

Axis REIT Managers Bhd  
Q3 2015 Results Presentation

19<sup>th</sup> October 2015

2015

3Q 2015

Highlights




# Axis-REIT turns 10!



Axis-REIT was listed on the 3<sup>rd</sup> August 2005



# Our 10 year milestones - briefly

- ✓ Assets Under Management RM296 million  RM2.09 billion
- ✓ Space Under Management 978,000 sq.ft  7,014,356 sq ft
- ✓ Properties 5  34
- ✓ Valuation Gain since listing RM276,000,000
- ✓ First REIT to convert into an Islamic REIT
- ✓ First PLC to adopt Cloud Computing
- ✓ First REIT to introduce the Income Distribution Reinvestment Plan
- ✓ First REIT to implement Unit Split
- ✓ Winner of Best Practices Award from Asian Public Real Estate Association
- ✓ Founding member of the Malaysian REIT Managers Association

# Dato' Stewart LaBrooy to retire as CEO



Y Bhg Dato' Stewart LaBrooy  
CEO & Executive Director



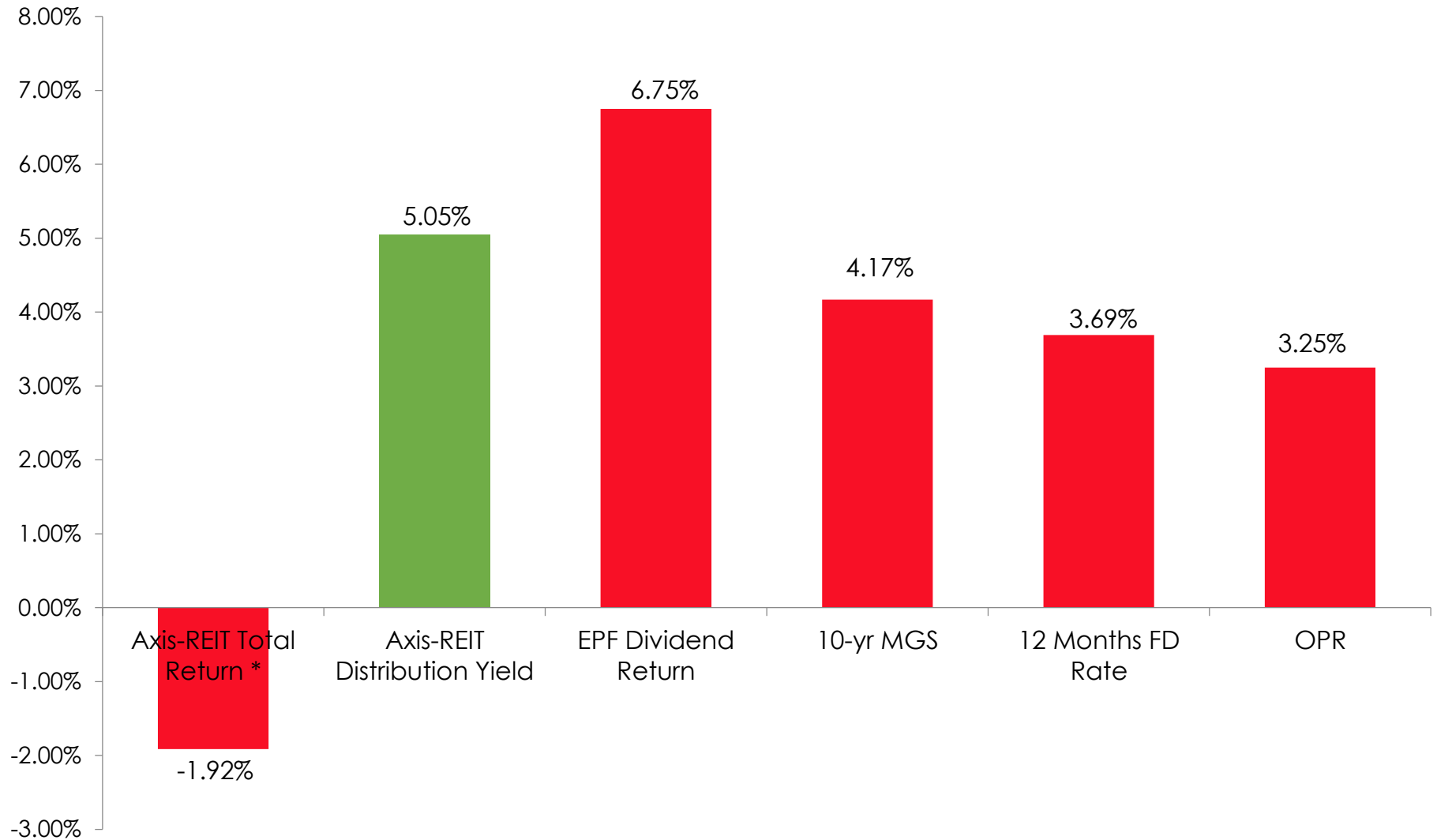
Ms. Leong Kit May  
COO & Finance Director

The Board of Directors of Axis REIT Managers Berhad, announced that the Manager had received approval from the Securities Commission Malaysia vide their letter dated 13 October 2015 for the appointment of Ms Leong Kit May to succeed Dato' Stewart LaBrooy as CEO when he retires on 31 December 2015.

Ms Leong's appointment will be effective 1 January 2016.

Dato' Stewart LaBrooy will continue to serve the Board as a Non-Independent Non-Executive Director from 1 January 2016.

# Q3 2015 Return Comparatives



\* (Based on DPU from operations + gain on disposal + movement in market price)/  
Restated opening market price as at 1 January 2015)

**RM 2,046,976,000**

Investment  
Properties

# Highlights 3Q 2015

- ✓ Completed the acquisition of Axis Shah Alam DC2 for RM45 million on 31 March , which was the remaining property with a related party initially transacted in 2014.
- ✓ Acceptance of a Letter of Offer to acquire a new industrial facility for RM61.0 million located in Indahpura, Johor on 30 June 2015.
- ✓ Acceptance of a Letter of Offer to acquire a new logistic warehouse for RM41.0 million located in SiLC, Nusajaya on 13 October 2015.
- ✓ The Unit Split was implemented and completed with the Subdivided Units being listed and quoted on the Main Market of Bursa Securities on 9 September 2015.
- ✓ The fund size of the fund had been increased form 547,758,040 units to 1,095,516,080 units upon completion of the Unit Split.
- ✓ Announced the 1<sup>st</sup> implementation of Income Distribution Reinvestment Plan (IDRP) for 2015 in conjunction with the payment of 3<sup>rd</sup> interim income distribution.
- ✓ Obtained Unitholders' approval for General Mandate to place out additional 20% new units.
- ✓ Declared 2.20 sen DPU for 3Q 2015; equivalent to 4.40 sen prior to Unit Split.
- ✓ Traded at a premium of 36.9% to our NAV as of 30 September 2015.



# 3Q 2015 Finance Report

# 3Q 2015 Summary

	3Q 2015
Total Net Income ("Realised") (RM' 000)	69,782
Income Available for Distribution ("Realised") (RM' 000)	70,280
Earnings per Unit ("EPU") ("Realised") (Sen) *	6.37
Income Distribution Declared (RM'000)	70,113
Distribution per Unit ("DPU") (Sen) **	6.40
Number of Investment Properties	34
Units in Circulation (Units)	1,095,516,080
Assets Under Management (RM'000)	2,087,613
Total Financing (RM'000)	681,640
Gearing Ratio	32.65%
Total Unitholder's Fund (RM'000)	1,352,622
Market Capitalization (RM'000)	1,851,422
Net Asset Value per Unit (RM)	1.23
IPO Retail Unit Price (RM) (restated from RM1.25)	0.625
Unit Price as at 30 September 2015 (RM)	1.69
Number of Unitholders	3,309

\* EPU is calculated based on the number of units in issue of 1,095,516,080

\*\* Includes of third interim income distribution of 2.20 sen to be paid on 9 December 2015

# Income Statement 3Q 2015 vs 3Q 2014

	3Q 2015 (RM '000)	3Q 2014 (RM'000)	Changes / Movement
No. of Properties	34	30	+ 4
Property Income	41,631	33,004	+ 26.1%
Property Expenses	(5,826)	(5,099)	+ 14.3%
Net Property Income	35,805	27,905	+ 28.3%
Profit Income / other income	226	117	
Non-Property Expenses	(4,643)	(3,352)	+ 38.5%
Islamic Financing Cost	(7,606)	(5,777)	+ 31.7%
Income tax expenses	(73)	-	
Net Income	23,709	18,893	+ 25.5%
DPU (sen)			
– on performance	2.20	2.12 *	+ 3.77%
– gain on disposal	-	0.38 *	
No. of units in issuance	1,095,516,080	463,700,098	

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

*\* Restated to reflect units issuance after split*

# Income Statement YTD 3Q 2015 vs YTD 3Q 2014

	YTD 3Q 2015 (RM '000)	YTD 3Q 2014 (RM'000)	Changes / Movement
No. of Properties	34	30	+ 4
Property Income - <b>Note 1</b>	123,245	103,255	+ 19.4%
Property Expenses - <b>Note 2</b>	(17,742)	(16,318)	+ 8.7%
Net Property Income	105,503	86,937	+ 21.4%
Profit Income / Other Income	568	547	
Net gain on disposal of property	-	1,614	
Non-Property Expenses - <b>Note 3</b>	(13,862)	(10,172)	+ 36.3%
Islamic Financing Cost - <b>Note 4</b>	(22,354)	(16,969)	+ 31.7%
Income tax expense	(73)	-	
Net Income	69,782	61,957	+ 12.6%
DPU (sen) – <b>Note 5</b>			
- On performance	6.40	6.62 *	- 3.32%
- Gain on disposal	-	1.18 *	
No. of units in issuance – <b>Note 5</b>	1,095,516,080	463,700,098	

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

*\* Restated to reflect units issuance after split*

## **Note 1 – Property Income**

The higher property income is mainly due to contribution of rental proceeds from newly completed property acquisitions in 4Q 2014 and 1Q 2015, ie. Axis MRO Hub, Axis Shah Alam DC 3, Axis Steel Centre@SiLC and Axis Shah Alam DC2.

## **Note 2 – Property Expenses**

Property expenses increased due to new properties added into the portfolio during the period. (efficiency ratio on the portfolio has improved from 15.84% to 14.39%).

## **Note 3 – Non-Property Expenses**

The MER of the Fund as at 30 September 2015 is 1.33% of NAV, as compared to 1.30% for 2014. The increase is due to increase in the Manager's and Trustee's fees which resulted from the increase in the NAV of the Fund and GST compliant related costs that had been incurred in the beginning of this year.

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

Increase due to additional financing facilities utilized to fund the new acquisitions.

