

A D E S H H I R E P O R T K E Y



About this report

Investec Australia Property Fund is committed to promoting sustainable stakeholder confidence in our conduct as a business and as a responsible corporate citizen.

For easy reading we have provided cross-referencing tools.



Audited information

Denotes information audited by the Fund's auditors, KPMG



Reporting standard

Denotes our consideration of a reporting standard



Page references

Refers readers to information elsewhere in this report



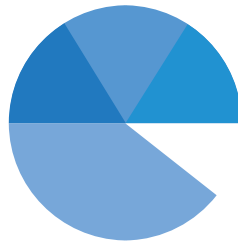
Website

Indicates that additional information is available on our website:
www.investecaustraliapropertyfund.co.za

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Overview of Investec
Australia Property Fund

About us

Investec Australia Property Fund (the Fund) is the first inward-listed Australian REIT on the JSE. The Fund aims to maximise sustainable returns to unitholders by investing in quality office, industrial and retail properties in Australia, giving unitholders exposure to the Australian real estate market and the Australian Dollar. The Fund is a focused real estate fund with all investment decisions based on property fundamentals



This is the Fund's first integrated report since its listing on the JSE on 23 October 2013.

The objective of the Fund is to grow and diversify its asset base and to optimise capital and income returns over time for unitholders by investing in high-quality commercial real estate assets (office, industrial and retail) that possess the following qualities:

- Positioned in well located commercial precincts in Australia and New Zealand
- Medium- to long-term lease profiles
- Limited or no short-term capex requirements
- Contractual rental growth
- Strong tenant covenants.

At period end the Fund comprised nine properties in Australia with a total gross lettable area (GLA) of 54 249m² independently valued at AUD154 million.

The Fund is an Australian Real Estate Investment Trust and allows for the tax efficient flow-through of net income to unitholders. The Fund is an uncapped and open-ended fund and existing and future unitholders will hold a participatory interest in the Fund, which entitles unitholders to a *pro rata* share of the underlying income generated by the Fund and a *pro rata* beneficial interest in the assets of the Fund. The Fund is registered as a Managed Investment Scheme in Australia.

The Fund is governed and operated by Investec Property Limited (IPL) as the responsible entity. The Fund is managed by Investec Property Management (Pty) Ltd (IPML) under a management agreement. Both IPL and IPML are wholly owned subsidiaries of Investec group entities.

Our highlights for the year



Listing on JSE Main Board on 23 October 2013 – first inward-listed Australian REIT on the JSE

Maiden distribution of 3.42 cents – exceeds PLS forecast

Total return since listing in ZAR of 26%, outperforming Australian and South African peers*

Quality core portfolio supported by sound property fundamentals

- nine properties
- AUD154 million
- GLA 54 249m².

7.3 year WALE, with 59% of leases expiring after five years

Low vacancy of 0.5%**

Announced acquisitions of AUD46.8 million* deploying 67% of listing capital**

Low gearing of 14% providing headroom for growth

Favourable interest rate environment – all in fixed cost of funding of 4.69%

Accretive acquisition pipeline

Well placed to deliver on the Fund's objective of delivering long-term capital and income growth to unitholders

* Assumes exchange rate of R9.76/AUD1 at 31 March 2014 – constant currency total return of 22%.

** After taking into account the income support arrangements over 0.5% of the GLA, the vacancy is 0%.

*** Includes 186 Reed Street, Greenway acquisition announced on 15 May 2014 and the Eight Mile Plains property completed on 14 March 2014.

Note: All amounts are in Australian Dollars (AUD) unless otherwise stated.

Our footprint

Our property landscape

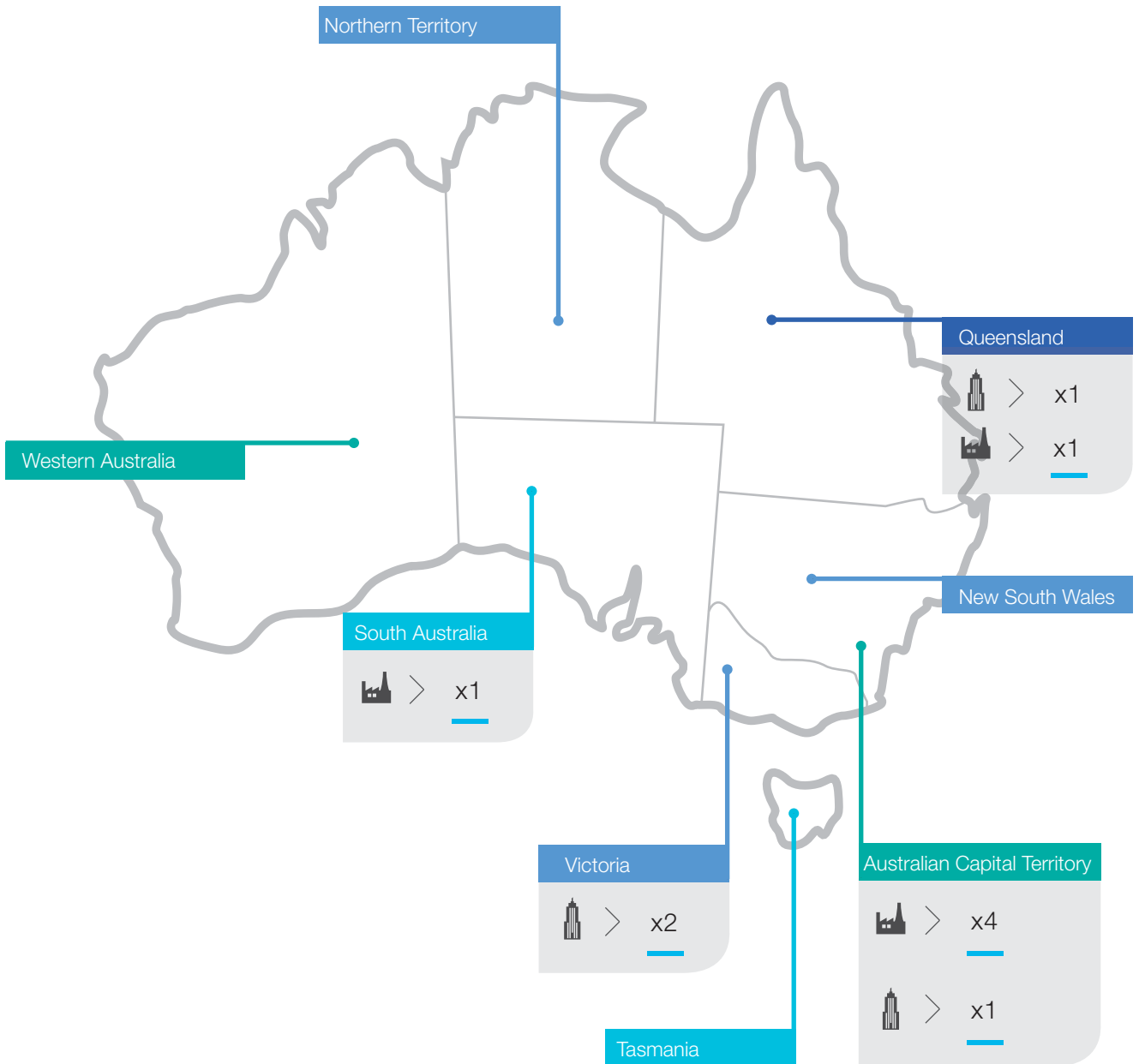


1
Office properties
AUD105.3 million



2
Industrial properties
AUD49.1 million

Overview of Investec Australia Property Fund



01

Property selection



Building 20, 2404 Logan Road Eight Mile Plains, QLD

Major tenants | Healthscope, Medicare Local



Valuation
AUD20 954 000
NLA – 3 568m²

WALE (by GLA)

6.2 years

Occupancy

100%

Escalation

3.10%

Purchase price

AUD20 953 350

Purchase yield

8.25%



186 Reed Street South, Greenway Canberra, ACT

Major tenant | Department of Human Services



Valuation
AUD25 925 000
NLA – 5 403m²

WALE (by GLA)

9.0 years

Occupancy

100%

Escalation

3.50%

Purchase price

AUD25 805 000

Purchase yield

7.84%

Property selection (continued)



48 Hawkins Crescent, Ipswich,
Queensland

Major tenant | OneSteel Reinforcing



Valuation
AUD3 560 000
GLA - 2 045m²



47 Sawmill Circuit,
Hume, ACT

Major tenant | Allied Pickfords



Valuation
AUD9 600 000
GLA - 5 535m²

WALE: 5.5 years
Occupancy: 100%
Escalation: 3.50%

Purchase price: AUD3 356 475
Capitalisation rate: 8.00%

WALE: 12.4 years
Occupancy: 100%
Escalation: 4.00%

Purchase price: AUD8 439 134
Capitalisation rate: 7.50%



57 Sawmill Circuit,
Hume, ACT

Major tenant | Allied Pickfords



Valuation
AUD8 750 000
GLA - 7 079m²



24 Sawmill Circuit,
Hume, ACT

Major tenant | Toll Transport



Valuation
AUD9 000 000
GLA - 6 300m²

WALE: 4.4 years
Occupancy: 100%
Escalation: 4.00%

Purchase price: AUD7 863 738
Capitalisation rate: 8.00%

WALE: 5.7 years
Occupancy: 100%
Escalation: 3.75%

Purchase price: AUD8 151 436
Capitalisation rate: 8.00%

Property selection (continued)



44 Sawmill Circuit,
Hume, ACT

Major tenant | Toll Transport



Valuation
AUD9 100 000
GLA – 4 639m²

WALE: 8.6 years
Occupancy: 100%
Escalation: 3.75%

Purchase price: AUD8 247 335
Capitalisation rate: 9.00%



2-8 Mirage Road,
Direk, South Australia

Major tenant | Toll Transport



Valuation
AUD9 100 000
GLA – 6 783m²

WALE: 8.5 years
Occupancy: 100%
Escalation: 3.50%

Purchase price: AUD8 678 882
Capitalisation rate: 9.00%



449 Punt Road,
Cremorne, Victoria

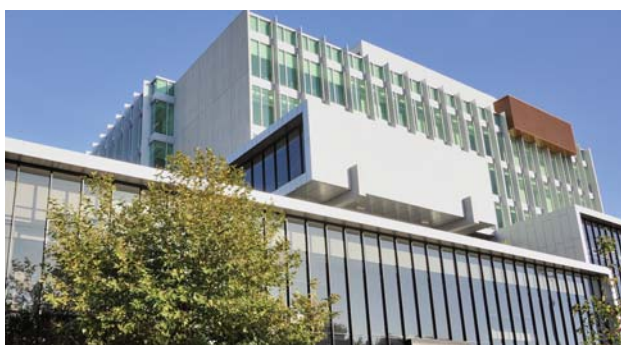
Major tenants | Carsales.com.au, ThoughtWorld



Valuation
AUD29 800 000
GLA – 6 383m²

WALE: 5.5 years
Occupancy: 100%
Escalation: 3.78%

Purchase price: AUD28 676 412
Capitalisation rate: 8.75%



35-49 Elizabeth Street,
Richmond, Victoria

Major tenants | Department of Justice, Mercy Health, BMS Telecorp



Valuation
AUD54 500 000
GLA – 11 917m²

WALE: 6.1 years
Occupancy: 97.6%
Escalation: 3.45%

Purchase price: AUD54 470 701
Capitalisation rate: 8.50%

Property portfolio

Property	Address	Grade	State	Tenancy M/S*	GLA	Effective date of acquisition	Carrying value/ (fair value/ directors' valuation)	Disposals to	Additions at
					31 March 2014 m ²		12 Dec 2012 AUD	31 March 2014 AUD	cost year to 31 March 2014 AUD
Industrial portfolio									
48 Hawkins Crescent	Ipswich, QLD		QLD	S	2 045	21-Dec-12	-	-	3 356 475
47 Sawmill Circuit	Hume, ACT		ACT	S	5 535	21-Dec-12	-	-	8 439 134
57 Sawmill Circuit	Hume, ACT		ACT	S	7 079	21-Dec-12	-	-	7 863 738
24 Sawmill Circuit	Hume, ACT		ACT	S	6 300	21-Dec-12	-	-	8 151 436
44 Sawmill Circuit	Hume, ACT		ACT	S	4 639	21-Dec-12	-	-	8 247 335
2 – 8 Mirage Road	Direk, SA		SA	S	6 783	21-Dec-12	-	-	8 678 882
Office portfolio									
449 Punt Road	Cremorne, VIC		VIC	M	6 383	25-Oct-13	-	-	28 676 412
35 – 49 Elizabeth Street	Richmond, VIC		VIC	M	11 917	25-Oct-13	-	-	54 470 701
Building 20, 2404 Logan Road	Eight Mile Plains, QLD		QLD	M	3 568	14-Mar-14	-	-	20 953 350
Total					54 249		-	-	148 837 463

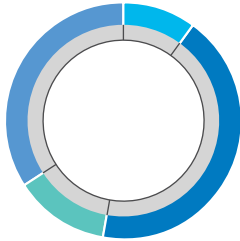
* Multi- or single-tenanted.

This does not include the effect of the straight line rental revenue adjustment. The revaluation is (AUD18k) when this is included.

Total capitalised costs period to 31 March 2014 AUD	Total cost of acquisition (including capitalised costs) AUD	Revaluation/ (impairment) 31 March 2014 AUD	Carrying value (fair value/ directors' valuation) 31 March 2014 AUD	Independent valuations during the period AUD	Valuation per m ² to 31 March 2014 AUD	Average gross rental per m ² (excluding parking) 31 March 2013 AUD	Occupancy rate 12 December 2012	Occupancy rate 31 March 2014
243 191	3 599 666	(39 666)	3 560 000	3 560 000	1 741	159	-	100.0%
584 732	9 023 866	576 134	9 600 000	9 600 000	1 734	129	-	100.0%
624 622	8 488 360	261 640	8 750 000	8 750 000	1 236	104	-	100.0%
604 677	8 756 113	243 887	9 000 000	9 000 000	1 429	117	-	100.0%
611 791	8 859 126	240 874	9 100 000	9 100 000	1 962	182	-	100.0%
501 552	9 180 434	(80 434)	9 100 000	9 100 000	1 342	122	-	100.0%
-	28 676 412	1 123 588	29 800 000	29 800 000	4 668	346	-	100.0%
-	54 470 701	29 299	54 500 000	54 500 000	4 573	359	-	97.6%
1 322 775	22 276 125	(1 322 125)	20 954 000	20 954 000	5 873	422	-	100.0%
4 493 340	153 330 803	1 033 197	154 364 000	154 364 000	2 845	225	-	99.5%

Property portfolio (continued)

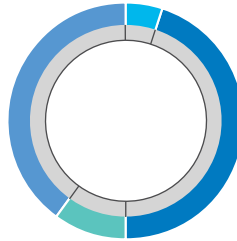
Geographic spread GLA (%)



31 March 2014



Revenue (%)

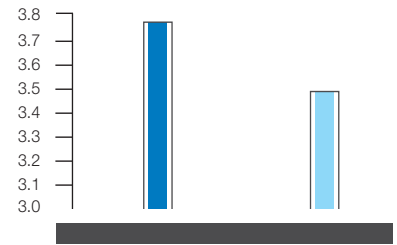


31 March 2014



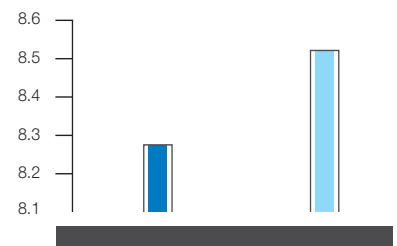
Weighted average rent escalation (GLA)

Percentage



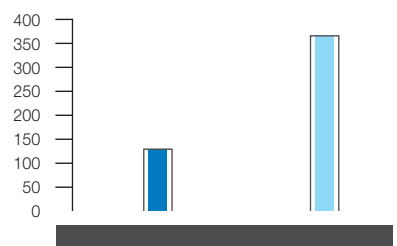
Weighted average annualised property yields (GLA)

Percentage



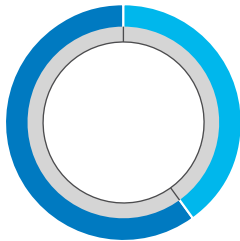
Weighted average rental per square metre (GLA)

A\$



● Industrial
● Office

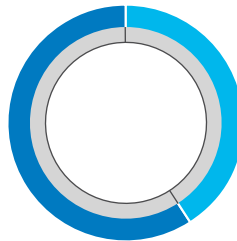
Sectoral spread GLA (%)



31 March 2014



Revenue (%)

