

3Q
2016

Axis REIT Managers Berhad Results Presentation



24 October 2016

AXIS
REAL ESTATE INVESTMENT TRUST



3Q2016 HIGHLIGHTS

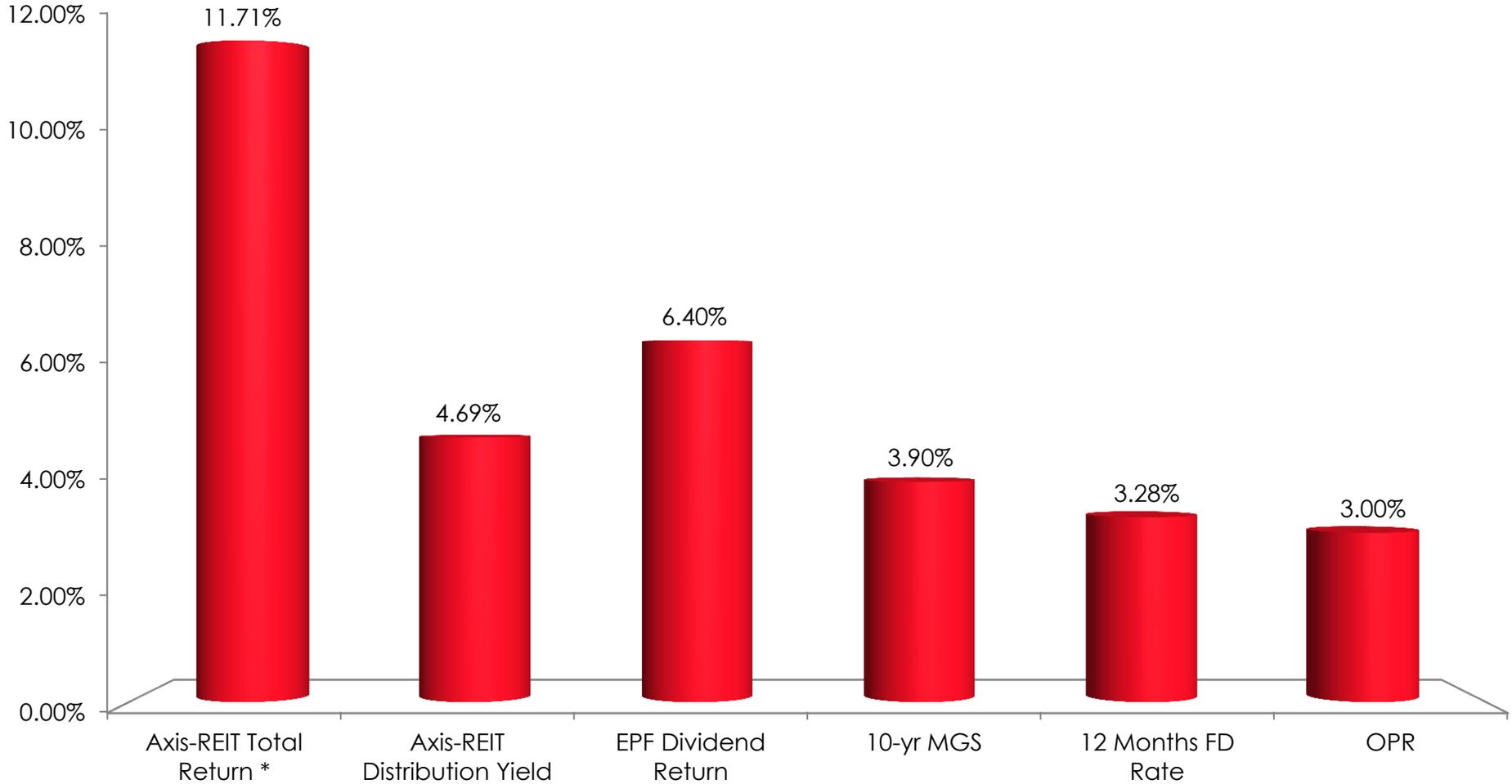
RM 2,149,810,000

Investment
Properties

- ✓ 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 at Pasir Gudang, Johor for a cash consideration of RM33.0 million 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.
- ✓ Successfully entered into an Agreement to Build And Lease with Nestlé Products Sdn Bhd to develop a distribution warehouse on part of Axis PDI Centre land for a lease term of 10+3+3 years.
- ✓ Successfully signed the Sale & Purchase Agreement to dispose of Axis Eureka for a total consideration of RM56,132,075 on 24 October 2016.

- ✓ Total of RM29.664 million revaluation gain recorded for YTD 3Q2016.
- ✓ Declared 2.05 sen as 3rd Interim 2016 DPU.
- ✓ Successfully implemented the Income Distribution Reinvestment Plan (IDRP) in 1H2016 with a success rate of 79%.
- ✓ Traded at a premium of 39% to NAV.

3Q2016 Return Comparatives



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



**3Q2016
FINANCE
REPORT**

	3Q2016
Total Net Income ("Realised") (RM' 000)	67,066
Income Available for Distribution ("Realised") (RM' 000)	67,893
Earnings per Unit ("EPU") ("Realised") (Sen)	6.09
Income Distribution Declared (RM'000)	67,858
Distribution per Unit ("DPU") (Sen) *	6.15
Number of Investment Properties	38
Units in Circulation (Units)	1,105,173,591
Assets Under Management (RM'000)	2,192,627
Total Financing (RM'000)	744,701
Gearing Ratio	33.96%
Total Unitholder's Fund (RM'000)	1,391,367
Market Capitalization (RM'000)	1,934,054
Net Asset Value per Unit (RM)	1.2590
IPO Retail Unit Price (RM) (restated from RM1.25)	0.625
Unit Price as at 30 September 2016 (RM)	1.75
Number of Unitholders	3,776

* Third interim income distribution to be paid on 30 November 2016

Income Statement 3Q2016 vs 3Q2015



	3Q2016 (RM '000)	3Q2015 (RM'000)	Changes / Movement
No. of Properties	38	34	+4
Property Income	41,765	41,631	+0.32%
Property Expenses	(7,047)	(5,826)	+20.96%
Net Property Income	34,718	35,805	-3.04%
Profit Income / other income	217	226	
Non-Property Expenses	(4,418)	(4,643)	-4.85%
Islamic Financing Cost	(8,031)	(7,606)	+5.59%
Income Tax Expenses	-	(73)	
Net Income	22,486	23,709	-5.16%
DPU (sen)	2.05	2.20	-6.82%
No. of units in issuance	1,105,173,591	1,095,516,080	

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

Income Statement YTD 3Q2016 vs YTD 3Q2015

	YTD 3Q2016 (RM '000)	YTD 3Q2015 (RM'000)	Changes / Movement
No. of Properties	38	34	+4
Property Income - Note 1	124,455	123,245	+0.98%
Property Expenses - Note 2	(20,423)	(17,742)	+15.11%
Net Property Income	104,032	105,503	-1.39%
Profit Income / other income	518	568	
Non-Property Expenses - Note 3	(13,708)	(13,862)	-1.11%
Islamic Financing Cost - Note 4	(23,776)	(22,354)	+6.36%
Income Tax Expenses	-	(73)	
Net Income	67,066	69,855	-3.99%
DPU (sen)	6.15	6.40	-3.91%
No. of units in issuance – Note 5	1,105,173,591	1,095,516,080	

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

Note 1 – Property Income

Increase in property income as compared to last preceding year corresponding period is due to contribution of rental proceeds from newly acquired properties coupled with the positive rental reversion on renewal of tenancies during the period. The increase was partly offset by the loss of rental income from Axis PDI Centre.

Note 2 – Property Expenses

Increase in property expenses is mainly due to higher maintenance cost as one-off works have been carried out in some of the properties during the period and also to new properties added into the portfolio.

Note 3 – Non-Property Expenses

The MER of the Fund as at 30 Sept 2016 is 1.28% of NAV, as compared to 1.33% for 3Q 2015.

Note 4 – Islamic Financing Cost

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

Note 5 – No. of Units in Issuance

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

Gross Yield of Investment Properties



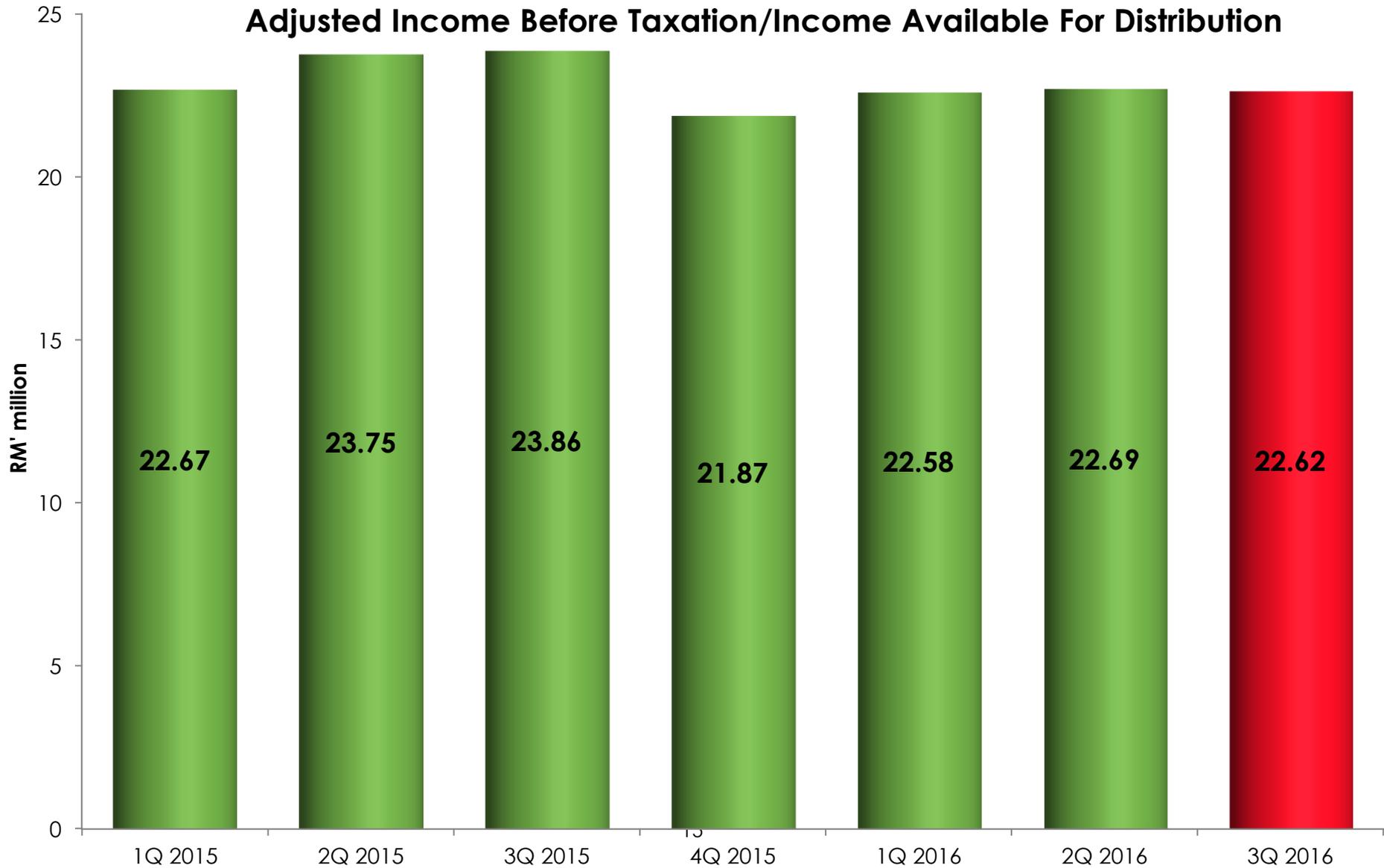
Properties		Gross yield (%)	Average YTD gross yield = 10.07%		
1	Wisma Kemajuan	18.56%	20	Infinite Centre	9.23%
2	FCI Senai	14.56%	21	Seberang Prai Logistic Warehouse 2	9.18%
3	Crystal Plaza	14.47%	22	Axis Business Park	9.07%
4	Menara Axis	14.18%	23	Axis Steel Centre	8.85%
5	Delfi Warehouse	13.91%	24	Tesco Bukit Indah	8.73%
6	BMW Centre PTP	13.79%	25	Axis Vista	8.23%
7	D8 Logistics Warehouse	12.17%	26	Axis Shah Alam DC 3	8.15%
8	Strateq Data Centre	11.97%	27	Beyonics i-Park Campus Block C	7.95%
9	Niro Warehouse	11.52%	28	Beyonics i-Park Campus Block B	7.93%
10	Fonterra HQ	11.38%	29	Beyonics i-Park Campus Block A	7.93%
11	Seberang Prai Logistic Warehouse 3	10.69%	30	Beyonics i-Park Campus Block D	7.92%
12	Emerson Industrial Facility Nilai	10.19%	31	Axis MRO Hub	7.82%
13	Wisma Academy Parcel	10.13%	32	Axis Shah Alam DC 2	7.74%
14	Bayan Lepas Distribution Centre	9.84%	33	Axis Eureka	7.70%
15	Quattro West	9.71%	34	Axis Technology Centre	7.48%
16	Seberang Prai Logistic Warehouse 1	9.64%	35	Axis Steel Centre@ SiLC	7.46%
17	Axis Shah Alam DC 1	9.55%	36	The Annex	6.20%
18	Bukit Raja Distribution Centre	9.48%	37	Axis PDI Centre	<i>Under development</i>
19	Giant Hypermarket, Sungai Petani	9.34%	38	Axis Business Campus	-

