



NEWS RELEASE

NAIROBI SECURITIES EXCHANGE LAUNCHES THE REIT MARKET AS STANLIB KENYA ANNOUNCES THE FIRST I-REIT PUBLIC OFFER

Minimum investment for STANLIB Fahari I-REIT set at KSh20,000

October 22, 2015 –This morning the Nairobi Securities Exchange officially launched the Real Estate Investment Trust (REITs) Market at a ceremony that also marked the opening of the STANLIB Fahari I-REIT public offer.

An I-REIT is a collective investment vehicle that allows investors to pool capital, which is then invested in a portfolio of selected properties for a return. Investors gain through capital appreciation and rental income, with the latter being distributed to unit-holders annually.

Speaking during the launch, NSE Chief Executive Mr. Geoffrey Odundo congratulated STANLIB, saying “The launch of the NSE Real Estate Investment Trust (REITs) and Kenya’s first REIT, marks yet another revolutionary achievement in the history of our capital markets as Kenya becomes the third Exchange in Africa to launch this market.”

“The launch of REITs further enhances financial inclusion in our capital markets as average investors will now be able to invest in large-scale commercial, residential and industrial properties, without requiring large sums of money. I urge other property owners and developers to follow in STANLIB’s footsteps, raising funds to finance their developmental projects through our capital markets,” he added.

The STANLIB Fahari I-REIT public offer, which opened at 08h00 at a minimum subscription of Ksh20,000 (1,000 units) and a nominal value of Ksh20.00 each will close at 17h00 on November 12, this year. The offer will

then go through an allotment process with a subsequent listing of units on the Nairobi Securities Exchange (NSE).

Commenting on the offer, Anton Borkum, STANLIB Fahari I-REIT CEO said: “We are glad to introduce this landmark IPO, which is the first Kenya. We are offering both retail and institutional investors a stable income stream with long-term growth and capital appreciation through the STANLIB Fahari I-REIT.”

The STANLIB Fahari I-REIT will be listed on the NSE’s Real Estate Trust Market Segment. Like any other listed security, its future value will be determined by market dynamics. This is expected to create liquidity, meaning unit-holders can sell their holdings or buy more. Open trading will also help in price discovery.

Through a transparent and regulated environment, the STANLIB Fahari I-REIT, a first in the Kenyan listed market, will provide local and international investors with a diversified investment platform that offers the opportunity to invest in a new asset class.

The STANLIB Fahari I-REIT will benefit from the underlying properties’ rental income and capital gains, giving investors exposure to a reliable and growing return profile in the long-term.

The fund’s rigorous and prudent investment criteria will ensure quality assets backed by a sustainable underlying rental income streams. The vehicle is backed by a dedicated specialist team with in-depth collective experience of over 100 years in the local market and in real estate on the African continent.

The pioneering move by STANLIB comes at a time when property as an asset class in Kenya is under-represented in the capital market. According to the 2015 *Economic Survey*, growth in real estate and property sector is set to continue, driven by demand for new office space and urban housing.

The survey notes that high demand for fixed assets, largely property, was a major contributor to a 5.3 per cent expansion in the Kenyan economy last year. Demand for access to quality commercial property in Kenya continues to grow.

STANLIB has a footprint in 10 countries in Africa and manages over \$46 billion in assets for both institutional and retail clients across Africa.

The US has the world's most advanced REIT market in the world. Australia, France, Japan, Canada, the Netherlands, Singapore and Hong Kong also have active markets for an asset class whose returns averaged 18 per cent in 2012. In Africa, growth in this market has been limited by the absence of enabling legislation. South Africa has traded in REITs for the last 10 years, while Ghana has had access to REITs since 1994 and Nigeria 2007.

James Muratha, STANLIB East Africa, Regional Director concludes: "STANLIB Kenya is excited to be part of the constant evolution in the African capital markets and to empower investors. We are proud to be a contributor to the growth of the property sector and importantly, the economy. We welcome all investors as we launch this offer today, and we look forward to making Kenya's first I-REIT a success."

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NOTES TO EDITORS:

About the Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). It is an affiliate member of the World Federation of Exchanges (WFE), an associate member of the Association of Futures Markets (AFM) and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE).

STANLIB is a Pan-African multi-specialist investment company that manages and administers over US\$46 billion (as at 30 June 2015) in assets for over 437 000 retail and institutional clients across Africa. The STANLIB investment team consists of franchises made up of specialist teams of investment professionals. This allows STANLIB to offer a broad range of investment opportunities, including active asset management, passive asset management, single manager and multi manager offerings across all asset classes: cash, bonds, equities, property and alternative asset classes. STANLIB has operations in 10 African countries.

Its Multi Manager Global Multi-Assets and Global Equity funds are managed by STANLIB Multi Manager. Columbia Threadneedle, a leading US diversified financial services company and one of the 30 largest asset management firms globally, looks after developed market single manager equity and multi asset class funds. STANLIB Multi Manager manages global bonds in the multi manager area and STANLIB has a partnership with Brandywine Global Investments for single manager global bond funds.

STANLIB Kenya

STANLIB Kenya officially launched in October 2013, after rebranding from Stanbic Investment Management Services (SIMS). STANLIB is a leading Fund Manager in the region and has an un-paralleled track record in terms of services and performance over the years. STANLIB manages asset worth over Kshs 121 Billion (as at 31 December 2014).

STANLIB Kenya Limited seeks to be recognised as East Africa's premier Investment Manager, dedicated to the advancement of wealth management

through the provision of excellent products, efficient service and customer satisfaction. STANLIB KENYA Limited has been fully operational since 1998 as Stanbic Investment Management Services (EA) Ltd and is licensed by the Capital Markets Authority and the Retirement Benefits Authority in Kenya to provide investment advisory and Fund Management Services.

STANLIB Kenya is owned by Liberty Holdings who is the principal shareholder of Liberty Kenya Holdings Limited, a company which is listed on the Nairobi Securities Exchange and whose other local subsidiaries are Heritage Insurance and Liberty Life Assurance Limited