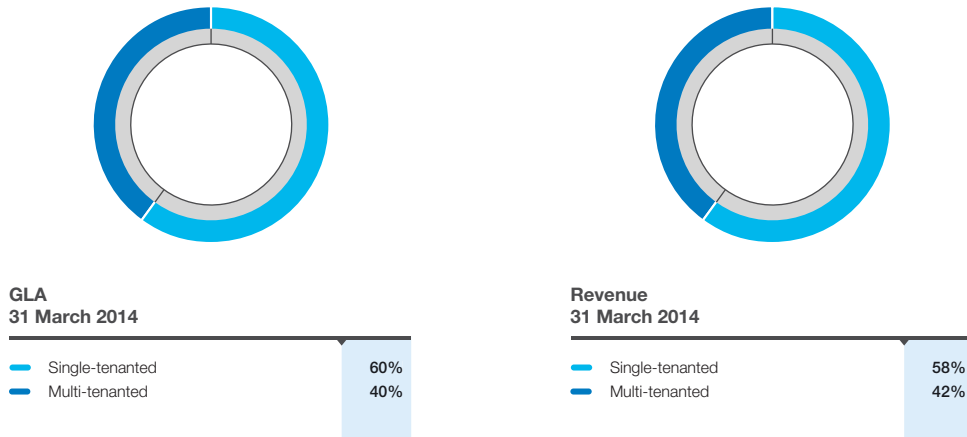


31 March 2014

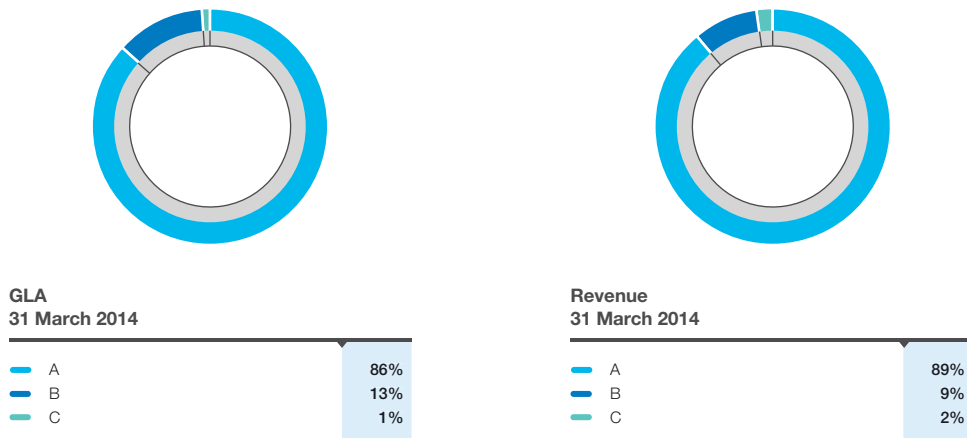


Property portfolio (continued)

Single vs multi-tenanted (%)



Tenant profile (%)



The Fund has a high profile tenant base with 89% of the portfolio comprising A-grade tenants. The Fund also has 58% of the portfolio represented by single-tenant users, with the remaining 42% of multi-tenanted buildings being occupied by a total of only eight tenants.

For the graphs above the following key is applicable:

- A Large national tenants, large-listed tenants, government and major franchises.
- B National tenants, listed tenants, franchisees and medium to large professional firms.
- C All other tenants that do not fall into either of the other two categories.

There are a total of four C grade tenants.



Executive
reports

Chairman's report

This is our first integrated report as a listed Fund. The Fund was listed on the JSE in October 2013 having raised AUD112.69 million and had AUD129 million of office and industrial real estate. Since then the Fund has completed a further two acquisitions for a total of AUD46.8 million. The Fund now has a quality portfolio of 10 assets with a value of AUD180 million. These assets are consistent with the Fund's objectives of well leased properties in Australian capital cities with strong tenant covenants and up to date infrastructure.

Distribution

Investec Property Limited (IPL) is pleased to announce the first distribution to unitholders since listing of 3.42 cents per unit pre-withholding tax and 3.20 cents per unit post-withholding tax which equates to an annualised distribution yield of 7.6% pre- and 7.1% post-withholding tax. These results exceed the distributions disclosed in the Pre-Listing Statement dated 25 September 2013 (PLS).

Portfolio growth

Subsequent to the period end, the Fund completed the acquisition of the Greenway property for a total cost of AUD25.8 million. This represents a property yield of 7.84% pre-transaction costs. The purchase consideration and transaction costs were funded through the existing debt facility.

Funding and equity raising

The Fund has a debt facility with Westpac Banking Corporation – one of Australia's largest banks. The facility has a current limit of AUD26 840 000 which can be increased to AUD125 000 000 subject to financier approval and other conditions being met. The facility is for a three-year term from April 2014 and the Fund will hedge at least 75% of its interest rate exposure.

At period end the gearing ratio was 14.4%, well below the stated range in the PLS of 30% to 40%, providing significant headroom.

The Fund has hedged 100% of its current interest rate exposure at a base rate of

3.19% for three years. The all-in cost of funding at period end was 4.69%.

Governance

The Fund is a registered Managed Investment Scheme under the Corporations Act of Australia and is operated by a responsible entity (RE), Investec Property Limited. Under Australian Law the RE has the primary responsibility for the governance and operation of the Fund and is statutorily obliged to act in the best interest of unitholders. The RE has entered into the Management Agreement with the Manager, under which the Manager performs asset management and property management services for the Fund.

The RE and the Manager are committed to upholding the highest standards of disclosure, transparency and adherence to the listing rules of the JSE and the King Code of Governance Principles for South Africa (King III) to ensure that the Fund is being managed ethically and in compliance with the highest standards.

The board has established an audit and risk committee under the chairmanship of Sally Herman who brings a large amount of experience from her senior roles in the finance industry both in Australia and internationally. Further details on the governance of the Fund are set out on pages 19 to 22 in this report.

Changes to the board

David Gonski resigned from the board of IPL at the end of March 2014. At the time he also stepped down as chairman of Investec Bank (Australia) Limited. We

thank David for his contribution to the establishment of the Fund. We do not intend to appoint another director at this point in time as the board feels that it has sufficient independence and expertise amongst its members.

Prospects

The Fund is well positioned to continue with the execution of its strategy outlined to investors at its listing on the JSE. The existing property portfolio consists of well-located properties, 99.5% let (before taking into account the income support arrangements over the remaining 0.5% of the GLA) with income underpinned by strong tenant covenants, with a WALE of 7.3 years and embedded contractual escalations. The underlying property portfolio is expected to perform in line with forecasts provided in the PLS and the forecasts provided in relation to the recent completed and announced acquisitions.

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

Thank you for your support of the Fund.

Chief executive officer's report

IPL is pleased to have delivered a strong maiden result for the Fund for its first reporting period, having listed on the JSE after an over-subscribed placement in October 2013. At year end, the Fund had an AUD equivalent market capitalisation of AUD162 million and has delivered unitholders a total ZAR return of 26% since listing, outperforming its peers in South Africa and Australia.

The Fund's first results since listing have beaten expectations, reflecting the strength of the Fund's portfolio, efficient capital and interest rate management and management's strategy to invest only in high-quality assets in key metropolitan areas.

The Fund has established a strong property platform for future growth with a long-dated lease expiry profile, low vacancies and a quality tenant profile.

Though property yields have compressed over the past six to eight months on the back of offshore and domestic pension fund flow into Australian real estate, there is still value for the Fund. The Fund has been able to buy A-grade office buildings at yields of between 7% and 8% with all-in funding costs of below 5%. This locks in a positive yield spread in excess of 2%, which is a unique and attractive dynamic in Australia versus other global property markets.

Since the listing, the Fund has completed two acquisitions totalling AUD46.8 million which complement the existing property portfolio and contribute to the strength of the existing property fundamentals.

The Fund is well placed to continue to deliver on its plans to grow the portfolio. The Fund has an attractive pipeline of acquisition opportunities which are expected to be earnings accretive and will complement the profile of the existing property portfolio.

The Manager of the Fund is focused on its core philosophy of hands-on property management and efficient management of the Fund's balance sheet. This ensures that the Fund has a stable platform to aggressively grow when new investment opportunities present.

Australian property landscape

The Australian property market has been characterised by strong investor demand, which has impacted pricing, and a subdued leasing market, which has impacted rents and incentives.

Yields have compressed across the Australian property landscape as a result of increased capital flow into real estate markets. This has been driven by local superannuation funds, offshore pension funds, sovereign wealth funds and high net worth individuals.

Local superannuation funds under management continue to grow, resulting in a growing allocation to real estate investment. In addition to this there has been a global tilt in portfolio allocation towards real estate investment on the back of volatile equity markets and expensive bond markets. Australia's low interest rate environment and its relatively transparent real estate markets have resulted in a weight of local and offshore money chasing Australian real estate. Along with limited supply dynamics, this has resulted in yield compression across all sectors.

Although leasing markets in most metropolitan cities have been subdued, there are encouraging signs that we are through the worst of the challenging tenant demand conditions. Office markets are improving and industrial prime vacancy continues to remain low. With its long-dated lease expiry and strength of its tenant covenants, the Fund's portfolio has and will be protected against the weakness of the tenant-driven markets.

In this environment there are still opportunities for the Fund. Yields are still attractive particularly in the low interest rate environment. The Fund is well capitalised and well positioned to continue to grow its asset base. Opportunities continue to be sourced through long-term relationships within Investec's extensive network. The Fund has also mitigated any short-term weakness in tenant demand through investment in assets with A-grade tenants and long lease terms.

Operational performance

The Fund's mandate is to invest in office, industrial and retail properties for the generation of net property income for distribution to unitholders and to achieve income and capital growth over time. To date the Fund's activities have been focused on the office and industrial sectors.

At period end the Fund was anchored by a core portfolio of nine quality well-located properties. Post-year end the Fund completed a further acquisition, taking the portfolio to 10 properties with a combined value of AUD180 million.

The Fund has a well diversified geographic spread and will continue to invest in properties that are well located in major metropolitan cities and established commercial precincts.

The Fund has an office portfolio of four assets with a combined value of AUD131 million and an industrial portfolio of six assets with a combined value of AUD49 million.

Chief executive officer's report (continued)

The strong result for its first reporting period is attributable to the strength of the Fund's real estate fundamentals and tight control of expenditure. These are reflected in the following key performance indicators:

- Vacancies across the portfolio of 0.5% (0% vacancy including the rental support arrangements in place until 2016)
- No arrears
- 89% of the portfolio is represented by large listed and national tenants
- Weighted average lease expiry of 7.3 years

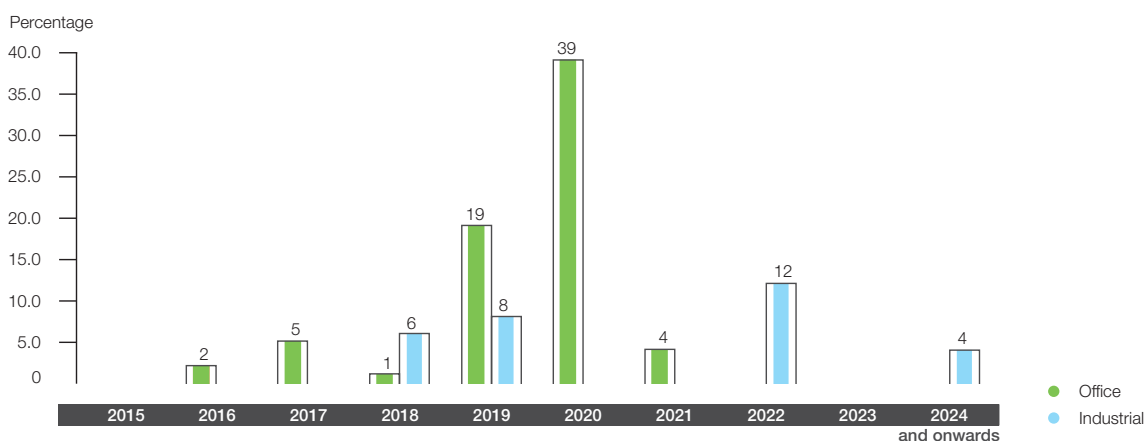
- Contracted escalations across the portfolio of approximately 3.66%
- Cost to income ratio of 14.8%.

The above underpins the sustainability of the Fund's income and provides a strong platform for future growth.

The Fund's properties are effectively managed by a team of dedicated property specialists who focus on hands-on active management of the properties and the tenants. Day-to-day management of the properties has been outsourced to CBRE who provide facilities management, property management and property accounting

services. The Manager has set up a tight system of controls to ensure each property and tenant is appropriately managed. The system integration with CBRE ensures efficiency in property management, reporting and decision-making.

Lease expiry profile by revenue (including support arrangements)



Growth and acquisition

The capital raised on listing provided the Fund with debt capacity to acquire approximately AUD70 million of properties before it reached the mid-range of its desired gearing ratio of 35%. The Fund has to date completed two acquisitions totaling AUD46.8 million, resulting in the deployment of approximately 70% of its acquisition debt capacity (including costs). The acquisition of the Greenway property referred to below was completed and announced on 15 May 2014 and is reported as a subsequent event.

Property name	Geography	Effective date	Sector	Value AUD	GLA m ²	Yield*	WALE (GLA) Years
Eight Mile Plains	QLD	14 March 2014	Office	20 954 000	3 568	7.74%	6.2
Subsequent event to 31 March 2014							
Greenway	ACT	15 May 2014	Office	25 925 000	5 403	7.40%	9.0

* After transactions costs

Chief executive officer's report (continued)

The Eight Mile Plains property was an off-market transaction sourced through Investec's network, illustrating the Fund's ability to secure quality properties in a highly competitive environment.

The acquisitions have been funded with debt from the Fund's existing Westpac facility and are accretive to the Fund due to the current positive spread of property yields over the cost of debt.

The Manager will continue to leverage its network to source quality acquisition opportunities and will continue to actively manage the Fund's balance sheet to ensure the Fund is well positioned to take advantage of these opportunities.

Capital funding

The Fund's balance sheet is well positioned for growth. The Fund's gearing ratio remained low at 14.4% at period end and increased to 26.8% subsequent to period end on the completion of the Greenway property acquisition. The gearing remains below the stated range in the PLS of 30% to 40%, providing headroom to pursue further acquisitions. The Manager has taken advantage of the current low interest rate environment by hedging 100% of the Fund's interest rate exposure for a period of three years. At year end, the Fund's all-in cost of borrowing was 4.69%. The Manager will continue to take advantage of the low interest rate environment by hedging interest rate risk on new acquisitions.

Conclusion

The Fund's performance for its first reporting period since listing was pleasing, having beaten expectations and outperformed its peers in both South Africa and Australia. The Fund is well positioned to continue to deliver on its objectives of delivering long-term growth in income and capital returns to its unitholders.

Whilst the real estate capital markets remain challenging with tightening yields and strong competition for assets, the Fund is well capitalised and well positioned to grow. Management's expertise and strong connections in the market will ensure the Fund is able to continue to grow its quality asset base and in turn the Fund's income.

I wish to thank all of our service providers, suppliers and tenants for their contributions to the success of the Fund. I would also like to thank our dedicated management team, the board and the sub-committees for their invaluable contributions to our successful listing and our successful first reporting period.

Directorate

Directors of the Responsible Entity

Non-executive directors

Richard Longes (69)

Chairman

Committees: Audit and risk committee

BA (Sydney University); LLB (Sydney University); MBA (University of NSW); Solicitor (non-practicing)

Richard is a non-executive director of Investec Bank (Australia) Limited. Richard was previously chairman of MLC Limited and General Property Trust, and deputy chairman of Lend Lease Corporation, a founding principal of Wentworth Associates and a partner of the legal firm, Freehills. He has held positions with government advisory boards, including the Review of the National Museum and the Funds Management Committee for the IIF programme, and non-profit organisations including NIDA, Bangarra Dance Theatre and currently with the Pain Management Research Institute. In 2003, Richard chaired a federal government enquiry into indigenous business.

Sam Hackner (58)

BCom (Hons), Dip Acc, CA(SA)

Sam has over 33 years' experience in the property industry and at 31 March 2014 is the chief executive officer and global head of Investec Property. In 2003 he was appointed chairman of Growthpoint, the largest property REIT listed on the JSE. Sam resigned as chairman of Growthpoint in July 2008, a year after the property management and asset management functions were sold by Investec to Growthpoint. He is currently chairman of Investec Property Fund, which listed on the JSE in April 2011 and has grown more than 300% since listing. He is also a member of the board of directors and advisory board of the Investec GLL Global Special Opportunities Real Estate Fund, a €375 million Luxembourg-based fund for investment in global real estate.

Sam Leon (64)

LLB (London)

Sam has over 37 years' experience across all sectors of the property industry with 23 years at Investec Property, firstly as a director, then managing director and currently as deputy chairman. He was a founder of the transformation of Growthpoint into South Africa's largest listed property REIT and was a director until Investec sold its interests in October 2007. Sam was also a director of a specialist listed property fund Metboard Properties Limited, until it was sold to Growthpoint in April 2007, as well as a board member of SAPOA (the South African Property Industry body). He is currently chief executive officer of Investec Property Fund and a member of the board of directors and advisory board of the Investec GLL Global Special Opportunities Real Estate Fund, a €375 million Luxembourg-based fund for investment in global real estate.

