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## APPLICABLE PRICING SUPPLEMENT

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*Out of the Ordinary*<sup>®</sup>



Property Fund Limited

**INVESTEC PROPERTY FUND LIMITED**

*(Registration Number 2008/011366/06)*

*(Established and incorporated as a public company with limited liability in accordance with the laws of South Africa)*

**Issue of ZAR600,000,000 Tranche 1 Senior Unsecured Floating Rate Notes  
due 9 November 2023 (IPF26)**

**Under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the amended and restated Programme Memorandum dated on or about 11 November 2015. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and such Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail. To the extent that certain provisions of the *pro forma* Applicable Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the amended and restated Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and the annual financial statements of the Issuer and any amendments to the aforesaid documents from time to time, except as otherwise stated therein. The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum and this Applicable Pricing Supplement contain all information required by applicable law.

The Issuer further confirms that the issue of Notes described herein will not exceed the aggregate Principal Amount of Notes that may be Outstanding under the Programme.

## DESCRIPTION OF THE NOTES

1	Issuer	Investec Property Fund Limited
2	Status of Notes	Senior Unsecured
3	Nature of Security	Not Applicable
4	(a) Tranche Number	1
	(b) Series Number	1
5	Aggregate Principal Amount	ZAR600,000,000
6	Interest/Payment Basis	Floating Rate
7	Form of Notes	Uncertificated Notes
8	Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
9	Issue Date	9 November 2018
10	Business Centre	Johannesburg
11	Additional Business Centre	Not Applicable
12	Specified Denomination	ZAR1,000,000
13	Issue Price	100 percent
14	Interest Commencement Date	9 November 2018
15	Redemption Date	9 November 2023
16	Specified Currency	Rand
17	Applicable Business Day Convention	Day Following Business Day
18	Calculation Agent	Investec Bank Limited
19	Specified office of the Calculation Agent	100 Grayston Drive, Sandown, Sandton, 2196
20	Paying Agent	Investec Bank Limited
21	Specified office of the Paying Agent	100 Grayston Drive, Sandown, Sandton, 2196
22	Transfer Agent	Investec Bank Limited

23	Specified office of the Transfer Agent	100 Grayston Drive, Sandown, Sandton, 2196
24	Settlement Agent	Nedbank Limited
25	Specified office of the Settlement Agent	Nedbank Investor Services, 2 <sup>nd</sup> Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709
26	Final Redemption Amount	ZAR600,000,000 (being 100% of the Aggregate Principal Amount)

#### **FLOATING RATE NOTES**

27	(a) Interest Payment Dates	9 February, 9 May, 9 August and 9 November in each year up to the Redemption Date, or if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Business Day Convention referred to in 17 above
	(b) Interest Periods	Each period commencing on (and including) an Interest Payment Date and ending (but excluding) the following Interest Payment Date, provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) 9 February 2019 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
	(c) Definition of Business Day (if different from that set out in Condition 1)	Not applicable
	(d) Minimum Interest Rate	Not applicable
	(e) Maximum Interest Rate	Not applicable
	(f) Other terms relating to the method of calculating interest (e.g. Day Count Fraction, rounding up provision, if different from Condition 7)	Actual/365
28	Manner in which the Interest Rate is to be determined	Screen Rate Determination
29	Margin	170 basis points to be added to the Reference Rate

30 If ISDA Determination

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|--------------------------|----------------|
| (a) Floating Rate Option | Not applicable |
| (b) Designated Maturity  | Not applicable |
| (c) Reset Date(s)        | Not applicable |

31 If Screen Determination

- |  |  |
|--|--|
| (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | 3 Month JIBAR  |
| (b) Interest Rate Determination Date(s)  | The first Business Day of each Interest Period with the first Interest Rate Determination Date being 6 November 2018   |
| (c) Relevant Screen page and Reference Code  | Reuters Screen SAFETY page under caption "Yield" as at approximately 11h00, Johannesburg time, on the relevant Rate Determination Date, rounded to the third decimal point |

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| 32 If Interest Rate to be calculated otherwise than by reference to the previous two sub-clauses, insert basis for determining Interest Rate/Margin/Fall back provisions | Not applicable |
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| 33 Any other terms relating to the particular method of calculating interest | Not applicable |
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**PROVISIONS REGARDING REDEMPTION/ MATURITY**

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| 34 Issuer's Optional Redemption:   | Yes, the Issuer shall be entitled, at any time after the third anniversary of the Issue Date and on not less than three Business Days' written notice to the Noteholder, to redeem all (but not some only) of the Notes then Outstanding on the date specified in such notice at their Principal Amount together with accrued interest. |
| (a) Optional Redemption Date(s)  | Not less than three Business Days   |
| (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) | Principal Amount together with accrued interest   |

(c)	Minimum Period of Notice (if different to Condition 9.3)	Not less than three Business Days
(d)	If redeemable in part:	
	Minimum Amount(s)	Redemption Not Applicable
	Higher Amount(s)	Redemption Not Applicable
(e)	Other terms applicable on Redemption	Not Applicable
35	Redemption at the option of the Senior Noteholders	No
36	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default	At their Early Redemption Amount as set out in Condition 9.5

