

Singapore

ADD (no change)

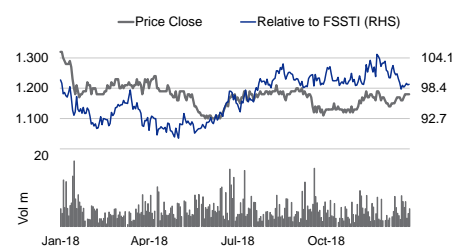
Consensus ratings*: Buy 9 Hold 5 Sell 4

Current price:	S\$1.18
Target price:	S\$1.34
Previous target:	S\$1.34
Up/downside:	13.6%
CGS-CIMB / Consensus:	9.5%
Reuters:	KASA.SI
Bloomberg:	KREIT SP
Market cap:	US\$2,943m
	S\$4,004m
Average daily turnover:	US\$3.41m
	S\$4.67m
Current shares o/s:	3,393m
Free float:	52.6%

*Source: Bloomberg

Key changes in this note

- FY19F DPU decreased by 1.2%.
- FY20F DPU decreased by 3.1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.7	5.4	-11.3
Relative (%)	-4	0.2	-2

Major shareholders	% held
Keppel Land	47.4

Analyst(s)

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Keppel REIT

Business as usual

- 4Q/FY18 DPU of 1.36/5.56 Scts was slightly below our projections.
- Slight dip in committed portfolio occupancy; positive rental reversion.
- Maintain Add with an unchanged TP of S\$1.34.

4Q/FY18 DPU slightly below expectations

KREIT reported 4Q18 DPU of 1.36 Scts, -4.9% yoy, which was slightly below our expectation at 23.6% of our full-year forecast. This came on the back of a 14.8% yoy decline in topline due to lower rental revenue, higher interest expense and lower associate and JV contributions, partly offset by capital distribution of S\$3m. For FY18, DPU of 5.56 Scts was 2.5% lower yoy and formed 96.6% of our forecast. The trust revalued its portfolio up by S\$33.1m, translating to a BV of S\$1.40 per unit.

Dragged by lower occupancy

Committed portfolio occupancy was slightly lower qoq at 96.4% (vs. 98% in 3Q), dragged by Singapore occupancy of 98.1%. The trust renewed an attributable 1.227m sqft of space in FY18 (0.372m sqft in 4Q), with average positive rental reversion of 12.9% for the year for its renewals and review leases. One-third of demand came from new leases largely from the finance industry, government agency and energy, shipping and marine. The trust has 4.6% of renewals/reviews due in FY19 and a further 11.7% in FY20. Expiring rents in FY19 are in the range of S\$9.10-12psf/mth. Given the still improving leasing market, we anticipate the trust to be able to achieve positive reversions when re-contracting these leases.

Slight delay in completion of Australian development

Within its Australian portfolio, the trust plans to carry out asset enhancement activities at 275 George St as well as 8 Exhibition St. The latter is expected to commence in 1H19. Meanwhile, completion of development at 311 Spencer St has been pushed back slightly to 1H20 (from 4Q19 previously). When completed, a 30-year lease with the Victoria Police is expected to contribute steady income over the longer term.

Lower gearing of 36.3% post asset divestment

Its balance sheet is robust with lower gearing of 36.3% as the trust pared down debt with part of the divestment proceeds from the sale of a 20% stake in Ocean Financial Centre. About 85% of its debt is on fixed rate loans. KREIT has c.S\$538m of debt due to be refinanced for the remainder of this year. With significant debt headroom, management indicated that it would continue to look at ongoing portfolio optimisation.

Maintain Add

We tweak down FY19-20 DPU marginally as we fine-tune our rental assumptions post results and factor in the slight delay in the commencement of the 311 Spenser St property. We maintain our Add rating with an unchanged DDM-based TP of S\$1.34. KREIT continues to be a beneficiary of the office rental upcycle. Potential key catalysts are better-than-expected office rental hikes and new accretive acquisitions, while downside risks include slower office demand due to a more modest global growth