Sally Herman (57)

Committees: Audit and risk committee (Chairperson)

BA (UNSW), GAICD

Sally has had a long career in financial services in both Australia and the US. 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 group, including the Institutional Bank, Wealth Management (BT Financial) and the Retail and Business Banking division. Sally is now a non-executive director and consultant, 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 and retail sectors and include Premier Investment Limited and Breville Group Limited.

Michael Crawford (71)

Committees: Audit and risk committee

Michael has approximately 36 years' experience in property development. He was the founding shareholder of RPP Developments, a successful property development company, and acted as managing director and later chairman thereof. Michael is currently the chairman of Stratford Property Ventures. Major developments overseen by him include Centurion Shopping Mall, Fourways Golf Park (office park), Linbro Park (industrial), Northgate Shopping Centre and the Tygerberg Business Park (industrial).

Executive directors

Graeme Katz (51)

Chief executive officer

BSocSci (Econ) (Rhodes University); Industrial Relations Development Programme (University of Stellenbosch Business School); Financial Planning Principles and Practice (Securities Institute)

Graeme joined Investec Bank (Australia) Limited to head up the 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 Investec Property Limited and a number of other companies within the Investec group. He was previously a director of the Property Investors Association of Australia.



THREE

Corporate governance and
risk management

Corporate governance

Sound corporate governance is a cornerstone of our values, culture, processes, functions and organisational structure. Our business is structured in a manner that ensures that our values and ethics remain embedded in all our business processes. We continually strive to enhance these structures and processes.

This section provides an overview of our corporate governance philosophy and practices.

Code of corporate practice and conduct

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

The Responsible Entity is fully committed to the principles of the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance for South Africa, 2009 (King Code), the JSE listings requirements and the Corporations Act 2001 (Cth).

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

The formal steps taken by the directors are summarised below:

Board of directors and board sub-committees

In terms of the JSE listings requirements, the minimum number of directors required is four. This is contrary to the Articles of the Responsible Entity, which allows for a minimum of three directors. The board currently consists of six directors, one executive and five non-executive, of whom three directors are considered independent. This achieves compliance

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

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

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

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

The information needs of the board will be reviewed annually and directors have unrestricted access to all company information, records, documents and property to enable them to discharge their responsibilities sufficiently. Efficient and timely methods of informing and briefing board members prior to board meetings have been developed and in this regard steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to the Fund. In this context, the directors will be afforded information in respect of key performance indicators, variance reports and industry trends.

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

The Responsible Entity is appointed by unitholders. Members of the board are appointed by the shareholder of the Responsible Entity, being IBAL. Appointments to the board occur by way of resolution and are formal and transparent and a matter for the board as a whole. Directors have been and will be nominated based on their competency, credibility,

Corporate governance (continued)

knowledge, experience, impact they are expected to have and time and attention they can devote to the role. Directors hold office until they die or are removed from office through a resolution by the shareholder of the Responsible Entity.

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

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

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

IBAL as their remuneration is determined by the remuneration committee of IBAL and not by the directors.

Board meetings

The board meets at least four times annually. Three board meetings were held from the listing up to the end of the reporting period.

The chairman is responsible for setting the agenda for each meeting, in consultation with the chief executive officer and the company secretary. Comprehensive information packs on matters to be considered by the board are provided to directors in advance of meetings.

Directors		Independent	Board	Audit and risk committee
Richard Anthony Longes (Australian)	Chairman and independent non-executive director	Yes	3 (3)	2 (2)
Graeme Anthony Katz (Australian)	Executive director	No	3 (3)	
Sam Hackner (South African)	Non-executive director	No	1 (3)	
Samuel Ronald Leon (South African)	Non-executive director	No	3 (3)	
Sally Herman (Australian)	Independent non-executive director	Yes	3 (3)	2 (2)
Michael Crawford (South African)	Independent non-executive director	Yes	3 (3)	2 (2)
David Michael Gonski (Australian)	Independent non-executive director (resigned 31 March 2014)	Yes	1 (1)	

Terms of employment of directors

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

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

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

Company secretary of the Responsible Entity

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

Unitholders were advised on 6 March 2014 of the resignation and appointment of the company secretary. Mr Paul Lam-Po-Tang was appointed as company secretary of

the Responsible Entity with effect from 6 March 2014. Mr Anthony Rubin resigned as company secretary of the Responsible Entity with effect from 7 March 2014.

The company secretary together with the Fund's sponsor provide the board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Fund. The company secretary provides a central source of guidance and advice to the board, and within the Fund, on matters of ethics and good corporate governance and will assist with the appointment of directors. The company secretary, together with the assistance of the Fund's sponsor, ensures that the Fund complies with applicable laws and JSE listings requirements. In addition, the company secretary, together with the Fund's sponsor, will be subjected to an annual evaluation by the board. Directors have access to the services and advice of the company secretary. The company secretary is not a director of the Responsible Entity and has an arm's length relationship with the board, who can also remove him from office.

Audit and risk committee

The audit and risk committee comprises three independent non-executive directors as set out below:

- Sally Herman, independent non-executive director (chairperson)
- Michael Crawford, independent non-executive director
- Richard Longes, independent non-executive director.

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

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

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

The audit and risk committee has considered and satisfied itself as to the appropriateness of the expertise and experience of the financial function being the chief financial officer, Jason Sandler.

The audit and risk committee has nominated the external auditor for appointment and has approved the terms of engagement and remuneration for the external audit

engagement. KPMG has been appointed as external auditors of the Fund.

As the Fund is a registered Managed Investment Scheme under the Corporations Act 2001 (Cth) it has Australian reporting obligations. The Fund is required to lodge audited financial statements with ASIC. KPMG Australia have been appointed to perform the audit over the Australian audited financial statements.

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

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

The audit and risk committee will report at the Fund's annual general meeting and in the integrated report how it has discharged its duties during the relevant financial year.

Remuneration committee

A remuneration committee is not required given that the Fund has no employees. The executive directors are employees of and paid by IBAL and will not be remunerated for their services as directors of the Fund. The board determines the remuneration of the non-executive directors.

Investment committee

The board has not appointed a separate investment committee as this function will be performed by the board.

The board's role is to consider investment proposals put forward by the Manager and develop appropriate investment strategies and guidelines to ensure that the Fund's investments are in line with its investment policy and overall strategy and vision. The board considers acquisitions and disposal of assets in line with the Fund's overall strategy, ensures appropriate investment of unitholder funds, effects disposals within approved investment policy and authority limits and ensures that appropriate due diligence procedures are followed when acquiring or disposing of assets.

Risk management and internal control systems

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

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

To enable the directors to meet these responsibilities, the audit and risk committee has set standards and implemented, through the Manager, systems of internal control and an effective risk-based internal audit, comprising policies, procedures, operational systems and information to assist in:

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

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

Directors' dealings and professional advice



The directors' report as set out on page 31 contains details of units in the Fund held by directors of the Responsible Entity.

The Fund operates a policy incorporating the terms of the JSE listings requirements and the Australian Corporations Act 2001 (Cth) of prohibiting dealings by directors and employees of the Responsible Entity and Manager in periods preceding the announcement of its interim and year-end financial results and at any other time deemed necessary by the board.

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

Communication

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

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

Integrated reporting

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

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

Sustainability reporting and disclosure is integrated with the Fund's financial reporting. The board ensures the integrity of the Fund's integrated report.

King III

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



The majority of the principles of the King Code are being applied and this is evidenced in the various sections of this report, including page 64 where a full checklist of our level of compliance with the King Code can be found.

Risk management

Risk management

The board of the Responsible Entity is responsible for the entire risk management process and the systems of internal control. A number of committees and forums assist in this regard. Senior management is responsible for identifying risks and implementing appropriate mitigation processes and controls. The independent group risk management functions, accountable to the board, are responsible for establishing, reviewing and monitoring the process of risk management.

Risk awareness, control and compliance are embedded in all our day-to-day activities. We monitor and control risk exposure through operational and legal risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business. Risk management objectives are to:

- Be the custodian of our risk management culture
- Ensure the business operates within the board-stated risk appetite
- Support long-term sustainability by providing an established, independent framework for identifying, evaluating, monitoring and mitigating risk
- Set, approve and monitor adherence to risk parameters and limits and ensure

they are implemented and adhered to consistently

- Aggregate and monitor our exposure across risk classes
- Coordinate risk management activities across the business
- Give the board reasonable assurance that the risks we are exposed to are identified and, to the best extent possible, managed and controlled
- Establish appropriate risk committees, as mandated by the board.

The following risks, which may result in reduction of earnings and/or loss of value should they materialise, are of primary importance:

Philosophy and approach

The Responsible Entity's comprehensive risk management process involves identifying, quantifying, managing and mitigating the risks associated with the business.

Risk	Impact	Mitigation
Failure to identify and/or execute property acquisitions	Growth and distribution targets not met	<ul style="list-style-type: none"> • Management actively seeks investment opportunities through Investec's extensive contact base and through on market campaigns • The Fund is well capitalised to take advantage of investment opportunities when they present • The team has a strong track record of successfully executing property transactions.
Operational risk due to inadequate or failed internal processes	Loss or volatility of earnings	<ul style="list-style-type: none"> • Promotion of appropriate and relevant operational risk management practices • Audit and risk committee regular review.
Business continuity risk	Loss of important management information, delays in billing and collections in revenue or payment of expenditure resulting in tenant queries and inaccurate expenses	<ul style="list-style-type: none"> • The Manager forms part of the Investec global business continuity management capability. This focuses on building an appropriate level of resilience into Investec's operations to mitigate the risk of severe operational disruptions occurring. Information security is a key area of focus. Regular testing exercises are conducted annually, to ensure that the recovery capability remains appropriate • The property management process is sub-contracted to CBRE and Maxiserve who adopt a similar process to mitigate the risk of operational disruptions at its business. The Fund has confirmed these processes with CBRE and Maxiserve.
Interest rate risk	Movements in interest rates will result in increased borrowing costs, and hence reducing the distributable earnings	<ul style="list-style-type: none"> • Currently 100% of the borrowings are hedged using interest rate swaps • Monitoring of the costs of borrowings, and restructuring the borrowings whenever appropriate.

Risk management (continued)

Risk	Impact	Mitigation
Liquidity risk	Inability to take advantage of investment opportunities and thus reducing the distributable earnings	<ul style="list-style-type: none"> • Manage our cash flows and monitor the liquidity needs via accurate forecasts of cash requirements • Manage the debt maturity profile.
Investment risk	<ul style="list-style-type: none"> • Buying properties at prices above market • Capital erosion • Reduction of distributable earnings. 	<ul style="list-style-type: none"> • Board reviews and approves all investments with reference to external valuations and internal forecasts • Detailed due diligence process • Ensuring a conservative approach seeking to acquire properties that offer good value with consistent and reliable income streams.
Poor service from the property managers	<ul style="list-style-type: none"> • Tenant dissatisfaction • Poor financial reporting. 	<ul style="list-style-type: none"> • Service level agreements with the property managers outlining minimum service levels expected • Constant and open communication with the property managers to ensure their goals are aligned with those of the Fund • Review of all outputs from property managers • Communication with tenants to identify any deficiencies in the quality of service.
Vacancies	<ul style="list-style-type: none"> • Loss of revenue • Decreased distributable earnings. 	<ul style="list-style-type: none"> • Monitoring of expiry profile • Active leasing campaigns on vacant space or short-dated expiries.
Lease expiries concentrated in a single period	<ul style="list-style-type: none"> • Erosion of rental income and increases in property holding costs • Increases in incentives and leasing commissions. 	<ul style="list-style-type: none"> • Monitoring of the lease expiry profiles • Concentration of management on tenant retention and renewals • Dedicated team of external agents focused on securing long-term leases.
Reputational risk and conflicts of interest	<ul style="list-style-type: none"> • Reputation tarnished and return to unit holders reduced • Investments inappropriate due to conflicts of interests. 	<ul style="list-style-type: none"> • Board of directors committed to integrity and honesty • Board-approved policy statement in place to ensure that we comply with all relevant public disclosure obligations and uphold the board's communication and disclosure philosophy • Related party protocol in place.
Property damage or destruction risk	Unforeseen damage to properties could increase expenses and thus reduce the distributable earnings	<ul style="list-style-type: none"> • The Manager maintains adequate insurance to cover key insurable risks of the Fund.

Risk management (continued)

Risk	Impact	Mitigation
Regulatory and compliance risk	Potential non-compliance with any regulatory requirements may result in reputational risk and possible penalties	<ul style="list-style-type: none"> The board members endeavour to comply with the highest professional standards of integrity and behaviour, which builds trust The Investec group compliance and group legal functions ensure that the Fund and the Manager continuously comply with existing and emerging regulations that impacts on its operations.
Information security risk	Leaks of information could result in reputation risk and loss of clients	<ul style="list-style-type: none"> Strong controls are in place over information systems and data management Group ERM focus on ensuring confidentiality, integrity and integrity of information.

Internal Audit

The Investec group internal audit function is engaged to perform the internal assurance function for the Fund. A risk-based audit approach is followed and the audit and risk committee approves annual audit plans. The head of internal audit reports back to the chairman of the audit and risk committee and the CFO. Internal Audit will conduct a formal risk assessment of the Fund each year, to formulate a comprehensive risk-based audit plan. The assessment and programme will be validated by executive management and approved by the audit committee. As this is the first reporting period for the Fund no internal audit has been completed. The first internal audit will take place during the forthcoming financial year.

Internal Audit also liaises with the external auditors and other assurance providers to enhance efficiencies in terms of combined assurance. The annual plan will be reviewed regularly to ensure it remains relevant and responsive, given changes in the operating environment.

External audit

KPMG are the auditors of the Fund. The independence of the external auditor is reviewed by the audit and risk committee each year. The audit and risk committee

meets with the external auditors to review the scope of the external audit, budgets, the extent of non-audit services rendered and all other audit matters. The external auditors are invited to attend audit and risk committee meetings and have access to the chairperson of the audit and risk committee.

Compliance

The Fund endeavours to comply with the highest professional standards of integrity and behaviour, always keeping the interests of our tenants and unitholders at the forefront of the corporate agenda. We also seek to establish high standards of compliance practice to build trust and promote the quality of service to our stakeholders.

Compliance risk is managed through internal policies and procedures, which include legal, regulatory and operational requirements relevant to the business. In addition to monitoring compliance with the provisions prescribed by the respective regulatory authorities, key compliance functions include ensuring that the business is not being used for money laundering, terrorist financing or market abuse, that tenants are fairly treated and afforded the necessary consumer protections and that conflicts of interests are adequately identified and managed.

Communication, public disclosure obligations and stakeholder relations

The board recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders. The aim is to enable stakeholders to make meaningful assessments and informed investment decisions about the Fund.

We endeavour to present a balanced and understandable assessment of our position by addressing material matters of significant interest and concern. We seek to highlight the key risks to which we consider ourselves exposed and our responses to minimise the impact of these risks. Another objective is to show a balance between the positive and negative aspects of our activities in order to achieve a comprehensive and fair account of our performance.

We comply with the disclosure obligations contained in the JSE listings rules and with any public disclosure obligations required by the regulators. We also comply with disclosure requirements under the Australian Corporations Act.

Our stakeholders

Communication, public disclosure obligations and stakeholder relations

The Responsible Entity recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders. The aim is to enable stakeholders to make meaningful assessments and informed investment decisions about the Fund.

The key stakeholders in the Fund include:

- Unitholders
- Government
- Regulatory bodies in South Africa and Australia
- Tenants
- Suppliers
- The media
- Communities
- Industry equity and debt analysts.

Goal	Processes to ensure compliance with public disclosure		
<p>To comply with the disclosure obligations contained in the applicable JSE listings requirements</p>	<ul style="list-style-type: none"> • Significant announcements are released directly to the market primarily via the services offered by the JSE. Documents are also published on our website • Maintenance of a comprehensive investor relations component to the Fund's website • Executive management meet with the key unitholders at least twice a year, after the release of interim and year-end results 	<ul style="list-style-type: none"> • Unitholders are encouraged to attend the annual general meeting and to raise issues and participate in discussions • The chairperson of the audit and risk committee as well as the chairman attend the annual general meeting to respond to relevant questions • All valid proxy appointments are recorded and counted and, at general meetings, a schedule of the proxy votes cast is available to all unitholders 	<ul style="list-style-type: none"> • Separate resolutions are posed on each substantially separate issue and resolutions are not bundled together inappropriately • The chairperson and the non-executive directors are committed to communicating with unitholder representative bodies, to help develop a balanced understanding of their issues and concerns.

