



PRESS RELEASE

For Immediate release

STANLIB Fahari I-REIT delivers a net profit of Ksh 106 million and maintains a Net Asset Value of KSh 19.81 per unit

STANLIB Fahari I-REIT has returned a net profit of Ksh 106 million, in the its inaugural 13 months ended 31st December 2016, since its successful listing at the Nairobi Securities Exchange. The REIT which was launched in the market in November 2015 also closed the period with a Net Asset value per unit of Ksh 19.81.

The first of its kind in the country and the region also saw its total revenues stand at Ksh 248.5 million in rental and related incomes, despite challenging economic conditions that prevailed in the year, as can be evidenced by the current bear run at the NSE.

“Distributable earnings stand at Kshs 98 million. The REIT manager has recommended and the REIT trustee has approved a total distribution of KSh 90.5 million which translates to approximately 92% of the distributable earnings. This compares favorably to a statutory minimum distribution of 80% as per the REITs regulations.” Said STANLIB Fahari I-REIT CEO Mr. Kenneth Masika

He further announced that the trustee has therefore approved a final dividend of 50 cents per unit.

The REIT has currently invested in 3 seed properties namely **Greenspan Mall, Bay Holdings and Signature International** at a total consolidated cost of Kshs 2.4 billion. The CEO indicated that the balance of the funds, amounting to approximately KSh1 billion, was then invested in near cash instruments, in line with the REIT Regulations

and our internal Investment Policy Statement, whose main aim is to maximise returns with minimal exposure to risk.

The STANLIB Fahari I-REIT CEO also outlined the REIT's management future plans which will include greater engagement with stakeholders, investors and the general public to increase education and awareness on the benefits & advantages of investing in this innovative investment product. **“We intend to undertake this predominantly through roadshows and various media activities. We shall also be engaging with the regulator and industry stakeholders especially the NSE to roll out a major awareness campaign. We believe this will enlighten particularly the retail investor and the general public in making more informed investment decisions.”** Masika added.

STANLIB Fahari I-REIT will also actively seek out quality property assets that will not only be income accretive, but will also introduce diversification into the existing portfolio. At the same time at its current size the I-REIT remains relatively small in scale and limited in terms of the maximum returns it can give investors. In order to grow the fund the management will be coming back into the market at an appropriate time, with a view to raise additional capital.

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