

ASX RELEASE

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26 September 2019

Strategic Acquisitions and Placement

Investec Property Limited as responsible entity of Investec Australia Property Fund (**IAP**) is pleased to announce the following:

- Acquisition of a portfolio of three industrial properties¹ from Charter Hall Prime Industrial Fund² (the **Acquisitions**) for a total purchase price of AUD81.0 million³ with an initial yield of 7.3%⁴;
- A fully underwritten institutional placement to raise approximately AUD84 million (**Placement**) at an issue price of AUD1.52 per unit (**Issue Price**) to fund the Acquisitions and part of the associated transaction costs.

Acquisitions

IAP has entered into agreements for the acquisition of the following three industrial properties located in Perth, Adelaide and Darwin for a total consideration of AUD81 million:³

- 103 Welshpool Road, Welshpool WA (5,246sqm lettable area; initial yield of 6.6%), located in one of Perth's premier industrial locations for a purchase consideration of AUD26.5 million
- 46-70 Grand Trunkway, Gillman SA (31,589sqm lettable area; initial yield of 6.8%), located within close proximity to Port Adelaide for a purchase consideration of AUD25.5 million
- 16 Dawson Street, East Arm NT (14,410sqm lettable area; initial yield of 8.4%), located within immediate proximity to Darwin's main industrial freighting port for a purchase consideration of AUD29.0 million

The properties are, respectively, 100% leased to Milne Feeds (one of the largest integrated agribusiness groups in Western Australia), Australian Wool Handlers (the world's largest wool and independent cotton handler) and Northline (Australian business specialising in road and freight management services, warehousing and distribution) with a weighted average lease expiry (**WALE**) of 8.2 years⁵ and weighted average rent reviews (**WARR**) of 3.1%.⁵

IAP CEO, Graeme Katz, said, "The Acquisitions build on IAP's track record of acquiring strategically located, good quality income-producing properties. Each of the properties being acquired is underpinned by strong tenant covenants and located near major transportation hubs."

"The Acquisitions offer an attractive return profile with an initial yield of 7.3%⁴ and contracted annual rental growth of over 3%."

¹ Each property will be acquired by a wholly owned sub trust of IAP.

² The three properties will each be sold by a sub trust of the Charter Hall Prime Industrial Fund, being The Trust Company (Australia) Limited ACN 004 027 749 as custodian of Bieson Pty Limited ACN 110 465 168 as trustee for the Welshpool Logistics Trust ABN 37 184 989 983, the Gillman Logistics Trust ABN 79 924 994 352 and the CPIF Port of Darwin Logistics Trust ABN 59 786 272 447.

³ Purchase price excludes transaction costs and is subject to customary adjustments.

⁴ Initial yield is pre transaction costs.

⁵ Weighted by gross property income.

“The Placement, the proceeds from which will be used to fund the Acquisitions, provides IAP with the opportunity to increase liquidity on the ASX while preserving balance sheet capacity for future growth.”

Impact of the Acquisitions

	Audited 31 March 2019	Pre Acquisitions ⁶	Acquisitions	Post Acquisitions
Number of properties	28	28	3	31
Property valuation (AUDm)	1,063	1,063	81 ⁷	1,143 ⁸
Lettable area (sqm)	290,281	290,705 ⁹	51,245	341,950 ¹⁰
WACR (%) ¹¹	6.6	6.6	7.3 ¹²	6.6
Occupancy (%) ¹³	99.4	99.8	100.0	99.9
WALE (years) ¹³	4.7	4.4	8.2	4.7
WARR (%) ¹³	3.3	3.3	3.1	3.2
Office / industrial weighting (%) ¹¹	77 / 23	77 / 23	- / 100	72 / 28

Placement

IAP has today launched a fully underwritten Placement of 55,572,553 new units (**New Units**) to raise approximately AUD84 million at a fixed Issue Price of AUD1.52 per New Unit, representing a:

- 3.8% discount to the last closing price 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; and
- 5.8% FY20 distribution yield.¹⁴

New Units issued under the Placement will rank equally with existing IAP units from the date of issue and will be entitled to the distribution for the six months to 30 September 2019.¹⁵

The Placement is fully underwritten by J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited.

The funds raised under the Placement will be used to fund the Acquisitions and part of the associated transaction costs, with the balance funded from undrawn capacity within the debt facility provided by Westpac and ANZ.

⁶ As at the date of this announcement, before adjusting for the Acquisitions.

⁷ Purchase price excludes transaction costs and is subject to customary adjustments.

⁸ Total does not add up due to rounding.

⁹ Between 31 March 2019 and the date of this announcement there were minor movements in the lettable area of assets already in the portfolio.

¹⁰ Total does not add up due to minor movements in the lettable area of assets already in the portfolio.

¹¹ Weighted by property value.

¹² Initial yield is pre transaction costs.

¹³ Weighted by gross property income.

¹⁴ 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 Appendix E of the attached investor presentation).

¹⁵ The record date for the 30 September 2019 distribution will post-date the allotment of New Units under the Placement, and is expected to be announced together with the Fund's 1H20 interim results.

No Investec group entities (including Investec Bank Limited and Investec Property Fund Limited in respect of their principal stake) are participating in the Placement. Therefore, the Placement is expected to further diversify the Fund's register, increase free float and facilitate improvement in the liquidity of units.¹⁶

Financial impact

Including the impact of the Acquisitions and the Placement, IAP reaffirms the following guidance:

- FY20 funds from operations per unit forecast of 9.57 cents; and
- FY20 distribution per unit of 8.88 cents.¹⁷

The Placement strengthens IAP's balance sheet with pro forma gearing reducing to 27.1%¹⁸ (below IAP's target range of 30% to 40%) providing approximately AUD139.2 million of further acquisition capacity.¹⁹ Following the Acquisitions and the Placement, pro forma NAV will increase to AUD1.30 per unit.¹⁷

Indicative timetable

Event	Date (and Australian Eastern Standard time if relevant)	Date (and South African time if relevant)
ASX trading halt and announcement of the Placement and Acquisitions	By 10.00am, Thursday 26 September 2019	By 2.00am, Thursday 26 September 2019
Placement bookbuild closes for ASX investors	By 4.30pm, Thursday 26 September 2019	By 8.30am, Thursday 26 September 2019
JSE trading halt and SENS (JSE) announcements of the Placement and Acquisitions	By 4.45pm, Thursday 26 September 2019	By 8.45am, Thursday 26 September 2019
Placement bookbuild closes for JSE investors	By 8.00pm, Thursday 26 September 2019	By 12.00pm, Thursday 26 September 2019
Announcement of completion of the Placement on SENS (JSE)	By 8.30pm, Thursday 26 September 2019	By 12.30pm, Thursday 26 September 2019
ASX announcement of completion of the Placement released on ASX Trading halt lifted on ASX and JSE	By 10.00am, Friday 27 September 2019	By 2.00am, Friday 27 September 2019
Settlement of New Units	Tuesday, 1 October 2019	Tuesday, 1 October 2019
Allotment and normal trading of New Units on ASX	Wednesday, 2 October 2019	Wednesday, 2 October 2019
Allotment and normal trading of New Units on JSE	Wednesday, 2 October 2019	Wednesday, 2 October 2019

The timetable is indicative only and may change without notice. IAP reserves the right to amend any or all of these events, dates and times, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules, the JSE Listings Requirements and other applicable laws. The commencement of quotation and trading of the New Units is subject to confirmation from the ASX and the JSE (as applicable).

¹⁶ The Investec group entities hold a relevant interest in IAP units in excess of 20% and are therefore prohibited from acquiring further interests under the *Corporations Act 2001 (Cth)* unless an applicable exemption applies.

¹⁷ See footnote 14.

¹⁸ Pro forma based on the balance sheet of IAP as at 31 March 2019, adjusted only for the ASX listing, the Acquisitions and the Placement.

¹⁹ Based on gearing of 35%, being the midpoint of IAP's target gearing range of 30% to 40%.

Important information

Refer to the attached investor presentation for important information about the Acquisitions and the Placement (including key risks and property information).

ENDS

For further information, please contact:

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About Investec Australia Property Fund

Investec Australia Property Fund is an Australian domiciled fund that is dual listed on the JSE and the ASX. The Fund invests in office, industrial and retail property located in Australia and New Zealand. The Fund is managed by an experienced team of property specialists on the ground in Australia who have an established track record. Investec Australia Property Fund is operated by Investec Property Limited. For more about Investec Australia Property Fund please visit: www.iapf.com.au.

Investec Property Limited ABN 93 071 514 246 AFSL No. 290909 is the Responsible Entity for the Investec Australia Property Fund ARSN 162 067 736, an Australian managed investment scheme registered in South Africa as a Foreign Collective Investment Scheme and listed on the JSE Limited and the ASX Limited. Investec Property Limited is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). Investec Property Limited's obligations do not represent deposits or other liabilities of Investec Bank plc, including its Australia Branch. Investec Bank plc (including its Australia Branch) does not guarantee or otherwise provide any assurance in respect of the obligations of Investec Property Limited.

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Out of the Ordinary®

 **Investec**
Australia Property Fund



INVESTEC AUSTRALIA PROPERTY FUND

PORTFOLIO ACQUISITION & EQUITY RAISING PRESENTATION

26 September 2019

Issued by Investec Property Limited (ABN 93 071 514 246)
as responsible entity of Investec Australia Property Fund

Disclaimer

Important information

This presentation ("Presentation") and the announcement to which it is attached is issued by Investec Property Limited (ABN 93 071 514 246, AFSL number 290 090) ("Responsible Entity") in its capacity as responsible entity of Investec Australia Property Fund (ASX:IAP, JSE:IAP) ("Fund" or "IAP").