**GENERAL**

37	Additional selling restrictions	Not Applicable
	(a) International Securities Numbering (ISIN)	ZAG000155185
	(b) Stock Code	IPF26
38	Financial Exchange	JSE Limited
39	Dealer	Nedbank Limited, acting through its Corporate and Investment Banking Division
40	If syndicated, names of managers	Not Applicable
41	Method of Distribution	Private Placement
42	Credit Rating assigned to the Issuer as at the Issue Date	A+(za) on a long term national scale and A1(za) on a short term national scale
	(a) Rating Agency	Global Credit Rating Co.
	(b) Date of issue of current Credit Rating	21 September 2018
	(c) Date of next expected Credit Rating review	September 2019
43	Governing law (if the laws of South Africa are not applicable)	Not Applicable

44	Use of proceeds	The funds to be raised through the issue of Notes referred to in this Applicable Pricing Supplement will be used by the Issuer to refinance various facilities advanced by Nedbank Limited to the Issuer
45	Last Day to Register	4 February, 4 May, 4 August, and 4 November which shall mean that the Register will be closed from each Last Day to Register to the next applicable Interest Payment Date
46	Books Closed Period	The Register will be closed from (and including) 5 February to (but excluding) 9 February, from (and including) 5 May to (but excluding) 9 May, from (and including) 5 August to (but excluding) 9 August and from (and including) 5 November to (but excluding) 9 November in each year until the Redemption Date
47	Stabilisation Manager (if any)	Not Applicable
48	Authorised Amount	ZAR10,000,000,000
49	Other provisions	Ratios  The following financial covenants shall be applicable in respect of the Notes issued pursuant to this Applicable Pricing Supplement.  The Issuer undertakes, for so long as any Notes remain Outstanding, to maintain the following ratios -  Measured at an Issuer level -  (i) Interest Cover Ratio of at least 2 times;  (ii) Issuer Loan to Value Ratio, which may not exceed 50%; and  (iii) Encumbered Assets to Value Ratio, which may not exceed 70%,  Where -  "Interest Cover Ratio" means, at any time (and calculated semi-annually based on the consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer), the ratio expressed as follows -

Interest Cover Ratio = Y divided by X

Where -

Y = EBITDA (earnings before interest, tax, depreciation and amortisation) for that period;

X = Interest expense for that period.

**"Issuer Loan to Value Ratio"** means at any time (and calculated semi-annually based on the consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer), the ratio expressed as follows -

Issuer Loan to Value Ratio = A divided by V

Where -

A = the interest bearing financial indebtedness of the Issuer; and

V = the amount of the most recent independent external market valuation or director's valuation of all the immovable properties and Other Investments, owned by the Issuer as set out in its latest consolidated audited annual financial statements and consolidated unaudited interim financial statements.

**"Encumbered Assets to Value Ratio"** means, at any time (and calculated semi-annually based on the consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer), the ratio expressed as follows -

Encumbered Assets to Value Ratio = E divided by FV

Where -

E = the amount of the most recent independent external market valuation or Director's valuation of all the immovable properties and Other Investments owned by the Issuer that are Encumbered, as set out in its latest consolidated audited annual financial statements and consolidated unaudited interim financial

statements;

FV = the amount of the most recent independent external market valuation or Director's valuation of all the immovable properties and Other Investments owned by the Issuer as set out in its latest audited financial year-end and interim consolidated financial statements.

For purposes of the ratios referred to above, -

- (a) **"Other Investments"** means all investments in, and loans to, associates and joint ventures, as set out in the consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer; and
- (b) **"Encumbrance"** means any mortgage bond, notarial bond, pledge, lien, hypothecation, assignment, cession *in securitatem debiti*, deposit by way of security or other agreement or arrangement (whether conditional or not and whether relating to existing or future assets) having the effect of providing a security interest or preferential treatment to any person over another person's assets but excluding any statutory preferences, and **"Encumbered"** shall have a corresponding meaning.

#### **DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

At the date of this Applicable Pricing Supplement:

50 **Paragraph 3(5)(a)**

The ultimate borrower is the Issuer.

51 **Paragraph 3(5)(b)**

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

52 **Paragraph 3(5)(c)**

The auditor of the Issuer is Ernst & Young Inc.



**53 Paragraph 3(5)(d)**

As at the date of this issue:

- (a) the Issuer currently has ZAR3,256,000,000 Notes in issue (excluding Notes issued under this Applicable Pricing Supplement); and
- (b) to the best of the Issuer's knowledge and belief, it is anticipated that the Issuer will issue ZAR2,305,000,000 Notes during its current financial year (including Notes issued under this Applicable Pricing Supplement).

**54 Paragraph 3(5)(e)**

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

**55 Paragraph 3(5)(f)**

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

**56 Paragraph 3(5)(g)**

The Notes issued will be listed.

**57 Paragraph 3(5)(h)**

The funds to be raised through the issue of the Notes issued pursuant to this Applicable Pricing Supplement are to be used by the Issuer for general corporate purposes.

**58 Paragraph 3(5)(i)**

The Notes are unsecured.

**59 Paragraph 3(5)(j)**

Ernst & Young Inc, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

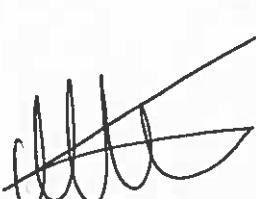
Application is hereby made to list the Notes issued under this Applicable Pricing Supplement on the Interest Rate Market of the JSE on 9 November 2018.

SIGNED at SANOTON this 6<sup>th</sup> day of NOVEMBER 2018.

For and on behalf of  
**INVESTEC PROPERTY FUND LIMITED**

  
Name: A. Wades

Capacity: Director  
who warrants his/her authority hereto

  
Name: N. Luby

Capacity: Director  
who warrants his/her authority hereto