

# Investment Activities & Fund Management

Mapletree's capital management business focuses on the management of public-listed real estate investment trusts (REITs) and private real estate funds. The Group offers a broad range of real estate investment products to meet the varying investment needs and risk profiles of both institutional and retail investors.

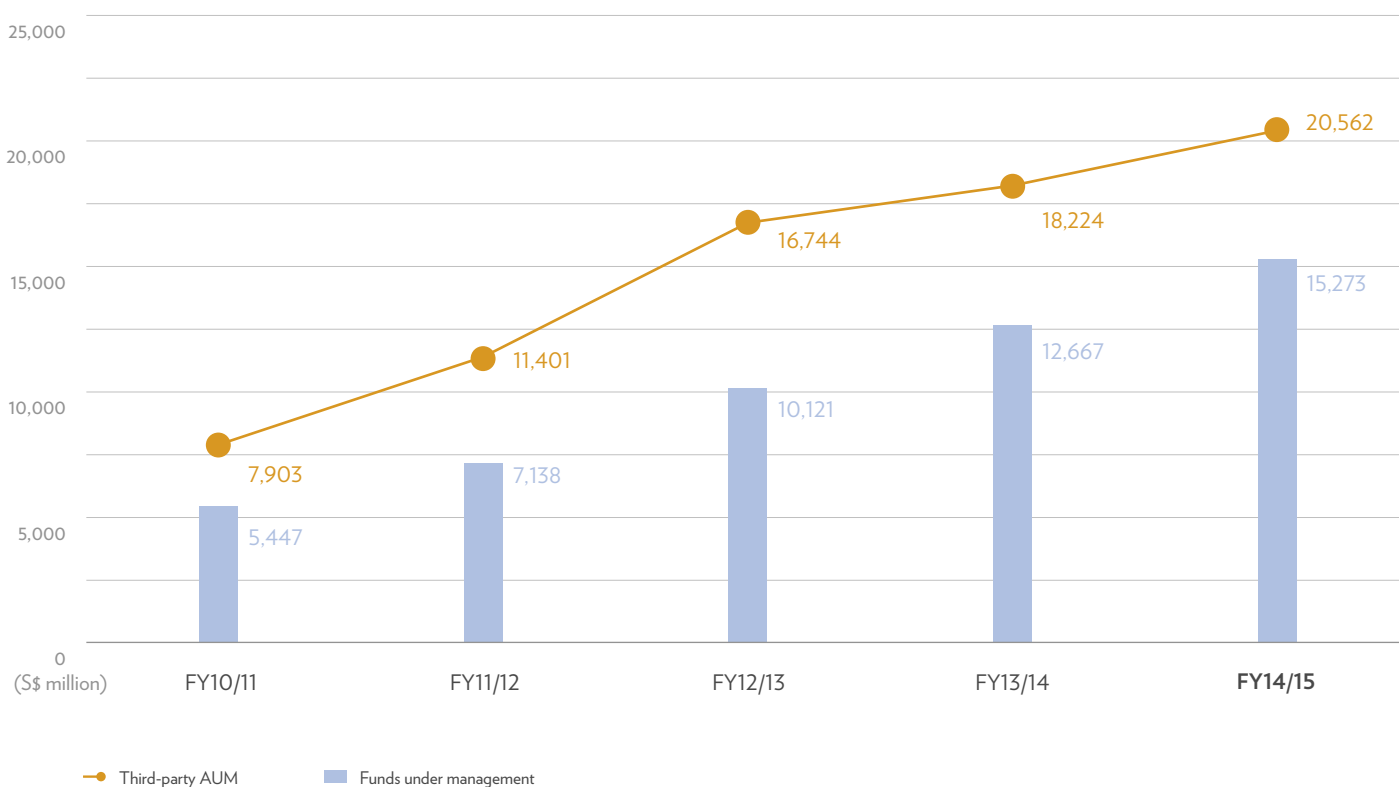
With over a decade of capital management experience, the Group has managed, or continues to manage, 12 capital management vehicles. They offer investors varied exposures to office, retail, residential, industrial and logistics real estate assets across high growth markets in Asia. The Mapletree Group is a

market leader in the Singapore REIT market with a sizeable private fund management business. It currently manages four Singapore-listed REITs and six private funds with a combined funds under management of over S\$15 billion. To ensure a clear alignment of interests with investors, Mapletree maintains a substantial stake in both the private and public vehicles under its management.

