



**PROPERTY LOAN STOCK
ASSOCIATION**

NEWS JUL 2016



Delivering results

Property loan stocks (PLSs) continue to perform providing total returns for investors of 13,3% for the year to end May.

The dual demand, from both investors and from tenants, is driving up the returns of listed property, which for the past four years has outperformed the JSE on an annual basis.

Investor demand for PLSs continues to grow with this investment's ability to provide capital growth and annuity income and its tradeability adding to the attractiveness of its performance in recent years.

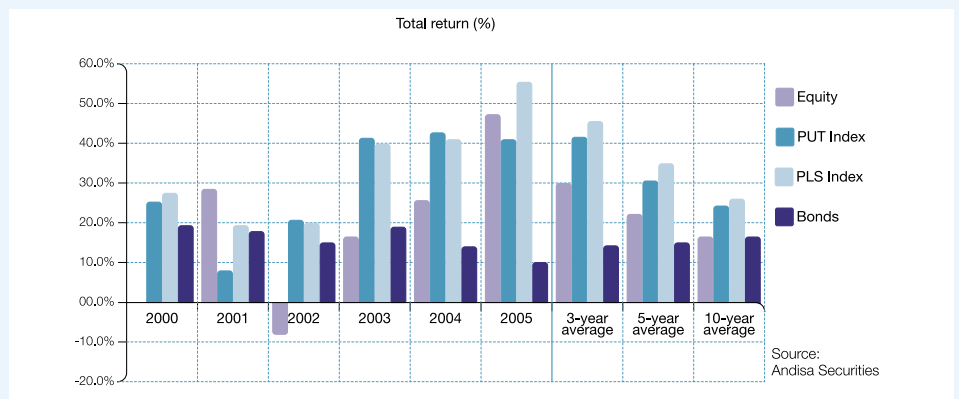
Tenant demand continues to increase. PLSs are underpinned by physical property assets and property fundamentals are positive flowing from a stable economy, lower interest rates, lower

inflation and a stronger currency and the ensuing higher levels of both business and consumer confidence.

This has translated into an increased demand for space, resulting in rising rentals and falling vacancies, enhancing the rental income of property portfolios and thus the returns to investors of PLS companies.

Also contributing to positive distribution growth is the lowering of the cost of debt finance many funds have been able to achieve through innovative structures such as securitisation.

These factors – higher rents, lower vacancies and lower funding costs – have boosted the average income growth by more than 10%.



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Sector insight

Norbert Sasse PLSA Chairman



The South African property sector has internationally delivered the fastest growing returns over the past two years and solid property fundamentals continue to drive the positive proceeds.

As a result, for the past two years, the top performing sector on the JSE Limited has been the listed property sector which has grown from a market capitalisation of R5 billion to R72 billion over the past five years.

In addition to the exponential growth, the listed property sector has changed dramatically, gaining credibility through becoming more transparent, investor friendly and accessible.

This is also evidenced by the strong institutional support for the sector with leading financial institutions all entering the sector during recent years.

The accessibility, transparency and insight will be even more important as the sector continues to grow and become increasingly sophisticated.

The PLSA, having recently enjoyed its first full year of existence, has already made a meaningful contribution to the listed property sector, its member funds and investors.

Furthering transformation in South Africa, the PLSA participated actively in the formation of the Property Sector Transformation Charter which was recently promulgated, and continues to have representation on the Property Charter Transformation Steering Committee.

There is now open and positive communication being undertaken with different associations, bodies and entities including the South African Revenue Services.

Interaction channels have also been established with investors and potential investors via the PLSA web site, www.propertyloanstock.co.za, the PLSA News, various conferences and exhibitions and informative media articles.

There is still an exponential growth opportunity for the sector which hasn't reached anywhere near its potential in terms of size.

It is estimated the commercial investments in property comprise about R500 billion, with the underlying property assets represented by the listed property sector equating to only about 15% to 20% of South Africa's investment properties.

As the sector expands, so it will become increasingly attractive to international investors. In thinking globally, the PLSA is presenting a two day senior management conference 'REITs Reality', sponsored by Investec, which provides an opportunity to learn from the likes of Sam Zell, chairman of world's largest REIT, and a host of international and local professionals in the real estate, tax and Government arena.

This will create a platform for leading change and meeting global challenges. These achievements speak directly to the insight and passion of our member funds who have embraced the challenge of establishing property as a fourth stand-alone asset class alongside bonds, equities and cash.

