



2016

INTERIM
RESULTS

**Investec Australia
Property Fund**

Out of the Ordinary®



Investec

Australia Property Fund

Highlights

Interim distribution

4.81 cpu pre WHT

GROWTH OF 6%

6% – 8%

**FULL YEAR GROWTH
GUIDANCE**

maintained

AUD89.3mn*

DEPLOYED IN H1

in a competitive market

2.1%

NAV PER UNIT GROWTH

driven by revaluation uplift

5.5 years*

LONG WALE

56% of leases expiring
after five years

98.1%*

OCCUPANCY RATE

leasing activity unlocking value

AUD601.2mn*

**GROWTH THROUGH
ACQUISITIONS AND
VALUATION UPLIFT**

3.53% all in funding rate[^]

**HISTORICALLY LOW
FUNDING RATES**

75% hedged for 8.2 years

* Includes acquisition of 324 Queen Street, Brisbane post balance sheet date for AUD 66.0mn which is due to settle on 1 December 2016.

[^] Includes AUD 55.0mn forward starting swap commencing on 1 December 2016.

All amounts are in Australian dollars unless otherwise stated.

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 September 2016

AUD'000	Reviewed 6 months to 30 September 2016	Reviewed 6 months to 30 September 2015	Audited 31 March 2016
Revenue, excluding straight-line rental revenue adjustment	23 972	17 209	37 663
Straight-line rental revenue adjustment	1 429	966	1 630
Revenue	25 401	18 175	39 293
Property expenses	(3 783)	(2 435)	(5 185)
Net property income	21 618	15 740	34 108
Fair value adjustments – investment property	10 015	(3 392)	20 488
Other operating expenses	(1 830)	(1 637)	(4 663)
Operating profit	29 803	10 711	49 933
Finance costs	(8 817)	(2 007)	(6 908)
Finance income	44	31	79
Profit on sale of investment property	–	–	116
Other income	–	6	264
Total profit and other comprehensive income for the period	21 030	8 741	43 484
Cents			
Basic and diluted earnings per unit	6.61	3.54	17.09
Basic and diluted headline earnings per unit	3.46	4.92	8.99

Condensed consolidated statement of financial position

As at 30 September 2016

AUD'000	Reviewed as at 30 September 2016	Audited as at 31 March 2016
Assets		
Non-current assets	535 205	493 850
Investment property	535 205	493 850
Current assets	5 343	3 073
Cash and cash equivalents	3 847	1 108
Trade and other receivables	1 496	1 965
Total assets	540 548	496 923
Equity and liabilities		
Unitholders' interest	350 017	332 487
Contributed equity	321 945	310 136
Retained earnings	28 072	22 351
Total unitholders' interest	350 017	332 487
Non-current liabilities	170 228	143 098
Long-term borrowings	163 077	141 671
Trade and other payables	477	477
Financial instruments held at fair value	6 674	950
Current liabilities	20 303	21 338
Trade and other payables	4 845	6 870
Distributions payable	15 458	14 468
Total equity and liabilities	540 548	496 923
Units in issue	322 359	312 541
Net asset value per unit (cents)	108.58	106.38

Condensed consolidated statement of cash flows

For the six months ended 30 September 2016

AUD'000	Reviewed 6 months to 30 September 2016	Reviewed 6 months to 30 September 2015	Audited year ended 31 March 2016
Cash flows from operating activities			
Cash generated from operations	16 827	15 133	29 260
Finance income received	44	31	344
Finance costs paid	(3 116)	(1 927)	(4 975)
Distributions paid to unitholders	(14 321)	(10 226)	(19 100)
Net cash flow from operating activities	(566)	3 011	5 529
Net cash flow used in investing activities	(29 911)	(41 794)	(129 443)
Net cash flow from financing activities	33 216	42 483	122 661
Net increase/(decrease) in cash and cash equivalents	2 739	3 700	(1 253)
Cash and cash equivalents at the beginning of the period	1 108	2 361	2 361
Cash and cash equivalents at the end of the period	3 847	6 061	1 108

