

INVESTEC AUSTRALIA PROPERTY FUND

Established in Australia and registered with ASIC as a managed investment scheme (ARSN 162 067 736) and operated by Investec Property Limited (ACN 071 514 246; AFSL 290 909) ("**Responsible Entity**")
Registered as a foreign collective investment scheme in terms of the Collective Investment Schemes Control Act No.45 of 2003
Unit code: IAP
ISIN: AU0000046005
("**IAP**" or the "**Fund**")

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OPENING OF FULLY UNDERWRITTEN ACCELERATED BOOKBUILD OFFERING TO FUND ACQUISITIONS AND JSE TRADING HALT

IAP hereby announces the launch of an accelerated bookbuild offering of approximately AUD84 million (approximately ZAR849 million¹) through the issue of 55,572,553 new IAP units ("**Placement**"), at an issue price of AUD1.52 (equivalent to ZAR15.36¹) per new IAP unit. The issue price represents a:

- 3.8% discount to the last close of AUD1.58 on the ASX on Wednesday, 25 September 2019
- 5.3% discount to the 5 day VWAP of AUD1.61 on the ASX on Wednesday, 25 September 2019
- 3.0% discount to the last close of ZAR15.83 on the JSE on Wednesday, 25 September 2019
- 2.2% discount to the 5 day VWAP of ZAR15.71 on the JSE on Wednesday, 25 September 2019
- 5.8% FY20 distribution yield²

The Placement will be completed by way of IAP's existing general authority to issue units for cash ("**the General Issue for Cash**"). Only public investors (as defined in under paragraph 4.25 and 4.26 of the JSE Listings Requirements) may participate in the General Issue for Cash.

The Placement will be utilised to fund the acquisition of three industrial properties located in Perth, Adelaide and Darwin in Australia ("**Acquisitions**") and part of the associated transaction costs. Further details on the Acquisitions are contained in the announcement lodged on SENS dated today's date, 26 September 2019.

¹ Based on an AUD/ZAR exchange rate of 1.0000/10.1038 as at 5.00pm New York close on Tuesday, 24 September 2019.

² Based on IAP's FY20 DPU guidance of 8.88 cents per unit (barring any unforeseen events and no material change in current market conditions and on the basis of the same underlying assumptions in relation to that guidance in IAP's product disclosure statement dated 3 May 2019 and the property specific assumptions set out in the announcement lodged on SENS dated today's date, 26 September 2019 entitled "Acquisition of Industrial Portfolio").

The Placement will be offered to qualifying investors and will be implemented through a bookbuild process (the “**Bookbuild**”) which opens with immediate effect and will close at 12:00pm (South African time). The Placement is not an offer to the public as contemplated under the South African Companies Act, No. 71 of 2008, as amended. The issue of the Units under the Placement is subject to the Underwriting Agreement not being terminated in accordance with its terms.

The Placement is fully underwritten by J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited pursuant to an underwriting agreement entered into with the Responsible Entity (“**Underwriting Agreement**”). The directors of the Responsible Entity have made due and careful enquiry to confirm that the aforementioned underwriters can meet their underwriting commitments in terms of the Underwriting Agreement.

The new IAP units, when issued, will be credited as fully paid and will rank *pari passu* in all respects with existing units of the Fund. New IAP units issued under the Placement will be entitled to the distribution for the six months to 30 September 2019.³

A copy of the ASX announcement and investor presentation in respect of the Placement and the Acquisitions is available for inspection by unitholders using the following link:

<https://www.asx.com.au/asx/share-price-research/company/IAP>

As disclosed on the ASX, trading of IAP units on the ASX will be halted until the earlier of commencement of normal trading on Friday, 27 September 2019 (Sydney time) and IAP making an announcement to the market regarding the outcome of the Placement.

As approved by the JSE Limited, trading in IAP units on the JSE will be halted from 09h00 on Thursday, 26 September 2019 (South African time) until the lifting of the trading halt on the ASX. It is expected that normal trading will commence on the JSE from 09h00 on Friday, 27 September 2019 (South African time).

