

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**Action required**

- No action is required if you wish to receive the Cash Dividend. If you do not elect the Share Alternative, you will be deemed to have elected the Cash Dividend.**
- If you wish to elect to receive Investec Property Fund shares of no par value trading on the JSE ("Shares"), and you:
  - are holding certificated Shares ("**Certificated Shareholder**"), you must complete the attached form of election in respect of all or part of your shareholding in accordance with the instructions contained in the form of election and lodge it with, or post it to, the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) to be received by them by no later than 12:00 on Friday, 13 June 2014. Forms of election received after this date and time will not be accepted; or
  - have dematerialised your Shares ("**Dematerialised Shareholder**") with a Central Securities Depository Participant ("**CSDP**") or broker; you must instruct your CSDP or broker accordingly in terms of the custody agreement entered into between you and your CSDP or broker.
- If you have disposed of your Shares on or before Friday, 6 June 2014 but these Shares are included in the number shown in Block (2) on the attached form of election, you should forward this circular, together with the enclosed form of election, to the purchaser to whom, or the broker, CSDP or agent through whom, you disposed of your Shares.
- The distribution of this circular and/or accompanying documents and the right to elect Shares in jurisdictions other than the Republic of South Africa may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders' rights to elect Shares are not being offered, directly or indirectly, in the United States of America, the United Kingdom, Canada, Australia or Japan unless certain exemptions from the requirements of those jurisdictions are applicable.
- If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor.

EXCHANGE CONTROL  
REGULATIONS  
ENDORSEMENT

(see page 2 paragraph 8)

Out of the Ordinary®



**INVESTEC PROPERTY FUND LIMITED**

Approved as a REIT by the JSE  
(Incorporated in the Republic of South Africa)  
(Registration number 2008/011366/06)  
Share code: IPF ISIN: ZAE000180915  
("Investec Property Fund" or "the Fund")

**CIRCULAR TO INVESTEC PROPERTY FUND SHAREHOLDERS**

regarding:

**the declaration of a cash dividend with the election to re-invest the cash dividend in return for Investec Property Fund Shares;**

**SALIENT DATES AND TIMES**

**2014**

|                                                                                                                                                                          |                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Circular and form of election posted to Shareholders                                                                                                                     | <b>Thursday, 22 May</b>   |
| Announcement of Share Alternative issue price and finalisation information                                                                                               | <b>Thursday, 29 May</b>   |
| Last day to trade ("LDT") cum dividend                                                                                                                                   | <b>Friday, 6 June</b>     |
| Shares to trade ex dividend                                                                                                                                              | <b>Monday, 9 June</b>     |
| Listing of maximum possible number of Share Alternative Shares commences on the JSE                                                                                      | <b>Wednesday, 11 June</b> |
| Last day to elect to receive the Share Alternative (no late forms of election will be accepted) at 12:00 (South African time)                                            | <b>Friday, 13 June</b>    |
| Record date                                                                                                                                                              | <b>Friday, 13 June</b>    |
| Announcement of results of Cash Dividend and Share Alternative on SENS                                                                                                   | <b>Tuesday, 17 June</b>   |
| Cheques posted to Certificated Shareholders and accounts credited by CSDP or broker to Dematerialised Shareholders electing the Cash Dividend on or about                | <b>Tuesday, 17 June</b>   |
| Announcement of results of Cash Dividend and Share Alternative in the press                                                                                              | <b>Wednesday, 18 June</b> |
| Share certificates posted to Certificated Shareholders and accounts credited by CSDP or broker to Dematerialised Shareholders electing the Share Alternative on or about | <b>Thursday, 19 June</b>  |
| Adjustment to Shares listed on or about                                                                                                                                  | <b>Thursday, 19 June</b>  |

**Notes:**

- Shareholders electing the Share Alternative are requested to note that the new Shares will be listed on LDT + 3 and these new Shares can only be traded on LDT + 3 as the settlement of the Shares will occur three days after record date, which differs from the conventional one day after record date settlement process.**
- Shares may not be dematerialised or rematerialised between commencement of trade on Monday, 9 June 2014 and close of trade on Friday, 13 June 2014.
- The above dates and times are subject to change. Any changes will be released on SENS and published in the press.

