

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 apply throughout this Rights Offer Circular, *mutatis mutandis*, to this front cover.

Action required

Unitholders are referred to the section entitled "Action required by Unitholders" on page 4, which sets out the detailed action required of them in respect of this Rights Offer Circular:

If you are in any doubt as to what action you should take arising from this Rights Offer Circular; please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your Units, then this Rights Offer Circular should be handed to the purchaser of such Units or to the broker, CSDP, banker or other agent through whom the disposal was effected.

This Rights Offer Circular is issued in compliance with the Listings Requirements, for the purposes of providing information with regard to IAPF.

The Rights that are represented by the Form of Instruction in respect of the Letters of Allocation are valuable and may be sold on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and accordingly, all Letters of Allocation have been issued in Dematerialised form.

The Rights Offer Units, upon their issue, will rank *pari passu* with all other Units of the same class in terms of both voting rights and distributions. There are no convertibility or redemption provisions relating to the Rights Offer Units.

The allocation of Rights Offer Units will be such that only whole numbers of Rights Offer Units will be issued and Unitholders will be entitled to rounded numbers of Rights Offer Units based on the conventional rounding principle.

Unitholders will be permitted to apply for Rights Offer Units in excess of their entitlement.

The Rights Offer is subject to any applicable laws and regulations, including the laws of South Africa, the Exchange Control Regulations and the laws of the relevant jurisdictions of foreign Unitholders. Such foreign Unitholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Rights Offer Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Unitholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer; including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes for other requisite payments due in such jurisdiction. Any foreign Unitholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

This Rights Offer Circular is not a product disclosure statement lodged or required to be lodged with ASIC and is intended for use in Australia only by "wholesale clients" as defined in the Corporations Act. It contains general information only and does not contain any personal advice or take into account any Unitholders' objectives, financial situation or needs.

The Directors, whose names are given on the inside front cover of this Rights Offer Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Rights Offer Circular contains all information required by law and the Listings Requirements.

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)

("IAPF" or "the Fund")

Share code: IAP ISIN: AU60INL00018

Letters of Allocation share code: IAPN ISIN: ZAE000195871

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

CIRCULAR TO UNITHOLDERS

relating to:

- **A renounceable Rights Offer of 111,896,298 Rights Offer Units at a Rights Offer Price of R10.70 per Unit in the ratio of 83.08 Rights Offer Units for every 100 Units held at the close of business on Friday, 3 October 2014;**

and incorporating:

- **A Form of Instruction (for use by Certificated Unitholders only).**

Rights Offer opens at 09:00 on Monday, 6 October 2014

Rights Offer closes at 12:00 on Friday, 17 October 2014

**Investment Bank, Corporate
Advisor and Sponsor**

Out of the Ordinary®



Specialist Bank

Independent Sponsor

Deloitte.

**Independent Reporting
Accountants**



cutting through complexity

**Legal Advisor
(Australia)**



HERBERT
SMITH
FREEHILLS

Legal Advisor (South Africa)



Date of issue: 30 September 2014

This Rights Offer Circular is available in English only. Copies may be obtained from the local representative office of the Fund and those of the Investment Bank and Independent Sponsor at the addresses set out in the "Corporate Information" page of this Rights Offer Circular between Tuesday, 30 September 2014 and Friday, 17 October 2014, and is also available on the Fund's website: www.investecaustraliapropertyfund.co.za from Monday, 29 September 2014.

CORPORATE INFORMATION

Directors of the Responsible Entity

Richard Longes[#] (*Chairman*)
Stephen Koseff (*Non-executive*)
Graeme Katz (*Chief executive officer*)
Samuel Leon (*Non-executive*)
Sally Herman[#] (*Non-executive*)

[#] *Independent*

Company secretary of the Responsible Entity

Paul Lam-Po-Tang (BCom, LLB)
Level 23, Chifley Tower
2 Chifley Square
Sydney
New South Wales
2000
Australia

Responsible Entity

Investec Property Limited
(ACN 071 514 246 AFSL 290 909)
Level 23, Chifley Tower
2 Chifley Square
Sydney
New South Wales
2000
Australia

Directors of the Manager

Graeme Katz (*Executive director*)
Zach McHerron (*Executive director*)
Matthew Liston (*Executive director*)
Jason Sandler (*Executive director*)
Samuel Leon (*Non-executive director*)

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

Australia

Level 23, Chifley Tower
2 Chifley Square
Sydney
New South Wales
2000
Australia

Local representative office:

2nd Floor
Investec Bank Limited
100 Grayston Drive
Sandown
Sandton
2196

Fund established on 12 December 2012 in Sydney, Australia. Registered as a Managed Investment Scheme with ASIC under the Corporations Act 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 South Africa in terms of Section 65 of the Collective Investment Schemes Control Act, No. 45 of 2002, as amended.

Manager

Investec Property Management Pty Limited
(ACN 161 587 391)
Level 23, Chifley Tower
2 Chifley Square
Sydney
New South Wales
2000
Australia

CORPORATE INFORMATION

Investment Bank, Corporate Advisor and Sponsor Independent Sponsor

Investec Corporate Finance
(a division of Investec Bank Limited)
(Registration number 1969/004763/06)
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Deloitte & Touche Sponsor Services Proprietary Limited
(Registration number 1996/000034/07)
Building 8
The Woodlands
Woodmead
2196
(Private Bag X6, Gallo Manor, 2052)

Bankers

Westpac Banking Corporation
(ACN 007 457 141)
275 Kent Street
Sydney
New South Wales
2000
Australia

Independent Reporting Accountants

KPMG Inc.
(Registration number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown, 2196
(Private Bag 9, Parkview, 2122)

Custodian

Perpetual Corporate Trust Limited
(ACN 000 341 533)
Level 12, 123 Pitt Street
Sydney
New South Wales
2000
Australia

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

Legal Advisor (Australia)

Herbert Smith Freehills
Level 27, ANZ Tower
161 Castlereagh Street
Sydney
New South Wales
2000
Australia

Legal Advisor (South Africa)

Fluxmans Inc.
(Registration number 2000/024775/21)
30 Jellicoe Ave
Rosebank
Johannesburg
2196
(Private Bag X41, Saxonwold, 2132)

TABLE OF CONTENTS

	<i>Page</i>
Corporate information	Inside front cover
Important dates and times	3
Action required by Unitholders	4
Definitions and interpretations	7
Circular to Unitholders	
1. Introduction	12
2. Information relating to the Fund	12
3. Particulars of the Rights Offer	13
4. Procedures for acceptance, payment, renunciation and sale of Rights	15
5. Jurisdiction	17
6. Exchange Control Regulations	18
7. JSE listings	19
8. <i>Pro forma</i> financial effects	19
9. Information on Unit capital	19
10. Material loans and borrowings	21
11. Material capital commitments, contingent liabilities and lease payments	23
12. Directors and Directors' interests	23
13. Prospects	26
14. General	26
15. Expenses	28
16. Corporate governance	28
17. Experts' consents	28
18. Revised Listing Particulars	28
19. Documents available for inspection	29
20. Disclaimer	29
Annexure 1 <i>Pro forma</i> financial information	30
Annexure 2 Independent Reporting Accountants' report on the <i>pro forma</i> financial information	36
Annexure 3 Independent Reporting Accountants' report on the forecast financial information relating to the Garden City Property and Reed Street Property	39
Annexure 4 Trading history on the JSE	43
Annexure 5 Table of entitlement	44
Annexure 6 Corporate governance	46
Annexure 7 SENS announcements	55

IMPORTANT DATES AND TIMES

2014

Declaration date announcement released on SENS on	Thursday, 18 September
Declaration date announcement published in the press on	Friday, 19 September
Finalisation date announcement released on SENS on	Monday, 22 September
Finalisation date announcement published in the press on	Tuesday, 23 September
Last date to trade in Units on the JSE for settlement by the Record Date and to be recorded as a Qualifying Unitholder for the purpose of receiving the Rights Offer Circular	Friday, 26 September
Units trade ex-Rights on the JSE from	Monday, 29 September
Listing and trading on the JSE of the Letters of Allocation from the commencement of trade on Rights Offer Circular including a Form of Instruction posted to Certificated Unitholders	Monday, 29 September
Record Date in order to be entitled to participate in the Rights Offer on	Tuesday, 30 September
Rights Offer opens at 09:00 on	Friday, 3 October
Letters of Allocation credited to an electronic account held at the Transfer Secretaries in respect of Certificated Unitholders on	Monday, 6 October
CSDP or broker accounts credited with Rights in respect of Dematerialised Units on	Monday, 6 October
Rights Offer Circular posted to Dematerialised Unitholders	Tuesday, 7 October
Last day to trade in the Letters of Allocation on the JSE in order to settle by close of the Rights Offer on	Friday, 10 October
Listing and trading on the JSE of Rights Offer Units commences at 09:00 on	Monday, 13 October
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Certificated Unitholders by 12:00 on	Friday, 17 October
Rights Offer closes at 12:00 on	Friday, 17 October
Record date for Letters of Allocation on	Friday, 17 October
Rights Offer Units issued on	Monday, 20 October
CSDP or broker accounts of Dematerialised Unitholders debited and updated with Rights Offer Units and Unit certificates posted to Certificated Unitholders	Monday, 20 October
Results of Rights Offer announced on SENS on	Monday, 20 October
Results of Rights Offer announced in the press on	Tuesday, 21 October
Refunds (if any) to Certificated Unitholders in respect of unsuccessful excess applications made	Wednesday, 22 October
Dematerialised Unitholders accounts updated and debited by CSDP or broker in respect of any excess Units allocated on	Wednesday, 22 October

Notes:

1. All times indicated in this Rights Offer Circular are South African times.
2. Dematerialised Unitholders are required to inform their CSDP or broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Unitholder and their CSDP or broker.
3. Unit certificates may not be Dematerialised or rematerialised between Monday, 29 September 2014 and Friday, 3 October 2014, both days inclusive.
4. Dematerialised Unitholders will have their accounts at their CSDP or broker automatically credited with their Rights and Certificated Unitholders will have their Rights credited to a nominee account at Computershare Investor Services Proprietary Limited.
5. CSDPs effect payment in respect of Dematerialised Unitholders on a delivery-versus-payment method.

ACTION REQUIRED BY UNITHOLDERS

The definitions and interpretations commencing on page 7 of this Rights Offer Circular apply *mutatis mutandis* to this section.

Please take careful note of the following provisions regarding the action required by Unitholders

If you are in any doubt as to what action you should take arising from this Rights Offer Circular, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Units, this Rights Offer Circular should be handed to the purchaser of such Units or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

This Rights Offer Circular contains information relating to the Rights Offer. You should carefully read through this Rights Offer Circular and decide how you wish to treat the Rights allocated to you in terms of the Rights Offer.

I. ACTION REQUIRED BY CERTIFICATED UNITHOLDERS

If you are a Qualifying Unitholder holding Certificated Units, a Form of Instruction is enclosed with this Rights Offer Circular. The Rights in respect of such forms are negotiable and can be sold on the JSE. A Letter of Allocation will be created in electronic form with the Transfer Secretaries, to afford you the same rights and opportunities as those who have already Dematerialised their Units.

If you wish to subscribe for all or part of the Rights Offer Units to which you are entitled, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rands, with the Transfer Secretaries as follows:

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

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 17 October 2014.

If you do not wish to subscribe for all of the Rights Offer Units allocated to you as reflected in the Form of Instruction, you may sell or renounce all or part of your Rights or allow them to lapse.

If you wish to sell all or part of the Rights Offer Units allocated to you, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries so as to be received by them by no later than 12:00 on Friday, 10 October 2014.

The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor the Fund will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising from, the timing of such sales, the price obtained, or the failure to dispose of such Rights. Please note that the last day to trade Letters of Allocation is Friday, 10 October 2014.

If you wish to renounce your Rights in favour of any named Renounee, you must complete Form B in the enclosed Form of Instruction, and the Renounee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries so as to be received by no later than 12:00 on Friday, 17 October 2014, together with a bank-guaranteed cheque or banker's draft for the appropriate amount. EFT's will also be accepted – refer to paragraph 4.3.1 for details. Renounees must attach a certified true copy of their identification document to the Form of Instruction, where Forms B and C are completed.

Excess applications for additional Rights Offer Units will be allowed. If you wish to apply for additional Rights Offer Units, you must complete Blocks (7) and (8) in the enclosed Form of Instruction and return it to the Transfer Secretaries, so as to be received by no later than 12:00 on 17 October 2014, **together with sufficient funds to cover such application** in accordance with your instruction. The right to apply for excess applications is transferable on renunciation of the Letters of Allocation.

Refund cheques in respect of unsuccessful applications for excess applications will be posted to the relevant applicants, at their own risk, on or about Wednesday, 22 October 2014. No interest will be paid on monies received in respect of unsuccessful applications.

If the required documentation and payment have not been received in accordance with the instructions contained in the enclosed Form of Instruction, either from the Qualifying Unitholders or from any person in whose favour the Rights have been renounced, by 12:00 on Friday, 17 October 2014, then the Rights to those unsubscribed Rights Offer Units will be deemed to have been declined and the Rights will lapse.

2. **ACTION REQUIRED BY DEMATERIALIZED UNITHOLDERS**

If you are a Qualifying Unitholder holding Dematerialised Units, you will not receive a printed Form of Instruction. Your CSDP or broker will credit your account with the number of Rights to which you are entitled and you should receive notification from your CSDP or broker in this regard.

Your CSDP or broker will contact you to ascertain:

- whether you wish to follow all or some of your Rights in terms of the Rights Offer and in respect of how many Rights Offer Units;
- whether you wish to apply for excess Rights Offer Units;
- whether you wish your CSDP or broker to endeavour to procure the sale of your Rights on the JSE on your behalf and if so, in respect of how many Rights. Please note that the last day to trade the Letters of Allocation is Friday, 10 October 2014;
- whether you wish to renounce your Rights in favour of any named Renounee, and if so, how many Rights you wish to renounce and the details of the Renounee; or
- whether you wish for your Rights to lapse.

If you are not contacted by your CSDP or broker; you should contact your CSDP or broker and provide them with your instructions.

CSDPs effect payment on a delivery-versus-payment basis and therefore you must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be.

Excess applications for additional Rights Offer Units will be allowed. If you wish to apply for excess Rights Offer Units, you should instruct your CSDP or broker as to the number of excess Rights Offer Units for which you wish to apply, by the cut-off time required by the CSDP or broker, and ensure that sufficient funds are deposited with your CSDP or broker. The right to apply for additional Rights Offer Units is transferable on renunciation of the Letters of Allocation.

Instructions to your CSDP or broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between you and your CSDP or broker. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Units in terms of the Rights Offer.

Neither IAPF or the Responsible Entity take responsibility, and will not be held liable, for any failure on the part of any CSDP or broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Units and/or to sell the Rights allocated to you.

3. **IF YOU HAVE DISPOSED OF YOUR UNITS**

If you have disposed of your Units, please forward this Rights Offer Circular to the purchaser of such Units or to the stockbroker or agent through whom the disposal was effected.

4. **JURISDICTION**

The distribution of this Rights Offer Circular, the Rights Offer, the Form of Instruction, the transfer of the Rights Offer Units, and/or the rights to subscribe for the Rights Offer Units in jurisdictions other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Rights Offer Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Rights Offer Circular is sent for information purposes only. It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Rights Offer Circular and wishing to take up Rights under the Rights Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

If a premium can be obtained over the expenses of the sale, the Rights of Units in jurisdictions in which it is illegal to make an offer will be sold by the Transfer Secretaries on the JSE for the benefit of such Unitholders, in accordance with this section. Any premium over the expenses of the sale of the Rights of Unitholders in these jurisdictions (including applicable taxes, brokerage fees and commissions) shall be remitted to such Unitholders.

None of the Fund, the Responsible Entity, the Transfer Secretaries or any broker appointed by them or the Fund, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising out of, the timing of such sales or the remittance of the net proceeds of such sales.

5. **NON-RESIDENTS**

Unitholders who are non-residents are referred to paragraph 6 of the Rights Offer Circular (Exchange Control Regulations) regarding their Rights.

