

INVESTEC AUSTRALIA PROPERTY FUND

Operated by Investec Property Limited (ACN 071 514 246; AFSL 290 909) (“Responsible Entity”) and registered in Australia as a managed investment scheme under the Corporations Act 2001 (Cth) (Australia) (ARSN 162 067 736)

Registered in terms of the Collective Investment Schemes Control Act No.45 of 2003

Share code: IAP

ISIN: AU60INL00018

(“IAPF” or the “Fund”)

VOLUNTARY ANNOUNCEMENT – ACQUISITION OF NEW PROPERTY

1. Acquisition

Unitholders are advised that the Fund has entered into and completed a contract for sale with Westtech Holdings Pty Limited (ABN 44 113 585 069) to acquire an office building located at 24 Wormald Street, Symonston ACT 2609 (**Property**).

The effective date of the acquisition of the Property is the settlement date under the contract for sale which is today's date, being 12 March 2019.

2. Purchase consideration

The purchase consideration is AUD 29,750,000 which represents an initial passing yield of 6.93% (6.55% post all transaction costs).

The purchase consideration and all transaction costs have been funded through the existing syndicated debt facility with Westpac Banking Corporation and Australia and New Zealand Banking Group Limited at a margin of 110 basis points for a 12 month term. The Fund's gearing post the acquisition of the Property will be 38.93% with a weighted average cost of debt of 3.86% and hedged to 77.00% for an average of 5.3 years.

3. Rationale for acquisition of the Property

The acquisition of the Property is consistent with the Fund's strategy of investing in well located, high quality assets. The Responsible Entity is actively seeking opportunities to grow and diversify the Fund's asset base, enhance unitholder value and contribute to sustainable income growth. The acquisition of the Property represents an attractive investment for the Fund for the following reasons:

- Long term contracted income with a lease expiry of 8.5 years and fixed escalations of 3.5% per annum
- Strong covenant, 100% leased to Commonwealth of Australia (Attorney-General's Department)
- Purpose built facility constructed in 2007 to the specification of the Commonwealth of Australia with a high level of plant redundancy
- On-site car parking for 113 vehicles
- Sophisticated corporate tenants in immediate precinct including Telstra, Aristocrat, Australian Pesticides and Veterinary Medicines Authority, Canberra Eye Hospital and WOTSO
- The purchase price represents a rate per m² of AUD 6,303 which is below recent comparable sales
- Purchase price is at a discount to replacement cost of approximately 11%
- The Property is located in close proximity to key arterial road networks: Canberra Avenue (300m), Monaro Highway (1.2km) and Hindmarsh Drive (1.3km)
- The acquisition is accretive to the Fund

4. Specific information relating to the Property

Registered description	Certificate of Title Volume 1744 Folio 73
Title	99 year Crown leasehold (commenced in 2005)
Sector	Office
Location	Symonston, 7 kms south east of the Canberra CBD
Year built	2007
Site area	5,185m ²
Gross lettable area	4,720m ²
Rent per m ²	AUD 453/m ² (gross office rent)
Vacancy	0%

The Property has been valued at AUD 29,750,000 as at 8 February 2019 by Savills Valuations Pty Ltd (ABN 73 151 048 056). The valuer, Philip Harding, is an independent valuer and is recognised by The Australian Property Institute as a Certified Practising Valuer.

5. Categorisation

The acquisition is not a categorised transaction in terms of the JSE Listings Requirements and is therefore not subject to unitholder approval. This announcement is voluntary and for information purposes only.

Johannesburg
12 March 2019

Financial Advisor and Sponsor
Investec Bank Limited