Financial Summary

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Gross Property Revenue (S\$m)	164.5	164.5	179.1	200.3	207.6
Net Property Income (S\$m)	131.2	131.8	144.1	160.5	166.4
Net Profit (S\$m)	183.7	176.1	131.1	143.3	156.4
Distributable Profit (S\$m)	190.7	189.0	201.8	211.3	221.7
Core EPS (S\$)	0.041	0.043	0.038	0.041	0.044
Core EPS Growth	(3.34%)	4.18%	(9.96%)	7.60%	7.42%
FD Core P/E (x)	28.81	27.58	30.77	28.60	26.62
DPS (S\$)	0.057	0.056	0.059	0.060	0.062
Dividend Yield	4.83%	4.71%	4.96%	5.11%	5.29%
Asset Leverage	33.2%	29.4%	29.9%	31.9%	31.8%
BVPS (S\$)	1.41	1.40	1.38	1.36	1.34
P/BV (x)	0.84	0.84	0.85	0.87	0.88
Recurring ROE	2.87%	3.04%	2.75%	3.01%	3.27%
% Change In DPS Estimates			(1.21%)	(3.09%)	
CIMB/consensus DPS (x)			1.03	1.02	1.02

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Dec (\$\$ m)	4Q FY18	4Q FY17	yoy % chg	qoq % chg	4QFY18 cum	4QFY17 cum	yoy % chg	Prev. FY18F	Comments
Revenue	37.8	44.4	(14.8)	3.2	165.9	164.5	0.8	168.6	Slightly below. 4Q/FY18: 22.4%/98.4%
Operating costs	(18.3)	(21.2)	(13.9)	(8.2)	(72.1)	(70.4)	2.5	(71.5)	
EBITDA	19.6	23.2	(15.6)	16.6	93.7	94.1	(0.4)	97.0	
EBITDA margin (%)	51.7	52.2	n-m	n-m	56.5	57.2	n-m	57.6	
Depn & amort.	-	-	-	-	-	-	-	-	
EBIT	19.6	23.2	(15.6)	16.6	93.7	94.1	(0.4)	97.0	
Interest expense	(17.6)	(16.7)	5.2	(0.6)	(69.1)	(65.3)	5.9	(65.2)	
Interest & invt inc	0.4	0.5	n-m	n-m	1.9	3.3	(43.2)	1.9	
Associates' contrib	23.9	27.4	(12.6)	(4.4)	103.9	115.8	(10.2)	104.8	
Exceptionals & revaln	34.4	51.7	n-m	n-m	34.4	51.7	n-m	0.0	
Pretax profit	60.8	86.2	(29.5)	146.7	164.8	199.7	(17.5)	138.5	
Tax	(8.0)	(11.9)	(32.6)	439.8	(10.2)	(17.2)	n-m	(2.3)	
Tax rate (%)	13.2	13.8	n-m	n-m	6.2	8.6	0.0	1.7	
Minority interests	(0.9)	(0.0)	n-m	n-m	(1.0)	(0.1)	n-m	0.0	
Net profit	51.9	74.3	(30.2)	124.2	153.6	182.4	(15.8)	136.2	
Distr profit	46.2	50.6	(8.7)	(0.4)	189.0	193.1	(2.1)	198.4	Slightly below. 4Q/FY18: 23.3%/95.3%
Core net profit	17.5	22.6	(22.6)	(24.5)	119.2	130.7	(8.8)	136.2	
DPU (cts)	1.36	1.43	(4.9)	0.0	5.56	5.70	(2.5)	5.75	Slightly below. 4Q/FY18: 23.6%/96.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Key earnings changes

FYE Dec (\$\$m)	Previous		New	
	FY19	FY20	FY19	FY20
Gross revenue	179.1	200.3	179.1	200.3
Distribution income	204.4	214.6	201.8	211.3
DPU (Scts)	5.93	6.12	5.86	6.03

