

# Saizen REIT

## The forgotten child!

Bloomberg | Reuters | POEMS  
SZREIT.SP | SZNR.SI | SZR.SG  
Industry: Real Estate Operations

Phillip Securities Research Pte Ltd

15 January 2013

### Report type: Site Visit

#### Company Overview

Saizen REIT is a Singapore-based REIT. Its mandate is to invest in a diversified portfolio of income-producing real estate which is primarily used for residential and/or residential-related purposes in Japan

- On a property tour to visit six residences in Fukuoka, Kumamoto and Hiroshima, Japan
- Residential property is good property asset class in Japan with stable and resilient cash flow
- Japan residential property prices are firming up
- No rating on the stock

#### What is the news?

We visited six residences under the portfolio of Saizen REIT in Fukuoka, Kumamoto and Hiroshima, Japan in December. These properties are conveniently situated in major commercial and entertainment areas, or towns near transportation networks connecting to major business and commercial centres or close to educational institutions. The building age of these residences range from 6-month to 23-year old and thus provided us a good sense of the condition of the newer and older buildings.

#### How do we view this?

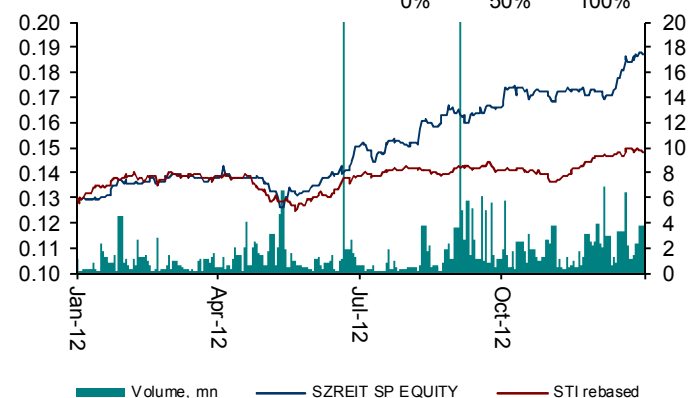
The condition of the properties from the interior to exterior of the building was well-maintained and some of the rental unit is fully-furnished and equipped with electrical appliances and other fittings which can command a premium. Having said that, we believe the rental units will be highly sought after among tenants given the tip-top condition and easily accessible to places for work, play and learn.

#### Investment Actions?

Japan residential property seemed to hit the rock-bottom with limited downside. Cap rate is tightening marginally for some cities. This is evidenced by the modest increase of 0.8% for the valuation of 130 portfolio properties in FY12. We opine the worse could be over for Japan residential market. Saizen REIT's borrowing cost and loan tenure are improving over time since global financial crisis. The management will continue to deepen the relationship with existing lenders and forging new ones to achieve lower interest cost and establish new loans for future acquisitions. Furthermore, the warrant proceeds can be used to perform share buyback which is DPU accretive. For investors who want to have exposure in Japan residential market, they can consider Saizen REIT over Japan Rental Housing Investments Incorporation (listed on TSE) on the thesis of yield compression. Weakening Japanese yen may not be favorable to Saizen REIT but Forex lines could be employed to hedge the depreciation.

#### Saizen REIT

<b>Rating</b>	<b>N.R.</b>	<b>Not Rated</b>
- Previous Rating	N.R.	Not Rated
<b>Target Price (SGD)</b>	<b>N.R.</b>	
- Previous Target Price (SGD)	N.R.	
Closing Price (SGD)	0.187	
Expected Capital Gains (%)	N.A.	
Expected Dividend Yield (%)	N.A.	
<b>Expected Total Return (%)</b>	<b>N.A.</b>	
Raw Beta (Past 2yrs weekly data)	0.49	
Market Cap. (USD mn / SGD mn)	217 / 265	
Enterprise Value (USD mn / SGD mn)	333 / 28421	
3M Average Daily T/O (mn)	1.9	
52 week range (SGD)	0.13 - 0.19	
Closing Price in 52 w week range		



#### Major Shareholders

	(%)
1. Argyle Street Management Ltd	12.9
2. Cube Capital Ltd	3.3
3. Credit Sussie Group	3.2

#### Key Financial Summary

FYE	6/11	6/12
Revenue (JPY mn)	3,868.0	3,484.6
Net Profit (JPY mn)	1,285.9	1,325.6
EPS basic (SGD)	(0.011)	0.014
P/E basic (X)	N.M.	13.7
BVPS (SGD)	0.308	0.281
P/B (X)	0.6	0.7
DPS (SGD)	0.010	0.012
Div. Yield (%)	5.5%	6.6%

Source: Bloomberg, PSR est.

