

Investor Showcase

Growthpoint
Investment
Partners

06



Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion

Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion



GIP is part of Growthpoint

GIP offers scalable, specialist, unlisted property portfolios that are differentiated from Growthpoint's core portfolio

GIP

- Groundwork for GIP began in 2016
- GIP is a ring-fenced, fully resourced, division within Growthpoint

Focus

- We focus on conceptualising, creating and managing specialist, unlisted property platforms/companies to meet investors' particular interests

Unlisted property offerings

- Student Accommodation REIT
- Healthcare REIT
- Lango - Africa (ex SA) commercial property portfolio

AuM

- R3bn
- R3.5bn
- R9.6bn
- R16.1bn

Growthpoint Support

- Growthpoint - anchor investor seeking to maintain a shareholding of 15-20% in each of the platforms
- Secondment of C-Suite Execs to IC and Boards
- Leverages the Growthpoint platform - brand, ESG, HR, Risk Management, CSI etc., etc.
- On the ground presence in Johannesburg, Durban and Cape Town providing source for deal origination and on the ground asset and property management

Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion



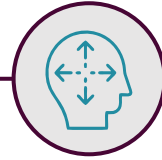
Creating investment opportunities



We provide additional depth to the property asset class by creating access to unique, themed investment opportunities that compliment the traditional property asset class



We create opportunities for investors to play a role in the development of the country and positively impacting the society



We do this by conceptualizing, creating, and managing diversified, specialist unlisted property platforms in areas that have significant social impact



Currently we have 3 specialist, unlisted property platforms.

The intention is to expand into other niche growth sectors e.g., data centres, affordable housing, retirement homes, schools etc., etc.



Target to double assets under management over the next 3 - 5 years through;

Growing existing platforms

Launching new platforms.



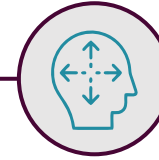
Dedicated investment team



A dedicated team of
8 professionals



Over **30** academic
qualifications



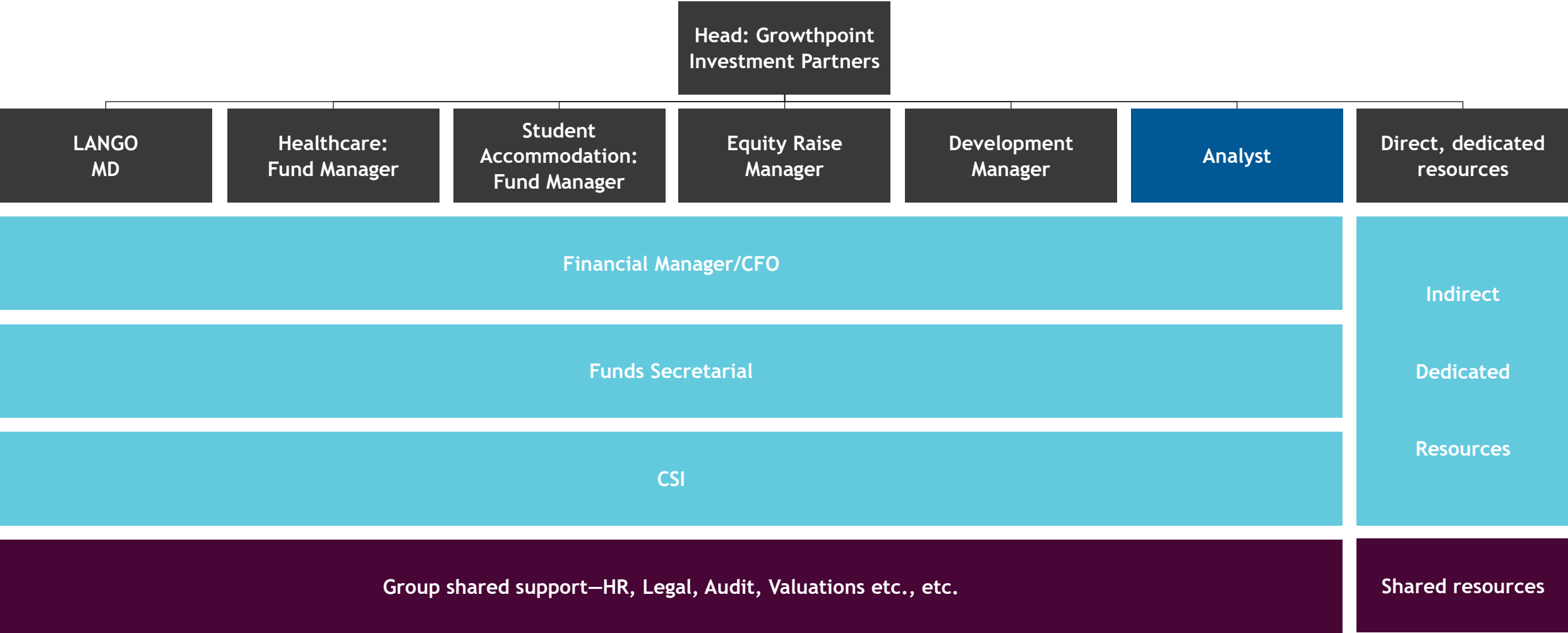
More than **100** years
investment experience



