

Listed Property Report

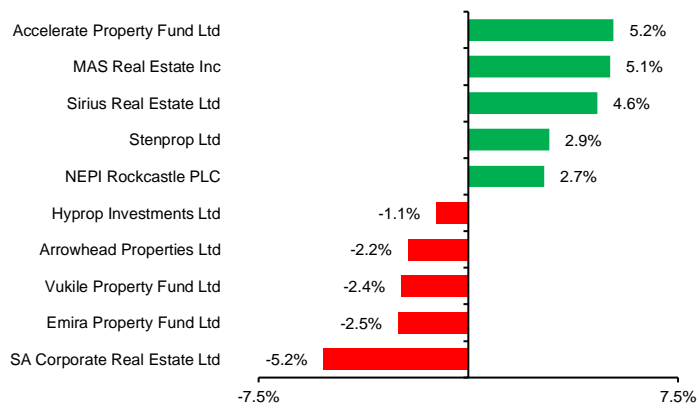
10 June 2019

Asset Class

| | Yield (in %) | | Total Return (% chg) |
|------------------------------------|--------------|--------|----------------------|
| | 10 June | 1 Week | YTD |
| SA Listed Property | 9.1% | -1.5% | 3.7% |
| SA Bonds | 9.6% | -1.3% | 4.5% |
| SA Cash | 9.4% | 0.0% | 3.0% |
| UK Listed Property | 4.6% | 0.0% | 9.2% |
| US Listed Property | 3.5% | 2.1% | 19.2% |
| W. Europe (ex. UK) Listed Property | 5.7% | 1.0% | 11.7% |
| Australia Listed Property | 4.0% | 2.8% | 19.2% |

Source: Reuters, Afrifocus Securities

JSE SA Listed Property Index - Weekly Gainers & Losers



Source: Bloomberg, Afrifocus Securities

52 Week Highs

| Name | 52WK High |
|--------------------------------------|-----------|
| Fortress Income Fund Ltd | 20.99 |
| Investec Australia Property Fund Ltd | 14.32 |
| Sirius Real Estate Ltd | 12.52 |

Source: Bloomberg, Afrifocus Securities

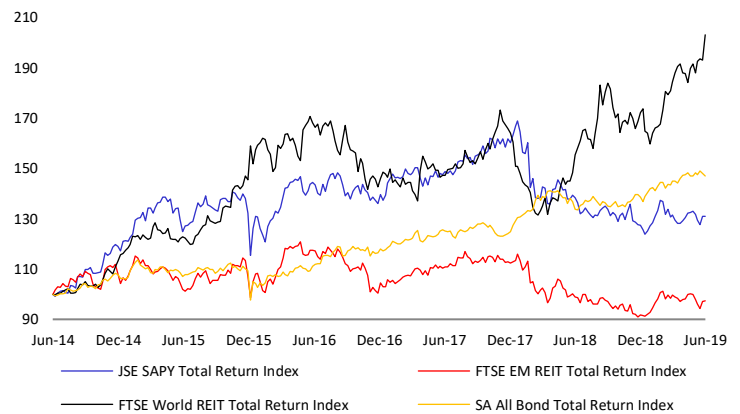
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South African Listed Property

South African property markets ended marginally lower as it closed at 476.41 for the week ended June 07, 2019, down 0.1%. The total return for SA Listed Property declined 1.5% over one week, but gained 3.7% YTD. Accelerate Property Fund Ltd rose 5.2%, followed by MAS Real Estate Ltd and Sirius Real Estate Ltd, which gained 5.1% and 4.6%, respectively. On the other hand, SA Corporate Real Estate Ltd fell 5.2%, followed by Emira Property Fund Ltd and Vukile Property Fund Ltd, which fell 2.5% and 2.4%, respectively. Fortress REIT Ltd announced that it has repurchased 38,662,156 shares, representing 3.5% of the shares in issue through its subsidiary Capital Propfund Pty Ltd. Sirius Real Estate Ltd announced that it has completed the acquisition of a business park in Teningen, north of Freiburg, for EUR6.5mn, including acquisition costs, reflecting an EPRA net initial yield of 8.3%.

