

IRONGATE

Minimum Disclosure Document

30 June 2021

Irongate Group

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MINIMUM DISCLOSURE DOCUMENT FOR IRONGATE GROUP (COMPRISING IRONGATE PROPERTY FUND I AND IRONGATE PROPERTY FUND II) ISSUED IN ACCORDANCE WITH BOARD NOTICE 92 OF 2014 OF THE FINANCIAL SERVICES BOARD

IRONGATE FUNDS MANAGEMENT LIMITED AS RESPONSIBLE ENTITY

Quarter ended 30 June 2021

Irongate Property Fund I was established on 12 December 2012 in Sydney, Australia and registered as a Managed Investment Scheme with ASIC under the Corporations Act 2001 (Cth) of Australia on 6 February 2013. On 23 August 2013 the Register of Collective Investment Schemes authorised the solicitation of investments in Irongate Property Fund I from members of the public in South Africa in terms of section 65 of the Collective Investment Schemes Control Act, 45 of 2002, as amended.

Irongate Property Fund II was established on 3 September 2020 in Sydney, Australia and registered as a Managed Investment Scheme with ASIC under the Corporations Act 2001 (Cth) of Australia on 9 September 2020. On 12 October 2020 the Register of Collective Investment Schemes exempted Irongate Property Fund II from the requirement to obtain approval for solicitation of investments as a foreign collective investment scheme in terms of section 65(1) of the Collective Investment Schemes Control Act, 45 of 2002, as amended.

Irongate Group is listed on the JSE Limited and the ASX Limited.

Mandatory Statement

Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance.

Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. The schedule of fees and charges and maximum commissions is available on request. A detailed description of how performance fees are calculated and applied is available on request. No guarantee is provided with respect to the capital or income return of the scheme.

Objectives of the Scheme

The objectives of the scheme are to:

- grow and diversify the scheme's asset base with investments offering attractive income and capital growth profiles which will also spread investment risk;
- offer investors sustainable growth in income and capital appreciation across a sectorally diversified portfolio; and
- maintain a strong corporate governance framework to ensure the interests of investors are protected.

Investment Policy

The investment policy of the scheme is to:

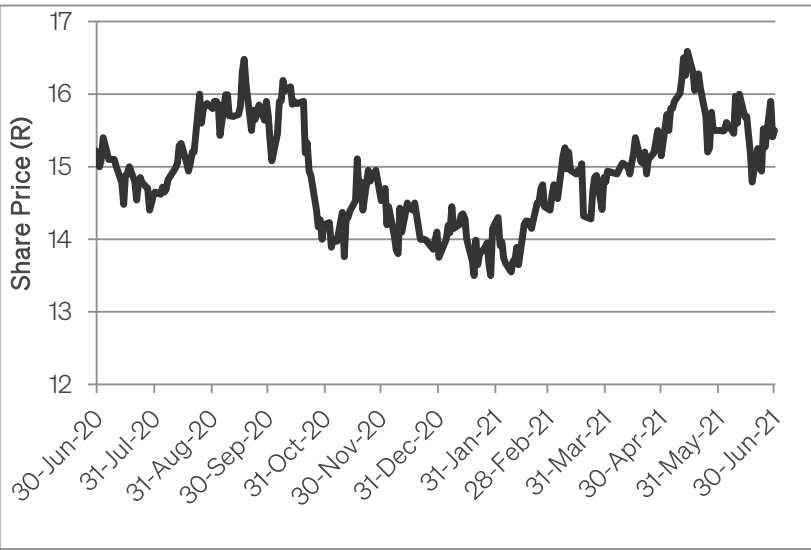
- focus on property fundamentals;
- acquire quality commercial real estate with the following characteristics:
 - medium to long-term lease profiles;
 - situated in well-located commercial precincts;
 - limited or no short-term capex requirements;
 - contracted rental growth; and
 - sustainable income supported by strong tenant covenants;
- leverage the on-the-ground presence in Australia and existing relationships with key players in the industry to source opportunities;
- maximise property performance through pro-active asset management; and
- implement appropriate debt and equity funding strategies and adopt a prudent interest rate hedging policy.

Risk, Rewards and Warning Profile

- The scheme may fail to identify suitable properties for acquisitions or fail to obtain the necessary capital to finance acquisitions or may only be able to access capital at unfavourable rates.
- The scheme is exposed to market risk from interest rate fluctuations.
- Irongate Property Fund I is currently not subject to Australian tax. Changes in the scheme's business activities or Australian tax legislation could result in the scheme incurring income tax in future, or if the scheme ceases to qualify as a Managed Investment Trust, distributions to South African investors may become subject to a higher withholding tax rate.
- Stability of rental income may be adversely affected by economic uncertainty or loss of key tenants.
- The scheme will be exposed to risks that are typical of investment in property assets i.e. property investments are illiquid and their values may fluctuate as a result of factors outside the scheme's control.
- Investors are exposed to risk from exchange rate fluctuations.
- Changes in economic and market conditions or applicable laws may adversely affect the scheme's operations.

