

Investors choose to hold on to Resilient

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25 Jan 2018

Several long-term shareholders are holding on to their interests in the Resilient group of property companies, saying that they will not act on speculation and will instead wait for the release of financial results.



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There has been a selldown in the shares of Resilient, Greenbay Properties, Fortress Income Fund and Nepi Rockcastle over the past two weeks amid concern that a research report due before February from Viceroy Research will target one or all of these companies.

Those asset managers who tend to invest pension funds and other savings for long periods, as opposed to short-term traders, have refused to decrease or let go of their holdings until they get factual information to justify a change in position.

Resilient will release results for the six months to December on Tuesday, followed by its partners in early February.

Stanlib's head of listed property funds, Keillen Ndlovu, said that they had invested using facts and did not sell based on rumours.

Meago Asset Management said it was waiting for the pending sets of results before "deciding on a way forward".

Nesi Chetty, head of property at MMI Investments, said Resilient had various qualities that supported its long-term investment case. "Long-term investors don't put too much weight on short-term noise around share price movements. The market pays up for distributions and capital growth.

"Resilient owns great assets. They own dominant centres in Romania, Poland and Bulgaria through Nepi Rockcastle. These centres have above-average trading density growth."

Resilient had been in eastern Europe for nearly 10 years, longer than any other South African real estate fund.

Chetty praised the dealmaking abilities and strategy of the group. "Resilient have a proven track record in terms of executing yield-enhancing deals. Their property approach is a disciplined one. They keep gearing at moderate levels and don't overpay for assets."

Source: Business Day

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