

IPO of TPL REIT Fund I

02-May-2024



Best Securities House: 2023
Best Investment Bank: 2023



Best Investment Bank: 2022



Best Equity House: 2022



Best Equity Advisor: 2021

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Best Brokerage House: 2023
Corporate Finance House: 2023
Best Economic Research House: 2023
Best Equity Sales Person (Runner up): 2023



Top 25 Companies
(2019, 2018 & 2017)



Excellence Award
Leading Brokerage House for RDA 2021

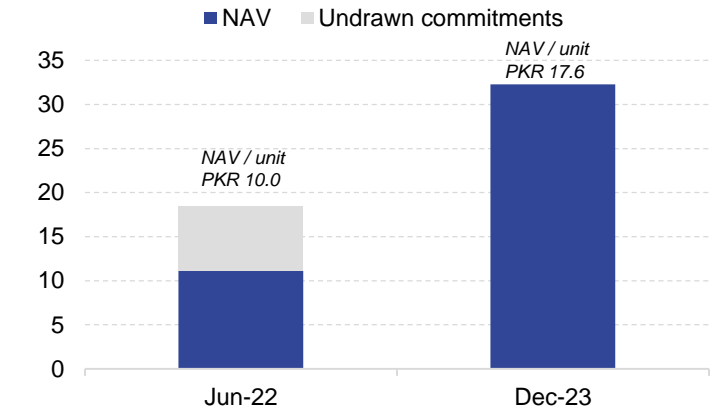


Best Money Market Broker
(Islamic) 2021

IPO of TPL REIT Fund I

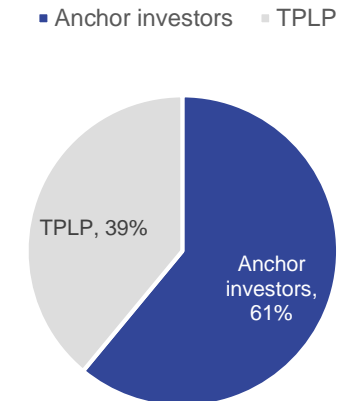
- TPL REIT Management Company Limited (wholly owned subsidiary of TPL Properties Limited), introduced Pakistan's first and largest hybrid shariah-compliant perpetual close-ended fund namely TPL REIT Fund I, which is expected to be listed on PSX.
- The IPO comprises a base offering of 22.94mn units, constituting 1.25% of the total units of the REIT scheme. A green shoe option is also available for up to 22.39mn units, representing an additional 1.22% of the REIT scheme.
- The offer price is equivalent to the NAV of REIT at PKR 17.59/unit. This allows the company to raise ~PKR 403mn in the base case scenario or about ~PKR 797mn if the company opts for the green shoe option. The dates of public subscription are on 2 May'24 - 3 May'24.
- TPLP's flagship REIT Fund-I encompasses three ongoing projects: Mangrove, One Hoshang, and the Technology Park.
- Mangrove is scheduled to commence in Nov'24 and is projected to complete its first phase within 3-4 years. Whereas, One Hoshang's main works related to grey structure are ongoing and the overall project is targeted for completion in FY26. Moreover, the technology park is expected to be completed by FY27.
- To benefit from tax exemption, dividends will be paid at the completion of each project. Initial dividend is anticipated in FY26.
- An IRR of more than 28% for IPO investors is expected on the existing portfolio.
- The listing on PSX will allow REIT units to qualify as SCRA-eligible securities, offering reassurance for international investors investing via a Feeder Fund regarding repatriation. Also, ADGM allows an efficient, zero-tax rate business environment operating to international regulatory standards.
- The objective of the IPO is to bring sustainability, uplift living standards, and address the shortfall in commercial property.
- The company in the first tranche of its IPO in Dec'23 had raised PKR 18.3 bn. In this tranche, 8 commercial banks participated as anchor investors, contributing PKR 11.25 bn (61% withholding), while TPL Properties, as the fund's seed investor, invested PKR 7.1 bn (39% withholding).

Exhibit: NAV performance (PKR/bn)



Source: TPLPRFI Investor Presentation, AHL Research

Exhibit: Initial Holding



Source: TPLPRFI Investor Presentation, AHL Research

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