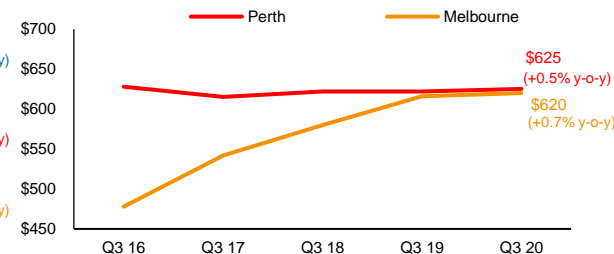
0.81% 10-year bond yield
As at 29 October 20⁽²⁾

Overview of the Industrial and Commercial Market⁽³⁾

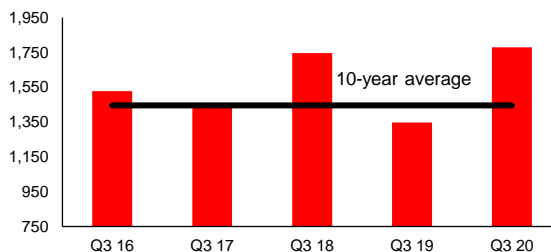
Industrial Prime Grade Net Face Rent
(A\$/sqm/yr)



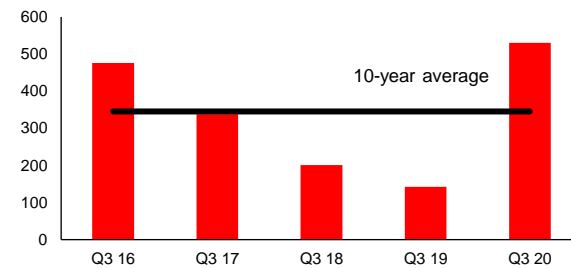
Prime CBD Commercial Net Face Rent
(A\$/sqm/yr)



National Total Supply for Industrial
('000 sqm)



National Total Supply for CBD Commercial
('000 sqm)



Operating environment in Germany and the Netherlands

Key economic indicators and market overview

Key Economic Indicators in Germany⁽¹⁾



-4.1% GDP for the Sep 20 quarter

Year-on-year GDP change



4.4% for the month of Sep 20

Low Unemployment Rate



-0.2% in Sep 20 (year-on-year)

Consumer Price Index



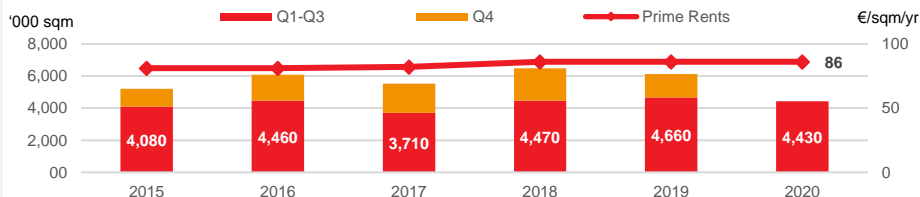
-0.515% 3-month EURIBOR

Remained in the negative range⁽²⁾

Overview of the German Industrial Market⁽³⁾

- **Take-up** in Germany remained high, but decreased in some of the main hubs, constrained by a lack of modern space. E-commerce is a strong market driver with large transactions signed since the beginning of the year.
- **Prime rents** remained increased slightly in Frankfurt, Cologne and Düsseldorf as a result of limited supply and transactions signed in speculative developments of logistics parks located in prime areas.
- **Investment volumes** continued to thrive in Q3 2020 despite the COVID-19 crisis and the scarcity of products in the major hubs.
- **Prime yields** decreased to 3.5% in the major logistics hubs as compared to 3.7% in the last quarter. This is the lowest yield recorded in Europe. At the moment, there are no signs of decompression in Germany.

Take-up and Prime Rents in Germany (for warehouses >5,000 sqm)



Key Economic Indicators in the Netherlands⁽⁴⁾



-9.4% GDP for the Jun 20 quarter

Year-on-year GDP change



4.4% for the month of Sep 20

Low Unemployment Rate



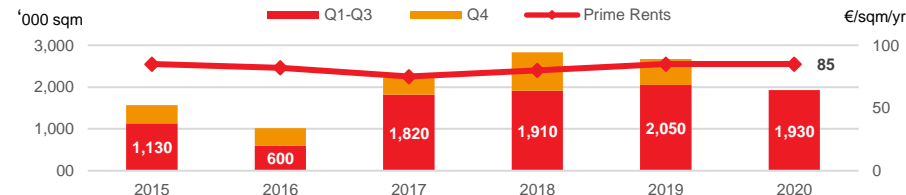
1.1% in Sep 20 (year-on-year)

Consumer Price Index

Overview of the Netherlands Industrial Market⁽³⁾

- **Take-up** levels are picking up in Q3 2020, boosted by increasing demand in the retail and distribution sectors, despite a significant slow down in Q2 due to the COVID-19 crisis.
- **Prime rents** have remained largely stable and there is no evidence of strong changes in the forthcoming months.
- **Investment volumes** continued to stay low in Q3 2020 as investors have been increasingly cautious with the COVID-19 crisis. Given the current state of negotiations existing in the market, activity can be expected to pick up again in Q4.
- **Prime yields** have dropped to a historic 3.9% in the Netherlands during Q3 as compared to 4.0% in the last quarter.

Take-up and Prime Rents in the Netherlands (for warehouses >5,000 sqm)



1. Source: Destatisches Bundesamt (Federal Statistics Office of Germany). 2. Source: <https://www.euribor-rates.eu/en/current-euribor-rates/> (As at 29 October 2020). Applicable for both Germany and the Netherlands. 4. Source: CBS (Statistics Netherlands).

Operating environment in Singapore

Key economic indicators and market overview

Key Economic Indicators⁽¹⁾



-7.0% GDP for the Sep 20 quarter
Year-on-year GDP change



3.6% in Sep 20
Unemployment Rate



0.0% year-on-year in Sep 20
All-items Consumer Price Index



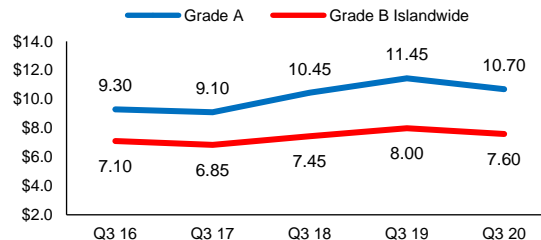
0.1101% on 29 Oct 20
Singapore Overnight Rate Average



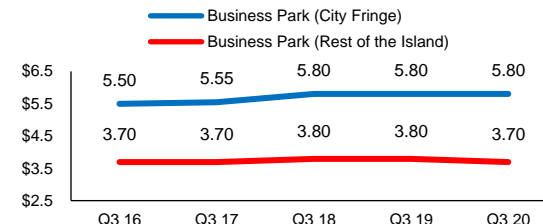
0.83% 10-year bond yield
As at 29 Oct 20⁽²⁾

Overview of the Singapore Office and Business Park Markets⁽³⁾

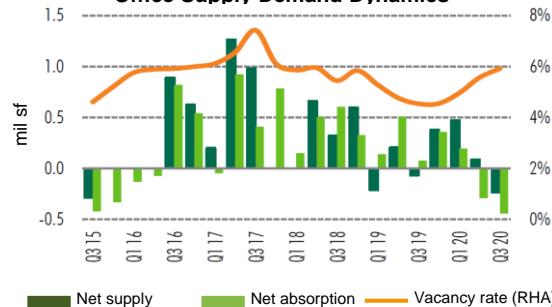
Grade A and Grade B Office Rents
(S\$ psf per month)



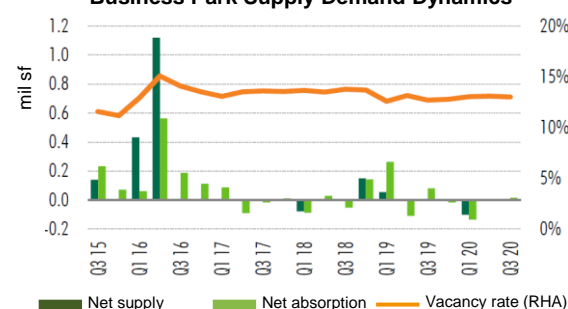
Business Park Rents⁽⁴⁾
(S\$ psf per month)



Office Supply-Demand Dynamics



Business Park Supply-Demand Dynamics



1. Sources: Singstat, Ministry of Trade and Industry Singapore, Ministry of Manpower Singapore. 2. Source: MAS SGS. 3. Source: CBRE, Singapore Market View, Q3 2020. 4. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. Due to limited availability of market research information directly relating to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.