Access to wider
Growthpoint Group for
key support skills



Supportive structure



Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation**
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion



Strong transformation credentials

Growthpoint level

SA Business

- Growthpoint is a Level 1 B-BBEE contributor
- Growthpoint is committed to the transformation of the property sector and has devised and implemented a progressive B-BBEE plan aimed at improving its contribution to transformation

Enterprise & supplier development

- **R1.2bn** worth of contracts awarded through Growthpoint's Property Point - an SMME Supplier Development Programme where beneficiaries are trained and awarded contracts
- **2 423** fulltime equivalent jobs created
- **43%** number of women-owned businesses on the programme

Socio economic development

Our core focus areas have consistently been:

- Supporting educational initiatives - early childhood development - tertiary bursaries - graduate programmes & learnerships
- Entrepreneurship development
- Staff engagement

Employment equity

- Key focus on talent management, succession planning and transformation

Investment platform level

Strong B-BBEE ownership

- Healthcare REIT - 25.55%
- Student Accommodation REIT - 72%

Manco participation by BEE investors

- Healthcare REIT - 15%
- Student Accommodation REIT - Call Option of 20% by 1st Close BEE Investors

Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT**
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion



Meet the Fund Manager



Dr Linda Sigaba

Healthcare REIT Fund Manager

17 years relevant industry experience

3 years portfolio manager

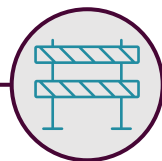
MD (St. George's University), MBA (UCT), PGDMP (UCT)



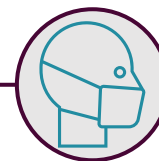
Strong sector fundamentals



Structural demand
supply imbalance and
low beds per capita



High barriers to entry
due to licensing
regime, thus
safeguarding against
over supply



Increased instances of
diseases and sustained
birth rates will ensure
continued future
utilisation

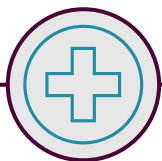


Less susceptible to
online disruption as
patients prefer face-to-
face consultations or
must go to hospital for
medical procedures



Social impact investment

Growthpoint has full time resources fulfilling the ESG, CSI & Sustainability functions



Quality healthcare is a major social need in South Africa

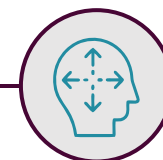


The healthcare sector is essential to a stable and functioning economy

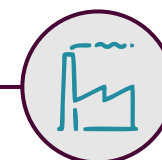


Health systems impact the economic performance of other sectors in the national economy positively

New developments have a huge positive impact on the local economy



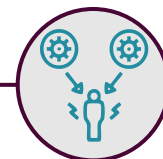
Job creation



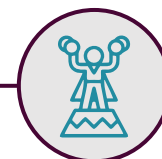
Improvement in local infrastructure



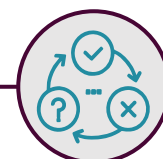
Contribution to local municipality revenue



Supplier development



SMME support



Skills development



Optimal structure



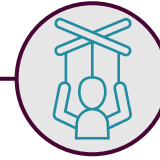
Guaranteed investor liquidity through a JSE listing, after R10 billion in assets or after 7th anniversary



Dividends paid 6 monthly and underpinned by long, escalating leases



REIT status, thus ensuring income pass-through for pension funds



Capital deployed into income producing assets, thus avoiding J-Curve



Investment into “real assets” and reducing volatility in returns



Strong Governance oversight framework



Healthcare REIT portfolio

Proven portfolio with high occupancy & strong rental growth even through COVID-19



Launched in May 2018 - Focuses on healthcare assets that require a license to operate, thus increasing the barriers to entry



- **AuM: R3.5bn**
- **Turnover: R378.4m**
- **Net property income: R322m**
- **1 021 beds**
- **Optimal fee structure**
 - **1.25% of Gav**



- **8 operating properties**
- **6 hospitals**
- **1 medical chamber**
- **1 pharma warehouse**



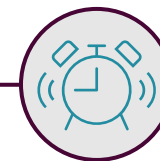
- **Identifiable pipeline of R500m for commencement in next 12-18 months**



- **Vacancy rate: 0.1%**



- **Average lease: 7.8% escalation**



- **Weighted average lease expiry: 10.3 years**

Objective, provide investors an opportunity to invest in quality healthcare properties underpinned by long-term leases from operators that generate strong cash flows

Mature, stable sector underpinned with strong fundamentals, proven resilience against economic downturns and low correlation to other asset classes

