



Investec Australia Property Fund 2015

Reviewed preliminary condensed consolidated financial results
for the year ended 31 March 2015



Highlights

Final distribution of
4.15cpu pre WHT
9.1% annualised growth

Full year distribution of
8.18cpu pre WHT
7.6% annualised growth

Portfolio growth of 178%
2.8x growth since listing

AUD156mn (77%)
of rights offer capital
deployed in six months –
strongly acquisitive in
very competitive market

Fund geared at 27%*
Geared growth effect
materialised

Strong underlying
property fundamentals
6.4 years WALE
1.3% vacancy

Quality tenant base supports
sustainable earnings
98.7% leased

9.7%** NAV growth
since listing – driven
by underlying property
performance

Historically low funding
rates locked in
4.15% all in funding rate
and 100% hedged

FY16 guidance
10% to 12%
growth pre WHT

Successful
execution of
strategy outlined
on listing

* Post Glendenning acquisition (valued at AUD19.2mm).

** Pre-transaction costs.

Operational KPIs*

Number of properties

2015	2014
17	9

Property portfolio

2015	2014
AUD361mn	AUD154mn

Gross lettable area

2015	2014
125 118m ²	54 249m ²

Weighted average lease expiry (by income)

2015	2014
6.4 years	7.3 years

Weighted average escalations

2015	2014
3.4%	3.5%

Occupancy rate

2015	2014
98.7%	99.5%

Units in issue

2015	2014
246 581 298	134 685 000

Financial KPIs

Distribution per unit pre WHT

2015	2014
8.18	7.60

Distribution per unit post WHT

2015	2014
7.88	7.10**

Cost to income ratio

2015	2014
13.2%	14.8%

Gearing

2015	2014
27%^	14%

Funding costs

2015	2014
4.15%	4.69%

Weighted average debt expiry

2015	2014
4.8 years	2.0 years

Weighted average swap expiry

2015	2014
5.5 years	1.9 years

Hedged position

2015	2014
100%	100%

* Post Glendenning acquisition (valued at AUD19.2 mn)

** Annualised

^ Gearing post the distribution in June will be approximately 30%

Condensed consolidated statement of profit or loss and other comprehensive income

AUD'000	Notes	Reviewed year ended 31 March 2015	Audited period from 12 December 2012 to 31 March 2014
Revenue, excluding straight-line rental revenue adjustment		22 180	10 129
Straight-line rental revenue adjustment		2 040	1 051
Revenue		24 220	11 180
Property expenses		(2 867)	(1 498)
Net property income		21 353	9 682
Fair value adjustments – investment property	2	2 051	(18)
Other operating expenses		(2 500)	(941)
Operating profit		20 904	8 723
Finance costs		(4 803)	(1 388)
Finance income		195	152
Other income		46	6
Total comprehensive income and profit for the period		16 342	7 493
Number of units			
Units in issue at the end of the period		246 581	134 685
Weighted average number of units in issue for the period		190 633	57 214
Basic and diluted earnings per unit (cents)	3	8.84	13.10

Condensed consolidated statement of financial position

AUD'000	Note	Reviewed 31 March 2015	Audited 31 March 2014
ASSETS			
Non-current assets		342 130	154 381
Investment property		342 130	154 364
Financial instruments held at fair value		–	17
Current assets		3 609	6 657
Cash and cash equivalents		2 361	6 370
Trade and other receivables		1 248	287
Total assets		345 739	161 038
EQUITY AND LIABILITIES			
Unitholders' interest		248 704	132 058
Contributed equity		246 496	131 025
Retained earnings		2 208	1 033
Total unitholders' interest		248 704	132 058
Non-current liabilities		81 652	22 185
Long-term borrowings		78 752	22 185
Financial instruments held at fair value	4	2 900	–
Current liabilities		15 383	6 795
Trade and other payables		5 157	2 193
Distributions payable		10 226	4 602
Total equity and liabilities		345 739	161 038
Units in issue		246 581	134 685
Net asset value per unit (cents)		100.86	98.05