Condensed consolidated statement of changes in equity

For the six months ended 30 September 2016

AUD'000	Reviewed 6 months to 30 September 2016	Reviewed 6 months to 30 September 2015	Audited year ended 31 March 2016
At the beginning of the period	332 487	248 704	248 704
Profit for the period	21 030	8 741	43 484
Total comprehensive income	21 030	8 741	43 484
Transactions with unitholders in their capacity as unitholders:			
Issue of ordinary units	12 010	–	65 960
Distributions paid/payable to unitholders	(15 510)	(11 193)	(25 661)
Balance at the end of the period	350 017	246 253	332 487

Condensed segmental information

For the six months ended 30 September 2016

AUD'000	Office	Industrial	Total
Condensed statement of profit or loss and other comprehensive income			
Revenue, excluding straight-line rental revenue adjustment	16 796	7 176	23 972
Straight-line rental revenue adjustment	936	493	1 429
Property expenses	(2 952)	(831)	(3 783)
Segment results	14 780	6 838	21 618
Acquisition cost and straight-line rental revenue adjustment	(7 584)	(451)	(8 035)
Net investment property revaluation	14 900	3 150	18 050
Total segment results	22 096	9 537	31 633
Other operating expenses			(1 830)
Net finance costs			(8 773)
Profit for the period			21 030
AUD'000			
Condensed statement of financial position extracts at 30 September 2016			
Investment property opening balance	336 250	157 600	493 850
Net additions, acquisitions and disposals	24 637	–	24 637
Capital expenditure	5 266	9	5 275
Straight-line rental revenue receivable	936	492	1 428
Fair value adjustments	7 316	2 699	10 015
Investment property at 30 September 2016	374 405	160 800	535 205
Other assets not managed on a segmental basis			5 343
Total assets at 30 September 2016			540 548
AUD'000			
For the six months to 30 September 2015			
Condensed statement of profit or loss and other comprehensive income			
Revenue, excluding straight-line rental revenue adjustment	11 872	5 337	17 209
Straight-line rental revenue adjustment	539	427	966
Property expenses	(1 771)	(664)	(2 435)
Segment results	10 640	5 100	15 740
Acquisition cost and straight-line rental revenue adjustment	(691)	(2 701)	(3 392)
Net investment property revaluation	–	–	–
Total segment results	9 949	2 399	12 348
Other operating expenses			(1 637)
Net finance costs			(1 976)
Other income			6
Profit for the period			8 741
AUD'000			
Condensed statement of financial position extracts at 30 September 2015			
Investment property opening balance	247 000	95 130	342 130
Net additions, acquisitions and disposals	2 152	39 594	41 746
Straight-line rental revenue receivable	539	427	966
Fair value adjustments	(691)	(2 701)	(3 392)
Investment property at 30 September 2015	249 000	132 450	381 450
Other assets not managed on a segmental basis			7 868
Total assets at 30 September 2015			389 318

Notes to the reviewed preliminary condensed consolidated financial results

For the six months ended 30 September 2016

AUD'000	Reviewed 6 months to 30 September 2016	Reviewed 6 months to 30 September 2015	Audited year ended 31 March 2016
1. Distribution reconciliation			
Profit and total comprehensive income for the period	21 030	8 741	43 484
<i>Less:</i> Straight-line rental revenue adjustment	(1 429)	(966)	(1 630)
<i>Add back:</i> Fair value adjustments – investment property	(10 015)	3 392	(20 488)
<i>Add back:</i> Fair value adjustments – derivatives	5 725	26	1 975
Antecedent distribution	199	–	2 320
Distribution pre withholding tax	15 510	11 193	25 661
Withholding tax to be paid/payable to the Australian Taxation Office	(547)	(661)	(609)
Final distribution post withholding tax	14 963	10 532	25 052
Number of units			
Units in issue at the end of the period	322 359	246 581	312 541
Weighted average number of units in issue for the period	318 121	246 581	254 437
Cents			
Distribution per unit (pre withholding tax)	4.81	4.54	9.17
Distribution per unit (post withholding tax)	4.64	4.27	8.92
2. Headline earnings reconciliation			
Profit and total comprehensive income for the period	21 030	8 741	43 484
<i>Add back:</i> Fair value adjustments – investment property	(10 015)	3 392	(20 488)
<i>Add back:</i> Profit on sale of investment property	–	–	(116)
Headline earnings	11 015	12 133	22 880
Basic and diluted earnings per unit	6.61	3.54	17.09
Basic and diluted headline earnings per unit	3.46	4.92	8.99