\*All multiples & yields based on current market price

#### Valuation Method

N.A.

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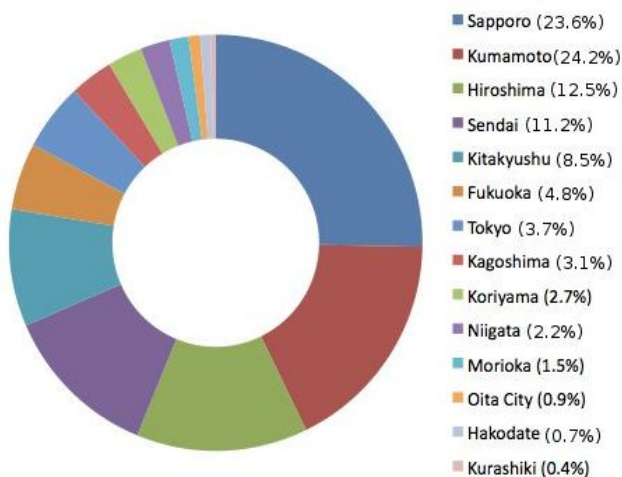
**Background**

Saizen REIT was listed on SGX Mainboard in November 2007. To date, the trust owns 136 residential properties diversified across 14 cities in Japan, and are valued at JPY37.6bn (~S\$553mn). Its property portfolio has an average age of ~14.8 years and occupancy rate of 91.7%. All these properties are managed by K.K. Tenyu Asset Management which manages up to 158 residential and commercial buildings in Japan.

The bulk of the residential units are small- (20-35 sq m) and medium- sized (35-50 sq m), which accounted for 87.7% of the total residential units (5,328). The remainder is family-sized units (above 50 sq m). The tenant profile is mostly young working singles, double income with no kids (DINKs) and students. The small- and medium- size units are largely in-line with the trend of late and low marriage, and low birth rates in Japan.

In terms of revenue distribution, the top five cities – Sapporo (23.6%), Kumamoto (24.2%), Hiroshima (12.5%), Sendai (11.2%) and Kitakyushu (8.5%) – contributed about 80% of the total gross revenue.

**Fig.1. Breakdown of revenue distribution by cities**

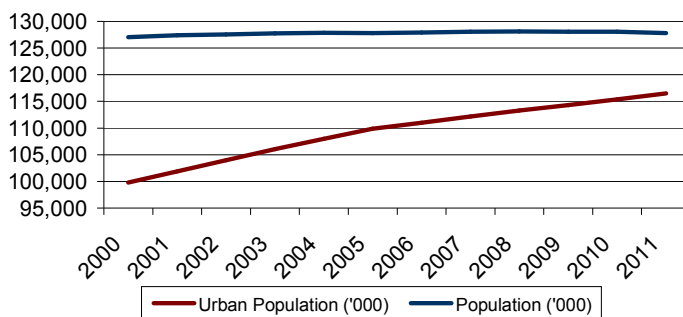


Source: Trust

**Residential property market trend in Japan**

According to Ministry of Internal Affairs and Communications of Japan, 2010 home ownership was 61%. This signifies that there are substantial households living in rental apartments. To our surprise, Japan population has been shrinking moderately since 2009 yet the urban population is still on the rise. We opine that demand for rental apartments is likely to remain steady going forward as students and young people are migrating from suburban areas to cities for education and employment opportunities.

**Fig.2. Population vs. urban population**



Source: CEIC

Due to the limited residential property data for various cities, we would use Tokyo as the proxy to study the price and rental trends for Japan residential market. We do note that the demand and supply dynamics can vary across cities in a country. However, Tokyo, being the capital city of Japan, is the best gauge to reflect the health of the general residential market of Japan in our view. Apart from that, the management bought three Tokyo properties last year to take the advantage of post-earthquake condition. As of now, the Tokyo properties contributed up to 3.7% of total gross revenue.

