



# A Decade of Success



Axis REIT Managers Berhad  
4Q2015 Results Presentation





WE ARE 10...  
AND  
GROWING

# Our 10 Year Milestones



- ✓ Assets Under Management RM296 million  RM2.14 billion
- ✓ Space Under Management 978,000 sq ft  7,015,242 sq ft
- ✓ Properties 5  34
- ✓ Valuation Gain since listing RM273,000,000
- ✓ 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



# 2015 HIGHLIGHTS

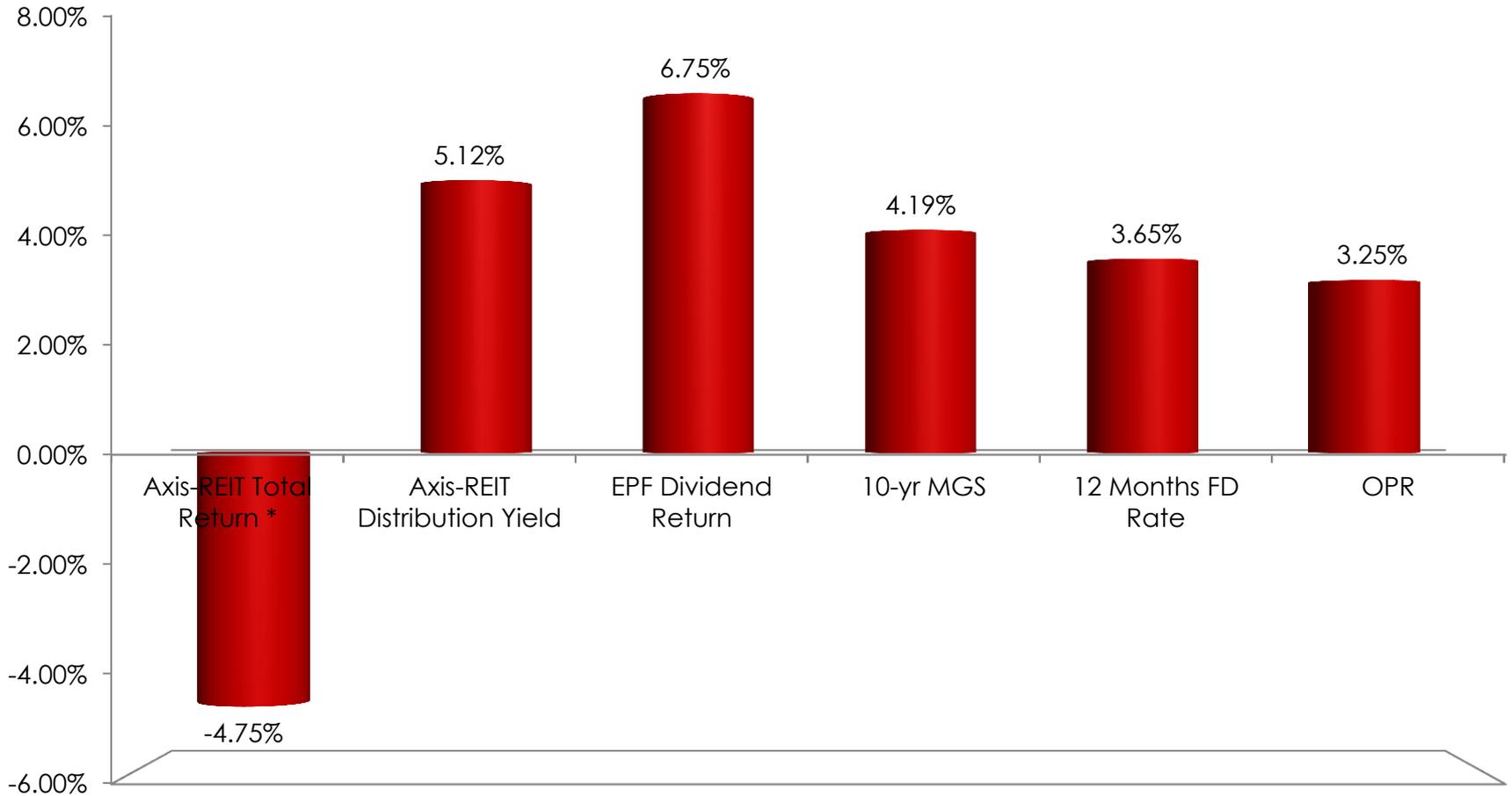
**RM 2,141,493,000**



- ✓ Completed the acquisition of Axis Shah Alam DC2 for RM45.0 million on 31 March, which was the remaining property initially transacted with a related party in 2014.
- ✓ Successfully signed the Sale & Purchase Agreement to acquire Beyonics iPark Campus for RM61.0 million, located in Indahpura, Johor on 11 November 2015.
- ✓ Acceptance of a Letter of Offer to acquire a new logistics warehouse for RM41.0 million located in SiLC, Nusajaya on 13 October 2015.
- ✓ Acceptance of a Letter of Offer to acquire a new logistics warehouse for RM33.0 million located in Pasir Gudang, Johor on 18 December 2015.
- ✓ Recorded a positive rental reversion of 8% on renewal of tenancies and leases for 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 was increased from 547,758,040 units to 1,095,516,080 units upon completion of the Unit Split. Since then, we have registered a 10% increase in number of unitholders in less than 3 months.
- ✓ Successfully implemented the Income Distribution Reinvestment Plan in 2<sup>nd</sup> half 2015 with a success rate of 67%.
- ✓ Obtained Unitholders' approval for General Mandate to place out additional 20% new units.
- ✓ A total of RM5.91 million revaluation gain has been recorded for YTD 2015.
- ✓ Currently trades at a premium of 33% to our NAV.
- ✓ Obtained an exemption to accept new and renew existing Shariah non-compliant tenant(s) as long as total revenue contribution from Shariah non-compliant tenancies does not exceed 5% of total revenue.

# 2015 Return Comparatives





# THE AXIS TEAM



Siva Shanker  
Head of Investments



Leong Kit May  
Chief Executive Officer



Nikki Ng  
Financial Controller



Siva Shankar  
General Manager of Facilities Management



Jackie Law  
Head of Real Estate



Aziz Rasheed  
Head of Engineering



Chan Tze Wee  
Manager, Investments & Investor Relations

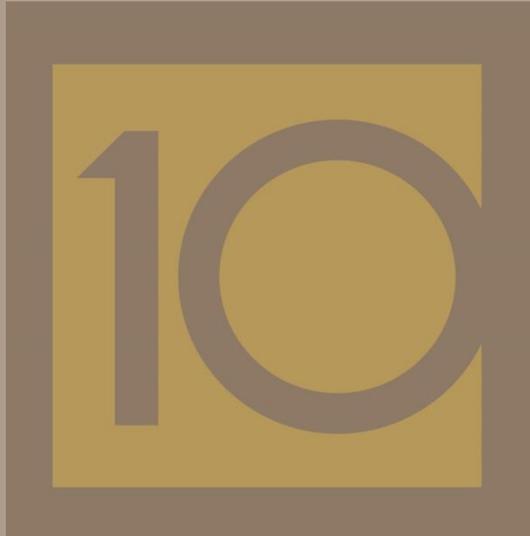


**Siva Shanker**  
**Head of Investments**

Siva Shanker joined Axis REIT Managers Berhad in January 2016 as the Head of Investments .

Siva qualified with a Diploma in Estate Agency and is a Registered Estate Agent with the Board of Valuers, Appraisers & Estate Agents Malaysia. He has more than 30 years of experience in the property industry, having worked in both large international property consultancies as well as small local outfits. Siva has been an active member of Malaysian Institute of Estate Agents for many years and was President of the Institute for the Year 2013/2015.

Siva is also an accomplished speaker and real estate trainer. He was instrumental in the massive registration exercise for Real Estate Negotiators and was personally responsible for training more than 12,000 negotiators in the year 2013 and 2014. He also speaks regularly at seminars and conventions both locally as well as overseas.



# 2015 FINANCE REPORT

	YTD 2015
Total Net Income ("Realised")(RM' 000)	91,537
Income Available for Distribution ("Realised") (RM' 000)	92,151
Earnings per Unit ("EPU") ("Realised") (Sen) *	8.35
Income Distribution Declared (RM'000)	92,109
Distribution per Unit ("DPU") (Sen) **	8.40
Number of Investment Properties	34
Units in Circulation (Units)	1,099,793,068
Assets Under Management (RM'000)	2,141,493
Total Financing (RM'000)	731,814
Gearing Ratio	34.17%
Total Unitholder's Fund (RM'000)	1,352,485
Market Capitalization (RM'000)	1,803,661
Net Asset Value per Unit (RM)	1.23
IPO Retail Unit Price (RM) (restated from RM1.25)	0.625
Unit Price as at 31 December 2015 (RM)	1.64
Number of Unitholders	3,611

\* EPU is calculated based on weighted average of the number of units in issue of 1,095,750,674

\*\* Includes of final income distribution of 2.00 sen to be paid on 29 February 2016

# Income Statement 4Q 2015 vs 4Q 2014



	4Q 2015 (RM'000)	4Q 2014 (RM'000)	Changes / Movement
No. of Properties	34	33	- 1
Property Income	39,832	34,370	+15.89%
Property Expenses	(6,004)	(5,235)	+14.69%
Net Property Income	33,828	29,135	+16.11%
Profit Income / other income	176	663	
Non-Property Expenses	(4,668)	(3,590)	+30.03%
Islamic Financing Cost	(7,581)	(6,879)	+10.20%
Net Income	21,755	19,329	+12.55%
DPU (sen)	2.00	2.08 *	-3.85%
No. of units in issuance	1,099,793,068	547,522,040	

*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 2015 vs 2014



	2015 (RM '000)	2014 (RM'000)	Changes / Movement
No. of Properties	34	33	+1
Property Income - <b>Note 1</b>	163,077	137,625	+18.49%
Property Expenses - <b>Note 2</b>	(23,746)	(21,553)	+10.18%
Net Property Income	139,331	116,072	+20.04%
Profit Income / Other Income	744	1,210	
Net gain on disposal of property	-	1,614	
Non-Property Expenses - <b>Note 3</b>	(18,530)	(13,762)	+34.65%
Islamic Financing Cost - <b>Note 4</b>	(29,935)	(23,848)	+25.52%
Income tax expense	(73)	-	
Net Income	91,537	81,286	+12.61%
DPU (sen) – <b>Note 5</b>			
- On performance	8.40	8.70 *	- 0.30
- Gain on disposal	-	1.18 *	
No. of units in issuance – <b>Note 5</b>	1,099,793,068	547,522,040	

*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 as compared to last preceding year are due to contribution of rental proceeds from new property acquisition and positive rental reversion during the full financial year.

## **Note 2 – Property Expenses**

Property expenses increased due to additional properties completed (efficiency ratio on the portfolio has improved from 15.66% to 14.56%).

## **Note 3 – Non-Property Expenses**

The MER of the Fund as at 31 December 2015 is 1.36% of NAV, as compared to 1.29% for 2014. The increase is due to increase in NAV of the Fund driven mainly from the equity placement exercise, GST compliant related costs and unit split exercise expenses.

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

Increase due to additional financing facilities utilized to finance the new 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. However the distribution yield remains.

	DPU declared for 2015	
	Prior to Unit Split	After Unit Split
<b>No. of units</b>	<b>549,758,040</b>	<b>1,099,793,068</b>
1st interim	4.10	2.05
2nd interim	4.30	2.15
3rd interim	equivalent to 4.40	2.20
Final	Equivalent to 4.00	2.00
YTD 2015	16.80	8.40

# Gross Yield of Investment Properties



Properties	Gross yield (%)
1 Wisma Kemajuan	17.99%
2 Crystal Plaza	14.32%
3 Delfi Warehouse	13.80%
4 FCI Senai	13.60%
5 BMW Centre PTP	13.08%
6 Menara Axis	12.47%
7 D8 Logistics Warehouse	12.13%
8 Strateq Data Centre	11.90%
9 Niro Warehouse	11.50%
10 Fonterra HQ	11.05%
11 Seberang Prai Logistic Warehouse 3	10.89%
12 Wisma Academy Parcel	10.34%
13 Quattro West	9.92%
14 Infinite Centre	9.88%
15 Emerson Industrial Facility Nilai	9.85%
16 Axis Vista	9.82%
17 Bayan Lepas Distribution Centre	9.65%

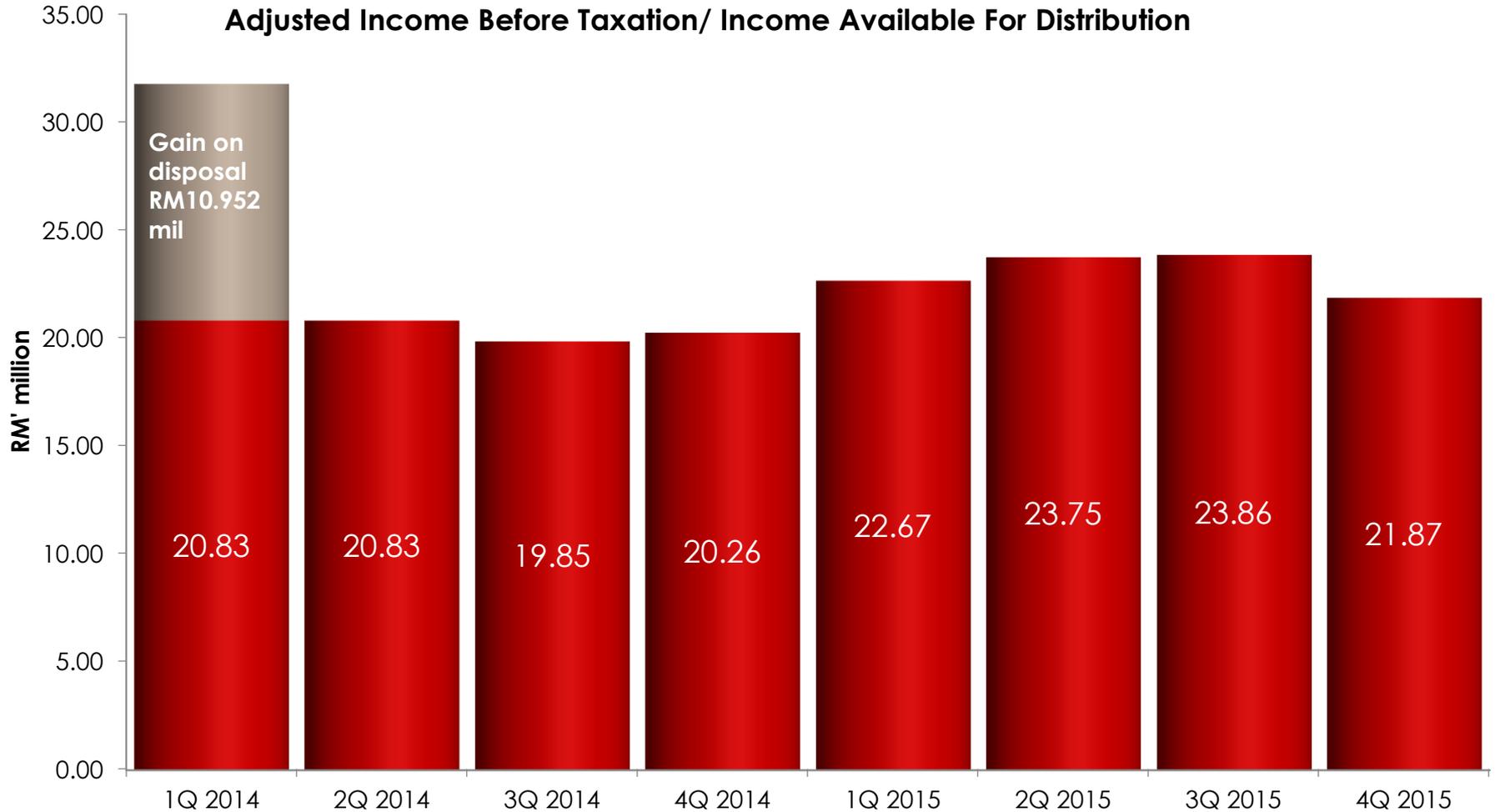
**Average gross yield = 9.80%**

18 Axis Shah Alam DC 1	9.53%
19 Giant Hypermarket, Sungai Petani	9.01%
20 Seberang Prai Logistic Warehouse 1	8.95%
21 Axis Steel Centre	8.84%
22 Axis Business Park	8.77%
23 Bukit Raja Distribution Centre	8.75%
24 Seberang Prai Logistic Warehouse 2	8.53%
25 Tesco Bukit Indah	8.42%
26 Axis Shah Alam DC 3	8.01%
27 Axis MRO Hub	7.87%
28 Axis Shah Alam DC 2	7.73%
29 Axis Technology Centre	7.54%
30 Axis PDI Centre	7.51%
31 Axis Steel Centre@ SiLC	7.46%
32 Axis Eureka	7.26%
33 The Annex	6.25%
34 Axis Business Campus	-