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Summary information

The information contained in this Presentation and the announcement to which it is attached should not be considered to be comprehensive or to comprise all the information which a security holder or potential investor in the Fund may require in order to determine whether to deal in Units, nor does it contain all the information which would be required in a product disclosure statement prepared in accordance with the Corporations Act 2001 (Cth) ("Corporations Act"). This Presentation and the announcement to which it is attached does not take into account the financial situation, investment objectives or particular needs of any person and nothing contained in the information in this Presentation and the announcement to which it is attached constitutes investment, legal, tax or other advice. Readers or recipients of this Presentation and the announcement to which it is attached should, before making any decisions in relation to their investment or potential investment in the Fund, consider the appropriateness of the information having regard to their own objectives and financial situation and seek their own professional advice.

This Presentation should be read in conjunction with the announcement to which it is attached. This Presentation and the announcement to which it is attached should also be read in conjunction with the Fund's other periodic and continuous disclosure announcements lodged with ASX and JSE which are available at www.iapf.com.au.

Investment risk

An investment in the Fund is subject to known and unknown risks (including possible loss of income and principal invested), some of which are beyond the control of the Responsible Entity (or any of its related bodies corporate). The Responsible Entity (and any of its related bodies corporate or any other person or organisation) does not guarantee any particular rate of return, repayment or the performance of an investment in the Fund nor does it guarantee any particular tax treatment. Investors should have regard to the risk factors outlined in this Presentation when making their investment decision. Cooling off rights do not apply to the acquisition of New Units.

Disclaimer (cont'd)

Financial data

All dollar values are in Australian dollars (AUD) and financial data is presented as at 31 March 2019 unless otherwise stated. Investors should note that this Presentation contains pro forma financial information. The pro forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Responsible Entity's views on the Fund's, nor anyone else's, future financial condition and/or performance.

The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that certain financial data included in this Presentation and the announcement to which it is attached are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and 'non-GAAP financial measures' under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include NAV and FFO. Such financial measures are not recognised under the Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). Moreover, the disclosure of such non-GAAP financial measures in the manner included in this Presentation and the announcement to which it is attached may not be permissible in a registration statement under the Securities Act. These non-IFRS / non-GAAP financial measures do not have a standardised meaning prescribed by the AAS and IFRS and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with the AAS and IFRS. Although the Responsible Entity believes these non-IFRS / non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of the Fund's business, readers are cautioned not to place undue reliance on any non-IFRS / non-GAAP financial measures included in this Presentation and the announcement to which it is attached.

Future performance

This Presentation and the announcement to which it is attached contains certain "forward-looking statements" with respect to the financial condition, results of operations and business of the Fund and certain plans, strategies and objectives of the management of the Fund, within the meaning of securities laws of applicable jurisdictions. The words "expect", "should", "could", "may", "predict", "outlook", "foresee", "guidance", "plan", "estimate", "anticipate", "aim", "intend", "believe", "projection", "forecast", "target", "consider" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors (including those described in this Presentation), many of which are beyond the control of the Responsible Entity and its related bodies corporate and affiliates and each of its Unitholders, directors, officers, employees, partners, agents and advisers ("Beneficiaries"), that may cause actual results or performance of the Fund to differ materially from those predicted or implied by any forward-looking statements. Such forward-looking statements speak only as of the date of this Presentation. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements and the Responsible Entity (and its Beneficiaries) assume no obligation to update such information.

Past performance

The historical information in this Presentation and the announcement to which it is attached is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX and JSE including the Fund's 2019 Annual Report and the product disclosure statement dated 3 May 2019 issued in relation to the Fund's listing on the ASX. Any past performance information given in this Presentation and the announcement to which it is attached is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

South African regulatory disclosures

The Fund is an approved foreign collective investment scheme and the Responsible Entity is its approved management company in terms of the Collective Investment Schemes Control Act. Collective investment schemes are generally medium to long-term investments. The value of Units may go down as well as up. Collective investment schemes are allowed to engage in borrowing and scrip lending. The schedule of fees and charges and maximum commissions is available on request. A detailed description of how performance fees are calculated and applied is available on request. No guarantee is provided with respect to the capital or income return of the Fund.

Disclaimer (cont'd)

Disclaimer

Information in this Presentation and the announcement to which it is attached including, without limitation, any forward looking statements or opinions (the "Information") may be subject to change without notice, does not purport to be complete or comprehensive and has been obtained from or based on sources believed by the Responsible Entity to be reliable. This Presentation and the announcement to which it is attached does not purport to summarise all information that an investor should consider when making an investment decision. To the maximum extent permitted by law, the Responsible Entity, the joint lead managers to the Placement ("Joint Lead Managers") and each of their respective Beneficiaries do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the Information or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the Information or any part of it and disclaim all responsibility and liability for the Information (including, without limitation, liability for negligence). The Information includes information derived from third party sources that has not been independently verified. Subject to any obligations under applicable laws, regulations or securities exchange listing rules, the Responsible Entity (and its Beneficiaries) disclaim any obligation or undertaking to release any updates or revisions to the Information to reflect any change in expectations or assumptions. Nothing contained in this Presentation or the announcement to which it is attached is or may be relied upon as a promise or representation whether as to the past or the future.

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Determination of eligibility of investors to participate in the Placement will be made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Responsible Entity and/or the Joint Lead Managers. The Responsible Entity, the Joint Lead Managers and each of their respective Beneficiaries disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Joint Lead Managers may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Placement without having independently verified that information and the Joint Lead Managers do not assume responsibility for the accuracy or completeness of that information.

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The Responsible Entity reserves the right to withdraw the Placement or vary the timetable for the Placement without notice.

In consideration for being given access to this Presentation and the announcement to which it is attached, the recipient confirms, acknowledges, undertakes and agrees to the matters set out in this Important Notice and any modifications notified to you.

Disclaimer (cont'd)

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The Responsible Entity may conduct due diligence on investors to comply with its obligations under FATCA and CRS and may require investors to provide it with certain information, certifications and/or documentation in respect of their status for the purposes of FATCA and CRS at the time of application for the issue of Units and/or at any time after the Units have been issued to the investor.

The Responsible Entity, and certain other financial institutions through which payments on the Units are made, will report information in respect of certain investors and their Units to the Australian Taxation Office. Broadly, the Responsible Entity and those other entities will report information in respect of investors who are U.S. citizens or residents, certain types of U.S. entities or certain types of non-U.S. entities that are controlled by one or more U.S. citizens or residents (pursuant to FATCA) and foreign resident individuals, certain types of foreign resident entities, and certain types of Australian entities that are controlled by one or more foreign residents (pursuant to the CRS).

If an investor does not provide the Responsible Entity or other financial institutions through which payments on the Units are made with the required information, certifications and/or documentation upon request, an investor and its Units may be reported to the Australian Taxation Office. The Australian Taxation Office will share information reported to it with the U.S. Internal Revenue Service or tax authorities of jurisdictions that have signed a relevant CRS Competent Authority Agreement.

Investors should consult with their tax advisers for further information on how FATCA and CRS, and related Australian implementing legislation, may affect their holding of Units.

Agenda

- Transaction overview and operational update
- Acquisitions overview
- Portfolio impact
- Equity raising
- Conclusion
- Appendices

Presenting today



Graeme Katz
Chief Executive Officer



Zach McHerron
Fund Manager



Kristie Lenton
Chief Financial Officer





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TRANSACTION OVERVIEW AND
OPERATIONAL UPDATE

Out of the Ordinary®

 **Investec**

Australia Property Fund

Transaction overview

Acquisition of a portfolio of three industrial properties¹ providing an attractive yield funded via a fully underwritten institutional placement

Acquisitions	– IAP has entered into agreements for the acquisition of a portfolio of three industrial properties (“Acquisitions”) for a total purchase price of AUD 81.0 million ² with an attractive initial yield of 7.3% ³						
			Lettable area (sqm)	Purchase price (AUD m)²	Initial yield (%)³	WALE (years)⁴	Occupancy (%)⁴
	Property	State					
	Welshpool	WA	5,246	26.5	6.6	8.7	100
	Gillman	SA	31,589	25.5	6.8	8.3	100
East Arm	NT	14,410	29.0	8.4	7.9	100	
	Total / weighted average		51,245	81.0	7.3	8.2	100
	– Acquisitions are on strategy – in addition to offering attractive acquisition metrics, all properties are strategically located near transportation hubs, with fixed rent reviews and long dated lease expiries						
Equity raising	– IAP will undertake a fully underwritten institutional placement to raise approximately AUD 84 million (“Placement”) at an issue price of AUD 1.52 per Unit (“Issue Price”) to fund the Acquisitions and associated transaction costs						
Portfolio impact	– Increases weighting to industrial from 23% to 28% ⁵						
	– Increases WALE to 4.7 years ⁴						
Financial impact	– Increases asset, tenant and geographic diversification						
	– The Acquisitions and Placement are expected to have a neutral impact on IAP’s FY20 FFO per Unit forecast						
	– IAP reaffirms its pro forma FY20 FFO per Unit forecast provided at the time of ASX listing of 9.57 cents ⁶ and its forecast DPU of 8.88 cents ⁶						
ASX listing update	– The Acquisitions and the Placement strengthen IAP’s balance sheet with key pro forma metrics being:						
	– gearing of 27.1% ⁷ which is below IAP’s target range of 30% to 40%						
	– NAV per Unit of AUD 1.30 ⁷						
	– Inclusion in the S&P/ASX 300 Index and S&P/ASX 300 A-REIT Index effective 23 September 2019						
	– As no Investec group entities (including Investec Bank Limited and Investec Property Fund Limited in respect of their principal stake) are participating in the Placement ⁸ , the Placement is expected to further diversify the Fund’s register, increase free float and facilitate improvement in the liquidity of Units						

