



NEWS RELEASE

KENYA'S FIRST PROPERTY INCOME FUND EXCEEDS SH2.6 BILLION LISTING THRESHOLD BY SH1 BILLION, DEBUTS ON NAIROBI SECURITIES EXCHANGE IN HISTORIC LISTING

STANLIB accelerates alternative investment strategy through the STANLIB Fahari I-REIT

04 December 2015 - STANLIB Kenya Limited, a subsidiary of Liberty Holdings Limited, is pleased to officially launch the trading of the STANLIB Fahari I-REIT shares on the Nairobi Securities Exchange (NSE).

By way of a bell ringing ceremony, a tradition that symbolises the commencement of trading on the bourse, Kenya's first listed property income fund made its debut on the Alternative Investment Market Segment in the 'Real Estate Investments' sector of the NSE.

This follows the I-REIT's successful initial public offering (IPO), which raised over Sh3.6 billion, a material Sh1 billion above the Sh2.6 threshold required for listing. This means that investors did not just invest in the seed property portfolio, but the pipeline that will be acquired by the fund, underlining their overall bullish sentiment.

Speaking at the bell ringing ceremony, Prof. Jacob Kaimeny; Cabinet Secretary, Ministry of Land, Housing & Urban Development congratulated STANLIB on the successful listing of the STANLIB Fahari I-REIT saying "The Government will support the Real Estate Investment Trust segment by fast-tracking the process of validation."

Today marks a historic event not just in the Kenyan capital markets, but the region as well. This listing gives initial investors in the STANLIB Fahari I-REIT an opportunity to realise the value of their investment, and those who are keen to own a stake in the real estate sector an opportunity to acquire units on the secondary market, through the NSE.

The secondary market provides a bankable, scientific platform for price discovery, leading to a more stable and predictable property market and a more liquid securities offering. Investors will also get access to a stable and regular income stream and benefit from a robust and diverse pipeline of income-generating properties planned by the REIT managers.

As of 27 November 2015, investors could buy and sell units of the STANLIB Fahari I-REIT on the NSE.

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 regular distributions of the net income as prescribed by law. In the case of investors in the STANLIB Fahari I-REIT, distributions will be made twice a year.

The I-REIT is also exempt from corporate tax. That means that the I-REIT income is not subject to the current 30 percent tax on gross profits. This is not only a major benefit to the investors but also recognition of the role of the I-REIT in the economy and the resultant benefits in terms of job creation, regulating real estate pricing, unlocking capital, financial growth, lowering interest rates on borrowing, and deepening the capital markets.

The earlier launch of the offer for shares in the STANLIB Fahari I-REIT on 22 October 2015 coincided with the launch of the investment vehicle on the NSE and marked a first for East Africa's largest bourse, making it the fourth exchange on the continent to host a REIT market.

Commenting on the listing, Seelan Gobalsamy, STANLIB Group CEO says: "As we expand across Africa, we aim to focus on alternative assets and transactions that make a real difference in regions where we operate. Our

strategy has always been to identify gaps and present opportunities that help grow economies and further improve the business environment and facilitate trade. The STANLIB Fahari I-REIT is positioned to do exactly that.”

The landmark move by STANLIB to list an I-REIT on the NSE comes at a time when property as a listed asset class in Kenya capital markets is under-represented.

The I-REIT is envisioned to invest in properties across the real estate sector which will include shopping malls, offices, warehousing and residential, to name a few. It has already started investing in some of these sectors which include a modern shopping mall, offices and a warehouse. The STANLIB Fahari I-REIT team led by the CEO, Mr. Anton Borkum will continue to pursue suitable investment opportunities to enhance the overall portfolio mix and return.

Mr. Geoffrey Odundo, NSE CEO congratulated STANLIB for being the first to launch and finally list a financially inclusive offering in the form of the STANLIB Fahari I-REIT saying “This investment vehicle creates a convergence of issuers and investors while providing majority of Kenyans with a unique opportunity to own prime property”.

Speaking at the bell ringing ceremony, NSE Vice Chairman, Mr. Bob Karina reiterated these remarks saying “REITs provide an ideal avenue for price discovery for real estate assets, enhancing growth of our real estate sector. I urge Kenyans to invest in REITs to diversify their portfolios and encourage property owners and developers to look no further than the capital markets, as they seek to raise funds to finance their developmental projects”.

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.

“STANLIB would like to take the opportunity to thank the regulators, advisors and partners as well as the broader investor community for their support in enabling the launch of the STANLIB Fahari I-REIT,” concludes Mr Gobalsamy.

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NOTES TO EDITORS:

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.

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).