

UPDC Real Estate Investment Trust

ABOUT THE FUND

The UPDC Real Estate Investment Trust "the REIT" is a closed-ended Real Estate Investment Trust which is listed on the Nigerian Exchange Limited (NGX). The units can be bought and sold through a licensed stockbroker on the floor of the exchange. The underlying assets of the Trust comprises a diversified portfolio of commercial and residential real estate assets. Investors may face some degree of risk due to unpredictable economic and social situations that may positively or negatively impact rental income and the price of REITs on the floor of the Nigerian Stock Exchange.

The REIT announced a distribution of 19kobo for the 2023 half year distribution, this represents a dividend yield of 5.07%. The Q2 2023 management report was released to the public on the 31st of July 2023. From the income statement, rental income grew by 11.21% from ₦652.5m (Jun 2022) to ₦725.7m (Jun 2023) largely due to the recovery of outstanding rents and slight increase in occupancy levels while increase in interest income was largely due to additional fixed deposit placements with banks to the tune of ₦2.3b. There was a 15% improvement in earnings per unit between the periods under comparison due to 14% increase in earnings from ₦540.6 m to ₦620.9m. The Statement of Financial Position for the period shows a decline in bank balances due to increased spending on investment properties as total assets increased from ₦26.27b to ₦27.27b showing a 3.81% growth. Investment Property and Property and Equipment figures are ₦23b (₦21.5b : Jun 2022) and ₦248.9m (₦132m : Jun 2022) respectively featuring a 6.98% and 88.56% growth due to increase in real estate assets.

RISK PROFILE

Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive	Very Aggressive
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FUND INFORMATION

No of properties	6
Fund inception date	05-Jun-2013
Fund benchmark	NA
Market Value (NGX) as at 31 August 2023	₦9,739,183,675.00
No of units	2,668,269,500
Management Fee per annum	0.4% of Net Asset Value (NAV)
Auditor	PricewaterhouseCoopers
Fund Rating	A-(NG)
Rating Agency	Global Credit Rating Co.
Joint Trustees	United Capital and FBNQuest Trustees Ltd
Custodian	United Bank for Africa
Dividend Policy	To distribute at least 90% of net profit
Dividend Distribution	Semi-annually
Valuation Frequency	Annually
Market Price per unit as at 31 August 2023	₦3.65k
REIT type	Equity REIT
Property Distribution	Commercial, Residential, and PBSA***
Occupancy rates (Avg)	88.50%
Average property age	22yrs
Property locations	Lagos and Abuja

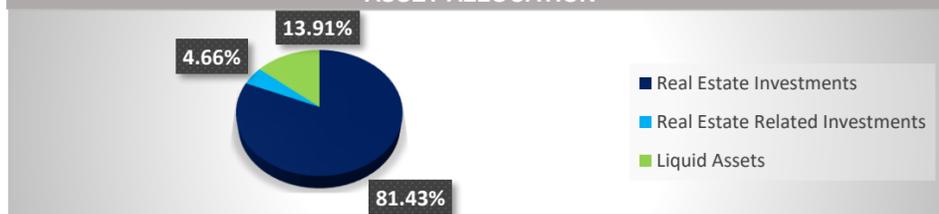
FINANCIAL INFORMATION (as of June 2023)

Balance Sheet	Amount (₦)
Current Assets	4,128,308,000.00
Non-current Assets	23,139,567,210.14
Total Assets	27,267,875,210.14
Current Liabilities	954,193,000.00
Non-current Liabilities	17,207,000.00
Total Liabilities	971,400,000.00
Net Asset Attributed to Unitholders	26,296,475,210.14
Units Issued	2,668,269,500.00

DISTRIBUTION PER SHARE



ASSET ALLOCATION



MARKET INDICATORS



Inflation : 24.08%*

Nigeria's inflation rate in the month of July 2023 increased to 24.08% from 22.79% recorded in June 2023.



FX Reserve : \$33.20bn**

FX reserves has declined by 7.91% Year-to-Date as of August 31, 2023



Monetary Policy Rate : 18.75%**

The Monetary Policy Committee increased the MPR from 18.50% to 18.75% at the last MPC Meeting which held July 25 2023



GDP: 2.51%*

Nigeria's real GDP grew by 2.51% year on year in real terms in Q2 2023.

*National Bureau of Statistics ** CBN ***PBSA - Purpose Built Student Accommodation

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Past Performance is not an indicator of future performance and individual investors' returns may differ depending on individual investment period.

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