



PROPERTY LOAN STOCK  
ASSOCIATION



## Long-term income creation

Returns in the listed property sector for 2007 have been notably strong at nearly 16% for the first quarter.

There is an incredible demand for property as an asset class and the high levels of corporate activity as well as a significant increase in interest from international investors and sizeable institutional investors such as the Public Investment Corporation (PIC) are evidence of this.

The abundance of appetite for listed property is supported by strong property market fundamentals which are driving high levels of distribution growth.

About 60% of the listed property sector made distribution announcements in February 2007. Together these reflected an average growth in distributions to investors of 15,3%.

Income streams, which are ultimately derived from rental income growth, are growing strongly with almost all non-residential property full to capacity and very little space available.

Supply will have to come from new development, with building cost increases expected to continue well above inflation to 2010, and possibly

beyond, in addition to the significant increases in land prices, this will further increase rentals.

The income growth of listed property is undoubtedly positive. Yields have contracted and property is being priced more like an equity instrument than a bond instrument. With this comes a higher level of volatility, making listed property more susceptible to changes in mood from the market. "Certainly for the next three-year term property fundamentals will stay strong and income growth good," says Catalyst Fund Managers' Portfolio Manager, Andre Stadler.

Stadler adds that listed property remains ideal for investors seeking to achieve future income requirements and specifically long-term income creation, where it is more effective than both cash and bonds.

Listed property forms an important part of all balanced investment portfolios with the percentage of investment differing depending on personal circumstance and economic cycles. Most pension funds allocate between 5% and 15% of their investment to property, with a few investing as high as 25%.

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# Sector insight

**Norbert Sasse,**  
PLSA Chairman



South African property continues to deliver outstanding performance and sterling results for investors. It is one of the top-performing property markets in the world. According to IPD (Investment Property Databank) the South African commercial property market achieved total returns of 26,7% in 2006.

Internationally these results compare favourably to other countries measured by IPD, and the South African return of 26,7% was second only to Ireland which recorded marginally higher returns of 27,2%. Other IPD index results for 2006 published so far are: Canada (18,6%), United Kingdom (18,1%), Denmark (17,8%), Norway (17,6%), Sweden (16,2%), Netherlands (12,5%) and Portugal (12,0%).

2006's strong returns were slightly below the 2005 overall property return of 30,1%, signalling a levelling of a very strong property cycle. IPD reports that returns were buoyed by strong capital growth of 16,2%, which compares to 18,2% in 2005. The income return component was 9,2%, down from 10,2% in 2005. Capital growth was driven by strong net income growth of 11,4%, the highest since 1997, and a further sharp contraction of year end net income yields to 8,2%. Vacancies have continued to fall on the back of increasing demand and were down to a mere 4,2% for total property at the end of 2006.

For the second consecutive year, the industrial sector led the pack with a return of 31,1%. Retail slipped from 32,6% in 2005 to a lower but still impressive 27,4%. The office sector lagged as has been the pattern over the last five years, with a total return of 24,5%.

While industrial property looks likely to hold its top-performing position for 2007, it may well be the year that offices step up to second position and surpass the performance of retail property.

IPD confirms that equities and PLS outstripped the direct property index at 41,2% and 33,8% respectively, with property unit trusts and bonds trailing behind at 16,2% and 5,5% respectively. Over a 12-year period property marginally outperformed equities at 15,8% vs. 15,6%.

Already, during the first quarter of 2007, the total returns of property loan stock of 15,95% are nearly half of what was achieved for the entire 2006.

Strong property fundamentals continue to underpin earnings growth and together with the re-rating of the South African property sector, this bodes well for the future.

# The retail the

*The retail investor is an increasingly talked about element of listed property investment. But who is the retail investor? What are their investment objectives and habits and why are they mentioned frequently in conjunction with volatility in the listed property sector? Here are two perspectives from leading asset managers:*



**Garreth Elston**

*Asset Manager, Absa Commercial Property Finance*

*Garreth Elston is responsible for the management of Absa CPF's portfolio of listed property investments. He also serves as the Deputy Chairman of the Investment Analysts Society of Southern Africa, is a Fellow of the South African Institute for Financial Markets and a member of the Institute of Bankers in Southern Africa.*

Who is the retail investor? This is a question often asked, but which seldom has a single answer.