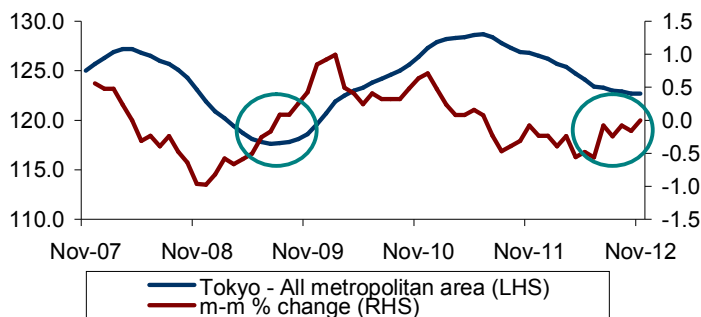
Tokyo residential property prices and rents are relatively stable where the monthly percentage change for Tokyo apartment price and rent indexes are limited -1% to 1% and -0.3% to 0.4% over the last five years respectively. The apartment price index indicates that the residential prices are firming up, with Oct and Nov 2012 price data held steady at 122.7. It also seemed to be the turning point. By looking at the rate of monthly price changes registered in the past few months to Nov-2011, we expect residential prices to increase at a slower pace than the last recovery period in the late-2009 to early-2010.

Nevertheless, there could be more upside surprises than expected as Bank of Japan may consider enormous asset purchases to meet the doubling of inflation target to 2%. If this is to materialize, residential prices are likely to climb up at a faster pace not just in Tokyo but also other cities.

Over the past six months to Nov-2011, the apartment rent index recorded flattish growth between 0% and 0.1%. Rent is rather sticky and is likely to stay flat in the near future.

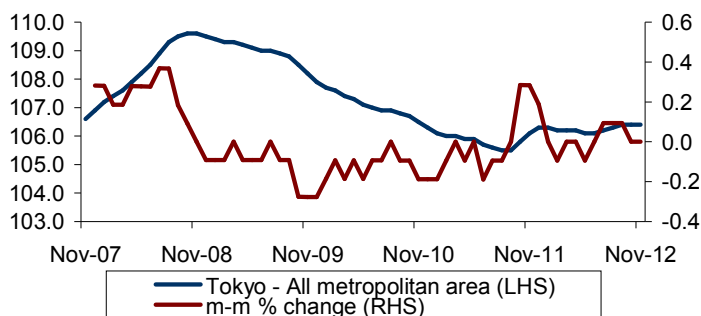
In short, we do see value in residential market in terms of stable and resilient cash flow.

**Fig.3. IPD/Recruit apartment price index**



Source: IPD

**Fig.4. IPD/Recruit apartment rent index**



Source: IPD

**Property visit**

We visited six residences under the portfolio of Saizen REIT in Fukuoka, Kumamoto and Hiroshima, Japan in December. These properties are conveniently situated in major commercial and entertainment areas, or towns near transportation networks connecting to major business and commercial centres or close to educational institutions.

The building age of these residences range from 6-month to 23-year old and thus provided us with a good sense of the condition of the newer and older buildings. We were brought to visit various unit types such as residential units meant for singles, couples, families as well as commercial unit.

The condition of the properties from the interior to exterior of the building was well-maintained and some of the rental units are fully-furnished and equipped with electrical appliances and other fittings which can command a premium. Having said that, we believe the rental units will be highly sought after among tenants given the tip-top condition and easily accessible to amenities for work, play and learn.

The asset management staffs, who are based in Fukuoka branch office, have demonstrated their competency and understanding of residential property market in the southern part of Japan. We are very impressed by their know-how on the leasing market and asset management skill and are of confident in their capability to deliver.

The subsequent pages feature the information, photos and highlights of the properties that we have visited.