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

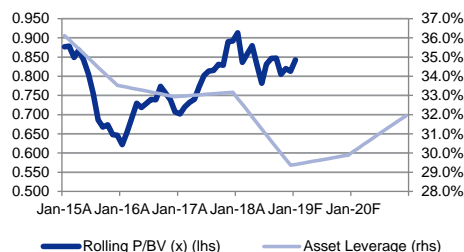
Figure 3: SREITs peer comparison table

SREIT	Bloomberg Ticker	Price as at 20 Jan 19	Mkt Cap (US \$m)	Last reported asset leverage	Last stated NAV	Price / Stated NAV	Target Price (DDM- based)	Rec.	FY18F Yield	FY19F Yield	FY20F Yield
Hospitality											
Ascott Residence Trust	ART SP	\$1.15	\$1,830	36.4%	1.20	0.96	\$1.13	H	5.8%	5.9%	6.0%
Ascendas Hospitality Trust	ASCHT SP	\$0.77	\$651	32.2%	0.92	0.84	NA	NR	7.6%	7.5%	7.7%
CDL Hospitality Trust	CDREIT SP	\$1.56	\$1,382	33.8%	1.49	1.05	\$1.63	A	5.6%	6.0%	6.2%
Far East Hospitality Trust	FEHT SP	\$0.63	\$867	40.4%	0.87	0.73	\$0.68	A	6.5%	6.8%	6.9%
Frasers Hospitality Trust	FHT SP	\$0.69	\$963	33.4%	0.77	0.90	NA	NR	7.2%	7.5%	7.7%
QUE Hospitality Trust	QUEHT SP	\$0.71	\$945	38.7%	0.76	0.93	\$0.85	A	7.0%	7.3%	7.5%
Simple Average				35.8%		0.90			6.6%	6.8%	7.0%
Industrial											
AIMS AMP	AAREIT SP	\$1.39	\$709	33.6%	1.37	1.01	NA	NR	7.4%	7.9%	7.9%
Ascendas REIT	AREIT SP	\$2.71	\$6,196	33.2%	2.06	1.32	\$2.84	A	5.9%	6.1%	6.4%
Cache Logistics Trust	CACHE SP	\$0.74	\$580	35.6%	0.70	1.06	\$0.78	H	8.1%	8.1%	8.2%
ESR-REIT	EREIT SP	\$0.53	\$1,235	41.9%	0.47	1.13	\$0.62	A	4.4%	8.1%	8.3%
Frasers Logistics & Industrial Trust	FLT SP	\$1.07	\$1,590	36.3%	0.91	1.18	\$1.19	A	6.3%	6.7%	6.8%
Keppel DC REIT	KDCREIT SP	\$1.43	\$1,421	32.0%	1.02	1.40	\$1.51	A	5.5%	5.8%	5.9%
Mapletree Industrial Trust	MINT SP	\$2.00	\$2,792	35.1%	1.48	1.35	\$2.10	A	5.9%	6.0%	6.5%
Mapletree Logistics Trust	MLT SP	\$1.34	\$3,536	38.8%	1.13	1.19	\$1.42	A	5.7%	5.6%	5.9%
Sabana Shariah	SSREIT SP	\$0.43	\$338	37.0%	0.57	0.75	NA	NR	na	na	na
Soilbuild Business Space REIT	SBREIT SP	\$0.66	\$520	40.6%	0.64	1.03	NA	NR	7.7%	7.7%	7.7%
Simple Average				36.7%		1.28			6.5%	7.0%	7.2%
Office											
CapitaLand Commercial Trust	CCT SP	\$1.83	\$5,037	35.3%	1.81	1.01	\$1.89	A	4.8%	4.8%	4.9%
Frasers Commercial Trust	FCOT SP	\$1.46	\$962	28.4%	1.56	0.94	\$1.50	H	6.6%	6.6%	6.6%
Keppel REIT	KREIT SP	\$1.18	\$2,943	36.3%	1.40	0.84	\$1.34	A	4.7%	5.0%	5.1%
QUE Commercial REIT	OUECT SP	\$0.49	\$1,017	41.4%	0.70	0.69	\$0.57	H	7.5%	7.1%	7.1%
Suntec REIT	SUN SP	\$1.87	\$3,671	36.8%	2.06	0.91	\$2.06	A	5.3%	5.4%	5.5%
Simple Average				35.6%		0.88			5.8%	5.8%	5.8%
Retail											
CapitaLand Mall Trust	CT SP	\$2.26	\$6,125	31.7%	2.00	1.13	\$2.29	H	4.9%	5.2%	5.5%
Frasers Centrepoint Trust	FCT SP	\$2.26	\$1,541	28.6%	2.08	1.09	\$2.35	A	5.3%	5.4%	5.5%
Mapletree Commercial Trust	MCT SP	\$1.74	\$2,472	34.8%	1.49	1.17	\$1.67	A	5.2%	5.2%	5.3%
SPH REIT	SPHREIT SP	\$1.02	\$1,936	26.3%	0.95	1.07	\$1.02	H	5.4%	5.6%	5.8%
Starhill Global REIT	SGREIT SP	\$0.72	\$1,146	35.4%	0.90	0.79	\$0.74	A	6.2%	6.5%	6.8%
Simple Average				31.4%		1.05			5.4%	5.6%	5.8%
Retail Ex-Sin											
CapitaLand Retail China Trust	CRCT SP	\$1.59	\$1,151	32.1%	1.66	0.96	NA	NR	6.5%	6.7%	6.9%
Lippo Malls Indonesia Retail Trust	LMRT SP	\$0.22	\$452	36.0%	0.30	0.72	\$0.27	H	11.0%	11.0%	11.4%
Mapletree North Asia Commercial Trust	MAGIC SP	\$1.19	\$2,770	39.0%	1.33	0.90	\$1.28	A	6.3%	6.4%	6.7%
Simple Average				35.7%		0.86			7.9%	8.1%	8.3%
Healthcare											
First REIT	FIRT SP	\$1.02	\$591	35.0%	1.02	1.00	\$1.20	A	8.4%	8.7%	8.7%
Parkway Life REIT	PREIT SP	\$2.70	\$1,201	37.7%	1.73	1.56	\$3.05	H	4.6%	4.7%	4.8%
Simple Average				32.7%		1.17			6.5%	6.7%	6.7%
Simple average for SIN				35.1%		1.02			6.4%	6.6%	6.8%

