

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

### Important information

1. The definitions commencing on page 6 of this Circular have, where appropriate, been used on this cover page.
2. This Circular is important and should be read in its entirety, with particular attention to the section entitled "Important information for Unitholders and action required by Unitholders" which commences on page 3 of this Circular.
3. If you have disposed of all your Units, you should forward this Circular, together with the enclosed form of proxy, to the purchaser to whom, or the broker, CSDP or other agent through whom, you disposed of your Units.
4. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor.
5. Neither IAPF nor the Responsible Entity accept any responsibility, and will not be held liable, for any action of, or omission by, any broker or CSDP including, without limitation, any failure on the part of the broker or CSDP of any beneficial owner of Units to notify such beneficial owner of the details set out in this Circular.

*Out of the Ordinary*<sup>®</sup>



Australia Property Fund

## INVESTEC AUSTRALIA PROPERTY FUND

Registered in terms of the CIS Act

Registered as a Managed Investment Scheme (ARSN 162 067 736)

(Unit code on the JSE: IAP ISIN: AU60INL00018)

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

("IAPF" or "the Fund")

## CIRCULAR TO UNITHOLDERS

Relating to the Resolutions for the approval of:

- **amendments to the Management Agreement;**
- **the Specific Issue of Units for Cash; and**
- **amendments to the Constitution.**

Enclosing:

- **Frequently Asked Questions;**
- **Independent Expert's Fairness Opinion;**
- **extracts from the Management Agreement, showing the proposed amendments;**
- **extracts from the Constitution, showing the proposed amendments;**
- **a notice convening a General Meeting; and**
- **a form of proxy to attend and vote at the General Meeting (for use by Certificated Unitholders and Dematerialised Unitholders with "own name" registration only).**

Financial Advisor and Sponsor



Australian Legal Advisor



South African Legal Advisor



**Date of issue: Monday, 6 August 2018**

Copies of this Circular, which are available in English only, may be obtained at the Responsible Entity's registered office in Australia and local representative office in South Africa during normal business hours from 09:00 until 17:00, on business days, from Monday, 6 August 2018 until Wednesday, 5 September 2018 and is also available on the IAPF website at [www.iapf.com.au](http://www.iapf.com.au). The Australian and South African addresses of the Responsible Entity are set out in the "Corporate Information" section on the inside front cover of this Circular.

Unless otherwise indicated, all dates and times referred to in this Circular are local dates and times in South Africa.

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## CORPORATE INFORMATION

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### Company Secretary of the Responsible Entity

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

### Registered office and postal address of the Responsible Entity

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

### Local representative office in South Africa:

2nd Floor  
100 Grayston Drive  
Sandown  
Sandton  
2196  
South Africa  
(PO Box 785700, Sandton, 2146)

### 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

### Date of establishment of the Fund

Fund established on 12 December 2012 in Sydney, Australia. Registered as a Managed Investment Scheme with ASIC under the Australian 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 CIS Act.

### Financial Advisor and Sponsor

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

### Manager

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

### Australian Legal Advisor

King & Wood Mallesons  
Level 61, Governor Phillip Tower  
1 Farrer Place  
Sydney  
New South Wales  
2000  
Australia

### South African Legal Advisor

Cliffe Dekker Hofmeyr Inc.  
11 Buitengracht Street  
Cape Town  
Western Cape  
8001  
South Africa  
(PO Box 695, Cape Town, 8000)

**Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg  
2196  
South Africa  
(PO Box 61051, Marshalltown, 2107)

**Website**

[www.iapf.com.au](http://www.iapf.com.au)

**Corporate Advisors**

Macquarie Capital (Australia) Limited  
50 Martin Place  
Sydney  
New South Wales  
2000  
Australia

J.P. Morgan Australia Limited  
Level 18, J.P. Morgan House  
85 Castlereagh Street  
Sydney  
New South Wales  
2000  
Australia

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<b>Form of proxy (blue) (for use by Certificated Unitholders and "own name" Dematerialised Unitholders only)</b>	Attached

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## **IMPORTANT INFORMATION FOR UNITHOLDERS AND ACTION REQUIRED BY UNITHOLDERS**

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### **Defined terms**

The definitions and interpretations commencing on page 6 of this Circular have, where appropriate, been used in this section.

### **Action required**

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

This Circular contains information relating to a number of Resolutions to facilitate the ASX Listing Proposal, namely:

- amendments to the Management Agreement;
- a proposed capital raising (the Specific Issue of Units for Cash) to be undertaken in conjunction with the ASX Listing of the Fund under the ASX Listing Proposal; and
- amendments to the Constitution.

You should read this Circular carefully and decide how you wish to vote on the Resolutions.

Your vote is important and the Responsible Entity urges you to exercise your voting entitlement in respect of each of the Resolutions. See details on how to vote below.

If you are in any doubt as to what actions to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Units, you should forward this Circular, together with the enclosed form of proxy, to the purchaser to whom, or to the broker, CSDP, or other agent through whom, you disposed of your Units.

### **THE GENERAL MEETING**

The General Meeting will be held on Wednesday, 5 September 2018 at:

- 17:30 (Sydney time) in Boardroom, Investec Australia, Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia; and
- 09:30 (Johannesburg time) in 2nd Floor, Executive Boardroom, Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, South Africa,

for purposes of considering and, if deemed fit, passing the Resolutions.

### **DEMATERIALIZED UNITHOLDERS WHO ARE NOT OWN-NAME DEMATERIALIZED UNITHOLDERS**

Your broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.

If you have not been contacted by your broker or CSDP, it is advisable for you to contact your broker or CSDP and furnish it with your voting instructions.

If your broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your broker or CSDP.

You must not complete the attached form of proxy.

In accordance with the mandate between you and your broker or CSDP, you must advise your broker or CSDP if you wish to attend the General Meeting and if so, your broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.

## **CERTIFICATED UNITHOLDERS AND DEMATERIALISED UNITHOLDERS WHO ARE OWN-NAME DEMATERIALISED UNITHOLDERS**

You may attend the General Meeting in person and may vote at the General Meeting.

Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions contained therein and returning it to the Transfer Secretaries, to be received by them, for administrative purposes, by no later than 17:30 (Sydney time)/09:30 (Johannesburg time) on Monday, 3 September 2018 (or alternatively to be handed to the chair of the General Meeting prior to its commencement).

## **DEMATERIALISATION**

If you wish to Dematerialise your Units, please contact your broker or CSDP.

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## SALIENT DATES AND TIMES

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**2018**

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Record date to be entitled to receive this Circular incorporating the Notice of General Meeting	Friday, 27 July
Circular and Notice of General Meeting posted to Unitholders and announced on SENS	Monday, 6 August
Last day to trade in order to participate in and vote at the General Meeting	Tuesday, 21 August
Record date to participate in and vote at the General Meeting	09:30 on Friday, 24 August
Last day to lodge forms of proxy for the General Meeting	09:30 on Monday, 3 September
Holding of General Meeting	09:30 on Wednesday, 5 September
Results of the General Meeting released on SENS	Wednesday, 5 September
Results of the General Meeting published in the press	Thursday, 6 September

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**Notes:**

1. All dates and times referred to in this Circular are local times in South Africa, unless otherwise indicated. Any variation of the above dates and times will be approved by the JSE and released on SENS.
2. Unitholders are referred to page 3 of this Circular for information on the action required to be taken by them.

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## DEFINITIONS AND INTERPRETATIONS

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In this 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 person.

“ACN”	Australian Company Number;
“AFFO”	adjusted funds from operations, calculated in line with the Property Council Guidelines, being FFO adjusted for maintenance capex, cash and cash equivalent incentives (including rent free incentives) given to tenants during the period and other one off items which have not been adjusted in determining FFO;
“AFSL”	Australian Financial Services Licence;
“AMIT Regime”	the regime for the taxation of Attribution MIT's;
“Ancillary Resolution”	the proposed resolution to approve the amendments to the Constitution set out in Part B of <b>Annexure 6</b> of this Circular, being amendments required to facilitate the ASX Listing Proposal or any other future listing of the Fund on the ASX, and amendments which are intended to modernise the Constitution, including to facilitate reliance by the Responsible Entity on ASIC Class Order I3/655;
“ARSN”	Australian Registered Scheme Number;
“ASIC”	the Australian Securities and Investments Commission;
“ASIC Class Order I3/655”	the ASIC instrument known as ASIC Class Order CO I3/655 and as currently in force;
“Associates”	means generally an associate as defined in terms of the JSE Listings Requirements, but when used in relation to a reference to the Constitution, the Management Agreement or the Australian Corporations Act means an “associate” as defined in the Constitution, the Management Agreement or the Australian Corporations Act (as applicable);
“ASX”	ASX Limited (ACN 008 624 691), a company incorporated in Australia, and, where applicable, the Australian securities exchange operated by ASX Limited;
“ASX Listing”	the listing of the Fund on the ASX and the official quotation of the Units by ASX, and “ <b>ASX Listed</b> ” has a corresponding meaning;
“ASX Listing Proposal”	an ASX Listing and the Specific Issue of Units for Cash undertaken pursuant to the ASX Listing Resolutions as described in this Circular, resulting in the Fund having a dual primary listing on the ASX and the JSE;
“ASX Listing Resolutions”	the Management Agreement Resolution and the Specific Issue Resolutions, each being inter conditional resolutions to be considered at the General Meeting;
“ASX Listing Rules”	the listing rules of ASX, and other rules of ASX which are applicable to the Fund while the Fund is ASX Listed, as amended and replaced from time to time;
“Attribution MIT”	as defined in section 276-10 of the Australian Income Tax Assessment Act, 1997 (Cth);
“AUD”	Australian Dollar, being the lawful currency of Australia;
“Australia”	the Commonwealth of Australia;
“Australian Corporations Act”	the Corporations Act, 2001 (Cth) of Australia, as amended from time to time;
“Australian Legal Advisor”	King & Wood Mallesons;
“Australian Register”	the register of Unitholders maintained by, or on behalf of, the Responsible Entity in Australia, which is a sub-register of the Register;
“Board”	refers to the board of directors of the Responsible Entity, as further detailed in <b>Annexure 4</b> of this Circular;
“Business Day”	a day other than a Saturday or Sunday on which banks are open for general business in Sydney and Johannesburg;



<b>“Certificated Unitholders”</b>	Unitholders who have not Dematerialised their Unit certificates in the Fund in terms of Strate and hold Certificated Units;
<b>“Certificated Units”</b>	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;
<b>“Circular”</b>	this bound circular, dated Monday, 6 August 2018, including all annexures and attachments hereto;
<b>“CIS Act”</b>	the Collective Investment Schemes Control Act, No. 45 of 2002 of South Africa, as amended from time to time;
<b>“Collective Investment Scheme”</b>	means a collective investment scheme as defined in section 1 of the CIS Act;
<b>“Constitution”</b>	the constitution (otherwise known as the trust deed) of the Fund dated 12 December 2012, as amended from time to time;
<b>“Corporate Advisors”</b>	Macquarie Capital (Australia) Limited (ACN 123 199 548) and J.P. Morgan Australia Limited (ACN 002 888 011), each being a company incorporated in Australia;
<b>“CSDP”</b>	Central Securities Depository Participant;
<b>“Dematerialise”</b> or <b>“Dematerialisation”</b>	the process whereby Certificated Units are replaced by electronic records of ownership under Strate and recorded in the Register;
<b>“Dematerialised Unitholders”</b>	Unitholders who hold Dematerialised Units;
<b>“Dematerialised Units”</b>	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;
<b>“Director”</b>	a director of the Board;
<b>“Disclosure Document”</b>	an Australian disclosure document to be lodged with ASIC and ASX in connection with the proposed ASX Listing, which will also constitute the offering document in Australia for the Specific Issue of Units for Cash;
<b>“FAQs”</b>	the frequently asked questions set out in <b>Annexure I</b> of this Circular;
<b>“Ferbros Nominees”</b>	Ferbros Nominees (Pty) Ltd (Registration number 1946/023363/07), a private company duly incorporated in accordance with the laws of South Africa and an indirect, wholly-owned subsidiary of Investec Limited;
<b>“FFO”</b>	funds from operations calculated in accordance with the Property Council Guidelines, determined by adjusting statutory net profit (under AIFRS) for non-cash and other items such as property revaluations, derivative mark-to-market impacts, amortisation of tenant incentives, gain/loss on sale of investment properties, straight-line rent adjustments, non-FFO tax expenses/benefits and other unrealised one off items;
<b>“Financial Advisor”</b> and <b>“Sponsor”</b>	Investec Corporate Finance, a division of Investec Bank Limited;
<b>“General Meeting”</b>	the extraordinary general meeting of Unitholders as contemplated by the Notice of General Meeting, to be held on Wednesday, 5 September 2018 at 17:30 (Sydney time) and 09:30 (Johannesburg time) at the offices of Investec Australia (Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia) and Investec Bank Limited (100 Grayston Drive, Sandown, Sandton) respectively, to consider and, if deemed fit, approve the Resolutions;
<b>“IAM”</b>	Investec Asset Management Holdings (Pty) Limited (Registration number 1997/000445/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Investec Limited;
<b>“Independent Board Committee”</b>	a sub-committee of the Board comprising only the independent non-executive Directors;
<b>“Independent Expert”</b>	BDO Corporate Finance (Pty) Ltd (Registration number 1983/002903/07), a private company duly incorporated in accordance with the laws of South Africa;

<b>“Independent Expert’s Fairness Opinion”</b>	<p>the opinions prepared and issued by the Independent Expert in respect of:</p> <ul style="list-style-type: none"> <li>• the fairness of the terms and conditions of the proposed amendments to the Management Agreement pursuant to paragraph 10.4 of the JSE Listings Requirements;</li> <li>• the fairness of the Specific Issue of Units for Cash pursuant to paragraph 5.51(f) of the JSE Listings Requirements; and</li> <li>• whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are reasonable in the circumstances as if the Responsible Entity and the relevant related parties were dealing at arm’s length, </li></ul>
<b>“Investec Australia”</b>	<p>for inclusion in this Circular, a copy of which is attached as <b>Annexure 2</b>;</p> <p>Investec Australia Limited (ACN 140 381 184), a company incorporated in Australia and an indirect, wholly-owned subsidiary of Investec Plc;</p>
<b>“Investec Australia Property Fund”, “IAPF” or “the Fund”</b>	<p>Investec Australia Property Fund (ARSN 162 067 736), duly registered as a Managed Investment Scheme; also recognised as a foreign Collective Investment Scheme and authorised to solicit investments in the Fund from members of the public in South Africa in terms of section 65 of the CIS Act;</p>
<b>“Investec Bank Limited”</b>	<p>Investec Bank Limited (Registration number 1969/004763/06), a public company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Investec Limited;</p>
<b>“Investec Group”</b>	<p>Investec Limited and Investec Plc, being the head entities of the dual listed companies structure comprising the Investec Group, and each of their subsidiaries;</p>
<b>“Investec Group Entities”</b>	<p>each of the following companies and, as the context requires, any other Investec Group entity:</p> <ul style="list-style-type: none"> <li>• Investec Bank Limited;</li> <li>• Investec Property Fund;</li> <li>• IWI; and</li> <li>• IAM;</li> </ul>
<b>“Investec Limited”</b>	<p>Investec Limited (Registration number 1925/002833/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the JSE, with secondary listings on the Botswana Stock Exchange and the Namibian Stock Exchange;</p>
<b>“Investec Plc”</b>	<p>Investec plc (Registration number 3633621), a company registered in England and Wales and listed on the London Stock Exchange with a secondary listing on the JSE;</p>
<b>“Investec Property” or the “Responsible Entity”</b>	<p>Investec Property Limited (ACN 071 514 246 with AFSL 290 909), a company incorporated in Australia, and an indirect, wholly-owned subsidiary of Investec Plc;</p>
<b>“Investec Property Fund” or “IPF”</b>	<p>Investec Property Fund Limited (Registration number 2008/011366/06), a public company duly incorporated in accordance with the laws of South Africa, which is listed on the JSE as a REIT;</p>
<b>“Investec Property Management” or the “Manager”</b>	<p>Investec Property Management Pty Limited (ACN 161 587 391), a company incorporated in Australia and an indirect, wholly-owned subsidiary of Investec Plc, which has been contracted under the Management Agreement to provide certain asset management and property management services to the Fund;</p>
<b>“IWI”</b>	<p>Investec Wealth and Investment Management (Pty) Limited (Registration number 2013/001592/07), a private company duly incorporated in accordance with the laws of South Africa and an indirect, wholly-owned subsidiary of Investec Limited;</p>
<b>“JSE”</b>	<p>JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and, where applicable, the exchange operated by JSE Limited in accordance with its licence under the Financial Markets Act, No. 19 of 2012 of South Africa, as amended, from time to time;</p>

<b>“JSE Listings Requirements”</b>	the Listings Requirements of the JSE, as amended from time to time;
<b>“KPMG”</b>	KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Ltd), a company incorporated in Australia;
<b>“Last Practicable Date”</b>	Friday, 27 July 2018, being the last practicable day prior to finalisation of this Circular;
<b>“Managed Investment Scheme”</b>	a managed investment scheme that has been registered by ASIC as a managed investment scheme under chapter 5C of the Australian Corporations Act;
<b>“Management Agreement”</b>	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;
<b>“Management Agreement Resolution”</b>	the proposed resolution to approve the changes to the Management Agreement set out in <b>Annexure 3</b> of this Circular;
<b>“Notice of General Meeting”</b>	the notice of general meeting attached to this Circular;
<b>“Principal Stake”</b>	Units which are directly or indirectly owned by Investec Bank Limited or Investec Property Fund (as applicable) on their own behalf from time to time, and are as at the Last Practicable Date as set out in paragraph 13 of this Circular;
<b>“Property Council Guidelines”</b>	version 2 of the Property Council of Australia’s “ <i>Voluntary Best Practice Guidelines for Disclosing FFO and AFFO</i> ”, published in December 2017 and available at <a href="http://www.propertycouncil.com.au">www.propertycouncil.com.au</a> ;
<b>“Qualifying Investors”</b>	being: <ul style="list-style-type: none"> <li>• a person to whom offers and issues of Subscription Units may lawfully be made without the need for disclosure under Part 7.9 of the Australian Corporations Act or without any other lodgement, registration or approval with or by a government agency (other than one with which the Responsible Entity, in its absolute discretion, is willing to comply);</li> <li>• a person to whom offers are made in South Africa who fall within any of the categories envisaged in section 96(1)(a) of the South African Companies Act and/or selected persons who subscribe for Subscription Units at a total contemplated acquisition cost equal to or greater than ZAR1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the South African Companies Act);</li> <li>• a person who is a retail client (as defined in Chapter 7 of the Australian Corporations Act) who may be offered Subscription Units without the need for disclosure under Part 7.9 of the Australian Corporations Act or is offered the Subscription Units under a product disclosure statement prepared in relation to the Specific Issue of Units for Cash; or</li> <li>• a member of the Board or management team of the Fund who is offered Subscription Units under the product disclosure statement described above, or who may otherwise be offered Subscription Units without the need for disclosure under Part 7.9 of the Australian Corporations Act;</li> </ul>
<b>“Register”</b>	the register of Unitholders maintained by, or on behalf of, the Responsible Entity pursuant to Chapter 2C of the Australian Corporations Act and in accordance with the JSE Listings Requirements, which incorporates the Australian Register and the South African Register;
<b>“REIT”</b>	real estate investment trust;
<b>“Resolutions”</b>	the ASX Listing Resolutions and the Ancillary Resolution to be considered at the General Meeting, and “ <b>Resolution</b> ” means any one of such resolutions;
<b>“SENS”</b>	Stock Exchange News Service;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“South African Companies Act”</b>	the Companies Act, No. 71 of 2008 of South Africa, as amended from time to time;
<b>“South African Legal Advisor”</b>	Cliffe Dekker Hofmeyr Inc.;
<b>“South African Register”</b>	the register of Unitholders maintained by, or on behalf of, the Responsible Entity in South Africa, which is a sub-register of the Register;

<b>“Specific Issue of Units for Cash”</b>	the issue of up to a maximum of 180 million new Units under the ASX Listing Proposal, at the Subscription Price on the terms described in this Circular;
<b>“Specific Issue Resolution 1”</b>	the proposed resolution to approve the implementation of the Specific Issue of Units for Cash, in conjunction with the proposed ASX Listing of the Fund under the ASX Listing Proposal, within 12 months of the Resolutions being passed;
<b>“Specific Issue Resolution 2”</b>	the proposed resolution to approve the amendments to the Constitution set out in Part A of <b>Annexure 6</b> of this Circular; which authorise the Responsible Entity to issue Subscription Units at the Subscription Price under the Specific Issue of Units for Cash (including inserting a mechanism for determining the minimum Subscription Price for Subscription Units);
<b>“Specific Issue Resolutions”</b>	Specific Issue Resolution 1 and Specific Issue Resolution 2;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;
<b>“Subscription Price”</b>	the price payable in respect of each Subscription Unit under the Specific Issue of Units for Cash, as determined in the manner described in paragraph 10.2 of this Circular;
<b>“Subscription Units”</b>	the new Units to be issued pursuant to the Specific Issue of Units for Cash, which shall not exceed 180 million Units;
<b>“Transfer Secretaries”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa having its address at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107);
<b>“Unit(s)”</b>	participatory interests in Investec Australia Property Fund;
<b>“Unitholder(s)”</b>	the registered holder(s) of Units; and
<b>“ZAR”</b>	South African Rand, being the lawful currency of South Africa.

Out of the Ordinary®



Australia Property Fund

## INVESTEC AUSTRALIA PROPERTY FUND

Registered in terms of the CIS Act  
Registered as a Managed Investment Scheme (ARSN 162 067 736)  
(Unit code on the JSE: IAP ISIN: AU60INL00018)  
Responsible Entity: Investec Property Limited (ACN 071 514 246 with AFSL 290 909)  
("IAPF" or "the Fund")

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## CIRCULAR TO UNITHOLDERS

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### Directors of the Responsible Entity

Richard Longes<sup>#</sup> (*Non-executive chairman*)  
Stephen Koseff (*Non-executive*)  
Graeme Katz (*Executive*)  
Sam Leon (*Non-executive*)  
Sally Herman<sup>#</sup> (*Non-executive*)  
Hugh Martin<sup>#</sup> (*Non-executive*)

<sup>#</sup> Independent

### Directors of the Manager

Graeme Katz (*Executive*)  
Zach McHerron (*Executive*)  
Kristie Lenton (*Executive*)

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## 1. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is:

- to provide Unitholders with information to enable them to make an informed decision as to whether or not they should vote in favour of the Resolutions; and
- to convene the General Meeting in order for Unitholders to consider and vote on the Resolutions set out in the Notice of General Meeting on page 91 of this Circular.

## 2. THE RESOLUTIONS

The Resolutions comprise the ASX Listing Resolutions and the Ancillary Resolution. Approval of all Resolutions will enable the Responsible Entity to implement the ASX Listing Proposal within 12 months of the Resolutions being passed.

### 2.1 ASX Listing Resolutions

The ASX Listing Resolutions comprise three inter-conditional resolutions, the Management Agreement Resolution and the Specific Issue Resolutions which are collectively designed to facilitate the Responsible Entity's stated interest in pursuing the dual primary listing of the Fund on the ASX and the JSE, as well as the Specific Issue of Units for Cash (together, the "**ASX Listing Proposal**").

The Management Agreement Resolution relates to the proposed amendments to the Management Agreement designed to ensure that IAPF is well positioned to secure an appropriate depth of appetite from the Australian capital markets pursuant to the ASX Listing and the Specific Issue of Units for Cash. The proposed amendments to the Management Agreement are described in more detail in paragraph 9 of this Circular, and extracted at **Annexure 3**.

The Specific Issue Resolutions comprise two resolutions which together facilitate the Specific Issue of Units for Cash described in paragraph 10 of this Circular.

The ASX Listing Resolutions are also conditional on the passing of the Ancillary Resolution which relates to certain amendments to the Constitution described in paragraph 2.2 of this Circular.

If any ASX Listing Resolution or the Ancillary Resolution is not passed, the ASX Listing Proposal will not proceed. However, even if the Resolutions are passed, there is no guarantee that the ASX Listing Proposal will proceed. In particular, the Responsible Entity may choose not to pursue the ASX Listing and the Specific Issue of Units for Cash if market conditions are not favourable, or if no suitable acquisitions in line with the Fund's stated investment strategy are identified.

The background to the ASX Listing Proposal, and the rationale for the ASX Listing Proposal, are described in more detail in paragraphs 3 and 4 of this Circular.

## 2.2 Ancillary Resolution

The Ancillary Resolution is intended to effect certain ancillary amendments to the Constitution which are:

- required to facilitate the ASX Listing Proposal or any other future listing of the Fund on the ASX should the ASX Listing Proposal not proceed; and
- intended to modernise the Constitution, including to facilitate reliance by the Responsible Entity on ASIC Class Order 13/655. The current Constitution reflects rules prescribed by ASIC in a class order issued in 2005.

The Ancillary Resolution is not conditional on the passing of the ASX Listing Resolutions. Accordingly, if the Ancillary Resolution is passed, the ancillary amendments to the Constitution described above will be made. However, to the extent that the amendments are in connection with being ASX Listed, these changes will only be operative to the extent that the Fund is ASX Listed. This will allow flexibility in the Constitution for the Fund to pursue an ASX Listing in the future, should the ASX Listing Proposal not proceed.

The proposed amendments to the Constitution under the Ancillary Resolution are described in more detail in paragraph 11 of this Circular and extracted in Part B of **Annexure 6**.

## 2.3 Voting on the Resolutions

In order for the ASX Listing Proposal to proceed, all four Resolutions must be passed. Failure to pass any one of the Resolutions will mean that the ASX Listing Proposal will not proceed.

If you are supportive of the ASX Listing Proposal, or believe it is a matter for the Responsible Entity to determine in accordance with the objective of the Fund, you should vote in favour of each of the Resolutions.

However, you should note that even if the Resolutions are passed, there is no guarantee that the ASX Listing will proceed at any time in the 12 months following the passing of the Resolutions. By voting in favour of the Resolutions you are putting the Responsible Entity in the position to pursue the ASX Listing Proposal, subject to favourable market conditions.

If you are not supportive of the ASX Listing Proposal, you may wish to vote against the ASX Listing Resolutions.

Set out below is an example of how to vote to achieve the possible outcomes:

<b>Outcome</b>	<b>Resolutions</b>	<b>✓ Pass X Fail</b>
<b>All Resolutions are passed</b>		
The Responsible Entity is in a position to undertake the ASX Listing Proposal, subject to favourable market conditions.	Management Agreement Resolution	✓
	Specific Issue Resolution 1	✓
Amendments to the Management Agreement are made. However, these amendments <sup>#</sup> are only operative to the extent the Fund becomes ASX Listed.	Specific Issue Resolution 2	✓
	Ancillary Resolution	✓
Amendments to the Constitution come into effect. However, those amendments which relate to being ASX Listed will only be operative to the extent the Fund is ASX Listed.		

<b>Outcome</b>	<b>Resolutions</b>	<b>✓ Pass X Fail</b>
<b>The Ancillary Resolution is passed, but any one of the ASX Listing Resolutions is not passed</b>		
The ASX Listing Proposal, including the proposed ASX Listing and the Specific Issue of Units for Cash, does not proceed and no amendments to the Management Agreement are made.  Ancillary amendments to modernise the Constitution come into effect. However, those amendments which relate to being ASX Listed will only be operative to the extent the Fund becomes ASX Listed.	Management Agreement Resolution	X
	Specific Issue Resolution 1	X
	Specific Issue Resolution 2	X
	Ancillary Resolution	✓
<b>The Ancillary Resolution is not passed, and any one of the ASX Listing Resolutions is not passed</b>		
The Fund remains as is.  The ASX Listing Proposal, including the ASX Listing and the Specific Issue of Units for Cash, does not proceed and no amendments to the Management Agreement or the Constitution are made.	Management Agreement Resolution	X
	Specific Issue Resolution 1	X
	Specific Issue Resolution 2	X
	Ancillary Resolution	X

# Other than certain minor clarificatory amendments, including an amendment to the definition of "Associate". See Part B of **Annexure 3** of this Circular.

The Independent Board Committee recommends Unitholders vote in favour of all the Resolutions. In making its recommendation, the Independent Board Committee has had regard to the Independent Expert's Fairness Opinion. For further details in relation to the Independent Board Committee's recommendation and the Independent Expert's Fairness Opinion see paragraphs 8.1 and 8.2 of this Circular.

## 2.4 **Voting thresholds**

The Management Agreement Resolution will be passed if more than 50% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.

Specific Issue Resolution 1 will be passed if at least 75% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.

Specific Issue Resolution 2 will be passed if at least 75% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.

The Ancillary Resolution will be passed if at least 75% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.

## 2.5 **Ability of Investec Group Entities to vote on the Resolutions**

Having regard to the voting restrictions contained in section 253E of the Australian Corporations Act which apply to all resolutions for a meeting of a Managed Investment Scheme, and the JSE Listings Requirements, certain Units directly or indirectly owned by Investec Group Entities or managed or advised by Investec Group Entities may not be able to be voted on the Resolutions. For further details about these restrictions see paragraphs 9.4, 10.3 and 11.4 of this Circular.