Retail investors range from relatively unsophisticated novices dabbling in the stock market looking for quick and easy profits, to sophisticated high-net-worth individuals leveraging their individual skills in concert with their investment advisor/s to manage multi-million rand portfolios.

As regards listed property retail investors, especially individual investors, they typically comprise the largest number of unitholders but generally hold a relatively small percentage of overall units.

It should also be borne in mind, that retail investors may also be involved in the market in their capacity as significant investors in unit trusts and increasingly in alternative investment vehicles, such as hedge funds.

The "average" retail investor is generally looking at ensuring long-term capital growth, with a low-to-medium risk appetite and is still relatively unsophisticated in dealing with the investment market.

The varying levels of sophistication often result in their overreacting to market volatility and engaging in overactive trading. While they are often blamed for increasing volatility, market studies have not been able to prove conclusive links and when coupled to the relatively small holdings of retail investors versus institutional, this link might be overstated.

# investor and listed property sector

Retail investors are seen as a growing investor class, compelled by lower pension fund returns and longer life expectancies that are driving them to seek alternative means to achieve improved investment returns.

Traditionally, smaller retail investors have been at an informational disadvantage compared to larger retail or institutional investors, primarily being reliant on the press, company websites and annual general meetings for information and interaction. With the growing amount of investment research, tools, news and opinions available online, however, it is foreseeable that this gap will narrow in the next few years.

In order to drive retail trading growth, many online brokers are now offering investor education seminars from basic to advanced levels and significantly reducing the costs of trading.

Due to resource constraints, however, it is unlikely that the retail investor will catch up to institutional investors from a research, technology or sophistication (e.g. derivative trading) aspect.

The best advice for the average retail investor would be to seek professional investment advice and not be afraid to pay to receive the best advice possible.

Listed property companies can also play an important role by providing potential retail investors access to detailed, timeous and transparent information on their companies through active shareholder communication as well as providing pertinent detailed investment information on company websites.

Through this consistent information sharing and education on the benefits of listed property from an income and risk perspective, listed property companies will improve retail investor confidence in their asset class.



**Evan Jankelowtiz**

*Asset Manager, Stanlib*

I have always compared investing in the markets to my childhood family vacations. The journey was frequently bumpy and somewhat painful, but more often than not we reached our destination. Buying a stake in a company on the exchange provides for much the same experience; markets go up as well as down! Yes, there will be moments of pain and anguish, but if you stick it out for the entire ride, the

chances are that you will reach your objective.

So then why do investors turn around half way into their journey when they hit a speed bump? Well they don't! This is because investing is a long-term undertaking. The average person however, who we refer to as the 'retail investor', often acts contrary to the pure practice of investing and never leaves the city limits.

There are two reasons for this: They are either misinformed as to the nature of the investment or in a position where emotions dominate their investment decisions.

It's all in the name; this property is 'listed', and like any listed instrument its capital values are subject to the demand and supply dynamics of the market.

This phenomenon is amplified by the fact that the sector is relatively illiquid (smaller, perhaps not representative, trades can have significant impact) and the level of hasty retail investors is prominent.

Investing in listed property for the right reasons means purchasing it as a component of a diversified investment portfolio or holding it for its growing income stream and the potential of long term capital appreciation. In the short-term, irrational and even unjustified events can distort prices (as we saw in the 25% fall in listed property prices in mid-2006), however over time sanity does prevail and the true value of an asset should come to the fore (we saw property recover by over 50% since its drop last year).

Emotional investing doesn't help either. Together with their brokers, thousands of individuals set up long-term investment plans to meet their respective needs. Most of the time these investors understand the prospect of short-term volatility and agree to focus on an end goal, however when prices ebb and flow and the butterflies start crashing into the stomach walls, logic flies out the window. My advice is that before any action is taken one should consult their original investment objective.