3. Financial instruments

Financial instruments held at fair value consist of interest rate swaps, which are classified as level 2 in the fair value hierarchy. These are valued using valuation models which use market observable inputs such as quoted interest rates. No other financial instruments are carried at fair value. Non-current long-term borrowings held at fair value amount to AUD 163.1mn.

Commentary

INTRODUCTION

Investec Australia Property Fund (“**Fund**”) is the first inward-listed Australian REIT on the JSE Limited (“**JSE**”). It is an income-producing fund that operates in a stable and developed market. As at the date of this announcement the Fund comprises 21 properties with a total gross lettable area of 195 407m²* and a portfolio value of AUD 601.2mn*.

The Fund aims to maximise sustainable returns to unitholders by investing in quality office, industrial and retail properties in Australia, giving unitholders exposure to the Australian real estate market and the Australian dollar.

MARKET COMMENTARY

Australia’s economy has proven to be resilient with economic growth trending above the long term average. Australian GDP grew by 3.3% over the 2015/16 financial year which is the fastest rate of growth in the last four years and Australia has now celebrated 25 years of positive economic growth. The official cash rate remains on hold at 1.5% with the RBA noting that the global economy is growing at a below average pace. Inflation remains below the target range of 2-3% with subdued wage growth, falling energy and fuel costs and food deflation resulting in weak CPI data. The decline in the mining sector has been offset by growth in other areas with positive white collar employment figures showing positive trends although there is a strong variation between the States.

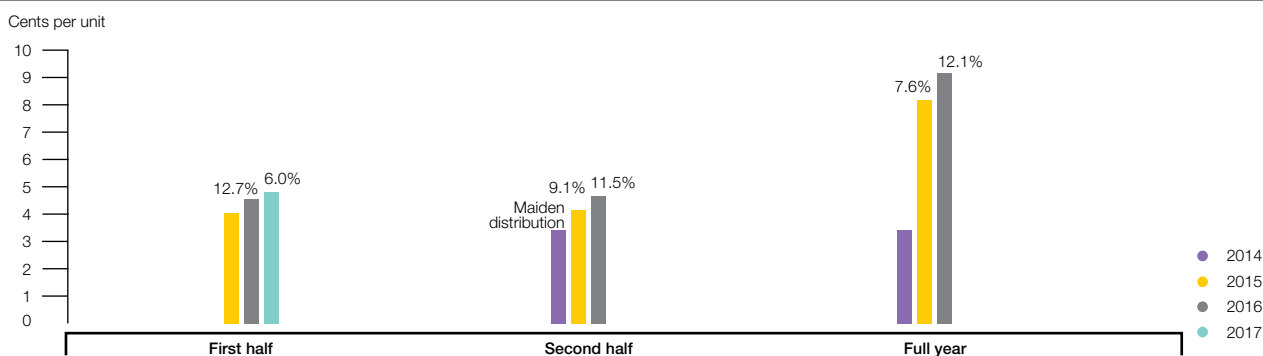
The economy has created in 163 000 jobs in the year to September 2016. In line with the recent bounce in commodity prices the AUD rebounded in September gaining 1.54% to close at USD 0.763 along with the expectation that the RBA will hold rates for the foreseeable future.

