

2Q  
2016

# Axis REIT Managers Berhad Results Presentation



5 August 2016

AXIS  
REAL ESTATE INVESTMENT TRUST

# Our Milestones



- ✓ Assets Under Management RM296 million  RM2.18 billion
- ✓ Space Under Management 978,000 sq ft  7,303,630 sq ft
- ✓ Properties 5  38
- ✓ Fund Size RM206 million  RM1.38 billion
- ✓ Valuation Gain since listing RM289,000,000
- ✓ 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



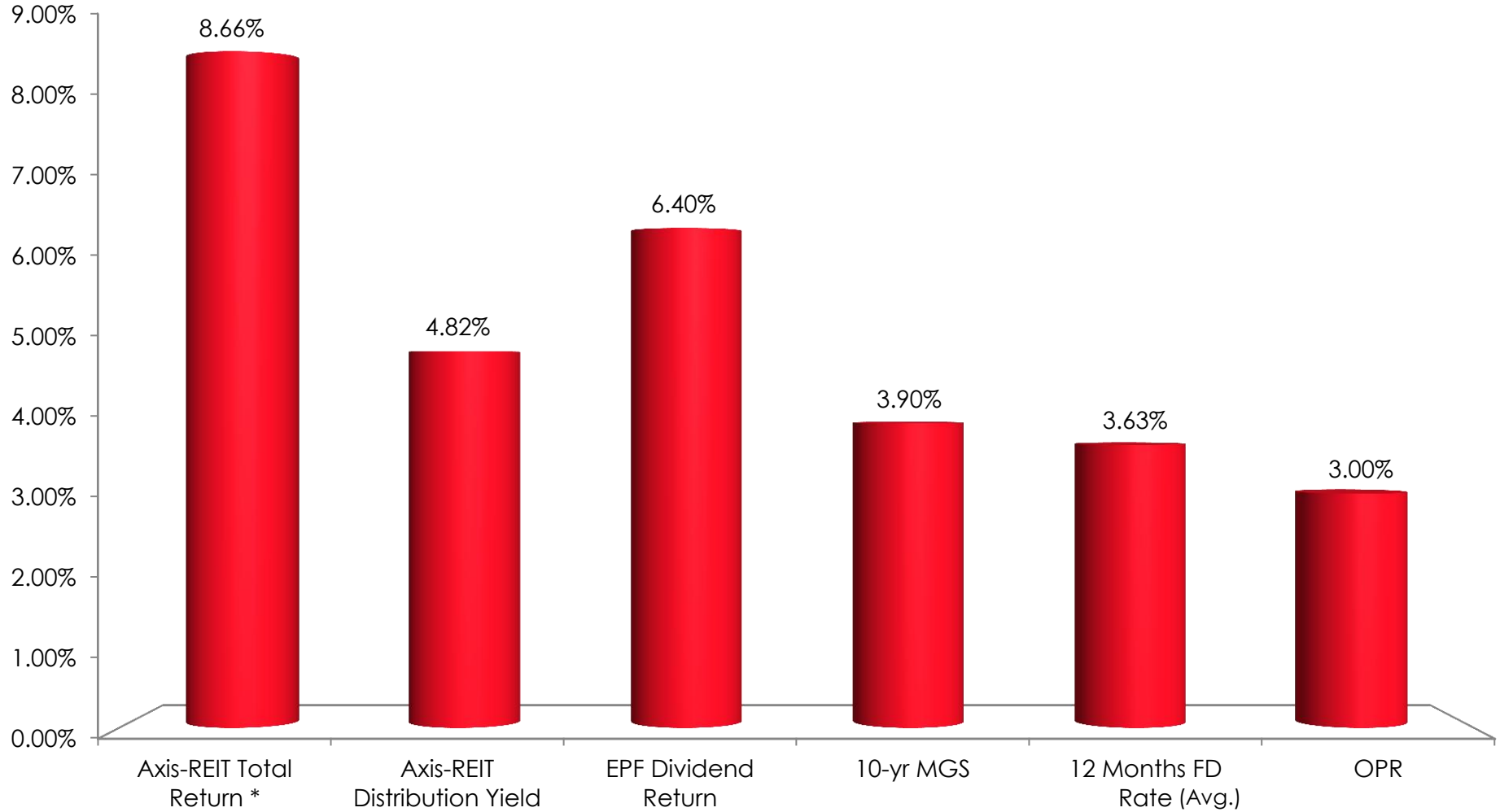
# 1H2016 HIGHLIGHTS

**RM 2,133,481,000**



- ✓ Completed the acquisition of 4 industrial properties - Beyonics i-Park Campus Block A, B, C & D for RM61.0 million on 28 January 2016.
- ✓ Successfully signed the Sale & Purchase Agreement for the acquisition of Kerry Warehouse located at Pasir Gudang, Johor for a cash consideration of RM33.0mil on 23 May 2016.
- ✓ Successfully signed the Sale & Purchase Agreement for the acquisition of Scomi facility at Rawang, Selangor for a cash consideration of RM42.0 million on 1 August 2016.
- ✓ A total of RM16.277 million revaluation gain has been recorded for 1H2016.
- ✓ Declared 4.10 sen DPU for 1H2016.
- ✓ Successfully implemented the Income Distribution Reinvestment Plan (IDRP) in conjunction with the payment of the 1<sup>st</sup> Interim 2016 DPU with a success rate of 79%.
- ✓ Currently trades at a premium of 36% to NAV.

# 1H2016 Return Comparatives



\* (Based on annualised DPU from operations + movement in market price)/opening market price as at 1 January 2016)



**1H2016  
FINANCE  
REPORT**

	1H2016
Total Net Income ("Realised") (RM' 000)	44,580
Income Available for Distribution ("Realised") (RM' 000)	45,272
Earnings per Unit ("EPU") ("Realised") (Sen)	4.05
Income Distribution Declared (RM'000)	45,202
Distribution per Unit ("DPU") (Sen) *	4.10
Number of Investment Properties	38
Units in Circulation (Units)	1,105,173,591
Assets Under Management (RM'000)	2,183,609
Total Financing (RM'000)	744,739
Gearing Ratio	34.11%
Total Unitholder's Fund (RM'000)	1,377,567
Market Capitalization (RM'000)	1,878,795
Net Asset Value per Unit (RM)	1.2465
IPO Retail Unit Price (RM) (restated from RM1.25)	0.625
Unit Price as at 30 June 2016 (RM)	1.70
Number of Unitholders	3,718

\* Second interim income distribution to be paid on 9 September 2016



# Income Statement 2Q2016 vs 2Q2015



	2Q2016 (RM '000)	2Q2015 (RM'000)	Changes / Movement
No. of Properties	38	34	+ 4
Property Income	41,615	41,210	+ 0.98%
Property Expenses	(6,839)	(5,897)	+ 15.97%
Net Property Income	34,776	35,313	- 1.52%
Profit Income / other income	161	127	
Non-Property Expenses	(4,572)	(4,342)	+ 5.30%
Islamic Financing Cost	(7,954)	(7,532)	+ 5.60%
Net Income	22,411	23,566	- 4.90%
DPU (sen)	2.05	2.15*	- 4.65%
No. of units in issuance	1,105,173,591	547,758,040	

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

\* Restated from 4.30sen to reflect the 1 to 2 Unit Split

# Income Statement 1H2016 vs 1H2015



	1H2016 (RM '000)	1H2015 (RM'000)	Changes / Movement
No. of Properties	38	34	+ 4
Property Income - <b>Note 1</b>	82,690	81,614	+ 1.32%
Property Expenses - <b>Note 2</b>	(13,376)	(11,916)	+ 12.25%
Net Property Income	69,314	69,698	- 0.55%
Profit Income / other income	301	342	
Non-Property Expenses - <b>Note 3</b>	(9,290)	(9,219)	+ 0.77%
Islamic Financing Cost - <b>Note 4</b>	(15,745)	(14,748)	+ 6.76%
Net Income	44,580	46,073	- 3.24%
DPU (sen) – <b>Note 5</b>	4.10	4.20 *	
No. of units in issuance – <b>Note 5</b>	1,105,173,591	547,758,040	

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

\* Restated from 8.40 sen to reflect the 1 to 2 Unit Split

## **Note 1 – Property Income**

Increase in property income as compared to last preceding year corresponding period is due to contribution of rental proceeds from the newly acquired Beyonics i-Park Campus Block A,B,C and D since end January 2016. This has offset the loss of rental from Axis PDI Centre since 1 October 2015.

## **Note 2 – Property Expenses**

Increase in property expenses is mainly due to the increase in building maintenance expenses and also the new properties added into the portfolio during the period.

## **Note 3 – Non-Property Expenses**

The MER of the Fund has dropped to 1.27% of NAV, as compared to 1.31% for 1H2015 resulted from the increase in NAV.

## **Note 4 – Islamic Financing Cost**

The increase in financing cost is due to the utilisation of financing facility to complete the Beyonics i-Park Block A, B, C and D acquisitions.

## **Note 5 – No. of units in issuance and effect on DPU**

The Unit Split of 1 unit into 2 units has doubled the Fund's units in circulation and resulted in the DPU being halved.

