

INVESTMENT THEMES FOR REITS IN 2023

5 August 2023

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1

Introduction to REIT

2

The Landscape of REITs in Malaysia

3

**Investment Themes for REITs in
2023**

4

**Is it the right time to invest in
M-REITs?**

A nighttime photograph of a city skyline. The Petronas Towers are the central focus, illuminated against a dark blue sky. In the foreground, a body of water reflects the lights of the buildings. A white semi-transparent overlay covers the left side of the image, containing the text 'Introduction to REIT'.

Introduction to REIT

What is a Real Estate Investment Trust?

A real estate investment trust (REIT) is a collective investment scheme that invests in a portfolio of **income-generating** real estate assets, with the objective to distribute **regular income distribution** to unit holders of the REIT.



Investment in REITs provides indirect access to a large real estate portfolio.

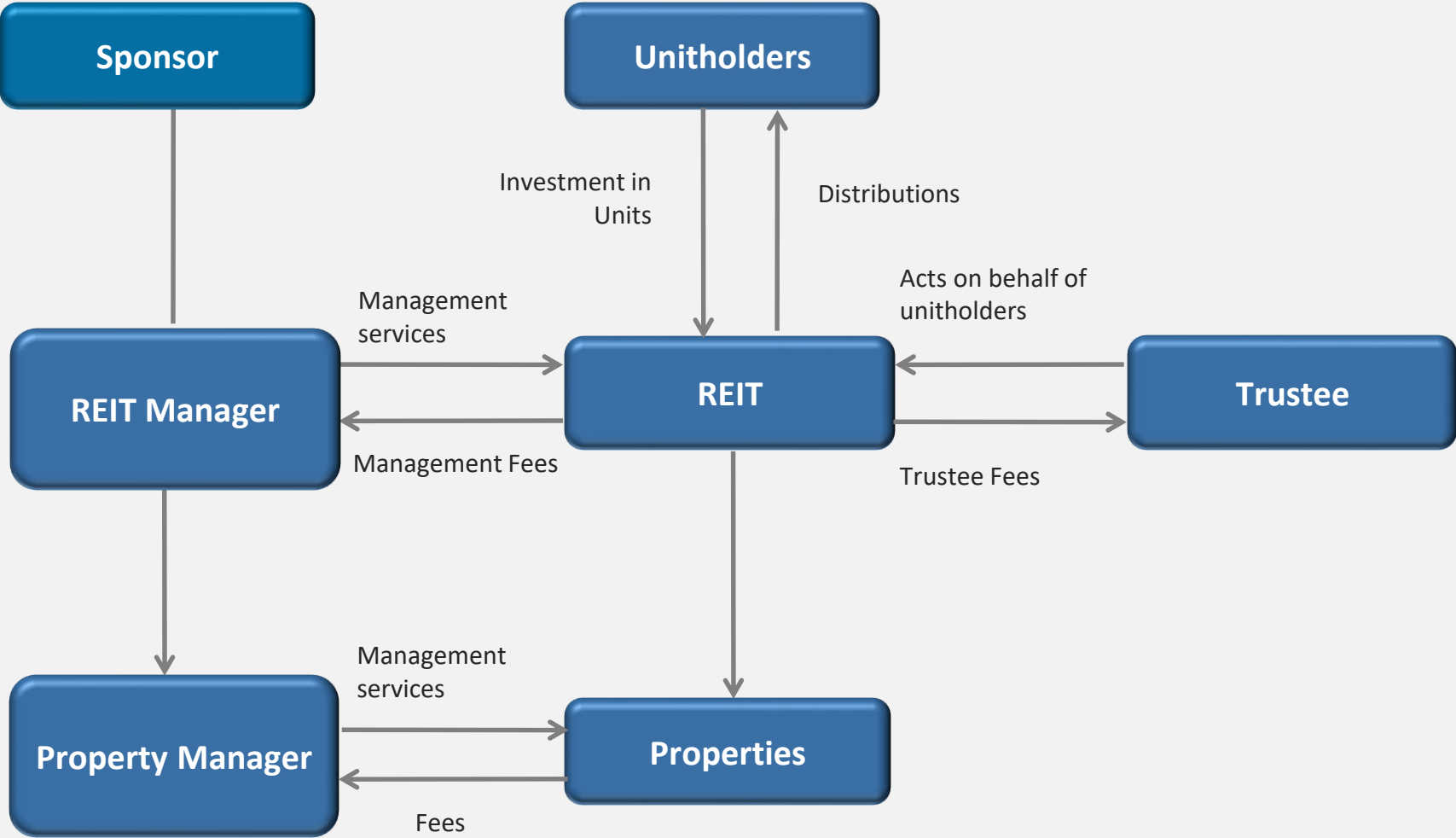


Assets of a REIT are professionally managed and governed by a trust deed, the stock exchange, and the Securities Commission of Malaysia.

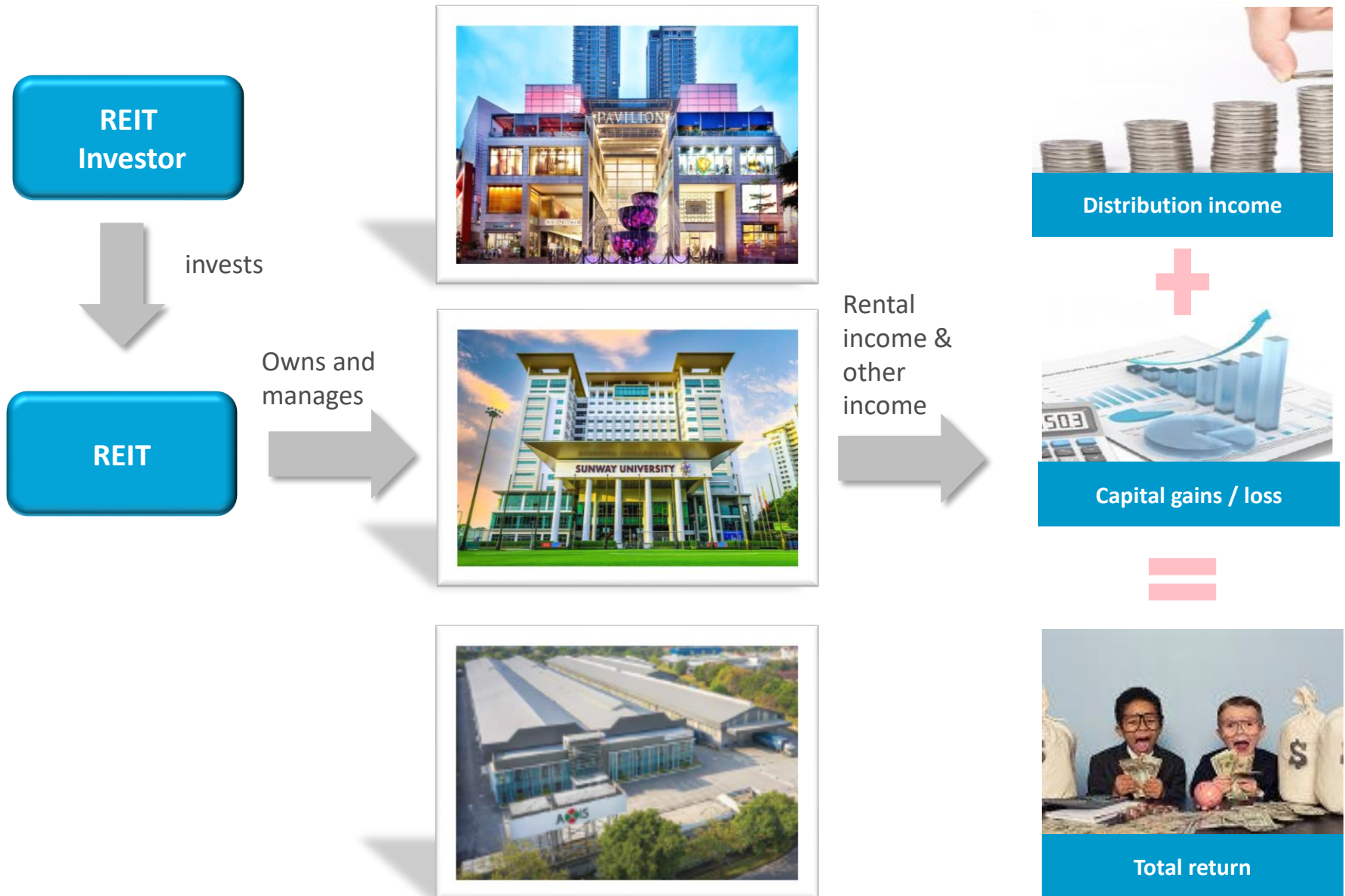


Tax transparency for a REIT that distributes **at least 90%** of its distributable income to unitholders, ie. **the REIT is exempted from corporate tax**. Individual unitholders are subject to a withholding tax of 10%.