In the commercial real estate market there was limited stock on the market in the first half of the year. There has however been a strong increase in investment activity in Q3 with commercial transactions in Australia at a similar level to last years’ volume at over \$20bn. The increased volume in Q3 was dominated by foreign capital which accounted for 55% of the total investment. Capital flows from China and Singapore accounted for over 60% of the foreign capital. There continue to be new sources of capital emerging for assets across the eastern seaboard. The tight availability of investment stock in the CBD’s has pushed investors to look at alternative locations in the metropolitan areas. The strong foreign investor demand has seen an accelerating cap rate compression in the eastern states.

FINANCIAL RESULTS

The board of directors of Investec Property Limited (“**IPL**”), the Responsible Entity of the Fund, is pleased to announce an interim distribution of 4.81 cents per unit pre withholding tax (“**WHT**”) and 4.64 cents per unit post WHT for the six months to 30 September 2016 (30 September 2015: 4.54 cents per unit pre WHT and 4.27 cpu post WHT). This represents growth of 6.0% pre WHT and 8.7% post WHT for the half year achieved as a result of the accretive acquisitions made during the period, fixed rental escalations built into leases, and successful letting of vacant space acquired at properties such as 266 King Street, Newcastle. Guidance for the full year is maintained in the range of 6.0% to 8.0% pre WHT.

Distribution growth



The continued performance of the Fund translates into a total return of 85.2%** since listing which supports the case for investing in good quality real estate in a developed market where returns are derived in a hard currency.

* Includes acquisition of 324 Queen Street, Brisbane post balance sheet date for AUD 66.0mn which is due to settle on 1 December 2016.

** Post WHT based on a spot rate of 10.4150 for the HY distribution and a unit price at 30 September of 14.96.

The financial result is the outcome of the Fund's successful implementation of the strategy outlined at listing, subsequently adjusted to take account of market considerations, namely:

- achieving capital growth through active property management and valuation uplift (see the section below entitled "Properties");
- diversifying the Fund's asset base (see the section below entitled "Asset diversification");
- active capital and risk management, including diversification of the Fund's debt funding sources (see the section below entitled "Capital and risk management"); and
- maximising property performance and capital value through active asset management and leasing (see the section below entitled "Leasing activity").

PROPERTIES

STRATEGY

The Fund's strategy since listing has been to acquire quality properties that are well located with long lease expiries, limited or no short term capital expenditure, contracted rental growth and sustainable income supported by good quality tenant covenants. This strategy has resulted in the Fund acquiring a stable base portfolio which has delivered sustained distribution growth coupled with valuation uplift.

However, the investment market in Australia remains competitive with a significant amount of domestic and offshore capital chasing a limited number of investment opportunities. As a result of this, the Fund has previously indicated that it is willing to acquire properties with manageable risk, such as vacancy and/or capital expenditure requirements. The Fund has been able to implement this strategy with immediate success. For example, 21-23 Solent Circuit, Baulkham Hills was acquired in March 2015 on an initial passing yield of 7.77% with 15% vacancy. The Fund has subsequently leased the vacant space and the property is now yielding 9.98%. Similarly, 266 King Street, Newcastle was acquired in February 2016 on an initial passing yield of 8.21% with 26% vacancy and a capital works program to be completed. The capital works program has now been completed, the property is virtually fully let and the property is now yielding 9.18%.

The Fund's most recent acquisitions of 113 Wicks Road, Macquarie Park and 324 Queen Street, Brisbane are a continuation of this strategy. 113 Wicks Road, Macquarie Park is a quality property delivering a 7.0% initial yield with a potential for a re-zoning to mixed use which will result in a higher and better use and a corresponding valuation uplift. 324 Queen Street, Brisbane has 20% vacancy and the Fund has identified a number of opportunities to enhance yield and add value through active asset management. These include leasing up the vacant space, enhancing the building entrance and retail offering, reducing outgoings and monetising signage rights.

