

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 6 of this Circular apply throughout this Circular, *mutatis mutandis*, to this front cover.

Action required

This Circular is important and should be read with particular attention to the section entitled "Action required by Unitholders", which commences on page 3.

If you are in any doubt as to what action you should take arising from this Circular, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your Linked Units in Investec Property Fund, then this Circular should be handed to the purchaser of such Linked Units or to the broker, CSDP, banker or other agent through whom the disposal was effected.

This Circular is issued in compliance with the Listings Requirements of the JSE, for the purposes of providing information with regard to Investec Property Fund.

The Rights that are represented by the Form of Instruction in respect of the Letters of Allocation are valuable and may be sold on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and accordingly, all Letters of Allocation have been issued in Dematerialised form.

The Rights Offer Linked Units, upon their issue, will rank *pari passu* with all other Linked Units of the same class.

There are no convertibility or redemption provisions relating to the Rights Offer Linked Units.

The allocation of Rights Offer Linked Units will be such that only whole numbers of Rights Offer Linked Units will be issued and Linked Unitholders will be entitled to rounded numbers of Rights Offer Linked Units based on the conventional rounding principle.

The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Linked Unitholders. Such foreign Linked Unitholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Linked Unitholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes for other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations. Any foreign Linked Unitholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

The Directors, whose names are given on page 11 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

Out of the Ordinary[®]



INVESTEC PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
Share code: IPF ISIN: ZAE000155099
("Investec Property Fund" or "the Fund")

CIRCULAR TO INVESTEC PROPERTY FUND LINKED UNITHOLDERS

relating to:

A renounceable Rights Offer of 113 220 000 Rights Offer Linked Units at an issue price of R13.82 per Linked Unit in the ratio of 66.60 Rights Offer Linked Units for every 100 Investec Property Fund Linked Units held at the close of business on 12 October 2012;

and incorporating:

- **A Form of Instruction in respect of a renounceable (nil paid) Letter of Allocation (to be completed by holders of Certificated Linked Units only); and**
- **Revised Listing Particulars in respect of the Fund.**

Rights Offer opens at 09:00 on

Monday, 15 October 2012

Rights Offer closes at 12:00 on

Friday, 2 November 2012

**Investment Bank
and Sponsor**

Out of the Ordinary[®]



**Independent Reporting
Accountant and Auditor**



Independent Sponsor

Deloitte.

Deloitte & Touche Sponsor Services (Pty) Ltd
(Incorporated in the Republic of South Africa)
(Registration number 1996/000034/07)

Date of issue: 15 October 2012

CORPORATE INFORMATION

Directors of the Fund

S Hackner (*Chairman*)
MP Crawford (*Lead Independent non-executive Director*)#
SR Leon (*Chief Executive Officer*)
DAJ Donald (*Executive Financial Director*)
S Mahomed#
CM Mashaba#
MM Ngoasheng#
GR Rosenthal#

Independent non-executive

Company secretary

Investec Bank Limited
c/o Company Secretarial, Investec Limited
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Registered office, postal address of the Fund and date of incorporation

c/o Company Secretarial, Investec Limited
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Incorporated in the Republic of South Africa on
7 May 2008

Investment bank and sponsor

The Corporate Finance division of Investec Bank Limited
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Independent sponsor

Deloitte & Touche Sponsor Services Proprietary Limited
Building 6
The Woodlands
Woodmead
2196
(Private Bag X6, Gallo Manor, 2052)

Attorneys to Investec Property Fund

Fluxmans Inc
11 Biermann Avenue
Rosebank
Johannesburg
2196
(Private Bag X41, Saxonwold, 2132)

Reporting accountants and auditors

Ernst & Young Inc
Wanderers Office Park
52 Corlett Drive
Illovo
2196
(PO Box 2322, Johannesburg, 2000)

Debenture Trustee

Ironwood Trustees (Pty) Limited
Unit 6, Sunbird Park
Rosendal
Cape Town
7530
(PO Box 4898, Tygervalley, Cape Town, 7536)

Transfer Secretaries

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

TABLE OF CONTENTS

	<i>Page</i>
CORPORATE INFORMATION	Inside front cover
IMPORTANT DATES AND TIMES	2
ACTION REQUIRED BY LINKED UNITHOLDERS	3
DEFINITIONS AND INTERPRETATIONS	6
CIRCULAR TO INVESTEC PROPERTY FUND LINKED UNITHOLDERS	11
1. Introduction	11
2. Nature of business and prospects for the Fund	11
3. The Rights Offer	12
4. Procedures for acceptance, payment, renunciation and sale of Rights	13
5. Jurisdiction	15
6. Exchange Control Regulations	15
7. Irrevocable letters of undertaking	16
8. Stock exchange listings	16
9. <i>Pro forma</i> financial information relating to the Rights Offer	17
10. Linked Unit capital	17
11. Material loans and borrowings	20
12. Material capital commitments, contingent liabilities and lease payments	21
13. Major Linked Unitholders	22
14. Directors and Directors' interests	23
15. Governing law	27
16. General	27
17. Expenses	29
18. Corporate governance	29
19. Consents	29
20. Documents available for inspection	29
Annexure 1 <i>Pro forma</i> financial information	31
Annexure 2 Independent Reporting Accountants' Report on the unaudited <i>pro forma</i> forecast financial information	35
Annexure 3 Independent Reporting Accountants' Report on the unaudited <i>pro forma</i> statement of financial position of the Fund	40
Annexure 4 Investec Property Fund trading history on the JSE	42
Annexure 5 Table of Entitlement	44
Annexure 6 Corporate governance	46
REVISED LISTING PARTICULARS	50

IMPORTANT DATES AND TIMES

2012

Declaration date announcement released on SENS on	Thursday, 20 September
Declaration date announcement published in the press on	Friday, 21 September
Finalisation date announcement released on SENS on	Thursday, 27 September
Finalisation date announcement published in the press on	Friday, 28 September
Last date to trade in Linked Units on the JSE for settlement by the Record Date and to be recorded as a Qualifying Linked Unitholder for the purpose of receiving Rights Offer Circular	Friday, 5 October
Linked Units trade ex-Rights on the JSE from	Monday, 8 October
Listing and trading on the JSE of the Letters of Allocation from the commencement of trade on	Monday, 8 October
Record Date in order to be entitled to participate in the Rights Offer on	Friday, 12 October
Rights Offer opens at 09:00 and the Circular, including a Form of Instruction (where applicable), mailed to Linked Unitholders on	Monday, 15 October
Letters of Allocation credited to an electronic account held at the Transfer Secretaries in respect of Certificated Linked Unitholders on	Monday, 15 October
CSDP or broker accounts credited with Rights in respect of Dematerialised Linked Units on	Monday, 15 October
Last day to trade in the Letters of Allocation on the JSE in order to settle by close of the Rights Offer on	Friday, 26 October
Listing and trading on the JSE of Right Offer Linked Units commences at 09:00 on	Monday, 29 October
Payment to be made, and Form of Instruction to be lodged with the Transfer Secretaries by Certificated Linked Unitholders by 12:00 on	Friday, 2 November
Rights Offer closes at 12:00 on	Friday, 2 November
Record date for Letters of Allocation on	Friday, 2 November
Rights Offer Linked Units issued on	Monday, 5 November
CSDP or broker accounts of Dematerialised Linked Unitholders debited and updated with Rights Offer Linked Units and Linked Unit certificates posted to Certificated Linked Unitholders	Monday, 5 November
Results of Rights Offer announced on SENS on	Monday, 5 November
Results of Rights Offer announced in the press on	Tuesday, 6 November
Refunds (if any) to Certificated Linked Unitholders in respect of unsuccessful excess applications made and/or Linked Unit certificates posted on or about	Wednesday, 7 November
Dematerialised Unitholders accounts updated and debited by CSDP or broker in respect of any excess Linked Units allocated on	Wednesday, 7 November

1. All times indicated in this Circular are South African times.
2. Dematerialised Linked Unitholders are required to inform their CSDP or broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Linked Unitholder and its CSDP or broker.
3. Linked Unit certificates may not be Dematerialised or rematerialised between Monday, 8 October 2012 and Friday, 12 October 2012, both days inclusive.
4. Dematerialised Linked Unitholders will have their accounts at their CSDP or broker automatically credited with their Rights and Certificated Linked Unitholders will have their Rights credited to a nominee account at Computershare Investor Services Proprietary Limited.
5. CSDPs effect payment in respect of Dematerialised Linked Unitholders on a delivery-versus-payment method.
6. This Circular is available in English only. Copies may be obtained from the registered offices of Investec Property Fund and those of the Investment Bank and Independent Sponsor at the addresses set out in the "Corporate Information" page of this Circular between Monday, 15 October 2012 and Friday, 2 November 2012, and also available on the website www.investecpropertyfund.com from Monday, 8 October 2012.

ACTION REQUIRED BY LINKED UNITHOLDERS

The definitions commencing on page 6 of this Circular apply *mutatis mutandis* to this section.

Please take careful note of the following provisions regarding the action required by Investec Property Fund Linked Unitholders:

1. If you are in any doubt as to what action you should take arising from this Circular, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all of your Investec Property Fund Linked Units, this Circular should be handed to the purchaser of such Linked Units or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.
3. This Circular contains information relating to the Rights Offer. You should carefully read through this Circular and decide how you wish to treat the Rights allocated to you in terms of the Rights Offer.

4. ACTION REQUIRED BY CERTIFICATED LINKED UNITHOLDERS

If you are a Qualifying Linked Unitholder holding Certificated Linked Units, a Form of Instruction is enclosed with this Circular and a Letter of Allocation will be created in electronic form with the Transfer Secretaries, to afford you the same rights and opportunities as those who have already Dematerialised their Linked Units.

If you wish to subscribe for all or part of the Rights Offer Linked Units to which you are entitled, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rands, with the Transfer Secretaries as follows:

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 61051
Marshalltown, 2107

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 2 November 2012.

If you do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of, or renounce, all or part of your Entitlement or do nothing; in which case your Rights will lapse.

If you wish to sell all or part of your Entitlement, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries so as to be received by them by no later than 12:00 on Friday, 26 October 2012.

The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Investec Property Fund will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising from the timing of such sales, the price obtained, or the failure to dispose of such Entitlements. Please note that the last day to trade Letters of Allocation is Friday, 26 October 2012.

If you wish to renounce your Entitlement in favour of any named Renounee, you must complete Form B in the enclosed Form of Instruction, and the Renounee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries so as to be received by no later than 12:00 on Friday, 2 November 2012, together with a bank-guaranteed cheque or banker's draft for the appropriate amount. Renounees must attach a certified true copy of their identification document to the Form of Instruction, where Forms B and C are completed.

Excess applications for additional Rights Offer Linked Units will be allowed. If you wish to apply for additional Rights Offer Linked Units, you must complete Blocks (7) and (8) in the enclosed Form of Instruction and return it to the Transfer Secretaries, so as to be received by no later than 12:00 on Friday, 2 November 2012, together with sufficient funds to cover such application in accordance with your instruction. The right to apply for excess applications is transferable on renunciation of the Letters of Allocation.