A REIT Structure



The Concept of REIT Investment

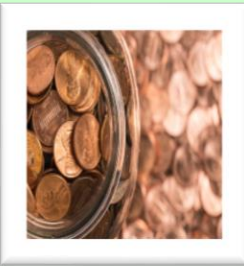


Why Invest in REITs?



1

Low barrier to entry (entry cost) to invest in high quality real estates portfolio



2

Regular **distribution income** enables predictability of sustainable stream of income




3

Liquid proxy to physical property investment as REITs offer **daily liquidity and transparent daily pricing**



4

Professional management, transparent disclosure and high level of corporate governance.



**The
Landscape of
REITs in
Malaysia
(M-REITs)**

M-REITs Offer Investment in a Spectrum of Property Sub-sectors

Specialised REITs

Diversified REITs

Office

Industrial

Retail

SUNWAY[®]
REIT

 **Al-Salām REIT**



 **IGB** | COMMERCIAL
REIT

ATRIUM
REIT

 **IGB** REIT
IGB REAL ESTATE INVESTMENT TRUST

Industrial Focused

 **SENTRAL**
REIT

Healthcare


HEKTAR
REIT

 **A+IS**
REAL ESTATE INVESTMENT TRUST

 **AME**
REIT

 **TOWER**reit
Tower Real Estate Investment Trust

 **AL-'AQAR**
HEALTHCARE
REIT

Retail Focused

 **PAVILION**
REAL ESTATE INVESTMENT TRUST

 **UOA**
REAL ESTATE INVESTMENT TRUST

Hospitality


KIP REIT[™]

