

SOUTH AFRICAN LISTED PROPERTY REVIEW

The SA Listed Property Index (J253) recorded a positive return of 1.91% for July 2014. The yield to maturity (YTM) on the Long Term Government Bond Index ended the month at 8.31% (8.33% - 30 June 2014). The SA listed property historic yield ended the month at 6.97% (6.97% - 30 June 2014). The SA listed property sector historic rolled yield was trading at a premium spread of 1.23% to the Long term Government Bond yield to maturity at 31 July 2014 (vs. 1.36% at the end of June 2014).

Asset Class	MTD	YTD	12 - months
SA Listed Property ¹	1.91%	8.37%	8.00%
SA Bonds ³	1.02%	4.42%	7.22%
SA Equities ²	0.93%	12.81%	28.31%
SA Cash ⁴	0.49%	3.26%	5.49%

Source: Catalyst Fund Managers, RMB Credit Research

Note: 1-SA Listed Property Index, 2-All Share Index, 3-All Bond Index, 4-Stefi

SA Listed Property recorded the highest total return (1.91%) of the four traditional asset classes for July 2014. SA Bonds (1.02%) and Equities (0.93%) were the next best performing asset classes. For the last 12 months SA Equity remains the asset class that has recorded the highest total return (28.31%), followed by SA Listed property (8%), SA Bonds (7.22%) and SA Cash (5.49%).

Redefine announced an equity raise and raised an aggregate of R1.5 billion in its accelerated book build at a price of R9.30 per linked unit. Emira Property Fund also raised equity amounting to R310 million during the month at a price of R13.95.

Compiled by:

Paul Duncan
CFA

Jamie Boyes
CA(SA)

Andrew Cattell
B.Comm

Tiffany Jones
CA(SA)



André Stadler
CFA

Zayd Sulaiman
CA(SA)

Curwin Rittles
CA(SA)

Mvula Seroto
CA(SA)

During the month, two offshore property funds released interim results, namely Intu Plc and New Europe Property Investment Plc. Intu Plc achieved a NAV per share of 372pence, representing like for like growth of 7.6% for the 6 months ended 30 June 2014. Intu declared a distribution per share of 4.6pence, which represents a flat nominal growth compared to the six months ended 30 June 2013. Nepi announced a distribution of 14.16 euro cents per share for the period ended 30 June 2014. This represents a 15% distribution growth when compared to the previous period.

Capital released its interim financial results for the period ended 30 June 2014. The company announced a distribution of 39.22cents per share, representing an increase of 10.23% to the prior comparable period. Tower Property Fund released its maiden results for the year ending 31 May 2014. The company reported a distribution for the year of 74.6 cents per share.

August is a busy time for the SA listed property sector in terms of reporting results. A total of 10 companies will be reporting either full year or interim results in the month. These company results and commentary will give investors good insight into how the direct property fundamentals are likely to impact the outlook for income distribution growth.

Company / Fund	Year end	Results dates *(expected)
Resilient	June	5-Aug-14
Rockcastle	June	12-Aug-14*
Fortress	June	12-Aug-14*
Emira	June	13-Aug-14*
GOZ	June	18-Aug-14*
Hospitality A	June	20-Aug-14*
Vunani / Texton Property Fund	June	25-Aug-14*
SA Corporate	December	26-Aug-14
Growthpoint	June	27-Aug-14
Hyprop	June	29-Aug-14
Fairvest	June	5-Sep-14



SOUTH AFRICAN LISTED PROPERTY REVIEW

Property fundamentals remain challenging in the direct real estate environment. Capital markets remain volatile and managing interest rate risk for listed property companies will be high on the agenda. Despite this, listed real estate companies are likely to continue to deliver inflation type income distribution growth over the next 12 months. The SA listed property sector trades at a historic yield of 6.97%. Assuming 12 months distribution growth of approximately 7%, the SA listed sector offer a forward yield of approximately 7.46%. This remains an attractive proposition relative to the other fixed income investments.