These restrictions involve a substantial number of Units. In particular, the Principal Stake of Investec Bank Limited and IPF (which together comprises 35.99% of Units on issue) will not be voted on the Resolutions. Investec Bank Limited and IPF have confirmed they are nevertheless supportive of the ASX Listing Proposal.

Units of clients managed or advised by IAM or IWI, and which are not held by an Investec Group Entity (for example, Ferbros Nominees), may be able to be voted on the Resolutions in limited circumstances. A description of these circumstances is set out in paragraphs 9.4, 10.3 and 11.4 of this Circular.

Having regard to the substantial number of Units which will not be able to be voted, the Independent Board Committee urges Unitholders who are eligible to vote on the Resolutions to vote on the Resolutions.

For details on how to exercise your voting entitlements, see the FAQs and the enclosed Notice of General Meeting and form of proxy.



### 3. **BACKGROUND TO THE ASX LISTING PROPOSAL**

In connection with the release of its financial results for the six months ended 30 September 2017, the Fund announced that it was considering pursuing a primary listing on the ASX (in addition to its current primary listing on the JSE), subject to favourable market conditions. The Fund reconfirmed its commitment, again subject to favourable market conditions, to pursuing a dual primary listing through an additional primary listing on the ASX when it released its financial results for the year ended 31 March 2018.

As part of the Fund's consideration of the ASX Listing (to become dual listed), the Fund's management team sought feedback from Australian institutional investors at meetings held in early 2018. Australian institutional investors with whom the management team met were supportive of the quality of the Fund's property portfolio, asset strategy and management track record. The Australian institutional investors noted that important factors to the success of a potential dual primary listing of the Fund through the ASX Listing included the level of Unit trading liquidity, and ensuring that the Fund's management arrangements, corporate governance framework and distribution policy are consistent with Australian standards and market practice for ASX listed Australian REITs.

The Responsible Entity believes that the ASX Listing Proposal is consistent with the objective of the Fund, which is described in paragraph 4.1 of this Circular.

Since the Fund has reconfirmed its commitment to a dual primary listing, the ASX has provided in-principle advice confirming that, based on information provided to the ASX in relation to the Fund, it is not aware of any reason that would cause the Fund not to have a structure and operations suitable for a listed entity for the purposes of the ASX Listing Rules, or that would cause the ASX to refuse the Fund's admission to the official list. ASX has also provided certain in-principle waivers and confirmations with respect to the ASX Listing Proposal which are set out in more detail in paragraph 12.1 of this Circular.

### 4. **RATIONALE FOR THE ASX LISTING PROPOSAL**

#### 4.1 **Background and objectives of IAPF**

IAPF was established as an Australian-domiciled REIT on 12 December 2012 and was registered as a Managed Investment Scheme in Australia 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 CIS Act.

The Fund is regulated by ASIC in Australia, whose role includes ensuring that all Managed Investment Schemes comply with the Australian Corporations Act so that investors have access to the benefits, rights and protections afforded by the Australian Corporations Act.

IAPF listed on the main board of the JSE on 23 October 2013 as the first inward listed Australian REIT under the "Real Estate Holdings and Development" sector of the JSE under unit code "IAP" and ISIN: AU60INL00018. IAPF also obtained a listing on the Bermuda Stock Exchange, in addition to its primary listing on the JSE. On 6 March 2018, Unitholders passed a special resolution to amend the Constitution to adopt the AMIT Regime.

The objective of the Fund is to deliver capital and income returns over time to Unitholders. The Responsible Entity has, and will continue to be, focused on the Fund's 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 property portfolio. The Responsible Entity also seeks to grow and diversify the Fund's asset base by investing in good quality income-producing properties in Australia and New Zealand in the office, industrial and retail sectors. The Fund has executed its stated investment strategy with this objective in mind, which has proved successful to date.

The Fund's property portfolio consists of 27 well-located properties with income underpinned by strong tenant covenants, a weighted average lease expiry of 4.9 years and embedded contractual escalations of 3.3% on average, as at the Last Practicable Date. The Fund's property portfolio has grown by 7.7 times since listing and is currently valued at AUD1 006 million.

The Responsible Entity remains confident that quality properties can continue to be acquired in accordance with the Fund's stated investment strategy.

Following the publication of the Fund's latest annual financial results for the year ended 31 March 2018, there have been no material changes in the financial or trading position of the Fund.



## 4.2 Rationale for the ASX Listing Proposal

In order to continue to deliver on the objective of the Fund, the Responsible Entity is considering pursuing an ASX Listing as a primary listing in addition to its current primary listing on the JSE. If the ASX Listing Proposal proceeds, the Fund would delist from the Bermuda Stock Exchange and the current intention is that the Fund would remain dual listed on the JSE and the ASX.

A dual listing on the JSE and the ASX will provide the Fund with direct access to both the Australian and South African capital markets. Access to a more diversified pool of capital is expected to provide the Fund with greater financial flexibility to grow and diversify its portfolio, subject to its current borrowing policy which it currently intends will remain unchanged (see paragraph 5.3 of this Circular).

The Independent Board Committee has been advised that while trading of Units is typically impacted by a number of factors, the ASX Listing Proposal represents an opportunity for the Fund to trade more closely in line with other ASX listed Australian REITs by virtue of the Fund being listed in the jurisdiction where the majority of its assets are located, thereby allowing investors to make a more direct comparison of the Fund with its ASX listed peers.

As part of the ASX Listing Proposal, certain terms of the Management Agreement are proposed to be amended to more closely align with the terms adopted by other externally managed ASX listed Australian REITs. These amendments include (for so long as the Fund is ASX Listed) removal of management agreement termination payments, removal of the fixed term appointment of the Manager, and a tiering of the base management fee (as further described in paragraph 9 of this Circular). The Independent Board Committee believes that the proposed terms of the amended Management Agreement are more favourable to Unitholders than the existing terms.

Under the ASX Listing Proposal, IAPF also intends to raise new equity capital by issuing up to a maximum of 180 million Subscription Units under the Specific Issue of Units for Cash, mainly from the Australian capital markets. The proceeds of the capital raising will primarily be used to make further real estate asset acquisitions for the Fund in line with its current investment strategy, and may also be used to pay down debt. In this regard, the South African Reserve Bank has provided an approval which allows IAPF to raise new equity capital of up to AUD300 million, including under the Specific Issue of Units for Cash. As with any equity raising, existing Unitholders' interests in the Fund may be diluted depending on the extent of their participation in the Specific Issue of Units for Cash.

Investec Bank Limited and Investec Property Fund have confirmed that they will not participate in the Specific Issue of Units for Cash in respect of their Principal Stake. Assuming that 180 million Subscription Units are issued, this would result in a dilution of their combined interests in the Fund to 26.16%, and be expected to reduce register concentration and facilitate an improvement in liquidity on both the JSE and the ASX. The increase in free float as a result of these Investec Group Entities not participating in the Specific Issue of Units for Cash, together with a potential increase in the market capitalisation of the Fund in connection with the Specific Issue of Units for Cash or future equity raisings on either exchange, is expected to provide index inclusion benefits for the Fund over time. There is however, a possibility that trading will be dominated by one exchange with subdued trading on the other exchange.

If the ASX Listing Proposal is implemented, Unitholders will have the flexibility to choose where their Units are held. Unitholders will be able to hold their Units on either the Australian Register or the South African Register, and may move back and forth between the Australian Register and the South African Register over time. Further information on this process is set out in paragraph 12.2 of this Circular.

Further detail on the impacts of the ASX Listing Proposal are described in paragraph 5 of this Circular.

## 5. OTHER IMPACTS OF THE ASX LISTING PROPOSAL

### 5.1 Proposed board and governance changes

If the ASX Listing Proposal proceeds, the Responsible Entity intends to appoint an additional independent non-executive director to the Board.

The Board also proposes to review its current governance arrangements and implement necessary changes to comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, in a manner consistent with other ASX listed Management Investment Schemes. The Fund would also continue to comply with the King IV Principles on Corporate Governance for South Africa (2016), to the extent applicable, which applies to JSE listed entities.

These Board and governance arrangements would be reviewed on a periodic basis to ensure compliance, to the extent applicable, with guidelines in both jurisdictions, as they are amended from time to time.

## 5.2 **Proposed change to the distribution policy**

Since inception, the Fund's distribution policy has been to distribute all of its distributable income, which comprises the higher of statutory net profit under Australian accounting standards (subject to certain adjustments) and taxable income. Under Australian accounting standards, statutory net profit includes certain non-cash items which are adjusted to determine distributable income, being straight-line rental revenue and fair value adjustments (including adjustments on investment property, interest rate swaps and foreign currency). Distributions, as well as items such as tenant incentives and maintenance capital expenditure, have been funded from a combination of the Fund's free cash flows and debt.

In connection with the ASX Listing Proposal, the Fund is considering more closely aligning its distribution policy with those of other ASX listed Australian REITs. While ASX listed Australian REITs typically determine their distributable income in a similar manner to the Fund, adjustments are often made in accordance with the Property Council Guidelines for certain non-cash and other items, including maintenance capital expenditure, tenant incentives and leasing costs. In accordance with the Property Council Guidelines, other ASX listed Australian REITs also typically report their distribution payout ratio by reference to AFFO and/or FFO.

If the ASX Listing Proposal proceeds, it is intended that the Fund would similarly determine its distribution and report its distribution payout ratio by reference to AFFO and/or FFO. Distributions to Unitholders would continue to be paid on a half-yearly basis. It is also expected that future distributions would more closely align to, and be reported in accordance with the Property Council Guidelines, whereby distributions are generally funded from free cash flow (which is referred to as AFFO), and tenant incentives and maintenance capital expenditure are not entirely funded by borrowings. This is consistent with market practice for ASX listed Australian REITs.

Applying the reporting methodology outlined above, the Fund's aggregate distributions for the financial year ended 31 March 2018 (being 10.0354 Australian cents per Unit) would equate to 105% of AFFO for that financial year. If the Fund had distributed 100% of AFFO, the Fund's aggregate distributions in that financial year would equate to 9.55494 Australian cents per Unit.

If the ASX Listing Proposal proceeds, the Fund would announce its proposed distribution payout ratio and underlying guidance on a periodic basis, including under the Disclosure Document issued in connection with the Specific Issue of Units for Cash. The determination of future distributions is dependent on a number of factors including the Fund's available free cash flow (or AFFO), and the financial position of the Fund.

It should be noted that any change to the determination of distributions as described above should not, in and of itself, impact on the underlying value of the assets of the Fund.

## 5.3 **Borrowing policy**

Under the Constitution, the Responsible Entity must ensure that the Fund's gearing ratio does not exceed 60% at any time. Notwithstanding this, the Board has approved a borrowing policy whereby gearing will be maintained between 30% and 40%, with the ability to exceed the top end of the range provided gearing will be reduced to below 40% within a reasonable period of time. The Responsible Entity is not proposing to change the Fund's borrowing policy as a consequence of the ASX Listing Proposal.

The Fund's gearing ratio as at the Last Practicable Date is 37.2%. If the Specific Issue of Units for Cash is implemented, some of the proceeds may be used for the purposes of paying down debt.

## 5.4 **Tax position**

The ASX Listing Proposal will not change the current tax treatment of distributions to foreign Unitholders.

The Fund and its managed arrangements are structured to meet the required criteria to be classified as an Attribution MIT for Australian tax purposes. As an Attribution MIT, 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 (including distributions of capital gains) to the extent that it is not a "tax deferred distribution", a distribution of interest income or non-Australian sourced income.

A "tax deferred distribution" is the excess of cash distributed over the Unitholder's proportionate share of the Australian taxable income of the Fund.

The Responsible Entity will be required to withhold tax in Australia at 10% on distributions of interest income to Unitholders in South Africa.

New Zealand sourced income is subject to the corporate tax rate in New Zealand of 28%, and is not subject to Australian withholding tax.

The distribution comprises gross income, and is to be taxed as such, in the hands of South African Unitholders. The pre-tax distribution is to be included in a Unitholder's taxable income and subject to normal tax in full. Tax paying Unitholders will be able to claim a rebate against the tax paid in Australia and New Zealand. Non-tax paying Unitholders will not be entitled to claim a rebate.

The above summary of the tax treatment of the foreign distribution does not constitute legal or tax advice and is based on taxation law and practice at the date of this Circular. Unitholders should take their own tax advice as to the consequences of their investment in the Fund.

#### **5.5 Manner in which distributions are paid**

The Fund currently determines distributions in AUD. For South African Unitholders, distributions are converted to ZAR based on an exchange rate and conversion date announced by the Fund via SENS, and paid into the bank accounts of the various CSDPs.

If the ASX Listing Proposal proceeds, there will be no change to the manner in which distributions are paid to South African Unitholders holding Units quoted on the JSE. However, Unitholders holding Units quoted on the ASX will receive their distributions in AUD.

#### **5.6 Inward listed status of the Fund**

There will be no change to the inward listed status of the Fund as a consequence of the ASX Listing Proposal.

### **6. CONSEQUENCES OF THE RESOLUTIONS NOT BEING PASSED**

If the Resolutions are not passed, the Fund will remain as is, there will be no ASX Listing under the ASX Listing Proposal and the Fund will remain listed on the JSE and the Bermuda Stock Exchange. In addition, the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash will not be pursued. You should be aware that the Responsible Entity does not intend to, and will not be in a position to, implement the ASX Listing Proposal if the Resolutions are not passed and has no current intention to pursue any other form of ASX Listing. Accordingly, if the Resolutions are not passed, there is no certainty that an ASX Listing will be pursued in the future.

### **7. ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

As described in paragraph 3 of this Circular, the Fund has reconfirmed its commitment to pursuing a dual primary listing on the ASX, subject to favourable market conditions.

Under the Australian Corporations Act and the JSE Listings Requirements, the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash may involve financial benefits being given to a related party. Accordingly, the Board has established an Independent Board Committee to meet its obligations to manage actual or perceived conflicts which may be involved in the transactions being considered and to enable it to fulfil its obligations in respect of the JSE Listings Requirements.

The Independent Board Committee comprises only the independent non-executive Directors, being Richard Longes (chairman), Sally Herman and Hugh Martin.

Accordingly, while the Board is supportive of the ASX Listing Proposal and each Director takes responsibility for the contents of this Circular as described in paragraph 16 of this Circular, it is the Independent Board Committee which has authorised and approved the issue of this Circular and has made the recommendations in respect of the Resolutions.

### **8. RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE**

#### **8.1 Independent Board Committee recommendations**

The Independent Board Committee believes that:

- the related party transactions the subject of the ASX Listing Resolutions are fair and reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length; and

- the proposed terms of the amended Management Agreement are more favourable to Unitholders than the existing terms of the Management Agreement.

Accordingly, the Directors of the Independent Board Committee unanimously recommend that Unitholders vote in favour of the Resolutions.

In coming to this view, the Independent Board Committee has taken the following into consideration:

- the Management Agreement (on its existing terms) was entered into prior to IAPF becoming listed on the JSE based on prevailing market practice in South Africa at that time, and disclosures in relation to the Management Agreement were included in IAPF's pre-listing statement issued on 25 September 2013 in connection with its listing on the JSE, meaning that it formed one of the bases upon which Unitholders subscribed for Units at the time of listing on the JSE;
- the benchmarking analysis undertaken in respect of other externally managed ASX listed Australian REITs by the Independent Expert and other third party advisors engaged by the Responsible Entity in respect of the ASX Listing Proposal, which indicated that it is not standard market practice in Australia to have management arrangements which include termination fees or which allow for a manager to remain in place where there is a change to the responsible entity;
- the finding of the Independent Expert in the Independent Expert's Fairness Opinion that the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are fair to Unitholders (excluding the related parties) for the purposes of the JSE Listings Requirements and reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length; and
- all of the costs and fees payable to the Manager under the Management Agreement will only be paid out of the Fund if properly incurred in the performance of the Responsible Entity's duties and in accordance with the existing terms of the Constitution.

## 8.2 Independent Expert's Fairness Opinion

The Independent Expert has been appointed by the Independent Board Committee as the independent professional expert to provide for inclusion in this Circular the Independent Expert's Fairness Opinion in respect of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash.

As the proposed amendments to the Management Agreement constitute a related party transaction as defined in the JSE Listings Requirements and the Specific Issue of Units for Cash may involve an issue to related parties at a discount, under paragraph 5.51(f) of the JSE Listings Requirements the Independent Board Committee is required to obtain written confirmation from an independent professional expert confirming whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are fair insofar as Unitholders are concerned, excluding the related parties.

In addition, while the Independent Expert's Fairness Opinion is not provided in relation to the proposed amendments to the Management Agreement or the Specific Issue of Units for Cash for the purposes of obtaining the approval of Unitholders to the giving of a related party benefit under section 208 of Part 2E.1 of the Australian Corporations Act as modified by section 601LC of Part 5C.7 of the Australian Corporations Act, given the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash may involve financial benefits being given to a related party, the Independent Expert's Fairness Opinion has also been utilised by the Independent Board Committee to assist it to discharge its responsibilities in assessing whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash satisfy the "arm's length" exception in section 210 of the Australian Corporations Act as it applies to the Fund by virtue of Part 5C.7 of the Australian Corporations Act. In particular, that any financial benefit being given to the related parties would be reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length. Accordingly, the Independent Expert was also engaged to opine on whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length.

The Independent Expert has concluded that the terms and conditions of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are:

- fair to Unitholders, excluding the related parties; and
- reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length.

In forming its opinion, the Independent Expert has considered a report prepared by KPMG regarding its review of the proposed amendments to the Management Agreement.

A copy of the Independent Expert's Fairness Opinion is included in **Annexure 2**.

## 9. PROPOSED AMENDMENTS TO THE MANAGEMENT AGREEMENT

### 9.1 The roles of the Responsible Entity and Manager

The Responsible Entity is Investec Property, which is an indirect wholly-owned subsidiary of Investec Plc. The Responsible Entity holds an AFSL issued by ASIC (AFSL 290909) which permits the Responsible Entity to operate Managed Investment Schemes investing in real estate. The Responsible Entity has the primary responsibility for the governance and operation of the Fund, and has appointed the Manager to provide certain asset management and property management services to the Fund under the Management Agreement. This appointment is consistent with the requirements of the Constitution, under which the Responsible Entity is obliged to appoint a manager to manage the assets of the Fund. Under the Constitution, the Responsible Entity is authorised to, and must, pay all fees and costs under the Management Agreement out of the Fund, subject to the provisions of the Constitution.

A brief summary of the terms of the Management Agreement were set out in, and extracts of the Management Agreement were attached to, IAPF's pre-listing statement issued on 25 September 2013 in connection with its listing on the JSE. No variations have been made to the Management Agreement to date, although provision has been made for new properties acquired by the Fund since the execution of the Management Agreement under and in accordance with the existing mechanism contained in the Management Agreement.

### 9.2 Rationale for the proposed amendments to the Management Agreement

In response to the feedback received from a number of Australian institutional investors and to ensure that IAPF is well positioned to secure an appropriate depth of appetite from the Australian capital markets pursuant to the ASX Listing and the Specific Issue of Units for Cash, certain terms of the Management Agreement are proposed to be amended to more closely align IAPF with other externally managed ASX listed Australian REITs. In this regard, it is proposed that the Management Agreement be amended, as further detailed in paragraph 9.3 of this Circular. The Manager has agreed to the proposed amendments.

With the primary objective of achieving alignment with the terms typically provided for in management agreements of other externally managed ASX listed Australian REITs, it is proposed that the Management Agreement is amended so that, for so long as the Fund is ASX Listed:

- the Manager's appointment for fixed recurring 10-year terms will not apply, and instead the Manager's appointment will terminate automatically if the Responsible Entity ceases to be the responsible entity of IAPF, it being noted that under the Australian Corporations Act the Responsible Entity can be removed at any time by way of an ordinary resolution of Unitholders;
- no fee will be payable to the Manager on termination or expiry of the Management Agreement; and
- if IAPF achieves an enterprise value of more than AUD1.5 billion, the base fees payable to the Manager will be stepped down from 60 basis points to 55 basis points on every dollar over AUD1.5 billion.

### 9.3 Details of the proposed amendments to the Management Agreement

A summary of the key proposed amendments to the Management Agreement is set out in the table below.

If the Resolutions are passed, the proposed amendments to the Management Agreement will come into effect regardless of whether the ASX Listing Proposal proceeds. However, the proposed amendments make it clear that such provisions (other than certain minor clarificatory amendments) are only operative to the extent that the Fund is ASX Listed. Accordingly, if an ASX Listing does not proceed, whether as part of the ASX Listing Proposal or otherwise, these key amendments will not take effect. If the Fund is ASX Listed, and for any reason subsequently ceases to be ASX Listed, the current provisions of the Management Agreement would apply.

Current provisions	Proposed amendments
<b>Term of the Management Agreement</b>	
<ul style="list-style-type: none"> <li>Initial term of 10 years (which expires on 31 July 2023).</li> <li>Extends for further repeating 10-year terms if an ordinary resolution of Unitholders is passed on each occasion.</li> </ul>	<ul style="list-style-type: none"> <li>For so long as the Fund is ASX Listed, the Manager is not appointed for a fixed term and may be terminated at any time in accordance with the provisions of clause 9.9 of the proposed amended Management Agreement (as summarised in the row immediately below).</li> </ul>
<b>Termination of the Management Agreement</b>	
The Management Agreement terminates:	
<ul style="list-style-type: none"> <li>on six months' notice from the Responsible Entity to the Manager if an ordinary resolution of members has been passed approving such termination;</li> <li>on six months' notice from the Manager to the Responsible Entity;</li> <li>on 10 business days' notice if substantially all of the assets of the Fund are sold, or the Responsible Entity is removed as responsible entity of the Fund by an ordinary resolution of Unitholders under the Australian Corporations Act;</li> <li>with immediate effect by notice from the Manager to the Responsible Entity on the occurrence of a default or insolvency event of Responsible Entity or the Fund; or</li> <li>with immediate effect by notice from the Responsible Entity to the Manager on the occurrence of a default or insolvency event of the Manager.</li> </ul>	<ul style="list-style-type: none"> <li>For so long as the Fund is ASX Listed, the Management Agreement terminates: <ul style="list-style-type: none"> <li>automatically if the Responsible Entity ceases to be the responsible entity of the Fund, including as a result of an ordinary resolution of Unitholders being passed to remove the Responsible Entity under the Australian Corporations Act;</li> <li>on 3 months' notice from the Manager to the Responsible Entity;</li> <li>on 10 business days' notice if substantially all of the assets of the Fund are sold;</li> <li>with immediate effect by notice from the Manager to the Responsible Entity on the occurrence of a default or insolvency event of the Responsible Entity or the Fund; or</li> <li>with immediate effect by notice from the Responsible Entity to the Manager on the occurrence of a default or insolvency event of the Manager.</li> </ul> </li> </ul>
<b>Termination fee</b>	
<ul style="list-style-type: none"> <li>No termination fee is payable if the Management Agreement is terminated by the Manager on six months' notice to the Responsible Entity or for the Manager's default or insolvency.</li> <li>If termination occurs for any other reason, or the Management Agreement expires, a termination fee is payable.</li> <li>The termination fee is equal to a multiple of the base fee<sup>#</sup> calculated as: <ul style="list-style-type: none"> <li>the 30-day volume weighted average trading price of Units on the JSE divided by the 12-month forward distribution, if the Management Agreement is terminated during its initial 10-year term; or</li> <li>a market-based enterprise value divided by earnings before interest and tax multiple ("<b>EBIT Multiple</b>") for comparable Australian asset management businesses, if the Management Agreement expires or is terminated after its initial 10-year term,</li> </ul> </li> </ul> <p>plus, in either case:</p> <ul style="list-style-type: none"> <li>an amount determined by applying a market-based EBIT Multiple for comparable Australian property management businesses to the property management fees<sup>##</sup>; and</li> <li>an amount equal to all third party break costs incurred by the Manager in connection with the termination of the Management Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>For so long as the Fund is ASX Listed, no termination fees are payable.</li> </ul>

<sup>#</sup> Being the total base fees payable in respect of the last calendar month multiplied by 12.

<sup>##</sup> Being the total property management fees payable in respect of the last calendar month multiplied by 12.



<b>Current provisions</b>	<b>Proposed amendments</b>
<b>Base fee</b>	
The Manager is entitled to a base fee equal to 60 basis points of the Fund's enterprise value per annum.	<ul style="list-style-type: none"> <li>• For so long as the Fund is ASX Listed, the Manager continues to be entitled to a base fee equal to 60 basis points of the Fund's enterprise value per annum, provided that if the Fund achieves an enterprise value of more than AUD 1.5 billion, the base fee is stepped down from 60 basis points to 55 basis points on every dollar over AUD 1.5 billion.</li> <li>• There is no change to the other periodic fees contemplated by the Management Agreement.</li> </ul>

In addition to the key amendments described above, other minor clarificatory amendments are proposed, including an amendment to the definition of "Associate".

Extracts from the Management Agreement showing all proposed amendments are included in **Annexure 3**. A copy of the full proposed amended Management Agreement can be found on the IAPF website at [www.iapf.com.au](http://www.iapf.com.au), can be requested from investor relations by email ([investorrelations@investec.com](mailto:investorrelations@investec.com)) and is available for inspection as set out in paragraph 22 of this Circular.

#### 9.4 **Voting restriction for Management Agreement Resolution**

Under the JSE Listings Requirements, the proposed amendments to the Management Agreement fall within the ambit of a related party transaction based on the Manager being a related party of Investec Property in its capacity as responsible entity of the Fund. Accordingly, under paragraph 10.4(e) of the JSE Listings Requirements, any votes exercisable by the Investec Group Entities and their Associates would be disregarded in determining whether the Management Agreement Resolution is passed by the requisite majority.

However, the JSE has confirmed that for the purpose of the JSE Listings Requirements, IWI and IAM may vote in respect of Units which are held under client mandates to the extent that the respective clients communicate/advise their voting instructions to IWI and IAM, and IWI and IAM otherwise have no voting discretion in respect of those Units.

Section 253E of the Australian Corporations Act also prohibits the Investec Group Entities and any other Associates of the Responsible Entity from voting on the Management Agreement Resolution. In respect of IWI and IAM, Units associated with these Investec Group Entities that are in the client's name or a third party on behalf of the client, may be voted on if the votes are exercised by, or on the direction or instruction of the client, without an Investec Group Entity recommending how the vote should be cast, and provided the client is not acting in concert with the Investec Group. In circumstances where those Units are not held in a client's name or a third party, but are instead held by an Investec Group Entity (for example, Ferbros Nominees) on behalf of the client, those Units may not be voted.

The chair of the General Meeting will disregard votes that need to be disregarded or not counted under section 253E of the Australian Corporations Act or the JSE Listings Requirements.

#### 9.5 **Information relating to the Responsible Entity and the Manager**

<b>Responsible Entity</b>	<b>Investec Property Limited</b>
Legal form:	Investec Property Limited (ACN 071 514 246), a public company incorporated in Australia
AFSL:	290 909
Business address:	Level 23, Chifley Tower, 2 Chifley Square, Sydney, New South Wales, 2000, Australia
Ultimate shareholder:	The Responsible Entity is an indirect, wholly-owned subsidiary of Investec Plc

<b>Manager</b>	<b>Investec Property Management Pty Limited</b>
Legal form:	Investec Property Management Pty Limited (ACN 161 587 391), a proprietary company incorporated in Australia
Business address:	Level 23, Chifley Tower, 2 Chifley Square, Sydney, New South Wales, 2000, Australia
Ultimate shareholder:	The Manager is an indirect, wholly-owned subsidiary of Investec Plc

Information relating to the directors of the Responsible Entity and the Manager, including full names, ages, business addresses and capacities, are set out in **Annexure 4** and **Annexure 5** respectively.

## 10. THE SPECIFIC ISSUE OF UNITS FOR CASH

### 10.1 Rationale for the Specific Issue of Units for Cash and use of proceeds

Under the ASX Listing Proposal, IAPF intends to undertake the Specific Issue of Units for Cash in order to raise new equity capital, predominantly from the Australian capital markets.

New equity capital will only be issued under the Specific Issue of Units for Cash in conjunction with the ASX Listing, and to the extent that acquisitions of industrial, office or retail properties in Australia and/or New Zealand in line with the Fund's stated investment strategy have been identified. The proceeds from the Specific Issue of Units for Cash will primarily be used for the purposes of concluding such identified acquisitions, and may be used for the purposes of paying down debt. It is currently intended that acquisitions to be funded by the Specific Issue of Units for Cash would complete at the time of, or within a reasonable period after the ASX Listing and the Specific Issue of Units for Cash.

Further announcements in this regard, including in relation to the size of the offering under the Specific Issue of Units for Cash, will be made at the appropriate time.