Operating environment in the UK

Key Economic Indicators⁽¹⁾



-21.5% GDP for the Jun 20 quarter

Year-on-year GDP change



4.5% for the three months to Aug 20

Low unemployment Rate



0.7% 12 months to Sep 20

Consumer Price Index



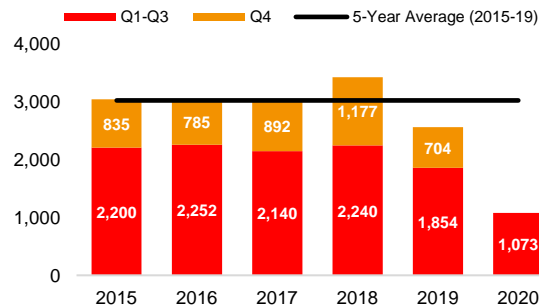
0.1% bank rate in Sep 20

Reduced by 65 basis points from 0.75% prior

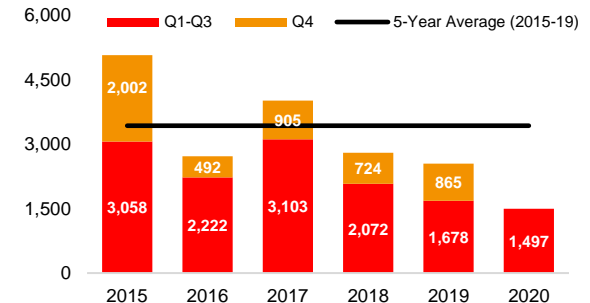
South East Office Trends and Outlook⁽²⁾

- **Take-up** in the South East in Q3 2020 amounted to 395,053 sq ft, bringing YTD 2020 take-up volume to approximately 1.1 mil sq ft, 42% below the same period last year. It is encouraging to note however that take-up levels have seen a 52% increase since the prior quarter this year.
- **Vacancy rates remain low**, which together with a restricted development pipeline will minimise any falls in prime rents.
- **Prime rents** have remained largely stable and there is no evidence of strong changes in the forthcoming months.
- YTD 2020 **investment volumes stand at £1.5bn**, transaction volumes have only seen a slight dip of 10.8% in the same period last year, considering the current pandemic situation. Investment volumes in Q4 2020 may be expected to pick up, considering the amount of transactions that are currently under offer.

('000 sq ft) **South East Office Take-up Levels**



(£million) **South East Office Investment Volumes**

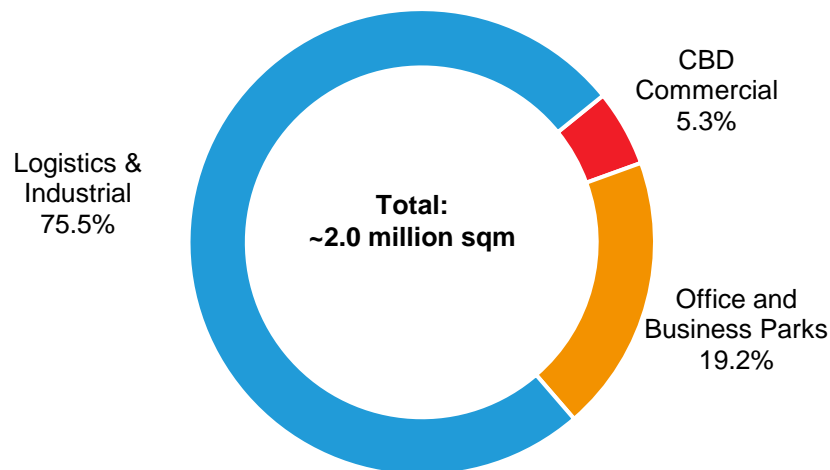


Diversified ROFR pipeline from Sponsor

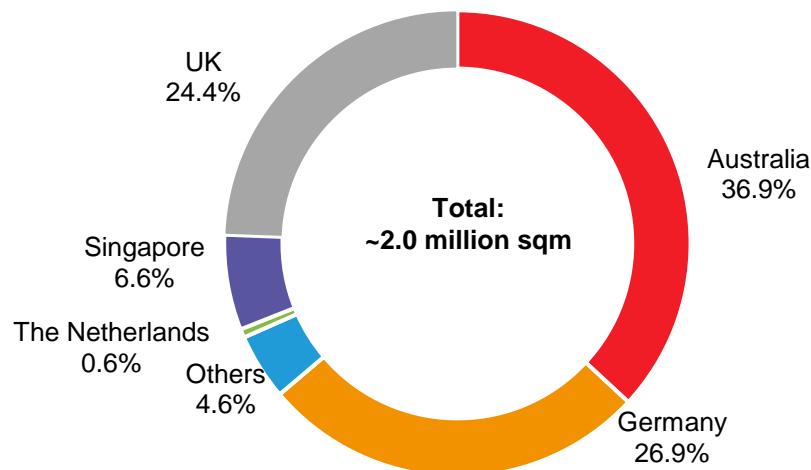
>\$S5 billion ROFR across asset classes and key markets in Asia Pacific and Europe

- ◆ Access to a sizeable ROFR pipeline of more than S\$5 billion granted by the Sponsor⁽¹⁾
- ◆ Able to leverage on the Sponsor's integrated development and asset management capabilities

Breakdown by Sector⁽²⁾

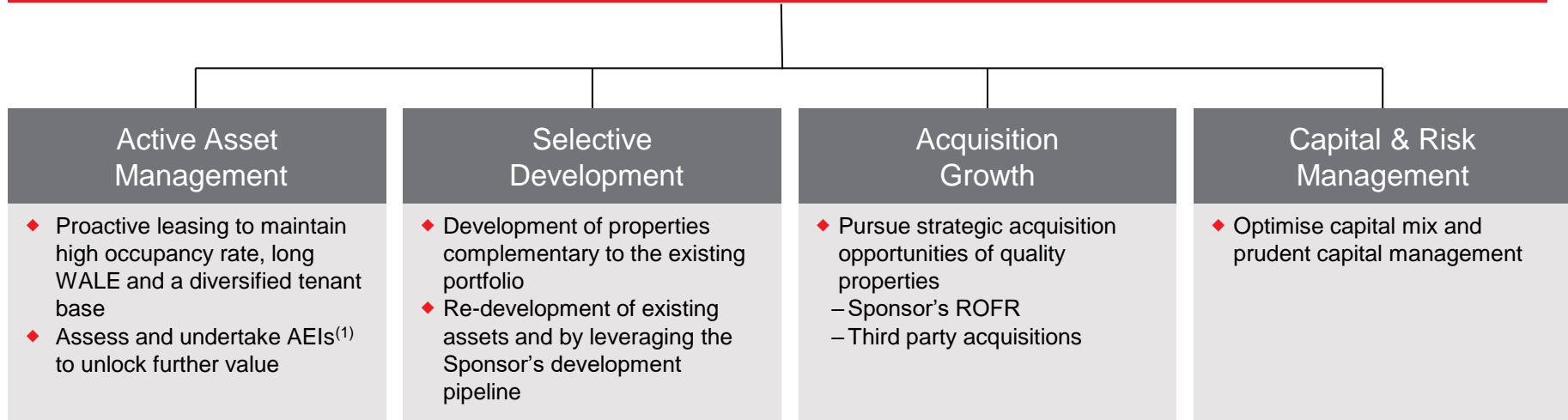


Breakdown by Region⁽²⁾



1. Comprises completed income-producing real estate (i) used for logistics or industrial purposes and located globally, and such real estate assets used for "logistics" or "industrial" purposes may also include office components ancillary to the foregoing purposes, or (ii) used for commercial purposes (comprising primarily office space in a Central Business District ("CBD office space")) or business park purposes (comprising primarily non-CBD office space and/or research and development space) and located in the Asia Pacific region or in Europe (including the United Kingdom). 2. By lettable area as at 30 September 2020.

