



## MEDIA RELEASE

# Unitholders to Vote on the Proposed Operational Restructuring of the ILAM Fahari I-REIT

*The Trustee of ILAM Fahari I-REIT to Hold an Extraordinary General Meeting*

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**23<sup>rd</sup> November 2023...** The Nairobi Securities Exchange (NSE) listed real estate investment trust [ILAM Fahari Real Estate Investment Trust \(NSE: FAHR\)](#) will hold an Extraordinary General Meeting (EGM) to seek its unitholders' approval to convert to a restricted I-REIT this Friday.

A notice shared with shareholders earlier confirmed that the EGM will consider and, if thought fit, pass resolutions related to the proposed conversion of the ILAM Fahari I-REIT from an unrestricted to a restricted I-REIT and its subsequent delisting from the Nairobi Securities Exchange (NSE).

The EGM follows a successful redemption offer for ILAM Fahari I-REIT units, oversubscribed by 13.08% in October. The REIT also received applications from non-professional investors seeking to top up their portfolio with an additional 421,945 units.

Speaking ahead of the EGM, ICEA LION Asset Management (ILAM), Chief Executive Officer Mr. Einstein Kihanda, said the oversubscription of the redemption offer underscores the confidence in the proposed strategic direction and commitment to repositioning the REIT for growth and delivering value to the unitholders.

“We are confident that the unitholders will support our proposed operational strategic direction. We have engaged with a cross-section of them and assured them that this is the right decision for the future of the REIT. The proposed conversion and delisting will enhance the long-term value of the REIT for our unitholders,” Mr. Kihanda said.

“The EGM is an essential step in our efforts to restructure the operational direction of the REIT in a way that will best serve the long-term interests of all unitholders.”

The proposed conversion to a restricted I-REIT will allow ILAM and the REIT Trustee to pursue a more focused investment strategy, aligning with the evolving needs of its unitholders. The delisting from the NSE will provide greater flexibility in managing the REIT's portfolio and will not affect the unitholders' ability to trade their units with Non-Professional investors bundled into a Nominee Account. The I-REIT will look at relisting on the NSE after 3 years upon successful implementation of the strategy.

ILAM Fahari I-REIT CEO Mr Raphael Mwito said that the restructuring of the REIT will create several benefits for unitholders, including increased flexibility to pursue a broader range of investment opportunities, including direct real estate acquisitions and developments, improved ability to align the REIT's investment strategy with the long-term needs of its unitholders and reduced costs and administrative burdens associated with being a listed REIT.

“We remain steadfast in our pursuit of delivering value and innovation, driving forward a robust and adaptive investment environment. As the day gets close, we will continue providing unitholders with all the information they need to make an informed decision at the upcoming EGM,” Mr Mwito said.

The unitholders will vote on the following special resolution:



The proposed Conversion of The ILAM Fahari I-REIT and delisting from the Nairobi Securities Exchange. These include:

- a) Approval be and is hereby given for the proposed conversion of the ILAM Fahari I-REIT from an unrestricted to a restricted I-REIT;
- b) Approval be and is hereby given for the delisting of the ILAM Fahari I-REIT from the Nairobi Securities Exchange (NSE);
- c) Approval be and is hereby given for the quotation of the ILAM Fahari I-REIT units on the Unquoted Securities Platform (USP) managed by NSE; and
- d) ICEA LION Asset Management Limited as the manager of the ILAM Fahari I-REIT, (the “Manager”) and The Co-operative Bank of Kenya Limited, in its capacity as the trustee of ILAM Fahari I-REIT (the “Trustee”) be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of the ILAM Fahari I-REIT to give effect to the conversion and delisting.

Unitholders are encouraged to attend the virtual EGM and vote for the proposed conversion and delisting and to vote on the resolutions. Those who are yet to receive the meeting link should contact the REIT Manager through [ilamreit@icealion.com](mailto:ilamreit@icealion.com) or the [ilamreit@candrgroup.co.ke](mailto:ilamreit@candrgroup.co.ke) or 020 8690360

ILAM Fahari I-REIT received regulatory approval from the Capital Markets Authority (CMA) to convert its unrestricted ILAM Fahari Income Real Estate Investment Trust (IFIR) into a restricted I-REIT. The approval follows a cautionary statement issued early last year (24th March 2022), indicating that the REIT was undergoing a strategic review that would involve an operational restructuring of IFIR.

## **Ends-**

### **About ILAM Fahari I-REIT**

The ILAM Fahari I-REIT is a real estate investment trust licenced under the REIT's Regulations. The REIT was authorised by the Capital Markets Authority on 30 September 2015 and became the first REIT in East Africa. It later became listed on the Nairobi Securities Exchange on 26 November 2015, raising capital of KShs. 3.6 billion. The REIT's duration is a maximum of 80 years subject to the provisions of the Trust Deed. The REIT Scheme is a closed ended Scheme and trades as “FAHR” on the Nairobi Securities Exchange (“NSE”).

The principal activities of the REIT include but are not limited to:

- The acquisition, for long-term investment, of income-generating eligible real estate and eligible investments, but not limited to housing, commercial and other real estate;
- Undertaking of such development and construction activities as may be permitted by the Capital Markets Act, Chapter 485A of the Laws of Kenya and the REIT's Regulations; and
- Investing in cash, deposits, bonds, securities and money market instruments.

ILAM Fahari I-REIT is advised by Dyer and Blair Investment Bank (Transaction Advisor), TripleOKLaw Advocates LLP (Legal Advisor), Co-operative Bank of Kenya (Trustee), CDSC Registrars Limited (Registrar) and Oxygene Marketing Communications (PR & Marketing).

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