DEFINITIONS AND INTERPRETATIONS

In this Rights Offer Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

“Acquisition Circular”	the circular dated 14 August 2014 and all annexures thereto, incorporating a notice of general meeting and a form of proxy, which circular sets out details of the Ann Street Acquisition;
“Ann Street Acquisition”	the acquisition of the Ann Street Property, the details of which are set out in the Acquisition Circular;
“Ann Street Property”	the property located at 757 Ann Street, Fortitude Valley QLD 4006, Australia with registered description Lot 20 on Registered Plan 172270 in the County of Stanley Parish of North Brisbane bearing Title Reference 16125088;
“AFSL”	Australian financial services licence;
“Articles”	the constitution of the Responsible Entity;
“ASIC”	the Australian Securities and Investments Commission;
“AUD”	Australian dollar(s);
“Audit and Risk Committee”	the Audit and Risk Committee of the Board of the Responsible Entity, consisting of Sally Herman (chairman) and Richard Longes;
“Bankers”	Westpac Banking Corporation (ACN 007 457 141);
“BBSY”	the average bid rate for the relevant interest calculation period as quoted on the Reuters page “BBSY” at approximately 10:30am (Sydney time) on the first day of the relevant period (rounded up to 2 decimal places) or if there is none, the rate selected by Westpac as equivalent or the rate equivalent to its cost of funds;
“Board”	the board of directors of the Responsible Entity as set out in paragraph 12.1 of this Rights Offer Circular;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa (or Australia as the case may be) and in the event that a day referred to in terms of this Rights Offer Circular should fall on a day which is not a Business Day, the relevant date will be extended to the succeeding Business Day;
“Certificated Units”	Units which have not yet been Dematerialised, title to which is represented by a Unit certificate or other document of title acceptable to the Board;
“Certificated Unitholders”	Unitholders who have not Dematerialised their Unit certificates in the Fund in terms of Strate and hold Certificated Units;
“CIS Act”	the Collective Investment Schemes Control Act (Act 45 of 2002) of South Africa as amended from time to time;
“Collective Investment Scheme”	means a collective investment scheme as defined in Section 1 of the CIS Act;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the South African Companies Act, No. 71 of 2008, as amended from time to time;
“Constitution”	the constitution (otherwise known as the trust deed) of IAPF as amended from time to time;

“Contingent Payments”	in relation to the Ann Street Property, refers to additional payments in respect of the Vendor Leased Areas currently occupied by SIP Australia, which leases are surrendered by SIP Australia and subsequently leased to third party tenants for an annual rent which is greater than the market rent attributable to that Vendor Leased Area as assessed by the independent valuer. The value of the payments shall be calculated as AUD 4,000,000 multiplied by the ratio of the actual difference in rentals to the Maximum Surplus. The value of the Contingent Payments will be capped at AUD 4,000,000;
“Contract for Sale”	refers to the agreement between Ann Street 757 Pty Ltd (ACN 158 803 457), as trustee for the 757 Unit Trust, and the SPV Trustee in respect of the acquisition of the Ann Street Property, dated 18 July 2014;
“Corporate Advisor”	Investec Corporate Finance, a division of Investec Bank Limited;
“Corporations Act”	the Corporations Act 2001 (Cth) of Australia as amended from time to time;
“CSDP”	Central Securities Depository Participant;
“Custodian”	Perpetual Corporate Trust Limited (ACN 000 341 533);
“Custody Agreement”	the custody agreement entered into between the Responsible Entity and the Custodian dated 2 April 2013 in terms of which the Responsible Entity has contracted the Custodian to hold the assets of the Fund on behalf of the Responsible Entity;
“Dematerialise” or “Dematerialisation”	the process whereby Certificated Units are replaced by electronic records of ownership under Strate and recorded in the sub-register of Unitholders maintained by a CSDP or broker;
“Dematerialised Units”	Units which have been incorporated into the Strate system and which are no longer evidenced by Unit certificates, certified transfer deeds, balance receipts or any other physical documents of title;
“Dematerialised Unitholders”	Unitholders who hold Dematerialised Units;
“Directors”	refers to a director(s) of the Responsible Entity;
“EFT”	electronic funds transfer;
“Elizabeth Street Property”	the property located at 35 – 49 Elizabeth Street, Richmond, Victoria 3121, being the land comprised in certificate of title volume 11015 folio 951;
“Enterprise Value”	the sum of the market capitalisation of the Fund, based on the market price of a Unit as at the last day of the relevant calendar month multiplied by the average number of Units in issue over the period of 30 consecutive Business Days immediately before the last day of the relevant calendar month (whether or not a sale was recorded on a particular day) and the total amount of debt owing by the Fund and all Sub Trusts as at the last day of the relevant calendar month, less the total amount of cash and cash equivalents held by the Fund and all Sub Trusts as at the last day of the relevant calendar month;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“Exchange Rate”	AUD to ZAR exchange rate of AUD 1.00 = R9.9778 as at the Last Practicable Date;
“Financial Year”	the financial year of the Fund and for the time being ending 31 March;
“FIRB”	the Australian Foreign Investment Review Board;
“Form of Instruction”	the respective forms of instruction in respect of the Letters of Allocation reflecting the entitlement of Certificated Unitholders to subscribe for Rights Offer Units and on which Certificated Unitholders should indicate whether they wish to take up, sell or renounce all or some of their Rights, or apply for additional Rights Offer Units, which forms are enclosed in this Rights Offer Circular;

“Garden City Property”	the property located at Building 20, Garden City Office Park, 2404 Logan Road, Eight Mile Plains, QLD 4112 with registered description Lot 1 on SP 203730, County of Stanley, Parish of Bulimba, Title reference 50773071;
“Group”	in relation to a company (wherever incorporated), that company, any company of which it is a subsidiary (being its holding company) and any other subsidiaries of any such holding company and each company in a Group is a member of the Group. Unless the context otherwise requires, the application of the definition of Group to any company at any time will apply to the company as it is at that time;
“Hold Trust”	Investec Australia Hold Trust No. 1, an intermediary holding trust that is a wholly-owned subsidiary of IAPF and is the holding trust of the various Sub Trusts that own or are intended to own the Fund’s property portfolio;
“Hold Trustee”	Investec Wentworth Pty Limited (ACN 003 388 725), the trustee of Hold Trust;
“Independent Reporting Accountants”	KPMG Inc. (Registration number 1999/021543/21), a company duly incorporated and registered in South Africa;
“Independent Sponsor”	Deloitte & Touche Sponsor Services Proprietary Limited (Registration number 1996/000034/07);
“Investec”	the Investec group of companies comprising Investec Plc and Investec Limited and their subsidiary companies;
“Investec Australia Limited” or “IAL”	a company registered in Australia (ACN 140 381 184), being the operating entity of the Investec Group in Australia;
“Investec Australia Property Fund”, “IAPF” or “the Fund”	Investec Australia Property Fund (ARSN 162 067 736), duly registered as a Managed Investment Scheme under the Corporations Act; also recognised as a foreign Collective Investment Scheme and authorised 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;
“Investec Bank (Australia) Limited” or “IBAL”	a company registered in Australia (ACN 071 292 594), being the previous operating entity of the Investec Group in Australia;
“Investec Bank Limited”	Investec Bank Limited (Registration number 1969/004763/06), a company incorporated in South Africa and a wholly-owned subsidiary of Investec Limited;
“Investec Limited”	Investec Limited (Registration number 1925/002833/06), a public company incorporated in South Africa and listed on the JSE, with secondary listings on the Botswana Stock Exchange and the Namibian Stock Exchange;
“Investec Plc”	a company registered in England and Wales with registered number 3633621 and listed on the London Stock Exchange with a secondary listing on the JSE;
“Investment Bank”	the Corporate Finance Division of Investec Bank Limited;
“JSE”	the exchange operated by JSE Limited (Registration number 2005/022939/06), a company duly incorporated in accordance with the laws of South Africa and having its registered address at 1 Exchange Square, 2 Gwen Lane, Sandown, and licensed as an exchange in accordance with the Financial Markets Act;
“King Code”	the Code of Corporate Practices and Conduct in South Africa representing principles of good corporate governance as laid out in the King Report, as amended from time to time;
“Last Practicable Date”	Thursday, 11 September 2014, being the last practicable date prior to the finalisation of this Rights Offer Circular;
“Legal Advisors”	collectively, Herbert Smith Freehills (ABN 98 773 882 646) and Fluxmans Inc. (Registration number 2000/024775/21);

“Letter(s) of Allocation”	renounceable (nil paid) letters of allocation to be issued to Unitholders, in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of Rights Offer Units in terms of the Rights Offer and which are also referred to in this Rights Offer Circular; in respect of holders of Certificated Units, as the Form of Instruction;
“Listings Requirements”	the Listings Requirements of the JSE;
“Managed Investment Scheme”	a managed investment scheme that has been registered by ASIC as a managed investment scheme under chapter 5C of the Corporations Act;
“Management Agreement”	the management agreement between the Responsible Entity and the Manager dated 1 August 2013 pursuant to which the Manager will provide certain asset management and property management services to the Fund, the Hold Trust and each Sub Trust, the salient details of which are set out in the Pre-listing Statement;
“Manager”	Investec Property Management Pty Limited (ACN 161 587 391) which has been contracted to perform certain asset management and property management functions to the Fund, the Hold Trust and each Sub Trust;
“Maximum Surplus”	in respect of the calculation of the Contingent Payments, the maximum surplus refers to a maximum difference of AUD 292,007 between the actual net rent payable by a third party tenant over the net market rent assigned by the independent valuer; which would result in the maximum Contingent Payment of AUD 4,000,000 being payable to SIP Australia;
“Pre-listing Statement”	the pre-listing statement, dated 25 September 2013 and the annexures thereto, which have been prepared in compliance with the Listings Requirements;
“Punt Road Property”	the property located at 449 Punt Road, Cremorne, Victoria 3121, being the land comprised in certificate of title volume 11020 folio 509;
“Qualifying Unitholder”	a registered holder of Units recorded in the register at 17:00 South African time on the Record Date;
“Rand” or “ZAR”	the currency of South Africa, being South African Rand;
“Ratio of Entitlement”	the number of Rights Offer Units to which Unitholders are entitled to subscribe for in terms of the Rights Offer; being 83.08 Units for every 100 Units held on the Record Date, and/or such proportionate lower number of Units in respect of holdings in multiples of less than 100 Units held on the Record Date;
“Record Date”	the record date in order to be entitled to participate in the Rights Offer; being Friday, 3 October 2014;
“Reed Street Property”	the property located at 186 Reed Street, Greenway, ACT 2900 with registered description Block 4 Section 6 Division of Greenway on Deposited Plan 7320 (Volume 1117 Folio 93);
“Renouncee”	a person in whose favour a Unitholder has renounced all or a portion of their Rights;
“Responsible Entity” or “Investec Property Limited”	Investec Property Limited (ACN 071 514 246; AFSL 290 909), the responsible entity of the Fund;
“Revised Listing Particulars”	the revised listing particulars of the Fund, as required by the Listings Requirements in terms of section 9.22 and which accompanies the Acquisition Circular;
“Right(s)”	the entitlement to Rights Offer Units in terms of the Rights Offer;
“Rights Offer”	the renounceable rights offer by IAPF to raise approximately AUD 120,000,000 through the issue of a total of 111,896,298 Rights Offer Units at a Rights Offer Price of R10.70 per Unit to be extended to all Qualifying Unitholders, in the ratio of 83.08 Rights Offer Units for every 100 Units held on the Record Date;
“Rights Offer Circular”	this bound circular; dated 30 September 2014, including all annexures and attachments hereto;

“Rights Offer Price”	the <i>cum</i> distribution price at which the Rights Offer Units will be offered to Unitholders in terms of the Rights Offer, being R10.70 per Rights Offer Unit;
“Rights Offer Units”	111,896,298 new Units, which are to be offered to Unitholders pursuant to the Rights Offer;
“SENS”	Stock Exchange News Service;
“Services Agreement”	an agreement entered into between IAL and the Manager under which IAL agrees to make available essential services to the Manager such as staff, premises and systems etc. to enable the Manager to perform its obligations under the Management Agreement;
“SIP Australia”	SIP Australia Pty Ltd (ACN 133 561 930), being an entity associated with the vendor of the Ann Street Property;
“South Africa”	the Republic of South Africa;
“Sponsor”	Investec Corporate Finance, a division of Investec Bank;
“SPV Trustee”	Investec Propco Pty Limited (ACN 161 587 186), the trustee of the Sub Trusts;
“Strate”	Strate Limited (Registration number 1998/022242/06), a registered central securities depository in terms of the Custody and Administration of Securities Act (Act 85 of 1992), as amended;
“Sub Trust”	Investec Australia Sub Trust No.1, Investec Australia Sub Trust No.2, Investec Australia Sub Trust No.3, Investec Australia Sub Trust No.4, Investec Australia Sub Trust No.5, Investec Australia Sub Trust No.6, Investec Australia Sub Trust No.7 and any other subsidiary trust of HoldTrust created to hold assets of the Fund;
“Surrender Agreement”	in respect of the Ann Street Acquisition, the agreement between the Fund and SIP Australia, dated 18 July 2014, whereby the Fund will make the Contingent Payments to SIP Australia on the re-leasing of the Vendor Leased Areas currently occupied by SIP Australia in accordance with pre-determined criteria and with the approval of the Fund (refer to the Acquisition Circular for further details);
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07) with its address at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107);
“Unit(s)”	participatory interests in Investec Australia Property Fund;
“United States Persons”	has the meaning given in Rule 902 of Regulation S under the United States Securities Act of 1933, as amended;
“Unitholder(s)”	the holder(s) of Units;
“Vendor Leased Areas”	in relation to the Ann Street Property, refers to two office levels (1,742m ²) and the ground floor retail level (437m ²) currently leased to SIP Australia, being a related party to the vendor of the Ann Street Property;
“WALE”	weighted average lease expiry;
“Walker Portfolio”	collectively, six industrial properties acquired by the Fund from Walker Corporation Pty Limited prior to listing, which acquisition is detailed in the Pre-listing Statement;
“Westpac”	Westpac Banking Corporation (ACN 007 457 141); and
“Westpac Debt Facility”	the debt facility of up to AUD 125,000,000 made available by Westpac to the Hold Trust for the purposes of making property acquisitions.

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)

("IAPF" or "the Fund")

Share code: IAP ISIN: AU60INL00018

Letters of Allocation share code: IAPN ISIN: ZAE000195871

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

Directors of the Responsible Entity

Richard Longes[#] (*Chairman*)

Stephen Koseff (*Non-executive*)

Graeme Katz (*Chief executive officer*)

Samuel Leon (*Non-executive*)

Sally Herman[#] (*Non-executive*)

[#] *Independent*

CIRCULAR TO UNITHOLDERS

1. INTRODUCTION

It was announced on SENS on Monday, 22 September 2014 and published in the press on Tuesday, 23 September 2014 that the Fund intends to raise approximately AUD 120,000,000 by way of a fully underwritten renounceable Rights Offer to Qualifying Unitholders.

In terms of the Rights Offer, new Units will be offered for subscription to Unitholders recorded in the register on the Record Date, on the basis of 83.08 new Units for every 100 Units held by such Unitholder, at the Rights Offer Price.

Unitholders are invited to apply for excess applications and should these be available, they will be allocated to applicants in an equitable manner by the Directors in accordance with the provisions of paragraph 5.33 of the Listings Requirements.

Unitholders holding directly and indirectly, approximately 58,752,292 Units, comprising approximately 43.6% of the Fund's Units in issue have provided irrevocable commitments to take up their Rights. In addition, commitments have been received to apply for excess Rights Offer Units covering approximately 10.9% of the total Rights Offer Units.

The purpose of this Rights Offer Circular is to advise Unitholders of the terms and conditions of the Rights Offer and provide them with relevant information relating to the Rights Offer in order for Unitholders to make an informed decision as to whether or not to participate in the Rights Offer.

2. INFORMATION RELATING TO THE FUND

IAPF was established as an Australian-domiciled real estate investment trust on 12 December 2012 and registered as a Managed Investment Scheme in Australia on 6 February 2013. IAPF listed on the JSE on 23 October 2013 under the "Real Estate Holdings and Development" sector of the JSE under share code "IAP" and ISIN AU60INL00018. The Fund is regulated by ASIC in Australia whose role includes ensuring that all Managed Investment Schemes comply with the Corporations Act and the Corporations Regulations 2001 (Cth) of Australia so that investors have access to the benefits, rights and protections afforded by the Corporations Act.

The Responsible Entity of the Fund is Investec Property Limited. The Responsible Entity has the primary responsibility for the governance and operation of the Fund. Certain asset and property management functions have been outsourced to the Manager pursuant to the Management Agreement.

3. PARTICULARS OF THE RIGHTS OFFER

3.1 Rationale for the Rights Offer

As advised in the SENS announcement released on 21 July 2014, the Fund has concluded an agreement for the acquisition of the Ann Street Property for a purchase consideration of AUD 69,568,124 (inclusive of acquisition costs) and in the event it becomes payable, Contingent Payments of up to AUD 4,000,000 in total. It was announced that the purchase consideration and, in the event it becomes payable, the Contingent Payments, were to be funded by way of a renounceable Rights Offer to existing Unitholders.

Furthermore, as advised in the SENS announcements released on 27 February 2014 and 15 May 2014, the Fund had concluded agreements for the acquisition of the Garden City Property and the Reed Street Property, which acquisitions were funded utilising debt. As a result, the Fund's gearing is currently 26.8%.

The remaining proceeds of the Rights Offer will be utilised to reduce gearing so as to provide the Fund with capacity to pursue pipeline acquisitions which are attractively priced and compliment the strength of the existing portfolio's real estate fundamentals. The ability to transact without funding conditions has provided advantageous to the Fund against other competitors.

Assuming the Rights Offer is fully subscribed, the Fund will be ungeared post the Rights Offer. It is however important to note that whilst the Rights Offer provides short-term debt capacity through an ungeared balance sheet, it is the intention of the Fund to maintain a target gearing level around 35% and lock in the current favourable yield spread on pipeline acquisitions of between 200 and 300 basis points due to the favourable Australian interest rate environment.

Further details in respect of the Ann Street Acquisition can be found in the Acquisition Circular.

3.2 Terms of the Rights Offer

The Fund is seeking to raise AUD 120,000,000 through an offer of 111,896,298 Rights Offer Units for subscription, upon the terms and conditions set out in this Rights Offer Circular, and insofar as Certificated Unitholders are concerned, also set out in the Form of Instruction.

The Rights Offer is made by way of renounceable Rights, at the Rights Offer Price on the basis of 83.08 Rights Offer Units for every 100 Units held by Unitholders at 12:00 on the Record Date, being Friday, 3 October 2014, on the terms and conditions as set out herein and in the accompanying Form of Instruction.

The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Monday, 29 September 2014. The new Rights Offer Units issued cannot be traded before such Units are listed on the JSE on Monday, 13 October 2014.

The Letters of Allocation to which the Forms of Instruction relate are valuable and can be traded on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and, accordingly, all Letters of Allocation have been issued in Dematerialised form. The maintaining of an electronic record of Certificated Units by the Transfer Secretaries has made it possible for Certificated Unitholders to enjoy similar rights and opportunities as Dematerialised Unitholders in respect of trades on the JSE of the Letters of Allocation, to the extent possible.

The entitlement to Rights Offer Units of each Qualifying Unitholder holding Certificated Units is reflected in the appropriate block in the Form of Instruction, which is attached to this Rights Offer Circular. Certificated Unitholders will have their Rights credited to a nominee account in electronic form, which will be administered by the Transfer Secretaries on their behalf. The enclosed Form of Instruction reflects the number of Units for which the Certificated Unitholder is entitled to subscribe. The procedure to be followed by Certificated Unitholders for the acceptance, sale or renunciation of their Rights is reflected on the Form of Instruction and detailed in paragraph 4 below.

Qualifying Unitholders holding Dematerialised Units will not receive a printed Form of Instruction. Their CSDP or broker accounts will automatically be credited with their Rights. The CSDP or broker will advise Dematerialised Unitholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such Rights.

The Rights Offer Units will, upon allotment and issue, rank *pari passu* with all other existing Units in terms of both voting rights and distributions.

There are no convertibility or redemption provisions relating to the Rights Offer Units.