Listed property has justified its merits; however it isn't the elixir of financial prosperity. Used correctly in a balanced portfolio or held for its long-term benefits of attractive annuity streams and potential capital growth, listed property should make for a satisfied investor.

The problem lies in the case where investors react to short-term market movements instead of keeping to their original long-term investment horizon. As we all know in every Disney classic we have to sit through the entire screening to reach the happy ever after...

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**ABSA**

# FEATURED FUNDS

## CALULO PROPERTY FUND

### FUND FACT BOX (as at 31 December 2006):

Market capitalisation:	R297 574 000
Number of properties:	24
Value of properties:	R507 000 000
Net asset value/unit:	208 cpu
Price/unit:	330 cpu
JSE code:	CLO

### Top three shareholders and percentage share held:

Pangbourne Properties Limited	63,4%
Micawber 398 (Pty) Limited	18%
Stanlib Funds	8,7%

Following Pangbourne's acquisition of a strategic 63,3% stake in Calulo, the company's stated objectives are to establish a high quality office focused fund with assets in excess of R2 billion and a market capitalisation in excess of R1 billion in the medium term. The specialist office fund strategy will position Calulo to take advantage of the opportunities in the commercial property market which, due to positive economic growth and improved business confidence, is experiencing a notable growth in demand. During the growth of the Calulo Fund, it is envisaged that Calulo Investments, Calulo's black empowerment partner, will maintain its 18% shareholding.

## GROWTHPOINT PROPERTIES LIMITED

### FUND FACT BOX (as at 8 March 2007):

Market capitalisation:	R15,8 billion
Forward yield:	over 7%
Number of properties:	435
Value of properties:	R20,1 billion
Net asset value/unit:	R10,55
Price/unit:	R14,65
JSE code:	GRT

### Top five shareholders and percentage share held:

Investec (includes Investec Employee Benefits)	13,8%
BEE Consortium	12,9%
Old Mutual	12,1%
Stanlib	9,6%
PIC	5,1%

Growing from a market capitalisation of R30 million in August 2001, Growthpoint is now the largest listed property company with a market cap of approximately R16 billion and assets exceeding R20 billion. Growthpoint is also the most diversified listed property company in South Africa with exposure to retail, office and industrial properties. Geographically, 95% of Growthpoint's properties are located in Johannesburg, Pretoria, Cape Town and Durban. The portfolio has no exposure to the Johannesburg and Durban CBD's. During the past three years Growthpoint has shown consistent growth in distributions averaging over 10% and total returns exceeding 35%. Growthpoint is underpinned by strong fundamentals with a debt to asset ratio of 42%, interest cover of 2.8 times, low interest rate risk and rental escalations averaging 8%.

## OCTODEC INVESTMENTS LIMITED

### FUND FACT BOX (as at 28 February 2007):

Market capitalisation:	R1,25 billion
Historic yield:	5,5%
Number of properties:	104
Value of properties:	R1,6 billion
Net asset value/unit	(31 Aug 2006): R11,25
Price/unit:	R16,00
JSE code:	OCT

### Top five shareholders and percentage share held:

Directors and family	30,4%
Stanlib	11,7%
Liberty Group	10,2%
Investec Property equity fund	3,8%
Oasis Property equity fund	2,4%

Octodec was listed in 1990 and is one of the oldest established funds in the sector. Its property investments are situated in Gauteng with 63% of the rental income received from retail shopping centres and the remainder from properties situated in the Pretoria and Johannesburg CBD's and surrounding areas. The retail portfolio comprises of five prominent shopping centres including Killarney Mall and Woodmead Value Mart. Octodec continues to actively pursue its strategy of acquiring properties in the Pretoria and Johannesburg CBD's and surrounding areas, and unlocking the value of the portfolio through development and refurbishment.