# Income Statement YTD 3Q 2015 vs YTD 3Q 2014

## 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. However the distribution yield remains.

	DPU declared for 2015	
	Prior to Unit Split	After Unit Split
No. of units	547,758,040	1,095,516,080
1st interim	4.10	2.05
2nd interim	4.30	2.15
3rd interim	equivalent to 4.40	2.20
YTD up to 3rd qtr	12.80	6.40

# Gross Yield of Investment Properties

**Average gross yield 3Q 2015 = 9.86%**

Properties	Gross yield (%)
1 Wisma Kemajuan	18.15%
2 Crystal Plaza	14.31%
3 Delfi Warehouse	13.48%
4 FCI Senai	13.31%
5 BMW Centre PTP	12.80%
6 Menara Axis	12.60%
7 D8 Logistics Warehouse	12.09%
8 Strateq Data Centre	11.93%
9 Niro Warehouse	11.42%
10 Fonterra HQ	10.97%
11 Seberang Prai Logistic Warehouse 3	10.87%
12 Wisma Academy Parcel	10.37%
13 Axis PDI Centre	10.00%
14 Infinite Centre	9.98%
15 Quattro West	9.94%
16 Emerson Industrial Facility Nilai	9.85%
17 Axis Vista	9.82%
18 Bayan Lepas Distribution Centre	9.66%
19 Axis Shah Alam DC 1	9.53%
20 Giant Hypermarket, Sungai Petani	9.02%
21 Seberang Prai Logistic Warehouse 1	8.99%
22 Axis Steel Centre	8.84%
23 Bukit Raja Distribution Centre	8.71%
24 Axis Business Park	8.63%
25 Seberang Prai Logistic Warehouse 2	8.53%
26 Tesco Bukit Indah	8.43%
27 Axis Shah Alam DC 3	7.98%
28 Axis MRO Hub	7.88%
29 Axis Shah Alam DC 2	7.68%
30 Axis Technology Centre	7.56%
31 Axis Steel Centre@ SiLC	7.46%
32 Axis Eureka	7.19%
33 The Annex	6.50%
34 Axis Business Campus	-

# Net Yield of Investment Properties / Cost

**Average net yield 3Q 2015 = 8.47%**

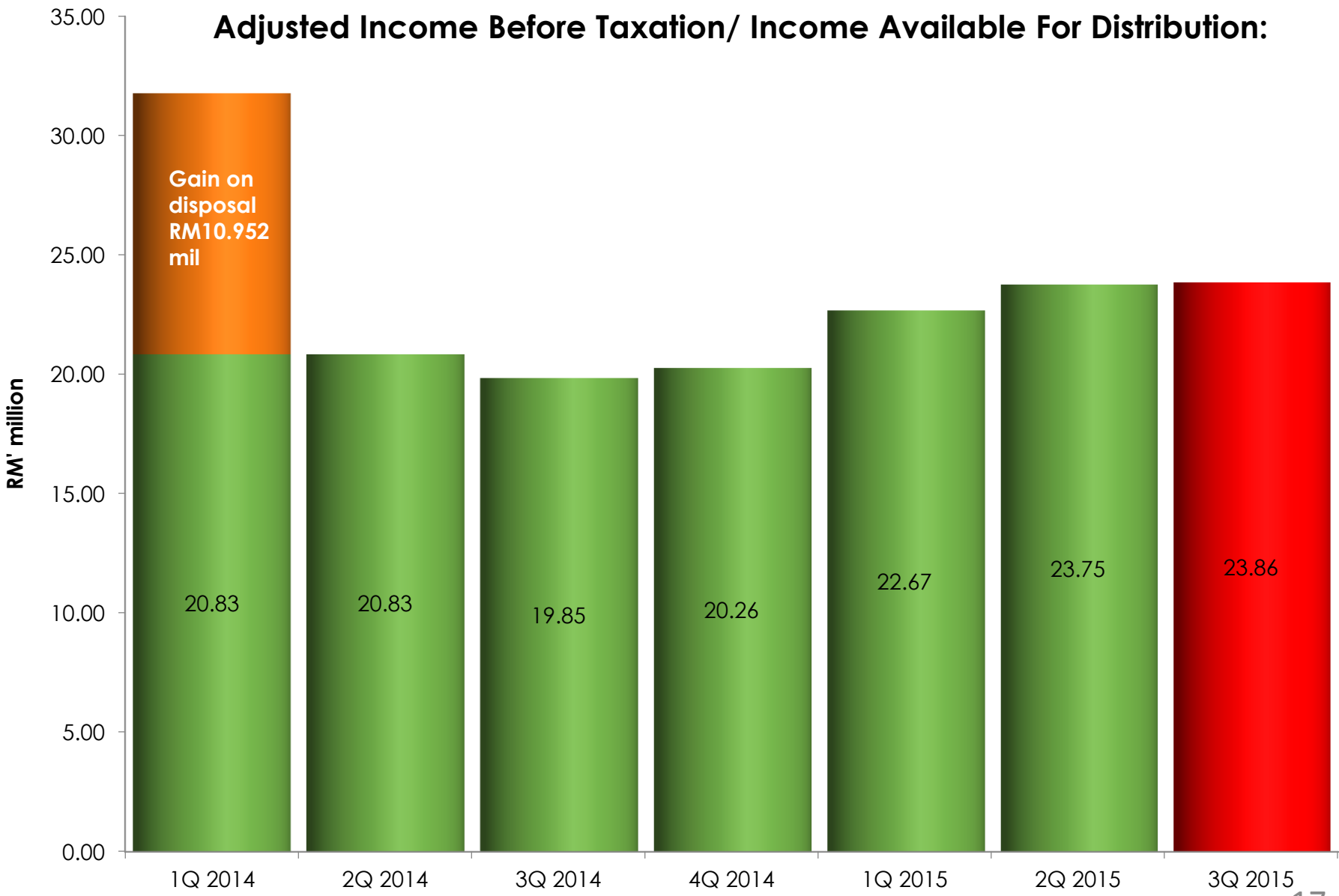
	Properties	Net yield (%)
1	Wisma Kemajuan	14.09%
2	Crystal Plaza	12.05%
3	FCI Senai	11.86%
4	Delfi Warehouse	11.74%
5	BMW Centre PTP	11.63%
6	Strateq Data Centre	11.33%
7	D8 Logistics Warehouse	11.29%
8	Niro Warehouse	10.36%
9	Menara Axis	10.26%
10	Seberang Prai Logistic Warehouse 3	9.82%
11	Fonterra HQ	9.44%
12	Emerson Industrial Facility Nilai	8.92%
13	Axis PDI Centre	8.80%
14	Bayan Lepas Distribution Centre	8.79%
15	Axis Vista	8.69%
16	Axis Shah Alam DC 1	8.60%
17	Seberang Prai Logistic Warehouse 1	8.52%

18	Giant Hypermarket, Sungai Petani	8.26%
19	Bukit Raja Distribution Centre	8.20%
20	Axis Steel Centre	8.02%
21	Seberang Prai Logistic Warehouse 2	7.88%
22	Tesco Bukit Indah	7.83%
23	Quattro West	7.64%
24	Infinite Centre	7.64%
25	Wisma Academy Parcel	7.22%
26	WiAxis MRO Hub	7.18%
27	Axis Shah Alam DC 3	7.10%
28	Axis Steel Centre@ SiLC	7.09%
29	Axis Shah Alam DC 2	6.94%
30	Axis Business Park	6.51%
31	Axis Technology Centre	5.76%
32	Axis Eureka	4.39%
33	The Annex	4.23%
34	Axis Business Campus	-



# Income Statement

## Adjusted Income Before Taxation/ Income Available For Distribution:



## **3<sup>rd</sup> Interim 2015 Income Distribution: 2.20 sen**

The 2.20 sen DPU represents 99.76% income available for distribution from performance of properties for the period from 1 July 2015 to 30 September 2015

Important dates:

Ex-date:	29 October 2015
Entitlement date:	2 November 2015
Payment date:	9 December 2015

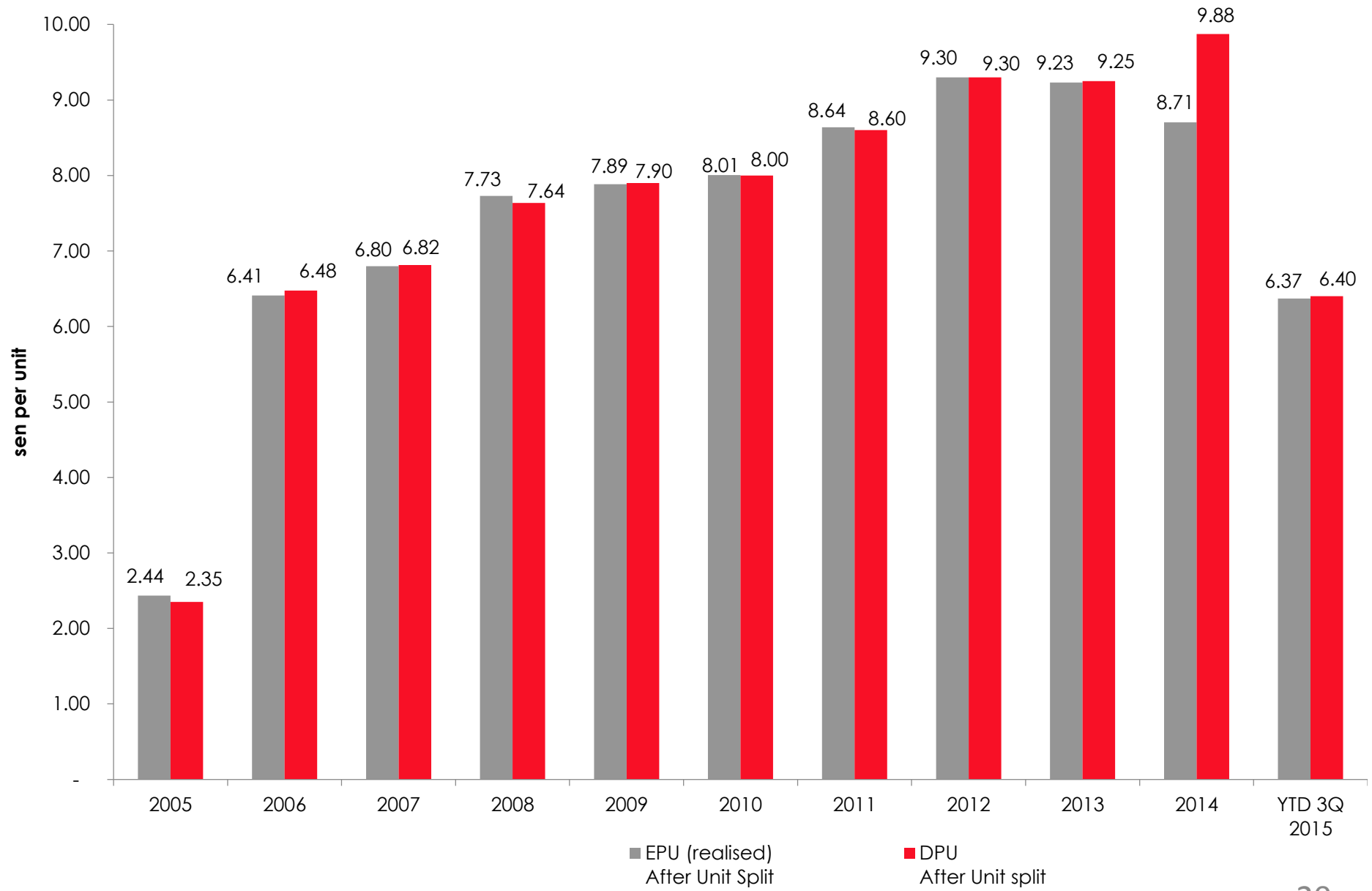
# Implementation of Income Distribution Reinvestment Plan (IDRP)

The Manager wishes to announce that it will be implementing the Income Distribution Reinvestment Plan for the 3Q 2015.

