Choice picks

	S-Reits
OCBC Investment Research	**Keppel DC Reit (Target price: S$1.60)** ■ Unique pure-play exposure to the fast growing data centre industry ■ Prudent capital management with 86% debt hedged. ■ Distribution yield of 5.2 % & 5.5% for FY19 & FY20 **Ascott Residence Trust (TP: S$1.25)** ■ Diversified operations across geographies ■ Attractive exit yield of about 2 % for Ascott Raffles Place Singapore ■ Portfolio Revenue per available unit grew five per cent to S$151 in FY18 ■ Likely distribution yield of 5.9% and 6% for FY19 and FY20 **Frasers Centrepoint Trust (TP: S$2.50)** ■ Defensive portfolio of suburban malls with strong track record ■ Positive growth in DPU every since its IPO in 2006 ■ FCT offers a likely distribution yield of 5.1% for FY19 and 5.3% in FY20 **Mapletree North Asia Commercial Trust (TP: S$1.35)** ■ Resilient portfolio with continued strength in rental reversions ■ However, aggregate leverage slightly on the high side at 39% ■ Likely distribution yield of 5.8% for FY19 and 5.9% for FY20
DBS Group Research	**Frasers Centrepoint Trust (TP: S$2.60)** ■ Defensive portfolio of suburban malls ■ Potential DPU growth from acquisitions **Mapletree Industrial Trust (TP: S$2.30)** ■ MINT is projected to continue delivering an attractive growth profile of 3% CAGR over FY20-21 on the back of: (i) full year contribution from the acquisition of 18 Tai Seng, (ii) stable portfolio occupancy rates with upside bias and (iii) completion of the upgrading of 7 Tai Seng Drive by end of 2HCY19 **OUE Commercial Reit (TP: S$0.60)** ■ Expected upturn in spot office rents ■ Higher yield versus large cap office Reits ■ Recovery in FY19 DPU **CapitaLand Retail China Trust (TP: S$1.65)** ■ Attractive yields ■ Acquisition of Yuquan mall cements its dominance in Hohhot ■ Balance sheet supports further M&A opportunities **Keppel-KBS US Reit (TP: US$0.80)** ■ Low double digit rental reversions and upturn in spot office rents to drive future earnings ■ Growth expected for FY19 DPU on the back of contributions from acquisitions ■ Regulatory risk has diminished with provisional US tax regulation indicating the Reit's existing tax structure is in compliance with new tax laws **Mapletree North Asia Commercial Trust (TP: S$1.45)** ■ Positive rental reversions in the coming year to drive earnings ■ Attractive yield and ability to deliver steady DPU growth
Maybank Kim Eng	**Ascendas Reit (TP: S$3.10)** ■ Rising overseas exposure to offset lower Singapore contributions in the near term ■ Entry into United Kingdom and stronger sponsor pipeline following the CapitaLand-Ascendas Singbridge merger seen as providing further diversification and potential upside to DPU **CDL Hospitality Trusts (TP: S$1.85)** ■ Good proxy for sustained recovery in Singapore's hospitality sector ■ Overseas exposure has gained traction with push into Europe ■ Low gearing **Frasers Centrepoint Trust (TP: S$2.60)** ■ Strengthening suburban mall footprint ■ Sponsor's pipeline of assets – Northpoint City's South Wing and 33% stake in Waterway Point – could help boost its suburban footprint ■ Debt headroom of S$800 million should support acquisitions **Mapletree Industrial Trust (TP: S$2.25)** ■ Visible growth drivers from its asset enhancement at 30A Kallang Place and recent acquisition of 18 Tai Seng from its sponsor ■ Low gearing of 34.7% should provide upside to 3-year DPU forecast

Source: OCBC Investment Research, DBS Group Research, Maybank Kim Eng