## Property in the headlines

### Local

- Consolidation in listed property (*Witness Weekend, Money, 10 Mar 2007*)
- Skills shortage will curb growth, warns expert (*Business Day, 7 Mar 2007*)
- Rosebank's building boom (*Building Africa, 1 Mar 2007*)
- Lift regulations affect property owners (*SA Builder, 1 Febr 2007*)
- The REIT Stuff (*South African Property Review, 1 Jan 2007*)

### International

- SA Property Market 'is booming' (*Assetz News, Stockport, Cheshire, UK, 16 Mar 2007, www.news.assetz.co.uk*)
- Property prices to increase 10% in next 6 months (*Indian Express, New Delhi, 15 Mar 2007, www.indianexpress.com*)
- Young Brits invest in NZ property (*TV3 News, Auckland, New Zealand, 14 Mar 2007, www.tv3.co.nz/News*)
- Property investors changing (*NEWS.com.au, Australia, 15 Mar 2007, www.news.com.au*)
- 'REIT' and wrong ways to invest in property assets (*Bangkok Post, Klong Toey, Bangkok, Thailand, 12 Mar 2007, www.bangkokpost.com*)
- German property set for "significant" boost (*Assetz News, Stockport, Cheshire, UK, 9 Mar 2007, www.news.assetz.co.uk*)

Rock Solid Knowledge. Broad Based Experience.

# The Road to REITs



**Andrew Brooking**  
Java Capital

Last year consensus was achieved that a best-of-breed REIT (Real Estate Investment Trust) structure, in line with international standards, should be the definitive goal of the listed property sector.

To formulate and steer the process, Andrew Brooking of Java Capital was appointed as the driving force, supported by a working group comprising representatives of the PLSA, invited participants from unlisted property loan stock companies, the South African Property Owners Association (SAPOA) and Association of Property Unit Trusts (APUT).

Here is the progress along the road to REITs:

- Last year the PLSA initiated discussions with National Treasury aimed at introducing a best-of-breed REIT to South Africa as a vehicle for investment property. National Treasury is considering a REIT structure and, in the 2007/8 Budget Tax Proposals, Government has undertaken to review the tax and regulatory regimes applicable to property holding vehicles.
- Representatives of the PLSA recently met with representatives of National Treasury and the Financial Services Board. At that meeting the PLSA proposed that a South African REIT should have features intended to achieve international alignment and to optimise flexibility and maximise the access of investors to investment property. The PLSA tabled proposals as to the ideal features of a REIT and then, in discussion, motivated its position. The meeting progressed positively and achieved a high degree of in-principle consensus on the PLSA proposals, subject to more detailed investigations.
- The PLSA proposed that a REIT should take the form of a company incorporated under the Companies Act. This has a number of advantages over alternative forms such as a trust. More detail on these advantages can be found at [www.propertyloanstock.co.za](http://www.propertyloanstock.co.za)
- The PLSA's proposals with regards to other features of a REIT, reflecting the preference for maximum flexibility, are:
  - the management of the REIT should be undertaken either externally (pursuant to a management contract) or internally;
  - the REIT's assets and property related activities should not be narrowly circumscribed as long as investments relate predominantly to immovable property and income is predominantly derived from immovable property;

- in principle some restriction on the level of gearing would have to be accepted, but at a high level so as not to deter property loan stock companies from becoming REITs;
- REITs should be able to hold assets including listed and unlisted property securities and assets in or outside South Africa, with some restriction on assets outside South Africa as a proportion of total assets;
- there should be no limitation regarding the maximum shareholding of any one shareholder or the like, subject to anti-avoidance rules;
- REITs should be listed or unlisted;
- the major part, perhaps as much as 90%, of income should be paid out annually to shareholders; and
- the PLSA motivated for a tax dispensation to result in a flow-through of income in respect of all revenue paid out to shareholders and ideally also so that tax is not triggered in the REIT on capital gains arising on realisation of assets; and
- the board of the REIT in conjunction with the auditors would certify compliance with the criteria for qualifying for REIT tax treatment. Loss of compliance, if not remedied within a period of say one financial year, should result in loss of the REIT status.
- The PLSA recognises that in South Africa there is a long tradition of allowing tax flow through for investment products, including those related to property, constituting collective investment schemes. In light of this tradition, a REIT, could be regulated as a collective investment scheme in property, subject to changes to the relevant regulation in order to allow the best-of-breed features proposed by the PLSA. Under this regulatory regime, it was mooted that the FSB would certify annual compliance with the criteria to qualify for a REIT and have certain investigative and remedial powers in the event of non-compliance. A challenge is presented by the requirement for Collective Investment Schemes that assets be held by an independent trustee, (the PLSA is aware that the traditional role of the trustee in regard to PUTs (Property Unit Trusts) has recently generated some controversy and is under review). The role of a trustee as custodian of assets, like the traditional PUT assumption that all management must be external, needs close examination as to its relevance to a best-of-breed REIT vehicle.