Office Focused

 **KLCC**
AMANAHRAYA ■ REIT

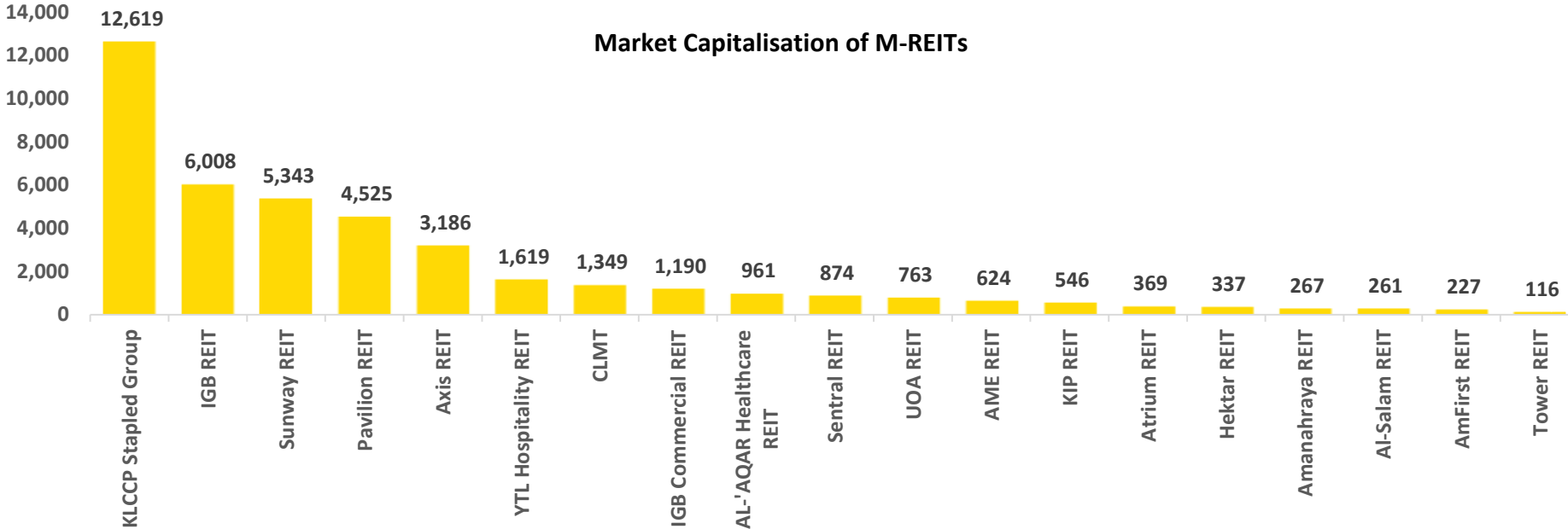
YTL HOSPITALITY REIT

 **AmFIRST**
Real Estate Investment Trust

 **AMANAHRAYA** ■ REIT

M-REITs Have Grown Leaps and Bounds

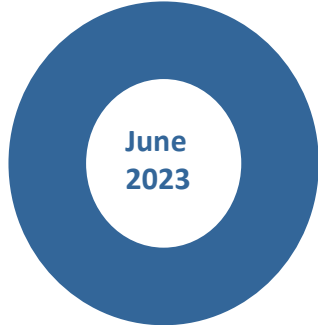
Market Capitalisation (RM million) (as at 30 June 2023)