### 10.2 Details of the Specific Issue of Units for Cash

- Subject to the approval and authorisation of Unitholders at the General Meeting, the Fund may issue up to a maximum of 180 million Subscription Units at the Subscription Price in conjunction with the ASX Listing under the Specific Issue of Units for Cash within 12 months of the Resolutions being passed.
- It is currently anticipated that the Specific Issue of Units for Cash would be offered to Qualifying Investors, including high net worth individuals and institutional investors in Australia, South Africa and other selected international jurisdictions, members of the Board and the Fund's management team, and retail clients (as defined in Chapter 7 of the Australian Corporations Act) who will be eligible to participate on either the Australian Register or the South African Register.
- The Specific Issue of Units for Cash is not an offer to the public as contemplated by the South African Companies Act, and no prospectus has been or will be filed with the Companies and Intellectual Property Commission in South Africa in respect of the Specific Issue of Units for Cash. If approved and authorised by Unitholders at the General Meeting, the Responsible Entity will prepare and lodge a Disclosure Document for the ASX Listing with ASIC and ASX. This will also be the offering document in Australia for purposes of the Specific Issue of Units for Cash.
- Up to 180 million Subscription Units may be issued pursuant to the Specific Issue of Units for Cash. The Subscription Price will be determined under a bookbuild conducted by the Fund's financial advisors (being independent reputable investment banks) in accordance with Australian market practice for a bookbuild of this kind, subject to the minimum Subscription Price.
- The minimum Subscription Price is the greater of:
  - the net asset value of the Fund (as that term is defined in the Constitution) most recently reported to the JSE and based on the most recent financial statements for the Fund, adjusted if appropriate by any independent third party valuation and expressed in AUD (divided by the number of Units on issue); and
  - the equivalent in AUD of the volume weighted average trading price per Unit on the JSE calculated for the 30 most recent Business Days immediately before lodgement of the Disclosure Document, less a 3% discount.
- Under Specific Issue Resolution 2, a new clause is proposed to be inserted into the Constitution to expressly empower the Responsible Entity to issue Units under the Specific Issue of Units for Cash at a price obtained under the bookbuild process, subject to the minimum Subscription Price described above. An extract of the relevant amendments is set out in Part A of **Annexure 6**.



- The Subscription Units to be issued are a class of securities already in issue, and will rank equally in every respect with existing Units.
- It is intended that the Subscription Units will be allocated at the discretion of the Fund's financial advisors who conduct the bookbuild, in consultation with and subject to the approval of the Responsible Entity. All participants in the Specific Issue of Units for Cash must pay the Subscription Price for the Units allocated to them. No allocations will be guaranteed and orders placed by any and/or all participants in the Specific Issue of Units for Cash will be scaled back at the discretion of the Responsible Entity in the event that the relevant Specific Issue of Units for Cash is oversubscribed.
- Given the JSE Listings Requirements have been complied with, in particular the requirement to obtain the Independent Expert's Fairness Opinion for the purposes of paragraph 5.51(f) of the JSE Listings Requirements, Investec Group Entities are entitled to participate in the Specific Issue of Units for Cash, notwithstanding that it is an issue to related parties at a discount.
- Nonetheless, Investec Bank Limited and Investec Property Fund have confirmed that they will not participate in the Specific Issue of Units for Cash in respect of their Principal Stake. Assuming that 180 million Subscription Units are issued, this would result in a dilution of their combined interests in the Fund to 26.16%, which is expected to reduce register concentration and facilitate an improvement in liquidity on both the JSE and the ASX. Certain Units held by or on behalf of clients of IWI and IAM which are managed or advised by IWI and IAM may participate in the Specific Issue of Units for Cash. The decision whether or not to participate in the Specific Issue of Units for Cash is a decision of the relevant client.

### 10.3 Voting restriction for Specific Issue Resolutions

The Specific Issue Resolutions are subject to paragraph 5.51(g) of the JSE Listings Requirements which provides that a specific issue for cash must be approved by a minimum of 75% of the votes cast on the applicable Resolution by Unitholders present in person or represented by proxy at the General Meeting where any votes cast by any parties and their Associates participating in the specific issue for cash have not been voted or whose votes have not been counted.

The participants in the Specific Issue of Units for Cash are not currently known and cannot be known at the time of the General Meeting.

However, section 253E of the Australian Corporations Act prohibits the Investec Group Entities and any other Associates of the Responsible Entity from voting on the Specific Issue Resolutions. In respect of IWI and IAM, Units associated with these Investec Group Entities that are in the client's name or a third party on behalf of the client, may be voted on if the votes are exercised by or on the direction or instruction of the client, without an Investec Group Entity recommending how the vote should be cast, and provided the client is not acting in concert with the Investec Group. In circumstances where those Units are not held in a client's name or a third party, but are instead held by an Investec Group Entity (for example, Ferbros Nominees) on behalf of the client, those Units may not be voted.

The chair of the General Meeting will disregard votes that need to be disregarded or not counted under section 253E of the Australian Corporations Act or the JSE Listings Requirements.

### 10.4 Units

- Details of the issued Units are set out in **Annexure 7**.
- The Unit price history is set out in **Annexure 8**.

## II. PROPOSED AMENDMENTS TO THE CONSTITUTION UNDER THE ANCILLARY RESOLUTION

### II.1 Rationale for the proposed amendments to the Constitution under the Ancillary Resolution

The amendments to the Constitution proposed under the Ancillary Resolution are intended:

- to facilitate the ASX Listing Proposal, or any other future listing of the Fund on the ASX should the ASX Listing Proposal not proceed; and
- to modernise the Constitution, including to facilitate reliance by the Responsible Entity on ASIC Class Order 13/655. The current Constitution reflects rules prescribed by ASIC in 2005 in an earlier class order.

ASIC Class Order 13/655 was issued in 2013, after the amendments to the Constitution in connection with the Fund's listing on the JSE were finalised. The class order reflects a change of policy by ASIC to allow more

flexibility for capital raising by listed trusts, reducing the differences between listed companies and trusts. In particular, the class order removes restrictive conditions on the issue of units that were enshrined in an earlier 2005 class order and which are no longer in line with market practice, including prescribing the timing for the record date for a rights issue, and requiring units all to be offered at substantially the same time. Reliance on ASIC Class Order 13/655 does not relieve the Responsible Entity from its obligations to comply with the JSE Listings Requirements, or if the Fund is ASX Listed, the ASX Listing Rules, in relation to issues of Units.

All managed investment schemes registered on or after 1 October 2013 automatically have the benefit of ASIC Class Order 13/655, however, the Fund, which was registered on 6 February 2013, must give notice on its website that it will rely on the new class order. The Responsible Entity proposes to do this if the Ancillary Resolution is passed.

## 11.2 Details of the proposed amendments to the Constitution under the Ancillary Resolution

A summary of the key proposed amendments to the Constitution the subject of the Ancillary Resolution is set out in the table below.

If the Ancillary Resolution is passed, these amendments will take effect regardless of whether the ASX Listing Proposal proceeds. However, the proposed amended terms of the Constitution make it clear that the provisions relating to being ASX Listed are only operative to the extent that the Fund is ASX Listed. Accordingly, if an ASX Listing does not proceed, whether as part of the ASX Listing Proposal or otherwise, those amendments will not apply.

<b>Current provisions</b>	<b>Proposed amendments</b>
<b>Changes in connection with being ASX Listed</b>	
<b>Compliance with listings requirements</b>	
The existing clause 1.8 ensures compliance of the Constitution with the JSE Listings Requirements.	The revised clause includes provisions to facilitate an ASX Listing, by ensuring compliance of the Constitution with the ASX Listing Rules (in addition to the JSE Listings Requirements). If for some reason it is not possible to comply with both, the Responsible Entity will be required to comply with the rule or requirement of the Main Trading Exchange – see below.
<b>Main Trading Exchange</b>	
There is currently no concept of “Main Trading Exchange”.	Main Trading Exchange means: <ul style="list-style-type: none"> <li>• before the Trust is Listed on ASX, the JSE; and</li> <li>• after becoming ASX Listed, the JSE, unless in respect of a particular trading period, more Units by volume were traded on the ASX.</li> </ul>
<b>Management Agreement</b>	
Management Agreement is defined to refer to the current management agreement with Investec Property Management Pty Limited.	The amended Management Agreement as described in paragraph 9 of this Circular is added to the definition, and clause 10.4 is adapted to address the position should there be, at any time, a change of responsible entity of the Fund.
<b>Register</b>	
The existing clause 7.8 provides for the register of Unitholders to be kept in accordance with the system used by the JSE and under South African legislation.	The revised clause provides that while the Fund is ASX Listed, the register may be kept as a single register or multiple registers, as relevant law and regulatory requirements permit.
<b>Transfer of Units</b>	
The existing provisions regarding transfer of Units reflect JSE Listings Requirements only.	Clause 8.5 is amended to reflect ASX Listing Rules which, for example, allow a holding lock being placed to prevent a transfer, for example if it is in breach of an escrow requirement – see below regarding restricted securities.

<b>Current provisions</b>	<b>Proposed amendments</b>
<p><b>Restricted securities</b></p> <p>No equivalent clause.</p>	<p>A new clause 8.11 reflects the ASX Listing Rules requirement that certain securities be subject to escrow arrangements.</p>
<p><b>Receipt of notices</b></p> <p>Item 2 in Schedule 1 provides an extra 5 Business Days for the giving of notices of meeting, if they are sent other than in electronic form from the Responsible Entity's registered office in Australia.</p>	<p>This clause is clarified, so that the normal period of 21 days (or 15 Business Days) for giving of notices applies, and the five additional Business Days is only required when a notice is sent (other than in electronic form) from Australia to South Africa, or the reverse.</p>
<p><b><i>Changes to modernise the Constitution, including to facilitate reliance on ASIC Class Order 13/655</i></b></p>	
<p><b>Placements</b></p> <p>The existing clause 6.4 includes restrictions and mechanisms that reflect requirements under the old Class Order CO 05/26 ("<b>2005 ASIC Class Order</b>"). Examples of these restrictions include that a placement of Units at a discount can only be made without approval at a meeting of members if:</p> <ul style="list-style-type: none"> <li>• the issues do not represent more than a 15% increase of units on issue, and</li> <li>• the placement is not made to the Responsible Entity or any person associated with them.</li> </ul>	<p>The revised clauses will not include the restrictions prescribed under the 2005 ASIC Class Order. Instead, the new ASIC requirements are stated, which are that the pricing of new issues of Units must comply with the terms of ASIC relief (including ASIC Class Order 13/655) and the ASX Listing Rules and JSE Listings Requirements, as applicable. The 15% per annum limit on placements without approval at a meeting will still apply under the ASX Listing Rules. For a placement over the 15% per annum limit, approval will be required from Unitholders. The changes put listed trusts in a similar position to listed companies, and will be more flexible as regulatory requirements change in the future.</p>
<p><b>Rights issues</b></p> <p>Clause 6.5 also currently reflects the 2005 ASIC Class Order; and sets out specific conditions for a discounted rights issue. The conditions include:</p> <ul style="list-style-type: none"> <li>• the record date for the offer may not be more than 20 Business Days before the offer;</li> <li>• requirements that the time and price of all units offered must be the same; and</li> <li>• a specific limit on the discount to market price for rights issues.</li> </ul>	<p>As for placements, the proposed new clauses relating to rights issues of units and options follow the approach of ASIC's new policy, and remove these restrictions, replacing them with a requirement to comply with the terms of ASIC relief (including ASIC Class Order 13/655) and the ASX Listing Rules and the JSE Listings Requirements, as applicable.</p>
<p><b>Distribution reinvestment</b></p> <p>Clause 6.6 also recited certain limitations from the 2005 ASIC Class Order. These restrictions include:</p> <ul style="list-style-type: none"> <li>• a specific limit on the discount to market price for issues under a distribution reinvestment plan;</li> <li>• requirements that the time and price of all discounted issues be the same; and</li> <li>• a condition that members must have the right to choose to reinvest all or part of their distribution.</li> </ul>	<p>Similarly, the proposed revised clauses simply require compliance with ASIC relief (including ASIC Class Order 13/655) and the ASX Listing Rules and the JSE Listings Requirements, as applicable, and provide greater flexibility in capital management by removing the 90% limit on discounting the distribution reinvestment price. The amended Constitution will also enable the Responsible Entity to specify a proportion or amount of distributions up to which Unitholders may choose to reinvest, for better capital management of the Fund.</p>

<b>Current provisions</b>	<b>Proposed amendments</b>
<b>Fractions of Units</b>	
Where an issue of Units may result in the issue of a fraction of a Unit, the existing clause 6.8 allows the Responsible Entity to round up or down to the nearest whole number of Units, and the excess becomes an asset of the Fund.	The amended clause provides that while the JSE Listings Requirements apply, and unless the JSE Listings Requirements state otherwise, the number of Units must be rounded down, and the Responsible Entity must account to the Unitholders concerned for the net proceeds of disposal of the fractions.  This change reflects the current JSE Listings Requirements applicable to the Fund in relation to fractions of units.
<b>Market Price of Units</b>	
While Units are traded on the JSE, the market price of Units is determined by reference to the volume weighted average traded price over the preceding 30 Business Day period, or in certain circumstances by the Responsible Entity or an independent expert.	The amended definition also provides for the market price of Units to be determined under a bookbuild process, which may be subject to a minimum price determined by the Responsible Entity.  In addition, given the general obligation to comply with listings requirements (as described above), any pricing of Units must continue to be conducted in accordance with the JSE Listings Requirements and, if the Fund becomes ASX Listed, the ASX Listing Rules.

Other minor consequential amendments are being proposed in relation to the above changes.

Extracts from the Constitution showing the above amendments are included in Part B of **Annexure 6**. A copy of the full proposed amended Constitution can be found on the IAPF website at [www.iapf.com.au](http://www.iapf.com.au), can be requested from investor relations by email ([investorrelations@investec.com](mailto:investorrelations@investec.com)) and is available for inspection as set out in paragraph 22 of this Circular.

### 11.3 **No adverse tax consequences to the Fund**

It is not anticipated that the proposed amendments to the Constitution will cause any adverse tax consequences to the Fund. This is because the proposed amendments to the Constitution do not cause the transfer, vesting or accruing of any property comprising the assets of the Fund in any person, or the disposal of beneficial interests in the Fund, or resettlement or re-declaration of the trust declared under the Constitution as all amendments are made under the existing amendment power under the Constitution and do not change the substratum of the Fund.

### 11.4 **Voting restriction for Ancillary Resolution**

Section 253E of the Australian Corporations Act prohibits the Investec Group Entities and any other Associates of the Responsible Entity from voting on the Ancillary Resolution. In respect of IWI and IAM, Units associated with these Investec Group Entities that are in the client's name or a third party on behalf of the client, may be voted on if the votes are exercised by or on the direction or instruction of the client, without an Investec Group Entity recommending how the vote should be cast, and provided the client is not acting in concert with the Investec Group. In circumstances where those Units are not held in a client's name or a third party, but are instead held by an Investec Group Entity (for example, Ferbros Nominees) on behalf of the client, those Units may not be voted.

The chair of the General Meeting will disregard votes that need to be disregarded or not counted under section 253E of the Australian Corporations Act or the JSE Listings Requirements.

## 12. **OTHER DISCLOSURES TO UNITHOLDERS**

### 12.1 **Confirmations from the ASX**

While the ASX does not provide any guarantee that the Fund will be ASX Listed, the ASX has considered a preliminary application in respect of the proposed ASX Listing, in conjunction with the proposed Specific Issue of Units for Cash, and has provided the Fund with an in-principle advice confirming that the ASX is not aware of any reason that would cause the Fund not to have a structure and operations suitable for a listed entity

for the purposes of ASX Listing Rule 1.1 condition 1 or that would cause the ASX to exercise its discretion to refuse admission to the official list under ASX Listing Rule 1.19. In addition, the ASX has confirmed it has no objections to the proposed amendments to the Constitution and has provided in-principle advice that on receipt of an application to admission to the official list of the ASX, the ASX would likely:

- grant the Fund a waiver from ASX Listing Rule 1.1 condition 18 so that the Responsible Entity is not required to have a remuneration committee if the Fund is to be included in the S&P/ASX 300 Index on admission to the official list;
- grant the Fund a waiver from ASX Listing Rule 6.24 in respect of clause 1 of Appendix 6A to the extent necessary so that the rate of distribution need not be advised to the ASX when the distribution and record date attaching to that distribution is announced. This waiver is subject to the Responsible Entity advising the ASX of the estimated distribution rate at the time of that announcement and the actual rate is advised as soon as it becomes known; and
- confirm that the Management Agreement (as amended) is acceptable for the purposes of Listing Rule 1.1 condition 1.

Separately, the ASX has advised that it is likely to require, as a condition to admission, an undertaking that the Fund will seek approval from Unitholders for any material changes to the Management Agreement. This is consistent with the position under the JSE Listings Requirements.

## 12.2 Transfer of Units between the Australian Register and the South African Register

To move back and forth between the Australian Register and the South African Register, Unitholders will need to contact their CSDP or broker, who will (subject to the Unitholder having obtained any exchange control or other approval which they may require) engage the Transfer Secretaries to update the applicable sub-registers. There will be an automated reconciliation of the Register and each of the Australian Register and the South African Register on a daily basis.

## 13. INFORMATION RELATING TO MAJOR UNITHOLDERS (INCLUDING INVESTEC GROUP ENTITIES)

Those Unitholders (excluding Directors whose interests are detailed in paragraph 14.3 of this Circular) who, as at the Last Practicable Date and insofar as is known to the Fund, directly or indirectly, were beneficially interested in 5% or more of the issued Units or have 5% or more of the voting rights in the Units are set out in the below table:

Unitholder	Number of Units	Percentage of voting rights
Investec Property Fund <sup>#</sup>	100 147 030	20.92
Investec Bank Limited <sup>#</sup>	72 172 172	15.07
IWI <sup>##</sup>	97 794 885	20.42
Coronation Asset Management (Pty) Ltd <sup>###</sup>	23 926 807	5.00
<b>Total</b>	<b>294 040 894</b>	<b>61.41</b>

<sup>#</sup> Comprises the Principal Stake held by Investec Property Fund or Investec Bank Limited (as applicable).

<sup>##</sup> Comprises Units held by or on behalf of clients of IWI (including Units held through Ferbros Nominees) which are managed or advised by IWI.

<sup>###</sup> Comprises the beneficial interest in Units held by Coronation Asset Management (Pty) Ltd on behalf of members of the Coronation Group.

In addition, at the Last Practicable Date and insofar as is known to the Fund, there are 14 691 500 Units held by or on behalf of clients of IAM which are managed or advised by IAM (comprising 3.07% of voting rights).

## 14. INFORMATION RELATING TO DIRECTORS

### 14.1 Directors

Since the publication of the Fund's annual report for the year ended 31 March 2018, there have been no changes to the Board.

### 14.2 Remuneration of Directors

There will be no variation in the remuneration payable to Directors as a consequence of the Specific Issue of Units for Cash.

#### 14.3 Directors' interests

A statement showing the direct and indirect beneficial interests of the Directors (and their Associates<sup>#</sup>) as at the Last Practicable Date, including a Director who has ceased to hold office during the last 18 months, in Units is set out below:

<b>Directors of the Responsible Entity</b>	<b>Number of Units held</b>	<b>Percentage of voting rights</b>
<b>Executive director(s)</b>		
Graeme Katz	229 296	0.05
<b>Non-executive director(s)</b>		
Sam Leon	4 000 000	0.84
Associates of Stephen Koseff	1 538 761	0.32
<b>Total</b>	<b>5 768 057</b>	<b>1.21</b>

<sup>#</sup> Associates has the meaning under both the JSE Listings Requirements and the Australian Corporations Act.

There are no other Associates of Directors with a direct or indirect beneficial interest in Units.

In addition, no Director has a material beneficial interest, whether direct or indirect, in transactions that were effected by the Fund during the current or previous financial year, or during an earlier financial year which remains in any respect outstanding or unperformed.

There have been no changes in the Directors' interests disclosed above between 31 March 2018 and the Last Practicable Date.

#### 14.4 Directors of the Manager

Graeme Katz, Zach McHerron and Kristie Lenton are employees of Investec Australia. Save for their employment in this capacity, and unless disclosed elsewhere in this Circular, 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, or any other similar transaction, including but not limited to, where any of those persons is, or has contracted to become, a tenant of any part of that property.

### 15. GENERAL MEETING

The General Meeting will be held on Wednesday, 5 September 2018 at:

- 17:30 (Sydney time) in Boardroom, Investec Australia, Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia; and
- 09:30 (Johannesburg time) in 2nd Floor, Executive Boardroom, Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, South Africa,

to consider and, if deemed fit, pass the Resolutions.

The Notice of General Meeting and a form of proxy (for use by Certificated Unitholders and Dematerialised Unitholders with own name registration who are unable to attend the General Meeting) forms part of this Circular. Dematerialised Unitholders without own name registration must inform their CSDP or broker of their intention to attend the General Meeting and obtain the necessary letter of representation to attend, or provide their CSDP or broker with their voting instructions should they wish to vote and are not able to attend the General Meeting in person. This must be done in terms of the agreement entered into between the Unitholders and the CSDP or broker concerned.

### 16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading, that they have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required by law and the JSE Listings Requirements, as applicable.

## 17. INDEPENDENT DIRECTORS' RECOMMENDATIONS

The independent Directors of the Responsible Entity, who comprise the Independent Board Committee, have considered the ASX Listing Proposal and believe that:

- the related party transactions the subject of the ASX Listing Resolutions are fair and reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length; and
- the proposed terms of the amended Management Agreement are more favourable to Unitholders than the existing terms of the Management Agreement.

Accordingly, the Directors of the Independent Board Committee unanimously recommend that Unitholders vote in favour of the Resolutions.

Details of the Independent Board Committee and the considerations the Independent Board Committee had regard to in making its recommendation are set out in paragraphs 7 and 8 of this Circular.

## 18. EXPENSES

The estimated expenses of preparing and distributing this Circular, negotiating and preparing the documentation for the proposed amendments to both the Management Agreement and the Constitution, preparing for the Specific Issue of Units for Cash and holding the General Meeting include the following:

Details	Payable to	AUD ( <b>'000</b> )	ZAR ( <b>'000</b> )#
Corporate advisory fees	Investec Bank Limited	205	2 000
Legal fees (Australia)	King & Wood Mallesons	425	4 144
Legal fees (South Africa)	Cliffe Dekker Hofmeyr Inc.	67	650
Independent Expert's Fairness Opinion fees	BDO Corporate Finance (Pty) Ltd	56	550
KPMG fees##	KPMG	87	848
JSE documentation fees	JSE Limited	10	96
Transfer Secretaries fees	Computershare Investor Services Proprietary Limited	2	24
Printing and publication expenses	INCE	11	109
ASX documentation fees	ASX Limited	6	58
<b>Total</b>		<b>869</b>	<b>8 479</b>

# Based on a spot exchange rate of AUD/ZAR 1.0000:9.7497 as at close of business, 17:00 (New York time) on Friday, 27 July 2018.

## These comprise fees in connection with the preparation of the KPMG report described in paragraph 8.2 of this Circular.

The Fund has not incurred any other expense in respect of the proposed amendments to the Management Agreement, the proposed amendments to the Constitution or the Specific Issue of Units for Cash in the three-year period preceding the date of this Circular.

## 19. CONFLICTS OF INTEREST

In terms of section IV of the Appendix to Schedule 16 of the JSE Listings Requirements relating to conflicts of interest, the Sponsor is required to make full disclosure of all matters that might reasonably be expected to impair their independence and objectivity in their professional dealings with the Fund, the Responsible Entity and in relation to the corporate action contemplated by this Circular.

The Sponsor has confirmed to the Fund, the Responsible Entity and to the JSE that there are no conflicts of interest that might impair their independence in relation to this Circular. The following policies and procedures are in place to ensure conflicts of interest do not arise between IAPF and the Sponsor:

- IAPF is operated by the Responsible Entity located in Australia and is therefore physically separated from the operations of Investec Bank Limited in South Africa. IAPF has also delegated management functions to the Manager who is also located in Australia and physically separated from the operations of Investec Bank Limited in South Africa;
- any agreements or proposals entered into between IAPF and Investec Bank Limited are approved by the independent non-executive Directors. All other Directors (i.e. those that may be employees of Investec Bank Limited) declare an interest in these arrangements and abstain from voting on them, and thus are not influenced by Investec Bank Limited or the Sponsor;



- the Responsible Entity, in accordance with the Australian Corporations Act, must manage conflicts of interest and is subject to restrictions in respect of related party transactions. The Responsible Entity has a related party policy to assist its adherence with the law. The related party arrangements and any conflicts of interest that may arise in the future have been and will be managed appropriately in accordance with the Responsible Entity's related party policy and in compliance with the Australian Corporations Act and the JSE Listings Requirements; and
- all investment decisions made by entities and divisions within Investec Bank Limited are made independently and within the Investec Limited group compliance policy. Decisions in terms of corporate actions in relation to Units held by Investec Bank Limited are made by the investment committee, the members of which are differentiated from the members of the Sponsor team.

## 20. LITIGATION STATEMENT

As at the Last Practicable Date, the Board is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past (being the previous 12 months) a material effect on the Fund's financial position.

## 21. CONSENTS

The Financial Advisor and Sponsor, the Australian Legal Advisor, the South African Legal Advisor, the Transfer Secretaries, the Corporate Advisors, KPMG and the Independent Expert have consented in writing to being named in this Circular in the form and context in which they are named and have not withdrawn their consent prior to its publication.

## 22. DOCUMENTS AVAILABLE

The following documents, or copies thereof, will be available for inspection during normal business hours at the Australian and South African offices of the Responsible Entity, from the date of this Circular, up to and including Wednesday, 5 September 2018:

- this Circular, signed by or on behalf of the Responsible Entity by a member of the Independent Board Committee;
- the proposed amended Constitution and the execution version of the supplemental deeds to effect those amendments;
- annual reports (which include the audited financial statements of the Fund) for the financial years ended 31 March 2016, 31 March 2017 and 31 March 2018;
- the execution version of the amending agreement which effects the proposed amendments to the Management Agreement (to which the proposed amended Management Agreement is attached); and
- the letters of consent referred to in paragraph 21 of this Circular.

These documents are also available on the IAPF website at [www.iapf.com.au](http://www.iapf.com.au) and can be requested from investor relations by email ([investorrelations@investec.com](mailto:investorrelations@investec.com)).