Sustainability report

Sustainable business practices

The Responsible Entity and the Manager are committed to sustainability, diversity and limiting the Fund's environmental impact.

Our sustainability goals reflect our culture and values. Our commitment to sustainability is reflected by our awareness of the need to manage the Fund for the long term and manage our impact on the environment and society.

Environmental sustainability

The Fund acknowledges that environmental responsibility is an integral part of its future success. As such, we undertake projects to reduce the impact of our properties on the environment and ensure more efficient use of utilities, thereby benefiting both the Fund and our tenants.

The Fund complies with our reporting obligations in relation to NABERS (National Australian Built Environment Rating System). NABERS is a national rating system that measures the environmental performance

of Australian buildings. Put simply, NABERS measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment.

As an example, the Elizabeth Street property utilises rooftop solar panels and energy-efficient lighting which contributes to its target 4.5 star NABERS rating. Where appropriate, similar initiatives will be implemented across the portfolio.

Diversity

We are committed to a workplace culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique skills and qualities of all staff and directors.



FOUR

Financial
statements

Directors' responsibility statement



The directors are responsible for the preparation and fair presentation of the consolidated financial statements of Investec Australia Property Fund (the Fund).

The consolidated financial statements comprise the:

- Consolidated statement of profit or loss and other comprehensive income for the period ended 31 March 2014
- Consolidated statement of financial position at 31 March 2014
- Consolidated statement of changes in equity for the period ended 31 March 2014
- Consolidated statement of cash flows for the period ended 31 March 2014
- Notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes
- Directors' report
- Property selection
- Property portfolio
- Unitholder information.

In accordance with International Financial Reporting Standards, the Constitution of Investec Australia Property Fund, the JSE listings requirements and the requirements of the Corporations Act 2001 (Cth).

The directors are also responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Fund to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the Fund's consolidated financial statements

The consolidated financial statements of Investec Australia Property Fund, as identified in the first paragraph, were approved by the board of directors on 27 June 2014 and are signed on their behalf by:

RA Longes
Chairman

Sydney
27 June 2014

GA Katz
Chief executive officer

Report of the audit and risk committee



The audit and risk committee of the Fund has pleasure in submitting this report to unitholders as recommended by the King III Code of Governance Principles for South Africa (the King III Code).



The activities of the audit and risk committee (the committee), which comprises three independent non-executive directors, are determined by its charter and mandate as set out on page 21.

The committee is satisfied that it has considered and discharged its responsibilities in terms of its mandate and charter, the King III code and the Corporations Act 2001 (Cth).

As the Fund is a registered Managed Investment Scheme under the Corporations Act 2001 (Cth) it has Australian reporting obligations. The Fund is required to lodge audited financial statements with the Australian Securities and Investments Commission (ASIC). This is in addition to the Fund's reporting obligations in South Africa. The committee is satisfied that the Fund has discharged all of its reporting obligations in Australia and South Africa.

The committee carried out its duties by, *inter alia*, reviewing the following:

- Financial management reports
- External audit reports
- Management's risk assessment
- Compliance reports.

The abovementioned information, together with interaction with the external and internal auditors, management and other invitees attending meetings in an *ex officio* capacity, enabled the committee to conclude that the risk management process and systems of internal financial control have been designed and were operating effectively during the financial period.

The committee is satisfied:

- Its members have the requisite financial skills and experience to contribute to its deliberations
- With the independence and effectiveness of the external auditor, including the provision on non-audit services and compliance with the group policy in this regard
- The Responsible Entity has complied with the majority of the principles of the King III Code and with all of the JSE Listings Requirements
- It considered and approved the audit fee payable to the external auditors in respect of the audit for the period ended 31 March 2014 as well as their terms of engagement and scope of the audit
- That the appointment of the external auditor is in compliance with the Corporations Act 2001 (Cth) and the JSE listings requirements

- With the effectiveness of the internal audit function and that the system of internal financial control in all key material aspects is effective and provides reasonable assurance that the financial records may be relied upon for the preparation of the annual financial statements
- With the expertise and experience of the chief financial officer and the overall adequacy and appropriateness of the finance function.

The committee, having fulfilled the oversight role regarding the reporting process and the integrated report, recommends the integrated report and the financial statements at and for the period ended 31 March 2014 for approval by the board of directors.

Sally Herman
Chairperson
Audit and risk committee

Sydney
27 June 2014

Directors' report



The directors of Investec Property Limited (IPL), the Responsible Entity of Investec Australia Property Fund, present their report together with the consolidated financial statements of the group comprising the Fund and its controlled entities (the Fund or group), for the period from 12 December 2012 (being the date the Fund was established) to 31 March 2014 and the auditor's report thereon. This is the Fund's first audited financial statements since its establishment.

The Fund was established as an Australian-domiciled real estate investment trust on 12 December 2012 and registered as a

Managed Investment Scheme in Australia under the Corporations Act 2001 (Cth) on 6 February 2013 and is subject to regulatory oversight by the Australian Securities and Investments Commission (ASIC).

The Fund was listed on the JSE Limited (JSE) on 23 October 2013 under the 'Real Estate Holdings and Development' sector of the JSE under share code IAP and ISIN: AU60INL0018.

Perpetual Corporate Trust Limited is the custodian of the Fund. The Custodian has been in office from 2 April 2013, and continues in office at the date of the report.

Issued unit capital

The unit capital of the Fund is 134 685 000 ordinary units of one dollar each. The Fund's ordinary units are listed on the JSE. Details of the unit capital are set out in note 13 to the financial statements.

Responsible entity

The registered office and principal place of business of IPL and the Fund is Level 23, Chifley Tower, 2 Chifley Square, Sydney, NSW.

The directors of IPL during or since the end of the financial period are:

Full name	Capacity
Richard Anthony Longes (Australian)	Chairman and independent non-executive director
Graeme Anthony Katz (Australian)	Executive director
Sam Hackner (South African)	Non-executive director (appointed 24 July 2013)
Samuel Ronald Leon (South African)	Non-executive director (appointed 24 July 2013)
Sally Herman (Australian)	Independent non-executive director (appointed 24 July 2013)
Michael Crawford (South African)	Independent non-executive director
David Clarke (Australian)	Non-executive director (resigned 31 March 2013)
Alan Chonowitz (Australian)	Non-executive director (resigned 8 July 2013)
David Michael Gonski (Australian)	Independent non-executive director (resigned 31 March 2014)



Details on the directors' experience is set out in the directorate section of the integrated report. Details of board meetings are set out in the corporate governance section of the integrated report.

Principal activities

The principal activities of the Fund are to invest in high quality commercial real estate assets to derive rental income and capital growth.

The Fund did not have any employees during the year.

Review of operations

A detailed review of operations is included in the CEO's report.

Results

The net profit of the Fund is presented in the statement of profit or loss and other comprehensive income. The net profit for the period ended 31 March 2014 is AUD7 493 104.

The net assets of the Fund are AUD132 058 143 at 31 March 2014. This equates to a net asset value of AUD0.98 per unit.

Distributions

Prior to the listing of the Fund on the JSE a pre-listing distribution was paid by the Fund to MSN 1438 (Pty) Ltd, a wholly-owned subsidiary of Investec Bank (Australia) Limited, being the sole unitholder in the Fund prior to listing. This was paid on 18 October 2013.

Unitholders were given notice of a final distribution declaration number 1 of:

- 3.42 cents per unit pre-withholding tax
- 3.20 cents per unit post-withholding tax,

for the period from 18 October 2013 to 31 March 2014.

The final distribution was paid to unitholders on 17 June 2014. Withholding tax of 0.22 cents per unit was withheld from the distribution paid to non-Australian unitholders and was paid to the Australian Taxation Office.

Performance

The above distributions equate to an annualised distribution yield of 7.6% pre-withholding tax and 7.1% post-withholding tax. These results exceed the distributions disclosed in the Pre-Listing Statement dated 25 September 2013.

This performance is underpinned by the strength of the portfolio's property fundamentals, cost containment and the Fund's efficient capital and interest rate management.

Directors' report (continued)



Interests of the Responsible Entity

IPL has delegated the management of the Fund to Investec Property Management (Pty) Ltd (IPML). IPL was not paid any fees during the period. The following fees were paid to IPML during the period:

2014
AUD

Asset management fee	439 362
Property management fee	161 080

Significant changes in the state of affairs

Since its establishment on 12 December 2012 and up to the period end, the Fund acquired nine properties in Australia with a total gross lettable area (GLA) of 54 249m² independently valued at AUD154.4 million.

The Fund listed on the JSE on 23 October 2013.

There have been no further significant changes in the nature of the Fund's activities during the period.

Likely developments

The Fund will continue to pursue its strategy of investing in high quality commercial real estate assets that are well located in major metropolitan cities or established commercial precincts in Australia and New Zealand. In pursuing this strategy, IPL intends to fulfil the objectives of the Fund, being:

- To grow and diversify the Fund's asset base with further 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
- To maintain a strong corporate governance framework to ensure the interests of unitholders are protected.

To achieve these objectives, IPL intends to pursue the following strategies:

- 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
 - sustainable income supported by strong tenant covenants
- Leverage off the IPL's on-the-ground presence in Australia and existing relationships with key players in the industry to source growth opportunities
- Maximise property performance through pro-active asset management, property management and leasing
- Implement appropriate debt and equity funding strategies and adopt a prudent interest rate hedging policy.

Directors' interests in units



The directors' interests in units is set out in note 17 to the financial statements on page 54.

Directors' remuneration

No fees are paid by the Fund to the directors or officers of the Manager.

Employees or directors of other entities within the Investec group are not remunerated for their services as directors. The remuneration of any independent, non-associated and non-executive director appointed to the board of IPL is limited to the reimbursement of reasonable expenses incurred by such person for purposes of attending board meetings and the appropriate director's fees, unless IPL determines otherwise. In respect of the independent, non-associated and non-executive directors, fees and expenses are reimbursed out of the Fund.

Directors' report (continued)



Accordingly, directors' remuneration for the period from 12 December 2012 to 31 March 2014 was as follows:

For the period from 12 December 2012 to 31 March 2014 AUD'000	Salary (including emoluments paid by IBAL)	Directors' fees	Fees for other services	Provident pension fund and medical aid contributions	Bonuses	Total
Director						
Sam Hackner ¹	-	12	-	-	-	12
Sam Leon ¹	-	12	-	-	-	12
Graeme Katz ²	195	-	-	-	-	195
David Gonski ³	-	23	-	-	-	23
Richard Longes ³	-	47	-	-	-	47
Sally Herman ⁴	-	21	-	-	-	21
Michael Crawford ⁴	-	16	-	-	-	16
Total	195	131	-	-	-	326

- ¹ Sam Hackner and Sam Leon receive salaries as employees of Investec Property Limited, the property division of Investec Limited in South Africa, and are not separately remunerated for their services as directors of the Responsible Entity. An estimate of attributable fees has been provided based on market-related non-executive directors' fees and proportion of time allocated to IAPF, however, these directors are not remunerated out of the Fund.
- ² Graeme Katz is not separately remunerated for his services as chief executive officer and director of the Responsible Entity as he is remunerated by IBAL. The amount disclosed represents an allocation of his remuneration commensurate with his role as an executive director of the Responsible Entity, but is not a cost to the Fund.
- ³ Apportionment of directors' fees paid by IBAL that are attributable to the Fund. David Gonski and Richard Longes are not separately remunerated for their services as directors of the Responsible Entity as they are remunerated by IBAL for their services as directors of IBAL. An estimate of attributable fees has been provided based on market-related non-executive directors' fees and proportion of time allocated to IAPF. Mr Longes, being the chairman of IAPF, is assumed to allocate a higher proportion of time to the Fund. However, these directors are not remunerated out of the Fund.
- ⁴ Sally Herman and Michael Crawford are independent, non-associated and non-executive directors of the Responsible Entity and their remuneration is apportioned between all funds managed by the Responsible Entity based on gross asset value. Ms Herman is also remunerated for her role as chairperson of the audit and risk committee.

Corporate governance



The Fund's corporate governance framework is set out on page 19.

Audit and risk committee

The audit and risk committee comprising independent non-executive directors meets regularly with the senior management of the Manager and the external auditors to consider the nature and scope of the assurance activities and the effectiveness of our risk and control systems.



Further details on the role and responsibility of the audit and risk committee are set out on page 21.

Auditors

KPMG have been appointed by IPL as auditors of Investec Australia Property Fund.

Contracts

The Fund does not have any contracts with directors.

Subsidiaries

The Fund has a number of wholly owned trusts which hold the Fund's property assets. Details of subsidiaries are set out in note 18 to the financial statements.

Major unitholders



The largest unitholders of the Fund are set out on page 62.

Accounting policies and disclosure

Accounting policies are set having regard to commercial practice and comply with applicable Australian law and International Financial Reporting Standards.



These policies are set out in note 1 to the financial statements on page 42.

Financial instruments



Detailed information on the Fund's risk management process and policy can be found in the risk management report on page 23.



Information on the Fund's use of derivatives can be found in note 22 to the financial statement on page 59.



Management and administration

The Manager of the Fund is Investec Property Management (Pty) Ltd which is a wholly owned subsidiary of IBAL. The Manager provides fund management services and property management services to the Fund under the terms of a management agreement. Investec Property Management (Pty) Ltd has in turn outsourced all of the property management to property management companies, namely CBRE (Pty) Ltd and MaxiServ (Pty) Ltd.

Environmental regulation

The Fund's operations are not subject to any significant environmental regulation under Commonwealth, State or Territory legislation.

Events subsequent to reporting date

On 15 May 2014, the Fund acquired the office building at 186 – 200 Reed Street Greenway for a cost of AUD25 805 000 (excluding transaction costs).

The acquisition was funded with debt from the Fund's existing Westpac facility.

On 11 April 2014 the sale of IBAL's Professional Finance, Asset Finance and Leasing businesses and deposit book was announced. The transaction will be structured as a sale of IBAL. Prior to the completion of the sale all of the non-sale assets (including IPL and IPML) will be

transferred out of IBAL to another wholly owned Investec group entity. Investec will continue its property business in Australia. The IBAL support arrangements will be transferred to an Australian Investec group entity. This entity will be capitalised and supported by Investec Bank plc to the extent necessary to fulfil the needs of all ongoing businesses and to honour all commitments, including the income support arrangements. As such, the transaction will have no impact on the Fund, IPL or IPML.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of IPL, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

Indemnities and insurance premiums for officers or auditors

Indemnification

Under the Fund constitution IPL, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

The Fund has not indemnified any auditor of the Fund.

Insurance premiums

No insurance premiums are paid out of the Fund's assets in relation to insurance cover for IPL, its officers and employees or the auditors of the Fund.

Rounding off

The Fund is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors of Investec Property Limited.

RA Longes

Sydney
27 June 2014

GA Katz

Sydney
27 June 2014

Independent auditor's report to the unitholders of Investec Australia Property Fund



To the Unitholders of Investec Australia Property Fund

We have audited the consolidated financial statements of Investec Australia Property Fund, which comprise the consolidated statement of financial position of Investec Australia Property Fund at 31 March 2014, and its consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 60.

Directors' Responsibility for the Financial Statements

The directors of the responsible entity are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of Investec Australia Property Fund constitution, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Investec Australia Property Fund at 31 March 2014, and its consolidated financial performance and consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of Investec Australia Property Fund constitution.

KPMG Inc.

KPMG Inc.
Registered Auditor

Per Gavin de Lange
Chartered Accountant (SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road
Parktown, Johannesburg

27 June 2014

Consolidated statement of profit or loss and other comprehensive income



For the period from 12 December 2012 to 31 March 2014

AUD'000

	Notes	2014
Revenue, excluding straight-line rental revenue adjustment		10 129
Straight-line rental revenue adjustment		1 051
Revenue	2	11 180
Property expenses	3	(1 498)
Net property income		9 682
Fair value adjustments – investment property	5	(18)
Other operating expenses	4	(941)
Operating profit		8 723
Finance costs	6	(1 388)
Finance income	7	152
Other income		6
Profit for the period		7 493
Other comprehensive income		–
Total comprehensive income for the period		7 493
		Cents
Earnings per unit	9	13.10



The notes on pages 42 to 60 are an integral part of these consolidated financial statements.