Sustainable long-term growth in DPU and deliver stable and regular distributions to unitholders



1. Development activities can be up to 10% of the current AUM as per MAS guidelines. FLCT may exceed the regulatory limit of not more than 10% of the company's deposited property (subject to maximum of 25%) only if additional allowance of up to 15% of the deposited property is utilised solely for redevelopment of an existing property that has been held for 3 years and continues to be held for 3 years after completion and specific approval of unitholders for redevelopment is obtained.



Appendix



Appendix: Financial Review and Portfolio Information

Appendix: FY2020 portfolio revenue and NPI by sector and region

Breakdown by sector⁽¹⁾

Commercial, 25.3%

- ♦ Singapore: 12.0%
- ♦ Australia: 9.2%
- ♦ UK: 4.1%

Revenue:
S\$332.0 m

Industrial, 74.7%

- ♦ Australia: 48.1%
- ♦ Europe: 26.6%

Commercial, 21.6%

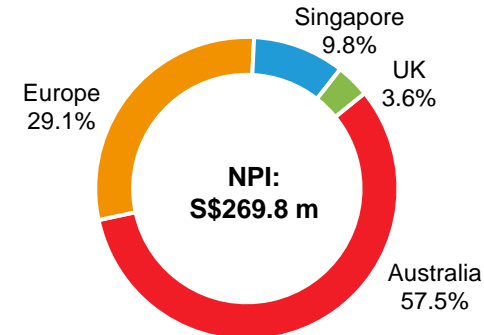
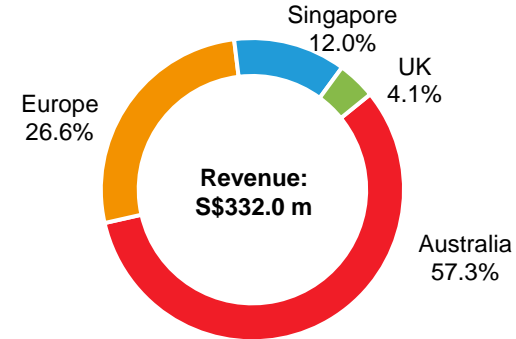
- ♦ Singapore: 9.8%
- ♦ Australia: 8.2%
- ♦ UK: 3.6%

NPI:
S\$269.8 m

Industrial, 78.4%

- ♦ Australia: 49.3%
- ♦ Europe: 29.1%

Breakdown by region⁽¹⁾



1. Includes the contribution from FCOT following the merger of FLT and FCOT which became effective on 15 April 2020.

Appendix: Valuation for industrial properties

Industrial

Location	No of properties	Valuation as at 30 September 2020			
Australia ⁽¹⁾		Valuation (million)	Valuation (million)	Capitalisation rate	
- Victoria	30	A\$903.1	S\$883.1	5.00% - 8.50%	
- New South Wales	16	A\$709.2	S\$693.5	5.00% - 8.75%	
- Queensland	12	A\$409.9	S\$400.8	5.25% - 6.75%	
- South Australia	3	A\$24.8	S\$24.3	9.00% - 9.25%	
- Western Australia	1	A\$11.9	S\$11.6	16.22%	
Total	62	A\$2,058.9	S\$2,013.3	Ave: 5.90%	
Europe				Gross initial yield ⁽²⁾	Net initial yield ⁽³⁾
Germany	26	€821.1	S\$1,314.0	4.26% - 8.10%	3.85% - 7.23%
The Netherlands	5	€180.6	S\$289.0	5.24% - 6.49%	4.90% - 5.62%
Total	31	€1,001.7	S\$1,603.0	Ave: 5.30%	Ave: 4.74%
Total industrial portfolio	93		S\$3,616.3		

Based on the exchange rates of A\$1: S\$0.9779 and €1: S\$1.6003 as at 30 September 2020.

1. Excludes a 50% interest in the property at 99 Sandstone Place, Parkinson, Queensland, Australia which is classified as "Investment Properties Held for Sale". 2. In-place rent divided by net property value. 3. In-place rent net of non-recoverable expenses divided by gross property value.

Appendix: Valuation for commercial properties

Commercial

Location		Valuation as at 30 September 2020		
Australia	No of properties	Valuation (million)	Valuation (million)	Capitalisation rate
- 357 Collins Street, Melbourne ⁽¹⁾		A\$320.0	S\$312.9	4.88%
- Caroline Chisholm Centre, Canberra		A\$245.0	S\$239.6	7.00%
- Central Park, Perth ⁽¹⁾		A\$314.0 ⁽²⁾	S\$307.1	6.03%
Total	3	A\$879.0	S\$859.6	
Singapore				
- Cross Street Exchange		S\$643.0	S\$643.0	3.50% (office); 4.00% (retail)
- Alexandra Technopark ⁽¹⁾		S\$624.0	S\$624.0	6.00%
Total	2	S\$1,267.0	S\$1,267.0	
UK				Gross initial yield ⁽³⁾
- Farnborough Business Park, Thames Valley		£178.0	S\$314.0	6.91%
- Maxis Business Park, Thames Valley		£68.3	S\$120.4	5.55%
Total	2	£246.3	S\$434.4	Net initial yield⁽⁴⁾
Total commercial portfolio	7		S\$2,561.0	

Based on the exchange rates of A\$1: S\$0.9779 and £1: S\$1.7642 as at 30 September 2020.

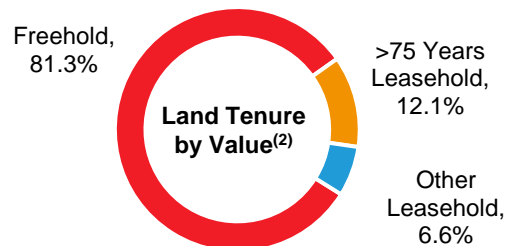
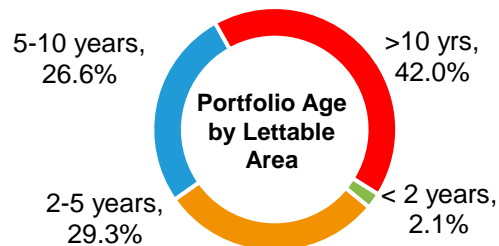
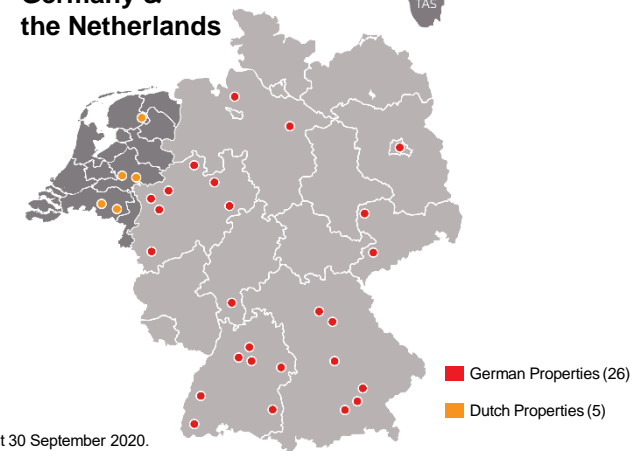
1. The valuation report contains a provision on material valuation uncertainty. 2. Based on 50.0% interest in the property. 3. In-place rent divided by net property value. 4. In-place rent net of non-recoverable expenses divided by gross property value.

Appendix: Prime & modern logistics & industrial portfolio

As at 30 September 2020	Australia	Europe	Total
No. of Properties	62 ⁽¹⁾	31	93
Portfolio Value (S\$ million) ⁽²⁾	2,013.3	1,603.0	3,616.3
Lettable Area (sqm)	1,377,612	881,281	2,218,893
Average Age by Value	8.2 years	8.3 years	8.2 years
WALE ⁽³⁾	4.7 years	6.9 years	5.5 years
WALB ⁽³⁾	4.7 years	6.9 years	5.5 years
Occupancy Rate ⁽³⁾	100.0%	100.0%	100.0%
Average Annual Rental Increment	3.1%	Fixed/CPI-linked ⁽⁴⁾	N.M.