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 |
|------------------------------|----------|
| Hyprop Investments Ltd | 66.40 |
| Attacq Ltd | 12.50 |
| Redefine Properties Ltd | 8.33 |
| SA Corporate Real Estate Ltd | 2.63 |

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 | | 476 | 475 | 541 | | 5.0% | 8.6% | 13.5% | 22.1% | |
| DLT | Delta Property Fund | 0.0% | 2.2 | 2.1 | 5.9 | 0.9 | 1.0% | 41.0% | 176.5% | 217.5% | |
| ITU | Intu Properties | 0.0% | 16.4 | 16.4 | 33.8 | 0.0 | -98.2% | 0.0% | 106.2% | 106.2% | |
| SAC | Sa Corporate Rl.Est.Fund | 2.8% | 2.8 | 2.7 | 4.4 | 0.4 | 3.3% | 16.6% | 66.2% | 82.8% | |
| RPL | Redefine (Jse) International | 0.0% | 19.3 | 18.1 | 30.8 | 2.1 | 3.4% | 11.4% | 69.6% | 81.0% | |
| AWA | Arrowhead Props. | 0.0% | 3.6 | 3.4 | 5.3 | 0.6 | -5.6% | 18.7% | 58.4% | 77.1% | |
| FFB | Fortress Reit B | 2.7% | 11.8 | 10.7 | 17.0 | 1.7 | 14.5% | 15.0% | 59.1% | 75.1% | |
| APF | Accprop | 0.7% | 3.4 | 2.9 | 4.6 | 0.5 | -2.5% | 17.3% | 56.0% | 73.2% | |
| HYP | Hyprop Investments | 5.4% | 69.2 | 63.8 | 92.5 | 7.8 | 9.3% | 12.3% | 45.0% | 57.3% | |
| HMN | Hammerson (Jse) | 0.0% | 52.5 | 51.5 | 67.4 | 4.9 | -1.9% | 9.5% | 31.0% | 40.5% | |
| EMI | Emira Property Fund | 1.7% | 13.6 | 12.5 | 15.2 | 1.5 | 6.5% | 12.3% | 21.2% | 33.5% | |
| EPP | Epp NV | 1.9% | 18.9 | 18.5 | 22.8 | 1.9 | 1.5% | 10.2% | 23.2% | 33.4% | |
| RDF | Redefine Properties | 17.3% | 8.9 | 8.4 | 9.9 | 1.0 | 5.5% | 11.9% | 18.4% | 30.3% | |
| OCT | Octodec Investments | 0.0% | 17.6 | 16.5 | 18.5 | 2.0 | -0.5% | 12.1% | 12.1% | 24.3% | |
| CCO | Capital & Cnts. (Jse) Props. | 0.0% | 41.0 | 40.9 | 50.6 | 0.3 | 3.3% | 0.7% | 23.5% | 24.2% | |
| VKE* | Vukile Property Reit | 5.1% | 20.4 | 20.5 | 22.9 | 2.0 | 6.3% | 9.6% | 12.1% | 21.7% | BUY |
| GRT | Growthpoint Prop | 22.1% | 24.0 | 22.5 | 24.7 | 2.2 | 6.8% | 9.9% | 9.7% | 19.6% | |
| RES | Resilient Pr.Inc.Fd. | 5.1% | 60.2 | 56.5 | 61.2 | 5.4 | 2.0% | 9.6% | 8.4% | 18.1% | |
| SRE | Sirius Real Estate (Jse) | 1.5% | 12.3 | 12.3 | 13.7 | 0.5 | -0.3% | 3.9% | 11.6% | 15.5% | |
| EQU | Equites | 2.3% | 20.3 | 20.2 | 21.6 | 1.5 | 5.7% | 7.3% | 6.6% | 13.9% | |
| L2D | Liberty Two Degrees | 0.8% | 7.0 | 6.8 | 7.2 | 0.6 | 3.7% | 8.7% | 5.2% | 13.8% | |
| ATT | Attacq Ord | 3.1% | 13.0 | 12.4 | 13.2 | 0.9 | 13.5% | 7.3% | 6.4% | 13.7% | REDUCE |
| IPF | Investec Property | 2.5% | 15.3 | 15.4 | 15.9 | 1.5 | 3.3% | 9.5% | 3.1% | 12.6% | |
| FFA | Fortress Reit A | 6.9% | 20.0 | 19.0 | 17.4 | 1.5 | 5.1% | 8.1% | -8.2% | -0.1% | |

