

Investec Australia Property Fund

Unaudited interim condensed financial results
for the six months to 30 September 2013



Out of the Ordinary®



Investec

Australia Property Fund



Highlights

- ⌚ These interim results reflect only the pre-listing position of the Fund
 - ⌚ Walker portfolio – six industrial assets – only assets for this period
- ⌚ Primary listing on the JSE Main Board on 23 October 2013. Offer significantly over subscribed
 - ⌚ Secondary listing on Bermuda Stock Exchange to comply with SARB regulations
 - ⌚ AUD129.9 million property portfolio comprising six industrial and two office assets
 - ⌚ Portfolio occupancy of 99.4%
 - ⌚ WALE of 6.7 years
 - ⌚ Average lease escalations of 3.7%
 - ⌚ No gearing on listing – provides significant headroom to pursue acquisitions



Statement of comprehensive income

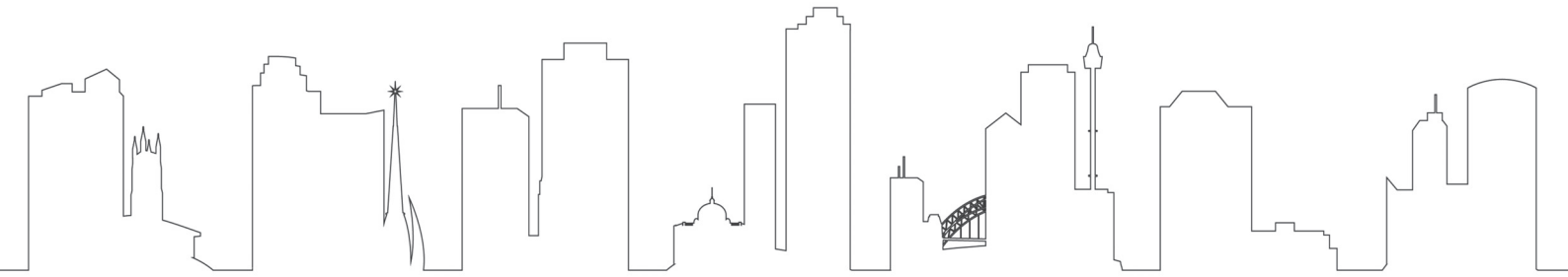
\$A'000	Unaudited Six months to 30 September 2013
Revenue, excluding straight-line rental revenue adjustment	2 288
Straight-line rental revenue adjustment	274
Revenue	2 562
Property expenses	(305)
Net property income	2 257
Other operating expenses	(209)
Operating profit	2 048
Finance costs	(792)
Finance income	30
Profit before taxation	1 286
Taxation	-
Total comprehensive income attributable to equity holders	1 286
Reconciliation of attributable earnings to distributable earnings	
Total comprehensive income attributable to equity holders	1 286
Less: Straight-line rental revenue adjustment	(274)
Distributable earnings	1 012
Number of linked units ('000)	
Units in issue at the end of the period	22 000
Weighted average number of units in issue	22 000
\$A per unit	
Distributable income per unit	0.05
Earnings per unit	0.06
Headline earnings per unit	0.06

Statement of financial position

\$A'000	Unaudited Six months to 30 September 2013
ASSETS	
Non-current assets	48 152
Investment property	47 878
Straight-line rental revenue adjustment	274
Current assets	3 571
Trade and other receivables	130
Cash and cash equivalents	3 441
Total assets	51 723
EQUITY AND LIABILITIES	
Contributed equity	22 000
Retained profits	2 030
Total unitholders' interest	24 030
Non-current liabilities	26 733
Borrowings	26 733
Current liabilities	960
Trade and other payables	960
Total equity and liabilities	51 723
Net asset value per unit (\$A)	1.09

Condensed statement of cash flows

\$A'000	Unaudited Six months to 30 September 2013
Cash generated from operations	1 884
Finance income received	30
Finance costs paid	(622)
Net cash flow from operating activities	1 292
Net cash flow from investing activities	-
Net cash flow from financing activities	-
Net increase in cash and cash equivalents	1 292
Cash and cash equivalents at the beginning of the period	2 149
Cash and cash equivalents at the end of the period	3 441



Condensed statement of changes in equity

	Unaudited Six months to 30 September 2013
\$A'000	
At the beginning of the period	22 744
Total comprehensive income attributable to equity holders	1 286
Balance at the end of the period	24 030

Segmental reporting

All of the properties owned by the Fund at 30 September 2013 are industrial properties.