Condensed consolidated statement of cash flows

AUD'000	Reviewed year ended 31 March 2015	Audited period from 12 December 2012 to 31 March 2014
Cash generated from operations	18 832	9 543
Finance income received	195	135
Finance costs paid	(1 856)	(1 329)
Distribution paid to unitholders	(14 533)	(1 858)
Net cash inflow from operating activities	2 638	6 491
Net cash outflow used in investing activities	(183 675)	(153 331)
Net cash inflow from financing activities	177 028	153 210
Net (decrease)/increase in cash and cash equivalents	(4 009)	6 370
Cash and cash equivalents to beginning of the period	6 370	–
Cash and cash equivalents at the end of the period	2 361	6 370

Condensed consolidated statement of changes in equity

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
Profit for the period	–	16 342	16 342
Total comprehensive income	–	16 342	16 342
Transaction with unitholders in their capacity as unitholders			
Issue of ordinary units	120 462	–	120 462
Distributions paid/payable to ordinary unitholders	(4 991)	(15 167)	(20 158)
Balance at 31 March 2015	246 496	2 208	248 704

Condensed segmental information

AUD'000	Office	Industrial	Total
Statement of profit or loss and other comprehensive income 2015			
Revenue from external customers, excluding straight-line rental revenue adjustment	16 179	6 001	22 180
Straight-line rental revenue adjustment	1 493	547	2 040
Property expenses	(2 228)	(639)	(2 867)
Segment results	15 444	5 909	21 353
Net investment property revaluation	2 312	(261)	2 051
Total segment results	17 756	5 648	23 404
Statement of financial position extracts at 31 March 2015			
Investment property balance 1 April 2014	105 254	49 110	154 364
Acquisitions	137 941	45 734	183 675
Straight-line rental revenue receivable	1 493	547	2 040
Fair value adjustments	2 312	(261)	2 051
Investment property at 31 March 2015	247 000	95 130	342 130
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	1 052
Property expenses	(824)	(674)	(1 499)
Segment results	3 695	5 987	9 682
Net investment property revaluation	(480)	462	(18)
Total segment results	3 215	6 449	9 664
Statement of financial position extracts at 31 March 2014			
Investment property balance 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

Notes to the reviewed preliminary condensed consolidated financial results

AUD'000	Notes	Reviewed year ended 31 March 2015	Audited period from 12 December 2012 to 31 March 2014
1. Distribution reconciliation			
Profit and total comprehensive income for the period		16 342	7 493
Less: Straight-line rental revenue adjustment		(2 040)	(1 051)
Add back: Fair value adjustments – investment property		(2 051)	18
Add back: Fair value adjustments – derivatives		2 917	–
Antecedent distribution	a	4 991	–
Total distributable earnings		20 159	6 460
Less: Pre-listing distribution paid		–	(1 858)
Less: Interim distribution paid		(9 932)	–
Final distribution pre withholding tax		10 227	4 602
Withholding tax paid/payable to the Australian Taxation Office		(460)	(290)
Final distribution post withholding tax		9 767	4 313
Number of units			
Units in issue at the end of the period		246 581	134 685
Weighted average number of units in issue for the period		190 633	57 214
Cents			
Final distribution per unit (cents) (pre withholding tax)		4.15	3.42
Interim distribution per unit (cents) (pre withholding tax)		4.03	–
Total distribution per unit (cents) (pre withholding tax)	a	8.18	3.42
Final distribution per unit (cents) (post withholding tax)		3.96	3.20
Interim distribution per unit (cents) (post withholding tax)		3.92	–
Total distribution per unit (cents) (post withholding tax)	a	7.88	3.20
Basic and diluted earnings per unit for the period	b	8.57	13.10
Basic and diluted headline earnings per unit for the period	b	9.77	13.13

(a) The full year and half year distributions include the antecedent distribution associated with the rights offer which was completed in October 2014. This amounts to AUD5.0mn.

