

MEDIA RELEASE

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**Investec Australia Property Fund announces AUD120 million rights offer**

Further to the announced office acquisition of 757 Ann Street in Brisbane for AUD 70 million (including costs) in July this year, the Investec Australia Property Fund ('IAPF' or 'the Fund') confirms details of a renounceable rights offer ('Offer') to existing unitholders of AUD120 million. The Offer will run from 6 to 17 October and is attractively priced at a 6.1% discount to the closing price of IAPF stock prior to the Offer announcement.

IAPF CEO Graeme Katz said: "The Fund has experienced asset growth of 86% since listing in October 2013 through the execution of three quality transactions. The rights offer allows us to complete our third major acquisition."

The Offer entitles investors to 83.08 shares in return for every 100 IAPF shares held. The rights to this Offer will be tradable on the JSE, and these rights commence trading on Monday 29 September. The proceeds raised through the Offer will be used to complete the Ann Street acquisition with the remainder earmarked to pay down existing debt to create further acquisition capacity. "Following the rights issue the Fund will be once again ungeared. This will allow us to pursue attractive acquisition opportunities, as we have done since listing, especially those not conditional on funding, therefore placing the Fund at a competitive advantage," explained Graeme Katz.

The Fund remains positive about the Australian property market prospects and although there has been cap rate compression since the listing of IAPF, acquisition opportunities are being accessed through the Investec network at yields of between 7% and 8% and present a significant positive spread to IAPF's current cost of debt of approximately 5%.

Katz added: "The Fund has performed well relative to both local and international markets. With a healthy pipeline of acquisitions and the ability to provide a rand hedge into top tier real estate, we expect a positive market response to the Offer."

IAPF was listed on the JSE in October 2013 under the Real Estate Holdings and Development sector and allows South African investors access to the Australian property market. Subsequent to the completion of the Ann Street acquisition and the rights offer, the portfolio of AUD245 million of assets will boast six industrial and five office properties, all located in established commercial precincts within major metropolitan areas, tenanted largely by quality corporates with long lease profiles and contractual escalations.