No other Units are being issued simultaneously or almost simultaneously with the Rights Offer.

3.3 Rights Offer Price

The Rights Offer Price of R10.70 cents per Unit includes an estimated accrued distribution 37 ZAR cents for the period from 1 April 2014 to 30 September 2014 and an estimated accrued distribution of 4 ZAR cents for the period from 1 October 2014 to 19 October 2014, which will be distributed to Unitholders when the Fund makes its interim distribution during December 2014 and final distribution during June 2015. On this basis, the Rights Offer Price excluding the estimated accrued distribution for the applicable periods is R10.29 per Rights Offer Unit. This is in order to ensure that the Rights Offer does not dilute the Fund's distribution to existing Unitholders for the period in question.

The Rights Offer Price of R10.70 per Unit represents a:

- 5.1% discount to the 30-day volume-weighted average price of Units listed on the JSE as at the close of business on Friday, 19 September 2014 being the last Business Day prior to the release of the Rights Offer finalisation announcement on SENS on Monday, 22 September 2014; and
- 6.1% discount to the closing price of Units on the JSE on Friday, 19 September 2014.

3.4 Opening and closing dates of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 6 October 2014 and will close at 12:00 on Friday, 17 October 2014.

3.5 Fractional entitlements

Only whole numbers of Units will be issued and Unitholders will be entitled to subscribe for rounded numbers of Units once the Ratio of Entitlement has been applied. Fractional entitlements to Units resulting from the Rights Offer will be rounded down to the nearest whole number if they are less than 0.5 and will be rounded up to the nearest whole number if they are equal to or greater than 0.5.

Unitholders not holding a multiple of 100 Units will be entitled to subscribe for a rounded number of Units in accordance with the table of entitlement contained in Annexure 5 to this Rights Offer Circular.

3.6 Irrevocable commitments

Unitholders holding directly and indirectly, approximately 58,752,292 Units, comprising approximately 43.6% of the Units in issue at the Last Practicable Date, have provided irrevocable commitments to take up their Rights in respect of the Rights Offer.

A summary of the irrevocable commitments provided by Unitholders is provided in the table below:

Unitholder	Current unitholding		Commitment Value of Rights Offer entitlement (AUD) ¹
	Existing Units held	Interest (%)	
Investec Property Fund Limited	25,000,000	18.6	22,273,347
Investec Bank Limited	22,000,000	16.3	19,600,545
3PM Investments (Pty) Ltd	4,328,258	3.2	3,856,192
M&F Giuricich Developments (Pty) Ltd	2,121,656	1.6	1,890,255
Stadium on Main Investments (Pty) Ltd	1,756,940	1.3	1,565,318
Sam Hackner	1,697,324	1.3	1,512,204
Sam Leon	1,591,241	1.2	1,417,690
Anchor Capital	150,790	0.1	134,344
Graeme Katz	106,083	0.1	94,513
Total commitments received	58,752,292	43.6	52,344,408

¹Based on Exchange Rate as at Last Practicable Date.

In addition, commitments have been received to apply for excess Rights Offer Units covering approximately 10.9% of the total Rights Offer.

The Directors are aware that the Fund will be entering a closed period following the end of the Fund's interim reporting period to 30 September 2014, during which they are unable to trade in Units other than to fulfil their obligations in terms of the irrevocable undertakings provided to the Fund.

3.7 **Excess applications**

All Rights Offer Units not taken up in terms of the Rights Offer will be available for allocation to Unitholders who wish to apply for a greater number of Rights Offer Units than those offered to them in terms of the Rights Offer. Accordingly, Unitholders will have the right to apply for Rights Offer Units in excess of the Rights Offer Units allocated to them in terms of the Rights Offer, on the same terms and conditions as those applicable to the Rights Offer entitlement.

Certificated Unitholders who wish to apply for Rights Offer Units in addition to those allocated to them in terms of the Rights Offer, may do so by indicating the number of additional Rights Offer Units that they wish to subscribe for in Blocks (7) and (8) on the Form of Instruction and by enclosing payment, in accordance with paragraph 4.3 of this Rights Offer Circular, for such additional Rights Offer Units with their subscription.

Dematerialised Unitholders who wish to apply for Rights Offer Units in addition to those allocated to them in terms of the Rights Offer, should advise their CSDP or broker in terms of the agreement entered into between them and their CSDP or broker, as to the number of additional Rights Offer Units for which they wish to apply and ensure that they have sufficient funds in their account. Payment will be on a delivery-versus-payment basis.

The right to apply for additional Rights Offer Units is automatically transferred by, and to the extent of, any renunciation.

The pool of Rights Offer Units available to meet excess applications will be dealt with as set out below:

- if all the Rights Offer Units are taken up in the Rights Offer, no additional Rights Offer Units will be made available for allocation to applicants;
- if the Rights Offer Units taken up in the Rights Offer and the excess applications together are less than or equal to 100% of the number of Rights Offer Units available, the Responsible Entity will allocate any or all excess applications in an equitable manner in accordance with the number of excess Rights Offer Units for which application is made; and
- if the Rights Offer Units taken up in the Rights Offer and the excess applications together exceed 100% of the number of Rights Offer Units available, the Responsible Entity will allocate any or all excess applications in an equitable manner, taking cognisance of the number of Units held by each applicant prior to such allocation (including those taken up as a result of the Rights Offer) and the number of excess Rights applied for by such Unitholder.

Non-equitable allocations of excess applications will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 Units.

An announcement will be published on SENS on Monday, 20 October 2014 and in the press on Tuesday, 21 October 2014, stating the results of the Rights Offer and the allocation of any excess applications.

Cheques refunding monies in respect of unsuccessful applications for additional Rights Offer Units by Certificated Unitholders will be posted to the relevant applicants, at their risk, on or about Wednesday, 22 October 2014. No interest will be paid on monies received in respect of unsuccessful applications.

4. **PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND SALE OF RIGHTS**

4.1 **Procedure for acceptance of Rights Offer entitlements**

4.1.1 ***In respect of Qualifying Certificated Unitholders***

If you are a Qualifying Unitholder holding Certificated Units and/or have had Rights renounced in your favour, and wish to subscribe for all or part of your Rights Offer entitlement in terms of the enclosed Form of Instruction, you are requested to complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with payment of the subscription price, with the Transfer Secretaries, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 17 October 2014. Once received by the Transfer Secretaries, the acceptance is irrevocable and may not be withdrawn. If payment is not received on or before 12:00 on Friday, 17 October 2014, the Qualifying Unitholder or Renouncee concerned will be deemed to have declined the offer to acquire Rights Offer Units pursuant to the Rights Offer.

Qualifying Certificated Unitholders are advised to take into consideration postal delivery times when posting their Forms of Instruction, as no late postal deliveries will be accepted. Qualifying Unitholders are advised to deliver their completed Forms of Instruction together with their bank-guaranteed cheques, banker's drafts or EFT reference numbers by hand or by courier, where possible.

4.1.2 ***In respect of Qualifying Dematerialised Unitholders***

If you are a Qualifying Unitholder holding Dematerialised Units, you will not receive a Form of Instruction. You should receive notification from your CSDP or broker regarding the Rights to which you are entitled.

If you wish to follow your Rights, you are required to notify your duly appointed CSDP or broker of your acceptance of your Rights in the manner and time allotted in the custody agreement governing the relationship between you and your CSDP or broker.

The Fund does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify Dematerialised Unitholders of the Rights Offer and/or to obtain instructions from them to subscribe for the Rights Offer Units and/or to sell the Rights allocated.

4.2 **Procedure for sale or renunciation of Rights Offer entitlements**

4.2.1 ***In respect of Qualifying Certificated Unitholders***

If you are a Qualifying Unitholder holding Certificated Units, and do not wish to subscribe for all of the Rights allocated to you as reflected in the enclosed Form of Instruction, you may either dispose of or renounce all or part of your entitlement as follows:

- If you wish to sell all or part of your entitlement, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 10 October 2014. The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions.
- If you wish to renounce your entitlement in favour of any named Renounee, you must complete Form B in the enclosed Form of Instruction, and the Renounee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 17 October 2014, together with a bank-guaranteed cheque, banker's draft or EFT reference number for the appropriate amount. Renounees must attach a certified true copy of their identity document to the Form of Instruction, where Forms B and C are completed.

4.2.2 ***In respect of Qualifying Dematerialised Unitholders***

If you are a Qualifying Unitholder holding Dematerialised Units, and wish to sell or renounce some or all of the Rights allocated to you, you should make the necessary arrangements with your CSDP or broker in the manner and time stipulated in the custody agreement governing the relationship between you and your CSDP or broker.

4.3 **Payment by Rights Offer recipients and/or their Renounees**

4.3.1 ***In respect of Certificated Unitholders***

A bank guaranteed cheque (drawn on a registered bank, crossed "not transferable" and with the words "or bearer" or "or order" deleted) or banker's draft (drawn on a registered bank in South Africa), payable to "IAPF – Rights Offer", for the total amount due in respect of the number of Units to be acquired in Rand, together with a properly completed Form of Instruction, must be lodged by Certificated Unitholders as follows:

Hand delivered to:

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

**Postal deliveries (at the risk of the holder)
to:**

Computershare Investor Services Proprietary
Limited
PO Box 61763
Marshalltown
2107

Kindly note that the completed Form of Instruction will be rejected if it is not received on or before 12:00 on Friday, 17 October 2014, together with proof of payment. Please note that the original Form of Instruction must be returned. Faxed Forms of Instruction will be accepted with proof of payment attached.

Forms of Instruction which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. The Transfer Secretaries will not be responsible for any loss

and/or damage whatsoever in relation to, or arising from, the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction 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 Forms of Instruction are received by the Transfer Secretaries.

All cheques or banker's drafts received by the Transfer Secretaries will be deposited immediately for payment.

The payment referred to herein will, once the cheque, banker's draft or EFT has been paid, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Rights Offer Circular and the accompanying Form of Instruction and may not be withdrawn.

In the event that any cheque or banker's draft is dishonoured, the Fund, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Units to which it relates against payment in cash of the subscription price for such Rights Offer Units.

EFT will be accepted, kindly contact the Computershare Call Centre – Corporate Actions on 0861 100 634 to obtain banking details and reference number for the deposits. Forms of Instruction and proof of EFT payment may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of the Rights only and is not for selling of the Rights.

IAPF together with the Transfer Secretaries accepts no responsibility and will not be held liable for any allocation of Rights Offer Units pursuant to payment being made or alleged to have been made by way of electronic transfer and where proof of such payment has not been received or purported proof of such payment being insufficient or defective, or for IAPF together with the Transfer Secretaries, for any reason, not being able to reconcile a payment or purported payment with a particular application for Rights Offer Units.

Money received in respect of an application which is rejected or otherwise treated as void by the Fund, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of a cheque drawn in Rand to the applicant concerned, and posted by ordinary post at the applicant's risk on or about Wednesday, 22 October 2014. If the applicant concerned is not a Unitholder and gives no address in the Form of Instruction, then the relevant refund will be held by the Fund until collected by the applicant. No interest in respect of such refund will be paid by the Fund.

4.3.2 ***In respect of Dematerialised Unitholders***

CSDP's will effect payment on a delivery-versus-payment basis in respect of a Dematerialised Unitholder. A Dematerialised Unitholder must instruct their CSDP or broker as to the action they must take to enable the CSDP or broker to act timeously on their behalf in terms of the agreement entered into between the Dematerialised Unitholder and their CSDP or broker.

5. **JURISDICTION**

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer, and this Rights Offer Circular and Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.

The Rights Offer Units have not been, and will not be, registered under the United States Securities Act of 1933 ("**Securities Act**"). Accordingly, the Rights Offer Units may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States Persons, except pursuant to exemptions from the Securities Act. This Rights Offer Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Rights Offer Circular does not constitute an offer of any securities for sale in the United States or to United States Persons.

Unitholders resident outside the Common Monetary Area should consult their professional advisors to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their entitlement.

Unitholders holding Units on behalf of persons who are resident outside the Common Monetary Area are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions.

6. EXCHANGE CONTROL REGULATIONS

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

The Rights Offer Units will not be freely transferable from South Africa and will have to be dealt with in terms of the Exchange Control Regulations.

6.1 Non-residents outside the Common Monetary Area

Unitholders who are resident outside the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their Rights in terms of the Rights Offer.

6.2 Non-residents of the Common Monetary Area

Pursuant to the Exchange Control Regulations and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:

- take up Rights allocated to them in terms of the Rights Offer;
- purchase Rights on the JSE;
- subscribe for the Rights Offer Units in terms of the Rights Offer; and
- apply for excess applications,

provided payment is received in foreign currency through normal banking channels or in Rand from a non-resident account.

In respect of Unitholders taking up their Rights in terms of the Rights Offer:

- a “non-resident” endorsement will be applied to Forms of Instruction issued to non-resident Certificated Unitholders; or
- a “non-resident” annotation will appear in the CSDP or broker's register for non-resident Dematerialised Unitholders.

All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate, and any Unit certificates issued pursuant to such applications, will be endorsed “non-resident”.

Where Rights are sold on the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through a South African authorised dealer in foreign exchange.

6.3 Former residents of the Common Monetary Area (“emigrants”)

Where Rights in terms of the Rights Offer become due to an emigrant, which Rights are based on Units blocked in terms of the Exchange Control Regulations, then only blocked funds may be used to:

- take up the Rights allocated to them in terms of the Rights Offer;
- purchase Rights on the JSE;
- subscribe for the Rights Offer Units in terms of the Rights Offer; and
- apply for excess applications.

All applications by emigrants using blocked Rands for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Unit certificates issued to such emigrants will be endorsed “non-resident” and placed under the control of the authorised dealer in foreign exchange through whom the payment was made.

In respect of Unitholders taking up their Rights in terms of the Rights Offer:

- a “non-resident” endorsement will be applied to Forms of Instruction issued to non-resident Certificated Unitholders; or
- a “non-resident” annotation will appear in the CSDP or broker's register for non-resident Dematerialised Unitholders.

Where Rights are sold on the JSE on behalf of emigrants, which Rights are based on an investment which is blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be returned to the authorised dealer in foreign exchange for credit to the blocked Rand accounts of the Unitholders concerned.

Electronic statements issued in terms of Strate and any Rights Offer Unit certificates issued pursuant to blocked Rand transactions will be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

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

7. JSE LISTINGS

The JSE has granted separate listings for:

- the Letters of Allocation in respect of the Rights Offer Units from the commencement of trading on the JSE on Monday, 29 September 2014 to Friday, 10 October 2014 (both days inclusive); and
- the Rights Offer Units, being the maximum number of new Units that may be issued pursuant to the Rights Offer, from the commencement of trading on the JSE on Monday, 13 October 2014.

8. PRO FORMA FINANCIAL EFFECTS

The *pro forma* statement of financial position as at 31 March 2014 and *pro forma* forecast statement of comprehensive income for the year ending 31 March 2015 are set out in Annexure 1 to this Rights Offer Circular. In order to gain a full appreciation of the financial information, these *pro forma* financial effects should be read in conjunction with the notes below the tables in Annexure 1, which sets out the material assumptions on which the *pro forma* financial effects are based.

The *pro forma* financial effects should also be read in conjunction with the report of the Independent Reporting Accountants, which is included as Annexure 2 to this Rights Offer Circular.

The *pro forma* financial effects have been prepared to assist Unitholders to assess the impact of the Rights Offer on the *pro forma* forecast earnings and distribution per Unit and the *pro forma* net asset value and net tangible asset value per Unit.

Due to the nature of the *pro forma* financial effects, they are presented for illustrative purposes only and may not fairly present the Fund's financial position or the results of its operations after the Rights Offer.

The *pro forma* financial effects have been prepared in accordance with the Listings Requirements and the South African Institute of Chartered Accountants' Guide on *Pro forma* Financial Information (revised and issued in September 2012) and are the responsibility of the Directors.

The Independent Reporting Accountants' report on the forecast financial information relating to the Garden City Property and the Reed Street Property is set out in Annexure 3.

9. INFORMATION ON UNIT CAPITAL

9.1 Capital structure

The issued Unit capital of the Fund before and after the Rights Offer is set out below:

	Fund capital AUD'000
Before the Rights Offer	
Issued Unit capital of IAPF 134,685,000 Units	131,025
After the Rights Offer	
Issued Unit capital of IAPF 246,581,298 Units	250,069

Notes:

1. Assumes that all the Rights Offer Units will be subscribed for i.e. a further 111,896,298 Units will be issued at a Rights Offer Price of R10.70 in terms of the Rights Offer, resulting in an aggregate 246,581,298 Units in issue.
2. As at the Last Practicable Date, the Fund does not have any treasury Units in issue.

9.2 Trading history

The Unit prices and volume histories of Units on the JSE:

- for each month over the 12 months prior to the date of the Rights Offer Circular; and
 - for each day over the 30 days preceding the Last Practical Date;
- are set out in Annexure 4.

9.3 Major and controlling Unitholders

Unitholders, other than Directors, with a beneficial interest of 5% or more in the Units of the Fund at the Last Practicable Date are as follows:

Unitholder	Number of Units before the Rights Offer	Number of Units after the Rights Offer*	Percentage held %
Investec Property Fund Limited	25,000,000	45,770,000	18.56
Investec Bank Limited	22,000,000	40,277,600	16.33
Total	47,000,000	86,047,600	34.89

*Assumes that the Unitholder follows their Rights and does not apply for excess Units.

Prior to IAPF's listing on the JSE in October 2013, the Fund was 100% held by MSN 1438 Pty Limited, being a wholly-owned subsidiary of IBAL. Following a private placing of Units undertaken upon listing, IBAL's unitholding in IAPF decreased to 16.33%. This unitholding was subsequently transferred to Investec Bank Limited in South Africa.

As at the Last Practicable Date, IAPF did not have any controlling Unitholders. Post the implementation of the Rights Offer, IAPF is not expected to have any controlling Unitholders.

9.4 Rights attaching to Units

Any variation of rights attaching to Units will require the consent of Unitholders in a general meeting in accordance with the Constitution and the Listings Requirements.

Subject to any restrictions imposed by FIRB, Units are generally freely transferable for acquisitions less than 10% and are each entitled to participate equally in the distribution and liquidation proceeds attributable to that class. Units redeemed by the Fund become null and void.