Refund cheques in respect of unsuccessful excess applications will be posted by registered post to the relevant applicants, at their own risk, on or about Wednesday, 7 November. No interest will be paid on monies received in respect of unsuccessful applications.

If the required documentation and payment have not been received in accordance with the instructions contained in the enclosed Form of Instruction, either from the Qualifying Linked Unitholders or from any person in whose favour the Rights have been renounced, by 12:00 on Friday, 2 November 2012, then the Rights to those unsubscribed Rights Offer Linked Units will be deemed to have been declined and the Entitlement will lapse.

5. **ACTION REQUIRED BY DEMATERIALIZED LINKED UNITHOLDERS**

If you are a Qualifying Linked Unitholder holding Dematerialised Linked Units, you will not receive a printed Form of Instruction. Your CSDP or broker will credit your account with the number of Rights to which you are entitled and you should receive notification from your CSDP or broker in this regard. If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and provide them with your instructions.

If you do not wish to subscribe for all of the Rights allocated to you, you may either dispose of, or renounce, all or part of your Entitlement.

If you wish to sell all or part of your Entitlement, you are required to instruct your CSDP or broker as to the number of Rights you wish to sell. Please note that the last day to trade the Letters of Allocation is Friday, 26 October 2012.

If you wish to renounce your Entitlement in favour of any named Renounee, you are required to instruct your CSDP or broker as to the number of Rights you wish to renounce, and in favour of whom you wish to renounce those Rights, by the cut off time required by the CSDP or broker as per your agreement held with them.

If you wish to subscribe for all or part of your Entitlement, you are required to instruct your CSDP or broker as to the number of Rights Offer Linked Units for which you wish to subscribe, by the cut off time required by the CSDP or broker as per your agreement held with them.

CSDPs effect payment on a delivery-versus-payment basis and therefore you must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be.

Excess applications for additional Rights Offer Linked Units will be allowed. If you wish to apply for excess Rights Offer Linked Units, you should instruct your CSDP or broker as to the number of excess Rights Offer Linked Units for which you wish to apply, by the cut-off time required by the CSDP or broker, and ensure that sufficient funds are deposited with your CSDP or broker. The right to apply for additional Rights Offer Linked Units is transferable on renunciation of the Letters of Allocation.

Instructions to your CSDP or broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Linked Units in terms of the Rights Offer.

Investec Property Fund does not take responsibility, and will not be held liable, for any failure on the part of any CSDP or broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Linked Units and/or to sell the Rights allocated.

6. **JURISDICTION**

The distribution of this Circular, the Rights Offer, the Form of Instruction, the transfer of the Rights Offer Linked Units, and/or the Rights to subscribe for the Rights Offer Linked Units in jurisdictions other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Circular is sent for information purposes only. It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

If a premium can be obtained over the expenses of the sale, the Rights of Linked Unitholders in jurisdictions in which it is illegal to make an offer will be sold by the Transfer Secretaries on the JSE for the benefit of such Linked Unitholders, in accordance with this section. Any premium over the expenses of the sale of the Rights of Linked Unitholders in these jurisdictions (including applicable taxes, brokerage fees and commissions) shall be remitted to such Linked Unitholders.

None of Investec Property Fund, the Transfer Secretaries or any broker appointed by them or the Fund, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising out of, the timing of such sales or the remittance of the net proceeds of such sales.

7. **NON-RESIDENTS**

Linked Unitholders who are non-residents are referred to paragraph 6 of the Circular regarding their Rights.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons.

“Acquisition Agreements”	collectively refers to the following agreements: <ul style="list-style-type: none">• agreement between Investec and the Fund in respect of the acquisition of the Firs, dated 22 August 2012;• agreement between Investec and the Fund in respect of the acquisition of Investec Pretoria, dated 22 August 2012;• agreement between Investec and the Fund in respect of the acquisition of Balfour, dated 22 August 2012; and• the sale and acquisition of letting enterprises agreement dated 6 July 2012, between Giuricich as the seller and the Fund as the purchaser in terms of which the Fund will acquire the Giuricich Properties;
“Acquisition Circular”	the circular dated 27 August 2012 and all annexures thereto, incorporating a notice of general meeting and a form of proxy, which circular sets out details of the Giuricich Acquisition and Investec Acquisitions;
“Acquisitions”	refers to the Giuricich Acquisition, the Investec Acquisitions and the acquisitions of the Nonkqubela Mall and Megamark Mall properties;
“Act”	the Companies Act, No. 71 of 2008, as amended;
“Asset Management and Property Management Agreement”	the agreement entered into between the Fund and the Manager on 4 March 2011 in terms whereof the Manager is appointed to provide the Asset Management Services and the Property Management Services to the Fund;
“Asset Management Fee”	the fee payable to the Manager for the Asset Management Services calculated as 0.5% of the enterprise value of the Fund, being the sum of the Fund’s market capitalisation (based on one-month volume weighted average price) and net debt (i.e. debt less any cash held by the Fund);
“Asset Management Services”	the strategic management services to be rendered by the Manager, which will include, <i>inter alia</i> , the services set out in paragraph 2.3 of the Revised Listing Particulars;
“Balfour”	the retail property Balfour Park Shopping Centre located on Erf 2052, 2053, 2054, Highlands North Ext 9 and Erf 1972 Highlands North Ext 4;
“Board”	the board of Directors of the Fund as constituted from time to time;
“Certificated Linked Units”	Linked Units which have not yet been Dematerialised, title to which is represented by a Linked Unit certificate or other document of title acceptable to the Board;
“Certificated Linked Unitholder(s)”	Linked Unitholders who have not Dematerialised their Linked Unit certificates in the Fund in terms of Strate and hold Certificated Linked Units;
“Clean Price”	traded price of an Investec Property Fund Linked Unit excluding the estimated accrued distribution per Linked Unit for the distribution period from 1 April 2012 to 30 September 2012 and for the following period from 1 October 2012 to 4 November, being the last date prior to which the Rights Offer Linked Units will be issued to Linked Unitholders;

“Circular”	this bound circular, dated 15 October 2012, including all annexures and attachments hereto;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“CSDP”	Central Securities Depository Participant;
“Debenture”	the variable rate, unsecured, subordinated debentures with a nominal value of 999 cents each, created, allotted and issued by the Fund in terms of the Memorandum of Incorporation and regulated in terms of the Debenture Trust Deed, as part of the Linked Units;
“Debenture Holders”	holders of Debentures by virtue of their holdings of Linked Units;
“Debenture Trust Deed”	the Debenture Trust Deed in respect of the Debentures between the Fund and the Debenture Trustee, as amended from time to time;
“Dematerialise” or “Dematerialisation”	the process whereby Certificated Linked Units are replaced by electronic records of ownership under Strate and recorded in the sub-register of Linked Unitholders maintained by a CSDP or broker;
“Dematerialised Linked Units”	Linked Units which have been incorporated into the Strate system and which are no longer evidenced by Linked Unit certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Linked Units acceptable to the Board;
“Dematerialised Linked Unitholders”	Linked Unitholders who hold Dematerialised Linked Units;
“Directors”	the Directors of the Fund at the Last Practicable Date, as listed on the inside cover of this Circular;
“Entitlement”	the number of Rights Offer Linked Units which Linked Unitholders are entitled to subscribe for in terms of the Rights Offer, being 66.60 Linked Units for every 100 Linked Units held on the Record Date, and/or such proportionate lower number of Linked Units in respect of holdings of less than 100 Linked Units held on the Record Date;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“FIRS”	the property located on Section 2 of Erf 246, Rosebank;
“Form of Instruction”	the respective forms of instruction in respect of the Letters of Allocation reflecting the Entitlement of Certificated Linked Unitholders to subscribe for Rights Offer Linked Units and on which Certificated Linked Unitholders should indicate whether they wish to take up, sell or renounce all or some of their Rights, or apply for additional Rights Offer Linked Units, which forms are enclosed in this Circular;
“General Meeting”	the general meeting of Investec Property Fund held on 27 September 2012 whereby Unitholders approved the resolutions to acquire the Giuricich Properties, the Investec Properties and the authority to issue Linked Units pursuant to the Rights Offer;
“Giuricich”	collectively the following wholly owned subsidiaries within S Giuricich Holdings Proprietary Limited: Gaal Investments Proprietary Limited (Registration number 2000/003071/07); Lussin Piccolo I Investments Proprietary Limited (Registration number 1999/021269/07); Lussin Piccolo Africa Properties Proprietary Limited (Registration number 1995/009756/07);

	Summero Proprietary Limited (Registration number 1994/004360/07); AAIR Property Investments Proprietary Limited (Registration number 2007/009630/07); Lusslin Piccolo Polokwane Properties Proprietary Limited (Registration number 2004/015982/07); and Lusslin Investments Proprietary Limited (Registration number 2005/003780/07), being the vendors of the Giuricich Properties;
“Giuricich Acquisition”	the acquisition of 12 retail properties from Giuricich, as detailed in the Acquisition Circular;
“Giuricich Consideration”	the purchase consideration for the Giuricich Properties amounting to R742 800 000, to be settled partly through the issue of the Giuricich Consideration Linked Units and the balance of R533 870 000 to be settled in cash;
“Giuricich Consideration Linked Units”	17 000 000 Linked Units to be issued to Giuricich at a Clean Price of R12.29 in part settlement of the purchase consideration in respect of the acquisition of the Giuricich Properties;
“Giuricich Properties”	the 12 retail properties acquired by Investec Property Fund from Giuricich, as detailed in the Acquisition Circular;
“GLA”	gross lettable area;
“Group”	in relation to a company (wherever incorporated), that company, any company of which it is a subsidiary (being its holding company) and any other subsidiaries of any such holding company and each company in a Group is a member of the Group. Unless the context otherwise requires, the application of the definition of Group to any company at any time will apply to the company as it is at that time;
“IFRS”	International Financial Reporting Standards;
“Independent Reporting Accountants”	Ernst & Young Inc (Registration number 2005/002308/21), a private company incorporated in accordance with the company laws of South Africa;
“Independent Sponsor”	Deloitte & Touche Sponsor Services Proprietary Limited (Registration number 1996/000034/07);
“Investec”	Investec Limited (Registration number 1925/002833/06), a public company incorporated in South Africa, and all its subsidiaries and associates, which is a related party to Investec Property Fund as it holds 50% plus 100 (one hundred) Linked Units of the Fund’s issued Linked Units and it indirectly owns Investec Property who is the Manager of the Fund;
“Investec Acquisitions”	collectively, the acquisitions of the Firs, Investec Pretoria and Balfour properties from Investec as detailed in the Acquisition Circular;
“Investec Consideration Linked Units”	17 000 000 Linked Units issued to Investec at a Clean Price of R12.66 in part settlement of the Investec Purchase Consideration;
“Investec Pretoria”	the property located on portion 4 of Erf 757 and remainder of Erf 872, Menlopark Township, Pretoria;
“Investec Property”	Investec Property Proprietary Limited (Registration number 1947/025753/07), a private company incorporated in South Africa and an indirect wholly owned subsidiary of Investec;
“Investec Properties”	collectively, the Firs, Investec Pretoria and Balfour properties;