# Net Yield of Investment Properties



Properties	Net yield (%)	<b>Average net yield = 8.41%</b>	
1 Wisma Kemajuan	13.99%	18 Bukit Raja Distribution Centre	8.25%
2 FCI Senai	12.18%	19 Axis Steel Centre	8.01%
3 Delfi Warehouse	12.06%	20 Tesco Bukit Indah	7.82%
4 Crystal Plaza	12.05%	21 Seberang Prai Logistic Warehouse 2	7.81%
5 BMW Centre PTP	11.96%	22 Quattro West	7.67%
6 D8 Logistics Warehouse	11.33%	23 Infinite Centre	7.50%
7 Strateq Data Centre	11.30%	24 Wisma Academy Parcel	7.34%
8 Niro Warehouse	10.46%	25 Axis MRO Hub	7.18%
9 Menara Axis	10.16%	26 Axis Shah Alam DC 3	7.11%
10 Seberang Prai Logistic Warehouse 3	9.79%	27 Axis Steel Centre@ SiLC	7.09%
11 Fonterra HQ	9.38%	28 Axis Shah Alam DC 2	6.99%
12 Emerson Industrial Facility Nilai	8.95%	29 Axis Business Park	6.68%
13 Bayan Lepas Distribution Centre	8.78%	30 Axis PDI Centre	6.37%
14 Axis Vista	8.70%	31 Axis Technology Centre	5.38%
15 Axis Shah Alam DC 1	8.64%	32 Axis Eureka	4.39%
16 Seberang Prai Logistic Warehouse 1	8.50%	33 The Annex	4.10%
17 Giant Hypermarket, Sungai Petani	8.26%	34 Axis Business Campus	-



## ***Final 2015 Income Distribution: 2.00 sen***

The 2.00 sen DPU represents 99.95% income available for distribution from performance of properties for the period from 1 October 2015 to 31 December 2015

Important dates:

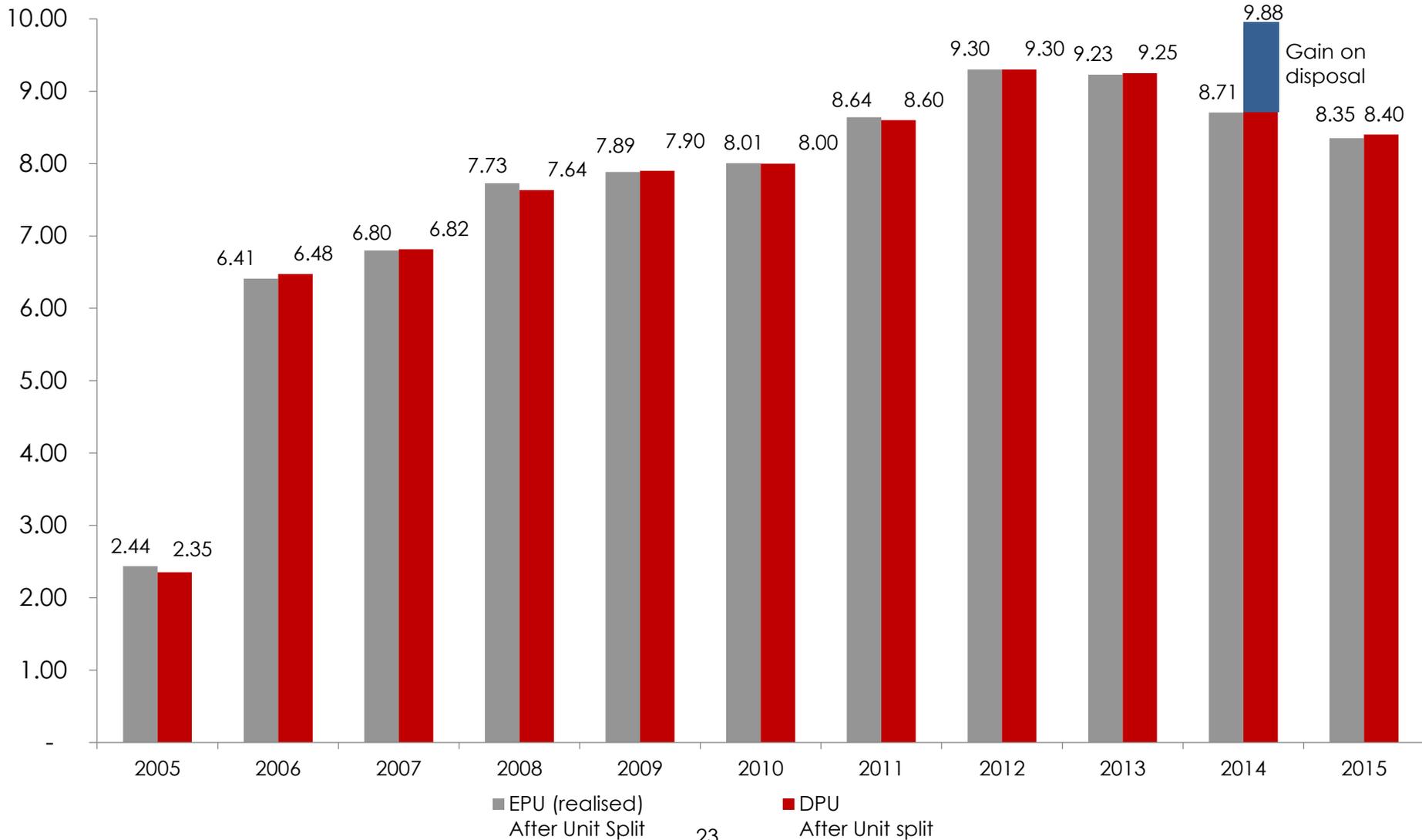
Ex-date:	29 January 2016
Entitlement date:	3 February 2016
Payment date:	29 February 2016

Details of the 2015 IDRPs (in conjunction with 2015 Third Interim Income Distribution):

Income Distribution	: 2.20 sen
Electable portion	: 1.00 sen
Issue Price	: RM1.59
Discount Rate	: 5.8%
Subscription Rate	: 67%

**Net Proceeds** : **RM6.8 million**

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



# Statement of Financial Position



	31/12/15 (RM'000)	31/12/14 (RM'000)	Changes
Investment Properties – <b>Note 1</b>	2,048,626	1,982,587	+ 66,039
Fixed Assets	3,602	2,821	+ 781
Other Assets – <b>Note 2</b>	89,265	100,475	- 11,210
<b>TOTAL ASSETS</b>	<b>2,141,493</b>	<b>2,085,883</b>	<b>+ 55,610</b>
Borrowings – <b>Note 3</b>	731,814	683,769	+ 48,045
Other Payables	57,194	75,745	- 18,551
<b>TOTAL LIABILITIES</b>	<b>789,008</b>	<b>759,514</b>	<b>+ 29,494</b>
<b>NET ASSETS VALUE (“NAV”)</b>	<b>1,352,485</b>	<b>1,326,369</b>	<b>+ 26,116</b>
Unitholders' Capital – <b>Note 4</b>	1,052,272	1,044,664	+ 7,609
Undistributed Distributable Income	19,036	5,555	+ 13,481
Non-Distributable Reserve – <b>Note 5</b>	281,177	276,150	+ 5,027
<b>TOTAL UNITHOLDERS' FUND</b>	<b>1,352,485</b>	<b>1,326,369</b>	<b>+ 26,116</b>
<b>GEARING</b>	<b>34.17%</b>	<b>32.78%</b>	
<b>NAV/unit (RM)</b>	<b>1.2298</b>	<b>2.4225</b>	
<b>No. of units in issuance</b>	<b>1,099,793,068</b>	<b>547,522,040</b>	

## Note 1 – Investment Properties

The acquisition of Axis Shah Alam DC2 was completed on 31 March 2015 at RM45.0 million. A total of RM14.466 million was spent on the enhancement of the properties. A total revaluation gain of RM5.791 million was recognised in 2015.

## Note 2 – Other assets

The average collection of trade receivables is as shown below:

For Period Ended	Avg. Collection Period (in days)
31-DEC-2010	14
31-DEC-2011	17
31-DEC-2012	8
31-DEC-2013	3
31-DEC-2014	2
31-DEC-2015	9

# Statement of Financial Positions – Note 3

## Borrowings



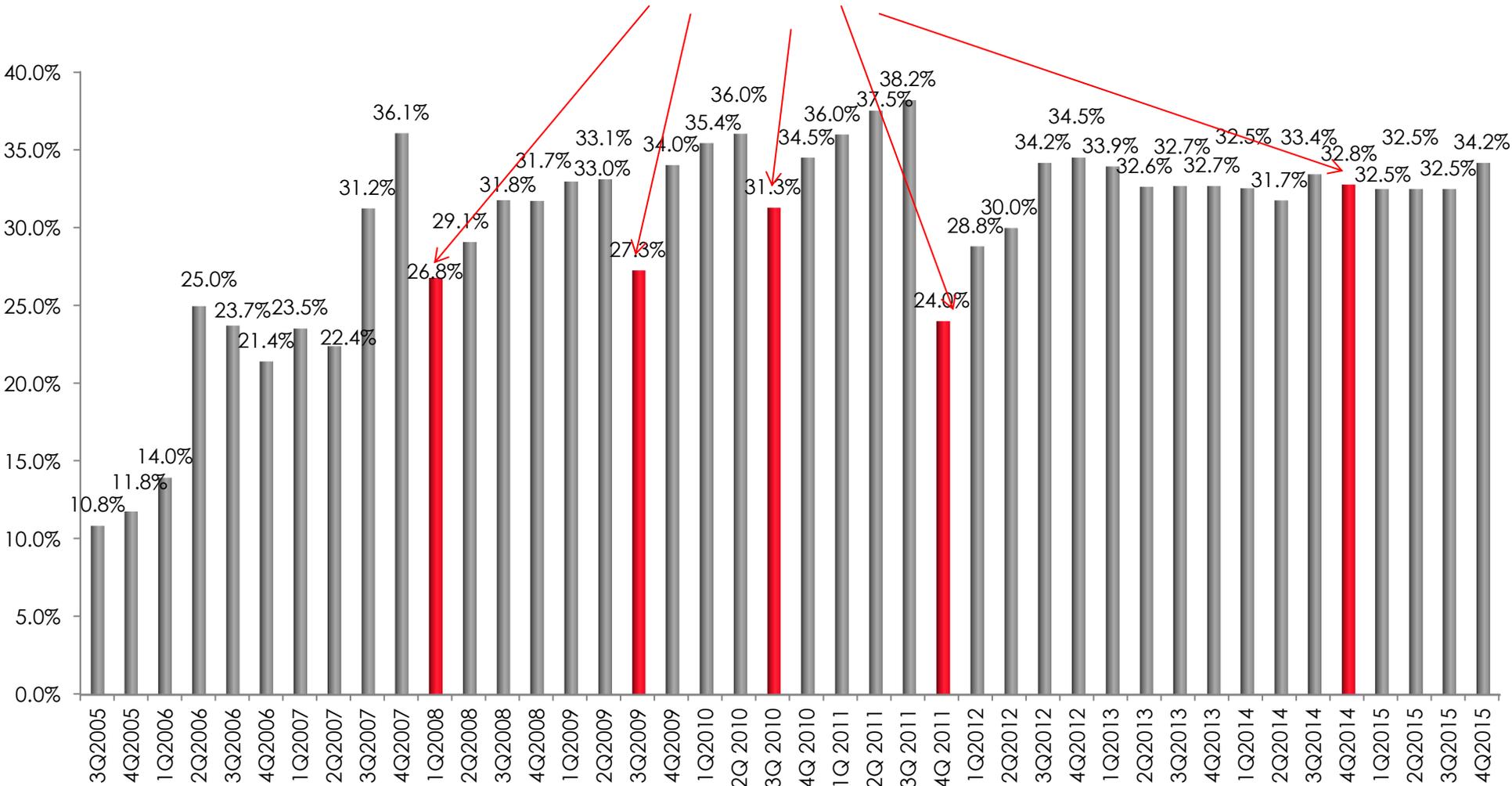
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Total Borrowings (RM'000)</b>	88,089	209,816	230,456	308,932	416,609	311,338	548,920	528,004	683,769	<b>731,814</b>
<b>Total Assets (RM'000)</b>	411,781	581,857	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	<b>2,141,433</b>
<b>Gearing</b>	21.39%	36.06%	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	<b>34.17%</b>
<b>Effective Profit Rate</b>	4.38%	4.39%	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	<b>4.28%</b>
<b>Percentage of short term borrowings- Maturity &lt; 1 Year</b>	100%	100%	100%	47%	48%	52%	62%	50%	61%	<b>55%</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%	<b>45%</b>
<b>Percentage of floating rate borrowings</b>	100%	100%	100%	47%	48%	52%	62%	40%	47%	<b>50%</b>
<b>Percentage of fixed rate borrowings</b>	-	-	-	53%	52%	48%	38%	60%	53%	<b>50%</b>
<b>Total unencumbered assets</b>	7	8	13	12	11	12	6	5	5	<b>10</b>
<b>Percentage of unencumbered assets/total assets</b>	57%	34%	44%	52%	42%	44%	19%	16%	21%	<b>26%</b>
<b>Financing cost cover</b>	9.4	5.6	5.5	4.8	4.1	3.8	4.6	4.5	4.5	<b>4.1</b>

