

1 Q
2017

Axis REIT Managers Berhad Results Presentation



25 April 2017

AXIS
REAL ESTATE INVESTMENT TRUST

Our Milestones



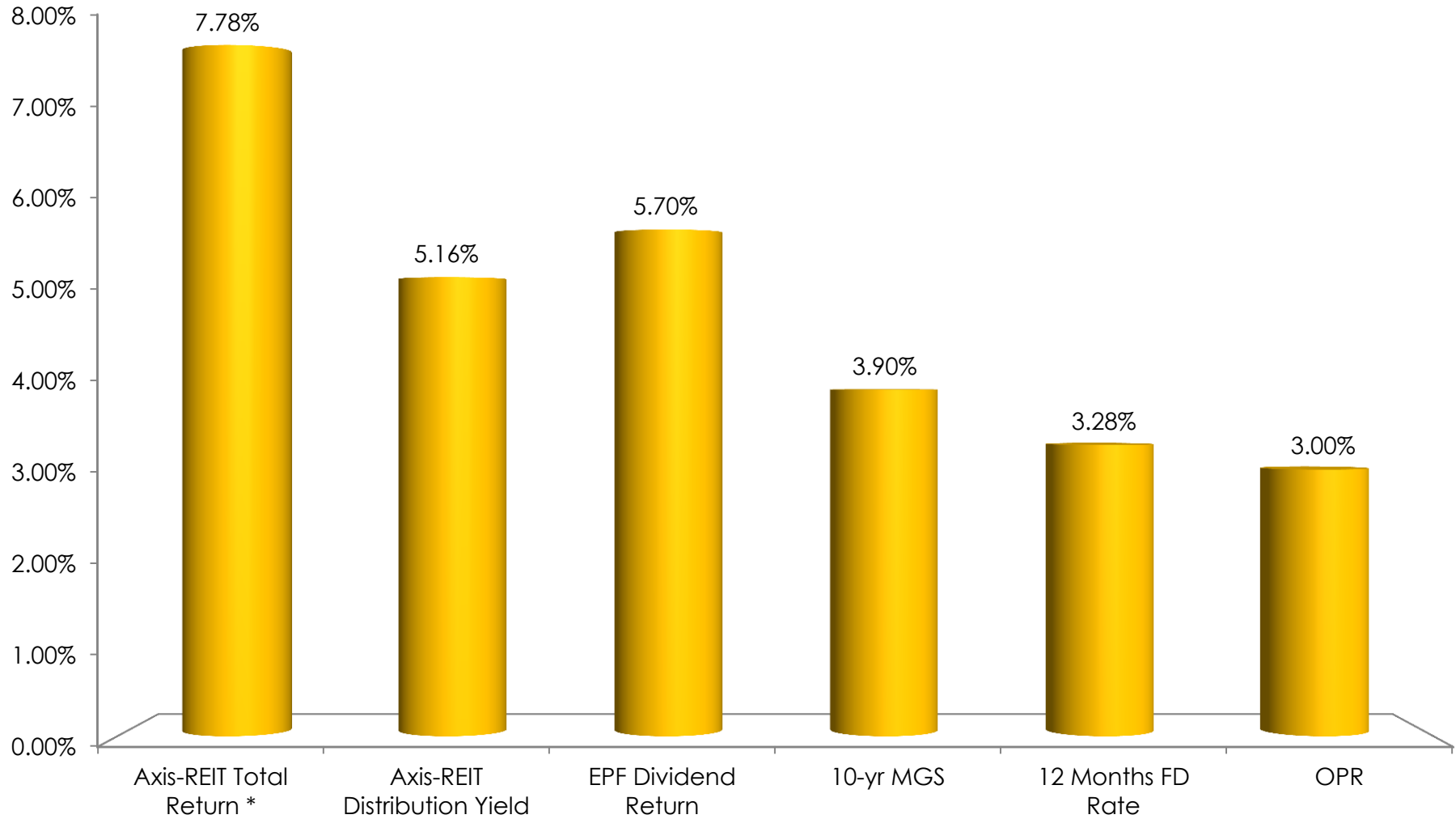
- ✓ Assets Under Management RM296 million → RM2.21 billion
- ✓ Space Under Management 978,000 sq ft → 7,432,036 sq ft
- ✓ Properties 5 → 38
- ✓ Fund Size RM206 million → RM1.39 billion
- ✓ Valuation Gain since listing RM301,000,000
- ✓ First REIT to be listed on Bursa Malaysia
- ✓ First REIT to convert into an Islamic REIT
- ✓ First REIT to introduce the Income Distribution Reinvestment Plan
- ✓ First REIT to implement Unit Split
- ✓ Axis-REIT undertakes first built-to-suit development in 2016



1Q2017
HIGHLIGHTS

- ✓ Investment properties currently stands at RM 2,165,147,000.
- ✓ Completion of disposal of Axis Eureka on 8 March 2017 for RM56.1 million, resulting in a gain of RM1.35 million.
- ✓ Declared 1st interim 2017 DPU of 2.15 sen, which comprises 2.10 sen per unit from operations and 0.05 sen per unit (1st tranche) from the gain on disposal of Axis Eureka.
- ✓ Acceptance of a Letter of Offer to acquire an industrial facility for RM155.0 million located at Kuantan, Pahang on 2 February 2017.
- ✓ Acceptance of a Letter of Offer to acquire an industrial facility for RM50.0 million located at Iskandar Puteri, Johor on 7 April 2017.
- ✓ Launched new tenant portal to measure tenant satisfaction levels.
- ✓ Currently trades at a premium of 31% to NAV.

1Q2017 Return Comparatives



* (Based on annualised DPU from operations + movement in market price)/opening market price as at 1 January 2017)



1Q2017 FINANCE REPORT

	1Q2017
Total Net Income ("Realised") (RM' 000)	22,802
Income Available for Distribution ("Realised") (RM' 000)	24,608
Earnings per Unit ("EPU") ("Realised") (Sen)	2.06
Income Distribution Declared (RM'000)	23,761
Distribution per Unit ("DPU") (Sen) *	2.15
Number of Investment Properties	38
Units in Circulation (Units)	1,105,173,591
Assets Under Management (RM'000)	2,213,348
Total Financing (RM'000)	751,239
Gearing Ratio (%)	33.94%
Total Unitholder's Fund (RM'000)	1,392,409
Market Capitalization (RM'000)	1,823,536
Net Asset Value per Unit (RM)	1.2599
IPO Retail Unit Price (RM) (restated from RM1.25)	0.625
Unit Price as at 31 March 2017 (RM)	1.65
Number of Unitholders	3,934

* First interim income distribution to be paid on 31 May 2017 including gain on disposal of Axis Eureka of 0.05 sen (1st tranche)

Income Statement 1Q2017 vs 1Q2016



	1Q2017 (RM '000)	1Q2016 (RM'000)	Changes
No. of Properties	38	38	-
Property Income - Note 1	42,515	41,075	+ 3.5%
Property Expenses - Note 2	(6,541)	(6,537)	+ 0.1%
Net Property Income	35,974	34,538	+ 4.2%
Profit Income / other income	178	140	
Loss on disposal of property - Note 3	(413)	-	
Non-Property Expenses - Note 4	(4,751)	(4,718)	+ 0.7%
Islamic Financing Cost - Note 5	(8,186)	(7,791)	+ 5.1%
Net Income	22,802	22,169	+ 2.9%
DPU (sen)	2.15	2.05	+ 4.9%
No. of units in issuance - Note 6	1,105,173,591	1,099,793,068	

Note: The above financials excludes unrealised earnings due to changes in fair value of investment properties/tenants' deposits and derivatives liability.

Note 1 – Property Income

Increase in property income as compared to last preceding year corresponding quarter is due to contribution of rental proceeds from Scomi Facility@Rawang coupled with positive rental revision of 5.8% and rental of 17.6 acres land at Axis PDI Centre. This has offset the loss of rental income from Delfi Warehouse.

Note 2 – Property Expenses

Minor increase in property expenses is aligned with additional property added to the portfolio.

Note 3 – Net gain on disposal of property

Computation of distributable gain on disposal on Axis Eureka:

		RM'000
Disposal price		56,132
Less: Carrying value (latest market value in Axis-REIT's book)		(55,000)
		1,132
Less : <u>Incidental cost</u>		
Legal fees - SPA	(106)	
Valuation fee	(28)	
Agency fee	(1,059)	
Disposal fee, RPGT & others	(352)	
		(1,545)
Loss on Disposal recognised in income statement		(413)
Add: Realisation of revaluation gain*		1,764
Gain on Disposal		1,351
Translated into additional DPU		0.12 sen

**realization of unrealized income – recognition of prior years' unrealized fair value gain on market value of Axis Eureka as realized income upon disposal.*

Note 4 – Non-Property Expenses

The MER of the Fund for both corresponding quarters is 1.27%.

Note 5 – Islamic Financing Cost

Increase in financing cost due to additional financing facilities utilised to fund the new acquisition.

Note 6 – No. of Units in Issuance

Increase in Fund's units is due to the issuance of new units pursuant to IDRPs implemented in 2016.

Gross Yield of Investment Properties



Properties		Gross yield (%)	Average YTD gross yield = 9.8%		
1	Wisma Kemajuan	17.95%	21	Quattro West	8.90%
2	FCI Senai	14.85%	22	Tesco Bukit Indah	8.85%
3	Crystal Plaza	14.61%	23	Axis Steel Centre	8.82%
4	Menara Axis	14.14%	24	Axis Technology Centre	8.27%
5	BMW Centre PTP	13.84%	25	Beyonics i-Park Campus Block C	8.08%
6	Strateq Data Centre	12.26%	26	Beyonics i-Park Campus Block B	8.06%
7	D8 Logistics Warehouse	12.17%	27	Beyonics i-Park Campus Block A	8.06%
8	Niro Warehouse	11.57%	28	Beyonics i-Park Campus Block D	8.05%
9	Fonterra HQ	11.36%	29	Scomi Facility @ Rawang	7.98%
10	Seberang Prai Logistic Warehouse 3	10.80%	30	Axis Shah Alam DC 3	7.86%
11	Emerson Industrial Facility Nilai	10.64%	31	Axis MRO Hub	7.82%
12	Bayan Lepas Distribution Centre	10.57%	32	Axis Shah Alam DC 2	7.74%
13	Wisma Academy Parcel	10.16%	33	Axis Vista	7.60%
14	Seberang Prai Logistic Warehouse 1	9.85%	34	Axis Steel Centre@ SiLC	7.47%
15	Axis Shah Alam DC 1	9.60%	35	The Annex	5.95%
16	Giant Hypermarket, Sungai Petani	9.48%	36	Axis Business Campus	2.13%
17	Bukit Raja Distribution Centre	9.48%	37	Delfi Warehouse	-
18	Seberang Prai Logistic Warehouse 2	9.38%	38	Axis PDI Centre	<i>Under development</i>
19	Infinite Centre	9.13%			
20	Axis Business Park	9.09%			