Germany & the Netherlands



1. Excludes a 50% interest in the property at 99 Sandstone Place, Parkinson, Queensland, Australia which is classified as "Investment Properties Held for Sale". 2. Book value as at 30 September 2020.

3. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

4. 95.5% of the leases have either CPI-linked indexation or fixed escalations.

Appendix: Quality & well-located commercial portfolio



Cross Street Exchange



357 Collins Street



Central Park



Caroline Chisholm Centre



Alexandra Technopark



Farnborough Business Park



Maxis Business Park

As at 30 September 2020

CBD Commercial

Office and Business Parks

	Singapore	Melbourne, Australia	Perth, Australia	Canberra, Australia	Singapore	United Kingdom	United Kingdom
Country							
Ownership	100.0%	100.0%	50.0%	100.0%	100.0%	100.0%	100.0%
Property Value (S\$ million) ⁽¹⁾	643.0	312.9	307.1 ⁽²⁾	239.6	624.0	314.0	120.4
Lettable Area (sqm)	36,497	31,962	66,113	40,244	96,107	51,006	17,859
WALE ⁽³⁾	2.8 years	2.8 years	6.2 years	4.8 years	3.0 years	5.8 years	6.4 years
WALB ⁽³⁾	2.8 years	2.8 years	6.2 years	4.8 years	2.8 years	4.4 years	2.7 years
Occupancy Rate ⁽³⁾	89.5%	95.9%	80.8%	100.0%	97.9%	99.3%	100.0%

1. Book value as at 30 September 2020. 2. Based on 50% interest in the property. 3. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

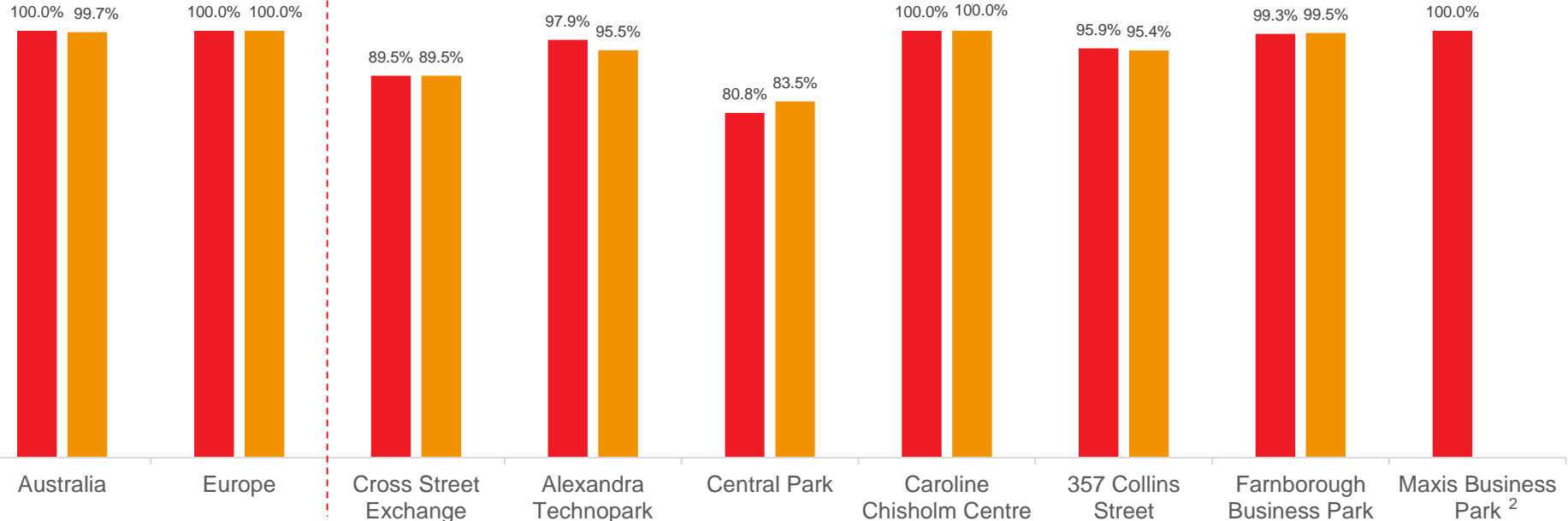
Appendix: Occupancy

Portfolio Occupancy of 97.5%⁽¹⁾ as at 30 September 2020

Logistics & Industrial: 100.0% Occupancy

Commercial: 94.3% Occupancy

■ 30-Sep-20 ■ 30-Jun-20



1. Based on GRI and includes committed leases. 2. No comparable data available for 30 June 2020 as the acquisition of Maxis Business Park was completed on 12 August 2020.

Appendix: Top-10 tenants

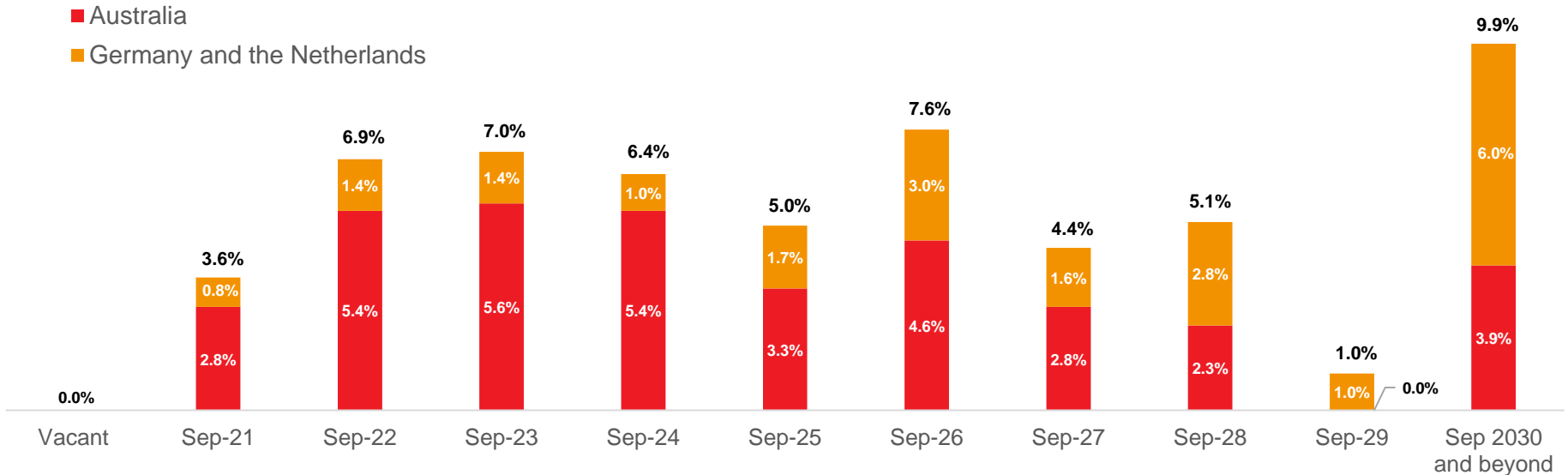
Top-10 Industrial Portfolio Tenants ⁽¹⁾	% of Portfolio GRI	WALE (Years)
BMW, Germany	1.9%	5.2
Ceva Logistics, Australia	1.9%	4.7
Schenker, Australia	1.7%	4.1
Techtronics Industries, Australia	1.7%	3.1
Mainfreight, the Netherlands	1.5%	5.4
Hermes Germany	1.3%	12.2
Constellium, Germany	1.3%	6.7
Bakker Logistics, the Netherlands	1.3%	10.1
Bosch, Germany	1.2%	7.8
DSV Solutions, the Netherlands	1.2%	4.1
Total:	15.0%	Average: 6.1 years

Top-10 Commercial Portfolio Tenants ⁽¹⁾	% of Portfolio GRI	WALE (Years)
Commonwealth of Australia	4.7%	4.8
Google Asia Pacific, Singapore	4.0%	4.3
Rio Tinto, Australia	2.6%	9.7
Commonwealth Bank of Australia	2.0%	2.3
Fluor Limited, United Kingdom	1.6%	4.1
WeWork, Australia and Singapore	1.2%	9.7
GroupM Singapore Pte Ltd, Singapore	1.1%	2.8
Service Stream, Australia	0.9%	2.0
Syneous Health UK Ltd, UK	0.8%	7.3
Suntory Beverage & Food Asia Pte Ltd, Singapore	0.8%	2.7
Total:	19.7%	Average: 5.1 years