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SECTOR SNAPSHOT

31 July 14 RSA Long term gilt (RLRS) 8.31 %

Share	Market capitalisation	Close	Historic Rolled yield	NAV	Premium or Discount of clean price to NAV	Average monthly trade R mil	Debt%
COMBINED MARKET CAP							
WEIGHTED INDEX	302 858 470 500		6.97%		19.58%	7 053.39	34.10%
GROWTHPOINT	56 711 420 000	2482	6.7%	2103	11.8%	2 533.4	29.1%
REDEFINE	32 809 080 000	962	7.8%	922	2.9%	1 086.6	41.3%
NEW EUROPE PROP	22 284 590 000	9899	4.3%	5613	74.0%	218.8	16.1%
HYPROP	20 178 090 000	8295	5.7%	7192	13.1%	664.4	28.2%
RESILIENT	20 035 730 000	6410	5.2%	4577	37.4%	261.0	38.0%
CAP PROP	19 377 910 000	1155	7.2%	1015	10.3%	454.1	24.3%
ATTACQ	13 200 030 000	1840	N/A	1289	42.8%	N/A	38.1%
RI PLC	12 183 320 000	940	6.6%	567	63.6%	112.3	70.6%
ACUCAP	10 828 470 000	4505	7.4%	3907	14.4%	265.8	41.9%
FOUNTAINHEAD	9 324 930 000	802	7.3%	748	5.3%	202.3	26.6%
VUKILE	8 588 530 000	1660	8.5%	1499	9.4%	187.0	31.9%
SA CORPORATE	8 389 060 000	420	8.4%	368	10.9%	198.7	18.3%
EMIRA	7 348 620 000	1452	8.8%	1360	3.4%	249.5	33.1%
FORTRESS-A	6 725 000 000	1585	7.7%	1445	6.6%	167.6	30.0%
SYCOM	5 603 690 000	2800	6.7%	2794	-0.5%	109.1	33.7%
INVESTEC PROPERTY FUND	5 434 400 000	1430	7.9%	1399	1.0%	71.6	16.8%
FORTRESS-B	4 688 410 000	1105	3.7%	587	86.3%	15.6	87.4%
REBOSIS	4 213 190 000	1090	9.1%	1162	-7.8%	87.7	36.1%
DELPROP	3 603 830 000	799	9.8%	887	-11.7%	72.8	43.8%
ACCPROP	3 450 150 000	540	8.9%	590	-9.0%	N/A	38.8%
PREMIUM	2 963 010 000	1890	8.4%	2015	-7.6%	40.2	36.7%
OCTODEC	2 640 330 000	2250	8.0%	2281	-2.7%	60.9	34.6%
HOSPITALITY-A	2 411 560 000	1726	8.5%	1097	52.5%	49.1	34.6%
ARROWHEAD A	2 343 640 000	759	8.6%	629	19.0%	60.3	22.9%
ARROWHEAD B	2 334 370 000	756	8.5%	629	18.7%	48.1	61.0%
VUNANI	1 621 880 000	959	9.0%	878	5.9%	31.6	17.4%
DIPULA-A	1 615 100 000	1049	8.4%	792	30.3%	13.7	40.1%
IAPF	1 521 940 500	1130	6.7%	1191	-6.0%	N/A	14.4%
VIVIDEND	1 470 460 000	548	9.2%	522	4.1%	57.2	37.5%
ASCENSION-A	1 451 650 000	470	8.8%	444	2.1%	15.0	35.5%
SAFARI	1 360 000 000	800	6.3%	773	3.2%	4.0	28.3%
TOWER	1 269 240 000	925	9.2%	907	-1.9%	29.7	37.7%
DIPULA-B	1 123 530 000	720	9.9%	792	-1.1%	10.1	69.5%
Ascension-B	978 530 000	260	9.1%	211	19.5%	8.0	67.8%
SYNERGY B	781 690 000	735	8.2%	772	-7.5%	5.6	62.4%
FAIRVEST	738 690 000	140	10.2%	153	-12.4%	7.7	28.0%
HOSPITALITY-B	733 530 000	525	7.0%	1097	-52.6%	24.8	92.9%
SYNERGY A	520 870 000	1100	8.2%	941	13.4%	15.1	41.2%