Net Yield of Investment Properties



Properties		Net yield (%)	Average YTD net yield = 8.59%	
1	Wisma Kemajuan	14.40%	20	Tesco Bukit Indah 7.88%
2	FCI Senai	13.15%	21	Quattro West 7.20%
3	BMW Centre PTP	12.37%	22	Beyonics i-Park Campus Block D 7.18%
4	Crystal Plaza	11.88%	23	Wisma Academy Parcel 7.17%
5	Menara Axis	11.31%	24	Beyonics i-Park Campus Block A 7.16%
6	Strateq Data Centre	11.26%	25	Beyonics i-Park Campus Block B 7.16%
7	Delfi Warehouse	10.99%	26	Beyonics i-Park Campus Block C 7.15%
8	D8 Logistics Warehouse	10.99%	27	Axis MRO Hub 7.15%
9	Niro Warehouse	10.52%	28	Axis Shah Alam DC 3 7.11%
10	Fonterra HQ	9.87%	29	Axis Steel Centre@ SiLC 7.10%
11	Seberang Prai Logistic Warehouse 3	9.50%	30	Axis Vista 7.06%
12	Emerson Industrial Facility Nilai	9.26%	31	Axis Shah Alam DC 2 6.96%
13	Seberang Prai Logistic Warehouse 1	9.12%	32	Axis Business Park 6.77%
14	Bukit Raja Distribution Centre	8.92%	33	Axis Technology Centre 5.67%
15	Bayan Lepas Distribution Centre	8.76%	34	Infinite Centre 5.61%
16	Giant Hypermarket, Sungai Petani	8.56%	35	Axis Eureka 4.82%
17	Seberang Prai Logistic Warehouse 2	8.45%	36	The Annex 4.59%
18	Axis Shah Alam DC 1	8.17%	37	Axis PDI Centre <i>Under development</i>
19	Axis Steel Centre	8.03%	38	Axis Business Campus -

Adjusted Income Before Taxation/Income Available For Distribution



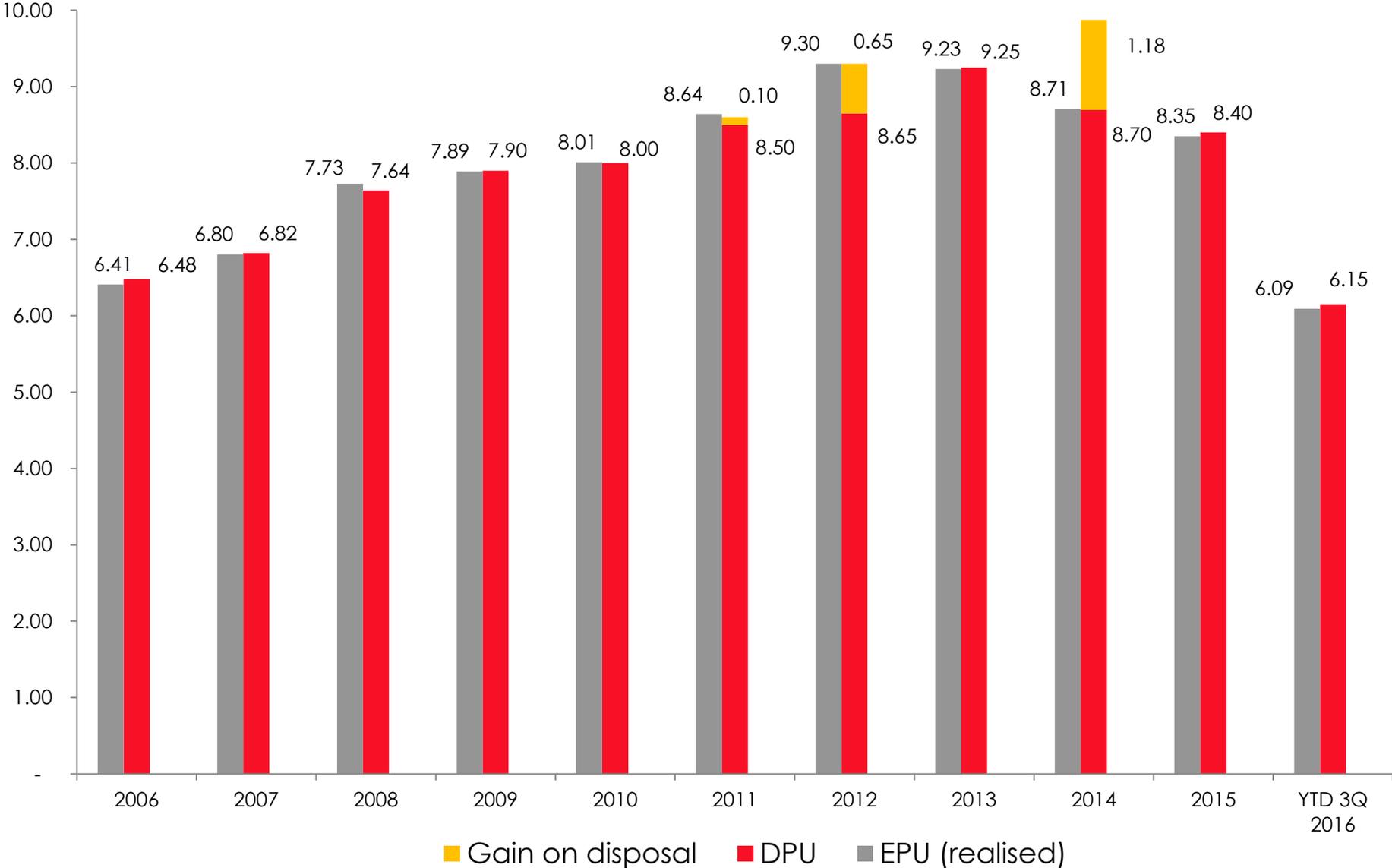
Proposed : 2.05 sen DPU

The 2.05 sen DPU represents 99.95% income available for distribution from performance of properties for the period from 1 July 2016 to 30 September 2016.

Important dates:

Ex-date	: 3 November 2016
Entitlement date	: 7 November 2016
Payment date	: 30 November 2016

Summary of Realised EPU and DPU



Statement of Financial Position



	30/09/16 (RM'000)	31/12/15 (RM'000)	Changes
Investment Properties – Note 1	2,149,810	2,048,626	+101,184
Fixed Assets	3,802	3,602	+200
Other Assets – Note 2	39,015	89,265	-50,250
TOTAL ASSETS	2,192,627	2,141,493	+51,134
Borrowings – Note 3	744,701	731,814	+12,887
Other Payables	56,559	57,194	-635
TOTAL LIABILITIES	801,260	789,008	+12,252
NET ASSET VALUE (NAV)	1,391,367	1,352,485	+38,882
Unitholders' Capital – Note 4	1,060,326	1,052,272	+8,054
Undistributed Distributable Income	18,904	19,036	-132
Non-Distributable Reserve – Note 5	312,137	281,177	+30,960
TOTAL UNITHOLDERS' FUND	1,391,367	1,352,485	+38,882
GEARING	33.96%	34.17%	
NAV/unit (RM)	1.2590	1.2298	
No. of units in issuance	1,105,173,591	1,099,793,068	

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 RM9.498 million was spent for enhancement of the properties on portfolio and RM29.664 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
30-Sep-16	7