1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

Appendix: Industrial portfolio lease expiry profile

Industrial Portfolio Lease Expiry Profile as at 30 September 2020⁽¹⁾

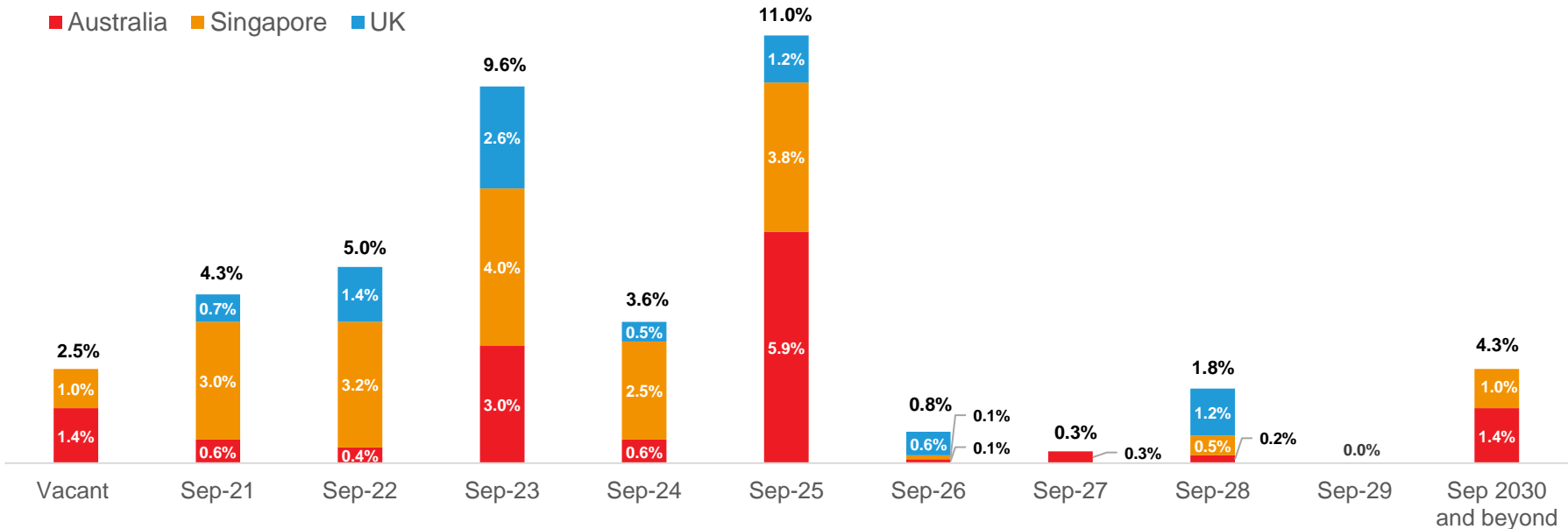


1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

Appendix: Commercial portfolio lease expiry profile

Commercial Portfolio Lease Expiry Profile as at 30 September 2020⁽¹⁾

■ Australia ■ Singapore ■ UK



1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2020. Excludes straight lining rental adjustments and include committed leases.

Appendix: Sustainability Highlights

Continuing Commitment to high ESG Standards



G R E S B
★★★★★ 2019

Industrial Leadership

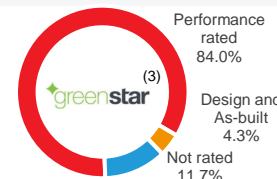
Strong
Commercial
Performance

- ◆ The industrial portfolio was **named Global Sector Leader (Listed Industrial) for the second consecutive year** in the 2019 GRESB Assessment⁽¹⁾
- ◆ Achieved overall score of 90 out of 100, which incorporates the industrial portfolio spanning Australia, Germany and the Netherlands
- ◆ The commercial portfolio **ranked in the top three for commercial in the Asia-Pacific** in the 2019 GRESB Assessment⁽¹⁾
- ◆ Achieved overall score of 82 out of 100, which incorporates the commercial portfolio spanning Australia, Singapore and the UK



Highest Rated
Industrial Portfolio in
Australia

- ◆ Highest Green Star performance-rated industrial portfolio in Australia⁽²⁾
- ◆ Achieved an overall 4 Star Green Star rating as assessed by the GBCA
- ◆ First to achieve 6 Star Green Star ratings for industrial facilities in each of New South Wales, Victoria and Queensland



Minimum 4.5-star
NABERS⁽⁴⁾ Energy
ratings

- ◆ 357 Collins Street: 5.5-star NABERS Energy base building rating (with green power), 4.5-star NABERS Water rating
- ◆ Central Park: first commercial building in Australia to achieve 4.5-star NABERS Energy base building rating, first premium office building in Perth to attain 5.0-star NABERS Energy base building rating, 4.5-star NABERS Indoor Environment rating, 3.5-star NABERS Water rating
- ◆ Caroline Chisholm Centre: 5.0-star NABERS Energy base building rating, 4.5-star NABERS Water rating



BREEAM ratings⁽⁵⁾

- ◆ Farnborough Business Park: BREEAM New Construction – ‘Very Good’ ratings for three buildings, BREEAM In-Use - ‘Excellent’/‘Very Good’ ratings for eight buildings
- ◆ Maxis Business Park: BREEAM New Construction – ‘Very Good’ ratings for two buildings

BCA rating⁽⁶⁾⁽⁷⁾

- ◆ Cross Street Exchange: BCA Green Mark Gold Plus certification

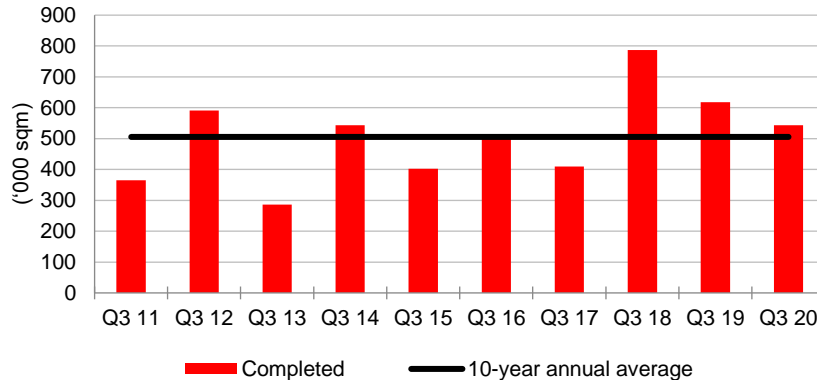
1. Refers to the 2019 Real Estate Assessments by GRESB, the global ESG benchmark for real estate. 2. Portfolio Green Star ratings as at 30 September 2020. Green Star ratings are awarded by the Green Building Council of Australia (GBCA) which has assessed the Australian properties against nine key performance criteria – energy, water, transport, materials, indoor environment quality management, land use and ecology, emissions and innovation. 3. Based on GLA. 4. Refers to the National Australian Built Environment Rating System, Australia's leading independent, evidence based built environment rating system. 5. Refers to the Building Research Establishment Environment Assessment Method, the world's leading sustainability assessment for master planning projects, infrastructure and buildings. 6. Green Mark certification by the Building and Construction Authority, Singapore. 7. Green Mark re-certification for Alexandra Technopark is currently underway. Alexandra Technopark was certified Green Mark Gold prior to re-certification.

