Translation

BTS GIF

BTS Rail Mass Transit Growth Infrastructure Fund

Investor Newsletter

1Q 18/19

Issue 21

14 August 2018

MESSAGE FROM THE MANAGEMENT COMPANY

To Unitholders
BTS Rail Mass Transit Growth Infrastructure Fund

For the Fund's performance for the first quarter of FY18/19 (1 Apr 2018 - 30 Jun 2018), the Fund had total income of THB 1,171.0mn, total expenses of THB 32.8mn and net investment income of THB 1,138.2mn. The Fund announced a dividend payment for 1Q 18/19 performance of THB 0.196 per unit.

As of 30 Jun 2018, the Fund had net asset value of THB 66,568.7mn, or THB 11.5011 per unit. BTSGIF had no significant unrealised gain or loss on investments as the fair value of its investment in the "net revenue purchase and transfer agreement" (NRTA) remained unchanged from the previous quarter (THB 65,400.0mn)

BBL Asset Management Company Limited

QUARTERLY HIGHLIGHTS

- **1Q 18/19 ridership** of 57.1mn trips, a decrease of 1.5% YoY and 5.0% QoQ.
- **1Q 18/19 average fare** (before free-trip allowance to passengers from train services disruption) was THB 29.0 per trip, rising 3.9% YoY and 0.9% QoQ from the fare increase since Oct 2017 and adjustments to the promotional price for stored-value card since Apr 2018.
- **1Q 18/19 farebox revenue** (after deducting an allowance of THB19.2mn for free-trips to passengers affected by the train services disruption) rose by 1.1% YoY but declined by 5.3% QoQ to THB 1,639.5mn.
- **Total income** in 1Q 18/19 rose by 1.9% YoY and 1.0% QoQ to THB 1,171.0mn.
- **Net investment income** in 1Q 18/19 increased by 2.0% YoY but decreased by 1.1% QoQ to THB 1,138.2mn.
- **Net investment income margin** in 1Q 18/19 was 97.2%, increasing by 0.1% YoY but decreasing by 2.1% QoQ.
- As of 30 Jun 2018, **Net Asset Value (NAV)** was THB 66,568.7mn, equivalent to THB 11.5011 per unit.

FINANCIAL PERFORMANCE

Unit (THB mn)	1Q 18/19	1Q 17/18	% Change (YoY)	4Q 17/18	% Change (QoQ)
Income from investment in NRTA* (see table below)	1,166.9	1,144.2	2.0%	1,155.8	1.0%
Interest income	4.1	4.8	(14.9)%	3.5	14.0%
Total Income	**1,171.0**	**1,149.0**	**1.9%**	**1,159.3**	**1.0%**
Fund management fee and expenses	22.8	22.4	1.6%	19.2	18.4%
Other expenses	10.0	10.7	(6.0)%	(10.7)	(193.5)%
Total Expenses	**32.8**	**33.1**	**(0.8)%**	**8.5**	**286.7%**
Net Investment Income	**1,138.2**	**1,115.9**	**2.0%**	**1,150.8**	**(1.1)%**
Total Unrealised Gain (Loss) on Investments	**0.0**	**(199.9)**	**(100.0)%**	**0.1**	**(52.1)%**
Increase in Net Assets resulting from Operations	**1,138.2**	**916.0**	**24.3%**	**1,150.9**	**(1.1)%**
Net Investment Income Margin (%)	**97.2%**	**97.1%**	**0.1%**	**99.3%**	**(2.1)%**

* NRTA is calculated from farebox revenue less operating and maintenance costs.

INCOME FROM INVESTMENT IN NRTA

Unit (THB mn)	1Q 18/19	1Q 17/18	% Change (YoY)	4Q 17/18	% Change (QoQ)
Farebox revenues*	**1,639.5**	**1,621.6**	**1.1%**	**1,731.8**	**(5.3)%**
Total operating and maintenance costs	**472.6**	**477.4**	**(1.0)%**	**576.0**	**(18.0)%**
Employees expenses	207.5	227.1	(8.6)%	165.5	25.4%
Maintenance costs	114.6	109.0	5.1%	129.4	(11.4)%
Utilities expenses	96.9	93.5	3.7%	93.7	3.4%
Property insurance premium	0.0	0.0	-	21.8	(100.0)%
Selling expenses	24.5	19.5	25.0%	22.9	6.7%
Administrative and other expense	19.1	22.9	(16.4)%	33.7	(43.2)%
Capital expenditures	10.0	5.4	83.4%	109.0	(90.8)%
Total income from investment in NRTA	**1,166.9**	**1,144.2**	**2.0%**	**1,155.8**	**1.0%**
Income from investment in NRTA margin (%)	**71.2%**	**70.6%**	**0.6%**	**66.7%**	**4.4%**

* After deducting free-trip allowance to passengers from train services disruption of THB19.2mn. Excluding the free-trip allowance, 1Q 18/19 farebox revenue would grow 2.3% YoY but down by 4.2% QoQ to THB 1,658.6mn.