Net Yield of Investment Properties

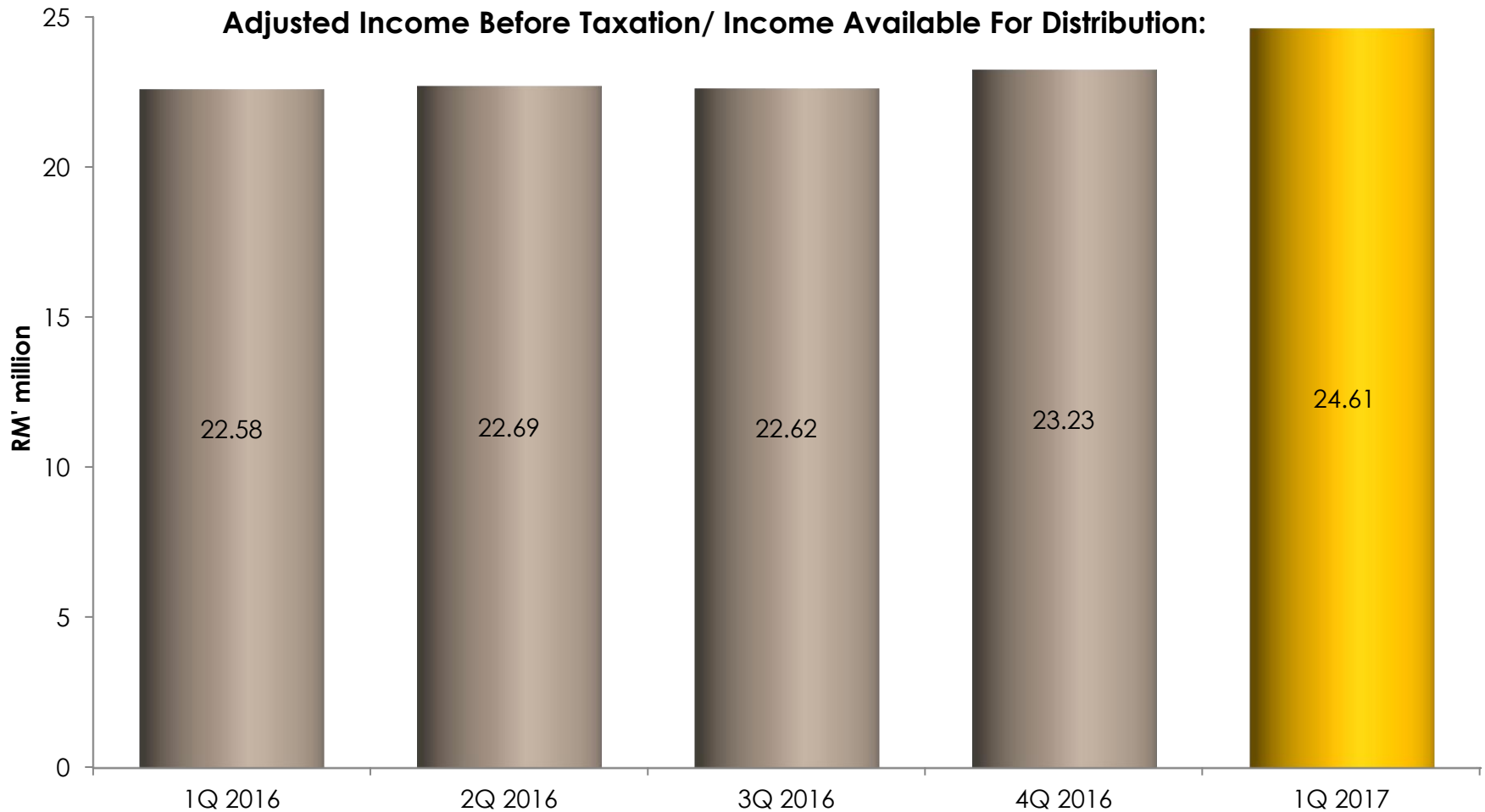


Properties	Net yield (%)	Average YTD net yield = 8.5%	
1 Wisma Kemajuan	14.13%	21 Wisma Academy Parcel	7.39%
2 FCI Senai	13.50%	22 Axis MRO Hub	7.19%
3 BMW Centre PTP	12.53%	23 Axis Steel Centre@ SiLC	7.13%
4 Crystal Plaza	12.44%	24 Axis Business Park	7.08%
5 Menara Axis	11.98%	25 Axis Shah Alam DC 2	6.99%
6 Strateq Data Centre	11.55%	26 Beyonics i-Park Campus Block D	6.98%
7 D8 Logistics Warehouse	11.27%	27 Beyonics i-Park Campus Block A	6.95%
8 Niro Warehouse	10.41%	28 Beyonics i-Park Campus Block B	6.94%
9 Emerson Industrial Facility Nilai	9.65%	29 Beyonics i-Park Campus Block C	6.90%
10 Fonterra HQ	9.64%	30 Axis Shah Alam DC 3	6.85%
11 Seberang Prai Logistic Warehouse 3	9.52%	31 Quattro West	6.76%
12 Seberang Prai Logistic Warehouse 1	9.34%	32 Infinite Centre	6.65%
13 Bukit Raja Distribution Centre	9.03%	33 Axis Technology Centre	6.36%
14 Bayan Lepas Distribution Centre	8.90%	34 Axis Vista	6.26%
15 Seberang Prai Logistic Warehouse 2	8.79%	35 The Annex	4.40%
16 Axis Shah Alam DC 1	8.78%	36 Axis Business Campus	0.44%
17 Giant Hypermarket, Sungai Petani	8.70%	37 Delfi Warehouse	-
18 Tesco Bukit Indah	8.23%	38 Axis PDI Centre	<i>Under development</i>
19 Axis Steel Centre	8.00%		
20 Scomi Facility @ Rawang	7.45%		

Income Available for Distribution



Adjusted Income Before Taxation/ Income Available For Distribution:



Proposed : 2.15 sen DPU

2.15 sen DPU is based on 99.80% income available for distribution from performance of properties for the period from 1 January 2017 to 31 March 2017 and a 41% on gain of disposal of Axis Eureka (1st tranche).

Important dates:

Ex-date	: 8 May 2017
Entitlement date	: 11 May 2017
Payment date	: 31 May 2017

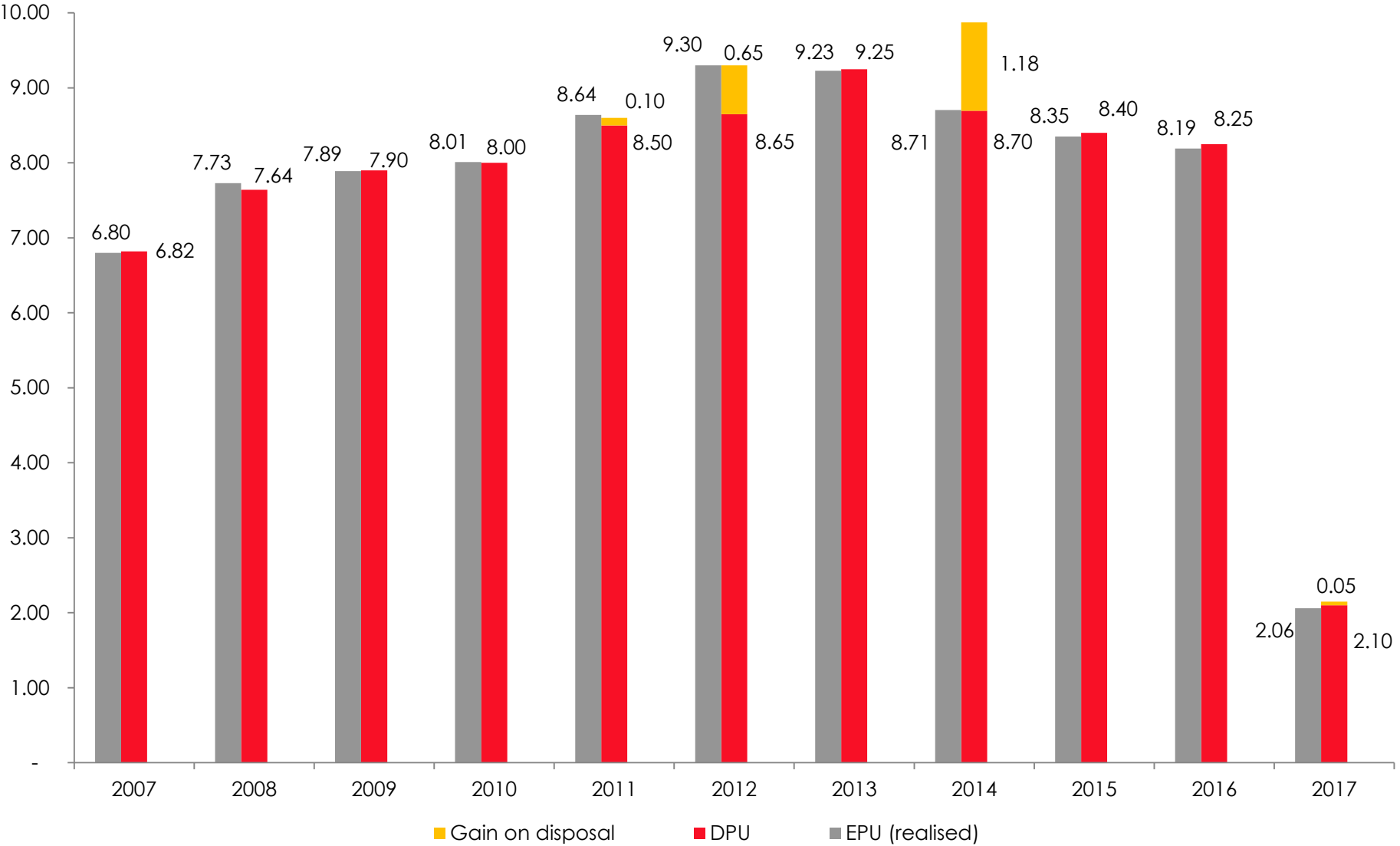
Distribution of net gain on disposal of Axis Eureka

The disposal of Axis Eureka has resulted in a total realised gain on disposal of RM1.35 million which comprises the realization of unrealised income of RM1.76 million less loss on disposal of RM413,000 (as recognised in income statement). The net gain on disposal translates to an additional income distribution of 0.12 sen per unit.

Whilst pending the clearance of RPGT from tax department on the gain on disposal, the Manager has proposed that the gain on disposal to be distributed in 2 tranches.

	Distribution of gain on disposal (RM)	Additional DPU
1st interim 2017	0.55 million	0.05 sen
2nd interim 2017	0.80 million	0.07 sen
	1.35 million	0.12 sen

Summary of Realised EPU and DPU



Statement of Financial Position



	31/03/17 (RM'000)	31/12/16 (RM'000)	Changes
Investment Properties – Note 1	2,165,147	2,198,149	- 33,002
Fixed Assets	2,794	2,899	- 105
Other Assets – Note 2	45,407	43,226	+ 2,181
TOTAL ASSETS	2,213,348	2,244,274	- 30,926
Borrowings – Note 3	751,239	780,665	- 29,426
Other Payables	69,700	70,638	- 938
TOTAL LIABILITIES	820,939	851,303	- 30,364
NET ASSET VALUE (NAV)	1,392,409	1,392,971	- 562
Unitholders' Capital – Note 4	1,060,320	1,060,320	-
Undistributed Distributable Income	20,725	19,368	+ 1,357
Non-Distributable Reserve – Note 5	311,364	313,283	- 1,919
TOTAL UNITHOLDERS' FUND	1,392,409	1,392,971	- 562
GEARING	33.94%	34.78%	
NAV/unit (RM)	1.2599	1.2605	
No. of units in issuance	1,105,173,591	1,105,173,591	

Note 1 – Investment Properties

Disposal of Axis Eureka was completed on 8 March 2017. During the year, a total of RM2.6 million was spent on enhancement works of the properties in the portfolio and RM19.4 million has been incurred for development cost for the Nestle Distribution Centre at Axis PDI.