All of the Units (including those issued in terms of the Rights Offer) are of the same class and rank *pari passu* in every respect. The Units, which are of no par value and which must be fully paid upon issue, carry no preferential and/or conversion rights. The rights to distributions, redemption rights and rights on liquidation or distribution of capital are set out in Annexure 16 of the Pre-listing Statement, which contains the relevant extracts from the Constitution. These have not been amended since the listing of the Fund.

While the Fund is listed, the Responsible Entity, in terms of the provisions of the Constitution and the Listings Requirements, controls the issue of Units. The Responsible Entity may only issue Units in the following circumstances:

- on a *pro rata* basis to existing Unitholders by way of a rights issue. The *pro rata* issue of Units will require JSE approval and the preparation of a circular to Unitholders;
- by way of a vendor placement for the purposes of acquiring an asset;
- by way of a general or specific issue of shares for cash approved by Unitholders by way of an ordinary resolution and approved by the JSE, and is otherwise conducted in accordance with the Listings Requirements; or
- where the issue is not otherwise prohibited by the Listings Requirements.

Issues of Units by the Responsible Entity will be undertaken in compliance with the Listings Requirements.

At any general meeting, a Unitholder that is present and also represents by proxy one or more Unitholders, is entitled to one vote on a show of hands if all votes are either "for" or all votes are either "against" the resolution. If some votes are "for" and some are "against", then the Unitholder is entitled to one vote in each

direction. On a poll, each Unitholder is entitled to one vote for each dollar value of total interests they hold in the Fund.

9.5 **Alterations to Unit capital**

The following issues of Units have occurred since the Fund's inception:

- Prior to listing on the JSE, the Fund issued 22,000,000 Units to MSN 1438 Pty Limited, being a wholly-owned subsidiary of IBAL at the time, during December 2012 at a price of AUD 1.00 each, thereby raising total subscription proceeds of AUD 22,000,000. The majority of this seed capital (AUD 21,145,470), together with borrowings of AUD 26,732,640 provided by Westpac, was used to fund the acquisition of the Walker Portfolio for AUD 47,878,110 inclusive of acquisition costs. This unitholding was subsequently transferred to Investec Bank Limited in South Africa.
- Upon listing on the JSE on 23 October 2013, the Fund undertook a private placement of 112,685,000 Units to new Unitholders, comprising Investec Property Fund Limited, various institutional Unitholders and private client brokers, at a price of AUD 1.00 raising total subscription proceeds of AUD 112,685,000. The proceeds were used to fund the acquisition of the Punt Road Property and the Elizabeth Street Property for an aggregate purchase consideration of AUD 83,147,211 and to reduce gearing.

There have been no repurchases, sub-divisions or consolidations of Units undertaken by the Fund.

9.6 **Other Listings**

The Fund has a secondary listing on the Bermuda Stock Exchange under the Chapter 6 Section IV, Collective Investment Vehicles, Unit Trusts sector of the Listing Regulations of the exchange with ISIN AU60INL00018. No Units are currently listed on the Bermuda Stock Exchange.

9.7 **Options and preferential rights**

There are no preferential conversion, redemption and/or exchange rights in respect of any of the Units or other securities.

There are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any Units in the Fund.

10. **MATERIAL LOANS AND BORROWINGS**

As at the Last Practicable Date, no material loans have been advanced by the Fund.

10.1 **Borrowing powers**

The Responsible Entity has adopted a policy of maintaining the Fund's gearing ratio (loan to value ratio) below the regulatory limit in terms of the CIS Act of 60% at any given time, which restriction has been incorporated into the Constitution. The borrowing powers of the Fund are thus prescribed by the Constitution and may only be varied in a general meeting of Unitholders, subject to any restrictions imposed by the CIS Act.

As at the Last Practicable Date, the nominal value of borrowings was equal to 26.8% of the value of investment property. The borrowing powers of the Fund have not been exceeded during the previous three years.

Exchange Control Regulations currently do not apply to the borrowings of the Fund as these are raised in Australia. There are no other restrictions on the borrowing powers of the Fund.

As at the Last Practicable Date, IAPF has undertaken no off-balance sheet financing.

10.2 **Material borrowings**

The Fund did not have any loans receivable nor did it furnish any loan for the benefit of any Director or manager or any associate of any Director or manager.

IAPF has, through Hold Trust, entered into the Westpac Debt Facility (with the Hold Trustee as borrower) which remains outstanding as at the Last Practicable Date and has the following key features:

10.2.1 **Loan amount and purpose**

A secured debt facility of AUD 48,240,000, which may be increased up to AUD 125,000,000 subject to financier approval and other specified conditions being met.

An amount of AUD 48,240,000 has been drawn down to date to fund the acquisition of various properties and this amount remains outstanding as at the Last Practicable Date.

10.2.2 **Interest and fees**

The interest rate on the Westpac Debt Facility is at the aggregate of BBSY plus the margin applicable to the facility. The current all-in margin is 1.5%.

Interest will accrue on a daily basis and is payable on the last day of a draw period (and if greater than three months, at the end of each three-month period during that draw period) during the term of the loan, and each date of repayment or prepayment of all or part of a draw.

Line fees, which accrue on the facility limit, are payable quarterly in advance.

The Hold Trustee's policy on hedging in respect of interest rate risk is to maintain at least 75% of its borrowings as fixed, concurrently fulfilling the 50% requirement in terms of the Westpac Debt Facility. As at the Last Practicable Date, 100% of borrowings were hedged using interest rate swaps, locking in a rate (including margin and line fees) of 4.69% for a three-year term.

10.2.3 **Repayment terms**

Subject to Hold Trustee's right to make voluntary prepayments, the Hold Trustee shall repay whatever the amount outstanding on the Westpac Debt Facility in full on 10 April 2017. There are no debts repayable within 12 months.

10.2.4 **Prepayment and cancellation**

The Hold Trustee is able to make voluntary prepayments of all outstanding on giving not less than five Business Days' irrevocable written notice to Westpac. Any prepayment must be in a minimum amount of AUD 500,000 and a multiple of AUD 500,000 unless Westpac agrees otherwise.

The Hold Trustee may be liable to pay break costs on any prepayment other than at the end of an interest period. Amounts prepaid will be available for redrawing. Amounts cancelled will not be available for redrawing.

10.2.5 **Security**

The security required in terms of the Westpac Debt Facility will include, but not be limited to, the following:

- a first registered real property mortgage over each property acquired by the Fund;
- general security agreement granted by the Hold Trustee, and the SPV Trustee (as trustee of each Sub Trust), over all the assets and undertakings of the Hold Trust and Sub Trusts;
- specific security agreement granted by the Responsible Entity and the Custodian over their respective interests in the unitholdings of (and additional rights and proceeds relating to) the Fund and the Custodian in the Hold Trust, and any debt owed by the Hold Trust to the Fund (and subordination of that debt);
- specific security agreement granted by the Responsible Entity over the Responsible Entity's right, title and interest in the Management Agreement, rights to recover payment of any money or delivery of other property under or in relation to the Management Agreement, and all other choses in action, rights, claims and remedies against other persons in respect of the Management Agreement;
- side deed in respect of the Management Agreement between the Responsible Entity, the Manager and Westpac whereby, amongst other things, the Manager's and Responsible Entity's rights in respect of the Management Agreement will be restricted and subordinated to Westpac's rights in certain circumstances;
- guarantees granted by the SPV Trustee as trustee of each Sub Trust (each a Guarantor); and
- each other present or future security interest, guarantee or other document or agreement created or entered into as security (directly or indirectly) for the payment of any secured money in favour of a finance party under a finance document.

The Westpac Debt Facility has been advanced at the Hold Trust level (to Hold Trustee as borrower). There may be intertrust loans between Hold Trust and the Sub Trusts to facilitate the acquisition of properties within the Sub Trusts. Intertrust loans are repayable upon demand, unsecured and non-interest-bearing.

There are no conversion or redemption rights under the Westpac Debt Facility.

Save for this, the Fund has not received any material loans or issued any loan stock or other form of loan capital and does not have any off-balance sheet financial commitments.

11. MATERIAL CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND LEASE PAYMENTS

The Fund has an obligation to settle the total consideration of AUD 69,568,124 in respect of the Ann Street Acquisition, comprising the purchase consideration of AUD 65,500,000, capitalised acquisition costs of AUD 4,068,124 and, in the event it becomes payable, a maximum Contingent Payment of AUD 4,000,000, subject to the conditions precedent as detailed in the Acquisition Circular. The Fund intends to settle this obligation from the proceeds of the Rights Offer.

Save for this, IAPF had no material capital commitments, lease payments or contingent liabilities as at the Last Practicable Date.

12. DIRECTORS AND DIRECTORS' INTERESTS

12.1 Details of Directors

The full names, ages, business addresses and capacities of the Directors are outlined below:

Full name	Age	Capacity	Business address
Richard Longes (Australian)	69	Chairman and independent non-executive director	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Graeme Katz (Australian)	51	Chief executive officer	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia
Stephen Koseff (South African)	63	Non-executive director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Sam Leon ¹ (South African)	64	Non-executive director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Sally Herman (Australian)	57	Independent non-executive director	Suite 602, Level 6, 15 Castlereagh Street, Sydney NSW 2000

¹ Sam Leon is currently Chief Executive Officer of Investec Property Fund Limited.

Resumes of the Directors are set out in Annexure A of the Revised Listing Particulars accompanying the Acquisition Circular.

All non-executive Directors have been appointed in terms of a letter of appointment with the Responsible Entity. The executive Director has been appointed under an employment contract with IAL. There are no restraint of trade payments applicable to any Director.

The Directors are appointed for indefinite periods subject to applicable law and the provisions of the Responsible Entity's Articles. Directors hold office until they die or are removed from office through a resolution by the shareholder of the Responsible Entity.

12.2 Appointment of Chief Financial Officer

Jason Sandler has been appointed as Chief Financial Officer of the Fund. Mr Sandler is a full-time employee of IAL whose services are dedicated to the Fund (through the Manager) under the Services Agreement between IAL and the Manager. Unitholders are referred to paragraph 6.2.3 on page 24 of the Acquisition Circular for a brief résumé of Mr Sandler.

Prior to the appointment, the Audit and Risk Committee considered his appointment and was satisfied that he has the appropriate expertise and experience to be appointed in such capacity.

12.3 Directors' other directorships and partnerships

Details of the Directors' directorships and partnerships in the past five years are set out in Annexure A of the Revised Listing Particulars accompanying the Acquisition Circular.

12.4 Directors' declarations

None of the appointed Directors has:

- been adjudged bankrupt or insolvent or entered into any individual voluntary compromise arrangements or been involved in any business rescue plans and/or resolutions proposed to put any entity under business rescue and/or applications and/or notices to put any entity under business rescue, or receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors of any company where he/she was a director with an executive function of such company at the time of or within the 12 months preceding any such event;
- entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such Directors are or were partners during the preceding 12 months;
- entered into any receiverships of any asset(s) or of a partnership where such Directors are or were partners during the preceding 12 months;
- been publicly criticised by a statutory or regulatory authority, including recognised professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- convicted of an offence resulting from dishonesty, fraud or embezzlement or convicted in any jurisdiction of any criminal offence or any offence under legislation relating to the Companies Act or disqualification by a court to act as a director in terms of the Companies Act;
- removed from an office of trust on the grounds of misconduct, involving dishonesty; and/or
- disqualified by any court from acting as a director of a company or from acting in the management or conduct of the affairs of any company or been the subject of any public criticisms by statutory or regulatory authorities (including recognised professional bodies).

12.5 Directors' interests

A statement showing the direct and indirect beneficial interests of the Directors' holdings (and their associates), including a Director who has resigned during the last 18 months, in the Unit capital of the Fund is set out below:

Directors of the Responsible Entity	Number of Units held as at the Last Practicable Date³	%	Number of Units held after the Rights Offer⁴	%
Executive director				
Graeme Katz	106,083	0.1	194,217	0.1
Non-executive directors				
Sam Leon	1,591,241	1.2	2,913,244	1.2
Sam Hackner ¹	1,697,324	1.3	3,107,461	1.3
Michael Crawford ²	5,304,139	3.9	5,304,139	2.2
Total	8,698,787	6.5	11,519,061	4.7

¹Resigned with effect from 7 July 2014.

²Deceased, 1 July 2014.

³All interests are directly held.

⁴Assumes the Rights Offer is fully subscribed and that all current and previous Directors, save for Mr Crawford, take up Rights Offer Units in proportion to existing holdings of Units.

There are no associates of Directors with a direct or indirect beneficial interest in the Unit capital of the Fund.

There has been no change in the Directors' interests disclosed above between the end of the preceding Financial Year and the date of this Rights Offer Circular.

None of the Directors or officers of the Manager has any material beneficial interest in the acquisition or disposal of any properties of the Fund since its incorporation.

Other than the interests of Directors or officers of the Manager disclosed in this Rights Offer Circular through their unitholding in the Fund, or employment or directorships within the Investec Group of companies, no Director or officer of the Manager, including any Director who has resigned during the last 18 months, currently

has or has had any material beneficial interest, whether direct or indirect, in any transaction that was affected by the Fund during the current or immediately preceding Financial Year, or during an earlier Financial Year which remains in any respect outstanding or unperformed.

Graeme Katz, Zach McHerron, Jason Sandler and Matthew Liston are employees of IAL. Save for their employment in this capacity, no officer of the Manager currently has or has had any material beneficial interest, either direct or indirect, in the promotion of the Fund and in any property acquired or proposed to be acquired by the Fund, including but not limited to, where any of those persons is, or has contracted to become a tenant of any part of the property.

12.6 Remuneration of Directors

Employees or directors of entities within the Investec Group will not be remunerated for their services as Directors. The remuneration of any independent, non-associated and non-executive Director appointed to the Board will be limited to the re-imbursment of reasonable expenses incurred by such person for purposes of attending Board meetings and the appropriate Director's fees, unless the Responsible Entity determines otherwise. In respect of the independent, non-associated and non-executive Directors, fees and expenses will be reimbursed out of the Fund.

The Directors' remuneration for the period from 12 December 2012 to 31 March 2014 was as follows:

Directors of the Responsible Entity	Salary (incl. emoluments paid by IAL) AUD'000	Directors' fees AUD'000	Fees for other services AUD'000	Provident/ Pension fund and medical aid contributions AUD'000	Bonuses AUD'000	Total AUD'000
Sam Hackner ¹	–	12	–	–	–	12
Sam Leon ²	–	12	–	–	–	12
Graeme Katz ³	195	–	–	–	–	195
David Gonski ⁴	–	23	–	–	–	23
Richard Longes ⁵	–	47	–	–	–	47
Sally Herman ⁶	–	21	–	–	–	21
Michael Crawford ⁷	–	16	–	–	–	16
Total	195	131	–	–	–	326

¹Resigned with effect from 7 July 2014. Sam Hackner received a salary as an employee of Investec Bank Limited in South Africa and was not separately remunerated for his services as a Director. An estimate of attributable fees has been provided based on market-related non-executive directors' fees and proportion of time allocated to IAPF, however Mr Hackner was not remunerated out of the Fund.

²Sam Leon receives a salary as an employee of Investec Bank Limited in South Africa and is not separately remunerated for his services as a Director. An estimate of attributable fees has been provided based on market-related non-executive directors' fees and proportion of time allocated to IAPF, however Mr Leon is not remunerated out of the Fund.

³Graeme Katz is not separately remunerated for his services as Chief Executive Officer and Director of the Responsible Entity as he is remunerated by IAL. The amount disclosed represents an allocation of his remuneration commensurate with his role as an executive Director of the Responsible Entity but will not be a cost to the Fund.

⁴Resigned with effect from 31 March 2014. Mr Gonski was not separately remunerated out of the Fund for his services as a Director of the Responsible Entity as he was remunerated by IBAL for his services as a director of IBAL. An estimate of attributable fees has been provided based on market-related non-executive directors' fees and proportion of time allocated to IAPF.

⁵Apportionment of directors' fees paid by IAL that is attributable to the Fund. Richard Longes is not separately remunerated out of the Fund for his services as a Director of the Responsible Entity as he is remunerated by IAL for his services as a director of Investec Holdings Australia Limited and Investec Property Limited. An estimate of attributable fees has been provided based on market-related non-executive directors' fees and proportion of time allocated to IAPF.

⁶Sally Herman is an independent, non-associated and non-executive Director of the Responsible Entity and her remuneration is apportioned between all funds managed by the Responsible Entity based on gross asset value. Ms Herman is also remunerated for her role as Chairperson of the Audit and Risk Committee.

⁷Deceased, 1 July 2014. Michael Crawford was an independent, non-associated and non-executive Director of the Responsible Entity and his remuneration was apportioned between all funds managed by the Responsible Entity based on gross asset value.

Notes:

- Aggregate Directors' fees for the Responsible Entity per independent, non-associated and non-executive Director is AUD 40,000 and AUD 50,000 for chairperson of a committee. Per note 6 in the table above, the fees of Sally Herman will be apportioned between all funds managed by the Responsible Entity such that 60% is attributable to IAPF. Directors of the Manager are not remunerated for their role as directors of the Manager.
- The Directors do not receive any sums by way of an expense allowance.
- The Directors do not receive any other material benefits.

4. The Fund has no commission, gain or profit-sharing arrangements with any Directors.
5. The Fund has not granted any options to Directors.
6. The Fund has not issued any Units to the Directors in terms of an incentive scheme.

The Fund has not paid any other fees or incurred any fees that are payable to a third party *in lieu* of Directors' fees or fees to officers of the Manager.

There will be no variation in the estimated remuneration receivable by any of the Directors or officers of the Manager as a direct consequence of the Rights Offer.

No amount has been paid to any Director or officer of the Manager in cash or securities or otherwise to induce him or her to become or to qualify him or her as a Director.

Save for the relationship with the Responsible Entity and the Manager, and any arrangement between the Manager and third parties as permitted under the Management Agreement, the business of the Fund, or any part thereof, is not managed or proposed to be managed by any third party under contract or arrangement.

12.7 Directors' responsibility statement

The Directors, whose names are set out in paragraph 12.1 above, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Rights Offer Circular contains all information required by law and the Listings Requirements.

