

Sanlam Africa Core Real Estate Investments Limited

(the "Company")

Incorporated in the Republic of Mauritius

Registration number 109045 C1/GBL

ISIN Code MU0396S00004

SEDOL Code B979H90

SEM Code SARE-N-0101

Short Name SACREIL

COMPANY OBJECTIVE AND INFORMATION

The Company aims to provide investors with both an attractive US dollar based income yield and longer term capital growth. It therefore strives to meet the needs of investors who require sustainable growth in income, as well as potential for capital appreciation, through exposure to core real estate assets in select Sub-Saharan African countries. The Company targets a competitive net total US dollar average return (IRR) over a 5 year period, inclusive of a targeted dividend yield of 4% p.a.

The Company invests into commercial real estate in Sub-Saharan Africa (excluding the Common Monetary Area, being South Africa, Namibia, Lesotho and Swaziland) with a focus on A-grade retail, office and industrial properties. Investments are selected from the countries in Sub-Saharan Africa in which the Sanlam Group is active and possesses strong familiarity with the respective business environments. The Company acquires assets that are completed properties, with demonstrated and sustainable income streams, and assumes limited development risk.

The Company provides an opportunity to take advantage of the attractive long term macro economic environments in targeted African countries, which results in rising demand for quality retail and office space in rapidly growing African cities.

Name	Sanlam Africa Core Real Estate Investments Limited
Property Type	Core Commercial
Denomination	US\$
Listing Date	16 May 2013
Share Price	US\$5.50 <i>[US\$5 Listing Price]</i>
Domicile	Mauritius
Financial Year End	December
Distributions	Semi-annual
Advisor	Sanlam Africa Real Estate Advisor Proprietary Limited
Advisory Fee	1.75%
Property Management	External
Performance Dividend	Structured with a hard hurdle of 10% and a 'claw-back' feature
Investor Reporting	Quarterly
NAV Date Publication	90 days after 31 December year-end 45 days otherwise
Administrator	Intercontinental Trust Limited

EXISTING ASSETS

The Company currently has three assets in its portfolio. Accra Mall in Ghana is a landmark asset and one of the largest shopping centres in the city. Two parcels of land have been acquired which adjacent to Accra Mall which will allow for the expansion of the Mall in due course. The Company's second asset comprises of 3 prime office towers in the heart of the CBD in Dar es Salaam, Tanzania. The third asset, Atlantic House on Victoria Island in Lagos, Nigeria, offers A Grade office accommodation to several international blue chip tenants.



Capital Properties Dar es Salaam, Tanzania

Offices
20,962m² GLA

Major Tenants:
Barclays Bank
First National Bank
Commercial Bank of Africa

Company Shareholding: 100%

Value: US\$54.95m*



Accra Mall Accra, Ghana

Retail
21,381m² GLA

Major Tenants:
Shoprite
Game
Mr Price

Company Shareholding: 47%

Value: US\$101.4m*

Vacant Land [At Cost]: US\$10.5m



Atlantic House Lagos, Nigeria

Offices
4,271m² GLA

Major Tenants:
IFC
CISCO
Transocean

Company Shareholding: 100%

Value: US\$44.0m*

* Most recent independent valuation

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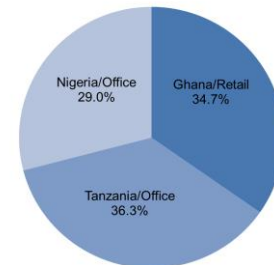
KEY RATIOS

	Actual	Maximum
Country Allocation*:		
• Ghana	10.5%	45%
• Tanzania	11.0%	45%
• Nigeria	8.8%	45%
Single Asset Allocation*:		
• Accra Mall	10.5%	35%
• Capital Properties	11.0%	35%
• Atlantic House	8.8%	35%
	Actual	Target
Loan to Value**	32.3%	40%-45%
Sector Allocation		
• Retail	34.7%	55%-65%
• Office	65.3%	25%-35%
• Industrial	0%	5%-15%

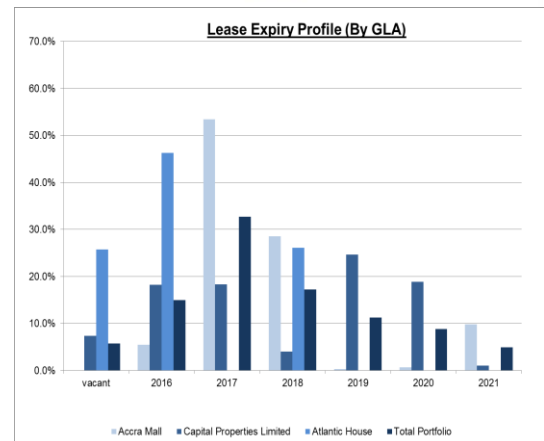
*Allocation is calculated with reference to the relevant Gross Asset Value (GAV) divided by the larger of the initial targeted GAV of \$500m and the actual portfolio GAV as at 31 March 2016 (\$151.5m)