As at 31 March 2015, Mapletree had assets under management (AUM) of S\$28.4 billion, of which 72.4% are third-party managed assets. In line with this growth, the Group's fee income increased to S\$240.5 million in FY14/15.

Attesting to Mapletree's astute capital management skills, the Group was ranked 8<sup>th</sup> in the 2014/2015 APAC Fund Manager Guide and 5<sup>th</sup> among Asian-based fund managers, by PERE (Private Equity Real Estate) magazine in January 2015. The ranking is based on capital raised by private real estate investment vehicles dedicated to the Asia-Pacific region between January 2009 and September 2014.

## FIVE-YEAR GROWTH IN THIRD-PARTY AUM & FUNDS UNDER MANAGEMENT (\$\$MILLION)



## ATTRACTING STRONG INVESTOR SUPPORT

In the last three years, Mapletree has established three private funds to cater to growing investor demand for real estate exposure in selected Asia markets. The success of these equity raisings affirms the Group's ability in leveraging its core real estate capabilities to identify investment opportunities and at the same time, extract value from these investments.

Following the successful launch of Mapletree China Opportunity Fund II (MCOF II) which raised US\$1.4 billion in 2013, the Group continued to expand its range of private fund management products in FY14/15 with two new Japan-focused funds MJLD and MJOF, which collectively aggregated capital commitments of JPY116 billion.

In June 2014, Mapletree held a final closing for MJLD. Exceeding its initial target of JPY44 billion, MJLD raised JPY51 billion in capital commitments. MJLD aims to capitalise on the growing demand for modern logistics facilities by investing in logistics development assets in Japan.

Shortly after the final closing of MJLD, Mapletree achieved another milestone with the final closing of Japan-focused office private fund, MJOF at JPY65 billion in January 2015. Seeded by four office buildings, MJOF aims to generate a stable and recurring income yield with an attractive total return by investing predominantly in income-generating office spaces located primarily in or around the fringe of the Tokyo central business district (CBD), and within the Greater Tokyo area. Besides exceeding its fundraising target of JPY40 billion, the fund further secured two new acquisitions within six months from its first close in June 2014, bringing the portfolio's asset value to approximately JPY41.3 billion.

Despite the competitive fundraising market during the year, both MJOF and MJLD attracted strong investor support from a diversified group of investors that include investment and insurance companies, and endowments and financial institutions. Both funds also attracted repeat investors from previous vehicles.

The other private real estate funds managed by the Group are Mapletree India China Fund (MIC Fund), CIMB-Mapletree Real Estate Fund 1 (CMREF1) and Mapletree Industrial Fund (MIF).

## ACCOLADES

In January 2015, Mapletree came in 8<sup>th</sup> in the 2014/2015 APAC Fund Manager Guide and 5<sup>th</sup> among Asia-based fund managers according to PERE magazine, a leading publication for the world's private real estate markets. The ranking was based on capital raised for Asia-Pacific focused private real estate investment vehicles between January 2009 and September 2014. Despite the challenging fundraising

climate, Mapletree successfully launched two new private real estate funds during the year. Prior to this, Mapletree was accorded 'Asia Capital Raise of the Year' at the 2013 Global Private Equity Real Estate (PERE) Awards for the successful launch of Mapletree China Opportunity Fund II (MCOF II), which raised US\$1.4 billion in August 2013, making it one of the largest China-focused real estate funds to date.

## DELIVERING SUSTAINED RESULTS

As Mapletree continues to syndicate new vehicles to cater to investors' needs, it remains mindful of delivering sustained returns for its existing platforms.

The Group's four Singapore-listed REITs, Mapletree Greater China Commercial Trust (MGCCT), Mapletree Commercial Trust (MCT), Mapletree Industrial Trust (MIT) and Mapletree Logistics Trust (MLT), performed strongly in FY14/15. MGCCT, MCT, MIT and MLT registered a year-on-year distribution per unit (DPU) growth of 10.4%, 8.5%, 5.1% and 2.0%, delivering DPU of 6.543 cents, 8.00 cents, 10.43 cents and 7.50 cents respectively.