Statement of Financial Position – Note 3

Borrowings



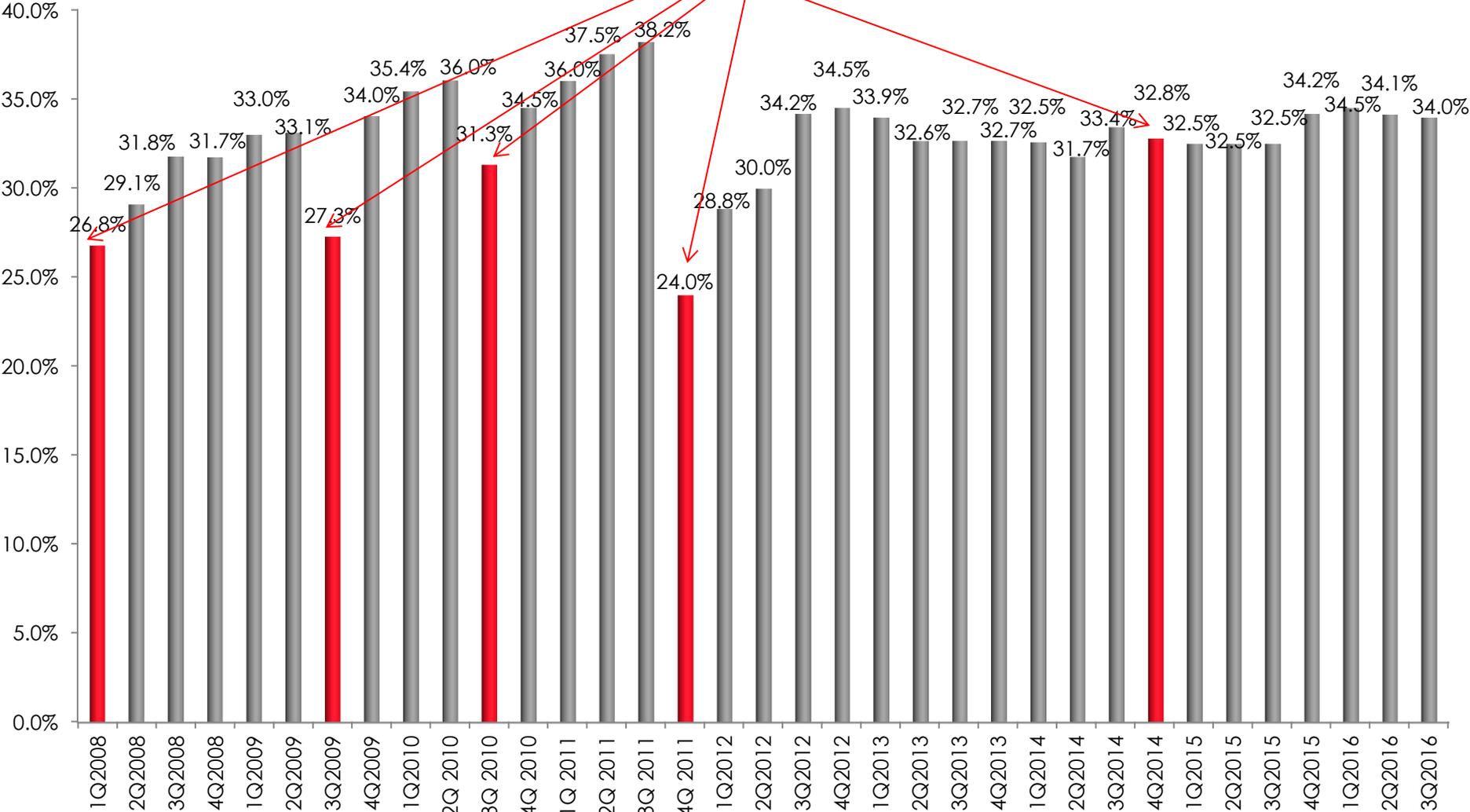
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Borrowings (RM'000)	209,816	230,456	308,932	416,609	311,338	548,920	528,004	683,769	731,814	744,701
Total Assets (RM'000)	581,857	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	2,141,493	2,192,627
Gearing	36.06%	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	34.17%	33.96%
Effective Profit Rate	4.39%	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	4.28%	4.24%
Percentage of short term borrowings- Maturity < 1 Year	100%	100%	47%	48%	52%	62%	50%	61%	55%	56%
Percentage of medium/ long term borrowings (maturity more than 1 years and less than 7 years)	-	-	53%	52%	48%	38%	50%	39%	45%	44%
Percentage of floating rate borrowings	100%	100%	47%	48%	52%	62%	40%	47%	50%	51%
Percentage of fixed rate borrowings	-	-	53%	52%	48%	38%	60%	53%	50%	49%
Total unencumbered assets	8	13	12	11	12	6	5	5	10	14
Percentage of unencumbered assets/total assets	34%	44%	52%	42%	44%	19%	16%	21%	26%	29%
Financing cost cover	5.6	5.5	4.8	4.1	3.8	4.6	4.5	4.5	4.1	3.8

Statement of Financial Position

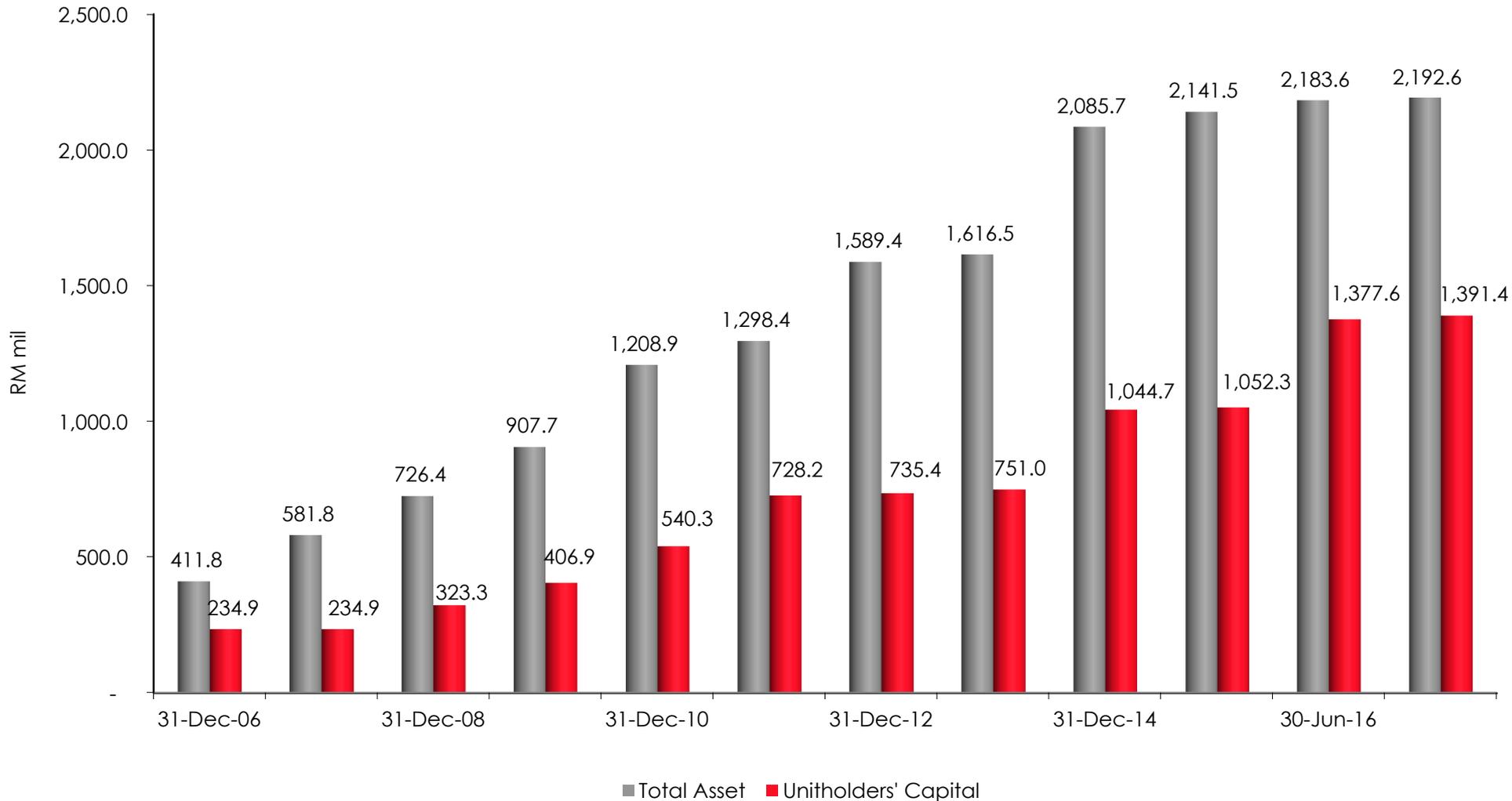
Gearing Levels



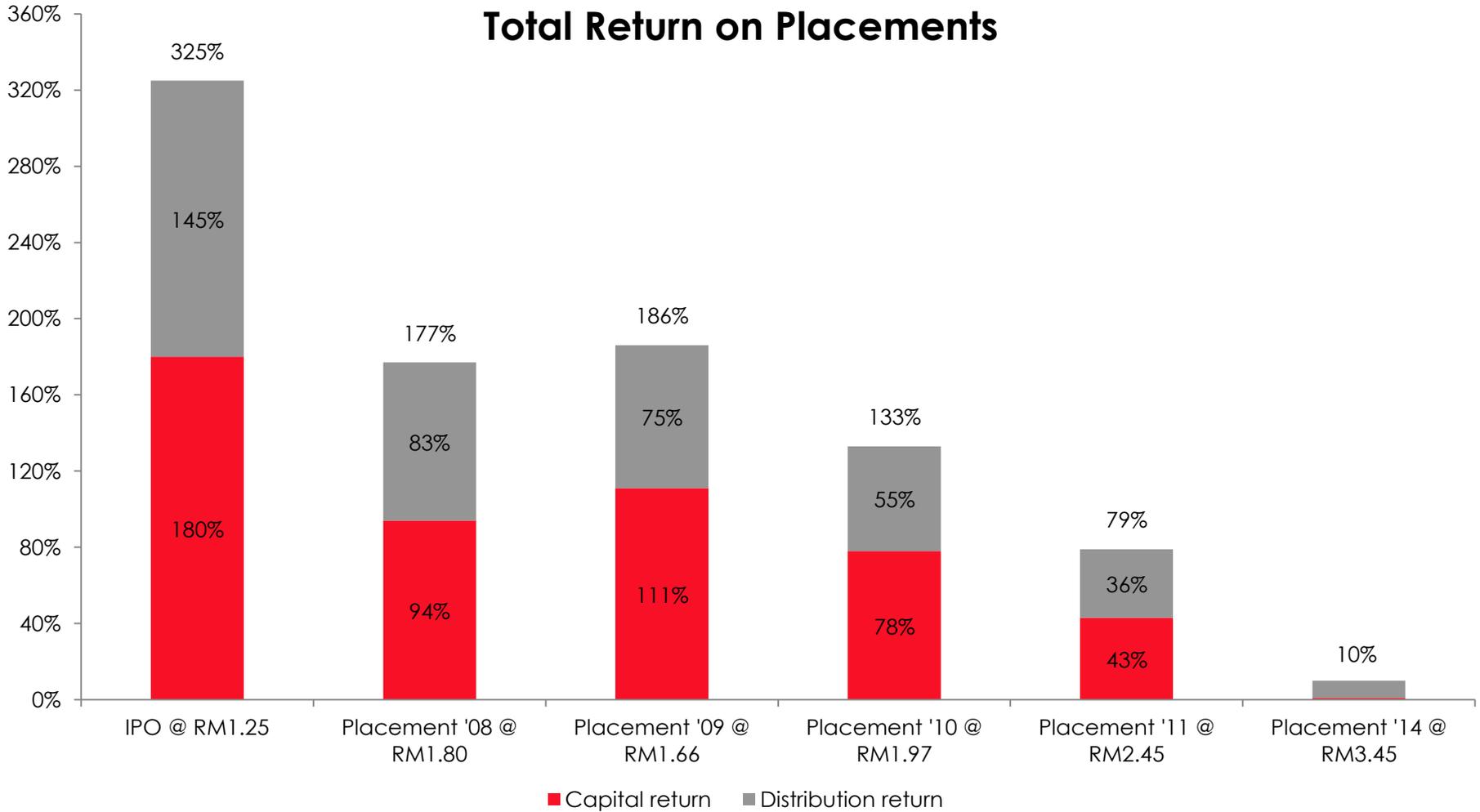
Placements Undertaken



Unitholders' Capital – Note 4



... resulting in good total returns to unitholders.