Note 2 – Other assets

The average collection of trade receivables is as shown below:

For Period Ended	Avg. Collection Period (in days)
31-Dec-16	3
31-Mar-17	2

Statement of Financial Position – Note 3

Borrowings



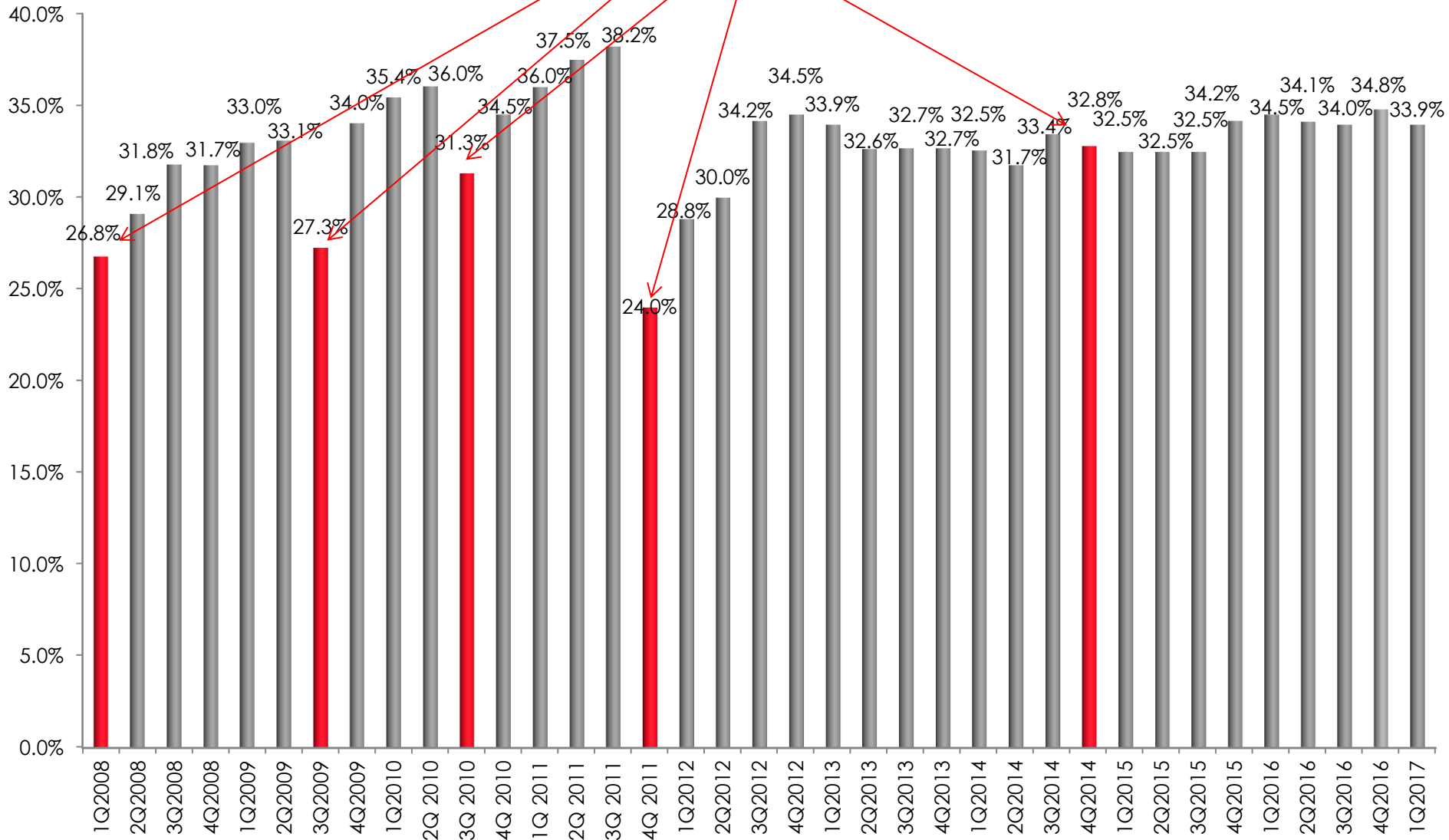
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Borrowings (RM'000)	230,456	308,932	416,609	311,338	548,920	528,004	683,769	731,814	780,665	751,239
Total Assets (RM'000)	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	2,141,493	2,244,274	2,213,348
Gearing	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	34.17%	34.78%	33.94%
Effective Profit Rate	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	4.28%	4.25%	4.21%
Percentage of short term borrowings- Maturity < 1 Year	100%	47%	48%	52%	62%	50%	61%	55%	58%	56%
Percentage of medium/ long term borrowings (maturity more than 1 years and less than 8 years)	-	53%	52%	48%	38%	50%	39%	45%	42%	44%
Percentage of floating rate borrowings	100%	47%	48%	52%	62%	40%	47%	50%	53%	58%
Percentage of fixed rate borrowings	-	53%	52%	48%	38%	60%	53%	50%	47%	42%
Total unencumbered assets	13	12	11	12	6	5	5	10	15	13
Percentage of unencumbered assets/total assets	44%	52%	42%	44%	19%	16%	21%	26%	30%	24%
Financing cost cover	5.5	4.8	4.1	3.8	4.6	4.5	4.5	4.1	3.8	3.8

Statement of Financial Position – Note 3

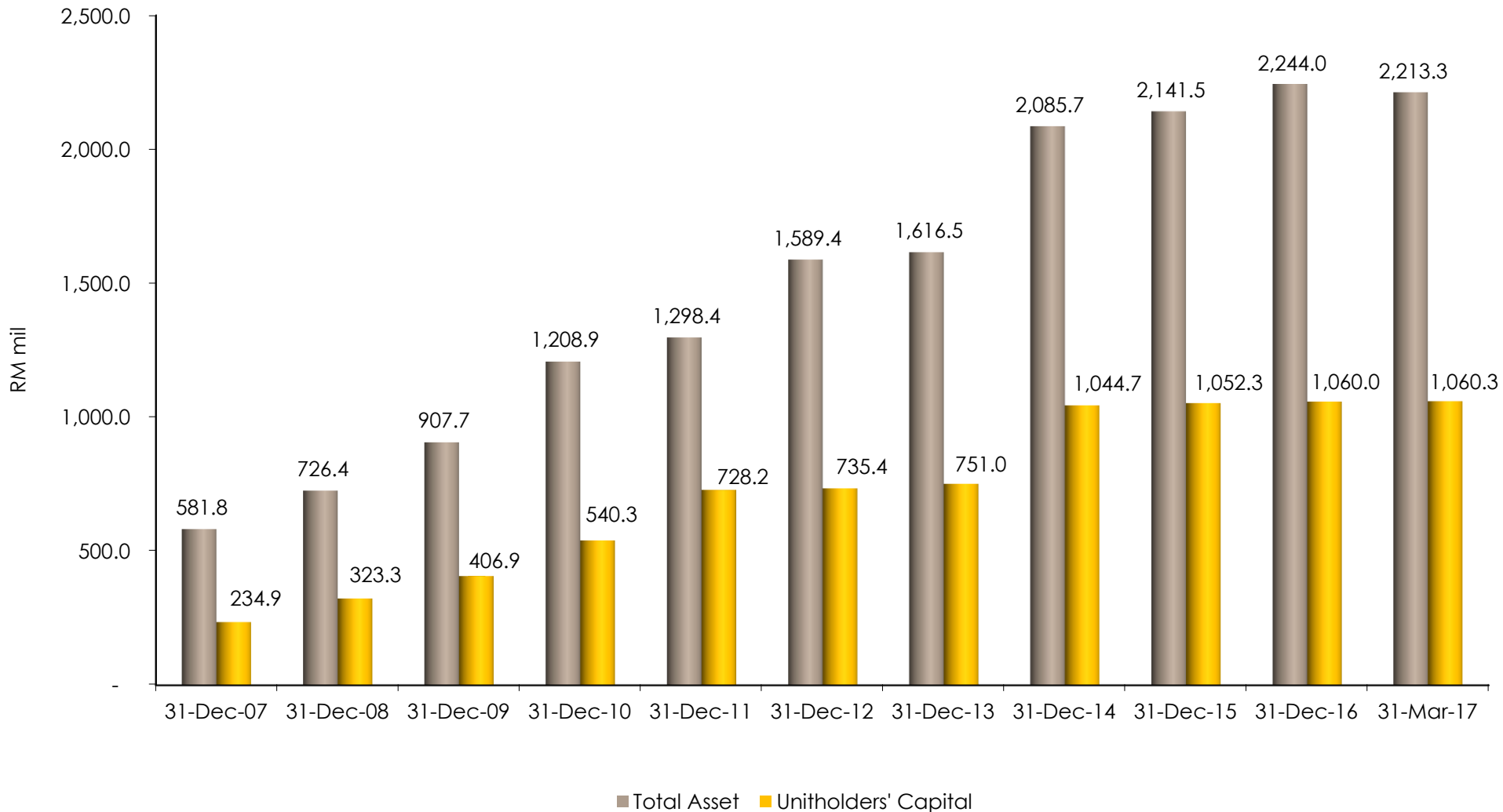
Gearing Levels



Placements Undertaken

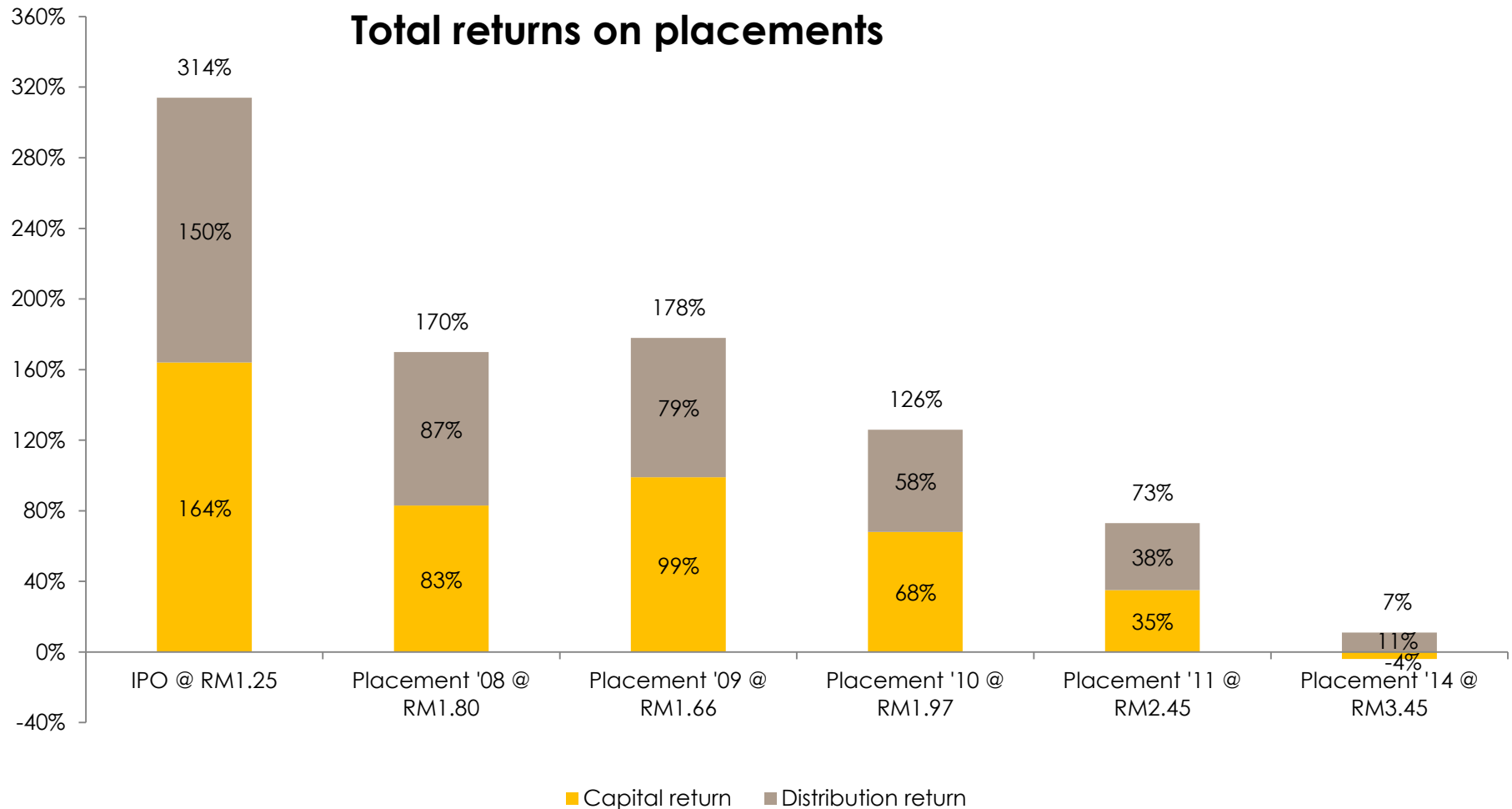


Unitholders' Capital – Note 4



... resulting in good total returns to unitholders.

