

Listed property

Investment management capabilities

The listed property market in South Africa allows us to invest in real estate investment trusts (Reits), which offer investors exposure to property-related opportunities on the Johannesburg Stock Exchange (JSE). Property loan companies and property unit trusts, listed on the JSE have been converted into Reits since April 2013. South African Reits are diverse and have invested in offices, retail, industrial, self-storage, as well as local and global residences and hotels.

Rules and regulations

Our portfolios are managed in accordance with many acts and regulations controlled by the Financial Sector Conduct Authority (FSCA). The FSCA is the regulator for all financial institutions. In addition, our governing body, the Association for Savings and Investment South Africa (Asisa), provides best practice guidelines to make sure the investor is the focal point of everything we do. Our property portfolios are compliant with Regulation 28 of the Pension Funds Act. In addition, the JSE has a set of requirements for Reits, including minimum dividend pay-out of 75% and loan-to-value ratio of 60%.

The role of property in a client's investment portfolio

If you want to diversify from traditional asset classes, you can have exposure to the property market without the large capital outlays associated with property investments. When you invest in Reits, you will receive an annual dividend payment and capital growth over time. Share prices could be volatile in the short term, therefore a long-term view beyond five years is required by investors to realise the capital growth opportunity.

Understanding the risk profile

The risks related to local and global real estate markets can be exchange rate movements, tax risks, political risks and macroeconomic risks. With the exposure to companies operating in foreign markets, the portfolio may experience the risk of repatriating dividends earned in foreign countries back to South Africa.

Our investment philosophy and process

Our philosophy is to invest in great property companies, at attractive valuations over a long-term investment horizon, using a fundamental research method. A fundamental research process is dynamic and flexible, as opposed to being rigid and failing to adapt to new information. This allows us to continually improve our investment research, while staying true to our investment philosophy.

Core to our approach is the belief that active investment research, supported by a disciplined investment process that focuses on risk management, is the cornerstone for superior investment returns.

Our investment process incorporates three pillars that identifies potential high-conviction investment opportunities within the listed property sector.



Portfolio outcomes

Long-term capital growth through listed property



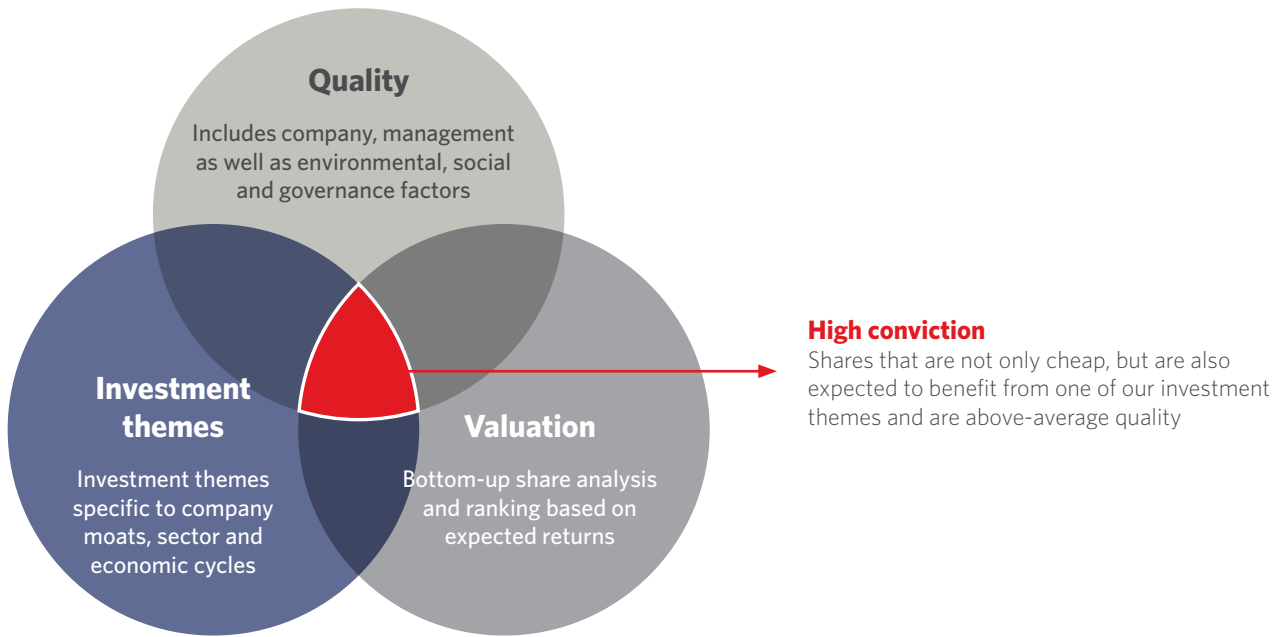
Investment horizon

More than 5 years



Risk

Medium to high



The best way to achieve consistency of investment returns is to consider the full range of possible outcomes.

Benchmark

We use the FTSE/JSE Listed Property Index J253T for all our property portfolios.

Responsible investing

Environmental, social, and governance (ESG) investing is integral in our investment process. Our investment process is supported by an experienced and highly rated team of ESG specialists. We see ESG as part of our duty to protect your money. We actively engage investment management teams on ESG issues. We have and will in future decline investment opportunities where our criteria for ESG are not met.

Property team



Pelo Manyeneng
Head: Listed property
BCom, CAIA, MIFM
Industry experience: 10 years



Lawrence Koikoi
Portfolio manager
BCom (Hons), CA(SA), PDP
Industry experience: 10 years



Madibana Letsoalo
Investment Analyst
BSc (Construction studies), BSc
Quantity Surveying
Industry experience: 5 years

Portfolio	Portfolio manager	Benchmark	Risk	Term
Diversified Property	Mohammed Sibda	FTSE/JSE Listed Property Index J253T	Moderate to high	5+ years
Property	Mohammed Sibda	FTSE/JSE Listed Property Index J253T	Moderate to high	5+ years



Mohammed Sibda
Senior Portfolio Manager
 BCom
 Industry experience: 20 years

momentum

investments

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