13. PROSPECTS

The objective of the Fund is to grow its asset base by investing in well-priced income-producing properties in the office, industrial and retail sectors to optimise capital and income returns over time for Unitholders.

The Fund has executed its investment strategy with this objective in mind, which has proved successful to date. Management has and will continue to focus on its core philosophy of hands-on active management of physical property, in conjunction with efficient management of its balance sheet to enhance Unitholder value, yield and the quality of the portfolio. Following the eight properties acquired on listing, the Fund's portfolio has since grown by 38.8% and the Ann Street Acquisition will enhance the portfolio by a further 38.6%. The Fund has completed two acquisitions in 2014 to date, valued at AUD 46.8 million, deploying 67% of capital raised on listing. These acquisitions have been sourced through the Investec Property Limited network.

The Fund's property portfolio consists of well-located properties with no vacancies with income underpinned by strong tenant covenants, with a WALE of 7.3 years and embedded contractual escalations. The underlying property portfolio is expected to perform in line with forecasts provided in the Pre-listing Statement and the individual property forecasts provided in relation to the recent completed and announced acquisitions.

Whilst prices of target properties have firmed since the establishment of the Fund, the strength of the portfolio and the current low interest rate environment mean that the Responsible Entity remains confident that properties can continue to be acquired at attractive yields to build strength and security through diversification of the portfolio.

14. GENERAL

14.1 Material contracts

At the Last Practicable Date, material contracts entered into by the Responsible Entity, the SPV Trustee or the Hold Trustee on behalf of the Fund and/or a contract entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, during the two years preceding the Last Practicable Date or, are as follows:

- contract for sale between the SPV Trustee and Walker Corporation Pty Limited (ACN 001 176 263) to acquire a portfolio of six industrial properties comprising the Walker Portfolio. The acquisition was for a total purchase consideration of AUD 47,878,110 and was affected on 21 December 2012. Details of the acquisition were set out in the Pre-listing Statement;

- contracts for sale between the SPV Trustee and Maclaw No. 452 Pty Limited and Maclaw No. 651 Pty Limited to acquire the Punt Road Property and the Elizabeth Street Property respectively. The acquisitions were for purchase considerations of AUD 28,676,412 and AUD 54,470,701 for the Punt Road Property and the Elizabeth Street Property respectively and were effected on 25 October 2013. Details of the acquisition were set out in the Pre-listing Statement;
- contract for sale between the SPV Trustee and Griffin Development Pty Ltd (ACN 057 253 086) as trustee under instrument 713571084 and Tina Danali Pty Ltd (ACN 083 706 692) as trustee under instrument 705919457 to acquire the Garden City Property, and a contract for sale with OPD Developers Pty Ltd (ACN 077 119 110) to acquire 77 car parks located at Building 5, Garden City Office Park, 2404. The acquisition was for a total consideration AUD 20,953,350 and was effected on 7 March 2014. Details of the acquisition were set out in an announcement released on SENS on 27 February 2014 (reproduced in Annexure 7);
- contract for sale between the SPV Trustee and Long Service Leave Authority (ABN 25 517 393 480) to acquire the Reed Street Property. The acquisition was for a total consideration AUD 25,805,000 and was effected on 15 May 2014. Details of the acquisition were set out in an announcement released on SENS on 15 May 2014 (reproduced in Annexure 7);
- contract for Sale dated 18 July 2014 between SPV Trustee and Ann St 757 Pty Ltd, as trustee for the 757 Unit Trust, to acquire the Ann Street Property. The acquisition is for a total consideration AUD 65,500,000 and will be effected during October 2014, subject to the Fund raising the required capital in terms of the Rights Offer. Details of the acquisition are set out in the Acquisition Circular;
- the Management Agreement between the Responsible Entity and the Manager, which is further detailed in the Pre-listing Statement and Acquisition Circular; and
- the debt agreement between the Hold Trustee, the SPV Trustee, the Responsible Entity, the Custodian and Westpac in terms of which the Westpac Debt Facility has been made available to the Fund. Details of the Westpac Debt Facility are provided in paragraph 10.2.

Unitholders are further referred to the Pre-listing Statement for details of the contracts of sale entered into by the Fund in respect of the acquisitions of the Walker Portfolio, the Punt Road Property and the Elizabeth Street Property acquired by the Fund upon its listing on the JSE.

At the Last Practicable Date, no other material contracts had been entered into which contain an obligation or settlement that is material to the Fund.

The abovementioned agreements are available for inspection as set out in paragraph 19 below.

The Fund is not subject to any royalty agreements.

14.2 **Material changes**

Since the publication of the Fund's results for the year ended 31 March 2014, the Fund has acquired the Reed Street Property (refer to SENS announcement dated 15 May 2014) and paid distributions of AUD 4,601,921 for the period ended 31 March 2014. Save for this and the Ann Street Acquisition which is the subject of the Acquisition Circular, there has been no material change in the financial or trading position of the Fund since the publication of these results.

There has been no change in the business or trading objects of the Fund during the past five years.

There has been no major change in the nature of property, plant and equipment and in the policy regarding the use thereof either in respect of the Fund.

There has been no material fact or circumstance in respect of the Fund that has occurred between 31 March 2014, being the date of the latest published financials and the date of this Rights Offer Circular, other than as disclosed in this Rights Offer Circular.

14.3 **Litigation statement**

The Fund is not involved in any material legal or arbitration proceedings or legal actions, nor are the Directors aware of any proceedings that are pending or threatened, that may have, or have had in the 12-month period preceding the Last Practicable Date, a material effect on the Fund's financial position.

14.4 Working capital statement

The Directors are of the opinion that following the Rights Offer, the working capital available to the Fund, the Hold Trust and each Sub Trust is sufficient for the Fund's present requirements, that is, for at least the next 12 months from the date of issue of this Rights Offer Circular.

15. EXPENSES

The expenses relating to the Rights Offer are estimated at approximately AUD 881,797 and will be paid from the proceeds of the Rights Offer. The summary of the expenses are detailed below:

Details	Payable to	AUD (\$'000)
Capital raising fee ¹	Investec Bank Limited	703
Corporate advisory and documentation fee	Investec Bank Limited	50
Legal fees	Herbert Smith Freehills	36
Legal fees	Fluxmans	3
Accounting and auditing fees	KPMG	13
JSE documentation fees	JSE	4
JSE listing fees	JSE	34
Transfer secretaries	Computershare	6
Printing and publication expenses	INCE	18
Independent sponsor	Deloitte & Touche Sponsor Services	14
Total		881.8

¹Assuming that the Rights Offer is fully subscribed.

The expenses incurred in respect of the Ann Street Acquisition are detailed in paragraph 8.2 on page 30 of the Acquisition Circular. The aggregate transaction costs incurred in respect of the Ann Street Acquisition and Rights Offer are AUD 955,889.

Save for this, the Fund has not incurred any other expenses in respect of the Rights Offer in the three-year period preceding the date of this Rights Offer Circular.

16. CORPORATE GOVERNANCE

The Responsible Entity and its Directors are committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs.

The Directors support and substantially comply with the principles of effective corporate governance as set out in King III.

The corporate governance statement of the Fund is set out in Annexure 6.

17. EXPERTS' CONSENTS

The Independent Reporting Accountants have consented, in writing, to the inclusion of their report in this Rights Offer Circular in the form and context in which it appears, and have not withdrawn their consent prior to the publication of this Rights Offer Circular.

The Investment Bank, Sponsor, Independent Sponsor, Independent Reporting Accountants, Legal Advisors, Custodian, Bankers and Transfer Secretaries have provided their written consents to act in the capacity stated and to their names being used in this Rights Offer Circular and none of them have withdrawn their consents prior to the posting of this Rights Offer Circular.

18. REVISED LISTING PARTICULARS

Unitholders are referred to the Acquisition Circular containing the Revised Listing Particulars in respect of the Fund. No material changes have occurred since the publication of the Acquisition Circular, save for the following, which have now been updated and restated in the Rights Offer Circular following the finalisation of pricing and quantum of the Rights Offer:

- Capital structure, as set out in paragraph 9.1 to the Rights Offer Circular;

- Major and controlling unitholders, as set out in paragraph 9.3 to the Rights Offer Circular; and
- *Pro forma* statement of financial position of the Fund following the acquisition of the Ann Street Property and Rights Offer, as set out in Annexure 1 to the Rights Offer Circular.

The Acquisition Circular is available on the Fund's website at www.investecaustraliapropertyfund.co.za and copies thereof may be requested from the Corporate Advisor and Sponsor, Transfer Secretaries or Independent Sponsor.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the local representative office of the Fund during normal business hours from Tuesday, 30 September 2014, up to and including Friday, 17 October 2014:

- 19.1 the Constitution;
- 19.2 the Management Agreement;
- 19.3 the material contracts as detailed in 14.1;
- 19.4 valuation reports prepared by an independent property valuer in respect of the properties owned by the Fund and announced acquisitions;
- 19.5 letters of appointment of Directors;
- 19.6 the signed report of the Independent Reporting Accountants on the *pro forma* financial effects as set out in Annexure 2;
- 19.7 the signed report of the Independent Reporting Accountants on the forecast financial information relating to the Garden City Property and the Reed Street Property as set out in Annexure 3;
- 19.8 the interim financial statements of the Fund for the six months ended 30 September 2013;
- 19.9 the annual financial statements of the Fund for the period ended 31 March 2014;
- 19.10 a copy of each of the irrevocable Unitholder commitments;
- 19.11 the written consents of the Investment Bank, Sponsor, Independent Sponsor, Independent Reporting Accountants, Legal Advisors, Custodian, Bankers and Transfer Secretaries to the inclusion of their names in this Rights Offer Circular in the context and form in which they appear;
- 19.12 a signed copy of this Rights Offer Circular and Form of Instruction;
- 19.13 the Pre-listing Statement; and
- 19.14 the Acquisition Circular and Revised Listing Particulars.

20. DISCLAIMER

Neither Herbert Smith Freehills nor Fluxmans Inc. have made any statement in this Rights Offer Circular and each of Herbert Smith Freehills and Fluxmans Inc. expressly disclaims and takes no responsibility for any statements in or omissions from this Rights Offer Circular, to the maximum extent permitted by law.

The Custodian's role is limited to holding assets of the Fund as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting Unitholders' interests. The Custodian has no liability or responsibility to Unitholders for any act done or omission made in accordance with the terms of the Custody Agreement.

SIGNED ON 30 SEPTEMBER 2014 BY AND ON BEHALF OF THE DIRECTORS OF INVESTEC PROPERTY LIMITED AS THE RESPONSIBLE ENTITY OF INVESTEC AUSTRALIA PROPERTY FUND

Graeme Katz

Duly authorised

Sydney

30 September 2014

PRO FORMA FINANCIAL INFORMATION

The *pro forma* forecast statement of comprehensive income for the year ending 31 March 2015 and the *pro forma* statement of financial position as at 31 March 2014 are set out herein.

The *pro forma* financial effects set out herein are the responsibility of the Directors and they have been prepared for illustrative purposes only, in order to provide information about the results and financial position of the Fund, assuming that the Rights Offer had been implemented on 1 October 2014 for purposes of the forecast statement of comprehensive income (so as to restate the forecasts for the year ending 31 March 2015 disclosed in the Pre-listing Statement), and on 31 March 2014 for purposes of the statement of financial position (as per the Fund's latest annual results).

Due to its nature, the *pro forma* financial information may not fairly present the Fund's financial position and results of operations subsequent to the Rights Offer.

The Independent Reporting Accountants' report on the *pro forma* financial information is set out in Annexure 2. The Independent Reporting Accountants' report on the forecast financial information relating to the Garden City Property and Reed Street Property is set out in Annexure 3.

The *pro forma* financial information has been prepared in accordance with the accounting policies of the Fund that were used in the preparation of the audited financial statements for the period from 12 December 2012 to 31 March 2014.

I. **PRO FORMA FORECAST STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 MARCH 2015**

Set out below is the *pro forma* forecast statement of comprehensive income of the Fund reflecting the effects of the Rights Offer:

	Forecast for the year ending 31 March 2015					Acquisition of of Ann Street Property ⁴			Adjustments for the Rights Offer ^{6,7,8}		Post the Rights Offer ⁹	
	Pre-listing Statement) ¹	Garden City Property ²	Reed Street Property ³	Ann Street Property ⁴	Total before the Rights Offer ⁵							
	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000		AUD'000		AUD'000		
Revenue												
Gross rental and related revenue, excluding straight-line rental revenue adjustment	14,022	1,935	2,009	3,008	20,974						20,974	
Straight-line rental revenue adjustment	989	125	255	296	1,665						1,665	
Rental revenue	15,011	2,060	2,264	3,304	22,639						22,639	
Property expenses	(2,357)	(185)	(325)	(277)	(3,144)						(3,144)	
Net rental and related revenue	12,654	1,875	1,939	3,027	19,495						19,495	
Asset management fee	(790)	(126)	(129)	(197)	(1,242)					(179) ^{8a}	(1,421)	
Fund operating costs	(479)	(84)	(86)	(131)	(780)						(780)	
Operating profit	11,385	1,665	1,724	2,699	17,473					(179)	17,294	
Fair value adjustments	-	-	-	(4,068) ^{4c}	(4,068)						(4,068)	
Finance cost	-	(1,089)	(1,016)	-	(2,105)					767 ^{8b}	(1,338)	
Finance income	-	-	-	-	-					15 ^{8c}	15	
Profit before taxation	11,385	576	708	(1,369)	11,300					604	11,903	
Taxation	-	-	-	-	-						-	
Profit after taxation attributable to equity holders/Total comprehensive income	11,385	576	708	(1,369)	11,300					604	11,903	
Reconciliation of attributable earnings to distributable earnings:												
Profit after taxation attributable to equity holders/Total comprehensive income	11,385	576	708	(1,369)	11,300					604	11,903	
Adjustments:												
Fair value adjustments	-	-	-	4,068	4,068					-	4,068	
Straight-line rental revenue adjustment	(989)	(125)	(255)	(296)	(1,665)					-	(1,665)	

	Forecast for the year ending 31 March 2015 (as per Pre-listing Statement) ¹							Acquisition of Garden City Property ²	Acquisition of Reed Street Property ³	Acquisition of Ann Street Property ⁴	Total before the Rights Offer ⁵	Adjustments for the Rights Offer ^{6,7,8}	Post the Rights Offer ⁹
	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	AUD'000	
Distributable earnings (pre-withholding tax)	10,396	451	453	2,403	13,703	604	14,307						
Withholding tax	(767)	—	—	(132)	(899)	(32)	(931)						
Distributable earnings (post-withholding tax)	9,629	451	453	2,271	12,804	572	13,376						
Reconciliation of attributable earnings to headline earnings:													
Profit after taxation attributable to equity holders/Total comprehensive income	11,385	576	708	(1,369)	11,300	604	11,903						
Adjustments:													
Fair value adjustments	—	—	—	4,068	4,068	—	4,068						
Headline earnings	11,385	576	708	2,699	15,368	604	15,972						
(Incremental) basic earnings per Unit ¹⁰	8.5	0.4	0.5	(1.4)	6.8*	2.6	6.2*						
(Incremental) headline earnings per Unit ¹⁰	8.5	0.4	0.5	2.7	9.2*	2.6	8.4*						
(Incremental) distribution per Unit (pre-withholding tax)¹⁰	7.7	0.3	0.3	7.4	8.2*	2.6	7.5*						
(Incremental) distribution per Unit (post-withholding tax)¹⁰	7.1	0.3	0.3	7.0	7.7*	2.4	7.0*						
Assumed incremental number of Units issued in terms of the Rights Offer													
Units in issue	134,685			64,873 ^{4b}	199,558	47,024	246,581						

*Based on weighted average Units in issue.

Based on the illustrative financial effects set out above, the Fund will be ungeared post the Rights Offer. Before the Rights Offer, the Fund is geared at 26.8%. The Rights Offer and the resultant ungeared balance sheet have the effect of diluting the distribution per Unit. It is the intention to deploy the debt capacity created by the Rights Offer into the pipeline as soon as possible, provided the real estate fundamentals are in line with the Fund's investment strategy. If the Responsible Entity deploys all of the debt capacity at an assumed property yield of 7.75% and an assumed interest rate of 4.94%, this would result in a pre withholding tax distribution per Unit of 7.9 cents and a post withholding tax distribution per Unit of 7.3 cents, which evidences the accretive impact of the deployment of debt in the current favourable interest rate environment.