Details are as follows:

- a) *Electable Portion* : 1.00 sen which is 45% of the 2.20 sen DPU to be allow for reinvestment
  
- b) *Exercise Price* : RM1.59 represents a 5.8% discount to the VWAMP up to and including 16 October 2015

# Summary of Realised EPU and DPU (Restated After Unit Split)



# Statement of Financial Positions

	30/09/15 (RM'000)	31/12/14 (RM'000)	Changes
Investment Properties – <b>Note 1</b>	2,046,976	1,982,587	+ 64,389
Fixed Assets	3,712	2,821	+ 891
Other Assets – <b>Note 2</b>	36,925	100,475	- 63,550
<b>TOTAL ASSETS</b>	<b>2,087,613</b>	<b>2,085,883</b>	<b>+ 1,730</b>
Borrowings – <b>Note 3</b>	681,640	683,769	- 2,129
Other Payables	53,351	75,745	- 22,394
<b>TOTAL LIABILITIES</b>	<b>734,991</b>	<b>759,514</b>	<b>- 24,523</b>
<b>NET ASSETS VALUE (“NAV”)</b>	<b>1,352,622</b>	<b>1,326,369</b>	<b>+ 26,253</b>
Unitholders' Capital – <b>Note 4</b>	1,045,258	1,044,664	+ 594
Undistributed Distributable Income	21,383	5,555	+ 15,828
Non-Distributable Reserve – <b>Note 5</b>	285,981	276,150	+ 9,831
<b>TOTAL UNITHOLDERS' FUND</b>	<b>1,352,622</b>	<b>1,326,369</b>	<b>+ 26,253</b>
<b>GEARING</b>	<b>32.65%</b>	<b>32.78%</b>	
<b>NAV/unit (RM)</b>	<b>1.2347</b>	<b>2.4225</b>	
<b>No. of units in issuance</b>	<b>1,095,516,080</b>	<b>547,522,040</b>	

## Note 1 – Investment properties

The acquisition of Axis Shah Alam DC2 was completed on 31 March 2015 at RM45 million. A total of RM9.905 million has been incurred for enhancement of the properties in the nine months period of 2015. Five properties have been revalued in 2015 resulted in a gain of RM8.702 million.

## Note 2 – Other assets

The average collection of trade receivables is as shown below:

For Period Ended	Avg. Collection Period (in days)
31-DEC-14	2
31-MAR-15	2
30-JUN-15	7
30-SEP-15	3

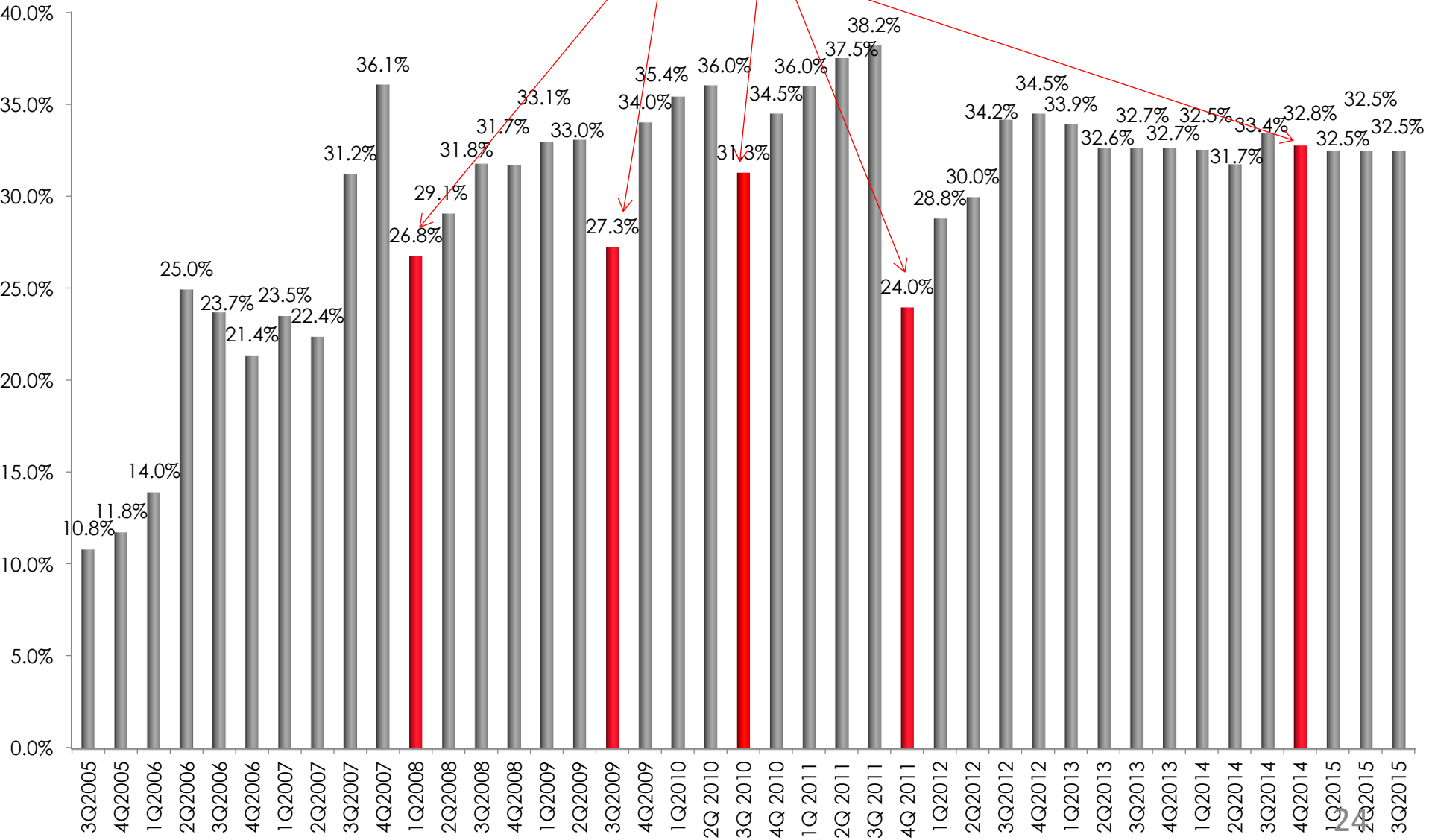
# Statement of Financial Positions - Note 3 Borrowings

	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD 3Q 2015
<b>Total Borrowings (RM'000)</b>	88,089	209,816	230,456	308,932	416,609	311,338	548,920	528,004	683,769	681,640
<b>Total Assets (RM'000)</b>	411,781	581,857	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	2,087,613
<b>Gearing</b>	21.39%	36.06%	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	32.65%
<b>Effective Profit Rate</b>	4.38%	4.39%	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	4.30%
<b>Percentage of short term borrowings- Maturity &lt; 1 Year</b>	100%	100%	100%	47%	48%	52%	62%	50%	61%	51%
<b>Percentage of medium/ long term borrowings (maturity more than 1 years and less than 7 years)</b>	-	-	-	53%	52%	48%	38%	50%	39%	49%
<b>Percentage of floating rate borrowings</b>	100%	100%	100%	47%	48%	52%	62%	40%	47%	46%
<b>Percentage of fixed rate borrowings</b>	-	-	-	53%	52%	48%	38%	60%	53%	54%
<b>Total unencumbered assets</b>	7	8	13	12	11	12	6	5	5	6
<b>Percentage of unencumbered assets/total assets</b>	57%	34%	44%	52%	42%	44%	19%	16%	21%	24%
<b>Financing cost cover</b>	9.4	5.6	5.5	4.8	4.1	3.8	4.6	4.5	4.5	4.1