TOTAL INCOME

Total income for 1Q 18/19 was THB 1,171.0mn, up 1.9% YoY and 1.0% QoQ, mainly as a result of growth in income from investment in net farebox revenue (NRTA) of the BTS SkyTrain Core Network concession), which grew 2.0% YoY and 1.0% QoQ, to THB 1,166.9mn.

In this quarter, farebox revenue was THB 1,639.5mn, up 1.1% YoY but down 5.3% QoQ predominantly from free-trip allowance to passengers affected by the train services disruption during 25-27 Jun 2018 of THB 19.2mn. The passengers affected by the services disruption can redeem 6 extra trips for monthly trip cards and 3 extra trips for stored-value cards. If the free-trip allowance was excluded, farebox revenue would grow to THB 1,658.6mn, up 2.3% YoY but down 4.2% QoQ. Please refer to section *"1Q 18/19 BTS Operational Performance"* for more details.

Operating and maintenance costs were THB 472.6mn, decreasing by 1.0% YoY and 18.0% QoQ. The QoQ decrease was caused by i) lower CAPEX, when a significant amount was invested in rolling stocks last quarter, ii) no property insurance premium, iii) lower administration expenses and iv) lower maintenance costs being partially offset by v) the payment of bonus to employees this quarter.

This quarter, income from investment in NRTA margin slightly decreased to 71.2% compared to 70.6% in the same quarter last year but increased from 66.7% in the previous quarter from the lower aforesaid operating and maintenance costs.

TOTAL EXPENSES

Total expenses in 1Q 18/19 were THB 32.8mn, a decrease of 0.8% YoY as a result of lower incentive fee paid to BTSC. However, total expenses rose significantly by 2.87 times from the previous quarter, due to a reversal of incentive fee paid to BTSC last quarter.

NET INVESTMENT INCOME

BTSGIF recorded net investment income of THB 1,138.2mn in 1Q 18/19, increasing 2.0% YoY but decreasing 1.1% QoQ. The QoQ decrease was caused by higher expenses as explained above.

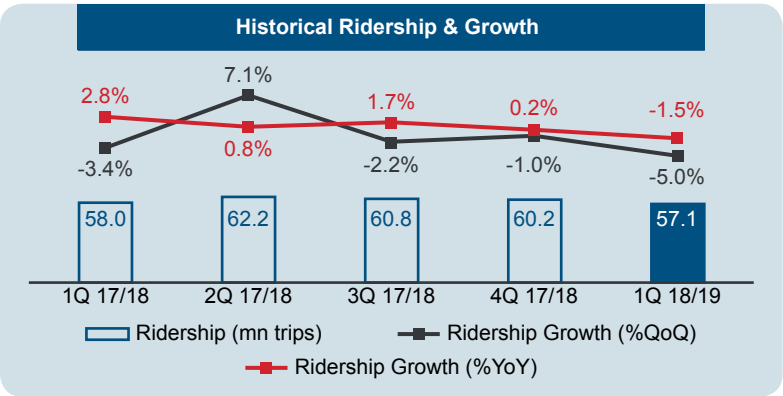
1Q 18/19 net investment income margin rose to 97.2% compared to 97.1% in the same quarter last year from the increase in total income as aforementioned. Compared to the previous quarter, net investment income margin dropped from 99.3% in the previous quarter from the lower aforementioned expenses last quarter.

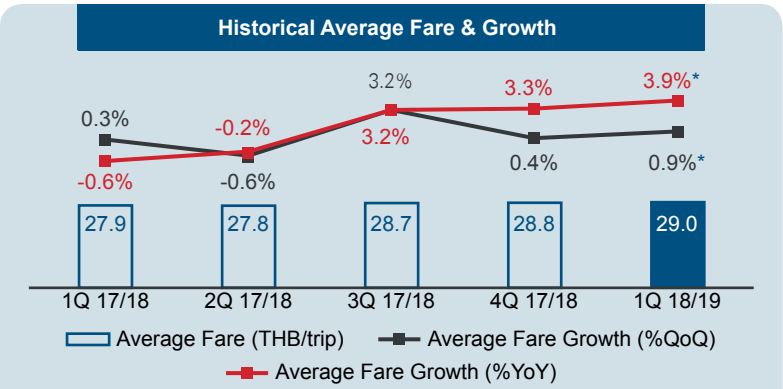
UNREALISED GAIN (LOSS) ON INVESTMENTS

In 1Q 18/19, BTSGIF recorded no significant unrealised gain or loss on investments as the fair value of its investment in the "net revenue purchase and transfer agreement" (NRTA) remained unchanged from the previous quarter (THB 65,400.0mn).