Disclosed Information

Obligation	Disclosure
Name of portfolio	Irongate Group (comprising Irongate Property Fund I and Irongate Property Fund II).
Purchase price of participatory interest	As quoted on the JSE and the ASX.
The name and the scale of the responsible entity	Irongate Funds Management Limited (previously known as Investec Property Limited), a public company incorporated in Australia.
Is the responsible entity accredited and registered	Registered in terms of the Australian Securities and Investments Commission with company number ACN 071 514 246 and holding an Australian Financial Services Licence with number AFSL 290 909.
Resources available to the responsible entity	Irongate Funds Management Limited (previously known as Investec Property Limited) has undertaken property related activities in Australia since its incorporation in 1995. Irongate Funds Management Limited (previously known as Investec Property Limited) has been managing third party funds and operating Managed Investment Schemes since 2005.
Fees and charges associated with the most expensive class available for investment by members of the public, other than financial institutions (total expense ratio, management fees, initial fees, performance fees, advisory fees and any other applicable fees)	The scheme is internally managed and therefore no management fees are payable. All information provided is scheme related and is not intended to address the circumstances of any financial service provider or investor. Additional advisor fees may be paid and if so, are subject to the relevant FAIS disclosure requirements.
The portfolio category or classification	Real Estate Holdings and Development sector of the JSE.
The portfolio size	AUD 1 331 million.
Distribution dates and the value distributed per participatory interest over the past 12 months	Distributions will be declared and paid within three months after the end of each distribution period, being 31 March and 30 September. Thus, half-yearly and final distributions are expected to be paid by June and December each year.

Obligation	Disclosure		
		Pre WHT cpu	post WHT cpu
	Mar-14	3.42	3.20
	Sep-14	4.03	3.92
	Mar-15	4.15	3.96
	Sep-15	4.54	4.27
	Mar-16	4.63	4.65
	Sep-16	4.81	4.64
	Mar-17	4.93	4.60
	Sep-17	4.95	4.64
	Mar-18	5.08	4.65
	Sep-18	5.05	4.65
	Mar-19	5.18	4.75
	May-19	1.59	1.46
	Sep-19	3.20	2.88
	Mar-20	4.30	4.20
	Sep-20	4.39	3.97
	Mar-21	4.53	4.08
<p>Performance of the portfolio</p>	<p>Performance shown is that of the scheme and individual investor performance may differ as a result of initial fees, actual investment date, date of any subsequent reinvestment and any Australian withholding tax.</p>  <p>The chart displays the share price in Rand (R) over a 12-month period from June 2020 to June 2021. The y-axis ranges from 12 to 17 R. The price starts at approximately 15.2 R in June 2020, peaks at about 16.5 R in late August 2020, drops to a low of around 13.8 R in late January 2021, and ends at approximately 15.5 R in June 2021.</p>		