Consolidated statement of financial position



At 31 March 2014

AUD'000

Notes

2014

	Notes	2014
Assets		
Non-current assets		154 381
Investment property	10	154 364
Financial instruments held at fair value		17
Current assets		6 657
Cash and cash equivalents	12	6 370
Trade and other receivables	11	287
Total assets		161 038
Equity and liabilities		
Unitholders' interest		132 058
Contributed equity	13	131 025
Retained earnings		1 033
Total unitholders' interest		132 058
Non-current liabilities		22 185
Long-term borrowings	14	22 185
Current liabilities		6 795
Trade and other payables	15	2 193
Distributions payable	8	4 602
Total equity and liabilities		161 038
Units in issue		134 685
Net asset value per unit (cents)		98.05



The notes on pages 42 to 60 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity



For the period from 12 December 2012 to 31 March 2014 AUD'000	Contributed equity	Retained earnings	Total unitholders' interest
Balance at 12 December 2012	–	–	–
Profit for the period	–	7 493	7 493
Total comprehensive income	–	7 493	7 493
Transaction with unitholders in their capacity as unitholders:			
Issue of ordinary units	131 025	–	131 025
Distributions paid/payable to ordinary unitholders	–	(6 460)	(6 460)
Balance at 31 March 2014	131 025	1 033	132 058



The notes on pages 42 to 60 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows



For the period from 12 December 2012 to 31 March 2014
AUD'000

	Notes	2014
Cash flows from operating activities		
Rental income received		10 667
Property expenses		(484)
Fund expenses		(968)
Retention amounts received		328
Cash generated from operations		9 543
Finance income received		135
Finance costs paid		(1 329)
Distribution paid to unitholders (pre-listing)		(1 858)
Net cash inflow from operating activities	16	6 491
Cash flows from/(used in) investing activities		
Investment property acquired		(153 331)
Net cash outflow from investing activities		(153 331)
Cash flows from financing activities		
Borrowings raised		48 918
Repayment of loans		(26 733)
Proceeds from issue of units		134 685
Payment of transaction costs related to the issue of units		(3 660)
Net cash inflow from financing activities		153 210
Net increase in cash and cash equivalents		6 370
Cash and cash equivalents at the beginning of the period		–
Cash and cash equivalents at the end of the period	12	6 370



The notes on pages 42 to 60 are an integral part of these consolidated financial statements.

Segmental analysis



For the period from 12 December 2012 to 31 March 2014

AUD'000

	Office	Industrial	Total
Statement of profit or loss and other comprehensive income 2014			
Revenue from external customers, excluding straight-line rental revenue adjustment	4 208	5 921	10 129
Straight-line rental revenue adjustment	311	740	1 051
Property expenses	(824)	(674)	(1 498)
Segment results	3 695	5 987	9 682
Net investment property revaluation	(480)	462	(18)
Total segment results	3 215	6 449	9 664
Other operating expenses			(941)
Fair value adjustment on interest rate swap derivatives			17
Finance costs			(1 388)
Finance income			135
Other income			6
Profit for the period			7 493
Statement of financial position extracts at 31 March 2014			
Investment property balance at 12 December 2012	–	–	–
Acquisitions	105 423	47 908	153 331
Straight-line rental revenue receivable	311	740	1 051
Fair value adjustments	(480)	462	(18)
Investment property at 31 March 2014	105 254	49 110	154 364
Other assets not managed on a segmental basis			6 674
Total assets at 31 March 2014			161 038



The notes on pages 42 to 60 are an integral part of these consolidated financial statements.

Segmental analysis (continued)



AUD'000	Victoria	Queensland	South Australia	Australian Capital Territory	Total
Statement of profit or loss and other comprehensive income 2014					
Revenue from external customers, excluding straight-line rental revenue adjustment	4 071	598	1 146	4 314	10 129
Straight-line rental revenue adjustment	311	25	167	548	1 051
Property expenses	(800)	(85)	(99)	(514)	(1 498)
Segment results	3 582	538	1 214	4 348	9 682
Total fair value adjustment on total investment property	842	(1 389)	(246)	775	(18)
Statement of financial position extracts at 31 March 2014					
Investment property balance 12 December 2012	–	–	–	–	–
Acquisitions	83 147	25 878	9 180	35 126	153 331
Straight-line rental revenue receivable	311	25	167	548	1 051
Fair value adjustments	842	(1 389)	(246)	775	(18)
Investment property at 31 March 2014	84 300	24 514	9 101	36 449	154 364
Other assets not managed on a segmental basis					6 674
Total assets at 31 March 2014					161 038



The notes on pages 42 to 60 are an integral part of these consolidated financial statements.

Major customers

Revenues from the following tenants represent greater than 10% of the IAPF's total revenues for the period:

Tenant AUD'000	Segment	Revenue	% of total revenue
Sirva (Pty) Ltd	Industrial	1 818	16%
Toll Transport (Pty) Ltd	Industrial	3 007	27%

Notes to the financial statements (continued)



Corporate information

The financial report of Investec Australia Property Fund ('IAPF' or 'the Fund') for the period ended 31 March 2014 was authorised for issue in accordance with a resolution of the directors of Investec Property Limited (the Responsible Entity) on 27 June 2014.

IAPF is domiciled in Australia. The Responsible Entity is incorporated and domiciled in Australia.

The nature of the operations and principal activities of IAPF are described in the directors' report.

The registered office of IAPF is located at:

Level 23
The Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Reporting entity

IAPF is an Australian registered managed investment scheme under the Corporations Act 2001. IAPF is a for profit entity. The consolidated financial statements of the Fund at and for the period from 12 December 2012 to 31 March 2014 comprise the Fund and its subsidiaries (together referred to as 'the group'). These financial statements are for a period longer than 12 months as this is the first financial year end for the Fund.

1. Accounting policies

1.1 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Corporations Act of 2001.

The consolidated financial statements are prepared in accordance with the requirements of the Financial Reporting Standards Council (FRSC), in addition to IFRS.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value
- Investment property is measured at fair value.

The financial statements are prepared on the going concern basis and the accounting policies set out below have been applied consistently by the Fund.

Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars, which is IAPF's functional currency.

IAPF is of a kind referred to in Australian Securities and Investments Commission (ASIC) Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian Dollars has been rounded to the nearest thousand unless otherwise stated.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires the board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which

the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

The key area in which estimates are applied relates to the valuation of investment properties. Refer to note 10 for information on critical judgements used in the valuation of investment properties.

1.2 Basis of consolidation

Business combinations

The group financial statements for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Controlled entities

The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated.

1.3 Segmental reporting

Determination and presentation of operating segments

The group has the following operating segments:

- Office properties
- Industrial properties.

The above segments are derived from the way the business of the group is structured, managed and reported to the chief operating decision-makers. The group manages its business in the office and industrial property

Notes to the financial statements (continued)



sectors where resources are specifically allocated to each sector in achieving the group's stated objectives.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment. Segment assets and liabilities comprise those assets and liabilities that are directly attributable to the segment on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period on investment property in each segment.

1.4 Revenue recognition

Revenue consists of rental income measured at the fair value of consideration received or receivable.

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the group.

Revenue from investment property in terms of leases comprises gross rental income and recoveries of operating costs, net of goods and services tax (GST). Rental income is recognised in profit or loss on a straight-line basis over the term of the rental agreement where the revenue under the lease terms is fixed and determinable. For leases where revenue is determined with reference to market reviews, inflationary measures or other variables, revenue is not straight lined and is recognised in accordance with lease terms applicable for the period.

1.5 Lease incentives and commissions

Any lease incentives provided to a tenant under the terms of a lease such as fit-outs or rent free periods are recognised as an expense on a straight-line basis over the term of the lease.

Leasing commissions paid to agents on signing of lease agreements are recognised as an expense on a straight-line basis over the term of the lease.

1.6 Finance income

Finance income includes:

- Interest earned on cash invested with financial institutions which is recognised in the profit or loss on an accrual basis using the effective interest method
- Net gains on financial instruments measured at fair value through profit or loss.

1.7 Finance costs

Finance costs include:

- Interest expense and other borrowing costs which are recognised in the profit or loss on an accrual basis using the effective interest method
- Net losses on financial instruments measured at fair value through profit or loss.

1.8 Earnings per unit

Basic earnings per unit is determined by dividing the profit or loss of the group by the weighted average number of units outstanding during the financial year.

Headline earnings per unit is earnings per unit adjusts profit for the period for certain re-measurements such as investment property fair value adjustments. As required by the JSE listings requirements headline earnings per unit is calculated using Circular 2/2013.

1.9 Financial instruments

Financial instruments are initially recognised at their fair value plus, for financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. All other transaction costs are recognised in profit or loss immediately.

Any gains or losses on these instruments arising from fair value adjustments, where appropriate, do not affect distributable earnings. The Fund recognises financial

instruments when it becomes party to the contractual provisions of the instrument.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability. The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Trade and other receivables

Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Any impairment losses or reversals on trade and other receivables are recognised in profit or loss. An estimate is made for credit losses based on a review of all outstanding amounts at the year end.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value.

Trade and other payables

Trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Any gains or losses on derecognition of trade and other payables are recognised in profit or loss.

Derivative financial instruments

The group utilises derivative financial instruments to hedge its exposure to interest rate risk arising from its financing activities. The Fund does not hold or issue derivative financial instruments for trading purposes. Derivatives

Notes to the financial statements (continued)



are not designated as hedges for accounting purposes and are accounted for at fair value. After initial recognition, all derivative instruments are subsequently recorded in the statement of financial position at fair value, with gains and losses recognised in profit or loss.

Borrowings

Long-term borrowings are subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as non-current unless they are repayable within 12 months.

Offset

Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a legal right to offset exists.

1.10 Investment property

Properties held by the group which are held for rental income are classified as investment properties. Investment properties are initially recognised at cost including transaction costs. Investment properties are subsequently measured at fair value, with fair value gains and losses recognised in profit or loss. Investment property consists of land and buildings, installed equipment that is an integral part of the building and undeveloped land held to earn rental income. The carrying amount of investment property also includes components relating to lease incentives and straight-line rental receivables. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits will flow to the group those costs can be reliably measured.

A property interest under an operating lease is classified and accounted for as an investment property when it is held to earn rental income. Any such property interest under an operating lease classified as investment property is carried at fair value.

Should any properties no longer meet the group's investment criteria

and are sold, any profits or losses will be recognised in profit or loss.

Investment property is maintained, upgraded and refurbished where necessary, in order to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are recognised in profit or loss as an expense.

Independent valuations are obtained on a rotational basis, ensuring that every property is valued at least once every 18 months by an external independent valuer.

The directors value the remaining properties that have not been independently valued annually on an open market basis. Directors' valuations are prepared by considering the aggregate of the net annual rental receivable from the properties and where relevant, associated costs, using the discounted cash flow method and the capitalisation method. The directors are confident that their valuations accurately represent the fair value.

Gains or losses on subsequent measurement or disposals of investment properties are recognised in profit or loss. Such gains or losses are excluded from the calculation and determination of distributable earnings.

1.11 Impairment of non-financial assets

At each reporting date the group reviews the carrying value of non-financial assets, other than investment property, for indication of impairment. The recoverable amount, being the higher of fair value less costs to sell and value in use, is determined for any assets for which an indication of impairment is identified. If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable value.

Impairment losses are recognised as an expense in profit or loss in the period in which they are

identified. Reversal of impairment losses is recognised in income in the period in which the reversal is identified, to the extent that the asset is not revalued to a carrying value that would have been calculated without impairment.

1.12 Rental agreements

A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a financial lease.

The group is party to numerous rental agreements in the capacity as lessor of the investment properties. All rental agreements are operating leases.

Where classified as operating leases, rentals payable/receivable are charged/credited in the profit or loss on a straight-line basis over the lease term. Contingent rentals (if any) are accrued to the statement of comprehensive income when incurred.

1.13 Property leasing commissions and tenant incentives

When considered material, leasing commissions and tenant incentives are written off over the period of the lease to which they relate.

1.14 Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount, and are recognised as soon as the Fund has a legal or constructive obligation which will lead to an outflow of economic resources to settle the obligation as a result of a past event and a reliable estimate can be made of the amount of the obligation. Contingent assets and contingent liabilities are not recognised.

Provisions are measured at the best estimate of expenditure to settle the present obligation.

Notes to the financial statements (continued)



1.15 Taxation

Under current income tax legislation, the Fund (as a REIT, which is a flow-through structure) is not subject to Australian income tax on any of the net income derived by the Fund, provided that its activities are limited to deriving rental income from real property directly or indirectly held by the Fund and deriving gains from sale of real property held for rental purposes; and it fully distributes its net income (subject to amounts permitted to be retained) to investors year-on-year during or within three months after the relevant income year.

Furthermore, the Fund and management arrangements are structured to meet the required criteria to be classified as a Managed Investment Trust for Australian tax purposes. As a Managed Investment Trust, the Responsible Entity will be required to withhold tax in Australia at a concessional rate of 15% on distributions to individual and institutional investors 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 investors' 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 investors in South Africa.

1.16 Related parties

Related parties include any entity or unitholder who is able to exert a significant influence on the operating policies of the Fund. Directors of the Responsible Entity or the Manager, their close family members and any person with authority and responsibility for planning, directing and controlling the activities of the group are also considered to be related parties.

Any party appointed as the asset manager and property asset

manager of the Fund is also considered to be a related party.

1.17 Unit capital

Ordinary unit capital

Units are classified as equity when the units are redeemable only at the Responsible Entity's option, and any distributions are discretionary. The issued unit capital represents the amount of consideration received for units issued by IAPF. Transaction costs of an equity transaction are accounted for as a deduction from equity. All units are fully paid. The unitholders are entitled to receive distributions as declared from time to time and are entitled to one vote per unit at the annual general meeting of IAPF. All units rank equally with regard to IAPF's residual assets.

1.18 Standards and interpretations applicable to the group not yet effective

The following standards, which may have an impact on the group in the future, have been issued but are not yet effective:

IFRS 9 – Financial Instruments: Classification and Measurement

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets.

IFRS 9 (2013) introduces new requirements for hedge accounting

IFRS 9 is effective for annual periods beginning on or after 1 January 2017. The effective date is subject to review pending the finalisation of the outstanding

phases of the standard. However, early adoption is permitted.

The adoption of these standards is expected to have an impact on the group's financial assets, but no impact on the group's financial liabilities. The group has not yet determined the impact on its hedging arrangements.

IFRS 10 – Consolidated Financial Statements

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. This is not expected to change the group's consolidation conclusion in respect of its subsidiary trusts.

IFRS 12 – Disclosure of Interests in Other Entities (2011)

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The group is currently assessing the disclosure requirements for interests in subsidiary trusts, in comparison to the existing disclosures. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

IFRS 10 and IFRS 12 are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The group has not early adopted these.

1.19 Changes in accounting policy

IFRS 13 has been early adopted for the reporting period. IFRS 13 establishes a definitive source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value applicable.

IFRS 13 mainly impacts the disclosures of the Fund as specific disclosures about fair value measurements and disclosures of fair values are required.

Notes to the financial statements (continued)



For the period ended 31 March
AUD'000

2014

2. Revenue

Contracted rental income	8 209
Income – support arrangements (refer to note 17)	406
Recoverable outgoings	1 514
Revenue, excluding straight-line rental revenue adjustment	10 129
Straight-line rental revenue adjustment	1 051
	11 180

For the period ended 31 March
AUD'000

2014

3. Property expenses

Recoverable expenses	
Statutory expenses	(846)
Electricity	(120)
Insurance	(166)
Cleaning	(68)
Building management	(103)
Repairs and maintenance	(49)
Other property expenses	(146)
	(1 498)

For the period ended 31 March
AUD'000

2014

4. Other operating expenses

Asset management fee	(439)
Fund operating costs	
Auditor's remuneration*	(139)
Audit fee	(102)
Tax compliance fees	(37)
Other assurance and tax fees	–
Other assurance fees	(60)
Other tax fees	(265)
Less: capitalised to equity (as part of capital raising)	325
Directors' fees	(37)
Legal fees	(119)
Other fund expenses	(207)
	(941)

* All audit, tax and other assurance services were provided by KPMG.

Notes to the financial statements (continued)



For the period ended 31 March
AUD'000

2014

5. Fair value adjustments

Gross investment property fair value adjustment	1 033
Less: straight-line rental revenue adjustment	(1 051)
Total fair value adjustment	(18)

For the period ended 31 March
AUD'000

2014

6. Finance costs

Interest paid on borrowings	(1 388)
	(1 388)

Refer to note 14 for details on borrowings.

For the period ended 31 March
AUD'000

2014

7. Finance income

Interest received from banks	135
Fair value adjustment – gain on interest rate swap derivatives	17
	152

For the period ended 31 March
AUD'000

2014

8. Distribution per unit

Profit for the period	7 493
Less: straight-line rental revenue adjustment	(1 051)
Add: fair value adjustments	18
Distributable earnings	6 460
Reconciliation of distribution per unit	
Pre-listing distribution for the period ended 18 October 2013	1 858
Units in issue at 18 October 2013	22 000
Distribution per unit (cents)	8.45
Final distribution for the period from the listing date to 31 March	
Distributable earnings	6 460
Less: pre-listing distribution	(1 858)
Final distribution for the period from the listing to 31 March (pre-withholding tax)	4 602
Withholding tax paid/payable to the Australian Taxation Office	(290)
Final distribution for the period from the listing to 31 March (post-withholding tax)	4 312
Units in issue at 31 March	134 685
Distribution per unit (pre-withholding tax) (cents)	3.42
Distribution per unit (post-withholding tax) (cents)	3.20
Withholding tax	
The blended withholding tax rate for the final distribution is 6.3%.	