Basis of accounting

The unaudited interim condensed financial results for the period ended 30 September 2013 have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34: Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB).

The accounting policies applied in the preparation of the results for the period ended 30 September 2013 are in terms of IFRS and are consistent with those adopted in the Pre-Listing Statement dated 25 September 2013.



Commentary

Introduction

Investec Australia Property Fund (“the Fund” or “IAPF”) is an Australian real estate investment trust listed on the JSE Limited (“JSE”). The Fund offers investors exposure to the direct Australian property market via an inward listing on the JSE, as well as providing exposure to the Australian dollar.

The Fund allows for the tax-efficient flow-through of net rental income to unitholders. The Fund is an uncapped and open-ended fund and existing and future unitholders will hold a participatory interest in the Fund, which entitles unitholders to a *pro rata* share of the underlying income generated by the Fund and a *pro rata* beneficial interest in the assets of the Fund. The Fund is registered as a Managed Investment Scheme in Australia governed and operated by Investec Property Limited and managed by Investec Property Management Pty Limited.

At 30 September 2013, the Fund comprised six assets with a total gross lettable area (“GLA”) of 32,380m² independently valued at AUD 46.65 million. Post-listing, the portfolio comprises eight assets with a total GLA of 50,681m² independently valued at AUD 129.85 million.

The objective of the Fund is to grow and diversify its asset base by investing in high quality commercial real estate assets (office, industrial and retail) that are well located in major metropolitan cities or established commercial precincts in Australia and New Zealand.

Financial results

The results presented in this report cover the six-month period from 1 April 2013 to 30 September 2013 and are prepared for the purposes of complying with the JSE Listings Requirements. The results cover a period that precedes the private placing and listing of IAPF on the JSE.

During the reporting period the Fund was 100% owned by a subsidiary of Investec Bank (Australia) Limited (“IBAL”). Prior to the listing a distribution was paid to IBAL equating to the distributable earnings of the Fund from its inception in December 2012 up to 18 October 2013 (being the date new units were allocated pursuant to the private placing). This amounted to AUD 1.86 million (of which AUD 1.01 million related to the period covered by this report).

The first reporting period post the private placing and listing of IAPF will be for the year ending 31 March 2014, and the first distribution to new unitholders will be for the period from 18 October 2013 to 31 March 2014. This will be paid in June 2014.

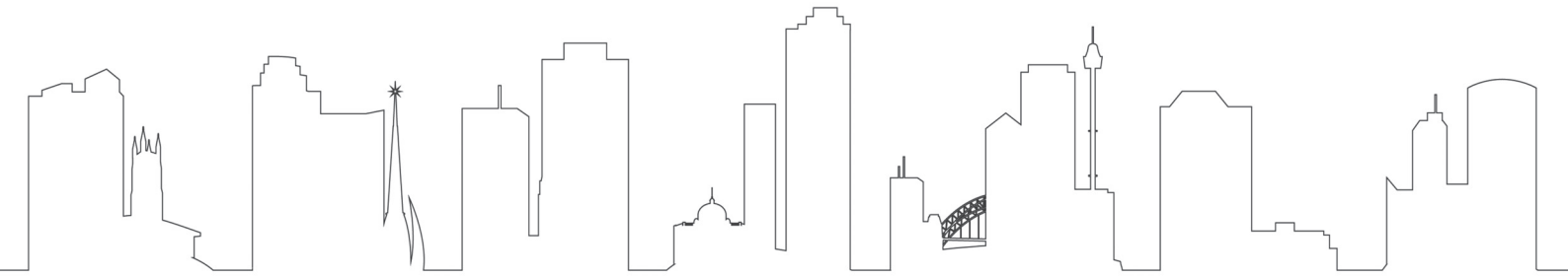
Listing of IAPF

IAPF established a primary listing on the JSE on 23 October 2013 in the “Real Estate – Real Estate Holdings and Development” sector of the Main Board.