ACQUISITIONS

Property name	Geography	Effective date	Sector	Value (AUD'000)	GLA (m ²)	Yield (%)	WALE (years)
113 Wicks Road, Macquarie Park	Sydney, NSW	1/07/2016	Office	23 255	6 195	7.0	4.2
324 Queen Street, Brisbane	Brisbane, QLD	1/12/2016	Office	66 000	19 611	7.2	3.2

VALUATION

The Fund's policy is to perform independent external valuations on a rotational basis to ensure each property is valued at least every two years by an independent external valuer (in compliance with the Fund's debt facilities). At other times where directors' valuations are performed, the valuation methods include using the discounted cash flow model and the capitalisation model.

During the period, independent external valuations were carried out on five properties, resulting in valuation uplift in respect of those properties of 7.7%. For all other properties, advice letters were obtained from independent external valuers to support directors' valuations. In aggregate, revaluations contributed AUD 18.1mn to the increase in the value of the portfolio.

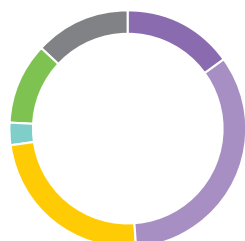
A fair value adjustment has been recorded in respect of the properties acquired during the period. This represents the write-off of the transaction costs associated with the acquisitions, which primarily comprise stamp duty.

ASSET DIVERSIFICATION

GEOGRAPHIC SPREAD

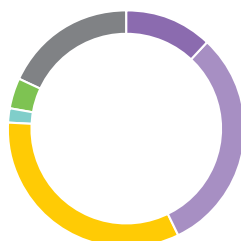
During the period, the Fund acquired 113 Wicks Road, Macquarie Park thereby increasing the Fund's exposure to New South Wales which continues to be Australia's largest and best performing economy. Post the balance sheet date, the Fund acquired 324 Queen Street, Brisbane. Whilst the Queensland economy has felt the effects of a slow down in the resources sector, which in turn has impacted the commercial property market, there are positive signs beginning to emerge in that market such as positive net absorption, decreasing vacancy and an increase in effective rents.

Geographic spread by GLA (%)*



ACT	15%
NSW	34%
QLD	24%
SA	3%
WA	11%
VIC	13%

Geographic spread by revenue (%)*

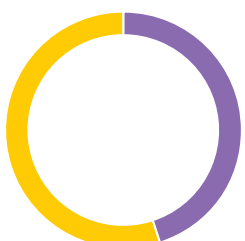


ACT	12%
NSW	31%
QLD	33%
SA	2%
WA	4%
VIC	18%

SECTORAL SPREAD

The acquisition of 324 Queen Street, Brisbane has resulted in the Fund's exposure to the office sector increasing. However, given the strong performance of industries such as financial services, technology, education, tourism and administrative services and the corresponding growth in white collar employment, this rebalancing of the portfolio is seen as positive.

Sectoral spread by GLA (%)*



Office	45%
Industrial	55%

Sectoral spread by revenue (%)*



Office	73%
Industrial	27%

CAPITAL AND RISK MANAGEMENT

The Fund's gearing ratio will be 38.9%* as a result of the acquisition of 324 Queen Street, Brisbane. The Fund's average gearing during the period was 30.4% (30 September 2016: 30.5%). The Fund's long-term strategy is to maintain a gearing ratio of between 35% and 40%, however, the Fund will manage gearing levels to take advantage of attractive acquisition opportunities. The weighted average maturity date of the Fund's debt is 4.1 years and the Fund has fixed 75%** of its interest rate exposure for a weighted average term of 8.2** years at a rate of 3.72%. As at the date of this announcement the floating rate on the balance of the Fund's borrowings is 2.97%. The Fund's all in cost of funding is currently 3.53%**.