“Investec Property Fund”, “IPF” or “the Fund”	Investec Property Fund Limited (Registration number 2008/011366/06), a public company duly registered and incorporated with limited liability according to the company laws of South Africa, which is listed on the JSE;
“Investec Purchase Consideration”	the aggregate of the purchase prices of the Firs, Investec Pretoria and Balfour properties being approximately R839 252 295 comprised of R272 300 000 in respect of the Firs, R169 952 295 in respect of Investec Pretoria and an estimated purchase price of R397 000 000 in respect of Balfour; to be settled partly through the issue of 17 000 000 Linked Units to Investec at a Clean Price of R12.66 and the balance to be settled in cash;
“Investment Bank”	the Corporate Finance Division of Investec Bank Limited;
“Issue Price”	the price at which the Rights Offer Linked Units will be offered to Unitholders in terms of the Rights Offer, being R13.82 per Rights Offer Linked Unit;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in South Africa and a licensed stock exchange in accordance with the Securities Services Act, No. 36 of 2004;
“King Code”	the Code of Corporate Practices and Conduct in South Africa representing principles of good corporate governance as laid out in the King Report, as amended from time to time;
“Last Practicable Date”	Friday, 21 September 2012, being the last practicable date prior to the finalisation of this Circular;
“Letter(s) of Allocation”	renounceable (nil paid) letters of allocation to be issued to Linked Unitholders, in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of Rights Offer Linked Units in terms of the Rights Offer and which are also referred to in this Circular, in respect of holders of Certificated Linked Units, as the Form of Instruction;
“Linked Unit”	a linked unit with a nominal value of 1 000 cents, comprising one Share indivisibly linked to one Debenture;
“Linked Unitholder”	the holders of Linked Units in Investec Property Fund;
“Listings Requirements”	the Listings Requirements of the JSE;
“Manager”	Investec Property, which is appointed by the Fund in terms of the Asset Management and Property Management Agreement, to provide the Asset Management Services and the Property Management Services;
“Megamark Mall”	the property located on the remaining extent of Erf 3 Kriel in Mpumalanga;
“Memorandum of Incorporation”	the Memorandum of Incorporation of the Fund;
“Nonkqubela Mall”	the property located on Erf 50261 Khayelitsha in Cape Town;
“Property Management Services”	the day-to-day management services to be rendered by the Manager which will include, <i>inter alia</i> , the services set out in paragraph 2.4 of the Revised Listing Particulars;
“Property Portfolio”	the property portfolio of Investec Property Fund;
“Pre-listing Statement”	the pre-listing statement of the Fund, dated Friday, 18 March 2011, including all annexures thereto, which was issued on the listing of the Fund;
“Qualifying Linked Unitholder”	a registered holder of Linked Units recorded in the register at 17:00 on the Record Date;
“Ratio of Entitlement”	the number of Rights Offer Linked Units to which Unitholders are entitled in terms of the Rights Offer, details of which are set out in Annexure 5 of this Circular;
“Record Date”	the record date of the Rights Offer, being Friday, 12 October 2012;

“Renouncee”	a person in whose favour a Linked Unitholder has renounced all or a portion of their Rights;
“Revised Listing Particulars”	the revised listing particulars of Investec Property Fund, as required by the JSE Listings Requirements in terms of section 9.22 and as set out on page 50;
“Right(s)”	the entitlement to Rights Offer Linked Units in terms of the Rights Offer;
“Rights Offer”	the renounceable rights offer by Investec Property Fund to raise up to R1.56 billion through the issue of a total of 113 220 000 Rights Offer Linked Units at an Issue Price of R13.82 per Linked Unit to be extended to all Qualifying Linked Unitholders, in the ratio of 66.60 Rights Offer Linked Units for every 100 Linked Units held on the Record Date;
“Rights Offer Linked Units”	113 220 000 new Linked Units, which are to be offered to Linked Unitholders pursuant to the Rights Offer;
“SENS”	Securities Exchange News Service;
“Share”	the issued ordinary shares with a par value of 1 cent each, created, allotted and issued by the Fund in terms of the Memorandum of Incorporation as part of the Linked Units;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a registered central securities depository in terms of the Custody and Administration of Securities Act (Act 85 of 1992), as amended;
“Tariff”	the tariff provided in the Asset Management and Property Management Agreement;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07) with its address at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107); and
“VAT”	Value-Added Taxation in terms of the Value-Added Tax Act, 89 of 1991.

Out of the Ordinary®



Property Fund Limited

INVESTEC PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2008/011366/06)

Share code: IPF ISIN: ZAE000155099

("Investec Property Fund" or "the Fund")

Directors

S Hackner (*Chairman*)

MP Crawford (*Lead Independent non-executive Director*)#

SR Leon (*Chief Executive Officer*)

DAJ Donald (*Executive Financial Director*)

S Mahomed#

CM Mashaba#

MM Ngoasheng#

GR Rosenthal#

Independent non-executive

CIRCULAR TO INVESTEC PROPERTY FUND LINKED UNITHOLDERS

1. INTRODUCTION

It was announced on SENS on Thursday, 20 September 2012 that Investec Property Fund would undertake a Rights Offer to raise R1 564 700 400, through the issue of 113 220 000 new Linked Units at an Issue Price of R13.82 per Linked Unit.

The Issue Price of R13.82 per Linked Unit effectively includes an estimated accrued distribution of 57 cents for the period from 1 April 2012 to 4 November 2012 which will be distributed to Linked Unitholders when the Fund makes its interim distribution during December 2012 and final distribution during June 2013. On this basis, the Clean Price at which the Rights Offer Linked Units will be issued is R13.25 per Linked Unit.

The purpose of the Rights Offer is to raise capital to fund the acquisitions detailed below in paragraph 3.

Linked Unitholders holding directly and indirectly, approximately 120 524 724 Linked Units, comprising approximately 70.90% of the Investec Property Fund Linked Units in issue have provided irrevocable commitments to take up their Rights in respect of R1 109 324 020 of the Rights Offer. In addition excess applications of approximately R637 952 593 comprising 40.77% of the Rights Offer have been received.

The purpose of this Circular is to advise Linked Unitholders of the terms and conditions of the Rights Offer and provide them with relevant information relating to the Rights Offer in order for Linked Unitholders to make an informed decision as to whether or not to participate in the Rights Offer.

Linked Unitholders are invited to apply for excess applications and should these be available, they will be allocated to applicants in an equitable manner by the Directors in accordance with the provisions of paragraph 5.33 of the Listings Requirements.

2. NATURE OF BUSINESS AND PROSPECTS FOR THE FUND

Investec Property Fund was listed on the JSE on 14 April 2011 in the "Financial Services – Real Estate Holding and Development" sector. The Fund is a limited liability, variable loan stock company formed with the purpose of investing in direct real estate, where the Directors believe there is potential for income generation and capital growth.

Post-implementation of the Acquisitions, the Fund's assets consist of investments in 51 quality properties and the portfolio is appropriately diversified to maintain an acceptable level of risk weighting within each sector and thus

mitigate against any sector-specific risks. The Property Portfolio is characterised by a reputable tenant base, high single-tenant profile, coupled with low vacancies and medium-term expiry profiles, which are supportive of a solid and sustainable income stream. The attractiveness of the Fund is reflected both in the nature and quality of this portfolio and the experience and track record of the Manager.

The main business of the Fund as stated in the Memorandum of Incorporation is general trading in all aspects. There has been no change in the business or the trading objectives of the Fund since the adoption of the new Memorandum of Incorporation.

The Fund has recently announced a number of new acquisitions which will enhance the quality, stability and longevity of the Fund's earnings by introducing a portfolio of high-quality and well-tenanted properties into the existing portfolio. The Directors are of the opinion that the implementation of the Rights Offer to fund these acquisitions will be to the long-term benefit of the Fund. The Rights Offer will result in a conservative post-acquisition gearing ratio of 11%, which will provide the Fund with sufficient capacity to pursue further debt-funded acquisitions thereafter.

3. THE RIGHTS OFFER

Investec Property Fund will make the Rights Offer to all existing Linked Unitholders *pro rata* to their existing holdings as at the Record Date.

3.1 Rationale for the Rights Offer

As advised in the SENS announcements released on 21 June 2012, 9 July 2012 and 27 August 2012, Investec Property Fund has concluded agreements for the acquisition of the following properties:

- Nonkqubela mall, from Bakoro Capital Partners for a purchase consideration of R100 500 000;
- Megamark Mall, from Ivory Pewter Trading 18 Proprietary Limited for an aggregate purchase consideration of approximately R217 973 539;
- a portfolio of 12 retail properties from Giuricich for an aggregate purchase consideration of R742 800 000 (i.e. the Giuricich Acquisition); and
- the Firs, Investec Pretoria and Balfour properties from Investec for an aggregate purchase consideration of approximately R839 252 295 (i.e. the Investec Acquisitions).

The Acquisitions detailed above, collectively valued at approximately R1.9 billion, will be funded through vendor placements and the Rights Offer. Further details in respect of the Giuricich Acquisition and the Investec Acquisitions can be found in the Acquisition Circular.

3.2 Terms of the Rights Offer

Investec Property Fund hereby offers, by way of the Rights Offer to its Linked Unitholders a total of 113 220 000 new Linked Units, at an issue price of R13.82 per Linked Unit, payable in full upon acceptance in the currency of South Africa, in the ratio of 66.60 Rights Offer Linked Units for every 100 Linked Units held on the Record Date. The Rights Offer will raise up to R1.56 billion, before expenses.

The Issue Price of R13.82 cents per Linked Unit effectively includes an estimated accrued distribution of 57 cents for the period from 1 April 2012 to 4 November 2012 which will be distributed to Linked Unitholders when the Fund makes its interim distribution during December 2012 and final distribution during June 2013. On this basis, the Clean Price at which the Rights Offer Linked Units will be issued is R13.25 per Linked Unit.

The Rights Offer Issue Price of R13.82 per Linked Unit represents an:

- 8.3% discount to the 30-day volume-weighted average price of Linked Units listed on the JSE as at the close of business on Friday, 24 August 2012 being the last business day prior to the release of the SENS announcement dated 27 August 2012; and
- 11.4% discount to the closing price of Linked Units on the JSE on Friday, 24 August 2012.

The Entitlement of each Qualifying Linked Unitholder holding Certificated Linked Units is reflected in the appropriate block in the Form of Instruction, which is attached to this Circular. Certificated Linked Unitholders will have their Rights credited to a nominee account in electronic form, which will be administered by the Transfer Secretaries on their behalf. The enclosed Form of Instruction reflects the number of Linked Units for which the Certificated Linked Unitholder is entitled to subscribe. The procedure to be followed by Certificated Linked Unitholders for the acceptance, sale or renunciation of their Rights is reflected on the Form of Instruction and detailed in paragraph 4 below.

Qualifying Linked Unitholders holding Dematerialised Linked Units will not receive a printed Form of Instruction. Their CSDP or broker accounts will automatically be credited with their Entitlements. The CSDP or broker will advise Dematerialised Linked Unitholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such Rights.