# Gross Yield of Investment Properties



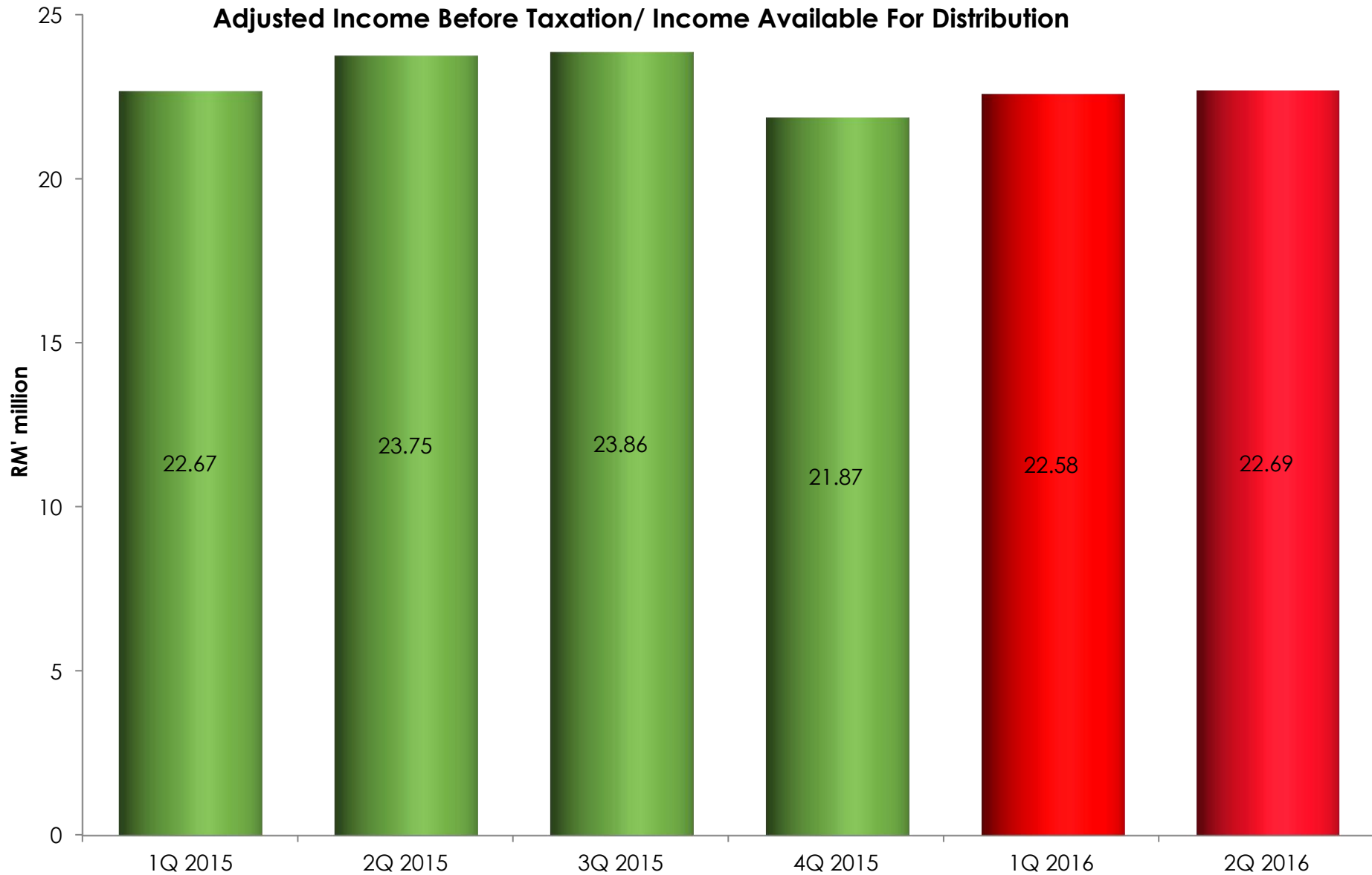
Properties	Gross yield (%)	<b>Average YTD gross yield = 10.04%</b>	
1 Wisma Kemajuan	18.34%	20 Giant Hypermarket, Sungai Petani	9.27%
2 FCI Senai	14.47%	21 Axis Vista	9.21%
3 Crystal Plaza	14.37%	22 Seberang Prai Logistic Warehouse 2	9.08%
4 Menara Axis	14.31%	23 Axis Steel Centre	8.91%
5 BMW Centre PTP	13.70%	24 Axis Business Park	8.85%
6 Delfi Warehouse	13.48%	25 Tesco Bukit Indah	8.67%
7 D8 Logistics Warehouse	12.04%	26 Axis Shah Alam DC 3	8.19%
8 Strateq Data Centre	11.91%	27 Beyonics i-Park Campus Block C	7.89%
9 Niro Warehouse	11.42%	28 Beyonics i-Park Campus Block B	7.87%
10 Fonterra HQ	11.33%	29 Beyonics i-Park Campus Block A	7.87%
11 Seberang Prai Logistic Warehouse 3	10.63%	30 Beyonics i-Park Campus Block D	7.86%
12 Wisma Academy Parcel	10.21%	31 Axis MRO Hub	7.82%
13 Emerson Industrial Facility Nilai	9.96%	32 Axis Shah Alam DC 2	7.73%
14 Bayan Lepas Distribution Centre	9.83%	33 Axis Eureka	7.51%
15 Axis Shah Alam DC 1	9.74%	34 Axis Technology Centre	7.46%
16 Quattro West	9.69%	35 Axis Steel Centre@ SiLC	7.46%
17 Seberang Prai Logistic Warehouse 1	9.53%	36 The Annex	6.20%
18 Bukit Raja Distribution Centre	9.52%	37 Axis PDI Centre	-
19 Infinite Centre	9.30%	38 Axis Business Campus	-

# Net Yield of Investment Properties



Properties	Net yield (%)	<b>Average YTD net yield = 8.57%</b>	
1 Wisma Kemajuan	14.40%	20 Axis Vista	8.01%
2 FCI Senai	13.04%	21 Tesco Bukit Indah	7.58%
3 BMW Centre PTP	12.42%	22 Beyonics i-Park Campus Block D	7.19%
4 Menara Axis	11.68%	23 Beyonics i-Park Campus Block A	7.17%
5 Crystal Plaza	11.66%	24 Beyonics i-Park Campus Block B	7.17%
6 Strateq Data Centre	11.18%	25 Beyonics i-Park Campus Block C	7.16%
7 D8 Logistics Warehouse	11.11%	26 Axis MRO Hub	7.14%
8 Niro Warehouse	10.41%	27 Axis Shah Alam DC 3	7.13%
9 Fonterra HQ	9.75%	28 Axis Steel Centre@ SiLC	7.09%
10 Delfi Warehouse	9.43%	29 Wisma Academy Parcel	7.01%
11 Seberang Prai Logistic Warehouse 3	9.33%	30 Axis Shah Alam DC 2	6.95%
12 Emerson Industrial Facility Nilai	9.05%	31 Quattro West	6.86%
13 Seberang Prai Logistic Warehouse 1	9.01%	32 Infinite Centre	6.79%
14 Bukit Raja Distribution Centre	8.96%	33 Axis Business Park	6.44%
15 Axis Shah Alam DC 1	8.90%	34 Axis Technology Centre	5.61%
16 Bayan Lepas Distribution Centre	8.82%	35 Axis Eureka	4.63%
17 Giant Hypermarket, Sungai Petani	8.48%	36 The Annex	4.59%
18 Seberang Prai Logistic Warehouse 2	8.34%	37 Axis PDI Centre	-
19 Axis Steel Centre	8.08%	38 Axis Business Campus	-

# Income Statement



## ***Income Distribution: 2.05 sen***

The 2.05 sen DPU represents 99.84% income available for distribution from performance of properties for the period from 1 April 2016 to 30 June 2016.

Important dates:

Ex-date	: 16 August 2016
Entitlement date	: 18 August 2016
Payment date	: 9 September 2016

# Implementation of Income Distribution Reinvestment Plan (IDRP)

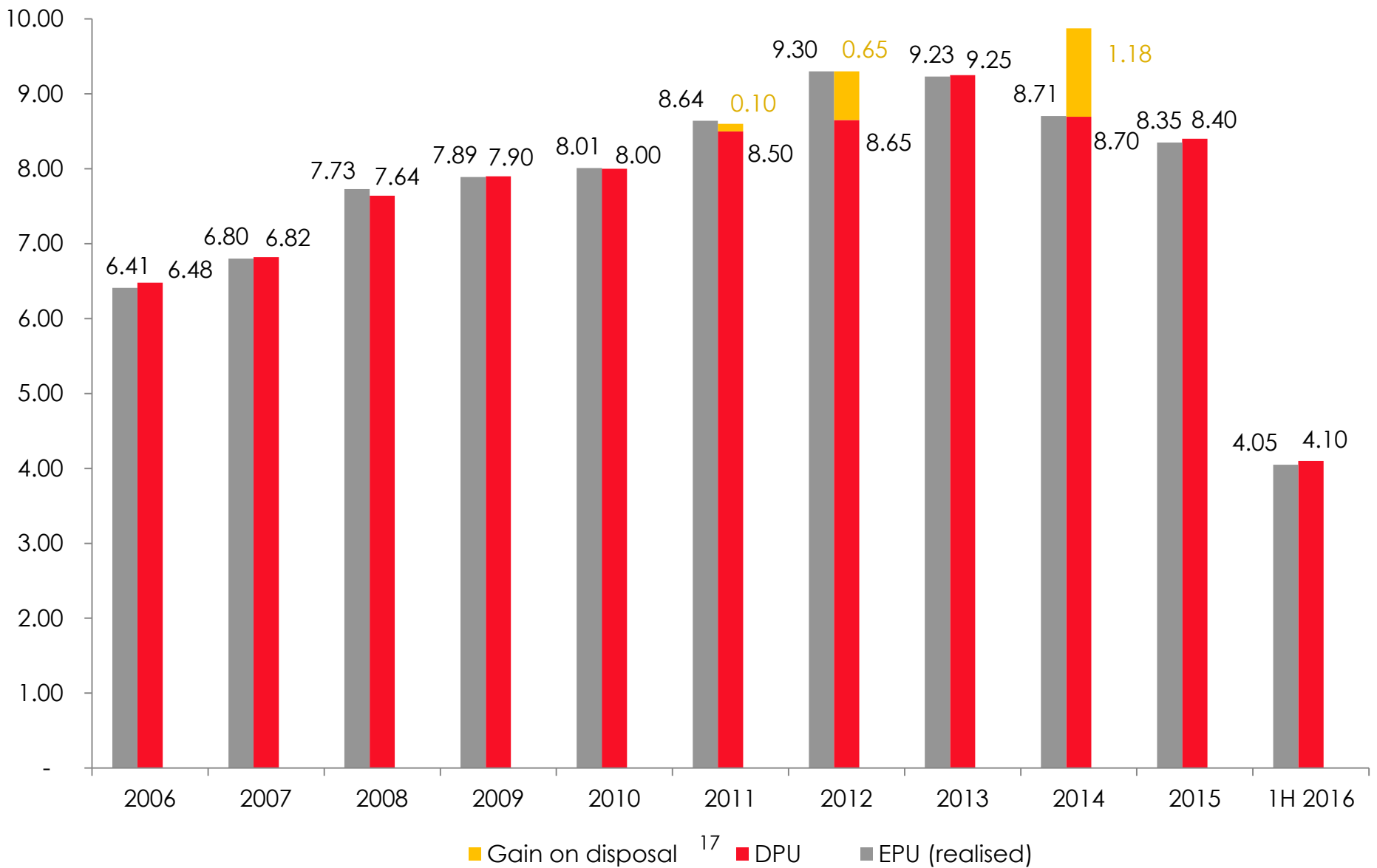


Details of the 2016 IDRP (in conjunction with the payment of the 1<sup>st</sup> Interim 2016 Income Distribution):

Electable portion	: 1.00 sen out of 2.05 sen
Exercise price	: RM1.50; representing <b>8.35%</b> discount to 5-days VWAMP RM1.6366
Subscription rate	: <b>79%</b>
Net amount converted into new units	: RM 8.1 million
No. of new units	: 5,380,523



# Summary of Realised EPU and DPU



# Statement of Financial Position



	30/06/16 (RM'000)	31/12/15 (RM'000)	Changes
Investment Properties – <b>Note 1</b>	2,133,481	2,048,626	+ 84,855
Fixed Assets	3,658	3,602	+ 56
Other Assets – <b>Note 2</b>	46,470	89,265	- 42,795
<b>TOTAL ASSETS</b>	<b>2,183,609</b>	<b>2,141,493</b>	<b>+ 42,116</b>
Borrowings – <b>Note 3</b>	744,739	731,814	+ 12,925
Other Payables	61,303	57,194	+ 4,109
<b>TOTAL LIABILITIES</b>	<b>806,042</b>	<b>789,008</b>	<b>+ 17,034</b>
<b>NET ASSET VALUE (“NAV”)</b>	<b>1,377,567</b>	<b>1,352,485</b>	<b>+ 25,082</b>
Unitholders' Capital – <b>Note 4</b>	1,060,326	1,052,272	+ 8,054
Undistributed Distributable Income	19,074	19,036	+ 38
Non-Distributable Reserve – <b>Note 5</b>	298,167	281,177	+ 16,990
<b>TOTAL UNITHOLDERS' FUND</b>	<b>1,377,567</b>	<b>1,352,485</b>	<b>+ 25,082</b>
<b>GEARING</b>	<b>34.11%</b>	<b>34.17%</b>	
<b>NAV/unit (RM)</b>	<b>1.2465</b>	<b>1.2298</b>	
<b>No. of units in issuance</b>	<b>1,105,173,591</b>	<b>1,099,793,068</b>	

## Note 1 – Investment Properties

The acquisition of Beyonics i-Park Campus Block A, B, C and D was completed on 28 January 2016 at RM62.0 million.