Notes to the financial statements (continued)



For the period ended 31 March
AUD'000

2014

9. Earnings per unit

Reconciliation of basic earnings to headline earnings

Profit for the period

7 493

Less: net fair value adjustment – investment property

(18)

Headline earnings attributable to unitholders

7 475

Cents

Basic earnings per unit

13.10

Headline earnings per unit

13.06

**Number
of units**

Units in issue at the end of the period

134 685

Weighted average number of units in issue

57 214

On 12 December 2012 the Fund was established with the issue of 22 million units for AUD1 each. On 23 October 2013 the Fund completed a private placement and listing on the JSE that resulted in the issue of 112.685 million new units for a consideration of AUD112.685 million. The placement was at a price of AUD1.00.

Headline earnings is profit for the period adjusted for fair value adjustments on investment property. Headline earnings are a measure of the Fund's earnings based solely on operational activities and in the case of the Fund will exclude fair value adjustments and profits or losses on sale of properties. As required by the JSE listings requirements, headline earnings per unit is calculated using Circular 2/2013.

For the period ended 31 March
AUD'000

2014

10. Investment property

Cost

153 331

Accumulated fair value adjustment – refer to note 5

(18)

Investment properties

153 313

Straight-line rental revenue receivable

1 051

Carrying value

154 364

Movement in investment properties

Balance at the beginning of the period

–

Acquisitions

153 331

Fair value adjustment on revaluation of investment properties – refer to note 5

(18)

Straight-line rental revenue adjustment

1 051

Carrying value at the end of the period

154 364

Property to the value of AUD154 million is held as security under the Westpac debt facility currently drawn down to a value of AUD22.29 million.

All of the investment properties located in Victoria, South Australia and Queensland are held under freehold interests. All of the properties located in the Australian Capital Territory are held under leasehold interests terminating in 2101. These are classified as operating leases.

Refer to note 22.3 for further disclosure regarding the fair value of investment property.

Notes to the financial statements (continued)



Property portfolio AUD'000	Latest external valuation		Consolidated carrying value 2014
	Date	Valuation	
10. Investment property (continued)			
Industrial portfolio			
48 Hawkins Crescent, Ipswich, QLD	31 March 2014	3 560	3 560
47 Sawmill Circuit, Hume, ACT	31 March 2014	9 600	9 600
57 Sawmill Circuit, Hume, ACT	31 March 2014	8 750	8 750
24 Sawmill Circuit, Hume, ACT	31 March 2014	9 000	9 000
44 Sawmill Circuit, Hume, ACT	31 March 2014	9 100	9 100
2 – 8 Mirage Road, Direk, SA	31 March 2014	9 100	9 100
Office portfolio			
449 Punt Road, Cremorne, VIC	31 March 2014	29 800	29 800
35 – 49 Elizabeth Street, Richmond, VIC	31 March 2014	54 500	54 500
Building 20, 2404 Logan Road, Eight Mile Plains, QLD	14 February 2014	20 954	20 954
Total investment properties			154 364

Refer to property selection and property portfolio disclosed on pages 5 to 11 for further details of investment properties held.

Valuation basis

The basis of the valuation of investment properties is fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

External valuations were conducted for all of the properties in the portfolio in February and March 2014. External valuations were conducted by Colliers International, m3 property and CBRE who are all registered as Certified Practising Valuers with the Australian Property Institute.

The group determines a property's value within a range of reasonable fair value estimates and, in making this assessment, considers information from a variety of sources, including:

- Current prices for comparable investment properties
- Discounted cash flows based on estimates of future cash flows
- Capitalised income projections based on estimated net market income, and a capitalisation rate based on market analysis.

The key assumptions used are as follows:

	2014
Capitalisation rate	8.44%
Discount rate	9.25%
Rental growth rate	3.37%

The above are weighted average rates based on fair value.

Uncertainty around property valuations

The fair value of investment property has been assessed to reflect market conditions at the end of the reporting period. While this represents the best estimate of fair value at the balance sheet date, future changes in key assumptions may mean that if investment property is sold in the future the prices achieved may be higher or lower than the most recent valuations.

Contractual obligations/capital commitments

At 31 March 2014 there were no significant contractual obligations or capital commitments relating to investment property.

Notes to the financial statements (continued)



10. Investment property (continued)

Leasing arrangements

AUD'000	2014
The Fund leases office and industrial properties under operating leases.	
Contractual amounts due in terms of operating lease agreements:	
Less than 1 year	13 301
Between 1 and 5 years	48 503
More than 5 years	25 195
	86 999

For the period ended 31 March

AUD'000 2014

11. Trade and other receivables

Prepaid expenses	132
Sundry debtors	155
	287

For the period ended 31 March

AUD'000 2014

12. Cash and cash equivalents

Cash held on call account	6 370
Total cash and cash equivalents	6 370

For the period ended 31 March

AUD'000 2014

13. Contributed equity

Issued	
On establishment – 22 000 000 fully paid ordinary units	22 000
On listing – 112 685 000 fully paid ordinary units	112 685
Fund establishment costs capitalised to contributed equity	(3 660)
In issue at period end	131 025

Refer to unitholder analysis included on pages 62 to 63 for further details on unitholders.

For the period ended 31 March

AUD'000 Facility expiry date Interest rate 2014

14. Borrowings

Loans – secured – bank debt			
Westpac facility	10 April 2017	BBSY + 1.50%*	22 290
Total long-term borrowings – secured			22 290
Capitalised loan establishment costs			(105)
Total value of interest-bearing borrowings			22 185

* *Varies based on gearing levels.*

The Fund's current LVR was 14.4% at 31 March 2014.

The current approved facility limit of the Westpac facility is AUD26.84 million. Current undrawn facility is AUD4.55 million.

The Fund's policy is to hedge at least 75% of interest rate risk. At period end, 100% of borrowings were hedged using interest rate swaps, locking in a rate (including margin and line fees) of 4.69% for a three-year term.

Notes to the financial statements (continued)



For the period ended 31 March
AUD'000

2014

15. Trade and other payables

Accrued expenses	413
Trade creditors	154
Income received in advance	428
Other payables	1 198
	2 193

For the period ended 31 March
AUD'000

2014

16. Reconciliation of cash flows from operating activities

Profit for the period	7 493
Adjusted for:	
Fair value adjustments – investment property	18
Fair value adjustments – derivatives	(17)
Straight-line rental revenue adjustment	(1 051)
Working capital movement:	
Change in trade and other receivables	(287)
Change in trade and other payables	2 193
Distributions paid	(1 858)
Net cash from operating activities	6 491

17. Related party transactions

Responsible Entity

The Responsible Entity of the Fund is Investec Property Limited. Investec Property Limited is a wholly owned subsidiary of Investec Bank (Australia) Limited (IBAL).

Manager

The Manager of the Fund is Investec Property Management (Pty) Ltd. Investec Property Management (Pty) Ltd is a wholly owned subsidiary of IBAL. The Manager provides fund management services and property management services to the Fund.

Investec Property Limited's and Investec Property Management (Pty) Ltd's ultimate Australian parent entity is Investec Holdings Australia Limited. Its ultimate parent is Investec plc, incorporated in the United Kingdom.

Investec plc and Investec Limited and their subsidiary companies together comprise the Investec group of companies (referred to as the Investec group).

From time to time, the Fund enters into transactions or arrangements with Investec group. These transactions are described below. These are entered into on normal commercial terms.

Notes to the financial statements (continued)



17. Related party transactions (continued)

Transactions with related parties

For the period ended 31 March

AUD'000

2014

Payments to Investec group, IBAL and its subsidiaries:	
Investec Property Management (Pty) Ltd	
Asset management fee	439
Property management fee	161
Investec Bank Limited	
Sponsor fee	10
Capital raising fees and listing costs	2 160
Receipts from Investec group, IBAL and its subsidiaries:	
Investec Bank (Australia) Limited	
Payments to the Fund under income support arrangements (refer below)	834
Payments under assumption arrangements (refer below)	4 813

Amounts owing to related parties

For the period ended 31 March

AUD'000

2014

Investec Property Management (Pty) Ltd	
Asset management fee payable	98

Income support arrangements

The Fund has entered into the Elizabeth Street Support Deed with IBAL under which the following support arrangements have been provided by IBAL:

- In respect of the existing lease with the Department of Justice, there is a rent abatement of AUD55 351 (excluding GST) per month. The rent abatement ends on 31 August 2015. For the period commencing on the date the Fund became the owner of the Elizabeth Street Property and ending on 31 August 2015, IBAL will pay to the Fund a monthly amount equivalent to the rent abatement, such that the Fund is receiving the full face rent for this area. IBAL must pay this amount in advance on the first date of each month. This arrangement will only apply if the lease with the Department of Justice has not terminated and the Fund (or the assignee of its rights) is the owner of the Elizabeth Street Property. AUD287 503 has been received and recognised in the current period
- In respect of a vacant area of 289m² on the ground floor and 92 car parks not leased, IBAL has provided rent support at prevailing market rents for two years commencing on the date the Fund became the owner of the Elizabeth Street Property. The total value of this support is AUD546 240 and the Fund called the full amount on 1 November 2013. The amount is being recognised in profit and loss over the period of the support, being two years. AUD118 227 has been recognised in the current period
- In respect of the existing lease with BMS Telecorp, there is a one-off incentive payment of AUD1 130 940 (excluding GST). The payment is due on 1 November 2014. IBAL has agreed to make this payment and has provided a bank guarantee in support thereof. This arrangement only applies if the lease with BMS Telecorp has not terminated and the Fund (or the assignee of its rights) is the owner of the Elizabeth Street Property
- There is an area of 642m² currently leased by Domaine Chandon, which expires on 19 October 2014. Domaine Chandon has the option to extend this lease to 19 October 2017. If Domaine Chandon does not exercise their options, IBAL will provide a gross rent support at prevailing market rents in relation to the period commencing on 20 October 2014 and ending on 19 April 2016. The total value of this support is AUD496 570 and the Fund may request this in one or more instalments with no obligation to mitigate. Even if the Fund is able to secure a tenant, it is still entitled to the full amount of the support. This arrangement only applies if the Fund (or the assignee of its rights) is the owner of the Elizabeth Street Property.

Notes to the financial statements (continued)



17. Related party transactions (continued)

Income support arrangements (continued)

The Fund has entered into the Punt Road Support Deed with IBAL under which the following support arrangements have been provided by IBAL:

- In respect of an area of 691m² on the ground floor of the building, IBAL will provide income support for the period commencing on 1 March 2015 and ending on 29 February 2016 in the event:
 - that the income supported by IBAL (AUD326 210) exceeds the actual gross rent received
 - the reason for this is not a consequence of the breach or default of the Fund
 - the group (or the assignee of its rights) is the owner of the Punt Road Property.

Assumption arrangements

In accordance with the Punt Road Assumption Deed and the Elizabeth Street Assumption Deed, IBAL, a related party of the Responsible Entity of the Fund, assumed responsibility for the payment of stamp duty in relation to the acquisition of the Elizabeth Street Property and the Punt Road Property, with no requirement for the Fund to reimburse IBAL. Purchase prices of those properties have been disclosed net of the amount of stamp duty paid by IBAL (AUD4 573 092) in the profit or loss and the Statement of Financial Position. There are no outstanding balances or commitments at 31 March 2014 in relation to this transaction.

Sale of IBAL

On 11 April 2014 the sale of IBAL's Professional Finance, Asset Finance and Leasing businesses and deposit book was announced. The transaction will be structured as a sale of IBAL. Prior to the sale all of the non-sale assets (including IPL and IPML) will be transferred out of IBAL to another wholly owned Investec group entity. Investec will continue its property business in Australia. The IBAL support arrangements will be transferred to an Australian Investec group entity. This entity will be capitalised and supported by Investec Bank plc to the extent necessary to fulfil the needs of all ongoing businesses and to honour all commitments, including the income support arrangements. As such, the transaction will have no impact on the Fund, IPL or IPML.

Key management personnel (KMP)

IAPF does not employ any personnel in its own right. However it is required to have an incorporated Responsible Entity (RE) to manage its activities. The RE is considered the KMP of the Fund. Furthermore the RE has sub-contracted the management of IAPF to the Manager which is also considered KMP. The directors of the RE are Richard Longes (chairman), Sam Leon, Sam Hackner, Graeme Katz, Sally Herman and Michael Crawford. The directors of the Manager are Graeme Katz, Sam Leon, Zach McHerron, Jason Sandler and Matthew Liston.

Notes to the financial statements (continued)



17. Related party transactions (continued)

KMP compensation

Employees or directors of entities within the Investec group are not remunerated for their services as directors. The remuneration of any independent, non-associated and non-executive director appointed to the board is limited to the reimbursement of reasonable expenses incurred by such person for purposes of attending board meetings and the appropriate director's fees, unless the Responsible Entity determines otherwise. In respect of the independent, non-associated and non-executive directors, fees and expenses are reimbursed out of the Fund.

Individual director's compensation disclosures

Information regarding individual director's compensation disclosure is provided in the directors' report.

Movements in securities

The movement during the reporting period in the number of ordinary units in IAPF held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 12 Dec 2012	Purchases	Sales	Held at 31 Mar 2014
Directors				
Sam Hackner	–	1 697 324	–	1 697 324
Sam Leon	–	1 591 241	–	1 591 241
Michael Crawford	–	5 304 139	–	5 304 139
Graeme Katz	–	106 083	–	106 083

There have been no changes in these holdings since the end of the reporting period.

18. Group entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1.2.

IAPF enters into transactions with its wholly owned trusts. These transactions mainly involve the payment of distributions between trusts and lending of funds between the trusts. Intertrust loans are repayable upon demand, unsecured and non-interest-bearing.

Name of entity	Country of incorporation	Class of units	Equity holding
Investec Australia Hold Trust No. 1	Australia	Ordinary	100%
Investec Australia Sub Trust No. 1	Australia	Ordinary	100%
Investec Australia Sub Trust No. 2	Australia	Ordinary	100%
Investec Australia Sub Trust No. 3	Australia	Ordinary	100%
Investec Australia Sub Trust No. 4	Australia	Ordinary	100%

Notes to the financial statements (continued)



For the period ended 31 March
AUD'000

2014

19. Parent entity disclosures

At, and throughout the period ended 31 March 2014 the parent of the group was Investec Australia Property Fund.

Result of parent entity

Profit for the period	6 460
Other comprehensive income	–
Total comprehensive income for the period	6 460

Financial position of parent entity at period end

Current assets	400
Total assets	131 410
Current liabilities	385
Total liabilities	385
Net assets	131 025
Total equity of parent entity comprising:	
Contributed equity	131 025
Retained earnings	–
Total equity	131 025

For the period ended 31 March

2014

20. Net asset value

Units in issue at the end of the period	134 685
	Cents
Net asset value per unit	98.05

21. Subsequent events

On 15 May 2014, the Fund acquired the office building at 186 – 200 Reed Street Greenway for a cost of AUD25 805 000 (excluding transaction costs). The acquisition was funded with debt from the Fund's existing Westpac facility.

On 11 April 2014 the sale of IBAL's Professional Finance, Asset Finance and Leasing businesses and deposit book was announced. Refer to note 17.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

Notes to the financial statements (continued)



AUD'000	Measured at fair value	Non-financial instruments	Amortised cost	Total
22. Financial risk and capital management				
22.1 Total financial and non-financial assets and liabilities				
The table below sets out the Fund's accounting classification of each class of financial and non-financial asset and liability and their fair values at 31 March 2014:				
Assets				
Investment property	–	154 364	–	154 364
Financial instruments held at fair value	17	–	–	17
Current assets				
Cash and cash equivalents	–	–	6 370	6 370
Trade and other receivables	–	–	287	287
Total assets	17	154 364	6 657	161 038
Liabilities				
Long-term borrowings	–	–	22 185	22 185
Current liabilities				
Trade and other payables	–	–	2 193	2 193
Unitholders for distributions	–	–	4 602	4 602
Total liabilities	–	–	28 980	28 980

1. In all cases the amortised cost approximates fair value on the basis that:

- the amortised cost reflects known credit risk, or
- credit risk is not significant and the financial assets and financial liabilities are either short-term or subject to market-based variable interest.

22.2 Fair value hierarchy – financial instruments

The table below analyses financial instruments carried at fair value, by valuation method, defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within level 1 that are observable for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

For the period ended 31 March 2014 AUD'000	Total financial instruments held at fair value	Measured at fair value		
		Level 1	Level 2	Level 3
Financial instruments held at fair value	17	–	17	–
Total financial assets	17	–	17	–

Details of changes in valuation techniques

There have been no significant changes in valuation techniques during the period under review.