For and on behalf of

### **Investec Australia Property Fund**

#### **Richard Longes**

*Chairman*

Investec Property Limited (Responsible Entity)



## FREQUENTLY ASKED QUESTIONS

This Circular		Further information	
1.	<p>Why have I received this Circular?</p>	<p>You have received this Circular because you are a Unitholder in the Fund.</p> <p>The purpose of this Circular and the accompanying documents is:</p> <ul style="list-style-type: none"> <li>to provide Unitholders with information to enable them to make an informed decision as to whether or not they should vote in favour of the Resolutions; and</li> <li>to convene the General Meeting to be held on Wednesday, 5 September 2018.</li> </ul> <p>Details regarding the General Meeting, including how to vote, are set out in items 28 to 36 of these FAQs.</p>	1.
Overview of the ASX Listing Proposal		Further information	
2.	<p>What is the ASX Listing Proposal?</p>	<p>The Fund currently has a primary listing on the JSE, and a secondary listing on the Bermuda Stock Exchange.</p> <p>The ASX Listing Proposal involves the Fund pursuing a primary listing on the ASX in addition to its current primary listing on the JSE in the manner contemplated by this Circular. If the ASX Listing Proposal is successful, the Fund will delist from the Bermuda Stock Exchange.</p> <p>The ASX Listing Proposal also comprises the Specific Issue of Units for Cash to be undertaken by the Fund in order to raise new equity capital mainly from the Australian capital markets, primarily for the purposes of making further real estate asset acquisitions for the Fund in line with its current investment strategy. The proceeds may also be used to pay down debt.</p> <p>For further information on the Specific Issue of Units for Cash, see items 23 to 27 of these FAQs.</p>	3, 4
3.	<p>What is the timeframe for executing the ASX Listing Proposal?</p>	<p>If the Resolutions are passed, the Responsible Entity will be in a position to implement the ASX Listing Proposal (including the Specific Issue of Units for Cash) within 12 months of the Resolutions being passed.</p> <p>However, even if the Resolutions are passed, there is no guarantee that the ASX Listing Proposal will proceed. In particular, the Responsible Entity may choose not to pursue the ASX Listing and the Specific Issue of Units for Cash if market conditions are not favourable, or if no suitable acquisitions in line with the Fund's stated investment strategy are identified.</p>	2
4.	<p>What is the background to the ASX Listing Proposal?</p>	<p>The Fund has previously announced it was considering pursuing a primary listing on the ASX (in addition to its current primary listing on the JSE), subject to favourable market conditions.</p> <p>As part of the Fund's consideration of an ASX Listing (to become dual listed), the Fund's management team sought feedback from Australian institutional investors. Feedback from those discussions was supportive of the quality of the Fund's property portfolio, asset strategy and management track record. The Australian institutional investors noted that important factors to the success of a potential dual primary listing of the Fund through an ASX Listing included the level of Unit trading liquidity, and ensuring that the Fund's management arrangements, corporate governance framework and distribution policy are consistent with Australian standards and market practice for ASX listed Australian REITs.</p> <p>The Responsible Entity believes that the ASX Listing Proposal is consistent with the objective of the Fund.</p>	3

5.	What is the rationale for the ASX Listing Proposal?	<p>A dual listing on the JSE and the ASX will provide the Fund with direct access to both the Australian and South African capital markets. Access to a more diversified pool of capital is expected to provide the Fund with greater financial flexibility to grow and diversify its portfolio, subject to its current borrowing policy which it currently intends will remain unchanged.</p> <p>The Independent Board Committee has been advised that while trading of Units is typically impacted by a number of factors, the ASX Listing Proposal represents an opportunity for the Fund to trade more closely in line with other ASX listed Australian REITs by virtue of the Fund being listed in the jurisdiction where the majority of its assets are located, thereby allowing investors to make a more direct comparison of the Fund with its ASX listed peers.</p> <p>The ASX Listing Proposal also involves amendments to the terms of the Management Agreement (which the Independent Board Committee believes are more favourable to Unitholders than the existing terms) and a Specific Issue of Units for Cash (as described in items 6 and 23 – 27 of these FAQs).</p> <p>The increase in free float as a result of certain Investec Group Entities not participating in the Specific Issue of Units for Cash, together with a potential increase in the market capitalisation of the Fund in connection with the Specific Issue of Units for Cash or future equity raisings on either exchange, is expected to provide index inclusion benefits for the Fund over time. There is however, a possibility that trading will be dominated by one exchange with subdued trading on the other exchange.</p>	4.2
6.	How will the Management Agreement change if the ASX Listing Proposal proceeds?	<p>With the primary objective of achieving alignment with the terms typically provided for in management agreements of other externally managed ASX listed Australian REITs, it is proposed that the Management Agreement is amended so that, for so long as the Fund is ASX Listed:</p> <ul style="list-style-type: none"> <li>• the Manager's appointment for fixed recurring 10-year terms will not apply, and instead the Manager's appointment will terminate automatically if the Responsible Entity ceases to be the responsible entity of IAPF, it being noted that under the Australian Corporations Act the Responsible Entity can be removed at any time by way of an ordinary resolution of Unitholders;</li> <li>• no termination fee will be payable to the Manager on termination or expiry of the Management Agreement; and</li> <li>• if IAPF achieves an enterprise value of more than AUD 1.5 billion, the base fees payable to the Manager will be stepped down from 60 basis points to 55 basis points on every dollar over AUD 1.5 billion.</li> </ul> <p>The Manager has agreed to the proposed amendments.</p> <p>There will be no change to the Management Agreement unless the Resolutions are passed. If the Resolutions are passed, the amendments described above will be implemented but will only be operative to the extent the Fund is ASX Listed.</p>	9
7.	What are the proposed changes to the Constitution?	<p>In connection with the Specific Issue of Units for Cash, it is proposed that the Constitution be amended to expressly authorise the Responsible Entity to issue Subscription Units at the Subscription Price under the Specific Issue of Units for Cash (including inserting a mechanism for determining the minimum Subscription Price for the Subscription Units). This amendment will only take effect if all Resolutions are passed.</p> <p>In addition, certain other ancillary amendments to the Constitution are proposed:</p> <ul style="list-style-type: none"> <li>• in connection with the Fund being ASX Listed; and</li> <li>• in order to modernise the Constitution, including to facilitate reliance by the Responsible Entity on ASIC Class Order 13/655.</li> </ul> <p>If the Ancillary Resolution is passed, the ancillary amendments will take effect regardless of whether the other Resolutions pass or the ASX Listing Proposal proceeds. However, the amendments relating to being ASX Listed are only operative to the extent that the Fund is ASX Listed.</p>	10.2.5; 11; Annexure 6

8.	How will the Board and governance arrangements of the Fund change if the ASX Listing Proposal proceeds?	<p>If the ASX Listing Proposal proceeds, the Responsible Entity intends to appoint an additional independent non-executive director to the Board.</p> <p>The Board also proposes to review its current governance arrangements and implement necessary changes to comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, in a manner consistent with other ASX listed Management Investment Schemes. The Fund would also continue to comply with the King IV Principles on Corporate Governance for South Africa (2016), to the extent applicable, which applies to JSE listed entities.</p> <p>These Board and governance arrangements would be reviewed on a periodic basis to ensure compliance, to the extent applicable, with guidelines in both jurisdictions, as they are amended from time to time.</p>	5.1
9.	How will the Fund's distribution policy change if the ASX Listing Proposal proceeds?	<p>Since inception, the Fund's distribution policy has been to distribute all of its distributable income, which comprises the higher of statutory net profit under Australian accounting standards (subject to certain adjustments) and taxable income. Under Australian accounting standards, statutory net profit includes certain non-cash items which are adjusted to determine distributable income, being straight-line rental revenue and fair value adjustments (including adjustments on investment property, interest rate swaps and foreign currency). Distributions, as well as items such as tenant incentives and maintenance capital expenditure, have been funded from a combination of the Fund's free cash flows and debt.</p> <p>In connection with the ASX Listing Proposal, the Fund is considering more closely aligning its distribution policy with those of other ASX listed Australian REITs. While ASX listed Australian REITs typically determine their distributable income in a similar manner to the Fund, adjustments are often made in accordance with the Property Council Guidelines for certain non-cash and other items, including maintenance capital expenditure, tenant incentives and leasing costs. In accordance with the Property Council Guidelines, other ASX listed Australian REITs also typically report their distribution payout ratio by reference to AFFO and/or FFO.</p> <p>If the ASX Listing Proposal proceeds, it is intended that the Fund would similarly determine its distribution in the manner described above and report its distribution payout ratio by reference to AFFO and/or FFO. Distributions to Unitholders would continue to be paid on a half-yearly basis. It is also expected that future distributions would more closely align to, and be reported in accordance with the Property Council Guidelines, whereby distributions are generally funded from free cash flow (which is referred to as AFFO), and tenant incentives and maintenance capital expenditure are not entirely funded by borrowings. This is consistent with market practice for ASX listed Australian REITs.</p>	5.2
10.	What are the impacts of the ASX Listing Proposal on the Fund's borrowing policy?	<p>Under the Constitution, the Responsible Entity must ensure that the Fund's gearing ratio does not exceed 60% at any time. Notwithstanding this, the Board has approved a borrowing policy whereby gearing will be maintained between 30% and 40%, with the ability to exceed the top end of the range provided gearing will be reduced to below 40% within a reasonable period of time. The Responsible Entity is not proposing to change the Fund's borrowing policy as a consequence of the ASX Listing Proposal.</p> <p>If the Specific Issue of Units for Cash is implemented, some of the proceeds may be used for the purposes of paying down debt.</p>	5.3
11.	What are the taxation implications of the ASX Listing Proposal?	<p>The ASX Listing Proposal will not change the current tax treatment of distributions to foreign Unitholders.</p>	5.4

12.	How will the ASX Listing Proposal affect the manner in which distributions are paid?	<p>The Fund currently determines distributions in AUD. For South African Unitholders, distributions are converted to ZAR based on an exchange rate and conversion date announced by the Fund via SENS, and paid into the bank accounts of the various CSDPs.</p> <p>If the ASX Listing Proposal proceeds, there will be no change to the manner in which distributions are paid to South African Unitholders holding Units quoted on the JSE. However, Unitholders holding Units quoted on the ASX will receive their distributions in AUD.</p>	5.5
13.	Will the Fund remain an inward-listed REIT on the JSE if the ASX Listing Proposal proceeds?	Yes.	5.6
14.	What other changes to the Fund are envisaged if the ASX Listing Proposal proceeds?	<p>Other than the changes described above, and the additional administrative or head office costs associated with maintaining a dual listing, it is not anticipated that the ASX Listing Proposal will result in any material changes to the day to day operation of the Fund.</p> <p>In particular, the ASX Listing Proposal will not change the Fund's stated investment strategy of acquiring quality office, industrial or retail assets in Australia and/or New Zealand, nor its focus on hands-on, active asset management.</p>	
15.	Are there any other approvals required to implement the ASX Listing Proposal?	<p>In addition to the Resolutions being passed, the ASX will need to approve the ASX Listing in order for the ASX Listing Proposal to proceed.</p> <p>The ASX has considered a preliminary application in respect of the proposed ASX Listing, in conjunction with the proposed Specific Issue of Units for Cash, and has provided the Fund with an in-principle advice confirming that it is not aware of any reason that would cause the Fund not to have a structure and operations suitable for a listed entity for the purposes of the ASX Listing Rules, or that would cause the ASX to refuse the Fund's admission to the official list.</p> <p>In addition, the ASX has confirmed it has no objections to the proposed amendments to the Constitution and has provided certain in-principle waivers and confirmations including confirmation that the Management Agreement (as amended) is acceptable for the purposes of Listing Rule 1.1 condition 1.</p>	12.1
16.	How will Unitholders be able to hold their Units if the ASX Listing Proposal proceeds?	<p>Should the ASX Listing Proposal be completed, Unitholders will be able to hold their Units through either the Australian Register or the South African Register.</p> <p>To move back and forth between the Australian Register and the South African Register, Unitholders will need to contact their CSDP or broker, who will (subject to the Unitholder having obtained any exchange control or other approval which they may require) engage the Transfer Secretaries to update the applicable sub-registers.</p>	4.2, 12.2
17.	Will the Fund maintain a dual listing if the ASX Listing Proposal is implemented?	If the ASX Listing Proposal is implemented, it is currently intended that the Fund would continue to maintain a dual listing on the JSE and the ASX.	4.2
<b>Independent Board Committee recommendation and Independent Expert's Fairness Opinion</b>			<b>Further information</b>
18.	What is the Independent Board Committee?	<p>Under the Australian Corporations Act and the JSE Listings Requirements, the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash may involve financial benefits being given to a related party. Accordingly, the Board has established an Independent Board Committee to manage actual or perceived conflicts which may be involved in the transactions, to authorise and approve the issue of this Circular, and to make recommendations in respect of the Resolutions.</p> <p>The Independent Board Committee comprises only the independent non-executive Directors, being Richard Longes (chairman), Sally Herman and Hugh Martin.</p>	7

19.	What is the recommendation of the Independent Board Committee?	The Directors of the Independent Board Committee unanimously recommend that Unitholders vote in favour of each of the Resolutions.	8
20.	Why has an Independent Expert's Fairness Opinion been included with this Circular?	<p>As the proposed amendments to the Management Agreement constitute a related party transaction as defined in the JSE Listings Requirements, and the Specific Issue of Units for Cash may involve an issue to related parties at a discount, under paragraph 5.51 (f) of the JSE Listings Requirements, the Independent Board Committee is required to obtain written confirmation from an independent professional expert confirming whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are fair insofar as Unitholders are concerned, excluding the related parties.</p> <p>The Independent Expert's Fairness Opinion has also been utilised by the Independent Board Committee to assess whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash satisfy the "arm's length" exception under the Australian Corporations Act – in particular, that any financial benefit being given to the related parties would be reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length.</p>	8.2
21.	What is the opinion of the Independent Expert?	<p>The Independent Expert has concluded that the terms and conditions of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are:</p> <ul style="list-style-type: none"> <li>• fair to Unitholders, excluding the related parties; and</li> <li>• reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length.</li> </ul>	8.2
22.	Are the Board of the Responsible Entity, Investec Bank and IPF supportive of the ASX Listing Proposal?	<p>Yes.</p> <p>Each of the Board, Investec Bank Limited and IPF are supportive of the ASX Listing Proposal.</p>	2, 7
<b>Further information on the Specific Issue of Units for Cash</b>			<b>Further information</b>
23.	How will the proceeds of the Specific Issue of Units for Cash be used?	If the Specific Issue of Units for Cash proceeds, IAPF intends to use the proceeds primarily for the purposes of making further real estate asset acquisitions for the Fund in line with its current investment strategy. The proceeds may also be used to pay down debt.	10
24.	What is the maximum issue amount?	Subject to the approval and authorisation of Unitholders at the General Meeting, the Fund may issue up to a maximum of 180 million Subscription Units at the Subscription Price in conjunction with the ASX Listing within 12 months of the Resolutions being passed.	10.2
25.	At what price would Subscription Units be issued?	<p>The Subscription Price will be determined by a bookbuild conducted by the Fund's financial advisors, subject to a minimum Subscription Price.</p> <p>The minimum Subscription Price is the greater of:</p> <ul style="list-style-type: none"> <li>• the net asset value of the Fund (as that term is defined in the Constitution) most recently reported to the JSE and based on the most recent financial statements for the Fund, adjusted if appropriate by any independent third party valuation and expressed in Australian dollars (divided by the number of Units on issue); and</li> <li>• the equivalent in AUD of the volume weighted average trading price per Unit on the JSE calculated for the 30 most recent Business Days immediately before lodgement of the Disclosure Document, less a 3% discount.</li> </ul>	10.2

26.	Who may participate in the Specific Issue of Units for Cash?	It is currently anticipated that the Specific Issue of Units for Cash will be offered to Qualifying Investors, including high net worth individuals and institutional investors in Australia, South Africa and other selected international jurisdictions, members of the Fund's management and Board, and retail clients (as defined in Chapter 7 of the Australian Corporations Act).	10.2
27.	Will the holdings of the Investec Group Entities be diluted through the Specific Issue of Units for Cash?	Yes. Investec Bank Limited and Investec Property Fund have confirmed that they will not participate in the Specific Issue of Units for Cash in respect of their Principal Stake. On the basis that the maximum 180 million Subscription Units are issued under the Specific Issue of Units for Cash, Investec Bank and IPF's combined interest in the Fund will be diluted to 26.16%.  This dilution is expected to reduce register concentration and facilitate an improvement in liquidity of trading on both the JSE and the ASX.	10.2
<b>Meeting details, voting and approval thresholds</b>			<b>Further information</b>
28.	When and where will the General Meeting be held?	The General Meeting will be held on Wednesday, 5 September 2018 at: <ul style="list-style-type: none"> <li>• 17:30 (Sydney time) in Boardroom, Investec Australia, Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia; and</li> <li>• 09:30 (Johannesburg time) in 2nd Floor, Executive Boardroom, Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, South Africa.</li> </ul>	Important Information for Unitholders and Action Required By Unitholders
29.	What are the Resolutions?	The Resolutions comprise the ASX Listing Resolutions and the Ancillary Resolution. All Resolutions must be passed for the ASX Listing Proposal to proceed.  <b>ASX Listing Resolutions</b>  The ASX Listing Resolutions comprise three inter-conditional resolutions, namely: <ul style="list-style-type: none"> <li>• the proposed resolution to approve changes to the Management Agreement as described in this Circular (<b>Management Agreement Resolution</b>);</li> <li>• the proposed resolution to approve the implementation of the Specific Issue of Units for Cash within 12 months of the Resolutions being passed (<b>Specific Issue Resolution 1</b>); and</li> <li>• the proposed resolution to approve amendments to the Constitution which expressly authorise the Responsible Entity to issue Subscription Units at the Subscription Price under the Specific Issue of Units for Cash (including inserting a mechanism for determining the minimum Subscription Price for Subscription Units) (<b>Specific Issue Resolution 2</b>).</li> </ul> The ASX Listing Resolutions are also conditional on the passing of the Ancillary Resolution (described below).  <b>Ancillary Resolution</b>  The Ancillary Resolution is intended to effect certain other amendments to the Constitution in order to: <ul style="list-style-type: none"> <li>• facilitate the ASX Listing Proposal, or any other future listing of the Fund on the ASX should the ASX Listing Proposal not proceed; and</li> <li>• modernise the Constitution, including to facilitate reliance by the Responsible Entity on ASIC Class Order 13/655.</li> </ul> The Ancillary Resolution is not conditional on the passing of the ASX Listing Resolutions. Accordingly, if the Ancillary Resolution is passed the relevant amendments to the Constitution will be made. However, to the extent the amendments relate to being ASX Listed, such changes will only be operative to the extent the Fund is ASX Listed.	2; Notice of General Meeting

30.	What are the voting thresholds?	<ul style="list-style-type: none"> <li>The Management Agreement Resolution will be passed if more than 50% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.</li> <li>Specific Issue Resolution 1 will be passed if at least 75% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.</li> <li>Specific Issue Resolution 2 will be passed if at least 75% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.</li> <li>The Ancillary Resolution will be passed if at least 75% of the votes cast by Unitholders entitled to vote on this Resolution are cast in favour.</li> </ul>	2.4; Notice of General Meeting
31.	Who is entitled to vote at the General Meeting?	Only Unitholders reflected in the Register on 09:30 (Johannesburg time) on Friday, 24 August 2018 are entitled to vote on the Resolutions, subject to the voting exclusions described in this Circular.	Salient Dates and Times; Notice of General Meeting
32.	Can Investec Group Entities vote at the General Meeting?	<p>Having regard to the voting restrictions contained in section 253E of the Australian Corporations Act and the JSE Listings Requirements, certain Units directly or indirectly owned by Investec Group Entities or managed or advised by Investec Group Entities may not be able to be voted on the Resolutions.</p> <p>Units of clients managed or advised by IAM or IWI, and which are not held by an Investec Group Entity (for example, Ferbros Nominees), may be able to be voted on the Resolutions in limited circumstances which are described in the Circular. However, the Principal Stake of Investec Bank Limited and IPF (which together comprises 35.99% of Units on issue) will not be voted on the Resolutions.</p>	9.4, 10.3 and 11.4
33.	How can I vote?	<p>If you are a Dematerialised Unitholder who is not an own-name Dematerialised Unitholder, you must advise your broker or CSDP if you wish to attend the General Meeting. If so, your broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.</p> <p>If you are:</p> <ul style="list-style-type: none"> <li>a Certificated Unitholder; or</li> <li>an "own name" Dematerialised Unitholder;</li> </ul> <p>you may:</p> <ul style="list-style-type: none"> <li>attend and vote at the General Meeting in person; or</li> <li>appoint a proxy to represent you at the General Meeting by completing the attached form of proxy and returning it to the Transfer Secretaries by no later than 17:30 (Sydney time)/09:30 (Johannesburg time) on Monday, 3 September 2018 (or alternatively hand it to the chair of the General Meeting prior to its commencement).</li> </ul>	Important information for Unitholders and action required by Unitholders; Notice of General Meeting
34.	What choices do I have as a Unitholder?	<p>As a Unitholder, you have the following choices:</p> <ul style="list-style-type: none"> <li>you can vote at the General Meeting;</li> <li>you can choose not to vote at the General Meeting;</li> <li>you can sell your Units; or</li> <li>you can do nothing.</li> </ul>	Important information for Unitholders and action required by Unitholders
35.	What happens if I do not vote?	<p>Voting is not compulsory but if you do not vote you will not have a say in the Resolutions.</p> <p>Regardless of whether or not you vote, you will be bound by the results of the Resolutions.</p>	Important information for Unitholders and action required by Unitholders



36.	What happens if the Resolutions are not passed?	<p>If the Resolutions are not passed, the Fund will remain as is, the ASX Listing Proposal will not proceed and the Fund will remain listed on the JSE and the Bermuda Stock Exchange. In addition, the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash will not be pursued.</p> <p>However, if the Ancillary Resolution is passed, the proposed amendments to the Constitution the subject of the Ancillary Resolution will still be effected regardless of whether the other Resolutions are passed.</p> <p>You should be aware that the Responsible Entity does not intend to, and will not be in a position to, implement the ASX Listing Proposal if the Resolutions are not passed and has no current intention to pursue any other form of ASX Listing. Accordingly, if the Resolutions are not passed there is no certainty that an ASX Listing will be pursued in the future.</p>	6
<b>Other information</b>			<b>Further information</b>
37.	What should I do if I have further questions?	<p>If after reading this Circular you have any questions about the ASX Listing Proposal or the General Meeting, you should contact investor relations by email (<a href="mailto:investorrelations@investec.com">investorrelations@investec.com</a>).</p> <p>If you are in any doubt as to what actions to take, please consult your broker; CSDP; banker; legal advisor; accountant or other professional advisor immediately.</p>	Important information for Unitholders and action required by Unitholders



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**INDEPENDENT EXPERT'S FAIRNESS OPINION**


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 South Africa

The Independent Board Committee  
 Investec Property Limited as responsible entity of Investec Australia Property Fund  
 c/o Investec Property Limited  
 Level 23, Chifley Tower  
 2 Chifley Square  
 Sydney  
 New South Wales, 2000  
 Australia

30 July 2018

Dear Sirs

**FAIRNESS OPINION TO THE INDEPENDENT BOARD COMMITTEE OF INVESTEC AUSTRALIA PROPERTY FUND REGARDING THE PROPOSED AMENDMENTS TO THE MANAGEMENT AGREEMENT AND A SPECIFIC ISSUE OF UNITS FOR CASH TO RELATED PARTIES**

**Introduction**

During the release of Investec Australia Property Fund's ("Investec Australia Property Fund", "IAPF" or "the Fund") financial results for the six months ended 30 September 2017, registered holders of participatory interests in IAPF ("Units") ("Unitholders") were informed that the Fund was considering pursuing a dual primary listing on the Australian securities exchange operated by the ASX Limited ("ASX") in addition to its current primary listing on the exchange operated by the JSE Limited ("JSE"). We understand that a key focus area for Australian institutional investors in relation to the Fund's stated interest in a dual primary listing on the ASX is that the Fund's management arrangements and distribution policy are consistent with Australian standards and market practice for Australian listed real estate investment trusts ("REITs").

Under the Australian Corporations Act, the Responsible Entity of the Fund is Investec Property Limited ("Investec Property" or "Responsible Entity"), which is indirectly a wholly-owned subsidiary of Investec Plc. The Responsible Entity has the primary responsibility for the governance and operation of the Fund. The Responsible Entity has appointed a related body corporate, Investec Property Management Proprietary Limited ("Investec Property Management" or the "Manager") to provide certain asset management and property management services to the Fund under the Management Agreement dated 1 August 2013 ("Management Agreement"). This appointment is consistent with the requirements of the Constitution of the Fund ("Constitution"), under which the Responsible Entity is obliged to appoint a manager to manage the assets of the Fund. Under the Constitution, the Responsible Entity is authorised to, and must, pay all fees and costs under the Management Agreement out of the Fund, subject to the provisions of the Constitution.

The Fund is currently pursuing proposed amendments to the Management Agreement to align with Australian market standards. The proposed amendments are only operative to the extent that the Fund is listed on the ASX.

The Responsible Entity intends undertaking a specific issue of up to 180 million Units for cash ("Subscription Units") ("Specific Issue of Units for Cash") in order to raise new equity capital, predominantly from the Australian capital markets. The Specific Issue of Units for Cash is not an offer to the public as contemplated in the South African Companies Act

BDO Corporate Finance (Pty) Ltd  
 Registration number: 1983/002903/07  
 VAT number: 4250218718

BDO Corporate Finance (Pty) Ltd, a South African company, is an affiliated company of BDO South Africa Inc, a South African company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is an international network of independent public accounting, tax and advisory firms ("the BDO network"), which perform professional services under the name of BDO (BDO is the brand name for the BDO International network and for each of the BDO Member Firms.)

(No. 71 of 2008), as amended (the “Companies Act”), and no prospectus has been or will be filed with the Companies and Intellectual Property Commission (“CIPC”) in South Africa in respect of the Specific Issue of Units for Cash. However, a Product Disclosure Statement (“PDS”) will be prepared and lodged with the Australian Securities and Investments Commission in connection with the Specific Issue of Units for Cash, as this will be required for the proposed ASX listing of the Fund even though the offer will only be made to investors who may be offered Subscription Units without the need for disclosure under Part 7.9 of the Australian Corporations Act. The minimum subscription price at which the Subscription Units will be issued is the greater of:

- the net asset value (as that term is defined in the Constitution) of the Fund most recently reported to the JSE and based on the most recent financial statements for the Fund, adjusted if appropriate by any independent third party valuation and expressed in AUD (divided by the number of Units on issue); and
- the equivalent in AUD of the volume weighted average trading price per Unit on the JSE calculated for the 30 business days immediately before lodgement of the PDS, less a 3% discount,

(“Subscription Price”).

Further details in respect of the proposed amendments to the Management Agreement and Specific Issue of Units for Cash are included in the bound circular, dated Monday, 6 August 2018, including all annexures and attachments thereto (“Circular”).

### **Fairness opinion required in terms of the Listings Requirements**

The Responsible Entity and Manager are related parties to IAPF and hence an amendment of the Management Agreement is a related party transaction for purposes of the Australian Corporations Act and the JSE Listings Requirements (“Listings Requirements”). In terms of section 10.4 of the Listings Requirements the board of directors of IAPF is required to obtain a fairness opinion confirming whether the amendments to the Management Agreement are fair insofar as Unitholders are concerned which must be included in the Circular.

Investec Bank Limited (“Investec Bank Limited”), Investec Property Fund Limited (“Investec Property Fund”), Investec Wealth and Investment Management Limited (“IWI”) and Investec Asset Management Holdings Proprietary Limited (“IAM”) (collectively the “Investec Group Entities”) are related parties for purposes of the Listings Requirements.

As the Specific Issue of Units for Cash may involve an issue to related parties at a discount, in terms of Section 5.51(f) of the JSE Listings Requirements, the board of directors of IAPF is required to obtain written confirmation from an independent professional expert confirming whether the Specific Issue of Units for Cash is fair insofar as Unitholders are concerned, which must be included in the Circular.

While obtaining this opinion will entitle the Investec Group Entities to participate in the Specific Issue of Units for Cash, it is our understanding that Investec Bank Limited and Investec Property Fund have confirmed that they will not participate in the Specific Issue of Units for Cash.

The board of directors of the Responsible Entity (“Board”) has established a sub-committee of the Board comprising only the independent non-executive directors of the Board (“Directors”) (“Independent Board Committee”) to meet its obligations to manage actual or perceived conflicts which may be involved in the transactions being considered and to enable it to fulfil its obligations in respect of the Listings Requirements.

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert by the Independent Board Committee to provide an independent fairness opinion with regard to the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash (together the “Fairness Opinion”).

### **Fairness opinion required in terms of Australian Law**

While a fairness opinion is not provided in relation to the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash for the purposes of obtaining the approval of members to the giving of a related party benefit under section 208 of Part 2E.1 of the Australian Corporations Act 2001 (Cth) of Australia, as amended from time to time (“Australian Corporations Act”), given the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash may involve financial benefits being given to a related party, BDO Corporate Finance is of the understanding that the Fairness Opinion will also be utilised by the Independent Board Committee to assist it to discharge its responsibilities in assessing whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash satisfy the “arm’s length” exception in section 210 of the Australian Corporations Act as it applies to the Fund by virtue of Part 5C.7 of the Australian Corporations Act. In particular, that any financial benefit being provided would be reasonable in the circumstances if the Responsible Entity of the Fund and the related parties were dealing at arm’s length. BDO Corporate Finance was also engaged to opine on whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm’s length.

## **Responsibility**

Compliance with the Listings Requirements and Australian Law is the responsibility of the Board and the Independent Board Committee. Our responsibility is to report on the fairness of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash and whether the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length.

## **Explanation as to how the term “fair” applies in the context of the proposed amendments to the Management Agreement and Specific Issue of Units for Cash**

Schedule 5.7 of the Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will typically be considered fair to a company's Unitholders if the benefits received by Unitholders, as a result of a corporate action, are equal to or greater than the value ceded by a company.

In the context of the Management Agreement, there is neither a consideration received nor value ceded. As a value cannot be attributed to the Management Agreement, we have given due consideration to the following factors in assessing the fairness of the transaction:

- The rationale for the proposed amendments to the Management Agreement;
- The process which was undertaken in arriving at the proposed amendments to the Management Agreement;
- Assessment of the financial effect of the proposed amendments to the Management Agreement to IAPF; and
- Comparison of the fees payable to the Manager under the Management Agreement to other REITs listed on the ASX, where this information is publicly available, as well as available research in the market.

The Specific Issue of Units for Cash would be considered fair to the Unitholders (excluding the related parties) of IAPF if the Subscription Price is greater than or equal to the fair value per Unit, or unfair if the Subscription Price is less than the fair value per Unit.

## **Details of information and sources of information**

### *Management Agreement*

In arriving at our opinion we have considered the following principal sources of information:

- The rationale for the proposed amendments to the Management Agreement;
- The signed Management Agreement dated 23 July 2018;
- Benchmarking analysis performed by BDO Corporate Finance and advisors to the Independent Board Committee in respect of the three major clause changes to the proposed amendments to the Management Agreement being:
  - Clause 9 – Term of the Management Agreement;
  - Clause 9 – Termination of the Management Agreement;
  - Clause 9 – Termination Fee; and
  - Clause 5.2 and 5.3 – Base Fee.
- The study and corresponding report commissioned by the Independent Board Committee as part of the process undertaken in arriving at the terms and conditions of the Management Agreement, being:
  - Review of the proposed amendments to the Management Agreement undertaken by KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Property Limited provided on or around 30 June 2018 (“Review of Management Agreement Report”); and
- Data available from published annual reports; and
- Precedent transactions regarding the restructure of asset and property management agreements, albeit in other jurisdictions.