Statement of Financial Position – Note 5

Non-distributable Reserve



Non-distributable reserve mainly comprises the favorable gain in fair value of approximately **RM302** million to date.

Property	Gain/(loss) RM'000
Crystal Plaza	44,754
Menara Axis	37,616
Bukit Raja Distribution Centre	26,073
Wisma Kemajuan	25,101
Axis Vista	22,251
Axis Business Park	20,232
Tesco Bukit Indah	19,076
Axis Business Campus	14,807
Strateq Data Centre	14,271
Axis Shah Alam DC 1	9,853
Infinite Centre	7,557
FCI Senai	7,307
Giant Hypermarket, Sungai Petani	7,027
Quattro West	5,924
The Annex	5,630
Fonterra HQ	5,572
Wisma Academy Parcel	5,041

Property	Gain/(loss) RM'000
Niro Warehouse	3,766
Axis Technology Centre	3,745
Axis Steel Centre	3,727
Delfi Warehouse	2,997
Emerson Industrial Facility Nilai	2,693
Seberang Prai Logistic Warehouse 1	2,678
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)

Revaluation of Properties



	Property	Carrying Value as at 30 Sept 2016 (RM'000)	Open Market Value (RM'000)	Surplus/ (deficit) to be incorporated (RM'000)
1	Menara Axis	123,575	123,600	25
2	Crystal Plaza	109,570	110,000	430
3	Axis Business Park	120,112	120,000	(112)
4	Infinite Centre	42,206	43,000	794
5	FCI Senai	17,000	20,000	3,000
6	Strateq Data Centre	53,200	57,000	3,800
7	Niro Warehouse	17,700	19,000	1,300
8	Delfi Warehouse	15,600	15,800	200
9	Tesco Bukit Indah	92,000	96,000	4,000
	Total	590,963	604,400	13,437

SR Technics



PUSAT SERVIS

3Q2016
PROPERTY
REPORT



Axis-REIT's portfolio occupancy rate maintained steady at 91.44%. In 2016, a total of 1,938,654 sq. ft. of space will be coming for renewal representing 26.5% of the portfolio. 60% of this amount has been renewed while 24% has expressed commitment to renew. The Manager is actively working on the balance 16%.

As at YTD 30 September 2016, the Manager has secured 92,903 sq. ft. of new tenancies representing 1.27% of the portfolio. This includes 21,651 sq. ft of new tenancies, 53,252 sq. ft. of expansion by our existing tenants, Fuji Xerox, Montreal Trading, Brightstar, Computer Asia, Achieva, Quantum Diagnostics and Hitachi eBworx. Krohne will be occupying 18,000 sq. ft. in Axis Business Campus in 4Q2016.

Office rental market remains challenging with new supply continuing to outstrip demand as well as impact from the soft economic conditions. Our exposure to pure office properties is limited to 8% of our portfolio. The Fund's exposure to office properties will reduce to 6.75% with the disposal of Axis Eureka, an office building in Cyberjaya. This SPA has been signed on 24 October 2016.

Our industrial portfolio continues to perform well and we are pleased to announce that the Manager has successfully entered into an Agreement to Build And Lease with Nestlé Products Sdn Bhd to develop a distribution warehouse on part of the Axis PDI Centre property for a lease term of 10+3+3 years.

Portfolio vacancy currently stands at 625,186 sq. ft. as at 30 September 2016. Our leasing team continues to work hard to secure new tenants for the properties within the portfolio. By filling the current voids, we expect to add as much as 1.71 sen to the annual DPU.

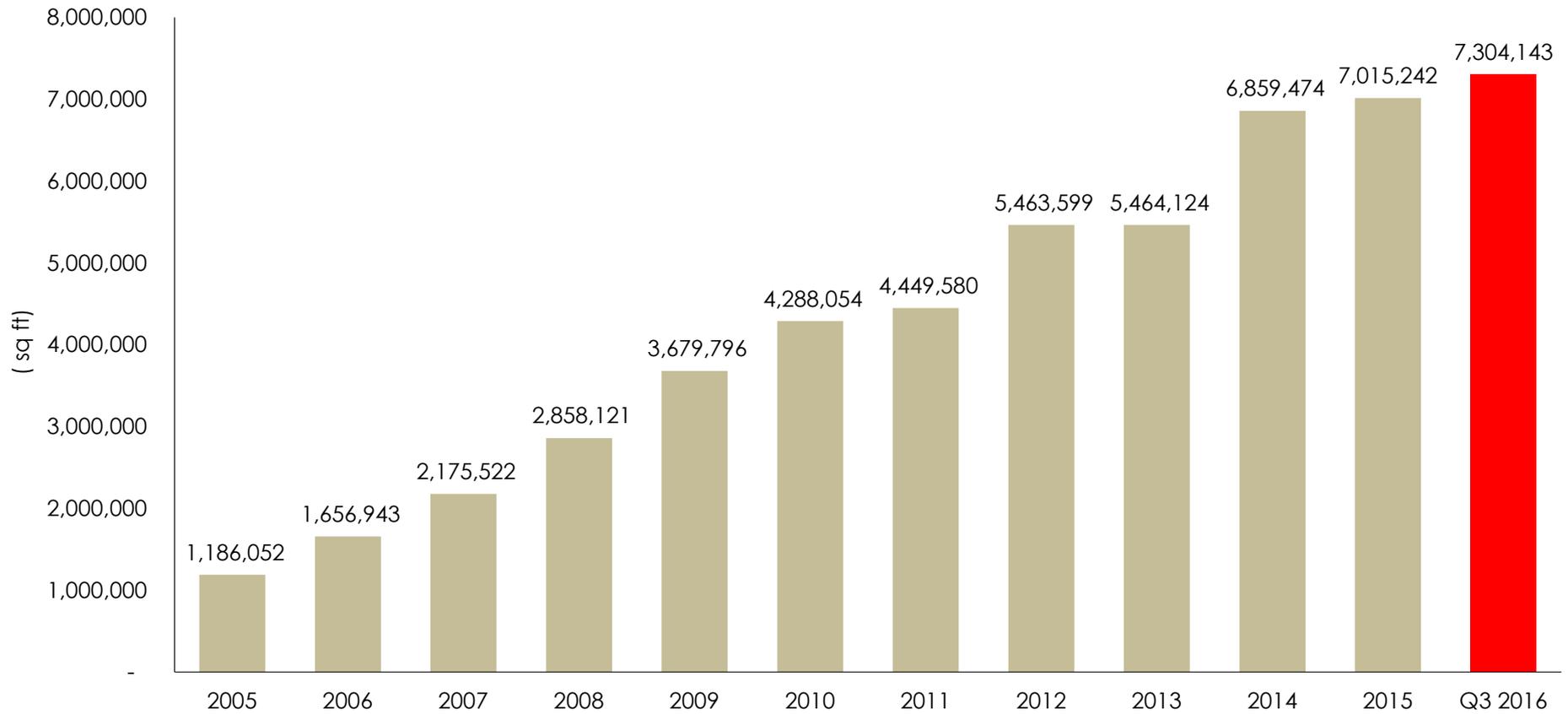
As at 30 September 2016, the portfolio has 38 assets comprising 7,304,143 sq. ft. and 139 tenants.

	3Q2016	2Q2016	Movement
No of properties	38	38	-
Property Income (RM' 000)	41,764	41,615	 0.36%
Property Expenses (RM' 000)	7,047	6,839	 3.04%
Net Property Income (RM' 000)	34,717	34,776	 0.17%
Occupancy	91.44%	91.73%	 0.29%

Average Rental Rates:

Type of Properties	3Q2016	2Q2016	Movement
Office (RM/sq. ft.)	4.79	4.70	 + 0.09
Office Industrial (RM/sq. ft.)	2.71	2.71	-
Manufacturing Facilities (RM/sq. ft.)	1.36	1.36	-
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 September 2016, Axis-REIT has only 13 out of 38 properties that carry vacancy.

25 properties enjoy 100% occupancy.

Occupancy

As at 30 September 2016 91.44%

Vacancy

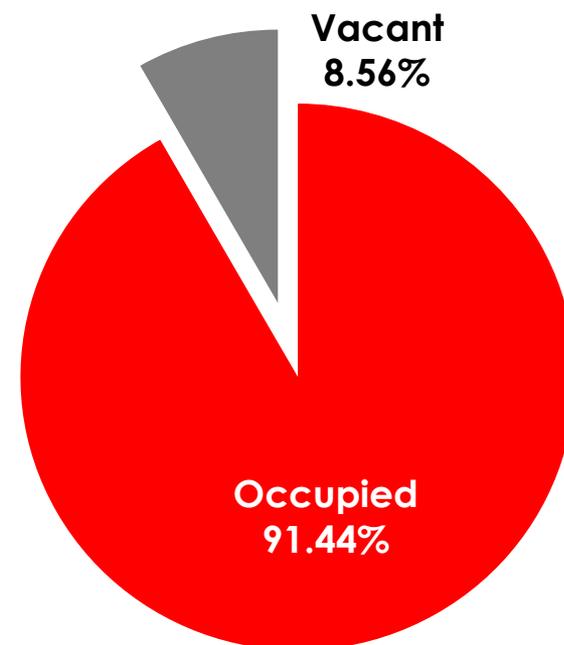
As at 30 September 2016 8.27%
Space to be let out 625,186 sq. ft.