Total returns on placements



Statement of Financial Position – Note 5

Non-distributable Reserve



Non-distributable reserve mainly comprises the favorable gain in fair value of approximately **RM301** million to date.

Property	Gain/(loss) RM'000
Crystal Plaza	44,754
Menara Axis	37,617
Wisma Kemajuan	26,710
Bukit Raja Distribution Centre	26,073
Axis Vista	22,140
Axis Business Park	20,232
Tesco Bukit Indah	19,076
Strateq Data Centre	14,271
Axis Business Campus	12,841
Axis Shah Alam DC 1	9,853
Infinite Centre	7,557
FCI Senai	7,307
Giant Hypermarket, Sungai Petani	7,027
Quattro West	5,925
The Annex	5,678
Fonterra HQ	5,572
Axis Steel Centre	3,888
Niro Warehouse	3,766
Axis Technology Centre	3,746
Emerson Industrial Facility Nilai	3,183

Property	Gain/(loss) RM'000
Seberang Prai Logistic Warehouse 3	3,183
Delfi Warehouse	2,997
Seberang Prai Logistic Warehouse 1	2,678
D8 Logistics Warehouse	2,252
BMW Centre PTP	2,217
Bayan Lepas Distribution Centre	1,417
Axis Shah Alam DC 2	819
Seberang Prai Logistic Warehouse 2	815
Axis Steel Centre@ SiLC	551
Scomi Facility @ Rawang	304
Beyonics – Block D	196
Beyonics – Block B	185
Beyonics – Block C	166
Beyonics – Block A	131
Wisma Academy Parcel	(369)
Axis MRO Hub	(375)
Axis PDI Centre	(1,687)
Axis Shah Alam DC 3	(1,936)

SR Technics



PUSAT SERVIS

1Q2017 PROPERTY REPORT



As at 31 March 2017, the occupancy rate of Axis-REIT's portfolio of properties stands at 91.86% with a stable weighted average lease expiry period of 4.46 years (based on rental). In 1Q2017, the Manager achieved positive rental reversion of 5.8% from renewals.

For 2017, 1,299,012 sq. ft. of space will be due for renewal, representing 17.48% of the portfolio. Out of this, 359,316 sq. ft. has been renewed, representing 27.66%. The Manager secured 75,648 sq. ft. of new tenancies in 1Q2017 partly from the continuous support of existing tenants as well as new tenants. The development of 515,000 sq. ft. Nestle Distribution Centre is progressing on track to be completed for handover in 2018.

The office market is still challenging with new supply continuing to outstrip demand coupled with impact from the soft global economic conditions. The National Property Information Centre (NAPIC) statistics released in April 2017 indicate that current occupancy of office space stands at 77.9%, falling for three consecutive years.

Our risk exposure to office space is reduced with the disposal of Axis Eureka located in Cyberjaya which was completed on 8 March 2017. Our properties are in the affordable rental category and continue to appeal to companies that are expanding or relocating from properties with higher rental rates.

Vacancy in the portfolio currently stands at 605,244 sq. ft. The Manager's focus in 2017 is to fill the voids and tenants retention. Our leasing team is actively in discussion with potential tenants. By filling the current vacant spaces, we expect to add as much as 1.45 sen to the annual DPU.

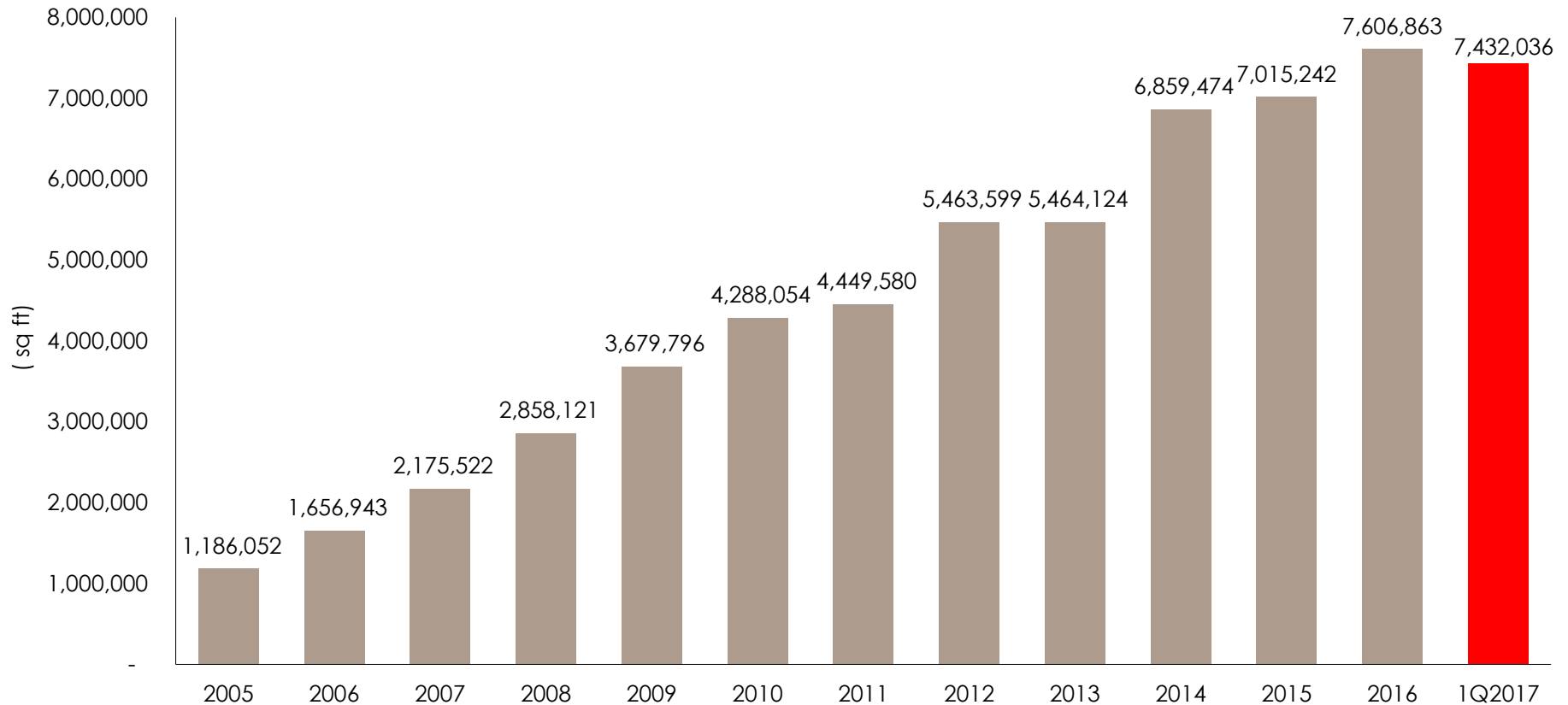
As at 31 March 2017, the portfolio has 38 assets comprising 7,432,036 sq. ft. and 135 tenants.

	1Q2017	4Q2016	Movement
No of properties	38	39	↓ 1
Property Income (RM' 000)	42,515	42,230	↑ 0.68%
Property Expenses (RM' 000)	6,541	6,625	↓ 1.27%
Net Property Income (RM' 000)	35,974	35,605	↑ 1.04%
Occupancy	91.86%	92.03%	↓ 0.17%

Average Rental Rates:

Type of Properties	1Q2017	4Q2016	Movement
Office (RM/sq. ft.)	4.74	4.80	↓ 0.06
Office Industrial (RM/sq. ft.)	2.73	2.73	-
Manufacturing Facilities (RM/sq. ft.)	1.29	1.29	-
Warehouse Logistics (RM/sq. ft.)	1.55	1.53	↑ 0.02
Hypermarket (RM/sq. ft.)	2.36	2.36	-

Space Under Management (sq ft)



Note:

The reduction in space under management is due to the disposal of Axis Eureka and the development of Axis PDI Centre.

Portfolio Occupancy Rate



As at 31 March 2017, Axis-REIT has only 11 out of 38 properties that carry vacancy, while 1 is undergoing development.

26 properties enjoy 100% occupancy.

Occupancy

As at 31 March 2016 91.86 %

Vacancy

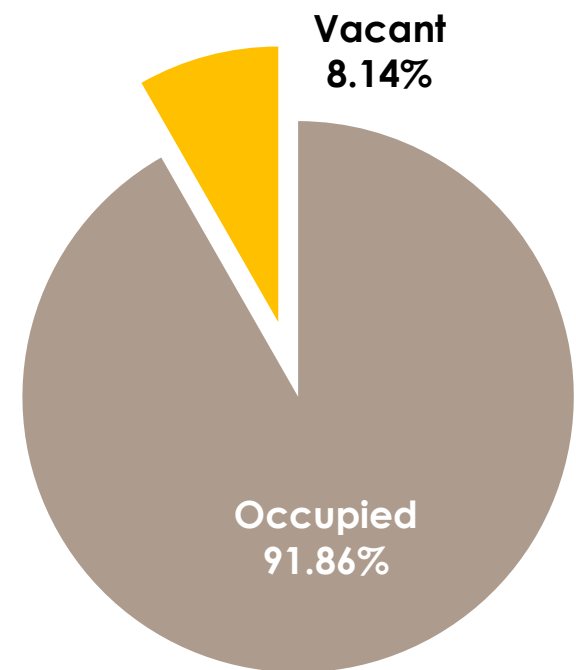
As at 31 March 2017 8.14 %
Space to be let out 605,244 sq. ft.