Target gross, ungeared return of between 13% -16%

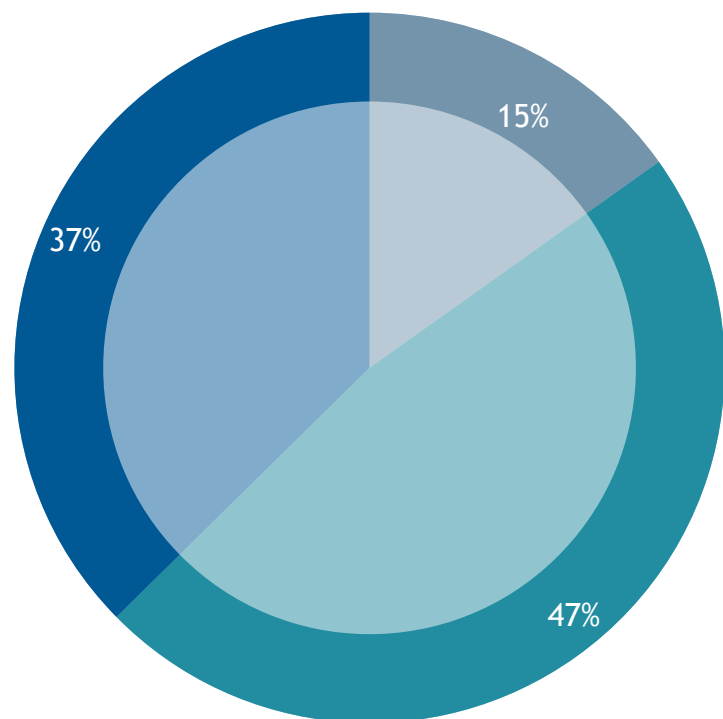


Portfolio diversification

Diversification across geographic location and tenant base

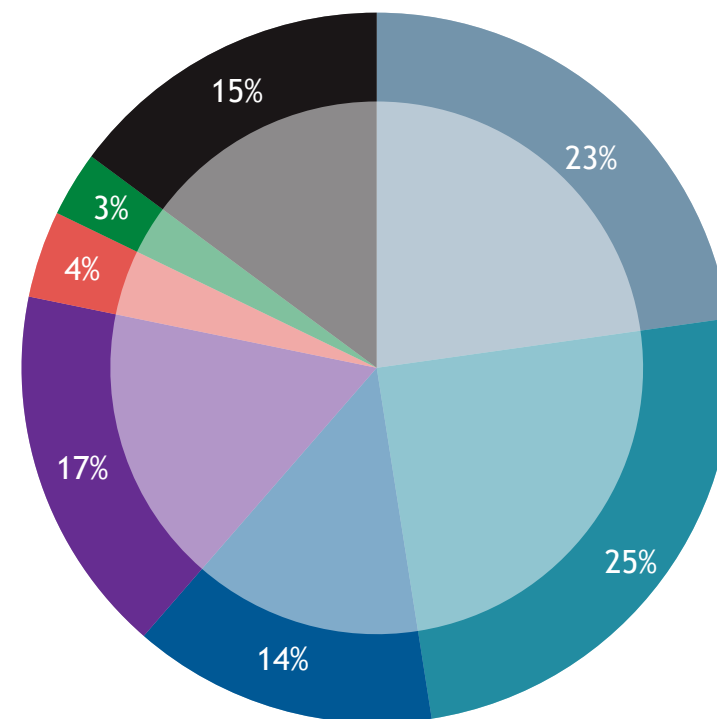


Geographic Spread



■ Gauteng ■ KwaZulu-Natal ■ Western Cape

Portfolio Weighting



■ Gateway Private Hospital ■ Hillcrest Private Hospital ■ Louis Leipoldt Hospital
■ N1 Hospital ■ N1 Medical Chambers ■ Paardevlei
■ Cintocare

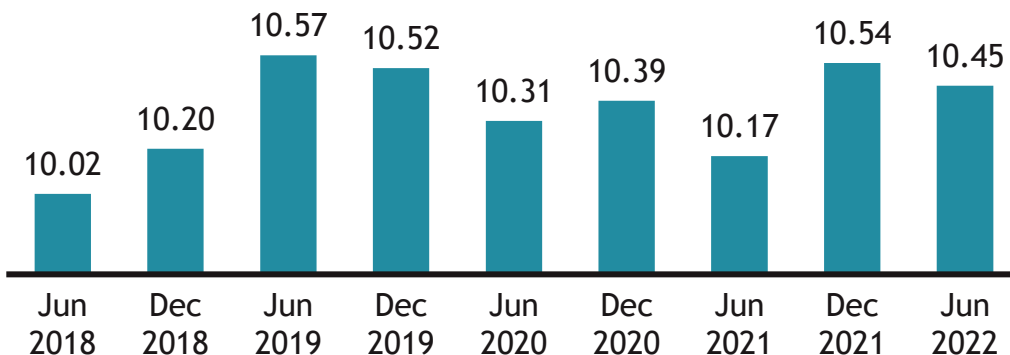


Superior risk adjusted returns

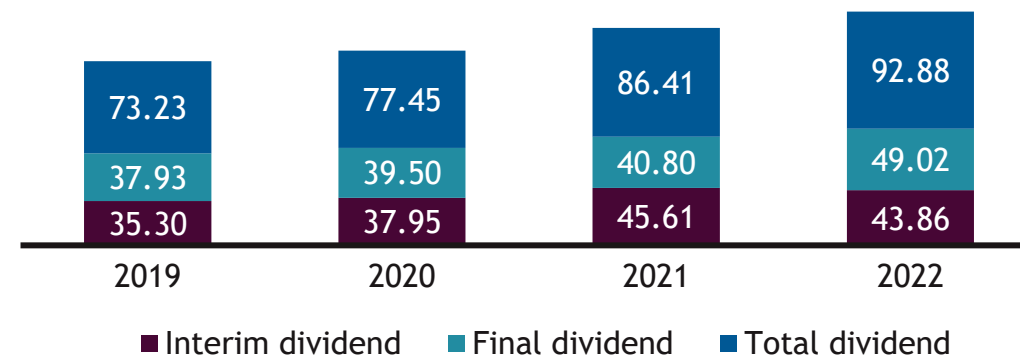
Consistent, inflation-beating returns highlighting the resilient and defensive nature of the healthcare property sector



