

Listed Property Report

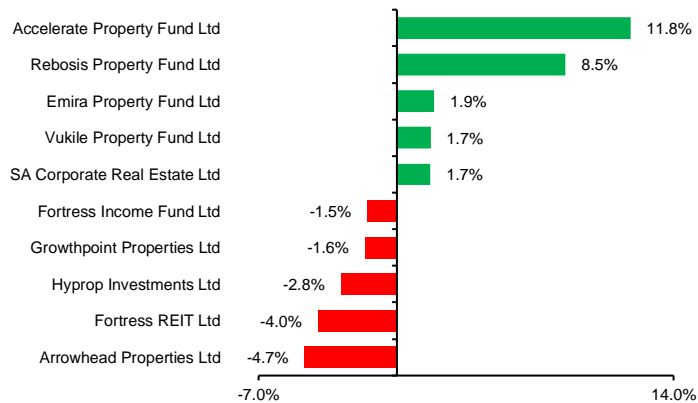
13 May 2019

Asset Class

	Yield (in %)		Total Return (% chg)	
	10 May	1 Week	1 Week	YTD
SA Listed Property	8.9%	-1.9%	-1.9%	4.4%
SA Bonds	9.4%	0.9%	0.9%	5.4%
SA Cash	9.5%	0.0%	0.0%	2.4%
UK Listed Property	4.5%	0.0%	0.0%	11.9%
US Listed Property	3.7%	-0.3%	-0.3%	15.8%
W. Europe (ex. UK) Listed Property	5.5%	-1.9%	-1.9%	15.1%
Australia Listed Property	4.3%	0.9%	0.9%	11.1%

Source: Reuters, Afrifocus Securities

JSE SA Listed Property Index - Weekly Gainers & Losers



Source: Bloomberg, Afrifocus Securities

52 Week Highs

Name	52WK High
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Source: Bloomberg, Afrifocus Securities

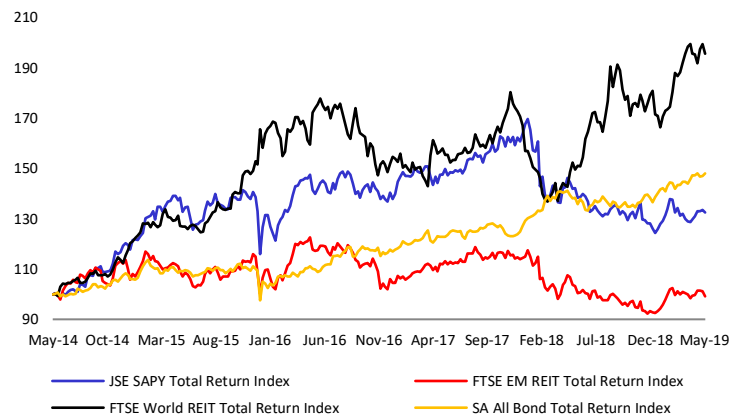
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South African Listed Property

South African property markets ended lower as it closed at 484.51 for the week ended May 10, 2019, down 0.9%. The total return for SA Listed Property declined 1.9% over one week, but gained 4.4% YTD. Accelerate Property Fund Ltd rose 11.8%, followed by Rebosis Property Fund Ltd and Emira Property Fund Ltd, which gained 8.5% and 1.9%, respectively. On the other hand, Arrowhead Properties Ltd fell 4.7%, followed by Fortress REIT Ltd and Hyprop Investments Ltd, which fell 4.0% and 2.8%, respectively. NEPI Rockcastle announced that the investigation related to a potential breach of section 81 of Financial Markets Act No. 19 of 2012, relating to possible false and misleading reporting, has been closed. Equites Property Fund announced the financial results for the year ended February 28, 2019. The company reported gross property revenue of R766.2mn for the year.

Source: Afrifocus Securities

JSE SAPY, EM REIT, World REIT and SA All Bond TR Index



Source: Reuters, Afrifocus Securities

52 Week Lows

Name	52WK Low
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Hyprop Investments Ltd 66.99

