

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

- No action is required if you wish to receive the Cash Distribution. If you do not elect to receive Re-Investment Alternative Units, you will be deemed to have elected the Cash Distribution.**
- If you wish to elect to receive units in IAPF ("**Re-Investment Alternative Units**") trading on the JSE Limited ("**JSE**"), and you:
 - are a holder of certificated units in IAPF ("**Certificated Unitholder**"), you must complete the attached form of election in respect of all or part of your unitholding in accordance with the instructions contained therein and lodge it with, or post it to, the transfer secretaries, Computershare Investor Services Proprietary Limited ("**Transfer Secretaries**") at 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) to be received by them by no later than 12:00 on Friday, 10 June 2016. Forms of election received after this date and time will not be accepted; or
 - are a holder of dematerialised units in IAPF ("**Dematerialised Unitholder**") you must instruct your Central Securities Depository Participant ("**CSDP**") or broker accordingly in terms of the custody agreement entered into between you and your CSDP or broker;
- If you have disposed of your units in IAPF ("**Units**") on or before Friday, 13 May 2016 but these Units are included in the number shown in Block (2) on the attached form of election, you should forward this circular, together with the enclosed form of election, to the purchaser to whom, or the broker, CSDP or agent through whom, you disposed of your Units.
- The distribution of this circular and/or accompanying documents and the right to elect Re-Investment Alternative Units in jurisdictions other than the Republic of South Africa may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Unitholders' rights to elect Re-Investment Alternative Units are not being offered, directly or indirectly, in the United States of America, the United Kingdom, Canada or Japan unless certain exemptions from the requirements of those jurisdictions are applicable.
- If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor.

EXCHANGE CONTROL
REGULATIONS
ENDORSEMENT

(see page 2 paragraph 8)

Out of the Ordinary[®]



Australia Property Fund

INVESTEC AUSTRALIA PROPERTY FUND

Registered in terms of the CIS Act

Registered in terms of ASIC (ARSN 162 067 736)

(Unit code: IAP ISIN: AU60INL00018)

Responsible Entity and Issuer: Investec Property Limited (ACN 071 514 246 AFSL 290 909)

("IAPF" or "the Fund")

CIRCULAR TO INVESTEC AUSTRALIA PROPERTY FUND UNITHOLDERS

regarding:

the declaration of a Cash Distribution with the election to re-invest the Cash Distribution in return for Re-Investment Alternative Units

SALIENT DATES AND TIMES

2016

Declaration date – circular and form of election posted to Unitholders	Thursday, 19 May
Announcement of Re-Investment Alternative Units issue price and finalisation information (including exchange rate to convert the Cash Distribution to Rand) (" Finalisation Date ")	Friday, 27 May
Last day to trade (" LDT ") cum distribution	Friday, 3 June
Units to trade ex-distribution	Monday, 6 June
Listing of maximum possible number of Re-Investment Alternative Units commences on the JSE	Wednesday, 8 June
Last day to elect to receive Re-Investment Alternative Units (no late forms of election will be accepted) at 12:00 (South African time)	Friday, 10 June
Record date (" Record Date ")	Friday, 10 June
Announcement of results of Cash Distribution and Re-Investment Alternative Unit election on SENS	Monday, 13 June
For Unitholders electing the Cash Distribution – cheques posted to Certificated Unitholders and bank accounts of Dematerialised Unitholders credited by CSDP or broker on or about	Monday, 13 June
For Unitholders electing to receive Re-Investment Alternative Units – Unit certificates posted to Certificated Unitholders and securities accounts of Dematerialised Unitholders credited by CSDP or brokers on or about	Wednesday, 15 June
Adjustment to Units listed on or about	Friday, 17 June

Notes:

- Unitholders electing to receive Re-Investment Alternative Units are requested to note that the Re-Investment Alternative Units will be listed on LDT + 3 and these Re-Investment Alternative Units can only be traded on LDT + 3 as the settlement of the Re-Investment Alternative Units will occur three days after the Record Date, which differs from the conventional one day after record date settlement process.
- Units may not be dematerialised or rematerialised between commencement of trade on Monday, 6 June 2016 and close of trade on Friday, 10 June 2016.