* Estimates under revision

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

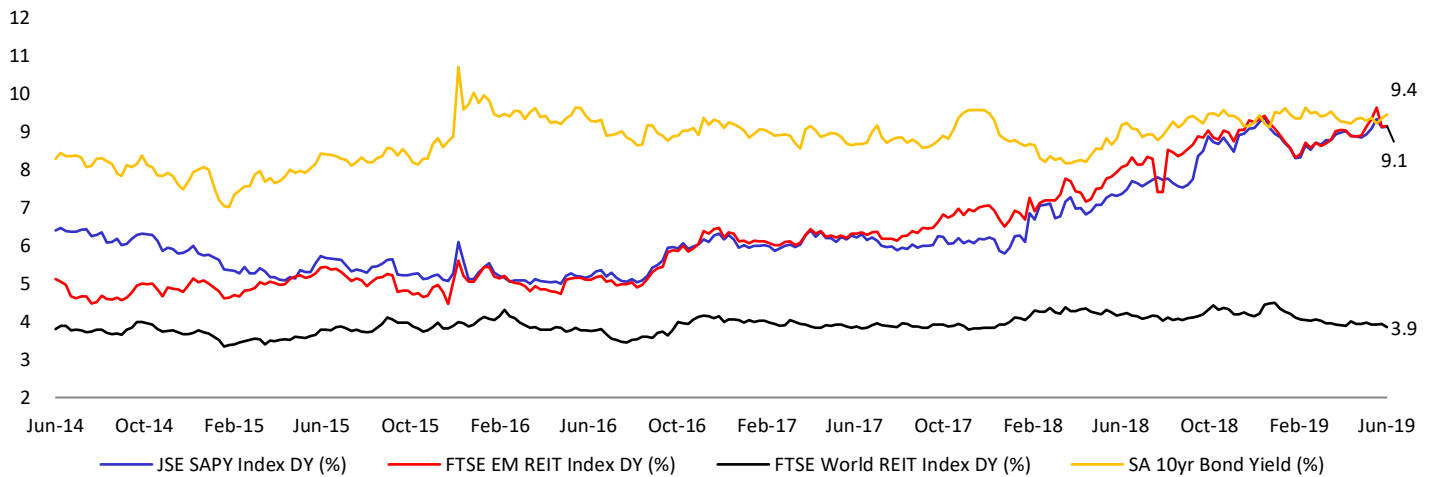
Source: Reuters, Afrifocus Securities

Dividend Revision Table

| Upgrades | 3m Rev | 3mTPRev | Downgrades | 3m Rev | 3mTPRev |
|--------------------------|--------|---------|-----------------------------------|--------|---------|
| Liberty Two Degrees | 3.0% | -4.0% | Redefine (Jse) International Reit | -13.6% | -4.3% |
| Attacq Ord | 2.7% | -3.5% | Lighthouse Capital | -7.1% | -4.0% |
| Sirius Real Estate (Jse) | 2.6% | -0.9% | Fortress Reit B | -6.5% | -8.3% |
| Vukile Property Reit | 1.5% | -2.3% | Epp N V | -4.1% | -4.9% |
| Fortress Reit A | 1.2% | -1.7% | Octodec Investments | -3.6% | -11.8% |
| Emira Property Fund | 1.1% | -0.4% | Resilient Pr.Inc.Fd. | -2.8% | -9.4% |
| Sa Corporate Rl.Est.Fund | 0.8% | -1.2% | Accprop | -2.7% | 0.0% |
| Equites | 0.7% | 5.8% | Hammerson (Jse) | -2.5% | -16.9% |
| Texton Property Reit | 0.7% | 0.0% | Redefine Properties | -1.9% | -4.6% |
| Mas Real Estate (Jse) | 0.5% | -7.5% | Hyprop Investments | -1.6% | -5.0% |
| | | | Nepi Rockcastle | -1.1% | -5.4% |