INFORMATION SOURCE AND METHODOLOGY

*	Catalyst Calculations of effective and see-through gearing
Data	I-Net Bridge unless stated otherwise
Calculations and forecast estimates	Catalyst Fund Managers
Rolled yield	Time weighted current 12 month historic distribution divided by the clean price. NAV is defined as (Total Assets - Total Liabilities)/ Total shares in issue at statement date (Calculation includes deferred Tax Liability)
Debt%	Balance sheet long term interest bearing debt / income earning property assets, adjusted for see-through debt where information provided
N/A	Note the Historic yield was calculated excluding the new listings Attacq, Investec Australia Property Fund and Accelerate Property Fund

INDIVIDUAL SHARE PERFORMANCE

Historic performance for 2014								
Individual stock performance								
Total return	Jan	Feb	Mar	Apr	May	June	July	YTD
REIT Index	-5.67%	4.27%	2.67%	3.56%	0.63%	2.65%	2.09%	10.29%
PUT Index	-8.38%	4.75%	6.04%	3.87%	-1.53%	1.62%	4.48%	10.51%
PLS Index	-6.70%	-1.15%	2.49%	0.00%	0.00%	0.00%	0.00%	-5.48%
SA Listed Property Index (SAPY)	-7.13%	4.66%	4.76%	2.32%	-1.26%	3.37%	1.91%	8.37%
Capped Property Index (PCAP)	-4.04%	3.69%	2.15%	2.92%	0.53%	2.53%	2.04%	10.03%
FORTRESS-B	19.67%	-8.68%	-6.66%	0.11%	5.46%	4.17%	10.50%	23.96%
SYCOM	-11.29%	2.40%	1.77%	16.09%	-3.63%	4.26%	8.40%	16.89%
TOWER	0.00%	0.71%	5.81%	7.40%	-5.44%	0.47%	8.19%	17.62%
CAP PROP	-8.92%	6.10%	5.97%	1.15%	-0.94%	1.90%	7.94%	12.86%
RESILIENT	-5.95%	6.56%	5.26%	1.86%	-1.42%	5.72%	6.74%	19.55%
OCTODEC	-6.74%	-1.67%	9.04%	4.92%	10.44%	-0.61%	5.39%	21.38%
INTUPROP	6.54%	0.24%	-6.08%	4.13%	8.11%	1.36%	4.63%	19.75%
NEW EUROPE PROP	4.30%	-1.75%	7.86%	-1.60%	3.18%	7.78%	4.20%	26.03%
FOUNTAINHEAD	-1.08%	1.23%	1.48%	5.72%	-1.70%	2.52%	3.89%	12.48%
ATTACQ	2.25%	-2.47%	1.41%	0.00%	0.56%	-2.10%	3.84%	3.37%
HYPROP	-5.29%	6.63%	2.47%	2.45%	0.51%	1.13%	3.79%	11.84%