During the period, a total of RM6.606 million was spent for enhancement of the properties on portfolio and RM16.227 million revaluation gain has been recorded.

## Note 2 – Other assets

The average collection of trade receivables is as shown below:

For Period Ended	Avg. Collection Period (in days)
31-Dec-15	9
31-Mar-16	9
30-Jun-16	2

# Statement of Financial Position – Note 3

## Borrowings



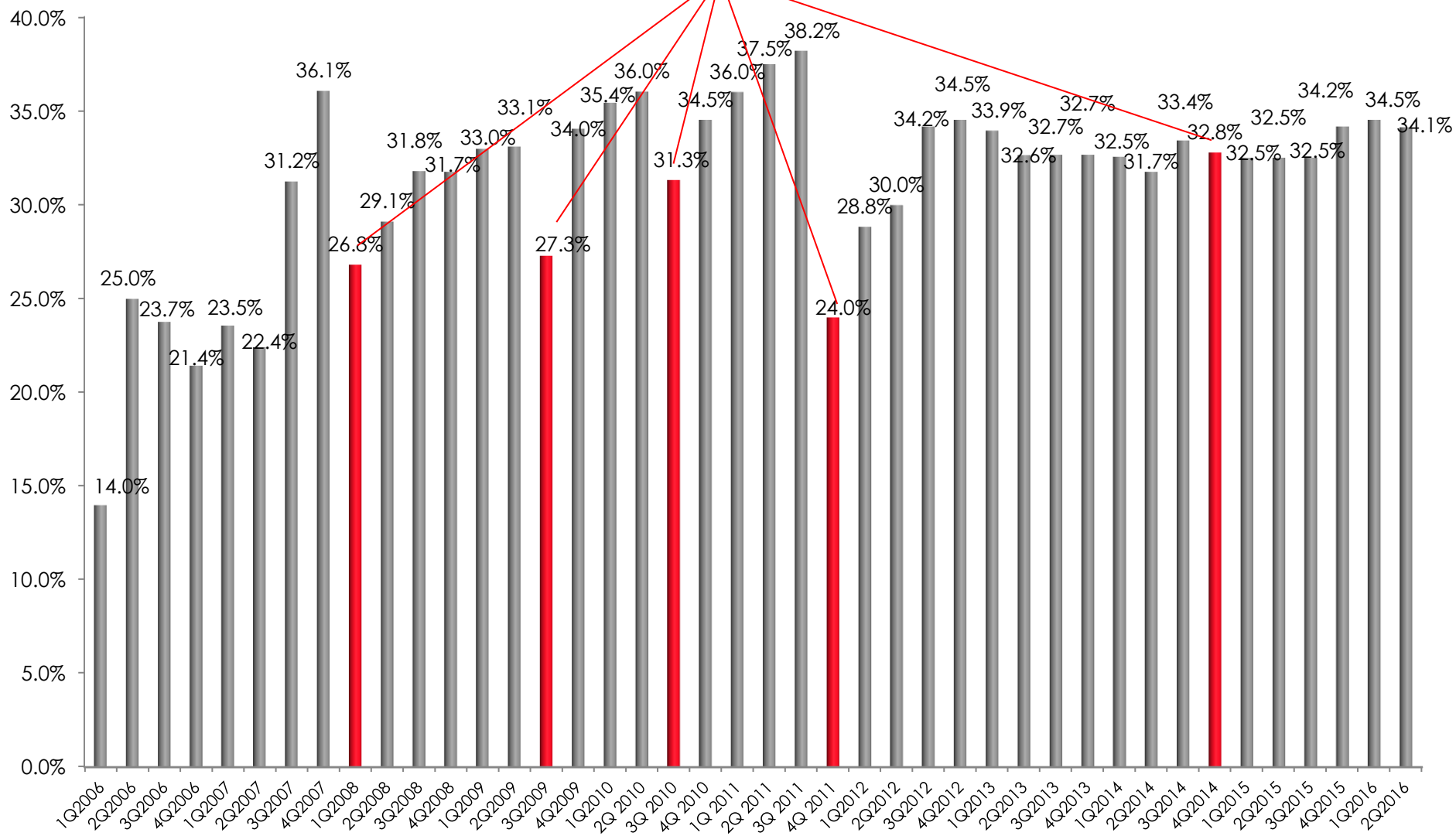
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Total Borrowings (RM'000)</b>	209,816	230,456	308,932	416,609	311,338	548,920	528,004	683,769	731,814	<b>744,739</b>
<b>Total Assets (RM'000)</b>	581,857	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	2,141,493	<b>2,183,609</b>
<b>Gearing</b>	36.06%	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	34.17%	<b>34.11%</b>
<b>Effective Profit Rate</b>	4.39%	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	4.28%	<b>4.21%</b>
<b>Percentage of short term borrowings- Maturity &lt; 1 Year</b>	100%	100%	47%	48%	52%	62%	50%	61%	55%	<b>56%</b>
<b>Percentage of medium/ long term borrowings (maturity more than 1 years and less than 7 years)</b>	-	-	53%	52%	48%	38%	50%	39%	45%	<b>44%</b>
<b>Percentage of floating rate borrowings</b>	100%	100%	47%	48%	52%	62%	40%	47%	50%	<b>51%</b>
<b>Percentage of fixed rate borrowings</b>	-	-	53%	52%	48%	38%	60%	53%	50%	<b>49%</b>
<b>Total unencumbered assets</b>	8	13	12	11	12	6	5	5	10	<b>14</b>
<b>Percentage of unencumbered assets/total assets</b>	34%	44%	52%	42%	44%	19%	16%	21%	26%	<b>29%</b>
<b>Financing cost cover</b>	5.6	5.5	4.8	4.1	20	3.8	4.6	4.5	4.1	<b>3.8</b>