1Q 18/19 BTS OPERATIONAL PERFORMANCE

1Q 18/19 ridership was 57.1mn trips, decreasing 1.5% YoY and 5.0% QoQ mainly from the impact of the train services disruption during 25-27 Jun 2018. In addition, QoQ decrease was from the lower number of weekdays, due to several holidays this quarter e.g. Song Kran festival, National Labor day (seasonal impact). 1Q 18/19 average fare was THB 29.0 per trip (before free-trip allowance to passengers from train services disruption), increasing by 3.9% YoY from fare increase since Oct 2017 and slightly increasing by 0.9% QoQ from adjustment of promotional prices for stored-valued cards since Apr 2018. After deducting the free-trip allowance to passengers from train services disruption, average fare would be THB 28.7 per trip.





* Excluding the impact of free-trip allowance to passengers from train services disruption

BALANCE SHEET

Total assets of BTSGIF as of 30 Jun 2018 stood at THB 66,612.4mn. The main components were (i) investment in the NRTA of THB 65,400.0mn, (ii) investment in securities at fair value and cash at bank of THB 994.5mn and (iii) other assets of THB 217.9mn (primarily account receivable from NRTA of THB 215.1mn). Total liabilities stood at THB 43.7mn. Net Asset Value (NAV) as of 30 Jun 2018 was THB 66,568.7mn, equivalent to THB 11.5011 per unit.

Unit : THB mn	30 Jun 18	31 Mar 18
Investment in NRTA	65,400.0	65,400.0
at cost	*61,432.1*	*61,432.1*
Investments in securities at fair value and Cash at bank	994.5	1,216.2
Other assets	217.9	64.8
Total Assets	**66,612.4**	**66,681.0**
Total Liabilities	**43.7**	**93.0**
Net Asset Value	**66,568.7**	**66,588.0**
Capital Received from Unitholders	**61,416.5**	**61,416.5**
Retained Earnings	**5,152.2**	**5,171.5**
NAV per Unit (THB)	**11.5011**	**11.5045**

DISTRIBUTION TO UNITHOLDERS

Dividend payout for 1Q 18/19 is THB 0.196 per unit. XD is on 24 Aug 2018. Book closure date is on 28 Aug 2018 and payment date is on 11 Sep 2018. The annualised dividend yield is equivalent to 7.4% based on the par value of THB 10.611 per unit.

HISTORICAL DIVIDEND PAYOUT

No.	FY	Dividend Period	Dividend Payout (THB per unit)	Accumulated for the year (THB per unit)
1-4	13/14	17 Apr 2013 – 31 Mar 2014	0.579	**0.579**
5-8	14/15	1 Apr 2014 – 31 Mar 2015	0.606	**0.606**
9-12	15/16	1 Apr 2015 – 31 Mar 2016	0.692	**0.692**
13-16	16/17	1 Apr 2016 – 31 Mar 2017	0.772	**0.772**
17-20	17/18	1 Apr 2017 – 31 Mar 2018	0.798	**0.798**
21	1Q 18/19	1 Apr 2018 – 30 Jun 2018	0.196	**0.196**
Total		17 Apr 2013 – 30 Jun 2018	**3.643**	

The 21st Dividend Distribution Timetable	
XD Date	24 Aug 2018
Book Closure Date	28 Aug 2018
Payment Date	11 Sep 2018

HISTORICAL CAPITAL DECREASE

No.	Capital Decrease Period	Capital Decrease (THB per unit)
1	17 Apr 2013 – 30 Jun 2014	0.077
2	1 Jul 2014 – 31 Mar 2015	0.048
3	1 Apr 2015 – 31 Mar 2016	0.064
Total		**0.189**

FUND HIGHLIGHT

FUND INFORMATION

Fund Name	BTS Rail Mass Transit Growth Infrastructure Fund
Fund Type	Infrastructure Fund
Initial Asset	Future net farebox revenue (Farebox revenue less related operating cost and CAPEX) from the Core BTS SkyTrain system (23.5 km) Concession period ending 4 Dec 2029 Investment cost : THB 61,432.1mn (Including cost of investment in Suksa Wittaya station of THB 33.1mn)
Total Investment Units	5,788mn units
Par Value	THB 10.611 per investment unit (After 3rd Capital Decrease)
Registered Capital	THB 61,416.5mn (After 3rd Capital Decrease)
Fund Manager	BBL Asset Management Co., Ltd.
Sponsors	BTS Group Holdings PCL and Bangkok Mass Transit System PCL
Fund Supervisor	Standard Chartered Bank (Thai) Pcl.
Lock-up Arrangement	Lock-up of BTSG's 33.3% holding of BTSGIF units: 10 years

STOCK INFORMATION

Market Price (as of 10 Aug 2018)	THB 12.30
Market Capital (as of 10 Aug 2018)	THB 71,192.40mn
Net Asset Value (as of 30 Jun 2018)	THB 66,568.69mn

BUALUANG FUND
BBL Asset Managment

MANAGEMENT COMPANY

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