Investment bank and sponsor

Out of the Ordinary[®]



Specialist Bank

Date of issue: 19 May 2016

Copies of this circular are available in English only and may be obtained at IAPF's local representative office at Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, 2196 during normal business hours from 08:00 until 16:00 or on the Fund's website www.investecaustraliapropertyfund.co.za from Thursday, 19 May 2016 to Friday, 10 June 2016.

CIRCULAR TO UNITHOLDERS

1. INTRODUCTION

IAPF's results for the year ended 31 March 2016 were released on SENS on Thursday, 19 May 2016. Persons holding Units ("Unitholders") were advised in these results that the directors of Investec Property Limited, being the responsible entity of IAPF ("Responsible Entity"), have declared a cash distribution of:

- 4.62923 Australian cents per Unit pre-withholding tax
- 4.64563 Australian cents per Unit post-withholding tax

for the six months ended 31 March 2016. Unitholders are referred to paragraph 5 for further information relating to the withholding tax implications of this distribution.

The Constitution of IAPF permits the implementation of a distribution re-investment plan whereby Unitholders may request that all or a portion of the distribution entitlement due to them be satisfied by the issue of further Units. Unitholders have therefore been provided with the election to re-invest the Cash Distribution in return for Re-Investment Alternative Units. By electing to receive Re-Investment Alternative Units, Unitholders will be able to increase their unitholding in IAPF without incurring dealing costs. In turn, IAPF will benefit from the capital made available through the re-invested proceeds to support continued growth and future acquisitions.

Unitholders will be entitled, in respect of all or part of their unitholding, to elect to receive Re-Investment Alternative Units, failing which they will receive the South African Rand ("Rand") equivalent of the post-withholding tax cash distribution of 4.64563 Australian cents per Unit ("Cash Distribution"), converted to Rand at an exchange rate to be announced on the Finalisation Date, which will be paid to those Unitholders not electing to receive Re-Investment Alternative Units. The Cash Distribution accrued over the six-month period ended 31 March 2016. The number of Re-Investment Alternative Units to which Unitholders are entitled will be determined with reference to the ratio that the Cash Distribution bears to the ratio price (being the five-day volume weighted average traded price (ex-distribution) of Units on the JSE prior to the Finalisation Date). The price and exchange rate for conversion of the Cash Distribution to Rand will be announced on the Finalisation Date, which will be no later than Friday, 27 May 2016.

2. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to provide Unitholders with information regarding the Cash Distribution and Re-Investment Alternative Units.

3. THE CASH DISTRIBUTION AND RE-INVESTMENT ALTERNATIVE UNITS

3.1. Terms of the Cash Distribution

Subject to the terms contained in this circular and the attached form of election pertaining to Certificated Unitholders, Unitholders recorded in the register of IAPF at the close of business on the Record Date who have not elected to receive Re-Investment Alternative Units, will be paid the Cash Distribution.

3.2. Procedure for Unitholders to receive the Cash Distribution

Unitholders who wish to receive the Cash Distribution do not need to take any further action. If no election is made to receive Re-Investment Alternative Units, Unitholders will receive the Cash Distribution in respect of all the Units held on the Record Date.

3.3. Procedure for Unitholders who elect to receive Re-Investment Alternative Units

Certificated Unitholders who wish to receive Re-Investment Alternative Units must complete the attached form of election in accordance with the instructions contained therein and lodge it with the Transfer Secretaries at 70 Marshall Street, Johannesburg 2001 or post it to their postal address, PO Box 61763, Marshalltown 2107, to be received by no later than 12:00 on the Record Date. Forms of election can also be sent via email to corporate.events@computershare.co.za or via fax to 011 688 5210.