During the period, the Fund added Australia and New Zealand Banking Group Limited ("**ANZ**") to the bank funding syndicate. ANZ has funded (or agreed to fund) the acquisition of both 113 Wicks Road, Macquarie Park and 324 Queen Street, Brisbane. Post the acquisition of 324 Queen Street, Brisbane ANZ will have funded 35.1% of the Fund's long term borrowing and Westpac Banking Corporation ("**WBC**") will have funded 64.9%. The Fund has already seen the benefit of this diversification through pricing tension.

* Includes acquisition of 324 Queen Street, Brisbane post balance sheet date for AUD 66.0mn which is due to settle on 1 December 2016.

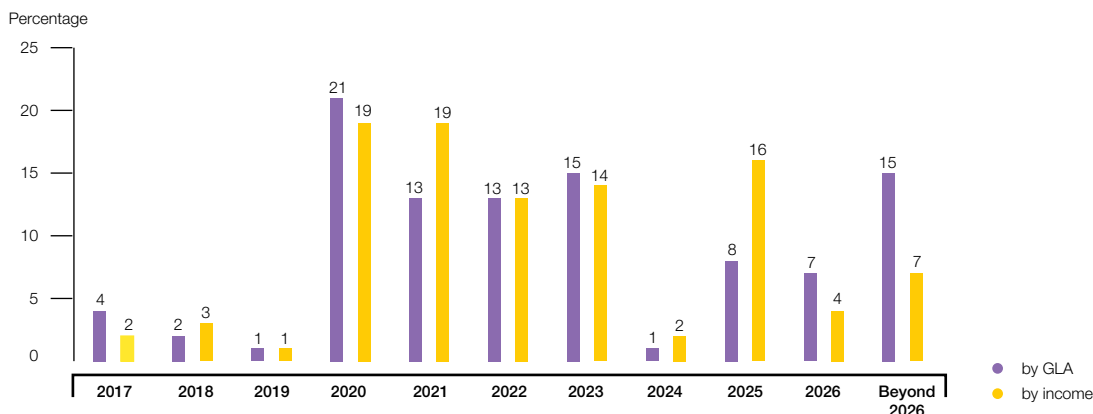
** Includes AUD 55.0mn forward starting swap commencing 1 December 2016.

During the period, the Fund diversified its swap book, adding exposure to Investec Bank plc. Investec Bank plc holds 65.1%** of the swap book with WBC holding 34.9%. Again, this has provided immediate benefits to the Fund in terms of pricing tension.

LEASING ACTIVITY

The portfolio will be 98.1%* occupied post the acquisition of 324 Queen Street, Brisbane. Excluding 324 Queen Street, Brisbane the portfolio is 100% occupied. The Fund's lease expiry profile remains strong with a weighted average lease expiry of 5.5 years by income and 56% of leases expiring after five years*. The Fund therefore continues to provide investors with long term sustainable income.

Lease expiry profile



Replacement leases/renewals

	GLA	Weighted average new rental	Weighted average reversion	Weighted average WALE	Weighted average escalation	Weighted average incentive
Office	1,645	\$599	(2.0%)	6.0	3.00%	19.4%
Industrial	7,079	\$114	2.0%	5.0	4.00%	0.0%

Letting of acquired vacancy

	GLA	Weighted average new rental	Weighted average reversion	Weighted average WALE	Weighted average escalation	Weighted average incentive
Office	3,484	\$368	0.6%	5.1	3.27%	29.3%
Total	12,208		1.1%	5.2	3.66%	11.0%

Notes:

1. Replacement leases relate to the replacement of vendor leases at 757 Ann Street, Fortitude Valley.
2. Renewals relate to the exercise of an option by the tenant at 57 Sawmill Circuit, Hume.
3. Letting of acquired vacancy relates to new leases at 266 King Street, Newcastle.

Whilst each market and sector is different, indications are that the market generally is turning in favour of landlords with many markets and sectors recording a decrease in vacancy rates and incentives and the supply and demand equation looking much more balanced.