(b) The annualised basic and diluted earnings per unit and the headline earnings per unit for the period from listing to 31 March 2014 was 8.27 cents per unit and 8.28 cents per unit respectively.

2. Fair value adjustment of investment property

The Fund's policy is to value investment properties at year-end, with independent valuations performed on a rotational basis to ensure each property is valued at least every 24 months by an independent external valuer (in compliance with the Fund's debt facility). Where directors' valuations are performed, the valuation methods include using the discounted cash flow model and the capitalisation model.

Revaluations were performed at year-end by independent valuers for all properties held by the Fund prior to the rights offer which took place in October 2014. Independent external valuations were obtained at the time of acquisition for all of the Fund's acquisitions during the year.

Tightening yields across all sectors contributed to strong valuation uplifts for the properties that were revalued. These properties recorded a AUD14.2mn (7.9%) uplift in value. This was offset by the write off of AUD10.1mn of transaction costs associated with the more recent acquisitions. Total net revaluations for the current year amounted to AUD2.05mn as set out below:

AUD'000	Reviewed year ended 31 March 2015	Audited period from 12 December 2012 to 31 March 2014
Gross investment property fair value adjustment	4 091	1 033
Less: Straight-line rental revenue adjustment	(2 040)	(1 052)
Total fair value adjustment – investment property	2 051	(18)
Fair value adjustment on interest rate swap	(2 917)	17
Net fair value adjustments	(866)	(1)
3. Headline earnings reconciliation		
Profit and total comprehensive income for the period	16 342	7 493
Add back: Fair value adjustments – investment property	2 051	18
Headline earnings	18 393	7 512
Basic and diluted headline earnings per unit (cents)	9.65	13.13

4. Working capital management

The Fund utilises its monthly cash flows to pay down its debt facility whilst maintaining the facility limit. The Fund will draw this cash back from the debt facility in order to pay its final distribution in June 2015. This results in the most efficient use of the Fund's strong cash flows. The current undrawn facility limit is AUD11.0mn and the Fund has the ability to draw on this unconditionally.

5. Related party transactions

The Fund entered into the following significant related party transactions during the year with the Investec Group and its subsidiaries:

Transaction with related parties (AUD'000)	31 March 2015	31 March 2014
<i>Payments to Investec Group and its subsidiaries:</i>		
Investec Property Management Pty Limited		
Asset management fee	1 583	439
Property management fee*	320	61
Leasing fee	41	–
Investec Bank Limited		
Sponsor fee	10	10
Capital raising fees and listing costs	888	2 160
<i>Receipts from Investec Group and its subsidiaries:</i>		
Investec Australia Limited		
Payments to the Fund under income support arrangements**	1 161	834

* Investec Property Management Pty Limited (IPMPL) has been contracted to perform property management services. IPMPL has sub-contracted this to third party property managers who receive this fee from IPMPL.

** The two tenancies that were the subject of these income support arrangements have now been leased to third parties.

6. Financial instruments

Financial instruments held at fair value consist of interest rate swaps, which are classified as level 2. These are valued using valuation models which use market observable inputs such as quoted interest rates. No other financial instruments are carried at fair value.

7. Comparative period

The comparative period results presented cover the 15-month period from 12 December 2012 (being the date the Fund was established) to 31 March 2014; however, the period relevant to unitholders is from the listing date (being 24 October 2013) to 31 March 2014. Therefore, the comparative results are limited in their comparability with the current preliminary results.

Commentary

Introduction

Investec Australia Property Fund (“the Fund”) is the first inward-listed Australian REIT on the JSE. It is an income-producing fund that operates in a stable and developed market. The Fund currently comprises 17 properties in Australia with a total gross lettable area (“GLA”) of 125 118m² and a portfolio value of AUD361.3mn, post the Glendenning acquisition.

The Fund aims to maximize sustainable returns to unitholders by investing in quality office, industrial and retail properties in Australia, giving unitholders exposure to the Australian real estate market.