Significant transfers between level 1, level 2 and level 3

There have been no significant transfers between level 1, level 2 and level 3 during the period.

Derivative financial instruments consist of interest rate hedging instruments. Interest rate hedging instruments are valued based on broker quotes and are tested for reasonableness by discounting future cash flows using an observable market interest rate curve at the dates when the cash flows will take place.

Notes to the financial statements (continued)



22. Financial risk and capital management (continued)

22.3 Fair value hierarchy – investment property

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

Properties are valued under the income capitalisation method and discounted cash flow method (DCF).

Under the income capitalisation method a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate.

Under the DCF method a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream.

Valuation techniques used to derive level 3 fair values

For all classes of investment property the significant unobservable inputs listed below are used in the income capitalisation method and the DCF method to determine the fair value measurement at the end of the reporting period:

Significant unobservable inputs	Relationship between unobservable inputs and fair value measurement
Net passing rent	Increases/(decreases) in net passing rent would increase/(decrease) estimated fair value.
Gross market rent	Increases/(decreases) in gross market rent would increase/(decrease) estimated fair value.
Net market rent	Increases/(decreases) in net market rent would increase/(decrease) estimated fair value.
Capitalisation rate	Increases/(decreases) in the capitalisation rate would (decrease)/increase estimated fair value.
Discount rate	Increases/(decreases) in the discount rate would (decrease)/increase estimated fair value.
Terminal yield	Increases/(decreases) in the terminal yield would result in (decreases)/increases in the estimated fair value.

The table above includes the following descriptions and definitions relating to key unobservable inputs made in determining fair value:

Net passing rent	The contracted amount for which a property or space within a property is leased at the time of the valuation. In a net rent, the owner recovers outgoings from the tenant on a <i>pro rata</i> basis (where applicable).
Gross market rent	The gross rent at which space could be let in the market conditions prevailing at the date of valuation.
Net market rent	The net rent at which space could be let in the market conditions prevailing at the date of valuation. In a net rent, the owner recovers outgoings from the tenant on a <i>pro rata</i> basis (where applicable).
Capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence.
Discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence.
Terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence.

Generally, a change in the assumption made for the capitalisation rate is accompanied by a directionally similar change in the terminal yield. The capitalisation rate forms part of the income capitalisation approach and the terminal yield forms part of the DCF approach.

When calculating the income capitalisation approach, the net market rent has a strong interrelationship with the adopted capitalisation rate, given the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value.

When assessing a DCF, the discount rate and terminal yield have a strong interrelationship in deriving a fair value, given the discount rate will determine the rate at which the terminal value is discounted to the present value.

Notes to the financial statements (continued)



22. Financial risk and capital management (continued)

For the period ended 31 March 2014 AUD'000	Measured at fair value			Total gain or (loss) in the period or loss
	Level 1	Level 2	Level 3	
Total assets				
Investment property				
Office	–	–	105 254	(480)
Industrial	–	–	49 110	462
Total non-financial assets	–	–	154 364	(18)

Details of changes in valuation techniques

There have been no significant changes in valuation techniques during the period under review.

Significant transfers between level 1, level 2 and level 3

There have been no transfers between hierarchy levels.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Refer to the reconciliation of investment property provided under note 10 which facilitates full IFRS 13 compliance in combination with the disclosure in this note.

22.4 Other financial risk management considerations

The financial instruments of the Fund consist mainly of cash and cash equivalents, including deposits with banks, borrowings, derivative instruments, trade and other receivables and trade and other payables. The Fund purchases or issues financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations and the source of funding.

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

The board has overall responsibility for the establishment and oversight of the Fund's risk management framework. The board has established the audit and risk committee, which is responsible for developing and monitoring the Fund's risk management policies. The audit and risk committee reports regularly to the board on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit and risk committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit and risk committee is assisted in its oversight role by Investec Internal Audit, which undertake both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the audit and risk committee.

Notes to the financial statements (continued)



22. Financial risk and capital management (continued)

22.5 Credit risk

Credit risk is the risk of financial loss to the Fund if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from derivatives, as well as trade and other receivables. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

22.6 Market risk

Interest rate risk

The Fund is exposed to interest rate risk and adopts a policy of ensuring that at least 75% of its exposure to changes in interest rates on borrowings is on a fixed basis. This is achieved by entering into variable for fixed rate swap instruments. All such transactions are carried out within the guidelines set by the audit and risk committee. As a consequence, the Fund is exposed to fair value interest rate risk in respect of the fair value of its interest rate financial instruments, which will not have an impact on distributions. Short-term receivables and payables and investments are not directly exposed to interest rate risk.

At 31 March 2014 100% of the Fund's interest rate exposure was hedged. Therefore, for the period ended 31 March 2014, a 1% increase/decrease in interest rates on the variable rate borrowings would have no impact on the Fund's profit, assuming all other variables remain constant.

Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect the Fund seeks to borrow for as long as possible at the lowest acceptable cost. The Fund regularly reviews the maturity profile of its financial liabilities and will seek to avoid concentration of maturities through the regular replacement of facilities, and by using a selection of maturity dates.

The tables below set out the maturity analysis of the Fund's financial liabilities based on the undiscounted contractual cash flows:

For the period ended 31 March
2014

AUD'000	Within 1 year	1 – 2 years	2 – 5 years	Over 5 years	Total	Carrying value
Long-term borrowings ¹	1 045	1 045	23 335	–	25 425	22 185
Trade and other payables	2 193	–	–	–	2 193	2 193
Distributions payable	4 602	–	–	–	4 602	4 602
Total liabilities	7 840	1 045	23 335	–	32 220	28 980

¹ Cash flows in relation to long-term borrowings take into account the effect of interest rate swaps.

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Fund. In terms of covenants with its lenders, the nominal value of interest-bearing borrowings may not exceed 50% of the value of investment property (including investment property reclassified as held for sale).

Notes to the financial statements (continued)



22. Financial risk and capital management (continued)

For the period ended 31 March

AUD'000	2014
Value of investment property	154 364
Carrying value of interest-bearing borrowing	22 185
Current ratio of interest-bearing borrowings to value of investment property	14.4%

22.7 Derivatives

Derivative instruments are used to hedge the Fund's exposure to any increases in interest rates on variable rate loans. Interest rate swap contracts are entered into whereby the Fund hedges out its variable rate obligation to provide a maximum fixed rate obligation. Details of the interest rate fixed for variable swap instruments are as follows:

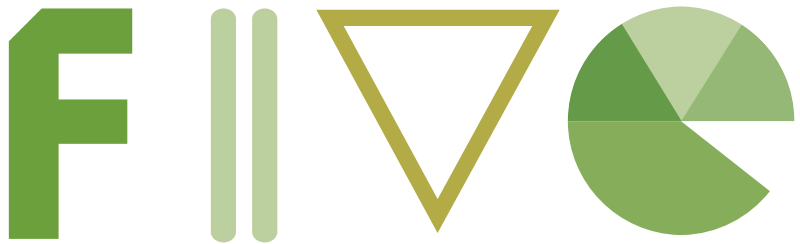
Financial institution	Amount AUD'000	Start date	End date	Fixed rate
31 March 2014 Westpac Banking Corporation	22 290	7 March 2014	7 March 2017	3.19%

22.8 Capital management

In terms of its Constitution, the group's gearing ratio must not exceed 60%. The group is funded partly by unit capital and partly by external borrowings.

In terms of its covenants entered into during the period, the group is committed to a maximum value of external borrowings of 50% of the value of investment property and investment assets. In practice, the group aims to keep gearing levels between 30% and 40% over the long term. At 31 March 2014, the nominal value of borrowings was equal to 14.4% of the value of investment property.

The board's policy is to maintain a strong capital base, comprising its unitholders' interest, so as to promote investor, creditor and market confidence and to sustain future development of the business. It is the Fund's stated purpose to deliver medium to long-term sustainable growth in distributions per unit. Distributable income is distributed on a six-monthly basis. There were no changes in the Fund's approach to capital management during the period. The Fund is not subject to externally imposed capital requirements.



Unitholder
information

Unitholder analysis

At 31 March 2014 the Fund had 134.685 million linked units in issue.

Spread of unitholders at 31 March 2014

Holdings	Number of linked unitholders	% of total unitholders	Number of units in issue	% of issued capital
1 – 10 000	1 342	65%	5 252 462	4%
10 001 – 50 000	485	23%	11 458 356	8%
50 001 – 100 000	114	5%	8 128 729	6%
100 001 and over	136	7%	109 845 453	82%
	2 077	100%	134 685 000	100%

Unitholder classification at 31 March 2014

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	6	0.29%	55 698 787	41.35%
Director holdings	4	0.19%	8 698 787	6.46%
Holding 10% or more	2	0.10%	47 000 000	34.90%
Public shareholders	2 071	99.71%	78 986 213	58.65%
Total	2 077	100.00%	134 685 000	100.00%

Top unitholders at 31 March 2014

	Number of units held	% holding
Investec Property Fund	25 000 000	19%
Investec Bank Limited	22 000 000	16%
Golden Falls Trading 420 (Pty) Ltd	5 304 139	4%
ABSA Asset Management	3 466 106	3%
Investec Property Equity Fund	2 325 102	2%
M&F Giuricich Developments (Pty) Ltd	2 121 656	2%
36One Hedge Fund	1 950 223	1%
Mr Sam Hackner	1 697 324	1%
Stanlib Asset Management	1 672 843	1%
Sooly Noor Trust	1 591 242	1%
Mr Samuel Ronald Leon	1 591 241	1%
Total	68 719 876	51%

Unitholder analysis (continued)

Directors' interests in units

	Balance at 31 March 2014
Executive director	
Graeme Anthony Katz	106 083
Non-executive directors	
Samuel Ronald Leon	1 591 241
Sam Hackner	1 697 324
Michael Crawford*	5 304 139
	8 698 787

* Indirectly held through Golden Falls Trading 420 (Pty) Ltd.

Unit statistics

	2014
Closing market price (ZAR)	
– Year end	11.76
– High	12.34
– Low	9.42
Units in issue (million)	134.69
Market capitalisation (ZAR'million)	1 583.95
Daily average volume of units traded	252 354

Unitholder diary

Financial year end	31 March 2014
Publication of financial results	22 May 2014
Final distribution paid to unitholders	17 June 2014
Annual report posted to unitholders	30 June 2014
Annual general meeting	6 August 2014

Distributions

Unitholders were given notice of a final distribution declaration number 1 of:

- 3.42 cents per unit pre-withholding tax
- 3.20 cents per unit post-withholding tax,

for the period from listing to 31 March 2014.

The final distribution was paid to unitholders on 17 June 2014. Withholding tax of 0.22 cents per unit was withheld from the distribution paid to non-Australian unitholders and was paid to the Australian Taxation Office.

King III checklist

Principle number	King III Code principle	Status	Cross-reference/comments
Ethical leadership and corporate citizenship			
1.1	The board should provide effective leadership based on an ethical foundation	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Compliance plan Investec values and ethics
1.2	The board should ensure that the Fund is and is seen to be a responsible corporate citizen	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Investec group policies
1.3	The board should ensure that the Fund's ethics are managed effectively	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Compliance plan Investec values and ethics
Board and directors			
2.1	The board should act as the focal point for and custodian of corporate governance	√	<ul style="list-style-type: none"> Code of corporate practice and conduct
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Audit and risk committee
2.3	The board should provide effective leadership based on an ethical foundation	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Compliance plan Investec values and ethics
2.4	The board should ensure that the Fund is and is seen to be a responsible corporate citizen	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Compliance plan Investec values and ethics
2.5	The board should ensure that the Fund's ethics are managed effectively	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Compliance plan Investec values and ethics
2.6	The board should ensure that the Fund has an effective and independent audit committee	√	<ul style="list-style-type: none"> Audit and risk committee Charter
2.7	The board should be responsible for the governance of risk	√	<ul style="list-style-type: none"> Audit and risk committee Risk management Board of directors
2.8	The board should be responsible for information technology (IT) governance	√	<ul style="list-style-type: none"> Audit and risk committee

King III checklist (continued)

Principle number	King III Code principle	Status	Cross-reference/comments
2.9	The board should ensure that the Fund complies with applicable laws and considers adherence to non-binding rules, codes and standards	√	<ul style="list-style-type: none"> • Audit and risk committee • Risk management • Compliance
2.10	The board should ensure that there is an effective risk-based internal audit	√	<ul style="list-style-type: none"> • Audit and risk committee • Risk management • Internal audit
2.11	The board should appreciate that stakeholders' perceptions affect the Fund's reputation	√	<ul style="list-style-type: none"> • Communication and stakeholder relations
2.12	The board should ensure the integrity of the Fund's integrated annual report	√	<ul style="list-style-type: none"> • Audit and risk committee • External audit • Board of directors
2.13	The board should report on the effectiveness of the Fund's system of internal controls	√	<ul style="list-style-type: none"> • Audit and risk committee • Internal control
2.14	The board and its directors should act in the best interests of the Fund	√	<ul style="list-style-type: none"> • Code of corporate practice and conduct • Responsible entity fiduciary duties • Board of directors • Investec values and ethics
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the Fund is financially distressed	√	It is unlikely that business rescue will be an eventuality. However, the Fund's policy in this regard is detailed in the corporate governance report
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the Fund should not also fulfil the role of the chairman	√	<ul style="list-style-type: none"> • Chairman is an independent non-executive director • A CEO has been appointed
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority	√	<ul style="list-style-type: none"> • Code of corporate practice and conduct • Board of directors
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	√	<ul style="list-style-type: none"> • Code of corporate practice and conduct • Board of directors
2.19	Directors should be appointed through a formal process	√	While directors are not appointed by unitholders, the appointment of a director occurs by way of resolution and through a letter of appointment
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	√	<ul style="list-style-type: none"> • Code of corporate practice and conduct • Board of directors

King III checklist (continued)

Principle number	King III Code principle	Status	Cross-reference/comments
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	√	<ul style="list-style-type: none"> Company secretary
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	√	<ul style="list-style-type: none"> Code of corporate practice and conduct Board of directors
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	√	<ul style="list-style-type: none"> Audit and risk committee
2.24	A governance framework should be agreed between the group and its subsidiary boards	N/A	<ul style="list-style-type: none"> Not applicable – the group has no subsidiary boards
2.25	The Fund should remunerate directors and executives fairly and responsibly	N/A	<ul style="list-style-type: none"> Not applicable – the Fund has no employees; executive directors are not remunerated by the Fund; directors of the Fund who are directors of IBAL are not remunerated by the Fund but are remunerated by IBAL for their services as directors of IBAL; non-executive directors' remuneration will be limited to reimbursement of expenses and directors' fees
2.26	The Fund should disclose the remuneration of each individual director	√	<ul style="list-style-type: none"> Directors' report
2.27	Unitholders should approve the Fund's remuneration policy	N/A	<ul style="list-style-type: none"> Not applicable – the remuneration policy of the directors is set by the directors but the shareholder of the Responsible Entity (being IBAL) may fix a limit on the amount of remuneration payable to the directors

Audit committee

3.1	The board should ensure that the Fund has an effective and independent audit and risk committee	√	<ul style="list-style-type: none"> Audit and risk committee
3.2	Audit and risk committee members should be suitably skilled and experienced independent non-executive directors	√	<ul style="list-style-type: none"> Audit and risk committee Directors
3.3	The audit and risk committee is to be chaired by an independent non-executive director	√	<ul style="list-style-type: none"> Audit and risk committee
3.4	The audit and risk committee should oversee integrated reporting	√	<ul style="list-style-type: none"> Audit and risk committee
3.5	The audit and risk committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	√	<ul style="list-style-type: none"> Audit and risk committee
3.6	The audit and risk committee should satisfy itself of the expertise, resources and experience of the Fund's finance function	√	<ul style="list-style-type: none"> Audit and risk committee report
3.7	The audit and risk committee should be responsible for overseeing Internal Audit	√	<ul style="list-style-type: none"> Audit and risk committee
3.8	The audit and risk committee should be an integral part of the risk management process	√	<ul style="list-style-type: none"> Audit and risk committee
3.9	The audit and risk committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	√	<ul style="list-style-type: none"> Audit and risk committee

King III checklist (continued)