Source: Reuters, Afrifocus Securities

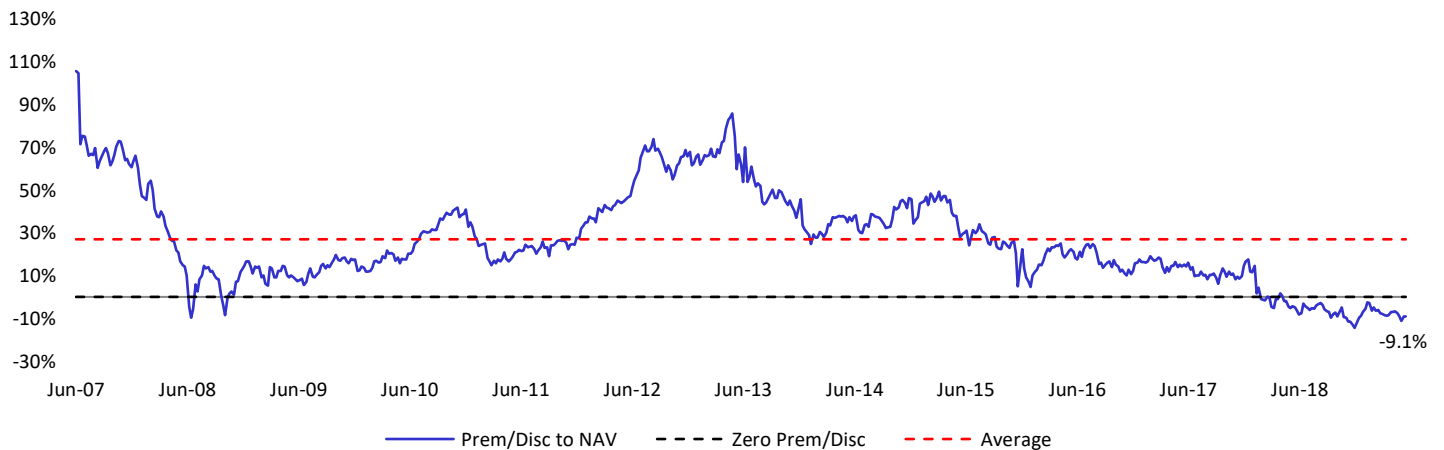
JSE SAPY DY, FTSE EM REIT DY, FTSE World REIT DY and SA 10yr Bond Yield



* JSE SAPY Index DY and FTSE EM REIT Index DY value stands at 9.1 as of 07th June 2019