Facts about REITs in the USA

REITs (Real Estate Investment Trust) is used mostly in the United States (REITs is said to be in use on listed property worth 300 billion dollars in the U.S.), but has also been adopted in Canada, Singapore, France, Australia and The Netherlands.

- A REIT is an entity that owns, and in most cases, operates income-producing real estate such as apartments, shopping centres, offices, hotels and warehouses.
- Some REITs also engage in financing real estate. The shares of many REITs are freely traded, usually on a major stock exchange.
- To qualify as a REIT, a company must distribute at least 90% of its taxable income to its shareholders annually.
- A company that qualifies as a REIT is permitted to deduct distributions paid to its shareholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their shareholders and therefore owe no corporate tax.
- Taxes are paid by shareholders on the distribution received and any capital gains.
- Congress created REITs in 1960 to make investments in large-scale, income-producing real estate accessible to smaller investors.
- Congress decided that a way for average investors to invest in large scale commercial properties was the same way they invest in other industries, through the purchase of equity. In the same way as shareholders benefit by owning stocks of other corporations, the stockholders of a REIT earn a pro-rata share of the economic benefits that are derived from the production of income through commercial real estate ownership.
- REITs offer distinct advantages for investors: greater diversification through investing in a portfolio of properties rather than a single building and management by experienced real estate professionals.

In order for a company to qualify as a REIT, it must comply with certain provisions within the Internal Revenue Code. As required by the Tax Code, a REIT must:

- Be an entity that is taxable as a corporation
- Be managed by a board of directors or trustees
- Have shares that are fully transferable
- Have a minimum of 100 shareholders
- Have no more than 50% of its shares held by five or fewer individuals during the last half of the taxable year
- Invest at least 75% of its total assets in real estate assets
- Derive at least 75% of its gross income from rents from real estate property
- Have no more than 20% of its assets consist of stocks in taxable REIT subsidiaries
- Pay annually at least 90% of its taxable income in the form of shareholder distributions

The best of both

There are many similarities between REITs and PLSs and Property Unit Trusts (PUTs) which is why it is feasible for the property sector to adopt the global REIT structure.

- Unlike PUTs, REITs can invest in other listed companies, so can PLSs
- PUT's gearing capacity is limited whereas PLSs and REITs are not
- Like PUTs, REITs are exempt from CGT

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PLSA to host groundbreaking conference

South Africa lags behind major world markets in the shift to a REIT (Real Estate Investment Trust) structure. PLSA members support the re-positioning of the listed property sector towards a REIT environment and are leading the change process.

In furthering this, the PLSA, with sponsor Investec, is hosting REITs Reality, a two-day senior management conference addressing moving towards a REIT environment in South Africa. The conference will take place on 16 and 17 August 2006 at the Sandton Convention Centre.

This conference will equip delegates with a comprehensive understanding of the impact and implications of adopting a REIT structure in South Africa.

Through this event the PLSA offers direct access to an unprecedented panel of leading international industry speakers, supported by key local figures.

International speakers include Richard C Anderson, director of Real Estate Investment Trusts at BMO Capital Markets, New York; Sam Zell, founder and chairman of the largest REIT in the US, Equity Office Properties and Equity Residential and John J Kriz, managing director of Retail Finance at global rating agency Moody's Investors Service, New York.

The South African speaker panel includes Norbert Sasse, chairman of the PLSA and CEO of Growthpoint Properties; Sam Hackner, CEO of Investec Private Bank and chairman of Growthpoint; Mike Flax, CEO of Spearhead Property Group; Colin Young, asset management executive, Old Mutual Properties; Ernest Mazansky, director of Werksmans Tax and Andrew Brooking, director of Java Capital.

REITs REALITY

Towards a REITs environment in South Africa

A two-day senior management conference
16 and 17 August 2006
Sandton Convention Centre, Johannesburg

- Bringing the global REITs reality to South Africa
- Implications for the listed property sector
- Learn from international REITs leaders and local property and government players

International Speakers

Richard C Anderson - Director of Real Estate Investment Trusts at BMO Capital Market, New York

Sam Zell - Founder and Chairman of the largest REITs in the US, Equity Office Properties and Equity Residential

John J Kriz - Managing Director of Retail Finance at global rating agency Moody's Investors Service, New York

Plus over 20 top international and SA professionals in the real estate, tax and government arena.

