REAL ESTATE INVESTMENT TRUST (REIT)

AMANAH PELABURAN HARTANAH (REIT)

产业投资信托 (REIT)
REITs: The easiest way to invest in large-scale real estate

Real estate or property is a key asset class in an investment portfolio.

Typically, before REITs were introduced, an investor may invest in property stocks and/or physical (landed) property to get exposure in the real estate sector.

You now have another option i.e. to invest in REITs by paying only a fraction of the real estate prices. In other words, REITs provide a way to invest in quality large-scale commercial real estate without having to buy the properties directly. REITs typically offer you a stable income stream and attractive distribution yields.

Understanding REITs

What is a REIT?

A Real Estate Investment Trust (REIT) is a fund or a trust that owns and manages income-producing commercial real estate (shopping complexes, hospitals, plantations, industrial properties, hotels and office blocks).

A management company for a REIT is permitted to deduct distribution paid to its shareholders from its corporate taxable income. However, to enjoy this tax-free status, the REIT must have most of its assets and income tied to the real estate and distribute at least 90% of its total income to investors/unit holders annually.

REITs that are listed on a stock exchange trade just like stocks.
Why invest in a REIT?

Benefits of investing in listed REITs:

- **Affordability**: Investments in REITs cost a fraction of the cost of direct investment in real estate. You can start off with minimal investment outlay.

- **Liquidity**: REITs are more liquid compared to physical properties. Units of listed REITs are readily converted to cash as they are traded on the stock exchange.

- **Stable income stream**: REITs tend to pay out steady incomes (similar to dividends), which are derived from existing rents paid by tenants who occupy the REITs’ properties.

- **Exposure to large-scale real estate**: You can derive the benefits of the real estate on a pro-rated basis through a REIT, a quality investment which is affordable.

- **Professional management**: You benefit from having the REIT and its underlying assets managed by professionals who will add value for a higher yield.

What are the investment considerations?

Apart from the general market risks of economy, politics, capital market and interest rates, you should be aware of the following:

- Management quality and corporate structure of the REIT, in particular the REIT manager (good track record and reputation).

- Investment objective and strategy of the REIT.

- Quality of the real estate, including factors such as mortgages, occupancy rates and geographical locations.

- Distribution policy and tax rules.

What kind of returns can be expected from REITs?

Typically, the returns to unit holders of a REIT can be in the form of:

- **Income distribution** based on the distribution policy stated in the REIT’s deed; and/or

- **Capital gains** which may arise from appreciation of the REIT’s price.
Performance indicators of REITs

- **Distribution Yield**: The yield is normally published in the business section of major daily newspapers. It is derived from the following formula:

  \[ \text{Distribution yield} = \frac{\text{Income distribution paid to a REIT unit holder}}{\text{REIT's price paid by the unit holder (or the prevailing market price of the REIT)}} \]

Other indicators include the following which are available in annual reports:

- **Net Asset Value (NAV)**: The value of a REIT is based on its tangible real estate holdings. This is calculated by the total assets of a company after subtracting all its liabilities.

- **Management expense ratio**: The percentage of operating expenses (management fees, etc.) incurred to the NAV.

- **Total return**: The change in a REIT’s price for the period under review plus any income distribution received during the period.

Getting started

**How and where to start investing in REITs?**

REITs trade just like stocks, subject to the same trading, payment and settlement rules (T+3).

You need to open a **CDS account** and a **trading account** with a participating organisation i.e. a stockbroking firm registered in Malaysia, if you do not have one.

**For more information:**
Please visit [www.bursamalaysia.com](http://www.bursamalaysia.com) and the respective REITs’ websites.

REIT: Cara termudah untuk melabur di dalam hartanah berskala besar

Hartanah atau harta adalah kelas aset yang penting di dalam portfolio pelaburan.

Biasanya, sebelum REIT diperkenalkan, seseorang pelabur mempunyai pilihan untuk melabur di dalam harta fizikal (tanah) atau saham harta syarikat.

Kini, anda mempunyai pilihan alternatif iaitu melabur di dalam REIT dengan hanya membayar sejumlah kecil dari harga hartanah yang sebenar. Dalam erti kata yang lain, REIT memberikan pilihan kepada pelabur untuk melabur di dalam hartanah komersial berskala besar yang berkualiti tanpa perlu membeli harta tersebut secara langsung. Ia menawarkan anda aliran pendapatan yang stabil dan hasil pengagihan pendapatan yang menarik.

Memahami REIT

**Apakah REIT?**

Amanah Pelaburan Hartanah (REIT) adalah dana atau sebuah tabung amanah yang memiliki dan menguruskan hartanah komersial untuk menghasilkan pendapatan (kompleks membeli-belah, hospital, ladang, harta industri, hotel dan blok pejabat).

Organisasi yang menguruskan REIT dibenarkan membuat potongan pengagihan pendapatan kepada pemegang-pemegang unit daripada cukai korporatnya. Bagaimana pun, untuk menikmati status bebas cukai ini, sebahagian besar aset dan pendapatan yang berkaitan dengan REIT hendaklah berkaitan dengan hartanah, serta diagih-aghikan sekurang-kurangnya 90% dari jumlah pendapatannya kepada pelabur pemegang-pemegang unit setiap tahun.

REIT yang tersenarai di bursa saham diniagakan seperti saham biasa.
DISCLAIMER
This brochure has been provided for general information purposes only. The information contained in this brochure does not constitute legal, financial, trading or investment advice and neither does it make any recommendation or endorsement regarding the product mentioned herein. Although care has been taken to ensure the accuracy of the information within this brochure, Bursa Malaysia does not warrant or represent, expressly or impliedly as to the completeness or the accuracy of the information herein. Bursa Malaysia does not accept any liability howsoever arising, including any liability arising from any trading/investment decisions made on the basis of this information. You are advised to seek independent advice and/or consult relevant laws, regulations and rules prior to trading/investing.

KENYATAAN PENAFIAN

声明
本册子只供作一般资讯参考用途。涵盖的资讯并不构成法律、金融或投资建议，也不代表推荐或认可有关产品。虽然大马交易所尽力确保本册子资讯的正确性，但并不担保、代表、表明或暗示有关资料的正确性或完整性。任何基于有关资讯而作的投资决定，大马交易所概不负责。投资者应在交易或投资前，咨询独立顾问的意见及／或咨询相关法令、条例和准则。

BURSA MALAYSIA BHD
15th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Malaysia
Tel : +(603) 2034 7000
Fax : +(603) 2710 2308

www.bursamalaysia.com