Going forward, the National Treasury will continue to consult broadly and to formulate its proposals. Ultimately, these proposals will be set out in a discussion document inviting broader input, before new legislation is prepared and put before the legislature. Once new legislation is enacted, the PLSA would like to see a limited window period available for a tax free-conversion to a REIT. Thereafter, an investment property entity converting to a REIT may do so but without roll-over relief from any tax consequences of conversion.

Commercial Property Finance from Absa.

# PROPERTY TRANSACTIONS

- **Growthpoint Properties Limited** successfully secured full ownership and complete control of Paramount Property Fund Limited.
- **Redefine Income Fund Limited** will undertake the development of a R120 million distribution hub for Pepkor Retail Limited. Pepkor will occupy the entire premises on a 10-year lease, with two 5-year renewal options. The 40,000m<sup>2</sup> structure will include 2,000m<sup>2</sup> of offices, canteens, warehousing and other facilities.
- **Diversified Property Fund** acquired New Redruth Village in New Redruth, East Rand. This 11,400m<sup>2</sup> convenience and value centre was acquired at a yield of 9,5%.
- The **ApexHi** C unit was successfully issued to existing unit holders at no cost, on the basis of 55 C units per 100 B units held and 45 C units per 100 A units held. In terms of a scheme of arrangement, 30% of the C units were sold to BEE consortiums at R2,00 per unit.
- **CBS Property Portfolio Limited** has acquired two prime A-grade office and warehouse buildings for R303 million flowing from the company's strategic development alliance with Zenprop Property Holdings – the 15,500m<sup>2</sup> Siemens Building and the ultra-modern 9,500m<sup>2</sup> T-Systems Head Office Building, both in Midrand.
- **Hyprop Investments Limited** disposed of its 46% stake in SA Retail Properties to the Public Investment Corporation for R1,135 billion in a single cash transaction at a profit to the original acquisition cost. The proceeds will be used to repay Hyprop's existing borrowings, leaving it with minimal debt.
- **Atlas Properties Limited** has completed its R110 million extension and upgrade of Bayside Mall in Tableview, Cape Town. Bayside Mall's tenant mix has been significantly enhanced through the addition of a 7,500m<sup>2</sup> retail wing and additional parking decks have also been provided.
- **SA Retail Properties Limited** has successfully acquired a R1,025 billion portfolio of ten properties from Sharemax. The acquisition, effective from 1 March 2007, will enhance the overall geographic spread of the existing SA Retail portfolio.
- **Growthpoint Properties Limited** announced its intention to purchase Woodmead Retail Park, the superbly located 45,000m<sup>2</sup> lifestyle centre which is being developed by Investec Property Group. The R500 million Woodmead Retail Park anchored by Pick 'n Pay, Woolworths and The Hub.
- **ApexHi Properties Limited** has acquired 44 properties for R1,15 billion, and disposed of 35 properties for R400 million since 1 July 2006. The property portfolio now comprises 427 properties, worth R7,6 billion with a GLA of 2,6 million m<sup>2</sup>. The portfolio is split into 44% retail, 35% office and 21% industrial.
- A R40 million extension of Highland Mews, a Witbank retail centre jointly owned by **SA Retail Properties Limited** and SA Corporate Real Estate Fund, has opened. The addition of 4,000m<sup>2</sup> to the centre has grown it by a third to produce an improved yield of 10,6%.
- **Diversified Property Fund Limited** bought a 25% stake in Montague Business Park, a 61,5ha site, in partnership with Improvon Properties and **Acucap Properties Limited**. Construction of the infrastructure is scheduled to commence in April 2007.
