

IRONGATE

Investment Policy

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Irongate Group

Sydney Level 13, 95 Pitt Street NSW 2000
+61 2 7906 2000 irongategroup.com.au

Melbourne
Brisbane

1. ABOUT THIS POLICY

1.1 Policy statement

The RE has established an Investment Committee to consider and approve investments for the Fund.

This Policy sets out:

- membership of the Investment Committee;
- the mandate of the Investment Committee to consider certain transactions;
- conduct at meetings of the Investment Committee;
- reporting from the Investment Committee to the Board; and
- the investment policy of the Fund.

The Fund is listed on JSE and ASX. As such, this Policy must comply with the requirements of both the JSE and ASX. Where the requirement of one exchange is more stringent than the requirement of another exchange, compliance with the more stringent requirement is required.

If it is not possible to comply with both the JSE LR and the ASX LR, the RE must comply with the rule or requirement of the Main Trading Exchange at the relevant time.

1.2 Defined terms

ASX	ASX Limited or Australian Securities Exchange, as the context requires
ASX LR	ASX Listing Rules
Board	The board of directors of the RE
Constitution	The constitution of each of IPF I and IPF II (as amended from time to time)
Fund	IPF I and IPF II
Investment Committee	Investment committee of the Board
IPF	Irongate Property Fund Ii
IPF II	Irongate Property Fund II
JSE	JSE Limited or Johannesburg Stock Exchange, as the context requires
JSE LR	JSE Listings Requirements
Main Trading Exchange	Has the meaning given to it in the Constitution
Manager	Irongate Property Management Pty Limited
RE	Irongate Funds Management Limited or any other entity acting as responsible entity of the trusts that comprise the Fund from time to time

1.3 Review

This Policy will be reviewed annually to check that it is operating effectively and whether any changes are required to the Policy.

2. MEMBERSHIP

This Investment Committee will initially comprise all members of the Board.

Members of the Investment Committee may only be appointed or removed by resolution of the Board.

3. MANDATE

The Investment Committee has the express delegated authority of the Board to consider and approve all investments for the Fund other than related party transactions which must be considered and approved in accordance with the Related Party Policy.

4. CONDUCT AT MEETINGS

4.1 Quorum

No business may be transacted at a meeting of the Investment Committee unless a quorum is present. A quorum is three (3) members.

4.2 Use of technology

Where a meeting is held at two or more venues using any form of technology:

- a member participating in the meeting is to be taken to be present in person at the meeting; and
- the meeting is to be taken to be held at the place determined by the chair of the meeting as long as at least one of the members involved was at that place for the duration of the meeting.

If the technology used in holding the meeting encounters a technical difficulty, whether before or during the meeting, which results in a member not being able to participate in the meeting, the chair may allow the meeting to continue or may adjourn the meeting either for such reasonable period as may be required to fix the technology or to such other time and location as the chair considers appropriate.

4.3 Chair

The members of the Investment Committee may elect a person to preside as chair at a meeting.

4.4 Voting

Members have one vote each.

All decisions of the Investment Committee must be unanimous and recorded in a resolution of the Investment Committee.

A resolution of the Investment Committee is binding on the Board.

5. REPORTING

A resolution of the Investment Committee must be noted at the next Board meeting following the date of the resolution.

6. INVESTMENT POLICY

When making decisions the Investment Committee must take into consideration the statements made in public offering documentation, and in particular have regard to the following:

6.1 Strategy

IPF I

IPF I's strategy is to invest in high quality commercial real estate assets (office, industrial and retail) that are well located in major metropolitan cities or established commercial precincts in Australia and New Zealand.

IPF II

IPF II's strategy is to seek to deliver on IPF I's strategy outlined above. However, it is possible that IPF II may seek to grow its third party funds management platform over time, which may involve managing third party assets and funds and making co-investments in relation to such third party assets and funds.

6.2 Objectives

The following objectives have been identified for the Fund:

- to grow and diversify the Fund's asset base with investments offering attractive income and capital growth profiles which will also spread investment risk;
- to offer unitholders sustainable growth in income and capital appreciation across a sectorally diversified portfolio;
- decisions will be made with a view to holding investments for the long term and for the purpose of contributing favourably over time to capital and income returns for unitholders in a sustainable manner; and/or
- in appropriate circumstances, to invest in value-added development and other alternative real estate opportunities to generate attractive total return.

To achieve these objectives, the following strategies should be pursued:

- focus on property fundamentals; and
- in respect of IPF I, acquire quality commercial real estate with some or all of the following characteristics:
 - medium to long term lease profiles;
 - situated in well-located commercial precincts;
 - limited or no short-term capex requirements;
 - contracted rental growth; and
 - sustainable income supported by strong tenant covenants.

6.3 Non-direct property investments

While the primary intention of the Fund is to invest in direct immovable property, should the opportunity arise, the Investment Committee may consider investment in the listed/unlisted securities of other property funds/trusts, participatory interests in collective investment schemes in property or shares/interests in other concerns which derive income from property-related investments. An investment in any non-direct property investment is subject to the following restrictions:

- the total investment exposure to any particular asset included in the Fund's portfolio will not exceed 25% of the market value of all the assets comprising the portfolio; and
- all assets issued by a single concern will not exceed 10% of the market value of all the assets comprised in the portfolio.

The Fund may only invest in derivatives for the purposes of hedging the Fund's interest rate exposure arising from its debt funding costs and/or efficient portfolio management.