Financial results

The results below are the outcome of the successful implementation of the strategy outlined at listing, namely:

- Acquiring quality real estate, backed by solid property fundamentals:
 - good location, strong tenant covenants, contractual escalations, new or near new buildings or limited capital expenditure requirements with attractive depreciation shields
- Deploying the gearing capacity from the listing and subsequent equity capital raised quickly and effectively, by accessing off-market transactions and benefiting from the positive spread between property yields and cost of debt, locking in near all-time low interest and credit spreads through conservative and effective balance sheet and interest rate management

The board of directors of Investec Property Limited (“IPL”) is pleased to announce a 9.1% increase in the pre withholding tax final distribution to 4.15 cents per unit (2014: 3.80cpu annualised) bringing the total distribution for the year to 8.18 cents per unit pre withholding tax (2015: 7.60cpu annualised), representing growth for the full year of 7.6%.

The Fund is also reporting an 11.6% increase in the post withholding tax final distribution to 3.96 cents per unit. This brings the total post withholding tax distribution for the year to 7.88 cents per unit, representing growth for the full year of 11.0% post withholding tax. The effective rate of withholding tax on the distribution has been impacted by the antecedent distribution (which is not subject to withholding tax) and once off tax deductions which are not expected to be repeated in future years. The normalised distribution per unit post withholding tax without the effect of these once off items would have been approximately 7.73 cents per unit representing normalised growth of 8.8% post withholding tax.

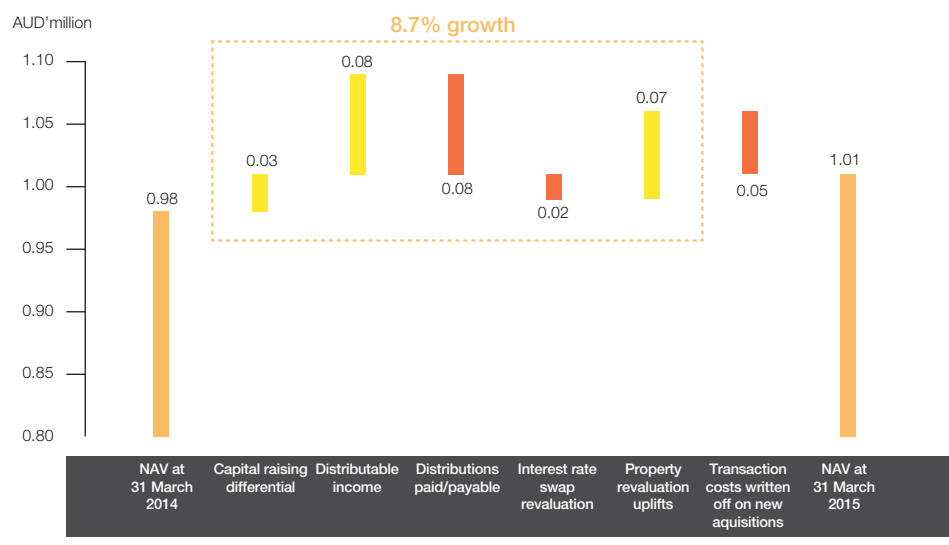
The Fund’s second half results are of particular importance, given that it is the first period for which comparable results have been presented since listing in October 2013. The Fund’s average level of gearing during the year was 17.4% (2014: 2.9%), which when combined with the spread of property yield over cost of debt of approximately 4%, has led to the 9.1% distribution growth for the six-month period and 7.6% for the full year.

Distribution growth – pre WHT

Cents per unit	H2	Full year
2014 annualised	3.80	7.60
2015	4.15	8.18
+/-	9.1%	7.6%

The Fund also recorded good asset value growth on the back of strong revaluations across the portfolio (7.8% uplift year on year). This, along with the strong performance of the property portfolio as a whole, has translated into NAV growth of 8.7% year on year and 9.7% since listing, pre transaction costs. The NAV growth post transaction costs (largely stamp duty of approximately 5.5% of transaction value) is diluted to 3.4% due to the extent of acquisitive growth that the Fund has experienced from its portfolio of AUD154.4mn last year.