### *Specific Issue of Units for Cash*

In arriving at our opinion we have relied upon the following principal sources of information:

- The terms and conditions of the Specific Issue of Units for Cash;
- Audited annual financial statements of IAPF for the year ended 31 March 2017;
- Reviewed preliminary condensed consolidated financial results of IAPF for the year ended 31 March 2018;
- Annual Report and Long Form Report of IAPF for the year ended 31 March 2018 as approved by the Board;

- Analysts' reports on the Australian REIT sector and on Australian REITs selected as peer companies of IAPF;
- Trading history and other publicly available financial information on IAPF and Australian REITs selected as peer companies of IAPF;
- Historic and one-year forward forecast income distribution yields, where available, of IAPF and of Australian REITs selected as peer companies of IAPF;
- Discussions with the directors and management of the Responsible Entity regarding the rationale for the Specific Issue of Units for Cash;
- Discussions with directors and management of the Responsible Entity regarding the historical and forecast financial information of IAPF;
- Discussions with directors and management of the Responsible Entity and their advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to IAPF and the Australian REIT sector.

The information above was secured from:

- Certain directors and management of the Responsible Entity and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing the Fund.

### **Procedures and consideration**

In arriving at our Fairness Opinion we have given due consideration to the following factors:

#### *Management Agreement*

- The rationale for the proposed amendments to the Management Agreement;
- The process undertaken in arriving at the terms and conditions of the proposed amendments to the Management Agreement;
- Comparison of the financial effect of the proposed amendments to the Management Agreement; and
- Comparison of the fees payable under the Management Agreement to fee structures for selected REITs listed on the ASX, as well as other research.

#### *Specific Issue of Units for Cash*

- Reviewed the terms and conditions of the Specific Issue of Units for Cash;
- Reviewed the audited and unaudited financial information related to IAPF, as detailed above;
- Reviewed and obtained an understanding as to the financial information of IAPF and the underlying 27 office and industrial properties owned by IAPF (the "Property Portfolio");
- Reviewed the independent professional valuations performed for the top 10 properties within the Property Portfolio as at 31 March 2018;
- Held discussions with directors of the Responsible Entity and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends;
- Selected a number of Australian REITs as peer companies of IAPF and analysed publicly available financial information on this peer group;
- Prepared an indicative valuation of IAPF Units using the price to book methodology within the market approach;
- Considered the forecast distributions of IAPF, based on the company's own distribution forecasts and prepared an indicative valuation of IAPF Units using a capitalisation of income methodology within the income approach;
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the REIT sector generally;
- Considered the 30, 60 and 90 days' VWAP unit price information of IAPF and on Australian REITs selected as peer companies of IAPF ("VWAP Indicators");
- Reviewed certain publicly available information relating to IAPF, including company announcements and media articles;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which IAPF operates in, and to analyse external factors that could influence the business of IAPF; and
- Held discussions with the directors and management of the Responsible Entity as to their strategy and the rationale for the Specific Issue of Units for Cash and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Australian REIT sector.

## Assumptions

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the proposed amendments to the Management Agreement and Specific Issue of Units for Cash will be legally enforceable;
- That the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of the Responsible Entity; and
- That reliance can be placed on the financial information of IAPF.

## Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on audit reports in the financial statements of IAPF; and
- Determining the extent to which information in respect of IAPF and the Property Portfolio was confirmed by documentary evidence as well as our understanding of IAPF and the economic environment in which it operates.

## Limiting conditions

This opinion is provided in connection with, and for the purposes of, the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash. The opinion does not purport to cater to each individual Unitholder's perspective, but rather that of the general body of Unitholders.

Individual Unitholders' decisions regarding the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash may be influenced by such Unitholders' particular circumstances and accordingly, individual Unitholders should consult an independent advisor if in any doubt as to the merits or otherwise of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results will correspond to those projected. We have, however, compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have been neither a party to the negotiations entered into in relation to the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash nor have we been involved in the deliberations leading up to the decision on the part of the Independent Board Committee to conclude the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash.

We do not, by this Fairness Opinion or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash. All such evaluations, advice, judgements or comments remain the sole responsibility of the Independent Board Committee and their advisors. We have, however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

It is not within our terms of reference to compare the merits of the proposed amendments to the Management Agreement or the Specific Issue of Units for Cash to any alternative arrangements that were or may have been available to IAPF. Such comparison and consideration remain the responsibility of the Independent Board Committee and their advisors.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

## Independence

We confirm that we have no direct or indirect interest in Units, the proposed amendments to the Management Agreement nor the Specific Issue of Units for Cash. We also confirm that we have the necessary qualifications and competence to provide the Fairness Opinion on the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the implementation of the proposed amendments to the Management Agreement nor the Specific Issue of Units for Cash.

## Management Agreement

*Assessment of the financial effect of the proposed amendments to the Management Agreement to IAPF*

Investec Property Management performs asset management, property management and leasing services on behalf of IAPF. The information below sets out the financial effect of the proposed amendments to the Management Agreement to IAPF (assuming the Fund is listed on the ASX). The financial effect has been quantified for the year ended 31 March 2018, based on information extracted from the audited financial information of IAPF as well as the illustrative impact of the proposed amendments to the Management Agreement if this agreement was in place for the same period. The comparison is performed in order to compare the fees payable to Investec Property Management under the Management Agreement, before the proposed amendments, to the fees payable to Investec Property Management after the proposed amendments (assuming the Fund is listed on the ASX) and is not intended to be an indication of the fees expected to be incurred as these will be influenced by various factors, including, *inter alia*, the market capitalisation of IAPF.

Service (AUD'000)	Clause in proposed amendments to the Management Agreement	Year ended 31 March 2018 – before proposed amendments to Management Agreement	Year ended 31 March 2018 – after proposed amendments to Management Agreement (assuming the Fund is listed on the ASX)			(Savings)/ additional cost
					Note	
Base Fee	Clause 5.2 and 5.3	5,120	5,120		<sup>1</sup>	0
Property management Fee	Clause 5.4	1,282	1,282		<sup>2 &amp; 3</sup>	0
Leasing Fee	Clause 5.5	494	494		<sup>2</sup>	0
Termination Fee	Clause 9	n/a	n/a		<sup>4</sup>	n/a
<b>Total</b>		<b>6,896</b>	<b>6,896</b>			<b>0</b>

Note 1: The Base Fee is subject to change only if the Fund attains an Enterprise Value ("EV") of more than AUD1.5 billion (the "Threshold Amount"). Should the Fund attain the Threshold Amount, the base fee is stepped down from 60 basis points to 55 basis points on every dollar over AUD1.5 billion.

Note 2: No change made to these Clauses

Note 3: This fee had been outsourced by the Manager to a third party who receives this fee from the Manager.

Note 4: This fee is only payable upon specific termination conditions which need be fulfilled as detailed "PART A: Key proposed amendments and related definitional changes" of this Circular.

The above illustrative analysis indicates that, based on the EV for the year ended 31 March 2018, no cost savings nor additional costs will be incurred by IAPF to the Manager. Should the EV exceed the Threshold Amount, the saving will be 5 basis points for every AUD1 in excess of the Threshold Amount.

*Comparison of the fees payable to Investec Property Management with the fees payable to the respective managers under the relevant agreements of selected REITs listed on the ASX*

The integrated annual reports in the public domain were reviewed and select information for Investa Office Fund, Charter Hall Retail REIT, Charter Hall Long Wale REIT, Folkestone Education Trust, Industria REIT, Centuria Metropolitan REIT, Aventus Retail Property Fund, Australian Unity Office Property Fund, BWP Trust and Centuria Industrial REIT (collectively "Comparable Management Agreement REITs") is included in the analysis below. We note that the analysis does not include the entire universe of REITs but is based on available information in the public domain. Limited information is available in the public domain and the analysis is constrained by the availability of public information.

Comparison of the abridged salient terms of the asset management fees payable to IAPF under the proposed amendments to the Management Agreement to the respective managers under the relevant agreements of Comparable Management REITs listed on the ASX and/ or other research performed by BDO Corporate Finance are set out in the table below:

<b>Description of fee</b>	<b>Clause in Management Agreement</b>	<b>Provision per Management Agreement</b>	<b>Comparable Management Agreement REITs</b>	<b>Conclusion</b>
<b>Fee clauses</b>				
<b>Base Fee</b>				
ASX Listed	Clause 5.2	For so long as the Fund is ASX Listed, the Manager continues to be entitled to a Base Fee equal to 60bps of the Fund's EV per annum, provided that if the Fund achieves an EV of more than AUD 1.5 billion, the Base Fee is stepped down from 60bps to 55bps on every dollar over AUD 1.5 billion.	The key difference between the Base Fee and the Comparable Management Agreement REITs is in the basis of calculation. The majority of management fees are calculated as a function of Gross Asset Value ("GRV") rather than EV. We considered the components of EV per the proposed amendments to the Management Agreement and consider it to be broadly in line with Comparable Management Agreement REITs definition of GRV. Cash is excluded from the definition of EV and as such, its exclusion can potentially reduce the Base Fee payable.  The range for selected REITs is within 45 – 60 bps.	The Base Fee is within the range of market parameters albeit at the upper end.
Not ASX Listed	Clause 5.3	The Manager is entitled to a Base Fee equal to 60bps of the Fund's EV per annum		
Property management Fee	Clause 5.4	The Manager is entitled to receive a property management fee per individual property managed as detailed in Schedule 2, Table 1 of the amended Management Agreement.	Not subject to change and therefore not assessed to Comparable Management Agreement REITs.	Not assessed.



Description of fee	Clause in Management Agreement	Provision per Management Agreement	Comparable Management Agreement REITs	Conclusion
Leasing Fee	Clause 5.5	<p>Whenever the Fund requires any Leasing Services as defined in Table 2 of Schedule 2 of the amended Management Agreement in relation to a property, the Manager and Responsible Entity must in good faith consider whether the Manager's engagement will be extended to cover the provision of such leasing services. The Manager may propose a fee for the provision of the relevant leasing services. In proposing the fee, the Manager must use reasonable endeavours to ensure that the fee reflects current market rates in Australia, to the extent such rates are ascertainable, for the relevant leasing services provided.</p>	<p>Not subject to change and therefore not assessed to Comparable Management Agreement REITs.</p>	Not assessed.
Termination Fee	Clause 9	No termination fees payable	<p>We note from the Comparable Management Agreement REITs that no termination fees are included therein.</p>	<p>The termination fee is within market parameters.</p>
<b>Other Clauses</b>				
Term of the Management Agreement	Clause 9	<p>The Manager is not appointed for a fixed term and may be terminated at any time in accordance with provisions of Clause 9.9 of the proposed amendments to the Management Agreement.</p>	<p>The majority of the Comparable Management Agreement REITs do not entrench the Manager for a defined period of time.</p>	<p>The term of the management agreement is within market parameters.</p>



Description of fee	Clause in Management Agreement	Provision per Management Agreement	Comparable Management Agreement REITs	Conclusion
Termination of the Management Agreement	Clause 9	<p>For so long as the Fund is ASX Listed, the Management Agreement terminates:</p> <ul style="list-style-type: none"> <li>automatically if the Responsible Entity ceases to be the Responsible Entity of the Fund, including as a result of an ordinary resolution of Unitholders being passed to that effect under the Australian Corporations Act; or</li> <li>on 3 months' notice from the Manager to the Responsible Entity; or</li> <li>on 10 Business Days' notice if substantially all of the assets of the Fund are sold; or</li> <li>with immediate effect by notice from one party to the other on the occurrence of a default or insolvency event.</li> </ul>	<p>We compared the termination clause of the management agreement to Comparable Management Agreement REITs and noted that structures vary across the market.</p>	<p>No Australian regulatory or legislative guidelines exist which would suggest the Termination Clauses are not comparable to the Comparable Management Agreement REITs.</p>

## Specific Issue of Units for Cash

### Valuation approach

In considering the terms and conditions of the Specific Issue of Units for Cash, we performed an independent valuation of IAPF. The valuation was performed in AUD.

The valuation of IAPF was performed by applying the market approach. In addition, we considered the income approach as a secondary methodology to support the results of the market approach.

The market approach entails a price to book approach, based on the published net asset value (“NAV”) of IAPF, being the key internal value driver to the market approach. The published NAV of IAPF was derived from the latest available statement of financial position as at 31 March 2018 which reflects a NAV of 128.94 Australian cents per Unit.

The key external value driver for the market approach is an appropriate price to book ratio for IAPF. Published NAVs were compared to the clean unit prices (i.e. excluding accrual for income distribution in the price) and clean 30-day VWAP prices for IAPF and for Australian REITs selected as peer companies to IAPF. Australian REITs were selected as peer companies based on the nature of the fund's assets and market capitalisation. Based on this information, a range of ratios of fair market value to NAV was determined which were applied to published NAV to determine the fair value range of a Unit. The prevailing unit prices and VWAP Indicators imply a range of premiums of clean price to NAV of a discount of 0.57% to a premium of 5.41%. The principal assumption applied in the valuation of an IAPF Unit using the market approach is a fair market value to Published NAV (i.e. price to book ratio) of 1.0x, being the median for the peers.

Within the income approach, the methodology we adopted comprised a capitalisation of income methodology, which entailed a review of historic and forecast forward distribution yields of peers, based on the actual and one-year forward distribution of peers as per consensus analysts' forecasts. Ranges for fair market one-year forward income yields appropriate to IAPF were determined and we capitalised the projected one-year forward distribution of IAPF, based on IAPF's own forecasts adjusted for the change in distribution policy as detailed in section 5.2 of the Circular, at these rates to produce a range for fair values of Units. IAPF achieved a distribution per unit of 10.0354 Australian cents, pre-withholding tax, for the year ended 31 March 2018 and expects distribution growth in the year ending 31 March 2019 of between 2.0% and 2.5% pre-withholding tax, being the key internal value driver. If the Fund distributed 100% of adjusted funds from operations, the Fund's distribution for the financial year ended 31 March 2018 would reduce from 10.03540 Australian cents per Unit to 9.55494 Australian cents per Unit. The proposed changes to the Fund's distribution policy is detailed in section 5.2 of the Circular. Additionally, a sensitivity analysis was performed considering key value drivers.

The key external value driver for the income capitalisation approach is a fair market forecast one-year forward income yield range for peers of 6.4% – 7.7%. This yield reflects the nature of the underlying property portfolio expected growth in distributions, expected changes in inflation and prevailing and expected changes in interest rates in Australia as well as market and industry conditions specific to the main sub-sectors of the real estate industry i.e. retail, industrial and commercial.

The sensitivity analysis was performed by increasing and decreasing the growth in distributions by 25 basis points based on management's expectation of the potential variance in distribution growth. The sensitivity analysis did not indicate a sufficient effect on the valuation of a Unit to alter our opinion in respect of the fairness of the Specific Issue of Units for Cash.

## Opinion

BDO Corporate Finance has considered the terms and conditions of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash.

Based on and subject to the conditions set out herein, BDO Corporate Finance is of the opinion that the terms and conditions of the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash are fair to Unitholders, excluding the related parties and reasonable in the circumstances as if the Responsible Entity and the related parties were dealing at arm's length.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us up to Monday, 30 July 2018 (the “Last Practicable Date”). We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Last Practicable Date that may affect our opinion or factors or assumptions contained herein.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the proposed amendments to the Management Agreement and the Specific Issue of Units for Cash, have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.



N Lazanakis  
Director

## BDO Corporate Finance Proprietary Limited

22 Wellington Road Parktown, 2193

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## EXTRACTS FROM THE PROPOSED AMENDED MANAGEMENT AGREEMENT

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This **Annexure 3** contains the extracts of the proposed amendments to the Management Agreement.

PART A sets out extracts of the key proposed amendments and related definitional changes.

PART B sets out extracts of the other clarificatory and consequential amendments.

## PART A: Key proposed amendments and related definitional changes

### Term and termination of Management Agreement (Clause 9)

#### 9 Term and termination

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##### 9.1 **Effect of an ASX Listing**

- (a) While the Trust is not ASX Listed, clauses 9.2 to 9.8 (inclusive) apply, and clause 9.9 does not apply.
- (b) While the Trust is ASX Listed, clauses 9.7, 9.8 and 9.9 apply, and clauses 9.2 to 9.6 (inclusive) do not apply.

##### 9.2 **9.1Term**

- (a) This agreement starts on the Start Date and continues for an initial period of 10 years from the Start Date (**Initial Term**) unless terminated earlier in accordance with this agreement.
- (b) On expiry of the Initial Term, if a resolution to renew this agreement is passed in accordance with clause 9.42(c), this agreement will be renewed for a further period of 10 years (**Renewed Term**). This clause 9.42(b) applies repeatedly so that at the expiry of each Renewed Term, this agreement will be renewed for successive periods of 10 years (if a resolution to renew is passed in accordance with clause 9.42(c)).
- (c) Before expiry of the Initial Term and each Renewed Term, the Responsible Entity must ensure that:
  - (1) a meeting of Unitholders is held to consider and vote on an ordinary resolution to renew this agreement at the end of the Initial Term or relevant Renewed Term (as the case may be); and
  - (2) the votes of the Responsible Entity, the Manager and their Associates are excluded for purposes of that ordinary resolution.

This agreement expires at the end of the Initial Term or Renewed Term (as the case may be) if Unitholders (excluding the Responsible Entity, the Manager and their Associates) do not pass the ordinary resolution to renew this agreement.

##### 9.3 **9.2Termination by the Responsible Entity**

The Responsible Entity may terminate this agreement:

- (a) on 6 months' notice to the Manager if the Responsible Entity has first obtained approval by an ordinary resolution of Unitholders (excluding for these purposes, any votes on the resolution cast by the Responsible Entity, the Manager or any of their Associates).
- (b) on 10 Business Days' notice to the Manager if the Responsible Entity disposes of all or substantially all of the assets of the Trust; and
- (c) with immediate effect by notice to the Manager if an Event of Default or Insolvency Event occurs in respect of the Manager.

##### 9.4 **9.3Termination by the Manager**

The Manager may terminate this agreement:

- (a) on 6 months' notice to the Responsible Entity;
- (b) on 10 Business Days' notice to the Responsible Entity if the Responsible Entity disposes of all or substantially all of the assets of the Trust;
- (c) on 10 Business Days' notice to the Responsible Entity if the Responsible Entity is removed pursuant to a resolution contemplated by section 601FM of the Corporations Act; or
- (d) with immediate effect by notice to the Responsible Entity if an Event of Default occurs in respect of the Responsible Entity or an Insolvency Event occurs in respect of the Responsible Entity (in any capacity) or the Trust.

## **9.5** **9.4 Termination payment**

- (a) The Responsible Entity irrevocably offers to the Manager to enter (or to procure a Nominee to enter) into a contract with the Manager on the terms of the Business Sale Agreement (the Offer). The consideration provided by the Manager for the offer includes the Manager's undertakings under this agreement. The Offer may only be accepted in the circumstances set out in clause 9.45(b) and automatically expires 3 months after expiry or termination of this agreement.
- (b) If this agreement expires under clause 9.42 (without being renewed as contemplated by clause 9.42(c)), is terminated by the Responsible Entity under clauses 9.23(a) or 9.23(b), or is terminated by the Manager under clauses 9.34(b), 9.34(c) or 9.34(d):
- (1) On or before the 5th Business Day after expiry or termination of this agreement, the Responsible Entity may give the Manager a notice nominating a person as the 'Buyer' for purposes of the Business Sale Agreement (the Nominee). The notice must set out the Nominee's address for receipt of notices and be accompanied by a power of attorney under which the Nominee appoints the Manager to complete and execute the Business Sale Agreement on the Nominee's behalf on substantially in the same terms as those set out in clauses 9.45(j) and 16.15.
  - (2) At any time after the 5th Business Day after expiry or termination of this agreement and before the expiry of the Offer, the Manager may give the Responsible Entity a notice accepting the Offer by giving the Responsible Entity (and, if applicable, the Nominee):
    - a notice accepting the Offer; and
    - a Business Sale Agreement completed and executed by or on behalf of the Manager and Responsible Entity (or, if applicable, the Nominee).Immediately on the Manager giving the notice accepting the Offer and Business Sale Agreement, the parties are bound by a contract on the terms of the Business Sale Agreement.
  - (3) On completion under the Business Sale Agreement, the Responsible Entity must pay out of the Fund, or ensure that the Nominee pays, the amount calculated in accordance with clause 9.45(c) (the Termination Amount) to the Manager in satisfaction of the buyer's obligation to pay the purchase price under the Business Sale Agreement.
- (c) The Termination Amount payable in respect of the acquisition of the business of the Manager under the Business Sale Agreement is calculated as follows:

$$TA = (\underline{BFm} \times 12 \times \underline{Mbf}) + (\underline{PMFm} \times 12 \times \underline{Mpmf}) + \underline{PMbc}$$

Where:

**TA** is the Termination Amount

**BFm** is the total amount of Base Fees payable in respect of the last calendar month ending before the date of expiry or termination of this agreement

**Mbf** is the multiple applicable to the annualised Base Fee determined as follows:

(1) if this agreement was terminated at any time before the end of the Initial Term:

- by the Responsible Entity under clauses 9.32(a) or 9.32(b); or
- by the Manager under clauses 9.43(b), 9.43(c) or 9.43(d),

the multiple is equal to:

- the Market Price of a Unit on the date of termination of this agreement; divided by
- the anticipated future distributions per Unit for the Fund determined in accordance with clause 9.54(d) or, if disputed by the Responsible Entity in accordance with clause 9.54(e), determined in accordance with the dispute resolution provisions in clause 10; or

(2) if this agreement has expired under clause 9.24 (without being renewed as contemplated by clause 9.24(c)) or was terminated at any time on or after the end of the Initial Term:

- by the Responsible Entity under clauses 9.32(a) or 9.32(b); or
- by the Manager under clauses 9.43(b), 9.43(c) or 9.43(d),

the multiple is equal to the EV/EBIT Multiple for an asset management business conducted in Australia determined and notified by the Manager in accordance with clause 9.54(f)(1) or, if disputed by the Responsible Entity in accordance with clause 9.54(g), determined in accordance with the dispute resolution provisions in clause 10.

**PMFm** is the total amount of Property Management Fees payable in respect of the last calendar month ending before the date of expiry or termination of this agreement.

**Mpmf** is the multiple applicable to the annualised Property Management Fee being the EV/EBIT Multiple for a property management business conducted in Australia determined and notified by the Manager in accordance with clause 9.54(f)(2) or, if disputed by the Responsible Entity in accordance with clause 9.54(g), determined in accordance with the dispute resolution provisions in clause 10.



**PMbc** is the total amount of Third Party Break Costs that the Manager incurs in good faith in connection with the termination, cancellation or variation (whether such termination, cancellation or variation is by agreement or otherwise) of any services agreement with a Third Party as a result of the Manager no longer requiring the relevant services as a result of the expiry or termination of this agreement.

(d) At any time on or before the 5th Business Day after the parties become bound by the Business Sale Agreement pursuant to clause 9.45(b)(2), the Responsible Entity must determine and give the Manager a notice setting out the anticipated future distributions per Unit that the Responsible Entity reasonably considers reflects:

- (1) the market consensus of broker forecasts as to anticipated distributions; and
- (2) if there are no broker forecasts as to anticipated distributions, the forecast anticipated distributions as approved by the board of the Responsible Entity,

for the period starting on the date on which this agreement expires or terminates, and ending on the first anniversary of that date.

(e) The Manager may give the Responsible Entity a notice disputing the anticipated future distributions per Unit at any time on or before the 5th Business Day after receiving the notice under clause 9.45(d), in which case determination of the anticipated future distributions per Unit will be a Disputed Matter and must be referred to resolution in accordance with clause 10. Unless the Manager gives the Responsible Entity a notice disputing the anticipated future distributions per Unit within that time, the Manager will be taken to have agreed to the anticipated future distributions per Unit, and the Termination Amount will be calculated in accordance with such anticipated future distributions per Unit.

(f) At any time on or before the 5th Business Day after the parties become bound by the Business Sale Agreement pursuant to clause 9.45(b)(2), the Manager must determine and give the Responsible Entity a notice setting out:

- (1) if this agreement has expired under clause 9.42 (without being renewed as contemplated by clause 9.42(c)), or was terminated at any time on or after the end of the Initial Term, an EV/EBIT Multiple which the Manager reasonably considers to be a market-based average EV/EBIT Multiple for asset management businesses conducted in Australia of similar scale to that conducted by the Manager at the time the notice is given;
- (2) in any event, an EV/EBIT Multiple which the Manager reasonably considers to be a market-based average of EV/EBIT Multiples for property management businesses conducted in Australia of similar scale to that conducted by the Manager at the time the notice is given; and
- (3) the Third Party Break Costs incurred or which the Manager reasonably expects to incur in connection with the termination, cancellation or variation (whether such termination, cancellation or variation is by agreement or otherwise) of any services agreement with a Third Party as a result of the Manager no longer requiring the relevant services as a result of the expiry or termination of this agreement.

- (g) The Responsible Entity may give the Manager a notice disputing one or more of the EV/EBIT Multiples and Third Party Break Costs amount on or before the 5th Business Day after receiving the notice under clause 9.45(f), in which case determination of the relevant amounts will be a Disputed Matter and must be referred to resolution in accordance with clause 10. Unless the Responsible Entity gives the Manager a notice disputing the relevant amounts within that time, the Responsible Entity will be taken to have agreed to the relevant EV/EBIT Multiple or Third Party Break Costs amount (or both), and the Termination Amount will be calculated in accordance with such EV/EBIT Multiple or Third Party Break Costs amount (or both).
- (h) The parties acknowledge and agree that the Termination Amount represents a genuine and reasonable pre-estimate of the value of the Manager's business having regard to, among other matters:
  - (1) the lost value of fees for the remainder of the Initial Term or Renewed Term (as applicable) and anticipated renewals of such terms;
  - (2) the value of intellectual property and goodwill generated in respect of the Manager's business; and
  - (3) the cost savings accruing to the Responsible Entity in acquiring the capability to perform the various management services provided under this agreement itself.
- (i) Clause 9.45(b) and the Business Sale Agreement do not impose an obligation on the Responsible Entity to pay the termination payment to the extent that the obligation to pay the Termination Amount is held to be unenforceable by the Manager against the Responsible Entity after all proper avenues of appeal and review of such determination, whether judicial or otherwise, have been exhausted. The parties must take all reasonable steps to ensure that any such determination applies to the minimum extent possible.
- (j) For the purposes of giving effect to, and to secure the Manager's rights under, this clause 9.45, the Responsible Entity irrevocably appoints the Manager as the Responsible Entity's agent and attorney to execute all documents and do all things which the Manager reasonably considers necessary, incidental or desirable to implement the execution of the Business Sale Agreement and completion of the transactions contemplated by this clause 9.45 and the Business Sale Agreement (including determining and notifying the forward yield under clause 9.45(d) and payment of the Termination Amount), including:
  - (1) completing blanks in, and executing, the Business Sale Agreement; and
  - (2) executing any documents necessary, incidental or desirable to the transfer and assignment assets, and the making of offers of employment, as contemplated by the Business Sale Agreement.
- (k) The Manager is authorised to execute these documents and do these things without needing further authority or approval from the Responsible Entity. The Responsible Entity must not interfere with the Manager's lawful and proper exercise of its powers as agent or attorney in accordance with this clause 9.45.

## **9.6 9.5 Guarantee of Nominee's obligations**

- (a) If the Responsible Entity nominates a Nominee to be party to the Business Sale Agreement under clause 9.45(b), the Responsible Entity:



- (1) unconditionally and irrevocably guarantees to the Manager on demand, the due and punctual performance of the Nominee's obligations under the Business Sale Agreement; and
  - (2) as a separate and additional liability, indemnifies the Manager against all Loss, actions, proceedings and judgments of any nature, incurred by, brought, made or recovered against the Manager arising from any default or delay in the due and punctual performance of the Nominee's obligations under the Business Sale Agreement.
- (b) The liability of the Responsible Entity under clause 9.56 is not affected by anything which, but for clause 9.56, might operate to release or exonerate the Responsible Entity in whole or in part from its obligations including any of the following, whether with or without the consent of the Responsible Entity:
- (1) the grant to the Nominee, the Responsible Entity or any other person of any time, waiver or other indulgence, or the discharge or release of the Nominee, the Responsible Entity or any other person from any liability or obligation;
  - (2) any transaction or arrangement that may take place between the Manager, the Nominee, the Responsible Entity or any other person;
  - (3) the Manager exercising or refraining from exercising its rights under any security or any other rights, powers or remedies against the Nominee, the Responsible Entity or any other person;
  - (4) the amendment, replacement, extinguishment, unenforceability, failure, loss, release, discharge, abandonment or transfer either in whole or in part and either with or without consideration, of any security now or in the future held by the Manager from the Nominee, the Responsible Entity or any other person or by the taking of or failure to take any security;
  - (5) the failure or omission or any delay by the Manager or the Nominee to give notice to the Responsible Entity of any default by the Nominee or any other person under the Business Sale Agreement; and
  - (6) any legal limitation, disability, incapacity or other circumstances related to the Nominee, the Responsible Entity or any other person.
- (c) Clause 9.56 is a principal obligation and is not to be treated as ancillary or collateral to any other right or obligation and extends to cover the Business Sale Agreement as amended, varied, supplemented, renewed or replaced.
- (d) Clause 9.56 is a continuing obligation of the Responsible Entity, despite completion under the Business Sale Agreement or expiry or termination of this agreement, and remains in full force and effect for so long as the Nominee has any liability or obligation to the Manager under the Business Sale Agreement and until all of those liabilities or obligations have been fully discharged.
- (e) The Responsible Entity must make all payments which become due under clause 9.56, free and clear and without deduction of all present and future withholdings (including taxes, duties, levies, imposts, deductions and charges of Australia or any other jurisdiction).
- (f) If the Responsible Entity is compelled by law to deduct any withholding, in addition to any payment under clause 9.56, it must pay to the Manager such amount as is necessary to ensure that the net amount received by the Manager

after withholding equals the amount the Manager would otherwise be entitled to if not for the withholding.

