

Building a Diversified REIT Portfolio

This 2-day course aims to provide financial professionals with the knowledge and skills about the fundamentals of investing in REITs (specifically Singapore REITs) and enable them to make informed decisions in relation to investing in REITs.

Key Learning Outcomes:

- To help financial professionals understand if investing in REITs does or does not help them (and/or their clients) in achieving their investment objectives.
- Understand how REITs work, their business model, their different sectors, and the market that REITs operate in.
- Understand the different criteria and financial ratios of different REITs to make an informed decision when investing in a particular REIT.
- Learn about how external events and news (such as a pandemic) can affect the REIT market.
- Learn several technical analysis techniques to be able to time their entry/exit into the market.
- Learn how to increase their return and/or reduce their investment risk through tools available to them (e.g diversification and leverage).

The Programme is Suitable for:

- Financial Professionals who deal with REIT investments or looking to learn more about REITs.

Entry Requirement

- 21 years and above
- Good command of English
- Highly literate and numerate

Duration

- 14 hours of training:
 - 13.5 hours of virtual classroom training
 - 0.5 hours of assessment

Outline

1. Course Introduction

- 1.1 Course Agenda
- 1.2 What is your Investment Objective
- 1.3 Pre-Course Example
 - 1.3.1 Common mistakes made

2. Introduction to REITs

- 2.1 History of REITs
- 2.2 Overview of the S-REITs Industry
- 2.3 What is REIT?
- 2.4 Objectives on Investing in REITs
- 2.5 The REIT Business Model: How do REITs work?
 - 2.5.1 Funding
 - 2.5.2 Distribution
- 2.6 REITs vs Business Trusts
- 2.7 Total Return Concept
- 2.8 Investing in Physical Property vs REITs

3. The REIT Market and Macro-environment

- 3.1 Market Sentiment in the REIT Sector
 - 3.1.1 S-REIT Indexes (FTSE ST and iEdge)
- 3.2 Case Studies on how News Headlines affect REITs
- 3.3 Insider Trading

4. REIT Sectors & Geographical Distributions

- 4.1 The Different REIT Sectors, Characteristics of each REIT sector, Examples of S-REITs in each sector
 - 4.1.1 Retail
 - 4.1.2 Office
 - 4.1.3 Industrial
 - 4.1.4 Hospitality
 - 4.1.5 Healthcare
 - 4.1.6 Others
 - 4.1.6.1. Specialised: Data Centres
 - 4.1.6.2. Future: Student Accommodation
- 4.2 Geographical Distributions of REITs
 - 4.2.1 Local
 - 4.2.2 Global

5. Terminology & Financial Ratios of REITs

- 5.1 How to read and interpret REIT Financial Results

5.2 Financial Ratios and their formulae (if applicable)

- 5.2.1 Net Property Income (NPI)
- 5.2.2 Distribution per Unit
 - 5.2.2.1 Distribution Growth
- 5.2.3 Yield
- 5.2.4 Yield Spread
- 5.2.5 Gearing Ratio
- 5.2.6 Net Asset Value (NAV)
- 5.2.7 NAV per unit
- 5.2.8 Price/NAV

5.3 Fundamental Ratios

- 5.3.1 Portfolio Valuation
- 5.3.2 Sponsor

5.4 Lease Management Ratios

- 5.4.1 Occupancy Rate
- 5.4.2 Weighted Average Lease Expiry (WALE)
- 5.4.3 Hospitality Trust Ratios
 - 5.4.3.1 Average Daily Rate/Average Room Rate (ADR/ARR)
 - 5.4.3.2 Revenue per Available Room/Unit (RevPAR/RevPAU)

5.5 Debt Related Ratios and their formulae (if applicable)

- 5.5.1 Weighted Average Debt Maturity (WADM)
- 5.5.2 Cost of Debt/Interest Cost
- 5.5.3 Fixed Interest Rate
- 5.5.4 Interest Coverage Ratio (ICR)
- 5.5.5 Secured Borrowings
- 5.5.6 Unsecured Borrowings

6. Impact of COVID-19 on S-REITs

- 6.1 Singapore Government Support for S-REITs during COVID-19
- 6.2 General Impact of COVID-19 on S-REITs
- 6.3 Impact on COVID-19 different REIT sectors, including comparison with Pre COVID-19 Financial Ratios
 - 6.3.1 Retail
 - 6.3.1.1 Suburban vs Prime Malls
 - 6.3.2 Office
 - 6.3.3 Industrial
 - 6.3.4 Healthcare
 - 6.3.5 Hospitality
 - 6.3.5.1 Eagle Hospitality Trust collapse

6.4 Actions taken by S-REITs due to COVID-19

6.5 Lessons Learnt from COVID-19

7. SGX New Initiatives for S-REITs

7.1 Environmental, Social, and (Corporate)

Governance (ESG)

7.1.1 ESG Ratings (MSCI, Sustainalytics)

7.1.2 ESG Indexes (iEdge)

7.2 Singapore Governance and Transparency Index (SGTI)

7.2.1 Methodology and Rankings

8. Obtaining Information on REITs

8.1 News outlets and media

8.2 Brokerage and analyst reports

8.3 Industry sources, Exchanges

8.4 Trust/REIT websites

9. Selecting REITs for your investment portfolio

9.1 Kenny's 8 Criteria for Selecting REITs

9.2 Using a REIT screener to analyse REITs

9.3 Qualitative Analysis

9.4 Risk Assessment for REITs - 5 Risks

10. Technical Analysis

10.1 Trend Analysis - Identifying Trends

10.2 20/50/200 Simple Moving Average

10.3 Support & Resistance

10.4 Buying Strategies

10.4.1 Buying on dips during an Uptrend

10.4.2 Buying at Supports

11. How to increase your returns on REITs

11.1 Increasing Yield through Margin Financing

11.1.1 Margin Ratio

11.2 Dollar-Cost Averaging Strategy (DCA)

11.3 What are Exchange Traded Funds (ETFs)?

11.4 ETFs in Singapore

12. Building a Diversified REIT Portfolio

12.1 5 Steps to build a diversified REIT portfolio

12.2 Why you should diversify your Investment Portfolio

12.3 Regular Re-balancing of REIT Portfolio

12.4 Dealing with Portfolio-related Operational Issues

13. Practical Work

13.1 Using a REIT Screener

13.2 Hands-on Case Studies

Assessment: MCQ (70% passing score)

Technical Skills & Competencies (TSC):

- Research and Information Synthesis (Proficiency Level 4)

Course Fees:

* \$2,016.50 (inclusive of GST)

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Trainer's Profile

Kenny Loh is a Certified Financial Planner and REITs Specialist of Singapore's top Independent Financial Advisor. He helps clients construct diversified portfolios consisting of different asset classes from REITs, Equities, Bonds, ETFs, Unit Trusts, Private Equity, Alternative Investments and Fixed Maturity Funds to achieve an optimal risk adjusted return. He has won multiple awards in financial planning and investment planning.

Kenny is also a certified Institute of Banking & Finance Singapore (IBFSG) Trainer and a regular speaker at INVEST Fair and the REITs Symposium organised by ShareInvestor, some of the biggest financial industry events in Singapore.



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