Notes: 1. Each property will be acquired by a wholly owned subtrust of IAP. 2. Purchase price excludes transaction costs and is subject to customary adjustments. 3. Initial yield is pre transaction costs. 4. Weighted by gross property income. 5. Weighted by property value. 6. Barring any unforeseen events and no material change in current market conditions and on the basis of the same underlying assumptions in relation to those forecasts set out in the Fund’s product disclosure statement dated 3 May 2019 and the property specific assumptions set out on slide 35. 7. Pro forma based on the balance sheet as at 31 March 2019, adjusted only for the ASX listing, the Acquisitions and the Placement. Refer to Appendix A for detailed breakdown. 8. The Investec group entities hold relevant interests in Units in excess of 20% and are therefore prohibited from acquiring further interests under the Corporations Act unless an applicable exemption applies.

Strategic rationale

Strategically located near transportation hubs with fixed rent reviews and long dated lease expiries



Strategically located properties

- Properties located close to key transport infrastructure including port, rail and major road transport routes
 - Welshpool regarded as one of Perth's premier industrial locations
 - Gillman site located within close proximity to Port Adelaide to capitalise on expected growth in land values
 - East Arm site located in immediate proximity to Darwin's main industrial freighting port
- Low site coverage with potential for expansion and re-leasing flexibility



Improved portfolio metrics

- Increased WALE of 4.7 years¹
 - The Acquisitions have a long WALE of 8.2 years¹
- Increased industrial exposure with portfolio weighting increased from 23% to 28%²
- Greater asset, tenant and geographic diversification



Attractive yield and fixed rent reviews

- Portfolio initial yield of 7.3%³
- Weighted average rent review of 3.1% per annum. Minimum of 3.0% per annum rent review across the Acquisitions⁴



Strengthens IAP's balance sheet

- Pro forma gearing reduces to 27.1%⁵
- Pro forma NAV per Unit increases to AUD 1.30⁵

Notes: 1. Weighted by gross property income. 2. Weighted by property value. 3. Initial yield is pre transaction costs. 4. Rent reviews: Welshpool, 3.25%; Gillman, greater of 3.00% or CPI; East Arm, 3.00%. 5. Pro forma based on the balance sheet as at 31 March 2019, adjusted only for the ASX listing, the Acquisitions and the Placement. Refer to Appendix A for detailed breakdown.

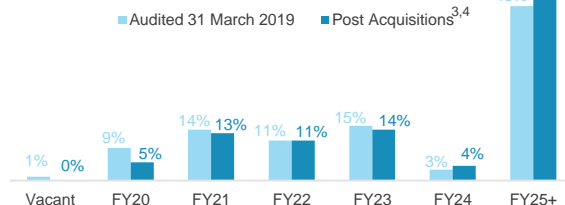
Operational update

Delivering on IAP's stated strategy

Leasing update

- Leases signed totalling 16,743 sqm¹, and terms agreed for 11,277 sqm^{1,2}
- 54% of leases have an expiry of greater than 5 years^{3,4}

Lease expiry profile



Valuations

- 6 of IAP's 28 properties, representing approximately a quarter of the portfolio⁵, are currently being independently revalued
- Valuation uplift expected on properties being independently revalued

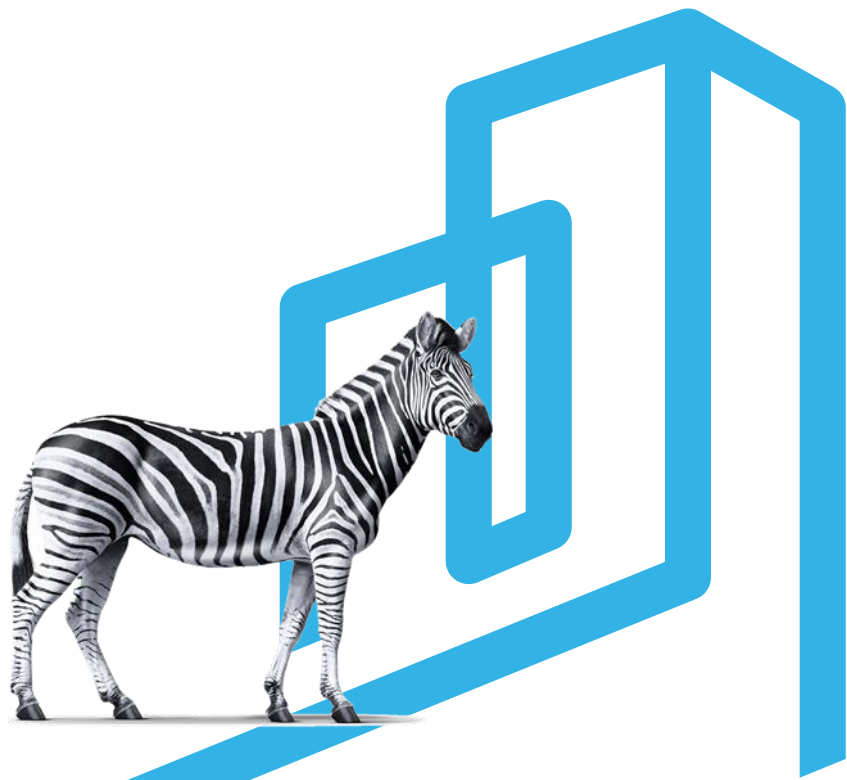
Portfolio composition

- Acquisitions totalling AUD 81 million are on strategy due to their contracted rental growth, long term lease expiries and strategic locations in established industrial precincts
- In the ordinary course of business, IAP will continue to look at other acquisitions that fit the strategy of the Fund
- IAP will consider selling properties in circumstance where it believes value creation has been maximised, to protect against downside risk or to improve the overall quality of the portfolio

Key portfolio metrics

	Audited 31 March 2019	Pre Acquisitions ⁶	Post Acquisitions ³
WACR (%) ⁵	6.6	6.6	6.6
Occupancy (years) ⁴	99.4	99.8	99.8
WALE (%) ⁴	4.7	4.4	4.7
WARR (%) ⁴	3.3	3.3	3.2

Notes: 1. Between 31 March 2019 and the date of this Presentation. 2. Leasing transactions subject to signed heads of agreement which are currently being converted into leases. 3. As at the date of this Presentation, adjusted for the Acquisitions. 4. Weighted by gross property income. 5. Weighted by property value. 6. As at the date of this Presentation, before adjusting for the Acquisitions.



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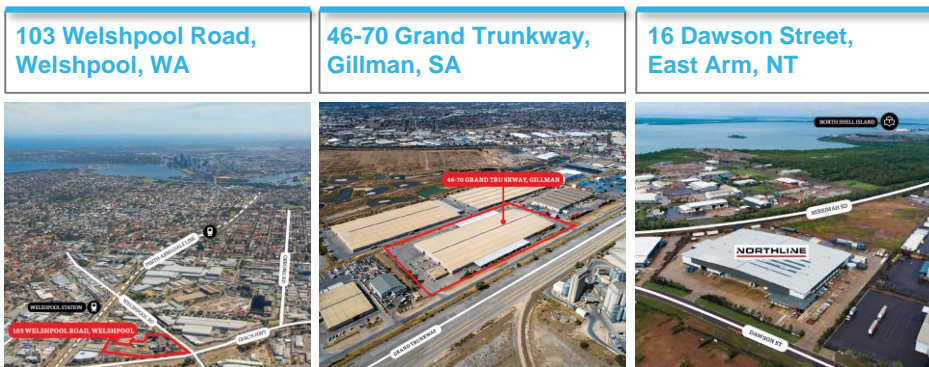
ACQUISITIONS OVERVIEW

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Acquisitions overview

Portfolio of three industrial assets with strong tenant profiles and attractive initial yield



Total / weighted average

Purchase price (AUD m) ¹	26.5	25.5	29.0	81.0
Ownership interest (%)	100	100	100	100
Initial yield (%) ²	6.6	6.8	8.4	7.3
Occupancy (%) ³	100	100	100	100
WALE (years) ³	8.7	8.3	7.9	8.2
Annual rent reviews (%)	3.25	Greater of 3.00 or CPI	3.00	3.07 ^{3,4}
Lease type	Triple net lease	Net lease	Net lease	
Tenant	Milne Feeds	Australian Wool Handlers	Northline	

Notes: 1. Purchase price excludes transaction costs. 2. Initial yield is pre transaction costs. 3. Weighted by gross property income. 4. Assumes rent review of 3.00% for Gillman.

