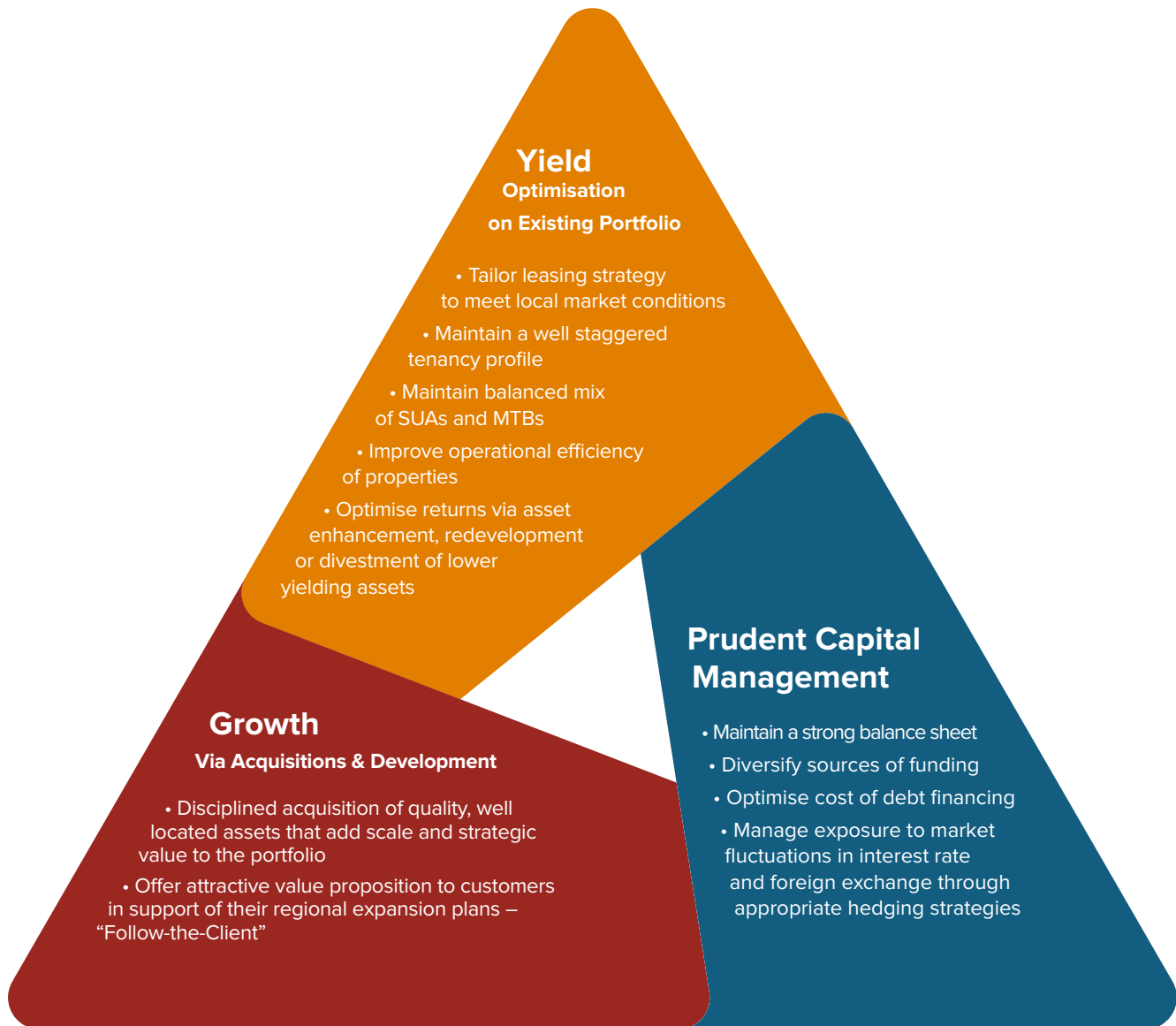


To provide Unitholders with competitive total returns through regular distributions and growth in asset value



In line with its mission to provide Unitholders with competitive total returns, the Manager follows a “Yield + Growth” strategy which focuses on the two key areas of optimising yield on existing assets and augmenting growth through acquisitions or development projects which offer attractive returns. Both areas are underpinned by a prudent risk and capital management approach.