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Inside info

Guest writers comment on the PLSA's REITs Reality conference, sponsored by Investec.



Leon Allison

Property Analyst First South Securities

If the focus of the South African listed property is – as it should be – attracting international investors, then it is vital to have a standardised structure and the most appropriate vehicle is the REIT.

While the current listed property structures (PLS and PUTs) are not dissimilar to the REIT, conversion to this standard vehicle has clear benefits, especially in terms of tax.

When competing in the global investment market, keeping it simple is the key and this can be achieved through offering a familiar structure. Global investors need to look at many markets, across many different countries and having to examine unfamiliar structures and deal with complicated explanations can be a deterrent. Adopting a standardised REIT structure overcomes this.



François Viruly

Director, Viruly Consulting & Lecturer, Property Economics, University of the Witwatersrand

In many respects the South African listed property sector is at the forefront internationally, even surpassing countries such as the UK. Thus it is critical that we have conferences such as the PLSA REITs Reality which provide a broader perspective than that we are used to accessing in South Africa. The listed property sector, and REITs in particular, will

increasingly become the vehicles in which properties are held, as opposed to traditional direct ownership.

Progressively more investors are crossing national boundaries and looking for investment vehicles with a familiar structure and similar levels of governance. South Africa needs to provide a product that is well known and has been tested internationally.

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Inside info

Continued...



Vuyani Bekwa

*Head of Institutional Investments,
Investec Listed Property Investments*

The South African market has a well-developed listed property sector, which has mimicked REITs in a number of ways, with just a few issues outstanding, such as capital gains taxation.

The move towards the conversion of all listed property

sector instruments into REITs is a good move for the sector. It will align the South African markets with international norms, as REITs have been adopted since the 1960s in the U.S., 1969 in the Netherlands and 1972 in Australia.

Once converted, international investors will invest locally in an asset class which they understand and that will increase the demand for the listed property sector, as yields locally are generally higher than in developed markets such as United States, Europe and Australia.

Euro REITS:

Two of Europe's largest economies are set to allow real estate investment trusts next year

The British and German economies are among Europe's largest and most sophisticated.

Some would say it's that much stranger, then, that these two are among the last to adopt the REIT structure.

Belgium legalised REITs in 1995, as did Turkey, followed by Greece in 1999. In The Netherlands REITs have been welcome since 1969. (The U.S. has had them since 1960).

REITs give investors a way to own a variety of real estate holdings or mortgages – and to sell off those investments quickly. The trusts get special tax considerations too. In the U.S., for instance, REITs can deduct the dividends they pay, as long as those distributions amount to at least 90% of taxable income.

The U.K and Germany are expected to allow REITs next year, with conditions, at least where Britain is concerned. The treasury department there has caused consternation by proposing restrictions which would keep investors from holding more than 10% of a REIT. Another unpopular proposal would have REITs setting aside a pretax earnings to the tune of 2.5 times their debt interest burden, according to Martin Allen, a REIT analyst at Morgan Stanley.

Critics have suggested that only individual investors, not professional fund managers, be subject to that 10% limit; they also argue for a more relaxed earnings-to-interest coverage ratio.

The British Property Federation, which represents real estate investors, is pressing the government for a clause in the draft legislation allowing future REITs to transfer assets from existing entities without tax penalties.

"In our view, if investors are not confident that the U.K. REIT regime will allow these types of transactions which are essential for a healthy growing market, they will be reluctant to enter the regime in the first place,"

wrote Liz Peace, head of the federation, in a January response to the government.

The British Government should postpone the launch, says Martin Barber, chief executive of Capital & Regional, a London-based real estate investment and management firm. Barber argues that without some easing of these restrictions, REITs will be seriously compromised.

Germany's Finance Ministry announced its support for REITs early last year, and German property professionals and finance ministry officials met this past February to discuss drafting legislation for so-called G-REITs. Currently, the parties are considering either a trust or corporate model. There are subtle differences between these models for how they would treat income from German assets, but in both cases, dividends paid out by the REITs are taxed in the property's country of origin rather than the investor's country, wrote Max Berkelder, a REIT analyst at Kempen & Co. Merchant Bank, in a February report.

The German Initiative Finanzstandort Deutschland, an advocacy group for the German financial industry, proposed a list of eligibility rules for REITs. Among the rules are that the trusts should be internally managed and publicly listed, that the 'exit tax' on companies converting to the status is limited to half the normal tax rate of 25% on the real estate holdings account for at least 75% of a REIT's gross asset value.