Property overview: 103 Welshpool Road, Welshpool, WA

Strategically located site underpinned by long term lease with access to major arterial road networks

103 Welshpool Road, Welshpool, WA



Tenant: Milne Feeds

Property overview

- Strategically located site 10kms south east of the Perth CBD and 4kms south west of Perth Airport, on one of Perth's busiest intersections
- Immediate access to major arterials, with significant frontage to both Leach Highway and Welshpool Road
- Long term triple net lease with annual fixed rent reviews of 3.25%
- Low site coverage ratio of 16%
- The site comprises three separate lots which may be sold off separately upon redevelopment or reconfigured
- Milne Feeds is a division of Milne AgriGroup Pty Ltd, one of the largest integrated agribusiness groups in Western Australia, having operated from the site for over 100 years
 - Location is key to the tenant given its close proximity to key ingredient providers and its distribution network

Purchase price¹

AUD 26.5 million

Lettable area

5,246 sqm

Rent review

3.25%

Initial yield²

6.6%

Occupancy

100%

WALE

8.7 years



Notes: 1. Purchase price excludes transaction costs and is subject to customary adjustments. 2. Initial yield is pre transaction costs.

Property overview: 46-70 Grand Trunkway, Gillman, SA

Conventional warehouse facility with long WALE and strong tenant covenant

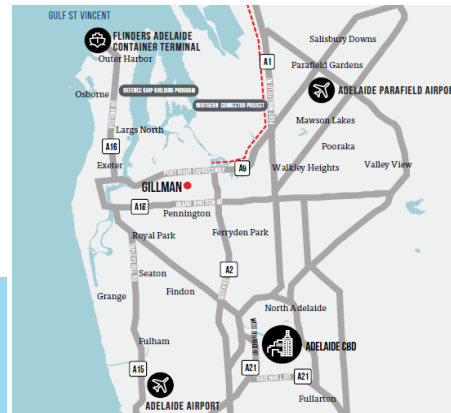
46-70 Grand Trunkway, Gillman, SA



Tenant: Australian Wool Handlers

Property overview

- Located 15kms north west of the Adelaide CBD and 10kms south of Flinders Adelaide Container Terminal
 - Strategic location close to port, rail and major road transport routes to the north via the northern expressway
- Large warehouse facility, utilised as a storage and distribution centre primarily for wool products with excellent accessibility and drive-around access
- The property is being acquired at below replacement cost
- Australian Wool Handlers is one of Australia's leading logistics and warehousing specialists and is the world's largest wool and independent cotton handler. They have operated from the site for 33 years



Purchase price¹

AUD 25.5 million

Lettable area

31,589 sqm

Rent review

Greater of 3.00% or CPI

Initial yield²

6.8%

Occupancy

100%

WALE

8.3 years

Notes: 1. Purchase price excludes transaction costs and is subject to customary adjustments. There is no stamp duty in South Australia. 2. Initial yield is pre transaction costs.

Property overview: 16 Dawson Street, East Arm, Darwin, NT

Modern A-grade industrial building located close to the East Arm Wharf

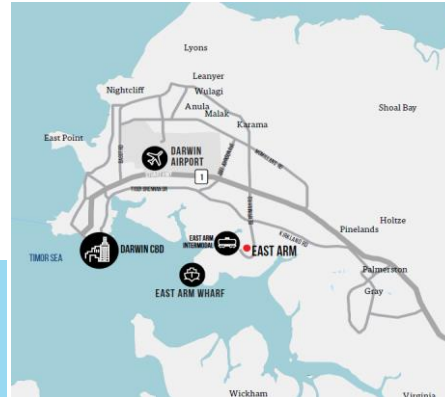
16 Dawson Street, East Arm, Darwin, NT



Tenant: Northline

Property overview

- Located 17kms south east of Darwin's CBD and within immediate proximity to North Shell Island, Darwin's main industrial freighting port and right next to the intermodal rail freight in East Arm
- Recently constructed warehouse facility utilised for logistics purposes and a container rated hardstand
- Long WALE of 7.9 years and annual fixed rent reviews 3.0%
- Northline is a privately owned Australian business established in 1983 with 13 locations around Australia, specialising in road and rail freight management services, warehousing and distribution



Purchase price¹

AUD 29.0 million

Lettable area

14,410 sqm

Rent review

3.00%

Initial yield²

8.4%

Occupancy

100%

WALE

7.9 years

Notes: 1. Purchase price excludes transaction costs and is subject to customary adjustments. 2. Initial yield is pre transaction costs.

Industrial market overview

Economic growth, strong employment levels and increased activity in mining and oil and gas sectors are underpinning strong conditions for industrial property in the Acquisitions' markets

Perth

- Demand in the Western Australian industrial market is increasing due to growing demand and activity in the mining and oil and gas sectors
- Projected to experience increasing population growth rates until 2026¹
- Welshpool is considered to be one of Perth's premier industrial addresses
- The WA Metronet rail extensions project will support economic growth with better connected businesses and greater access to jobs²

Adelaide

- The South Australian economy has experienced strong growth over the last 18 months
- Industrial business sentiment remains positive with sectors including defence, high-tech manufacturing, medical and the food and beverage industry underpinning confidence², and the lower Australian dollar exchange rate is currently supporting South Australian exports²
- The Globelink Freight Corridor project will provide continuous air freight delivery, bypassing the current 11.00pm-6.00am Adelaide Airport curfew²
- The Defense Ship Building Program will likely improve demand for traditional manufacturing products such as fabricated steel and machinery²

Darwin

- Chinese infrastructure investors Landbridge acquired a 99 year leasehold over the Port of Darwin in 2015, representing a major positive investment in the local economy
- The Darwin Ship Lift and Marine Industry project consolidates Darwin's position as a hub for marine maintenance and servicing and is expected to drive growth in the local industry and create local jobs²
- Limited supply pipeline of institutional grade industrial facilities



3

PORTFOLIO IMPACT

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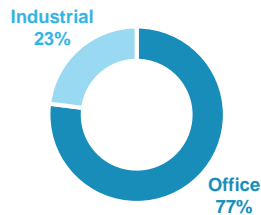
Portfolio impact

The Acquisitions enhance IAP's portfolio scale and diversification

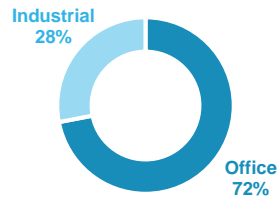
	Audited 31 March 2019	Pre Acquisitions ¹	Acquisitions	Post Acquisitions ²
Number of properties	28	28	3	31
Property valuation (AUD m)	1,063	1,063	81 ³	1,143 ⁴
Lettable area (sqm)	290,281	290,705 ⁵	51,245	341,950
WACR (%) ⁶	6.6	6.6	7.3 ⁷	6.6
Occupancy (%) ⁸	99.4	99.8	100.0	99.9
WALE (years) ⁸	4.7	4.4	8.2	4.7
WARR (%) ⁸	3.3	3.3	3.1	3.2

Sector split⁶

Pre Acquisitions

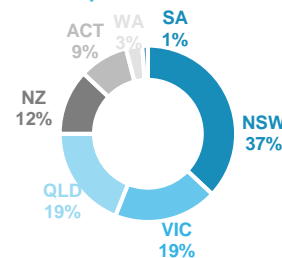


Post Acquisitions

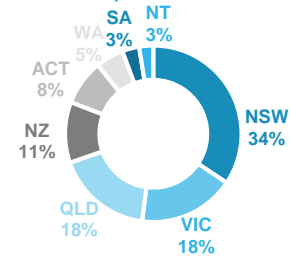


Geographic split⁶

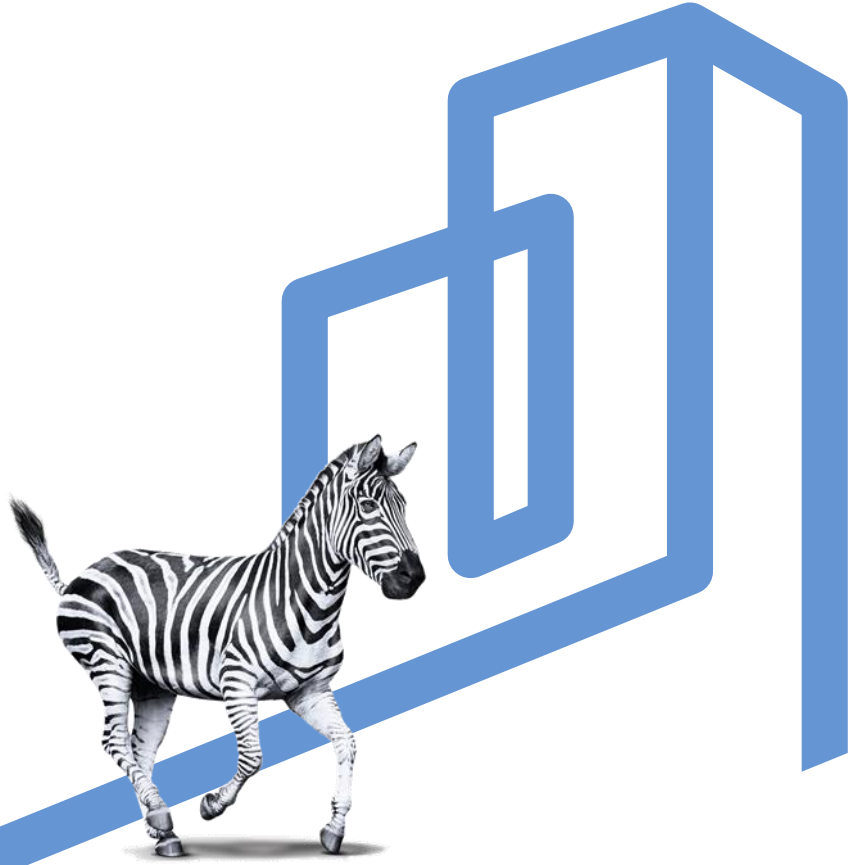
Pre Acquisitions



Post Acquisitions



Notes: 1. As at the date of this Presentation, before adjusting for the Acquisitions. 2. As at the date of this Presentation, adjusted for the Acquisitions. 3. Purchase price excludes transaction costs and is subject to customary adjustments. 4. Total does not add due to rounding. 5. Between 31 March and the date of this Presentation there were minor movements in the lettable area of assets already in the portfolio. 6. Weighted by property value. 7. Initial yield is pre transaction costs. 8. Weighted by gross property income.