## Property #1

Fig.5. La Finesse Hakata Eki Minami (Fukuoka)



Source: Trust

### Property information: La Finesse Hakata Eki Minami

**Address:** 1-5-13, Hakata Eki Minami, 1-chome, Hakata-ku, Fukuoka

**Date built:** April 2006 (6 years)

**Description of building:** One 14-storey block comprising 50 residential units and 7 parking lots

**Valuation:** JPY447mn (S\$6.6mn)

**Net lettable area:** 1,228 sq m

**Occupancy rate:** 95.7%

**Room types:** 1 bedroom plus dining room and kitchen (1DK) and 2 bedrooms plus kitchen (2K)

**Property Manager:** Miyoshi Fudosan Co., Ltd

Fig.6. Photos of Unit #1302



Source: Trust and PSR

### Unit #1302 information

- Room type: 2 bedrooms plus kitchen, 2K (The two bedrooms are separated by the sliding door shown in the above left photo)
- Size: 24.56 sq m
- Asking rent: JPY75,000 (~S\$1,100) per month (exclude car park rent)

### Property Highlights

- Walking distance (approximately 7-min) to Hakata Station, the main railway station of Fukuoka; the station is easily accessible to Fukuoka International Airport
- JR Hakata City, a mega shopping complex and convention centre, which is right above the Hakata station; the complex serves as a good hangout place for shopping, entertainment and food under one roof
- Appeals not only to professionals and executives working in the surrounding offices and hotels, and also those working at Tenjin, the main commercial and shopping district, which is nestled three subway stations away from Hakata station
- Close proximity to major transportation nodes, La Finesse Hakata Eki Minami is likely to be an ideal residence for tenants who want to save on the private transports

## Property #2

Fig.7. Relief Ohorinishi (Fukuoka)



Source: Trust

### Property information: Relief Ohorinishi

**Address:** 255ban, 12-ku, 1-chome, Imagawa, Chuo-ku, Fukuoka

**Date built:** January 1989 (23 years)

**Description of building:** One 3-storey block comprising 17 residential units

**Valuation:** JPY104mn (S\$1.5mn)

**Net lettable area:** 450 sq m

**Occupancy rate:** 94.4%

**Room types:** 1 bedroom plus living room, dining and kitchen (1LDK) and Studio apartment (1R)

**Property Manager:** Pros Co., Ltd

### Property Highlights

- Walking distance (approximately 4-min) to Tojinmachi Subway Station
- Stone throw away from amenities and enrichment centres like Fukuoka Dome, Fukuoka Art Museum and Fukuoka City Chuo Library
- Surrounded by many elementary and high schools, as well as within close proximity to Seinan Gakuin University
- Appeals not only to students but also professionals and executives working at Tenjin, the main commercial and shopping district, which is nestled three subway stations away from Tojinmachi Subway station
- Ohorikoen, a park with lush greenery and scenic lake, provides tranquility to the neighborhood
- Relief Ohorinishi is a pet-allowed residence that will appeal to pet owners seeking a house in the area (either additional rent (JYP1,000) is payable or two-month deposit will be collected)

Fig.8. Photos of Unit #206



### Unit #206 information

- Room type: Studio apartment, 1R
- Size: 24.87 sq m
- Unfurnished
- Asking rent: JPY46,000 (~S\$680) per month

**Property #3**

**Fig.9. Rise Yotsugibashi (Kumamoto)**



Source: Trust

**Property information: Rise Yotsugibashi**

**Address:** 3-5-6, Honjyo, Chuo-ku, Kumamoto

**Date built:** June 2012 (6 months)

**Description of building:** One 10-Storey block (with basement) comprising 49 residential units, 3 car parking lots and 5 bicycle lots

**Valuation:** JPY420mn (S\$6.2mn)

**Net lettable area:** 1,812 sq m

**Occupancy rate:** 100%

**Room types:** 1 bedroom plus living room, dining and kitchen (1LDK)

**Property Manager:** Kosugi Real Estate Co., Ltd

**Fig.10. Photos of Unit #305**



Source: Trust and PSR

**Unit #305 information**

- Room type: 1 bedroom plus living room, dining and kitchen, 1LDK
- Unfurnished
- Size: 41.82 sq m
- Asking rent: JPY66,000 (~S\$970) per month (excluding car park rent and bicycle rent)

**Property Highlights**

- Walking distance to the Honkjo Nakadori bus stop (approximately 4-min) and to the Karashimacho tram station (approximately 15-min)
- Bounded by many hospitals, medical centre and medical university such as Kumamotodai hospital and Kumanoto University
- Main commercial area is just across the Shirakawa River
- Highly sought after among the medical personnel such as doctors and nurses working in the vicinity; Medical and university students, and working professionals in the commercial area are also potential occupants
- Surveillance cameras are installed to provide security to the residents