Prior to listing, the Fund raised capital by way of a private placing of 112,685,000 units at AUD 1.00 each, which units were listed on the JSE on 24 October 2013. The private placing was significantly over subscribed.

The proceeds of the private placing were used to acquire the Punt Road property and the Elizabeth Street property (which both transferred on 25 October 2013) and to repay the debt on the balance sheet at 30 September 2013.

Prior to the private placing the Fund was owned by IBAL and had 22,000,000 units in issue.

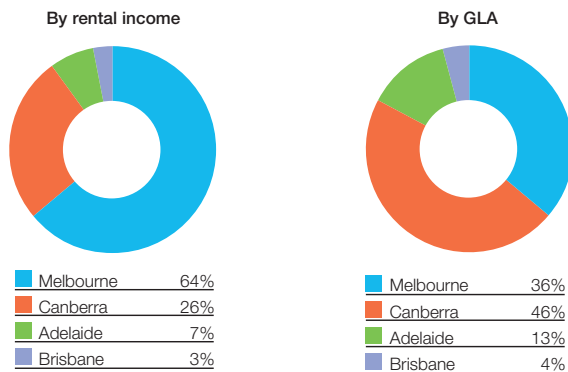


Property Schedule

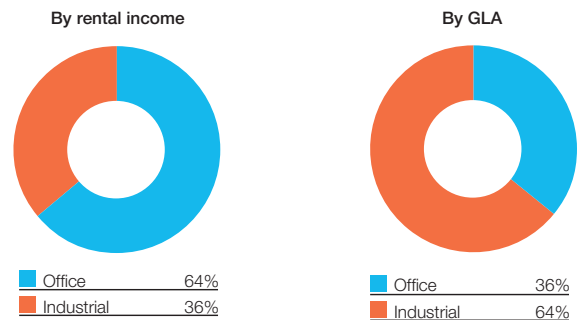
Sector	Valuation (\$A)	% of portfolio by value	GLA (m ²)	% of portfolio by area	
Walker Portfolio – pre-listing					
48 Hawkins Crescent, Ipswich QLD	Industrial	3,500,000	2.7	2,044	4.0
47 Sawmill Circuit, Hume ACT	Industrial	8,800,000	6.8	5,535	10.9
57 Sawmill Circuit, Hume ACT	Industrial	8,200,000	6.3	7,079	14.0
24 Sawmill Circuit, Hume ACT	Industrial	8,500,000	6.5	6,300	12.4
44 Sawmill Circuit, Hume ACT	Industrial	8,600,000	6.6	4,639	9.2
2 – 8 Mirage Rd, Direk SA	Industrial	9,050,000	7.0	6,783	13.4
Total pre-listing portfolio		46,650,000	35.9	32,380	63.9
Post-listing acquisitions					
449 Punt Road, Cremorne VIC	Office	28,700,000	22.1	6,384	12.6
35 – 49 Elizabeth Street, Richmond VIC	Office	54,500,000	42.0	11,917	23.5
Total post-listing acquisitions		83,200,000	64.1	18,301	36.1
Total portfolio – post listing		129,850,000	100	50,681	100

