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# ATLANTIC LEAF PROPERTIES LIMITED



**ATLANTIC LEAF PROPERTIES LIMITED IS A MAURITIAN INCORPORATED REAL ESTATE COMPANY, LISTED ON THE STOCK EXCHANGE OF MAURITIUS (SEM) AND THE JOHANNESBURG STOCK EXCHANGE (JSE).**

The company invests in investment grade real estate in the United Kingdom in key regional nodes, with a primary exposure to high growth industrial and logistics properties.

Atlantic Leaf has a track record of delivering attractive Pound-based returns and sustainable value to stakeholders. The company has a diversified portfolio of assets under management valued at GBP371 million as at 28 February 2018, comprising 59 properties with a sector

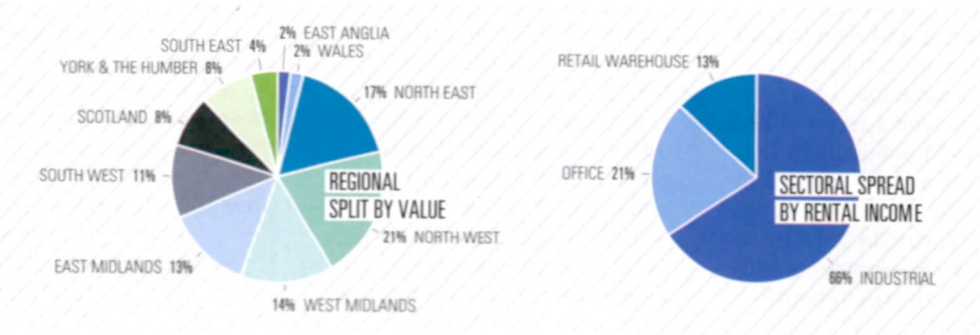
exposure of 66% industrial, 21% office and 13% retail warehouse properties. The properties are rented out to 15 high quality tenants on long-tenured leases averaging 10.66 years, with the first expiry in 5 years' time. The company has a weighted average forward asset yield of 7.2% and low vacancies at 2.6%.

The CEO is co-founder Paul Leaf-Wright, who has over 28 years of property and financial services experience.

Atlantic Leaf benefits from good relationships with property principals and commercial property agents, which allows the company's asset management team to explore very good off-market opportunities. Of significance during 2018 was the off-market acquisition of a portfolio of DFS retail outlets in a joint venture with LondonMetric Property Plc; a prominent UK property company listed on the London Stock Exchange. Atlantic Leaf entered into a strategic partnership with LondonMetric Property Plc, with a 45% stake in the retail portfolio which consists of 10 properties and valued at GBP98 million.

This was financed by a highly successful book build underwritten by Atlantic Leaf's largest shareholder, Vukile, which also provided the company with additional cash resources to pursue the acquisition of two large commercial properties strategically located in Crewe and Knowsley, both with attractive asset management potential in the future. These two assets increased assets under management to GBP387 million at the date of this publication.

TOP FIVE SHAREHOLDERS	
VUKILE PROPERTY FUND LIMITED	34.9%
SENTINEL RETIREMENT FUND	26.0%
VISIO CAPITAL MANAGEMENT	7.4%
ATLANTIC PROPERTY INVESTMENTS	5.0%
ABSA ASSET MANAGEMENT	3.9%



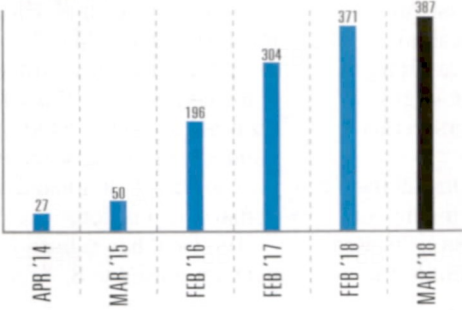


The transfer of Atlantic Leaf's listing to the main board of the JSE in November 2016, together with continued progress in growing assets under management have seen a higher level of liquidity and trading in the company's shares. Atlantic Leaf is planning to strengthen its attractiveness to investors further in 2019, by converting to a UK REIT. The aim of the conversion is to make the company more competitive and positioned for the future as a UK focused property company.

The company has gearing of 46% and a weighted average cost of debt of 3.2%. The debt maturity profile has been deliberately reduced over time to 2.0 years, with the intention being to refinance a large single pool of debt and achieve a more attractive debt package during the 2019 financial year. Atlantic Leaf's forward asset yield of 7.2% provides a positive carry above the weighted average cost of debt.

Atlantic Leaf has grown and met its distribution target for the third consecutive year since listing, distributing 9.1 GBP pence for 2018, up 7% from 2017. Looking forward there are good escalations within the portfolio for the Booker and DHL leases in 2019/2020, which will support forward earnings. Management is targeting that the company will continue to grow its distribution to shareholders and has given guidance of a 5% increase for 2018/2019.

#### GROWTH IN ASSETS UNDER MANAGEMENT (GBP MILLION)



#### ATLANTIC LEAF AT A GLANCE (AS AT 28 FEBRUARY 2018)

ASSETS UNDER MANAGEMENT <b>GBP371M*</b>		MARKET CAPITALISATION <b>R3.2BN</b>
GEARING <b>46%*</b>	FUND MANAGER <b>MARTIAL EAGLE</b>	NUMBER OF PROPERTIES IN THE FUND <b>59*</b>
PRICE PER UNIT <b>R17.00</b>		
NET ASSET VALUE PER UNIT <b>GBP1.08</b>		
ANNUAL TRADING VOLUME AS AT % OF UNITS IN ISSUE <b>10.28%</b>		FORWARD YIELD <b>7.2%*</b>
EARNINGS GUIDANCE FOR 2019 <b>9.55 GBP PENCE</b>		

\* THIS INCLUDES A PROPORTIONATE LOOK THROUGH TO JV INVESTMENT

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