Property #4

Fig.11. Romaug Kamidori Namikizaka (Kumamoto)



Source: Trust

**Address:** 5-27-1, Minami Tsuboicho, Kumamoto  
**Date built:** April 2007 (5 years)  
**Description of building:** One 10-Storey block comprising 56 residential units and 13 commercial units  
**Valuation:** JPY635mn (S\$9.4mn)  
**Net lettable area:** 2,796 sq m  
**Occupancy rate:** 87.5%  
**Room types:** 1 bedroom plus living room, dining and kitchen (1LDK)  
**Property Manager:** Kosugi Real Estate Co., Ltd

Fig.12. Photos of Unit #NF



Source: PSR

Unit #NF information

- Room type: Commercial
- Bare unit
- Size: 71.72 sq m
- Asking rent: JPY195,300 (~S\$2,900) per month

Property Highlights

- Walking distance to the Namikizaka bus stop (approximately 4-min) and close proximity to main commercial area
- Appeals to working professionals and executives working around the main commercial area
- Residential units are close to 100% occupied and commercial units take up first two floors of the building
- Commercial tenants include bicycle shop, hair salon, yoga centre and amongst others (the store directory is shown above)

## Property #5

Fig.13. Fujimicho Building (Hiroshima)



Source: Trust

**Address:** 4-28 Fujimi-cho, Naka-ku, Hiroshima

**Date built:** July 2007 (5 years)

**Description of building:** One 7-Storey block comprising 1 commercial unit, 32 residential units and 2 parking lots

**Valuation:** JPY338mn (S\$5.0mn)

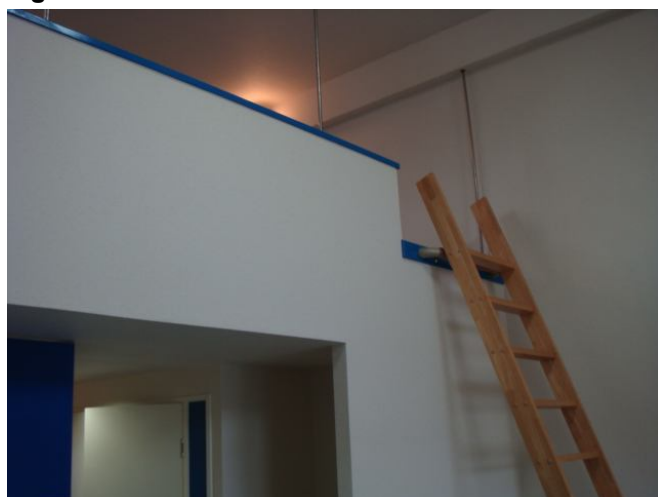
**Net lettable area:** 960 sq m

**Occupancy rate:** 92.0%

**Room types:** Studio apartment (1R)

**Property Manager:** KK Sanes Fudosan

Fig.14. Photos of Unit #1003



Source: Trust, PSR

### Unit #1003 information

- Room type: Studio loft apartment (1R)
- Unfurnished
- Size: 24.89 sq m
- Asking rent: JPY74,000 (~S\$1,100) per month

### Property Highlights

- Walking distance to the Fujimi Cho bus stop (approximately 2-min) and situated along the main street of the central business district
- Appeals to working professionals and executives working in multi-national corporations
- Unit #1001-1004 are loft apartment, specially-designed compact unit, providing more options for tenants
- Surveillance cameras and card access at the main door are installed to provide security to the residents



## Property #6

**Fig.15. Grand Polestone Otemachi II (Hiroshima)**



Source: Trust

**Address:** 3-12-17 Otemachi, Naka-ku, Hiroshima

**Date built:** September 2007 (5 years)

**Description of building:** One 11-Storey block comprising 28 residential units and 6 parking lots

**Valuation:** JPY364mn (S\$5.4mn)

**Net lettable area:** 1,197 sq m

**Occupancy rate:** 86.5%

**Room types:** One bedroom plus kitchen and loft (1K+Loft), one bedroom plus kitchen and mezzanine (1K+M) and One bedroom plus storage room, living room, dining room, kitchen and loft (1SLDK + loft)