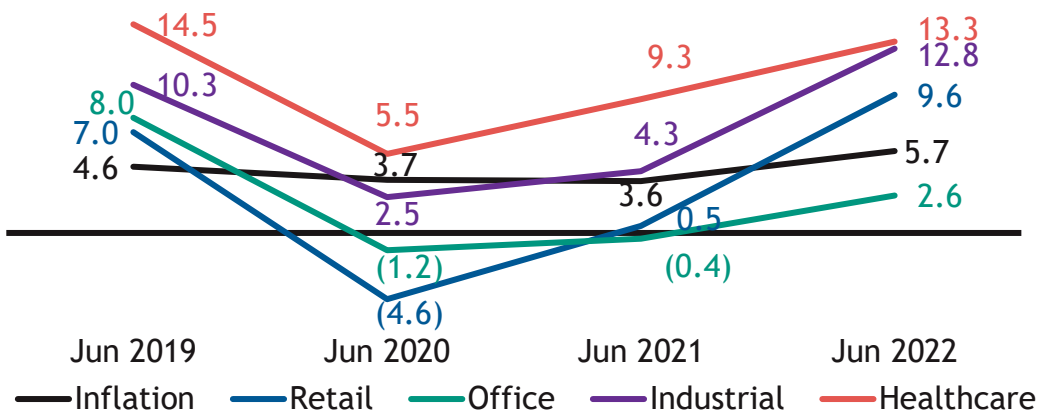
NAV / share (ZAR)



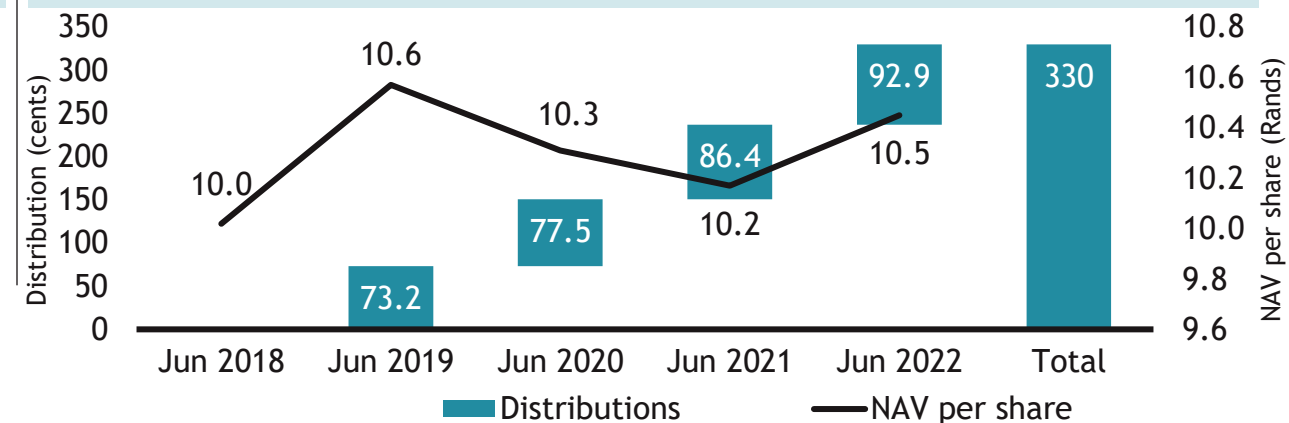
Growth in distribution per share (%)



Gross annual returns (%)



Total returns



Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT**
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion



Meet the Fund Manager



Amogelang Mocumi

**Student Accommodation
REIT Fund Manager**

14 years relevant industry experience

5 years portfolio manager

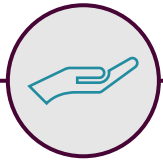
BSc (Construction Studies/QS, Bcom (Hons)

Bcom (Hons) (Financial Analysis & Portfolio Management)

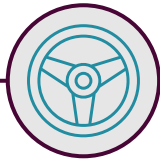
MSc (Real Estate Finance & Investments)



Strong sector fundamentals



Supportive structural demand and supply dynamics



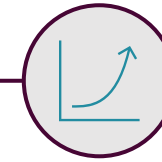
Student accommodation provision no longer sits within the control of universities



Supportive demographics



Greater share of the wallet both public and private



Resilient sector sustaining demand even during periods of economic shocks



Yearly rebasing of rentals reduces volatility of income and capital values



Social impact investment

Growthpoint has full time resources fulfilling the ESG, CSI & Sustainability functions