Berkelder looks cautiously at the recent run-ups in the German real estate stocks in anticipation of their REIT status next year. Such price increases are causing fairly high expectations for net asset values, which leave little room for improvement if G-REITs are adopted, he says.

Similarly, with property values in Britain already seen as very high, some say there is but one direction left for them: down.

This article appeared in SCT, April 2006 and was written by Donna Mitchell.

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FEATURED FUNDS

ATLAS PROPERTIES LIMITED

Atlas Properties is a quality company with a Western Cape retail bias. Atlas invests in the major metropolitan areas of South Africa and owns excellent properties in Cape Town, Gauteng and KwaZulu Natal.

The company has no separate management company and is managed 'in house' so as to ensure no conflicts of interest between management and shareholders.

Atlas' focus is on consistent earnings growth and it has consistently been one of the top performing companies. The total return to shareholders over the past 10 years was 27,5% per annum compound. In recognition of this, in 2005 Atlas Properties Limited was ranked 15th in the Sunday Times Business Times 'Top 100 Listed Companies'.

Over the last 12 months Atlas has strengthened its Western Cape retail holdings by upgrading Bayside Shopping Centre and expanding Howard Shopping Centre. Bayside Shopping Centre is also in the process of being expanded and planning is at an advanced stage for the upgrade and extension of Westville Mall in KwaZulu-Natal. Atlas is also developing properties it owns in Century City.

"The future for Atlas looks very bullish," says CEO Ian Raubenheimer, who explains further, "market indicators are showing strong growth in rentals and with our strong portfolio, Atlas is well positioned to take full advantage of this trend over the next few years."

FUND FACT BOX (as at 31 March 2006)

Market capitalisation:	R1,08 billion
Historic yield:	6,21%
Number of properties:	55
Value of properties:	R1,12 billion (as at 30 September 2005)
Net asset value/unit:	R12,17 (* see note)
Price/unit:	R16
JSE code:	ATS

TOP FIVE SHAREHOLDERS AND PERCENTAGE SHARE HELD:

Hoanib Investment Holdings Ltd	33%
The Invermark Trust	10%
Old Mutual Life Assurance Co SA Ltd	6%
Stanlib Property Income Fund	5%
The Solid Silver Investment Trust	4%

* Note: The company only re-values its investment properties at year end and not interim periods. Net Asset Value is therefore based on the value as at 30 September 2005.

FREESTONE PROPERTY HOLDINGS

Freestone is a JSE-listed property loan stock company, which with a 36,4% total return to unitholders, is currently ranked 2nd in Catalyst Fund Managers' Year-to-Date survey of SA's 33 listed property companies.

Freestone has a national portfolio of 84 commercial, retail and industrial properties with a total rentable area of 469,000m² and 1,100 tenants. At 31 December 2005 the portfolio was valued at R1,36 billion. Constituting approximately 12% of the portfolio by value, the rural retail portfolio continues to benefit from government infrastructure investment and strong demand from national retailers. Freestone seeks growth through value enhancing acquisitions as well as by maintaining low vacancy levels with proactive tenant management.

Freestone expects its new funding structure to reduce finance costs by approximately 0,75%. The Commercial Mortgage Backed Securitisation structure engineered by Rand Merchant Bank securitises a portion of Freestone's property portfolio. Freestone joins only a handful of listed property companies taking advantage of capital market debt funding to translate lower finance costs into higher distributions for unitholders.

In February 2006 Freestone reported interim results to December 2005 putting it on track to achieve an 11% increase in total distributions for the year to June 2006, exceeding its previous 9% growth forecast. Freestone further dropped gearing to 46% from 51% at June 2005.