**Property Manager:** I Amenity Co. Ltd

**Fig.16. Photos of Unit #1102**



Source: Trust, PSR

### Unit #1102 information

- Room type: One bedroom plus kitchen and mezzanine (1K+M)
- Unfurnished
- Size: 60.06 sq m
- Asking rent: JPY135,000 (~S\$2,000) per month

### Property Highlights

- Walking distance to the Shiyakushio Mae tram stop (approximately 4-min) and short distance to central business district
- Elementary and junior high schools are within reach
- Appeals to working professionals, married couples and families working in multi-national corporations, nearby hospitals and educational institutions
- Unit #1101-1102 are penthouse units with extra private roof terrace, specially-designed to optimize the space and provide more options for tenants

**Peer comparison**

Given that Saizen REIT is the only residential REIT listed on SGX, Japan-REITs (J-REITs) are used instead for this peer comparison. Among the eight (J-REITs) with residential exposure in Japan, Japan Rental Housing Investments Incorporation (Japan Rental) seems to be the closest comparables in terms of asset geographical locations (sparsely diversified across Japan) and pure play in residential sector.

Japan Rental is currently trading at higher P/B ratio of 0.93 and lower forward dividend yield of 4.3%, compared to Saizen REIT at P/B ratio of 0.72 and forward dividend yield of 6.74%. The better valuation for Japan Rental could be partly due to higher occupancy of 96.5% and lower average property age of 11 years.

**Fig.17. Occupancy and average age of property**

	Occupancy	Average age of property
<b>Saizen REIT</b>	91.70%	~14.8 yrs
<b>Japan Rental</b>	96.50%	11 yrs

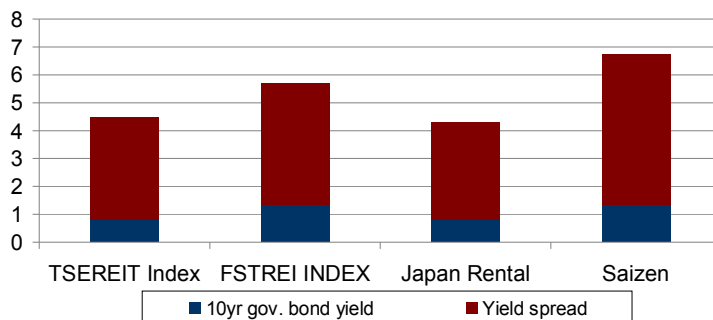
Source: Trusts

As market participants are still in search of yield amid global economic uncertainty, we therefore compared the yield spread between both of them to look for potential yield compression. Saizen REIT has a higher yield spread of 5.41% versus Japan Rental at 3.49%. On the broader picture, S-REIT has a higher yield spread of 4.35% relative to J-REIT of 3.69%. This could mean S-REIT and Saizen REIT may be more attractive than J-REIT and Japan Rental on the thesis of yield compression.

For the past one month, the Japan 10-yr bond yield has been increasing at faster rate than the Singapore counterpart. The heightened concerns on the risk of Japan public debt at more than double the size of economy arising from the extra spending announced to meet the inflation target of 2% may trigger the Japan long term bond yield to surge going forward. In this connection, the yield spread of J-REIT may offer less scope for tightening as the risk premium may be less compelling than before.

By and large, Saizen REIT is likely to be in a better position to benefit from the exodus of funds owing to the monetary easing from western countries and Japan. All things being equal, the weakening in yen is at the disadvantage to Saizen REIT even though the stock is traded in SGD. At this juncture, no hedging instrument is employed and will result in currency translation loss for converting DPU to SGD. Nevertheless, Saizen REIT has established the foreign exchange lines and may use it as a hedging toolkit when the need arises.