**Investment bank and Sponsor**

Out of the Ordinary®



Date of issue: 22 May 2014

Copies of this circular are only available in English and may be obtained at Investec Property Fund's registered office at Investec Bank Limited, 100 Grayston Drive, Sandown, Sandton, 2196 during normal business hours from 08:00 until 16:00 or on the Fund's website [www.investecpropertyfund.com](http://www.investecpropertyfund.com) from Thursday, 22 May 2014 to Friday, 13 June 2014.

# CIRCULAR TO INVESTEC PROPERTY FUND SHAREHOLDERS

## 1. INTRODUCTION

Investec Property Fund results for the year ended 31 March 2014 were released on SENS on 22 May 2014. Investec Property Fund shareholders ("Shareholders") were advised in these results that the directors of the Fund have declared a cash dividend of 57.74 cents per share for the six months ended 31 March 2014 ("Cash Dividend") which, following the delinking of the Fund's linked units and the redemption of the Fund's debentures in November 2013, is comprised entirely of a dividend. Shareholders have been provided with the election to re-invest the cash dividend in return for Shares ("Share Alternative"). By electing to receive Shares, Shareholders will be able to increase their shareholding in Investec Property Fund without incurring dealing costs. In turn, Investec Property Fund will benefit from an increase in the amount of Shareholders' funds available to support continued growth and future acquisitions.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the Share Alternative failing which they will receive the Cash Dividend of 57.74 cents per Share which will be paid to those Shareholders not electing to participate in the Share Alternative. The dividend accrued over the six months ended 31 March 2014. The number of Shares to which Shareholders are entitled will be determined with reference to the ratio that 57.74 cents per Share bears to the ratio price (i.e. the 5-day volume weighted average traded price (ex-dividend) of Investec Property Fund Shares on the JSE prior to the finalisation date). The price will be announced on the finalisation date, which will be no later than Thursday, 29 May 2014.

## 2. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to provide Shareholders with information regarding the Cash Dividend and the Share Alternative.

## 3. THE CASH DIVIDEND AND THE SHARE ALTERNATIVE

### 3.1 Terms of the Cash Dividend

Subject to the terms contained in this circular and the attached form of election pertaining to Certificated Shareholders, Shareholders recorded in the register of the Fund at the close of business on the record date who have not elected to participate in the Share Alternative, will be paid the Cash Dividend.

### 3.2 Procedure for Shareholders to receive the cash dividend

Shareholders who wish to receive the Cash Dividend do not need to take any further action. If no election is made to participate in the Share Alternative, Shareholders will receive the Cash Dividend in respect of all the Shares held on the record date.

### 3.3 Procedure for Shareholders who elect to receive the Share Alternative

Certificated Shareholders who wish to elect to receive Shares must complete the attached form of election in accordance with the instructions contained therein and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001 or post it to their postal address, PO Box 61763, Marshalltown 2107, to be received by no later than 12:00 on the record date.

Dematerialised Shareholders must not complete the attached form of election, but should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

Shareholders may make the election in respect of all or part of their Shares held on the record date. If an election is made in respect of part of a shareholding, Shareholders will receive the Cash Dividend in respect of the Shares for which the election is not made.

### 3.4 Posting of Share certificates and crediting of CSDP or broker accounts

Shareholding certificates in respect of the Shares relating to the Share Alternative will be dispatched to Certificated Shareholders at the risk of such Shareholders on or about Thursday, 19 June 2014, to their registered addresses or in accordance with instructions given to the transfer secretaries via registered post. Dematerialised Shareholders' CSDP or broker accounts will be credited on Thursday, 19 June 2014 in respect of the Share Alternative.

### 3.5 Shareholders wishing to receive the Cash Dividend

Shareholders that wish to receive the Cash Dividend must not complete the form of election. The Cash Dividend of 57.74 cents per Share will be paid via electronic transfer into the personal bank accounts of Certificated Shareholders who have not elected the Share Alternative award only in the event that the transfer secretaries are already in possession of their banking details. Where the transfer secretaries do not have the banking details of the aforesaid Certificated Shareholders, dividend cheques will be dispatched at the risk of such Shareholders on or about Tuesday, 17 June 2014, to their registered addresses, or in accordance with the instructions given to the transfer secretaries, or in the case of Dematerialised Shareholders the cash will be credited to their accounts held at their CSDP or broker.