RM 0.7 billion



RM 43.4 billion



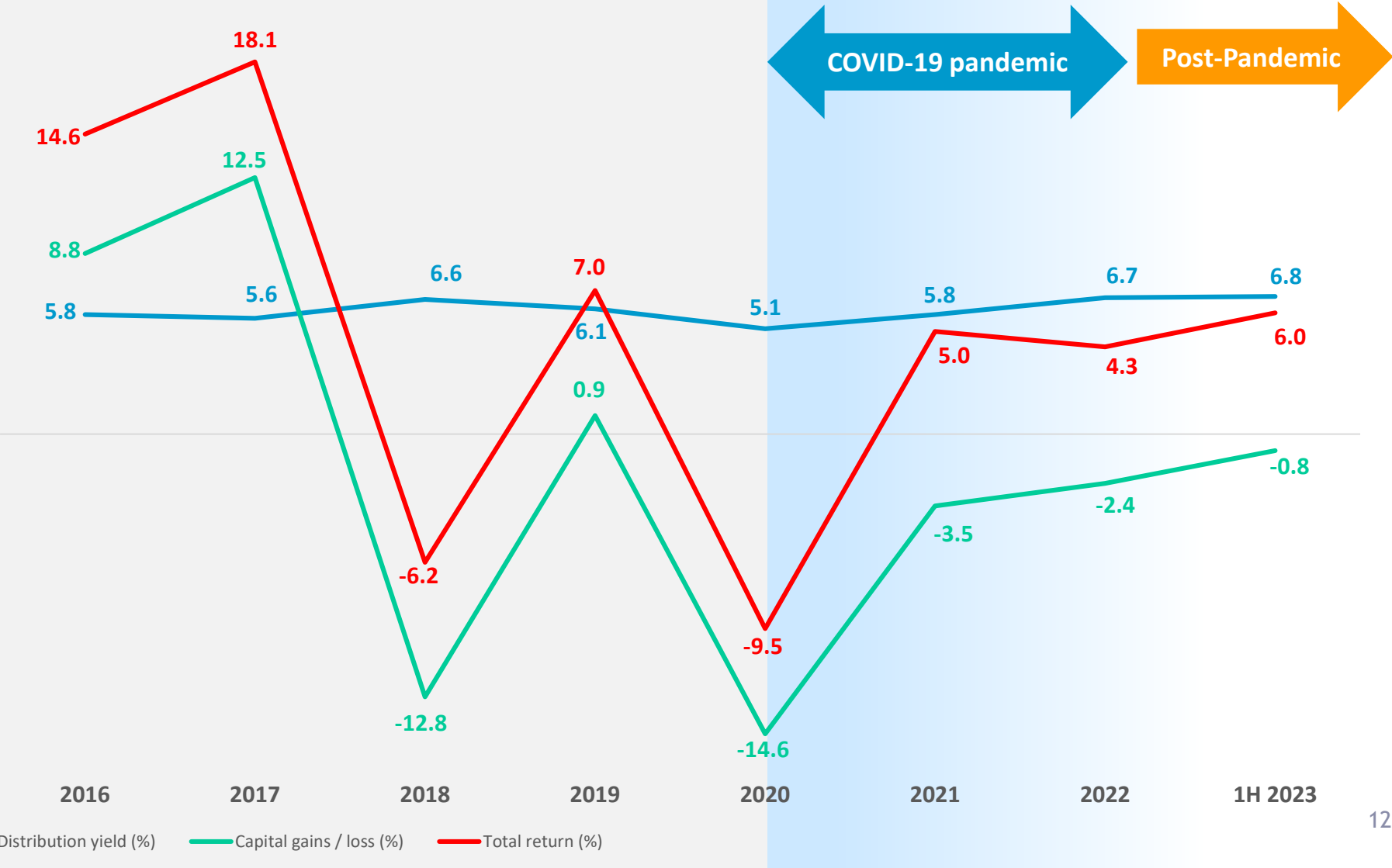
RM 41.2 billion

Source: Bloomberg

Performance of M-REITs was Reflected in the Total Return