** Maximum of 50% may only be exceeded for a period of 12 months

Geographic & Sectoral Spread by GAV



Lease Expiry Profile (By GLA)



NET ASSET VALUE & DIVIDEND

	Total NAV (Including B shares)	A Shares in issue	NAV per Class A Share	Declared Dividend per share	Annualised total return since listing	1 year Annualised total return
Listing	\$55.5m	9.1m	\$5.0000			
Jun 2013	\$59.6m	9.1m	\$5.3705			
Sep 2013	\$61.1m	9.1m	\$5.4557			
Dec 2013	\$64.8m	9.1m	\$5.7471	\$0.1337	23.27%	23.27%*
Mar 2014	\$64.4m	9.1m	\$5.7020			
Jun 2014	\$86.2m	12.6m	\$5.8511	\$0.1520	16.80%	11.49%
Sep 2014	\$88.4m	12.6m	\$5.9847			
Dec 2014	\$114.0m	16.6m	\$6.0596	\$0.0779	15.61%	10.66%
Mar 2015	\$113.1m	16.6m	\$6.0647			
Jun 2015	\$113.0m	16.6m	\$6.0620	\$0.0723	12.61%	7.72%
Sep 2015	\$112.4m	16.6m	\$6.0276			
Dec 2015	\$108.0m	16.6m	\$5.7959	\$0.1714	8.91%	-1.89%
Mar 2016	\$105.7m	16.6m	\$5.6720			

*equals annualised return since listing (May 2013)

DIRECTORS COMMENTARY

COMPANY OVERVIEW

The Company is nearing its third anniversary since listing on the Stock Exchange of Mauritius. In this time, all US\$100m of the initial capital has been drawn down to fund acquisitions in Ghana, Tanzania and Nigeria. Trading in the Company's stock has been fairly illiquid.

COMPANY REVIEW FOR THE QUARTER ENDED 31 MARCH 2016

The region continued to suffer an economic slowdown. Some of the reasons for this slowdown are country specific, whilst others are more macroeconomic and influenced by world events. The sustained slump in commodity markets, falling growth expectations and concerning sovereign debt burdens have also contributed to weaker local trading conditions.

Accra Mall's trading conditions have remained largely resilient, with only a marginal impact on operations from the current economic downturn. The small initial retail expansion and the refurbishment of the food court have been completed.

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DIRECTORS COMMENTARY (CONTINUED)

COMPANY REVIEW FOR THE QUARTER ENDED

31 MARCH 2016 (CONTINUED)

Atlantic House continues to experience high vacancy rates in a weakening Nigerian economy. There is also increased competition due to a significant increase in lettable office space in Lagos, with new developments becoming available for occupation. These market conditions have resulted in a decrease in the market rentals.

Capital Properties currently has a temporarily increased vacancy rate, mainly due to the imminent refurbishment of one of its office towers. Notwithstanding this, its operational performance remains as expected.

The Company's Net Asset Value per share as at 31 March 2016 was US\$ 5.6720. The Loan to Value Ratio (total 3rd party debt divided by the total gross asset value) was reduced from 32.82% to 32.28%, in aggregate.

COMPANY OUTLOOK

Notwithstanding the current economic headwinds being experienced across the region and greater global economy, we do not believe that the longer term trend of real economic growth in the region, will be altered. Consequently, the Company continues to pursue its strategy of growing its portfolio of assets, and is currently evaluating acquisition and expansion opportunities.

The Company intends to raise further capital in order to fund the future asset acquisitions and expansions. The consequent increase in the Company's market capitalization may also improve the liquidity of its shares over time.

The challenging business and economic environment across the region is anticipated to continue in the foreseeable future and therefore trading conditions for the assets are likely to remain under pressure.

FINANCIAL INFORMATION

STATEMENT OF CASHFLOWS

	Unaudited for the period ended 31 March 2016	Unaudited for the period ended 31 March 2015
	US\$	US\$
Net cash utilised in operating activities	(1,155,829)	(366,274)
Net cash flows utilised in financing activities	-	(1,032,569)
Net decrease in cash and cash equivalents	(1,155,829)	(1,398,843)
Cash and cash equivalents at beginning of period	1,911,775	10,519,262
Cash and cash equivalents at end of period	755,946	9,120,419

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Net assets attributable to			
	Class A	Class B	Class C	Total
	US\$	US\$	US\$	US\$
2015 (RESTATED)				
At 1 January 2015	100,809,466	13,220,177	100	114,029,743
Additional dividend paid	-	(1,032,569)	-	(1,032,569)
Increase in net assets attributable to shareholders from operations	85,790	10,314	-	96,104
Unaudited as at 31 March 2015	100,895,256	12,197,922	100	113,093,278
Number of shares in issue	16,636,409	2,000,000	100	
Net Asset Value per share	US\$ 6.0647	US\$ 6.0990	US\$ 1	