## 4. FRACTIONS

Trading in the STRATE environment does not permit fractions and fractional entitlements. Accordingly, where a Shareholder's entitlement to the Shares in relation to the Share Alternative, as calculated in accordance with the formula mentioned in paragraph 1 above, gives rise to a fraction of a new Share, such fraction will be rounded up to the nearest whole number where the fraction is greater than or equal to 0.5 and rounded down to the nearest whole number where the fraction is less than 0.5.

## 5. TAX IMPLICATIONS

In accordance with Investec Property Fund's status as a Real Estate investment Trust ("REIT") with effect from 1 April 2013, Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 ("Income Tax Act"). The dividends on the Shares will be deemed to be dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

### 5.1 Tax implications for South African resident Shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such Shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from dividend withholding tax ("Dividend Tax") in the hands of South African resident Shareholders provided that the South African resident Shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated Shares, or the Fund, in respect of certificated Shares, a DTD(EX) (Dividend Tax: Declaration and undertaking to be made by the beneficial owner of a dividend) form to prove their status as South African residents.

If resident Shareholders have not submitted the abovementioned documentation to confirm their status as South African residents, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

### 5.2 Tax implications for non-resident Shareholders

Dividends received by non-resident Shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to Dividend Tax. With effect from 1 January 2014, any dividend received by a non-resident from a REIT will be subject to Dividend Tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the non-resident Shareholder. Assuming Dividend Tax will be withheld at a rate of 15%, the net dividend amount due to non-resident Shareholders is 49.0790 cents per Share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident Shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated Shares, or the Fund, in respect of certificated Shares:

- A declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- A written undertaking to inform the CSDP, broker or the Fund, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service.

If applicable, non-resident Shareholders are advised to contact the CSDP, broker or the Fund, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

A worked example illustrating the impact for resident and non-resident Shareholders will be announced as part of the finalisation information on SENS on Thursday, 29 May 2014.

Other information:

- As at the date of this circular, the ordinary issued share capital of Investec Property Fund is 358 231 620 ordinary Shares of no par value before any election to reinvest the cash dividend.
- Income tax reference Number of Investec Property Fund: 9332/7/19/16/11
- There are no secondary tax on company ("STC") credits available to be utilised against the Dividend Tax.
- Shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

## 6. LISTING OF NEW SHARES

The maximum amount to be capitalised from the reserves of the Fund in order to be able to issue the Shares as fully paid up will be approximately R211 million. Application will be made to the JSE for the maximum possible number of Shares to be issued in terms of the Share Alternative to be listed with effect from the commencement of business on Wednesday, 11 June 2014. A further application will be made to the JSE to adjust the maximum number of new Shares listed to take into account the actual number of Shares issued to Shareholders on or about Thursday, 19 June 2014.

## 7. FOREIGN SHAREHOLDERS

The distribution of this circular and/or accompanying documents and the right to elect Share Alternative Shares in jurisdictions other than the Republic of South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Shares have not been and will not be registered for the purposes of the election under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

## 8. EXCHANGE CONTROL

In terms of the Exchange Control Regulations of South Africa:

### 8.1 In the case of Certificated Shareholders

- any Share certificate that might be issued to non-resident Shareholders will be endorsed "non-resident";
- any new Share certificates and Cash Dividend payments based on emigrants' Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer controlling their blocked assets. Such new Share certificates will be endorsed "non-resident"; and
- Cash Dividend payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the Common Monetary Area (collectively the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland), the cash dividend payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the transfer secretaries.

### 8.2 In the case of Dematerialised Shareholders

- any Shares issued to emigrants from the Common Monetary Area and all other non-residents of the Common Monetary Area, will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register;
- any Cash Dividend paid to emigrants from the Common Monetary Area, will be credited to their CSDP or broker's accounts which will arrange for the same to be credited directly to the Shareholder's blocked Rand account held by that Shareholder's authorised dealer and held to the order of that authorised dealer; and
- any Cash Dividend paid to non-resident Shareholders who are not emigrants from the Common Monetary Area, will be credited directly to the bank account nominated for the relevant Shareholders, by their duly appointed CSDP or broker.

Non-resident and emigrant Dematerialised Shareholders will have all aspects relating to Exchange Control managed by their CSDP or broker.