4

EQUITY RAISING

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Sources and uses of funds

Fully underwritten Placement to raise approximately AUD 84 million

- IAP will undertake a fully underwritten Placement to fund the Acquisitions and part of the associated Transaction costs
 - Placement of new Units to raise approximately AUD 84 million
- The Acquisitions are inter-conditional on each other. There are no other conditions precedent to settlement
- Settlement of the Acquisitions is expected to occur on 10 October 2019
- Following the Placement, IAP has significant headroom for future growth, with approximately AUD 139.2 million of acquisition capacity¹

Sources of funds	AUD m
Proceeds from Placement	84.5
Debt ²	1.9
Total sources	86.4

Uses of funds	AUD m
Acquisitions purchase price ³	81.0
Transaction costs ⁴	5.4
Total uses	86.4

Key metrics	
Issue Price under the Placement	AUD 1.52 per Unit
Discount to 5-day VWAP on the ASX	5.3%
Pro forma market capitalisation post Placement ⁵	AUD 963 million
FY20 FFO yield (at Issue Price) ⁶	6.3%
FY20 DPU yield (at Issue Price) ⁶	5.8%
Pro forma gearing ⁷	27.1%

Notes: 1. Based on gearing of 35%, being the midpoint of IAP's target gearing range of 30% to 40%. 2. Represents drawdown on the Fund's existing undrawn debt facility. 3. Purchase price excludes transaction costs and is subject to customary adjustments. 4. Includes real estate transaction costs and costs associated with the Placement. 5. Based on IAP's market capitalisation as at 25 September 2019 adjusted for the Placement assuming AUD 84 million is raised. 6. Based on IAP's FY20 FFO guidance of 9.57 cents per Unit and FY20 DPU guidance of 8.88 cents per Unit (barring any unforeseen events and no material change in current market conditions). 7. Pro forma based on the balance sheet as at 31 March 2019, adjusted only for the ASX listing, the Acquisitions and the Placement. Refer to Appendix A for detailed breakdown.

Equity raising details

Fully underwritten Placement to raise approximately AUD 84 million

Structure	<ul style="list-style-type: none">– Fully underwritten Placement to raise approximately AUD 84 million
Pricing	<ul style="list-style-type: none">– Issue Price under the Placement of AUD 1.52 per Unit represents a:<ul style="list-style-type: none">– 3.8% discount to the last closing price on ASX of AUD 1.58 on 25 September 2019– 5.3% discount to the 5 day VWAP on ASX of AUD 1.61 on 25 September 2019
Ranking	<ul style="list-style-type: none">– New Units will rank equally with existing Units from the date of issue– New Units will be entitled to the Distribution for the six months to 30 September 2019¹
Underwriting	<ul style="list-style-type: none">– The Placement is fully underwritten by J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited

Notes: 1. The record date for the 30 September 2019 distribution will post-date the allotment of New Units under the Placement, and is expected to be announced together with the Fund's 1H20 interim results.

Timetable

	Australian Eastern Standard time	South African time
ASX trading halt and announcement of the Placement and Acquisitions	By 10.00am, Thursday 26 September 2019	By 2.00am, Thursday 26 September 2019
Placement bookbuild closes for ASX investors	By 4.30pm, Thursday 26 September 2019	By 8.30am, Thursday 26 September 2019
JSE trading halt and SENS (JSE) announcements of the Placement and Acquisitions	By 4.45pm, Thursday 26 September 2019	By 8.45am, Thursday 26 September 2019
Placement bookbuild closes for JSE investors	By 8.00pm, Thursday 26 September 2019	By 12.00pm, Thursday 26 September 2019
Announcement of Placement completion on SENS (JSE)	By 8.30pm, Thursday 26 September 2019	By 12.30pm, Thursday 26 September 2019
Placement completion announcement released on ASX Trading halt lifted on ASX and JSE	By 10.00am, Friday 27 September 2019	By 2.00am, Friday 27 September 2019
Settlement of New Units	Tuesday, 1 October 2019	Tuesday, 1 October 2019
Allotment and normal trading of New Units on ASX	Wednesday, 2 October 2019	Wednesday, 2 October 2019
Allotment and normal trading of New Units on JSE	Wednesday, 2 October 2019	Wednesday, 2 October 2019

Notes: 1. The above timetable is indicative only and may change without notice. IAP reserves the right to amend any or all of these events, dates and times, subject to the Corporations Act, the ASX Listing Rules, the JSE Listings Requirements and other applicable laws. The commencement of quotation and trading of New Units is subject to confirmation of ASX and the JSE (as applicable).



5

CONCLUSION

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Conclusion

- ✓ Acquisition of strategically located industrial assets which offer **attractive initial yield**
- ✓ Acquisitions all have strong tenant covenants with contracted **annual fixed rent reviews** and are either **net or triple net leases**
- ✓ Enhances portfolio scale and increases exposure to **the industrial sector**
- ✓ Acquisitions have a long **WALE of 8.2 years**¹
- ✓ Post Placement market capitalisation of **AUD 963 million**² and pro forma gearing reduced to **27.1%**³, strengthening IAP's balance sheet and providing headroom for future growth

Notes: 1. Weighted by gross property income. 2. Based on IAP's market capitalisation as at 25 September 2019 adjusted for the Placement of AUD 84 million. 3. Pro forma based on the balance sheet as at 31 March 2019, adjusted only for the ASX listing, the Acquisitions and the Placement. Refer to Appendix A for detailed breakdown.



APPENDIX A:
FINANCIAL INFORMATION

Out of the Ordinary[®]

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Australia Property Fund

Pro forma balance sheet^{6,7}

AUD million	Audited 31 March 2019 ¹	Post balance date adjustments ^{2,3}	Pro forma 31 March 2019 (pre Acquisitions and Placement)	Acquisitions and Placement ⁴	Pro forma 31 March 2019
Current assets	14.2	-	14.2	0.0	14.2
Cash and cash equivalents	7.8	-	7.8	0.0	7.8
Trade and other receivables	6.4	-	6.4	0.0	6.4
Non-current assets	1,069.2	-	1,069.2	81.0	1,150.2
Investment properties	1,062.8	-	1,062.8	81.0	1,143.8
Financial instruments held at fair value	6.4	-	6.4	0.0	6.4
Total assets	1,083.4	-	1,083.4	81.0	1,164.4
Current liabilities	60.3	(28.6)	31.7	0.0	31.7
Borrowings	28.6	(28.6)	-	0.0	0.0
Trade and other payables	6.9	-	6.9	0.0	6.9
Distributions payable	24.8	-	24.8	0.0	24.8
Non-current liabilities	401.7	(65.8)	335.9	1.9	337.8
Long-term borrowings	375.2	(65.8)	309.4	1.9	311.3
Trade and other payables	5.3	-	5.3	0.0	5.3
Financial instruments held at fair value	21.2	-	21.2	0.0	21.2
Total liabilities	462.0	(94.4)	367.6	1.9	369.5
Net assets	621.4	94.4	715.8	79.1	794.9
Units in issue	478.8	76.9	555.7	55.6	611.3
NAV per Unit	1.30		1.29		1.30
Gearing ⁵ (%)	38.1%		29.0%		27.1%

Notes: 1. The Fund had net current liabilities of AUD 46.1 million as at 31 March 2019 principally due to the Distribution declared (AUD 24.8 million) as at 31 March 2019 along with borrowings to fund the acquisition of 24 Wormald Street, Symonston ACT (AUD 28.6 million) which was repaid from the proceeds of the ASX listing. The Distribution was paid on 27 May 2019 funded from available cash and undrawn debt capacity. 2. The final subscription price of the ASX listing equity raise was AUD 1.32 per Unit. 3. Adjusted for the AUD 101.4 million proceeds received from the ASX listing equity raise net of transaction costs undertaken in May 2019. Proceeds received from the ASX listing raise were used to repay borrowings. AUD 6.9 million of transactions costs related to the equity raise of which AUD 4.5 million of the transaction costs were adjusted against retained earnings. 4. Adjusted for the acquisition of 103 Welshpool Road, Welshpool WA, 46-70 Grand Turkway, Gillman SA and 16 Dawson Street, East Arm NT, including transaction costs, the Placement proceeds of AUD 84.5 million net of AUD 2.1 million of Placement costs and AUD 1.9 million additional borrowings drawn down on existing facilities. Retained earnings adjustments represent expensed transaction costs in relation to the property Acquisitions. The costs in relation to the Placement have been offset in contributed equity. 5. Gearing defined as interest bearing liabilities (excluding debt establishment costs) divided by the total value of the Fund's investment properties. 6. The pro forma balance sheet does not account for any trading performance, potential fair value adjustments to investment properties, derivative financial instruments or other financial assets post 31 March 2019. 7. Numbers may not add due to rounding.