Sectorial analysis – post-listing ¹

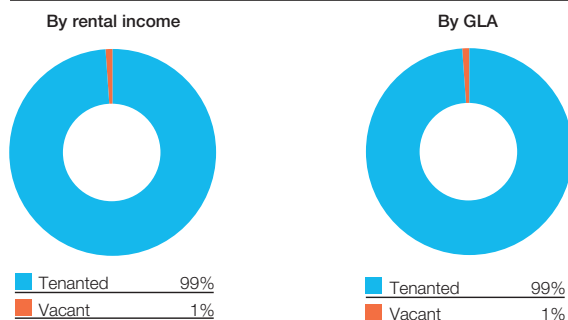
Geographic spread



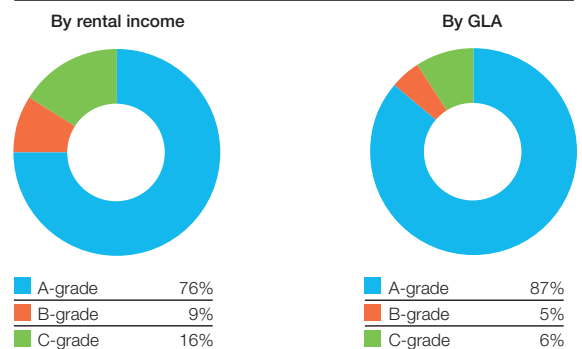
Sectorial spread



Vacancy profile ²

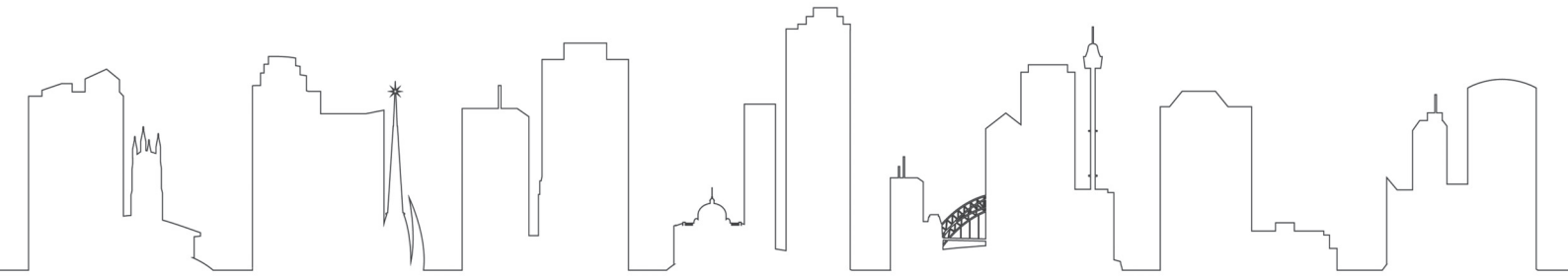


Tenant spread



¹ This is as per the pre-listing statement and reflects 12 months rental income to March 2014.

² Excludes rental guarantees provided by IBAL in respect of vacant area of 289m² and ±85 car parks in the Elizabeth Street property, which results in 100% occupancy and income cover.



Debt facility

The Fund has secured a debt facility of up to AUD 125.00 million with Westpac Banking Corporation – one of Australia's largest banks. The facility is for a three-year term and the Fund will hedge at least 75% of its interest rate exposure.

At 30 September 2013 the facility was drawn to AUD 26.84 million. This was used to fund the acquisition of the Walker Portfolio. Post-listing the entire amount drawn was repaid. The Fund therefore has significant capacity in the debt facility to fund future acquisitions.

Unit capital

At 30 September 2013 the Fund had 22,000,000 units in issue at AUD 1.00. Post the private placing the total number of units in issue increased to 134,685,000.

Unitholders

Pre-listing

IBAL held 100% of the units in issue at 30 September 2013.

Post-listing

Investec Property Fund Limited and IBAL are the only unitholders holding in excess of 5% of the Fund's total issued units, holding 18.56% and 16.33%, respectively.

The total number of unitholders at 30 September 2013 was 1, and the total number of unitholders on listing was 1,509.

On behalf of the Board of Investec Property Limited

Richard Longes
Chairman

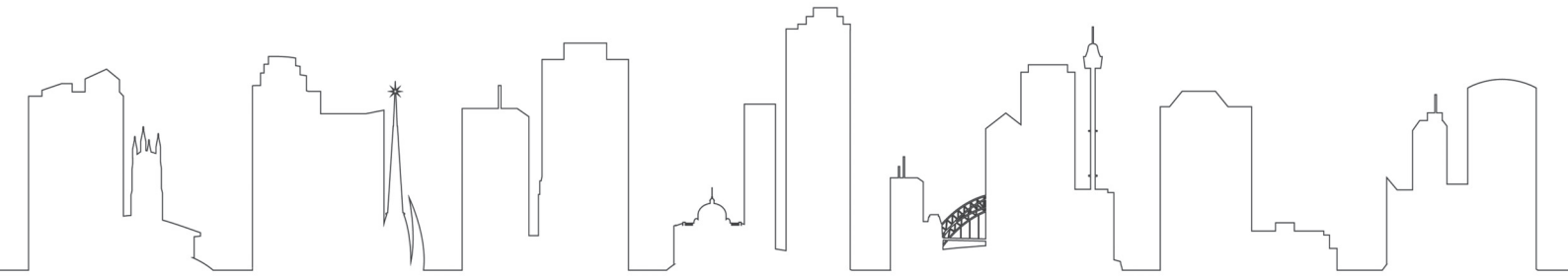
21 November 2013

Graeme Katz
Chief Executive Officer

Important Disclosures

Investec Property Limited (Investec Property) AFS licence 290909 is the Responsible Entity for the Investec Australia Property Fund (the Fund) ARSN 162 067 736, an Australian registered managed investment scheme registered in South Africa as a Foreign Collective Investment Scheme (CIS) and listed on the JSE Limited.

