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## INVESTOR QUARTERLY REPORT – August 2019

Welcome to the 2<sup>nd</sup> half of a year that has flown by all too quickly.

Firstly, a look at the overall investment picture in South Africa. The last five years has been dismal for most investors in SA. Of the 102 general equity funds, only five delivered returns above inflation for the period 1 June 2014 - 31 May 2019, with the top performer showing an annualised return of 7.57%. In a complete turnaround, Bonds performed better than this with earnings of 8.3%. The returns available from Cash averaged around 7.4%.

In contrast, during this period our investors have realised returns ranging from 18% - 21.9% per annum. That is a very pleasing outcome for our investors and clearly illustrates that our tried and tested model of High Yield, High Security investing is meeting expectations and adding great value to the investment portfolios of our investors.

### Project update - Southwark Village

Great strides have been made by the construction team on the Southwark Village site. Installation of services has been completed and the building of units is proceeding at a rapid pace. The first phase of units (numbers 13 - 17) are already at roof stage with the phase two progress following closely behind. By last week, work had commenced on all 26 units with the final phase being at foundation level.





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The recent rains have been persistent and have had an adverse impact on the building schedule. The builders will hopefully make up some time as the weather improves so the units in the first phase should be ready for occupation by October. However, if the wet weather continues indefinitely the planned occupation dates will have to be adjusted accordingly. This is not entirely bad news. Given the low level of the dams in the Western Cape in recent times these rains are a blessing and we will be happy to manage some delays to alleviate the lingering water crisis!

#### **Current and future investments update**

The investment window for the Construction Financing on the Southwark Village project opened recently. This is offering fixed returns calculated at 18% per annum. The investor response to this has been good and we are already over 70% subscribed. Please enquire should you be interested.

The pipeline for future projects is strong. We are excited to announce that two new developments are coming on stream next year. The first is a 204-unit project in Langeberg Ridge behind Durbanville. This is a fantastic site located in the heart of a very high demand residential area. The second is a 61-unit project in Brackenfell, also located in a popular middle-income residential area. These are both exceptional sites which fall in line with our strategy of financing projects in high demand residential nodes of urban metros. Both sites are in the planning phase with the applications for rezoning being submitted within the next month. The investment windows for these should be opening in the first quarter of next year and we shall keep you closely informed hereof.

#### **Find attached your Lender statement as at 30 July 2019.**

Please contact us should you have any queries about this.

All the best in significant investing.