- (g) The Responsible Entity must pay all money that it becomes liable to pay under clause 9.5 in the currency in which they are payable under the Business Sale Agreement and free of any commissions and expenses relating to foreign currency conversion or any other charges or expenses.
- (h) The Responsible Entity's liability in respect of any claim in relation to the Business Sale Agreement shall not exceed the Nominee's liability in respect of that claim.

## **9.7** **9.6 Transition to new manager**

On termination or expiry of this agreement, the Manager must for up to 3 months after termination or expiry, or such other period as the parties may agree:

- (a) co-operate with, and provide all reasonable assistance requested by, the Responsible Entity and any successor service provider appointed by the Responsible Entity, as is reasonably necessary to ensure:
  - (1) a smooth transition of the Services from the Manager to the Responsible Entity (or, as applicable, the successor service provider); and
  - (2) reasonable continuity of the Services; and
- (b) give the Responsible Entity all data held by it, and access to all records in its possession, which relate to the Services (other than any Confidential Information of Manager Related Persons), and if requested by the Responsible Entity, provide such data and records to the successor service provider.

The provisions of this agreement (including clause 6) continue to apply to in respect of the all things that the Manager does to discharge its obligations under this clause 9.6.

## **9.8** **9.7 Effect of termination**

- (a) On termination or expiry under this clause 9, the parties are discharged from performance of further obligations under this agreement, except those expressed to survive termination.
- (b) Despite anything else in this agreement, the parties' rights and obligations in the following provisions continue independently from the other obligations of the parties and survive termination of this agreement:
  - (1) clause 1; and
  - (2) clauses 7 to 16 (inclusive).
- (c) Furthermore, termination does not prejudice:
  - (1) any transaction entered into before termination;
  - (2) the Manager's rights to accrued Fees and Costs for the period to termination;
  - (3) the Manager's rights to any amounts payable under clauses 9.4 and 9.5-9.6 (to the extent applicable) or otherwise as a consequence of termination or expiry in accordance with this agreement; and

- (4) a party's accrued rights it had against the other in relation to any breach of this agreement occurring before termination or expiry.

## **9.9 Term and Termination while ASX Listed**

This agreement starts on the Start Date and continues until terminated:

- (a) by the Responsible Entity:
- (1) on 10 Business Days' notice to the Manager if the Responsible Entity disposes of all or substantially all of the assets of the Trust, or
  - (2) with immediate effect by notice to the Manager if an Event of Default or Insolvency Event occurs in respect of the Manager,
- (b) by the Manager:
- (1) on 3 months' notice to the Responsible Entity;
  - (2) on 10 Business Days' notice to the Responsible Entity if the Responsible Entity disposes of all or substantially all of the assets of the Trust; or
  - (3) with immediate effect by notice to the Responsible Entity if an Event of Default occurs in respect of the Responsible Entity or an Insolvency Event occurs in respect of the Responsible Entity (in any capacity) or the Trust; or
- (c) automatically upon the Responsible Entity ceasing to be the responsible entity of the Trust, including as a result of being removed pursuant to a resolution contemplated by section 601FM of the Corporations Act.

## Base Fee (Clause 5)

### 5.2 Base Fee – Not ASX Listed

- (a) ~~The~~ At all times that the Trust is not ASX Listed, the Manager is entitled to receive a base management fee (Base Fee) calculated at the end of each calendar month as follows:

$$BF = 0.0005 \times EV$$

Where:

**BF** for a calendar month, is the Base Fee payable in respect of that calendar month

**EV** on the last day of the relevant calendar month, is the sum of:

- the Market Price of a Unit as at the last day of the relevant calendar month multiplied by the average number of Units on issue over the period of 30 consecutive business days (as defined in the Listings Requirements) 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 Trust and all Sub Trusts (other than amounts owing by the Trust to a Sub Trust, by a Sub Trust to the Trust or by a Sub Trust to another Sub Trust) as at the last day of the relevant calendar month,

less the total amount of Cash and cash equivalents (including money market instruments, short-term government bonds, treasury bills, bank certificates of deposit, bankers' acceptances and commercial paper) held by the Trust and all Sub Trusts as at the last day of the relevant calendar month.

- (b) The Base Fee, which is payable monthly in arrears, accrues daily, is calculated as at the end of each calendar month, and must be paid out of the Fund within 10 Business Days after the end of the relevant calendar month.

(c) Subject to paragraph 5.2(d), the Manager is not entitled to the Base Fee contemplated by this clause 5.2 at any time that the Trust is ASX Listed.

(d) If the Trust is not ASX Listed for part of a calendar month, the Base Fee payable under this clause 5.2 will be calculated as a proportion of the total fee payable in respect of that month, based on the number of days in the relevant calendar month during which the Trust was not ASX Listed.

### 5.3 Base Fee – ASX Listed

- (a) At all times that the Trust is ASX Listed, the Manager is entitled to receive a base management fee (Base Fee) calculated at the end of each calendar month using the following formulas (as applicable):

- (1) if the EV (as defined below) for the applicable month is less than or equal to the Threshold Amount:

$$BF = 0.0005 \times EV$$

- (2) if the EV (as defined below) for the applicable month is more than the Threshold Amount:

$$BF = [0.0005 \times TA] + [0.00045833 \times (EV - TA)]$$

Where in both instances:

**BF** for a calendar month, is the Base Fee payable in respect of that calendar month;

**TA** is the Threshold Amount; and

**EV** on the last day of the relevant calendar month, is the sum of:

- the Market Price of a Unit as at the last day of the relevant calendar month multiplied by the average number of Units on issue over the period of 30 consecutive business days (as defined in the Listings Requirements) 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 Trust and all Sub Trusts (other than amounts owing by the Trust to a Sub Trust, by a Sub Trust to the Trust or by a Sub Trust to another Sub Trust) as at the last day of the relevant calendar month.

less the total amount of Cash and cash equivalents (including money market instruments, short-term government bonds, treasury bills, bank certificates of deposit, bankers' acceptances and commercial paper) held by the Trust and all Sub Trusts as at the last day of the relevant calendar month.

- (b) The Base Fee, which is payable monthly in arrears, accrues daily, is calculated as at the end of each calendar month, and must be paid out of the Fund within 10 Business Days after the end of the relevant calendar month.
- (c) Subject to paragraph 5.3(d), the Manager is not entitled to the Base Fee contemplated by this clause 5.3 at any time that the Trust is not ASX Listed.
- (d) If the Trust is ASX Listed for part of a calendar month, the Base Fee payable under this clause 5.3 will be calculated as a proportion of the total fee payable in respect of that month, based on the number of days in the relevant calendar month during which the Trust was ASX Listed.

## Related definitional changes

<b>ASX</b>	<u>ASX Limited (a company registered and incorporated with limited liability under the company laws of the Commonwealth of Australia) and, where relevant, the market for trading securities operated by the ASX.</u>
<b>ASX Listed</b>	<u>means:</u> <ol style="list-style-type: none"> <li>1 <u>in the case of the Trust, the Trust being listed on the ASX; and</u></li> <li>2 <u>in the case of Units, the Units being officially quoted by ASX, and ASX Listing has a corresponding meaning.</u></li> </ol>
<b>Base Fee</b>	<u>has the meaning given in clause 5.2(a) or 5.3(a) (as applicable).</u>
<b>Financial Year</b>	<u>has the meaning given to it in the Constitution.</u>
<b>Half Financial Year</b>	<u>The period beginning on the first day of a Financial Year and ending on the last day of the sixth calendar month after the end of the preceding Financial Year.</u>
<b>Listings Requirements</b>	<u>the Listings Requirements as amended from time to time by the JSE, whether by way of practice note or otherwise, and while the Trust is ASX Listed, the listing rules published by the ASX from time to time.</u>

<b>Main Trading Exchange</b>	<p>means:</p> <ol style="list-style-type: none"> <li>1 <u>prior to an ASX Listing, the JSE; and</u></li> <li>2 <u>after an ASX Listing, the JSE, unless in respect of a particular Trading Period (Current Period) more Units, by volume, were traded on the ASX than on the JSE during the immediately preceding Trading Period, in which case the Main Trading Exchange for the Current Period will be the ASX.</u></li> </ol>
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**Market Price**

of a Unit on a particular day is:

- 1 the volume weighted average traded price per Unit at which Units are traded on the JSE Main Trading Exchange for the 30 most recent business days (as defined in the Listings Requirements of the Main Trading Exchange) immediately before the relevant day, provided that, in determining such volume weighted average traded price, trades which:
  - a are effected other than through the normal trading systems of the JSE Main Trading Exchange; but
  - b are nevertheless settled through the settlement systems of the JSE Main Trading Exchange,
 are disregarded; or
- 2
  - a if Units have not been Listed-listed on the Main Trading Exchange for at least 30 consecutive business days (as defined in the applicable Listings Requirements) before the relevant day; or
  - b if in the Responsible Entity's opinion a determination under item 1 above would not reflect the fair market value of the Unit having regard to the proposed offer or issue of Units, the Unit's terms of issue, and the circumstances in which the offer or issue is made or the Market Price is being determined (including because the Unit is U-listed as part of a stapled security),
 the price per Unit that an Expert appointed in accordance with clause 10.2 (which applies for purposes of such determination as if the value of a Unit were a Disputed Matter) determines to be the market value of a Unit on the relevant day (including having regard to the matters referred to in item 2b above).

<b>Threshold Amount</b>	<u>an amount of \$1.5 billion.</u>
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<b>Trading Period</b>	<p>a period beginning on the first day:</p> <ol style="list-style-type: none"> <li>1 <u>of a Financial Year and ending on the last day of the corresponding Half Financial Year; or</u></li> <li>2 <u>after the last day of a Half Financial Year and ending on the last day of the corresponding Financial Year.</u></li> </ol> <p><u>as applicable.</u></p>
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## PART B: Other clarificatory and consequential amendments

### Definition of Associate

**Associate** has the meaning given to that term in sections 11, [12](#), 15 and 16 of the Corporations Act.

### Clause 3.10

#### 3.10 Discontinuation of Services

- (a) The Responsible Entity may at any time by notice to the Manager request that the Manager cease providing one or more Services (other than specified Property Management Services or Leasing Services) from a date specified in the notice. The Manager must comply with any notice given under this clause 3.10(a) as soon as practicable. This does not reduce or otherwise affect the amount of the Base Fee payable to the Manager pursuant to clause 5.2 [or 5.3](#) [\(as applicable\)](#).

### Schedule 1, Table 1 (Asset Management Services)

- |  |  |
|--|--|
| <b>9. Finance, accounting and tax services</b> | <ul style="list-style-type: none"><li>• Monitoring all borrowing covenants as they apply to the Trust and Sub Trusts and ensuring that the Responsible Entity is advised of all reporting obligations under the borrowing facilities on a timely basis and immediately on becoming aware of a breach of an obligation</li><li>• Preparing annual and half year accounts and financial statements as required by any applicable law, the <a href="#">JSE Listings</a> Requirements, any other applicable listing requirements or the Governing Documents in respect of the Trust and Sub Trusts for approval by the Responsible Entity</li><li>• Arranging for an audit of the accounts and financial statements to be prepared by the auditor appointed for the Trust and any Sub Trusts as required by any applicable law, the <a href="#">JSE Listings</a> Requirements, any other applicable listing requirements or the Governing Documents</li><li>• Liaising with (and providing any reasonable assistance requested by) any auditors appointed to conduct an audit of the Trust and Sub Trusts</li><li>• Preparing accounts payable and accounts receivable for the Trust and Sub Trusts</li><li>• Providing treasury and cash management services including preparing bank reconciliations for the Trust's and Sub Trusts' accounts and advising and making recommendations on the working capital of the Trust and Sub Trusts</li><li>• Preparing and issuing invoices on behalf of the Responsible Entity and Sub Trustees and collecting payments from debtors of the Responsible Entity and Sub Trustees</li><li>• Preparing business activity statements in relation to GST for approval by the Responsible Entity</li><li>• Preparing and submitting annual tax returns for the Responsible Entity and Sub Trustees for approval by the Responsible Entity</li><li>• Liaising with (and providing any reasonable assistance requested by) tax auditors and tax advisers appointed for the Trust and any Sub Trusts</li></ul> |
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## Schedule 3 (Reports)

### 1 Reports to the Responsible Entity

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The Manager must provide the following reports to the Responsible Entity:

Report	When required
1. Reports on any matter of which the Manager becomes aware which is of significance or materiality in respect of the Trust or any Sub Trust or the Manager to the extent it affects the ability of the Manager to perform its functions or duties under this agreement.	Immediately
2. The commencement of any investigation or proceeding by a Government Agency, the JSE, <a href="#">the ASX</a> or any other operator of a securities exchange on which Units are listed, in relation to the Manager in respect of the Trust or any Sub Trust	Immediately
3. Reports on any matter which the Governing Documents require the Responsible Entity to make disclosure of to the Unitholders or a Government Agency, the JSE, <a href="#">the ASX</a> or any other operator of a securities exchange on which Units are listed	As required by the Governing Documents or Government Agency, JSE, <a href="#">ASX</a> or other operator of a securities exchange
4. Reports on any breach of any contract (including this agreement), law, Authorisation, Listings Requirements or other applicable listing requirements that the Manager becomes aware of in respect of the Trust or any Sub Trust	Immediately
5. Reports to enable the Responsible Entity's board or any committee (including any compliance/audit committee) to fulfil its legal obligations in respect of the Trust or any Sub Trust	As necessary

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## DIRECTORS OF THE RESPONSIBLE ENTITY

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<b>Name, Age</b>	<b>Richard Longes, 73</b>
Business address	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia
Qualifications	Bachelor of Arts; Bachelor of Laws; Master of Business Administration
Current position	Chairman; independent non-executive director; member of the audit and risk committee
Resume	Richard has been a director of Investec Group companies in Australia since March 2001. Richard is currently chairman of Investec Australia Limited and Investa Office Fund. He was a co-founder of Investec Wentworth (Pty) Ltd (formerly Wentworth Associates) and was previously a partner in the law firm, Freehills. He holds, or has held, positions with government advisory boards, including the review of the National Museum and the Fund's Management Committee for the IIF programme, and non-profit organisations. Richard was previously chairman of MLC Limited and GPT Group and a non-executive director of Metcash Limited, Boral Limited and Lend Lease Corporation Limited.

<b>Name, Age</b>	<b>Stephen Koseff, 66</b>
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	Bachelor of Commerce (with honours); Masters Degree in Business Administration; Chartered Accountant
Current position	Non-executive director
Resume	Stephen is the CEO of the Investec Group, which is dual listed on both the London Stock Exchange and the JSE. Stephen has been with the Investec Group for 38 years in various capacities and has been in his current role as CEO since 1996. In addition to his directorships of Investec Limited and Investec Plc and various other Investec Group subsidiaries, he is a non-executive director of the South African Banking Association. He is a current board member of Business Leadership South Africa and a non-executive chairman of Bid Corporation Limited. He is a director of Youth Employment Services NPC. He is a former chairman of the South African Banking Association, a former non-executive director of The Bidvest Group Limited, a former director of the JSE, a former member of the Financial Markets Advisory Board and former chairman of the Independent Bankers Association.

<b>Name, Age</b>	<b>Graeme Katz, 55</b>
Business address	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia
Qualifications	Bachelor of Social Science (Economics)
Current position	Chief executive officer; director
Resume	Graeme joined the Investec Group to head up the Australian Property Investments team in 2006. Prior to that he was general manager of investment sales at Mirvac Group where he was the key person and responsible officer for the Mirvac real estate licence dealing with their registered and unregistered schemes. Graeme is a director of a number of companies within the Investec Group. He was previously a director of the Property Investors Association of Australia.

<b>Name, Age</b>	<b>Sam Leon, 68</b>
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	Bachelor of Laws
Current position	Non-executive director
Resume	Sam has over 40 years of experience across all sectors of the property industry with 26 years at the Investec Group, firstly as a director of Investec Property (Pty) Limited, then managing director and currently as deputy chairman. He was a founder of and instrumental in the transformation of Growthpoint into South Africa's largest listed property fund and was a director until the Investec Group sold its interest in October 2007. He also served on the board of the South African Property Owners' Association (SAPOA). Sam retired as chief executive officer of IPF on 31 March 2015, having held this position since its listing on the JSE in April 2011. He remains on the board of IPF as non-executive deputy chairman.

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<b>Name, Age</b>	<b>Sally Herman, 61</b>
Business address	Suite 602, Level 6, 15 Castlereagh Street, Sydney, NSW, 2000, Australia
Qualifications	Bachelor of Arts; Graduate of the Australian Institute of Company Directors
Current position	Lead independent non-executive director; chairperson of the audit and risk committee
Resume	Sally Herman has had a long career in financial services in both Australia and the United States of America. In late 2010, she transitioned from an executive career to expand her non-executive portfolio. Prior to that, she had spent 16 years with the Westpac Group, running business units in most operating divisions of the Westpac Group, including the institutional bank, wealth management and the retail and business banking division. Sally is now a non-executive director, sitting on both for profit and not for profit boards and is actively involved in the community, with a particular interest in disability, education and the arts. Her commercial boards are in the property, financial services, manufacturing and retail sectors and include four publicly listed companies – Premier Investments Limited, Breville Group Limited, Suncorp Limited and Evans Dixon Limited. Sally is also a member of Chief Executive Women.

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<b>Name, Age</b>	<b>Hugh Martin, 70</b>
Business address	4A, 2 Bowman Street, Pyrmont, NSW, 2009, Australia
Qualifications	Bachelor of Business (Finance and Accounting); Certified Public Accountant; Member of the Australian Institute of Company Directors
Current position	Independent non-executive director; member of the audit and risk committee
Resume	Hugh has enjoyed a successful career at director and senior executive level with over 40 years experience in major public and private institutions in the finance and property industry, internationally and domestically. He commenced his career as an accountant in South Africa before relocating to Australia. Hugh was formerly an executive director of the apartments business of Lend Lease Limited. From 1997 to 2001, Hugh was CEO of the joint venture between Mirvac and Lend Lease for the development, construction and sale of the Olympic Village, now known as the suburb of Newington in Sydney. Hugh's previous positions have been as finance director of Baulderstone Hornibrook, Director of property investments with the State Authorities Superannuation Board of NSW (now Dexus), managing director of Leda Holdings, chief general manager of Homebush Bay Development Corporation, City West and Honeysuckle Corporations, general manager of Special Projects at Westfield Holdings Limited, project director for Lend Lease Group and national general manager for the apartments development division at Stockland Corporation. Hugh is now a non-executive director, advisory board member and consultant on a number of both profit and non-profit boards.

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## DIRECTORS OF THE MANAGER

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<b>Name, Age</b>	<b>Graeme Katz, 55</b>
Business address	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia
Qualifications	Bachelor of Social Science (Economics)
Current position	Chief executive officer; director
Resume	Graeme joined the Investec Group to head up the Australian Property Investments team in 2006. Prior to that he was general manager of investment sales at Mirvac Group where he was the key person and responsible officer for the Mirvac real estate licence dealing with their registered and unregistered schemes. Graeme is a director of a number of companies within the Investec Group. He was previously a director of the Property Investors Association of Australia.
<b>Name, Age</b>	<b>Zach McHerron, 43</b>
Business address	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia
Qualifications	Bachelor of Laws; Bachelor of Commerce (Finance); Post Graduate Diploma in Business Administration
Current position	Fund manager; director
Resume	Zach has 20 years' experience in a range of legal, corporate, property funds management and property development roles. Zach joined the Investec Group in 2007 and is involved in the structuring, capital raising and management of property funds.
<b>Name, Age</b>	<b>Kristie Lenton, 39</b>
Business address	Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000, Australia
Qualifications	Bachelor of Commerce (Accounting and Economics); Chartered Accountant
Current position	Chief financial officer; director
Resume	Kristie started her career in accounting where she was a manager in assurance, tax and business services. After five years at Auswild & Co Kristie joined Babcock & Brown where she was responsible for finance and operations in the real estate division. Kristie joined the Investec Group in 2009 where she worked in both central finance and property. She was responsible for Investec Australia's finance operations before joining the property team.

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**EXTRACTS FROM THE PROPOSED AMENDED CONSTITUTION**

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This **Annexure 6** contains extracts of the proposed amendments to the Constitution.

PART A sets out extracts of the amendments to the Constitution under Specific Issue Resolution 2.

PART B sets out extracts of the other amendments to the Constitution under the Ancillary Resolution.

## PART A: Amendments to the Constitution under Specific Issue Resolution 2

### Clause 6.12 Specific Issue of Units for Cash in connection with the 2018 ASX Listing Proposal

#### 6.12 Specific Issue of Units for Cash in connection with the 2018 ASX Listing proposal

In addition to any other power the Responsible Entity has to issue Units under this deed, the Responsible Entity is authorised to issue Units under the Specific Issue of Units for Cash at the price obtained under a Bookbuild, but subject to a minimum Issue Price calculated as the greater of:

- (a) the Net Asset Value of the Trust most recently reported to the JSE and based on the most recent financial statements for the Trust adjusted if appropriate by any independent third party valuation, expressed in Australian dollars, and divided by the number of Units on issue at the time the Bookbuild closes; and
- (b) the equivalent in Australian dollars of the volume weighted average trading price per Unit on the JSE calculated for the 30 most recent business days (as defined in the Listings Requirements of the JSE) immediately before the date of lodgement of the PDS under which the Units are offered, less a 3% discount, provided that in determining such volume weighted averaged traded price, trades which:
  - (1) are effected other than through the normal trading systems of the JSE; but
  - (2) are nevertheless settled through the settlement systems of the JSE, are disregarded.

#### Clause 1.2 (Definitions)

##### Bookbuild

a bookbuild arranged by a reputable investment bank with experience in arranging bookbuilds in the market in the place where the bookbuild is conducted, provided that the Auditor has provided written certification that the bookbuild was conducted in accordance with normal market standards.

##### Specific Issue of Units for Cash

the specific issue of Units for cash of up to [180 million Units] as authorised at the general meeting of Unitholders held in connection with an ASX Listing proposal in 2018, on the basis that the issue of those Units must be completed within 12 months after the date of the general meeting.

## PART B: Amendments to the Constitution under the Ancillary Resolution

<u>ASIC Relief</u>	<u>A class order, instrument, exemption or declaration issued by ASIC.</u>
<u>ASX</u>	<u>ASX Limited (a company registered and incorporated with limited liability under the company laws of the Commonwealth of Australia) and, where relevant, the market for trading securities operated by the ASX.</u>
<u>ASX Listed</u>	<u>1 in the case of the Trust, the Trust being listed on the ASX; and 2 in the case of Units, Options or Stapled Securities, the Units, Options or Stapled Securities being ASX Quoted, and ASX Listing has a corresponding meaning.</u>
<u>ASX Quoted</u>	<u>in respect of Units, Options or Stapled Securities, admitted to quotation by ASX under the Listing Rules.</u>
<u>Bookbuild</u>	<u>a bookbuild arranged by a reputable investment bank with experience in arranging bookbuilds in the market in the place where the bookbuild is conducted, provided that the Auditor has provided written certification that the bookbuild was conducted in accordance with normal market standards.</u>
<b>Collective Investment Scheme</b>	has the meaning given to that term in the CISCA.
<b>Companies Act</b>	<i>Companies Act No <del>64-71</del> of <del>1973-2008</del> (South Africa).</i>
<b>Corporations Act</b>	<i>Corporations Act 2001(Cth) (including as modified in its operation by any applicable ASIC <del>class order, exemption or declaration</del>Relief).</i>
<u>CS Facility</u>	<u>has the same meaning as clearing and settlement facility in the Corporations Act.</u>
<u>CS Facility Operator</u>	<u>the operator of the CS Facility.</u>
<b>Custodian</b>	Perpetual Corporate Trust Limited ABN 99 000 341 533 or such other independent person, who:  <ol style="list-style-type: none"><li>1 is not, in relation to the Responsible Entity or Manager, either a holding company or subsidiary <del>or fellow subsidiary</del> company within the meaning of those terms as defined in the Companies Act; and</li><li>2 is appointed from time to time under a Custody Agreement to hold title to the Assets of the Fund as custodian for the Trust.</li></ol>

**Distribution Period End Date** the last day in each Financial Year, the last day in ~~the sixth calendar month of each Financial Year~~ each Half Year and such other dates as the Responsible Entity may determine.

**Enterprise Value** as at the date on which Enterprise Value is to be determined, is the sum of:

- 1 the Market Price of a Unit as at the relevant date multiplied by the average number of Units on Issue over the period of 30 consecutive business days (as defined in the Listings Requirements or Listing Rules, as applicable) immediately before the relevant date (whether or not a sale was recorded on a particular day); and
- 2 the total amount of debt owing by the Trust and all Sub Trusts (other than amounts owing by the Trust to a Sub Trust, by a Sub Trust to the Trust or by a Sub Trust to another Sub Trust) as at the relevant date,

less the total amount of Cash and cash equivalents (including money market instruments, short-term government bonds, treasury bills, bank certificates of deposit, bankers' acceptances and commercial paper) held by the Trust and all Sub Trusts as at the relevant date.

**Escrow Period** has the same meaning as in the Listing Rules.

**FMA** Financial Markets Act 19 of 2012 (South Africa)

**FSCAB** the Financial ~~Services Board~~ Sector Conduct Authority of the Republic of South Africa.

**Half Year** the period beginning on the first day of a Financial Year and ending on the last day of the sixth calendar month after the end of the preceding Financial Year.

**Income Distribution Entitlement** in respect of a Unitholder and Distribution Period, the amount calculated in respect of the Unitholder in accordance with clause 13.23.

**JSE** JSE Limited (a company registered and incorporated with limited liability under the company laws of the Republic of South Africa under registration number 2005/022939/06, and licensed as an exchange under the ~~SSA~~ FMA) and, where relevant, a market for trading Securities offered by the JSE.

**JSE Listed** admitted to the 'Main Board' of the list of securities maintained by the JSE. For purposes of this deed, where a Unit or Option is Stapled, and the Stapled Security is Listed, the Unit or Option will be regarded as Listed as well as the Stapled Security.

**Liabilities**

the liabilities of the Trust, including:

- 1 unpaid Costs including administrative costs and expenses and including fees of the Responsible Entity;
- 32 accrued charges in respect of or owing in relation to any Assets of the Fund;
- 43 amounts required to meet present liabilities;
- 24 amounts of all borrowings;
- 35 any provision for Tax which in the opinion of the Responsible Entity should be taken into account; and
- 46 any other amounts required to meet liabilities or other expenditure (including deferred liabilities) which in the opinion of the Responsible Entity should be taken into account in determining the amount of liabilities in any of the preceding items having regard to the Accounting Standards,

but excludes liabilities:

- 67 to applicants for Units in respect of application money or property in respect of which Units have not yet been issued; or
- 68 to Unitholders, arising in connection with the Unitholders' right to request redemption or buy-back of their Units or to participate in the distribution of the Assets of the Fund on winding up of the Trust.

**Listed**

~~admitted to the 'Main Board' of the list of securities maintained by the JSE. For purposes of this deed, where a Unit or Option is Stapled, and the Stapled Security is Listed, the Unit or Option will be regarded as Listed as well as the Stapled Security.~~ JSE Listed or ASX Listed, or both, or ASX Quoted, as the context requires, and Listing has a corresponding meaning.

**Listings Requirements**

the Listings Requirements of the JSE as amended from time to time by the JSE, whether by way of amendment, practice note, confirmation, waiver or otherwise.

**Listing Rules**

the listing rules of ASX and any other applicable rules of ASX as amended from time to time by ASX, or modified to the extent of any express written waiver, or confirmation or guidance note by ASX.

**Main Trading Exchange**

- 1 before the Trust is Listed on ASX, the JSE; and
- 2 after Listing on ASX, the JSE, unless in respect of a particular Trading Period (Current Period) more Units, by volume, were traded on the ASX than on the JSE during the immediately preceding Trading Period, in which case the Main Trading Exchange for the Current Period will be the ASX.

**Management Agreement**

- 1 the mManagement aAgreement between the Responsible Entity (in its capacity as trustee of the Trust) and Investec Property Management Pty Limited ACN 161 587 391 ~~to be~~ entered into before Units ~~are~~were JSE Listed, as amended from time to time; or
- 2 a management agreement entered into between the Responsible Entity and a company which is a related body corporate of Investec plc or Investec Limited which replaces the agreement referred to in 1.