# Statement of Financial Position

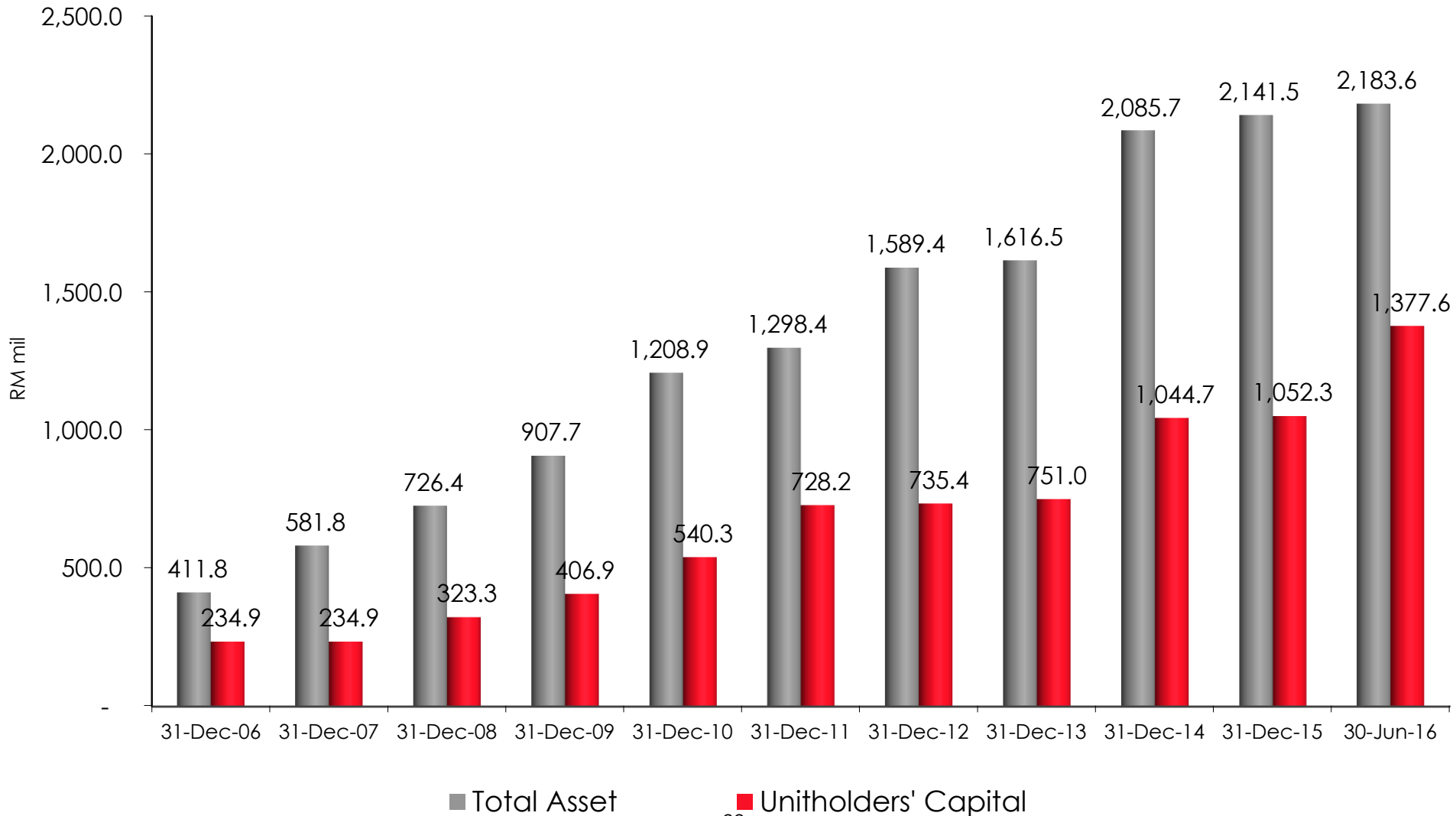
## Gearing Levels



### Placements Undertaken



# Unitholders' Capital – Note 4



# Statement of Financial Position – Note 5

## Non-distributable Reserve

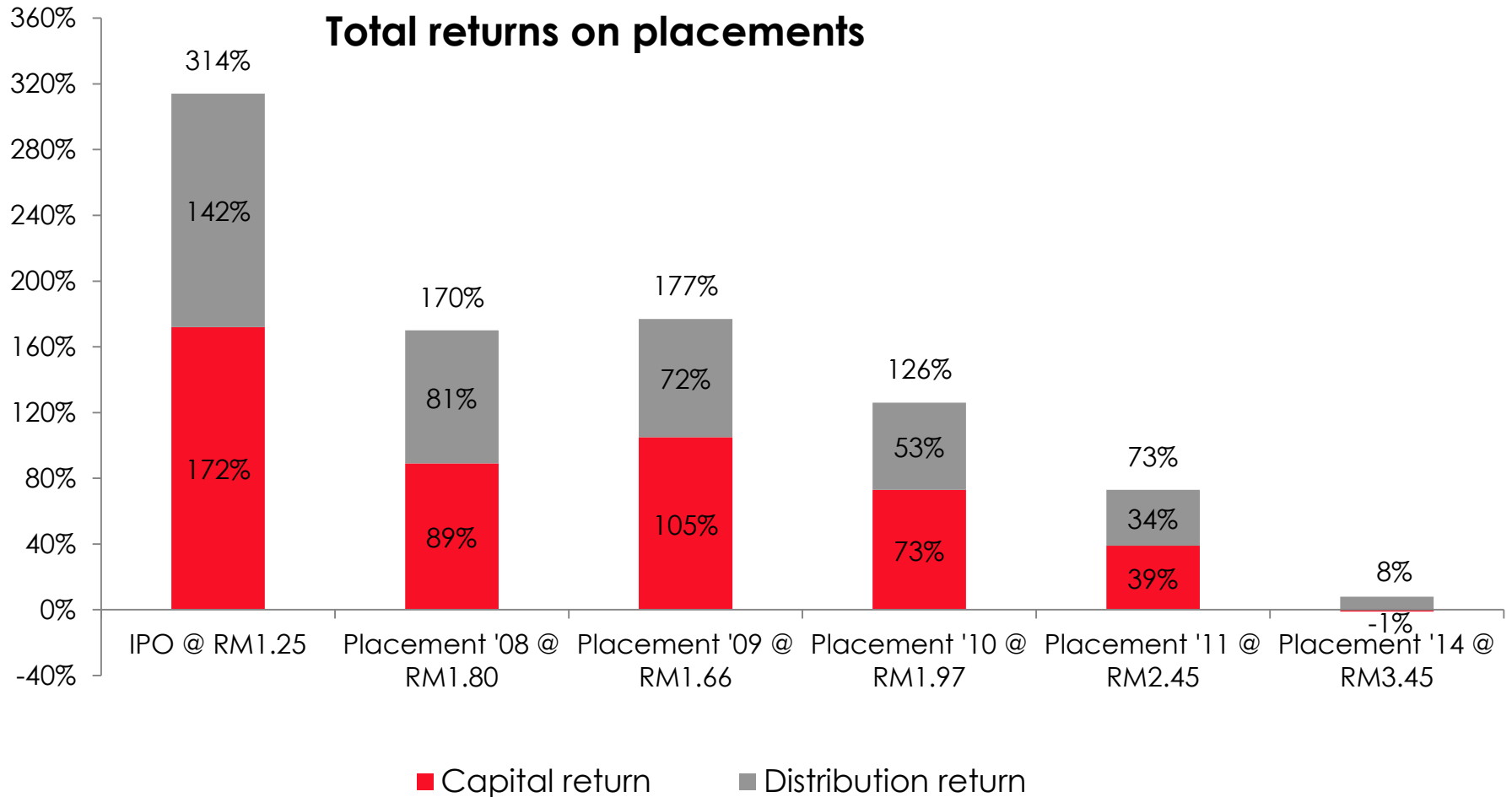


Non-distributable reserve mainly comprises the favorable gain in fair value of approximately **RM289** million to date.

Building	Gain /(Loss) RM'000
Crystal Plaza	44,324
Menara Axis	37,591
Bukit Raja Distribution Centre	26,073
Wisma Kemajuan	25,101
Axis Vista	22,251
Axis Business Park	20,344
Tesco Bukit Indah	15,076
Axis Business Campus	14,807
Strateq Data Centre	10,471
Axis Shah Alam DC 1	9,853
Giant Hypermarket, Sungei Petani	7,027
Infinite Centre	6,763
Quattro West	5,924
The Annex	5,630
Fonterra HQ	5,572
Wisma Academy Parcel	5,041
FCI Senai	4,307
Axis Technology Centre	3,745

Building	Gain /(Loss) RM'000
Axis Steel Centre	3,727
Delfi Warehouse	2,797
Emerson Industrial Facility Nilai	2,693
Seberang Prai Logistic Warehouse 1	2,678
Niro Warehouse	2,466
D8 Logistics Warehouse	2,252
BMW Centre PTP	2,217
Seberang Prai Logistic Warehouse 3	1,728
Bayan Lepas Distribution Centre	1,432
Seberang Prai Logistic Warehouse 2	815
Axis Eureka	764
Axis Shah Alam DC 2	219
Axis MRO Hub	(375)
Axis Steel Centre@ SiLC	(449)
Axis PDI Centre	(1,687)
Axis Shah Alam DC 3	(2,287)

... resulting in good total returns to unitholders.





SR Technics  
PUSAT SERVIS

2Q2016  
PROPERTY  
REPORT



Axis-REIT portfolio occupancy rate maintained steady at 92%. In 2016, a total of 1,938,654 sq. ft. of space will be coming for renewal representing 26.5% of the portfolio. 48% of this amount has been renewed while 23% has expressed commitment to renew. The Manager is actively working on the balance 29%.

For the 1<sup>st</sup> half of 2016, we have accepted new tenancies from Alcon Laboratories, Jeunesse, 7-Eleven and existing tenants such as Fuji Xerox and Montreal Trading Sdn. Bhd. have expanded and increased their space with us. Our existing tenants continue to be supportive with expanding their space within our buildings.

The office properties within the portfolio are well located, supported by amenities and public transportation, will continue to attract both new and existing tenants, maintaining their high occupancy rates and competitive rentals. Our office buildings in Petaling Jaya and Cyberjaya which are in the affordable rental category continues to appeal to companies that are expanding or relocating from high rental rates.

Second half of 2016 remains challenging for the office leasing market with new supply continuing to outstrip demand as well as impact from the soft economic condition. Our exposure to pure office properties is limited to 8% of our entire portfolio. As such, this oversupply factor has minimal impact on the Fund and we continue to enjoy an average 81% occupancy for our office properties.




The industrial portfolio continues to perform very well and has excellent growth prospects in the coming years. Demand for industrial and warehousing space are rising and we are working with our new and current tenants on their space expansion to meet this new demand.

As reported in 1Q 2016, the redevelopment of Axis PDI Centre into a mega distribution centre is in progress now to provide space to capture the future demand of industrial space.




The vacant spaces in the portfolio currently stands at 604,017 sq. ft. as at 30 June 2016. Our leasing team continues to work hard to secure new tenants to fill up the voids in our properties within the portfolio.

By filling the current voids, we expect to add as much as 1.65 sen to the annual DPU.

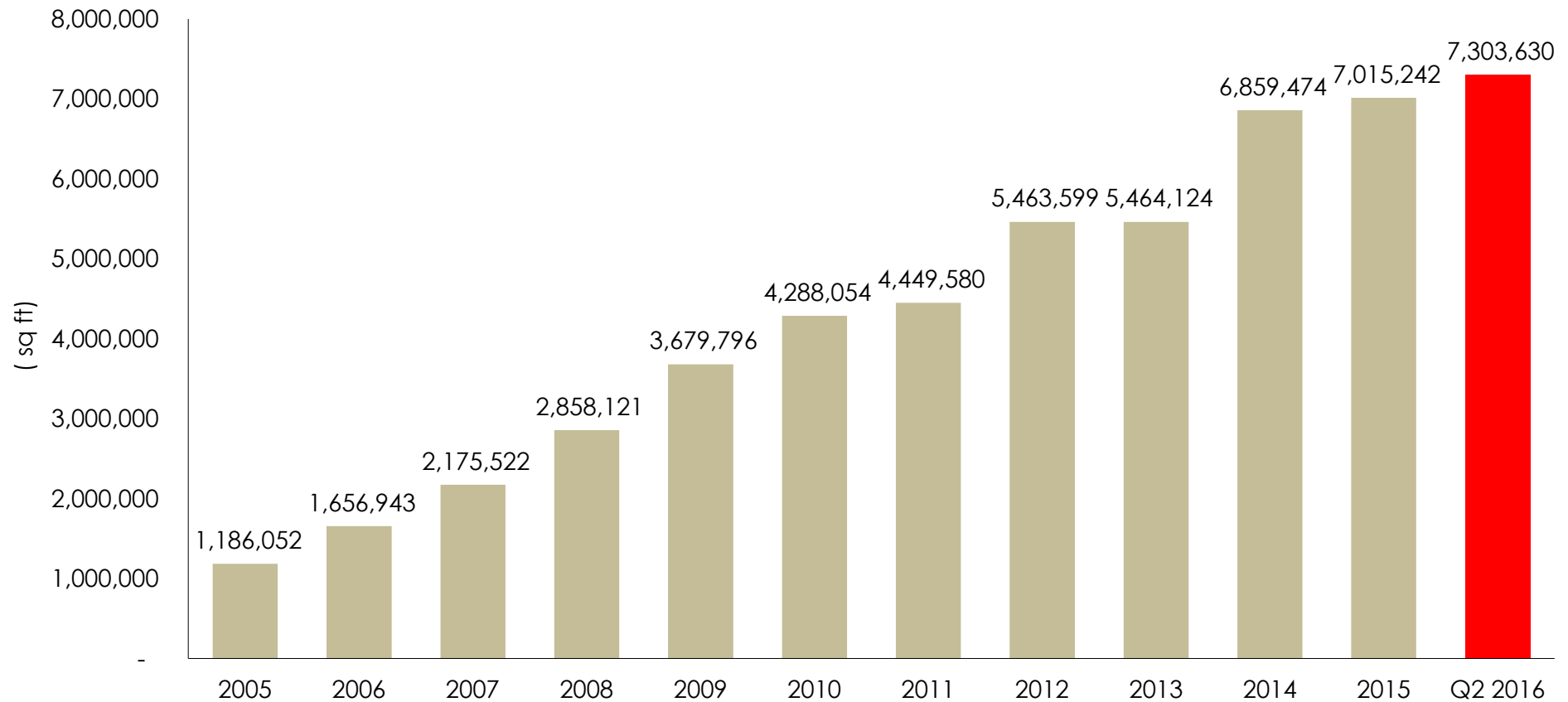
As at 30 June 2016, the portfolio has 38 assets comprising 7,303,630 sq. ft. and 140 tenants.

	2Q2016	1Q2016	Movement
No of properties	38	38	-
Property Income (RM' 000)	41,615	41,075	 1.31%
Property Expenses (RM' 000)	6,839	6,537	 4.61%
Net Property Income (RM' 000)	34,776	34,538	 0.69%
Occupancy	92%	92%	-

## Average Rental Rates:

Type of Properties	2Q2016	1Q2016	Movement
Office (RM/sq. ft.)	4.70	4.68	 + 0.02
Office Industrial (RM/sq. ft.)	2.71	2.68	 + 0.03
Manufacturing Facilities (RM/sq. ft.)	1.36	1.35	 + 0.01
Warehouse Logistics (RM/sq. ft.)	1.53	1.53	-
Hypermarket (RM/sq. ft.)	2.36	2.36	-

# Space Under Management (sq. ft.)



As at 30 June 2016, Axis-REIT has only 12 out of 38 properties that carry vacancy.

26 properties enjoy 100% occupancy.

## Occupancy

As at 30 June 2016 91.73%

## Vacancy

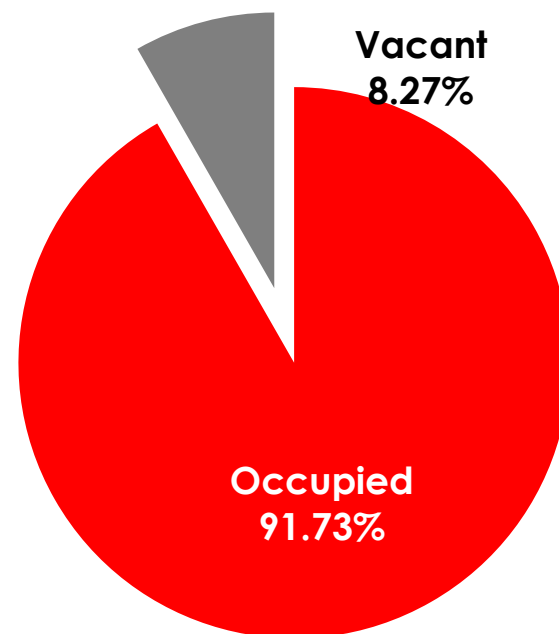
As at 30 June 2016 8.27%  
Space to be let out 604,017 sq. ft.