ASCENSION-B	0.00%	2.24%	-8.16%	11.11%	4.00%	-3.46%	3.59%	8.50%
ROCKCASTL	5.36%	-3.05%	1.12%	3.57%	4.48%	12.08%	2.59%	28.51%
SA CORPORATE	-7.27%	3.51%	8.94%	3.25%	-0.97%	0.24%	2.44%	9.80%
ACUCAP	-9.42%	0.76%	0.50%	18.37%	-6.55%	3.28%	2.27%	7.18%
DELPROP	-7.05%	-1.74%	6.96%	0.59%	-2.95%	-0.13%	1.78%	-3.05%
HOSPITALITY-B	-3.81%	7.72%	2.90%	-3.89%	4.05%	-3.70%	0.96%	3.66%
FAIRVEST	-7.19%	-0.78%	1.56%	0.00%	0.00%	0.00%	0.72%	-5.80%
GROWTHPOINT	-9.60%	7.06%	7.35%	-0.41%	-3.29%	5.23%	0.36%	5.69%
REDEFINE	-9.14%	6.67%	1.17%	4.08%	-2.89%	3.12%	0.31%	2.52%
ARROWHEAD B	-7.16%	8.35%	1.95%	5.54%	4.97%	1.50%	0.13%	15.47%
SYNERGY A	3.09%	5.50%	3.71%	2.38%	2.33%	0.00%	0.00%	18.17%
ANNUITY	-9.26%	6.00%	0.57%	3.19%	0.36%	4.30%	0.00%	4.49%
ARROWHEAD A	-4.49%	4.39%	3.87%	4.86%	3.81%	1.90%	-0.13%	14.74%
HOSPITALITY-A	-0.30%	-2.91%	5.77%	2.78%	1.20%	2.67%	-0.23%	9.08%
FORTRESS-A	-3.95%	1.91%	2.56%	2.47%	4.02%	6.07%	-0.31%	13.16%
EQUITES						4.50%	-0.48%	4.00%
VUNANI	-2.59%	0.00%	4.30%	0.00%	-1.91%	4.66%	-0.62%	3.65%
EMIRA	-10.70%	6.42%	7.85%	3.07%	-1.31%	3.09%	-1.22%	6.15%
VIVIDEND	-5.21%	5.93%	2.70%	8.31%	6.25%	2.76%	-1.24%	20.43%
SYNERGY B	6.15%	0.00%	7.18%	12.68%	-2.50%	-4.49%	-1.34%	17.78%
PREMIUM	-5.98%	0.00%	12.06%	-5.35%	13.68%	1.05%	-1.82%	12.47%
IAPF	0.44%	8.41%	-4.00%	-1.45%	-1.21%	3.37%	-1.91%	3.20%
CAPCO	15.04%	3.86%	-8.16%	-4.52%	1.87%	-1.25%	-2.24%	3.05%
VUKILE	-9.88%	5.25%	4.37%	0.24%	2.15%	3.83%	-2.52%	2.59%
INVESTEC PROPERTY FUND	-6.25%	-3.70%	11.46%	2.14%	0.00%	3.33%	-2.72%	3.31%
ASCENSION-A	-2.25%	12.54%	1.28%	0.00%	2.95%	-0.82%	-3.09%	10.25%
RI PLC	-11.43%	-2.21%	5.98%	5.53%	2.72%	-1.76%	-3.69%	-5.85%
DIPULA-A	-0.52%	0.52%	8.25%	4.76%	-2.27%	6.56%	-4.64%	12.62%
DIPULA-B	-2.04%	0.00%	4.17%	3.47%	-3.35%	6.24%	-5.26%	2.70%
REBOSIS	-9.94%	2.32%	2.45%	2.65%	-0.13%	4.05%	-5.63%	-4.97%
SAFARI			0.00%	12.06%	-3.40%	5.42%	-5.88%	7.41%
ACCPROP	-1.54%	-7.84%	4.26%	-1.84%	4.99%	15.64%	-7.53%	4.25%