The Transfer Secretaries, the Fund and the Responsible Entity will not accept responsibility for any loss and/or damage whatsoever in relation to, or arising from, the late receipt or non-receipt of faxed or emailed forms of election, or owing to the form of election being forwarded to any other facsimile or email address other than those provided above. The form of election shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the Unitholder's responsibility to ensure that their form of election is received by the Transfer Secretaries.

Dematerialised Unitholders must not complete the attached form of election, but should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

Unitholders may make the election in respect of all or part of their Units held on the Record Date. If an election is made in respect of part of a unitholding, Unitholders will receive the Cash Distribution in respect of the Units for which the election is not made.

3.4. Posting of certificates and crediting of CSDP or broker accounts

Unit certificates in respect of Re-Investment Alternative Units will be dispatched to Certificated Unitholders at their own risk on or about Wednesday, 15 June 2016, to their registered addresses or in accordance with instructions given to the Transfer Secretaries via registered post. Dematerialised Unitholders' CSDP or broker accounts will be credited on Wednesday, 15 June 2016 in respect of Re-Investment Alternative Units.

3.5. Payment of the Cash Distribution

The Cash Distribution will be paid via electronic transfer into the personal bank accounts of Certificated Unitholders who have not elected to receive Re-Investment Alternative Units only in the event that the Transfer Secretaries are already in possession of their banking details. Where the Transfer Secretaries do not have the banking details of Certificated Unitholders, cheques will be dispatched at their own risk on or about Monday, 13 June 2016 to their registered addresses or in accordance with the instructions given to the Transfer Secretaries. In the case of Dematerialised Unitholders the Cash Distribution will be credited to their accounts held at their CSDP or broker.

4. FRACTIONS

Trading in the STRATE environment does not permit fractions and fractional entitlements. Accordingly, where a Unitholder's entitlement to Re-Investment Alternative Units, as calculated in accordance with paragraph 1 above, gives rise to a fraction of a Re-Investment Alternative Unit, such fraction will be rounded down to the nearest whole number with the balance being paid to the Unitholder in cash.

5. TAX IMPLICATIONS

In Australia, IAPF is recognised as a REIT which is a flow-through vehicle and therefore should not be subject to Australian income tax on any of the net income derived by the Fund, provided that:

- its activities are limited to deriving rental income from real property directly or indirectly held by the Fund and deriving gains from sale of real property held for rental purposes; and
- it fully distributes its net income (subject to amounts permitted to be retained) to Unitholders year-on-year during or within three months after the relevant income year-end.

The Fund and its management arrangements are structured to meet the necessary criteria in order to be classified as a Managed Investment Trust for Australian tax purposes. As a Managed Investment Trust, the Responsible Entity will be required to withhold tax in Australia at a concessional rate of 15% on distributions to individual

and institutional Unitholders resident in South Africa. However, the effect of this tax on the Fund's distribution for the period from 1 October 2015 to 31 March 2016 has been reduced to -0.35%, equivalent to -0.01640 Australian cents per Unit, through certain deductions such as depreciation and breakage costs arising from the exit of interest rate swaps during the period, which shielded the Fund from withholding tax and resulted in a partial claw-back of withholding tax withheld from the HI interim distribution. Thus, withholding tax of 0.01640 Australian cents per Unit will be added to the distribution accruing to Unitholders and will be recovered from the Australian Tax Office.

The distribution is not subject to dividend withholding tax in South Africa. The distribution, net of Australian withholding tax, received by South African institutional and individual Unitholders will constitute income and will be subject to income tax in South Africa at the Unitholder's marginal tax rate. Tax paying Unitholders will be able to claim a rebate against the withholding tax paid in Australia. Non-tax paying Unitholders will not be entitled to claim a rebate.

The above summary of the tax treatment of the foreign distribution does not constitute legal or tax advice and is based on taxation law and practice at the date of this circular. Unitholders should take their own tax advice as to the consequences of their investment in the Fund and are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

A worked example illustrating the impact on individual and institutional Unitholders will be announced as part of the finalisation information on SENS on the Finalisation Date.