# Statement of Financial Position

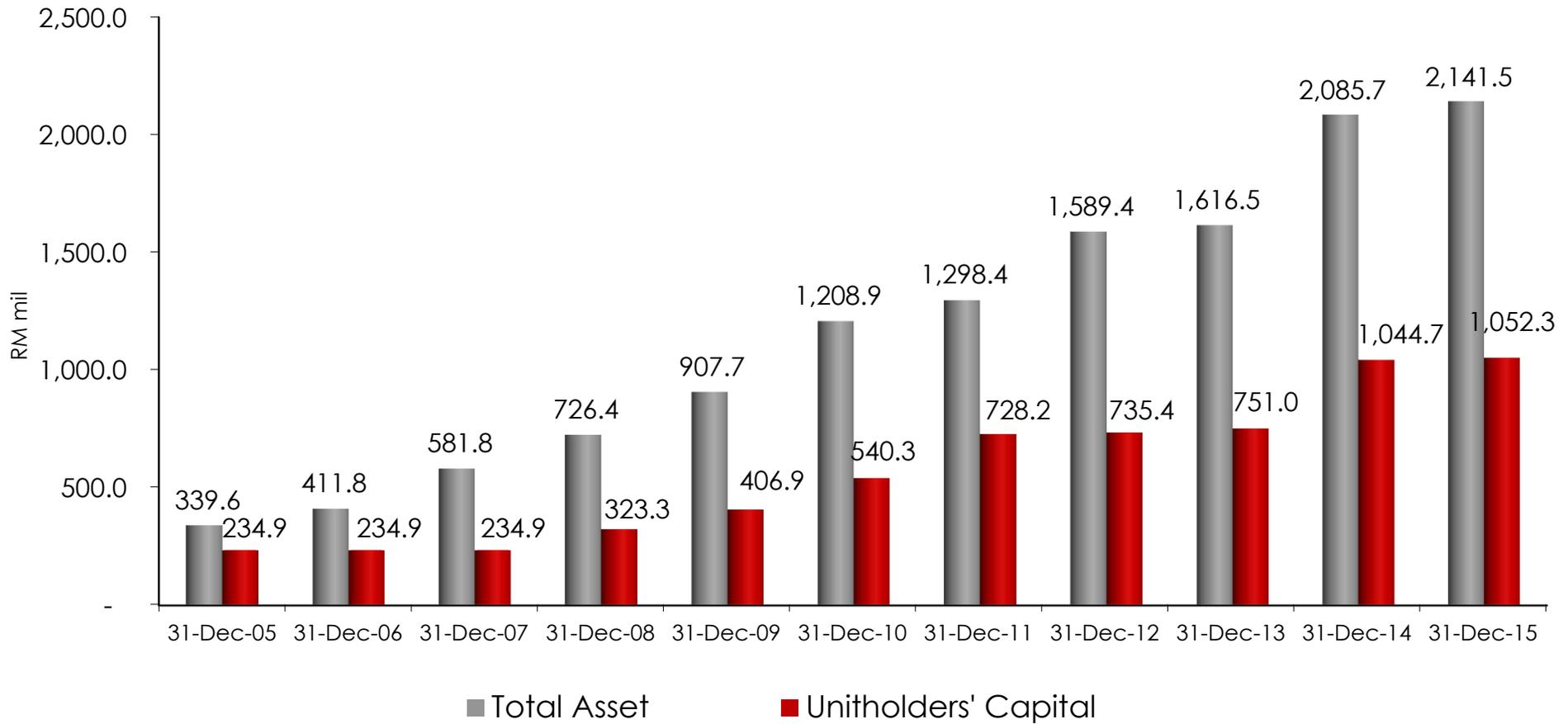


## Gearing Levels

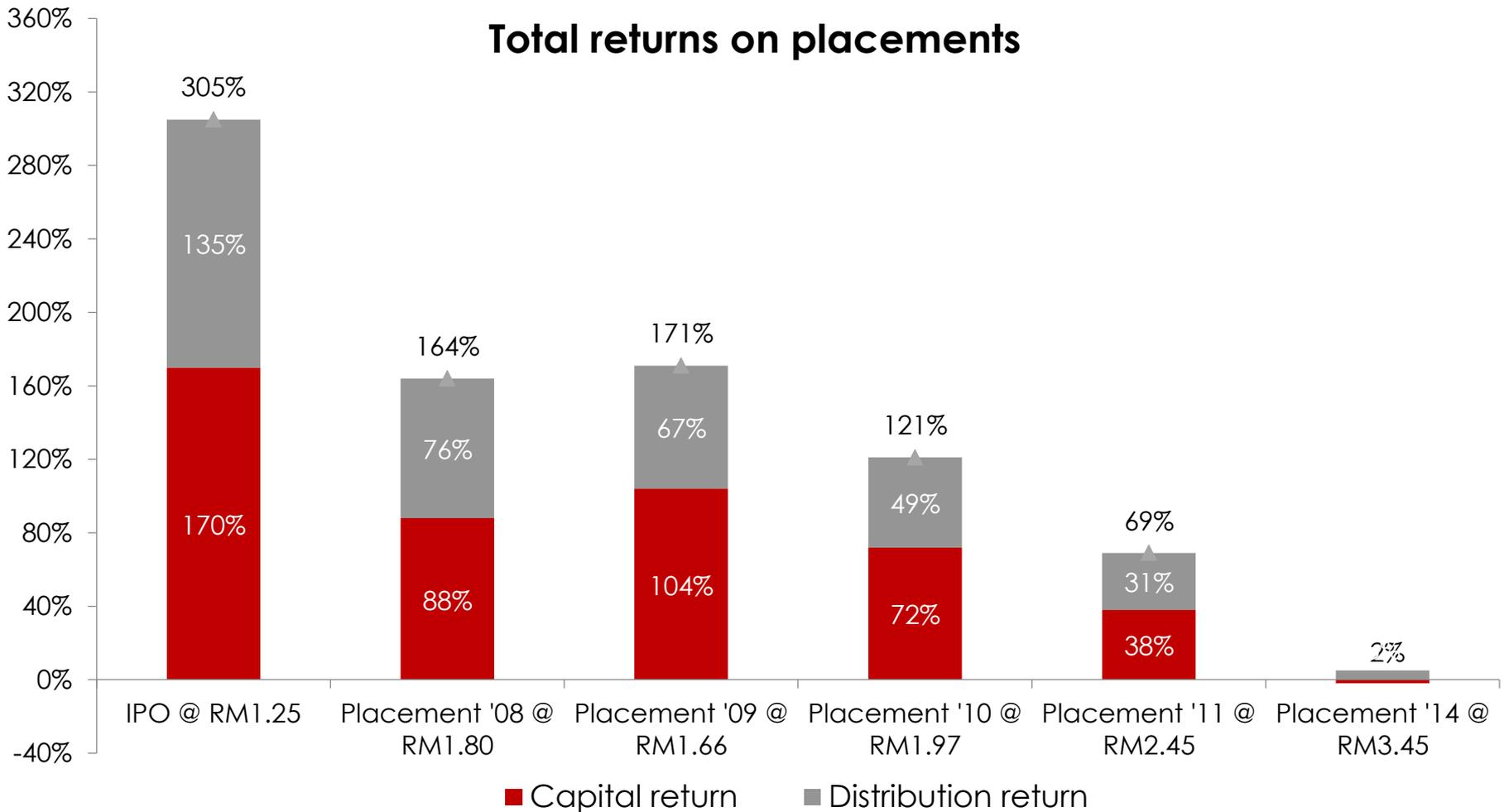
## Placements Undertaken



# Unitholders' Capital – Note 4



... resulting in good total returns to unitholders.



## Note 5 – Non-distributable reserve

Non-distributable reserve mainly comprises the favorable gain in fair value of approx. **RM273** million to date.

Building	Gain /(Loss) RM'000
Crystal Plaza	44,324
Menara Axis	37,591
Wisma Kemajuan	25,101
Axis Vista	22,251
Bukit Raja Distribution Centre	21,508
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	7,353
Infinite Centre	6,763
The Annex	5,630
Quattro West	5,098
Wisma Academy Parcel	5,041
FCI Senai	4,307
Fonterra HQ	3,872
Axis Steel Centre	3,727
Axis Technology Centre	2,960

Building	Gain /(Loss) RM'000
Delfi Warehouse	2,797
Emerson Industrial Facility Nilai	2,693
Niro Warehouse	2,466
Seberang Prai Logistic Warehouse 1	2,378
BMW Centre PTP	2,141
Giant Hypermarket, Sungei Petani	2,027
D8 Logistics Warehouse	1,812
Seberang Prai Logistic Warehouse 3	1,728
Bayan Lepas Distribution Centre	1,432
Axis Eureka	764
Seberang Prai Logistic Warehouse 2	615
Axis Shah Alam DC 2	219
Axis MRO Hub	(375)
Axis Steel Centre@ SiLC	(449)
Axis PDI Centre	(1,522)
Axis Shah Alam DC 3	(2,287)



2015  
PROPERTY  
REPORT

In 2015, the occupancy rate has held steady at 91.97%. During the year, a total of 902,251 sf of space was expiring in 2015 representing 13% of the portfolio. We have succeeded in achieving a 82% tenants retention rate with positive rental reversion of 8% for 2015.

There have been some movements in the portfolio with some tenants moving out, however the leasing team has been successful in securing replacement tenants for these spaces at higher rates.

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.

Our challenge in 2015 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. In the last quarter of 2015, we are seeing more decisions on space commitment being made. These decisions that were delayed in the 1<sup>st</sup> half of the year due to the concerns on GST and the falling oil price were pushed towards the last quarter of the year.

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. In 4Q 2015, Axis PDI Centre became vacant and we are collaborating with our Promoter to redevelop it into a mega distribution centre to capture this rising demand.

The vacant spaces in the portfolio currently stands at 563,411 sq. ft as at 31 December 2015. 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 2.03 sen to the annual DPU (based on the enlarged unit size after the Unit Split).

As at 31 December 2015, the Portfolio has 34 assets comprising 7,015,242 sq. ft. and 140 tenants.

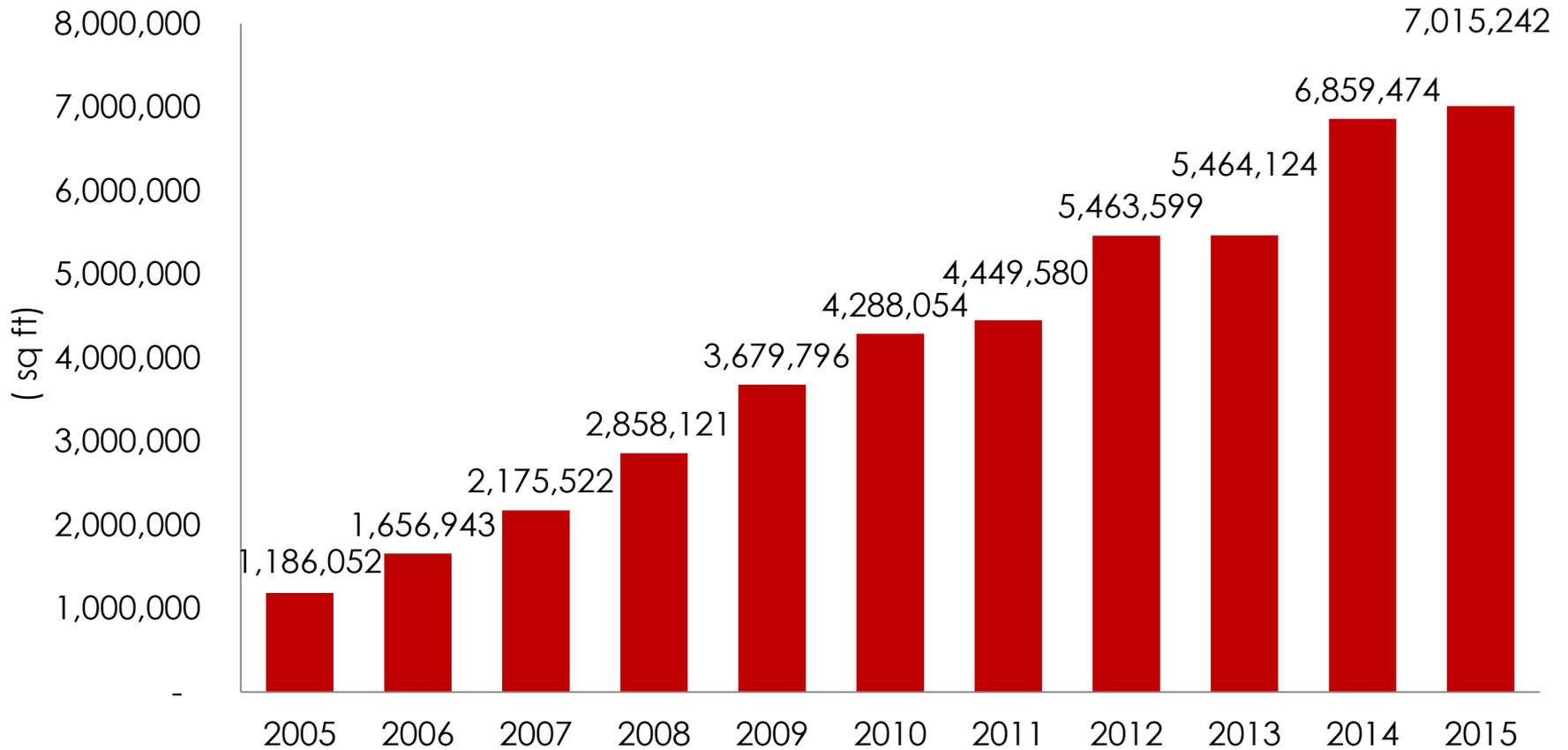
	2015	2014	Movement
No of properties	34	33	 1
Property Income (RM' 000)	163,077	137,625	 18.5%
Property Expenses (RM' 000)	23,746	21,553	 10.2%
Net Property Income (RM' 000)	139,331	116,072	 20.0%
Occupancy	91.97%	92.98%	 1.01%

## Average Rental Rates:

Type of Properties	2015	2014	Movement
Office (RM/sq. ft.)	4.64	4.55	 + 0.09
Office Industrial (RM/sq. ft.)	2.72	2.61	 + 0.11
Manufacturing Facilities (RM/sq. ft.)	1.33	1.29	 + 0.04
Warehouse Logistics (RM/sq. ft.)	1.52	1.66	 - 0.14
Hypermarket (RM/sq. ft.)	2.24	2.24	No change

8% positive rental reversion for 2015

## Space Under Management (sq ft)



# Portfolio Occupancy Rate



As at 31 December 2015, Axis-REIT has only 12 out of 34 properties that carry vacancy.  
22 properties enjoy 100% occupancy.