Appendix: Other Key Market Information

Appendix: Sydney industrial market

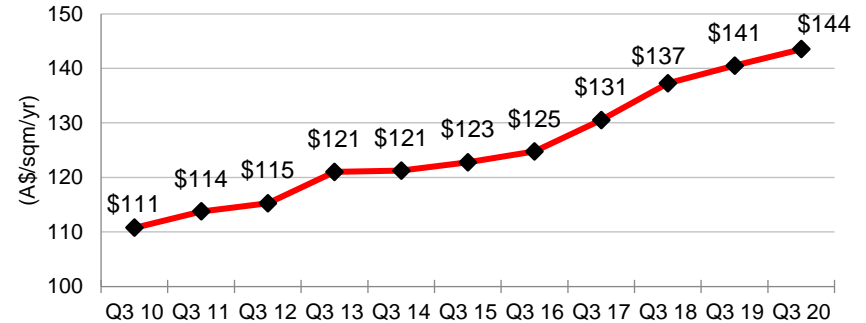
- ◆ **Supply:** Over the last 12 months, development activity in Sydney was above the 10-year average, with 542,891 sqm of new stock being added to the market. New construction continues to be concentrated in the Outer Central Western, Outer South Western and Inner West precincts. The largest completion during the quarter was a 37,800 sqm single-tenanted industrial facility developed by Altis at 585-649 Mamre Road, Erskine Park.
- ◆ **Demand:** Industrial take-up levels remain above the 10-year average despite the continued negative economic impacts of the COVID-19 pandemic. During the quarter Sydney recorded 224,960 sqm of gross take up. The quarter was dominated by Transport, Postal & Warehousing, Manufacturing and Retail Trade users. The largest transaction of the quarter was the 32,506 sqm pre-commitment to Australian Pharmaceutical Industries at Sydney Business Park (Marsden Park, NSW).
- ◆ **Rents:** Low vacancy rates and a shortage of developable land has translated to an average y-o-y rental growth of approximately 2.1% across all industrial precincts. The Outer Central West continues to be one of the strongest performing precincts with face rents growing by 3.3% to A\$127/sqm net. Prime industrial incentives continue to remain relatively low compared to other markets with average prime incentives in the Outer Central West currently sitting at 15%.
- ◆ **Vacancy:** Industrial vacancies in Sydney remain near historic 5-year lows with approximately 541,025 sqm of available space as at July 2020. Sydney industrial vacancy are expected to increase over the next 12 months as new speculative stock is completed and the economic uncertainty due to the COVID-19 pandemic continues to affect business confidence.

Sydney Industrial Total Supply



Annualised as at Q3 2020

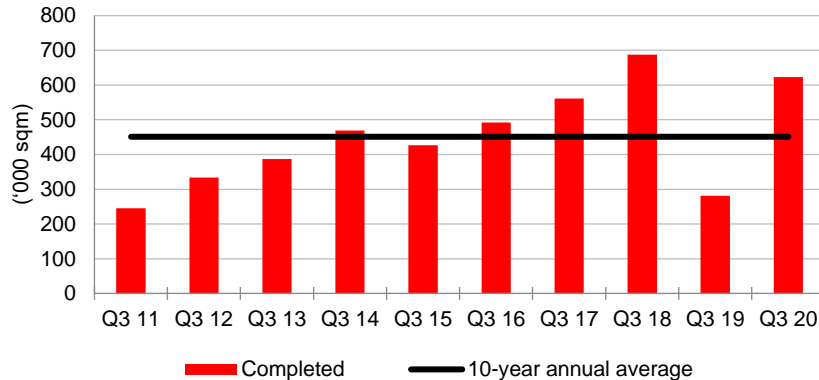
Sydney Industrial Prime Grade Net Face Rents



Appendix: Melbourne industrial market

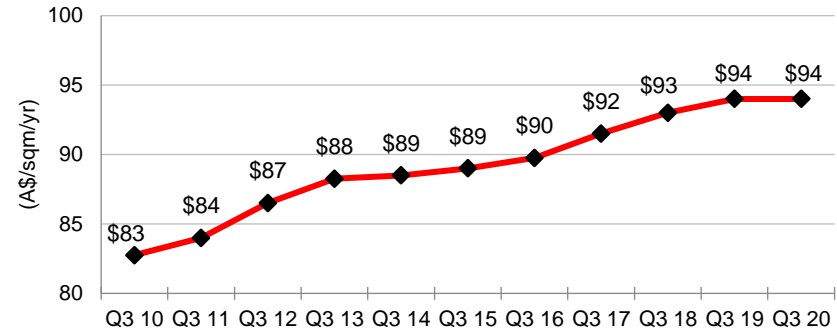
- ◆ **Supply:** Over the last 12 months, development activity in Melbourne was above the 10-year average, with 623,235 sqm of new stock being added to the market. In Q3 2020, approximately 86% of new industrial supply was completed in the Western Precinct. The largest completion during the quarter was a temperature-controlled warehouse leased to Toll at 500 Doherty's Road, Truganina.
- ◆ **Demand:** Despite the ongoing lockdown, tenant demand in Melbourne has remained robust in 3Q 2020 with take-up of 218,582 sqm being recorded. Over the 12 months to 30 September 2020, there was approximately 1,011,943 sqm of gross take-up in Melbourne, the highest of any Australian industrial market. The largest transaction of the quarter was a 20,831 sqm lease to Koala Furniture at 30 Taras Avenue, Altona North.
- ◆ **Rents:** High levels of development activity and the addition of new supply has softened the average y-o-y rental growth in Melbourne. Industrial face rents in Melbourne have generally remained flat across all precincts except for the South East. The South East continues to be the strongest performing precinct with face rents increasing 1.1% to A\$93/sqm net over the previous 12 months. Incentives in South East have also remained stable at around 23%.
- ◆ **Vacancy:** Melbourne vacancies have increased 19% over the previous financial year. As at July 2020, there was approximately 834,023 sqm of available industrial space in the Melbourne market. However vacancy rates in Melbourne are expected to increase over the next 12 months as new speculative stock is completed and the COVID-19 outbreak continues to negatively affect the Australian economy.

Melbourne Industrial Total Supply



Annualised as at Q3 2020

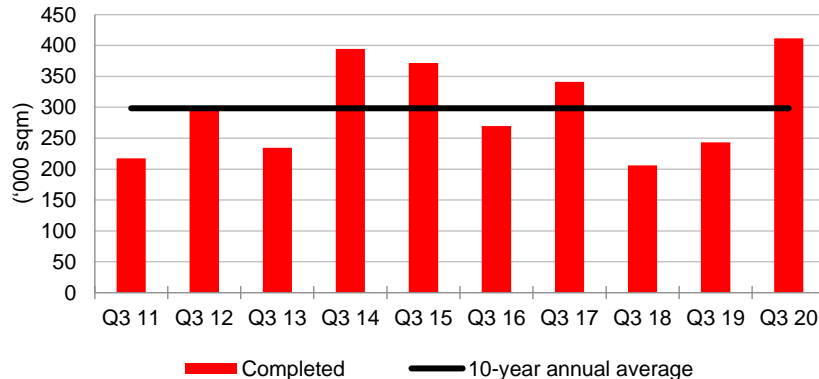
Melbourne Industrial Prime Grade Net Face Rents



Appendix: Brisbane industrial market

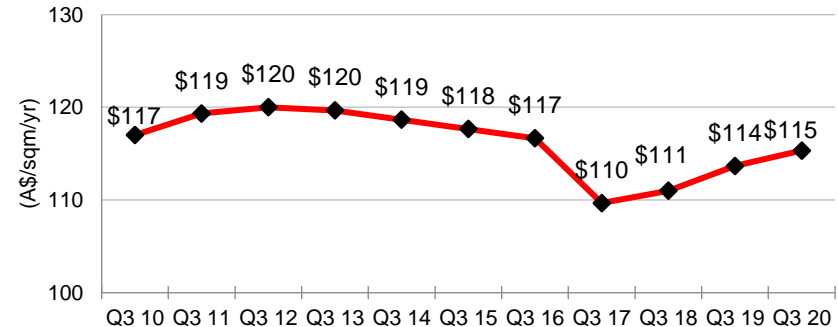
- ◆ **Supply:** Over the last 12 months, development activity in Brisbane has exceeded the 10-year average, with 411,531 sqm of new stock being added to the market. New construction continues to be concentrated in the Southern precinct. The largest completion during the quarter was the 34,700 sqm Freeman Central at Richlands. There are currently 9 projects totalling 231,700 sqm currently under construction in Brisbane.
- ◆ **Demand:** Tenant demand for industrial space has also remain subdued with Brisbane recording take-up of 78,327 sqm in Q3 2020. Over the 12 months to 30 September 2020, occupier demand in Brisbane has been below the historic 10-year average with 405,903 sqm of gross take up being recorded. The largest transaction of the quarter was a 12,250 sqm lease to ACR Supply Partners at the newly completed Freeman Central Estate at 479 Freeman Road, Richlands.
- ◆ **Rents:** The lack of new supply and reduction of vacancies has translated to an average y-o-y rental growth of approximately 1.5% across all precincts. The Southern industrial precinct has experienced minimal rental growth with average rent remaining stable at A\$110/sqm net. Incentives in Brisbane South while higher compared to other industrial markets have remained stable at 20% for prime industrial assets.
- ◆ **Vacancy:** Vacancies levels in Brisbane have increased 3.4% in Q3 2020 as a result of speculative developments reaching completion and tenants relocating to purpose-built facilities. As at October 2020, the level of available industrial space is approximately 596,173 sqm. However vacancy rates in Brisbane are expected to increase over the next 12 months as new speculative stock is completed and the COVID-19 outbreak continues to negatively affect the Australian economy.