# Statement of Financial Positions

## Gearing Levels

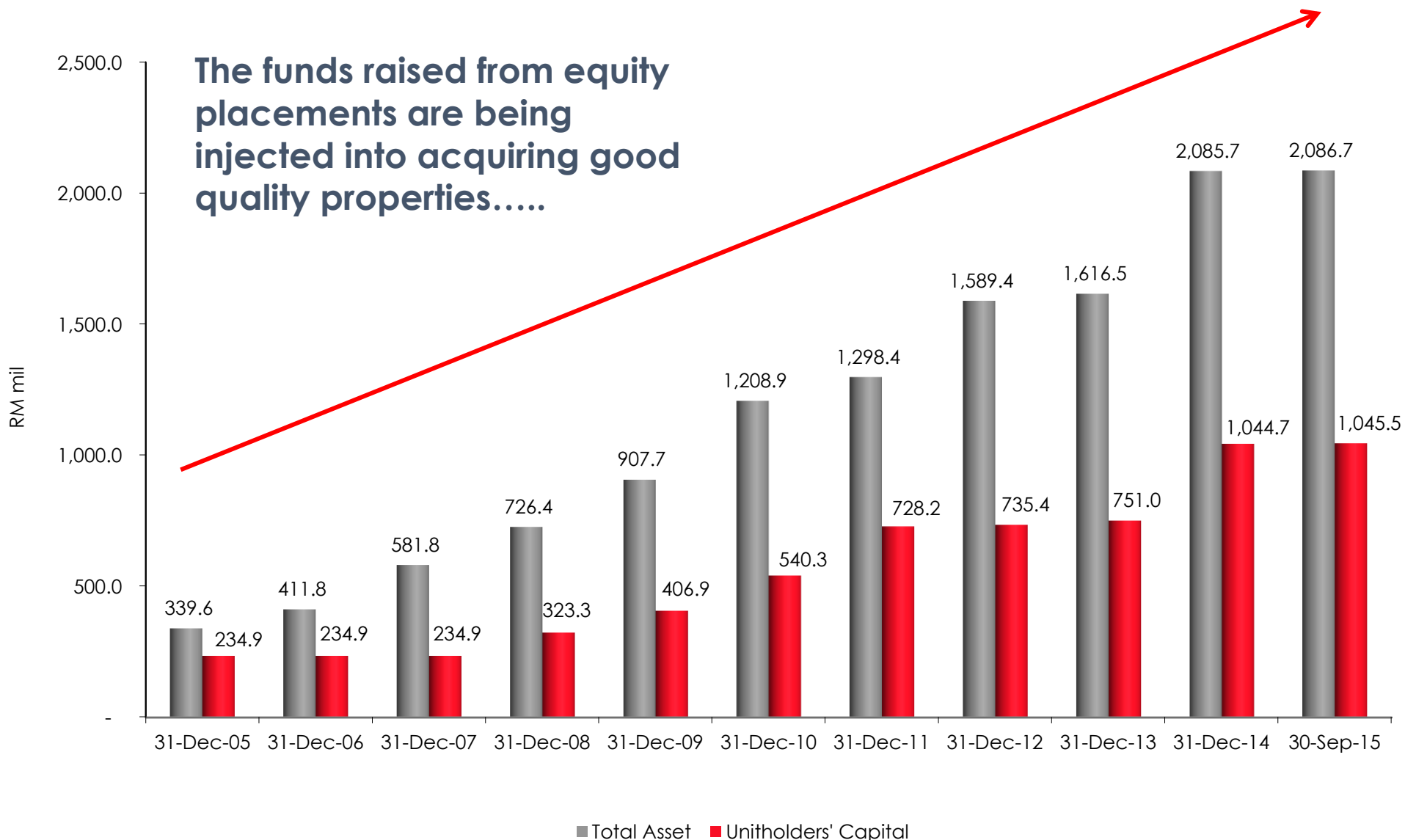
## Placements Undertaken





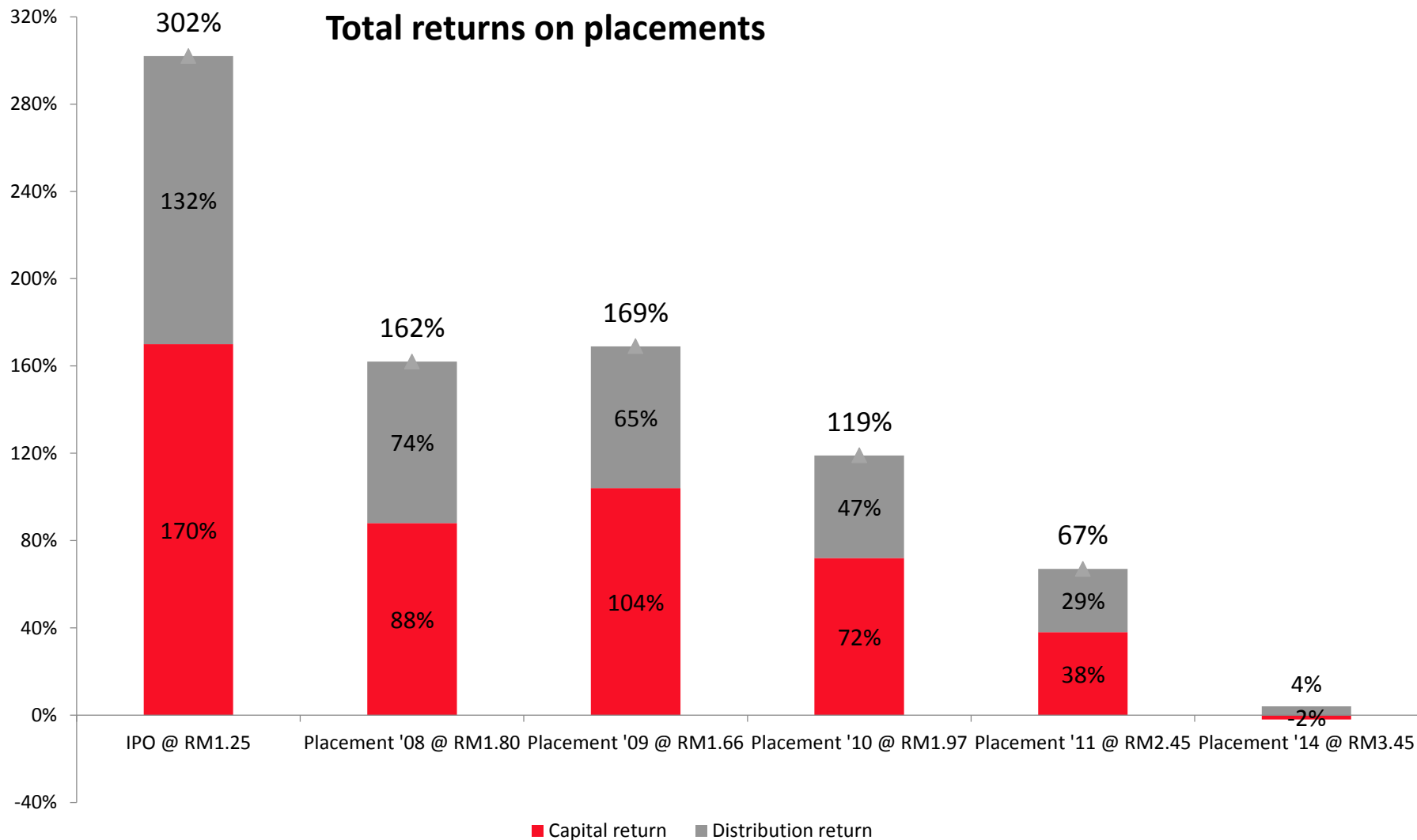
# Unitholders' Capital – Note 4

The funds raised from equity placements are being injected into acquiring good quality properties.....



# Unitholders' Capital – Note 4

... resulting in good total returns to unitholders.



# Statement of Financial Positions

## Note 5 – Non-distributable reserve

Non-distributable reserve mainly comprises the favorable gain in fair value of approx. **RM276** million to date.

Building	Gain /(Loss) RM'000	Building	Gain /(Loss) RM'000
Crystal Plaza	44,329	Axis Technology Centre	2,891
Menara Axis	38,002	Delfi Warehouse	2,797
Axis Business Park	24,287	Emerson Industrial Facility Nilai	2,693
Axis Vista	22,388	Seberang Prai Logistic Warehouse 1	2,498
Wisma Kemajuan	21,920	Niro Warehouse	2,466
Bukit Raja Distribution Centre	20,584	Giant Hypermarket, Sungei Petani	2,102
Axis Business Campus	14,807	BMW Centre PTP	1,937
Tesco Bukit Indah	13,699	Seberang Prai Logistic Warehouse 3	1,929
Strateq Data Centre	10,368	D8 Logistics Warehouse	1,914
Infinite Centre	7,112	Bayan Lepas Distribution Centre	692
Axis Shah Alam DC 1	5,829	Seberang Prai Logistic Warehouse 2	675
Axis PDI Centre	5,664	Axis Shah Alam DC 2	-
The Annex	5,630	Axis Steel Centre@ SiLC	(20)
Quattro West	5,351	Axis Eureka	(243)
Wisma Academy Parcel	5,041	Axis MRO Hub	(357)
Fonterra HQ	3,937	Axis Shah Alam DC 3	(2,416)
Axis Steel Centre	3,727		
FCI Senai	3,341		

# Q3 2015 Property Report

Q3 2015 occupancy rate has held steady registering a slight adjustment down to 92.64% from 92.67% in Q2 2015. There have been some movements in the portfolio with some tenants moving out, however the leasing team has succeeded to secure replacements tenants for these spaces at higher rents.

The vacant spaces in the portfolio currently stands at 516,304 sq. ft as at 30 September 2015. Our leasing team continues to work hard to secure new tenants to fill up the voids in our properties within the portfolio. It is fortunate that these vacancies are occurring in our newly refurbished buildings which have recently come back on the market. Being new and contemporary, they have generated much interest with prospective tenants.

We are pleased to report that we have been successful in securing new tenancies/leases which will be commencing in December 2015 for approximately 30,000 sq ft and we expect that few more prospects will sign on for their tenancies/leases by end of this year. This should result in a sharp reduction in the vacancies in the portfolio.





The industrial portfolio continues to perform very well and has excellent growth prospects in the coming years. Demand for e-commerce platforms are rising and we are working with our current tenants to upgrade their current facilities to meet this new demand.

The current weakness in the Malaysian economy continues to weigh down the demand for office space. Our challenge is the fact that many companies that are looking for space to expand or relocate operations are taking a longer time to deliberate on their decisions. It is fortunate that our properties remain in demand due to their unique configuration and strategic locations.

By filling the current voids, we expect to add as much as 1.97 sen to the annual DPU (based on the enlarged unit size after the Unit Split).




# Key Metrics

As at 30 September 2015 the Portfolio has 34 assets comprising 7,014,356 sq. ft. and 138 tenants.

Type	Q3 2015	Q2 2015	Movement
Property Income (RM' 000)	41,631	41,210	 1.02%
Property Expenses (RM' 000)	5,825	5,897	 1.22%
Net Property Income (RM' 000)	35,805	35,313	 1.40%
Occupancy	92.64%	92.67%	 0.03%