Education is a major social need in South Africa

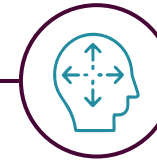


At least 60% of tenants in the initial portfolio are from low-income households and are supported by NFSAS

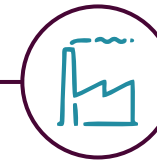


PBSA provides a conducive learning and living environment for students, thus improving education outcomes

New developments have a huge positive impact on the local economy



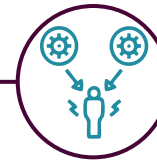
Job creation



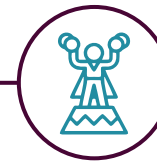
Improvement in local infrastructure



Contribution to local municipality revenue



Supplier development



SMME support



Skills development



Student accommodation REIT

Significant opportunity to scale portfolio



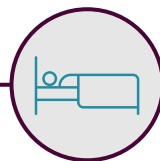
Launched in December 2021 - Focuses on providing quality PBSA



- **AuM: R3.0bn**



- **7 operating properties and**
- **3 being delivered in 2023**



- **5 000 beds, and circa 2 200 beds coming in the 2023 academic year**



- **Identifiable pipeline of R3.2bn for commencement in next 6-12 months**
- **Opportunity to consolidate sector**
- **Target to reach 22k-25k beds in the next 5-6 years**

Objective, provide investors an opportunity to invest in quality PBSA, a growing property sector with proven resilience against economic downturns and low correlation to other real estate classes and economic cycles

