

**Issuer:** IREIT Global Group Pte. Ltd.

**Security:** IREIT Global

**Meeting details:**

Date: 19 April 2018

Time: 2.00 p.m.

Venue: Meeting Rooms 334-335, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

**Company Description**

IREIT Global (SGX-UD1U) which was listed on 13 August 2014, is the first Singapore-listed real estate investment trust with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets. IREIT Global's current portfolio comprises five freehold properties strategically located in the key German cities of Berlin, Bonn, Darmstadt, Münster and Munich with a total net lettable area of 200,673 sqm and 3,441 car park spaces.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=UD1U](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=UD1U))

1. As noted in the Letter to Unitholders by the Chairman and CEO, the integration of the REIT manager with Tikehau Capital has been successfully completed. The long-term goals and plans for IREIT have been formulated and the REIT's has a strategy premised on four pillars, namely "seeking diversification, adopting a long-term approach, achieving scale, and leveraging on Tikehau Capital's local presence in Europe, in order to position [IREIT] for a resilient future" (page 5). A more detailed discussion of the REIT's four pillars of growth can be found on pages 42 and 43 of the annual report.

The REIT has also obtained unitholders' mandate to expand beyond the office sector and to go into the retail and industrial (including logistics) sectors.

- (i) **What are the changes that have been made to the REIT manager, if any, in terms of organisation structure, management personnel and processes and frameworks?**

Tikehau Capital has a target of achieving an aggregate asset under management (AUM) of €20.0 billion by 2020 from €13.8 billion at the end of 2017. It must be noted that the 2-year target is for a 45% increase of its AUM from the end of 2017.

- (ii) **Can the manager further clarify if IREIT is the only listed trust managed by Tikehau Capital?**
- (iii) **How does the board of the REIT manager assure unitholders that acquisitions made by IREIT are carefully evaluated and would positively contribute to unitholders' value in a sustainable manner, without taking on excessive leverage and/or risks? Can the board discuss the safeguards that it has put in place to ensure that acquisitions are properly evaluated and the risks and rewards are appropriately assessed?**
- (iv) **In terms of expanding the REIT's portfolio, where does the REIT manager see the best opportunities now? Please provide a discussion on the sectors and the cities that are attractive to the REIT.**
- (v) **Has the REIT manager also determined the strategic portfolio allocation on a sector and geographical basis? Please update unitholders accordingly.**

2. Please also provide unitholders with better clarity on the following operational/financial matters with regard to the trust and its operations. Specifically:

- (i) **Münster South Building:** A floor in the building has been vacant since April 2017. **What are the REIT's efforts to lease out the vacant space? How difficult is it to convert the building (which was designed for a single tenant) to include features to support multiple tenants? When will the asset enhancement be completed?**
- (ii) **Bonn Campus:** **Can the manager help unitholders understand how the 10% CPI-linked rental increase was calculated?**
- (iii) **Lease Expiry:** With no leases expiring in FY2018, the REIT has good visibility of its cash flow for the year. **Can the manager also disclose the percentage of rental that has periodic inflation-linked review?**
- (iv) **Loan maturity:** With nearly 50% of its borrowings maturing in August 2019 and a further 40% maturing in August 2020, would it benefit the REIT if its borrowings and loans are more spread out? **Has the manager evaluated how it could diversify its sources of funding?**

3. Tikehau Capital, the new owners of the manager of the REIT, was listed on the Euronext Paris exchange in 2017. As announced on 13 March 2018, IREIT Global Group Pte. Ltd., the manager, holds 1,376,368 units or just 0.22% of the issued units in the REIT.

- (i) Can the board help unitholders understand if the interests of Tikehau Capital are well aligned with the interests of the unitholders of IREIT, given their 0.22% interest in IREIT?**
- (ii) Given that Tikehau Capital is listed and has a different set of shareholders, would there be conflicts of interests that may arise?**
- (iii) Can the board confirm that senior management of the manager of the REIT are eligible for grants of shares of Tikehau Capital under the performance share plan (and not units of IREIT)?**
- (iv) Has the board deliberated on how the interests of Tikehau Capital can be better aligned with IREIT unitholders?**