Investec Property is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). Neither investments in the Fund nor Investec Property's obligations represent deposits or other liabilities of Investec Bank (Australia) Limited ABN 55 071 292 594 (Investec Bank) or any Investec Group entity. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither Investec Bank nor any Investec Group entity: (i) guarantee or otherwise provide assurance in respect of the obligations of Investec Property; (ii) guarantee any particular rate of return or the performance of the Fund; or (iii) guarantee the repayment of capital from the Fund.



Directors of the Responsible Entity

Richard Longes# (*Non-executive chairman*)

Sam Hackner (*Non-executive*)

Graeme Katz (*Executive*)

Samuel Leon (*Non-executive*)

David Gonski# (*Non-executive*)

Sally Herman# (*Non-executive*)

Michael Crawford# (*Non-executive*)

Independent

Directors of the Manager

Graeme Katz (*Executive*)

Zach McHerron (*Executive*)

Matthew Liston (*Executive*)

Jason Sandler (*Executive*)

Samuel Leon (*Non-executive*)

Investec Australia Property Fund

Registered in Australia in terms of ASIC (ARSN 162 067 736)

Registered in terms of the Collective Investment Schemes Control Act 45 of 2002, as amended

Share code: IAP

ISIN: AU60INL00018

Company Secretary of the Responsible Entity

Anthony Rubin (BCom, BAcc, Member of Australian Institute of Chartered Accountants)

Registered office, postal address of the Responsible Entity and date of establishment of the Fund

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Local representative office:

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Sandton

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South Africa

Fund established on 12 December 2012 in Sydney, Australia. Registered as a Managed Investment Scheme with ASIC under the Corporations Act 2001 on 6 February 2013. On 23 August 2013 the Registrar of Collective Investment Schemes authorised the Fund to solicit investments in the Fund from members of the public in the Republic of South Africa in terms of Section 65 of the Collective Investment Schemes Control Act, 45 of 2002, as amended.

Responsible Entity

Investec Property Limited

(ACN 071 514 246 AFSL 290 909)

Level 23, Chifley Tower

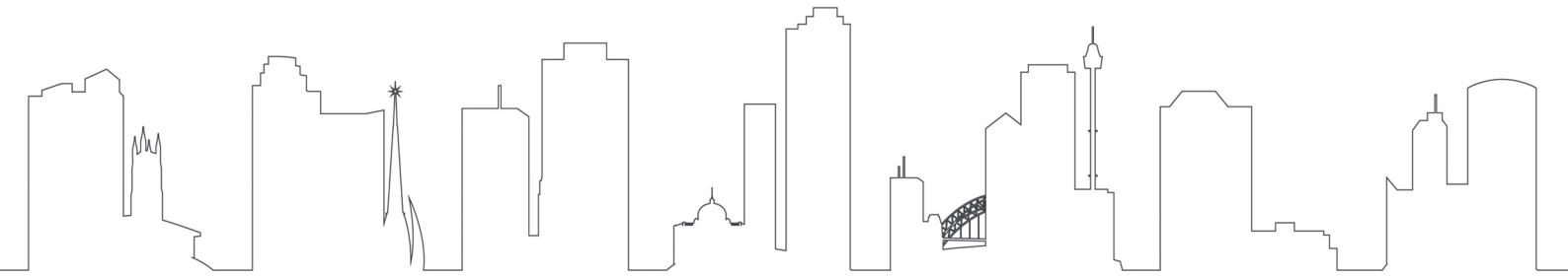
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Australia Property Fund

For a copy of the Fund's results, refer to the website:
www.investecaustraliapropertyfund.co.za