APPENDIX B:
OVERVIEW OF IAP STRATEGY

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Australia Property Fund

Why invest in IAP

IAP offers exposure to strategically located industrial properties with **sustainable income**, suburban office properties located in close proximity to key infrastructure with affordable occupancy costs, and CBD office properties in select markets with the opportunity to enhance income and/or capital value through **active asset management**

Focused property fundamentals 1	Acquisition strategy 2	Active asset management 3	Balance sheet 4	Management team 5
<ul style="list-style-type: none">– Sustainable revenue stream– Long-term focus– Location and quality of buildings– Strong tenants– Defensive portfolio	<ul style="list-style-type: none">– Purchasing quality assets– “Right asset at the right price”– Focus on properties that deliver affordable occupancy solutions for tenants– Focus on properties located near critical infrastructure	<ul style="list-style-type: none">– Active hands-on asset management– Track record of letting activity– High level of service to tenant base– Early engagement with tenants to improve portfolio WALE– Capex projects focussed on achieving value uplift	<ul style="list-style-type: none">– Conservative but opportunistic balance sheet management– Hedging strategy in place to mitigate downside risk– Decrease cost of funding	<ul style="list-style-type: none">– Specialist in local market– Leverage off the Investec network– Strong relationships with key stakeholders– Passionate and driven– Extensive industry experience

Acquisition strategy

IAP invests in good quality income-producing properties in Australia and New Zealand in the office, industrial and retail sectors



Macro considerations

- Underlying market fundamentals
 - Market rents, incentives provided to tenants
 - Growth rates
 - Supply and demand dynamics
 - Vacancy and absorption rates
 - Demographics
- Supported by external research and management's relationships with industry participants



Micro considerations

- Detailed due diligence utilising in-house expertise and external consultants
 - Strength of tenant covenant
 - Lease expiry profile
 - Contractual escalations
 - 10 year yield analysis
 - Location
 - Physical attributes including capex requirements
 - Replacement costs assessment
 - Valuation

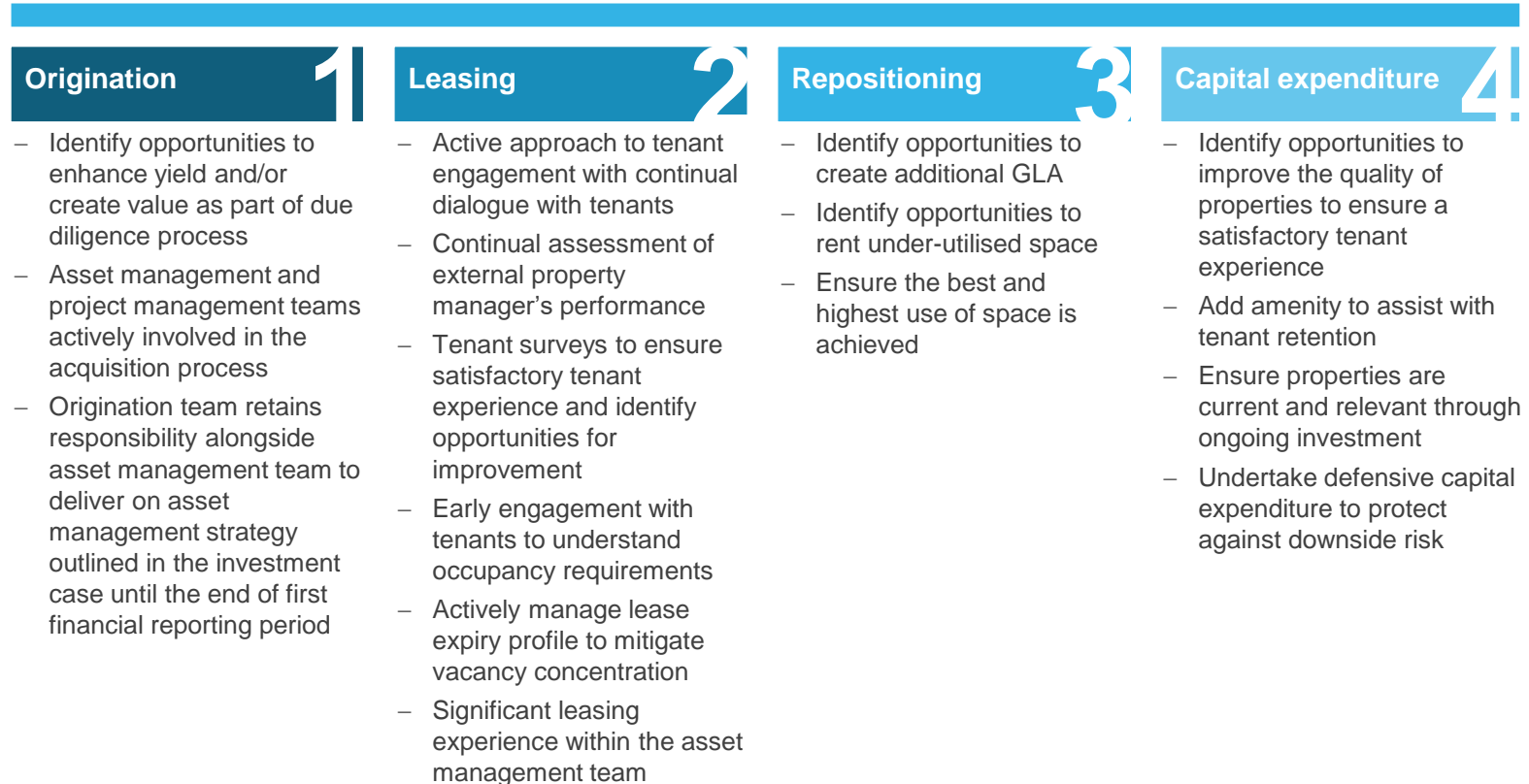


Context

- Acquisitions are assessed with reference to the impact on the Fund's:
 - Geographic concentration
 - Sector concentration
 - Lease expiry profile
 - Net property income
 - Distribution growth profile

Asset management strategy

Active asset management approach to deliver capital and income returns to Unitholders over time





APPENDIX C:
KEY RISKS

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Key risks

A number of risks and uncertainties, which are both specific to the Fund and of a more general nature, may affect the future operating and financial performance of the Fund and the value of its Units. This section identifies the key risks associated with an investment in Units. These risks are not exhaustive of the risks faced by potential investors in the Fund. You should consider carefully the risks described in this section, as well as other information in this presentation and the announcement to which it is attached, and consult your financial or other professional adviser before making an investment decision. If any of the following risks materialise, the Fund's business, financial condition and operational results are likely to suffer.

Risks specific to an investment in property

Gross property income	<ul style="list-style-type: none">– Gross property income may be adversely affected by a number of factors within and beyond the Fund's control– Any negative impact on gross property income has the potential to decrease the value of the properties– A decrease in gross property income may affect the FFO of the Fund and in turn impact distributions and the market price of the Units
Re-leasing and vacancy	<ul style="list-style-type: none">– The Fund may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants with new tenants on the same terms (if at all) or be able to find new tenants to take over space that is currently unoccupied which could affect FFO of the Fund and in turn impact distributions– Gross property income might also be negatively impacted by any increases in amounts not recoverable from tenants that might be incurred by the Fund which could affect FFO of the Fund and distributions
Capital expenditure requirements	<ul style="list-style-type: none">– Required capital expenditure may exceed forecast spend, requiring additional funding or property sales, affecting FFO and distributions– Some examples of circumstances that may require capital expenditure in excess of the forecast amount include damage caused by fire, flood or other disaster, changes to law or council requirements such as environmental, building or safety regulations or unforeseen property defects or environmental issues that need to be addressed (to the extent not covered by insurance)
Property valuation	<ul style="list-style-type: none">– The value of, and returns from, the properties may fluctuate depending on property market conditions, general economic conditions, and/or property specific factors– Demand for property may change as investor preferences for particular sectors, asset classes and geographies change over time and can be influenced by general economic factors– A change in valuations of the properties will not directly impact FFO of the Fund and distributions but will impact gearing which could have a bearing on compliance with covenants

Key risks (cont'd)

Property liquidity	<ul style="list-style-type: none">– The Fund may not be able to realise the properties within a short period of time or may not be able to realise properties at valuation. This may affect the NAV or price of the Units
Sector concentration	<ul style="list-style-type: none">– The Fund's performance depends on, in part, the performance of the office and industrial property sectors in Australia and New Zealand– A downturn in these sectors might reduce gross property income and impact FFO of the Fund and distributions
Environmental issues and contamination	<ul style="list-style-type: none">– The Fund may be required to undertake remediation for contaminated properties which could require material capital expenditure and impact the FFO of the Fund and distributions– Environmental laws impose penalties for environmental damage and contamination, which can be material in size. Exposure to hazardous substances at a property could result in personal injury claims which could prove greater than the value of the contaminated property– An environmental issue may also result in interruptions to the operations of a property, including loss as a result of closure. Any loss of income might not be recoverable
Health and safety	<ul style="list-style-type: none">– Liability arising from workplace health and safety matters at a property may be attributable to the Fund as the landlord instead of, or as well as, the tenant– Any liabilities or penalties borne by the Fund may impact the financial performance of the Fund (to the extent not covered by insurance)

Key risks (cont'd)