# Key Metrics

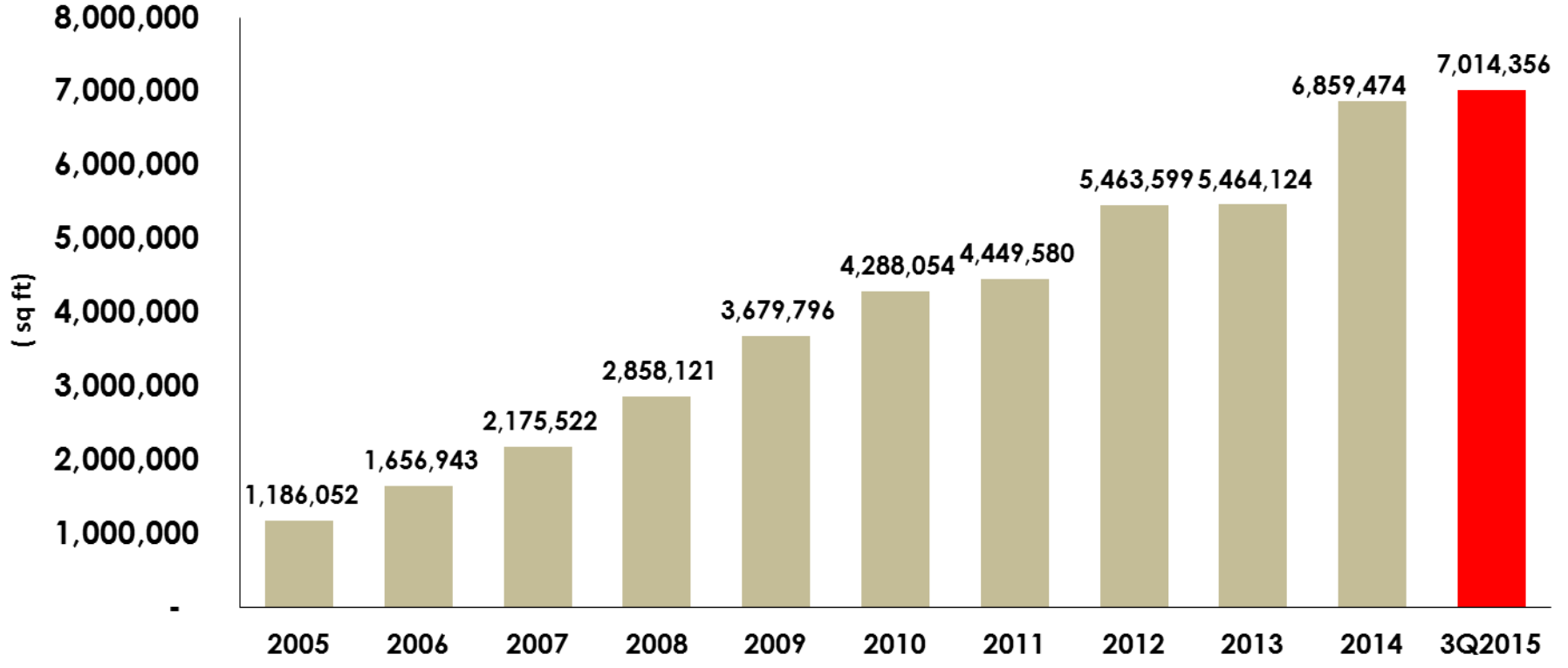
## Average Rental Rates:

Type of Properties	Q3 2015	Q2 2015	Movement
Office (RM/sq. ft.)	4.64	4.63	 + 0.01
Office Industrial (RM/sq. ft.)	2.62	2.62	No change
Manufacturing Facilities (RM/sq. ft.)	1.33	1.29	 + 0.04
Warehouse Logistics (RM/sq. ft.)	1.70	1.69	 + 0.01
Hypermarket (RM/sq. ft.)	2.24	2.24	No change



# Space Under Management (Sq. Ft.)

## Space Under Management (sq ft)



# Portfolio Occupancy Rate

As at 30 September 2015 Axis REIT has only 11 out of 34 properties that carry vacancy. 23 properties enjoy 100% occupancy.

## Occupancy

As at 30 June 2015	92.67%
As at 30 Sept 2015	92.64%

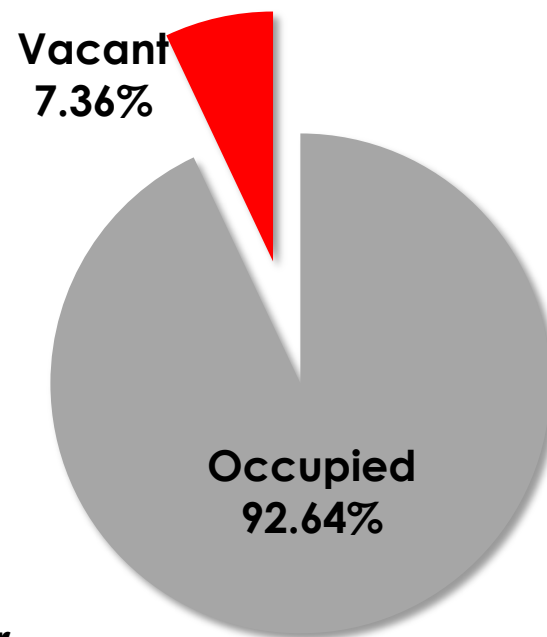
## Vacancy

As at 30 September 2015	7.36%
Space to be let out	516,304 sq. ft.

Unbilled space income **RM21.6 million per year.**  
Potential annual DPU upside = 1.97 sen per unit/year

For Axis REIT multi-tenanted properties Q3 2015  
Occupancy rate is 82.16%

## Occupancy Rate

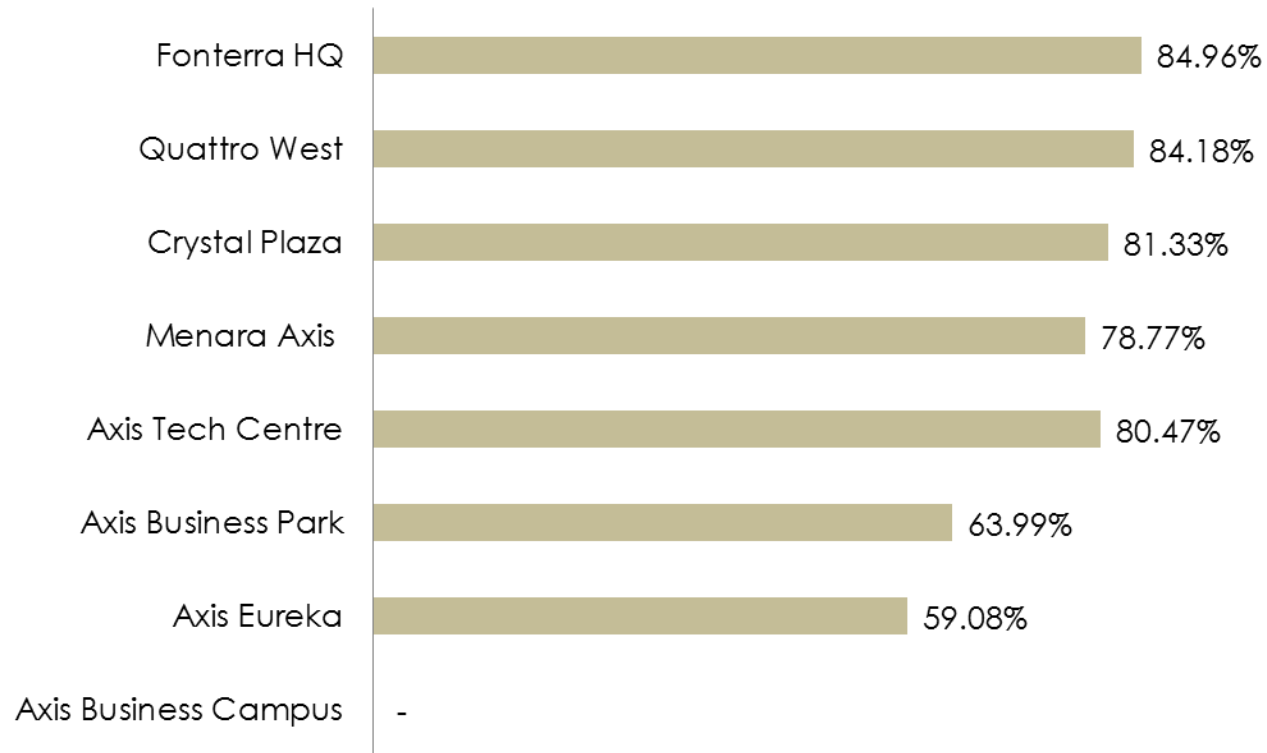


# Occupancy Rates by Property As At 30 Sep 2015

1	Menara Axis	78.77%	19	Niro Warehouse	100.00%
2	Crystal Plaza	81.33%	20	Delfi Warehouse	100.00%
3	Quattro West	84.18%	21	Axis Steel Centre	100.00%
4	Axis Eureka	59.08%	22	Bukit Raja Distribution Centre	100.00%
5	Axis Business Park	63.99%	23	Seberang Prai Logistic Warehouse 1	100.00%
6	Infinite Centre	71.53%	24	Seberang Prai Logistic Warehouse 2	100.00%
7	Wisma Kemajuan	97.38%	25	Axis PDI Centre	100.00%
8	Axis Business Campus	-	26	D8 Logistics Warehouse	100.00%
9	Strateq Data Centre	100.00%	27	FCI Senai	100.00%
10	Fonterra HQ	84.96%	28	Bayan Lepas Distribution Centre	100.00%
11	Axis Vista	100.00%	29	Seberang Prai Logistic Warehouse 3	100.00%
12	Axis Tech Centre	80.47%	30	Emerson Industrial Facility Nilai	100.00%
13	Wisma Academy Parcel	92.07%	31	Axis Shah Alam DC 3	100.00%
14	The Annex	100.00%	32	Axis MRO Hub	100.00%
15	Giant Hypermarket Sg. Petani	100.00%	33	Axis Steel Centre @ SiLC	100.00%
16	Tesco Bukit Indah	100.00%	34	Axis Shah Alam DC 2	100.00%
17	Axis Shah Alam DC 1	100.00%			
18	BMW Asia Technology Centre	100.00%			