Principle number	King III Code principle	Status	Cross-reference/comments
3.10	The audit and risk committee should report to the board and unitholders on how it has discharged its duties	√	<ul style="list-style-type: none"> Audit and risk committee report
The governance of risk			
4.1	The board should be responsible for the governance of risk	√	<ul style="list-style-type: none"> Audit and risk committee Board of directors
4.2	The board should determine the levels of risk tolerance	√	<ul style="list-style-type: none"> Audit and risk committee
4.3	The audit and risk committee should assist the board in carrying out its risk responsibility	√	<ul style="list-style-type: none"> Audit and risk committee
4.4	The board should delegate to management the responsibilities to design, implement and monitor the risk management plan	√	<ul style="list-style-type: none"> Audit and risk committee
4.5	The board should ensure that risk assessments are performed on a continual basis	√	<ul style="list-style-type: none"> Audit and risk committee Risk management
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	√	<ul style="list-style-type: none"> Audit and risk committee Risk management
4.7	The board should ensure that management considers and implements appropriate risk responses	√	<ul style="list-style-type: none"> Risk management Compliance plan
4.8	The board should ensure continual risk monitoring by management	√	<ul style="list-style-type: none"> Audit and risk committee Risk management
4.9	The board should receive assurance regarding the effectiveness of the risk management process	√	<ul style="list-style-type: none"> Audit and risk committee Risk management Investec group internal audit
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	√	<ul style="list-style-type: none"> Risk management
Governance of information technology			
5.1	The board should be responsible for information technology (IT) governance	√	Applied to the extent possible as the Fund will not have IT systems of its own but through a Services Agreement with the Manager, will make use of IBAL systems and will be governed by the IT governance framework of IBAL
5.2	IT should be aligned with the performance and sustainability objectives of the Fund	√	To be applied going forward – assisted by the Manager, the Responsible Entity ensures that the IT processes currently in place are aligned to the performance and sustainability objectives of the board
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	√	The board has not formulated an IT governance policy as the Fund does not have IT systems of its own. The IT governance framework of IBAL has been adopted
5.4	The board should monitor and evaluate significant IT investments and expenditure	√	Applied to the extent possible as the Fund will not have IT systems of its own but through a Services Agreement with the Manager, will make use of IBAL systems and will be governed by the IT governance framework of IBAL
5.5	IT should form an integral part of the Fund's risk management	√	<ul style="list-style-type: none"> Audit and risk committee

King III checklist (continued)

Principle number	King III Code principle	Status	Cross-reference/comments
5.6	The board should ensure that information assets are managed effectively	√	<ul style="list-style-type: none"> Compliance plan
5.7	The audit and risk committee should assist the board in carrying out its IT responsibilities	√	Applied to the extent possible as the Fund will not have IT systems of its own but through a Services Agreement with the Manager, will make use of IBAL systems and will be governed by the IT governance framework of IBAL
Compliance with laws, codes, rules and standards			
6.1	The board should ensure that the Fund complies with applicable laws and considers adherence to non-binding rules, codes and standards	√	<ul style="list-style-type: none"> Compliance
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Fund and its business	√	The board is assisted by the company secretary and its sponsors in this regard
6.3	Compliance risk should form an integral part of the Fund's risk management process	√	<ul style="list-style-type: none"> Compliance
6.4	The board should delegate to management the implementation of an effective compliance framework and processes	√	<ul style="list-style-type: none"> Audit and risk committee Compliance plan
Internal audit			
7.1	The board should ensure that there is an effective risk-based internal audit	√	The Fund will make use of the internal audit function of IBAL
7.2	Internal Audit should follow a risk-based approach to its plan	√	The Fund will make use of the internal audit function of IBAL
7.3	Internal Audit should provide a written assessment of the effectiveness of the Fund's system of internal controls and risk management	√	The Fund will make use of the internal audit function of IBAL
7.4	The audit and risk committee should be responsible for overseeing Internal Audit	√	The Fund will make use of the internal audit function of IBAL
7.5	Internal Audit should be strategically positioned to achieve its objective	√	The Fund will make use of the internal audit function of IBAL

King III checklist (continued)

Principle number	King III Code principle	Status	Cross-reference/comments
Governing stakeholder relationships			
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	√	<ul style="list-style-type: none"> • Communication and stakeholder relations
8.2	The board should delegate to management to proactively deal with stakeholder relationships	√	<ul style="list-style-type: none"> • Communication and stakeholder relations
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Fund	√	<ul style="list-style-type: none"> • Communication and stakeholder relations
8.4	Companies should ensure the equitable treatment of unitholders	√	<ul style="list-style-type: none"> • Communication and stakeholder relations • Compliance plan
8.5	Transparent and effective communication with stakeholders is essential to building and maintaining their trust and confidence	√	<ul style="list-style-type: none"> • Communication and stakeholder relations
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	√	<ul style="list-style-type: none"> • Board of directors • Communication and stakeholder relations
Integrated reporting and disclosure			
9.1	The board should ensure the integrity of the Fund's integrated report	√	The annual report has been signed off by the audit and risk committee and the board
9.2	Sustainability reporting and disclosure should be integrated with the Fund's financial reporting	√	<ul style="list-style-type: none"> • Sustainability report
9.3	Sustainability reporting and disclosures should be independently assured	X	This has not been done in the current year. Sustainability reporting is overseen by the audit and risk committee. This is a development area

Notice of annual general meeting

Investec Australia Property Fund

Incorporated and registered in Australia in terms of ASIC (ARSN 162 067 736)
Registered as a foreign collective investment scheme in terms of
the Collective Investment Schemes Control Act No.45 of 2003
Operated by Investec Property Limited (ACN 071 514 246; AFSL 290 909) (the Responsible Entity)
Share code: IAP / ISIN: AU60INL00018
(the Fund)



Directors of the Responsible Entity

Richard Longes ((independent non-executive chairman)
Graeme Katz (chief executive office)
Sally Herman (independent non-executive)
Michael Crawford (independent non-executive)
Sam Leon (non-executive)
Sam Hackner (non-executive)

Notice is given that the annual general meeting of unitholders of the Fund (the Meeting) will be held at:

Time: 18:00 (Sydney)/10:00 (Johannesburg)

Date: 6 August 2014

Place:

- Boardroom, Level 23, The Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia; and
- 2nd Floor Executive Boardroom, 100 Grayston Drive, Sandown, Sandton 2196, South Africa.

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

Business of the Meeting

Ordinary Business

Item 1 Directors' report and financial statements

To receive and consider the annual financial report, directors' report, the report of the audit and risk committee and the auditor's report in relation to the Fund for the period from 12 December 2012 to 31 March 2014.

Item 2 Resolutions

Resolution 1 Special Resolution No. 1: On-market re-purchase or buy-back of units

To consider and, if thought fit, pass the following resolution as special resolution of the Fund:

RESOLVED THAT the Responsible Entity is authorised by way of a general authority to re-purchase or buy-back units in the Fund (Units) from any person at any time before the anniversary of the passing of this resolution, upon such terms and conditions and in such number as the Responsible Entity determines, where such re-purchase or buy-back is permitted under, and undertaken in compliance with, the constitution of the Fund (Constitution), the Corporations Act 2001 Cth Australia (Act) (including as modified by Instrument 13-0380) and the listings requirements of the JSE Limited (JSE listings requirements). Any such re-purchase or buy-back will not in aggregate before the anniversary of the passing of this resolution exceed 20% (twenty percent) of the Fund's issued unit capital of that class in any 1 (one) financial year.

The Responsible Entity considers it beneficial to obtain the authority to enable the Fund to take advantage of any business opportunity that may arise in future.

This resolution is a special resolution. To be passed, it must be approved by at least 75% (seventy-five percent) of the total votes cast by unitholders voting on the resolution (including unitholders who are voting by proxy).

Resolution 2 Special Resolution No. 2: Issue of Units for cash

To consider and, if thought fit, pass the following resolution as special resolution of the Fund:

RESOLVED THAT to the extent required by, and subject to the listings requirements of the JSE listings requirements, the Constitution and the Act, the Responsible Entity is authorised by way of a general

authority, which authority shall not extend beyond the date of the next annual general meeting of the Fund to be held in 2015 or the date of the expiry of 15 (fifteen) months from the date of the annual general meeting of the Fund convened for 6 August 2014, whichever period is shorter, to issue 13 468 500 (thirteen million four hundred and sixty-eight thousand five hundred) Units for cash (i.e. other than by way of rights offer, to the existing unitholders in proportion to their then existing holdings) which represents 10% (ten percent) of the number of the Units issued at the date of this notice of annual general meeting, subject to the limitations as required by the JSE listings requirements from time to time, the JSE listings requirements provide, *inter alia*, that:

- a press announcement giving full details, including the impact on net asset value and earnings per Unit, will be published at the time of an issue of Units for cash representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of Units in issue prior to such issue;
- the issue of Units for cash in the aggregate in any 1 (one) financial year will not exceed 15% (fifteen percent) of the number of the Units in issue, including instruments which are compulsorily convertible;
- in determining the price at which an issue of Units may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of the Units in question as determined over the 30 (thirty) business days prior to the date that the price of the issue

Notice of annual general meeting (continued)

is agreed to between the Responsible Entity and the party subscribing for the Units; and

- (iv) the Units issued for cash must be issued to persons qualifying as 'public shareholders', as defined in the JSE listings requirements, and not to 'related parties'. The Responsible Entity is seeking an authority to issue up to 13 468 500 (thirteen million four hundred and sixty-eight thousand five hundred) Units for cash which represents 10% (ten percent) of the number of the Units issued at the date of this notice of annual general meeting, which is in line with the 15% (fifteen percent) permitted in terms of the JSE listings requirements. The authority will be exercised subject to the provisions of the Act, the Constitution and the JSE listings requirements.

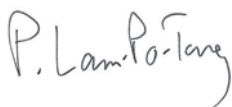
The Responsible Entity considers it beneficial to obtain the authority to enable the Fund to take advantage of any business opportunity that may arise in future.

This resolution is a special resolution for the purposes of the Act and an ordinary resolution for the purposes of the JSE listings requirements. To be passed, it must be approved by at least 75% (seventy-five percent) of the total votes cast by unitholders voting on the resolution (including unitholders who are voting by proxy).

Recommendation

The board of the Responsible Entity has duly considered the implications of the resolutions and is satisfied that they are in the best interests of unitholders as a whole and recommends that unitholders vote in favour of the resolutions.

By order of the board of Investec Property Limited as responsible entity of the Investec Australia Property Fund



Paul Lam-Po-Tang
Company secretary

27 June 2014

Notes relating to voting

Voting entitlement

The directors of the Responsible Entity have determined that for the purposes of determining voting entitlement at the Meeting, Units will be taken to be held by persons who are registered as unitholders on Friday, 25 July 2014 at 18:00 (Sydney time)/10:00 (Johannesburg time).

How do you exercise your right to vote?

The vote on each resolution will be decided on a show of hands or a poll as determined by the chairman subject to any requirements of the Act, the Constitution and, to the extent that it is not inconsistent with the Act and the JSE listings requirements.

In a resolution of the Fund determined by a show of hands, each unitholder present in person or by proxy has one vote. If your Units are jointly held, only one of the joint holders is entitled to vote on a show of hands.

In a resolution of the Fund determined by poll, each unitholder present in person or by proxy has one vote for every dollar of the total interest 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 Johannesburg Stock Exchange on Friday, 25 July 2014.

Voting as a proxy

If a person is acting as a proxy, in a resolution of the Fund determined by a show of hands, the person is entitled to vote in the following way:

- If, on a poll, the person would have cast all votes in the same voting direction, the person is entitled to one vote only
- If, on a poll, the person would have cast votes in different directions, the person is entitled to one vote in each direction.

Jointly held Units

If your Units are jointly held, only one of the joint holders 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 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 18:00 (Sydney time) on Monday, 4 August 2014 or by Computershare Investor Services (Pty) Ltd by 10:00 (Johannesburg time) on Monday, 4 August 2014, being 48 hours before the Meeting.

If you plan to attend the Meeting, we ask that you arrive 15 minutes prior to the time designated for the Meeting so that we may check the value of your Units against the register of unitholders 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 Act. The appointment must be received by the Responsible Entity by 18:00 (Sydney time) on Monday, 4 August 2014 or by Computershare Investor Services (Pty) Ltd by 10:00 (Johannesburg time) on Monday, 4 August 2014, being 48 hours before the Meeting. Alternatively, the representative must bring to the 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 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 or more 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. Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.

A Proxy Form must be signed by the unitholder or their attorney or, in the case of a corporation, executed under its common seal, by any two 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 Proxy Form 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 Proxy Form 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 Meeting, in accordance with section 253B (for the meeting of the Trust) of the Act

- the instrument appointing the corporate representative is received by the Responsible Entity at its registered office by 18:00 (Sydney time) on Monday, 4 August 2014 or by Computershare Investor Services (Pty) Ltd by 10:00 (Johannesburg time) on Monday, 4 August 2014, being 48 hours before the Meeting.

Proxy Forms along with any document of appointment should be completed and returned by no later than 18:00 (Sydney time) on 4 August 2014 or 10:00 (Johannesburg time), being 48 hours before the Meeting.

To ensure that all unitholders can exercise their right to vote on the resolutions, a Proxy Form is attached together with a reply paid envelope. You can lodge the Proxy Form by sending it in the reply paid envelope or otherwise posting or delivering to:

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001
PO Box 61051
Marshalltown 2107
South Africa

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the Proxy Form. 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 attached Proxy Form for further instructions.

The chairman of the Meeting is deemed to be appointed where a signed Proxy Form 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 poll on a resolution, the chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.

If the chairman of the Meeting is your proxy, you can direct the chairman of the 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 chairman 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

Proxy Form

Investec Australia Property Fund

ARSN 162 067 736
(the Fund)



I/We (full name in BLOCK LETTERS) _____

of (full address) _____

being a unitholder/unitholders of the Fund and entitled to attend and vote, appoint:

(full name in BLOCK LETTERS) _____

of (full address) _____

(or, in his or her absence, or if no person is named, the Chairman of the Meeting) as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Fund to be held on 6 August 2014 and at any adjournment of the Meeting and to demand a poll.

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

Proportion of votes % or Number of votes (see note 2 overleaf).

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 Chairman will be used in support of the specific matters set out in the notice of Meeting.

		For	Against	Abstain
1	On-market re-purchase or buy-back of Units			
2	Issue of Units for cash			

PLEASE SIGN

Individual or Member 1

Member 2

Member 3

Sign here ► _____
 Individual/Sole Director and
 Sole Company secretary
(delete whichever does not apply)

_____ Director

_____ Company secretary/Director
(delete whichever does not apply)

Date _____

Please read the notes that follow.

Notes to the Proxy Form

1. Any instrument appointing a proxy in which the name of the appointee is not filled is regarded as given in favour of the chairman.
2. A unitholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the unitholder. An additional Proxy Form will be supplied by the Fund on request. Where two proxies are appointed, both Proxy 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. A proxy need not be a unitholder of the Fund.
4. 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 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 Proxy Form is signed by a person who is not the registered holder of Units in the Fund, then the relevant authority must be enclosed with the Proxy Form unless it has previously been provided to the Fund.
5. The Proxy Form and authority (if any) under which it is signed must be deposited at:

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001
PO Box 61051
Marshalltown 2107
South Africa,

not less than 48 hours before the time for holding the Meeting. Unless this is done the proxy will not be treated as valid.

Corporate information

Investec Australia Property Fund

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

Internet address

www.investecaustraliapropertyfund.co.za

Directors of the Responsible Entity

Richard Longes[#] (Chairman)
Michael Crawford[#] (Non-executive)
Sam Hackner (Non-executive)
Sally Herman[#] (Non-executive)
Graeme Katz (Executive)
Samuel Leon (Non-executive)
David Gonski[#] (Non-executive)
(resigned 31 March 2014)

[#] Independent

Directors of the Manager

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

Company secretary of the Responsible Entity

Paul Lam-Po-Tang
(BCom, LLB)

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

Australia:

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

Local representative office:

2nd Floor
100 Grayston Drive
Sandown
Sandton
2196
South Africa

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

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

Manager

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

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)
South Africa
Phone: +27 11 370 5159

Sponsor

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

Custodian

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

Independent Party

FirstRand Bank Limited
1st Floor
Bank City, 3 FirstPlace
Corner Simmonds and Jeppe Streets
Johannesburg, 2001
(PO Box 7713, Johannesburg, 2000)
South Africa

For queries regarding information in this document:

Investor Relations

Telephone (27 11) 286 7070
Email: investorrelations@investec.com
Internet address: www.investec.com/en_za/#home/investor_relations.html

Preparer

This integrated report and financial statements have been prepared under the supervision of the chief financial officer, Jason Sandler, CA (ICAA).

Important disclosures

Investec Property Limited (IPL) ABN 93 071 514 246 (Investec Property) AFS licence 290909 is the Responsible Entity for the Investec Australia Property Fund (the Fund) ARSN 162 067 736, an Australian registered managed investment scheme registered in South Africa as a Foreign Collective Investment Scheme (CIS) and listed on the JSE Limited.

IPL is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). Neither investments in the Fund nor IPL's obligations represent deposits or other liabilities of Investec Bank (Australia) Limited ABN 55 071 292 594 (Investec Bank) or any Investec group entity. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither Investec Bank nor any Investec group entity: (i) guarantee or otherwise provide assurance in respect of the obligations of IPL; (ii) guarantee any particular rate of return or the performance of the Fund, or (iii) guarantee the repayment of capital from the Fund.