Risks specific to an investment in the Fund	
Acquisitions	<ul style="list-style-type: none"> – IAP expects the Acquisitions to proceed as contemplated in this Presentation. If the Acquisitions in fact fail to complete or completion is delayed, the expected financial performance of IAP could be adversely affected. If the Acquisitions do not complete and IAP has raised funds under the Placement, the Fund will consider alternative uses for those funds (including reducing debt); or returning capital
Gearing	<ul style="list-style-type: none"> – A higher level of gearing will magnify the effect of any changes in interest rates or changes in value or performance measures – Changes in the value of the properties or gross property income that secure the repayment and servicing of the borrowing may also affect the gearing ratio which a financier may require to be maintained, which may result in a requirement to reduce the level of debt, including by selling properties – If the level of gearing increases over the term of the Fund's facility agreement (thereby impacting the Fund's gearing ratio), this may create refinancing risk on the facility
Funding and refinancing	<ul style="list-style-type: none"> – The Fund's ability to raise capital from debt or equity markets on favourable terms depends on a number of factors including the general economic climate, the state of debt and equity capital markets and the property market, and the performance, reputation and financial strength of the Fund – The Fund may be unable to borrow on terms and conditions, including durations and interest rates, which are acceptable or may be unable to refinance the facility when it matures, or that the refinance may not be obtained on the same terms – An inability to attract funding on acceptable terms may adversely affect the Fund's ability to make future acquisitions or meet future capital expenditure needs, which could adversely affect the growth prospects of the Fund – A lack of or increased cost of debt financing could also increase the funding costs of the Fund and therefore impact the performance and financial position of the Fund
Breach of covenants	<ul style="list-style-type: none"> – An event of default may occur if the Fund fails to maintain the undertakings and covenants under the Fund's facility agreement – In the case of a default that is not remedied, lenders may require repayment of the facility prior to the expected expiry date – If so, the Fund may need to sell properties for less than the book value, raise additional equity, or reduce or suspend distributions in order to repay the facility
Dilution of participatory interest	<ul style="list-style-type: none"> – Existing Unitholders who do not participate in the Placement will have their percentage Unitholding in IAP diluted. Depending on the size of a Unitholder's existing holding, a participating Unitholder may still be diluted even though they participate in the Placement, depending on the number of Units allocated to them – Units may be issued to finance future acquisitions which may also, under certain circumstances, dilute the value of the Unitholder's interests

Key risks (cont'd)

Interest rate fluctuations	<ul style="list-style-type: none"> – The Fund is exposed to interest rate risk and adopts a policy of ensuring that at least 75% its exposure to changes in interest rates on borrowings is on a fixed basis – There is a risk that hedging counterparties may fail to honour their obligations under these arrangements and that the arrangements may not be effective in reducing exposure to movements in interest rates – The Fund is exposed to movements in variable interest rates on the portions drawn but unhedged – The Fund may be unable to hedge future interest rate risk or the terms of such hedging may be less favourable than existing terms
Exchange rate fluctuations	<ul style="list-style-type: none"> – If a Unitholder chooses to hold their Units through the South African register, the Units will be denominated in ZAR but distributions will be denominated in AUD and earnings derived from the Australian properties will be denominated in AUD – The value of the Units trading on the JSE may go up or down according to changes in the exchange rate between the ZAR and AUD. These changes may be significant – Earnings derived from any New Zealand properties will be denominated in NZD. Movements in the exchange rate at such times between AUD and NZD may adversely affect the results of the operations and/or the balance sheet of the Fund
Dual listing	<ul style="list-style-type: none"> – The Fund is dual listed and needs to comply with both the ASX Listing Rules and the JSE Listings Requirements – Investors should be aware that certain South African legal concepts, which investors may not be familiar with via investments in Australian companies or trusts, may apply to the Fund – Transfer of Units between the Australian and South African subregisters of the Fund will generally be processed within one business day, although in some circumstances, it may take longer for the request to be processed
Liquidity	<ul style="list-style-type: none"> – There can be no guarantee that there will be an active market in the Units, that the price of the Units will increase, or that liquidity will be maintained – If a large Unitholder chooses to sell its Units, this may affect the prevailing market price of the Units
Inability to complete disposals or acquisitions	<ul style="list-style-type: none"> – The Fund may be unable to identify suitable investment opportunities that meet the Fund's investment objectives or the Fund may be unable to dispose of and/or acquire properties on appropriate terms, thereby potentially limiting growth of the Fund – Failure to deliver or effectively execute the Fund's stated strategy including its acquisition and/or disposal of properties or its failure to redefine its strategy to meet changing conditions could result in a decline in the price of the Units and/or distributions – There can be no assurance that any future acquisitions and/or disposals will enhance the investment returns of Unitholders

Key risks (cont'd)

Financial information and forecasts	<ul style="list-style-type: none">– Forward-looking statements, opinions and estimates provided in this Presentation rely on various factors, many of which are outside the control of the board of the Responsible Entity or management of the Fund, and several assumptions, any of which could be inaccurate or result in material deviations in actual performance from expected results– There can be no guarantee that the Fund will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate
Compliance	<ul style="list-style-type: none">– If the Responsible Entity breaches the Corporations Act or the terms of its AFSL, ASIC may take action to suspend or revoke the Responsible Entity's licence, which in turn may adversely impact the Fund
Tax	<ul style="list-style-type: none">– IAP is an Australian tax resident trust for tax purposes. It currently qualifies as a managed investment trust ("MIT") and a withholding MIT and has elected to be an Attribution MIT ("AMIT") for taxation purposes since 1 April 2018. The AMIT regime provides greater certainty on the application of the tax provisions for both the investors and the Fund– Changes in general taxation law and, in particular, income tax, GST or stamp duty legislation, case law in Australia, rulings and determinations issued by the Australian Commissioner of Taxation or other practices of tax authorities may adversely affect the Fund's performance, position and prospects– Any changes to the tax regime applicable to the Fund may affect the Fund's ability to make Distributions or attributions of income and may adversely affect the tax treatment of distributions or attributions in the hands of Unitholders– Changes in the Fund's business activities or Australian tax legislation could result in the Fund incurring income tax on its net income in the future– As the Fund currently invests in New Zealand and is subject to New Zealand tax, the Fund, and returns from the Fund, are subject to any changes in New Zealand tax laws– If concessional rates for MITs change or if the Fund ceases to qualify as a MIT in the future, Distributions or attributions to non-Australian resident investors may become subject to a higher withholding tax rate– The Responsible Entity is required to withhold tax on a non-resident investor's behalf in respect of any Australian taxable income distributed or attributed by the Fund. Where the Distribution or attribution of income by the Fund includes Australian sourced interest, a final withholding tax of 10% will apply to that component. A concessional withholding tax rate of 15% will apply to Distributions or attribution of fund payments (which qualify as concessional MIT income) to South African investors and other investors that are tax residents in certain other approved 'exchange of information countries'

Key risks (cont'd)

Insurance	<ul style="list-style-type: none"> – If any of the properties are damaged or destroyed by an event which is not covered by the Fund's insurance policies, the Fund could incur a capital loss which could affect gross property income, FFO of the Fund and distributions – Dependent on the type of coverage, the Fund may have to incur an excess prior to any payment by the insurer or pay for any difference between the full replacement cost and insured amount – The Fund may also incur increases to its insurance premium applicable to other areas of its cover as a result of the event
Litigation	<ul style="list-style-type: none"> – While the Responsible Entity has in place professional indemnity insurance, certain events may not be covered, or the claims incurred may be in excess of the insured amount – If the Fund breaches the law, this may result in a fine or penalty or, in a serious case, the loss of the Responsible Entity's AFSL – Such matters may have a material adverse effect on the Fund's reputation, divert its financial and management resources from more beneficial uses, and/or have a material adverse effect on the Fund's future financial performance or position
Loss of key management personnel	<ul style="list-style-type: none"> – The loss of key management personnel could cause material disruption to the Fund's activities in the short to medium term and could result in the loss of key relationships and expertise which could have a material adverse impact on its current and future earnings
Joint owners agreement	<ul style="list-style-type: none"> – The Fund and Abacus Property Group are joint owners of the property located at 324 Queen Street, Brisbane QLD – Where a joint owner wishes to dispose of its interest in the property, the other joint owner will have a pre-emptive right except in limited circumstances (for example, by way of a permitted transfer to a member of its group)
Termination of Fund	<ul style="list-style-type: none"> – In the event of termination or winding-up of the Fund, the claims of the Fund's creditors will have priority over the claims of Unitholders – Under such circumstances, the Responsible Entity may sell properties and first repay or discharge all costs and liabilities owed to the Fund's creditors before distributing the remaining proceeds to Unitholders – There is a risk that Unitholders may receive no amount or an amount less than the Issue Price on termination or winding-up of the Fund

Key risks (cont'd)