Other information:

- As at the date of this circular, the issued Unit capital of IAPF is 312 541 376 ordinary Units before any election in respect of Re-Investment Alternative Units.
- Unitholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

6. LISTING OF RE-INVESTMENT ALTERNATIVE UNITS

The maximum amount to be capitalised from the reserves of the Fund in order to be able to issue the Units as fully paid up will be approximately AUD14.5 million. Application will be made to the JSE for the maximum possible number of Re-Investment Alternative Units that can be issued, to be listed with effect from the commencement of business on Wednesday, 8 June 2016. A further application will be made to the JSE to adjust the maximum number of Re-Investment Alternative Units listed to take into account the actual number of Re-Investment Alternative Units issued to Unitholders on or about Friday, 17 June 2016.

7. FOREIGN UNITHOLDERS

The distribution of this circular and/or accompanying documents and the right to receive Re-Investment Alternative Units in jurisdictions other than the Republic of South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Re-Investment Alternative Units have not been, and will not be, registered for the purposes of the election under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America or Japan and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

8. EXCHANGE CONTROL

The following is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Unitholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

As announced by the Minister of Finance in the 2011 Medium-Term Budget Policy Statement all inward listed shares/units on the JSE, traded and settled in Rand, are now classified as 'domestic' for the purposes of exchange control. Accordingly, South African retirement funds, long-term insurers, collective investment scheme management companies and investment managers who have registered with the South African Reserve Bank's ("SARB") Financial Surveillance Department as institutional investors for exchange control purposes and authorised dealers approved as such by the SARB may now invest in such shares/units without affecting their permissible foreign portfolio investment allowances or foreign exposure limits. South African institutional Unitholders may therefore elect to receive Re-Investment Alternative Units without affecting their foreign portfolio investment allowances or foreign exposure limits.

Similarly, South African individuals are able to acquire units of foreign entities that are inward listed on the JSE without restriction. Such units are reflected on the South African register and are Rand-denominated. Consequently, the election to receive Re-Investment Alternative Units by a South African individual will not affect such individual's offshore investment allowance.

In terms of the Exchange Control Regulations of South Africa:

8.1. In the case of Certificated Unitholders

- any Unit certificate that might be issued to non-resident Unitholders will be endorsed "non-resident";
- any Re-Investment Alternative Unit certificates and Cash Distribution payments based on emigrants' Units controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer controlling their blocked assets. Such Re-Investment Alternative Unit certificates will be endorsed "non-resident"; and
- Cash Distribution payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the Common Monetary Area (collectively the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland), the Cash Distribution payments due will be sent to the registered address of the Unitholder concerned or in accordance with instructions given to the Transfer Secretaries.

8.2. In the case of Dematerialised Unitholders

- any Re-Investment Alternative Units issued to emigrants from the Common Monetary Area and all other non-residents of the Common Monetary Area, will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register;
- any Cash Distribution paid to emigrants from the Common Monetary Area, will be credited to their CSDP or broker's accounts who will arrange for the same to be credited directly to the Unitholder's blocked Rand account held by an authorised dealer and held to the order of that authorised dealer; and
- any Cash Distribution paid to non-resident Unitholders who are not emigrants from the Common Monetary Area, will be credited directly to the bank account nominated for the relevant Unitholders, by their duly appointed CSDP or broker.

Non-resident and emigrant Dematerialised Unitholders will have all aspects relating to Exchange Control managed by their CSDP or broker.

For and on behalf of

Investec Australia Property Fund

Richard Longes
Chairman

Investec Property Limited (Responsible Entity and Issuer)



Australia Property Fund

INVESTEC AUSTRALIA PROPERTY FUND

Registered in terms of the CIS Act

Registered in terms of ASIC (ARSIN 162 067 736)

(Unit code: IAP ISIN: AU601NL00018)

Responsible Entity and Issuer: Investec Property Limited (ACN 071 514 246 AFSL 290 909)

("IAPF" or "the Fund")

FORM OF ELECTION

For use only by Certificated Unitholders who elect to receive Re-Investment Alternative Units for all or part of their unitholding ("Election") in IAPF.