Source: Bloomberg, Afrifocus Securities

Ranking Table

	NAME	INDEX WEIGHT	DIRTY	CLEAN	TARGET	DPS NTM	FORECAST DPS CAGR	YIELD	CAPITAL	TOTAL	AFFSEC CALL
INDEX	JSE SAPPY		485	483	564		5.4%	8.8%	16.4%	25.2%	
REB	Rebosis Property Fund	0.4%	1.4	1.1	6.3	0.6	-1.6%	48.6%	447.5%	496.1%	
DLT	Delta Property Fund	0.0%	2.6	1.8	5.9	0.9	-0.2%	49.2%	231.9%	281.2%	
FFB	Fortress Reit B	3.8%	10.3	9.4	17.0	1.7	12.9%	17.9%	81.3%	99.2%	
ITU	Intu Properties	0.0%	17.9	17.9	33.2	0.3	-24.3%	1.5%	85.5%	87.1%	
APF	Accprop	0.8%	3.5	3.0	4.6	0.5	2.3%	17.2%	50.7%	67.9%	
AWA	Arrowhead Props.	0.0%	3.9	3.7	5.3	0.6	-6.5%	17.2%	45.5%	62.7%	
HYP	Hyprop Investments	6.8%	68.0	63.2	92.2	7.8	8.7%	12.4%	45.9%	58.3%	
RPL	Redefine (Jse) International	0.0%	22.8	21.9	30.3	2.1	3.5%	9.5%	38.2%	47.6%	
SAC	Sa Corporate Rl.Est.Fund	2.7%	3.6	3.5	4.4	0.4	2.8%	12.4%	24.8%	37.3%	
HMN	Hammerson (Jse)	0.0%	55.1	54.5	69.1	4.9	-0.6%	9.0%	26.9%	35.9%	
EPP	Epp NV	1.8%	18.6	18.3	22.4	2.0	5.6%	10.9%	22.1%	32.9%	
VKE*	Vukile Property Reit	4.9%	20.9	19.3	22.9	2.0	5.7%	10.2%	18.8%	29.0%	BUY
RDF	Redefine Properties	16.1%	9.8	9.4	10.8	1.0	5.4%	10.7%	15.0%	25.8%	
RES	Resilient Pr.Inc.Fd.	5.2%	56.5	53.2	61.2	5.4	5.9%	10.2%	15.1%	25.3%	
SRE	Sirius Real Estate (Jse)	1.3%	11.9	11.3	13.4	0.7	17.3%	6.1%	18.5%	24.6%	
OCT	Octodec Investments	0.0%	19.5	18.6	21.0	2.1	1.8%	11.1%	12.9%	24.0%	
EMI	Emira Property Fund	2.3%	14.6	13.6	15.2	1.5	6.2%	11.3%	11.5%	22.8%	
GRT	Growthpoint Prop	21.9%	24.5	23.1	25.5	2.2	5.4%	9.7%	10.2%	19.9%	
EQU	Equites	2.3%	20.4	19.0	21.2	1.5	8.8%	7.9%	11.5%	19.4%	
IPF	Investec Property	2.2%	16.0	14.7	16.0	1.5	4.2%	10.0%	8.4%	18.3%	
CCO	Capital & Cnts. (Jse) Props.	0.0%	44.3	44.2	49.7	0.3	3.4%	0.6%	12.5%	13.1%	
L2D	Liberty Two Degrees	0.7%	7.3	7.2	7.2	0.6	3.6%	8.2%	-0.4%	7.8%	
FFA	Fortress Reit A	6.7%	19.2	18.3	17.4	1.5	5.1%	8.4%	-4.6%	3.8%	
ATT	Attacq Ord	3.2%	14.2	13.6	13.2	0.9	13.5%	6.6%	-2.9%	3.6%	REDUCE

* Estimates under revision

Ranking table estimates changed (from previous report) to smart estimates from consensus estimates