Net asset value bridge



Properties

The Fund currently has a core portfolio of 17 quality and well located properties. The strength of the property fundamentals is evidenced by a long dated WALE of 6.4 years with 64% of leases expiring after five years. The portfolio currently has 98.7% occupancy, strong tenant covenants and attractive average rental escalations of approximately 3.4% per annum.

Property

	Sector	Book value (AUD)	% of portfolio by value	Total area (m ²)	% of portfolio by area	Cap rate %
Industrial portfolio						
48 Hawkins Crescent, Ipswich QLD	Industrial	3 580 000	1.0	2 045	1.6	8.00
47 Sawmill Circuit, Hume ACT	Industrial	10 400 000	2.9	5 535	4.4	7.25
57 Sawmill Circuit, Hume ACT	Industrial	9 100 000	2.5	7 079	5.7	7.75
24 Sawmill Circuit, Hume ACT	Industrial	9 400 000	2.6	6 300	5.0	7.75
44 Sawmill Circuit, Hume ACT	Industrial	9 500 000	2.6	4 639	3.7	8.75
2 – 8 Mirage Rd, Direk SA	Industrial	10 000 000	2.8	6 782	5.4	8.00
<i>Industrial assets acquired during the year</i>						
30 – 48 Kellar Street, Berrinba QLD	Industrial	8 200 000	2.3	4 102	3.3	8.34*
165 Newton Road, Wetherill Park NSW	Industrial	18 500 000	5.1	12 529	10.0	7.86*
24 Spit Island Close, Newcastle NSW	Industrial	8 350 000	2.3	5 258	4.2	8.04*
67 Calarco Drive, Derrimut VIC	Industrial	8 100 000	2.2	7 149	5.7	7.73*
Office portfolio						
449 Punt Road, Cremorne VIC	Office	34 000 000	9.4	6 384	5.1	7.50
35 – 49 Elizabeth Street, Richmond VIC	Office	61 000 000	16.9	11 917	9.5	7.50
Building 20, 2404 Logan Road, Eight Mile Plains QLD	Office	21 000 000	5.8	3 571	2.9	8.25
<i>Office assets acquired during the year</i>						
186 Reed Street, Greenway ACT	Office	26 500 000	7.4	5 407	4.3	7.84*
757 Ann Street, Fortitude Valley QLD	Office	65 500 000	18.1	9 125	7.3	8.34*
21 – 23 Solent Circuit, Baulkham Hills NSW	Office	39 000 000	10.8	10 835	8.7	7.77*
Total at 31 March 2015		342 130 000		108 657		
Acquired subsequent to 31 March 2015						
66 Glendenning Road, Glendenning NSW	Industrial	19 170 000	5.3	16 461	13.2	7.66
Total		361 300 000		125 118		

* Acquisition yield.