## Occupancy

As at 31 Dec 2015 91.97%

## Vacancy

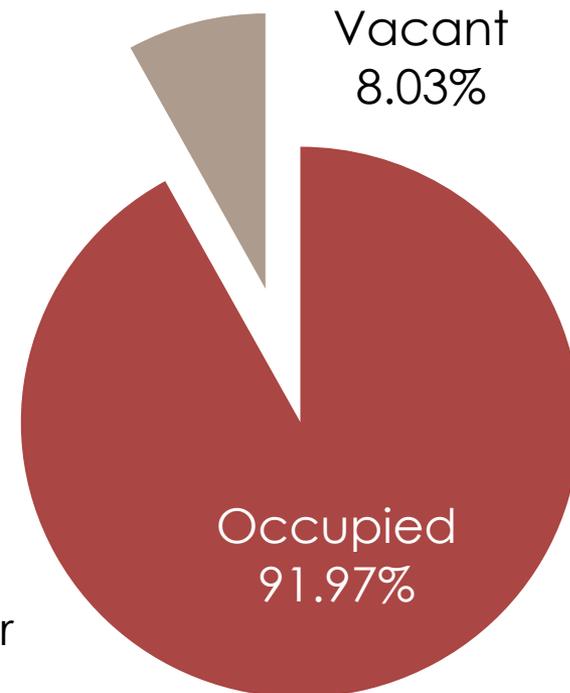
As at 31 December 2015 8.03%  
Space to be let out 563,411 sq. ft.

## Occupancy

Multi-tenants properties 83.55%  
Single tenant properties 99.84%

Unbilled space income RM22.3 million per year  
Potential annual DPU upside 2.03 sen per unit/year

## Occupancy Rate

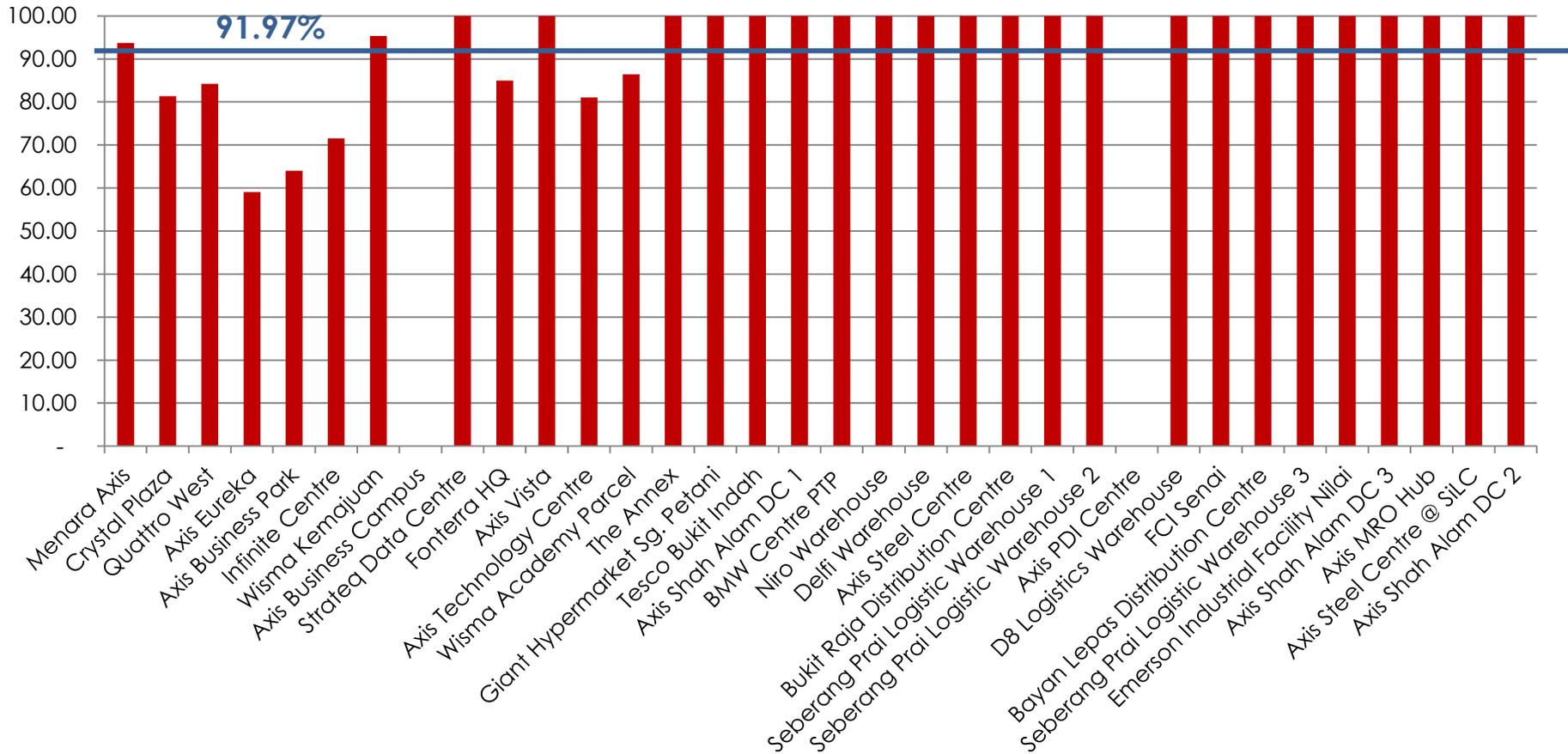


# Occupancy Rates by Property as at 31 December 2015

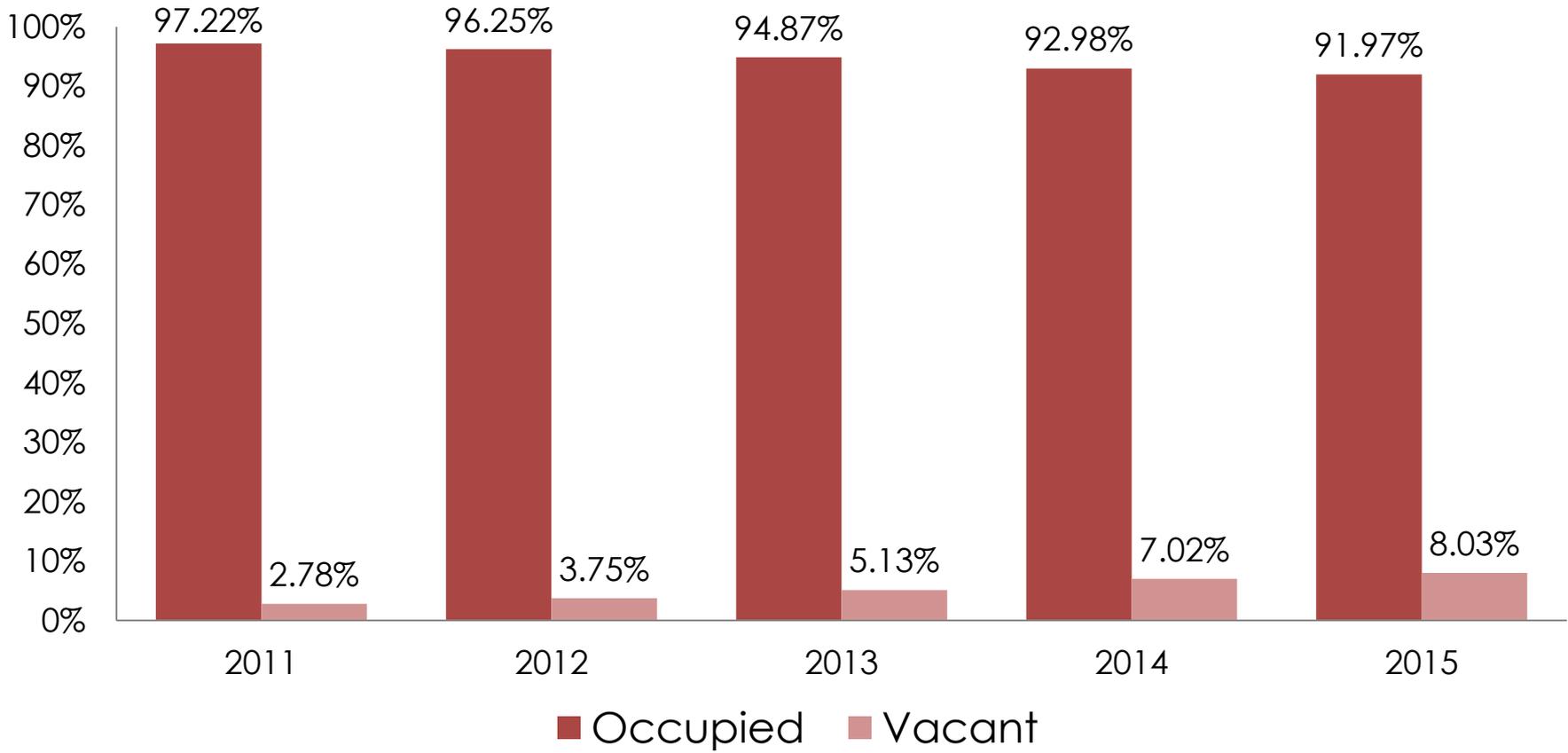


1	Menara Axis	93.74%	19	Niro Warehouse	100.00%
2	Crystal Plaza	81.33%	20	Delfi Warehouse	100.00%
3	Quattro West	84.18%	21	Axis Steel Centre	100.00%
4	Axis Eureka	59.08%	22	Bukit Raja Distribution Centre	100.00%
5	Axis Business Park	63.99%	23	Seberang Prai Logistic Warehouse 1	100.00%
6	Infinite Centre	71.53%	24	Seberang Prai Logistic Warehouse 2	100.00%
7	Wisma Kemajuan	95.35%	25	Axis PDI Centre	-
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	81.01%	30	Emerson Industrial Facility Nilai	100.00%
13	Wisma Academy Parcel	86.39%	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 Centre PTP	100.00%			

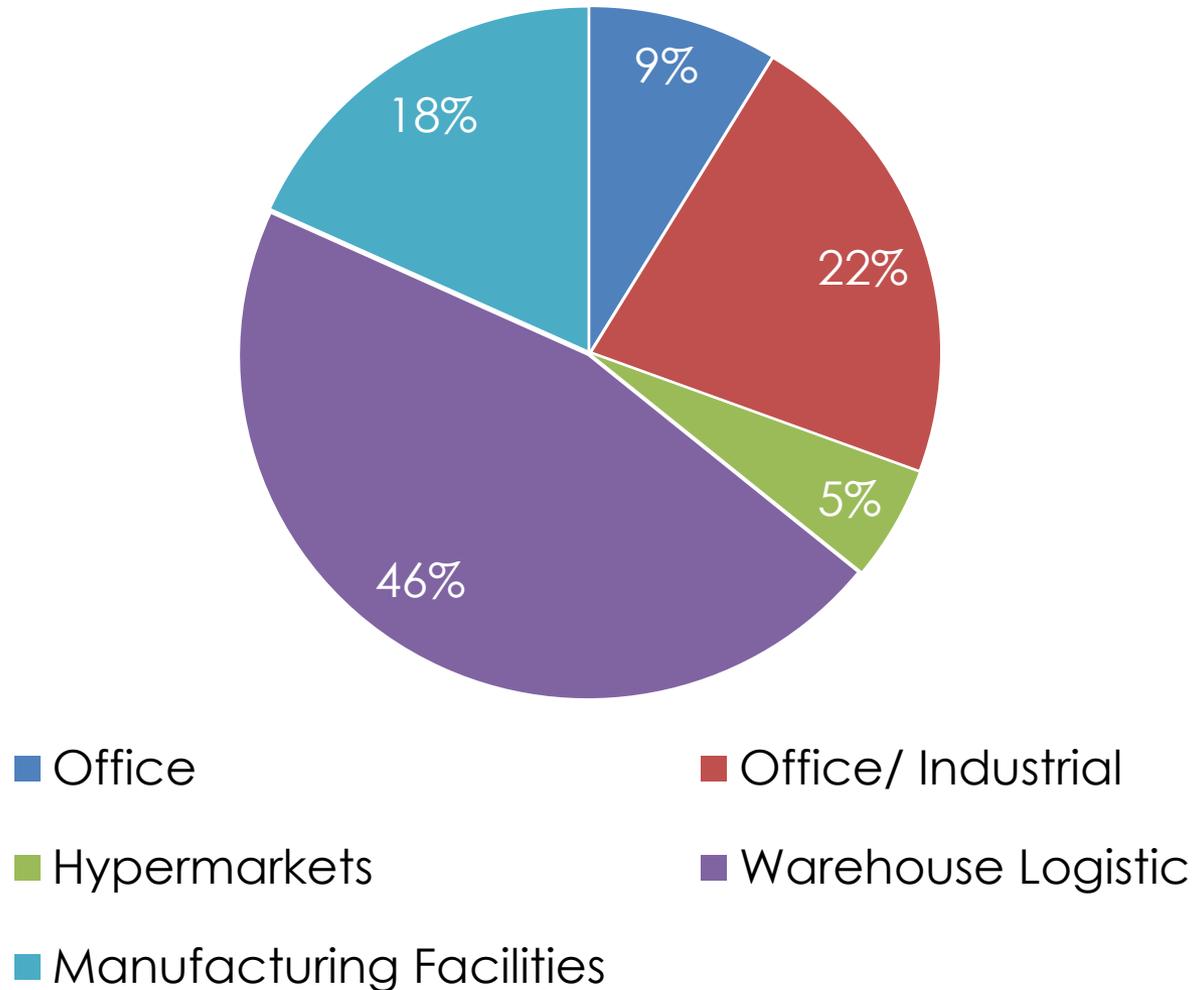
# Occupancy Rates by Property as at 31 December 2015



# Occupancy Rates – 5 Year Analysis



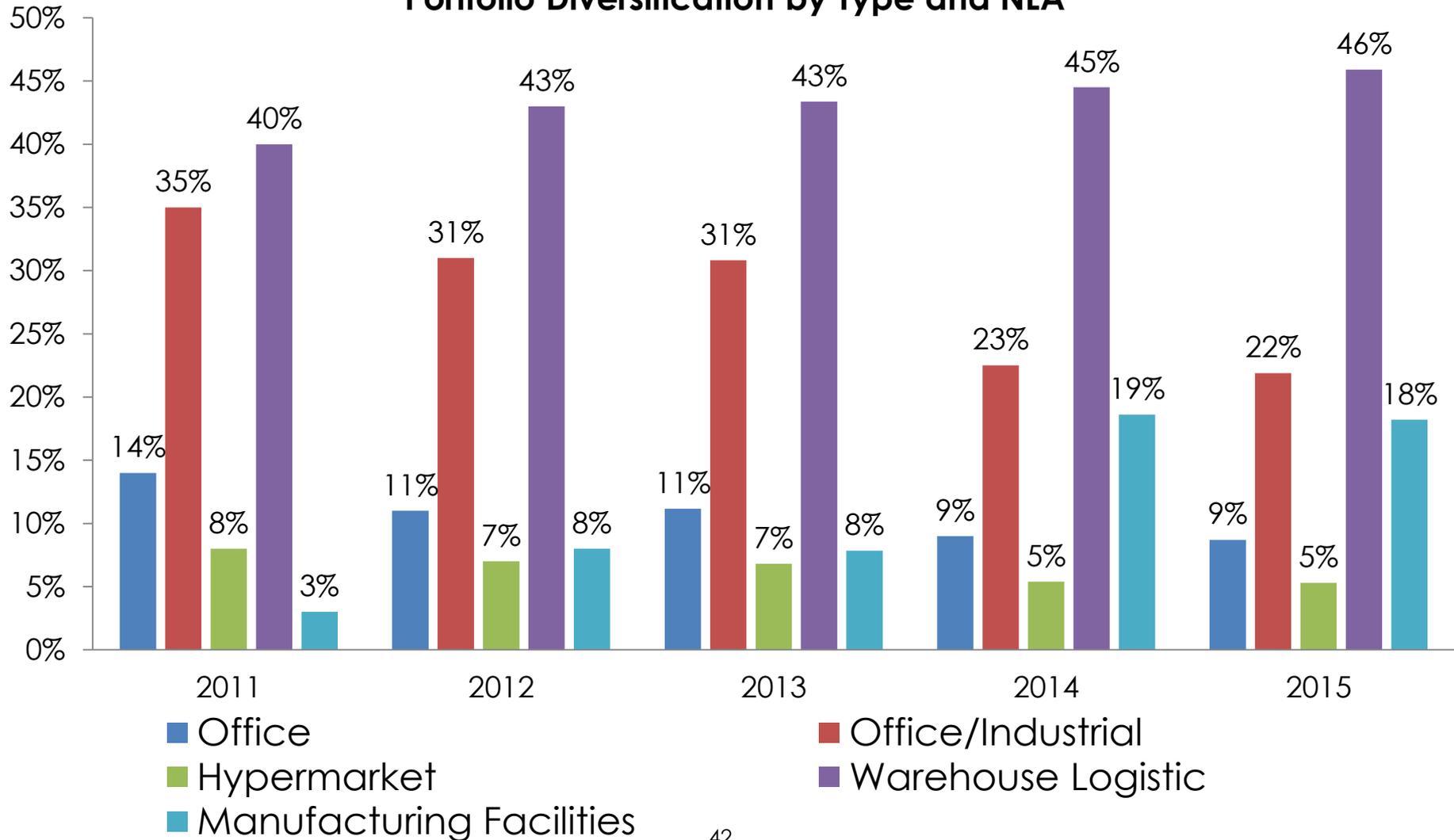
## Portfolio Diversification by Type and NLA