Notes and assumptions:

1. The figures set out in the "Forecast for the year ending 31 March 2015" column above have been extracted, without adjustment, from the Pre-listing Statement showing the forecast for the year ending 31 March 2015, being the most recent period in respect of which profit forecast information has been published for the Fund and its acquisitions.
2. The figures set out in the "Acquisition of Garden City Property" column have been extracted, without adjustment, from the SENS announcement dated 27 February 2014 (which has been reproduced in Annexure 7). The forecast information in respect of this property has been reviewed by the Independent Reporting Accountants for purposes of inclusion in the Rights Offer Circular. The Independent Reporting Accountants' report thereon is contained in Annexure 3.
3. The figures set out in the "Acquisition of Reed Street Property" column have been extracted from the SENS announcement dated 15 May 2014 (which has been reproduced in Annexure 7). The forecast information in respect of this property has been reviewed by the Independent Reporting Accountants for purposes of inclusion in the Rights Offer Circular. The Independent Reporting Accountants' report thereon is contained in Annexure 3.
4. The figures set out in the "Acquisition of Ann Street Property" column have been extracted from the Acquisition Circular:
 - (a) The Ann Street Property is assumed to be acquired with effect from 1 October 2014, notwithstanding that the acquisition is expected to be implemented during October 2014. Any delays in the timing of the Rights Offer may affect the forecasts disclosed above.
 - (b) Allocation of Rights Offer proceeds towards payment for the Ann Street Property i.e. the cash raised from the issue of 64,872,600 Rights Offer Units will be utilised towards payment of the purchase consideration in respect of the Ann Street Property. The number of Rights Offer Units attributable to the Ann Street Acquisition differs from that stated in the Acquisition Circular due to the finalisation of the Rights Offer Price and amendment to the number of Rights Offer Units offered as a result.
 - (c) The fair value adjustment relates to the difference between the aggregate consideration of AUD 69,568,124 (i.e. purchase consideration of AUD 65,500,000 and capitalised acquisition costs of AUD 4,068,124) and the independent valuation. The fair value adjustment equates to the acquisition costs that have been capitalised.
5. The figures set out in the "Total before the Rights Offer" column show the forecast earnings and distributions with the Fund's existing portfolio geared at 20% for a full 12 month period. The forecast distribution shown in this column is diluted by the Rights Offer as set out in note 8.
6. The *pro forma* adjustments to the statement of comprehensive income have been calculated on the assumption that the Rights Offer was fully subscribed and implemented on 1 October 2014.
7. 111,896,298 Rights Offer Units are assumed to be issued pursuant to the Rights Offer at the Rights Offer Price, thereby raising capital of AUD 120,000,000, based on the Exchange Rate as at the Last Practicable Date. The capital is deployed to the acquisition of the Ann Street Property and the repayment of the Fund's existing debt balance. The Fund is therefore ungeared after the Rights Offer and the acquisition of the Ann Street Property. An ungeared balance sheet is not illustrative of the long term strategy of the Fund.
8. The figures set out in the "Adjustments for the Rights Offer" column comprise the following:
 - (a) Increase in asset management fee, calculated as a percentage of Enterprise Value;
 - (b) Savings on finance costs at all-in rate of 4.69% due to repayment of debt;
 - (c) Interest income earned on excess funds at rate of 2.50%;

The effect of the above is the dilution of the earnings and distribution per Unit as capital is being raised with the only benefit being the savings in borrowing costs, therefore resulting in a negative yield spread. As detailed earlier it is the intention to deploy the debt capacity created by the Rights Offer into the pipeline as soon as possible, which will result in positive yield spread and distribution accretion, assuming the Australian interest rate environment and property yields remain constant.
9. The figures set out in the "Post the Rights Offer" column show the forecast earnings and distributions for the Fund on an ungeared basis for the remainder of the financial year. As the Fund is ungeared post the Rights Offer, the distribution per Unit is diluted.
10. The earnings per Unit and distribution per Unit information relating to the acquisitions of the Garden City Property and the Reed Street Property are based on the total number of Units in issue at the time as these acquisitions were debt funded and no Units were issued in respect of these acquisitions. The earnings per Unit and distribution per Unit information relating to the acquisition of the Ann Street Property and the adjustments for the Rights Offer are based on the incremental number of Units issued.
11. No adjustment has been made in respect of antecedent interest, as the weighted average number of units has been used in calculating the distribution per Unit and earnings per Unit.
12. All adjustments made to the statement of comprehensive income are expected to have a continuing effect.

2. PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

Set out below is the *pro forma* statement of financial position of the Fund reflecting the effects of the Rights Offer:

	Audited results for the year ended 31 March 2014 ¹ AUD'000	Greenway Property acquisition and final distribution ³ AUD'000	Total before Ann Street Acquisition and Rights Offer AUD'000	Ann Street Property acquisition ⁴ AUD'000	Total before Rights Offer AUD'000	Pro forma adjustments for the Rights Offer ^{5,6} AUD'000	Pro forma results after the Rights Offer AUD'000
ASSETS							
Non-current assets							
Investment properties	154,364	25,805	180,169	65,500	245,669	–	245,669
Other non-current assets	17	–	17	–	17	–	17
Current assets							
Cash and cash equivalents	6,370	(4,602)	1,768	–	1,768	1,341 ⁷	3,108
Trade and other receivables	287	–	287	–	287	–	287
Total assets	161,038	21,203	182,241	65,500	247,741	1,341	249,081
EQUITY AND LIABILITIES							
Equity							
Contributed equity	131,025	–	131,025	69,568	200,593	49,476 ⁸	250,069
Retained profits	1,033	(1,539)	(506)	(4,068)	(4,574)	–	(4,574)
Non-current liabilities							
Borrowings	22,185	25,950	48,135	–	48,135	(48,135) ⁹	–
Current liabilities	6,795	(3,208)	3,587	–	3,587	–	3,587
Total equity and liabilities	161,038	21,203	182,241	65,500	247,741	1,341	249,081
Number of Units in issue	134,685		134,685	64,873	199,558	47,024	246,581
Net asset value per Unit ²	0.98		0.97		0.98		1.00
Net tangible asset value per Unit ²	0.98		0.97		0.98		1.00

Notes:

1. The "Audited results for the year ended 31 March 2014" column was extracted from the audited financial statements of the Fund for the year ended 31 March 2014.
 - (a) The Garden City Property was acquired in February 2014 and therefore forms part of the Fund's results to 31 March 2014.
2. The net asset value per Unit and net tangible asset value per Unit figures are calculated based on the actual number of Units in issue at 31 March 2014 and on the basis that the Rights Offer was affected on 31 March 2014.
3. The "Greenway Property acquisition and final distribution" column has been extracted from the Acquisition Circular and includes the following adjustments:
 - (a) Payment of final distribution of AUD 4,601,921 for the six months ended 31 March 2014; and
 - (b) Acquisition of the Reed Street Property as announced on SENS on 15 May 2014. As this acquisition occurred post the Fund's year end, it was not included in the audited results for the year ended 31 March 2014.
4. The figures set out in the "Ann Street Property acquisition" column have been extracted from the Acquisition Circular. As detailed in the Acquisition Circular, it is assumed that AUD 69,568,124 of the Rights Offer proceeds will be utilised for the acquisition of the Ann Street Property and associated acquisition costs and transaction costs.
5. The *pro forma* adjustments to the statement of financial position have been calculated on the assumption that the Rights Offer was fully subscribed for and the proceeds of the Rights Offer were received on 31 March 2014.
6. 111,896,298 Rights Offer Units are assumed to be issued pursuant to the Rights Offer at the Rights Offer Price, thereby raising capital of AUD 120,000,000, based on the Exchange Rate as at the Last Practicable Date.
7. Excess cash remaining after funding the Ann Street Acquisition, acquisition costs, transaction costs and paying down debt. It is assumed that excess cash earns interest at a rate of 2.5% p.a.
8. Transaction costs amounting to AUD 955,889 have been incurred and written off to equity i.e. equity raised is immediately used to settle transaction costs.
9. Portion of Rights Offer proceeds utilised to pay down debt of AUD 48,135,464. Based on the illustrative financial effects set out above, the Fund will be ungeared post the Rights Offer. However, over the long term it is the intention of the Fund to maintain a target gearing level around 35%. Thus the Responsible Entity intends to deploy the debt capacity created post the Rights Offer rather than remaining ungeared.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION



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 Sydney
 NSW 2000

17 September 2014

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

Introduction

We have completed our assurance engagement to report (“Report”) on the compilation of the pro forma forecast basic and headline earnings per unit, pro forma forecast distribution per unit, net asset value and net tangible asset value per unit of Investec Australia Property Fund (“IAPF”), pro forma forecast statement of comprehensive income and pro forma statement of financial position of IAPF and the related notes, including a reconciliation showing all of the pro forma adjustments to the share capital, reserves and other equity items relating to IAPF, (collectively “Pro forma Financial Information”). The Pro forma Financial Information is set out in Annexure 1 of the Circular to be issued by the IAPF on or about 30 September 2014 (“Circular”).

The Pro forma Financial Information has been compiled by the directors of the Responsible Entity of IAPF to illustrate the impact of the Acquisitions and Rights Offer as detailed in the Circular on IAPF’s financial position and changes in equity as at 31 March 2014, and IAPF’s trading position for the period ending 31 March 2015.

As part of this process, IAPF’s statement of comprehensive income has been extracted by the directors of the Responsible Entity from the Fund’s Pre-listing statement showing the forecast for the year ending 31 March 2015 on which a limited assurance report has been published. The statement of financial position has been extracted by the directors of the Responsible Entity of IAPF from IAPF’s published financial statements for the period ended 31 March 2014 (“Published Financial Information”), on which an audit report has been published.

In addition, the directors of the Responsible Entity of IAPF have calculated the net asset value and net tangible asset value per unit as at 31 March 2014 based on financial information extracted from the Published Financial Information.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
 Chief Executive: RM Kgosana

Executive Directors: T Fubu, A Hari, E Magondo, JS McIntosh, CAT Smit, D van Heerden

Other Directors: DC Duffield, LP Fourie, N Fubu, TH Hoole, A Jaffer, M Letsitsi, A Masemola, AM Mokgabudi, Y Suleman (Chairman of the Board), A Thunstrom

The company’s principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors’ names is available for inspection.



Directors' Responsibility for the Pro forma Financial Information

The directors of the Responsible Entity of IAPF are responsible for compiling the Pro forma Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements of the JSE Limited and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2012 ("Applicable Criteria").

Reporting Accountants' responsibility

Our responsibility is to express an opinion about whether the Pro forma Financial Information has been compiled, in all material respects, by the directors of the Responsible Entity of IAPF on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants' comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Responsible Entity of IAPF have compiled, in all material respects, the Pro forma Financial Information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Published Financial Information used in compiling the Pro forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the Published Financial Information used in compiling the Pro forma Financial Information.

The purpose of Pro forma Financial Information included in the Circular is solely to illustrate the impact of the subsequent Acquisitions and Rights Offer for purposes of the pro forma forecast basic and headline earnings per unit, pro forma forecast distribution per unit and the pro forma forecast statement of comprehensive income on the published Forecast Financial Information for the year ending 31 March 2015 and the impact of the Acquisitions and Rights offer on 31 March 2014 for purposes of the net asset value and net tangible asset value per share and statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Transaction, subsequent to its implementation, will be as presented in the Pro forma Financial Information.

A reasonable assurance engagement to report on whether the Pro forma Financial Information has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of the Responsible Entity of IAPF in the compilation of the Pro forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Transaction and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to the Applicable Criteria; and
- The Pro forma Financial Information reflects the proper application of those pro forma adjustments to the unadjusted Published Financial Information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of IAPF, the Transaction in respect of which the Pro forma Financial Information has been compiled and other relevant engagement circumstances.



The engagement also involves evaluating the overall presentation of the Pro forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully
KPMG Inc.

A handwritten signature in black ink, appearing to read 'Mickey Bove', written over the typed name and title.

Per Mickey Bove
Chartered Accountants (SA)
Director

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST FINANCIAL INFORMATION RELATING TO THE GARDEN CITY PROPERTY AND REED STREET PROPERTY



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 Investec Australia Property Fund
 Level 23, The Chifley Tower
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 Sydney
 NSW 2000

17 September 2014

Dear Sirs

Independent reporting accountants' limited assurance report on the forecast information relating to the Garden City Property and the Reed Street Property acquisitions by Investec Australia Property Fund ("IAPF") ("Acquisitions")

We have examined the profit forecasts and the related assumptions for the twelve month period ending 31 March 2015 for the Garden City Property and the ten month period ending 31 March 2015 for the Reed Street Property (collectively, "the forecast information"), amounting to an attributable net profit before distribution to unitholders of AUD 576m and AUD 708m respectively as set out in the Rights Offer Circular to be dated on or about 30 September 2014.

This report and the conclusion contained herein is provided solely for the benefit of the board of the directors of the Responsible Entity and unitholders of IAPF.

Directors' responsibility

The directors of the Responsible Entity of IAPF are responsible for the forecast information, including the assumptions, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements, includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the profit forecasts;
- whether the profit forecasts have been properly compiled on the basis stated; and
- whether the forecast information is presented on a basis consistent with the accounting policies of IAPF.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board
 Chief Executive: RM Kgosana

Executive Directors: T Fubu, A Hari, E Magondo, JS McIntosh, CAT Smit, D van Heerden

Other Directors: DC Duffield, LP Fourie, N Fubu, TH Hoole, A Jaffer, M Letsitsi, A Masemola, AM Mokgabudi, Y Suleman (Chairman of the Board), A Thunström

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the Listings Requirements and for inclusion in the Circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information and the SAICA circular entitled the Independent reporting Accountants responsibilities in terms of Section 13 of the Listing Requirements.

This standard requires us to obtain sufficient appropriate evidence as to whether:

- management's best-estimate assumptions on which the forecasts are based are not unreasonable and are consistent with the purpose of the information;
- the forecast information is properly prepared on the basis of the assumptions;
- the forecast information is properly presented and all material assumptions are adequately disclosed; and
- the forecast information is prepared and presented on a basis consistent with the accounting policies of IAPF.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and sources of information

In arriving at our conclusion, we have relied upon forecast financial information prepared by the management of the Responsible Entity of IAPF and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- tenancy schedules of the acquisitions;
- management prepared forecasts for the period ending 31 March 2015 for the acquisitions;
- discussions with management of IAPF regarding the forecasts presented;
- discussions with management of IAPF regarding the prevailing market and economic conditions;
- lease agreements of the acquisitions held under such leases;
- single management agreement, and the acquisition agreement; and
- valuation reports in respect of the acquisitions, prepared by CBRE Valuations Pty Limited and Savills Valuations Pty Limited.



Procedures

In arriving at our conclusion we have performed the following procedures:

Rental income

Rental income

- The forecast rental income streams as contained in the profit forecast model, was selected and agreed to the underlying lease agreements. The total coverage obtained was 100% of the forecast contracted rental income.
- Contracted revenue accounts for 100% of rental income.
- The calculation in respect of the straight-lining of revenue was re-performed.

Property expenses

The forecast property expenses were compared to independent vendor estimates. Explanations were obtained for any significant differences. The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.14(g) of the listings requirements, were disclosed.

Material operating expenditure items

Fund expenses and asset management fees were assessed for reasonableness and, where applicable, recalculated and agreed to supporting documentation.

Application of accounting policies

We ascertained that the accounting policies applied by IAPF were applied consistently in arriving at forecast income. Variances and principles were primarily discussed with the directors of the Responsible Entity of IAPF.

Model review

In order to ensure that the forecast model for the property income and expenses was accurate and reliable we performed a high level review to determine the consistency and mathematical accuracy of the model.

Lease expiry and vacancy profile

We reviewed the individual property model and tenancy schedules to ascertain that the lease expiry profile included in the forecast model is derived from the correct sources.



Accuracy of the information

We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions with the management of IAPF. While our work has involved an analysis of the historical financial information and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with International Auditing Standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us.


Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;
- the forecast information has not been properly compiled on the basis stated;
- the profit forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- the forecast information is not presented on a basis consistent with the accounting policies of IAPF.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material. Accordingly no assurance is expressed regarding the achievability of the forecast.

Yours faithfully
KPMG Inc.



Per Mickey Bove
Chartered Accountants (SA)
Director

TRADING HISTORY ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
Monthly					
Oct-13	11.50	10.00	10.90	5,363,024	55,904,341
Nov-13	11.50	10.50	10.75	26,526,105	295,629,709
Dec-13	11.50	10.50	11.25	2,096,403	22,486,952
Jan-14	11.83	11.01	11.30	2,424,029	27,628,267
Feb-14	12.34	11.25	12.25	897,700	10,249,089
Mar-14	12.23	11.30	11.76	2,817,086	32,658,754
Apr-14	11.85	11.20	11.59	637,538	7,371,000
May-14	11.91	11.30	11.45	2,249,442	25,962,100
Jun-14	11.70	11.20	11.52	2,783,133	32,134,222
Jul-14	11.80	11.25	11.30	6,831,901	78,816,060
Aug-14	11.35	11.10	11.25	4,689,470	52,853,443
Sep-14 (as at Last Practicable Date)	11.31	10.75	11.25	1,770,081	19,940,623
Daily					
01-Aug-14	11.31	11.31	11.31	10,000	113,100
04-Aug-14	11.35	11.25	11.25	53,700	606,960
05-Aug-14	11.30	11.25	11.30	26,709	301,676
06-Aug-14	11.30	11.30	11.30	105,062	1,187,201
07-Aug-14	11.30	11.26	11.30	5,109	57,602
08-Aug-14	11.26	11.25	11.25	61,977	697,311
11-Aug-14	11.30	11.25	11.25	17,900	202,170
12-Aug-14	11.30	11.21	11.25	102,930	1,158,290
13-Aug-14	11.30	11.20	11.30	11,200	126,505
14-Aug-14	11.30	11.30	11.30	32,800	370,640
15-Aug-14	11.30	11.20	11.20	578,285	6,534,328
18-Aug-14	11.30	11.20	11.25	65,119	729,365
19-Aug-14	11.30	11.25	11.30	339,981	3,839,181
20-Aug-14	11.30	11.10	11.30	42,667	480,539
21-Aug-14	11.30	11.25	11.30	116,900	1,319,823
22-Aug-14	11.30	11.25	11.29	310,486	3,504,924
25-Aug-14	11.30	11.29	11.30	341,398	3,855,024
26-Aug-14	11.30	11.25	11.25	21,273	240,156
27-Aug-14	11.30	11.30	11.30	35,718	403,613
28-Aug-14	11.30	11.25	11.30	157,543	1,779,853
29-Aug-14	11.30	11.25	11.25	2,252,713	25,345,181
01-Sep-14	11.30	11.21	11.30	87,116	983,421
02-Sep-14	11.30	11.25	11.30	273,501	3,085,961
03-Sep-14	11.30	11.30	11.30	40,518	457,853
04-Sep-14	11.30	11.25	11.25	187,424	2,116,896
05-Sep-14	11.30	11.25	11.25	129,200	1,459,780
08-Sep-14	11.30	11.25	11.30	294,197	3,324,144
09-Sep-14	11.31	11.30	11.30	287,744	3,251,880
10-Sep-14	11.30	10.75	11.30	333,658	3,716,504
11-Sep-14	11.30	11.25	11.25	136,723	1,544,184

Source: INET Bridge.

TABLE OF ENTITLEMENT

No fractions of Rights Offer Units will be issued to Unitholders and the Rights Offer Units will be issued based on the rounding principle (up or down, as the case may be). The table of entitlement of Unitholders to receive Rights Offer Units is set out below.

