

Sanlam's Africa property fund announces strong results for 2013 and a further acquisition

Sanlam's sub-Saharan Africa Real Estate Fund, which is listed on the Stock Exchange of Mauritius, has announced a strong set of financial results for 2013, outperforming the fund's long-term total return targets.

The fund, which is structured as a listed property company, also announced the acquisition of another prime real estate asset in Lagos, Nigeria.



Sanlam Africa Core Real Estate Investments Limited gives local and international investors access to high-quality retail and commercial real estate across select sub-Saharan African countries excluding South Africa via a listed share denominated in US Dollars.

The fund declared a maiden dividend of \$0.1337 per share for the year ended 31 December 2013. This equates to an annualised dividend yield of 4%, computed on the initial listing price of \$5 per share from its launch date on 2 May 2013 to year-end. The annualised total return for the same period was 22.35% based on the initial listing price and the year-end net asset value per share of \$5.7471.

Thomas Reilly, CEO of the fund's adviser, said the fund was "very pleased with the results, especially given the high quality and mature nature of the current assets". He added that South African investors had experienced far higher Rand-based returns given the Rand's depreciation over the past year.

Acquisition of an A-grade office tower in Victoria Island, Lagos

The company has also announced the acquisition of an A-grade office tower in Victoria Island, Lagos. The property was acquired for \$43.7m, which translates to an unlevered acquisition yield greater than 10%. Tenants include large, multinational organisations. Reilly said the prospects for this acquisition were exciting given the region's strengthening demographics and limited supply of quality real estate, which allowed for attractive investment returns. Besides Nigeria, the company also owns assets in Ghana and Tanzania.

The Sanlam Group currently has businesses in 11 countries across the African continent and expects the property company to grow a portfolio in excess of \$500m over the medium term. In addition to Southern African investors, a large amount of capital is expected to be sourced from the US and Europe.

Johan van der Merwe, CEO of Sanlam Investments, said the company formed an integral part of the Sanlam Group's growth strategy, and was taking advantage of its large existing footprint on the continent. "The company is a strong demonstration of our entrepreneurial ability and is a further step towards us being able to provide the investor community with a comprehensive suite of products for Africa."