Dematerialised Unitholders must instruct their CSDP or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker: **Dematerialised Unitholders must not use this form of election.**

Unitholders electing to receive Re-Investment Alternative Units are requested to note that Re-Investment Alternative Units will be listed on LDT + 3 and Re-Investment Alternative Units can only be traded on LDT + 3 as the settlement of Re-Investment Alternative Units will occur three days after the Record Date, which differs from the conventional one day after record date settlement process.

Unitholders will be entitled, in respect of all or part of their unitholding, to elect to receive Re-Investment Alternative Units failing which they will receive the Cash Distribution which will be paid to those Unitholders not electing to receive Re-Investment Alternative Units.

Accordingly, Unitholders who wish to receive the Cash Distribution must not complete this form of election and no further action is required.

I/We

(name/s in BLOCK letters)

regarding the Election:

- hereby irrevocably elect to receive Re-Investment Alternative Units, the number of which will be determined with reference to the ratio that the Cash Distribution bears to the ratio price (i.e. the five-day volume weighted average traded price (ex-distribution) of Units on the JSE prior to the Finalisation Date), to be announced no later than Friday, 27 May 2016 in respect of the number of Units reflected in Block (4) overleaf and on terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of Units of which I/we was/were the registered holder(s) on the close of business on the Record Date, being Friday, 10 June 2016; and
- acknowledge that I/we am/are not entitled to the Cash Distribution in respect of Units for which I/we elect to receive Re-Investment Alternative Units.

Signed at _____ on _____ 2016

Signature

Assisted by (where applicable)

Telephone number

Mobile number

Email address

PLEASE READ THE NOTES OVERLEAF

Forms of election must be lodged with or mailed to the Transfer Secretaries, Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg 2001

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown 2107

Email:

corporate.events@computershare.co.za

Fax:

011 688 5210

To be received by no later than 12:00 on Friday, 10 June 2016.

The Transfer Secretaries, the Fund and the Responsible Entity will not accept responsibility for any loss and/or damage whatsoever in relation to, or arising from, the late or non-receipt of faxed or emailed forms of election, or owing to the form of election being forwarded to any other facsimile or email address other than those provided above. The form of election shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the Unitholder's responsibility to ensure that their form of election is received by the Transfer Secretaries.

Name and address of registered Unitholder	Serial number
(1)	Enquiries in connection with this form of election should be addressed to the Transfer Secretaries, quoting this serial number:

Account number	Number of IAPF units held or deemed to be held on the Record Date, being Friday, 10 June 2016, based on your unitholding at close of business on Friday, 13 May 2016	Maximum Cash Distribution (in AUD) to which you will become entitled based on your deemed unitholding at close of business on Friday, 10 June 2016 should you not elect to receive Re-Investment Alternative Units
	(2)	(3)

Number of Units for which Re-Investment Alternative Units are elected. The maximum number of Units for which Re-Investment Alternative Units can be made is reflected in block (2) above, or, if Units have been transacted in the period from Monday, 16 May 2016, then the number of Units registered in IAPF's register on the Record Date
(4)

Date of signature _____ Signature _____

Notes:

1. The Election may be made in respect of all or any of the Units registered or deemed to be registered in the name of the Unitholder at the close of business on the Record Date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with or posted to the Transfer Secretaries at the address indicated on the preceding page, to be received by them by no later than 12:00 on the Record Date. **Late forms of election will not be accepted.**
4. The Responsible Entity reserves the right in its discretion to:
 - 4.1 treat as invalid (in which case the Cash Distribution will be paid) any form of election not complying with the terms of the Election or any instruction contained herein; and
 - 4.2 require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the Transfer Secretaries.
5. Any and every alteration or correction made to this form of election must be initialed by the signatory(ies).