Occupancy

Multi-tenant properties 80.39%
Single tenant properties 98.57%

Unbilled space income RM18.9 million per year
Potential annual DPU upside 1.71 sen per unit/year

Occupancy Rate



Occupancy Rates by Property as at 30 September 2016

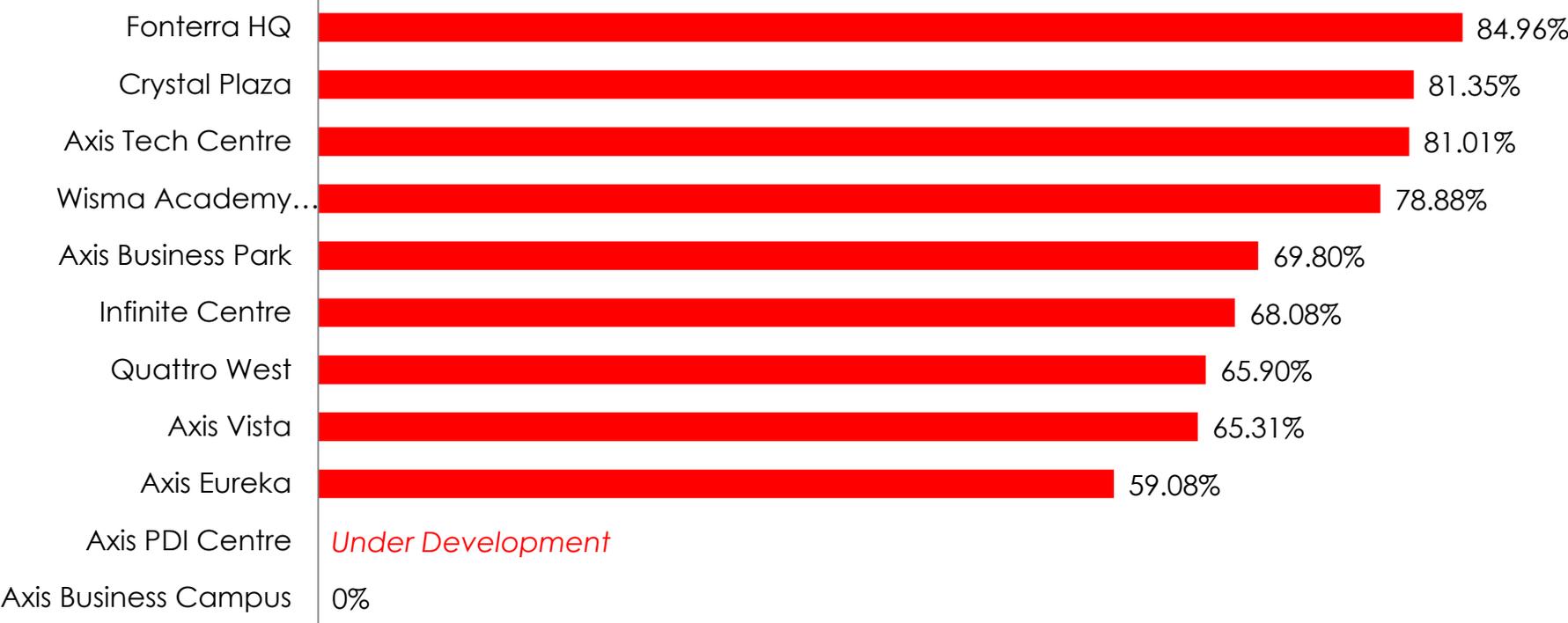


1	Menara Axis	93.75%	21	Axis Steel Centre	100.00%
2	Crystal Plaza	81.35%	22	Bukit Raja Distribution Centre	100.00%
3	Quattro West	65.90%	23	Seberang Prai Logistic Warehouse 1	100.00%
4	Axis Eureka	59.08%	24	Seberang Prai Logistic Warehouse 2	100.00%
5	Axis Business Park	69.80%	25	Axis PDI Centre	<i>Under development</i>
6	Infinite Centre	68.08%	26	D8 Logistics Warehouse	100.00%
7	Wisma Kemajuan	96.05%	27	FCI Senai	100.00%
8	Axis Business Campus	0%	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	78.88%	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

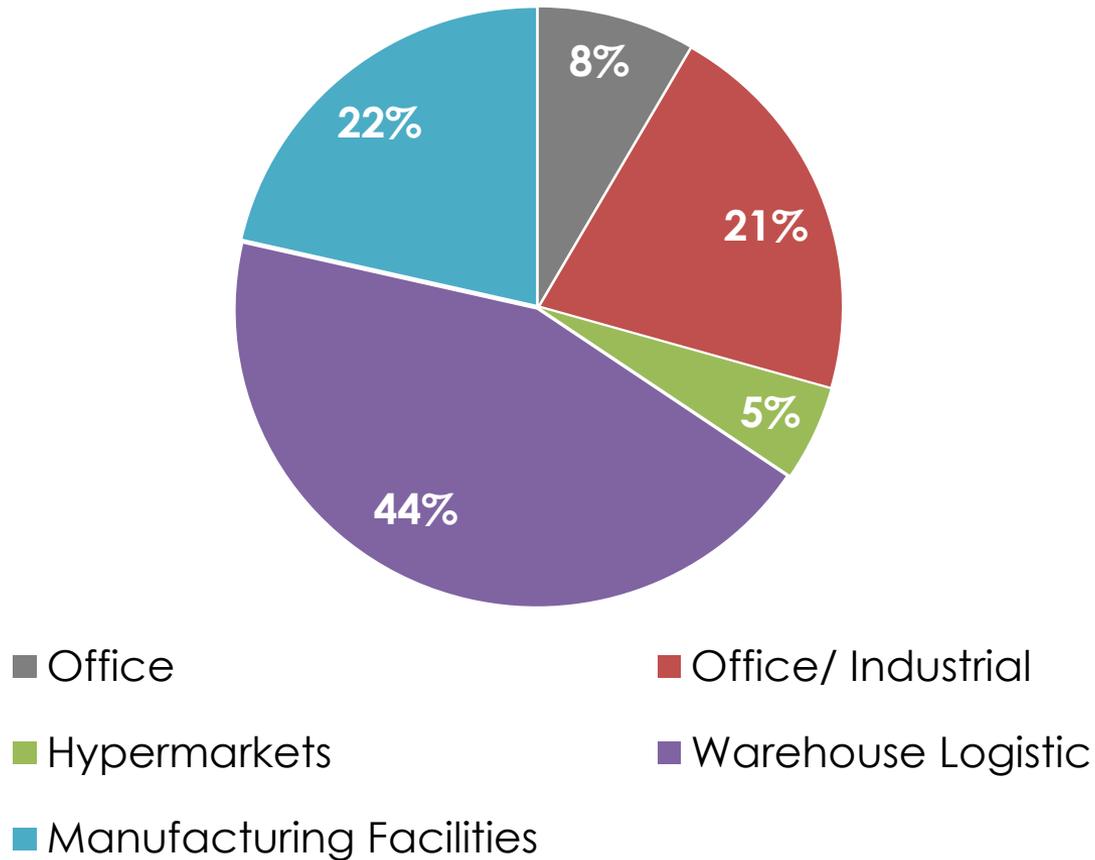


Occupancy rates of properties below 90% as at 30 September 2016

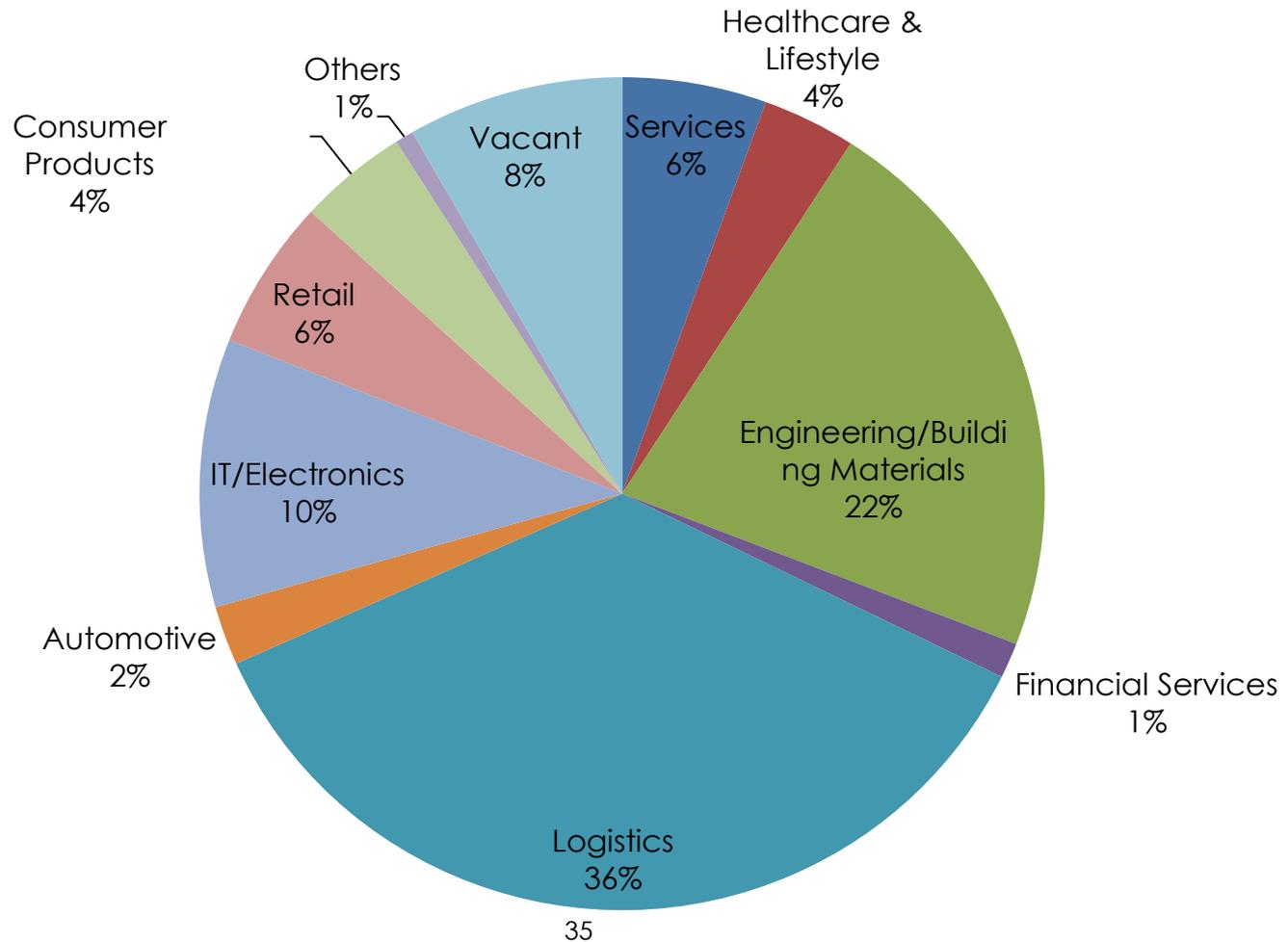


Note: Vacant space in Fonterra HQ is built for their future expansion.