Occupancy

Multi-tenants properties 83.82%
Single tenant properties 97.00%

Unbilled space income **RM16 million per year**
Potential annual DPU upside 1.45 sen per unit/year

Occupancy Rate



Occupancy Rates by Property as at 31 March 2017

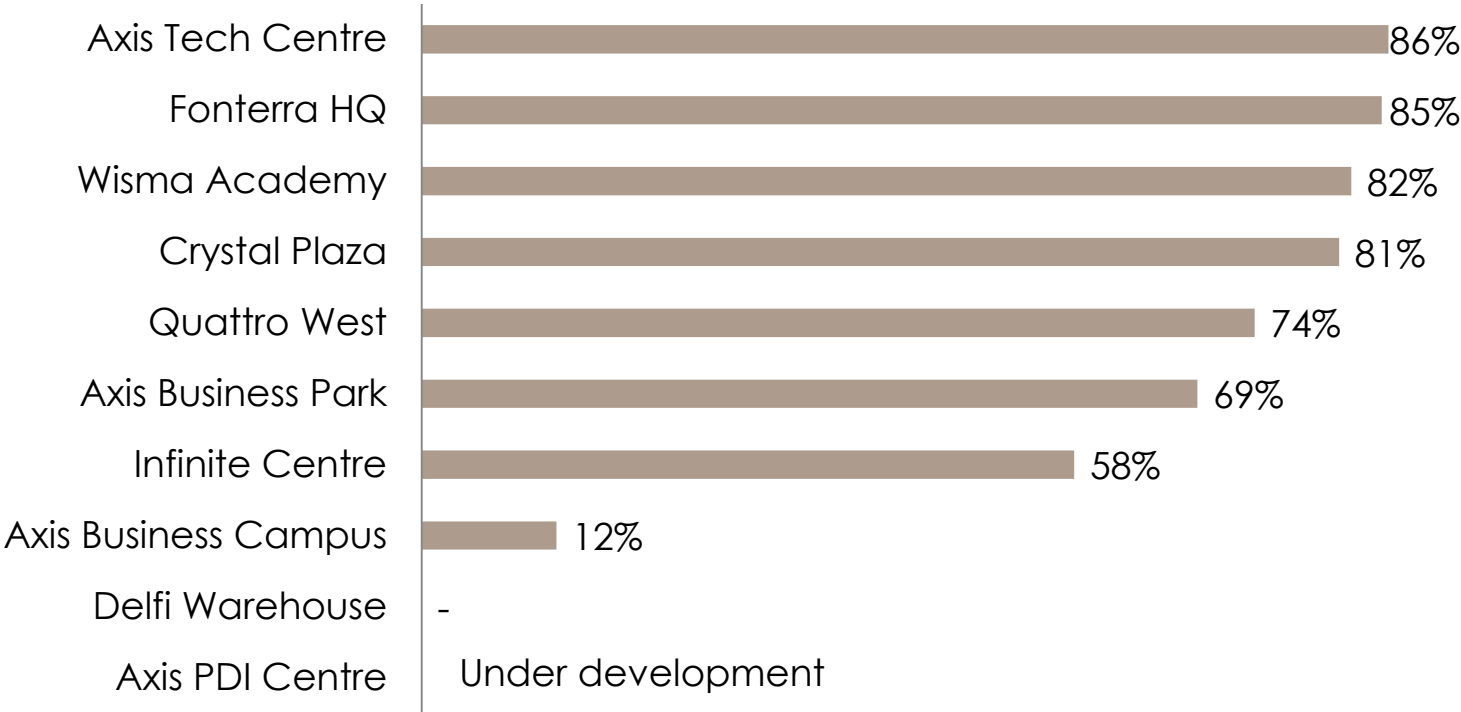


1	Menara Axis	90%	20	Axis Steel Centre	100%
2	Crystal Plaza	81%	21	Bukit Raja Distribution Centre	100%
3	Quattro West	74%	22	Seberang Prai Logistic Warehouse 1	100%
4	Axis Business Park	69%	23	Seberang Prai Logistic Warehouse 2	100%
5	Infinite Centre	58%	24	D8 Logistics Warehouse	100%
6	Wisma Kemajuan	90%	25	FCI Senai	100%
7	Axis Business Campus	12%	26	Bayan Lepas Distribution Centre	100%
8	Strateq Data Centre	100%	27	Seberang Prai Logistic Warehouse 3	100%
9	Fonterra HQ	85%	28	Emerson Industrial Facility Nilai	100%
10	Axis Vista	100%	29	Axis Shah Alam DC 3	100%
11	Axis Technogy Centre	86%	30	Axis MRO Hub	100%
12	Wisma Academy Parcel	82%	31	Axis Steel Centre @ SiLC	100%
13	The Annex	100%	32	Axis Shah Alam DC 2	100%
14	Giant Hypermarket Sg. Petani	100%	33	Beyonics I-Park Campus Block A	100%
15	Tesco Bukit Indah	100%	34	Beyonics i-Park Campus Block B	100%
16	Axis Shah Alam DC 1	100%	35	Beyonics i-Park Campus Block C	100%
17	BMW Centre PTP	100%	36	Beyonics i-Park Campus Block D	100%
18	Niro Warehouse	100%	37	Scomi Facility @ Rawang	100%
19	Delfi Warehouse	0%	38	Axis PDI Centre	(Under development)

Properties Below 90% Occupancy



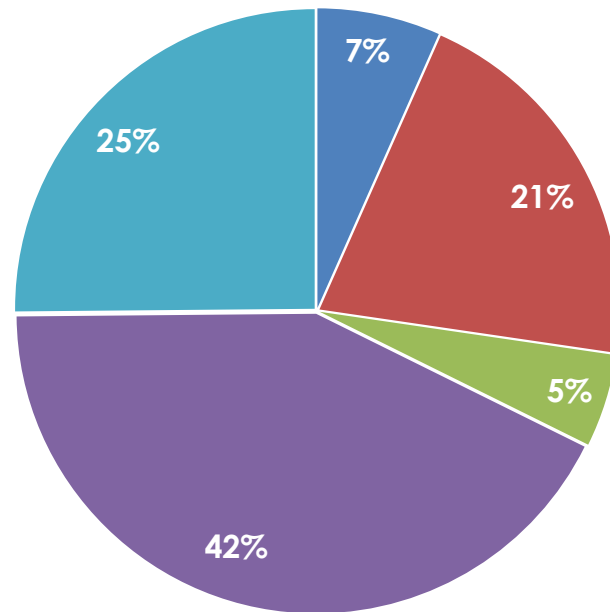
Occupancy rates of properties below 90% as at 31 March 2017



Note:

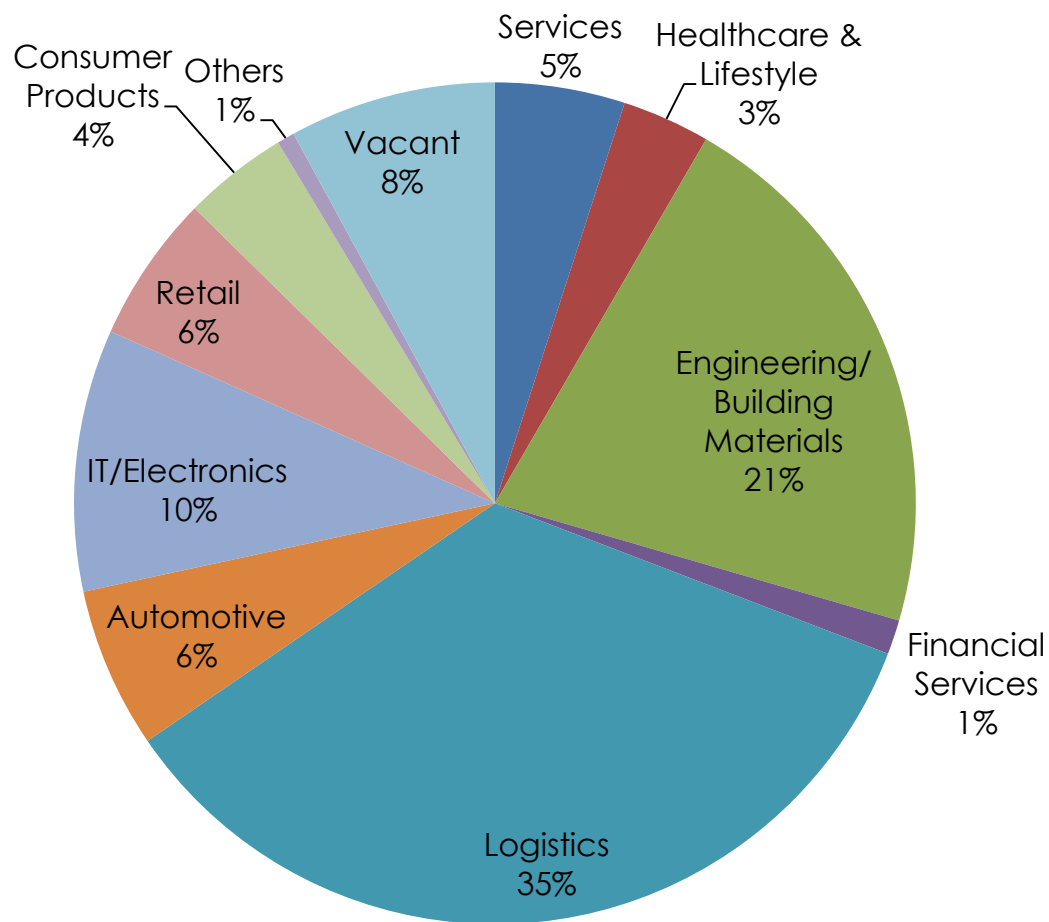
- *Fonterra HQ: Vacant space is built for future expansion*
- *Axis PDI Centre: 17.6 acres reserved for Phase 2 development is rented out as a vehicle storage yard*

Portfolio Diversification by Type and NLA

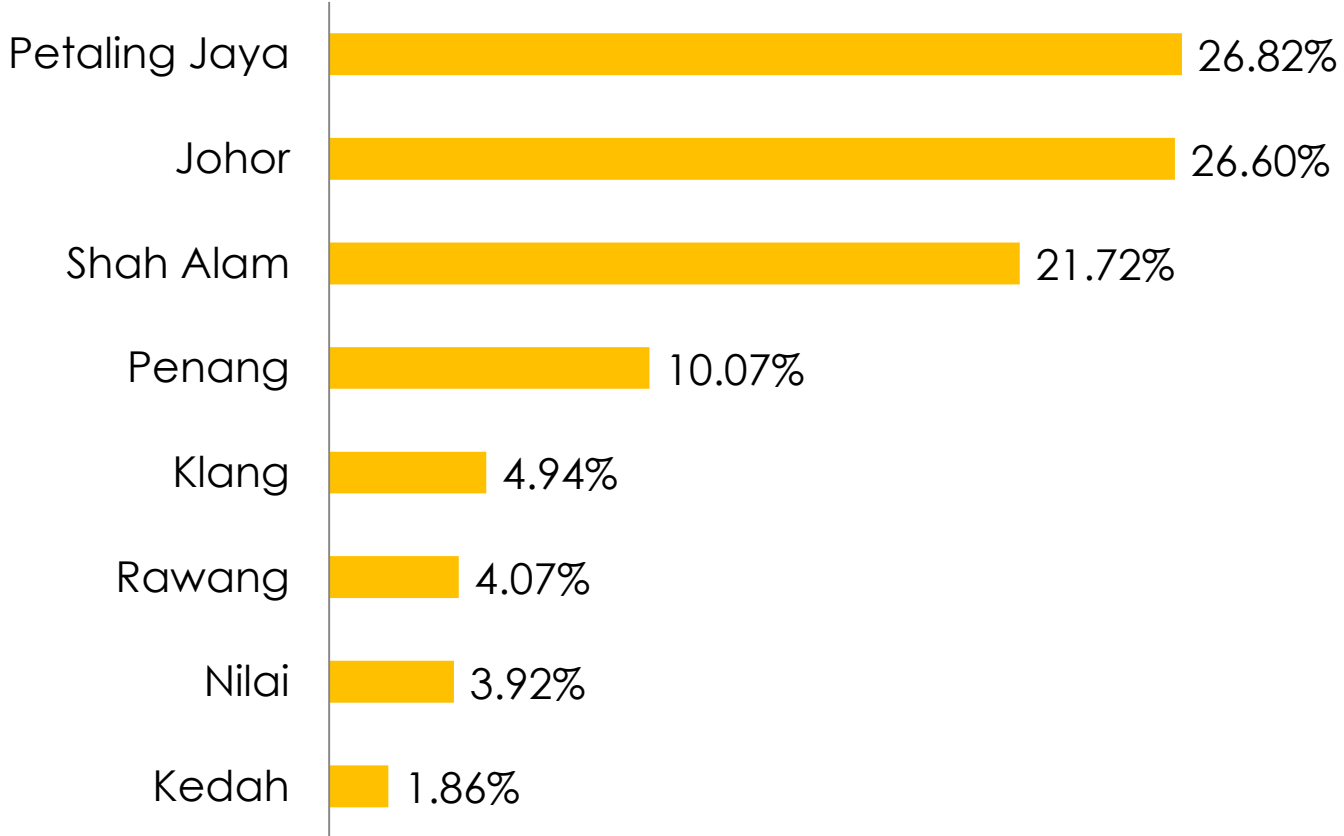


- Office
- Office/ Industrial
- Hypermarkets
- Warehouse Logistic
- Manufacturing Facilities - Light Industrial