	Net assets attributable to			
	Class A	Class B	Class C	Total
	US\$	US\$	US\$	US\$
2016				
At 1 January 2016	96,423,531	11,591,869	100	108,015,500
Decrease in net assets attributable to shareholders from operations	(2,061,011)	(247,771)	-	(2,308,782)
Unaudited as at 31 March 2016	94,362,520	11,344,098	100	105,706,718
Number of shares in issue	16,636,409	2,000,000	100	
Net Asset Value per share	US\$ 5.6720	US\$ 5.6720	US\$ 1	

STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 March 2016	Audited as at 31 December 2015
	US\$	US\$
Assets		
Cash and cash equivalents	755,946	1,911,775
Loan receivable	46,994,657	45,340,208
Interest receivable	1,188,271	943,940
Other receivables and prepayments	343,605	324,049
Financial assets at fair value through profit or loss	61,058,068	60,253,645
Total Assets	110,340,547	108,773,617
Liabilities		
Advisory fees payable	(1,315,295)	(670,920)
Dividend payable	(3,193,670)	-
Other payables and accruals	(124,864)	(87,197)
Total Liabilities	(4,633,829)	(758,117)
Net assets attributable to shareholders	105,706,718	108,015,500
Net assets attributable to:		
Class A	94,362,520	96,423,531
Class B	11,344,098	11,591,869
Class C	100	100
Net assets attributable to shareholders	105,706,718	108,015,500

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FINANCIAL INFORMATION (CONTINUED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the period ended 31 March 2016 US\$	Unaudited for the period ended 31 March 2015 (RESTATED) US\$
INCOME		
Net gain on financial assets at fair value through profit or loss	804,423	2,022,355
Interest income	448,833	356,828
Other income*	387,448	-
	1,640,704	2,379,183
EXPENSES		
Professional fees	(42,224)	(102,839)
Advisory fees	(644,375)	(656,335)
Audit fees	(6,814)	(4,255)
Bank charges	(718)	(1,088)
Accounting fees	(15,655)	(14,625)
Disbursements	(50)	(145)
Licence fees	(5,006)	(4,923)
Directors fees	(27,509)	(36,333)
Other expenses	-	(55)
	(742,351)	(820,598)
Operating profit	898,353	1,558,585
Finance costs**	(3,193,670)	(1,451,776)
(Loss)/profit before tax	(2,295,317)	106,809
Income tax expense	(13,465)	(10,705)
Other comprehensive income	-	-
(Decrease)/increase in net assets attributable to shareholders from operations	(2,308,782)	96,104

*Other income relates to the reversal of part of the provision for impairment of loan receivable.

**Finance costs represent dividend declared to shareholders amounting to US\$ 3,193,670 in respect of the year ended 31 December 2015 (US\$ 1,451,776 in respect of the year ended 31 December 2014).

THE ADVISOR

Sanlam Africa Real Estate Advisor Proprietary Limited ("SAREA"), a wholly owned subsidiary of Sanlam, has been appointed to provide advisory services to the Company. The SAREA advisory team has extensive real estate, finance and investment management experience across the African continent.

NOTES

Any forecast statement above, and the forecasts underlying such statements, are the responsibility of the Board and have not been reviewed or reported on by the Company's external auditors. The forecast is based on assumptions, including assumptions about regional, political and economic environments, as well as that a stable global macro-economic environment will prevail. The Gross Asset Value of the Company is sensitive to the Independent Valuer's valuations of its properties which are, in turn, sensitive to the valuation parameters used, in particular discount and reversionary capitalisation rates.

The Company is required to publish interim financial results in terms of the Listing Rule 12.19 of the Stock Exchange of Mauritius ("SEM") and Section 88 (1) of the Securities Act 2005. The abridged unaudited financial statements for the three months ended 31 March 2016 have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Securities Act of 2005, using the same accounting policies as those of the audited financial statements for the year ended 31 December 2015.

The comparative results disclosed in this announcement have been restated from a disclosure perspective to ensure comparability of the financial statements for the users of the financial statements.

The net asset value per share for Class A has been stated net of the additional dividend reserve attributable to Class B shareholders, which is currently nil.

The abridged unaudited interim financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited interim financial statements were approved by the Board of Directors on 10 May 2016.

Copies of the abridged unaudited interim financial statements and the Statement of direct and indirect interests of each officer of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius. Contact person: Mr Kesaven Moothoosamy.

By order of the Board

Intercontinental Trust Limited
Company Secretary
10 May 2016

