Extraordinary General Meeting
19 May 2015
Important Notice

This material is to be read in conjunction with Cambridge Industrial Trust’s (“CIT”) Circular dated 22 April 2015. (“Circular”), Notice of EGM , and the Unilateral Undertaking Announcement dated 11 May 2015. Unless otherwise defined, capitalised terms used herein shall have the meanings as defined in the Circular. In the event of any inconsistency, the Notice of EGM, the Circular and Unilateral Undertaking Announcement are to prevail.

The value of units in CIT (“Units”) and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations of, Cambridge Industrial Trust Management Limited (“Manager”), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of CIT) (“Trustee”), or any of their respective related corporations and affiliates (including but not limited to National Australia Bank Limited, nabinvest Capital Partners Pty Ltd, or other members of the National Australia Bank group) (individually and collectively “Affiliates”). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither CIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of CIT, any particular rate of return from investing in CIT, or any taxation consequences of an investment in CIT. Any indication of CIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future CIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

This presentation is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this presentation is not to be construed as investment or financial advice, and does not constitute an offer or an invitation to invest in CIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.
Content

- Resolution 1 – Proposed Performance Fee Supplement

- Resolution 2 – Proposed Performance Fee Unit Pricing Supplement
Resolution 1 – Proposed Performance Fee Supplement
Rationale for Changing the Performance Fee Structure

Existing Performance Fee Structure:

- Complex and difficult to understand.

- Less transparent and open-ended with no effective upper boundary to the amount of performance fees.

- Not fully aligned with CIT’s performance.
Revised Performance Fee Structure

DPU Growth Model

1. Performance fee is pegged to the DPU growth of CIT:
   • Rate of 25% of the DPU growth compared with the High DPU Threshold.
   • Payable only if CIT’s DPU exceeds the High DPU Threshold.
   • DPU Threshold adjusts to highest DPU, whenever Performance fee is earned.
   • Performance Fee to be determined and paid after each financial year.

2. The High DPU Threshold was initially set at 5.357* Singapore cents. However, the Manager agreed to unilaterally waive its entitlement to Performance Fees until DPU exceeds 6.000 Singapore cents.

3. Voluntary waiver of the Manager’s entitlement to Performance Fees for the financial years ending 31 December 2015 and 31 December 2016.

4. DPU excludes distribution of capital gains, capital and any one-off income of CIT, and is adjusted for Management Fees payable in Units.

*5.357 cents was the highest DPU achieved since FY2009.
Revised Performance Fee Structure

No Performance Fees until DPU exceeds 6.000 cents

Manager’s Unilateral Undertaking to waive Performance Fees until DPU exceeds 6.000 cents

Initial High DPU Threshold 5.357

DPU Threshold 5.300

DPU Threshold 5.400

DPU Threshold 5.625

*Performance Fees waived by CIT Manager for FY 2015 & FY2016

THE CHART ABOVE AND ASSUMED DPU FOR EACH FINANCIAL YEAR ARE FOR ILLUSTRATION PURPOSES ONLY TO ASSIST UNITHOLDERS IN UNDERSTANDING THE IMPACT OF THE REVISED FEE FORMULA. THEY ARE NOT REPRESENTATIVE OF CIT’S PRESENT PERFORMANCE AND DO NOT REPRESENT A FORECAST OF CIT’S FUTURE PERFORMANCE.
Benefits to Unitholders

Revised Performance Fee Formula

- Easier to understand and more transparent.

- Closer alignment of the interest of the Manager and Unitholders.

- More reflective of CIT’s performance.

- Performance Fee is only payable when DPU exceeds 6.000 Singapore cents.

- DPU growth model in line with S-REIT market practice, High DPU Threshold sets a higher standard.
Resolution 2 – Proposed Performance Fee Unit Pricing Supplement
Rationale for Changing the Performance Fee Unit Pricing Formula

• Existing pricing calculation is ineffective in providing an option to receive Performance Fees in Units.

• Provides the Manager with the flexibility to receive Performance Fees in Units or Cash.

• Unit Issue Price amended will be in line with market practice, providing a fairer reflection of market price of Units.

• Better alignment of the interest of the Manager and Unitholders.
Issue price of Performance Fee Units to be issued is to be the greater of:

1. 10 day VWAP of the relevant financial year*; and

2. The Current Unit Value# (effectively the Net Asset Value per Unit) at the end of the financial year.

* Last 10 business days including the last day of the relevant financial year.
#This refers to the value of the Deposited Property, less the Liabilities.
Benefits to Unitholders

Revised Performance Fee Unit Pricing Formula

• Provides a fair reflection of the market price of the Units.

• Encourages the Manager to elect to receive some or all of its Performance Fee in Units which would in turn make more cash available in CIT.

• Units will be issued at or above the NAV per unit. This will prevent dilution to the NAV per Unit, and continues to act as a safeguard to Unitholders.

• Closer alignment of the interest of the Manager and Unitholders.

• In line with S-REIT market practice.
Thank You!
Existing Performance Fee Structure

Total Return Outperformance over Benchmark

• Performance fee payable where CIT Trust Index outperforms Benchmark Index:
  – Performance measured on a Total Return basis (DPU plus change in unit price).
  – High water-mark adjusted (cumulative outperformance since IPO).
  – Benchmark index consists of largest 9 REITs in Singapore by market capitalisation.

• Performance Fee is calculated in two tiers (Tier 1 and Tier 2) based on:

  Tier Outperformance % x 5% x Market Capitalisation of CIT

• Calculated on a half-yearly basis.

• Both indices are maintained independently by FTSE.
Existing Performance Fee Unit Pricing Formula

Issue price of the Units to be the greater of:

(a) The 10 day Volume Weighted Average Price (VWAP) per Unit. (5 days preceding* and 5 days after the last Business Day of the relevant half year.)

(b) The per unit Value of the Deposited Property (being the Gross Asset Value per Unit)

*Including the last day of the relevant half year.
Implications: Existing formula does not provide a fair reflection of the market price of the Units because:

- The per unit Value of the Deposited Property (the gross asset value per Unit) will usually be higher than the VWAP per Unit due to CIT’s borrowings.

- This effectively means the issue price of the Performance Fee Units would be the Gross Asset Value (GAV) per Unit.

- The revised formula will provide a better reflection of CIT’s Units which also works to encourage the manager to receive Performance Fees in Units.
Further Information

Mr Joel Cheah, CFA
Cambridge Industrial Trust Management Limited
61 Robinson Road, #12-01 Tel: (65) 6222 3339
Robinson Centre Fax: (65) 6827 9339
Singapore 068893 Joel.cheah@cambridgeitm.com