**Market Price**

of a Unit on a particular day is:

- 1 the volume weighted average traded price per Unit at which Units are traded on the [JSE Main Trading Exchange](#) for the 30 most recent business days (as defined in the Listings Requirements [or Listing Rules, as applicable](#)) immediately before the relevant day, provided that, in determining such volume weighted average traded price, trades which:
  - a. are effected other than through the normal trading systems of the [JSE Main Trading Exchange](#); but
  - b. are nevertheless settled through the settlement systems of the [JSE Main Trading Exchange](#);are disregarded; or
- 2
  - a if Units have not been Listed [on the Main Trading Exchange](#) for at least 30 consecutive business days (as defined in the Listings Requirements [or Listing Rules, as applicable](#)) before the relevant day; or
  - b if in the Responsible Entity's opinion a determination under item 1 above would not reflect the fair market value of the Unit having regard to the proposed offer or issue of Units, the Unit's Terms of Issue, and the circumstances in which the offer or issue is made or the Market Price is being determined (including because the Unit is Listed as part of a Stapled Security),  
~~4~~the price per Unit that the Responsible Entity or an Independent Expert determines to be the market value of a Unit on the relevant day (including having regard to the matters referred to in item 2b above); ~~or~~
- 3 [the price for a Unit obtained under a Bookbuild, which may be subject to a minimum price determined by the Responsible Entity.](#)

The Market Price of an Option or other Security on a particular day is determined in the same manner.

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**Net Asset Value**

the sum of the values of Assets of the Fund including Assets that relate to derivative instruments used for hedging determined in accordance with clause 12.2 less:

- 1 all amounts required to repay borrowings and to meet Liabilities (including the amount of any provisions the Responsible Entity determines, in consultation with the Auditor, should be made, and including Liabilities relating to derivative instruments used for hedging); and
  - 2 following any Distribution Period End Date, the amount of any Distribution Entitlements payable but not paid to Unitholders on the day on which the Net Asset Value is determined, [except to the extent that Distribution Entitlements have already been accounted for as a Liability for the purposes of paragraph 1 above.](#)
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**Odd Lot**

~~While the Trust is JSE Listed, the number of Units referred to has the meaning given to that term~~ in paragraph 5.123 of the Listings Requirements, [and while the Trust is ASX Listed, the number of Units which comprise a marketable parcel under the Listing Rules, and if the Trust is both JSE Listed and ASX Listed, the lesser of those two amounts.](#)

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**Operating Rules** the operating rules of a CS Facility regulating the settlement, clearing and registration of uncertificated Securities as amended from time to time (whether in respect of the Trust or generally).

**Placement Resolution** a Special Resolution approving an issue of Securities where votes are only permitted to be cast in respect of interests ~~(the eligible interests):~~

- 1 that are held by a Holder in the relevant class who will not acquire any of the Securities that are to be issued or an interest in those Securities; and
- 2 that are held by a Holder in the relevant class who does not hold the Securities on trust for or on behalf of for the benefit of another person, unless that person will not acquire any of the Securities that are to be issued or an interest in those Securities who will not obtain beneficial ownership of any of the Securities that are to be issued;

~~and the value of eligible interests held by the Holders who vote represents at least 25% of the total value of eligible interests~~

**Register** the register of Unitholders or Optionholders maintained by, or on behalf of, the Responsible Entity pursuant to Chapter 2C of the Corporations Act and in accordance with the Listings Requirements and the Listing Rules, as applicable, or the register of Stapled Securities maintained as contemplated by Schedule 2, as the context requires.

**Registrar** the person or persons responsible for keeping the Register.

**Restricted Securities** has the same meaning as in the Listing Rules.

**SSA** ~~Securities Services Act 36 of 2004 (South Africa)~~

**Trading Period** a period beginning on the first day:

- 1 of a Financial Year and ending on the last day of the corresponding Half Year; or
- 2 after the last day of a Half Year and ending on the last day of the corresponding Financial Year.

as applicable.

## 1.8 Inconsistency with Listings Requirements and Listing Rules

- (a) ~~While-Subject to this clause 1.8, while~~ any Units or Options are JSE Listed:
- (1) ~~(b)~~despite anything in this deed, if the Listings Requirements prohibit an act being done, the act must not be done and Holders cannot, by resolution, authorise or ratify such act unless the JSE agrees otherwise;
  - (2) ~~(c)~~nothing in this deed prevents an act being done that the Listings Requirements require to be done; and
  - (3) ~~(d)~~if the Listings Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (b) Subject to this clause 1.8, while the Trust is ASX Listed:
- (1) despite anything in this deed, if the Listing Rules prohibit an act being done, the act will not be done and Holders cannot, by resolution, authorise or ratify such act unless the ASX agrees otherwise;
  - (2) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
  - (3) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
  - (4) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is taken to contain that provision;
  - (5) if the Listing Rules require this deed not to contain a provision and it contains the provision, this deed is taken not to contain that provision; and
  - (6) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is taken not to contain that provision to the extent of the inconsistency.
- (c) If it is not possible for the Responsible Entity to comply with both the Listings Requirements and the Listing Rules with respect to a particular act, matter or thing concerning the Trust, the Responsible Entity must comply with the rule or requirement of the Main Trading Exchange at the relevant time.
- (d) Despite anything to the contrary in this clause 1.8, this clause 1.8 has effect subject to clause 1.7.
- (e) A reference in this deed to a thing that must be done or not done because of:
- (1) the Listings Requirements, applies only while the Trust is JSE Listed; and
  - (2) the Listing Rules, applies only while the Trust is ASX Listed.

## 1.9 Record dates

~~While-Subject to clause 1.8(c), while~~ any Units or Options are Listed, in determining any record date in relation to an entitlement to vote at a Meeting, distribution or transaction, except to the extent that the JSE ~~permits~~ and ASX (as applicable) permit otherwise, the Responsible Entity must ensure that the record date is ~~as set out in~~ in compliance with both the Listings Requirements and the Listing Rules.

## 1.11 Managed investment trust

- (a) The Responsible Entity must use its reasonable endeavours to ensure that ~~the~~ for any Assets comprising the Fund that are located in Australia, a substantial amount of the investment management activities in relation to those Assets are carried out in Australia so that the Trust qualifies as, and continues to qualify from time to time as, a managed investment trust (MIT) as defined in section 12-400 of Schedule 1 to the *Tax Administration Act 1953* (Cth) (TAA).
- (b) Despite any other provision of this deed, if at any time there is a requirement to amend this deed so that the Trust does not lose its MIT concessional taxation status, the Responsible Entity and each Unitholder must use all reasonable endeavours to amend this deed accordingly.

### 3.3 Consolidation and split of Units

- (a) Subject to clauses 3.3(b) and 3.3(c), the Responsible Entity may consolidate or split the Units and in acquiring Units, each Unitholder is taken to have consented to any such consolidation or split.
- (b) While any Units or Options are Listed, the Responsible Entity may only consolidate or split Units with the approval of a Special Resolution of Holders, and otherwise in accordance with the Listings Requirements [and the Listing Rules, each as applicable](#).
- (c) In respect of any consolidation or split of Units, the Responsible Entity must:
  - (1) promptly amend the Register to record the consolidation or split;
  - (2) notify the Unitholder within 30 days of the consolidation or split; and
  - (3) ensure that each Unit in a class is consolidated or split on the same basis as each other Unit in that class.
- (d) ~~Where~~ [While any Units or Options are Listed, where](#) any consolidation or split of Units under clause 3.3(c) would otherwise result in a Unitholder holding a fraction of one Unit, the Responsible Entity ~~may~~ [must](#) consolidate or split the Units on a basis which allows the Responsible Entity to round the number of Units downwards or upwards to the nearest whole number at the Responsible Entity's discretion. Any excess Application Money or other money or property which results from a rounding becomes an Asset of the Fund.

### 3.5 Classes of Units

- (a) Subject to clause 3.5(b)(2) ~~and~~, the Listings Requirements [and the Listing Rules](#), the Responsible Entity may at any time issue Units in 2 or more classes with rights, obligations and restrictions as it determines and which may be preferential or subordinated to the rights, obligations and restrictions of any other class.
- (b) While any Units or Options are Listed:
  - (1) the Responsible Entity may only create a new class of Units with the approval of a Special Resolution of Holders and otherwise in accordance with the Listings Requirements [and the Listing Rules](#); and
  - (2) in any event, Units must not be issued with any special rights, or privileges, in relation to voting at general Meetings in addition to the voting rights that the relevant Unitholder has in respect of its interest in the Trust under the Corporations Act.

### 6.1 Powers Cumulative

The Responsible Entity may issue Units and Options only in accordance with this clause 6 and other relevant provisions of this deed. ~~No~~ [Subject to clause 1.7, no](#) provision in this clause 6 limits any other ~~such provision~~ [provision in this clause, and nothing in this clause 6 or this deed limits or is taken to limit the Responsible Entity's power to issue Units in compliance with any applicable ASIC Relief \(and the Listing Rules and Listings Requirements, as applicable\) whether or not that ASIC Relief or the Listing Rules requires certain provisions to be set out in this clause 6 or otherwise](#).

## 6.2 Issue of Units at fixed price

In addition to any other power the Responsible Entity has to issue Units under this deed, the Responsible Entity may issue Units at any time to any person at an Issue Price as follows:

- (a) if Units are Listed (and have not been suspended from Listing (other than temporarily) [on at least one of the JSE or the ASX](#):
  - (1) at the Market Price of such Units immediately before the date on which the Unit is issued [or offered for issue](#); and
  - (2) in respect of Units issued on exercise of an Option, at an Exercise Price equal to the Market Price of a Unit immediately before the date on which the Option was [offered or](#) granted, less the Issue Price of the Option specified in the Terms of Offer or Terms of Issue for that Option; and
- (b) if Units have been suspended from Listing (other than temporarily) [on both the JSE and the ASX](#), or have otherwise ceased to be Listed, at the Current Unit Value calculated as at a date not less than 20 Business Days before the date of issue.

## 6.3 Issue of Options at fixed price

In addition to any other power the Responsible Entity has to grant Options under this deed, the Responsible Entity may grant Options at any time to any person at an Issue Price as follows:

- (a) at the Issue Price as is specified in the Terms of Offer or Terms of Issue for that Option: or
- (b) if Options of the same class are Listed (and have not been suspended from Listing (other than temporarily) [on at least one of the JSE or the ASX](#):
  - (1) at the Market Price for those Options immediately before the date upon which the Option is [offered or](#) granted; and
  - (2) in respect of Units issued on exercise of any such Options, at the Exercise Price for those Options determined in accordance with their Terms of Issue.



## 6.4 Placements

- (a) ~~In~~ While Units or Options (as the case may be) are Listed on the ASX (and have not been suspended from Listing other than temporarily), whether or not they are Listed on any other foreign market including the JSE, in addition to any other power the Responsible Entity has to issue Units or grant Options under this deed, the Responsible Entity may issue Units or grant Options at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10, if it complies with:
- (1) [the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the issue under the placement; and](#)
  - (2) [the Listing Rules and the Listings Requirements, to the extent those rules or requirements apply to the issue.](#)
- ~~(4)(b)~~ Where the Units or Options (as the case may be) are [not ASX Listed but are JSE Listed or listed on any other foreign market](#) (and have not been suspended from Listing ~~(other than temporarily~~);
- ~~(2) — the issue is not to the Responsible Entity, or any of its Associates unless the issue is permitted by the Corporations Act; and~~
  - ~~(3) — the issue is of Units or Options that would not, immediately after the issue (when aggregated with any other issue of Units or Options (as the case may be) pursuant to this clause 6.4(a) up to one year previously other than an issue that was subsequently ratified by the Holders), comprise more than 15% (or such greater percentage as may be permitted from time to time by the Corporations Act) of either all Units or Options (as the case may be) or the Units or Options in the same class as the Units or Options comprised in the issue.~~
- ~~(b) — In addition to any other power the Responsible Entity has to issue Units or grant Options under this deed, on the relevant market) then~~ the Responsible Entity may issue Units or grant Options at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10, if:
- ~~(1) — Units or Options (as the case may be) are Listed and have not been suspended from Listing (other than temporarily);~~
  - ~~the issue is not to (2) — the Responsible Entity, or any of its Associates unless the issue is permitted by the Corporations Act;~~
  - ~~(3) — if the Units or Options are to be issued in a particular class, Holders in that class approve the issue by Placement Resolution;~~
  - ~~(4) — unless the Responsible Entity reasonably considers that the issue will not adversely affect the interests of Holders in another class, Holders in that other class approve the issue by Placement Resolution; and~~
  - (1) [the issue, together with any related issue \(as defined in ASIC Class Order \[CO 13/655\]\) in the previous year, immediately before the issue, does not comprise more than 15% of the Units or Options in the relevant class; or](#)
  - (2) [Holders who hold Units or Options in the same class approve the issue by a Placement Resolution, and each of the other conditions and restrictions of any applicable ASIC Relief if any on which the Responsible Entity relies for the issue under the placement are met.](#)

## 6.5 Rights issues

- (a) In addition to any other power the Responsible Entity has to issue Units under this deed, [subject to compliance with:](#)
- (1) [the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the rights issue; and](#)
  - (2) [the Listing Rules and the Listings Requirements to the extent those rules or requirements apply.](#)

the Responsible Entity may issue Units at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10, if:

(A) the Units have been offered to all Holders (or, as the case may be, all Holders other than such Foreign Holders as have been excluded in accordance with clause 6.11) as at a record date that the Responsible Entity determines ~~(being a date not more than 20 Business Days before the date of the offer)~~, in proportion to the value of each relevant Holder's interest in the Trust as at that record date; and

~~(B) all the Units offered are in the same class;~~

~~(2) the Issue Price of all the Units offered is the same;~~

~~(3) the Issue Price is not less than 10% of the Market Price of Units in that class on the Business Day preceding the day on which the intention to make the offer or issue is announced on the JSE or is otherwise publicly announced by the Responsible Entity;~~

~~(B) (4) all the Units are offered to Holders at substantially~~ are in the same time; and class.

~~(5) the Responsible Entity only issues Units to its Associates as Holders or, in the case of Units that are Listed, as otherwise permitted by the Corporations Act.~~

(b) In addition to any other power the Responsible Entity has to grant Options under this deed, subject to compliance with:

(1) the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the rights issue; and

(2) the Listing Rules and the Listings Requirements to the extent those rules or requirements apply.

the Responsible Entity may grant Options at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10, if:

(A) the Options have been offered to all Holders (or, as the case may be, all Holders other than such Foreign Holders as have been excluded in accordance with clause 6.11) as at a record date that the Responsible Entity determines ~~(being a date not more than 20 Business Days before the date of the offer)~~, in proportion to the value of each relevant Holder's interest in the Trust as at that record date;

(B) all the Options offered are in the same class; and

~~(6) the Issue Price of all the Options offered is the same;~~

~~(7) the Exercise Price of all the Units to be issued on exercise of the Options is the same;~~

(C) (A) the means of calculating the Exercise Price is set out in the Terms of Issue;

~~(8) the Exercise Price on the date of exercise of the Options is not less than 1% of the Market Price of a Unit on the Business Day preceding the day on which the intention to make the offer or issue is announced on the JSE or is otherwise publicly announced by the Responsible Entity; and~~

~~(9) the Options are offered to Holders at substantially the same time; and~~

~~(10) — the Responsible Entity only issues Options to its Associates as Holders or, in the case of Options that are Listed, as otherwise permitted by the Corporations Act.~~

## 6.6 Distribution reinvestment issues

In addition to any other power the Responsible Entity has to issue Units under this deed, the Responsible Entity may issue Units at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10, pursuant to a distribution reinvestment arrangement referred to in clause 13.814 where:

- (a) all or part of a Unitholder's Distribution Entitlement is applied in payment for the subscription for Units; and
- (b) the Responsible Entity complies with:
  - ~~(b) — each Unitholder may from time to time elect to participate in that arrangement as to the whole, or some proportion, of the Distribution Entitlement which is or would otherwise be, payable to that Unitholder;~~
  - ~~(c) — all the Units issued under the arrangement are of the same class;~~
  - ~~(d) — the Issue Price of each Unit issued pursuant to that arrangement at substantially the same time is the same; and~~
    - (1) the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the distribution reinvestment; and
    - (2) the Listing Rules and the Listings Requirements to the extent those rules or requirements apply in respect of the distribution reinvestment.
- ~~(e) — the Issue Price is not less than 10% of the Market Price of a Unit as at the Business Day after the books close date for the determination of entitlements to receive the relevant distribution.~~

## 6.8 Fractions of Units

Where an issue would otherwise result in a Unitholder holding a fraction of one Unit:

- (a) while the Listings Requirements apply, the Responsible Entity must round down the number of Units and account to the Unitholders concerned for the net proceeds of disposal of the fractions of Units (unless the JSE Listings Requirements state otherwise); and
- (b) while the Listings Requirements do not apply, the Responsible Entity may round the number of Units issued downwards or upwards to the nearest whole number at the Responsible Entity's discretion, and —Any excess Application Money or other money or property which results from a rounding becomes an Asset of the Fund.

## 6.10 Underwriting

- (a) The Responsible Entity may arrange for:
  - (1) an offer for sale, subscription, issue or grant of Units ~~{(including Forfeited Units)}~~ or of Options; or
  - (2) the exercise of Options; or
  - (3) an issue of Units pursuant to an arrangement for distribution reinvestment established by the Responsible Entity under clause 13.814,to be underwritten by an underwriter on terms determined by the Responsible Entity.



## 6.11 Foreign Holders

- (a) The Responsible Entity may determine that Foreign Holders are not to be offered Units or Options which are otherwise offered to Holders (or a class of Holders) where it considers that it would be in the best interests of Holders, including having regard to matters such as:
- (1) the number of Foreign Holders in the relevant jurisdiction and the number and value of Units or Options held by such Foreign Holders; and
  - (2) the cost of complying with legal and regulatory requirements for the offer, issue or transfer of Securities in the relevant jurisdiction.
- [or on any other basis permitted under the Corporations Act.](#)

## 7.1 Pre-emptive rights

- (a) While Units are [JSE](#) Listed, the Responsible Entity must exercise its powers to issue Units and Options only in the situations permitted in this clause 7.1.

## 7.8 ~~Certificates~~[Register](#)

- ~~(a) At any time, subject to a Unitholder determining under clause 7.8(b) that some or all of the Unitholder's Units be held in certificated form, the Responsible Entity may determine:~~
- ~~(1) not to issue a certificate for a Unit or Option; and~~
  - ~~(2) to cancel a certificate for a Unit or Option and not to issue a replacement certificate.~~

~~(b) At any time, a Unitholder may determine to hold Units in certificated or dematerialized form. If the Unitholder determines to hold some or all of its Units in dematerialized form, the record of such dematerialized Units~~ [While the Trust is JSE Listed, a Register of Units and Unitholders will be administered and maintained by or on behalf of a participant, as defined in the SSAFMA, as required in accordance with the provisions of that Act and in accordance with the system for administering and maintaining records of dematerialized Units operated and used by the JSE, or in such place and manner as the JSE may permit. While the Trust is ASX Listed, subject to the Corporations Act and the Listing Rules \(if the Listing Rules apply\), a Register of Units and Unitholders will be kept by or on behalf of the Responsible Entity in such place and manner as the Responsible Entity determines. The records of Units and Unitholders may be kept in a single Register or multiple Registers, as relevant law and regulatory requirements permit.](#)

### 8.3 Transfer

- (a) ~~Subject~~ While Units or Options are not Listed, subject to clauses 8.3(b) and 8.7, all transfers of ~~certificated~~ Units or Options must be implemented by a proper instrument of transfer and in a manner approved by the Responsible Entity. The Responsible Entity may decline to register a transfer of Units or Options under this clause 8.3(a) unless the instrument of transfer:
- (1) is duly stamped (if applicable);
  - (2) is accompanied by such evidence as the Responsible Entity requires to prove the title of the transferor; and
  - (3) complies with any requirements prescribed by the Responsible Entity from time to time.
- (b) While Units or Options are Listed, all transfers of such Units or Options (as applicable) must be given effect in accordance with the Listings Requirements and the Listing Rules (each as applicable) and the requirements of any applicable depository system or computerised or electronic system of transfer or registration and other applicable rules made as contemplated by clause 8.7.
- (c) ~~A~~ Except as provided by any applicable Operating Rules of a CS Facility while the Trust is ASX Listed, a transferor of a Unit or Option remains the Holder until the transfer is registered and the name of the transferee is entered in the Register in respect of that Unit or Option or the transfer is otherwise implemented in accordance with the Listings Requirements.
- (d) Distributable Income to which a Unitholder is entitled when a transfer or transmission of Units is recorded in the Register remains credited to the transferor.

## 8.5 No general restriction on transfer

- (a) Except to the extent that the relevant Holder agrees otherwise: subject to clauses 8.5(b) and 8.5(c), while Units or Options are Listed, there is no restriction on the transfer of such Units or Options (as applicable) and the Responsible Entity may not do anything which may prevent, delay or in any way interfere with, the registration of a transfer of such Units or Options (as applicable) under clause 8.3; ~~and~~.
- (b) While the Trust is ASX Listed, and if permitted to do so by the Listing Rules, the Responsible Entity may:
- (1) request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Units or Options from being registered on the CS Facility's sub register or registered on an issuer-sponsored sub register, as the case may be; or
  - (2) refuse to register a transfer of Units or Options to which paragraph (a) does not apply.
- (c) While the Trust is ASX Listed, the Responsible Entity must:
- (1) request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Units or Options from being registered on the CS Facility's sub register or registered on an issuer-sponsored sub register, as the case may be; or
  - (2) refuse to register a transfer of Units to which paragraph (a) does not apply,
- if the Corporations Act or Listing Rules require the Responsible Entity to do so or the transfer is in breach of clause 8.11.
- (d) If, in the exercise of its rights under clauses 8.5(b) or 8.5(c), the Responsible Entity requests the application of a holding lock to prevent a transfer of Units or Options or refuses to register a transfer of Units or Options, it must, within two months after the date on which the transfer was lodged with it, give written notice of the request or refusal to:
- (1) the holder of the Units or Options;
  - (2) the purported transferee; and
  - (3) the broker lodging the transfer, if any.
- Failure to give notice does not, however, invalidate the decision of the Responsible Entity.
- (e) ~~(b)except~~ Except as otherwise set out in this clause 8, there is no restriction on any other transfer of Units or Options.

## 8.7 Participation in transfer systems

The Responsible Entity may determine that Units or Options which are Listed will participate in:

- (a) the central securities depository prescribed for purposes of the JSE under the ~~SSA~~ FMA and the computer system or systems and associated network or networks operated or used by the JSE for purposes of settling transactions in equity securities; ~~or~~
- (b) the CS Facility; or
- (c) ~~(b)~~ any other depository system or computerised or electronic system of transfer or registration.

The Responsible Entity may, with the approval of the JSE, create rules to facilitate participation which may be additional to or may override this clause 8.

Nothing in this clause 8 prevents the transfer of a Unit or Option by any other method which is required or permitted by the Corporations Act, ASX, ASIC or the JSE.

## 8.10 Odd Lots

- (a) This clause 8.10 applies while the Units are Listed. ~~No~~ If the Trust is JSE Listed but not ASX Listed, no part of this clause 8.10 will apply to the extent that the Listings Requirements specifically allow the Responsible Entity to act in a manner contrary to this clause 8.10.
- (b) Subject to the provisions of this clause 8.10, and to ~~compliance~~ compliance with the Listings Requirements, the Responsible Entity may, in its discretion from time to time, sell or redeem any Units held by a Holder without request by the Holder where those Units comprise an Odd Lot. The Responsible Entity may only sell or redeem Units on one occasion in any 12 month period and must only do so in respect of all Holders who hold Odd Lots except those Holders who have advised the Responsible Entity, in accordance with clause 8.10(e) that they wish to retain the Units.

## 8.11 Restricted Securities

- (a) While the Trust is ASX Listed, if the Listing Rules require, Restricted Securities cannot be disposed of during the Escrow Period and the Responsible Entity must not register a transfer of Restricted Securities during the Escrow Period except as permitted by the Listing Rules or ASX.
- ~~(b)~~ During a breach of a restriction agreement or the Listing Rule relating to Units which are Restricted Securities the Unitholder who holds those Restricted Securities is not entitled to any distribution from the Fund nor any voting rights, in respect of those Restricted Securities.

## 9.1 Redemption offer

- (a) Before the termination of the Trust, subject to the Listing Rules and the Listings Requirements to the extent those rules and requirements apply, the Responsible Entity may, by notice to a Unitholder, offer to redeem all or some of the Units held by the Unitholder as specified in the notice. The notice must set out:
  - (1) the period (being a period not shorter than 15 Business Days and not longer than 3 months from the date the notice is given) within which the Unitholder may accept the offer (the **Redemption Offer Period**); and
  - (2) whether the redemption offer relates to all or some of the Units held by the Unitholder (and if to some only, the proportion or number of Units to which it relates);
  - (3) whether the Unitholder can only request redemption of all of the Units to which the redemption offer relates, or whether the Unitholder may also request redemption of less than all of the Units to which the redemption offer relates; and
  - (4) any other terms to apply to the redemption offer.

### 9.3 Compulsory redemption

- (a) Subject to [the Corporations Act and the Listing Rules and the Listings Requirements to the extent those rules and requirements apply, and](#) complying with clause 9.3(f), the Responsible Entity may at any time, on notice to a Unitholder, compulsorily redeem some or all of a Unitholder's Units where the Responsible Entity reasonably believes:
- (1) that there are, or are reasonably likely to be, material adverse Tax consequences for the Trust or any other Holder arising from the Unitholder remaining a holder of the relevant Units;
  - (2) that the Unitholder continuing to hold such Units would, or would be reasonably likely to, result in the Responsible Entity, the Trust, or any other Holder, incurring any material Tax liability or suffering any other material financial disadvantage;
  - (3) that this is the most efficient means for returning capital of the Fund to Unitholders having regard to Tax, legal and regulatory considerations; or
  - (4) the Responsible Entity has determined that the Unitholder is an Excluded US Person, and the relevant Units are Excluded Securities.

### 9.7 Buy-backs

The Responsible Entity may buy back and cancel Units, subject to and in accordance with the Corporations Act (including subject to the conditions of any applicable ASIC relief from time to time) and, while Units are Listed, [any applicable requirements of the Listing Rules and the Listings Requirements. A buy-back may occur on or off market, and on repurchase of the Units, the Responsible Entity may cause the Units to be cancelled. No Redemption Price is payable on cancellation of the Units.](#)

### 10.4 Manager

- (a) The Responsible Entity must appoint the Manager to manage the Assets of the Fund under the Management Agreement.
- (b) The Management Agreement binds the Responsible Entity in its capacity as trustee of the Trust and the Responsible Entity's rights, obligations and liabilities in respect of the Management Agreement from time to time are held and owed in relation to the Managed Investment Scheme constituted by the Trust.
- (c) The Responsible Entity is authorised to, and must, pay all fees and Costs and other amounts payable under the Management Agreement out of the Fund.
- (d) [On and from the time the Trust becomes ASX Listed, if the Management Agreement is amended to provide that it is to automatically terminate upon a change of Responsible Entity of the Trust under Division 2 of Part 5C.2 of the Corporations Act, paragraphs \(a\) to \(c\) of this clause 10.4 will cease to apply, and the following provisions will apply in their place:](#)
- (1) [the Responsible Entity may appoint a manager to manage the Assets of the Fund under a management agreement;](#)
  - (2) [any such management agreement will bind the Responsible Entity in its capacity as trustee of the Trust and the Responsible Entity's rights, obligations and liabilities in respect of that management agreement from time to time will be held and owed in relation to the Managed Investment Scheme constituted by the Trust, and](#)
  - (3) [the Responsible Entity will be authorised to, and must, pay all fees and Costs and other amounts payable under that management agreement out of the Fund.](#)



## 10.8 Borrowing restriction

While the Trust is JSE Listed, ~~T~~he Responsible Entity must ensure that the Fund's gearing ratio, calculated in accordance with the following formula, does not exceed 60% at any time:

$$GR = \frac{GTL}{GTA} \times 100\%$$

Where:

- GR** is the gearing ratio at the relevant time
- GTL** is the total amount of the liabilities, in respect of money borrowed or raised or any financial accommodation, of the Trust Group as shown on a consolidated basis in the most recently issued statutory financial statements of the Trust Group (adding back Trust Group members' share of any liabilities for any equity accounted investments and, for the avoidance of doubt, excluding any liabilities owing by one member of the Trust Group to another)
- GTA** is the total book value of all Tangible Assets of the Trust Group on an aggregated basis shown by the most recently issued statutory financial statements of the Trust Group, less any such amounts attributable to equity accounted assets (but adding back the Trust Group members' interest in such assets)

## 18.2 Complaints handling

The Responsible Entity must establish and maintain a procedure for dealing with Complaints by Holders in relation to the Trust which is consistent with AS 10002-2006 Australian Standard on Complaints Handling or such other standard which satisfies the requirements (if any) of the Corporations Act, Listings Requirements- Listing Rules or any Government Agency from time to time.