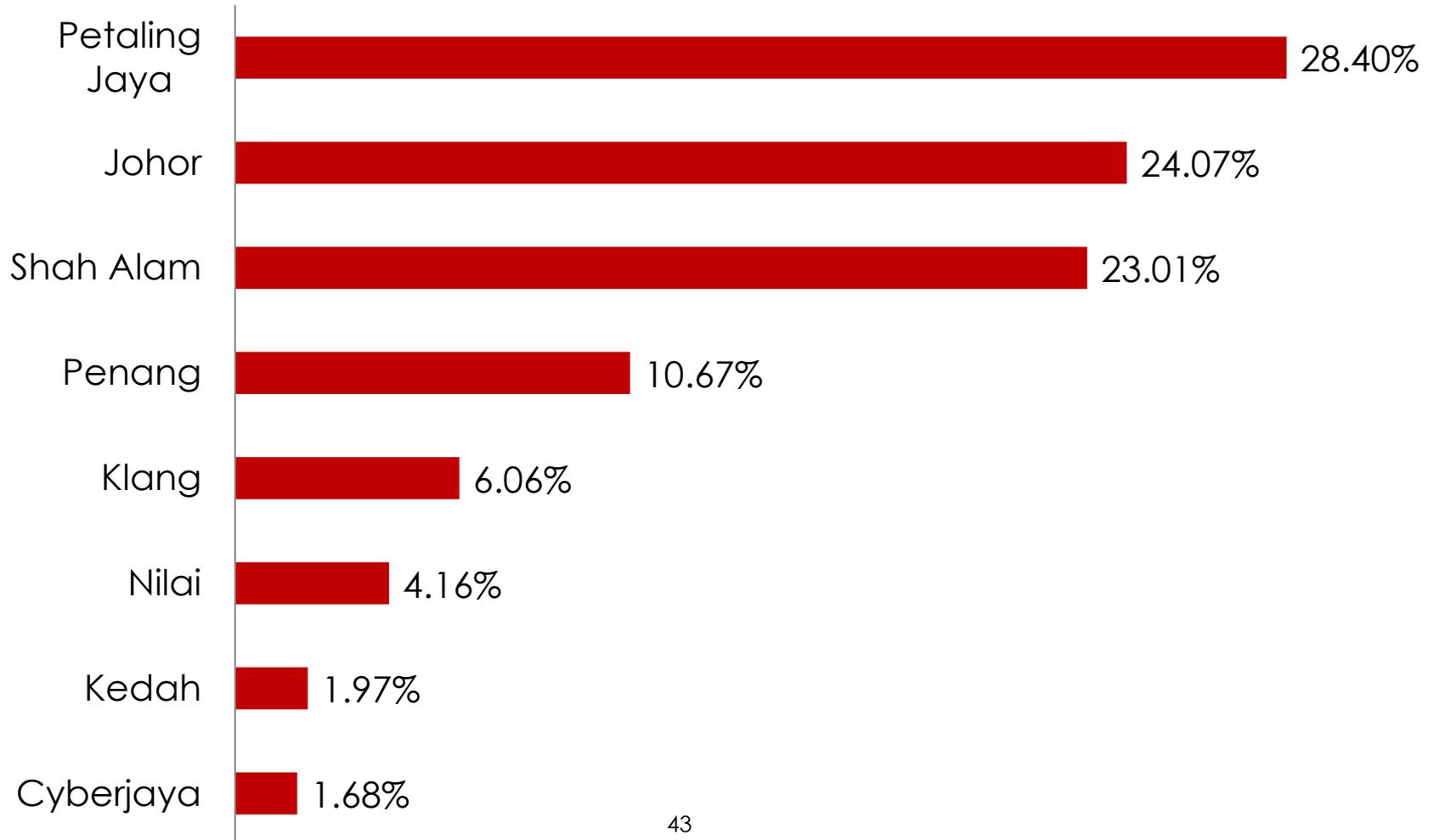
# Diversified Portfolio – 5 Year Analysis



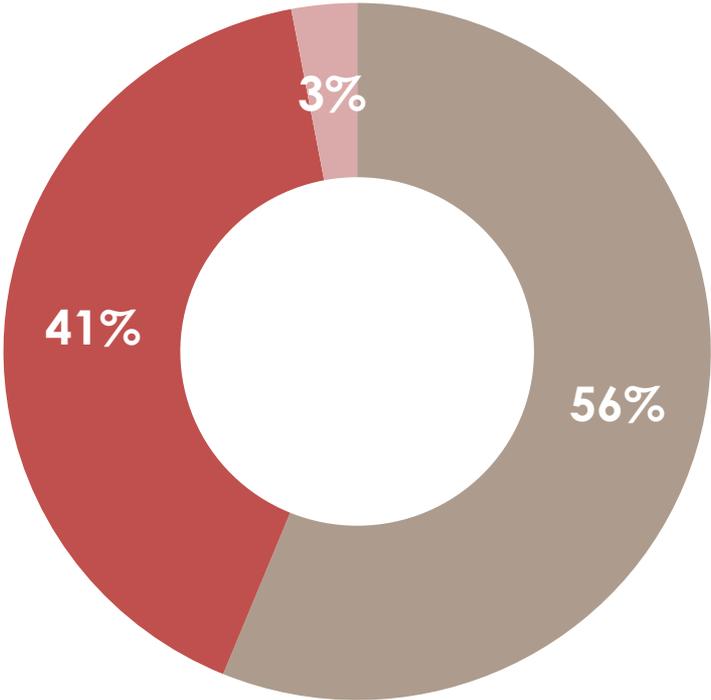
## Portfolio Diversification by Type and NLA



## Portfolio Diversification by Geographical Location

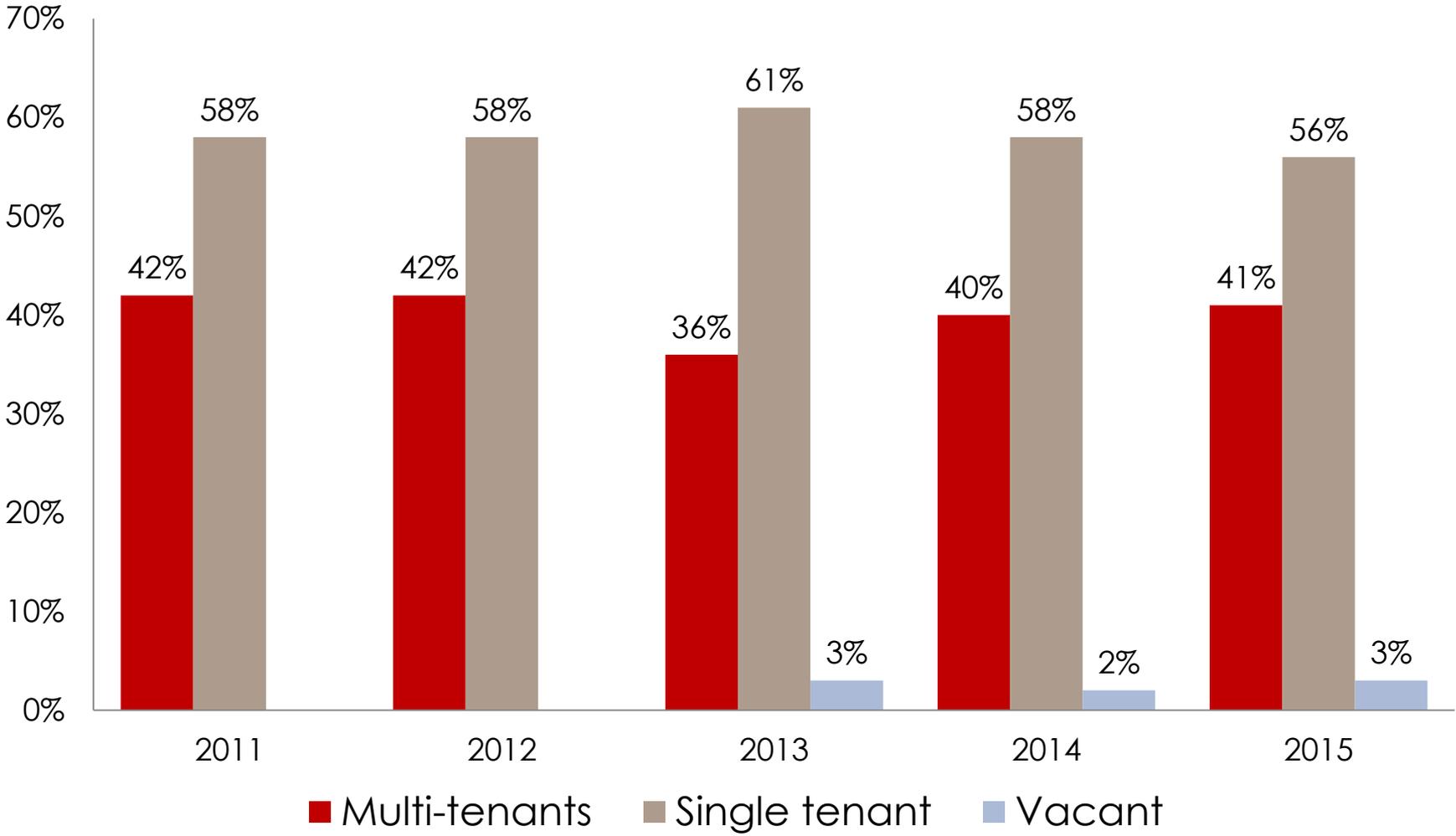


### Single Tenant vs Multi Tenants



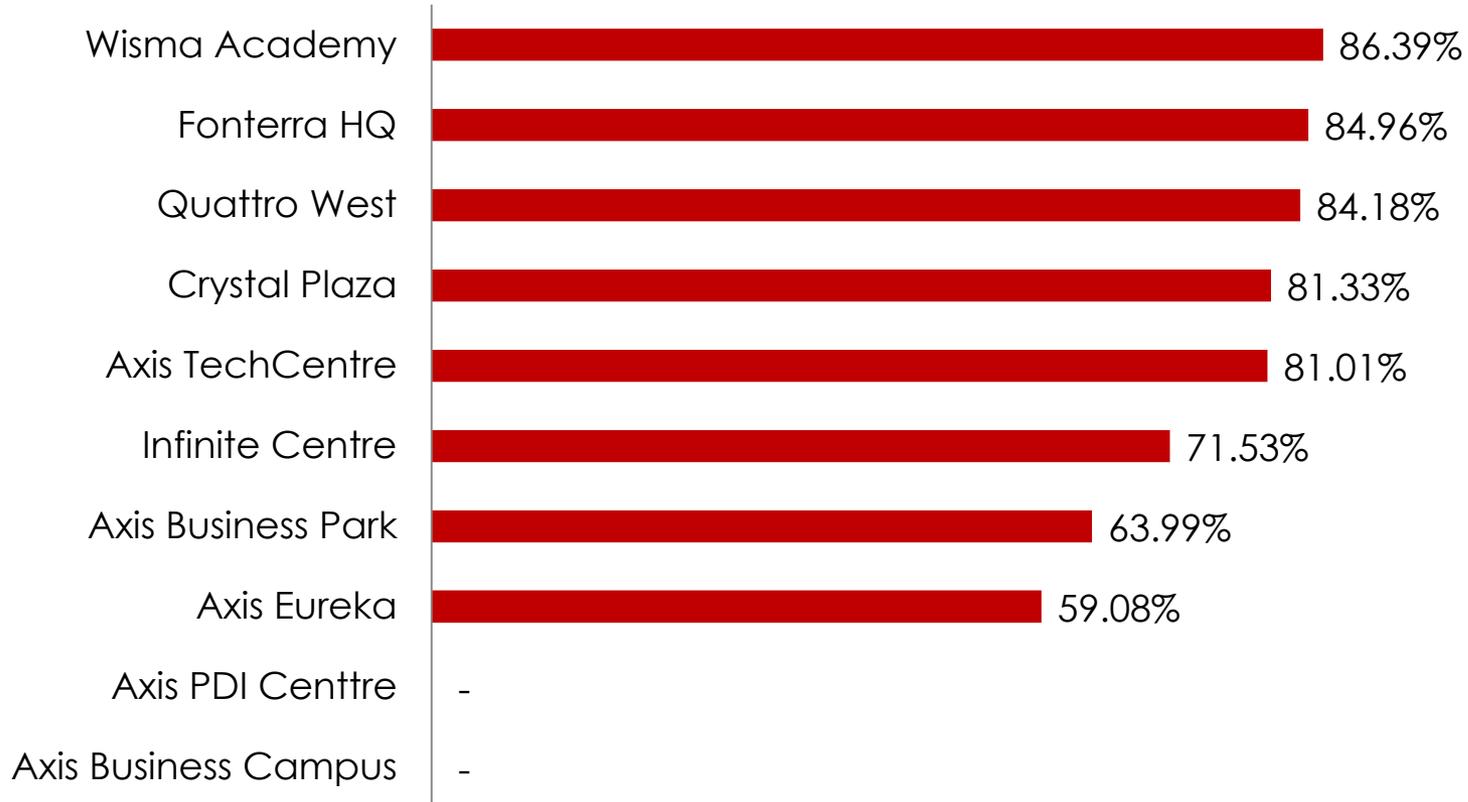
■ Single Tenant   ■ Multi Tenants   ■ Vacant