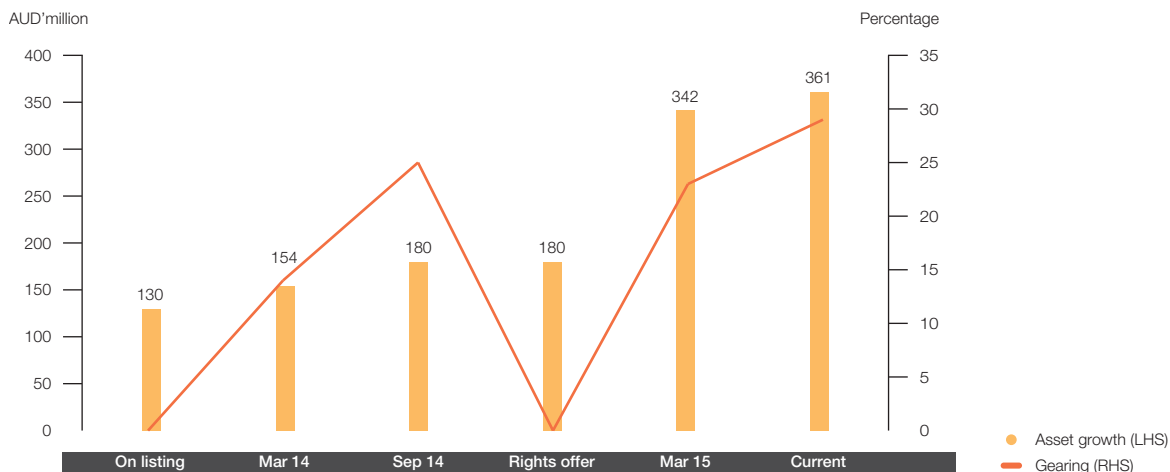
Acquisitions

During the year the Fund completed AUD183.7mn of property acquisitions and has completed a further AUD21.5mn acquisition post year-end, increasing the portfolio value by 122% for the year and 2.8x since listing in October 2013.

The acquisitions comprise a mix of high quality office and industrial properties which are well located and have strong tenant covenants. They also reflect management's strategic focus and ability to unlock off-market transactions through the Investec network in a very competitive market.

Yields have continued to tighten across all market sectors over the year which is reflected in the recent acquisitions. This has reduced the net property income yield across the portfolio, which has been mitigated by downward pressure on borrowing costs, proactively managed by management. The weighted average property yield of the portfolio is now 8.23% (31 March 2014: 8.44%; on listing: 8.59%). This yield compression has also had a positive effect on property valuations.

Asset and gearing growth



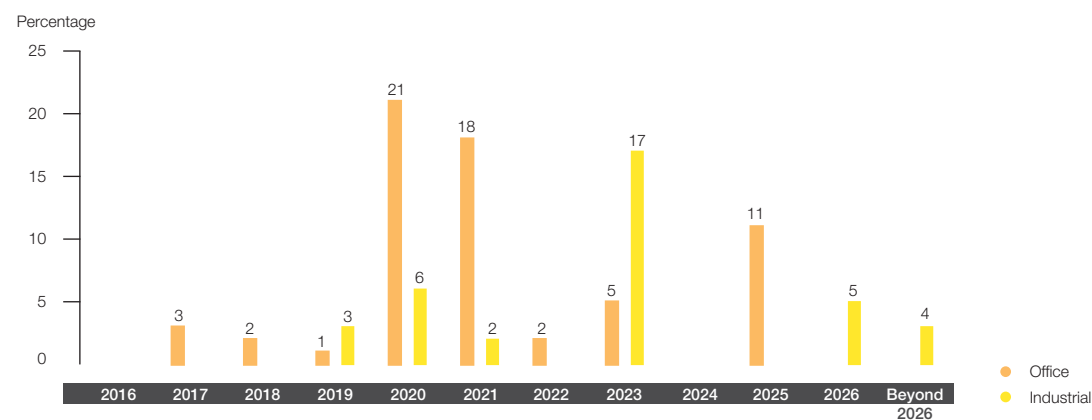
Vacancy levels

The property portfolio currently has 1.3% vacancy which comprises 1 636m² at the recently acquired property at 21 – 23 Solent Circuit, Baulkham Hills NSW. This vacancy represents an opportunity to increase the already attractive yield on which this asset was purchased from 7.8% to 9.4%. No other tenancies have become vacant during the period.

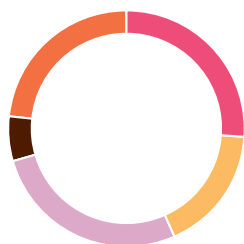
Lease expiry profile by sector

The Fund's lease expiry profile at year-end remains very strong with a weighted average lease expiry of 6.4 years by income and with 64% of leases expiring after five years. The lease expiry profile reflects the quality and sustainability of the Fund's net property income.