General risks associated with the Placement and investment in the Fund	
Price of the Units	<ul style="list-style-type: none"> – The trading price of Units may be volatile and fluctuate significantly in response to various factors including changes to general economic conditions, demand for property securities, changes in government policy or regulations, inclusion / removal from major market indices and other general or operational business risks – The trading price of Units may be influenced by factors non-specific to the Fund and out of the Fund's control. No assurances can be made that the performance of the Units will not be adversely affected by such market fluctuations or factors – As a result of fluctuations in the trading price of Units, Unitholders may not be able to sell their Units at or above the Issue Price, if at all
Economy and market conditions	<ul style="list-style-type: none"> – There is the risk that changes in economic and market conditions may affect asset returns and values and may decrease the Unit price
Law, regulatory and policy changes	<ul style="list-style-type: none"> – Changes in law, government legislation, regulation and policy in a jurisdiction in which the Fund operates may adversely affect the value of the performance of the portfolio and/or future distributions and the value of the Units
Accounting standards	<ul style="list-style-type: none"> – Changes to accounting standards issued by the Australian Accounting Standards Board or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Fund's financial statements
Reliance on third parties	<ul style="list-style-type: none"> – The Responsible Entity may engage third party services providers in respect of a part or the whole portfolio – A failure of third parties to discharge their agreed responsibilities may adversely affect the management and financial performance of the Fund and therefore also adversely impact returns to Unitholders
Conflicts of interest	<ul style="list-style-type: none"> – Related party transactions carry a risk that they could be assessed and monitored less rigorously than transactions with unrelated third parties – The Responsible Entity has engaged Investec Property Management Pty Limited as manager to provide the management services in accordance with the terms of the management agreement. This may create a conflict of interest – The Responsible Entity will mitigate these risks through its conflict of interest policy and related party policy that governs the way the Fund manages such conflict situations and related party transactions

Key risks (cont'd)

Underwriting

- The Responsible Entity has entered into an underwriting agreement under which J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited have agreed to underwrite the Placement, subject to the terms and conditions of the underwriting agreement.
- The underwriters' obligation to underwrite the Placement is conditional on certain customary matters, including entry into the Acquisition agreements and IAP delivering certain certificates to the underwriters
- The Placement is subject to the underwriting agreement not being terminated in accordance with its terms. The events which may trigger termination of the underwriting agreement include where:
 - an Acquisition agreement is terminated, materially breached or amended without consent of the underwriters;
 - The delisting of the Fund from the JSE or ASX
 - IAP alters its capital structure or disposes a substantial part of its business without underwriter consent
 - A change in the board of the Responsible Entity or loss of certain key management personnel, or the chairman, CEO or CFO of IAP vacate office
 - IAP or its subsidiaries become insolvent
 - Any director of the Responsible Entity is charged with an indictable offence or is disqualified from managing a corporation



APPENDIX D: FOREIGN SELLING JURISDICTIONS

Out of the Ordinary[®]

 **Investec**
Australia Property Fund

Selling restrictions

This Presentation does not constitute an offer to subscribe for Units in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the Units may not be offered or sold, in any country outside Australia and New Zealand except to the extent described below.

Guernsey

This Presentation 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 Presentation 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 Presentation 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 Presentation has not been, and will not be, authorized 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 authorize this Presentation or to permit the distribution of this Presentation or any documents issued in connection with it. Accordingly, the 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 Presentation relating to the 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 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 Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Placement. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

Selling restrictions (cont'd)

New Zealand

This Presentation 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 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 Presentation 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 issuer is not authorised or recognised by the MAS and the Units are not allowed to be offered to the retail public. This Presentation and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Units may not be circulated or distributed, nor may the 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 Presentation 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 Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the 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 Presentation 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 Placement 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.



APPENDIX E:
ADDITIONAL DISCLOSURES
REQUIRED BY THE JSE

Out of the Ordinary[®]

 **Investec**

Australia Property Fund

Property specific information

Welshpool

Registered description	Lot 8 on Diagram 78445, Lot 501 on Diagram 53872 and Lot 601 on Deposited Plan 404603
Title	Freehold
Sector	Industrial
Location	103 Welshpool Road, Welshpool WA
Year built	Not specified
Site area	31 899m ²
Lettable area	5 246m ²
Rent per m ²	AUD 335/m ²
Vacancy	0%
WALE	8.7 years
Estimated transaction costs	AUD 1 431 000

The Welshpool Property has been valued at AUD 26 500 000 as at 30 September 2019 by Savills Valuation Pty Ltd. The valuer, Ryan Jacob, is an independent valuer and a certified practicing valuer (licenced valuer no.44673).

Gillman

Registered description	Allotment 31 on Deposited Plan 90543
Title	Freehold
Sector	Industrial
Location	46-70 Grand Trunkway, Gillman SA
Year built	1986
Site area	65 060m ²
Lettable area	31 589m ²
Rent per m ²	AUD 55/m ²
Vacancy	0%
WALE	8.3 years
Estimated transaction costs	AUD 63 750

The Gillman Property has been valued at AUD 25 500 000 as at 30 September 2019 by Savills Valuation Pty Ltd. The valuer, Alastair Johnston, is an independent valuer and a certified practicing valuer (licenced valuer no.64222).

Property specific information (cont'd)

East Arm

Registered description	Section 7105 Hundred of Bagot from plan LTO2014/100
Title	Freehold
Sector	Industrial
Location	16 Dawson Street, East Arm NT
Year built	2015
Site area	39 900m ²
Lettable area	14 410m ²
Rent per m ²	AUD 170/m ²
Vacancy	0%
WALE	7.9 years
Estimated transaction costs	AUD 1 798 000

The East Arm Property has been valued at AUD 29 00 000 as at 30 September 2019 by Savills Valuation Pty Ltd. The valuer, Alastair Johnston, is an independent valuer and a certified practicing valuer (licence valuer no.64222).

Forecast information

Set out below are the forecast revenue, operational net income, net profit attributable to equity holders and earnings available for distribution from the Acquisitions (the “forecast”) for the 6 months ending 31 March 2020 and the year ending 31 March 2021 (the “forecast period”).

The forecast has been prepared on the assumption that the Acquisitions will be implemented on 30 September 2019 (notwithstanding that the settlement date under the contracts for sale is scheduled for 10 October 2019) and on the basis that the forecast includes forecast results for the duration of the forecast period.

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the board of directors of the Responsible Entity. The forecasts have not been reviewed or reported on by the independent reporting accountants.

The forecasts presented in the table below relate to the Property only and have been prepared in accordance with the Fund’s accounting policies and in compliance with International Financial Reporting Standards.

	Forecast 6 months ending 31 March 2020 AUD'000	Forecast 12 months ending 31 March 2021 AUD'000
Revenue, including straight line adjustment	3,509	7,058
Total property expenses	(190)	(389)
Net property income	3,319	6,670
Fund management fees	(233)	(466)
Fund operating costs	(57)	(113)
Net operating income before finance charges	3,030	6,091
Finance costs	(1,555)	(3,110)
Net profit attributable to equity holders	1,474	2,980
Less: straight line revenue adjustment	(366)	(592)
Distributable income pre-withholding tax	1,108	2,388
Distributable income post-withholding tax	1,009	2,167

The forecast incorporates the following material assumptions in respect of revenue and expenses: 1. Contracted revenue is based on existing lease agreements including stipulated increases. 2. There are no leases expiring during the forecast period. 3. Of the rental income of AUD 3 508 663 for the 6 months ending 31 March 2020, 100% relates to contracted rental income. 4. Of the rental income of AUD 7 058 307 for the year ending 31 March 2021, 100% relates to contracted rental income. 5. Material expenditure items relate to Fund and asset management fees (approximately 11% of total expenses). 6. No material expenditure items have been increased in the forecast period ending 31 March 2020 by more than 15% over the previous financial period. 7. The finance costs assume an all-in cost of funds of 3.84% per annum for the Acquisitions. At least 75% of the cost of the Fund’s total debt will be fixed via interest rate swaps (in accordance with the Fund’s interest rate hedging policy) for 5, 7, 8, 9 and 10 year periods. 8. Distributions are payable to unitholders attributable to the Acquisitions and are partially shielded by depreciation allowances. 9. A fair value adjustment is recognised in relation to the transaction costs. 10. There will be no unforeseen economic factors that will affect the lessees’ ability to meet their commitments in terms of existing lease agreements.



APPENDIX F: GLOSSARY

Out of the Ordinary[®]

 **Investec**
Australia Property Fund

Glossary

Defined term	Meaning
AFSL	Australian financial services licence issued under the Corporations Act
Acquisitions	The acquisition of the three industrial properties which IAP (through three wholly owned subtrusts) has contracted to acquire, as outlined on slide 6 of this Presentation
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollars
Corporations Act	Corporations Act 2001 (Cth)
Distribution	A distribution made in relation to the Units
DPU	Distribution per Unit
gearing	Interest bearing liabilities (excluding debt establishment costs) divided by the total value of the Fund's investment properties
GST	Goods and services tax
FFO	Funds from operations
IAP or Fund	Investec Australia Property Fund
Issue Price	AUD 1.52 per Unit
Joint Lead Managers	J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited
JSE	Johannesburg Stock Exchange

Defined term	Meaning
MIT	Managed investment trust
NAV	Net asset value
New Units	The Units to be offered under the Placement
NZD	New Zealand dollars
Placement	Fully underwritten institutional placement to raise approximately AUD 84 million at an issue price of AUD 1.52 per Unit
Responsible Entity	Investec Property Limited as responsible entity of the Fund
sqm	Square metres
Transaction	The Acquisitions and the Placement
Unit	A unit in IAP
Unitholder	A holder of a Unit
VWAP	Volume weighted average price of Units
WACR	The average capitalisation rate across the portfolio, weighted by property value
WALE	The average lease term remaining to expiry across the portfolio, weighted by gross property income
WARR	The average rent review across the portfolio or a property or a group of properties, weighted by gross property income
ZAR	South African rand