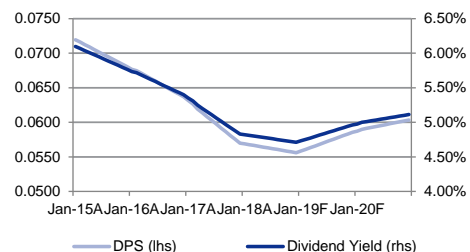
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS

P/BV vs Asset Leverage



Dividend Yield vs Net DPS



Profit & Loss

(\$m)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Rental Revenues	164.5	164.5	179.1	200.3	207.6
Other Revenues	0.0	0.0	0.0	0.0	0.0
Gross Property Revenue	164.5	164.5	179.1	200.3	207.6
Total Property Expenses	(33.3)	(32.7)	(34.9)	(39.8)	(41.2)
Net Property Income	131.2	131.8	144.1	160.5	166.4
General And Admin. Expenses	0.0	0.0	0.0	0.0	0.0
Management Fees	(51.0)	(51.3)	(54.5)	(58.3)	(56.0)
Trustee's Fees	(5.5)	(3.1)	(6.1)	(6.3)	(6.3)
Other Operating Expenses	0.0	0.0	0.0	0.0	0.0
EBITDA	74.7	77.4	83.6	95.8	104.2
Depreciation And Amortisation	(11.8)	8.2	0.0	0.0	0.0
EBIT	62.9	85.6	83.6	95.8	104.2
Net Interest Income	(42.3)	(44.0)	(36.8)	(43.0)	(42.6)
Associates' Profit	115.8	103.9	105.0	112.1	117.5
Other Income/(Expenses)	12.8	8.6	0.0	0.0	0.0
Exceptional Items	51.7	33.2	0.0	0.0	0.0
Pre-tax Profit	201.0	187.3	151.7	164.9	179.0
Taxation	(17.2)	(10.2)	(2.3)	(2.4)	(2.4)
Minority Interests	(0.1)	(1.0)	(18.3)	(19.2)	(20.2)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Net Profit	183.7	176.1	131.1	143.3	156.4
Distributable Profit	190.7	189.0	201.8	211.3	221.7

Cash Flow

(\$m)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Pre-tax Profit	201.0	187.3	151.7	164.9	179.0
Depreciation And Non-cash Adj.	(61.7)	(68.0)	(68.2)	(69.1)	(74.8)
Change In Working Capital	1.0	(9.7)	5.7	8.3	2.9
Tax Paid	(6.7)	(4.5)	(2.3)	(2.4)	(2.4)
Others	(13.7)	12.0	54.5	58.3	56.0
Cashflow From Operations	120.0	117.1	141.5	160.2	160.6
Capex	(14.4)	(9.4)	0.0	0.0	0.0
Net Investments And Sale Of FA	(144.1)	355.2	(72.5)	(253.7)	0.0
Other Investing Cashflow	155.9	133.9	138.3	139.1	144.6
Cash Flow From Investing	(2.6)	479.7	65.8	(114.6)	144.6
Debt Raised/(repaid)	46.9	(234.6)	72.5	253.7	0.0
Equity Raised/(Repaid)	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(156.9)	(181.4)	(201.8)	(211.3)	(221.7)
Cash Interest And Others	(71.3)	(110.6)	(46.5)	(53.0)	(53.0)
Cash Flow From Financing	(181.4)	(526.6)	(175.8)	(10.5)	(274.7)
Total Cash Generated	(64.0)	70.1	31.5	35.0	30.5
Free Cashflow To Firm	117.4	596.7	207.3	45.6	305.2
Free Cashflow To Equity	101.8	293.9	219.7	232.6	238.6