## Occupancy

Multi-tenants properties 84.06%  
Single tenant properties 98.38%

Unbilled space income **RM18.2 million per year**  
Potential annual DPU upside 1.65 sen per unit/year

## Occupancy Rate



# Occupancy Rates by Property as at 30 June 2016



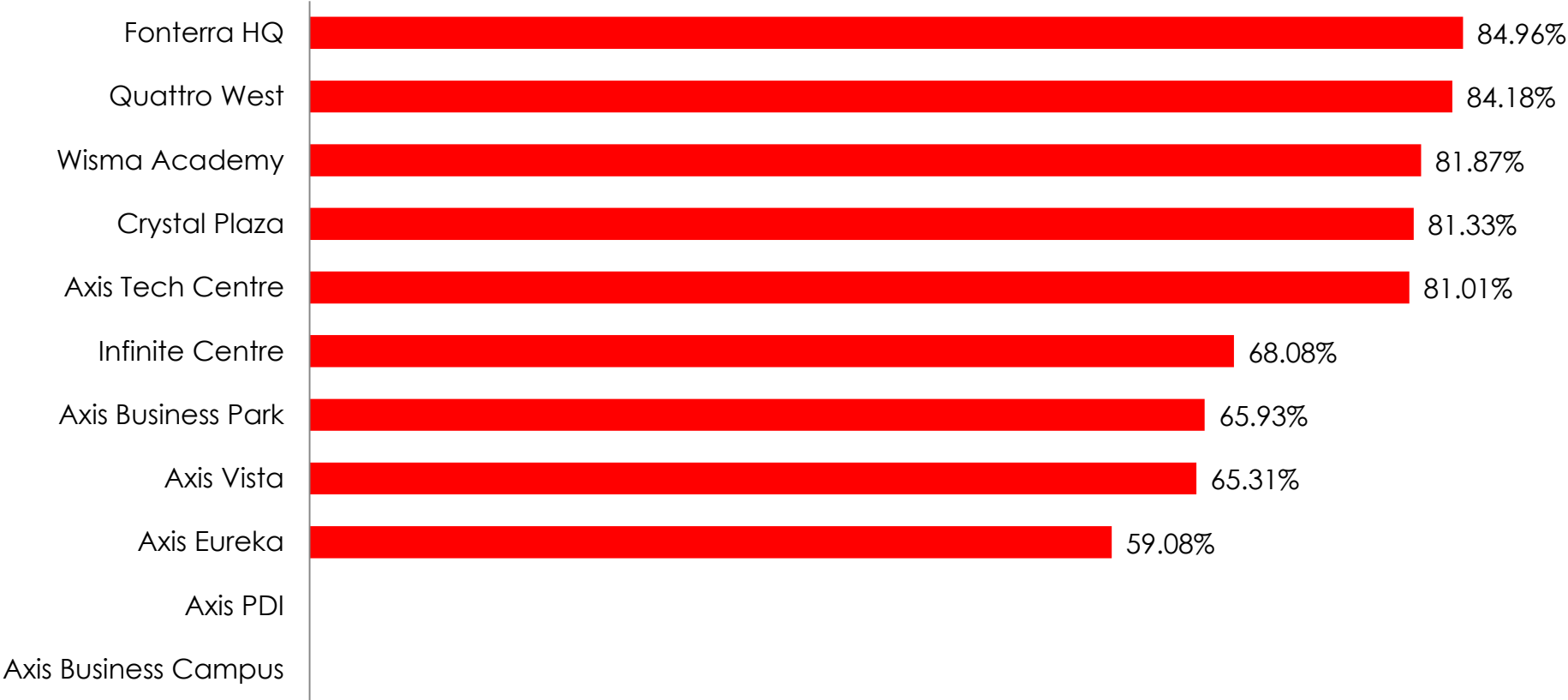
1	Menara Axis	93.74%	21	Axis Steel Centre	100.00%
2	Crystal Plaza	81.33%	22	Bukit Raja Distribution Centre	100.00%
3	Quattro West	84.18%	23	Seberang Prai Logistic Warehouse 1	100.00%
4	Axis Eureka	59.08%	24	Seberang Prai Logistic Warehouse 2	100.00%
5	Axis Business Park	65.93%	25	Axis PDI Centre	-
6	Infinite Centre	68.08%	26	D8 Logistics Warehouse	100.00%
7	Wisma Kemajuan	100.00%	27	FCI Senai	100.00%
8	Axis Business Campus	-	28	Bayan Lepas Distribution Centre	100.00%
9	Strateq Data Centre	100.00%	29	Seberang Prai Logistic Warehouse 3	100.00%
10	Fonterra HQ	84.96%	30	Emerson Industrial Facility Nilai	100.00%
11	Axis Vista	65.31%	31	Axis Shah Alam DC 3	100.00%
12	Axis Tech Centre	81.01%	32	Axis MRO Hub	100.00%
13	Wisma Academy Parcel	81.87%	33	Axis Steel Centre @ SiLC	100.00%
14	The Annex	100.00%	34	Axis Shah Alam DC 2	100.00%
15	Giant Hypermarket Sg. Petani	100.00%	35	Beyonics I-Park Campus Block A	100.00%
16	Tesco Bukit Indah	100.00%	36	Beyonics i-Park Campus Block B	100.00%
17	Axis Shah Alam DC 1	100.00%	37	Beyonics i-Park Campus Block C	100.00%
18	BMW Centre PTP	100.00%	38	Beyonics i-Park Campus Block D	100.00%
19	Niro Warehouse	100.00%			
20	Delfi Warehouse	100.00%			



# Properties Below 90% Occupancy

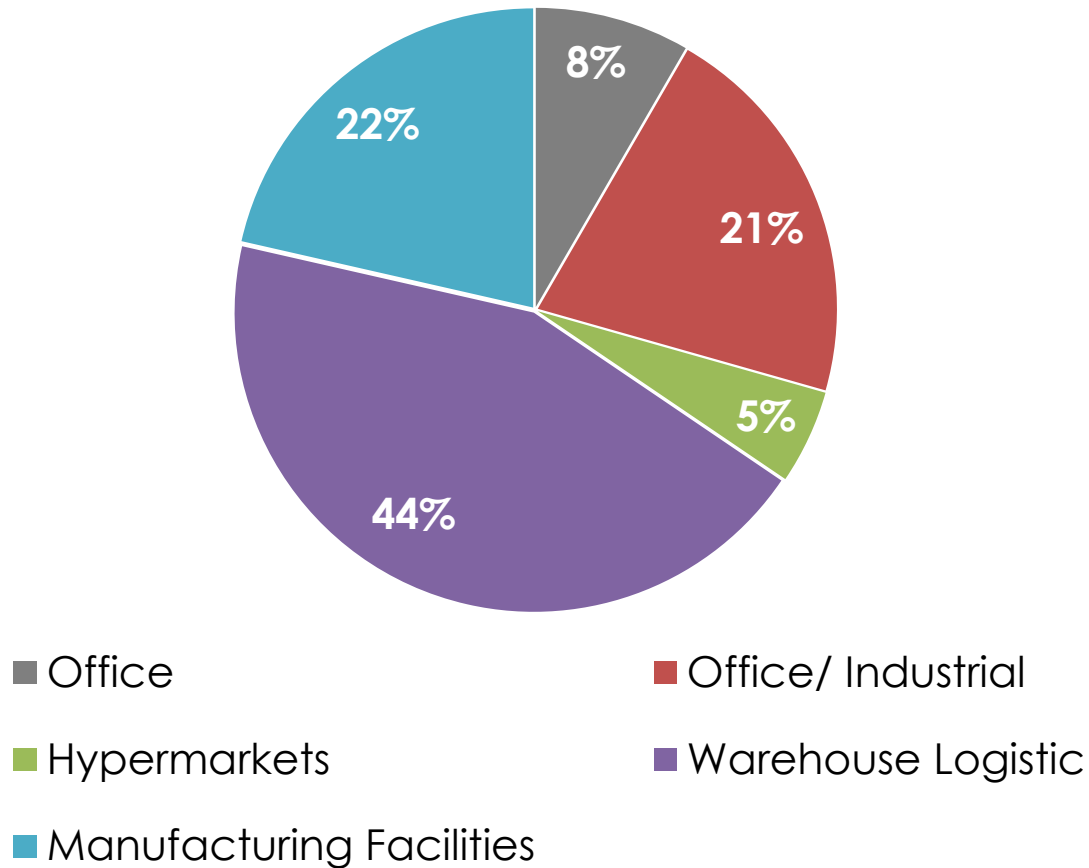


Occupancy rates of properties below 90% as at 30 June 2016

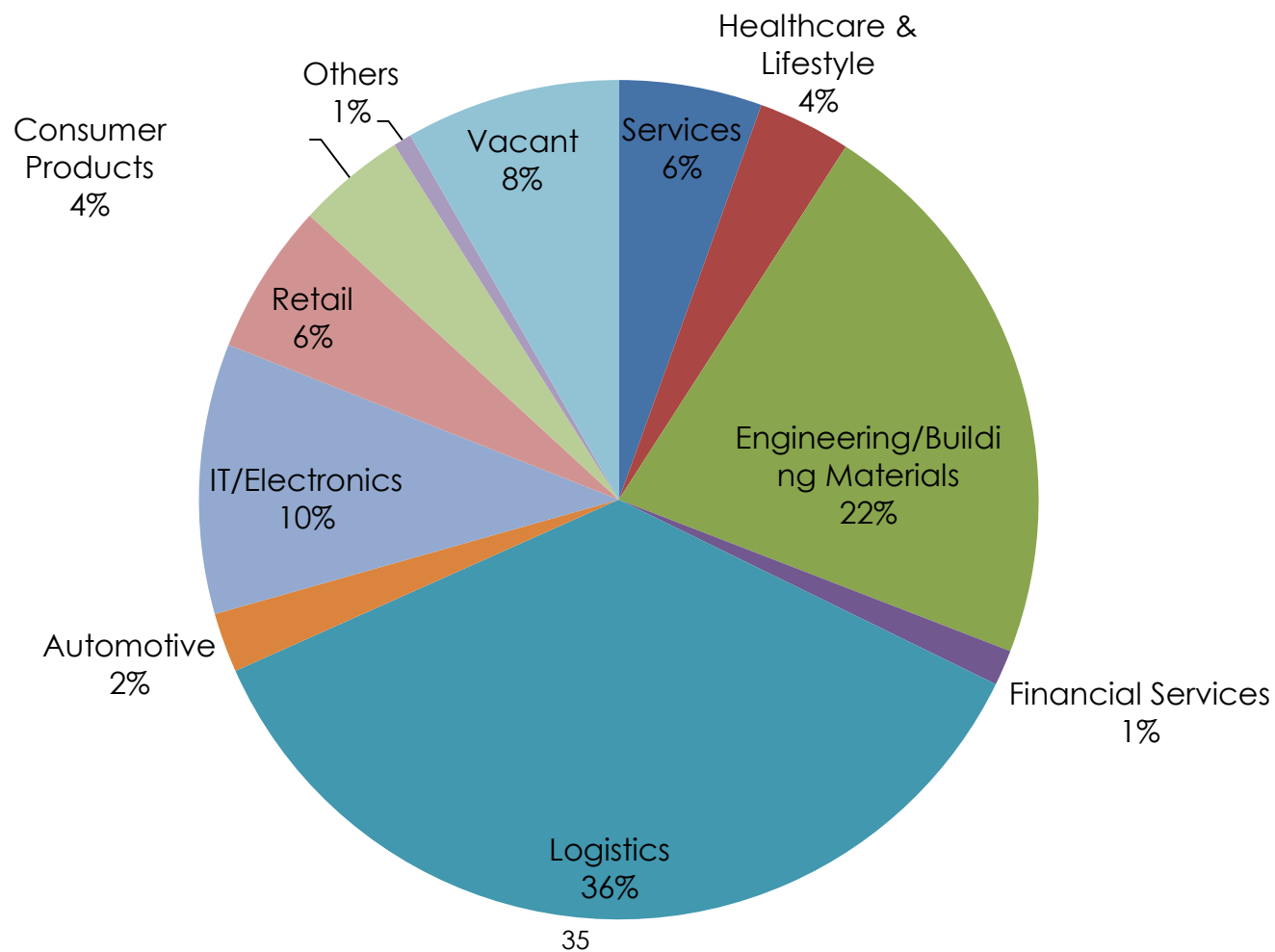


Note: Vacant space in Fonterra HQ is built for their future expansion, Axis PDI is vacant for re-development initiatives.