The Letters of Allocation to which the Forms of Instruction relate are valuable and can be traded on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and, accordingly, all Letters of Allocation have been issued in Dematerialised form. The maintaining of an electronic record of Certificated Linked Units by the Transfer Secretaries has made it possible for Certificated Linked Unitholders to enjoy similar rights and opportunities as Dematerialised Linked Unitholders in respect of trades on the JSE of the Letters of Allocation, to the extent possible.

Fractional Entitlements to Linked Units resulting from the Rights Offer will be rounded down to the nearest whole number if they are less than 0.5 and will be rounded up to the nearest whole number if they are equal to or greater than 0.5. Linked Unitholders not holding a multiple of 100 Linked Units will receive Entitlements in accordance with the Table of Entitlement contained in Annexure 5 to this Circular.

Excess applications will be allowed as detailed in paragraph 4.3 below.

The Rights Offer Linked Units will, upon allotment and issue, rank *pari passu* with all other Investec Property Fund Linked Units in terms of both voting rights and distributions.

3.3 **Opening and closing dates of the Rights Offer**

The Rights Offer will open at 09:00 on Monday, 15 October 2012 and close at 12:00 on Friday, 2 November 2012.

4. **PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND SALE OF RIGHTS**

4.1 **Procedure for acceptance of Rights Offer Entitlements**

If you are a Qualifying Linked Unitholder holding Certificated Linked Units and/or have had Rights renounced in your favour, and wish to subscribe for all or part of your Entitlement in terms of the enclosed Form of Instruction, you are requested to complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with payment of the subscription price, with the Transfer Secretaries, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 2 November 2012. Once received by the Transfer Secretaries, the acceptance is irrevocable and may not be withdrawn. If payment is not received on or before 12:00 on Friday, 2 November 2012, the Qualifying Linked Unitholder or Renouncee concerned will be deemed to have declined the offer to acquire Rights Offer Linked Units pursuant to the Rights Offer. The Rights Offer is not subject to a minimum subscription.

If you are a Qualifying Linked Unitholder holding Dematerialised Linked Units, you will not receive a Form of Instruction. You should receive notification from your CSDP or broker regarding your Rights. If you wish to follow your Rights, you are required to notify your duly appointed CSDP or broker of your acceptance of your Rights in the manner and time allotted in the custody agreement governing the relationship between yourself and your CSDP or broker.

4.2 **Procedure for sale or renunciation of Rights Offer Entitlements**

If you are a Qualifying Linked Unitholder holding Certificated Linked Units, and do not wish to subscribe for all of the Rights allocated to you as reflected in the enclosed Form of Instruction, you may either dispose of or renounce all or part of your Entitlement. If you wish to sell all or part of your Entitlement, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 26 October 2012. The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. If you wish to renounce your Entitlement in favour of any named Renouncee, you must complete Form B in the enclosed Form of Instruction, and the Renouncee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 2 November 2012, together with a bank-guaranteed cheque or banker's draft for the appropriate amount. Renouncees must attach a certified true copy of their identity document to the Form of Instruction, where Forms B and C are completed.

If you are a Qualifying Linked Unitholder holding Dematerialised Linked Units, and wish to sell or renounce some or all of the Rights allocated to you, you should make the necessary arrangements with your CSDP or broker in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

4.3 Excess applications

Linked Unitholders will have the right to apply for any excess Rights Offer Linked Units not taken up by other Linked Unitholders. Should there be excess Rights Offer Linked Units available for allocation after all Rights Offer Linked Units have been taken up in terms of the Rights Offer, these will be allocated to applicants in an equitable manner by the Directors in accordance with the provisions of paragraph 5.33 of the Listings Requirements.

The right to apply for additional Rights Offer Linked Units is automatically transferred by, and to the extent of, any renunciation.

Certificated Linked Unitholders who wish to apply for Rights Offer Linked Units in addition to those allocated to them in terms of the Rights Offer, may do so by indicating the number of additional Rights Offer Linked Units that they wish to subscribe for in Blocks (7) and (8) on the Form of Instruction and by enclosing payment, in accordance with paragraph 4.4 of this Circular, for such additional Rights Offer Linked Units with their subscription.

Dematerialised Linked Unitholders who wish to apply for Rights Offer Linked Units in addition to those allocated to them in terms of the Rights Offer, should advise their CSDP or broker in terms of the agreement entered into between them and their CSDP or broker, as to the number of additional Rights Offer Linked Units for which they wish to apply and ensure that they have sufficient funds in their account.

Non-equitable allocations of excess applications will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 Linked Units.

An announcement will be published on SENS on Monday, 5 November 2012 and in the press on Tuesday, 6 November 2012, stating the results of the Rights Offer and the allocation of any excess applications.

Cheques refunding monies in respect of unsuccessful applications for additional Rights Offer Linked Units by Certificated Linked Unitholders will be posted to the relevant applicants, at their risk, on or about Wednesday, 7 November 2012. No interest will be paid on monies received in respect of unsuccessful applications.

4.4 Payment by Rights Offer recipients and/or their Renounees

A cheque (drawn on a registered bank, crossed "not transferable" and with the words "or bearer" or "or order" deleted), payable to "**IPF – Rights Offer**", for the total amount due in respect of the number of Linked Units to be acquired in the currency of South Africa, together with a properly completed Form of Instruction, must be lodged by Certificated Linked Unitholders as follows:

Hand delivered to:

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

Postal deliveries (at the risk of the holder) to:

Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown
2107

by no later than 12:00 on Friday, 2 November 2012.

CSDP's will effect payment on a delivery-versus-payment basis in respect of a Dematerialised Linked Unitholder. A Dematerialised Linked Unitholder must instruct their CSDP or broker as to the action they must take to enable the CSDP or broker to act timeously on their behalf in terms of the agreement entered into between the Dematerialised Linked Unitholder and their CSDP or broker.

All cheques or banker's drafts received by the Transfer Secretaries will be deposited immediately for payment. In the event that any cheque or banker's draft is dishonoured, Investec Property Fund, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Linked Units to which it relates against payment in cash of the subscription price for such Rights Offer Linked Units. Money received in respect of an application which is rejected or otherwise treated as void by the Fund, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of a cheque drawn in Rand to the applicant concerned, and posted by registered post at the applicant's risk on or about Wednesday, 7 November 2012. If the applicant concerned is not an Investec Property Fund Linked Unitholder and gives no address in the Form of Instruction, then the relevant refund will be held by Investec Property Fund until collected by the applicant. No interest in respect of such refund will be paid by the Fund.

5. JURISDICTION

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer, and this Circular and Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.

The Rights Offer Linked Units have not been, and will not be, registered under the Securities Act of the United States of America. Accordingly, the Rights Offer Linked Units may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of United States persons, except pursuant to exemptions from the Securities Act of the United States. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons.

Unitholders resident outside the Common Monetary Area should consult their professional advisors to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their Entitlement.

Unitholders holding Investec Property Fund Linked Units on behalf of persons who are resident outside the Common Monetary Area are responsible for ensuring that taking up the Rights Offer, or trading in their Entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions.

6. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. If Linked Unitholders are in any doubt as to the appropriate course of action to take, they are advised to consult their professional advisors.

The Rights Offer Linked Units will not be freely transferable from South Africa and will have to be dealt with in terms of the South African Exchange Control Regulations.

6.1 Non-residents outside the Common Monetary Area

Linked Unitholders who are resident outside the Common Monetary Area should obtain advice whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their Rights in terms of the Rights Offer.

6.2 Non-residents of the Common Monetary Area

Pursuant to the South African Exchange Control Regulations and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:

- take up Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE;
- subscribe for the Rights Offer Linked Units arising in respect of the Letters of Allocation purchased on the JSE; and
- apply for excess applications,

provided payment is received either through normal banking channels from abroad or from a non-resident account.

All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate, and any Linked Unit certificates issued pursuant to such applications, will be endorsed "non-resident".

6.3 Former residents of the Common Monetary Area ("emigrants")

Where a Right in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which Right is based on Linked Units blocked in terms of the Exchange Control Regulations, then only emigrant blocked funds may be used to:

- take up the Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE;
- subscribe for the Rights Offer Linked Units arising in respect of the Letters of Allocation purchased on the JSE; and
- apply for excess applications.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Linked Unit certificates issued to such emigrants will be endorsed "non-resident" and placed under the control of the authorised dealer in foreign exchange through whom the payment was made. The proceeds due to emigrants from the sale of the Letters of Allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts. Electronic statements issued in terms of Strate and any Rights Offer Linked Unit certificates issued pursuant to blocked Rand transactions will be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Linked Units will be credited to the blocked accounts of the emigrants concerned.

Any Qualifying Linked Unitholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction.

New Linked Unit certificates issued pursuant to the Rights Offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations. Where the emigrant's Linked Units are in Dematerialised form with a CSDP or broker, the electronic statement issued in terms of Strate will be dispatched by the CSDP or broker to the address of the emigrant in the records of the CSDP or broker.

7. IRREVOCABLE LETTERS OF UNDERTAKING

Linked Unitholders holding directly and indirectly, approximately 120 524 724 Linked Units, comprising approximately 70.90% of the Investec Property Fund Linked Units in issue at the Last Practicable Date, have provided irrevocable commitments to take up their Rights in respect of the Rights Offer.

A summary of the irrevocable letters of undertaking provided by Linked Unitholders is provided in the table below:

Shareholder	Current shareholding		Commitment
	Existing Linked Units held	Interest (%)	Value of Rights Offer Entitlement (R)
Investec Limited	85 000 100	50.00	782 351 126
Stanlib	14 639 448	8.61	134 743 231
Investec Asset Management	8 080 455	4.75	74 373 477
Arzteversorgung Niedersachsen	5 265 480	3.10	48 464 114
Sam Hackner	3 689 474	2.17	33 958 366
Coronation Fund Managers	2 344 978	1.38	21 583 454
Sam Leon	1 504 789	0.89	13 850 252
Total commitments received (excluding excess applications)	120 524 724	70.90	1 109 324 020

In addition, commitments have been received to apply for excess covering approximately 40.77% of the R1 564 700 400 Rights Offer.

8. STOCK EXCHANGE LISTINGS

The JSE has granted separate listings for:

- the Letters of Allocation in respect of the Rights Offer from the commencement of trading on the JSE on Monday, 8 October 2012 to Friday, 26 October 2012 (both days inclusive);
- the Linked Units to be issued pursuant to the Rights Offer from the commencement of trading on the JSE on Monday, 29 October 2012; and

Listing fees of R304 127 are payable in respect of the Linked Units issued pursuant to the Rights Offer.

9. PRO FORMA FINANCIAL INFORMATION RELATING TO THE RIGHTS OFFER

Based on the financial effects previously disclosed in the Acquisition Circular, the table below sets out the unaudited *pro forma* financial effects of the Rights Offer and the Acquisitions. These financial effects are the responsibility of the Directors and they have been prepared for illustrative purposes only. In order to provide information about the financial position of Investec Property Fund it has been assumed that the Rights Offer and Acquisitions had been implemented on 31 March 2012, and the Rights Offer and Acquisitions had been implemented on 1 October 2012 for the statement of comprehensive income.