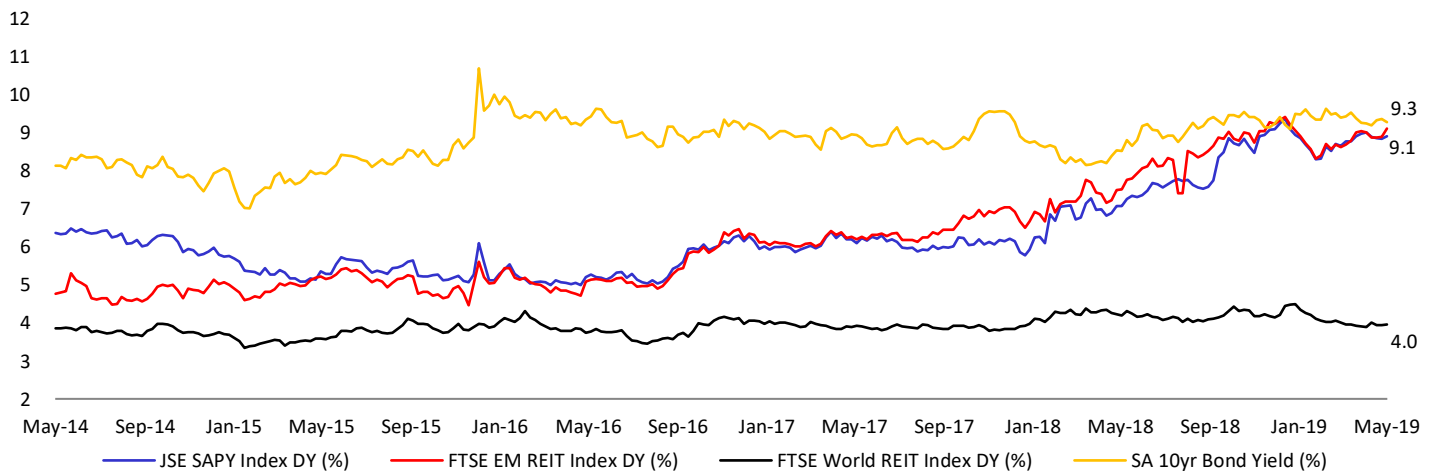
Source: Reuters, Afrifocus Securities

Dividend Revision Table

Upgrades	3m Rev	3mTPRev	Downgrades	3m Rev	3mTPRev
Sirius Real Estate (Jse)	22.3%	0.0%	Intu Properties	-71.0%	-5.6%
Attacq Ord	3.2%	-5.8%	Lighthouse Capital	-26.1%	-22.0%
Liberty Two Degrees	3.0%	-4.0%	Redefine (Jse) International Reit	-12.7%	-5.6%
Mas Real Estate (Jse)	2.7%	-11.5%	Fortress Reit B	-6.1%	-4.5%
Redefine Properties	1.3%	-0.1%	Resilient Pr.Inc.Fd.	-6.1%	-8.6%
Fortress Reit A	1.3%	1.8%	Hammerson (Jse)	-3.5%	-17.8%
Vukile Property Reit	1.2%	-3.8%	Hyprop Investments	-2.0%	-8.9%
Investec Property	1.2%	-0.3%	Emira Property Fund	-1.1%	0.1%
Sa Corporate Rl.Est.Fund	0.9%	-2.9%			
Epp N V	0.8%	-2.5%			

Source: Reuters, Afrifocus Securities

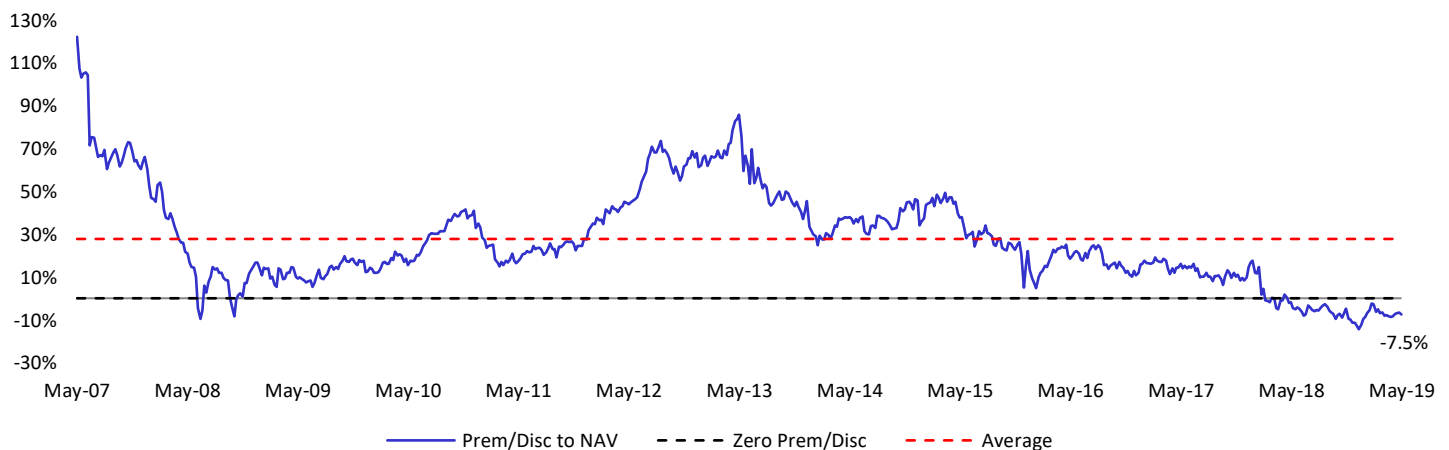
JSE SAPY DY, FTSE EM REIT DY, FTSE World REIT DY and SA 10yr Bond Yield