FUND FACT BOX

Market capitalisation:	R1,1 billion
Forward yield:	Expected to increase distributions per linked unit to at least 11% for the year ending 30 June 2006, exceeding forecast growth of 9%.
Number of properties:	84
Value of properties:	R1,36 billion at 31 December 2005 (to be updated at 30 June 2006)
Price/unit:	R8,50 (28 April 2006)
JSE code:	FSP

TOP FIVE UNITHOLDERS AND PERCENTAGE HELD:

RMB Asset Management	37%
Coronation group	13%
Stanlib	11%
Marriott Property Income Fund	2%
Oasis Property Equity Unit Trust	2%

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PROPERTY TRANSACTIONS

- **Metboard Properties Limited**, with its prime industrial portfolio valued at approximately R2 billion, is to be consolidated into Growthpoint Properties Limited with effect from 30 June 2006 with all the conditions and approvals precedent for this transaction fulfilled. The combined portfolio, including Growthpoint's recent R1,4 billion acquisition of properties from Tresso Trading, will result in Growthpoint's property assets exceeding R13,5 billion in value and a market capitalisation of approximately R11 billion.
- **Spearhead Property Group's** latest retail venture, Sable Square, opens its doors near Century City, Cape Town in September 2006. South Africa's first outlet retail shopping village will offer premium designer brands including key tenants Tommy Hilfiger, Adidas, Reebok, Fila and Raga.



- **Hyprop Investments Limited** announced the launch of Vunani Property Investment Fund, a joint venture with Vunani Properties, which is a subsidiary of black-owned financial services group Vunani Capital. Black-owned Vunani holds a 50,2% stake in VPIF while Hyprop holds the remaining 49,8% interest. The transaction contributes to enterprise and skills development in line with the Property Transformation Charter. VPIF was launched off an initial aggregate asset base of R350 million with Hyprop and Vunani contributing R175 million worth of property apiece.
- **Redefine Income Fund** achieved significant savings by restructuring external debt of R900 million through a debt capital market finance arrangement with Standard Bank. The average interest rate of the financed amount will reduce in excess of 50 basis points. This will reduce Redefine's average all-in interest rate on external borrowings to 9,51%.
- **CBS Property Portfolio** acquired 12 properties for R616 million, driving CBS' property assets above R1,7 billion, with 47 properties covering a gross lettable area (GLA) of 270,842m². Five of the 12 properties were purchased from Zenprop Property Holdings and CBS has also undertaken an innovative strategic development alliance with Zenprop, one of the foremost developers of retail, commercial, industrial and residential property in South Africa.
- **S A Retail Properties Limited** acquired Rhodesdene Shopping Centre, a R18,5 million quality convenience shopping centre anchored by the highest trading Pick 'n Pay in the S A Retail portfolio. The company's R65,5 million acquisition of Willow Way Shopping Centre in suburban Pretoria became unconditional on 31 March 2006. Willow Way is an 8,140m² convenience shopping centre anchored by a 2,564m² SuperSpar with a lease to 2014. The fund disposed of the only non-retail property in its portfolio, Kyalami Crescent, for R30,7 million.
- **Paramount Property Fund** (Paraprop), acquired seven new properties worth a total of R317 million. This takes the size of Paraprop's property portfolio to R2,12 billion and its market cap to R1,4 billion. The properties include the Hewlett Packard building in Rivonia, The Bridge Shopping Centre in Johannesburg CBD, the well-known Heritage Market in Hillcrest, Durban, Cradock Heights in Rosebank, Trador building and the retail warehouse premises known as Metro Krugersdorp and Metro Vanderbijlpark.
- **ApexHi** announced the new structure of the proposed C unit which facilitates an achievable BEE transaction, retains the bond element of the A unit, and creates an inexpensive method for both A and B unit holders to achieve 100% of the annual growth in ApexHi.
- **Growthpoint Properties Limited** is to purchase a portfolio of eight prime properties from Business Connexion (Proprietary) Limited, a subsidiary of Business Connexion Group Limited, for an aggregate purchase consideration of R380 million, at a forward yield of approximately 8,5%. The properties comprise a gross lettable area of 48,065m² in prime business locations throughout South Africa. All are fully let, with Business Connexion as the only or major tenant in all the properties except one. Two of these properties are situated in Midrand, Gauteng, three in Durban, and one each in Pretoria, Port Elizabeth and Cape Town.
- **Spearhead Property Holdings'** R230 million 16 storey office complex, Convention Tower, under construction on the Cape Town Foreshore, was launched in April by Helen Zille, Cape Town's new Mayor. The uncompromisingly Triple A-Grade space will also include 2,000m² of retail space on the ground floor and three levels overlooking the triple volume convention foyer where it will provide another 2,000m² of exhibition and conference space for the CTICC. Above these floors will be four floors of parking and seven typical office floors, possibly topped off by a 16th floor penthouse restaurant and/or conference facility.
- **Redefine Income Fund** formed a joint venture with black-owned and managed Dijalo Property Services to be called Dipula Property Fund (Pty) Ltd that will make a major contribution to elevating enterprise and skills development in the property industry. Dipula will have an initial property portfolio of approximately R300 million and will be owned by Dijalo (51%) and Redefine (49%), with the asset management of the company provided by Dipula Asset Managers, an equal joint venture between Dijalo and Madison Property Fund Managers.
- Umlazi MegaCity, a 31,000m² regional shopping centre developed jointly by **S A Retail Properties Limited** and **Martprop Property Fund** at a total cost of R165 million and a projected initial yield of 11,75% opened on 1 April 2006. Construction of an additional 4,000m² retail outlet for Hirsch and a 2,500m² free-standing outlet for a Nissan dealership will commence shortly.

