



THE DETERMINANTS OF ISLAMIC REITs PERFORMANCE IN MALAYSIA :

CASE STUDY OF AXIS REIT

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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
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I am Muhammad Adib Syahir Bin Rusli (IC Number: 960303-59-5039).

Hereby, declare that

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature : _____

Date : **5th July 2019**

LETTER OF SUBMISSION

MISS NURHASLINDA BINTI HASHIM

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Dear Miss,

SUBMISSION OF PROJECT PAPER

THE DETERMINANTS OF ISLAMIC REITs PERFORMANCE IN MALAYSIA

I am required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfil the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you,

Yours sincerely,

.....

Muhammad Adib Syahir Bin Rusli

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Bachelor of Business Administration (Hons) Finance

TABLE OF CONTENTS	PAGE
Title page	
Declaration of Original Work	I
Letter of Submission	II
Acknowledgement	III
Table of Contents	IV-VI
List of Figures	VII
List of Tables	VIII
List of Abbreviations	IX
Abstract	X

CHAPTER 1 INTRODUCTION

1.0 Overview	1
1.1 Background of study	1-2
1.1.1 Islamic Capital Market Products	2-3
1.1.2 Islamic REITs	4-5
1.1.3 Comparison between Islamic and Conventional	6-7
1.1.4 Performance of Axis REIT	7-10
1.2 Problem Statement	11-13
1.3 Research Objectives	14
1.4 Research Questions	15
1.5 Significance of Study	16
1.6 Scope of Study	17
1.7 Limitations of Study	18
1.8 Definition of Terms	19-20
1.9 Conclusion	21

ABSTRACT

Islamic Real Estate Investment Trusts (I-REITs) have been established to enlarge the scope of Islamic Capital Market in Malaysia. Almost 13 years of establishment of I-REITs since 2006, it is something interesting to study the performance of this Islamic property investment vehicle because it is a potential and different asset class that not fully explored by global investors. This paper investigates the economic factors that can influence the Islamic Real Estate Investment Trust (REIT)'s performance, paying particular attention to the selected Islamic REIT's company in Malaysia for 7 years quarterly basis from Q1 2011 to Q4 2018 with 32 observations. Study used Net Asset value (NAV) as the proxy for REITs performance while economic growth and inflation rate represent the determinants variable. Applying correlations and multiple regression analysis, the results provide evidence on the association between NAV and economic growth (GDP), inflation rate (CPI), interest rate (BLR) and exchange rate (EXR). Results of this study are hoped to help the investors and portfolio managers to deepen their understanding of the dependence factors that might influence the performance of Islamic REITs in Malaysia.

Keywords: Net asset value (NAV), Islamic Real Estate Investment Trust (I-REITs), economic growth (GDP), inflation rate (CPI), interest rate (BLR) and exchange rate (EXR)