

Press release

Momentum raises \$50m for African Real Estate Fund

London, 5 February 2015

Momentum GIM, in conjunction with Eris Property Group, has successfully closed the first tranche of its African Real Estate Fund with \$50 million of institutional, family office and HNW investor capital. The fund will focus on the development of retail, commercial and light industrial real estate in sub-Saharan Africa outside of South Africa, offering investors access to Africa's strong economic growth and its emerging consumer. The fund is aimed at long-term institutional investors and it has a \$250m fund raising target for its final close on 30 June this year.

The launch of the Momentum Africa Real Estate Fund is in response to client demand to capitalize on Africa's growing need for quality retail, office and industrial real estate. This demand is driven by a fast growing population which is rapidly gaining increased spending power and is migrating to urban areas.

Commenting on the fund launch, David Lashbrook, Head of Africa Investment Strategies at Momentum GIM, said: *"We believe that investing in the development of commercial real estate is an exciting way for investors to support and participate in the rise of the African consumer. The fund seeks to mitigate the key risks of property development prior to commencing construction and it targets a minimum internal rate of return of 18% in USD net of all fees over its eight year life."*

"We are really encouraged by the support we are receiving from investors, and this reflects the increasing focus by the investment community on selective growth opportunities in Africa," he adds.

Warren Schultze, CEO of Eris Property Group, a property services and development company focused on sub-Saharan African markets states, *"in recent months we have been working on developing relationships in countries such as Ghana, Mozambique and Rwanda in anticipation of the launch of the fund. We have made excellent progress in identifying good partners and are considering a number of potential transactions. One such example is SIC Financial Services in Ghana, who have both the skills and the network to contribute significantly to the Momentum African Real Estate Fund initiative."*



He adds *“It is our intention to intensify our efforts in these countries in the next few months, as well as focus on additional countries including Nigeria and Tanzania, in order to explore additional projects. Our approach is to identify partners in these jurisdictions to assist us and participate economically in projects wherever possible, and we are seeking to expand our partner base, especially in the countries where we are not currently active.”*

The venture has already received great support from local partners in Ghana: *“in the past few months we have had several discussions with Eris in Ghana and Johannesburg, and are enthusiastic about partnering with them on some exciting real estate projects in Accra which we hope to initiate in the next few months”* said Alice Osei Okrah, Head of Corporate Finance and Research at SIC Financial Services Limited.

Projects earmarked for development include an office complex in Accra, Ghana, a retail centre in Maputo, Mozambique, an office / hotel in Kigali, Rwanda. The plans for the Kigali project include the use of plant life as organic air conditioning that will reduce environmental impact and running costs. A number of other projects are in the early stages of analysis.

-Ends-

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Notes to editors

Momentum Africa Real Estate Fund Profile

Investment manager	Momentum Africa Investment Management Limited
Investment Advisors	Eris Property Group (South Africa), Momentum Global Investment Management (London) & Momentum Africa Investments LLC (New York)
Investible universe	Geographic focus - Sub Saharan Africa ex SA: focus on Ghana, Kenya, Nigeria, Mozambique, Rwanda & Zambia Asset composition - Development & management of retail, office & industrial premises
Investment guidelines	45% single country limit, 35% single property limit (subject to top 3 not > 50%) 20% single tenant limit, 35% single construction firm limit



Base currency	USD
Fund domicile	Mauritius
Fees	1.75% management fee, performance fee of 20% above a 10% hurdle
Target size	\$ 250 million by 30 June 2015, launched on 31 January 2015 with \$50m
Term	8 years, with two 1 year extensions

Momentum notes to editors

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Eris Property Group notes to editors

- Operating since 1985
- Employs 360 people across 7 offices
- **Eris activities:**
 - Property Development \$1.7bn since 2000 in 5 countries (current market value \$2.5bn)
 - Property management: \$2.25bn under management
 - Asset management: \$953m
 - Proprietary investment: \$100m
 - Leasing and investment broking
 - Property and advisory services
 - Valuations
- **Current shareholding:**
 - MMI Group 50.1%
 - KTH Group* 22.8%
 - Management 27.1%
- Transformation: Eris has achieved a Level 3 B-BBEE status

* (largest black economic empowerment investment holding company in South Africa)



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