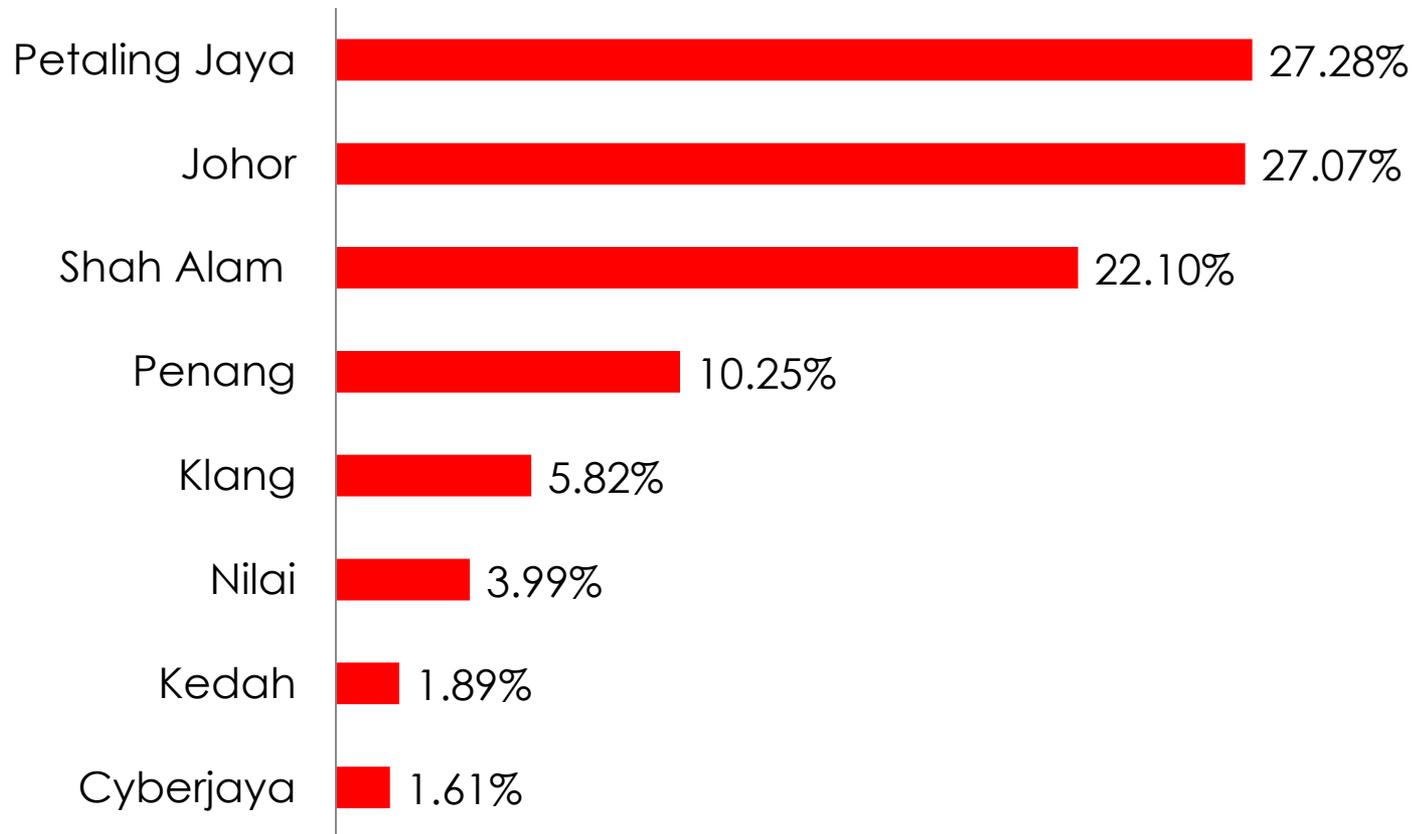
Portfolio Diversification by Type and NLA



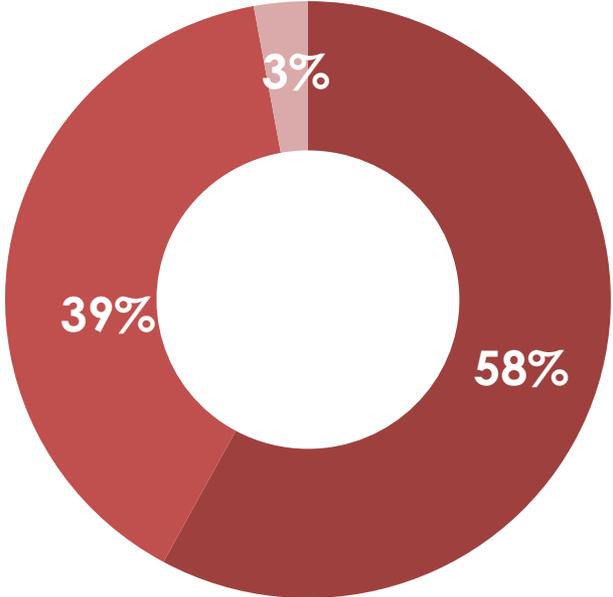
Portfolio Diversification by Industry Sector and NLA



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
2016	1,948,792 sq. ft.	26.68%	28.53%
2017	1,207,273 sq. ft.	16.53%	19.25%
2018	723,719 sq. ft.	9.91%	9.86%

Lease Expiry Profile – Looking Forward



Property	Year 2Q 2016	% 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	3.18	33,578	0.46	1.44	-	-	-
Crystal Plaza	120,358	1.65	3.70	11,153	0.15	0.32	-	-	-
Axis Business Park	70,721	0.97	1.49	153,236	2.10	3.37	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	2.27	9,583	0.13	0.25	51,604	0.71	0.94
Axis Vista	40,937	0.56	0.70	77,080	1.06	1.21	-	-	-
Quattro West	61,474	0.84	2.02	17,422	0.24	0.55	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	1.04
Axis Eureka	15,235	0.21	0.50	54,259	0.74	1.54	-	-	-
Wisma Academy Parcel	69,613	0.95	1.32	50,741	0.69	1.04	81,628	1.12	1.46
The Annex	45,400	0.62	0.49	2,354	0.03	0.01	-	-	-
Emerson Industrial Facility Nilai	291,642	3.99	1.60	-	-	-	-	-	-
Axis Steel Centre	-	-	-	366,839	5.02	3.47	-	-	-
Bayan Lepas Dist. Centre	-	-	-	205,151	2.81	2.93	-	-	-
Seberang Prai Logistic Warehouse 3	395,225	5.41	3.97	-	-	-	-	-	-
Fontera HQ	600	0.01	0.01	-	-	-	-	-	-
BMW Centre PTP	-	-	-	161,474	2.21	2.30	-	-	-
Axis Shah Alam DC 2	-	-	-	-	-	-	164,400	2.25	1.88
D8 Logistic Warehouse	-	-	-	-	-	-	171,000	2.34	2.20
FCI Senai	-	-	-	-	-	-	136,619	1.87	1.12
Delfi Warehouse	130,743	1.79	1.03	-	-	-	-	-	-
Axis Shah Alam DC 3	362,167	4.96	4.35	-	-	-	-	-	-
	1,948,792	26.68	28.53	1,207,273	16.53	19.25	723,719	9.91	9.86

Properties	Space Renegotiated (sq. ft.)	% Rent Movement
Menara Axis	79,848	+3.57%
Crystal Plaza	107,363	+0.20%
Axis Business Park	25,057	+2.45%
Infinite Centre	46,195	+5.98%
Wisma Kemajuan	64,797	+2.82%
Quattro West	19,004	+5.29%
Axis Technology Centre	41,182	No change
Axis Eureka	15,235	+6.52%
Wisma Academy Parcel	48,487	+1.96%
Emerson	291,642	+8.03%
SPLW 3	395,225	No change
Fonterra HQ	600	+5.42%
The Annex	18,000	No change
Total Pre-negotiated Rent Step Up	854,889	+4.62%

**3.33% positive
rental reversion in
YTD 30 Sept 2016**

Weighted Average Lease Expiry (WALE)



The WALE for the portfolio is:

By Year	3Q2016	2Q2016
By NLA	4.16	4.28
By Rental	4.36	4.41

The Portfolio Efficiency Ratio =

Operating Cost for the Portfolio / Gross Property Income

YTD 30 Sept 2016	YTD 30 Jun 2016
16.41%	16.43%

Ranking	Tenant
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	Beyonics Precision Machining Sdn Bhd
10	SR Technics Malaysia Sdn Bhd

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



PROPERTY DEVELOPMENT

Axis PDI Centre – Proposed 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 National 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.

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.

The 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 shall commence in 4Q 2016 and is scheduled to complete by 1Q 2018.

Axis PDI Centre – Proposed Development (Before)



50 acre site

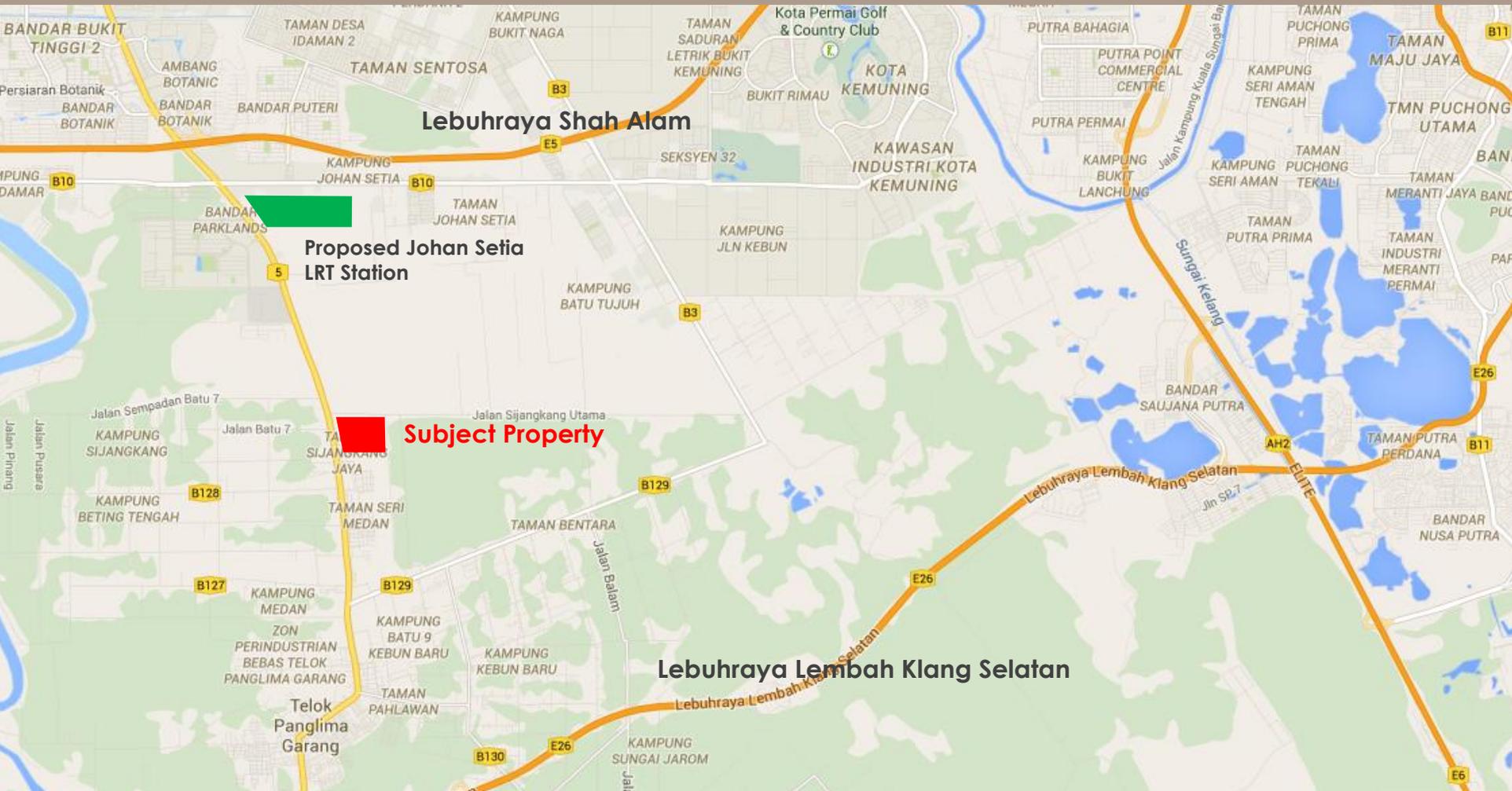
Axis PDI Centre – Proposed Development



Axis PDI Centre – Phase 1 Nestle National Distribution Centre



Axis PDI Centre – Location



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.