Target gross, ungeared return of between 13% -16%

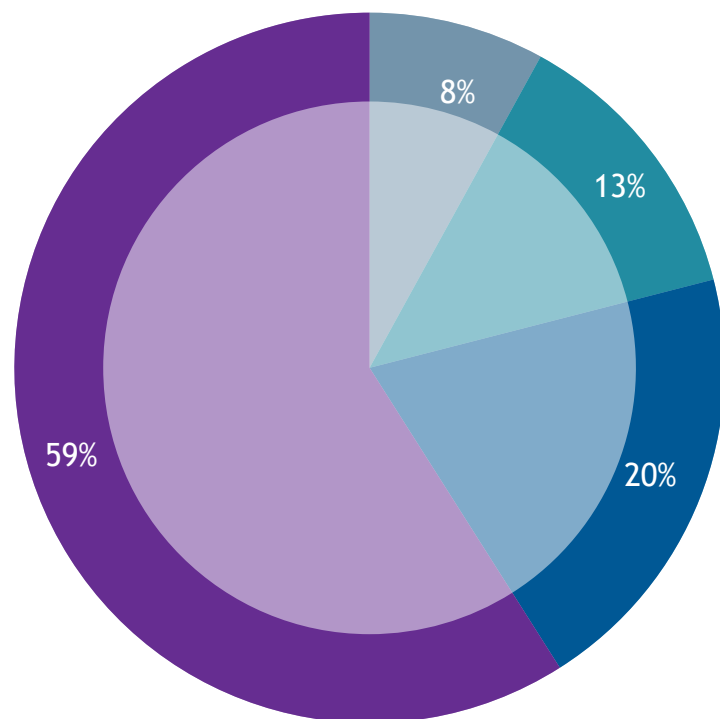


Diversified portfolio

Diversification across universities and tenant mix

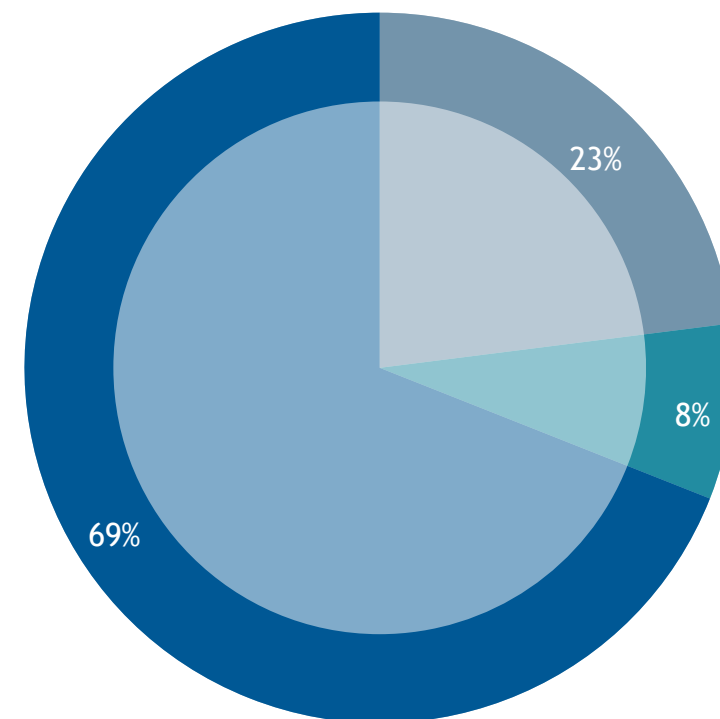


University exposure



■ UCT ■ WITS ■ UJ ■ UP

Tenant mix



■ Private ■ Bursary ■ NSFAS

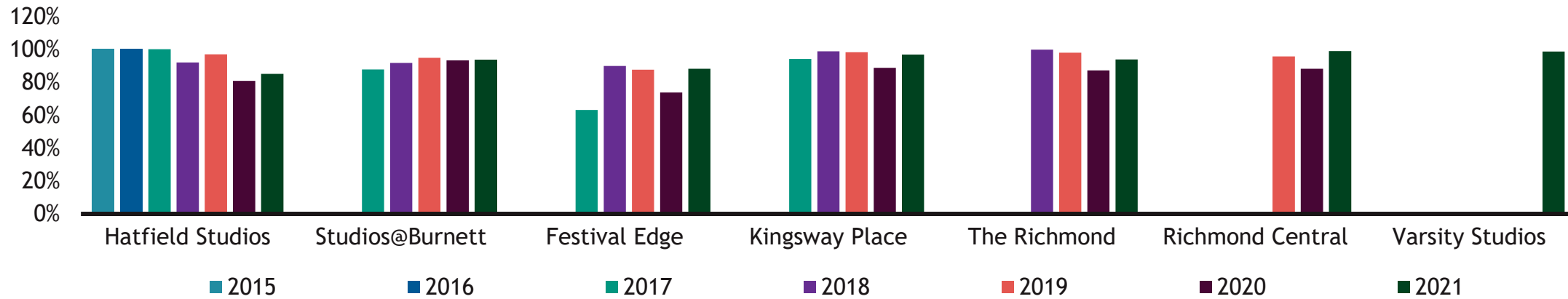


Proven resilience ...

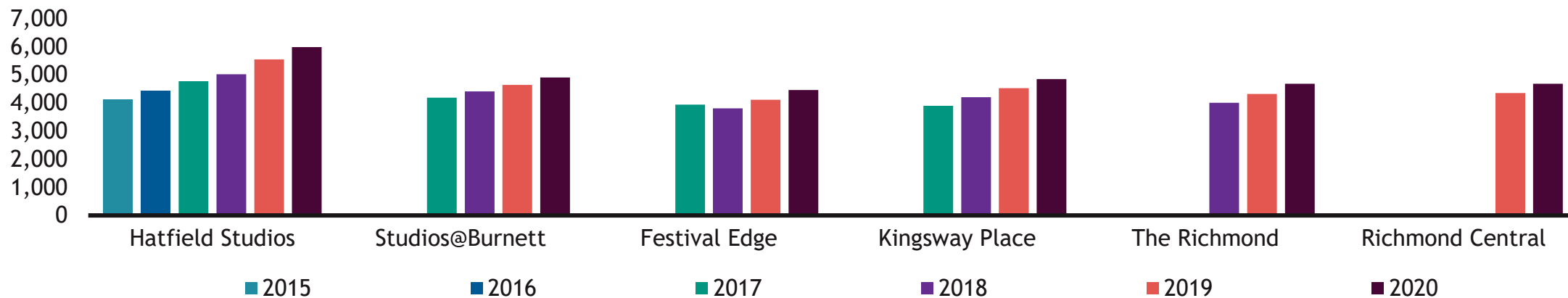
...with high occupancies & strong rental growth