* JSE SAPY Index DY and FTSE EM REIT Index DY value stands at 9.1 as of 10th May 2019

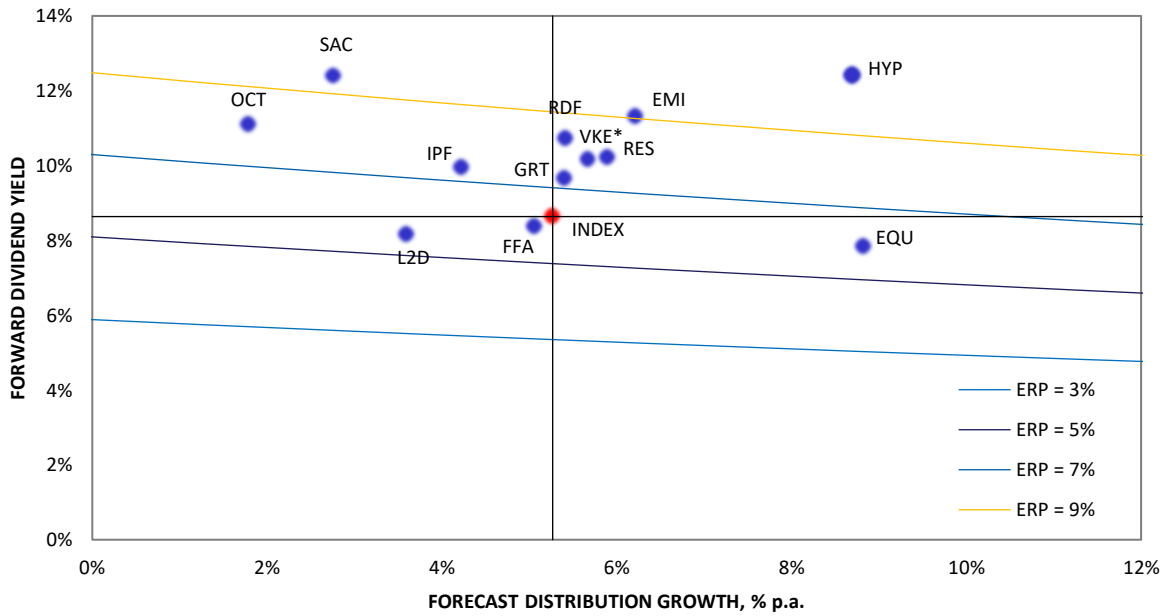
Source: Reuters, Afrifocus Securities

Sector Premium/Discount to NAV



Source: Reuters, Afrifocus Securities

REIT Forward DY vs Forecast Distribution Growth and Implied Equity Risk Premium (ERP)



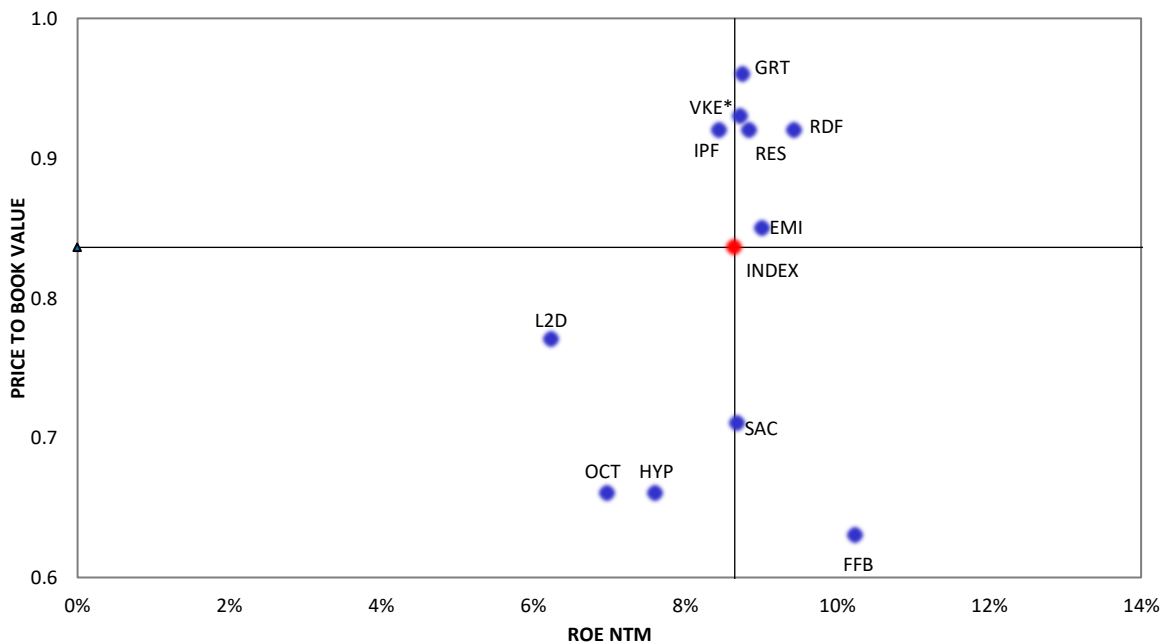
	FDY	CAGR
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VKE*	10.2%	5.7%
IPF	10.0%	4.2%
GRT	9.7%	5.4%
FFA	8.4%	5.1%
L2D	8.2%	3.6%
EQU	7.9%	8.8%
ATT	6.6%	13.5%

