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NSSF applauded over Real Estate growth

MBARARA; Thursday, June 27th, 2019: The National Social Security Fund (NSSF) has today officially opened Mbarara City House, a modern retail and office complex comprising of four floors in Mbarara town.

Hon Chris Baryomunsi who represented the Prime Minister, presided over the grand opening.

“Mbarara City House is a milestone for the Fund, because it is yet another step towards the realization of our Real Estate strategy, focused on creating value for our members through constructing commercial buildings and housing estates in major towns of Uganda. Projects such as these enable us give our members a reasonable and consistent return, while preserving their savings, paying them an annual return which is 2% above the ten-year inflation,” said Richard Byarugaba, Managing Director, NSSF.

The Fund’s Fixed Income investments stand at 79% of total assets, whilst equity and real estate follow at 15% and 6% respectively.

The modern complex, valued at UGX3.9 billion, with a total built-up area of approximately 1,500 m² and parking capacity of up to 40 vehicles, is the Fund’s second real estate development outside Kampala and will be affordably priced to provide modern commercial real estate space to let.

Speaking at the opening, the State Minister for Lands Hon Chris Baryomunsi, commended NSSF for the investment which will give a facelift to Mbarara town and provide a serene neighborhood for organizational offices.

“Projects such as these contribute to infrastructural development within the country and also support the national development agenda. With such investments, NSSF earns more money which makes it possible for the Fund to continue giving good value to members and improving lives as we work towards meeting the Millennium Development Goals”, said Rt. Hon. Ruhakana Rugunda.

The National Social Security Fund in pursuing its purpose to provide retirement benefits to its members undertakes developments in the real estate sector as a way of hedging against inflation. The real estate sector has been allocated a long term strategic asset allocation of 15% to 25%.

“Real estate allocation is currently at 14% and re-balancing of the Fund’s Investment Portfolio to the stipulated guidelines of 15% - 25% is being undertaken within a 5-year period. Ultimately, this calls for growth in the real estate allocation through permissible investments in income generating commercial and residential properties located in major Ugandan cities or major towns,” Byarugaba added.

Other Real Estate projects by the Fund include;

- Mbuya II SoHo Apartments - high end upscale residential apartments located in Mbuya
- Lubowa Housing Project - being developed on the Fund’s 600 acres of land at Lubowa comprising of 2,741 housing units
- Offtaker Project Kyanja - affordable housing estate comprising four (4) levelled apartment blocks accommodating a total of 160 housing units
- Pension towers. an ultra-modern ‘intelligent’ building comprising 3 Towers.

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ABOUT NSSF

The National Social Security Fund Uganda is a multi-trillion Fund mandated by Government through the NSSF Act, Cap 222 (Laws of Uganda) to provide social security services to employees in the private sector.

NSSF is the most profitable, trustworthy, efficient, secure, innovative and dynamic social security provider that guarantees safety, security and a competitive return on members’ savings, delivering an annual return of investment of over 2% above the 10-year inflation average.

The Fund manages assets worth over UGX 10.6 trillion invested in Fixed Income, Equities and Real Estate assets within the East Africa region. As the largest Fund in East Africa by value, we have the ambitious goal of growing our Assets Under Management to 20 trillion by 2025.

Since 2012, the Fund is regulated by the Uganda Retirement Benefits Regulatory Authority while Minister of Finance, Planning and Economic Development is responsible for policy oversight.

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