# Tenancy Mix – 5 Years Analysis



# Properties Below 90% Occupancy

Occupancy rates of properties below 90% as at 31 December 2015



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

# Lease Expiry Profile – Looking Forward



Property	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2016	Total NLA	Income/month	2017	Total NLA	Income/month	2018	Total NLA	Income/month
Menara Axis	103,019	1.47	3.29	22,073	0.31	1.11	-	-	-
Crystal Plaza	120,122	1.71	3.82	11,153	0.16	0.33	-	-	-
Axis Business Park	65,284	0.93	1.44	139,407	1.99	3.04	7,717	0.11	0.22
Infinite Centre	51,145	0.73	1.02	30,383	0.43	0.46	21,096	0.30	0.38
Wisma Kemajuan	129,279	1.84	2.34	9,583	0.14	0.26	47,569	0.68	0.91
Axis Vista	40,937	0.58	0.72	77,080	1.10	1.26	-	-	-
Quattro West	61,474	0.88	2.09	8,073	0.12	0.25	18,160	0.26	0.54
Axis Technology Centre	61,234	0.87	0.95	34,020	0.48	0.39	20,635	0.29	0.45
Axis Eureka	15,235	0.22	0.52	54,259	0.77	1.59	-	-	-
Wisma Academy Parcel	65,148	0.93	1.28	50,741	0.72	1.07	78,145	1.11	1.45
The Annex	45,400	0.65	0.51	-	-	-	-	-	-
Emerson Industrial Facility Nilai	291,642	4.16	1.66	-	-	-	-	-	-
Axis Steel Centre	-	-	-	366,839	5.23	3.59	-	-	-
Bayan Lepas Distribution Centre	-	-	-	205,151	2.92	3.03	-	-	-
Seberang Prai Logistic Centre	395,225	5.63	4.10	-	-	-	-	-	-
Fontera HQ	600	0.01	0.01	-	-	-	-	-	-
BMW Centre BMW	-	-	-	161,474	2.30	2.38	-	-	-
Axis Shah Alam DC 2	-	-	-	-	-	-	164,400	2.34	1.94
D8 Logistics Warehouse	-	-	-	-	-	-	171,000	2.44	2.27
FCI Senai	-	-	-	-	-	-	136,619	1.95	1.16
Delfi Warehouse	130,743	1.86	1.06	-	-	-	-	-	-
Axis Shah Alam DC 3	362,167	5.16	4.50	-	-	-	-	-	-
	<b>1,938,654</b>	<b>27.63</b>	<b>29.32</b>	<b>1,170,236</b>	<b>16.68</b>	<b>18.75</b>	<b>665,341</b>	<b>9.48</b>	<b>9.32</b>

- ✓ Successfully renegotiated 736,554 sq. ft. space out of 902,251.5 sq. ft. space due for renewal in 2015, representing 82% tenant retention.
- ✓ Rental growth of 559,712 sq. ft. space achieved from pre-negotiated rent step up in the leases.
- ✓ The leases in the portfolio achieved positive rent reversion of 7.95% in 2015.
- ✓ The Manager also secured new tenancies for 112,958 sq. ft. space.

## Space Renegotiated

Properties	Space Renegotiated (sq. ft.)	% Rent Movement
Crystal Plaza	3,407	0.00%
Axis Business Park	15,713	12.13%
Axis Shah Alam DC 1	110,406	15.38%
Wisma Kemajuan	64,060	10.63%
Axis Eureka	160	0.22%
Axis Technology Centre	111,889	10.04%
Seberang Prai Logistic Warehouse 3	64,500	0.00%
Quattro West	10,991	7.50%
Wisma Academy Parcel	79,016	7.09%
FCI Senai	136,619	12.00%
Infinite Centre	9,040	2.06%

# Lease Expiry – Leasing Profile – 2011 to 2015



	2011	2012	2013	2014	2015
Sq Ft of space expiring	557,738	757,195	938,917	1,825,949	902,252
% over total NLA	12.54%	13.86%	17.18%	26.62%	12.86%
Sq Ft of space renewed	540,279	507,841	789,795	1,445,092	736,554
% over total NLA	12.14%	9.29%	14.45%	21.06%	10.50%
Sq ft of space left in portfolio	17,459	249,354	149,122	380,857	165,698
% over total NLA	0.39%	4.56%	2.73%	5.55%	2.36%
% of rental reversion	-0.12%	9.96%	8.08%	2.60%	7.95%

# Weighted Average Lease Expiry (“WALE”)



The “WALE” for the portfolio is:

By Year	4Q 2015	4Q 2014	4Q 2013	4Q 2012	4Q 2011
By NLA	3.89	4.22	3.89	4.43	5.64
By Rental	3.99	4.33	3.99	4.17	5.19

# Weighted Average Lease Expiry (“WALE”)



The “WALE” for the portfolio is:

By Year	4Q 2015	4Q 2014	4Q 2013	4Q 2012	4Q 2011
By NLA	3.89	4.22	3.89	4.43	5.64
By Rental	3.99	4.33	3.99	4.17	5.19

# 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.

4Q 2015	4Q 2014	4Q 2013	4Q 2012	4Q 2011
14.56%	15.66%	14.73%	15.17%	15.19%

# 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. Nippon Express (M) Sdn Bhd

The top ten tenants account for 53.49% of the total revenue of the Trust.



# ASSET ENHANCEMENTS



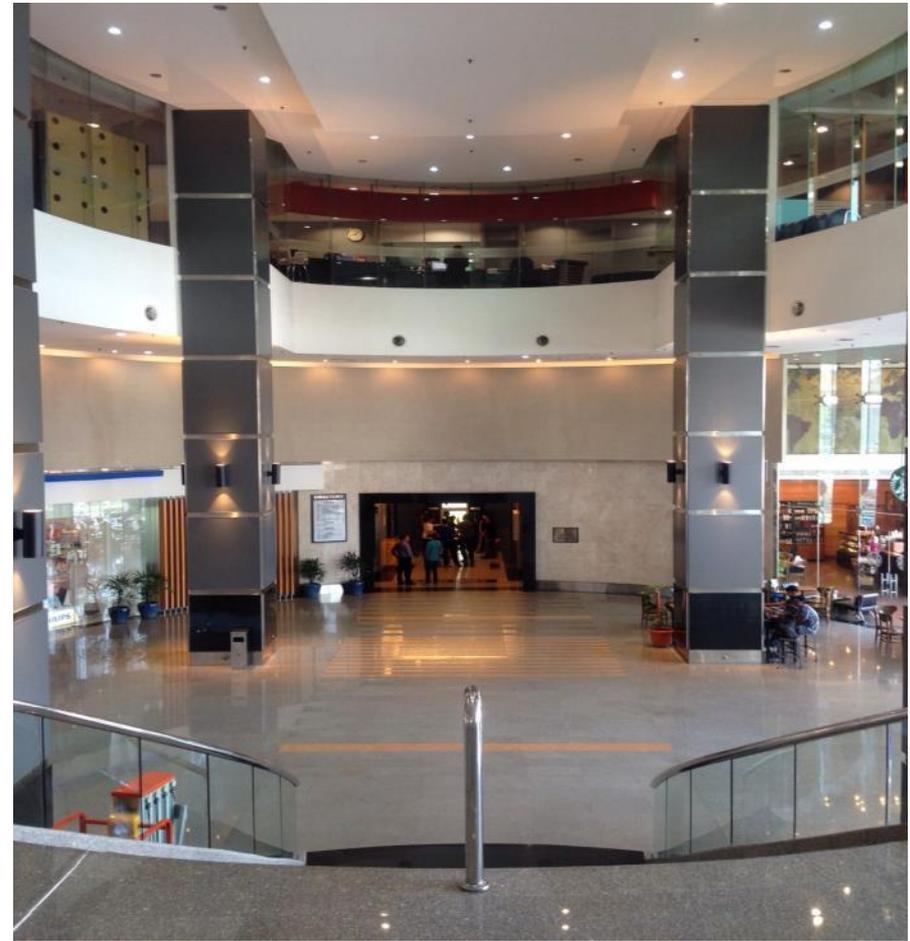
**Handicap-friendly & Loading Ramp**

**COMPLETED**



**Drop-Off Area Columns**

**COMPLETED**



**Ground Floor Lobby Columns**

**COMPLETED**



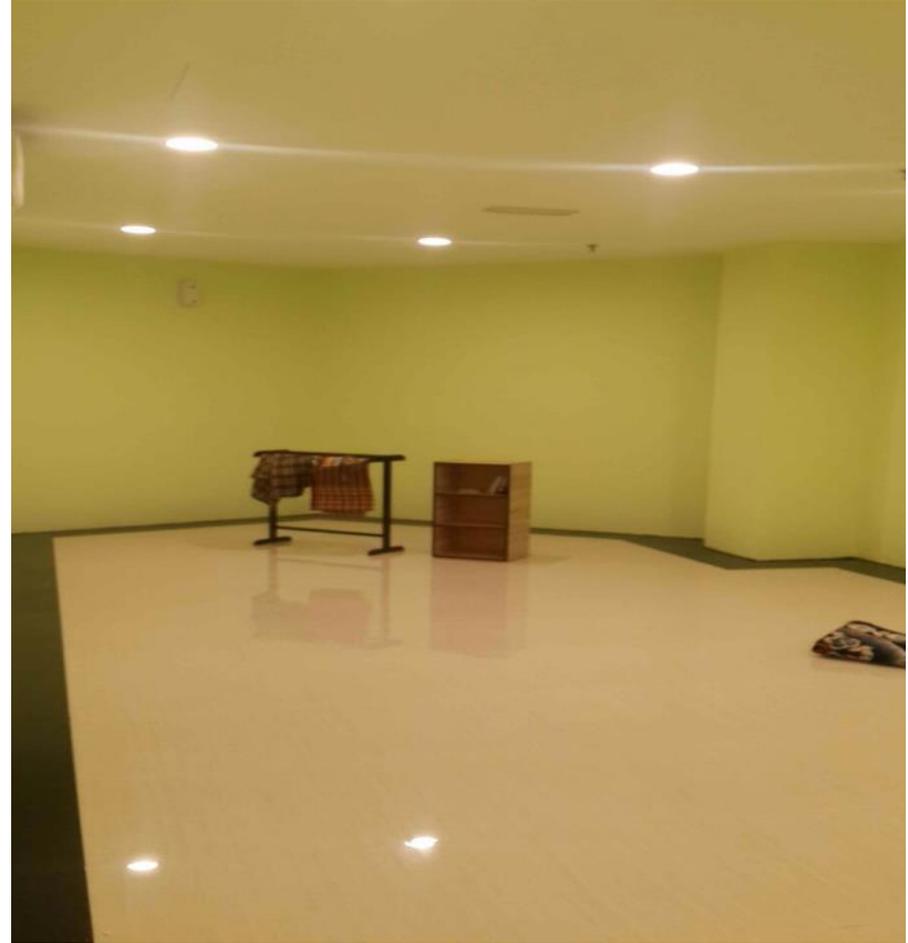
**Penthouse Lobby With Additional Lift Access**

**COMPLETED**



**Typical Toilets On All Floors**

**COMPLETED**



**Male & Female Surau**

**COMPLETED**



**Carpark Painting**



**Lifts Upgrading**

# Axis PDI Centre – Proposed Enhancement (Before)



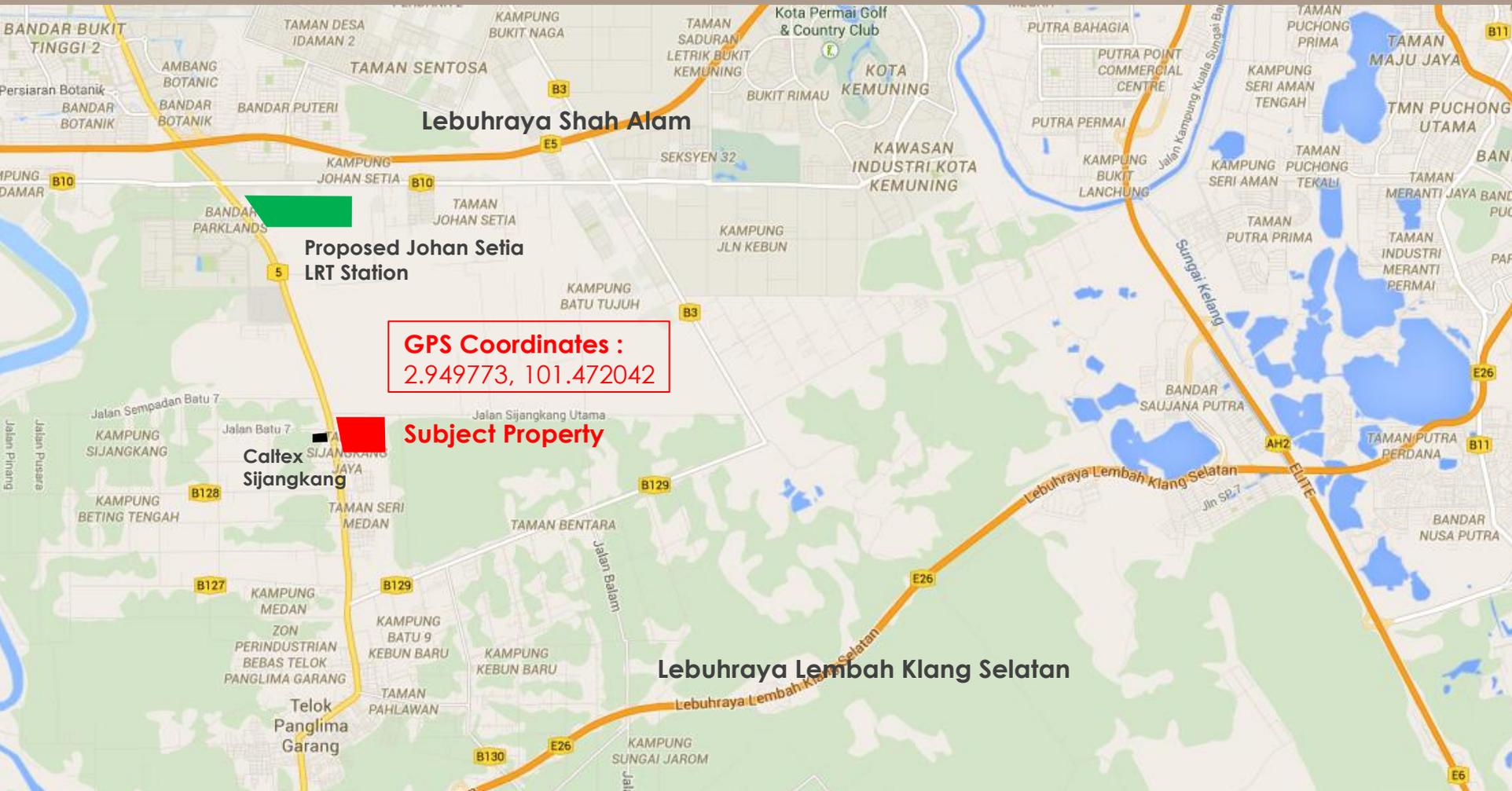
50 acre site

# Axis PDI Centre – Proposed Enhancement (After)



A collaboration project with the Axis Group on the enhancement.