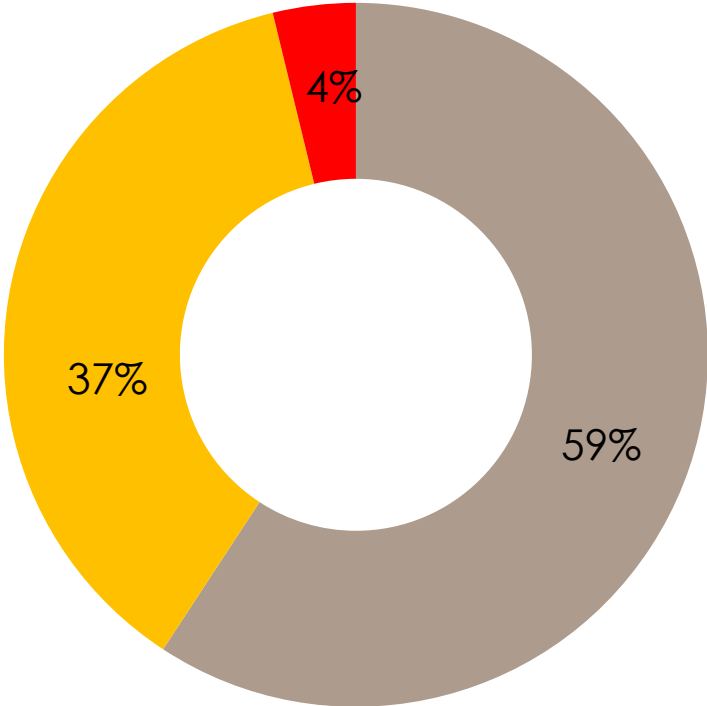
NLA by Industry Sector



Portfolio Diversification by Geographical Location



Single Tenant vs Multi-Tenants



■ Single Tenant ■ Multi Tenants ■ Vacant

Lease Expiry Profile



Year	Area Up for Renewal	% of Total NLA	% of Rental Income
2017	1,299,012 sq. ft.	17.48%	21.20%
2018	1,109,518 sq. ft.	14.93%	14.48%
2019	1,261,354 sq. ft.	16.97%	20.94%

Lease Expiry Profile



5.8% positive rental reversion for 1Q2017

By Location

Location	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2017	Total NLA	Income/ month	2018	Total NLA	Income/ month	2019	Total NLA	Income/ month
Petaling Jaya	565,548	7.61	12.30	275,332	3.70	5.08	574,487	7.73	15.11
Klang	366,839	4.94	3.55	-	-	-	-	-	-
Shah Alam	-	-	-	526,567	7.09	6.00	-	-	-
Johor	161,474	2.17	2.35	307,619	4.14	3.40	-	-	-
Nilai	-	-	-	-	-	-	291,642	3.92	1.77
Penang	205,151	2.76	3.00	-	-	-	395,225	5.32	4.06
TOTAL	1,299,012	17.48	21.20	1,109,518	14.93	14.48	1,261,354	16.97	20.94

By Type

Property Type	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2017	Total NLA	Income/ month	2018	Total NLA	Income/ month	2019	Total NLA	Income/ month
Office	98,313	1.32	3.48	18,160	0.24	0.56	257,765	3.47	9.22
Office Industrial	467,235	6.29	8.82	257,172	3.46	4.52	316,722	4.26	5.89
Warehouse Logistics	733,464	9.87	8.90	697,567	9.39	8.25	395,225	5.32	4.06
Manufacturing Facilities	-	-	-	136,619	1.84	1.15	291,642	3.92	1.77
TOTAL	1,299,012	17.48	21.20	1,109,518	14.93	14.48	1,261,354	16.97	20.94

Weighted Average Lease Expiry (WALE)



The WALE for the portfolio is:

By Year	1Q2017	4Q2016
By NLA	4.36	4.33
By Rental	4.46	4.45

Portfolio Efficiency (PE)



The Portfolio Efficiency Ratio =
Operating Cost for the Portfolio / Gross Property Income

YTD 31 Mar 2017	2016
15.39%	16.23%

1. LF Logistics Services (M) Sdn Bhd
2. POS Logistics Berhad (formerly known as Konsortium Logistik Berhad)
3. Yongnam Engineering Sdn Bhd
4. Tenaga Nasional Berhad
5. Tesco Stores (M) Sdn Bhd
6. Schenker Logistics (M) Sdn Bhd
7. DHL Properties (M) Sdn Bhd
8. Strateq Data Center Sdn Bhd
9. SR Technics Malaysia Sdn Bhd
10. BMW Asia Technology Centre Sdn Bhd

The top ten tenants account for 52% of the total revenue of the Trust.



**1Q2017
ASSET**

ENHANCEMENTS

Menara Axis

Lifts upgrading

Status : Completed

Axis Shah Alam DC 3

Upgrading fire fighting system in the property to comply with Authority Code of Compliance.

Status: Completed

Axis Business Park – Block C

Upgrading air conditioning system on Ground and Level 1 occupied by Fuji Xerox

Status: Completed



2017 PROPERTY DEVELOPMENT

The Manager is pleased to announce that on 19 August 2016, RHB Trustees Berhad signed an Agreement to Build and Lease with Nestle Products Sdn Bhd to develop a 515,000 sq. ft. distribution warehouse facility for Nestle as their distribution centre ("Nestle Distribution Centre"). The agreement is for an initial lease term of 10 years plus an option to renew for further two terms of three years each.

Axis-REIT expects to derive annual rental income of about RM19.22 million with a step-up every three years commencing June 2018.

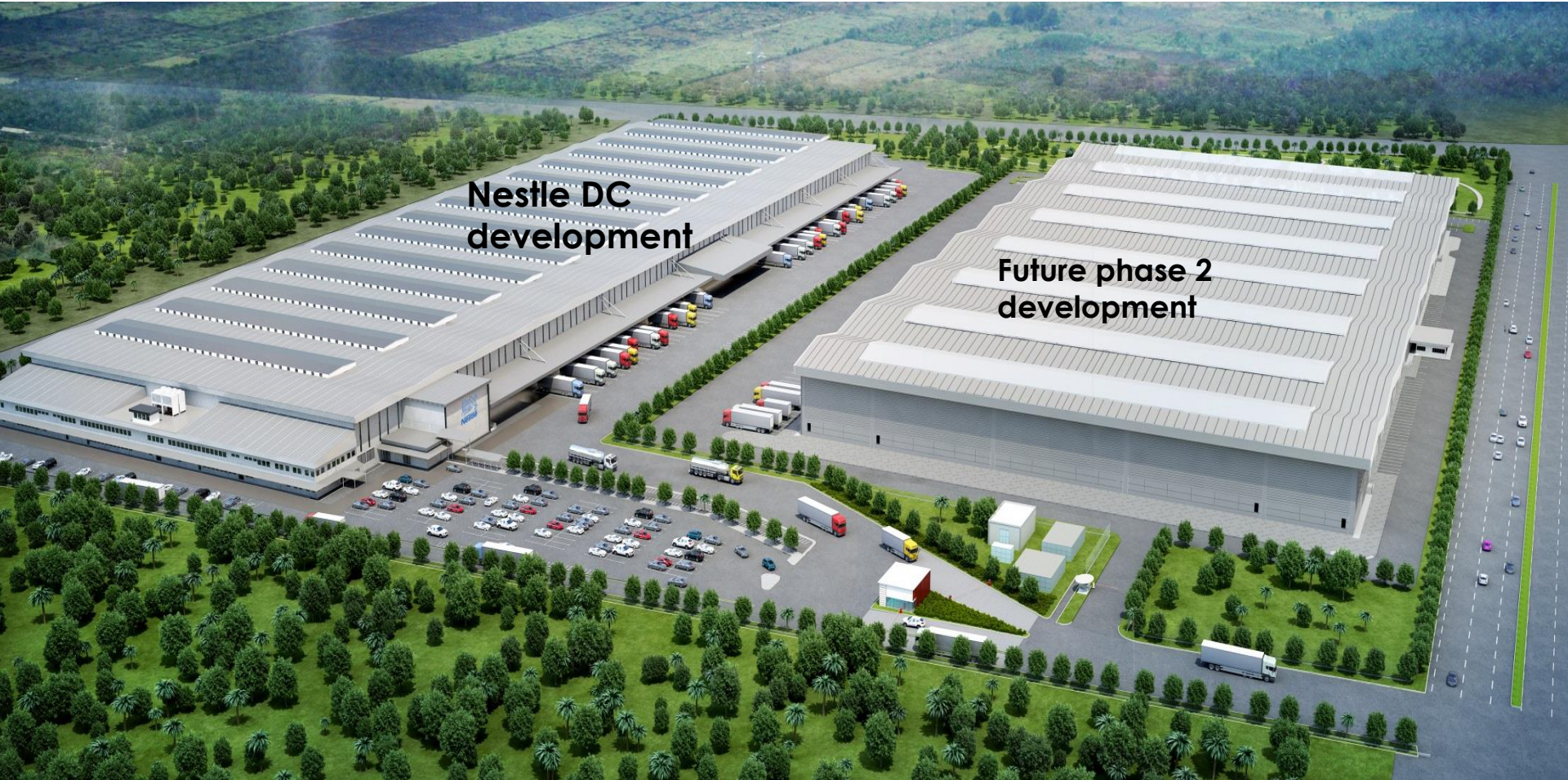
This development was granted a special waiver by the Securities Commission Malaysia to allow Axis-REIT to develop and lease the distribution centre. This project would increase the fund's gross revenue, net property income and income distribution to its unitholders, whilst enlarging the size of its assets under management.

Nestle Distribution Centre is the first phase of the development of Axis PDI Centre, which will take up 24.78 acres of the 50 acres property. The development has commenced in December 2016 and is on schedule to complete by end 2017.

NLA	:	515,000 sf
Rental	:	Starting RM19.22 million per annum
Tenure	:	10 years with option of 2 terms of 3 years each
Rent step-up	:	10% every 3 years
Handover date	:	31 January 2018
Lease Commencement	:	1 June 2018
Estimated development cost:		RM210.93 million (excl. land cost)

Axis PDI Centre (Before)





Nestle Distribution Centre





Future phase 2
development

Nestle DC
development

Phase 2 land – Rented as vehicle storage yard

Nestle DC (Current development progress)





SUSTAINABILITY INITIATIVES

- ✓ Axis-REIT's inaugural sustainability report 2016 will be published in February 2017 and has been prepared in accordance with the Global Reporting Initiative ("GRI") G4 guidelines – core, and the GRI Construction and Real Estate Sector Supplement ("CRESS"). Going forward, the Manager will report its sustainability performance on an annual basis.
- ✓ 529,488 sq. ft. of roof space is leased for installation of solar panels, generating annual income of RM1,280,085. This initiative not only supports the Manager's ESG agenda but also generates rental income for the trust.