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	<p>Performance shown is that of the scheme and individual investor performance may differ as a result of initial fees, actual investment date, date of any subsequent reinvestment and any Australian withholding tax.</p> <p>Performance shown is the unit price in South African rand on the JSE, which may differ from the unit price in Australian dollars on the ASX.</p>																																					
The name of the manager, trustee and or custodian and their relevant contact details	<p>Responsible Entity: Irongate Funds Management Limited Level 13, 95 Pitt Street Sydney NSW 2000 Australia</p> <p>Custodian: Perpetual Corporate Trust Limited Level 12, 123 Pitt Street Sydney NSW 2000 Australia</p>	<p>Manager: Irongate Property Management Pty Limited Level 13, 95 Pitt Street Sydney NSW 2000 Australia</p>																																				
Portfolio valuation and transaction cut-off time	AUD 1 331 million (the book value of properties owned by the scheme as determined by the most recent valuations).																																					
Asset allocation	Geographic spread by GLA	Geographic spread by income																																				
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Obligation	Disclosure
The frequency of publication of prices and where or how prices are published or made available	As quoted on the JSE and the ASX.
Where and how to obtain, free of charge, additional information on the proposed investment including, but not limited to, brochures, application forms and the annual report and any half-yearly report	www.irongategroup.com.au
Right to close the portfolio to new investors	The scheme is publicly traded on the JSE and the ASX and the responsible entity has no right to close the scheme.
Is the price of a participatory interest marked-to-market value or targeted at a constant value	As quoted on the JSE and the ASX.
Total return to the investor	The total return to the investor is made up of: <ul style="list-style-type: none"> distributions received in ZAR, which may be impacted by the AUD / ZAR exchange rate on the date that distributions are converted from AUD to ZAR; and any gain or loss made on units in the scheme if sold on the JSE or the ASX.
Exchange control, settlement, political and tax risks including potential constraint on liquidity and the repatriation of funds if foreign securities are included in the portfolio	The scheme has obtained exchange control approval from the SARB for the inward listing of the scheme on the JSE. Exchange Control Regulations currently do not apply to the borrowings of the scheme as this will be raised in Australia.
The application of the taxation benefits, if any	<p>Irongate Property Fund I</p> <p>As Irongate Property Fund I is registered in accordance with section 65 of the Collective Investment Schemes Control Act, 45 of 2002, as amended, i.e. as a foreign trust soliciting investments in South Africa, it will constitute a non-resident trust for South African income tax purposes.</p> <p><i>South African income tax considerations in respect of distributions</i></p> <p>For South African income tax purposes, distributions made by Irongate Property Fund I will comprise income received by the trustee of Irongate Property Fund I and vested in the trust beneficiaries (i.e. the South African securityholders). When the income of Irongate Property Fund I (i.e. net rental income, interest income and capital gains) is distributed to South African securityholders, the income will retain its nature for the South African securityholders. Dependent on the underlying nature of the income constituting the distribution from Irongate Property Fund I, there may be exemptions available in respect of certain income streams available for the South African securityholders.</p> <p>The nature of distributions of any income retained by Irongate Property Fund I in prior years and subsequently distributed may also be treated as gross income, with reference to the underlying nature of the income making up the distribution.</p> <p>The income streams making up the distributions for South African income tax purposes will be identified in the annual distribution statements to ensure that securityholders can calculate their taxable income position.</p>

Obligation	Disclosure
	<p><i>Capital gains of Irongate Property Fund I</i></p> <p>Any capital gain vested and received by a South African securityholder from Irongate Property Fund I will retain its nature. A South African securityholder's capital gain will be calculated as the difference between the proceeds received or accrued and the base cost of the asset disposed of by Irongate Property Fund I.</p> <p>Irongate Property Fund II</p> <p>Irongate Property Fund II is currently established as a trust and is exempt from registration in accordance with section 65 of the Collective Investment Schemes Control Act, 45 of 2002, as amended.</p> <p><i>South African income tax considerations</i></p> <p>Any distributions made to South African securityholders by Irongate Property Fund II will be treated as foreign dividends for South African income tax purposes. Irrespective of the nature of the South African securityholder, a foreign dividend is to be included in the South African securityholders' gross income for South African income tax purposes. The amount to be included in the South African securityholders' gross income is the gross amount of the foreign dividend before the deduction of any foreign tax liability, for example any dividend withholding tax.</p> <p>The South African securityholders may be able to claim an exemption from income tax on receipt of the foreign dividend, either in full or partial. As Irongate Property Fund II is dual-listed on the JSE, cash distributions from Irongate Property Fund II will be exempt from income tax in the hands of the South African securityholders.</p> <p><i>South African dividends tax considerations</i></p> <p>Dividends tax may be levied in respect of cash distributions paid to South African securityholders at a rate of 20%, and the following South African securityholders may be entitled to an exemption:</p> <ul style="list-style-type: none"> • corporate South African securityholders (i.e. South African companies and South African listed REITs) are entitled to a full exemption on cash dividends paid by a dual listed foreign company; and • non-corporate South African securityholders (i.e. South African individuals and South African trusts) are not entitled to an exemption. Irongate Property Fund II will be required to withhold dividends tax at a rate of 20% and remit this amount to SARS, on behalf of the South African securityholder.

Past Performance

Obligation	Disclosure
The basis on which performance is measured	<p>The total return to the investor is made up of:</p> <ul style="list-style-type: none"> • distributions received in ZAR, which may be impacted by the AUD / ZAR exchange rate on the date that distributions are converted from AUD to ZAR; and • any gain or loss made on units in the scheme if sold on the JSE or the ASX.
A disclosure indicating that the performance is calculated for the portfolio, as well as that the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax	<p>Irongate Funds Management Limited ABN 93 071 514 246 AFS licence 290 909 is the issuer of units in the scheme. Investments in the scheme are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Past performance is not necessarily a guide to future performance. Returns and benefits are dependent on the performance of underlying assets and other variable market factors and are not a guarantee. Exchange rate fluctuations may have an adverse effect on the value of certain investments.</p>