Source: Reuters, Afrifocus Securities

OFF Scale Stocks

AWA (Arrowhead Props), SRE (Sirius Real Estate), DLT (Delta Property Fund), REB (Rebosis Property Fund), APF (Accprop), FFB (Fortress Reit B) and ATT (Attacq Ord)

Price to Book vs ROE NTM



	ROE	PB
INDEX	8.0%	0.84
FFB	10.2%	0.63
EQU	9.7%	1.33
RDF	9.4%	0.92
FFA	9.3%	1.17
EMI	9.0%	0.85
RES	8.8%	0.92
GRT	8.8%	0.96
VKE*	8.7%	0.93
DLT	8.7%	0.26
SAC	8.7%	0.71
IPF	8.5%	0.92
AWA	8.4%	0.52
HYP	7.6%	0.66
OCT	7.0%	0.66
APF	6.5%	0.44
L2D	6.2%	0.77
REB	4.0%	0.10
ATT	3.7%	0.58

Source: Reuters, Afrifocus Securities

OFF Scale Stocks

REB (Rebosis Property Fund), DLT (Delta Property Fund), APF (Accprop), SRE (Sirius Real Estate), EQU (Equites), AWA (Arrowhead Properties Ltd) and FFA (Fortress Reit A)

Key Corporate Events

Date	Company Name	Events
24 May 2019	NEPI Rockcastle PLC	Business update
28 May 2019	SA Corporate Real Estate Ltd	Annual general meeting
03 June 2019	Sirius Real Estate Ltd	Annual financial results
10 June 2019	Growthpoint Properties Ltd	Globalworth site visit - Romania and Poland, in conjunction with EPP
11 June 2019	EPP NV	Annual general meeting
22 August 2019	NEPI Rockcastle PLC	Annual general meeting