Property in the headlines

Local

- Downturn makes property investments attractive (*Business Day*, 22 June 2006)
- SA property players go global (*Finweek*, 8 June 2006)
- Property sector is growing exponentially (*Business Report*, 18 May 2006)
- Cape's property markets look sound (*Cape Business News*, 1 April 2006)
- Commercial property still the hottest place to be (*District Mail, Business and Property Mail*, 16 June 2006)

International

- New index shows European property sizzled in 2005 (*Reuters - USA*, 7 June 2006, www.reuters.com)
- Commercial property bringing strong returns (*Assetz News - Stockport, Cheshire, UK*, 8 June 2006)
- Property value jumps leave government coffers bulging (*Sarasota Herald-Tribune - Sarasota, FL, USA*, 10 June 2006, www.heraldtribune.com)
- Business borrowing takes a dive, property set to soar once more (*The Age - Melbourne, Victoria, Australia*, 10 June 2006, www.theage.com.au)
- Property prices expected to rise (*China Daily - China*, 8 June 2006, www.chinadaily.com.cn)
- Recreational property in high demand (*Business Edge - Calgary, Alberta, Canada*, 22 June, www.businessedge.ca)

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Property Loan Stock statistics

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Catalyst Historic Performance: Property Loan Stocks

Total return	Jan 2006	Feb 2006	Mar 2006	April 2006	May 2006	YTD
Property Indices						
Real Estate Index	6.23%	5.36%	6.37%	0.56%	-1.40%	18.05%
PUT Index	6.44%	7.23%	7.22%	-1.72%	-4.78%	14.52%
PLS Index	6.26%	5.43%	7.13%	-0.20%	-5.40%	13.31%
SA Listed Property Index (SAPY)	6.47%	6.70%	7.27%	-0.79%	-5.14%	14.69%
Capped Property Index (PCAP)	6.37%	6.23%	6.73%	-0.39%	-4.05%	15.27%
PLS Individual stock performance						
RESILIENT	3.57%	12.41%	20.98%	2.88%	-4.33%	38.64%
VUKILE	14.50%	3.74%	14.77%	-0.20%	-2.54%	32.60%
OCTODEC	7.26%	10.71%	6.75%	3.42%	0.42%	31.65%
PREMIUM	5.59%	5.88%	11.11%	0.00%	5.91%	31.56%
AMBIT	7.58%	8.45%	-2.60%	4.00%	9.49%	29.39%
FREESTONE	9.30%	8.51%	10.95%	3.66%	-5.76%	28.54%
DIVERSIFIED	5.83%	3.94%	14.36%	5.41%	-6.41%	24.09%
HYPROP	10.37%	7.58%	7.13%	1.65%	-6.67%	20.66%
PARAPROP	5.69%	3.85%	12.59%	-4.83%	1.41%	19.27%
METPROP	0.92%	19.09%	8.40%	-2.11%	-6.47%	19.27%
HOSPITALITY A	#N/A	29.50%	1.00%	0.61%	-9.57%	19.00%
HOSPITALITY B	#N/A	21.50%	7.00%	-3.46%	-5.18%	19.00%
ACUCAP	4.35%	7.08%	5.84%	4.04%	-3.36%	18.91%
ATLAS	3.50%	1.62%	6.38%	6.31%	-0.06%	18.88%
IFOUR	6.79%	4.24%	8.54%	-1.82%	-1.97%	16.28%
APEXHI - B	0.76%	11.86%	1.88%	1.23%	-1.93%	13.98%
GROWTHPOINT	7.45%	8.80%	8.54%	-2.21%	-8.68%	13.32%
SPEARHEAD	2.39%	5.12%	5.38%	2.99%	-4.35%	11.73%
APEXHI - A	3.40%	7.17%	5.48%	-0.99%	-5.00%	9.95%
SA RETAIL	6.84%	-3.74%	-0.20%	-1.95%	8.76%	9.45%
PANPROP	12.30%	2.83%	0.34%	-1.74%	-5.12%	8.03%
SIYATHENGA	-1.52%	7.69%	14.29%	-7.69%	-5.56%	5.67%
REDEFINE	5.13%	4.21%	8.24%	-0.12%	-11.45%	4.88%
CBS	5.19%	5.06%	6.27%	-0.79%	-10.86%	3.86%
CALLULO	6.52%	6.12%	0.00%	-7.69%	-2.08%	2.17%
MICCPROP	0.00%	-2.86%	1.76%	0.00%	0.00%	-1.14%