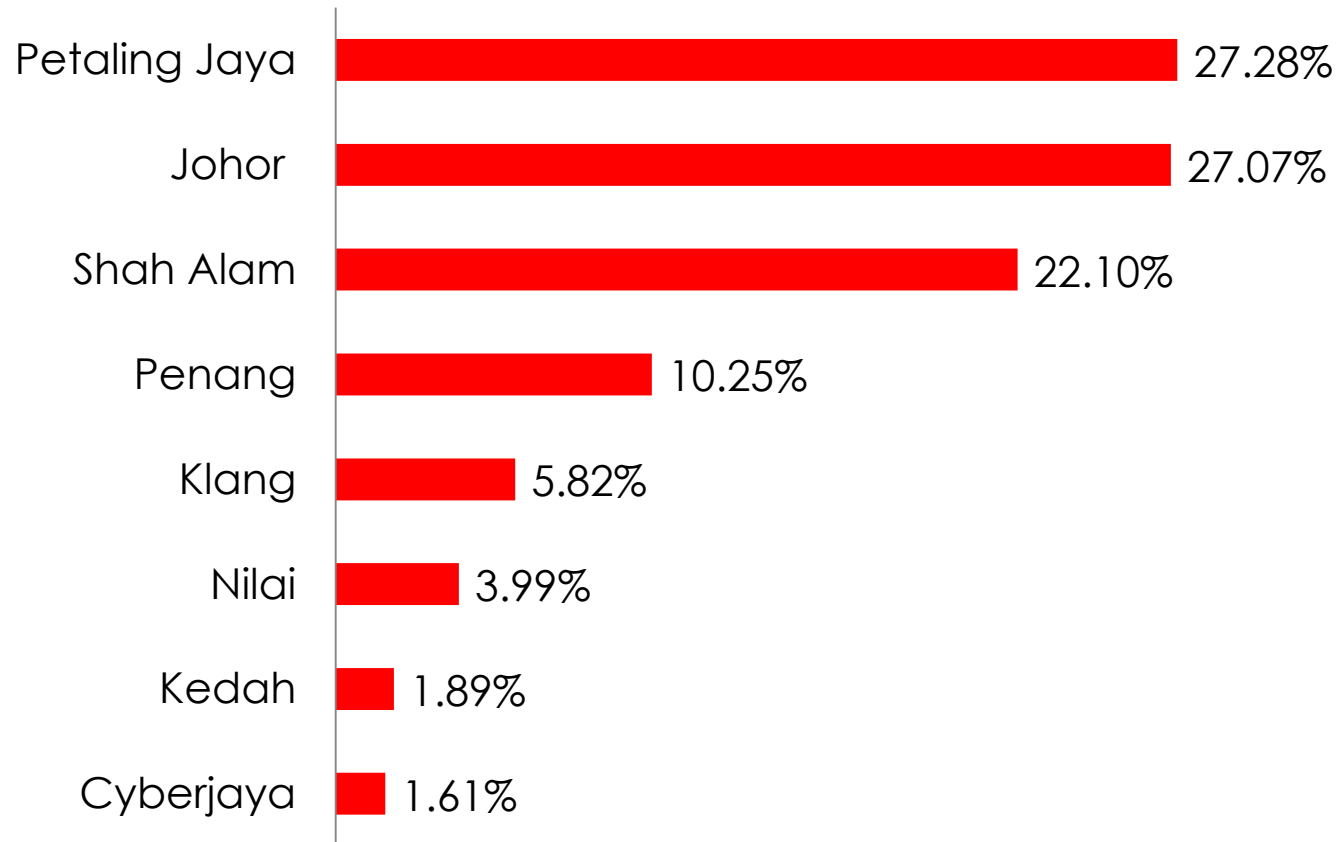
## Portfolio Diversification by Type and NLA



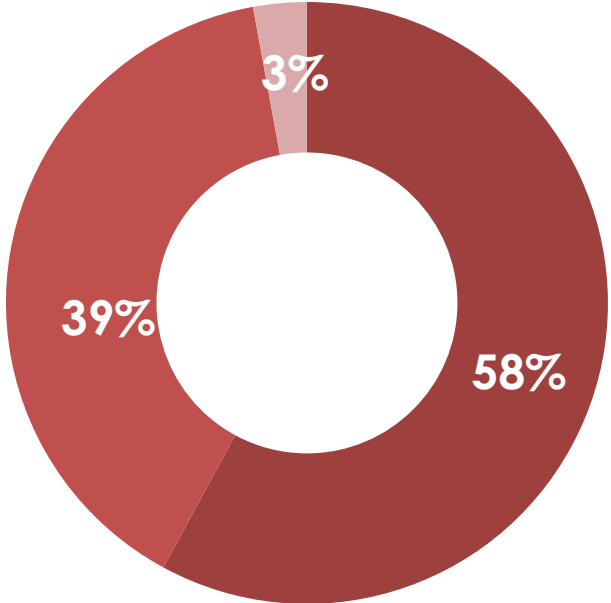
## Portfolio Diversification by Industry Sector and NLA



## Portfolio Diversification by Geographical Location



### Single Tenant vs Multi-Tenants



■ Single Tenant   ■ Multi Tenants   ■ Vacant

# Lease Expiry Profile – Looking Forward



Year	Area up for renewal	% of Total NLA	% of Rental Income
<b>2016</b>	1,948,792 sq. ft.	26.68%	28.73%
<b>2017</b>	1,195,768 sq. ft.	16.37%	19.01%
<b>2018</b>	723,719 sq. ft.	9.91%	9.93%

# Lease Expiry Profile – Looking Forward



Property	Year 2Q2016	% of Total NLA	% of Rental Income/ month	Year 2017	% of Total NLA	% of Rental Income/ month	Year 2018	% of Total NLA	% of Rental Income/ month
Menara Axis	103,019	1.41	3.20	22,073	0.30	1.08	-	-	-
Crystal Plaza	120,358	1.65	3.73	11,153	0.15	0.32	-	-	-
Axis Business Park	70,721	0.97	1.50	153,236	2.10	3.39	17,395	0.24	0.34
Infinite Centre	51,145	0.70	0.99	30,383	0.42	0.45	21,096	0.29	0.37
Wisma Kemajuan	129,279	1.77	2.28	9,583	0.13	0.25	51,604	0.71	0.95
Axis Vista	40,937	0.56	0.70	77,080	1.06	1.22	-	-	-
Quattro West	61,474	0.84	2.03	17,422	0.24	0.56	18,160	0.25	0.52
Axis Technology Centre	61,234	0.84	0.92	34,020	0.47	0.38	61,817	0.85	1.05
Axis Eureka	15,235	0.21	0.50	54,259	0.74	1.55	-	-	-
Wisma Academy Parcel	69,613	0.95	1.33	50,741	0.69	1.04	81,628	1.12	1.47
The Annex	45,400	0.62	0.50	2,354	0.03	0.01	-	-	-
Emerson Industrial Facility									
Nilai	291,642	3.99	1.61	-	-	-	-	-	-
Axis Steel Centre	-	-	-	366,839	5.02	3.49	-	-	-
Bayan Lepas Dist Centre	-	-	-	205,151	2.81	2.95	-	-	-
Seberang Prai Logistic									
Warehouse 3	395,225	5.41	3.99	-	-	-	-	-	-
Fontera HQ	600	0.01	0.01	-	-	-	-	-	-
BMW	-	-	-	161,474	2.21	2.31	-	-	-
Axis PDI Centre	-	-	-	-	-	-	-	-	-
Axis Shah Alam DC 1	-	-	-	-	-	-	-	-	-
Axis Shah Alam DC 2	-	-	-	-	-	-	164,400	2.25	1.89
D8, PTP	-	-	-	-	-	-	171,000	2.34	2.21
FCI Senai	-	-	-	-	-	-	136,619	1.87	1.13
Delfi Warehouse	130,743	1.79	1.03	-	-	-	-	-	-
Axis Shah Alam DC 3	362,167	4.96	4.38	-	-	-	-	-	-
	<b>1,948,792</b>	<b>26.68</b>	<b>28.73</b>	<b>1,195,768</b>	<b>16.37</b>	<b>19.01</b>	<b>723,719</b>	<b>9.91</b>	<b>9.93</b>

Properties	Space Renegotiated (sq. ft.)	% Rent Movement
Menara Axis	60,987	+4.50%
Crystal Plaza	- *	+8.91%
Axis Business Park	23,507	+2.64%
Infinite Centre	- *	+7.14%
Wisma Kemajuan	52,220	+1.75%
Quattro West	19,004	+5.29%
Axis Technology Centre	41,182	No change
Axis Eureka	15,235	+6.52%
Wisma Academy Parcel	28,622	+1.07%
Emerson	291,642	+8.03%
SPLW 3	395,225	No change
Fonterra HQ	600	+5.42%
<b>Total Pre-negotiated Rent Step Up</b>	<b>1,674,098</b>	<b>+4.62%</b>

\* Telco antenna on building roof

**3.82% positive  
rental reversion in  
2Q2016**



# Weighted Average Lease Expiry (WALE)



The WALE for the portfolio is:

By Year	2Q2016	1Q2016
By NLA	4.28	4.32
By Rental	4.41	4.41

The Portfolio Efficiency Ratio =

Operating Cost for the Portfolio / Gross Property Income

The Efficiency Ratio in 2Q2016 has increased by 0.51% compared to 1Q2016 due to increase in maintenance cost.

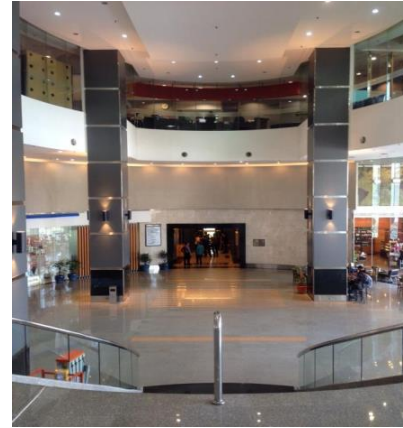
2Q2016	1Q2016
16.43%	15.92%

<b>Ranking</b>	<b>Tenant</b>
1	LF Logistics Services (M) Sdn. Bhd.
2	Konsortium Logistik Berhad
3	Yongnam Engineering Sdn Bhd
4	Tenaga Nasional Berhad
5	Tesco Stores (Malaysia) Sdn. Bhd.
6	Schenker Logistics (Malaysia) Sdn. Bhd.
7	Strateq Data Centre Sdn. Bhd.
8	DHL Properties (Malaysia) Sdn. Bhd.
9	GCH Retail (Malaysia) Sdn. Bhd.
10	SR Technics Malaysia Sdn Bhd

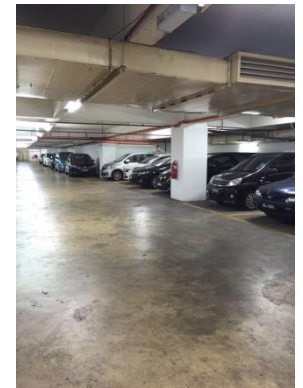
The top ten tenants account for 53% of the total revenue of the Trust.