# Axis PDI Centre – Proposed Enhancement



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 Johansen LRT Station.



# SUSTAINABILITY INITIATIVES

- ✓ In the process of drafting a holistic sustainability plan encompassing energy efficient, water conservation and solid waste management – dubbed “GREEN WITH ENVY”.
- ✓ Secured lease of 16,145 sq. ft. of roof space for installing solar panels at Wisma Kemajuan. This initiative not only supported the environment sustainability but also generating rental income for the trust.

Property	Lettable Area (sq ft)	Monthly Rental (RM)
Axis Eureka	16,145	3,000.00
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
<b>TOTAL</b>	<b>514,913</b>	<b>105,673.75</b>



# 2015 INVESTMENT REPORT



## Axis Shah Alam DC 2 - Section 16 Shah Alam

Completion Date	:	31 March 2015
Land Area	:	Approx. 6 acres
Net Lettable Area	:	164,400 sq ft
Land Tenure	:	Leasehold expiring 8 August 2066
Occupancy	:	100%
Solar Panel Leases	:	Approx. 145,000sf of roof space
Purchase Price	:	RM45 million
Valuation	:	RM46 million
Net Property Yield	:	7.0%
WALE	:	3 years



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

Expected Completion Date	:	End January 2016
Announcement Date	:	11 November 2015
Land Area	:	Approx. 10 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM61 million
Projected Net Property Yield	:	7.12%
WALE	:	10 years



## Logistics Warehouse – Pasir Gudang, Johor

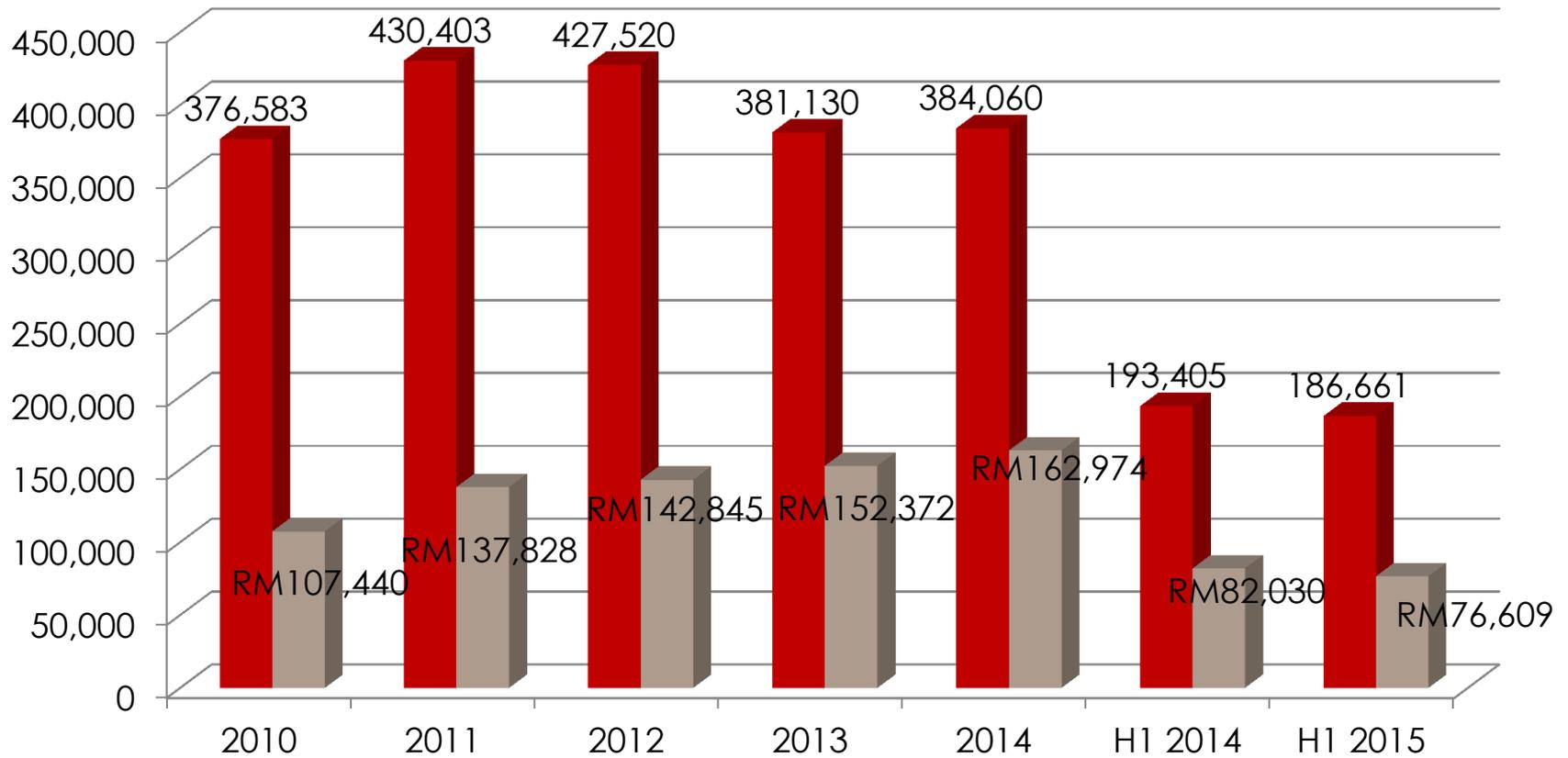
Land Area	:	Approx. 6 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM33 million
WALE	:	3 years

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

1. Industrial facility in Selangor
2. Industrial facility in Selangor
3. Hypermarket in Negri Sembilan
4. Warehouse in Negri Sembilan
5. Industrial facility in Penang

**Total Estimated Value of RM369 million**

## Volume & Value of Property Market Transactions in Malaysia (2010 – 2015 1H)



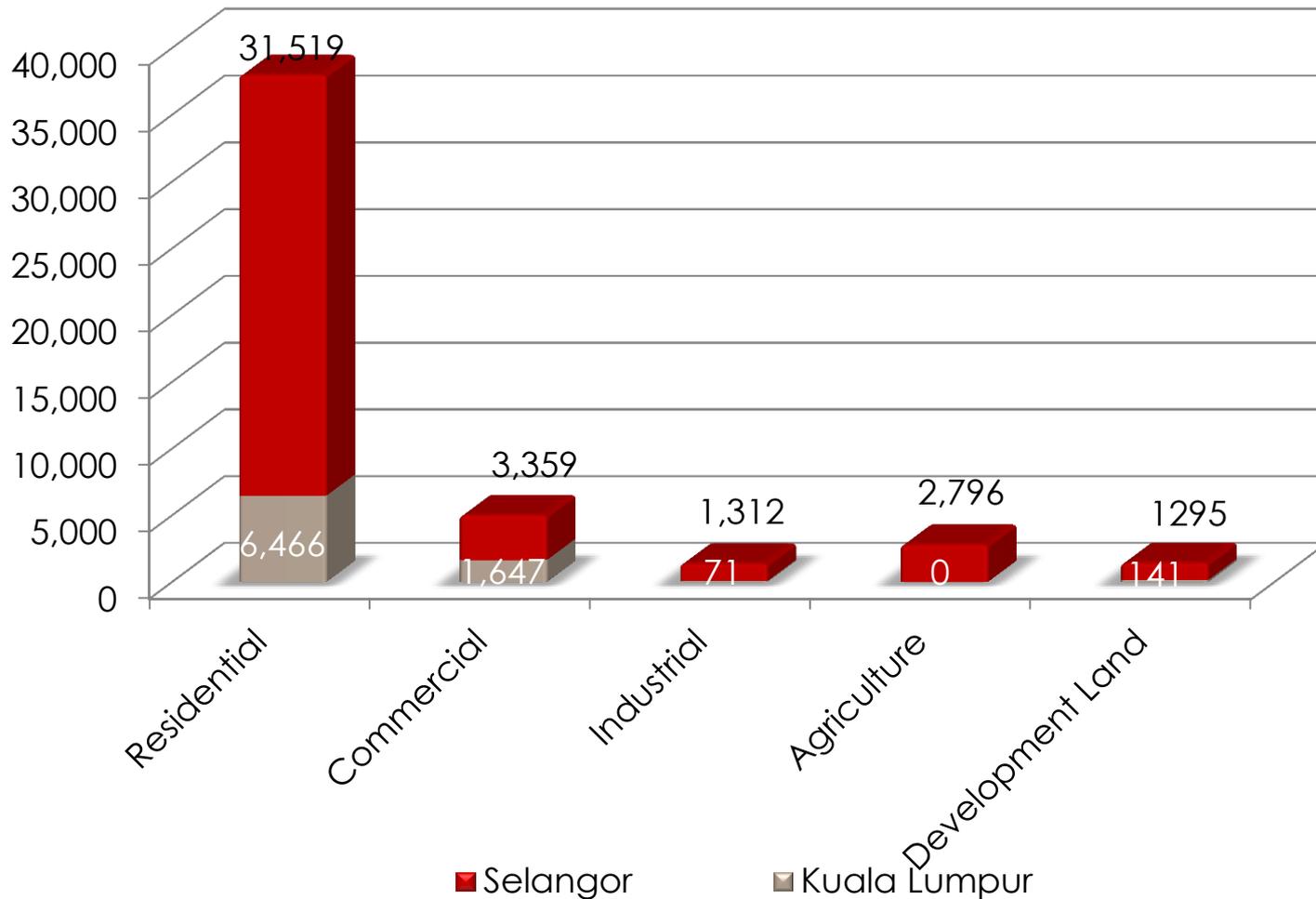
Source: PPC Research

■ Volume

■ Value (RM 000,000)

# Property Market Report: Secondary Market Transactions

## Transaction Volume by Category

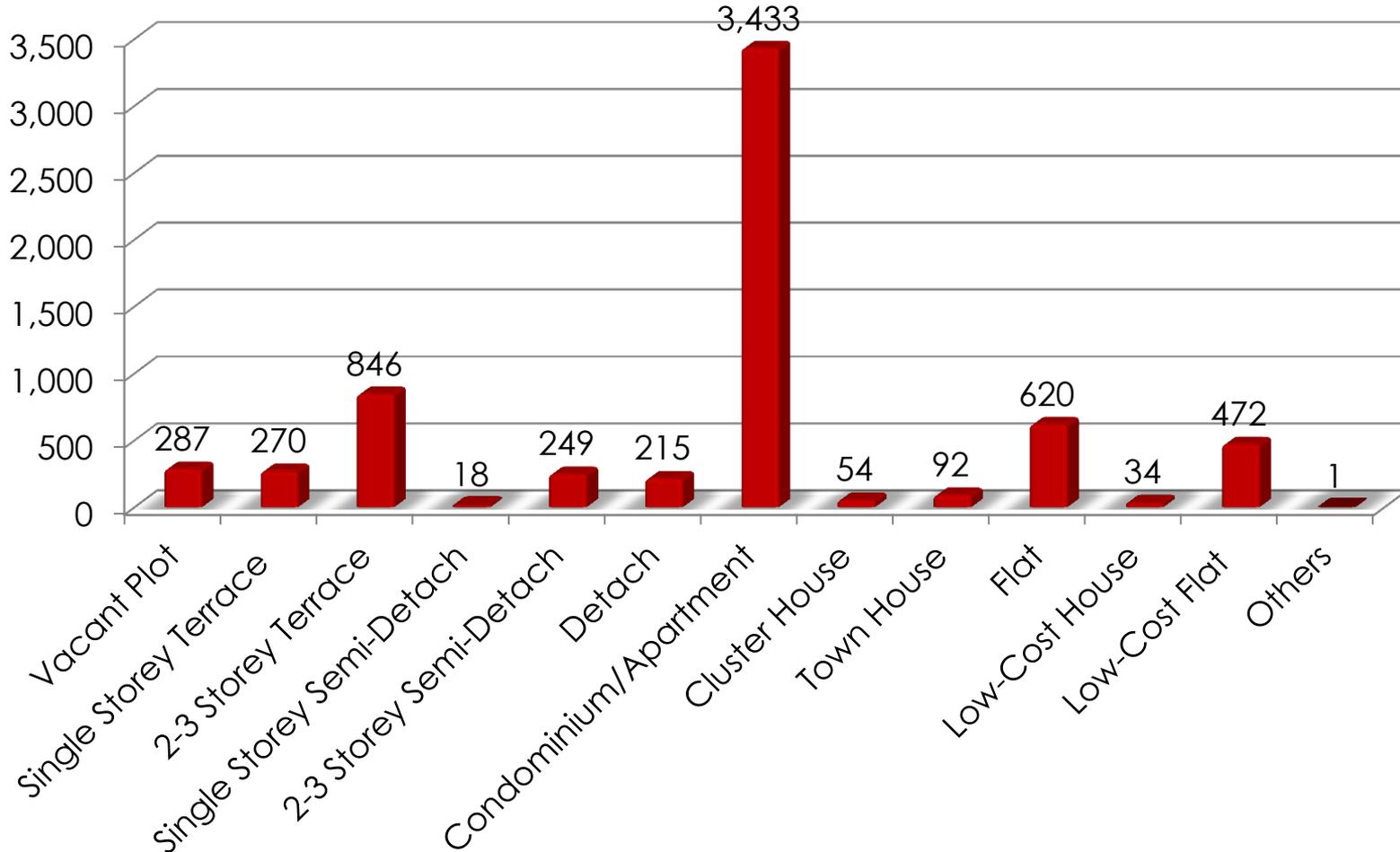


Source : NAPIC & PPC Research

# Property Market Report: Residential Market Transactions



### Transaction Volume by Type



Source : NAPIC & PPC Research

# Property Market Report: Industrial & Warehousing



- As at 3Q 2015, 522 projects worth RM67.7 billion investment projects were approved by MIDA – 75% were domestic investments
- Johor topped the list followed by Sarawak
- Klang Valley - 131 projects approved
  - foreign investments 55% @ \$23 billion
- Weakening ringgit is encouraging exports
- As at 3Q2015 industrial supply remained unchanged
- Rental rates remained firm
- Incoming supply concentrated in the Klang district
- Industrial sub-sector not expected to suffer from the general slowdown of the property market, as it still remains one of the most stable sectors
- Incentives given by Government for industrial estate operators to enjoy 100% tax exemption for 5 years
- Aerospace industry investments are growing, with an increase of 76% in 2014 over 2013
- Ongoing infrastructure developments continue to create potential improvements for the industrial sector
- Strong growth is expected in terms of rental and capital values in the next few years, driven by the shortage of industrial supply