The unaudited *pro forma* consolidated statement of comprehensive income for the six-month period ending 31 March 2013 and the unaudited *pro forma* consolidated statement of financial position as at 31 March 2012 and the explanatory notes thereto are set out in Annexure 1 to this Circular and should be read in conjunction with the Independent Reporting Accountants' limited assurance reports thereon reproduced in Annexures 2 and 3.

Due to its nature, the unaudited *pro forma* financial information (collectively, the unaudited *pro forma* financial effects, unaudited *pro forma* consolidated statement of comprehensive income and unaudited *pro forma* consolidated statement of financial position) may not fairly present the Fund's financial position, changes in equity, results of operations and cash flows subsequent to the Rights Offer and Acquisitions. The unaudited *pro forma* financial information has been prepared in accordance with the accounting policies of the Fund that were used in the preparation of the audited consolidated financial statements for the year ended 31 March 2012.

	Financial results for the six months ended 31 March 2012 before the Rights Offer and before the Acquisitions	Impact of the Rights Offer and Acquisitions for the six months ending 31 March 2013
Linked Units in issue before Rights Offer and Acquisitions	170 000 000	–
New Linked Units issued	–	147 220 000
Distribution per Linked Unit (cents)	49.29	52.94 ⁽¹⁾
Net asset value per Linked Unit (cents)	1 081.22	1 180.98

(1) Incremental distribution per new Linked Unit; excludes the effects of post-balance sheet events as disclosed in the statement of financial position.

Notes and assumptions:

- The figures set out in the "Financial results before the Rights Offer and Acquisitions" column above have been extracted, without adjustment, from the Fund's published audited results for the year ended 31 March 2012.
- Adjustments have been made for the acquisitions of Megamark Mall and Nonqubela Mall, which acquisitions will be funded using the proceeds of the Rights Offer. These have been included for completeness.
- 34 000 000 Linked Units are assumed to have been issued pursuant to the Giuricich Acquisition and Investec Acquisitions and a further 113 220 000 Linked Units are assumed to have been issued in terms of the Rights Offer.
- Antecedent interest has been excluded as it is assumed that the Rights Offer occurs on 31 March 2012. Ordinarily, as the Rights Offer Linked Units would be issued during an income distribution period, antecedent interest of R64 535 400 would be recognised as a current liability.

10. LINKED UNIT CAPITAL

10.1 Capital structure

The Linked Unit capital of Investec Property Fund before the Rights Offer, but after the issue of the Giuricich Consideration Linked Units and the Investec Consideration Linked Units, is set out below:

Share capital of Investec Property Fund before the Rights Offer	R'000
Authorised	
1 000 000 000 ordinary Shares with a nominal value of 1 cent each	10 000
Issued Share capital	
204 000 000 ordinary Shares with a nominal value of 1 cent each	2 040
Issued Debenture capital	
204 000 000 variable rate, unsecured, subordinated Debentures	2 260 189

Assuming that all of the Rights Offer Linked Units will be subscribed for, a further 113 220 000 Linked Units will be issued at an Issue Price of R13.82 in terms of the Rights Offer, resulting in an aggregate 147 220 000 new Linked Units issued. The Linked Unit capital of the Fund after the Giuricich Acquisition, Investec Acquisitions and the Rights Offer will be:

Future Share capital of Investec Property Fund	R'000
Authorised	
1 000 000 000 ordinary Shares with a nominal value of 1 cent each	10 000
Issued Share capital	
317 220 000 ordinary Shares with a nominal value of 1 cent each	3 172
Issued Debenture capital	
317 220 000 variable rate, unsecured, subordinated Debentures of 99.9 cents each	3 743 141

As at the Last Practicable Date, the Fund does not have any treasury Shares or treasury Linked Units in issue.

The JSE has granted the listing of the Giuricich Consideration Linked Units, Investec Consideration Linked Units and Rights Offer Linked Units.

10.2 Trading history

The Linked Unit prices and volume histories of Investec Property Fund Linked Units on the JSE:

- in the 12 months prior to the Last Practicable Date;
- for each quarter since the date of listing; and
- in the 30 days preceding the Last Practical Date,

are set out in Annexure 4.

10.3 Rights attaching to Linked Units

The salient terms of the Debentures as set out in the Debenture Trust Deed are included in Annexure F to the Circular:

10.3.1 Voting rights

In accordance with the Fund's Memorandum of Incorporation, at any general meeting of the Fund, every Unitholder who is present in person, by authorised representative or by proxy shall have one vote on a show of hands irrespective of the number of Linked Units he holds or represents, provided that a proxy shall have, irrespective of the number of Unitholders he represents, only one vote. On a poll, a Unitholder who is present in person or represented by proxy shall be entitled to that portion of the total votes in the Fund which the aggregate amount of the nominal value of the Linked Units held by that Unitholder bears to the aggregate amount of the nominal value of all the Linked Units issued by the Fund.

10.3.2 Rights to distributions and rights on liquidation

The details of the interest entitlement for each distribution period is set out in Annexure F. In summary, the Fund will distribute 99.9% of its net income. Interest will be due on the Debentures as at half-yearly periods ending 31 March and 30 September in each financial year and will be payable on the earlier of the date upon which dividends in respect of the ordinary Shares in the Share capital of the Fund are payable or 4 (four) months after the end of each financial year of the Fund or the half-yearly periods of 31 March and 30 September.

10.3.3 Liquidation or winding-up of the Fund

The rights of Debenture holders to repayment of capital shall be subordinated to the claims of creditors, as set out in the Debenture Trust Deed. All Debentures issued in terms of the Debenture Trust Deed shall, unless otherwise provided for in the Debenture Trust Deed, no matter when issued, rank *pari passu* in all respects with regard to payment of interest and redemption, in the event of the liquidation or winding-up of the Fund.

The Shares shall rank after all other classes of shares in the Fund (if any) which do not rank *pari passu* with it as regards distributions and returns of capital, but shall be entitled to receive the net asset of the Fund upon its liquidation.

10.3.4 **Issue of Linked Units and variation of rights**

All Linked Units have equal rights to participate in the capital of the Fund. Any variation in rights attaching to Linked Units will require a special resolution of Investec Property Fund Linked Unitholders in general meeting in accordance with the Memorandum of Incorporation.

The issue or disposal of the authorised but unissued capital of the company requires the prior approval of Linked Unitholders in general meeting. The ordinary resolution placing the unissued Shares under the control of the Directors was passed at the annual general meeting held on 3 August 2012. Specific authority to issue Linked Units in excess of 30% of the voting power of all Linked Units in issue in terms of the Rights Offer was granted at the General Meeting held on 27 September 2012.

Further details regarding the authority to issue Linked Units is set out in the extract from the Memorandum of Incorporation in Annexure E.

10.4 **Alterations to Linked Unit capital**

The authorised and issued Share capital at incorporation was as follows:

	R'000
Authorised	
1 000 (one thousand) ordinary Shares of 100 cents each	1 000
Issued	
70 ordinary Shares of 100 cents each	70
Total	1 070

Pursuant to a number of special resolutions of the Fund passed on 27 January 2011 the authorised Share capital was first sub-divided so that the authorised Share capital of the Fund became R1 000 consisting of 100 000 Shares of 1 cent each.

A further resolution was subsequently passed to create an additional 999 900 000 par value ordinary Shares of 1 cent each, to increase the authorised Share capital of the Fund to R10 000 000 comprising 1 000 000 000 par value ordinary Shares of 1 cent each.

The capital structure of the Fund was further amended by a Debenture Trust Deed signed on 4 March 2011, linking each ordinary Share to a variable rate, unsecured, subordinated Debenture with a nominal value of 999 cents.

10.5 **Issues of Linked Units**

At incorporation, the Fund allotted and issued 70 Shares of 100 cents to Investec, the founding shareholder of the Fund.

On 1 April 2011, 170 000 000 Linked Units were issued to Investec at a subscription price of R10. In terms of this subscription, Investec acquired a 100% interest in the Fund. Subsequently, Investec disposed of 84 000 900 Linked Units to public investors by way of a private placing on 14 April 2011.

The following Linked Units will be issued on or about 5 November 2012 in terms of the Giuricich Acquisition, Investec Acquisitions and the Rights Offer:

Number of Linked Units issued	Price at which Linked Units will be issued	Parties to whom Linked Units will be issued	Reason for the issue	Value of asset acquired
17 000 000	R12.29 (Clean Price) ¹	Giuricich	Part settlement of the Giuricich Consideration	R742 800 000
17 000 000	R12.66 (Clean Price) ¹	Investec	Part settlement of the Investec Purchase Consideration	Approximately R839 252 295
113 220 000	R13.82 (Issue Price) R13.25 (Clean Price)	Linked Unitholders	Rights Offer – issued to all Linked Unitholders in proportion to their holdings, which proceeds will be used to settle the purchase considerations of Megamark Mall, Nonkqubela Mall and the balance of the Giuricich Consideration and the Investec Purchase Consideration	R1 564 700 400

1. The discount at which the Giuricich Consideration Linked Units and the Investec Consideration Linked Units will be issued is less than 10% compared to the 30-day volume weighted average traded price of Linked Units at the time the price was agreed upon by the Directors.

10.6 Repurchases, sub-divisions or consolidations

There have been no repurchases, sub-divisions or consolidations of Linked Units undertaken by the Fund, save as is disclosed in paragraph 10.4 above.

10.7 Unissued Linked Units

The Unitholders of Investec Property Fund have, as permitted in terms of the Memorandum of Incorporation, passed the necessary ordinary resolution on 3 August 2012 placing the unissued Linked Units under the control of the Directors subject to the Listings Requirements.

10.8 Other Listings

The Linked Units of the Fund are not listed on any other stock exchange.

10.9 Options and preferential rights

There are no preferential conversion, redemption and/or exchange rights in respect of any of the Linked Units or other securities.

There are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any Linked Units in the Fund.

11. MATERIAL LOANS AND BORROWINGS

As at the Last Practicable Date, no material loans have been advanced by the Fund.

11.1 Borrowings

In terms of its Memorandum of Incorporation, the borrowing powers of the Fund are unlimited. In terms of its covenants entered into after the 2012 year-end the Fund is committed in terms of its external borrowings, to a maximum value of external borrowings as a percentage of the value of investment property assets of 50%. In practice, the Fund aims to keep gearing levels between 30% and 40% over the long term. At 31 March 2012, the nominal value of borrowings was equal to 6.4% of the value of investment property.

Borrowing powers exercisable by the Board may not be amended without the prior written sanction of a special resolution of Unitholders.

The borrowing powers have not been exceeded during the past three years and there are no exchange control or other restrictions on the borrowing powers of the Fund.

As at the Last Practicable Date, Investec Property Fund has undertaken no off-balance sheet financing and has no outstanding loans receivable.

11.2 Debentures

Note 15 of the historical financial information of Investec Property Fund as set out in Annexure A provides details of the Debentures as at 31 March 2012 which have been created and issued in terms of the Debenture Trust Deed.

No Debentures have been issued by way of conversion or replacement of Debentures previously issued.

11.3 Material loans

No loans relating to the Giuricich Acquisition or Investec Acquisitions will exist on purchase as the Fund is acquiring the properties directly from the respective sellers.