Lease expiry profile by sector (including support arrangements)



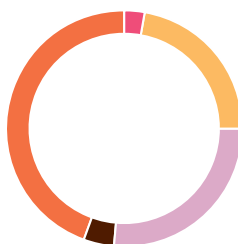
Geographic spread by GLA (%)



31 March 2015

NSW	26%
QLD	17%
ACT	27%
SA	6%
VIC	24%

Geographic spread by income (%)



31 March 2015

NSW	3%
QLD	22%
ACT	26%
SA	4%
VIC	45%

Capital funding

On listing, and in a subsequent fully subscribed rights offer, the Fund has raised AUD234.2mn of equity capital.

The Fund's balance sheet remains well positioned for growth with gearing currently at 27%, post the Glendenning acquisition. At the Fund's target gearing ratio of up to 40% this gives the Fund up to AUD67.0mn in debt capacity to continue to aggressively pursue attractive acquisition opportunities.

The Fund has continued to review its fixed borrowing costs and has taken advantage of falling interest rates in Australia by locking in lower forward rates during the year. The Fund has renegotiated its debt facility, increasing the tenor by three years to five years and simultaneously reducing the margin by 42.5bps to 1.275%. The Fund now has a long dated debt and swap maturity profile of 4.84 years and 5.52 years respectively and a current hedged position of 100%. The Fund has also achieved an all in cost of funding of 4.15% at a 100% hedged level – a 15% reduction of 64bps since listing.

Australian REIT structure

The Fund 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 IPL and managed by Investec Property Management Pty Limited.

Unit capital

The Fund has unit capital of AUD246.5mn at 31 March 2015. The Fund had 134.7mn units in issue at the beginning of the year. In October 2014, the Fund issued 111.9mn new units as part of a AUD120.0mn rights offer taking the total units in issue to 246.6mn at year-end.

Unitholders

Investec Property Fund Limited and Investec Bank Limited are the only unitholders holding in excess of 5% of the Fund's total issued units, holding 18.56% and 16.33% respectively.

Number of units in issue	246 581 298
Number of unitholders	2 839

Changes to the board

In July 2014, unitholders were informed of the unfortunate and untimely passing of Michael Crawford. Mr Crawford was an independent non-executive director of IPL and a member of the Audit and Risk Committee. Mr Crawford made an invaluable contribution to the board and board committees of IPL and to the listing and initial growth phase of the Fund.

Sam Hackner resigned as a non-executive director of IPL effective 7 July 2014.

Stephen Koseff was appointed as a non-executive director of IPL effective 7 July 2014.

Hugh Martin was appointed as an independent non-executive director of IPL effective 30 September 2014. Mr Martin is also a member of the Audit and Risk Committee.

Prospects

The FY 2015 results reflect the positive outcome of the successful execution of the Fund's strategy to date. The Fund is therefore well positioned to continue with the execution of its strategy to deliver long-term sustainable income and capital growth through the acquisition and efficient management of quality properties and conservative yet proactive balance sheet and interest rate management.

The board of IPL is therefore pleased to communicate expected distribution growth in FY 2016 of between 10% and 12% pre withholding tax. The lower end of this guidance assumes no change in the current property portfolio and a gearing level of 30%. The upper end of this guidance assumes further deployment of gearing capacity during FY 2016 into similar yielding assets. The Fund currently has AUD67.0mn of gearing capacity up to 40% gearing to deploy into new acquisitions.

This forecast is based on the assumptions that the macro-economic environment will not deteriorate markedly, no tenant failures will occur and budgeted renewals will be concluded. Budgeted rental income was based on in force leases, contractual escalations and market-related renewals.

The information and opinions contained above are recorded and expressed in good faith and are based upon sources believed to be reliable. No representation, warranty, undertaking or guarantee of whatever nature is made or given concerning the accuracy and/or completeness of such information and/or the correctness of such opinions.

The independent auditor's review report does not report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the Fund's independent auditors.