* Includes acquisition of 324 Queen Street, Brisbane post balance sheet date for AUD 66.0mn which is due to settle on 1 December 2016.

** Includes AUD 55.0mn forward starting swap commencing on 1 December 2016.

During the period, the Fund successfully completed the following leasing transactions:

AUSTRALIAN REIT STRUCTURE

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

UNITHOLDERS

At 30 September 2016, Investec Property Fund Limited and Investec Bank Limited are the only unitholders holding in excess of 5% of the Fund's total issued units, holding 12.40% and 16.63% respectively.

Number of units in issue	322 359 497
Number of unitholders	4 328

CHANGES TO THE BOARD

There have been no changes to the board of IPL during the period.

PROSPECTS

The H1 2017 result reflects the performance of the Fund's underlying portfolio and the successful implementation of the value add strategy. The Fund is well positioned to deliver long term sustainable income and capital growth to investors through the acquisition and efficient management of quality properties and the conservative capital and risk management.

Distribution growth guidance for the full year is maintained at 6% to 8% as previously indicated provided there are no material changes to the underlying portfolio or other events that could impact growth.

The information and opinions contained above are recorded and expressed in good faith and are based upon sources believed to be reliable. No representation, warranty, undertaking or guarantee of whatever nature is made or given concerning the accuracy and/or completeness of such information and/or the correctness of such opinions.

Any reference to future financial information included in this announcement has not been reviewed or reported on by the Fund's independent auditors.

On behalf of the board of Investec Property Limited as Responsible Entity for Investec Australia Property Fund.



Richard Longes
Chairman

16 November 2016



Graeme Katz
Chief Executive Officer

BASIS OF ACCOUNTING

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

REVIEW CONCLUSION

These interim condensed consolidated financial results for the period ended 30 September 2016 have been reviewed by KPMG Inc, who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at IPL's registered office.

The auditor's report does not necessarily report on all of the information contained in these financial results. Unitholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from IPL's registered office.

INTERIM DISTRIBUTION WITH THE ELECTION TO REINVEST THE CASH DISTRIBUTION FOR UNITS

Notice is hereby given of an interim distribution declaration number 6 of:

- 4.81137 AUD cents per unit pre WHT
- 4.64164 AUD cents per unit post WHT

for the six months ended 30 September 2016. Withholding tax of 0.16973 Australian cents per unit will be withheld from the distribution paid to non-Australian unitholders. This is regarded as a foreign distribution for South African unitholders.

Unitholders have been provided with the election to re-invest the South African Rand ("**Rand**") equivalent of the cash distribution of 4.64164 Australian cents per unit ("**Cash Distribution**") in return for units ("**Re-Investment Alternative Units**"). Unitholders will be entitled, in respect of all or part of their unitholding, to elect to receive Re-Investment Alternative Units, failing which they will receive the Cash Distribution, converted to Rand at the spot exchange rate on the day prior to the finalisation date, which will be paid to those unitholders not electing to receive the Re-Investment Alternative Units.

The number of Re-Investment Alternative Units to which unitholders are entitled will be determined with reference to the ratio that the post withholding tax Cash Distribution bears to the ratio price (being the five-day volume weighted average traded price (ex-distribution) of units on the JSE prior to the finalisation date). The price and exchange rate for conversion of the Cash Distribution to Rand will be announced on the finalisation date, which will be no later than Tuesday, 29 November 2016.

Unitholders who have dematerialised their units are required to notify their duly appointed Central Securities Depository Participant ("**CSDP**") or broker of their election in the manner and time stipulated in the custody agreement governing the relationship between the unitholder and their CSDP or broker.