The Fund has an approved bridge facility with Investec for R500 000 000. This facility bears interest at a rate equivalent to three-month JIBAR plus 2.25%, payable monthly in arrears, and is committed for a six-month term ending on 15 December 2012. It is repayable in full at the end of the six-month term. Any draw down on the bridge facility will be settled using proceeds from the Rights Offer or through further placement of the DMTN programme. The facility is not secured by any properties. The bridge facility, or part thereof, may be utilised for the payment of the acquisition considerations for the Giuricich Properties and the Investec Properties to the extent that the transfer of the properties occur prior to receipt of the proceeds from the Rights Offer.

The Fund has registered a R1 000 000 000 Domestic Medium Term Note Programme, of which the following tranches have been placed:

	Tranche 1	Tranche 2	Tranche 3	Tranche 6	Total
Principal amount	R134 000 000	R40 000 000	R50 000 000	R226 000 000	R450 000 000
Details of security	Right, title and interest in and to lease agreements, step-in rights to the asset and property management agreement, insurance policies and related security in respect of Investec Office Durban, Innovation Group, Makro Montague Gardens, 4 Protea Place and Woolworths House				
Interest rate	Payable quarterly in arrears at three-month JIBAR + 1.40%	Payable quarterly in arrears at three-month JIBAR + 1.55%	Payable quarterly in arrears at three-month JIBAR + 1.65%	Fixed rate of 8.8% nacs payable semi-annually in arrears	
Terms and conditions of repayment	100% of principal amount on redemption date of 13 April 2015	100% of principal amount on redemption date of 13 April 2016	100% of principal amount on redemption date of 13 April 2017	100% of principal amount on redemption date of 13 April 2017	

Proceeds of the DMTN programme were used to repay the bridge loan drawn down and will be used to settle the balance of acquisitions made during the last financial year.

As at the Last Practicable Date, save for the borrowings detailed above and the indebtedness of Investec Property Fund to Linked Unitholders in respect of the Debentures, the Fund has no further material loans that are outstanding or owing.

There are no material inter-company transactions or balances as at the Last Practicable Date.

12. MATERIAL CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND LEASE PAYMENTS

As at the Last Practicable Date, Investec Property Fund had no material capital commitments, lease payments or contingent liabilities save that:

- the Fund has an obligation to settle the Giuricich Consideration relating to the Giuricich Acquisition, subject to conditions precedent as detailed in the Acquisition Circular, which obligation the Fund intends settling by way of the issue of the Giuricich Consideration Linked Units and from the proceeds of the Rights Offer;

- the Fund has an obligation to settle the Investec Purchase Consideration relating to the Investec Acquisitions, subject to conditions precedent as detailed in the Acquisition Circular, which obligation the Fund intends settling by way of the issue of the Investec Consideration Linked Units and from the proceeds of the Rights Offer;
- the Fund entered into a sale of enterprise agreement between Bakoro Capital Partners Proprietary Limited as the seller and Investec Property Fund as the buyer relating to the acquisition of Nonkqubela Mall and has an obligation to settle the purchase consideration of R100 500 000 on transfer date, which is expected to be on or about 1 December 2012, which obligation the Fund intends to settle from the proceeds of the Rights Offer; and
- the Fund entered into a sale of enterprise agreement between Ivory Pewter Trading 18 Proprietary Limited as the seller and Investec Property Fund as the buyer relating to the acquisition of Megamark Mall and has an obligation to settle the purchase price of R217 973 539 on transfer date which is expected to be on or about 1 December 2012, which obligation the Fund intends to settle from the proceeds of the Rights Offer.

13. MAJOR LINKED UNITHOLDERS

Investec is the controlling shareholder of the Fund. Linked Unitholders with a beneficial interest of 5% or more in the Linked Units of the Fund at the Last Practicable Date are as follows:

Linked Unitholder	Direct (Number of Linked Units)	Indirect (Number of Linked Units)	Percentage held (%)
Investec	85 000 100	–	50.00
Stanlib Asset Management	14 639 448	–	8.61

Following the issue of the Giuricich Consideration Linked Units and the Investec Consideration Linked Units and assuming that all of the 113 220 000 Rights Offer Linked Units will be subscribed for by existing Unitholders in proportion to their current holdings, the following Unitholders will hold a beneficial interest in 5% or more of the Linked Units of the Fund after the Rights Offer:

Linked Unitholder	Direct (Number of Linked Units)	Indirect (Number of Linked Units)	Percentage held (%)
Investec	158 610 167	–	50.00
Stanlib Asset Management	24 389 320	–	7.69
Giuricich	17 000 000	–	5.36

There has been no change in controlling Linked Unitholders of Investec Property Fund since its listing in April 2011 and no changes in controlling Linked Unitholders is anticipated as a result of the implementation of the Rights Offer.

14. DIRECTORS AND DIRECTORS' INTERESTS

14.1 Details of Directors

The full names, ages, business address and capacities of the Directors of Investec Property Fund are outlined below:

Name, age, nationality and role	Business address	Qualification, occupation and experience
Sam Hackner (57) (South African) Executive chairman	100 Grayston Drive Sandown, Sandton, 2196	BCom (Hons), Dip Acc, CA(SA) Sam Hackner has over 30 years of experience in the property industry and is currently the chief executive officer and global head of Investec Property. In 2003 he was appointed chairman of Growthpoint, the largest property fund listed on the JSE. Sam Hackner resigned as chairman of Growthpoint in July 2008, a year after the property management and asset management functions were sold by Investec to Growthpoint. He is currently a member of the board of directors and advisory board of the Investec GLL Global Special Opportunities Real Estate Fund, a R3.7 billion Luxembourg-based fund for investment in global real estate.
Michael P Crawford (69) (South African) Lead independent non-executive director	Stratford House The Braes Bryanston Drive Bryanston, 2021	Michael Crawford has approximately 35 years of experience in property development. He was the founding shareholder of RPP Developments, a successful property development fund, and acted as managing director and later chairman thereof. Michael is currently the chairman of Stratford Property Ventures. Major developments overseen by him include Centurion Shopping Mall, Fourways Golf Park (office park), Linbro Park (industrial) and the Tygerberg Business Park (industrial).
Samuel R Leon (62) (Italian) Chief executive officer	100 Grayston Drive, Sandown, Sandton, 2196	LLB (London) Sam Leon has over 35 years of experience across all sectors of the property industry with 20 years at Investec Property, firstly as a director, then managing director and currently as deputy chairman. He was a founder of the transformation of Growthpoint into South Africa's largest listed property fund and was a director until Investec sold its interests in October 2007. Sam was also a director of a specialist listed property fund Metboard Properties Limited, until it was sold to Growthpoint in April 2007, as well as a board member of SAPOA (the South African Property Industry body). He is currently a member of the board of directors and advisory board of the Investec GLL Global Special Opportunities Real Estate Fund, a R3.7 billion Luxembourg – based fund for investment in global real estate.
David AJ Donald (62) (South African) Executive financial director	100 Grayston Drive Sandown, Sandton, 2196	BCom, CA(SA), H Dip Taxation Law Dave Donald has significant experience in accounting and finance and is currently a director of Investec Property, a position held since 2001, where he is responsible for operational, accounting and finance functions. From 1983 to 1997, he was a partner at Coopers & Lybrand in Johannesburg.

Name, age, nationality and role	Business address	Qualification, occupation and experience
Suliman Mahomed (64) (South African) Independent non-executive director	Mahomed Noor Centre Corner Songozwi and Burger Street Louis Trichardt Limpopo, 0920	Suliman Mahomed has over 35 years experience in the investment and development of commercial property. He is presently chairman and chief executive of Solly's Group of Companies, comprising Solly's Discount World, Solly Noor Properties and Computron.
Constance M Mashaba (50) (South African) Independent non-executive director	113 Somerset Estate 100 East Avenue Atholl, 2019	BCom (Hons) Business Management Constance Mashaba worked for Black Like Me as financial manager from inception until 1997 when it was sold to Colgate Palmolive. She joined Labat Traffic Solutions as the financial manager responsible for all financial activities reporting to the managing director. She is currently the managing director of Black Like Me Proprietary Limited responsible for strategic planning and management of the business, particularly in the areas of sales and marketing for the local and continental markets.
Moses M Ngoasheng (55) (South African) Independent non-executive director	Safika House 89 Central Street Houghton, 2198	BA Economics and Politics, BSocSci (Hons), MPhil Moses Ngoasheng previously worked in the ANC's economics department until 1993 when he joined Gencor's Group Strategy Department. The following year he founded an investment company Safika Holdings Proprietary Limited, of which he is currently the chief executive officer. In 1995, he was requested by deputy president Thabo Mbeki to become his Economic Advisor. When Mbeki was made president in 1999, Mr Ngoasheng became Economic Advisor to the President. In 2000, he returned to Safika as chairman and assisted in building the company into a substantial business.
Graham R Rosenthal (68) (South African) Independent non-executive director	1 Melford Manor 33 Melrose Street Melrose Estate Johannesburg, 2196	CA(SA) Graham Rosenthal spent his entire professional career with Arthur Andersen and its predecessors, becoming a partner of the South African practice in 1968 and an international partner in 1984. He retired from Arthur Andersen in 2000 after having been in charge of their South African audit and business advisory practice. He has served as chairman of the investigations committee of SAICA. Since 2000 he has, <i>inter alia</i> , served as a non-executive director of Sun International and member of various audit committees, including Macsteel Service Centres. He serves as a non-executive member of the credit committees of the Investec Group and as a trustee of their staff share schemes.

The audit and risk committee has considered and satisfied itself of the appropriateness of the expertise and experience of DAJ Donald, the Financial Director.

The executive directors listed above are directors and/or employees of the Manager, however they are all experienced directors who have a clear understanding of their fiduciary duties as directors of the Fund. The Board will at all times exercise due care and diligence in the performance of its duties in accordance with the highest possible standard.

The relevant provisions of the Memorandum of Incorporation relating to qualification, appointment, voting powers, retirement, remuneration and borrowing powers of Directors are set out in Annexure E of this Circular.

14.2 **Directors' other directorships and partnerships**

Details of the Directors' directorships and partnerships in the past five years is set out in Annexure B.

14.3 Directors' declarations

No Director or company secretary has been involved in any or subject to any:

- bankruptcies, insolvencies or individual involuntary compromise arrangements;
- receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangement, or any compromise or arrangement with creditors generally or any class of creditors of any company where the director is or was a director with an executive function at the time of or within 12 months preceding such events;
- compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the director was a partner at the time of or within 12 months preceding such events;
- receiverships of any asset(s) of such person or of a partnership of which the individual is or was a partner at the time of or within 12 months preceding such event;
- public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company;
- offence involving dishonesty; and
- has not been declared delinquent.

14.4 Directors' interests

The Directors, in aggregate, directly and indirectly hold approximately 3.08% of Investec Property Fund's Linked Units at the Last Practicable Date, as follows:

Director	Direct beneficial (Number of Linked Units)	Indirect beneficial (Number of Linked Units)	Total	Percentage held (%)
Sam Hackner	3 689 474	–	3 689 474	2.17
Samuel R Leon	1 504 789	–	1 504 789	0.89
David AJ Donald	39 039	–	39 039	0.02
Graham R Rosenthal	1 800	–	1 800	0.001
Total	5 235 102	–	5 235 102	3.08

Notes:

1. There has been no change in the unitholding of the Directors from 31 March 2012 to the Last Practicable Date;
2. Graham Rosenthal was appointed to the Board effective 1 October 2011.