**2Q2016  
ASSET  
ENHANCEMENTS**



**Menara Axis:  
Handicap-friendly Loading Ramp, Drop-Off Area Columns, Ground Floor  
Lobby Columns, Typical Toilets on All Floors**



**Wisma Academy:  
Lifts Upgrading, Carpark Lighting Upgrading**

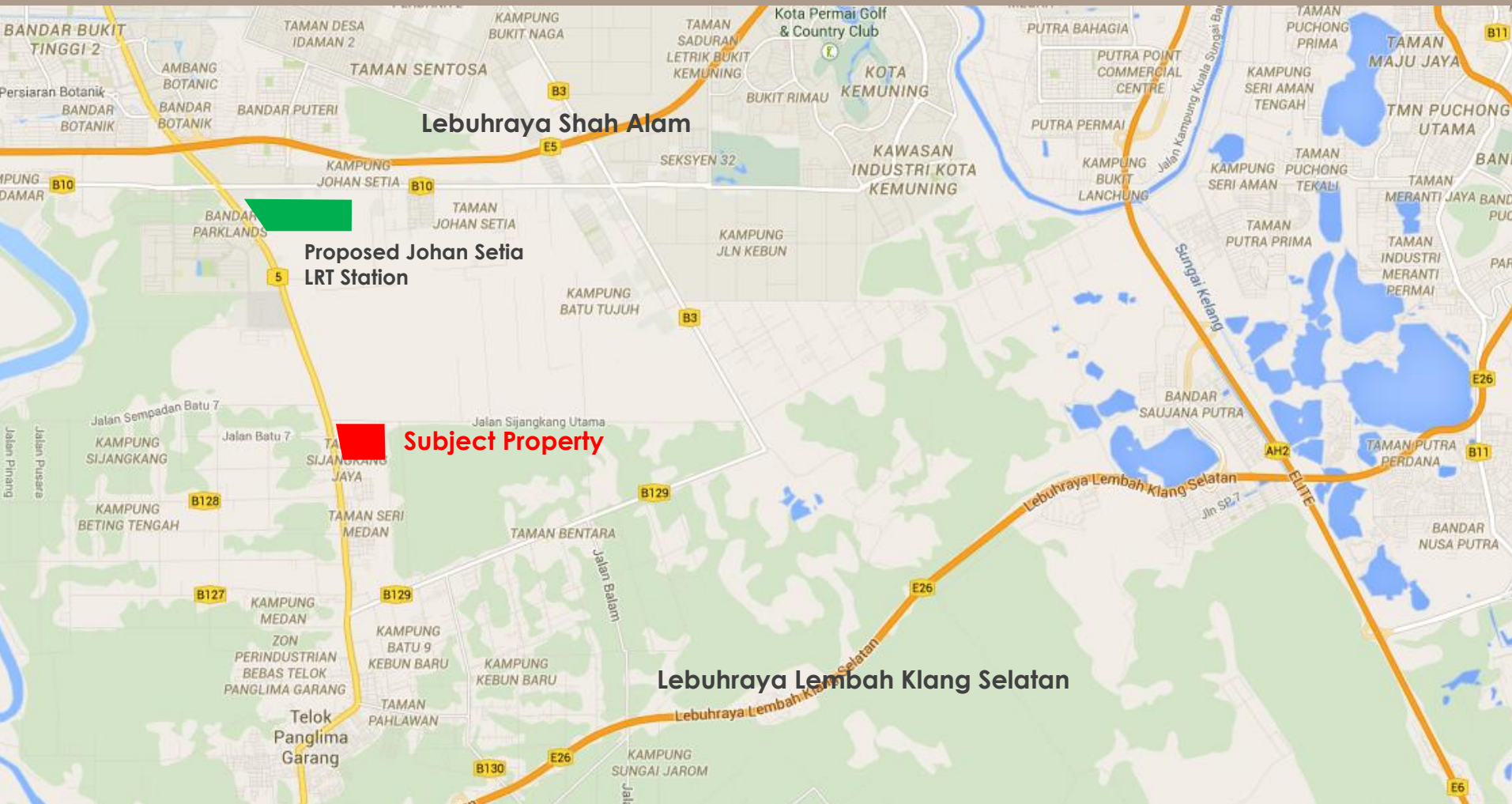
# Axis PDI Centre – Proposed Development (Before)



# Axis PDI Centre – Proposed Development (After)



# Axis PDI Centre – Proposed Development



The existing site is centrally located in the heart of the Klang Valley, enjoying a wide frontage onto the Klang / Banting Highway (E5), 3.8km from the proposed LRT3 Johan Setia LRT Station.





**2Q2016  
INVESTMENTS  
REPORT**



## **Beyonics iPark Campus, Kulaijaya, Johor**

Completion Date	:	28 January 2016
Land Area	:	Approx. 10 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM61 million
Projected Net Property Yield	:	7.12%
WALE	:	10 years



## Kerry Warehouse – Pasir Gudang, Johor

Land Area	:	Approx. 6 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM33 million
Projected Net Property Yield	:	7.5%
WALE	:	5 years



## Scomi Facility – Rawang, Selangor

Land Area	:	Approx. 15.25 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM42 million
Projected Net Property Yield	:	7.3%
WALE	:	15 years

The Manager is currently undergoing assessments for the following assets as future acquisition targets:

1. Industrial facility in SiLC, Iskandar Puteri, Johor for RM55 million
2. Industrial facility in Seberang Prai, Penang for RM24 million
3. Industrial facility in Seberang Prai, Penang RM34 million
4. Industrial facility in Kulim, Kedah for RM20 million
5. Industrial facility in Seberang Prai, Penang for RM55 million