## 20.1 Responsible Entity's indemnity for Costs and liabilities

- (b) The indemnity in clause 20.1(a) includes all Costs and liabilities connected with:
- (1) this deed, the Management Agreement, Custody Agreement and Review Services Agreement;
  - (2) the formation of the Trust and registration of the Trust as a Registered Scheme;
  - (3) the preparation, review, distribution and promotion of any PDS, Pre-Listing Statement or other offering document in respect of Units or Options and other promotion of the ~~Trust, and~~Fund;
  - (4) the Listing of the Trust on ASX; and
  - (5) ~~(4)~~the Responsible Entity's internal running, administration and operating costs attributable to its role as Responsible Entity of the Trust (such as overheads, internal staff costs, including travel costs, amounts payable to directors, compliance costs, computer systems etc).

## 26.2 Receipt of notice

Any application, notice or other communication to or by the Responsible Entity or a Holder is regarded as being given by the sender and received by the addressee:

- (a) if by delivery in person, then when delivered to the addressee;
- (b) if by prepaid post, then on the fifth Business Day [\(or while the Trust is not JSE Listed, the second Business Day\)](#) after the day of postage to the addressee; or
- (c) if by facsimile transmission, when transmitted to the addressee but where the sender's machine indicates a malfunction in transmission or the addressee notifies the sender of an incomplete transmission within 4 hours after transmission is received, the facsimile transmission is regarded as not given or received; or
- (d) if by email, when the email (including any attachment) comes to the attention of the addressee or a person acting on the addressee's behalf.

but if the delivery, receipt or transmission is on a day which is not a Business Day or is after 5.00pm (addressee's time) it is regarded as received at 9.00 am (addressee's time) on the following Business Day.

## Schedule 1

### 2 Notice of meeting

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- (a) If the Responsible Entity omits to give a Holder notice of a Meeting or if a Holder does not receive notice, the Meeting is still valid.
- (b) While any Units or Options are [JSE Listed](#), the Responsible Entity must give notice of a Meeting to the JSE and announce the notice of Meeting through the Stock Exchange News Service, at the same time as it sends notices of Meeting to Holders.
- (c) Subject to clause 2(d) of this Schedule 1, the Responsible Entity must give at least 15 Business Days' notice of Meetings, [and must comply with the requirements of the Corporations Act in relation to the giving of the notice.](#)
- (d) While any Units or Options are ~~Listed~~[JSE Listed, notwithstanding the requirements of paragraph 2\(c\) of this Schedule 1 and clause 26.2](#), if the Responsible Entity gives Holders notice of a Meeting ~~by sending a notice~~ (other than a notice in electronic form) ~~from its registered office in Australia, that is sent by the Responsible Entity or its agent~~
  - (1) [from a place of business in Australia to Holders in South Africa; or](#)
  - (2) [from a place of business in South Africa to Holders in Australia,](#)such notice must be given at least 20 Business Days before the date scheduled for the relevant Meeting.

### 11 Annual general meeting

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- (a) While any Units or Options are [JSE Listed](#), the Responsible Entity must hold an annual general Meeting (AGM) at least once in each calendar year and within 5 months of the end of its Financial Year.



## Schedule 2

### 2.4 Issue at fixed price

In addition to any other power the Responsible Entity has to issue Units or Options under this deed, the Responsible Entity may issue Units or Options at any time to any person at an Issue Price as follows:

- (a) where Units are Stapled and the relevant Stapled Securities are Listed (and have not been suspended from Listing (other than temporarily) on at least one of the JSE or the ASX), at a price that the Responsible Entity determines, but only if the total of the Issue Price of that Unit and the issue price of all Attached Securities to which that Unit will be Stapled is equal to the Market Price for the relevant Stapled Securities immediately before the date upon which the Unit is issued or offered for issue; and
- (b) where Options are Stapled and the relevant Stapled Securities are Listed (and have not been suspended from Listing (other than temporarily) on at least one of the JSE or the ASX), at a price that the Responsible Entity determines, but only if the total of the Issue Price of that Option and the issue price of the Attached Security or Attached Securities to which that Option will be Stapled is equal to the Market Price for the relevant Stapled Securities immediately before the date upon which the Option is ~~issued~~offered or granted; and
- (c) where Stapled Securities have been suspended from Listing (other than temporarily) or have otherwise ceased to be Listed on both the JSE and the ASX, Units at the Current Unit Value.

### 2.5 Placements

- (a) Where Stapled Securities are Listed on the ASX (and have not been suspended from Listing other than temporarily) whether or not they are Listed on any other foreign market including the JSE, in addition to any other power the Responsible Entity has to issue Units or grant Options under this deed, the Responsible Entity may issue Units or grant Options at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10 of the deed, or clause 2.4, if the Responsible Entity complies with:
  - (1) ~~if Stapled Securities are Listed and have not been suspended from Listing (other than temporarily)~~the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the issue under the placement; and
  - (2) the Listing Rules and the Listings Requirements, to the extent those rules or requirements apply to the issue.
- (b) Where Stapled Securities are not ASX Listed but are JSE Listed or listed on any other foreign market (and have not been suspended from Listing other than temporarily on the relevant market) then the Responsible Entity may issue Units or grant Options at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10 of the deed, or clause 2.4 if:
  - (1) the issue, together with any related issue (as defined in ASIC Class Order [CO 13/655]) in the previous year, immediately before the issue, does not comprise more than 15% of the Units or Options in the relevant class; or
  - (2) Holders who hold Units or Options in the same class approve the issue by a Placement Resolution, and each of the other conditions and restrictions of any applicable ASIC Relief if any on which the Responsible Entity relies for the issue under the placement are met.

;

~~the issue is not to the Responsible Entity, or any of its Associates unless the issue is permitted by the Corporations Act; and~~

  - (1) ~~the issue is of Stapled Securities that would not, immediately after the issue (when aggregated with any other issue of Stapled Securities pursuant to this clause 2.5 up to one year previously other than an issue that was subsequently ratified by the Holders), comprise more~~

than 15% (or such greater percentage as may be permitted from time to time by the Corporations Act) of either all Stapled Securities or the Stapled Securities of the same type class as the Stapled Securities comprised in the issue.

- (b) ~~In addition to any other power the Responsible Entity has to issue Units or grant Options under this deed, the Responsible Entity may issue Units or grant Options at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10 of the deed, or clause 2.4, if:~~
- ~~(1) If Stapled Securities are Listed and have not been suspended from Listing (other than temporarily);~~
  - ~~(2) the issue is not to the Responsible Entity, or any of its Associates unless the issue is permitted by the Corporations Act;~~
  - ~~(3) if the Stapled Securities are to be issued in a particular class, Holders in that class approve the issue by Placement Resolution;~~
  - ~~(4) unless the Responsible Entity reasonably considers that the issue will not adversely affect the interests of Holders in another class, Holders in that other class approve the issue by Placement Resolution; and~~
  - ~~(5) any notice convening a Meeting to vote on the issue contains particulars of the use to be made of the money raised by the issue.~~

## 2.6 Rights issues

In addition to any other power the Responsible Entity has to issue Units under this deed, subject to compliance with:

- (1) the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the rights issue; and
- (2) the Listing Rules and the Listings Requirements to the extent those rules or requirements apply.

the Responsible Entity may issue Units at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10 of the deed, or clause 2.4, if:

- (a) the Stapled Securities have been offered to all Holders (or, as the case may be, all Holders other than such Foreign Holders as have been excluded in accordance with clause 6.11) as at a record date that the Responsible Entity determines ~~(being a date not more than 20 Business Days before the date of the offer)~~, in proportion to the value of each relevant Holder's interest in the Trust as at that record date; and
- (b) all the Stapled Securities offered are in the same class; ~~(c) the issue price of all the Stapled Securities offered is the same;~~
- ~~(d) the Issue Price of the Units, when added to the issue prices of all Attached Securities, is not less than 10% of the Market Price of Stapled Securities in that class on the Business Day preceding the day on which the intention to make the offer or issue is announced on the JSE or is otherwise publicly announced by the Responsible Entity;~~
- ~~(e) the amount of Stapled Securities offered to each Holder is proportionate to the value of that Holder's holding of Stapled Securities; and~~
- ~~(f) the Responsible Entity only issues Units to its Associates as Holders or, in the case of Units that are Listed, as otherwise permitted by the Corporations Act.~~

## 2.7 Distribution reinvestment issues

In addition to any other power the Responsible Entity has to issue Units under this deed, the Responsible Entity may issue Units at an Issue Price determined by the Responsible Entity, being a price other than the Issue Price calculated in accordance with clauses 6.2, 6.3 or 6.10 of the deed, or clause 2.4, pursuant to a distribution reinvestment arrangement referred to in clause 13.8 of the deed where:

- (a) ~~(4)~~ all or part of a Holder's Distribution Entitlement is applied in payment for the subscription for Stapled Securities; and
- (b) the Responsible Entity complies with:
  - ~~(b) — each Holder may from time to time elect to participate in that arrangement as to the whole, or some proportion, of the Distribution Entitlement which is or would otherwise be, payable to that Holder;~~
  - ~~(c) — all the Stapled Securities issued under the arrangement are of the same class;~~
  - ~~(d) — the issue price of each Stapled Security issued pursuant to that arrangement at substantially the same time is the same; and~~
    - (1) the conditions and restrictions of any applicable ASIC Relief on which the Responsible Entity relies for the distribution reinvestment; and
    - (2) the Listing Rules and the Listings Requirements to the extent those rules or requirements apply in respect of the distribution reinvestment.
- ~~(e) — the Issue Price of a Unit, when added to the issue prices of all Attached Securities, is not less than 10% of the Market Price of a Stapled Security as at the Business Day after the books close date for the determination of entitlements to receive the relevant distribution.~~

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## UNITS IN ISSUE

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1. IAPF had the following Units in issue as at the Last Practicable Date:

	<b>Market capitalisation AUD'000</b>
<i>Issued</i>	
478 802 454 Units in issue	519 578

*\*Based on a Unit price of ZAR10.58 and a spot exchange rate of AUD/ZAR1.0000:9.7497 as at close of business, 17:00 (New York time) on Friday, 27 July 2018.*

2. Assuming all 180 million Subscription Units are issued under the Specific Issue of Units for Cash, IAPF will have 658 802 454 Units in issue.

As at the Last Practicable Date, IAPF held no Units in treasury, and will hold no Units in treasury immediately after the implementation of the Specific Issue of Units for Cash.

3. Rights attaching to Units:

- 3.1 All of the issued Units are of the same class and rank equally in every respect and accordingly, no Units in issue have any special right to distributions, capital or profits or any other right, including on a winding-up of the Fund.
- 3.2 For so long as there is only one class of Units on issue, any variation in rights attaching to Units will require an amendment to the Constitution. Such amendment may only be effected by the passing of a special resolution of Unitholders or by the Responsible Entity if the Responsible Entity reasonably considers the change will not adversely affect members' rights under section 601GC(1) of the Australian Corporations Act and clause 24.1 of the Constitution.
- 3.3 Only such Unitholders that are registered in the Register on the day when a distribution is made or on such other day as may be determined by the Responsible Entity as the record date for the distribution will be entitled to receive the distribution so made.

## TRADING HISTORY ON THE JSE

Period	High (ZAR cents)	Low (ZAR cents)	Close (ZAR cents)	Volume	Value (ZAR)
<b>Monthly</b>					
<b>2017</b>					
July	1 339	1 339	1 307	5 773 103	75 448 238.06
August	1 329	1 329	1 295	4 759 514	62 138 171.20
September	1 400	1 400	1 310	5 842 116	76 790 170.08
October	1 380	1 380	1 365	9 164 408	123 517 359.92
November	1 370	1 370	1 319	5 599 514	74 442 551.09
December	1 320	1 320	1 255	5 756 902	70 353 227.28
<b>2018</b>					
January	1 265	1 265	1 135	4 430 916	53 264 427.81
February	1 200	1 200	1 040	8 364 270	87 491 870.17
March	1 095	1 095	1 050	7 255 885	77 073 944.93
April	1 200	1 200	1 100	3 669 262	39 643 385.70
May	1 135	1 135	1 090	8 548 124	93 812 346.43
June	1 110	1 050	1 086	7 125 428	76 402 806.61
<b>Daily</b>					
<b>2018</b>					
18 June	1 099	1 060	1 080	196 232	2 117 123.76
19 June	1 080	1 060	1 070	134 276	1 434 102.06
20 June	1 100	1 055	1 055	245 812	2 606 218.84
21 June	1 065	1 050	1 060	263 950	2 796 730.53
22 June	1 070	1 055	1 055	472 921	4 995 673.85
25 June	1 069	1 055	1 060	246 698	2 605 001.01
26 June	1 069	1 055	1 055	54 585	576 605.07
27 June	1 060	1 050	1 054	331 006	3 489 661.01
28 June	1 075	1 051	1 060	93 879	996 229.54
29 June	1 085	1 070	1 085	107 760	1 164 258.11
02 July	1 085	1 064	1 081	205 261	2 217 842.05
03 July	1 095	1 080	1 086	254 119	2 752 902.94
04 July	1 085	1 080	1 080	422 283	4 560 825.32
05 July	1 090	1 060	1 066	41 610	447 398.30
06 July	1 090	1 050	1 055	177 385	1 867 199.68
09 July	1 065	1 041	1 041	75 067	789 876.02
10 July	1 077	1 036	1 061	303 924	3 172 968.13
11 July	1 080	1 060	1 060	6 675	71 690.40
12 July	1 070	1 050	1 070	104 593	1 102 346.72
13 July	1 080	1 050	1 064	14 167	150 719.04
16 July	1 066	1 060	1 065	55 514	589 251.11
17 July	1 074	1 060	1 060	46 078	488 468.38
18 July	1 072	1 056	1 062	308 464	3 273 741.15
19 July	1 079	1 056	1 060	1 022 145	11 034 805.51
20 July	1 075	1 063	1 075	15 780	168 673.24
23 July	1 075	1 069	1 069	11 977	128 385.73
24 July	1 079	1 061	1 072	147 559	1 581 899.30
25 July	1 075	1 064	1 064	26 245	281 132.86
26 July	1 057	1 047	1 047	506 125	5 312 767.35
27 July	1 080	1 050	1 058	72 507	777 466.94

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Australia Property Fund

## INVESTEC AUSTRALIA PROPERTY FUND

Registered in terms of the CIS Act  
Registered as a Managed Investment Scheme (ARSN 162 067 736)  
(Unit code on the JSE: IAP ISIN: AU60INL00018)  
Responsible Entity: Investec Property Limited (ACN 071 514 246 with AFSL 290 909)  
("IAPF" or "the Fund")

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### NOTICE OF GENERAL MEETING

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Where appropriate and applicable, the terms defined in the Circular to which this Notice of General Meeting is attached bear the same meanings in this Notice of General Meeting.

Notice is given that the General Meeting will be held at:

Time: 17:30 (Sydney time), 09:30 (Johannesburg time)

Date: Wednesday, 5 September 2018

Place: Boardroom, Investec Australia, Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia; and 2nd Floor, Executive Boardroom, Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, South Africa

The chair of the General Meeting will be in Australia and the General Meeting will be broadcast via video conference to South Africa. Unitholders at either location will be able to participate in the General Meeting, including to ask questions.

Unitholders reflected on the Register as at 09:30 (Johannesburg time) on Friday, 24 August 2018 ("**Voting Record Date**") will be entitled to vote at the General Meeting.

#### PROPOSED AMENDMENTS TO MANAGEMENT AGREEMENT

##### RESOLUTION I – MANAGEMENT AGREEMENT RESOLUTION

*"Resolved as an ordinary resolution that, subject to the passing of Resolution 2, Resolution 3 and Resolution 4, the proposed amendments to the Management Agreement as described in paragraph 9.3 of the Circular, and as reflected in the copy of the amended Management Agreement which has been tabled at the meeting and initialled for identification by the chair of the General Meeting, be approved and authorised for all purposes."*

In order for this resolution to be passed, more than 50% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution. This will satisfy:

- (a) the higher requirement under the JSE Listings Requirements, which requires that more than 50% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution; and
- (b) the lower requirement for an ordinary resolution under Australian law, which requires that at least 50% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution.

Only Unitholders reflected in the Register on the Voting Record Date are entitled to vote on this resolution. Certain Unitholders are excluded from voting on this resolution under the JSE Listings Requirements and section 253E of the Australian Corporations Act – see paragraph 9.4 of the Circular.

Resolution I is conditional on the passing of Resolution 2, Resolution 3 and Resolution 4.

#### SPECIFIC ISSUE OF UNITS FOR CASH

##### RESOLUTION 2 – SPECIFIC ISSUE RESOLUTION I

*"Resolved as an ordinary resolution that, subject to the passing of Resolution 1, Resolution 3 and Resolution 4, the Directors are authorised, as a specific authority in addition to any other authorities which may be granted by Unitholders from time to time, to allot and issue up to a maximum of 180 million new Units to Qualifying Investors at the Subscription Price in conjunction with the ASX Listing under the ASX Listing Proposal within 12 months after the date on which this resolution is passed, as detailed in paragraph 10.2 of the Circular, and any such issue is accordingly approved and authorised for all purposes."*



In order for this resolution to be passed, at least 75% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution. This will satisfy:

- (a) the higher requirement under the JSE Listings Requirements, which requires that at least 75% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution; and
- (b) the lower requirement for an ordinary resolution under Australian law, which requires that at least 50% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution.

Only Unitholders reflected in the Register on the Voting Record Date are entitled to vote on this resolution. Certain Unitholders are excluded from voting on this resolution under the JSE Listings Requirements and section 253E of the Australian Corporations Act – see paragraph 10.3 of the Circular.

Resolution 2 is conditional on the passing of Resolution 1, Resolution 3 and Resolution 4.

### **RESOLUTION 3 – SPECIFIC ISSUE RESOLUTION 2**

*“Resolved as a special resolution that, subject to the passing of Resolutions 1, 2 and 4:*

- (a) *for the purposes of section 601GC(1)(a) of the Australian Corporations Act and for all other purposes, the Constitution is amended in accordance with the provisions of the “Specific Issue Resolution 2 Supplemental Deed” in the form tabled at the meeting and signed by the Chairperson of the meeting for the purposes of identification; and*
- (b) *the Responsible Entity is authorised to execute and lodge with ASIC that supplemental deed to give effect to these amendments to the Constitution.”*

In order for this resolution to be passed, at least 75% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution. This will satisfy:

- (a) the higher requirements under section 601GC(1) of the Australian Corporations Act, which requires that at least 75% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution; and
- (b) the lower requirement under the JSE Listings Requirements, which requires that more than 50% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution.

Only Unitholders reflected in the Register on the Voting Record Date are entitled to vote on this resolution. Certain Unitholders are excluded from voting on this resolution under the JSE Listings Requirements and section 253E of the Australian Corporations Act – see paragraph 10.3 of the Circular.

Resolution 3 is conditional on the passing of Resolution 1, Resolution 2 and Resolution 4.

### **PROPOSED ANCILLARY AMENDMENTS TO CONSTITUTION**

#### **RESOLUTION 4 – ANCILLARY RESOLUTION**

*“Resolved as a special resolution that:*

- (a) *for the purpose of section 601GC(1)(a) of the Australian Corporations Act and for all other purposes, the Constitution is amended in accordance with the provisions of the “Ancillary Resolution Supplemental Deed” in the form tabled at the meeting and signed by the Chairperson of the meeting for the purposes of identification; and*
- (b) *the Responsible Entity is authorised to execute and lodge with ASIC that supplemental deed to give effect to these amendments to the Constitution.”*

In order for this resolution to be passed, at least 75% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution. This will satisfy:

- (a) the higher requirements under section 601GC(1) of the Australian Corporations Act, which requires that at least 75% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution; and
- (b) the lower requirement under the JSE Listings Requirements, which requires that more than 50% of the votes cast by Unitholders entitled to vote on this resolution must be cast in favour of this resolution.

Only Unitholders reflected in the Register on the Voting Record Date are entitled to vote on this resolution. Certain Unitholders are excluded from voting on this resolution under section 253E of the Australian Corporations Act – see paragraph 11.4 of the Circular.

This Notice of General Meeting must be read in conjunction with the body of the Circular, which provides information to enable Unitholders to make an informed decision as to whether or not they should vote in favour of the Resolutions, including a detailed explanation of the rationale for the Resolutions.

**Paul Lam-Po-Tang**

*Company secretary*

Sydney  
Monday, 6 August 2018



## **VOTING ENTITLEMENT AND VOTING EXCLUSION**

For the purposes of determining the voting entitlement at the General Meeting, Units will be taken to be held by persons who are registered as Unitholders on the Voting Record Date.

Certain Unitholders are excluded from voting on the Resolutions under the JSE Listings Requirements and section 253E of the Australian Corporations Act – see paragraphs 9.4, 10.3 and 11.4 of the Circular.

## **HOW DO YOU EXERCISE YOUR RIGHT TO VOTE?**

The vote on each Resolution will be decided on a poll as determined by the chair of the General Meeting subject to any requirements of the Australian Corporations Act, the Constitution and, to the extent that it is not inconsistent with the Australian Corporations Act and the JSE Listings Requirements. In a resolution of the Fund determined by poll, each Unitholder present in person or by proxy has one vote for every Australian dollar of the total interest in the Fund that they have. The value of a Unitholder's total interest in the Fund will be calculated by reference to the last sale price of the Units on the JSE on Tuesday, 21 August 2018.

## **JOINTLY HELD UNITS**

If your Units are jointly held, only one of the joint Unitholders is entitled to vote. If more than one Unitholder votes in respect of jointly held Units, only the vote of the Unitholder whose name appears first in the Register will be counted.

## **ATTORNEY**

Where a Unitholder appoints an attorney to act on his or her behalf at the General Meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by the Responsible Entity at its registered office by 17:30 (Sydney time) on Monday, 3 September 2018 or by the Transfer Secretaries by 09:30 (Johannesburg time) on Monday, 3 September 2018, being 48 hours before the General Meeting. If you plan to attend the General Meeting, we ask that you arrive 15 minutes prior to the time designated for the General Meeting so that we may check the value of your Units against the Register and note your attendance.

## **CORPORATIONS**

Where a corporation that is a Unitholder appoints a person to act as its representative, the appointment must comply with section 253B (for the meeting of the Fund) of the Australian Corporations Act. The appointment must be received by the Responsible Entity by 17:30 (Sydney time) on Monday, 3 September 2018 or by the Transfer Secretaries by 09:30 (Johannesburg time) on Monday, 3 September 2018, being 48 hours before the General Meeting. Alternatively, the representative must bring to the General Meeting satisfactory evidence of his or her appointment, including any authority under which it was signed.

## **VOTING BY PROXY**

If you cannot or do not wish to attend the General Meeting, you may appoint a proxy to attend and vote for you. The proxy does not need to be a Unitholder. If you appoint two proxies, you must specify the proportion or number of votes that each proxy is entitled to exercise. If you do not, each will be entitled to vote half your votes.

A form of proxy (for use by Certificated Unitholders and Dematerialised Unitholders with own name registration who are unable to attend the General Meeting) forms part of the Circular which accompanies this Notice of General Meeting.

A form of proxy must be signed by the Unitholder or their attorney or, in the case of a corporation, executed in under its common seal, by any two (2) directors or a director and secretary, or if it is a company that has a sole director who is also the sole secretary (or has no secretary), by that director, or signed by an authorised officer or attorney. If the form of proxy is signed by an attorney or by an authorised officer of a corporation, the original or a notarised copy of the power of attorney or other authority (document of appointment) must accompany the form of proxy unless it has previously been provided to the Responsible Entity.

Where a Unitholder appoints a body corporate as proxy, that body corporate will need to ensure that:

- it appoints an individual as its corporate representative to exercise its powers at the General Meeting, in accordance with section 253B of the Australian Corporations Act; and
- the instrument appointing the corporate representative is received by the Responsible Entity at its registered office by 17:30 (Sydney time) on Monday, 3 September 2018 or by the Transfer Secretaries by 09:30 (Johannesburg time) on Monday, 3 September 2018, being 48 hours before the General Meeting, for administrative purposes.

Proxy forms along with any document of appointment should be completed and returned by no later than 17:30 (Sydney time)/09:30 (Johannesburg time) on Monday, 3 September 2018, being at least 48 hours before the General Meeting. To ensure that all Unitholders can exercise their right to vote on the Resolutions, a form of proxy is enclosed together with a reply paid envelope. You can lodge the form of proxy by sending it in the reply paid envelope or otherwise posting, delivering to:

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
PO Box 61051  
Marshalltown  
2107  
South Africa

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the form of proxy. If, in respect of any of the items of business, you do not direct your proxy how to vote, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions. If you mark the abstain box for a particular item you are directing your proxy not to vote on your behalf and your Units will not be counted in computing the required majority on a poll. Please refer to the form of proxy for further instructions.

The chair of the General Meeting is deemed to be appointed where a signed form of proxy is returned which does not contain the name of a proxy. In addition, if you direct your proxy how to vote and your nominated proxy does not attend, or attends but does not vote on a Resolution, the chair of the General Meeting will act in place of the nominated proxy and vote in accordance with any instructions.

If the chair of the General Meeting is your proxy, you can direct the chair of the General Meeting to vote for or against, or to abstain from voting on a Resolution by marking the appropriate box opposite the relevant item on the proxy form.

The chair of the General Meeting intends to vote available undirected proxies in favour of all Resolutions. If you have any questions or would like a copy of the Constitution, please contact investor relations by email ([investorrelations@investec.com](mailto:investorrelations@investec.com)).

#### **DEMATERIALIZED UNITHOLDERS WITHOUT OWN NAME REGISTRATION**

Dematerialised Unitholders without own name registration must inform their CSDP or broker of their intention to attend the General Meeting and obtain the necessary letter of representation to attend, or provide their CSDP or broker with their voting instructions should they wish to vote and are not able to attend the General Meeting in person. This must be done in terms of the agreement entered into between the Unitholders and the CSDP or broker concerned.

Out of the Ordinary®



Australia Property Fund

## INVESTEC AUSTRALIA PROPERTY FUND

Registered in terms of the CIS Act  
Registered as a Managed Investment Scheme (ARSN 162 067 736)  
(Unit code on the JSE: IAP ISIN: AU60INL00018)  
Responsible Entity: Investec Property Limited (ACN 071 514 246 with AFSL 290 909)  
("IAPF" or "the Fund")

### FORM OF PROXY

Where appropriate and applicable, the terms defined in the Circular to which this form of proxy is attached bear the same meanings in this form of proxy.

THIS FORM OF PROXY IS ONLY FOR USE BY:

- Certificated Unitholders; and
- "own name" Dematerialised Unitholders.

For completion by the aforesaid registered Unitholders who are unable to attend the General Meeting to be held on Wednesday, 5 September 2018 at:

- 17:30 (Sydney time) in Boardroom, Investec Australia, Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia; and
- 09:30 (Johannesburg time) in 2nd Floor, Executive Boardroom, Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, South Africa.

If you are a Dematerialised Unitholder, other than with "own name" registration, do not use this form. Dematerialised Unitholders, other than with "own name" registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the Unitholder and the CSDP or broker.

I/We (full name in BLOCK LETTERS)

Of (full address)

being a **Unitholder/Unitholders** of Investec Australia Property Fund (ARSN 162 067 736) and entitled to attend and vote, appoint:

(full name in BLOCK LETTERS)

Of (full address)

(or, in his/her absence, or if no person is named, the chair of the General Meeting) as my/our proxy to vote for me/us on my/our behalf at the General Meeting to be held on Wednesday, 5 September 2018 and at any adjournment of the General Meeting and to demand a poll.

If two (2) proxies are appointed, the proportion or number of votes this proxy is appointed to represent is:

Proportion of votes

or

Number of votes

%

If you wish to instruct your proxy how to vote, please tick or otherwise mark the appropriate box opposite each item. Unless instructed to the contrary, proxies in favour of the chair of the General Meeting will be used in support of the specific matters set out in the Notice of General Meeting.

	For	Against	Abstain
<b>Resolution 1:</b> Management Agreement Resolution			
<b>Resolution 2:</b> Specific Issue Resolution 1			
<b>Resolution 3:</b> Specific Issue Resolution 2			
<b>Resolution 4:</b> Ancillary Resolution			

Signed at

on

2018

Signature

Assisted by (where applicable)

Telephone number

Mobile number

Email address

1. Any instrument appointing a proxy in which the name of the appointee is not filled is regarded as given in favour of the chair of the General Meeting. The signature on the form of proxy of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
2. A Unitholder entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote instead of the Unitholder. An additional form of proxy will be supplied by the Fund on request. Where two (2) proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
3. Proxy forms must be signed by a Unitholder or the Unitholder's attorney or, if the Unitholder is a corporation, must be under its common seal, or if it does not have one, by two (2) directors or by a director and a secretary, or if it is a company that has a sole director who is also the sole secretary (or has no secretary), by that director; or under hand of its attorney or duly authorised officer. If the form of proxy is signed by a person who is not the registered holder of Units, then the relevant authority must be enclosed with the form of proxy unless it has previously been provided to the Fund.
4. The form of proxy and authority (if any) under which it is signed must be deposited at:

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg  
2196  
PO Box 61051  
Marshalltown  
2107  
South Africa

at least 48 hours before the time for holding the General Meeting, for administrative purposes.