

# Future Park Leasehold Property Fund (FUTUREPF)

## Management's Discussion and Analysis for 3Q2017

### Analysis of Operating Results

Unit : Million Baht

	3Q2017	3Q2016	% Change (YoY)	2Q2017	% Change (QoQ)
Rental Income	253.0	245.2	3	256.1	(1)
Interest Income & Other Income	3.9	3.8	2	1.9	104
<b>Total income</b>	<b>256.9</b>	<b>249.0</b>	<b>3</b>	<b>258.0</b>	<b>(0)</b>
Property Expenses	18.9	16.6	14	21.8	(13)
Property Management Fees	25.6	23.8	8	20.9	23
Fund Management Fees and Expenses	5.6	8.2	(32)	6.5	(13)
<b>Total expenses</b>	<b>50.2</b>	<b>48.7</b>	<b>3</b>	<b>49.2</b>	<b>2</b>
<b>Net Investment Income</b>	<b>206.7</b>	<b>200.3</b>	<b>3</b>	<b>208.7</b>	<b>(1)</b>
Net Unrealized gain (loss) from changes in investment value	3.0	3.0	(2)	5.2	(43)
<b>Net Increase in net assets from operations</b>	<b>209.7</b>	<b>203.3</b>	<b>3</b>	<b>213.9</b>	<b>(2)</b>

<b>Distributable Income *</b>	206.7	200.3	3	208.7	(1)
<b>Distribution Income</b>	186.4	180.6	3	188.0	(1)
<b>Distribution Income per Unit (Baht)</b>	0.352	0.341	3	0.355	(1)

<b>Net Investment Income Margin</b>	80%	80%	0	81%	(1)
<b>Distribution Income Margin</b>	73%	73%	0	73%	(0)

\*Distributable Income calculates from net increase in net assets from operations, excluding net unrealized gain from changes in investment value.

## **Future Park Leasehold Property Fund (FUTUREPF)**

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#### **Total income**

In 3Q2017, FUTUREPF had total income of 256.9 million baht, which increased by 7.9 million baht or 3% from the same period of last year. It was mainly driven from:

1. revenue from shop area increased by 4.6 million baht or 3%, mainly due to the average occupancy rate raised from 95% to 97%.
2. revenue from common area increased by 2.7 million baht or 4%, mainly due to the average occupancy rate built up from 85% to 86%.

Comparing with 2Q2017, the fund has total income decreased by 1.1 million baht, mainly resulted from the decreasing of average occupancy rate in common area from 87% to 86%.

#### **Total Expenses**

In 3Q2017, FUTUREPF had total expenses of 50.2 million baht, which increased by 1.5 million baht or 3% compared with the same period of last year. The main reasons were as follows:

1. property management fees increased by 1.8 million baht or 8%, mainly due to the increasing of commission fee from the procurement renter.
2. Fund management fee and expenses decreased by 2.6 million baht or 32%, mainly due to the decreased of interest expense.
3. property expenses increased by 2.3 million baht or 14%, mainly due to the increasing of marketing expenses.

Comparing with 2Q2017, the fund has total expenses increased by 0.9 million baht or 2%, mainly due to the increasing of marketing expenses and commission fee compared with the previous quarter.

#### **Net Investment Income**

In 3Q2017, FUTUREPF had net investment income of 206.7 million baht, which increased by 6.4 million baht or 3% compared with the same period of last year. Therefore, FUTUREPF announced the dividend payment of 186.4 million baht, or 0.352 baht per investment unit. It was increased from 0.341 baht per investment unit in 3Q2016.

Compared with 2Q2017, FUTUREPF had net investment income decreased by 2.0 million baht or 1%, which was due to the decreasing of rental in common area, while total expenses were increased slightly.

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### **Management's Discussion and Analysis for 3Q2017**

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#### **Unrealized Gain (Loss) from Changes in Investment Value**

In 3Q2017, FUTUREPF recorded unrealized gain from changes in investment value of 4.0 million baht compared with 2Q2017. However, the fund had net unrealized gain from changes in investment value of 3.0 million baht, due to the capital expenditures for the improvement of the equipment and the renovation of leasable area of 1.0 million baht.

#### **Profitability**

In 3Q2017, the net investment income margin was 80% equated with the same period of last year and the distribution income margin was 73% equated with the same period of last year.

Comparing with 2Q2017, the net investment income margin decreased by 1% compared with the previous quarter while distribution income margin equated with the previous quarter.

## Future Park Leasehold Property Fund (FUTUREPF)

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## Balance Sheet

*Unit : Million Baht*

	As 30 Sep 2017	As 30 Jun 2017
Investments in properties at fair value	7,005.0	7,001.0
Investments in securities and cash at banks	314.2	329.6
Other assets	51.3	49.2
<b>Total assets</b>	<b>7,370.5</b>	<b>7,379.9</b>
Deposits of rental and service	342.4	341.2
Borrowing	115.0	130.0
Other liabilities	68.4	85.6
<b>Total liabilities</b>	<b>525.8</b>	<b>556.8</b>
<b>Net assets</b>	<b>6,844.7</b>	<b>6,823.0</b>
Capital Received from Unit Holders	5,633.2	5,633.2
Retained earnings	1,211.5	1,189.9
<b>Net asset value per unit</b>	<b>12.9251</b>	<b>12.8841</b>

As of 30 Sep 2017, FUTUREPF had total assets of 7,370.5 million baht. The major assets consisted of the investments in properties 7,005.0 million baht and the investment in securities and cash at banks 314.2 million baht. Total liabilities were 525.8 million baht, most was in the form of deposits of rental and service and borrowing.

Therefore, FUTUREPF had net asset value 6,844.7 million baht or 12.9251 baht per unit, increased from 12.8841 baht per unit at the end of previous quarter.