- **Atlas Properties Limited** has acquired a mixed-use site in the Century Gate node in Cape Town. Five units totalling some 7,700m<sup>2</sup> will be developed and Porsche have recently occupied the first phase to come online. Completion of the remaining units is expected by May 2007.
- **Growthpoint Properties Limited** secured ownership of the entire Longbeach Mall in the Western Cape after acquiring the additional 49,9% of this regional property asset for R138 million. It also purchased two adjacent portions of land for R6 million for possible extensions to accommodate a large national tenant.
- **Hyprop Investments Limited** and Vunani Properties, a subsidiary of black-owned financial services group Vunani Capital, launched Vunani Property Investment Fund (VPIF) with a portfolio of 18 properties valued at R524 million. Vunani Properties holds a 50,2% stake in VPIF while Hyprop holds 49,8%.
- **Redefine Income Fund Limited** announced that it is expanding the 22,000m<sup>2</sup> Sable Square – South Africa's first "genuine" outlet retail fashion village near Century City in Cape Town – to include a family restaurant and will also commence the outlet mall's second phase.
- 135 West Street in Sandton has recently been fully refurbished both internally and externally to A-grade specifications by **Atlas Properties Limited**. The property is ideally located adjacent to the Michelangelo Hotel and Gautrain's future Sandton Station.
- **ApexHi Properties Limited** has concluded leasing deals worth almost R1 billion covering 321,557m<sup>2</sup> of space in the six months ending December 2006. More than 1,067 letting deals were concluded – more than eight leases per working day.
- The development of a R59 million shopping centre, co-owned by **SA Retail Properties Ltd** and **Vukile Property Fund**, in Kings Road, Pinetown opened in December 2006. The 8,300m<sup>2</sup> shopping centre is anchored by a SuperSpar store on a 10-year lease. The initial yield is projected to be 10,5% and income growth prospects are favourable.
- **Diversified Property Fund** has acquired 68% interest in Sterkspruit Plaza, a 8,7ha site, at a cost of R4,3 million. Retail rights have been approved for 100% of the site. Tenant interest is strong and plans are currently being drawn up for an 18,000m<sup>2</sup> shopping centre.
- 2,3% of **Growthpoint Properties Limited** linked units in issue were acquired by black controlled and managed property investment holding company Phatsima Properties. This brings the total Growthpoint linked units in issue owned by BEE entities to 122 million or 12,6%.
- As a result of a High Court Order, **Vukile Property Fund Limited** will proceed to compulsorily acquire all the MICC linked units from the MICC unitholders who did not accept their previous offer.
- **Diversified Property Fund** has invested R20 million in an international unit trust and a hedge fund. The international unit trust is managed by Fortress Asset Managers, a wholly owned subsidiary of Diversified. The Fortress REIT Fund's main objective is to actively invest in the international REIT market.
- African Capital Property Portfolio Limited, the unlisted property loan stock which has been formed with six properties from **CBS Property Portfolio** with a total value of R106,2 million, is 51% owned by Abelusi, the consortium led by Zwelakhe Sisulu, 45% by CBS and 4% by the Menziwa Trust.
- In Somerset West, **Atlas Properties Limited** has recently taken transfer of a 6ha development site adjacent to the Somerset Mall. With some 24,000m<sup>2</sup> of bulk the intention is to develop bulk retailing on the site to compliment the offering of the node rather than compete with the mall or the value mart.
- **iFour Properties Limited** purchased 2 Drakensberg Road, effective 1 January 2007, for R30,6 million. This 7,076m<sup>2</sup> light industrial warehouse consists of seven units and is situated in Longmeadow Business Estate, Gauteng. The property is fully tenanted with two leases expiring in April 2008 and the balance extending to June 2010.