By order of the Board

**Investec Bank Limited**  
Company Secretary



Property Fund Limited

## INVESTEC PROPERTY FUND LIMITED

Approved as a REIT by the JSE  
(Incorporated in the Republic of South Africa)  
(Registration number 2008/011366/06)  
Share code: IPF ISIN: ZAE000180915  
**("Investec Property Fund" or "the Fund")**

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### FORM OF ELECTION

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For use only by Certificated Shareholders who elect to receive the Shares for all or part of their shareholding ("**Election**") in Investec Property Fund.

Dematerialised Shareholders must instruct their CSDP or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker: **Dematerialised Shareholders must not use this form of election.**

**Shareholders electing the Share Alternative are requested to note that new Shares will be listed on LDT + 3 and these new Shares can only be traded on LDT + 3 as the settlement of the Shares will occur three days after record date, which differs from the conventional one day after record date settlement process.**

**Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the Share alternative failing which they will receive the Cash Dividend of 57.74 cents per Share which will be paid to those Shareholders not electing to participate in the Share Alternative.**

**Accordingly, Shareholders who wish to receive the Cash Dividend of 57.74 cents per Share must not complete this form of election and no further action is required.**

I/We

(name/s in BLOCK letters)

regarding the Election:

- hereby irrevocably elect to receive the Share Alternative Shares, the number of which will be determined with reference to the ratio that 57.74 cents per Share bears to the ratio price (i.e. the 5-day volume weighted average traded price (ex-dividend) of Investec Property Fund Shares on the JSE prior to the finalisation date), to be announced no later than Thursday, 29 May 2014 in respect of the number of Shares in the capital of Investec Property Fund reflected in Block (4) overleaf and on terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of Shares of which I/we was/were the registered holder(s) on the close of business on the record date, being Friday, 13 June 2014; and
- acknowledge that I/we am/are not entitled to a Cash Dividend of 57.74 cents per Share in respect of Shares for which the Share Alternative is elected.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2014

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

### PLEASE READ THE NOTES OVERLEAF

**Forms of election must be lodged with or mailed to the transfer secretaries, Computershare Investor Services Proprietary Limited:**

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited  
Ground Floor  
70 Marshall Street  
Johannesburg 2001

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown 2107

To be received by no later than 12:00 on Friday, 13 June 2014.

|                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                          |                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name and address of registered Shareholder                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                          | Serial number                                                                                                                                                                                  |
| (1)                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                          | Enquiries in connection with this form of instruction should be addressed to the transfer secretaries, quoting this serial number:                                                             |
| Account number                                                                                                                                                                                                                                                                                                                                                     | Number of Investec Property Fund Shares held or deemed to be held on the record date, being Friday, 13 June 2014, based on your shareholding at close of business on Monday, 19 May 2014 | Maximum cash dividend to which you will become entitled, based on your shareholding at close of business on Friday, 13 June 2014, should you not elect to participate in the Share Alternative |
|                                                                                                                                                                                                                                                                                                                                                                    | (2)                                                                                                                                                                                      | (3)                                                                                                                                                                                            |
| Number of Investec Property Fund Shares for which the Share Alternative is elected. The maximum number of Shares for which the Share Alternative can be made is reflected in Block 2 above, or, if Shares have been transacted in the period from Monday, 12 May 2014, then the number of Shares registered in Investec Property Fund' register on the record date |                                                                                                                                                                                          |                                                                                                                                                                                                |
| (4)                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                          |                                                                                                                                                                                                |
| Applicant's signature                                                                                                                                                                                                                                                                                                                                              | Telephone number ( )                                                                                                                                                                     | Date                                                                                                                                                                                           |

**Notes:**

1. The Election may be made in respect of all or any of the Investec Property Fund Shares registered or deemed to be registered in the name of the Shareholder at the close of business on the record date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with, or posted to the transfer secretaries of Investec Property Fund at the address indicated on the preceding page, to be received by them by no later than 12:00 on Friday, 13 June 2014.  
**Late forms of election will not be accepted.**
4. Investec Property Fund reserves the right in its discretion to:
  - 4.1 treat as invalid (in which case the cash dividend will be paid) any form of election not complying with the terms of the Election or any instruction contained herein;
  - 4.2 require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries, Computershare Investor Services Proprietary Limited.

Any and every alteration or correction made to this form of election must be initialed by the signatory(ies).

FOR INFORMATION ONLY