Property	Lettable Area (sq. ft.)	Monthly Rental (RM)
Axis SADC 3	297,311	61,898.75
Axis MRO Hub	40,000	8,000.00
Axis SADC 2	145,312	30,375.00
Wisma Kemajuan	16,145	2,400.00
Axis Business Campus	30,720	4,000.00
TOTAL	529,488	106,673.75

1Q2017 INVESTMENTS REPORT



Kerry Warehouse – Pasir Gudang, Johor

Target Completion Date	:	3Q2017
Land Area	:	Approx. 6 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM33 million
Projected Net Property Yield	:	7.5%
WALE	:	4 years



Industrial Facility – Kuantan, Pahang

Target Completion Date	:	3Q2017
Land Area	:	Approx. 120 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM155 million
WALE	:	21 years



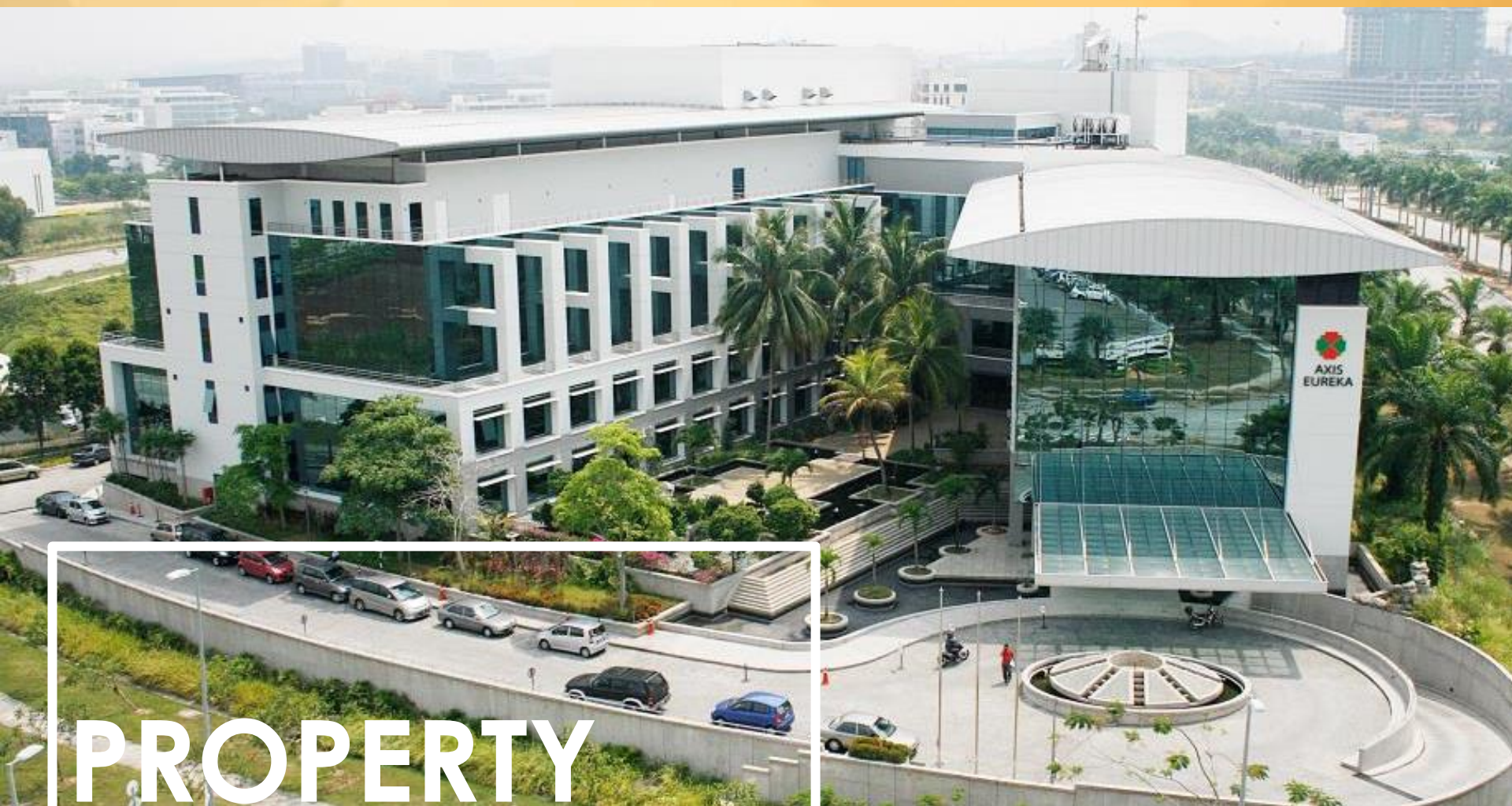
Industrial Facility – Iskandar Puteri, Johor

Target Completion Date	:	2Q2017
Land Area	:	Approx. 9.0 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM50 million
WALE	:	21 years

The Manager continues to aggressively source and evaluate potential acquisition targets that are deemed investable by Axis-REIT. The selection of properties will continue to focus on:

- Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants;
- Well-located retail warehousing in locations ideal for last-mile distribution; and
- Office, business parks and industrial properties with potential for future enhancement.

**Total Estimated Value of Acquisition Targets
RM160 million**



**PROPERTY
DISPOSAL**

Axis Eureka – Cyberjaya, Selangor

SPA Signing Date:	24 October 2016
Price:	RM56,132,075.00
Buyer:	Malaysia Qualifications Agency (Agensi Kelayakan Malaysia)
Occupancy Rate:	59.6% as at 31 December 2016
Net Yield:	4.8% for 2016
Completion Date:	8 March 2017
Gain on Disposal:	RM1.35 million
Contribution to DPU:	0.12 sen