Brisbane Industrial Total Supply



Annualised as at Q3 2020

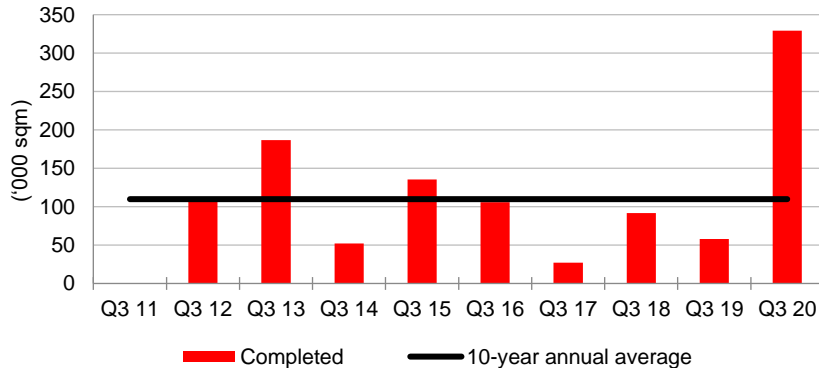
Brisbane Industrial Prime Grade Net Face Rents



Appendix: Melbourne CBD office market

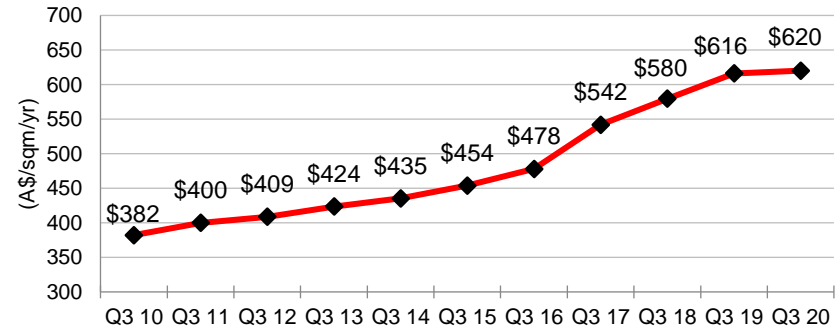
- ◆ **Supply:** Four major developments completed in quarter in contributing 170,039 sqm of new space to the Melbourne CBD market. During 2020, a total of seven new projects were completed in the Melbourne CBD contributing approximate 329,000 sqm of NLA making 2020 the highest year for completions since 1991. Approximately 95% of the new completions in 2020 were pre-committed and have not significantly contributed to vacancy rates in the Melbourne CBD.
- ◆ **Demand:** As a result of the ongoing lockdowns and economic uncertainty regarding the COVID-19 pandemic, tenant demand for commercial space has continued to decline. In Q3 2020 Melbourne recorded a gross take-up of 169,880 sqm, however this has contributed to a significant amount of back-fill space in the market. During Q3 2020, Melbourne CBD experienced negative net absorption of 70,065 sqm.
- ◆ **Rents:** Due to the continued economic impacts of the COVID-19 pandemic, there has been a sharp increase in vacancies and average prime rents have declined by 0.4% in Q3 2020 and are currently A\$620/sqm net. Prime incentives in the Melbourne CBD have also increased slightly over the quarter and are currently at 32%. The decline in face rents and the increase of incentives has resulted in negative effective rental growth over the quarter.
- ◆ **Vacancy:** As at Q3 2020, the vacancy rate in Melbourne's CBD rose from 7.7% in the preceding quarter to 11.3%. This increase is due to the addition of new supply, an increase in sublease space, as well as several large tenant contractions. As at 30 September 2020, there is approximately 379,560 sqm of vacant commercial space in the Melbourne CBD market. Melbourne CBD commercial vacancy is expected to increase over the next 12 months as new stock is added to the market and the ongoing COVID-19 pandemic continues to negatively affect business confidence and tenant demand.

Melbourne Commercial Total Supply



Annualised as at Q3 2020

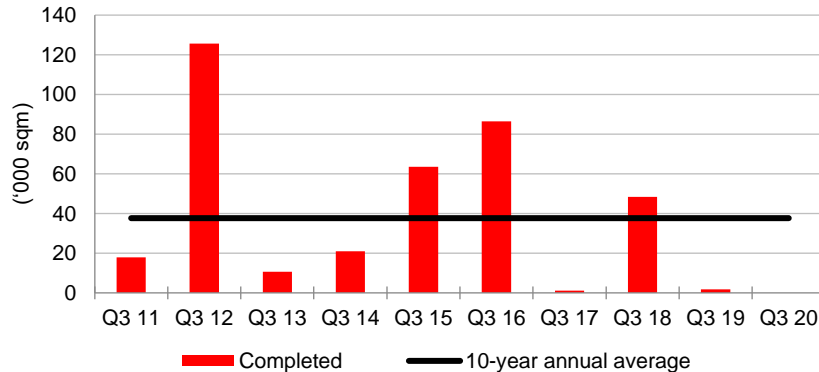
Melbourne Prime Grade Net Face Rent



Appendix: Perth CBD Office Market

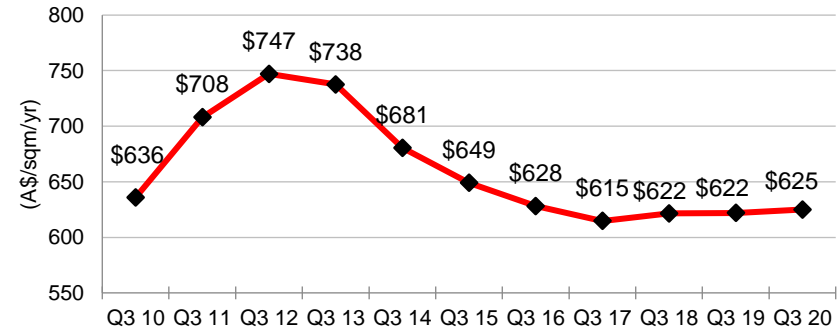
- ◆ **Supply:** Development activity in the Perth CBD has been subdued with no new space completed in the last 12 months. There are currently two major new developments under construction in the Perth CBD - Chevron HQ and Capital Square Tower 2. The two developments will provide approximately 79,200 sqm of commercial space and are both expected to be completed in Q4 2023.
- ◆ **Demand:** During Q3 2020, demand for commercial space in the Perth CBD was subdued with three leases over 1,000 sqm signed during the quarter totalling 3,359 sqm. The largest lease transaction of the quarter was a 1,202 sqm lease to Amazon Web Services at 240 St Georges Terrace, Perth. Overall, Perth recorded a negative gross take up of 4,900 sqm during Q3 2020, which is primarily due to additional sub-lease space being offered to the market.
- ◆ **Rents:** Despite softening demand, prime rents in the Perth CBD has experienced modest rental growth of 0.5% over the previous 12 months. The average prime rents in the Perth CBD are currently A\$625/sqm net. However due to the continued high vacancy rates and modest tenant demand, incentives in the Perth CBD remain high compared to other Australian CBD markets. Over the previous 12 months, incentives for prime office space have increased slightly and are currently at 49%.
- ◆ **Vacancy:** As at Q3 2020, the vacancy rate in Perth CBD increased slightly to 20.4%. Currently, there is approximately 368,627 sqm of vacant commercial space in the Perth CBD market. Vacancy rates are expected to increase in the short-term as the economic impacts of the COVID-19 pandemic continue to negatively affect business confidence and tenant demand.