**3Q2016
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



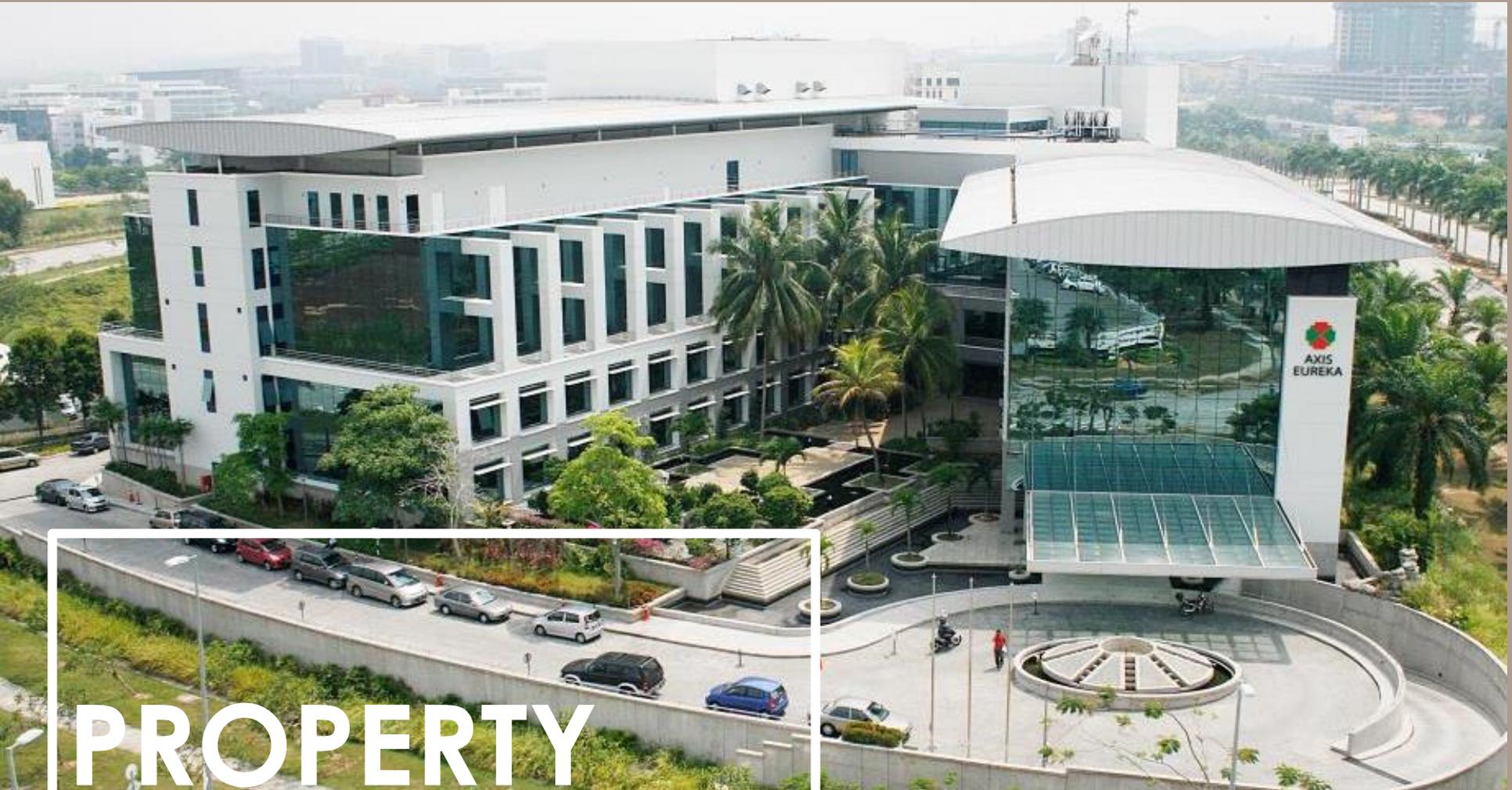
Scomi Facility – Rawang, Selangor

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 Negeri Sembilan for RM19.5 million
2. Industrial facilities in Selangor for RM80 million
3. Industrial property in Kedah for RM130 million

Total Estimated Value of RM229.5 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)

Current Occupancy Rate: 59.5% as at 17 October 2016

Expected Completion Date: December 2016 / Early 2017

Gain on Disposal: RM1.2 million

Estimated Contribution to DPU: 0.11 sen

Axis Eureka – Cyberjaya, Selangor

Rationale for Disposal

The Manager believes that in the 5 years of owning Axis Eureka, it has maximised the income-generating potential of this asset and that there is limited upside for future rental growth.

	Net Yield	Occupancy Rate
Axis Eureka	4.82% as at YTD 30 Sept 2016	59.5% as at 17 October 2016

Given the favourable market price for this asset sale, it is an opportune time for the disposal of Axis Eureka and to redeploy the capital gain towards potential yield-accretive properties.

Utilisation of Proceeds

The gain of approximately RM1.2 million will be distributed to unitholders after completion; translated into additional DPU of 0.11 sen per unit.

The capital (net of incidental disposal cost) will be used to pare down borrowings reducing the gearing from 34% to 32%.