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(S\$m)	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Investments	7,381	7,506	7,578	7,832	7,832
Intangible Assets	11	3	3	3	3
Other Long-term Assets	4	1	1	1	1
Total Non-current Assets	7,396	7,510	7,582	7,836	7,836
Total Cash And Equivalents	198	259	290	325	356
Inventories	0	0	0	0	0
Trade Debtors	9	15	15	15	15
Other Current Assets	2	1	1	1	1
Total Current Assets	208	275	306	341	372
Trade Creditors	56	65	70	79	82
Short-term Debt	425	60	60	60	60
Other Current Liabilities	11	9	9	9	9
Total Current Liabilities	493	134	140	148	151
Long-term Borrowings	2,097	2,226	2,298	2,552	2,552
Other Long-term Liabilities	99	89	89	89	89
Total Non-current Liabilities	2,196	2,315	2,387	2,641	2,641
Shareholders' Equity	4,763	4,757	4,765	4,772	4,780
Minority Interests	2	429	447	466	486
Preferred Shareholders Funds	150	150	150	150	150
Total Equity	4,915	5,336	5,361	5,388	5,416

Key Ratios

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Gross Property Revenue Growth	2.0%	0.0%	8.9%	11.8%	3.7%
NPI Growth	2.2%	0.5%	9.4%	11.3%	3.7%
Net Property Income Margin	79.7%	80.1%	80.5%	80.1%	80.1%
DPS Growth	(10.5%)	(2.5%)	5.3%	3.0%	3.4%
Gross Interest Cover	0.96	1.24	1.39	1.44	1.56
Effective Tax Rate	8.54%	5.47%	1.54%	1.44%	1.35%
Net Dividend Payout Ratio	104%	107%	154%	147%	142%
Current Ratio	0.42	2.05	2.19	2.30	2.46
Quick Ratio	0.42	2.05	2.19	2.30	2.46
Cash Ratio	0.40	1.93	2.08	2.20	2.36
Return On Average Assets	2.43%	2.29%	1.67%	1.78%	1.91%

Key Drivers

	Dec-17A	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Rental Rate Psf Pm (S\$)	8.7	8.9	9.2	9.5	9.9
Acq. (less development) (US\$m)	N/A	N/A	N/A	N/A	N/A
RevPAR (S\$)	N/A	N/A	N/A	N/A	N/A
Net Lettable Area (NLA) ('000 Sf)	3,342	3,342	3,342	3,342	3,342
Occupancy (%)	98.9%	98.9%	98.9%	98.9%	98.9%
Assets Under Management (m) (S\$)	N/A	N/A	N/A	N/A	N/A
Funds Under Management (m) (S\$)	N/A	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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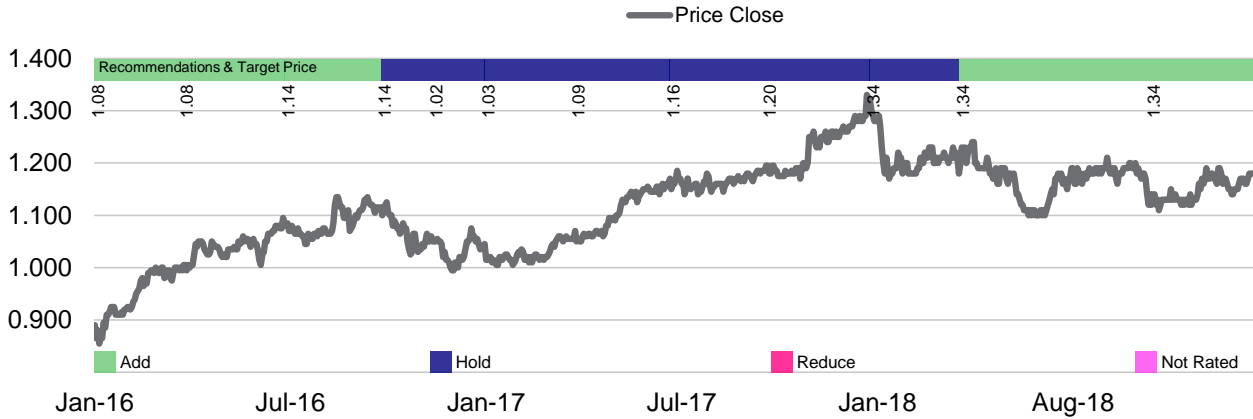
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Keppel REIT (KREIT SP)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HREIT** - Excellent, Certified **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD*** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **SAMART** - Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Very Good, Declared, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WORK** – Good, n/a.

Companies participating in Thailand’s Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC’s regulations or charged with corruption.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock’s total return is expected to exceed 10% over the next 12 months.
Hold	The stock’s total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock’s total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.

Underweight

An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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