Perth CBD Office Total Supply



Annualised as at Q3 2020

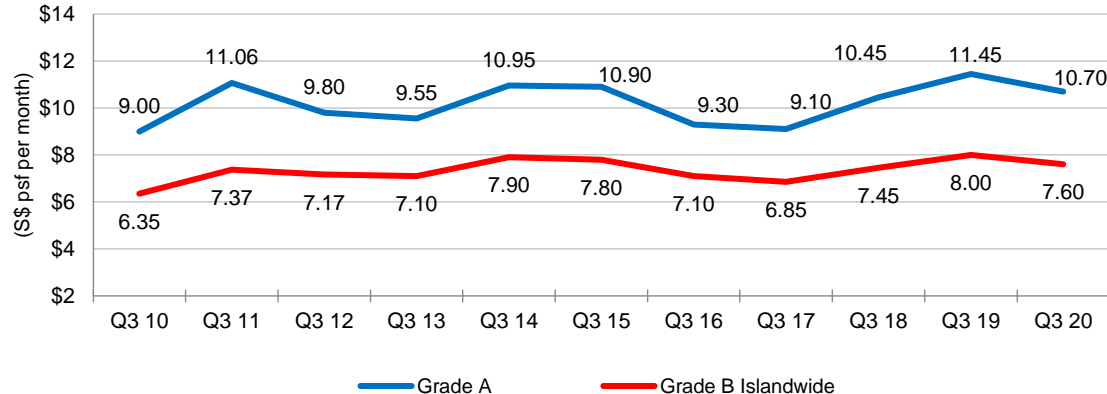
Perth CBD Office Prime Grade Net Face Rent



Appendix: Singapore CBD office market

- ◆ **Supply:** Shaw Towers was removed from the stock in Q3 2020 as construction works commenced. Concerns around the next wave of new supply in 2022 have dissipated as the completion of these projects are expected to be delayed by at least three months, which will allow supply and demand dynamics to recalibrate
- ◆ **Demand:** Total net absorption in Q3 2020 was negative 445,491 sf, the second consecutive quarter of negative net absorption mainly due to the lacklustre demand as a result of the COVID-19 pandemic and the weaker economic outlook. Cost efficiency continued to be the main driver for leasing enquiries. Demand is expected to stem from displaced tenants from upcoming redevelopment projects, and Chinese technology firms and family offices establishing presence in Singapore
- ◆ **Rents:** Generally, rents in Q3 2020 have declined quarter-on-quarter due to weaker business sentiment and subdued underlying new demand. With vacancy rates expected to rise, landlords are realigning rental expectations, thus narrowing the rental expectation gap between tenants and landlords
- ◆ **Vacancy:** Islandwide and Core CBD vacancy rates increased by 36 basis points and 51 basis points quarter-on-quarter to 5.9% and 6.1% respectively in Q3 2020

Singapore Grade A and Grade B office rents

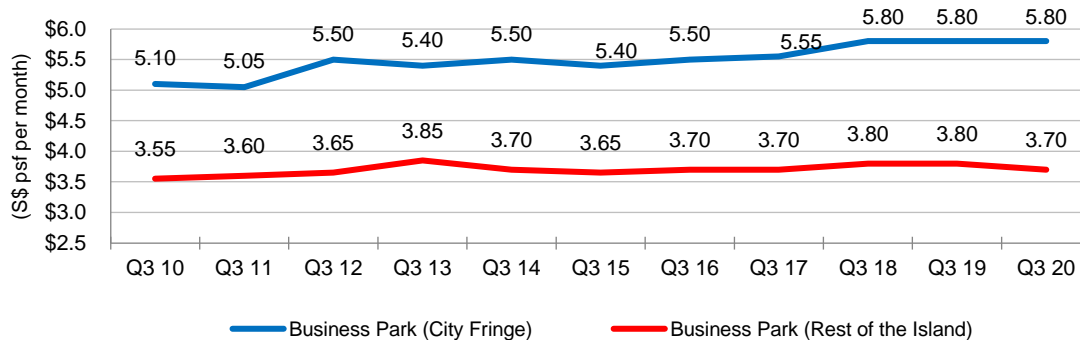


Singapore office rents	Q3 2020 (psf/ month)	Q-o-q (%)
Grade A CBD Core	S\$10.70	▼ 4.0
Grade B CBD Core	S\$8.15	▼ 3.6
Grade B Islandwide	S\$7.60	▼ 5.0

Appendix: Singapore business park market⁽¹⁾

- ◆ **Supply:** The completion of on-going projects are expected to be delayed by at least three months due to disruptions in the construction industry. From Q4 2020 to 2023, 4.41 million new supply will come on stream, of which 31.5% have secured pre-commitments
- ◆ **Demand:** The weaker labour market and economic uncertainties have resulted in overall subdued tenant demand in Q3 2020. Total island wide net absorption was 15,960 sf in Q3 2020. Leasing activities were relatively muted, stemming mainly from lease renewals and some tenant demand from the technology sector. Nonetheless, tenant demand for business parks is expected to remain. City fringe business parks are expected to continue to be attractive despite its tight supply and rental premium over the rest of island business parks
- ◆ **Rents:** Rents in city fringe business parks eased 0.9% q-o-q to S\$5.80 psf/month while those in rest of the island declined 1.3% q-o-q to S\$3.70 psf/month as a result of lackluster demand and rising vacancy in older buildings
- ◆ **Vacancy:** Island wide vacancy rate eased slightly from 13.1% in Q2 2020 to 13.0% in Q3 2020 with no new supply over the past three months. Occupancy rate is unlikely to dip significantly as there is limited large contiguous space in city fringe business parks

Singapore Business Park rents



Singapore business park rents	Q3 2020 (psf/ month)	Q-o-q (%)
City fringe	S\$5.80	▼ 0.9
Rest of Island	S\$3.70	▼ 1.3

Source: CBRE, Singapore Market View, Q3 2020.

1. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. Due to limited availability of market research information directly relating to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.

Fraser's Property entities

FLCT: Fraser's Logistics & Commercial Trust
 FLT: Fraser's Logistics & Industrial Trust
 FCOT: Fraser's Commercial Trust
 FPL or the Sponsor: Fraser's Property Limited
 The Group: Fraser's Property Limited, together with its subsidiaries

Financial Year

FP16: Period from 20 June 2016 to 30 September 2016
 FY17: Period from 1 October 2016 to 30 September 2017
 FY18: Period from 1 October 2017 to 30 September 2018
 FY19: Period from 1 October 2018 to 30 September 2019
 FY20: Period from 1 October 2019 to 30 September 2020

Additional notes

In the tables, the arrow direction indicates the increase (up) or decrease (down) of the absolute figure. The colour indicates if the change is **positive** (green), **negative** (red) or neutral (black).

Other acronyms

Adjusted NPI: Calculated based on the actual NPI excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets
 AEI: Asset Enhancement Initiative
 CBD: Central Business District
 COVID-19: Coronavirus disease 2019
 DPU: Distribution per unit
 EBITDA: Earnings before interest, taxes, depreciation, and amortisation
 EURIBOR: Euro Interbank Offered Rate
 FBP: Farnborough Business Park
 FY: Financial year
 GRESB: Global Real Estate Sustainability Benchmark
 GLA: Gross lettable area
 GRI: Gross Rental Income
 IVE Facility: 75-79 Canterbury Road, Braeside, Victoria, Australia
 Maxis: Maxis Business Park, Bracknell, UK
 NAV: Net asset value
 NLA: Net Lettable Area
 NPI: Net property income
 REIT: Real estate investment trust
 RBA: Reserve Bank of Australia
 ROFR: Right of First Refusal
 Sale Property/Cold Storage Facility: 99 Sandstone Place, Parkinson, Queensland, Australia
 SGX-ST: Singapore Exchange Securities Trading Limited
 SME: Small and Medium-sized Enterprise
 sqft: Square feet
 sqm: Square metres
 UK: the United Kingdom
 WALE: Weighted average lease expiry
 WALB: Weighted average lease to break
 Y-o-Y: Year-on-year
 YTD: Year to-date



Experience matters.