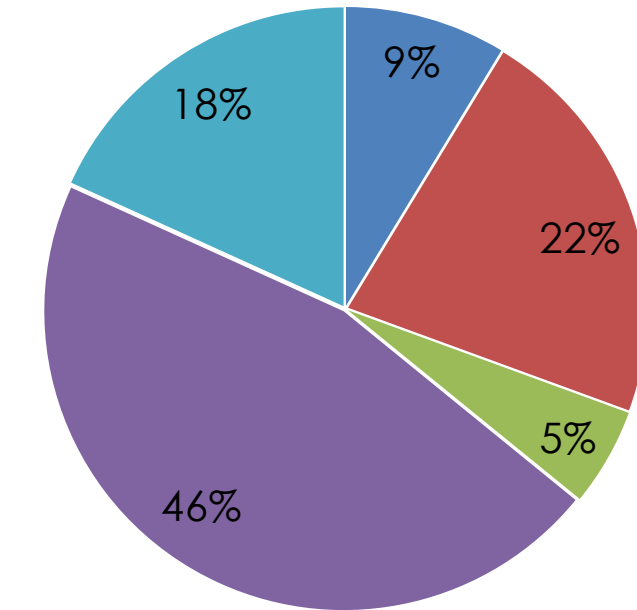
# Properties Below 90% Occupancy

Occupancy rates of properties below 90% as at 30 September 2015



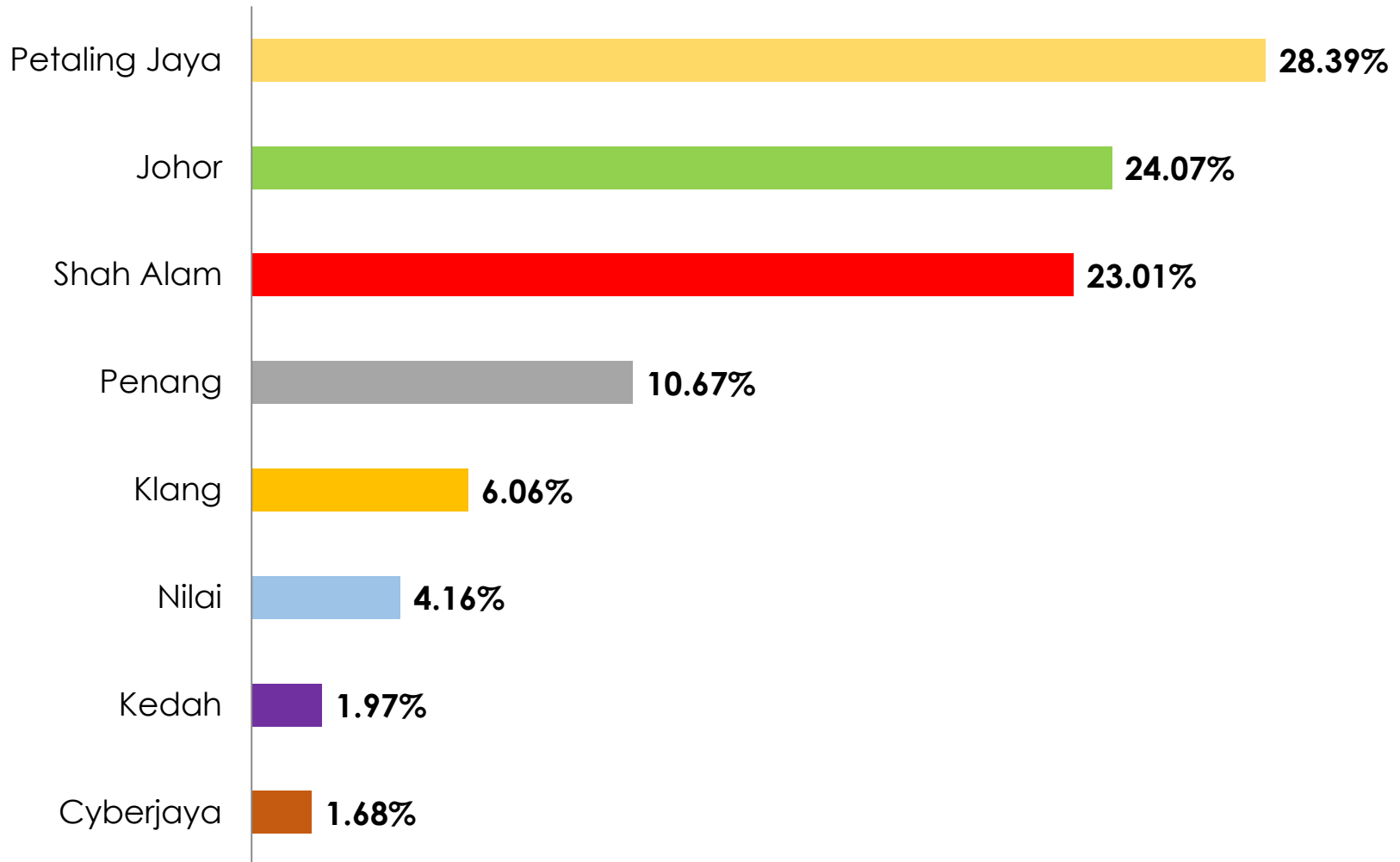
Note: Vacant space in Fonterra HQ is built for their future expansion

Portfolio Diversification by Type and NLA

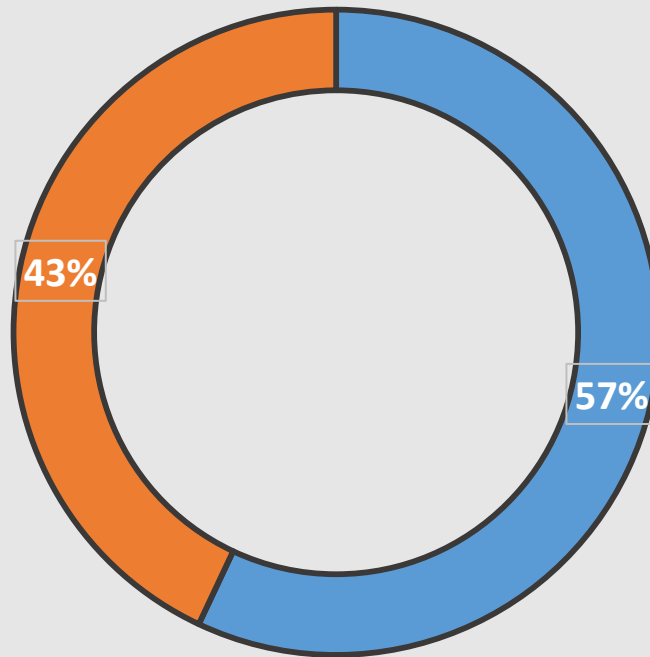


- Office
- Office/ Industrial
- Hypermarkets
- Warehouse Logistic
- Manufacturing Facilities - Light Industrial

## Portfolio Diversification by Geographical Location



## Single Tenant vs. Multi Tenant



■ Single Tenant   ■ Multi Tenant

# Lease Expiry Profile – Looking Forward

Year	Area up for renewal	% of Total NLA	% of Rental Income
<b>2015</b>	903,977 sq. ft.	12.89%	15.24%
<b>2016</b>	1,765,120 sq. ft.	25.16%	26.46%
<b>2017</b>	1,140,198 sq. ft.	16.26%	17.84%



# Lease Expiry Profile – Looking Forward

Property	Year 2015	% of Total NLA	% of Rental Income/month	Year 2016	% of Total NLA	% of Rental Income/month	Year 2017	% of Total NLA	% of Rental Income/month
Menara Axis	-	-	0.02	91,514	1.30	2.84	22,073	0.31	1.08
Crystal Plaza	3,407	0.05	0.06	120,122	1.71	3.72	7,746	0.11	0.27
Axis Business Park	33,138	0.47	0.71	61,105	0.87	1.11	112,776	1.61	2.60
Infinite Centre	28,219	0.40	0.50	51,145	0.73	0.99	30,383	0.43	0.45
Wisma Kemajuan	68,095	0.97	1.09	116,119	1.66	2.12	9,583	0.14	0.25
Axis Vista	-	-	-	40,937	0.58	0.70	77,080	1.10	1.22
Quattro West	10,991	0.16	0.26	61,474	0.88	2.03	8,073	0.12	0.24
Axis Technology Centre	129,237	1.84	1.91	62,675	0.89	0.97	34,020	0.49	0.38
Axis Eureka	160	0.00	0.01	15,235	0.22	0.50	54,259	0.77	1.55
Wisma Academy Parcel	128,099	1.83	1.93	49,760	0.71	0.98	50,741	0.72	1.04
Annex	2,354	0.03	0.01	45,400	0.65	0.50	-	-	-
Emerson Nilai	-	-	-	291,642	4.16	1.61	-	-	-
Axis Steel Centre	-	-	-	-	-	-	366,839	5.23	3.49
Bayan Lepas Dist Centre	-	-	-	-	-	-	205,151	2.92	2.95
SPLC3	64,500	0.92	0.54	395,225	5.63	3.99	-	-	-
Fontera HQ	-	-	-	600	0.01	0.01	-	-	-
BMW	-	-	-	-	-	-	161,474	2.30	2.31
Axis PDI Centre	58,009	0.83	5.14	-	-	-	-	-	-
Axis Shah Alam DC 1	110,406	1.57	1.03	-	-	-	-	-	-
FCI	136,619	1.95	0.98	-	-	-	-	-	-
Delfi	130,743	1.86	1.03	-	-	-	-	-	-
Axis Shah Alam DC 3	-	-	-	362,167	5.16	4.38	-	-	-
	<b>903,977</b>	<b>12.89</b>	<b>15.24</b>	<b>1,765,120</b>	<b>25.16</b>	<b>26.46</b>	<b>1,140,198</b>	<b>16.26</b>	<b>17.84</b>

# Positive Rent Reversions

Space Renegotiated		
Properties	Space Renegotiated (sq. ft.)	% Rent Movement
Crystal Plaza	3,407	0.00%
Axis Business Park	14,163	12.96%
Axis Shah Alam DC 1	110,406	15.38%
Wisma Kemjuan	54,737	10.63%
Axis Eureka	160	0.22%
Axis Technology Centre	91,837	8.78%
Seberang Prai Logistic Warehouse 3	64,500	0.00%
Quattro West	10,991	7.50%
Wisma Academy Parcel	66,620	8.13%
FCI Senai	136,619	12.00%
Infinite Centre	9,040	2.06%

# Income Growth – Leasing Profile

- ✓ Successfully renegotiated 562,480 sq. ft. space out of 903,977 sq. ft. space due for renewal in 2015, representing 62.2% tenant retention.
- ✓ Rental growth of 549,156 sq. ft. space achieved from pre-negotiated rent step up in the leases.
- ✓ The leases in the portfolio achieved positive rent reversion of 7.91% in Q3 2015.
- ✓ The Manager also secured new tenancies for 78,833 sq. ft. space.

# Weighted Average Lease Expiry (“WALE”)

The “WALE” for the portfolio is:

By Year	Q3 2015	Q2 2015
By NLA	4.07	4.27
By Rental	4.05	4.25

# Portfolio Efficiency (“PE”)

The Efficiency Ratio =

Operating Cost for the Portfolio / Gross Property Income

As part of the Fund’s continuous effort to manage operational cost, the Efficiency Ratio has improved .

YTD 3Q 2015	YTD 2Q 2015
14.40%	14.60%

# Top 10 Tenants – Strong Rental Covenants

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

The top ten tenants account for 54.7% of the total revenue of the Trust.