# Property Market Report: Industrial & Warehousing

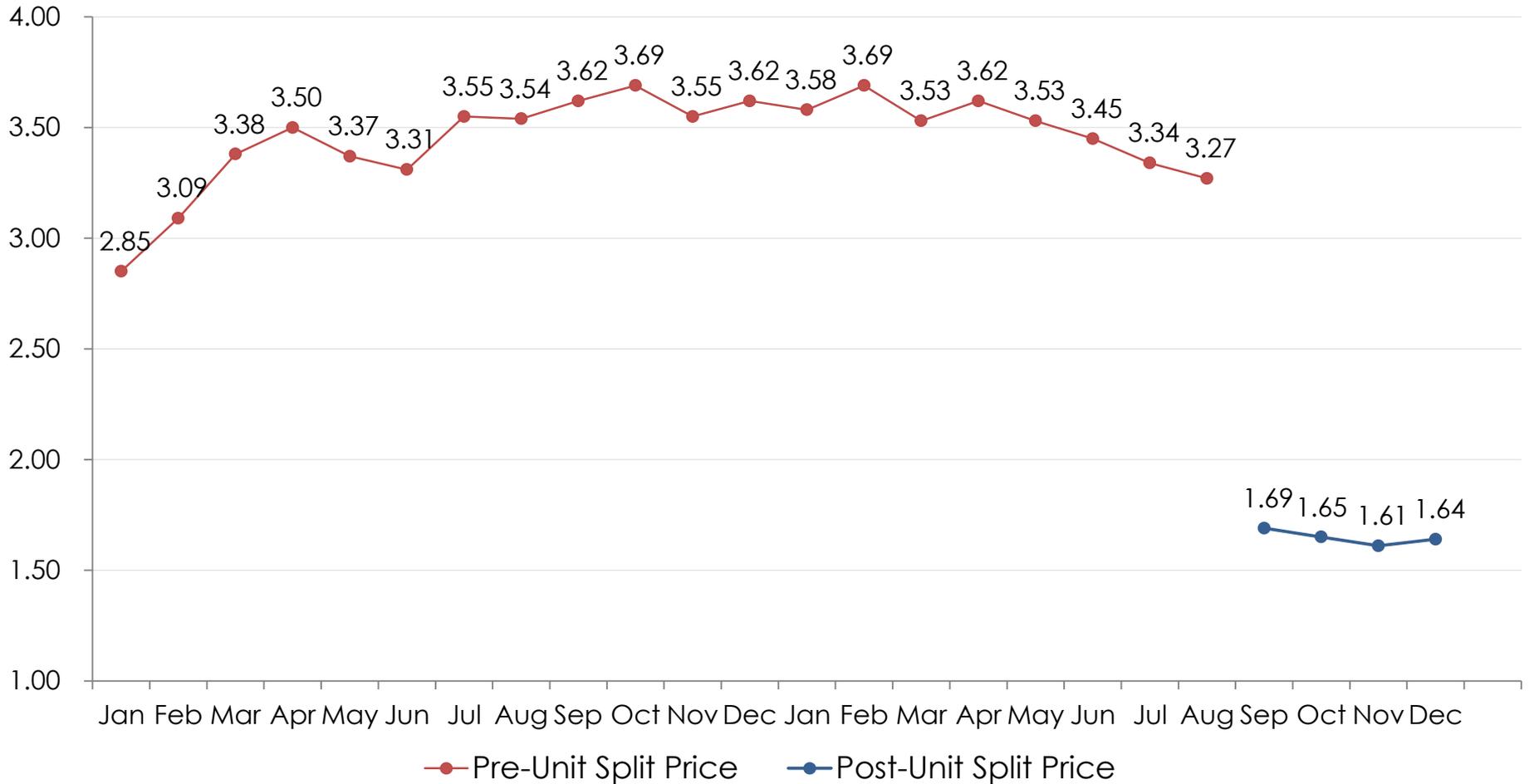


Main Markets	Transaction Activity		Price Trend		Occupancy Rate	
	2015	2016	2015	2016	2015	2016
	Klang Valley	▲	▲	▲	▲	▲
Penang						
Penang Island	▲	▶	▲	▲	▶	▶
Seberang Perai	▲	▶	▲	▲	▶	▶
Johor Bahru	▶	▶	▶	▼	▶	▼
Kota Kinabalu	▼	▶	▶	▶	▶	▶
Kuching	▲	▶	▲	▶	▶	▶

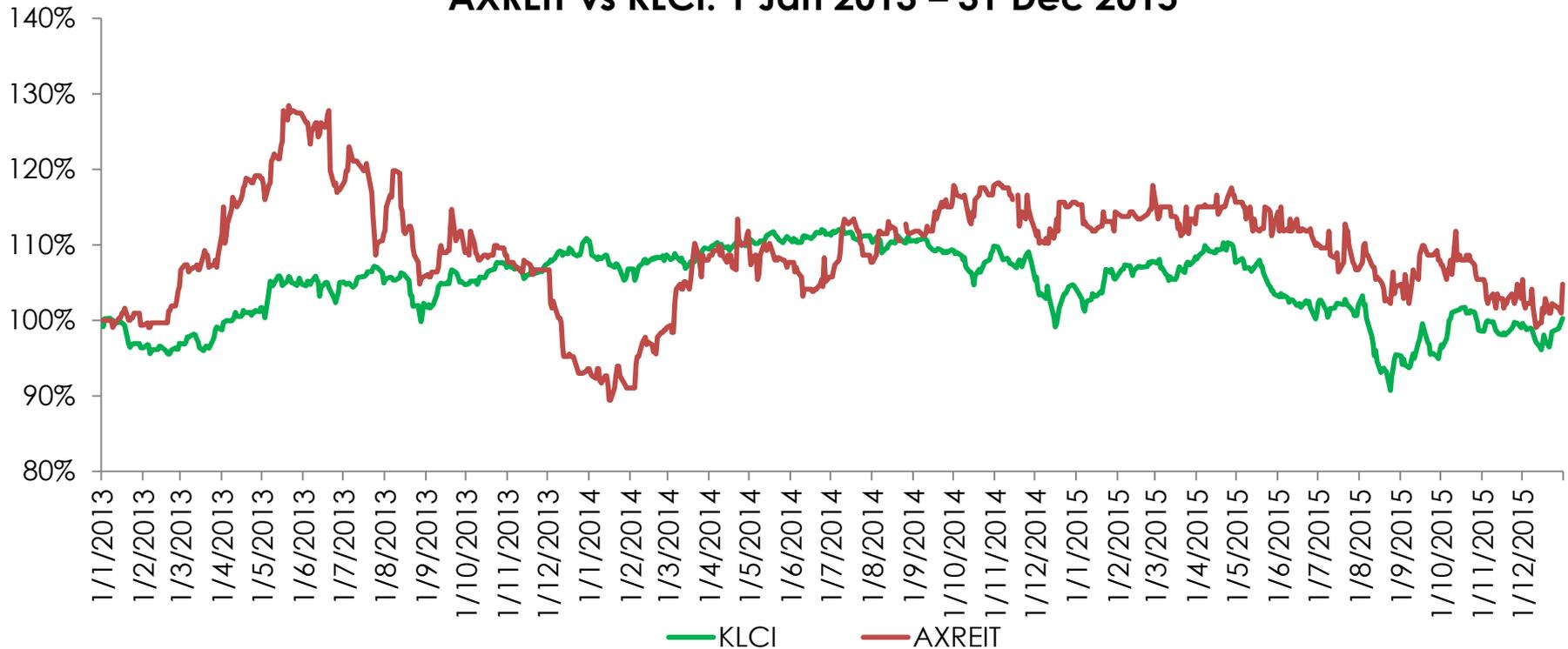


# 2015 INVESTOR RELATIONS REPORT

## AXREIT: 1 Jan 2014 – 31 Dec 2015



## AXREIT vs KLCI: 1 Jan 2013 – 31 Dec 2015



### Price Statistics

4Q 2015: Unit Price @ 31 Dec 2015

RM1.64 Highest Price YTD: February 2015

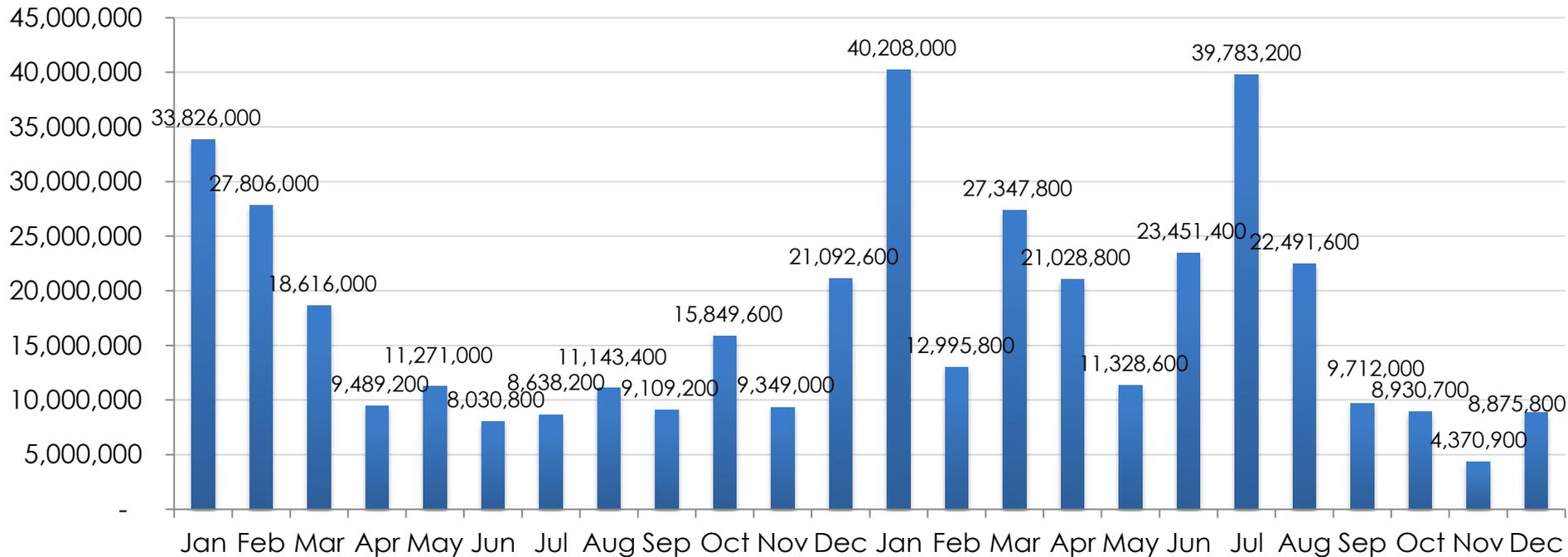
RM1.845

3Q 2015: Unit Price @ 30 Sep 2015

RM1.69 Lowest Price YTD: December 2015

RM1.55

## AXREIT: 1 Jan 2014 – 31 Dec 2015



### Volume Statistics

Average Monthly Volume 2015	19,210,383
Highest Monthly Volume: January 2015	40,208,000
Lowest Monthly Volume: September 2015	4,370,900

# Top 10 Unitholders YTD 2015



1	SKIM AMANAH SAHAM BUMIPUTERA
2	EMPLOYEES PROVIDENT FUND
3	TEW PENG HWEE @ TEOH PENG HWEE
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)
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 MALAYSIA

Holdings Breakdown	Units Held 2015	Units Held 2014
Top 5 Unitholders	36.2%	38.0%
Top 10 Unitholders	52.1%	53.0%
Unitholders with >2 million unitholdings	87.1%	87.0%

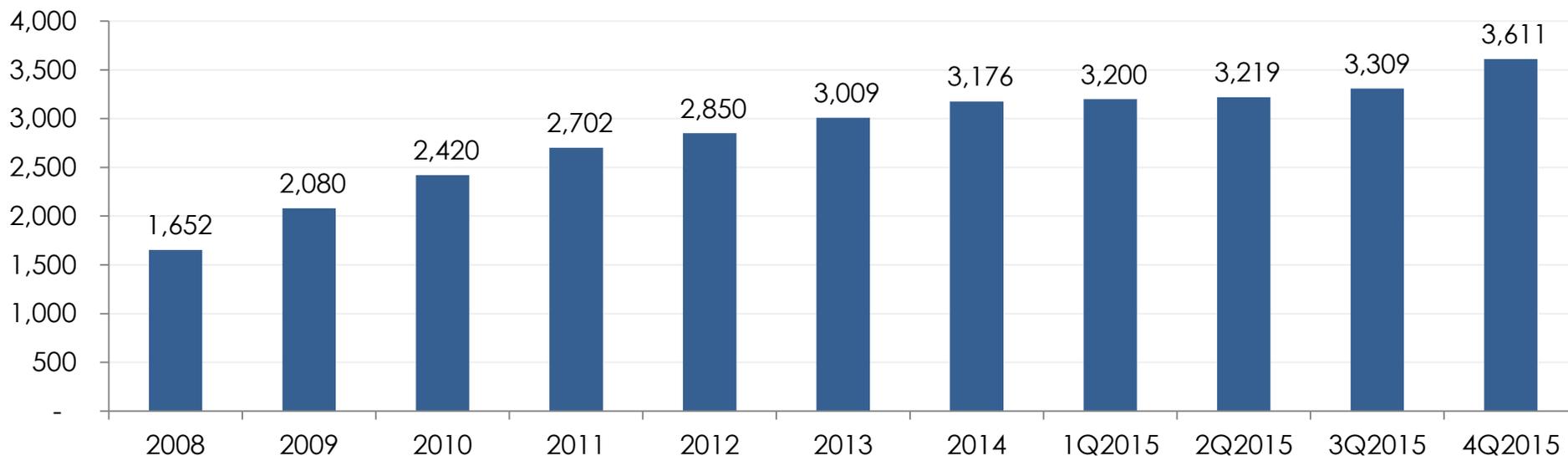
## Top 5 increases in unitholdings:

	Last Quarter Increase
Exempt An for BNP Paribas Securities Services (CLT ASSET-AIFM)	17.0%
Six Sis for B&I Asian Real Estate Securities Fund	13.6%
BBH & Co Boston for Vanguard Global Ex.-US Real Estate Index Fund	11.9%
Exempt An for Eastspring Investments Berhad	7.1%
Employees Provident Fund	7.0%

## Top 5 decreases in unitholdings:

	Last Quarter Decrease
Deutsche Bank AG Singapore for NIIF Public Equities	-100.0%
Six Sis for B&I Pacific Real Estate Securities Fund	-26.3%
Goldman Sachs International	-21.1%
Kumpulan Wang Persaraan (Diperbadankan)	-16.5%
Six Sis for B&I Pan-Asian Total Return Real Estate Securities Fund	-4.8%

## No. of CDS Accounts



✓ Quarter-on-quarter, total number of CDS accounts increased by 302 to 3,611.

	Units Held 2015	Units Held 2014
Total foreign holdings	12.66%	14.41%
Foreign holdings – related-party	7.48%	7.48%
Foreign holdings – non-related-party	5.18%	6.93%
Promoters	13.79%	13.81%

# Analyst Coverage 4Q 2015



Coverage	Rating	Target Price (RM)	Published Date
CIMB	Buy	1.90	20 Oct 2015
KAF	Buy	2.00	20 Oct 2015
MIDF	Hold	1.75	20 Oct 2015
Hong Leong IB	Hold	1.63	20 Oct 2015
Maybank	Hold	1.60	20 Oct 2015
Alliance DBS	Hold	1.70	12 Nov 2015
<b>Consensus</b>	<b>Hold</b>	<b>1.74</b>	<b>18 Nov 2015 (S&amp;P Capital IQ)</b>

Recommendation	Movement	4Q 2015	3Q 2015
Buy	↑	2	2
Hold	↔	4	4
Sell	↓	0	0



THANK YOU