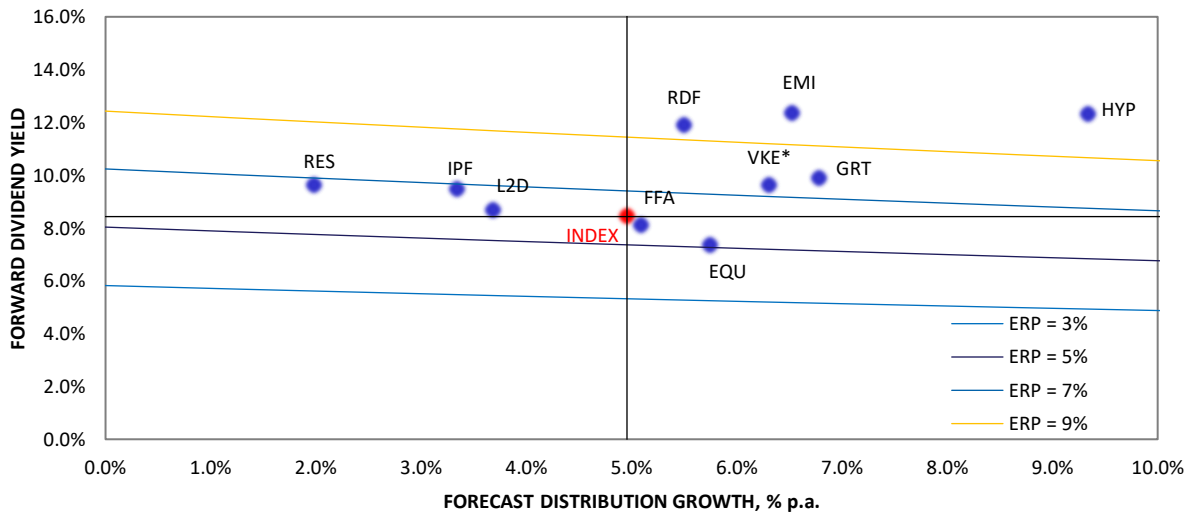
Source: Reuters, Afrifocus Securities

Sector Premium/Discount to NAV



Source: Reuters, Afrifocus Securities

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



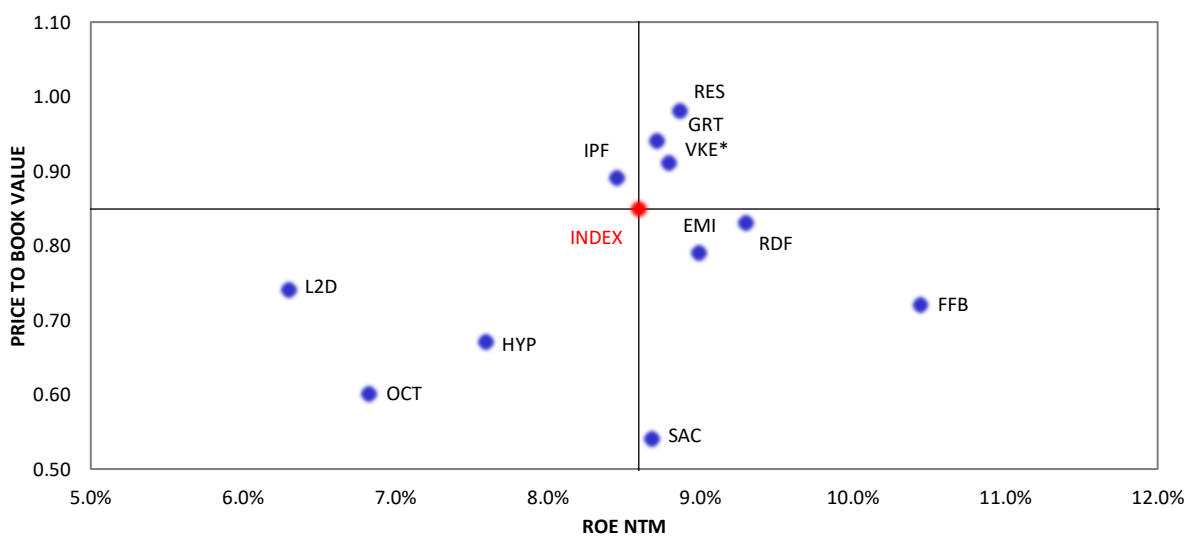
| | FDY | CAGR |
|--------------|-------------|-------------|
| INDEX | 8.4% | 5.0% |
| DLT | 41.0% | 1.0% |
| AWA | 18.7% | -5.6% |
| APF | 17.3% | -2.5% |
| SAC | 16.6% | 3.3% |
| FFB | 16.0% | 14.5% |
| EMI | 12.3% | 6.5% |
| HYP | 12.3% | 9.3% |
| OCT | 12.1% | -0.5% |
| RDF | 11.9% | 5.5% |
| GRT | 9.9% | 6.8% |
| RES | 9.6% | 2.0% |
| VKE* | 9.6% | 6.3% |
| IPF | 9.5% | 3.3% |
| L2D | 8.7% | 3.7% |
| FFA | 8.1% | 5.1% |
| EQU | 7.3% | 5.7% |
| ATT | 7.3% | 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 | 8.6% | 0.85 |
| FFB | 10.4% | 0.72 |
| FFA | 9.4% | 1.22 |
| RDF | 9.3% | 0.83 |
| EMI | 9.0% | 0.79 |
| RES | 8.9% | 0.98 |
| VKE* | 8.8% | 0.91 |
| EQU | 8.8% | 1.20 |
| GRT | 8.7% | 0.94 |
| SAC | 8.7% | 0.54 |
| DLT | 8.5% | 0.21 |
| IPF | 8.5% | 0.89 |
| AWA | 8.3% | 0.48 |
| HYP | 7.6% | 0.67 |
| OCT | 6.8% | 0.60 |
| APF | 6.3% | 0.43 |
| L2D | 6.3% | 0.74 |
| ATT | 3.8% | 0.54 |