Q3 2015

Asset

Enhancement

Initiatives

# The Annex Enhancement - Existing





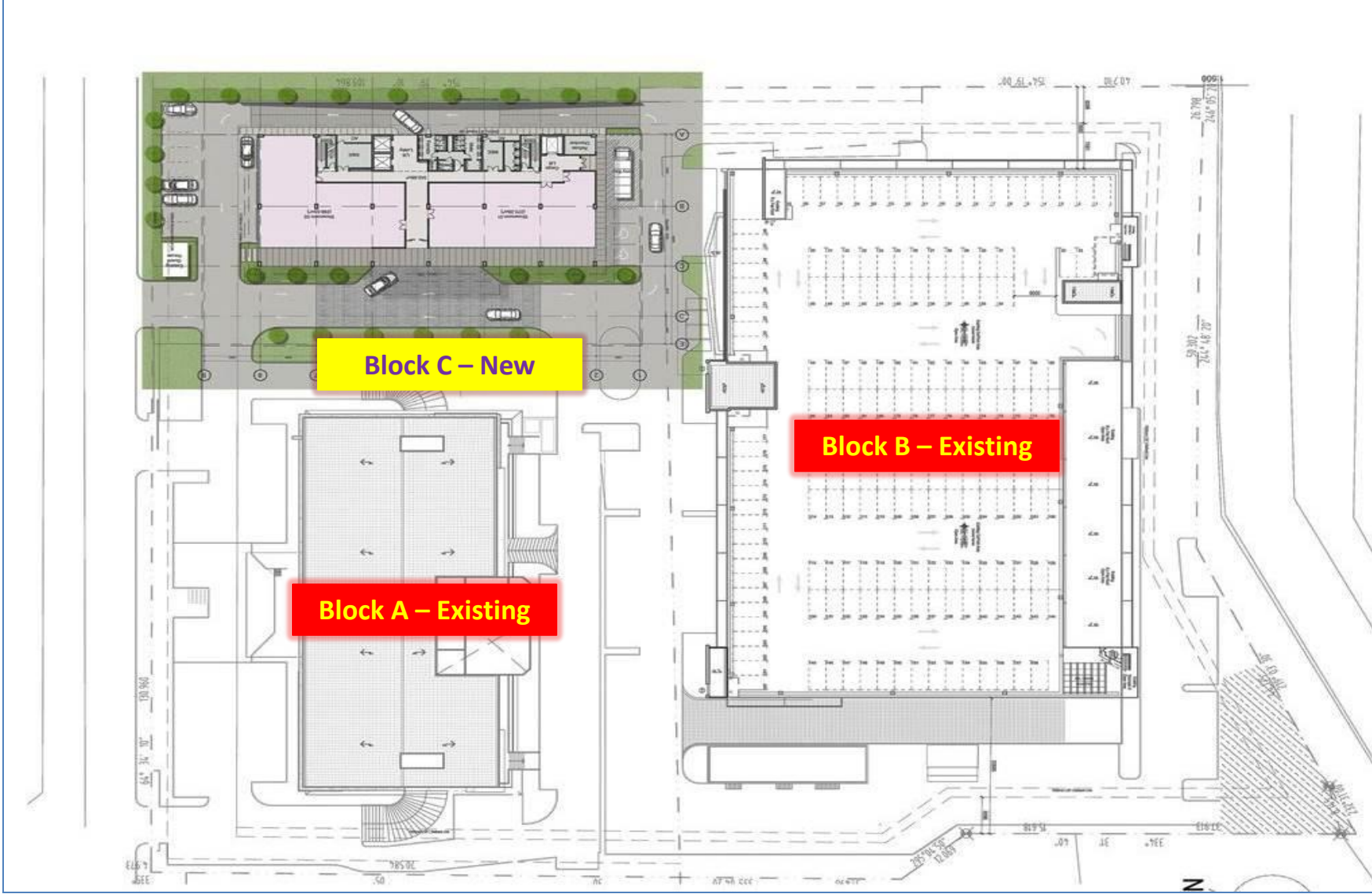
# The Annex Enhancement - Proposed



# Axis Business Campus Block C Enhancement



# Axis Business Campus Block C – Concept Design



# Axis Business Campus Block C – Concept Design

New Block adds an additional 60,000 sq. ft. to the property



# Axis Business Campus Block C – Concept Design



# Sustainability Initiatives

# Initiatives Carried Out Up To 3Q 2015

- ✓ Sustainability policy drafted and implemented
- ✓ Attended various trainings and conferences
- ✓ Energy audit completed for Crystal Plaza
- ✓ With the acquisition of Axis Shah Alam DC2, Axis REIT portfolio has more roof space rented out for solar energy harvesting.

Property	Lettable Area (sq. ft.)	Monthly Rental (RM)
Axis Eureka	16,145	3,000.00
Axis Shah Alam DC3	297,311	61,898.75
Axis MRO Hub	40,000	8,000.00
Axis Shah Alam DC2	145,312	30,375.00
Wisma Kemajuan	16,145	2,400.00
<b>TOTAL</b>	<b>514,913</b>	<b>105,673.75</b>

3Q 2015

Business

Development

Report





## Manufacturing Facility - Kulaijaya, Johor

Land Area	:	Approx. 10 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM61 million
WALE	:	10 years



## Logistics Warehouse – SiLC, Nusajaya, Johor

Land Area	:	Approx. 7 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM41 million
WALE	:	7 years

# Prospective Acquisition Targets

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

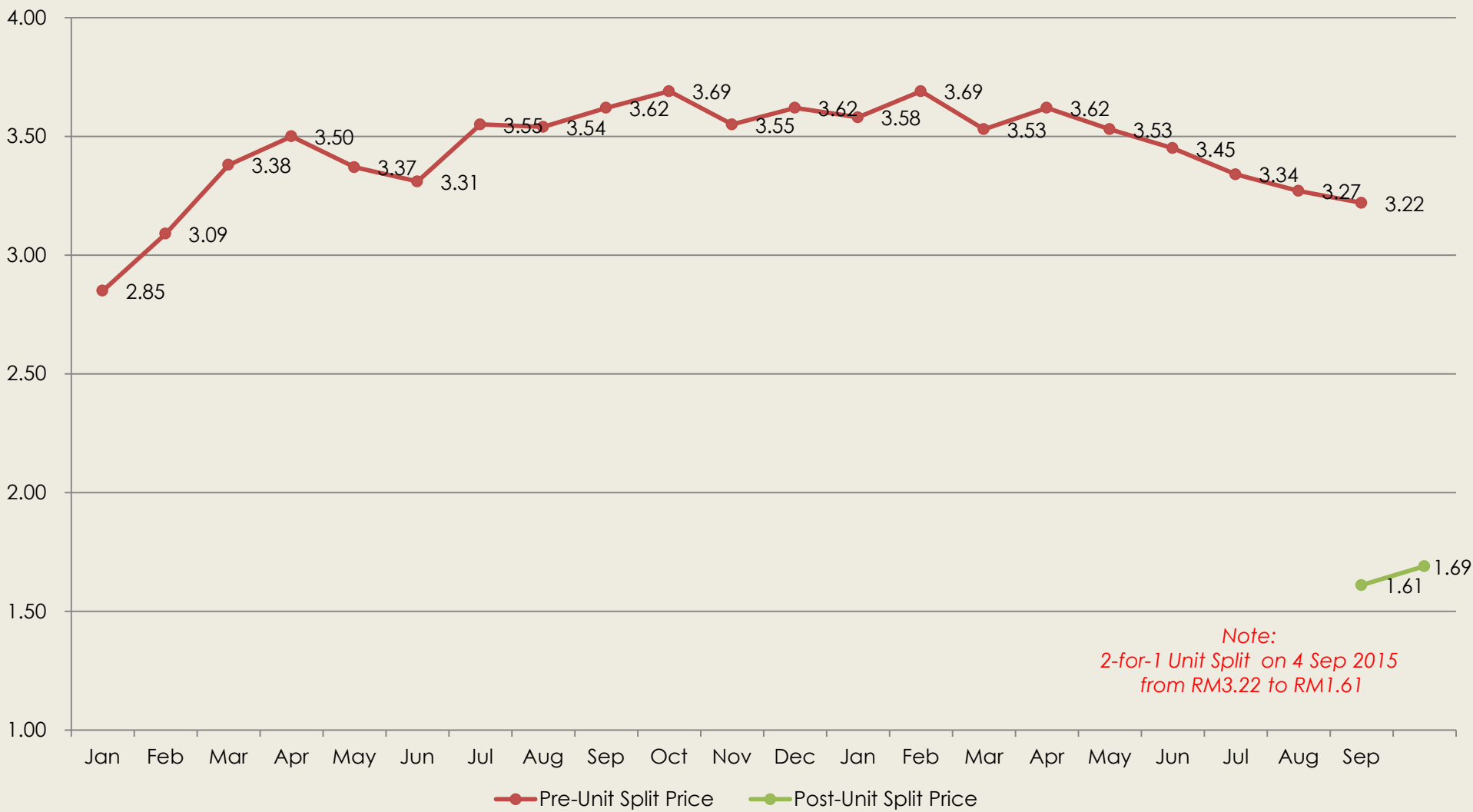
1. A warehouse in Pasir Gudang, Johor
2. An industrial facility at Bayan Lepas, Penang