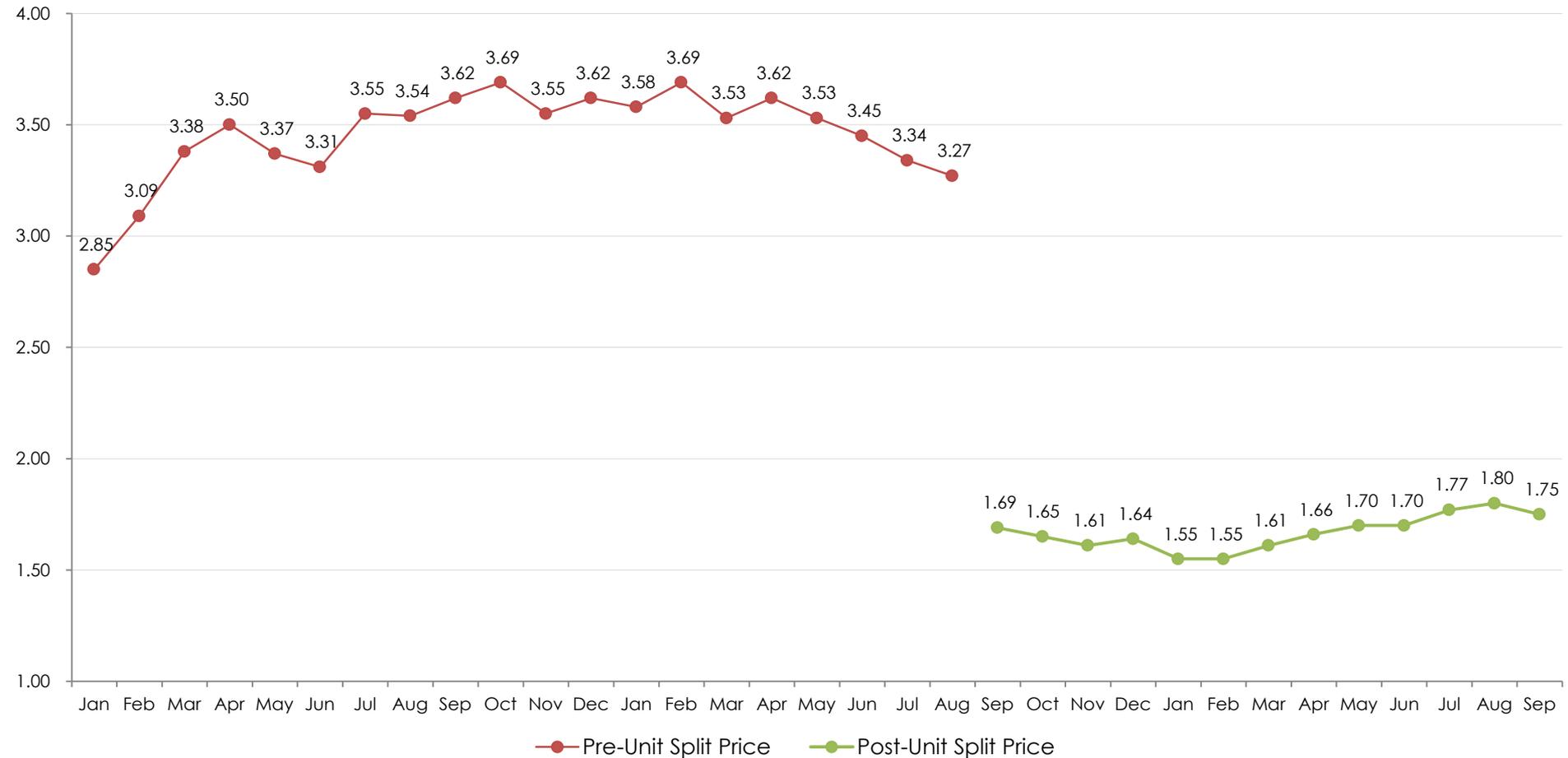


**3Q2016
INVESTOR RELATIONS
REPORT**

Unit Price Performance YTD 2016



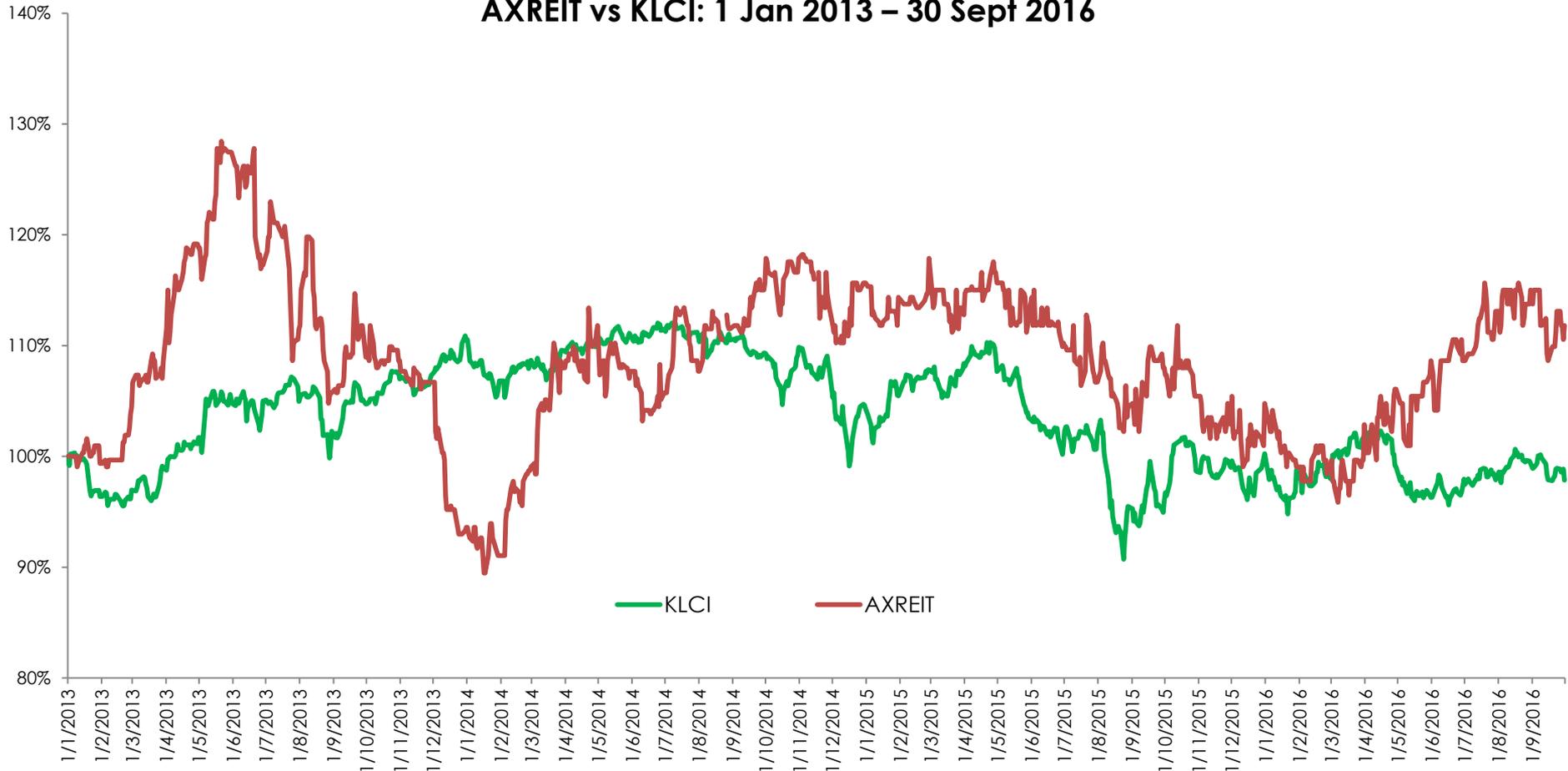
AXREIT: 1 Jan 2014 – 30 Sept 2016



Unit Price Movement YTD 2016



AXREIT vs KLCI: 1 Jan 2013 – 30 Sept 2016



Price Statistics

3Q2016: Unit Price @ 30 Sept 2016 RM1.75

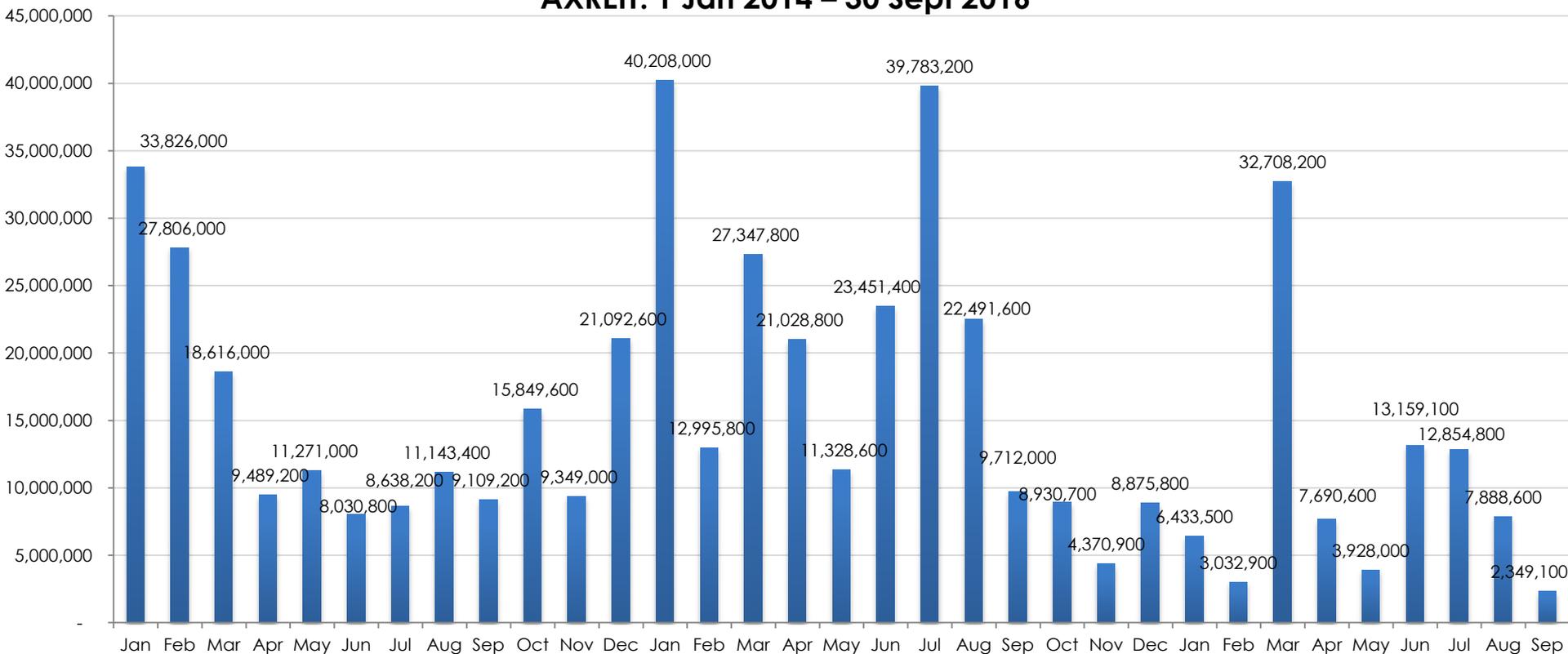
Highest Price YTD: August 2016 RM1.81

2Q2016: Unit Price @ 31 Jun 2016 RM1.70

60

Lowest Price YTD: March 2016 RM1.50

AXREIT: 1 Jan 2014 – 30 Sept 2016



Volume Statistics

Average Monthly Volume 2016	10,004,977
Highest Monthly Volume: March 2016	32,708,200
Lowest Monthly Volume: September 2016	2,349,100

Top 10 Unitholders YTD 2016



1	AMANA SAHAM BUMIPUTERA	11.00%
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	3.79%
7	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	2.59%
8	EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	2.47%
9	AMANA SAHAM MALAYSIA	2.39%
10	AMANA SAHAM DIDIK	2.33%

Holdings Breakdown	Units Held 3Q2016	Units Held 2Q2016	Q-on-Q Change
Top 5 Unitholders	36.30%	37.23%	-0.93%
Top 10 Unitholders	49.87%	50.48%	-0.61%
Unitholders with > 2 million unitholdings	87.41%	87.37%	0.04%

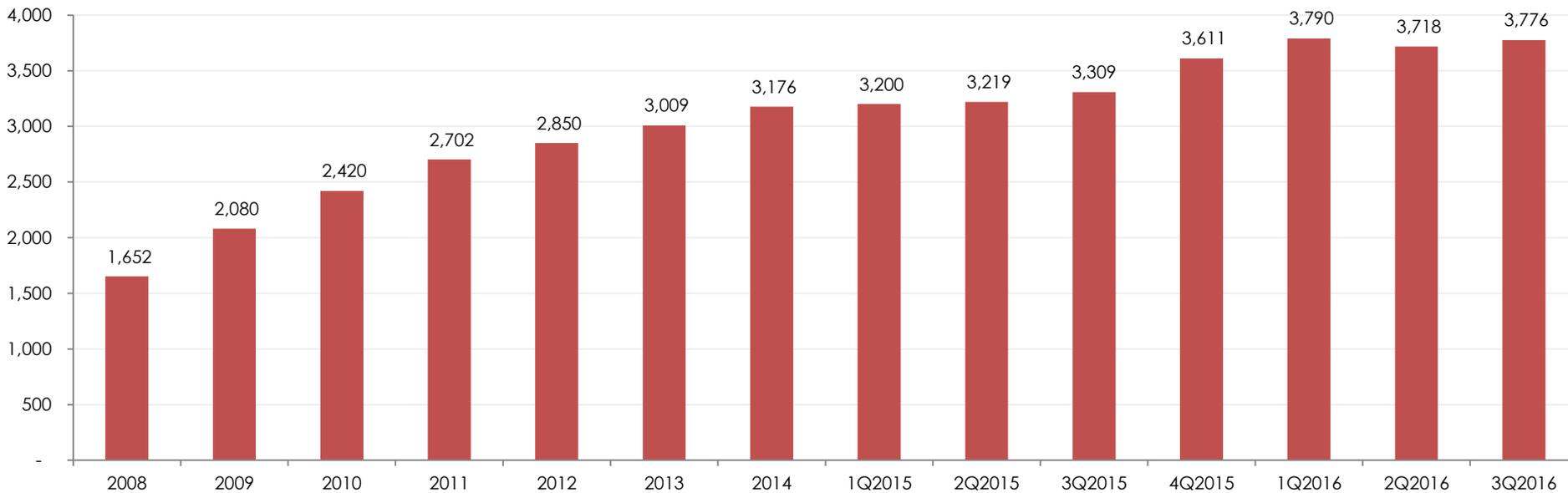
Top 5 increases in unitholdings:

	Last Quarter Increase
AMANAH SAHAM BUMIPUTERA 2	0.8%
EXEMPT AN CLR (A) FOR AMANAHRAYA TRUSTEES BERHAD	0.7%
AMANAH SAHAM DIDK	0.4%
ALEX LEE LAO	0.2%
GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD DR	0.2%

Top 5 decreases in unitholdings:

	Last Quarter Decrease
AMANAH SAHAM BUMIPUTERA	-0.9%
AMANAH SAHAM WAWASAN 2020	-0.6%
AMANAH SAHAM NASIONAL	-0.5%
EMPLOYEES PROVIDENT FUND	-0.3%
PERMODALAN NASIONAL BERHAD	-0.3%

No. of CDS Accounts



✓ Quarter-on-quarter, total number of CDS accounts increased by 58 to 3,776.

	Units Held 3Q2016	Units Held 2Q2016	Q-on-Q Change
Total foreign holdings	12.25%	12.37%	-0.12%
Foreign holdings – related-party	7.65%	7.65%	0%
Foreign holdings – non-related-party	4.60%	4.72%	-0.12%
Promoters	13.98%	13.98%	0%

Analyst Coverage 3Q2016



Coverage	Rating	Target Price (RM)	Published Date
AffinHwang	Hold	1.67	5-Aug-16
Alliance DBS	Hold	1.75	5-Aug-16
CIMB	Hold	1.86	7-Aug-16
Hong Leong IB	Hold	1.68	22-Aug-16
KAF	Hold	1.70	22-Aug-16
Kenanga	Hold	1.76	8-Aug-16
Maybank	Hold	1.72	22-Aug-16
MIDF	Hold	1.72	5-Aug-16
UOBKayHian	Hold	1.82	22-Aug-16
S&P Capital IQ Consensus		1.77	22-Aug-2016

Recommendation	Movement		3Q2016	2Q2016
Buy	↓		0	2
Hold	↑		9	8
Sell	↔	65	0	0

THANK YOU