**Total Estimated Value of RM188 million**

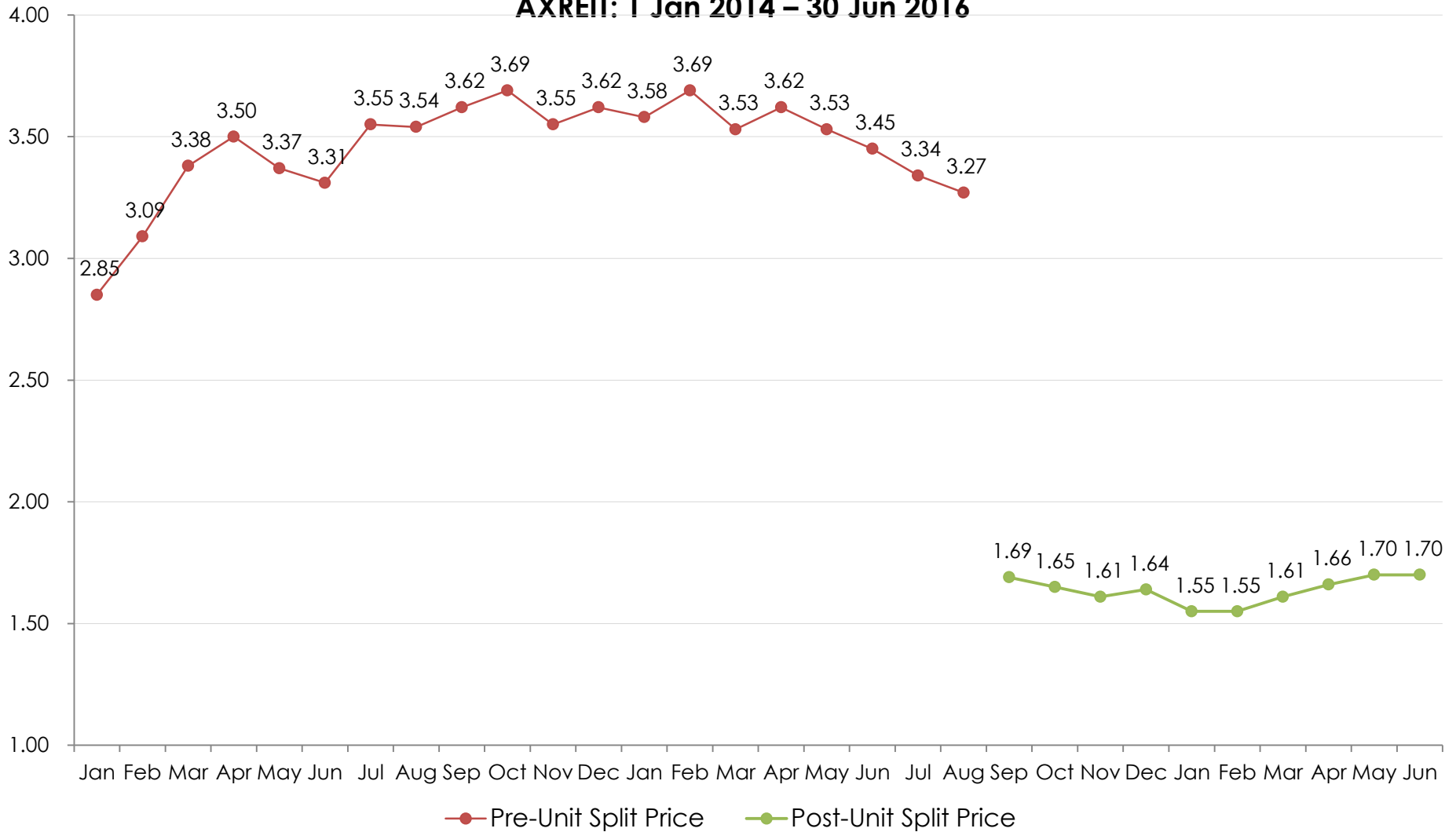


**2Q2016  
INVESTOR RELATIONS  
REPORT**

# Unit Price Performance YTD 2016



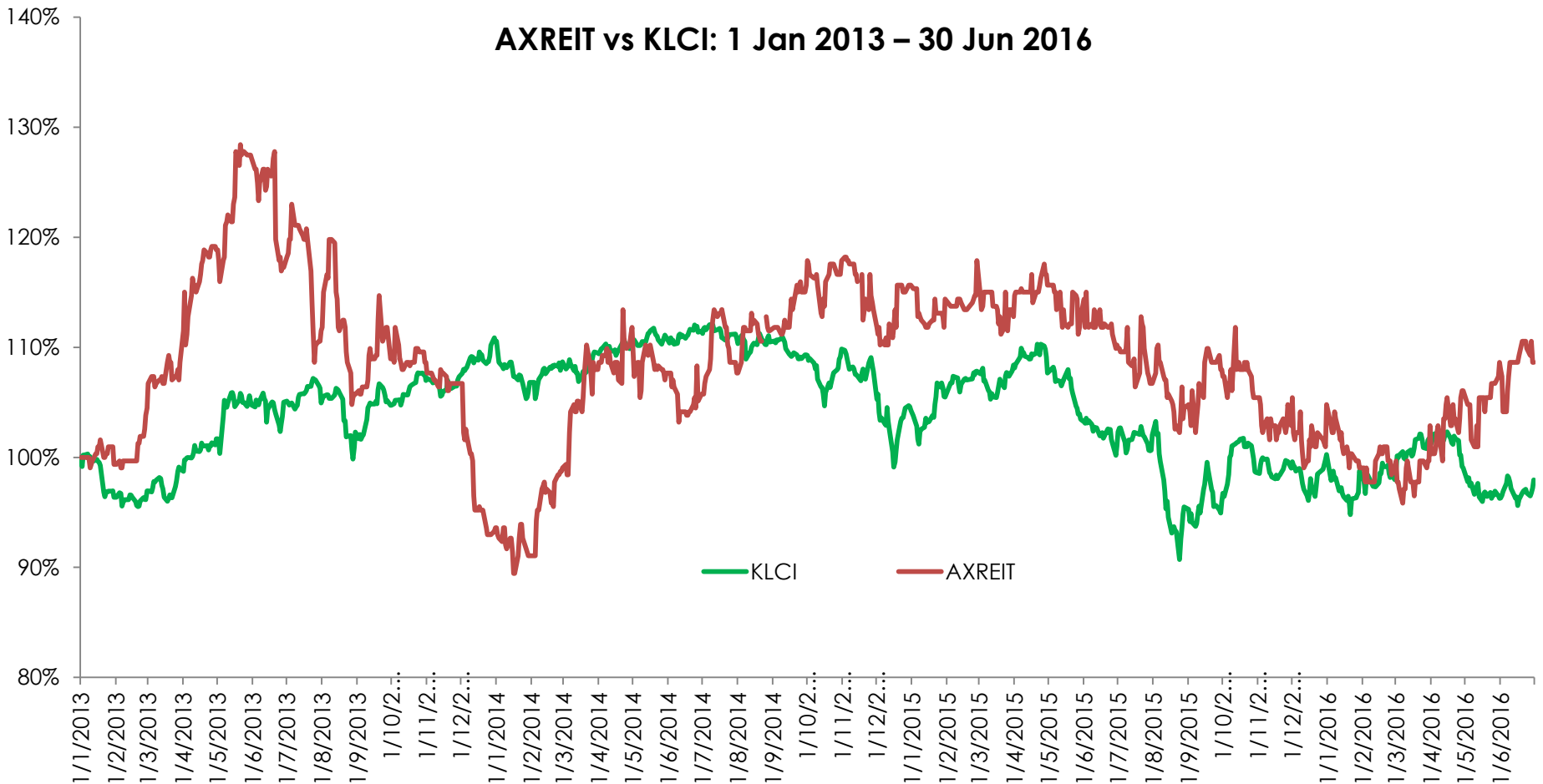
**AXREIT: 1 Jan 2014 – 30 Jun 2016**



# Unit Price Movement YTD 2016



**AXREIT vs KLCI: 1 Jan 2013 – 30 Jun 2016**



**Price Statistics**

2Q2016: Unit Price @ 30 Jun 2016 RM1.70

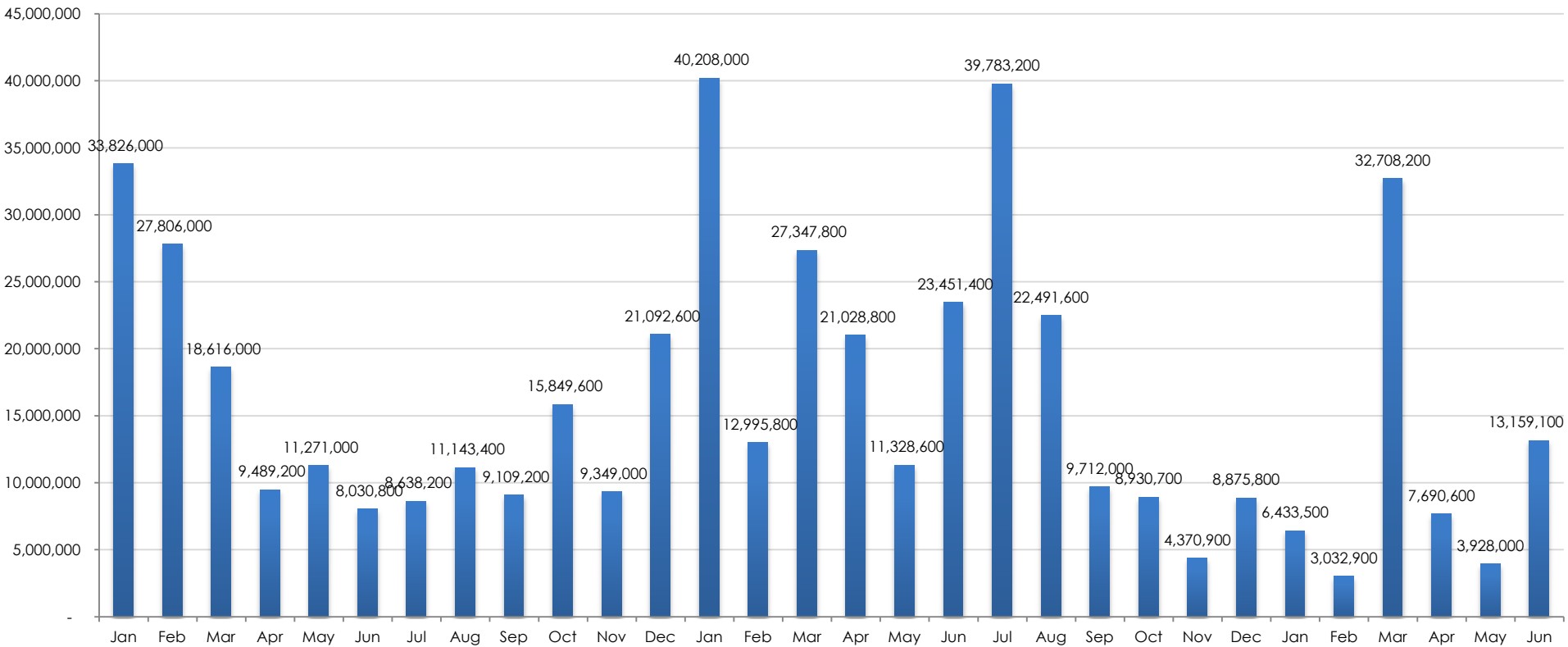
Highest Price YTD: June 2016 RM1.73

1Q2016: Unit Price @ 31 Mar 2015 RM1.61

Lowest Price YTD: March 2016 RM1.50



## AXREIT: 1 Jan 2014 – 30 Jun 2016



### Volume Statistics

Average Monthly Volume 2016 11,158,717

Highest Monthly Volume: March 2016 32,708,200

Lowest Monthly Volume: February 2016 57 3,032,900

# Top 10 Unitholders YTD 2016



1	AMANAH SAHAM BUMIPUTERA	11.93%
2	EMPLOYEES PROVIDENT FUND	10.30%
3	LEMBAGA TABUNG HAJI	5.43%
4	TEW PENG HWEE @ TEOH PENG HWEE	5.04%
5	ALEX LEE LAO	4.53%
6	PERMODALAN NASIONAL BERHAD	3.60%
7	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	2.61%
8	EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	2.47%
9	AMANAH SAHAM MALAYSIA	2.39%
10	AMANAH SAHAM WAWASAN 2020	2.18%

Holdings Breakdown	Units Held 2Q2016	Units Held 1Q2016	Q-on-Q Change
Top 5 Unitholders	37.23%	36.51%	0.72%
Top 10 Unitholders	50.48%	50.31%	0.17%
Unitholders with > 2 million unitholdings	87.37%	87.01%	0.36%

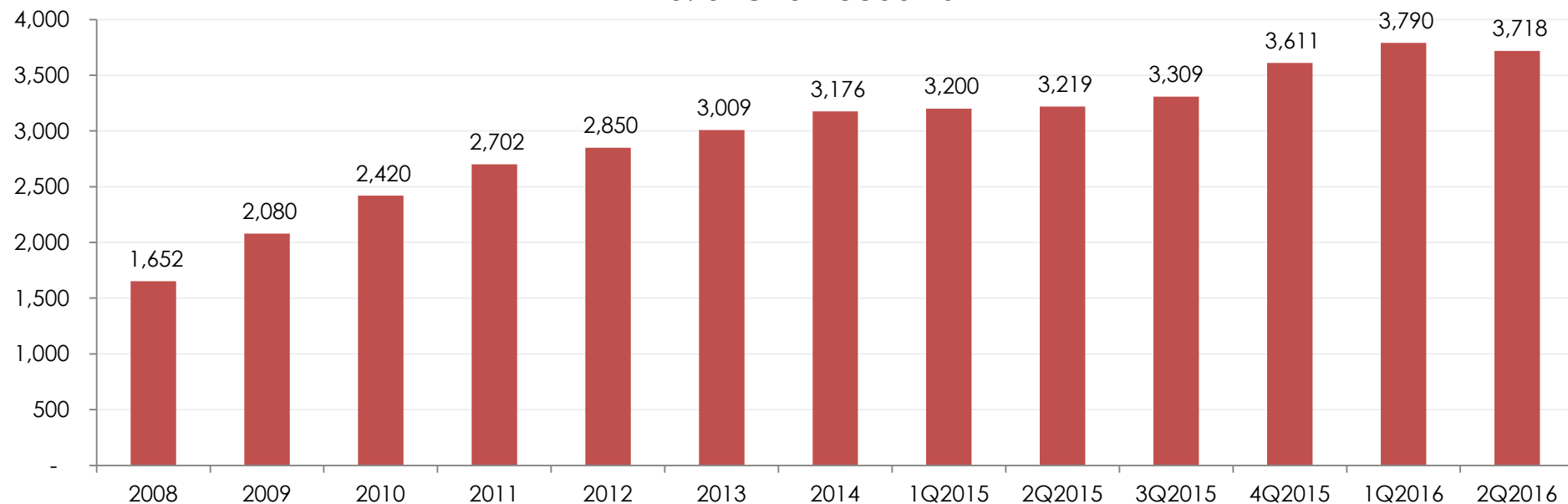
## Top 5 increases in unitholdings:

	Last Quarter Increase
AMANAH SAHAM DIDIK	0.4%
LEMBAGA TABUNG HAJI	0.4%
AMANAH SAHAM WAWASAN 2020	0.3%
SKIM AMANAH SAHAM BUMIPUTERA	0.3%
BNP PARIBAS SECS SVS PARIS FOR REIT ASIEN 1	0.3%

## Top 5 decreases in unitholdings:

	Last Quarter Decrease
ETIQA TAKAFUL BERHAD	-0.6%
KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	-0.4%
EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (CLT ASSET-AIFM)	-0.3%
SIX SIS FOR B&I PACIFIC REAL ESTATE SECURITIES FUND	-0.2%
PERMODALAN NASIONAL BERHAD	-0.1%

## No. of CDS Accounts



✓ Quarter-on-quarter, total number of CDS accounts decreased by 72 to 3,719.

	Units Held 2Q2016	Units Held 1Q2016	Q-on-Q Change
Total foreign holdings	12.37%	12.69%	-0.29%
Foreign holdings – related-party	7.65%	7.64%	0.17%
Foreign holdings – non-related-party	4.72%	5.05%	-0.46%
Promoters	13.98%	13.96%	0.19%

# Analyst Coverage 2Q2016



Coverage	Rating	Target Price (RM)	Published Date
AffinHwang	Hold	1.65	26-Apr-16
Alliance DBS	Hold	1.60	26-Apr-16
CIMB	Buy	1.80	26-Apr-16
Hong Leong IB	Hold	1.60	26-Apr-16
KAF	Hold	1.70	26-Apr-16
Kenanga	Hold	1.60	26-Apr-16
Maybank	Hold	1.55	26-Apr-16
MIDF	Hold	1.71	26-Apr-16
UOBKayHian	Hold	1.68	26-Apr-16
Nomura	Buy	1.81	6-May-16
<b>S&amp;P Capital IQ Consensus</b>		<b>1.71</b>	<b>14-Jul-2016</b>

Recommendation	Movement	2Q2016	1Q2016
Buy	↑	2	0
Hold	↑	8	5
Sell	↔	0	0

# THANK YOU