INFORMATION SOURCE AND METHODOLOGY

Data I-Net Bridge unless stated otherwise. Calculations and forecast estimates Catalyst Fund Managers. # Suspended / Delisted / Not yet listed. * Calulo's performance is calculated on an initial price of 210 c.p.u.

Catalyst Sector Snapshot: Property Loan Stocks

Performance of Property Loan Stocks		Yield	R 157	7.75%				
Property Loan Stocks as at 31 May 2006	Market capitalisation	Close	Clean Price	Rolled yield	NAV	Premium or Discount of clean price to NAV	Average monthly trade R'mil	Debt%
COMBINED MARKET CAP WEIGHTED INDEX	52,267,314,000			7.15%		52.36%	1350.28	36.2%
GROWTHPOINT	8,517,179,000	1210	1193	6.8%	800	49.13%	315.44	41.6%
HYPROP	5,067,371,000	3510	3469	5.8%	2826	22.76%	135.47	22.6%
APEXHI - B	3,949,422,000	1585	1581	8.3%	695	127.42%	121.11	55.5%
APEXHI - A	3,495,924,000	1403	1399	7.7%	873	60.27%	108.47	29.6%
REDEFINE	3,409,528,000	580	576	7.2%	582	-1.09%	127.13	36.9%
PANPROP	3,209,789,000	1317	1302	7.8%	712	82.86%	78.98	42.5%
VUKILE	2,615,323,000	960	931	7.5%	654	42.39%	62.23	39.7%
RESILIENT	2,500,464,000	1880	1855	5.8%		66.80%	65.17	16.0%
SA RETAIL	2,258,738,000	1000	997	7.2%	692	44.14%	26.89	7.0%
	35,023,738,000			7.05%				
IFOUR	1,877,023,000	1245	1231	7.0%	620	98.51%	25.33	42.8%
ACUCAP	1,875,908,000	2735	2660	6.4%	1763	50.88%	42.26	27.5%
METPROP	1,825,329,000	650	630	7.1%	369	70.67%	77.54	37.5%
PARAPROP	1,431,807,000	720	711	8.0%	571	24.44%	14.67	52.4%
SPEARHEAD	1,195,222,000	3300	3254	7.0%	1994	63.17%	21.80	43.1%
PREMIUM	1,164,472,000	1025	1022	6.1%	599	70.64%	14.14	32.8%
FREESTONE	1,091,025,000	801	789	7.5%	442	78.44%	25.78	50.0%
ATLAS	1,084,344,000	1700	1651	6.8%	1288	28.16%	11.97	25.8%
	11,545,130,000			6.99%				
OCTODEC	920,549,000	1175	1171	6.9%	1049	11.65%	11.71	29.2%
DIVERSIFIED	886,662,000	730	718	7.3%	499	43.88%	7.46	33.9%
AMBIT	796,282,000	427	413	6.9%	287	43.95%	22.56	36.8%
SIYATHENGA	735,391,000	680	672	7.5%	547	22.79%	7.37	48.8%
CBS	720,124,000	780	752	9.0%	701	7.32%	5.31	43.0%
MICCPROP	596,000,000	865	823	10.9%	750	9.71%	5.00	47.8%
	4,655,008,000			7.90%				
HOSPITALITY A	430,479,000	1190	1174	8.2%	987	18.96%	8.12	29.5%
HOSPITALITY B	430,479,000	1190	1172	9.4%	987	18.72%	5.07	64.8%
CALLULO	182,480,000	235	231	9.9%	204	13.12%	3.30	59.8%
	1,043,438,000			8.98%				

* 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

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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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