

IVORA AFRICA PROPERTY FUND

An African Commercial Property Fund



"Africa will be the economic lion of the 21st century."
As proclaimed by McKinsey in their report: "Lions on the Move: The Progress and Potential of African Economies"

IVORA AFRICA PROPERTY FUND

The Ivora Africa Property Fund ("IAPF") is a unique investment opportunity committed to generating attractive, long-term returns through property-based investments in Africa.

The fund invests in real estate located in Africa, supported by long-term leases providing a secure, escalating income stream.



The Fund identifies opportunities that can be established and operated on commercial terms, providing:

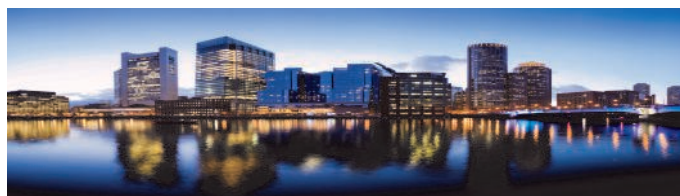
- ◆ Stable long-term returns
- ◆ Limited competition in investment sectors
- ◆ Access to property assets not generally available to institutional investors
- ◆ Positioned to participate in the economic growth regions of Africa
- ◆ Strong SRI component in terms of job creation, skills development and economic expansion and development

WHY AFRICA?

- ◆ Population - 1 billion
- ◆ Annual real GDP growth of 5%+ per annum
- ◆ Widespread economic growth - 27 countries expanding more rapidly after 2000
- ◆ Future economic growth will be supported by Africa's increasing ties to the global economy
- ◆ Africa's economic growth is creating substantial new business opportunities attracting investment from global companies
- ◆ The rate of return on foreign investment in Africa is higher than in any other developing region
- ◆ The rise of the African urban consumer will provide further impetus to this trend

PROPERTY OPPORTUNITIES IN AFRICA

- ◆ Race by corporates to stake their claim in these developing economies
- ◆ Development is driven by resources, industrial and retail growth
- ◆ Resultant demand for offices, support services, warehousing and logistics
- ◆ Owner-operator model previously preferred due to lack of depth and sophistication in rental markets
- ◆ Developing new properties ties up capital and defocuses enterprise from core business, hindering growth and expansion
- ◆ Properties are sold on an almost exclusive willing buyer/willing seller basis - little reference to market value
- ◆ Low level of competition in development and property management skills
- ◆ Rental rates have potential for upside - benchmarking and established rental levels



IVORA AFRICA PROPERTY FUND

An African Commercial Property Fund

NICHE OFFERING OF IAPF

- ◆ Experience and proven track record - development, investment, fund listing and exit
- ◆ Established relationships with major South African corporates seeking to expand north
- ◆ Ability to identify, evaluate and develop tailor-made solutions in line with corporate objectives
- ◆ Development risk will be kept outside the fund - turnkey purchase of developed properties with quality leases
- ◆ Portfolio build will comprise investment grade properties with corporate leases
- ◆ Become a landlord for African commercial property
- ◆ Apply skills in unsophisticated/shallow markets - skills transfer, economic growth, unlock capital for corporate expansion



FUND ASSETS

IAPF will invest in the following real estate sectors:

- ◆ Retail centres
- ◆ Office parks
- ◆ Warehouses and industrial parks
- ◆ Hotels and tourism related facilities
- ◆ Development land where superlative returns can be achieved

The fund will focus on the following property fundamentals:

- ◆ Strong contractual cash flows
- ◆ Assets and land with potential for fundamental capital appreciation and development opportunities

REGIONAL INVESTMENT

IAPF will invest in projects within the Southern African Development Community (SADC).

As the fund matures, investments will be expanded up the African Development Corridors to include COMESA, West, East and Central Africa.

Property investment will be made in the following demographic nodes:

- ◆ Capital cities
- ◆ Ports, harbours and transport routes
- ◆ Commodity-driven regions
- ◆ High growth areas (demographic and economic)

CHALLENGES IN AFRICA

IAPF recognises and mitigates the following challenges relating directly to African Investment:

- ◆ Lack of investment grade stock at market related values
- ◆ Critical mass
- ◆ “On the ground” asset and property management
- ◆ Adequate benchmarking of rentals and valuation yields on a regional basis
- ◆ Appropriate risk-related investment returns
- ◆ Proven exit strategy (listing)
- ◆ Liquidity (properties and equity)
- ◆ Political and legal framework (land ownership and security issues, tax jurisdiction, development incentives etc.)
- ◆ Skills (development and retention of skills, availability of “on the ground” skills and supervision)



IVORA AFRICA PROPERTY FUND

An African Commercial Property Fund

PREFERRED LANDLORD MODEL

IAPF will strive to become the landlord of choice for operators establishing in, and expanding into Africa.

This will provide loyal tenancies, and allow the fund to grow generically as the continent develops.

Such initiatives include approaching major commercial operators, securing and delivering their accommodation requirements in line with their growth and/or expansion strategies.



OPERATING MODEL & RISK MANAGEMENT

IAPF is a diversified investment fund providing investors superlative commercial returns and access to a previously inaccessible asset class.

The object of the fund is to diversify its risk profile through a regional and product spread across the real estate spectrum. This will only be achieved, however, once the fund is established and has secured at least 10 different assets.

All projects are only adopted based on sound commercial principles including target threshold returns, land and market security and capital payback parameters .

Interest of all parties, including the fund managers, are aligned with the performance of the fund

PROPERTY MANAGEMENT

Property and facilities management will be contracted to experienced operators, who will be supervised, skilled and resourced up to maintain and promote the investment properties to an acceptable standard.

FUND DESCRIPTION

The Ivora Africa Property Fund (“IAPF”) is an equity investment fund in commercial rental properties situated in growth regions across Africa.

The Fund seeks long-term returns with tangible social and development impact.

IAPF provides investors with a unique opportunity to invest in the African Real Estate Sector on a socially responsible basis whilst still achieving superior financial returns.



10 REASONS TO INVEST IN IAPF

- ◆ Superior commercial returns
- ◆ Invested in non-traditional asset class providing diversification of risk
- ◆ Socially responsible investment aligned with global objectives
- ◆ Africa: Strong growth experienced and expected giving rise to increased demand for real estate
- ◆ Africa: Profitable companies that can pay rent
- ◆ Africa: Increase in infrastructure spending and expansion
- ◆ Africa: Growing international private investment
- ◆ Africa: Demographic driver is the strongest in the world
- ◆ We understand Property!
- ◆ We understand Africa!

IVORA AFRICA PROPERTY FUND

An African Commercial Property Fund



CONTACT INFORMATION

26 Charles de Gaulle Street, The Greens Office Park
Mount Edgecombe Building, 1st Floor, Highveld, Centurion, 0169
GPS: 25°52'39.52"S 28°11'55.36"E
P O Box 785718, Sandton, Gauteng, South Africa, 2146

Christo Duminy

Email: christo@ivora.co.za

Mobile: 0027 (0) 83 633 6909

Harry Wilson

Email: harry@ivora.co.za

Mobile: 0027 (0) 82 563 4810

