



Fortress REIT Ltd raise ZAR 900 million Sustainability-linked Bonds across a 3 and 5 year tenor

TRANSACTION OVERVIEW

Issuer	Fortress REIT Ltd ("Fortress REIT")	
Long-Term Rating	GCR: AA-(za) Moody's: Aa2.za	
Bond Code	FIFG01	FIFG02
Issue Size	ZAR 495m	ZAR 405m
Tenor	3.0	5.0
Instrument	Floating Rate Note	Floating Rate Note
Pricing as at Settlement Date	3mJ + 200bps	3mJ + 240bps
Maturity Date	05-Aug-2024	05-Aug-2026
Step-down Margin	10bps	10bps (yr 1) & 5bps (yr 3)
Step-up Margin	5bps	5bps (yr 1) & 5bps (yr 3)



August 2021
ZAR 900 million

**Sole Arranger
and Sustainability
Structuring Agent**



TRANSACTION IMPACT

- This is the first listed bond in South Africa where there is both a margin step down and margin step up.
- The margin step down and step up feature of the Sustainability-linked Bonds will be realised when pre-agreed performance objectives are met or not and linked to the roll-out of renewable energy projects and additional Solar PV installation targets.
- The added incentive of a quantifiable future pricing benefit and penalty for Fortress REIT, while investors are able to encourage positive forward looking sustainable corporate behavior, made this a mutually-beneficial transaction for all parties.

Alignment with UN SDGs



TRANSACTION HIGHLIGHTS

- On 5 August 2021 Fortress REIT, with Standard Bank acting as the Sole Arranger and Sustainability Structuring Agent, executed on their inaugural Sustainability-linked Bond.
- Fortress REIT raised ZAR 900 million, split across a 3 and 5-year tenor, with the notes issued in the format of a private placement containing a book widely subscribed by multiple fixed income investors.
- Through their debut sustainability-linked offering Fortress REIT were able to lengthen their funding curve and come to market with the first listed corporate 5 year sustainability-linked note illustrating the ability to access a wider pool of liquidity through the sustainability-linked features.
- Fortress REIT have the added incentive of a quantifiable future pricing benefit, while investors are able to encourage positive forward looking sustainable corporate behaviour and receive a higher return should sustainable targets not be met, making this a mutually-beneficial transaction for all parties.

Standard Bank advised and guided Fortress REIT on our inaugural sustainability-linked bond. They demonstrated excellent ESG and investor market knowledge which placed Fortress in a position to execute on a product that not only suited the needs of new and existing investors but also a product aligned to the core values and growth strategy of our business that will have a lasting impact in the communities we serve. – **Ian Vorster**, Fortress REIT Ltd CFO

For more information on this transaction please contact:

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