On behalf of the board of Investec Property Limited as responsible entity for Investec Australia Property Fund.



Richard Longes
Chairman



Graeme Katz
Chief Executive Officer

21 May 2015

Basis of accounting

The reviewed preliminary condensed consolidated financial results for the year ended 31 March 2015 have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34: *Interim Financial Reporting* as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The accounting policies applied in the preparation of the reviewed preliminary condensed consolidated financial results for the year ended 31 March 2015 are in terms of IFRS and are consistent with those adopted in the audited financial statements for the period ended 31 March 2014, except for the following newly effective standards: IFRS 10: *Consolidated Financial Statements* and IFRS 12: *Disclosures of Interests in Other Entities*.

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. IFRS 12 brings together in a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. These standards do not have a significant impact on the Fund.

Review conclusion

These reviewed preliminary condensed consolidated financial results for the year ended 31 March 2015 have been reviewed by KPMG, who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at IPL's registered office together with the financial statements identified in the auditor's report.

Distribution

Notice is hereby given of a final distribution declaration number 3 of:

- 4.14727 cents per unit pre withholding tax
- 3.96077 cents per unit post withholding tax

for the period from 1 October 2014 to 31 March 2015, payable to holders of the units as recorded in the register of unitholders of the Fund at the close of business on Friday, 12 June 2015. Withholding tax of 0.18650 cents per unit (4.49690%) will be withheld from the distribution paid to non-Australian unitholders and will be paid to the Australian Taxation Office. The distribution includes the antecedent distribution associated with the rights offer which was completed in October 2014.

The distribution amount declared from net rental income will be converted from AUD to ZAR at the spot rate on Thursday, 28 May 2015 and the ZAR amount will be announced on SENS Friday, 29 May 2015. The distribution will be paid to unitholders in ZAR.

The salient dates relating to the distribution are as follows:

Last day to trade in order to participate in the distribution	Friday, 5 June 2015
Units to trade ex distribution	Monday, 8 June 2015
Distribution amount transferred to South Africa	Thursday, 11 June 2015
Record date	Friday, 12 June 2015
Distribution posted/paid to certificated unitholders	Monday, 15 June 2015
Accounts credited by CSDP or broker to dematerialised unitholders	Monday, 15 June 2015

Units may not be dematerialised or rematerialised between Monday, 8 June 2015 and Friday, 12 June 2015, both days inclusive. The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

Number of units in issue at the date of the declaration: 246 581 298

The distributions, net of withholding tax, received by South African institutional and individual unitholders will constitute income and will be subject to income tax in South Africa at the unitholders' marginal tax rate. Individual unitholders will be able to claim a rebate against the withholding tax paid in Australia (0.18650 cents per unit). Non-tax paying institutional unitholders will not be taxed and will therefore not be entitled to claim a rebate. The effective withholding tax rate on the distribution is 4.49690%.

The above summary of the tax treatment of the foreign distribution does not constitute legal or tax advice and is based on taxation law and practice at the date of this announcement. Unitholders should take their own tax advice as to the consequences of their investment in the Fund and are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

By order of the board

Investec Property Limited
Company Secretary

21 May 2015

Directors of the Responsible Entity

Richard Longes[#] (*Non-executive chairman*)
Stephen Koseff (*Non-executive*)
Graeme Katz (*Executive*)
Samuel Leon (*Non-executive*)
Sally Herman[#] (*Non-executive*)
Hugh Martin[#] (*Non-executive*)
[#] *Independent*

Directors of the Manager

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

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

Company Secretary of the Responsible Entity

Paul Lam-Po-Tang (BCom, LLB)

Registered office and 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

Established on 12 December 2012 in Sydney, Australia. Registered as a Managed Investment Scheme with ASIC under the Corporations Act 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 Limited
(ACN 161 587 391)
Level 23, Chifley Tower
2 Chifley Square
Sydney
New South Wales
2000
Australia

Transfer Secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)
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)

Custodian

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