Occupancy profile



Average rental per bed

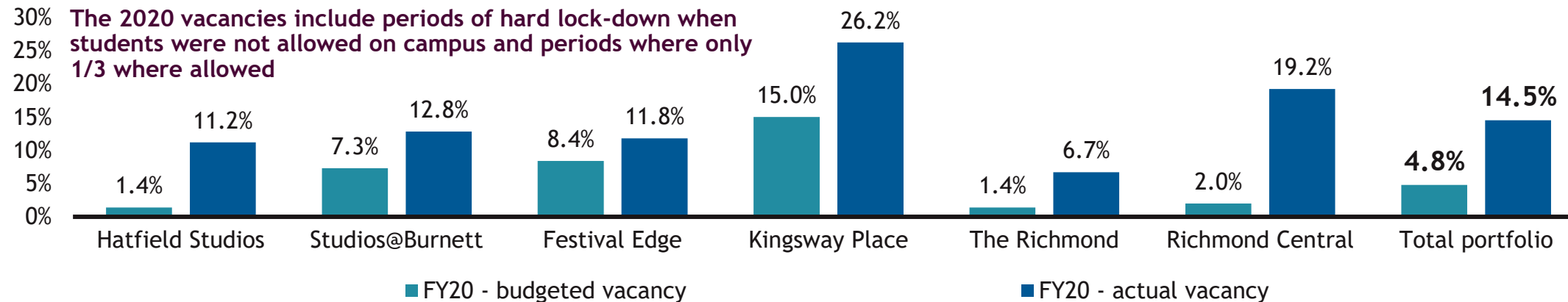




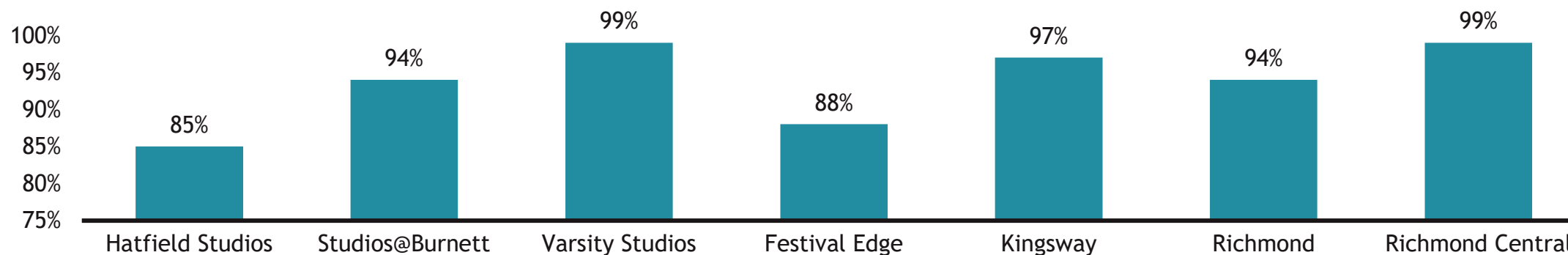
Proven portfolio... ...during COVID-19 times



FY20 - Vacancy analysis



Current occupancies - September 2021



High occupancy levels for 2021, given that universities are still largely only offering online tuition

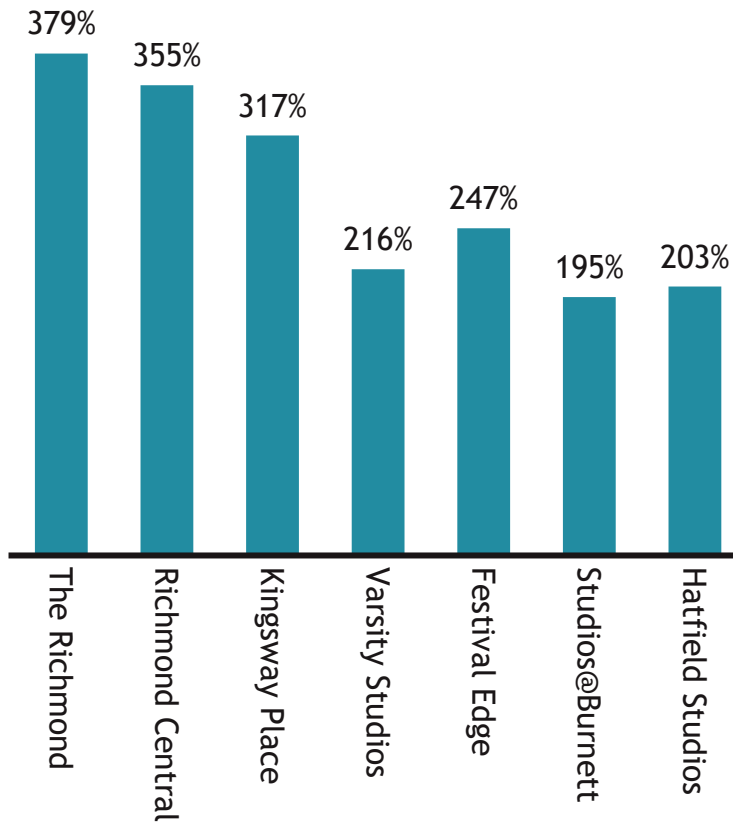


Proven portfolio...

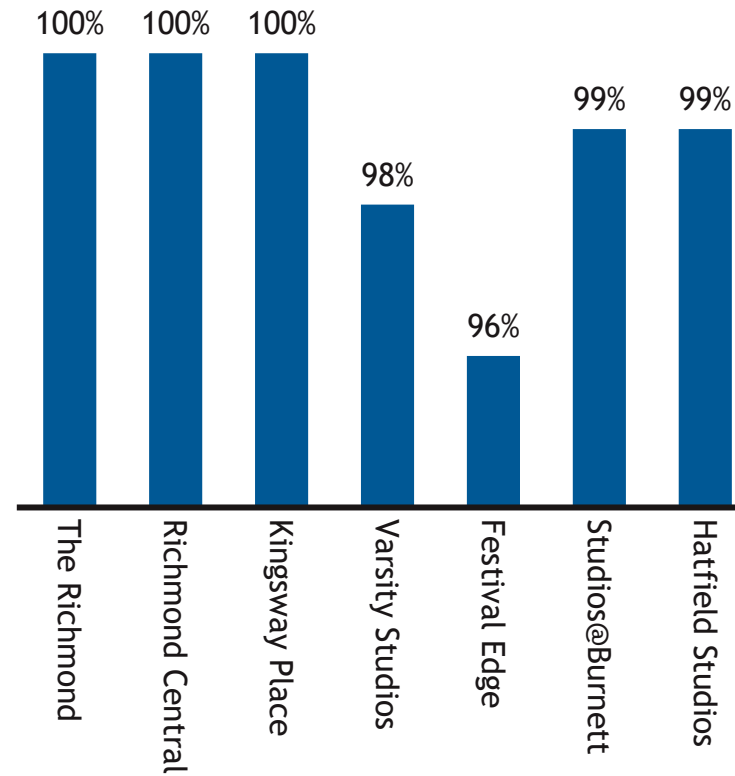
...significant demand underpinning high occupancies