Post the issue of the Giuricich Consideration Linked Units and the Investec Consideration Linked Units and assuming that all Unitholders follow their Rights and take up the Rights Offer Linked Units in proportion to the existing holdings, the Directors will hold approximately 2.75% of Investec Property Fund's Linked Units after the Rights Offer:

Director	Direct beneficial (Number of Linked Units)	Indirect beneficial (Number of Linked Units)	Total	Percentage held (%)
Sam Hackner	6 146 664	–	6 146 664	1.94
Samuel R Leon	2 506 978	–	2 506 978	0.79
David AJ Donald	65 039	–	65 039	0.02
Graham R Rosenthal	2 999	–	2 999	0.001
Total	8 721 680	–	8 721 680	2.75

During the last 18 months, Investec Property Fund acquired the Innovation Group, Scientific Group, British American Tobacco and General Electric (50%) properties from indirect subsidiaries of the Group.

S Hackner, SR Leon and DAJ Donald hold Shares in Investec. Furthermore, S Hackner, SR Leon and DAJ Donald are directors of the Manager. Save for this, no Director of the Fund has or has had any interest, directly or indirectly, in any transaction which is, or was, material to the business of the Fund and which was effected by the Fund during the current financial year or in any previous financial year which remains in any respect outstanding or unperformed. Directors who have a linked unitholding in the Fund will benefit in the same manner as other Linked Unitholders through the Rights Offer due to their unitholding in the Fund.

The Great North Road Plaza property was acquired from Swanvest 362 Proprietary Limited, a private company wholly owned by Suliman (Solly Noor) Mahomed. Mr Mahomed was subsequently invited to be a member of the Board and was appointed effective from 14 May 2012. Save for this, and the employment of the executive directors with the Manager (being an indirect wholly owned subsidiary of Investec), none of the other directors of Investec Property Fund held any direct or indirect beneficial interest in any property acquired or proposed to be acquired by the Fund.

Other than in respect of the Investec Acquisitions, the Directors have no interest in material contracts or transactions with the Fund other than via their employment with the Manager.

14.5 Directors' emoluments

Directors who are employed by the Manager will not be remunerated directly by the Fund for their services as Directors, as the Fund pays the asset management fee to the Manager. The remuneration paid to the executive directors for their services as Directors of the Fund is paid by the Manager.

The remuneration paid by the Manager to the executive directors for the financial year ended 31 March 2012 for services on behalf of the Fund and who act as the prescribed officers of the Fund is as follows:

Director	Salary (paid by the Manager) R'000	Fees for other services R'000	Provident/ Pension fund and medical aid contributions R'000	Bonuses R'000	Total R'000
S Hackner	1 575	–	–	–	1 575
SR Leon	2 025	–	–	–	2 025
DAJ Donald	900	–	–	–	900
Total	4 500	–	–	–	4 500

Only non-executive directors receive remuneration for their services as Directors of Investec Property Fund. MP Crawford, B Molefe (*resigned 31 October 2011*), MM Ngoasheng, CM Mashaba and GR Rosenthal are accordingly the only Directors who receive(d) Directors' fees.

The remuneration paid by the Fund to the non-executive directors for the last financial period is as follows:

Director	Directors fees R'000	Fees for other services R'000	Provident/ Pension fund and medical aid contributions R'000	Bonuses R'000	Total R'000
B Molefe (<i>resigned on 31 October 2011</i>)	25	–	–	–	25
MM Ngoasheng	80	–	–	–	80
MP Crawford	100	–	–	–	100
CM Mashaba	55	–	–	–	55
GR Rosenthal	75	–	–	–	75
Total	335	–	–	–	335

The remuneration of the non-executive directors for the financial year ended 31 March 2012 was determined on the basis of an annual retainer fee of R50 000 *per annum* and based on their attendance at Board meetings or meetings of the board committees, as follows:

Directors' fees per meeting	Chairman R	Director/ Committee member R
Board	–	10 000
Audit and risk committee	15 000	10 000

For the forthcoming year, the proposed remuneration will be based entirely on their attendance at meetings, as follows:

Directors' fees per meeting	Chairman R	Director/ Committee member R
Board	–	25 000
Board committees	20 000	15 000

No amounts have been paid or is payable to any third party *in lieu* of directors' fees

There will be no variation in the remuneration payable to Directors as a consequence of the Rights Offer.

14.6 **Appointment of Directors**

There are no service contracts with any of the Directors. The non-executive directors have been appointed in terms of a letter of appointment with the Fund.

The following table indicates the term of office for which each Director has been appointed:

Director	Years of service (months)
Executive directors	
Sam Hackner (chairman)	17
Samuel R Leon (chief executive officer)	17
David AJ Donald (financial director)	17
Non-executive directors	
Michael Crawford (lead independent non-executive director)	17
Constance Mashaba (appointed 1/10/2011)	11
Brian Molefe (resigned 3/10/2011)	12
Graham Rosenthal (appointed 1/10/2011)	11
Moses Ngoasheng (appointed 1/03/2011)	17
Suliman Mahomed (appointed 14/05/2012)	3

Appointments to the Board are done in a formal and transparent manner and are a matter for deliberation by the whole Board with the assistance of the nominations committee. At least one-third of the Directors are subject to retirement by rotation and re-election by Linked Unitholders at the annual general meeting each year. Such Directors are those longest in office since their last re-election and include Directors appointed since the last annual general meeting. All eligible Directors offer themselves for re-election.

14.7 **Directors' responsibility statement**

The Directors, whose names are detailed on the inside front cover of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

15. **GOVERNING LAW**

All transactions arising from the provisions of this Circular and the Forms of Instruction shall be governed by and be subject to the laws of South Africa.

16. **GENERAL**

16.1 **Material contracts**

No material contracts have been entered into by the Fund, being a contract entered into otherwise than in the ordinary course of business, within the two years preceding the date of this Circular or a contract entered into at any time containing an obligation or settlement that is material to the Fund as at the date of this Circular, save for the following agreements, which are available for inspection in terms of paragraph 20 hereto.

- Sale of letting enterprise agreement dated 15 February 2011 entered into between various wholly owned subsidiaries of Investec as the sellers and the Fund as the purchaser, in terms of which the Fund acquired the Ampaglas Tunney, Ampaglas East London, Makro Montague Gardens, Jet Umtata and Investec Offices Durban properties from Investec on 1 April 2011 for a purchase consideration of R372 500 000, as detailed in the Pre-listing Statement;
- Sale of letting enterprise agreement dated 15 February 2011 entered into between various wholly owned subsidiaries of Investec as the sellers and the Fund as the purchaser, in terms of which the Fund acquired 4 Protea Place, Business Connexion, 5 Walnut Road, SABB Mayville, 345 Rivonia Road, 373 Pretorius Street, 17 Derrick Road, Capital Motors, Benoni Multipark, Gresmac, 95 Main Reef Road, Shoprite Checkers Thabazimbi, Shoprite Checkers Vanderbijlpark, Monsanto, SABB Maitland, Renew It, Heriotdale Minipark, Hycol Mini Units, Standard Bank, Alrode Multipark, Table Choice Aeroton, Boksburg Minipark and Voltex properties from Investec on 1 April 2011 for a purchase consideration of R1 036 000 000 as detailed in the Pre-listing Statement;
- Sale of letting enterprise agreement dated 15 February 2011 entered into between various wholly owned subsidiaries of Investec as the sellers and the Fund as the purchaser, in terms of which the Fund acquired the Woolworths House property from Investec on 1 April 2011 for a purchase consideration of R288 000 000 as detailed in the Pre-listing Statement;
- Sale of enterprise agreement dated 26 June 2012 entered into between Ivory Pewter Trading 18 Proprietary Limited as the seller and the Fund as the purchaser in terms of which the Fund will acquire Megamark Mall on transfer date for a purchase consideration of approximately R217 973 539 as detailed in the SENS announcement released on 9 July 2012;
- Sale of enterprise agreement dated 7 June 2012 entered into between Bakoro Capital Partners Proprietary Limited as the seller and the Fund as the purchaser in terms of which the Fund will acquire Nonkqubela Mall on transfer date for a purchase consideration of R100 500 000 as detailed in the SENS announcement released on 9 July 2012;
- the Acquisition Agreements, collectively referring to:
 - the sale and purchase agreement, dated 22 August 2012 entered into between Investec as the seller and the Fund as the purchaser in terms of which the Fund will acquire the Firs for a purchase consideration of R272 300 000;
 - the sale and purchase agreement, dated 22 August 2012 entered into between Investec as the seller and the Fund as the purchaser in terms of which the Fund will acquire Investec Pretoria for a purchase consideration of R169 952 295;
 - the sale and purchase agreement, dated 22 August 2012 entered into between Investec as the seller and the Fund as the purchaser in terms of which the Fund will acquire Balfour for a purchase consideration of approximately R397 000 000;
 - the sale and acquisition of letting enterprises agreement dated 6 July 2012, between Giuricich as the seller and the Fund as the purchaser in terms of which the Fund will acquire the Giuricich Properties for a consideration of R742 800 000;
- the Asset Management and Property Management Agreement dated 17 February 2011 entered into between Investec Property as the Manager and the Fund in terms whereof the Manager is appointed to provide asset and property management services to the Fund; and
- the Debenture Trust Deed dated 10 March 2011 between the Fund and the Debenture Trustee in respect of the Debentures.

16.2 Material changes

Save for the proposed acquisitions to be undertaken as detailed in the Acquisition Circular, the Directors confirm that there has been no material change in the financial or trading position of the Fund since its results for the year ended 31 March 2012.

16.3 Litigation statement

The Fund is not involved in any material legal or arbitration proceedings or legal actions, nor are the Directors aware of any proceedings that are pending or threatened, that may have, or have had in the 12-month period preceding the Last Practicable Date, a material effect on the Group's financial position.

16.4 Adequacy of working capital

The Directors are of the opinion that the working capital resources of Investec Property Fund are sufficient for the Fund's current working capital requirements and will, post implementation of the Rights Offer and the Giuricich Acquisition and Investec Acquisitions, be adequate for a minimum period of 12 months from the date of issue of this Circular.

16.5 Royalties

No royalties or items of a similar nature are payable in respect of the Fund.

17. EXPENSES

The expenses relating to the Rights Offer are estimated at approximately R16 079 805 and comprise:

Details	Payable to	R
Advertising (press announcements)	Ince	215 780
Corporate advisor	Investec Corporate Finance	15 001 650
Independent sponsor fees	Deloitte & Touche	80 000
Circular printing and distribution	Ince	150 000
Accounting and auditing fees	Ernst & Young Inc	240 000
JSE documentation fee	JSE	40 155
JSE listing fee	JSE	304 127
Transfer Secretaries fees	Computershare	30 000
Strate fees	Strate	18 093
Estimated total		16 079 805

Save for the expenses in respect of the Giuricich Acquisition and Investec Acquisitions, as detailed in paragraph 14 on page 28 of the Acquisition Circular, the Fund has not incurred any other preliminary expenses in respect of the Rights Offer in the three years period preceding the date of this Circular.

