

MEDIA RELEASE

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Investec Australia Property Fund rights issue closes fully subscribed

The Investec Australia Property Fund (IAPF or the fund) closed its capital raising on Friday fully subscribed - raising approximately \$120 million from existing investors by way of a rights issue.

The capital raised from the rights issue will be used to complete the acquisition announced in July of an office tower at 757 Ann Street, Brisbane and to pay down debt so that the fund will be ungeared. The capital raised will provide the fund with approximately \$135 million of additional acquisition capacity at its desired gearing level of 35%.

IAPF CEO Graeme Katz said: "We are extremely pleased with the reception from investors following the rights issue, particularly given the volatility of global markets in recent weeks. In spite of the broader macroeconomic uncertainty that continues to play out, investors clearly believe in the investment philosophy of the fund, and in the value presented by the Australian commercial property market in general."

Mr Katz said investors were already seeing value from the additional capital raised, following the announcement last week of the acquisition of an industrial property in Berrinba in Brisbane's southern fringes.

"We have already begun deploying the additional capacity created as a result of the rights offer to fund new acquisitions, such as the industrial property at Berrinba," he said. "This acquisition fits firmly within the fund's existing asset base of high-quality metropolitan office and industrial properties with good quality tenants. In addition, the acquisition yield of 8.34% locks in an attractive positive spread over our funding costs of 4.70%."

"The rights issue results in the fund being ungeared, which will allow us to further expand the portfolio in the near future without having to secure additional funding in advance. Being able to move quickly to secure investment opportunities as they arise will put the fund at a strong competitive advantage," he said.

IAPF was listed on the Johannesburg Stock Exchange in October 2013, and allows South African investors access to the Australian property market.

On completion of the Ann Street and Berrinba acquisitions, the fund's portfolio will comprise seven industrial and five office properties, all located in established commercial precincts within major metropolitan areas. The fund's market capitalisation is now approximately \$273 million.