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 |
|----------------|------------------------------|--|
| 10 June 2019 | Growthpoint Properties Ltd | Globalworth site visit - Romania and Poland, in conjunction with EPP |
| 11 June 2019 | Investec Property Fund Ltd | Dividend payout |
| 11 June 2019 | EPP NV | Annual general meeting |
| 22 June 2019 | SA Corporate Real Estate Ltd | Advocate Reyneke's final report pertaining to whistle-blower investigation anticipated |
| 24 June 2019 | Vukile Property Fund Ltd | Dividend payout |
| 21 August 2019 | NEPI Rockcastle PLC | Annual general meeting |
| 22 August 2019 | Sirius Real Estate Ltd | Dividend payout |

Source: Sharenet, Company Website, Afrifocus Securities

SA Listed Property Corporate News

| Company Name | News |
|----------------------------|---|
| Emira Property Fund Ltd | The company announced that Ms Jasandra Nyker was appointed to its board of directors as an independent non-executive director on May 22, 2019. |
| Equites Property Fund Ltd | The company stated that its integrated report incorporating its audited group financial statements for the year ended February 28, 2019, contains no changes to the preliminary summarized audited consolidated financial statements for the year ended February 28, 2019. |
| Equites Property Fund Ltd | The company announced that shareholders holding 21.2% of the company's shares, who are qualified to receive the cash dividend, elected to receive the dividend reinvestment alternative, which resulted in the issue of 3,839,423 new shares. |
| Equites Property Fund Ltd | The company announced that some of the associates of its director engaged in an off-market transaction related to a dividend reinvestment alternative. The total considered value of the transaction is R0.1mn. |
| Equites Property Fund Ltd | The company announced that some of the associates of its director engaged in an on-market transaction related to the sale of shares. The total considered value of the transaction is R10.0mn. |
| Fortress Income Fund Ltd | The company announced that one of the associates [Dusty Gold Investments 4 (Pty) Ltd] of its director, Mr Mark Stevens, engaged in an off-market, over-the-counter collar transaction of over 8,855,323 Fortress A ordinary shares in eight tranches with, in each case, a put strike price of R17.38 and a call strike price of R19.54 with weekly expiry dates from May 3 to June 21, 2021. |
| Fortress Income Fund Ltd | The company announced that one of its company secretaries, Tamlyn Stevens, was engaged in an on-market transaction related to the sale of shares. The total considered value of the transaction is R3.1mn. |
| Fortress Income Fund Ltd | The company announced that some of the associates of its director engaged in an on-market transaction related to the sale and purchase of shares. The total considered values of the sale and purchase transaction are R0.2mn and R23.2mn, respectively. |
| Fortress REIT Ltd | The company announced that it has repurchased 38,662,156 shares, representing 3.5% of the shares in issue through its subsidiary Capital Propfund Pty Ltd. |
| Growthpoint Properties Ltd | The company announced that an executive of a major Growthpoint subsidiary [Growthpoint Management Services (Pty) Ltd], Mr E Binedell, was engaged in an on-market transaction related to the sale of shares. The total considered value of the transaction is R0.7mn. |

Hyprop Investments Ltd

The company announced that one of its directors, Morne Wilken, was engaged in an on-market transaction related to the purchase of shares. The total considered value of the transaction is R0.4mn.