INFORMATION SOURCE AND METHODOLOGY

Data I-Net Bridge unless stated otherwise
 Calculations and forecast estimates Catalyst Fund Managers
 # Suspended / Delisted / Not yet listed

SECTOR SNAPSHOT

Ascension Properties Limited

Ascension advised linked unit holders that chief executive officer, Ashraf Mohamed, had resigned from the board of directors of Ascension with immediate effect from the 1st of August 2014.

Acucap Property Fund Limited

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
PA Theodosiou	Off- market*	7 July 2014	131 410	R45.34
R Steyn	Off- market*	7 July 2014	9 280	R45.34
FM Berkeley	Off- market*	14 July 2014	132 108	R47.96

* Off-market disposal of Sycom Units through acceptance of the Follow-On Offer and concurrent off-market acquisition of Acucap Shares

Arrowhead Properties Limited

Arrowhead advised unit holders that the company received notification from Public Investment Corporation Limited of the acquisition by PIC of Arrowhead A-linked units, such that PIC's beneficial interest in Arrowhead A-linked units increased from 4.820% to 5.180%.

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
ApexHi Charitable Trust***	Purchase*	03 July 2014	54 170	R7.40
ApexHi Charitable Trust***	Purchase*	03 July 2014	30 000	R7.41

*B – Linked units

**A – Linked units

*** Gerald Leissner and Taffy Adler, who are trustees of the ApexHi Charitable Trust

Capital Property Fund

Capital released its interim financial results for the period ended 30 June 2014. The company achieved a distributable income of 39.22cents per share, representing an increase of 10.23% to the prior comparable period.

Capital & Counties Properties Plc

Capco advised unit holders that the total interest in ordinary shares of 25 pence held by Public Investment Corporation Limited has decreased to below 5%.

Delta International Property Holdings Ltd

Delta International advised unit holders that it had successfully raised a total equity of US\$87 million through the issue of new Delta International shares at the Rand equivalent issue price of US\$2.00 per share. The proceeds of the equity raise will be used to partially fund the acquisition of a portfolio of African real estate assets in Morocco and Mozambique.

Delta International further advised unit holders that Paul Simpson, having played a key role in establishing Delta International, will now be moving into a strategic advisory role as an executive director for the company and that Louis Schnetler will be joining Delta International as Chief Executive Officer with effect from 1 August 2014.

Emira Property Fund

Emira advised unit holders that it had entered into a binding agreement to acquire a diversified property portfolio situated in the Western Cape and Gauteng. The portfolio consists of eight assets comprising 48% retail, 37% office, and 15% industrial. These acquisitions represent properties with a total value in excess of R1.4 billion.

Emira further advised unit holder of an accelerated book build, managing to raise R310 Million at a price of R13.95 per participatory interest. This represents a 2.9% discount to the 30 day volume weighted average price.

Fountainhead

Redefine advised unit holders that it has entered into an agreement with Fountainhead and Fountainhead Property Trust Management Limited (FPTML) in terms of which Fountainhead will dispose of all its assets, including the entire Fountainhead property portfolio in exchange for 82 new Redefine shares for every 100 Fountainhead units in issue and the assumption by Redefine of all of Fountainhead's liabilities, including Fountainhead's interest-bearing debt. The transaction is still subject to shareholder approval and the parties will not implement the transaction unless and until the JSE has approved such listing.

SECTOR SNAPSHOT

Fortress

Fortress linked unit holders were advised that Mr Craig Hallowes had been appointed to the board of directors of Fortress as an executive director with effect from 9 July 2014.

Fortress further advised unit holders that Sanlam Investment Management Proprietary Limited, on behalf of its clients, had decreased its beneficial interest in Fortress A linked units to 4.98%.

Fortress further advised unit holders that it anticipates distributable income for the year ended 30 June 2014 to be between 14% and 15% higher and its distribution per B linked unit for the year ended 30 June 2014 to be between 49% and 54% higher than for the year ended 30 June 2013.

Growthpoint

Growthpoint advised unit holders that the Government Employees Pension Fund(GEPF) disposed of an interest in the ordinary shares of the Company, such that the total interest in the ordinary shares of the Company held by GEPF now amounts to 10.96% of the total issued ordinary shares of the Company.

Unit holders were further advised that Southern Palace Properties (Pty) Ltd acquired an interest in the ordinary shares of the Company, such that the total interest in the ordinary shares of the Company held by Southern Palace amounts to 7.95% of the total issued ordinary shares of the Company.

Hyprop

Hyprop advised unit holders that at the debenture holders scheme meeting held on Tuesday, 15 July 2014, all resolutions required to be passed by Hyprop debenture holders to approve the transactions were passed by the requisite majority of debenture holders; and at the shareholders general meeting held on Tuesday, 15 July 2014, all resolutions required to be passed by Hyprop shareholders to approve the transactions were passed by the requisite majority of shareholders.

Intu PLC

Intu released its results for the interim period ending 30 June 2014. The NAV per share for the company increased to 372 pence, representing a 7.6% like for like growth to 6months ended 30 June 2014. The company managed to achieve a distribution per share of 4.6 pence, which represents a flat nominal growth to the six months ended 30 June 2013.

