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## Guidance Investments attracts GCC investors by offering stable returns in high growth Asean markets

GCC investors are eyeing stable yields from funds according to Guidance Investments, the investment management and capital markets arm of Guidance Financial Group. The company has made significant advances on that front specifically through the launch and progress made with its latest fund focused on the logistics and industrial sectors.



The Fund focuses on logistics and industrial real estate in Malaysia, Singapore, Thailand and Indonesia. The structure of the Fund is designed to offer investors a stable stream of returns realized from annual rental income, in addition to benefiting from the increasing value of the properties over time and general economic growth in these markets.

Dr. Hasnita Hashim, Chief Executive Officer of Guidance Investments, said, "With a global market impacted by geopolitical tensions, a slowdown in emerging markets, rising interest rates and a declining oil market, investors are taking a more cautious approach towards the investment choices they make. While most investors are shying away from high-risk funds, we have witnessed an increased demand from investors to proceed with opportunities that offer lower yield but secure more consistent, stable returns."

The Fund completed its first closure in Q4 2015 at \$100 million, putting the fund in a strong position to hit its next target closure of \$150 to \$200 million in 2016 and an additional offering of \$200 million in 2017. The fund's investors in the first round included government-related institutions in South East Asia and the Gulf Region.

Guidance Investments also announced the closing of an additional four key properties in strategic locations in Malaysia, Indonesia and Thailand with a total net area covered by these four facilities of approximately 100,000 square meters, with an investment of \$50 million. The projected average of the seven year fund yield is expected to be six to seven per cent.

Commenting on the growth markets of where the Fund is focusing, Plus Ho, Managing Director of the Real Estate Investment Program at Guidance Investments said, "We are highly optimistic about the performance of these South East Asian markets as key growth markets. These markets are characterized by several elements that contribute to their attractiveness – a young and urban population, industrialization growth, and growth in middle-income retail markets."

He added, "To date, we have closed a total of four properties and have invested 70 per cent of our first phase callable capital of the fund which is a significant milestone. We have unrivalled expertise in real estate, fund management and deal sourcing in the logistics and industrial sector in this region which will allow the fund to reach its growth targets."

As Guidance creates products that meet the Shari'ah-compliant needs of regional investors, the company has been actively meeting the increased demand for Islamic Finance solutions for investors in the GCC region. Overall to date, Guidance has launched nine Shari'ah-compliant International investment funds in the fields of private equity, real estate, and fixed income, working independently and in partnership with leading international strategic partners. This latest and unique fund creates a specific platform for leveraging the company's deep logistics real estate experience specifically in the Asean markets.