Hyprop Investments Ltd

The company announced that one of its directors, Gavin Tipper, was engaged in an on-market transaction related to the purchase of shares. The total considered value of the transaction is R0.3mn.

Investec Property Fund Ltd

The company announced that IAPF has been admitted to the official list of the ASX Limited on May 28, 2019, on a deferred settlement basis.

Investec Property Fund Ltd

The company announced that some of the associates of its director engaged in an off-market transaction related to the purchase of shares. The total considered value of purchase transaction is AUD0.1mn.

Investec Property Fund Ltd

The company announced that the responsible entity has received a formal notification that Investec Property Fund Limited has sold an interest in the ordinary units of IAPF, such that Investec Property Fund Limited now holds 55,147,030 ordinary units in IAPF, accounting for 9.9% of the total issued ordinary units of IAPF.

MAS Real Estate Inc

The company announced that it has entered into a non-binding memorandum of understanding with Prime Kapital Holdings Limited (PK) to acquire an option to purchase PK's effective 20% interest in the investment joint venture, together with the PK management platform, for an option premium of EUR2.0mn.

MAS Real Estate Inc

The company announced that a copy of a presentation to investors is available on the company's website:

<http://masrei.com/wp-content/uploads/2019/06/Investor-Presentation-June-2019.pdf>.

Redefine Properties Ltd

The company announced that some of the associates of its director engaged in an off-market transaction related to a share reinvestment alternative. The total considered value of purchase transaction is R0.4mn.

Redefine Properties Ltd

The company announced that it has been notified by Coronation Asset Management Proprietary Limited on behalf of Coronation Group and its clients of the acquisition by Coronation Asset Management of Redefine shares, such that Coronation Asset Management now holds 5.03% of Redefines' total issued ordinary shares.

SA Corporate Real Estate Ltd

The company announced that finalization of the independent investigation pertaining to the whistle-blower report on February 9, 2019, has been delayed mainly due to Advocate Reyneke's other commitments. The final report is anticipated to be received by June 22, 2019.

Sirius Real Estate Ltd

The company announced financial results for the year ended March 31, 2019, and declared a final dividend of 1.73c per share, making a total dividend of 3.36c per share for the year. Profit before tax increased 61.5% to EUR144.7mn. NAV per share increased 12.6% to 71.01c

Sirius Real Estate Ltd

The company announced that it has completed the acquisition of a business park in Teningen, north of Freiburg, for EUR6.5mn, including acquisition costs, reflecting an EPRA net initial yield of 8.3%.

Stenprop Ltd

The company announced that James Beaumont has been appointed as interim Chief Financial Officer (CFO) and joins the board with immediate effect, following current CFO Patsy Watson's resignation, who has indicated her intention to retire as CFO in 2019.

Vukile Property Fund Ltd

The company announced summarized consolidated results for the year ended March 31, 2019. Dividends increased 7.5%, in line with guidance to 181.48 cents per share. LTV reduced to 37.0% with 96.0% of hedged debt. The company's corporate long-term credit rating upgraded to A+(ZA).

Vukile Property Fund Ltd

The company announced financial assistance to Castellana Properties SOCIMI (Castellana), its subsidiary, through extension of a loan of EUR11.0mn. The loan is a short-term bridging facility which has been extended pending the signing of the loan agreements between Castellana and the bank lender as part funding for the El Corte Ingles transaction.

Vukile Property Fund Ltd

The company announced that some of the associates of its director engaged in an off-market transaction related to vesting of shares under the CSP. The total considered value of purchase transaction is R28.3mn.

Source: Sharenet, SENS, Afrifocus Securities

Research Disclosure

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