**Total Estimated Value of RM140 million**

3Q 2015  
Investor  
Relations  
Report

# Unit Price Performance YTD 2015

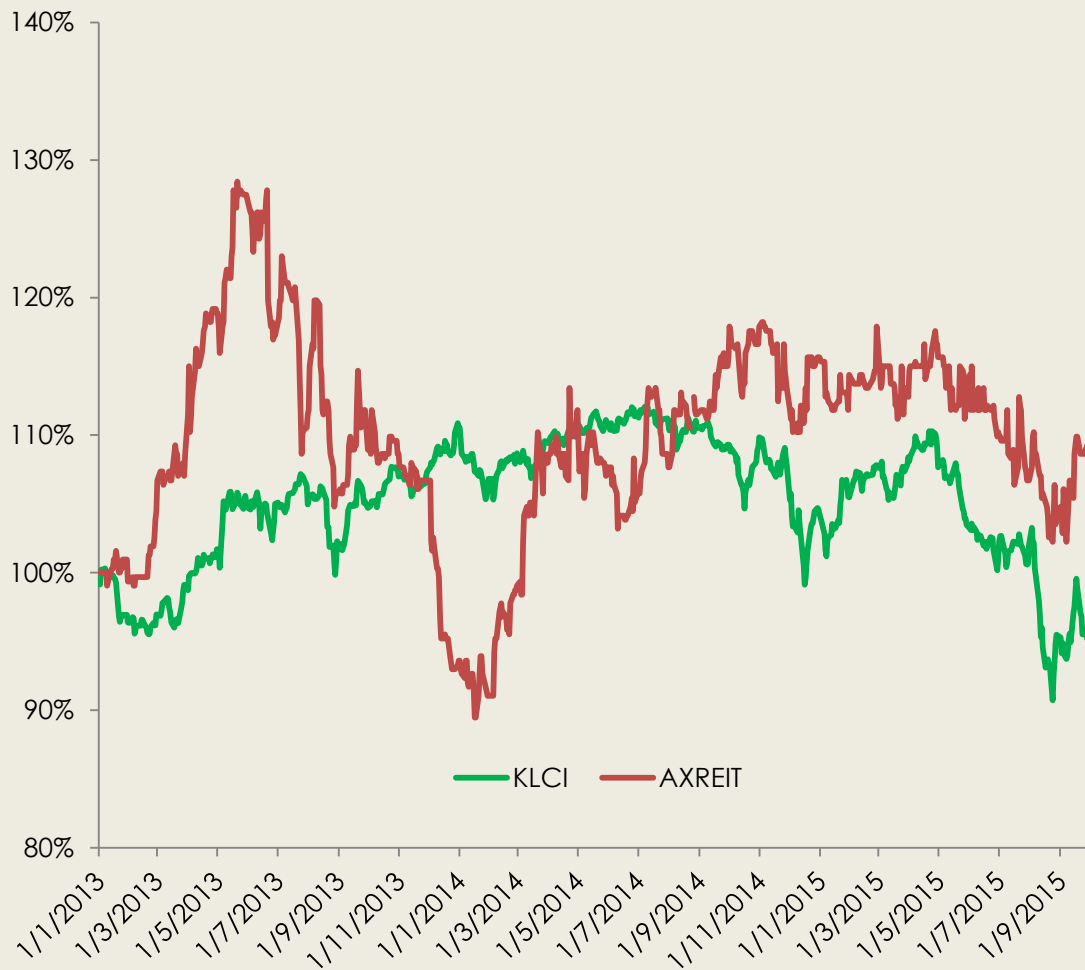
AXREIT: 1 Jan 2014 – 30 Sep 2015



Note:  
2-for-1 Unit Split on 4 Sep 2015  
from RM3.22 to RM1.61

# Unit Price Movement YTD 2015

## AXREIT vs KLCI: 1 Jan 2013 – 30 Sep 2015



## Price & Volume Statistics

3Q2015: Unit Price @ 30 Sep 2015 RM1.69

2Q2015: Unit Price @ 30 Jun 2015 RM3.45

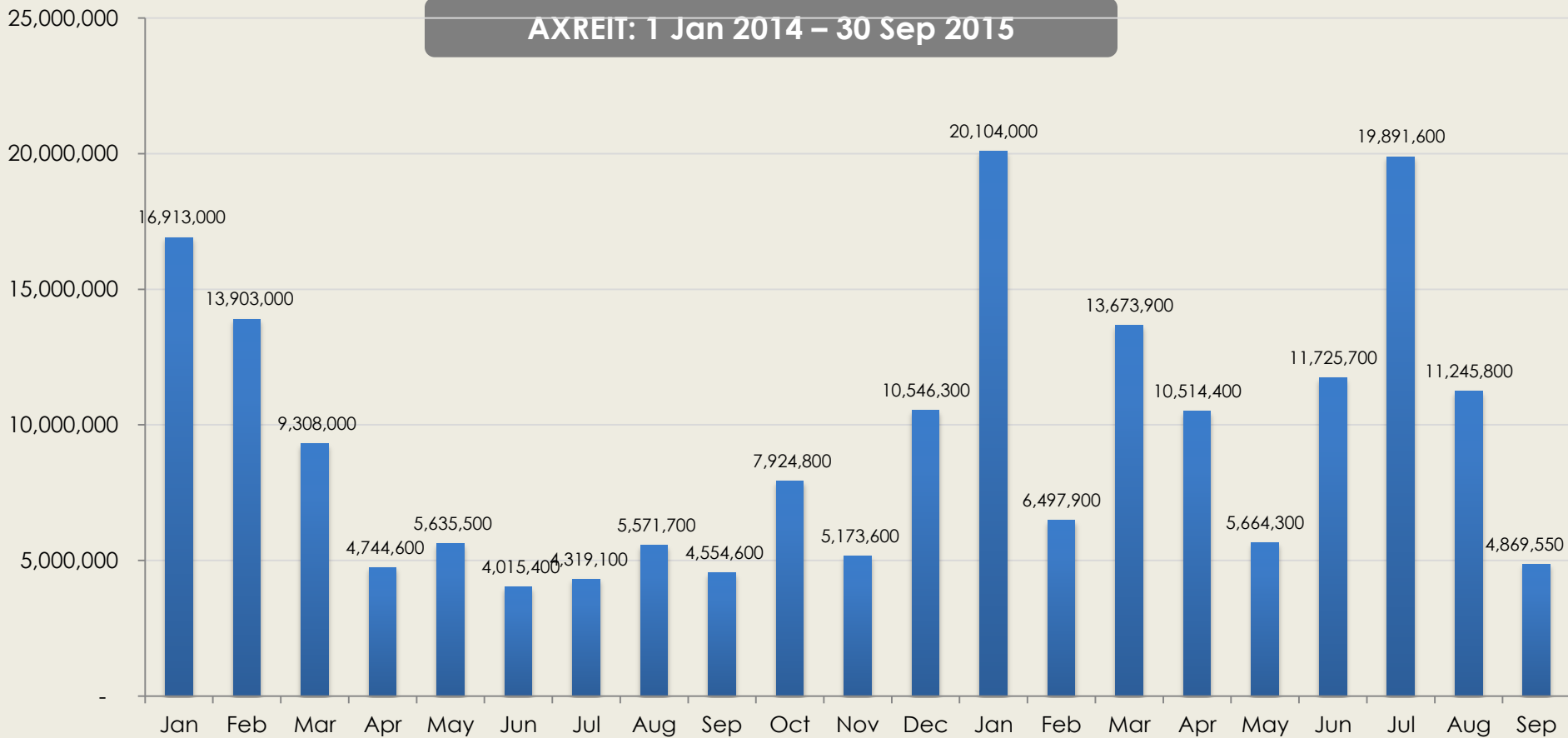
Highest Price: 2015 YTD (February) RM3.69

Lowest Price: 2015 YTD (August) RM3.20

*Note: 2-for-1 Unit Split on 4 Sep 2015*

# Share Volume YTD 2015

**AXREIT: 1 Jan 2014 – 30 Sep 2015**



Average Monthly Volume (1 Jan 2015 – 30 Sep 2015) 12,581,686

Highest Monthly Volume (January 2015) 20,104,000

Lowest Monthly Volume (September 2015) 4,869,550

# Top 10 Unitholders YTD 2015

1	SKIM AMANAH SAHAM BUMIPUTERA
2	EMPLOYEES PROVIDENT FUND
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
4	TEW PENG HWEE @ TEOH PENG HWEE
5	LEMBAGA TABUNG HAJI
6	ALEX LEE LAO
7	PERMODALAN NASIONAL BERHAD
8	ABAS CARL GUNNAR BIN ABDULLAH
9	EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD
10	AMANAH SAHAM DIDIK

## Top unitholders' holdings breakdown

	Units Held 3Q2015	Units Held 2Q2015
Top 5 Unitholders	36.6%	37.3%
Top 10 Unitholders	52.5%	52.5%
Unitholders with > 2 million unitholdings	87.5%	87.9%



# Analysis of >2 million Unitholders

## Top 5 increases in unitholdings:

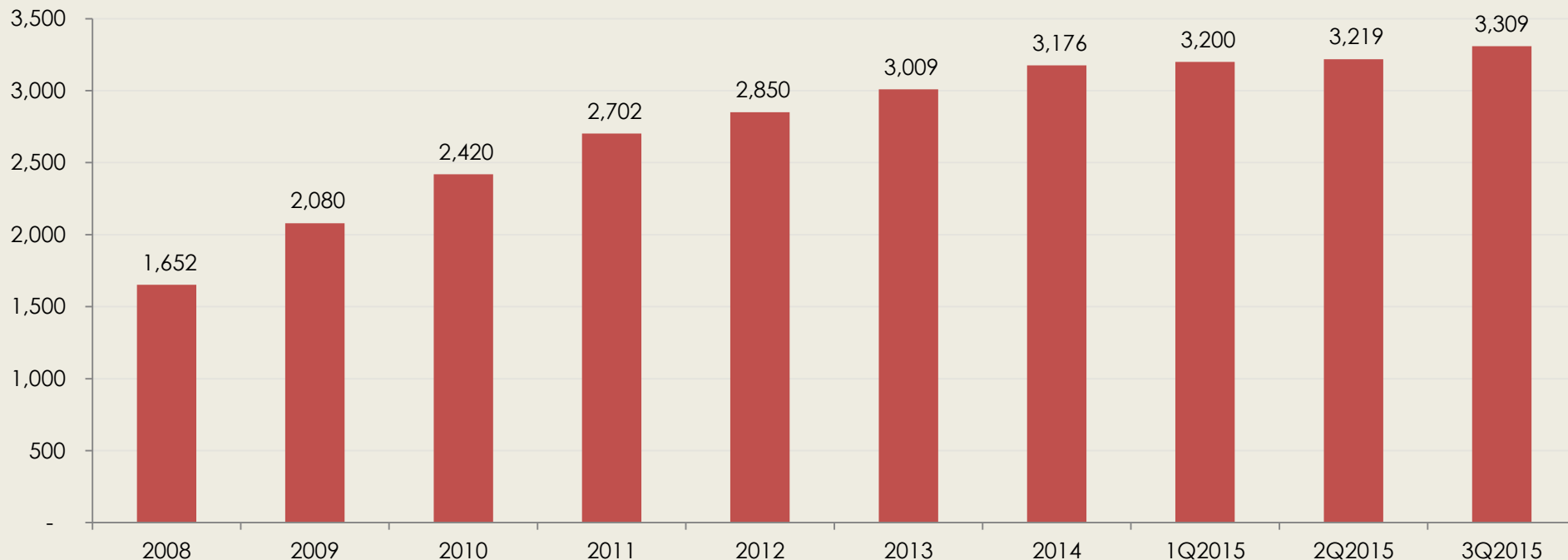
	Last Quarter Increase
Exempt An for The Bank of New York Mellon (Mellon Acct)	382.8%
Amanah Saham Gemilang for Amanah Saham Pendidikan	179.7%
Public Ittikal Sequel Fund	36.9%
BNP Paribas Secs SVS Paris for Arqaam Capital Limited	29.9%
Amanah Saham Bumiputera 2	18.5%

## Top 5 decreases in unitholdings:

	Last Quarter Decrease
Nomura BK Lux for Nomura Multi Managers Fund V – Global REITPremium	-100.0%
Deutsche Bank AG Singapore for NIIF Public Equities	-85.6%
Goldman Sachs International	-71.4%
SIX SIS for B&I Asian Real Estate Securities Fund	-28.4%
PB Asia Real Estate Income Fund	-27.2%

# Investor Visibility and Liquidity YTD 2015

## No. of CDS Accounts



✓ Quarter-on-quarter, total number of CDS accounts increased by 90 to 3,309.

	Units Held 3Q2015	Units Held 2Q2015
Total foreign holdings	12.69%	13.53%
Foreign holdings – related-party	7.47%	7.47%
Foreign holdings – non-related-party	5.22%	6.07%
Promoters	13.77%	13.77%

# Analyst Coverage 3Q2015

Coverage	Rating	Target Price (RM)	Published Date
Affin Hwang	Buy	3.90	4 Aug 2015
KAF	Buy	4.00	4 Aug 2015
MIDF	Hold	3.50	4 Aug 2015
Hong Leong IB	Hold	3.44	4 Aug 2015
Maybank	Hold	3.35	4 Aug 2015
Alliance DBS	Hold	3.50	5 Aug 2015
<b>Consensus</b>	<b>Hold</b>	<b>1.81</b>	<b>30 Sep 2015 (S&amp;P Capital IQ)</b>

Recommendation	Movement	3Q2015	2Q2015
Buy	↑	2	1
Hold	↓	4	5
Sell	↔	0	0

THANK  
YOU