

MEDIA RELEASE

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**Investec Australia Property Fund rights issue oversubscribed**

Investec Australia Property Fund ("IAPF" or the "Fund") is pleased to announce that its rights offer, which closed on 19 February 2016, was completed successfully and oversubscribed. The Fund announced on 22 January 2016 that it was pursuing a partially underwritten rights offer to raise up to ZAR690,000,000 (AUD60 million) in order to partially fund recently announced acquisitions.

In the current market environment the appetite for the rights offer is a vote of confidence in IAPF's investment case and is also indicative of the value investors are placing in offshore exposure. IAPF CEO Graeme Katz said: "We are extremely pleased with the response from investors following the successful rights issue, particularly given significant market volatility. This signals ongoing confidence in the Fund's investment philosophy and the attractive opportunities presented in the sophisticated Australian commercial property market. We have worked hard over the last two years acquiring high quality assets for the Fund and we'll continue to deliver on our strategy and create sustainable value for shareholders."

The capital raise followed a successful year of portfolio enhancing property acquisitions. In total the Fund completed approximately AUD 160 million of acquisitions, focusing on adding high quality assets to their already attractive portfolio. The acquisitions saw the Fund increasing its asset base to just over AUD 460 million.

The proceeds from the rights issue are earmarked to reduce gearing from 45% to 31%. This headroom created will enable the Fund to continue its deliberate acquisitive strategy adopted since listing and retain its ability to be nimble in pursuing attractive opportunities in the competitive Australian market.

IAPF, which listed on the Johannesburg Stock Exchange in October 2013, provides South African investors access to the established Australian property market. The Fund offers attractive yield spreads, as illustrated by the 8.1% yield received by investors through the rights issue, versus approximately 7% offered by the South African Property Yield (SAPY). IAPF also provides investors with a rand hedge, which is not only highly beneficial given the significant depreciation of the rand against the Australian dollar, but affords unitholders distributions in "hard currency".

The Fund has produced consistent distribution growth since listing. In their last interim results, IAPF delivered 20% growth in rand terms and in the process creating significant value for shareholders. From inception, the Fund's entrepreneurial management team has focused on acquiring best-of-breed assets, often secured through off-market transactions via the extensive Investec network. With sound Australian macroeconomic fundamentals remaining supportive of a continued robust property market, the Fund is well placed to continue on its current impressive growth trajectory.