In terms of the listings requirements of the JSE Limited, the following additional information is disclosed:

- The Cash Distribution portion has been declared from the Fund's reserves.
- As at the date of this announcement, the Fund has 322 359 497 ordinary units of no par value each in issue

A circular to unitholders in respect of the election being offered to unitholders to receive either the Cash Distribution or the Re-Investment Alternative Units, together with a form of election, will be posted to unitholders today, Wednesday, 16 November 2016 and will also be available from today on the Fund's website at www.investecaustraliapropertyfund.co.za

FRACTIONS

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

FOREIGN UNITHOLDERS

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

TAX IMPLICATIONS

The Fund and its management arrangements are structured to meet the required criteria to be classified as a Managed Investment Trust for Australian tax purposes. As a Managed Investment Trust, the responsible entity will be required to withhold tax in Australia at a concessional rate of 15% on distributions to individual and institutional unitholders in South Africa. However, the effect of this tax on the Fund's distribution for the period from 1 April 2016 to 30 September 2016 has been reduced to 3.57348%, equivalent to 0.16973 Australian cents per unit, through certain deductions such as depreciation. Thus, withholding tax of 0.16973 Australian cents per unit will be withheld from the distribution accruing to unitholders and will be paid to the Australian Taxation Office.

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

A worked example illustrating the impact for individual and institutional unitholders will be announced as part of the finalisation information on SENS on the finalisation date.

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

SALIENT DATES AND TIMES

A summary of the salient dates relating to the Cash Distribution and election to receive Re-Investment Alternative Units is as follows:

2016

Circular and form of election sent to unitholders	Wednesday, 16 November
Announcement of Re-Investment Alternative Units issue price and finalisation information (including exchange rate to convert the Cash Distribution to Rand) (" Finalisation Date ")	Tuesday, 29 November
Last day to trade (" LDT ") cum distribution	Tuesday, 6 December
Units to trade ex-distribution	Wednesday, 7 December
Listing of maximum possible number of Re-Investment Alternative Units commences on the JSE	Friday, 9 December
Last day to elect to receive Re-Investment Alternative Units (no late forms of election will be accepted) at 12:00 (South African time)	Friday, 9 December
Record date	Friday, 9 December
Announcement of results of Cash Distribution and Re-Investment Alternative Units on SENS	Monday, 12 December
Cheques posted to certified unitholders and accounts credited by CSDP or broker dematerialised unitholders electing the Cash Distribution on or about	Monday, 12 December
Unit certificates posted to certificated unitholders and accounts credited by CSDP or broker to dematerialised unitholders electing to receive Re-Investment Alternative Units on or about	Wednesday, 14 December
Adjustment to units listed on or about	Monday, 19 December

Notes:

1. Unitholders electing to receive Re-Investment Alternative Units are requested to note that the Re-Investment Alternative Units will be listed on LDT + 3 as the settlement of the Re-Investment Alternative Units will occur three days after record date, which differs from the conventional one day after record date settlement process.
2. Units may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 7 December 2016 and close of trade on Friday, 9 December 2016.

By order of the board

Investec Property Limited
Company Secretary

16 November 2016

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 RESPONSIBLE ENTITY

Richard Longes[#] (Non-executive chairman)
Stephen Koseff (Non-executive)
Graeme Katz (Executive)
Samuel Leon (Non-executive)
Sally Herman[#] (Non-executive)
Hugh Martin[#] (Non-executive)
[#] *Independent*

DIRECTORS OF THE MANAGER

Graeme Katz (Executive)
Zach McHerron (Executive)
Kristie Lenton (Executive)
Samuel Leon (Non-executive)

INVESTEC AUSTRALIA PROPERTY FUND

Registered in Australia in terms of ASIC (ARSN 162 067 736)
Registered in terms of the Collective Investment Schemes
Control Act No. 45 of 2003
Share code: IAP
ISIN: AU60INL00018

COMPANY SECRETARY OF THE RESPONSIBLE ENTITY

Paul Lam-Po-Tang (BCom, LLB)

REGISTERED OFFICE AND 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
100 Grayston Drive
Sandown
Sandton
2196

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

MANAGER

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

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)
Phone: +27 11 370 5159

SPONSOR

The Corporate Finance division of Investec Bank Limited
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

CUSTODIAN

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