Optimising Yield

Active Asset & Lease Management

Through active asset and lease management, the Manager maintains a balanced, well occupied portfolio that is diversified across the various geographies and customer trade sectors. Its leasing strategy is tailored to meet local market conditions as well as to optimise the overall portfolio rent.

To this end, the Manager strives to maintain a balanced mix of single-user assets (“SUAs”) and multi-tenanted buildings (“MTBs”) in its portfolio. SUAs provide portfolio stability with their longer lease periods and built-in rental escalations, while MTBs enable MLT to capture rental upside during a buoyant rental market due to their shorter lease periods.

In addition, the Manager ensures that its lease expiries are well staggered without concentration in any single year. It also seeks to optimise yield by improving the operational efficiency and reducing the operating costs of MLT’s properties.

Portfolio Rejuvenation

The Manager continually reviews the relevance/positioning of each property within the portfolio with a view to optimise their return and drive organic growth. Redevelopment and asset enhancement are options which the Manager will pursue to realise untapped potential or to enhance the value and yield of the assets. Properties that are no longer relevant to customers’ requirements may be considered for redevelopment or divestment as a last resort. The divestment option will free up capital and provide MLT with greater financial flexibility to acquire assets offering better yield.

Pursuing Growth

Disciplined Acquisition Approach

The Manager is committed to pursuing acquisitions of quality, well located assets that meet its stringent investment criteria. These assets need to be capable of generating stable and growing income streams that will add scale and strategic value to the portfolio. In evaluating acquisition opportunities, the Manager maintains a disciplined approach to ensure that acquisitions provide sustainable, long-term returns to Unitholders and are yield-accretive in the medium term.

Value Proposition to Customers

The Manager’s value proposition to customers lies in its ability to offer them innovative real estate solutions which meet their

regional expansion needs. This is possible due to a strong on-the-ground presence which enables the Manager to understand customers’ requirements, as well as MLT’s extensive range of product offerings throughout Asia Pacific. In cases where there is a lack of available, suitable products in the markets, MLT stands ready to partner its customers in development projects, in line with its “Follow-the-Client” approach. This provides an attractive proposition to customers seeking an asset-light strategy to free up valuable capital and resources that can be channelled into growing their core businesses.

Sponsor’s Strong Commitment

The Sponsor, Mapletree Investments Pte Ltd, has been developing logistics parks and facilities across Asia, especially in markets where there is a limited supply of investment grade warehouses. When completed and stabilised, and in the event the Sponsor divests these projects, they will be offered to MLT for acquisition under the Right of First Refusal granted by the Sponsor.

Capital Management Strategy

The Manager strives to achieve an optimal debt/equity structure to maximise distributions while maintaining sufficient financial flexibility to fund acquisitions and asset enhancement initiatives.

The Manager’s capital management objectives are to:

- maintain a strong balance sheet by adopting an appropriate and prudent capital structure;
- secure diversified funding sources from both financial institutions and capital markets as MLT grows in size;
- optimise its cost of debt financing; and
- manage the exposure arising from adverse market movements in interest rates and foreign exchange through appropriate hedging strategies.

The Manager’s debt management strategy calls for a diversified spread of debt maturities and maintaining sufficient financial liquidity. Interest rate exposure is actively managed through the use of interest rate swap contracts where feasible, and/or fixed rate borrowings. For currency risk management, the Manager will as far as possible borrow in the same currency as the underlying assets to provide some natural hedge while balancing interest and other cost considerations. The Manager also hedges the net income streams of MLT’s overseas assets to manage foreign exchange exposure.