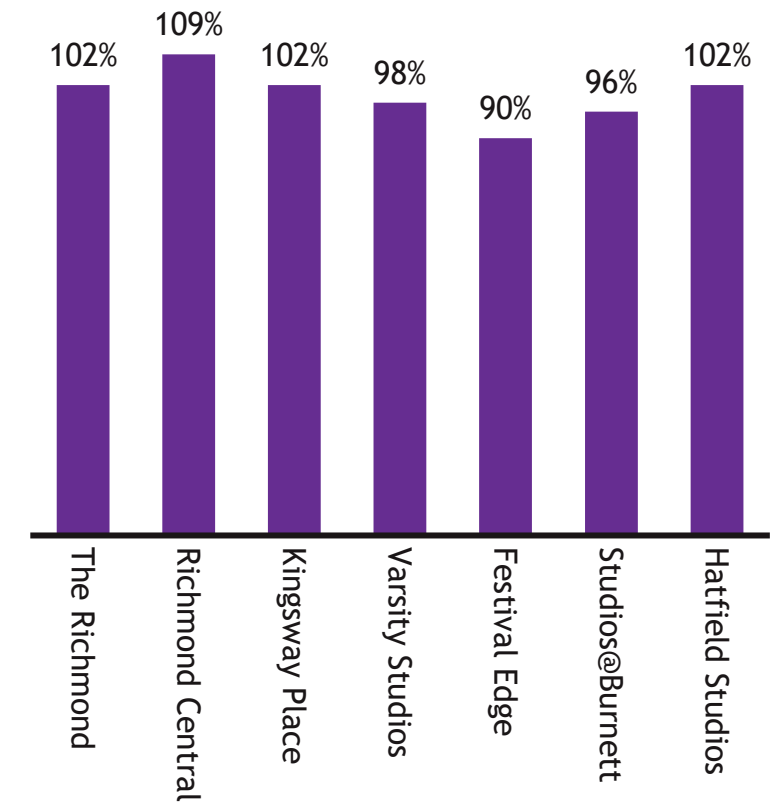
% of applicants to number of available beds



Occupancies



% of collections to Invoice



Growthpoint Investment Partners

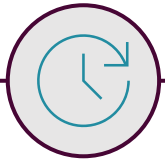
Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics**
- 07 Why invest in us
- 08 Conclusion



Positive characteristics

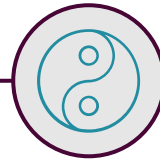
Our specialist, unlisted property portfolios are worthy of inclusion in a multi-asset portfolio due to the following positive characteristics



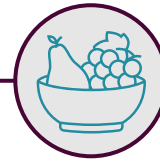
Predictable cash flows - meaning improved ability to match long-term liabilities



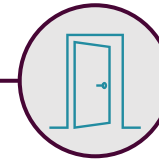
Indexing linked cash flows that provide an inflation hedge



Less volatile with performance linked to performance of the underlying property assets



Return profile uncorrelated to traditional fixed-income returns, listed equity returns as well as other illiquid investments such as private equity



Increased opportunity - access to opportunities that are not available in the traditional investment space



The ability to invest in projects that benefit society as well as the economy



Guaranteed investor liquidity through an IPO

Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us**
- 08 Conclusion



Why back Growthpoint/GIP?



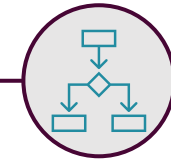
Strong investor alignment with Growthpoint an anchor investor in each underlying platform



Backing a proven management team that has already launched 3 platforms



Access to the Growthpoint platform—brand, C-Suite Execs, Policies, Governance etc., etc.



Unique opportunity to access REIT income from an unlisted investment



Support by local and foreign investors

Strong alignment of interest from promoters, Growthpoint Properties and the Feenstra Group



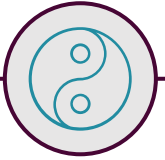
Growthpoint Investment Partners

Agenda

- 01 Who we are
- 02 What we do
- 03 Our commitment to transformation
- 04 Healthcare REIT
- 05 Student accommodation REIT
- 06 Positive characteristics
- 07 Why invest in us
- 08 Conclusion



Conclusion



GIP offers scalable, specialist, unlisted property portfolios that are differentiated from Growthpoint's core portfolio and underpinned by strong, growth fundamentals



GIP offers portfolios that provide investors access to opportunities that are not available in the traditional investment space, thus providing additional depth to the asset class & diversifying risk



Our specialist, unlisted portfolios offer investors the opportunity to earn real returns in rising and falling equity or bond markets - pointing to their resilient and defensive characteristic



Our portfolios are suitable for institutional investors and high-net-worth private clients looking for diversification, reduced volatility and superior, long-term risk adjusted returns



Our portfolios can meet the LDI manager's desire to both match liabilities and cash flows as well as diversify return drivers away from traditional asset classes



We invest in impactful projects that benefit society and the economy

Questions

Thank you