Investec Bank Limited (“**Investec**”) is acting as joint book runner for the Placement in South Africa and can be contacted using the contact details included below.

³ The record date for the 30 September 2019 distribution will post-date the allotment of new IAP units under the Placement, and is expected to be announced together with the Fund’s 1H20 interim results.

Investec contact details:

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Johannesburg

26 September 2019

Joint book runner in South Africa, corporate advisor and JSE sponsor

Investec Bank Limited

Important Information

The Placement is made to qualifying investors, being investors to whom the Placement may be lawfully made without having to file or register any offering or related documentation with any securities regulatory authority in any relevant jurisdiction. See the section of this announcement below entitled "Offer Restrictions" for further information.

This announcement is not for publication or distribution or release, directly or indirectly, in or into the United States, People's Republic of China (save for the Special Administrative Region of Hong Kong), Canada, Japan or any other jurisdiction in which such release, publication or distribution would be unlawful. This announcement is for information purposes only and shall not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities in any jurisdiction. The Placement is not to be regarded as an offer or invitation to any person in any jurisdiction to the extent that any applicable legal requirement in such jurisdiction has not been complied with or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction.

*The securities offered in terms of the Placement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), and may not be offered or sold, directly or indirectly, in the United States, absent an exemption from, or transaction not subject to, the registration requirements of the US Securities Act.*

Neither this announcement nor the Placement constitutes or is intended to constitute an offer to the public in South Africa in terms of the Companies Act, No. 71 of 2008 (as amended). In South Africa, the invitation to apply for IAP units in terms of the Placement is only open to (i) persons who are acting as principal and who apply for IAP units at a minimum acquisition cost of ZAR 1,000,000, as contemplated in section 96(1)(b) of the South African Companies Act 71 of 2008 (as amended), or (ii) persons who comply with the requirements set out in section 96(1)(a) of the South African Companies Act 71 of 2008 (as amended).

This announcement is not for distribution, and the securities offered in terms of the Placement may not be offered or sold, directly or indirectly, in any member state of the European Union.

This announcement has been issued by and is the sole responsibility of the Responsible Entity. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Investec or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the securities. No representation or warranty is made by the Responsible Entity or Investec in connection with the Placement, and any investment decision to buy securities in terms of the Placement must

be made solely on the basis of publicly available information which has not been independently verified by Investec.

Investec is acting for the Responsible Entity, and no one else, in connection with the Placement and will not be responsible to anyone other than the Responsible Entity for providing the protections offered to clients of Investec, nor for providing advice in relation to the Placement.

Offer Restrictions

This announcement does not constitute an offer of securities in terms of the Placement in any jurisdiction in which it would be unlawful. In particular, this announcement may not be distributed to any person, and the securities offered in terms of the Placement may not be offered or sold, in any country except to the extent permitted below.

Guernsey

This announcement is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the offer that is the subject of this announcement is only being, and may only be, made in or from within the Bailiwick of Guernsey:

- by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or
- to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended).

The Placement and this announcement are not available in or from within the Bailiwick of Guernsey other than in accordance with the above bullet points and must not be relied upon by any person unless made or received in accordance with such bullet points.

Hong Kong

WARNING: This announcement has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise this announcement or to permit the distribution of this announcement or any documents issued in connection with it. Accordingly, the IAP units have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the IAP units has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the IAP units which are or are intended to be

disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this announcement have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this announcement, you should obtain independent professional advice.

New Zealand

*This announcement has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "**FMC Act**"). The IAP units are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:*

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;*
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;*
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;*
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or*
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.*

Singapore

*This announcement has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "**SFA**") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The Responsible Entity is not authorised or recognised by the MAS and the IAP units are not allowed to be offered to the retail public. This announcement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the IAP units may not be circulated or distributed, nor may the IAP units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.*

This announcement has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this announcement immediately. You may not forward or circulate this announcement to any other person in Singapore.

Any offer is not made to you with a view to the IAP units being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

South Africa

This announcement does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.