**Fig.18. Yield comparison**



Source: Bloomberg

**Fig.19. Valuation and dividend information**

REIT	Market price as of:	Crncy	Last Price	Mkt Cap. (US\$m)	Free Float (%)	Crncy	Bvps	P/B	Dividend Frequency	Crncy	Latest reported DPU (Cents/JPY)	T12M Div. Yield (%)	Consen. FY1 DPU (Cents/JPY)	Consen. FY2 DPU (Cents/JPY)	FY1 Yield (%)	FY2 Yield (%)	Gearing (%)
<b>Residential (9)</b>																	
<b>SAIZEN REIT</b>		<b>SGD</b>	<b>0.187</b>	<b>216.6</b>	<b>88.7</b>	<b>SGD</b>	<b>0.30</b>	<b>0.72</b>	<b>Semi-Anl</b>	<b>SGD</b>	<b>0.63</b>	<b>6.63</b>	<b>1.30</b>	<b>1.30</b>	<b>6.74</b>	<b>6.57</b>	<b>31.40</b>
ICHIGO REAL ESTA		JPY	48750	459.7	99.9	JPY	60547	0.81	Semi-Anl	JPY	1330	5.35	2565	-	5.26	-	48.82
DAIWAHOUSE RES I		JPY	705000	1266.4	88.2	JPY	572640	1.23	Semi-Anl	JPY	16500	4.58	33124	34588	4.70	4.91	35.18
KENEDIX RESIDENT		JPY	191700	161.8	100.0	JPY	185953	1.03	Semi-Anl	JPY	6100	1.76	11900	-	6.21	-	56.07
NIPPON ACCOMMODA		JPY	614000	1337.7	96.5	JPY	544863	1.13	Semi-Anl	JPY	14650	4.70	28614	29833	4.66	4.86	53.11
JAPAN RENTAL HOU		JPY	60200	896.4	58.1	JPY	64686	0.93	Semi-Anl	JPY	1350	4.30	2587	-	4.30	-	46.14
INVINCIBLE INVES		JPY	6800	102.6	99.8	JPY	24346	0.28	Semi-Anl	JPY	200	4.00	-	-	-	-	46.61
ADVANCE RESI INV		JPY	180400	2220.4	96.5	JPY	157414	1.15	Semi-Anl	JPY	4500	5.11	9080	-	5.03	-	54.64
NOMURA REAL ESTA		JPY	483500	816.6	89.2	JPY	469194	1.03	Semi-Anl	JPY	12100	5.09	24635	24842	5.10	5.14	53.06