# Property Loan Stock statistics

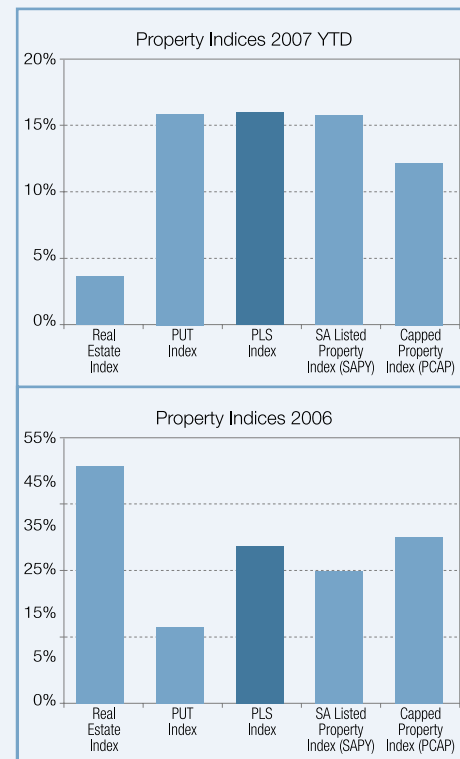
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## Catalyst Historic Performance: Property Loan Stocks (statistics to 31 March 2007)

Total return	2006	Jan	Feb	Mar	YTD
Real Estate Index	50.86%	1.38%	-0.55%	2.77%	3.61%
PUT Index	16.24%	9.17%	1.56%	4.47%	15.82%
PLS Index	33.75%	7.92%	4.18%	3.13%	15.95%
SA Listed Property Index (SAPY)	28.37%	8.48%	3.37%	3.20%	15.73%
Capped Property Index (PCAP)	35.57%	6.44%	2.18%	3.09%	12.12%
ACUCAP	25.21%	8.72%	1.71%	5.91%	17.11%
AMBIT	30.68%	-1.50%	6.60%	0.00%	5.00%
APEXHI - A	29.31%	4.07%	-2.59%	6.49%	7.95%
APEXHI - B	45.58%	0.89%	0.94%	2.91%	4.80%
APEXHI - C	120.00%	19.55%	8.37%	16.67%	51.14%
ATLAS	23.94%	2.79%	3.77%	7.95%	15.15%
CALLULO	48.44%	0.00%	-3.03%	2.56%	-0.54%
CBS	30.80%	14.81%	1.35%	11.90%	30.22%
DIVERSIFIED	35.86%	10.65%	5.99%	6.65%	25.08%
FREESTONE	45.71%	7.82%	5.54%	0.37%	14.21%
GROWTHPOINT	23.22%	10.93%	7.30%	2.05%	21.47%
HOSPITALITY A	32.31%	5.78%	5.17%	3.54%	15.18%
HOSPITALITY B	46.76%	6.38%	14.87%	23.44%	50.85%
HYPROP	37.31%	10.39%	3.65%	1.50%	16.13%
IFOUR	15.12%	5.49%	3.20%	-1.03%	7.74%
MADISON	40.00%	16.29%	4.42%	2.46%	24.41%
MICCPROP	5.05%	0.00%	0.00%	0.00%	0.00%
OCTODEC	56.66%	9.79%	8.11%	0.63%	19.44%
PANPROP	23.05%	5.99%	7.17%	-3.99%	9.06%
PARAPROP	54.29%	10.29%	-1.55%	0.00%	8.57%
PREMIUM	45.17%	5.50%	4.35%	0.00%	10.09%
REDEFINE	30.90%	6.04%	2.07%	0.68%	8.96%
RESILIENT	48.25%	8.76%	5.91%	3.73%	19.50%
SA RETAIL	23.02%	-7.83%	13.00%	8.41%	12.90%
SIYATHENGA	31.62%	-1.84%	-2.25%	6.57%	2.26%
VUK E	41.94%	8.95%	5.80%	-1.64%	13.37%

### INFORMATION SOURCE AND METHODOLOGY

Data - I-Net Bridge unless stated otherwise. Calculations and forecast estimates - Catalyst Fund Managers. \* Year to date calculations include contributions from funds which have been delisted during the year



