



Gaia to list South Africa's first specialist fibre optic real estate investment trust

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Cape Town, South Africa: Gaia Fund Managers, together with Fibonacci Managers and Kruger International Asset & Wealth Management, announce the listing of South Africa's first specialist real estate investment trust (REIT), investing in fibre optic network infrastructure on the Cape Town Stock Exchange (CTSE, formerly 4AX).

The REIT provides a tax-efficient structure through which investors earn returns from investing in exclusive fibre networks that provide data access to a growing base of end users, according to Denzil Kennon, chief operating officer of Gaia Fund Managers.

"Gaia has a track record of providing novel solutions to give investors access to inflation-linked returns through investment in infrastructure," says Kennon.

The listing of Gaia Fibonacci Fibre REIT 1 Ltd on 10 December 2021 comes at a time when the South African Government is calling on private investors to support the large-scale roll out of infrastructure in a bid to boost economic growth. Fibre optic cable networks fit neatly into this infrastructure roll out as they link South Africans and their businesses to the increasingly digital world. In essence, these fibre networks enhance the ability of individuals and businesses to participate and grow in the digital economy. In addition, it provides access to internet services to homes, schools and businesses, which is a key component of enabling education and reducing inequalities, thereby directly aiding the UN Sustainable Development Goals.

This is the second listing of an infrastructure-related fund on the Cape Town Stock Exchange by Gaia. In October 2020, the fund manager listed preference shares for Gaia Renewables 1 Ltd. The latter houses investments in renewable energy infrastructure, such as the Tsitsikamma Community Wind Farm near Humansdorp in the Eastern Cape. The preference shares were bought by the Kruger Ci Prudential Fund, Kruger Ci Balanced Fund and Kruger Ci Equity Fund and offered Kruger clients a unique investment opportunity in an operational wind farm in a safe, regulated and tax-effective way.

"Gaia Renewables 1 Ltd – listed on the Cape Town Stock Exchange – provides investors with the opportunity to gain exposure to alternative investments in the form of renewable energy infrastructure," explains Kennon. "Gaia, together with Fibonacci Managers and Kruger International Asset & Wealth Management, has built on this success by utilising a similar structure and providing investors with access to South Africa's first fibre optic network REIT."

The REIT presents shareholders with the same tax-structuring benefits as if they owned the underlying assets directly with no income tax at a company level, while dividends are taxed in the hands of the shareholders.

On the choice of the Cape Town Stock Exchange as listing partner, Kennon adds: “When it comes to novel solutions, speed of delivery and a pragmatic approach to providing investors, fund managers and companies with a marketplace where minds can meet, the team at the Cape Town Stock Exchange is unmatched. They continue to evidence why they are Gaia’s listing partner of choice, and we share in the market’s excitement about having them in their new home in the Mother City. As with the Gaia Renewables 1 Ltd’s listing in 2020, the Kruger Ci Prudential Fund, Kruger Ci Balanced Fund and Kruger Ci Equity Fund will subscribe for issued preference shares in Gaia Fibonacci Fibre REIT 1 Ltd.

Hein Kruger, managing director of Kruger International, says: “We are proud to, once again, offer a new and unique investment opportunity with strong returns to the market. Our clients, through the Kruger Funds, will be the first investors in South Africa to hold shares in a listed REIT investing in fibre optic network infrastructure. This investment not only represents sound diversification into an alternative asset class in a safe, regulated and tax-efficient way, but it also contributes to much-needed infrastructure development in South Africa.

Eugene Booyesen, CEO of Cape Town Stock Exchange, notes: “The CTSE is serious about real economic transformation and getting capital in the hands of entrepreneurs to create jobs and grow the economy. We are working with our issuers and investors to change the market perception of listings. The Gaia Fibre REIT is committed to financial innovation, facilitating technology and infrastructure investment.”

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About Gaia Fund Managers

Gaia Fund Managers was formed in Cape Town in 2012 and incorporated in 2015 to facilitate the investment of long-term investor capital in infrastructure projects in Southern Africa.

Gaia Fund Managers is considered a leading specialist secondary market infrastructure transaction team in the Southern African region, having concluded the first significant

secondary market transaction in the South African renewable energy programme with Japan's Sumitomo Corporation as the seller.

As first mover and brand leader, Gaia has concluded 12 renewable energy and one toll road transaction to a value in excess of R3.5 billion.

Through Gaia Fibonacci Fibre REIT 1 Ltd, investors will now have access to a specialist class of infrastructure assets: fibre optic networks.

For more information, visit <http://www.gaia.group>

About Kruger International Asset & Wealth Management

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For more information, visit: www.krugerinternational.co.za.