Number of existing Units	Number of Rights Offer Units to which a Unitholder is entitled	Rounded number of Rights Offer Units to which a Unitholder is entitled	Number of existing Units	Number of Rights Offer Units to which a Unitholder is entitled	Rounded number of Rights Offer Units to which a Unitholder is entitled
1	0.831	1	53	44.032	44
2	1.662	2	54	44.863	45
3	2.492	2	55	45.694	46
4	3.323	3	56	46.525	47
5	4.154	4	57	47.356	47
6	4.985	5	58	48.186	48
7	5.816	6	59	49.017	49
8	6.646	7	60	49.848	50
9	7.477	7	61	50.679	51
10	8.308	8	62	51.510	52
11	9.139	9	63	52.340	52
12	9.970	10	64	53.171	53
13	10.800	11	65	54.002	54
14	11.631	12	66	54.833	55
15	12.462	12	67	55.664	56
16	13.293	13	68	56.494	56
17	14.124	14	69	57.325	57
18	14.954	15	70	58.156	58
19	15.785	16	71	58.987	59
20	16.616	17	72	59.818	60
21	17.447	17	73	60.648	61
22	18.278	18	74	61.479	61
23	19.108	19	75	62.310	62
24	19.939	20	76	63.141	63
25	20.770	21	77	63.972	64
26	21.601	22	78	64.802	65
27	22.432	22	79	65.633	66
28	23.262	23	80	66.464	66
29	24.093	24	81	67.295	67
30	24.924	25	82	68.126	68
31	25.755	26	83	68.956	69
32	26.586	27	84	69.787	70
33	27.416	27	85	70.618	71
34	28.247	28	86	71.449	71
35	29.078	29	87	72.280	72
36	29.909	30	88	73.110	73
37	30.740	31	89	73.941	74
38	31.570	32	90	74.772	75
39	32.401	32	91	75.603	76
40	33.232	33	92	76.434	76

Number of existing Units	Number of Rights Offer Units to which a Unitholder is entitled	Rounded number of Rights Offer Units to which a Unitholder is entitled	Number of existing Units	Number of Rights Offer Units to which a Unitholder is entitled	Rounded number of Rights Offer Units to which a Unitholder is entitled
41	34.063	34	93	77.264	77
42	34.894	35	94	78.095	78
43	35.724	36	95	78.926	79
44	36.555	37	96	79.757	80
45	37.386	37	97	80.588	81
46	38.217	38	98	81.418	81
47	39.048	39	99	82.249	82
48	39.878	40	100	83.080	83
49	40.709	41	1,000	830.800	831
50	41.540	42	10,000	8,308.000	8,308
51	42.371	42	100,000	83,080.000	83,080
52	43.202	43			

CORPORATE GOVERNANCE

1. CODE OF CORPORATE PRACTICE AND CONDUCT

The Fund and the Responsible Entity are committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs.

The Responsible Entity is fully committed to the principles of the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance for South Africa, 2009 (King Code), the Listings Requirements and the Corporations Act.

In so doing, the Directors recognise the need to conduct the business of the Fund with integrity and provide effective leadership based on an ethical foundation. This includes timely, relevant and meaningful reporting to Unitholders and other stakeholders providing a proper and objective perspective of the Fund and its activities, directing the strategy and operations of the Fund to build a sustainable business and considering short- and long-term impacts of the strategy on the economy, society and the environment. The Board ensures that the Fund is seen to be a responsible corporate citizen through the implementation of the corporate governance policies provided below.

The formal steps taken by the Directors are summarised below.

2. BOARD OF DIRECTORS AND BOARD SUB-COMMITTEES

In terms of the Listings Requirements, the minimum number of Directors required is four. This is contrary to the Articles of the Responsible Entity, which allows for a minimum of three Directors. The Board currently consists of five Directors, one executive and four non-executive, of whom two Directors are considered independent. This achieves compliance with the King Code as the majority of the Board comprises non-executive Directors. However, following the passing of Michael Crawford (previously an independent non-executive Director), only half (and not the majority) of non-executive directors are currently independent. Thus the Responsible Entity is seeking to appoint a further Director to ensure compliance with the King Code and the Corporations Act.

The appointed non-executive Directors, representing both South Africa and Australia, have a diverse and wide range of expertise, financial and commercial experience and property industry knowledge and other skills that enable them to bring independent judgment to Board deliberations and decisions. The Board ensures that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals can dominate the Board's decision-making.

The Board continually strives to give strategic direction to the Fund for the benefit of its Unitholders and has set values and ethical standards to which it will adhere in all aspects of managing the business of the Fund. The Board ensures that each Director adheres to the duties of a Director and will act in the best interests of Unitholders. The Board is ultimately responsible for the day-to-day management of the Fund's business, strategy and key policies. The executive Director is an employee of IAL and, via the Responsible Entity and Manager, is intimately involved in the day-to-day business activities of the Fund. They are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given by the Board. The Board is also responsible for approving the Fund's financial objectives and targets and ensuring the integrity of financial reporting.

The Board has adopted a compliance plan ("**Compliance Plan**"), as required by the Corporations Act, setting out its responsibilities for monitoring operational performance and management of the Fund, determination of policy and processes to ensure the integrity of the Responsible Entity's risk management and internal controls, communication policy and evaluation of personnel.

The Board has appointed a chief executive officer (Graeme Katz) and has established a framework for delegation of authority and ensures that the chief executive officer's performance is evaluated against specified criteria. The positions of chairman and chief executive officer are separately held with a clear division of duties. The chairman (Richard Longes) is an independent non-executive Director.

The information needs of the Board will be reviewed annually and Directors have unrestricted access to all company information, records, documents and property to enable them to discharge their responsibilities sufficiently. Efficient and timely methods of informing and briefing Board members prior to Board meetings have been developed and in this regard steps have been taken to identify and monitor key risk areas, key performance areas and non-financial

aspects relevant to the Fund. In this context, the Directors will be afforded information in respect of key performance indicators, variance reports and industry trends.

The Board has established an orientation programme to familiarise incoming Directors with the Fund's operations, senior management and its business environment, and to inform them of their fiduciary duties and responsibilities. Directors have a working understanding of applicable laws. New Directors with no or limited Board experience will receive development and education to inform them of their duties, responsibilities, powers and potential liabilities. Per the Compliance Plan, performance review of all officers and employees of the Responsible Entity will be conducted annually.

The Responsible Entity is appointed by Unitholders. Directors are appointed by way of resolution of the Unitholders of the Responsible Entity, being IAL. Appointments to the Board occur by way of resolution and are formal and transparent and a matter for the Board as a whole. Directors have been and will be nominated based on their competency, credibility, knowledge, experience, impact they are expected to have and time and attention they can devote to the role. Directors hold office until they die or are removed from office through a resolution by the shareholder of the Responsible Entity.

Directors may convene a meeting of the Board whenever a Director thinks fit. Board meetings are held at least quarterly with additional meetings convened when circumstances necessitate. The Board has established and delegated certain functions to an Audit and Risk Committee, to give detailed attention to certain of its responsibilities which will operate within defined, written terms of reference. External advisers and executive Directors who are not members of specific committees attend committee meetings by invitation, if deemed appropriate by the relevant committees.

The Board and individual Directors have their overall performance reviewed periodically in order to identify areas for improvement in the discharge of individual Director's and the Board's functions on an annual basis. This review will be undertaken by the chairman and, if so determined by the Board, an independent service provider.

In respect of the Directors that are only Directors of the Responsible Entity and not employed within the Investec Group, a Director may be employed in any other capacity in the Fund or as a director or employee of another entity that is controlled by/a subsidiary of the Fund. In this event, their appointment and remuneration in respect of this other office will be determined by a disinterested quorum of Directors. This does not apply to executive Directors who are employed by IAL as their remuneration is determined by the Remuneration Committee of IAL and not by the Directors.

3. TERMS OF EMPLOYMENT OF DIRECTORS

The Directors who are employees or directors of IAL or another entity within the Investec Group are not remunerated for their services as Directors of the Responsible Entity. A disinterested quorum of Directors determine the remuneration of the non-executive Directors, which is limited to the reimbursement of reasonable expenses incurred by such person for purposes of attending Board meetings and the appropriate Director's fees.

The Directors have been appointed by way of an engagement letter and no service contract has been concluded with them. The termination of their employment will therefore be subject to the relevant notice period as determined by any applicable labour law from time to time. The Directors are appointed for indefinite periods subject to applicable law and the provisions of the Responsible Entity's Articles. Directors hold office until they die or are removed from office through a resolution by the shareholder of the Responsible Entity.

Directors have an obligation to attend and to actively participate in meetings of the Board and Board committees on which they serve, to spend the time required and to meet as frequently as necessary to discharge their duties and responsibilities with due care. They are also expected to attend the annual general meeting of Unitholders.

4. COMPANY SECRETARY OF THE RESPONSIBLE ENTITY

The Board is satisfied that a suitably qualified, competent and experienced company secretary (Paul Lam-Po-Tang) has been appointed and is appropriately empowered to fulfill duties with regards to assistance to the Board. In arriving at this appointment, the Directors evaluated Mr Lam-Po-Tang's qualifications and experience.

The company secretary together with the Sponsor provide the Board as a whole and Directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Fund. The company secretary provides a central source of guidance and advice to the Board, and within the Fund, on matters of ethics and good corporate governance and will assist with the appointment of Directors. The company secretary, together with the assistance of the Sponsor, ensures that the Fund complies with applicable laws and the

Listings Requirements. In addition, the company secretary, together with the Sponsor, will be subjected to an annual evaluation by the Board. Directors have access to the services and advice of the company secretary. The company secretary is not a Director of the Responsible Entity and has an arm's length relationship with the Board, who can also remove him from office.

5. **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee currently comprises two independent non-executive Directors as set out below:

- Sally Herman, independent non-executive Director (chairperson)
- Richard Longes, independent non-executive Director.

The Responsible Entity is seeking to appoint a further independent non-executive Director.

All members of the Audit and Risk Committee are financially literate. The committee's primary objective is to provide the Board with additional assurance regarding the efficacy and reliability of the financial information used by the Directors, to assist them in the discharge of their duties. The committee is required to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are suitably managed, and that satisfactory standards of governance, reporting and compliance are in operation.

Furthermore, the Audit and Risk Committee has general oversight over and reports on the sustainability issues, reviews the integrated report to ensure that the information contained therein is reliable and does not contradict the financial aspects of the report. The Audit and Risk Committee reviews the content of the Fund's results and engages external auditors to provide assurance on the financial information.

Within this context, the Board is responsible for the Fund's systems of internal, financial and operational control. The executive Directors are charged with the responsibility of determining the adequacy, extent and operation of these systems. Comprehensive reviews and testing of the effectiveness of the internal control systems in operation will be performed by external practitioners, whose work will be overseen by the Manager and reported to the Audit and Risk Committee.

The Audit and Risk Committee has considered and satisfied itself as to the appropriateness of the expertise and experience of the financial function being the chief financial officer, Jason Sandler.

The Audit and Risk Committee has nominated the external auditor for appointment and has approved the terms of engagement and remuneration for the external audit engagement. KPMG Inc. has been appointed as external auditors of the Fund.

As the Fund is a registered Managed Investment Scheme under the Corporations Act it has Australian reporting obligations. The Fund is required to lodge audited financial statements with ASIC. KPMG Australia have been appointed to perform the audit over the Australian audited financial statements.

KPMG Inc. in South Africa has been appointed to perform the audit over the South African audited financial statements which are required to be lodged with the JSE.

The Audit and Risk Committee will meet at least two times a year. Executives of the Responsible Entity and the Manager with financial expertise will also be in attendance. The committee will also meet with the external auditors, KPMG Inc., outside of meetings, as frequently as is necessary.

The Audit and Risk Committee will report in the annual report how it has discharged its duties during the relevant Financial Year.

6. **REMUNERATION COMMITTEE**

A Remuneration Committee is not required given that the Fund has no employees. The executive Directors are employees of and paid by IAL and will not be remunerated for their services as Directors of the Fund. The Board determines the remuneration of the non-executive Directors.

7. **INVESTMENT COMMITTEE**

The Board has not appointed a separate Investment Committee as this function will be performed by the Board.

The Board's role is to consider investments proposals put forward by the Manager and develop appropriate investment strategies and guidelines to ensure that the Fund's investments are in line with its investment policy and

overall strategy and vision. The Board considers acquisitions and disposals of assets in line with the Fund's overall strategy, ensures appropriate investment of Unitholder funds, effects disposals within approved investment policy and authority limits and ensures that appropriate due diligence procedures are followed when acquiring or disposing of assets.

8. **RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS**

The objective of risk management is to identify, assess, manage and monitor the risks to which the Fund is exposed, including but not limited to information technology risk. It is the responsibility of the Board, through the Audit and Risk Committee, to determine policies and processes to ensure the integrity of the Fund's risk management and internal controls. The Fund has outsourced the asset management and property management services to the Manager who will be responsible for the implementation of risk management and internal control processes on a continual basis subject to oversight of the Audit and Risk Committee. The Audit and Risk Committee will participate in management's process of setting risk tolerance levels, formulating and implementing the risk management plan and will report the plan adopted by management to the Board.

With assistance from the Manager (or if considered appropriate, expert risk consultants), risks will be assessed and appropriate insurance cover purchased for all material risks above pre-determined self-insured limits. Levels of cover will be re-assessed annually in light of claims experiences and events affecting the Fund, internally and externally.

To enable the Directors to meet these responsibilities, the Audit and Risk Committee will set standards and implement, through the Manager, systems of internal control and an effective risk-based internal audit, comprising policies, procedures, operational systems and information to assist in:

- safeguarding of assets and reducing risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records and reporting;
- the timely preparation of reliable financial statements and information in compliance with relevant legislation; and
- increasing the probability of anticipating unpredictable risk.

The Board ensures that management considers and implements the appropriate risk responses and information technology strategy.

9. **DIRECTORS' DEALINGS AND PROFESSIONAL ADVICE**

The Fund operates a policy incorporating the terms of the Listings Requirements and the Corporations Act of prohibiting dealings by Directors and employees of the Responsible Entity and Manager in periods preceding the announcement of its interim and year-end financial results and at any other time deemed necessary by the Board.

The Board has established a procedure for Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the Fund's expense. All Directors will have access to the advice and services of the company secretary.

10. **COMMUNICATION**

The Fund will maintain contact regularly with institutional Unitholders, private investors and investment analysts, as well as provide presentations on the Fund and its performance.

The Board appreciates that Unitholder perceptions affect the Fund's reputation and in this regard will establish policies for the engagement of all the Fund's stakeholders, particular in light of the Australian domiciled nature of the Fund. The Board will encourage Unitholders to attend annual general meetings.

11. **INTEGRATED REPORTING**

The Fund will report to its Unitholders at least annually by preparing an annual report that will include reviews of the Fund, together with a detailed review of the financial results and financing positions. In this way the Board seeks to present a balanced and understandable assessment of the Fund's position and prospects.

The Manager is responsible for establishing comprehensive management reporting disciplines in respect of the Fund, which include the preparation of management accounts, detailed budgets and forecasts.

Sustainability reporting and disclosure shall be integrated with the Fund's financial reporting. The Board will ensure the integrity of the Fund's integrated report.

12. BUSINESS RESCUE

The Board will consider business rescue proceedings or other turn-around mechanisms as soon as the Fund is financially distressed. In this regard the Board will ensure the Fund's solvency and liquidity is continuously monitored, a suitable practitioner will be appointed in the event that business rescue is adopted and the practitioner will be required to provide security for the value of the assets of the Fund.

13. KING III

While it is not a strict requirement in terms of Australian corporate law, the Fund has resolved as a business philosophy to adopt and pursue the principles prescribed by the King Code report to the extent feasible, given the unique nature of the Fund in a South African context.

King III code principle	Comments
BOARD AND DIRECTORS	
The Board should provide effective leadership based on an ethical foundation	Applied – the Board is committed to promoting the highest standard of ethical behaviours amongst all persons involved in the Fund's operations. The Responsible Entity adheres to the Compliance Plan and the values and code of conduct of the Investec Group will govern the actions of the Directors.
The Board should ensure that the Fund is and is seen to be a responsible corporate citizen	Applied – as the Responsible Entity is governed by the policies of the Investec Group in this regard and will apply the same principles in respect of the Fund so as to promote sustainable stakeholder confidence in the Fund.
The Board should ensure that the Fund's ethics are managed effectively	Applied to the extent possible, as detailed above. The Fund has no employees and thus ethics can only be managed/implemented at Board level. The Responsible Entity adheres to the Compliance Plan and the values and code of conduct of the Investec Group will enable the Directors to discharge their responsibilities in this regard.
The Board should act as the focal point for and custodian of corporate governance	Applied – the Board has adopted a resolution to apply the principles of the King Code and will ensure that their leadership is based on these principles.
The Board should appreciate that strategy, risk, performance and sustainability are inseparable	Applied – the Board has established an Audit and Risk Committee (see paragraph 5 above)
The Board should report on the effectiveness of the Fund's system of internal controls	Policy has been applied and has been reported on in the Fund's latest annual report
The Board and its Directors should act in the best interests of the Fund	Applied – In compliance with the terms of the Responsible Entity's AFSL, the Responsible Entity owes fiduciary and statutory duties to unitholders (see section 601FC of the Corporations Act). The Directors also owe fiduciary and statutory duties to Unitholders (see section 601FD of the Corporations Act). Thus, legally and through the adoption of the values and philosophies of the Investec Group, the Directors are obliged to act in the best interests of the Fund and its Unitholders.
The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Fund is financially distressed	Applied – it is unlikely that business rescue will be an eventuality. However, the Fund's policy in this regard is detailed in paragraph 12 above.
The Board should elect a chairman of the Board who is an independent non-executive director. The chief executive officer of the Fund should not also fulfil the role of the chairman	Applied – see detailed explanation in paragraph 2 above
The Board should appoint the chief executive officer and establish a framework for the delegation of authority	Applied – see detailed explanation in paragraph 2 above

King III code principle	Comments
The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive Directors should be independent	Applied – see detailed explanation in paragraph 2 above
Directors should be appointed through a formal process	Applied – While Directors are not appointed by Unitholders, the appointment of a Director occurs by way of resolution and through a letter of appointment.
The induction of, and ongoing training and development of Directors should be conducted through formal processes	Applied – the Directors receive appropriate training of Investec values and philosophies and training to inform them of their duties, responsibilities, powers and potential liabilities. Individual training and development needs are discussed with each Board member on an ongoing basis.
The Board should be assisted by a competent, suitably qualified and experienced company secretary	Applied – see detailed explanation paragraph 4 above
The evaluation of the Board, it's committees and the individual directors should be performed every year	Applied – per the resolution adopted by the Board to adopt the principles of the King Code, the Board ensures that the various Board committees and individual Directors are evaluated every year.
The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	Applied – the Board has established an Audit and Risk Committee and an Investment Committee in this regard.
A governance framework should be agreed between the group and its subsidiary boards	n/a – the Fund has no subsidiary boards
The Fund should remunerate Directors and executives fairly and responsibly	n/a – the Fund has no employees; Executive Directors are not remunerated by the Fund; Directors of the Fund who are directors of IAL are not remunerated by the Fund but are remunerated by IAL for their services as Directors of IAL; non-executive Directors' remuneration is limited to reimbursement of expenses and Directors fees
The Fund should disclose the remuneration of each individual Director	Applied – this has been disclosed in par 12.6
Unitholders should approve the Fund's remuneration policy	n/a – the remuneration policy of the Directors is set by the Directors but the shareholder of the Responsible Entity (being IAL) may fix a limit on the amount of remuneration payable to the Directors
AUDIT COMMITTEE	
The Board should ensure that the Fund has an effective and independent Audit and Risk Committee	Applied – see detailed explanation in paragraph 5 above
Audit and Risk Committee members should be suitably skilled and experienced independent non-executive Directors	Applied – see detailed explanation in paragraph 5 above; refer to Annexure A of Revised Listing Particulars for Directors' qualifications
The Audit and Risk Committee is to be chaired by an independent non-executive Director	Applied – the Audit and Risk Committee is chaired by Sally Herman, an independent non-executive Director
The Audit and Risk Committee should oversee integrated reporting	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraph 5 above.