## EXPLORING NEW GROWTH MARKETS

Since establishing its first managed platform in 2005, Mapletree has built a reputation among the investor community for its disciplined investment strategy that focuses on delivering consistently high returns. With its integrated real estate functions and a proactive approach to asset management, Mapletree is well-positioned to create and extract value across its portfolio.

The Group will continue to explore investment opportunities and strategies including those in new markets such as the United States of America, Europe and Australia. At the same time, Mapletree aims to expand its capital management business. With a proven track record, Mapletree is well-positioned to capitalise on investment opportunities in new growth markets.

	Name of Fund/Reit	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV <sup>1</sup>
Private Funds - Existing	MJOF	Established with the objective of generating a stable and recurring income yield with an attractive total return, by investing predominantly in income-generating office spaces located primarily in or around the fringe of Tokyo CBD and within the Greater Tokyo area.	2014	Japan	Office Space	4	JPY65 billion
	MJLD	Established with the objective of generating attractive total returns by investing in logistics development assets in Japan.	2014	Japan	Logistics	5	JPY51 billion
	Mapletree China Opportunity Fund II (MCOF II)	Established with the objective of maximising total returns by investing in a portfolio of development projects and projects with value enhancement potential located in Tier I and Tier II cities in China.	2013	China	Commercial, Industrial, Residential & Mixed-use	9	US\$1,400 million
	Mapletree India China Fund (MIC Fund)	Established with the objective of maximising total returns by acquiring, developing and realising real estate projects in India and China.	2008	India & China	Commercial & Mixed-use	10	US\$1,158 million
	Mapletree Industrial Fund (MIF)	Established with the objective of investing in industrial properties in Asia for yield and appreciation.	2006	Pan Asia	Industrial	7	US\$299 million
	CIMB-Mapletree Real Estate Fund 1 (CMREF1)	Established to make direct investments in development and/or investment assets, real estate investment products and listed real estate securities in Malaysia.	2005	Malaysia	Commercial & Residential	8	MYR402 million

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<b>Private Funds - Fully realised</b>	<b>Mapletree Industrial Trust - Private (MITP)</b>	Held the S\$1.71 billion of industrial assets acquired from JTC in 2008.  Fully realised and achieved 1.5x multiple and net IRR <sup>2</sup> of 19.1% against targeted 15.0%.	2008	Singapore	Industrial	Realised	S\$708 million
	<b>Mapletree Real Estate Mezzanine Fund (MREM)</b>	Focused on originating and executing real estate mezzanine loans in Asia.  Fully realised in FY07/08 and achieved 1.2x multiple and net IRR <sup>2</sup> of 25.3% against targeted 10.0%.	2005	Pan Asia	All	Realised	S\$90 million
<b>Public Listed REITs</b>	<b>Mapletree Greater China Commercial Trust (MGCCT)</b>	REIT investing in a diversified portfolio of income-producing commercial real estate in Greater China <sup>3</sup> .	2013	Greater China	Commercial		S\$3,260 million
	<b>Mapletree Commercial Trust (MCT)</b>	REIT investing on a long-term basis in a diversified portfolio of office and retail properties in Singapore.	2011	Singapore	Commercial		S\$2,617 million
	<b>Mapletree Industrial Trust (MIT)</b>	REIT investing in a diversified portfolio of industrial properties in Singapore.	2010	Singapore	Industrial		S\$2,312 million
	<b>Mapletree Logistics Trust (MLT)</b>	First Asia-focused logistics REIT in Singapore, with the principal strategy of investing in a diversified portfolio of income-producing logistics real estate and real estate related assets in Asia.	2005	Pan Asia	Logistics		S\$2,538 million

<sup>1</sup> Total fund size for private funds; NAV attributable to unitholders for listed REITs as at 31 March 2015.

<sup>2</sup> After expenses, taxes and base fee but before carried interest.

<sup>3</sup> MGCCT's investment mandate includes Hong Kong SAR, Tier I cities in China (Beijing, Guangzhou and Shenzhen) and key Tier II cities in China (Chengdu, Chongqing, Foshan, Hangzhou, Nanjing, Suzhou, Tianjin, Wuhan and Xi'an).