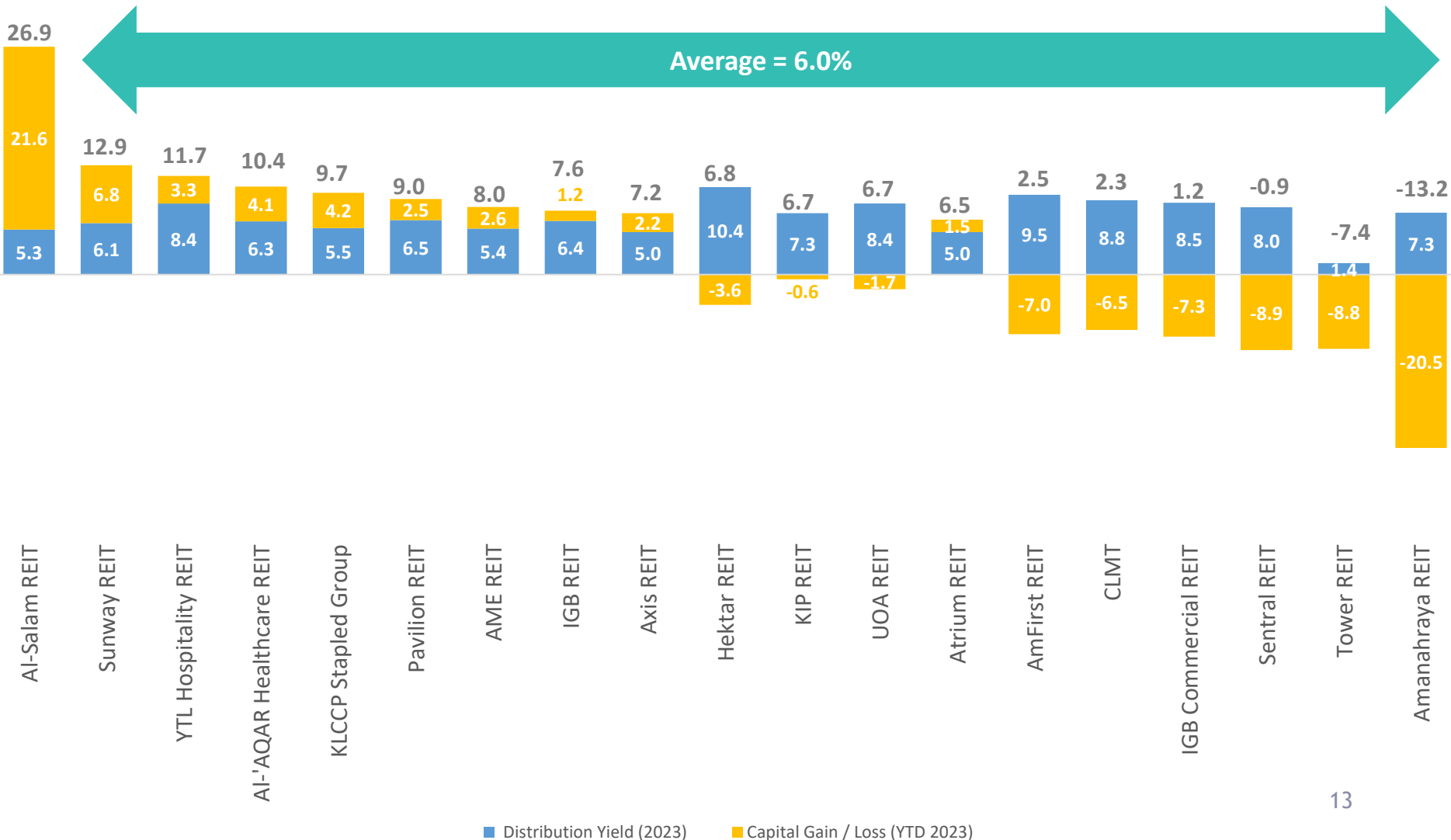


Historical Total Return for M-REITs (2016 – 1H 2023) (%)



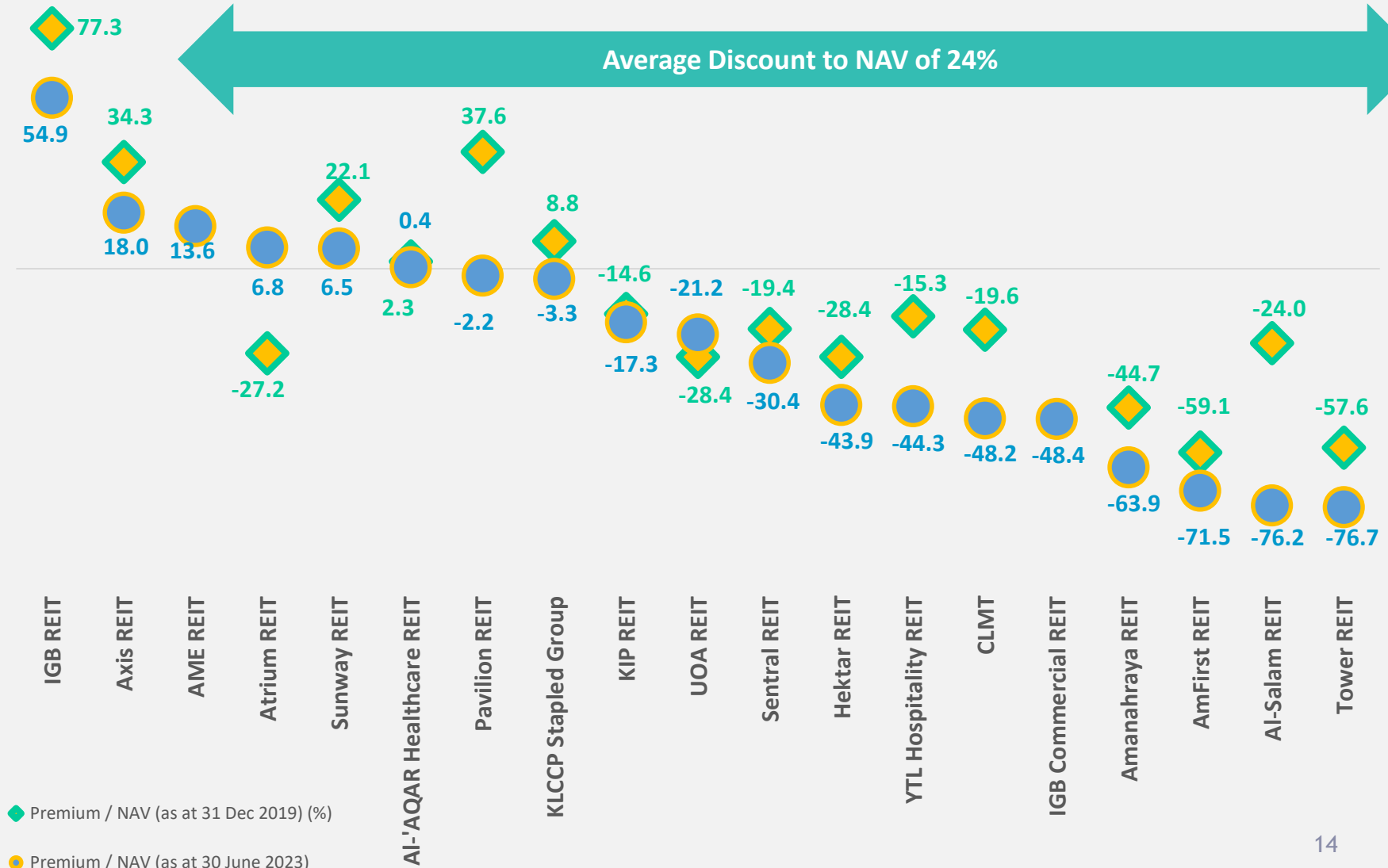
Rising Interest Rate Hinders M-REITs' Performance