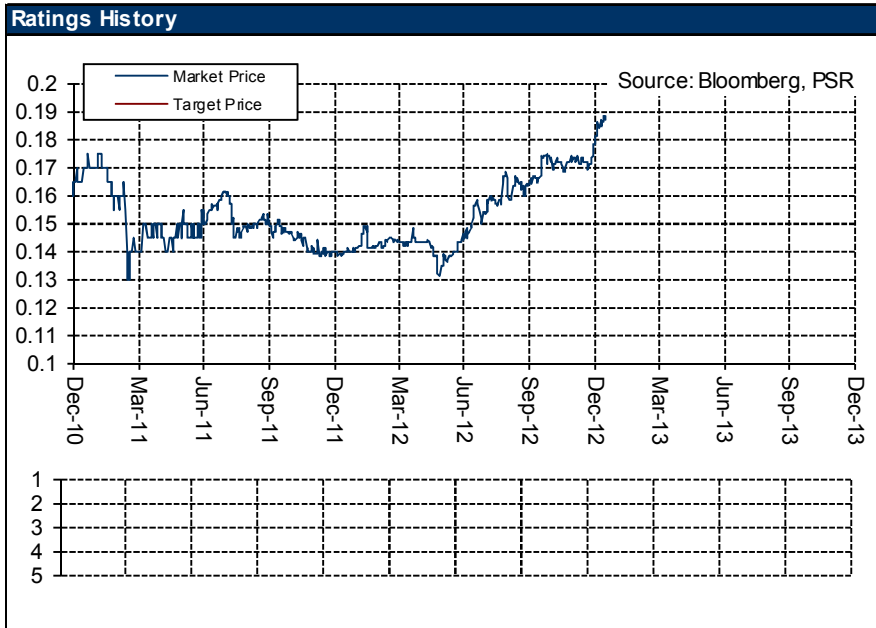
Source: Bloomberg, PSR estimates

FYE Jun	FY11	FY12
<b>Valuation Ratios</b>		
P/E basic (X)	N.M.	13.7
P/B (X)	0.6	0.7
Dividend Yield (%)	5.5%	6.6%
<b>Per share data (SGD)</b>		
EPS basic	(0.011)	0.014
EPS diluted	-	0.013
DPS	0.010	0.012
BVPS	0.308	0.281
<b>Growth &amp; Margins (%)</b>		
<b>Growth</b>		
Revenue	-	-9.9%
EBIT	-	-6.8%
Net Income	-	3.1%
EPS	-	-222.4%
DPS	-	21.6%
<b>Margins</b>		
Gross margin	65.6%	67.1%
EBIT margin	52.6%	54.4%
Distribution margin	25.2%	41.5%
<b>Key Ratios</b>		
ROE (%)	-3.6%	4.9%
ROA (%)	-2.4%	3.2%
Debt/total assets	0.24	0.31
Debt/equity	0.36	0.48
Interest coverage (x)	2.71	3.32
<b>Income Statement (JPY mn)</b>		
<b>Gross revenue</b>	<b>3,868.0</b>	<b>3,484.6</b>
Property expenses	(1,331.8)	(1,145.7)
Net property Income	2,536.2	2,339.0
Trust expenses	(101.9)	(92.6)
Management fees	(399.4)	(350.4)
<b>EBIT</b>	<b>2,034.9</b>	<b>1,896.0</b>
Interest income	1.0	1.0
Interest expenses	(750.0)	(571.4)
<b>Net income</b>	<b>1,285.9</b>	<b>1,325.6</b>
Net change in fair value of properties	(1,569.1)	58.9
Loss on transfer/divestment of investment properties	(581.1)	(13.6)
Net change in fair value on financial derivatives	119.2	17.3
<b>Total return before tax and distributions</b>	<b>(745.1)</b>	<b>1,388.2</b>
Income tax expense	(140.2)	(127.3)
<b>Total return after tax and before distributions</b>	<b>(885.3)</b>	<b>1,260.9</b>
<b>Available for distributions</b>	<b>975.9</b>	<b>1,444.9</b>

Source: PSR

FYE Jun	FY11	FY12
<b>Balance Sheet (JPY mn)</b>		
Cash & equivalents	3,032.8	5,461.4
Trade and other receivables	485.8	67.8
<b>Total current assets</b>	<b>3,518.6</b>	<b>5,529.2</b>
Investment properties	32,995.4	36,443.1
Other non-current assets	0.1	0.0
<b>Total non-current assets</b>	<b>32,995.5</b>	<b>36,443.1</b>
<b>Total Assets</b>	<b>36,514.1</b>	<b>41,972.3</b>
Trade and other payables	603.6	317.9
Interest bearing borrowings	357.2	578.3
Others	2,130.5	887.8
<b>Total current liabilities</b>	<b>3,091.2</b>	<b>1,783.9</b>
Interest bearing borrowings	8,579.7	12,601.7
Other non-current liabilities	89.7	354.3
<b>Total non-current liabilities</b>	<b>8,669.4</b>	<b>12,956.0</b>
<b>Total liabilities</b>	<b>11,760.6</b>	<b>14,739.9</b>
<b>Shareholder Equity</b>	<b>24,753.5</b>	<b>27,232.3</b>
<b>Cashflow Statements (JPY mn)</b>		
CFO		
Total return after tax and distributions	-885.3	1,260.9
Net (inc)/dec in working capital	949.4	149.2
Other operating cashflow	2,866.8	246.3
<b>Cash flow from operations</b>	<b>2931.0</b>	<b>1656.4</b>
CFI		
Purchase of investment properties	(75.1)	(3,388.7)
Sale of investment properties	5,311.2	0.0
Others	-0.1	(13.6)
<b>Cashflow from investments</b>	<b>5,236.0</b>	<b>(3,402.3)</b>
CFF		
Dividends paid	(573.9)	(869.4)
Inc/(dec) in debt	(7,439.9)	4,422.1
Proceeds from exercise of warrants	1,304.1	1,364.1
Other financing cash flows	(790.9)	(937.1)
<b>Cashflow from financing</b>	<b>(7,500.7)</b>	<b>3,979.6</b>
<b>Net change in cash</b>	<b>666.3</b>	<b>2,233.6</b>
Cash & cash eq at beginning of period	2,166.4	2,832.8
Bank deposits pledged	200.0	395.0
<b>Cash &amp; cash eq at end of period</b>	<b>3,032.7</b>	<b>5,461.4</b>

Source: PSR



**PSR Rating System**

Total Returns	Recommendation	Rating
> +20%	Buy	1
+5% to +20%	Accumulate	2
-5% to +5%	Neutral	3
-5% to -20%	Reduce	4
<-20%	Sell	5

**Remarks**

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation.

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