Source: Sharenet, Company Website, Afrifocus Securities

SA Listed Property Corporate News

Company Name	News
Equites Property Fund Ltd	The company announced the financial results for the year ended February 28, 2019. The company's gross property revenue for the year increased to R766.2mn from R573.7mn in the previous year. Profit ascribable to the parent decreased to R669.9mn, compared to R870.2mn in the previous year. The board declared a final gross dividend of 70.3 cents per share on May 6, 2019 in addition to the interim dividend of 68.1 cents per share.
Growthpoint Properties Ltd	The company announced that EY has been nominated as the new external auditor effective July 1, 2019, for the audit of the forthcoming financial year ending June 30, 2020. This appointment is subject to shareholders' approval at the annual general meeting scheduled for November 12, 2019. Consequently, KPMG will not be re-appointed as the company's external auditor.
Hyprop Investments Ltd	The company announced that it has been notified by Sanlam Investment Management Proprietary Limited (Sanlam) of acquisition of Hyprop shares such that Sanlam's total beneficial interest is now 5.0% of Hyprop's total ordinary shares in issue.
Hyprop Investments Ltd	The company announced that it has been notified by Investec Asset Management Proprietary Limited (IAM) of acquisition of Hyprop shares such that IAM's total beneficial interest is now 5.2% of Hyprop's total ordinary shares in issue.
Hyprop Investments Ltd	The company announced that one of the associates (Homestead Group Holdings Limited) of its director, Mr Louis Norval had engaged in an on-market transaction related to the sale of shares. The total considered value of the transaction is R146.2mn.
Investec Property Fund Ltd	The company announced that it has reached an agreement to subscribe for shares in ELI Holding S. á r.l. (Luxco through its wholly owned subsidiary Investec Property Fund Offshore Investments Proprietary Limited (IPFO), for an initial subscription consideration of EUR10.2mn (inclusive of all transaction costs), representing an initial 25.0% interest in Luxco.
Investec Property Fund Ltd	The company announced that Investec Australia Property Fund (IAPF) is pursuing a primary listing on the Australian Securities Exchange and associated capital raising in addition to its current primary listing on the JSE. Under the offer, IAPF is seeking to raise approximately AUD100mn through the issue of 76.9mn new IAPF units, mainly from the Australian capital markets.
Liberty Two Degrees	The company announced that all the ordinary and special resolutions as set out in the notice of the annual general meeting (AGM) were passed by requisite majority of votes of shareholders present in person or represented by proxy at the first AGM of shareholders of the company held May 10, 2019.
NEPI Rockcastle Plc	The company announced that few of the associates of its director had engaged in an off-market transaction of receipt of shares in terms of an election to receive the final dividend for the year ended December 31, 2018 as a return on capital by way of a issue of new shares. The total considered value of the transaction is R54.9mn.
NEPI Rockcastle Plc	The company announced that the investigation related to a potential breach of section 81 of Financial Markets Act No. 19 of 2012 (the FMA), relating to possible false and misleading reporting, has been closed. The Financial Services Conduct Authority found "no substance in the allegations that the company intentionally and negligently made / published false statements in respect of the past or future performance, being the December 31, 2017 financial statements"

NEPI Rockcastle Plc	The company announced that it has mandated Deutsche Bank as Global Co-ordinator and Joint Bookrunner and ING, Raiffeisen Bank International AG and Societe Generale as Joint Bookrunners to arrange a series of fixed income investor meetings across the UK and Europe beginning May 8, 2019.
EPP NV	The company announced that Mr N. Senman has notified the board of directors of EPP (the Board) that he will not stand for reelection as a member of the Board at EPP's annual general meeting to be held on June 11, 2019 (the annual general meeting). Accordingly, Mr Senman will retire as a director at the conclusion of the annual general meeting.
EPP NV	The company announced that the board has nominated Mr T. de Groot and Mr J. Templeton for appointment as non-executive directors of the company (in addition to the nomination of Mr P. Prinsloo announced on SENS on March 7, 2019). The nominations are subject to approval by EPP shareholders at the company's annual general meeting to be held June on 11, 2019.
EPP NV	The company announced that 77,956,989 of its ordinary shares have been allotted, issued and listed on May 3, 2019 on both the Euro MTF market of the Luxembourg Stock Exchange and the Main Board of the JSE, pursuant to the equity raise undertaken by EPP on April 24, 2018.
EPP NV	The company announced that it has been notified by Tensai Property Services Proprietary Limited (Tensai) of the acquisition by Tensai of EPP shares such that Tensai's beneficial interest and total voting rights have increased to 7.7% from 0.6% of EPP's total issued shares.
Redefine Properties Ltd	The company announced that Siphon Mila Pityana has been appointed as independent non-executive chairman of the company, with effect from May 3, 2019.
Redefine Properties Ltd	The company announced unaudited group results for the six months ended February 28, 2019. Some of the highlights are, the company maintained its active portfolio margin at 82.2%, deployed R3.5bn into property assets, top employer status maintained, declared an interim cash dividend of 49.2 cents per share and Moody's investment grade credit rating reaffirmed.
Redefine Properties Ltd	The company announced that it has been notified by Investec Limited (Investec) of the acquisition of its shares by Investec such that Investec's beneficial interest is now 6.3% of its total issued ordinary shares.
Resilient REIT Ltd	The company announced that in accordance with the JSE Listings Requirements, the company's annual compliance report in terms of section 13G(2) of the Broad-Based Black Economic Empowerment Act 53 of 2003 read with the Broad-Based Black Economic Empowerment Amendment Act 46 of 2013, has been published and is available on the Company's website. https://cmsignition.co.za/download/files_1208/BBBEE-1Compliancereport1.pdf .
Sirius Real Estate Ltd	The company announced that it will announce its full year financial results for the year ended March 31, 2019 on June 3, 2019.

Source: Sharenet, SENS, Afrifocus Securities

Research Disclosure

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