Investec Property Fund

Investec Property Fund advised shareholders of the unfortunate and untimely passing of Michael Crawford, the Lead Independent Non-Executive Director of the Fund, on 30 June 2014.

Shareholders were further advised that all resolutions set out at the annual general meeting held on the 25 July 2014 were passed by the requisite majority of shareholders.

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
Luigi LM Giuricich	Purchase	21 July 2014	52 572	R13.7
Luigi LM Giuricich	Purchase	21 July 2014	210 290	R13.7

New Europe Property Investments (Nepi)

Nepi released its interim results for the six months ended 30 June 2014. Nepi announced a distribution of 14.16 euro cents per share representing a 15% distribution growth when compared to the previous period.

Premium

Premium advised unit holders that there had been no changes to the reviewed financial results, with the exception of the calculation of headline earnings per share and the statement of cash flows. The change arose as a result of Premium receiving an extraordinary dividend from IPS Investments Properties Limited.

Redefine

Redefine advised unit holders that it issued approximately 161.3 million linked units at a price of R9.30 per linked unit, raising an aggregate amount of R1.5 billion through an accelerated book build placed on 03 August 2014.

Redefine advised linked unit holders that Coronation Asset Management (Pty) Ltd acquired Redefine linked units, such that Coronation's total beneficial interest in the company is 5.48% of Redefines issued linked units.

Unit holders were further advised that independent non-executive director Robert Robinson had, with effect from 4 July 2014, resigned from the board of directors of

SECTOR SNAPSHOT

Redefine to pursue other property projects and property investment opportunities, which may give rise to a potential conflicts of interest in the future if he were to remain on the board.

Redefine advised unit holders that it has entered into an agreement with Fountainhead and Fountainhead Property Trust Management Limited (FPTML) in terms of which Fountainhead will dispose of all its assets, including the entire Fountainhead property portfolio in exchange for 82 new Redefine shares for every 100 Fountainhead units in issue and the assumption by Redefine of all of Fountainhead's liabilities, including Fountainhead's interest-bearing debt. The transaction is still subject to shareholder approval and the parties will not implement the transaction unless and until the JSE has approved such listing.

Resilient

Resilient released a trading statement advising unit holders that it anticipates the distributions for the 2014 financial year to increase by between 20% and 21%.

Rockcastle

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
Spiros Noussis	Purchase	27 June 2014	7,320	R16.98

SA Corporate

SA Corporate advised unit holders that Mr Arthur Moloto has been appointed as an independent non-executive director of the Fund with effect from 7 July 2014. Mr Moloto holds a M.Sc. in Finance and Financial Law from the University of London. He is currently a non-executive director of Kansai Plascon and was previously a Member of Parliament and Chairman of the Government Employees Pension Fund and Pan African Infrastructure Development Fund.

Sycom

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
Frank Berkeley	Sale	1 July 2014	2,189	R26.30

Name	Type	Date	Volume	Price
Frank Berkeley	Sale	2 July 2014	2,189	R26.30
Frank Berkeley	Sale	3 July 2014	712	R26.30
Frank Berkeley	Sale	4 July 2014	142	R26.30

Synergy Income Fund Limited

Synergy referred unit holders to the cautionary announcements published on SENS on 29 January, 12 March, 29 April and 12 June 2014 and advised that the discussions referred to therein are still ongoing. Accordingly, linked unit holders are advised to continue to exercise caution when dealing in their linked units until a further announcement is made.

Tower Property Fund

Tower Property Fund released its maiden results for the year ending 31 May 2014. The company reported a final distributable income for the year of 74.6cents per share.

Vunani / Texton Property Fund

Vunani advised shareholders that at the Annual General Meeting of the company all the resolutions put to the Annual General Meeting were duly approved by the requisite majority.

Vukile

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
Ina Lopion	Sale	1 July 2014	23 602	R16.99
Johann Neethling	Sale	1 July 2014	1 657	R16.99
Johann Neethling	Sale	3 July 2014	2 442	R16.55