Total Return for M-REITs YTD 30 June 2023 (%)



M-REITs is Trading at Undemanding Valuation

Premium or Discount to NAV (30 June 2023 vs December 2019) (%)



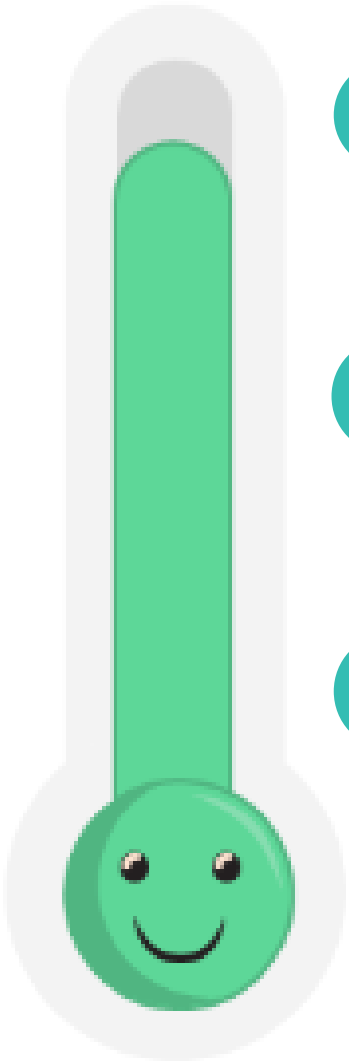
A night-time photograph of a modern shopping mall. The scene is dominated by tall, illuminated buildings with glass facades. In the foreground, a multi-tiered fountain with colorful water jets is surrounded by a red velvet rope barrier. The sky is a deep blue, and the overall atmosphere is one of a bustling, contemporary urban environment. The text 'Investment Themes for REITs in 2023' is overlaid in a large, blue, sans-serif font on the left side of the image.

Investment Themes for REITs in 2023

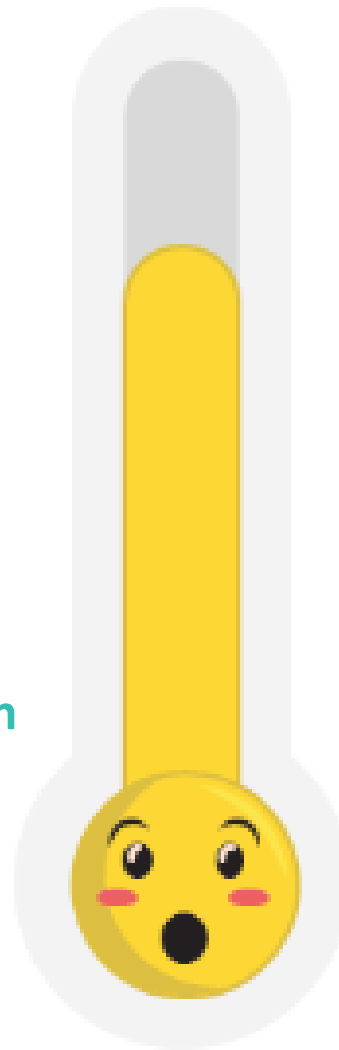
Investment Themes for REITs in 2023



Is it the Right Time to Invest in M-REITs?



- 1 Global megatrends
- 2 Healthy domestic economic growth
- 3 Moderating inflation



- 1 Global recession
- 2 Rising Interest Rate

THANK YOU

For further information on this presentation kit, please kindly contact:

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Q&A Session

Kindly write your questions in full sentences.