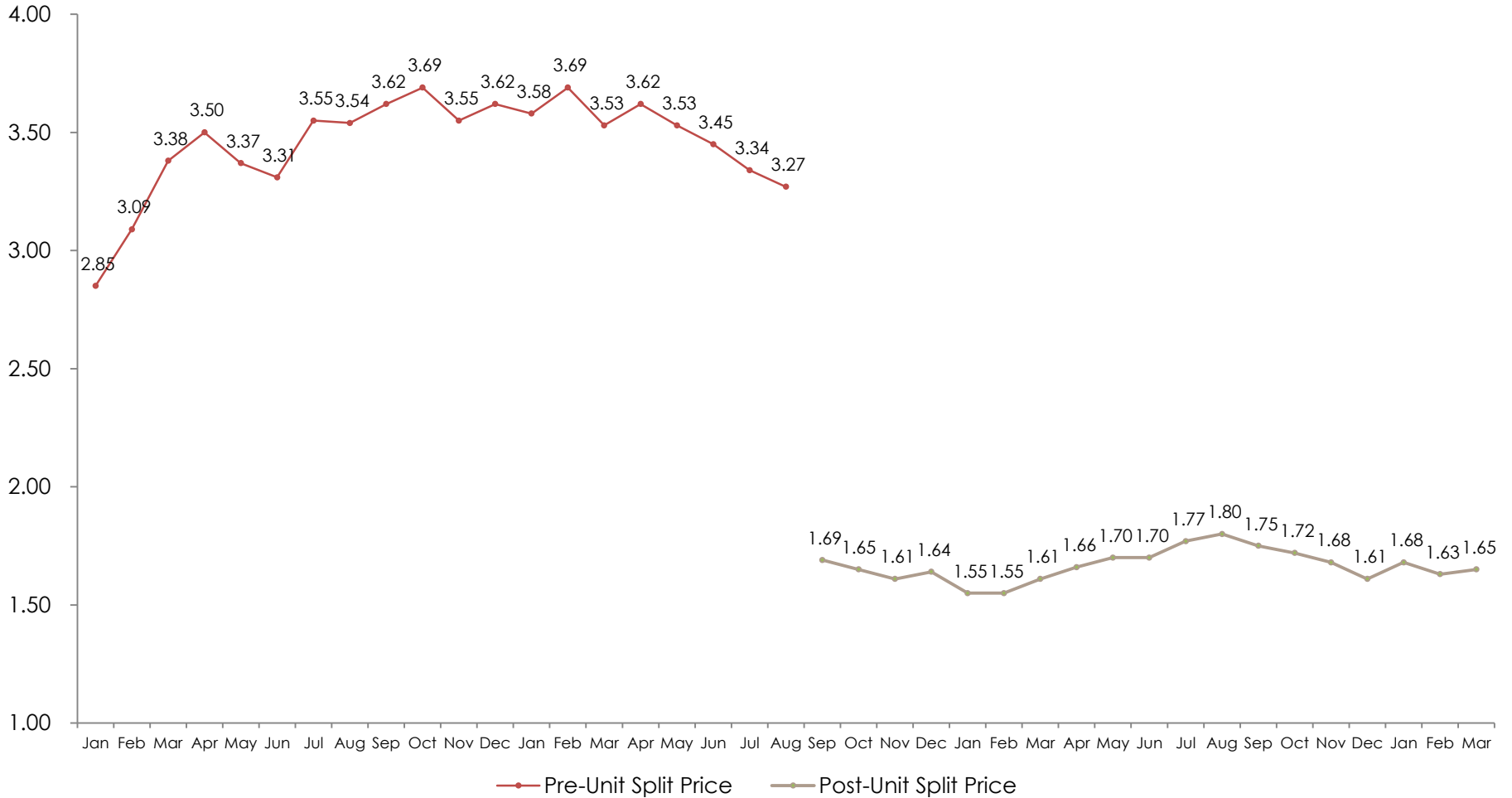


**1Q2017
INVESTOR RELATIONS
REPORT**

Unit Price Performance 1Q2017



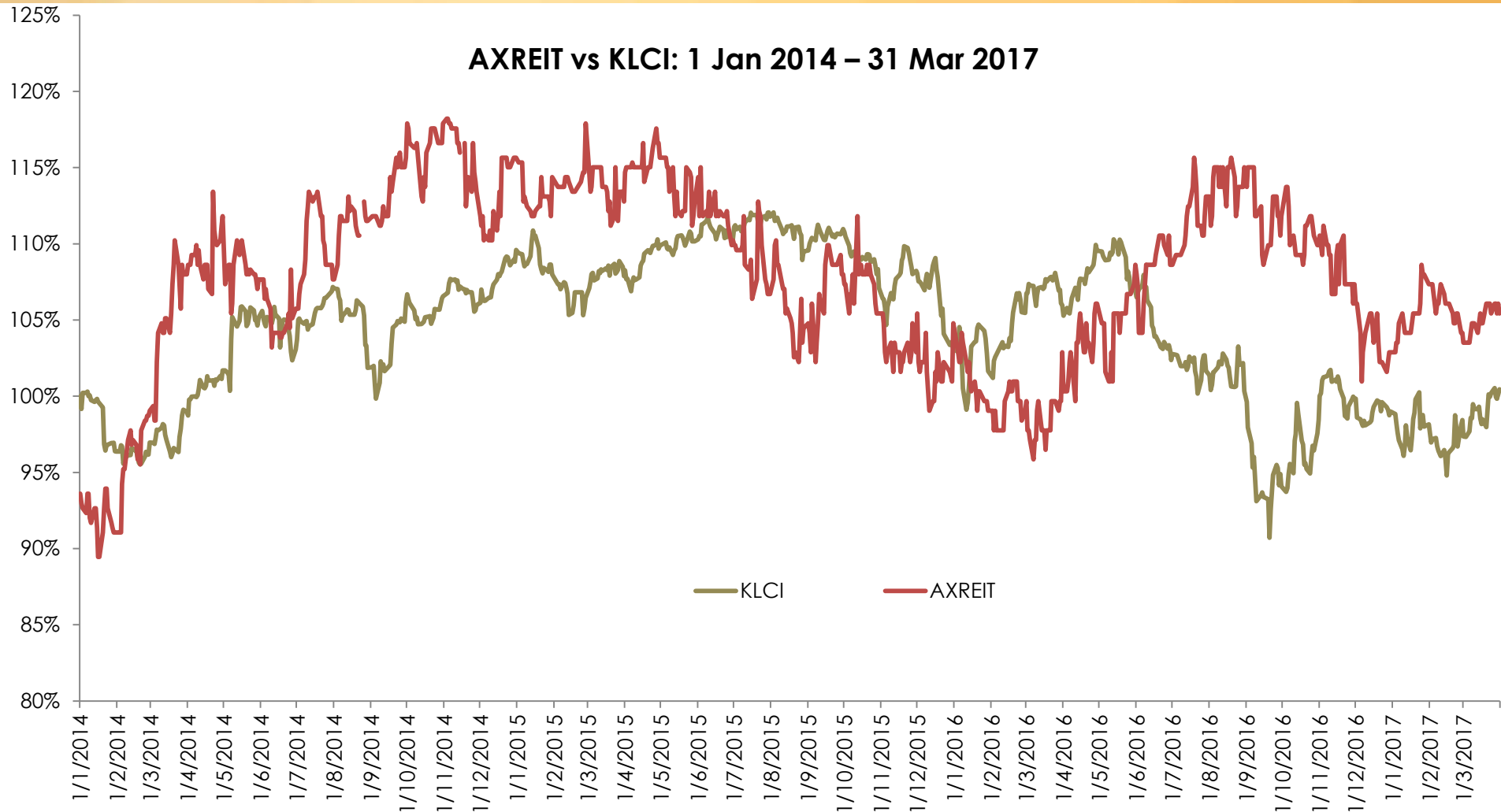
AXREIT: 1 Jan 2014 – 31 Mar 2017



Unit Price Movement 1Q2017



AXREIT vs KLCI: 1 Jan 2014 – 31 Mar 2017

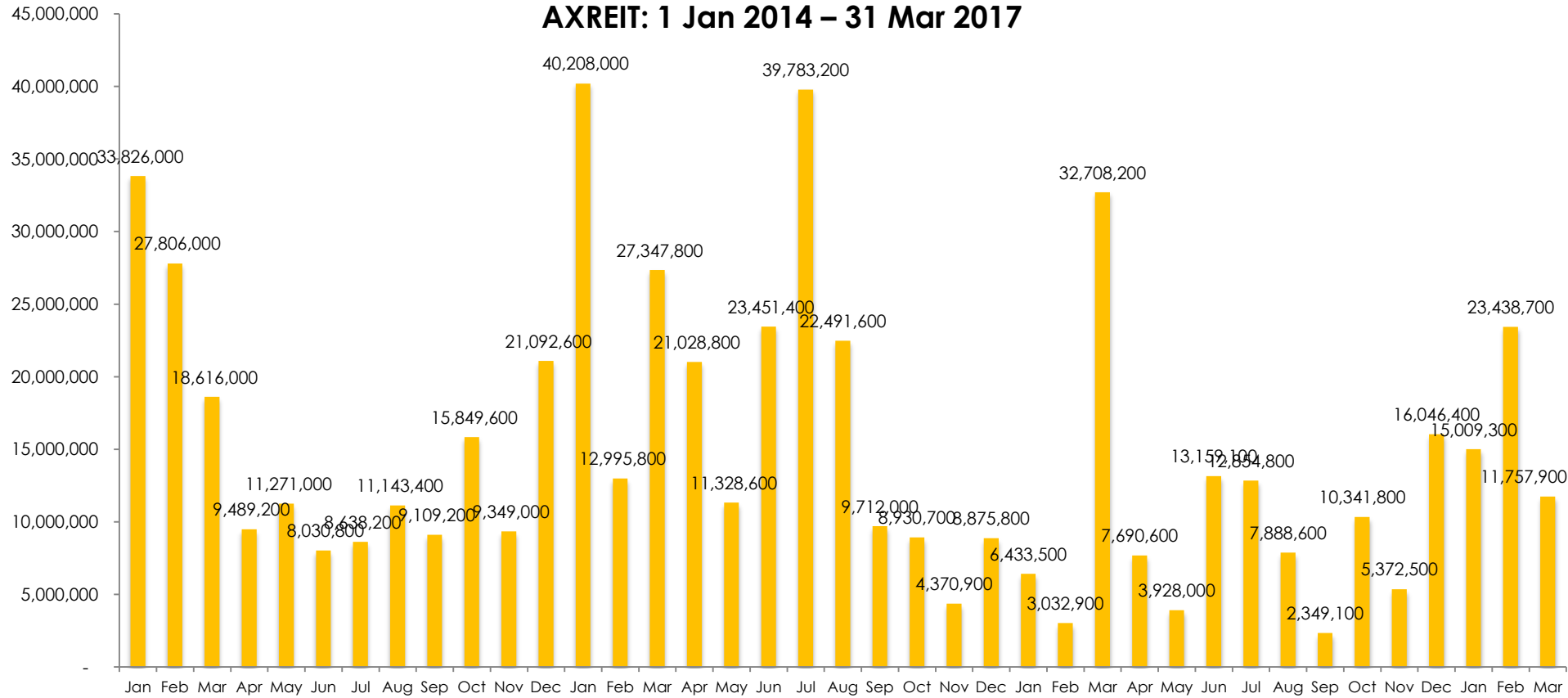


— KLCI — AXREIT

Price Statistics

1Q2017: Unit Price @ 31 Mar 2016	RM1.65	Highest Price YTD: Jan 2016	RM1.70
4Q2016: Unit Price @ 30 Dec 2016	RM1.61	63	Lowest Price YTD: Jan 2016
			RM1.61

AXREIT: 1 Jan 2014 – 31 Mar 2017



Volume Statistics

Average Monthly Volume 2017	16,735,300
Highest Monthly Volume: Feb 2017	23,438,700
Lowest Monthly Volume: Mar 2017	11,757,900

Top 10 Unitholders 1Q2017



1	EMPLOYEES PROVIDENT FUND	9.67%
2	AMANAH SAHAM BUMIPUTERA	9.05%
3	LEMBAGA TABUNG HAJI	5.43%
4	TEW PENG HWEE @ TEOH PENG HWEE	5.04%
5	ALEX LEE LAO	4.53%
	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3.96%
6	PERMODALAN NASIONAL BERHAD	3.95%
7	AMANAH SAHAM MALAYSIA	2.84%
8	AMANAH SAHAM BUMIPUTERA 2	2.26%
9	AMANAH SAHAM 1MALAYSIA	2.18%
10	PUBLIC SMALLCAP FUND	2.04%

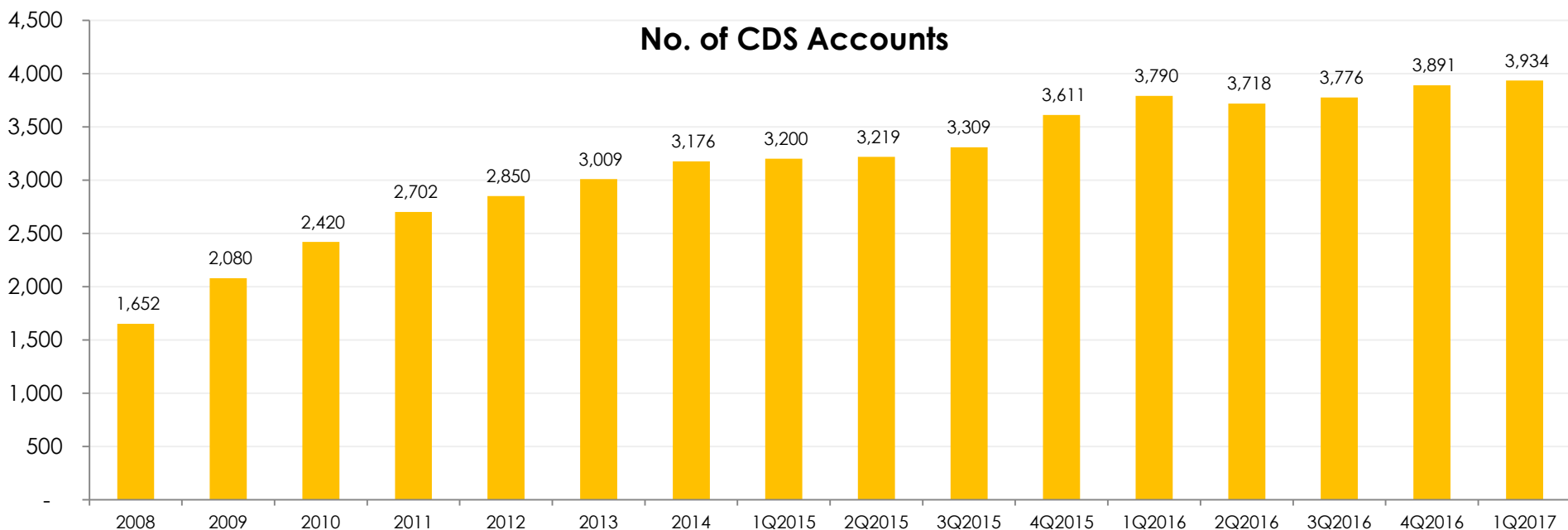
Holdings Breakdown	Units Held 1Q2017	Units Held 4Q2016	Q-on-Q Change
Top 5 Unitholders	33.72%	34.32%	-0.60%
Top 10 Unitholders	48.11%	48.76%	-0.65%
Unitholders with > 2 million unitholdings	88.18%	87.46%	0.72%

Top 5 increases in unitholdings:

	Last Quarter Increase
KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	1.6%
AMANAH SAHAM GEMILANG FOR AMANAH SAHAM KESIHATAN	1.1%
AMANAH SAHAM GEMILANG FOR AMANAH SAHAM PENDIDIKAN	0.4%
PUBLIC STRATEGIC SMALLCAP FUND	0.2%
RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	0.2%

Top 5 decreases in unitholdings:

	Last Quarter Decrease
AMANAH SAHAM DIDIK	-0.9%
AMANAH SAHAM MALAYSIA	-0.9%
ETIQA TAKAFUL BERHAD	-0.5%
AMANAH SAHAM WAWASAN 2020	-0.4%
EXEMPT AN FOR AIA BHD.	-0.4%



✓ Quarter-on-quarter, total number of CDS accounts increased by 43 to 3,934

	Units Held 1Q2017	Units Held 4Q2016	Q-on-Q Change
Total foreign holdings	11.64%	12.30%	-0.66%
Foreign holdings – related-party	7.67%	7.67%	0%
Foreign holdings – non-related-party	3.97%	4.63%	-0.66%
Promoters	14.00%	14.00%	0%

Analyst Coverage 1Q2017



Coverage	Rating	Target Price (RM)	Published Date
Alliance DBS	Hold	1.80	20-Jan-17
Hong Leong IB	Hold	1.72	20-Jan-17
KAF	Hold	1.65	20-Jan-17
Kenanga	Hold	1.58	20-Jan-17
Maybank	Hold	1.70	20-Jan-17
MIDF	Hold	1.68	20-Jan-17
UOBKayHian	Hold	1.65	20-Jan-17
RHB	Hold	1.70	20-Jan-17
Nomura	Hold	1.69	20-Jan-17
AffinHwang	Hold	1.67	20-Jan-17
S&P Capital IQ Consensus		1.71	1-Dec-2016

Recommendation	Movement		1Q2017	4Q2016
Buy	↔		0	0
Hold	↑		10	8
Sell	↔	68	0	0

THANK YOU