King III code principle	Comments
The Audit and Risk Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraph 5 above.
The Audit and Risk Committee should satisfy itself of the expertise, resources and experience of the Fund's finance function	Applied – the Board has adopted a resolution in this regard; see paragraph 18.3 of Pre-listing Statement for further details.
The Audit and Risk Committee should be responsible for overseeing Internal Audit	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraph 5 above.
The Audit and Risk Committee should be an integral part of the risk management process	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraph 5 above.
The Audit and Risk Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraph 5 above.
The Audit and Risk Committee should report to the Board and Unitholders on how it has discharged its duties	Applied – report provided in first annual report
GOVERNANCE OF RISK	
The Board should be responsible for the governance of risk	Applied – the Audit and Risk Committee has been established in this regard; refer to paragraphs 5 and 8 above for detailed explanation.
The Board should determine the levels of risk tolerance	Applied – the Audit and Risk Committee has been established in this regard; refer to paragraphs 5 and 8 above for detailed explanation. In this regard, the Board has already adopted a policy of interest rate hedging and gearing, as detailed in paragraph 2.8 of the Pre-listing Statement.
The Audit and Risk committee should assist the Board in carrying out its risk responsibility	Applied – refer to paragraphs 5 and 8 above for detailed explanation.
The Board should delegate to management the responsibilities to design, implement and monitor the risk management plan	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraphs 5 and 8 above.
The Board should ensure that risk assessments are performed on a continual basis	Applied as part of the Fund's risk management policy
The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	Applied, as required in terms of the Responsible Entity's Compliance Plan
The Board should ensure that management considers and implements appropriate risk responses	Applied, as required in terms of the Responsible Entity's Compliance Plan
The Board should ensure continual risk monitoring by management	Applied per the terms of the Audit and Risk Committee; see detailed explanation in paragraphs 5 and 8 above.
The Board should receive assurance regarding the effectiveness of the risk management process	Applied – the Audit and Risk Committee will receive feedback from the Manager and through IAL's internal audit function.
The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholder	Applied – see paragraph 10 above for detailed explanation

King III code principle	Comments
GOVERNANCE OF INFORMATION TECHNOLOGY	
The Board should be responsible for information technology (IT) governance	Applied to the extent possible as the Fund does not have IT systems of its own but through a Services Agreement with the Manager, will make use of IAL systems and will be governed by the IT governance framework of IAL
IT should be aligned with the performance and sustainability objectives of the Fund	Applied – assisted by the Manager, the Responsible Entity ensures that the IT processes currently in place are aligned to the performance and sustainability objectives of the Board
The Board should delegate to management the responsibility for the implementation of an IT governance framework	The Board has not formulated an IT governance policy as the Fund does not have IT systems of its own. The IT governance framework of IAL has been adopted
The Board should monitor and evaluate significant IT investments and expenditure	The Responsible Entity oversees all significant expenditure on behalf of the Fund
IT should form an integral part of the Fund's risk management	Applied per the terms of the Audit and Risk Committee
The Board should ensure that information assets are managed effectively	Applied per the Compliance Plan
The Audit and Risk Committee should assist the Board in carrying out its IT responsibilities	Applied per the terms of the Audit and Risk Committee
COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS	
The Board should ensure that the Fund complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied – refer to paragraph 3 of the Pre-listing Statement for details on regulation of the Fund
The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Fund and its business	The Board will be assisted by the company secretary and its Sponsor in this regard
Compliance risk should form an integral part of the Fund's risk management process	Applied – refer to paragraph 8 above for detailed explanation.
The Board should delegate to management the implementation of an effective compliance framework and processes	The Responsible Entity adheres to a Compliance Plan in this regard
INTERNAL AUDIT	
The Board should ensure that there is an effective risk based internal audit	The Fund utilises the internal audit function of IAL
Internal audit should follow a risk based approach to its plan	The Fund utilises the internal audit function of IAL
Internal audit should provide a written assessment of the effectiveness of the Fund's system of internal controls and risk management	The Fund utilises the internal audit function of IAL
The Audit and Risk Committee should be responsible for overseeing internal audit	The Fund utilises the internal audit function of IAL
Internal audit should be strategically positioned to achieve its objective	The Fund utilises the internal audit function of IAL

King III code principle	Comments
GOVERNING STAKEHOLDER RELATIONSHIPS	
The Board should appreciate that stakeholders' perceptions affect a company's reputation	Applied – the Board has adopted a communication policy per paragraph 10 above
The Board should delegate to management to proactively deal with stakeholder relationships	Applied – the Board has adopted a communication policy per paragraph 10 above
The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Fund	Applied – the Board has adopted a communication policy per paragraph 10 above
Companies should ensure the equitable treatment of Unitholders	Applied – the Board has adopted a communication policy per paragraph 10 above
Transparent and effective communication with stakeholders is essential building and maintaining their trust and confidence	Applied – the Board has adopted a communication policy per paragraph 10 above
The Board should ensure that disputes are resolved as effectively efficiently and expeditiously as possible	Applied – the Board has adopted a communication policy per paragraph 10 above
INTEGRATED REPORTING AND DISCLOSURE	
The Board should ensure the integrity of the Fund's integrated report	This has been applied in the preparation of the Fund's integrated report for the period ended 31 March 2014
Sustainability reporting and disclosure should be integrated with the Fund's financial reporting	This has been applied in the preparation of the Fund's integrated report for the period ended 31 March 2014

SENS ANNOUNCEMENTS

The information below relating to the Garden City Property and the Reed Street Property has been extracted, without adjustment, from the respective SENS announcements dated 27 February 2014 and 15 May 2014.

GARDEN CITY PROPERTY

1.1 Acquisition

Unitholders are advised that the Fund has entered into the following agreements:

- (a) a contract for sale with Griffin Development Pty Ltd (ACN 057 253 086) as trustee under instrument 713571084 and Tina Danali Pty Ltd (ACN 083 706 692) as trustee under instrument 705919457 ("**Garden City Vendor**") to acquire the property located at Building 20, Garden City Office Park, 2404 Logan Road, Eight Mile Plains QLD 4112 ("**Garden City Property**"); and
- (b) a contract for sale with OPD Developers Pty Ltd (ACN 077 119 110) ("**Car Park Vendor**") to acquire 77 car parks located at Building 5, Garden City Office Park, 2404 Logan Road, Eight Mile Plains QLD 4112 ("**Car Park Property**"),

together "**the Acquisition**".

The effective date of the Acquisition will be the settlement date under the contracts for sale which, subject to fulfillment of the conditions precedent set out in 1.5 below, is expected to be on or before 14 March 2014.

1.2 Purchase consideration

The aggregate purchase consideration for the Acquisition is AUD 20,953,350, which represents an annualised property yield of 8.25% (7.74% post all transaction costs).

The Fund will be required to pay stamp duty of AUD 1,185,346 on the Acquisition and there will be transfer lodgement fees of AUD 61,703.

The purchase consideration and all costs will be funded through the existing debt facility with Westpac Banking Corporation. The Responsible Entity intends to hedge at least 75% of the debt at fixed interest rates in accordance with the Fund's stated hedging policy.

1.3 Rationale for the Acquisition

The Acquisition is consistent with the Fund's strategy of investing in high-quality office assets that are well located in major metropolitan areas. The Responsible Entity is actively seeking opportunities to grow and diversify the Fund's asset base, enhance unitholder value and contribute to sustainable income growth. The Acquisition represents an attractive investment for the Fund as:

- (a) the income is underpinned by good quality tenants with contracted annual growth;
- (b) there are medium to long term lease expiries;
- (c) there is limited short term capital expenditure required;
- (d) it provides for broader geographic diversification across the Fund's portfolio; and
- (e) there is substantial depreciation which will provide a tax shield on distributions payable to unitholders.

The Garden City Property is an A-grade office building providing modern architectural design and high quality finishes. It is located in the Garden City Office Park approximately 15 kms from the Brisbane CBD in one of Queensland's fastest growing precincts and is strategically located along major road networks with excellent access to the Pacific Motorway (which connects Brisbane and Gold Coast), the Gateway Motorway and Logan Road. The Westfield Garden City Shopping Centre is conveniently located 5 minutes away and the Eight Mile Plains Bus Terminal, which provides public transport connections to the Brisbane CBD, is only 800m from the Garden City Property. The Garden City Property is 100% occupied by good quality tenants (including Healthscope, Australia's largest healthcare provider specialising in private hospital, medical centre and pathology services; and Medicare Local, a government funded health and community services provider) with medium to long term lease expiries and contracted annual rental growth of approximately 3%.

The Car Park Property is located immediately adjacent to the Garden City Property and provides for additional car parks utilised by tenants of the Garden City Property.

1.4 **Specific information relating to the property**

Details regarding the Garden City Property are set out below:

Registered description	Lot 1 on SP 203730, County of Stanley, Parish of Bulimba, Title reference 50773071
Location	Garden City Office Park, 15 kms from the Brisbane CBD
NLA (m ²)	3,568 m ²
Car parks	72 basement; 38 on-grade
Weighted average rental per m ² (AUD)	421 p.a
Vacancy (%)	0

Details regarding the Car Park Property are set out below:

Registered description	Lot 1 on SP 266319, County of Stanley, Parish of Bulimba, Title reference 50773075
Location	Garden City Office Park, 15 kms from the Brisbane CBD
Car parks	77
Weighted average rental per car park (AUD)	1,106 p.a
Vacancy (%)	0

The Acquisition has been valued at AUD 20,954,000 as at 14 February 2014 by CBRE Valuations Pty Limited. The valuer, Craig Guinane, is an independent valuer and is registered as a certified practicing valuer with the Australian Property Institute and the Valuers Registration Board of Queensland (Registered Valuer No. 2731).

1.5 **Conditions Precedent**

The Acquisition is subject to the following conditions precedent:

In respect of the Garden City Property

- (a) the satisfactory completion of a due diligence investigation to be performed by the Fund; and
- (b) settlement of the acquisition of the Car Park Property.

In respect of the Car Park Property

- (a) the satisfactory completion of a due diligence investigation to be performed by the Fund; and
- (b) settlement of the acquisition of the Garden City Property.

1.6 **Warranties**

The Garden City Vendor and the Car Park Vendor have provided warranties and indemnities to the Fund that are standard in a transaction of this nature.

1.7 **Pro forma financial effects of the Acquisition**

The *pro forma* financial effects of the Acquisition on the Fund's net assets and net tangible assets per unit, based on the *pro forma* statement of financial position as disclosed in the pre-listing statement dated 25 September 2013, are not significant and have not been presented.

1.8 **Forecast information on the property**

The forecasts have been prepared on the assumption that the Acquisition will be implemented with effect from 1 March 2014 and include forecast results for the 1 month ending 31 March 2014 and the year ending 31 March 2015.

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 have been prepared in accordance with the Fund's accounting policies and in compliance with IFRS.

	Forecast 1 month ending 31 March 2014 AUD'000	Forecast 12 months ending 31 March 2015 AUD'000
Revenue, including straight-line adjustment	166	2,060
Total property expenses	(15)	(185)
Net property income	151	1,874
Fund management fees	(10)	(126)
Fund operating costs	(7)	(84)
Net operating income before finance charges	134	1,665
Finance costs	(91)	(1,089)
Net profit attributable to equity holders	43	576
Less: straight line revenue adjustment	(12)	(125)
Distributable income pre-withholding tax	31	451
Distributable income post-withholding tax	31	451

Notes:

1. All revenue for the reporting periods shown is contracted and is based on lease agreements that will be in place on settlement.
2. The annual escalations embedded in the leases are approximately 3% on average. Escalations occur between October and January each year.
3. Distributions payable to unitholders attributable to the Acquisition are shielded from additional withholding tax in Australia as a result of interest expense on debt funding and depreciation allowances on the Acquisition.

1.9 Categorisation and cautionary

The Acquisition is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by unitholders.

Johannesburg
27 February 2014

REED STREET PROPERTY

1.1 Acquisition

Unitholders are advised that the Fund has entered into and settled a contract for sale with Long Service Leave Authority (ABN 25 517 393 480) (“**Vendor**”) to acquire the property located at 186 Reed Street, Greenway ACT 2900 (“**Property**”) (the “**Acquisition**”).

The effective date of the Acquisition is the settlement date under the contract for sale, which occurred simultaneously with signing the contract for sale on 15 May 2014.

There were no conditions precedent to the Acquisition.

1.2 Purchase consideration

The purchase consideration is AUD 25,805,000 which represents an annualised property yield of 7.84% (7.40% post all transaction costs) based on the net passing income at the date of the Acquisition.

The Fund is required to pay stamp duty of AUD 1,419,275 on the Acquisition.

The purchase consideration and all costs have been funded through the existing debt facility with Westpac Banking Corporation. The Fund will be geared to 26.8% following the Acquisition. The Responsible Entity has hedged 100% of the debt at an all in rate of 4.70% consistent with the Fund's stated hedging policy.

1.3 Rationale for the Acquisition

The Acquisition is consistent with the Fund's strategy of investing in high quality office assets that are well located in major metropolitan areas. The Responsible Entity is actively seeking opportunities to grow and diversify the Fund's asset base, enhance unitholder value and contribute to sustainable income growth. The Acquisition represents an attractive investment for the Fund as:

- (a) it is accretive based on the positive spread between the property yield and funding costs;
- (b) the income is underpinned by a lease to The Commonwealth of Australia with contracted annual growth of 3.50%;
- (c) the lease expires in February 2023 with two further four year options;
- (d) significant capital improvements have recently been completed to the Property; and
- (e) there is substantial depreciation which will provide a tax shield on distributions payable to unitholders.

The Property is an A-grade four level office building with 158 car parks located in Tuggeranong Town Centre in Australia's national capital city, Canberra. The Property is 100% leased to The Commonwealth of Australia (Department of Human Services) on a 10-year lease expiring in February 2023. There are two further four year options and the annual contracted growth is 3.50%. The Property has recently undergone a significant capital improvements programme with approximately AUD 7,000,000 expended by the Vendor and a further AUD 10,000,000 contributed by the tenant towards fit out.

1.4 Specific information relating to the Property

Details relating to the Property are set out below:

Registered description	Block 4 Section 6 Division of Greenway on Deposited Plan 7320 (Volume 1117 Folio 93)
Title	99 year Crown leasehold expiring in 2088
Location	Tuggeranong Town Centre, 25 km from the Canberra CBD
NLA	5,403 m ²
Car parks	158
Weighted average office rent per m ²	AUD 414 per annum (gross including outgoings)
Vacancy	0%

The Property has been valued at AUD 25,925,000 as at 30 April 2014 by Savills Valuations Pty Ltd (ABN 73 151 048 056). The valuer, Philip Harding, is an independent valuer and is a certified practicing valuer, a certified property practitioner, a fellow of the Australian Property Institute and a registered valuer in Queensland (#2257) and New South Wales (#VAL024036).

1.5 **Pro forma financial effects of the Acquisition**

The *pro forma* financial effects of the Acquisition on the Fund's net assets and net tangible assets per unit, based on the *pro forma* statement of financial position as disclosed in the pre-listing statement dated 25 September 2013, are not significant and have not been presented.

1.6 **Forecast information on the Property**

The forecasts have been prepared with effect from 1 June 2014 and include forecast results for the period ending 31 March 2015 and the year ending 31 March 2016.

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 have been prepared in accordance with the Fund's accounting policies and in compliance with IFRS.

	Forecast 10 months ending 31 March 2015 AUD'000	Forecast 12 months ending 31 March 2016 AUD'000
Revenue, including straight-line adjustment	2,264	2,717
Total property expenses	(325)	(400)
Net property income	1,939	2,317
Fund management fees	(129)	(155)
Fund operating costs	(86)	(103)
Net operating income before finance charges	1,724	2,059
Finance costs	(1,016)	(1,219)
Net profit attributable to equity holders	708	840
Less: straight line revenue adjustment	(255)	(224)
Distributable income pre-withholding tax	453	616
Distributable income post-withholding tax	453	616

Notes:

1. All revenue for the reporting periods shown is contracted and is based on the lease in place on settlement.
2. The annual escalation embedded in the lease is 3.50%.
3. Distributions payable to unitholders attributable to the Acquisition are shielded from additional withholding tax in Australia as a result of interest expense on debt funding and depreciation allowances on the Acquisition.

1.7 **Categorisation and cautionary**

The Acquisition is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by unitholders.

Johannesburg
15 May 2014

