

## INVESTEC AUSTRALIA PROPERTY FUND

Incorporated and registered in Australia in terms of ASIC (ARSN 162 067 736)  
Registered in terms of the Collective Investment Schemes Control Act No.45 of 2003  
Operated by Investec Property Limited (ACN 071 514 246; AFSL 290 909) (“**Responsible Entity**”)  
Share code: IAP  
ISIN: AU60INL00018  
 (“**IAPF**” or the “**Fund**”)

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### VOLUNTARY ANNOUNCEMENT – ACQUISITION OF WAREHOUSE AND DISTRIBUTION PROPERTY

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#### 1. Introduction

The Fund is pleased to advise unitholders that it has entered into a contract with Logos Properties Holding Pty Ltd as trustee for the Hydrive No.1 Trust to acquire a warehouse and distribution facility located at 36-42 Hydrive Close, Dandenong South VIC 3175 (**Property**) for AUD 19 450 000.

The purchase price equates to an annualised property yield of 6.3% (5.9% post all transaction costs). The purchase price plus all transaction costs will be funded through the existing syndicated debt facility with Westpac Banking Corporation and Australia and New Zealand Banking Group at an expected all in funding cost of 3.58% per annum. The Fund’s gearing post the acquisition of the Property will be 37.6% with a weighted average cost of debt of 3.71% and hedged to 86.4% for an average of 6.2 years.

The effective date of the acquisition of the Property is the settlement date under the contract for sale, which is scheduled for 19 April 2018.

#### 2. Rationale for acquisition of the Property

The acquisition of the Property is consistent with the Fund’s strategy of investing in well located, high quality assets. The Property represents an attractive investment for the following reasons:

- The Property is located in the established Melbourne industrial precinct of Dandenong South, approximately 32 km south east of the Melbourne CBD, with excellent access to major arterials and freeways including the South Gippsland Highway, Eastlink (M3) and the Monash Freeway (M1). Dandenong South is home to other significant companies such as Amazon, Carter Holt Harvey, Toyota, Swire Cold Storage and Bosch.
- Significant major infrastructure projects, such as the Westall Road Extension, the AUD 100 million North-East Link and the AUD 300 million Moordialic Bypass, are either underway or planned to commence in the immediate vicinity of the Property which will improve connectivity and accessibility.
- The Property has a gross lettable area of 14 635m<sup>2</sup> split across warehouse and distribution facilities (13 958m<sup>2</sup>) and associated office accommodation (677m<sup>2</sup>). The site coverage is only 44% with the potential to develop additional lettable area or create full drive-around access.
- The Property is leased to a subsidiary of ASX-listed Pact Group Holdings Ltd (ASX: PGH), which is one of Australia’s leading suppliers of milk and juice packaging. Pact Group Holdings Ltd is the largest manufacturer of rigid plastic packaging products in Australia and employs over 4 000 people across seven countries.
- The WALE is 7.1 years with annual fixed escalations of the greater of 3.5% and CPI with a ratchet at expiry.
- The acquisition increases the Fund’s exposure to Victoria, which is one of Australia’s best performing economies.
- The acquisition is accretive to the Fund from a distribution perspective.

### 3. Property specific information

Registered description	Certificate of Title Volume 11571 Folio 423, being Lot 26 on 403554J
Title	Freehold
Sector	Industrial
Location	Dandenong South, 32 kms south east of the Melbourne CBD
Year built	1997 (extension in 2001)
Site area	32 780m <sup>2</sup>
GLA	14 635m <sup>2</sup>
Rent per m <sup>2</sup>	AUD 83/m <sup>2</sup>
Vacancy	0%
WALE	7.1 years
Estimated transaction costs	AUD 1 138 000

The Property has been valued at AUD 19 450 000 as at 7 March 2018 by Urbis Valuations Pty Ltd (ABN 28 105 273 523). The valuer, Shane Robb, is an independent valuer and is an Associate of the Australian Property Institute and a Certified Practising Valuer (registration no.62534).

### 4. Categorisation

The acquisition of the Property is not categorisable in terms of the JSE Listings Requirements. Accordingly, the information provided in this announcement is for information purposes only.

Johannesburg  
6 April 2018

Financial Advisor and Sponsor  
Investec Bank Limited