## Catalyst Sector Snapshot: Property Loan Stocks (statistics to 31 March 2007)

31-Mar-07		Yield	R 157	7.84%				
Property Loan Stocks as at 31st March 2007	Market capitalisation	Close	Clean Price	Rollled yield	NAV	Premium or Discount of clean price to NAV	Average monthly trade Rmil	Debt%
COMBINED MARKET CAP WEIGHTED INDEX	70,595,909,060			6.40%		52.35%	1619.16	32.5%
GROWTHPOINT	15,845,520,000	1485	1480	6.1%	1055	40.24%	422.29	42.7%
HYPROP	6,453,303,000	4470	4459	5.3%	3129	42.49%	123.83	16.5%
REDEFINE	6,101,829,000	745	736	6.5%	566	30.09%	160.72	38.2%
APEXHI - B	4,598,830,000	1840	1826	8.2%	724	152.17%	148.41	24.0%
PANPROP	3,915,116,000	1565	1535	7.2%	1017	50.97%	93.53	52.5%
APEXHI - A	3,896,508,000	1559	1547	7.9%	914	69.29%	152.15	24.0%
RESILIENT	3,437,047,000	2251	2238	5.7%	1419	57.73%	86.34	25.7%
ACUCAP	3,218,760,000	3156	3093	6.2%	2216	39.56%	57.44	30.2%
VUKILE	3,183,083,000	1077	1056	7.2%	710	48.78%	41.51	38.4%
SA RETAIL	2,611,386,000	1225	1216	6.0%	692	75.75%	8.43	7.0%
	53,261,382,000			6.47%				
CBS	1,957,279,000	1175	1158	6.4%	786	47.27%	26.00	32.6%
IFOUR	1,854,409,000	1230	1229	7.5%	785	56.55%	36.40	44.2%
APEXHI - C	1,662,077,060	665	665	0.0%	519	28.13%	23.96	24.0%
MADISON	1,630,950,000	830	825	7.3%	n/a	n/a	34.18	0.0%
PREMIUM	1,363,284,000	1200	1176	6.2%	693	69.65%	12.05	42.7%
DIVERSIFIED	1,353,092,000	930	924	6.5%	661	39.84%	16.40	18.8%
FREESTONE	1,307,596,000	960	955	7.0%	742	28.66%	24.43	35.9%
OCTODEC	1,261,348,000	1610	1575	6.4%	1125	39.97%	12.72	37.4%
ATLAS	1,211,914,000	1900	1865	6.5%	1465	27.32%	32.25	22.4%
	13,601,949,060			5.96%				
SIYATHENGA	939,811,000	807	806	7.1%	647	24.63%	12.98	47.5%
HOSPITALITY-B	936,599,000	2050	2042	6.9%	1164	75.41%	24.33	51.5%
AMBIT	916,561,000	420	410	7.6%	310	32.24%	24.06	33.8%
HOSPITALITY-A	651,050,000	1425	1419	7.0%	1164	21.86%	20.42	18.9%
CALLULO	288,557,000	320	320	6.1%	210	52.28%	24.33	51.5%
	3,732,578,000			7.06%				

\* All calculations by Catalyst Fund Managers \* NAV is defined as (Total Assets - Total Liabilities) / Total shares in issue at statement date \* Debt Percentage is defined as interest bearing debt / property assets

For further information on listed property investment contact Catalyst on: 0860 INCOME or 021 657 5500

## Commercial Property Finance from Absa.

The Property Loan Stock Association (PLSA) is the representative umbrella body of the property loan stock sector of the JSE comprised of voluntary members, with the weight of nearly all of the funds within the sector behind it. The PLSA both represents the sector and provides a resource for its member companies.

**The purpose of the Association is to:**

- Represent members' interests in regards to matters of common concern and to constitute an industry body for the formulation of opinion and policy and to represent its members in dealing with regulatory authorities, public bodies, other associations and the public in general.
- Develop public awareness of the industry.

- Represent members in the formulation and implementation of a commercial property empowerment charter in conjunction with other relevant property associations, bodies and entities.

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