18. CORPORATE GOVERNANCE

The Fund and its Directors are committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs.

The Board supports and substantially complies with the principles of effective corporate governance as set out in King III.

The corporate governance statement of the Fund is set out in Annexure 6.

19. CONSENTS

The Investment Bank, Independent Sponsor, Independent Reporting Accountant and Transfer Secretaries have provided their written consents to act in the capacity stated and to their names being used in this Circular and none of them have withdrawn their consents prior to the posting of this Circular.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Investec Property Fund during normal business hours from Monday, 15 October 2012, up to and including Friday, 2 November 2012:

- 20.1 the Memorandum of Incorporation;
- 20.2 the Debenture Trust Deed;
- 20.3 the Asset and Property Management Agreement;
- 20.4 the material contracts as detailed in 16.1;
- 20.5 valuation reports prepared by an independent property valuer in respect of the properties owned by the Fund as at the Last Practicable Date;
- 20.6 the audited annual financial statements of Investec Property Fund for the year ended 31 March 2012;

- 20.7 the unaudited interim financial statements of Investec Property Fund for the six months ended 30 September 2011;
- 20.8 a copy of each of the irrevocable Linked Unitholder commitments;
- 20.9 the signed Independent Reporting Accountants' reports on the unaudited *pro forma* financial effects;
- 20.10 the written consents of the Investment Bank, Independent Sponsor, Reporting Accountant and Transfer Secretaries to the inclusion of their names in this Circular in the context and form in which they appear; and
- 20.11 a signed copy of this Circular and Form of Instruction.

PRO FORMA FINANCIAL INFORMATION

The unaudited *pro forma* consolidated statement of comprehensive income for the six months ending 31 March 2013 and the unaudited *pro forma* consolidated statement of financial position at 31 March 2012 are the responsibility of the Directors and they have been prepared for illustrative purposes only, in order to provide information about the results and financial position of Investec Property Fund, assuming that the Rights Offer had been implemented on 1 October 2012 for purposes of the statement of comprehensive income and the Rights Offer and the Acquisitions had been implemented on 31 March 2012 for purposes of the statement of financial position. Due to its nature, the unaudited *pro forma* financial information may not fairly present Investec Property Fund's financial position and results of operations subsequent to the Rights Offer and the Acquisitions. The Independent Reporting Accountants' report on the unaudited *pro forma* financial information is set out in Annexures 2 and 3.

The unaudited *pro forma* financial information has been prepared in accordance with the accounting policies of the Fund that were used in the preparation of the audited financial statements for the year ended 31 March 2012.

I. **UNAUDITED PRO FORMA FORECAST FINANCIAL INFORMATION FOR THE SIX MONTHS ENDING 31 MARCH 2013**

Set out below is the unaudited *pro forma* forecast financial information of the Fund reflecting the effects of the Rights Offer and the Acquisitions:

R'000	Unaudited forecast for the Giuricich Acquisition and Investec Acquisitions for the six months ending 31 March 2013 before the Rights Offer	Adjustments for the acquisitions of Megamark Mall and Nonkqubela Mall	Adjustments for the Rights Offer	Unaudited forecast for the Acquisitions for the six months ending 31 March 2013 after the Rights Offer
Revenue				
Gross rental and related revenue	88 881	15 921	–	104 802
Straight-line rental revenue adjustment	2 943	531	–	3 474
Rental revenue	91 824	16 452	–	108 276
Property expenses	(19 575)	(2 677)	–	(22 252)
Net rental and related revenue	72 249	13 775	–	86 024
Other operating expenses				
Fund expenses	–	–	–	–
Asset management fee	(3 955)	(796)	–	(4 751)
Operating profit	68 294	12 978	–	81 272
Finance costs	–	–	–	–
Finance income	–	–	165	165
Profit before debenture interest and taxation	68 294	12 978	165	81 437
Debenture interest	(65 286)	(12 435)	(165)	(77 885)
Profit before taxation	3 008	543	–	3 552
Taxation	(842)	(152)	–	(994)
Total comprehensive income for the period attributable to equity holders	2 166	391	–	2 558
Reconciliation of attributable earnings to distributable earnings				
Attributable earnings	2 166	391	–	2 558
Debenture interest	65 286	12 435	165	77 885
Earnings	67 452	12 826	165	80 443
Straight-line rental revenue adjustment	(2 943)	(531)	–	(3 474)
Deferred tax on straight-line rental revenue adjustment	824	149	–	973
Distributable earnings	65 333	12 444	165	77 942
Distributable to Linked Unit Holders	65 333	12 444	165	77 942
Interest on debentures	65 286	12 435	165	77 885
Dividends on ordinary shares	47	9	–	56
Undistributed earnings	–	–	–	–
New Linked Units issued				147 220 000
Forecast distribution per new Linked Unit issued (cents)				52.94

Notes and assumptions:

The profit forecast for the six months ending 31 March 2013 is based on the following assumptions:

1. The figures set out in the "Unaudited forecast for the Giuricich Acquisition and Investec Acquisitions for the six months ending 31 March 2013 before the Rights Offer" column above have been extracted, without adjustment, from the *pro forma* combined financial effects of the Giuricich Acquisition and Investec Acquisitions as illustrated in Annexure 11 on page 62 of the Acquisition Circular.
2. The "Adjustments for the acquisitions of Megamark Mall and Nonkqubela Mall" column shows the addition of further acquisitions that will be funded through proceeds of the Rights Offer. It has been assumed that these properties will transfer on 1 October 2012 and have been included for completeness.
3. The Rights Offer is assumed to have been implemented on 1 October 2012.
4. Finance income shows the interest earned on the excess cash from the Rights Offer proceeds over the purchase considerations of the Acquisitions and associated fees and transaction expenses.
5. 34 000 000 Linked Units are assumed to have been issued pursuant to the Giuricich Acquisition and Investec Acquisitions and a further 113 220 000 Linked Units are assumed to have been issued in terms of the Rights Offer.
6. The forecast excludes the antecedent divestiture relating to the Giuricich Acquisition and the Investec Acquisitions as this has no impact on the distribution to Linked Unitholders.
7. Circumstances which affect the Fund's business, but which are outside of the control of the Directors, will not change in a way that will materially affect the trading situation of the Fund.
8. No material properties will be acquired and no properties will be disposed of during the forecast period save as for those disclosed above.
9. The majority of existing lease agreements are valid and all rental guarantees are in place. In some cases the lease agreement has expired and has not yet been renewed. In these cases, it is assumed that the tenant remains *in situ* (except in the instances where the Fund is aware that a tenant may want to relocate) and continues to pay rent. Such revenue is treated as uncontracted revenue for the purposes of the profit forecasts. The proportion of rental revenue (excluding recoveries) from the Acquisitions that is uncontracted for the six months ending March 2013 is 3.3%.
10. Current vacant space has been forecast on a property by property basis and has either been assumed to remain vacant or, if it is considered viable that a tenant will be found, that it will be only partially let during the forecast period.
11. Leases expiring during the period have been forecast on a lease-by-lease basis and, in circumstances where the tenant has indicated that it is satisfied with the premises they have continued to be let at the current rates and escalations for the majority of the tenants. Where considered necessary, the forecast rental has been escalated or has been reduced in line with market rentals.
12. Operating expenditure has been based on discussions with, and records of, the property managers and historical costs, taking into account the effects of inflation on these. The following material expenditure items have been identified: Rates, Electricity, Security, Property Management fees and Cleaning. Of these, Electricity is expected to increase by more than 15% from the historical period, due to Eskom tariff increases.
13. Debenture interest payable in respect of the Linked Units is based on distributable earnings, adjusted for the payment of dividends in relation to the ordinary Shares in issue.
14. Deferred tax on the straight-line rental revenue adjustment has been included at a rate of 28%.
15. The asset management fee has been approximated at 0.5% of the cost of the properties being R1.9 billion for the entire forecast period.
16. It has been assumed that distributable earnings will be distributed to Linked Unitholders in full.
17. All adjustments, with the exception of the incurrence of transaction costs, will have a continuing effect.

The above assumptions are material to the forecast and the actual profit of the Fund will depend on them. Unforeseen events or circumstances may also occur subsequent to the date of this Circular and the actual results achieved during the six months ending 31 March 2013 may therefore differ materially from the forecast.

2. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2012

Set out below is the unaudited *pro forma* consolidated statement of financial position of the Fund reflecting the effects of the Rights Offer and the Acquisitions:

R'000	<i>Pro forma</i> balance sheet before Rights Offer (as per Acquisition Circular) ⁽¹⁾	Adjustments for further acquisitions of Nonkqubela and Kriel ⁽²⁾	Rights Offer	Impact of Rights Offer and Acquisitions
ASSETS				
Non-current assets	3 798 579	318 474	–	4 117 052
Investment property	3 768 072	318 474	–	4 086 545
Straight-line rental revenue adjustment	30 507	–	30 507	
Fair value of property assets	3 798 579	318 474	–	4 117 052
Current assets	231 719	–	7 709	239 428
Trade and other receivables	12 064	–	–	12 064
Taxation receivable	3	–	–	3
Cash and cash equivalents	219 652	–	7 709 ⁽³⁾	227 361
Total assets	4 030 298	318 474	7 709	4 356 480
EQUITY AND LIABILITIES				
Shareholders' interest	2 914	240	18	3 172⁽⁴⁾
Ordinary Share capital	2 914	240	18	3 172
Debentures	3 417 217	318 233	7 691	3 743 141
Total unitholders' interest	3 420 131	318 474	7 709	3 746 314
Non-current liabilities	413 669	–	–	413 669
Other non-current financial liabilities	413 669	–	–	413 669
Current liabilities	196 497	–	–	196 497
Trade and other payables	28 097	–	–	28 097
Current portion of other non-current financial liabilities	168 400	–	–	168 400
Linked unitholders for interest and dividends	–	–	–	–
Total liabilities – including debentures	4 027 383	318 233	7 691	4 353 307
Total equity and liabilities	4 030 297	318 474	7 709	4 356 480
Number of Linked Units in issue	291 388 873	24 035 739	1 795 388	317 220 000
Net asset value per Linked Unit (cents)				1 180.98

Notes:

- The figures set out in the "Pro forma balance sheet before Rights Offer" column above have been extracted, without adjustment, from the *pro forma* combined financial effects of the Giuricich Acquisition and Investec Acquisitions as illustrated in Annexure 1 on page 35 of the Acquisition Circular.
- The acquisitions of Megamark Mall and Nonkqubela Mall valued at R217 973 539 and R100 500 000 respectively, which acquisitions will also be funded with the proceeds of the Rights Offer, have been included for completeness.
- Inflows of cash relate to the excess of the Rights Offer proceeds over the purchase considerations of the Acquisitions. Transaction expenses amounting to R16 079 805 have been paid out of cash and capitalised to Debentures.
- Represents the Share capital and Debenture capital following the issue of the Giuricich Consideration Linked Units, the Investec Consideration Linked Units and 113 220 000 Rights Offer Linked Units issued at a Clean Price of R13.25 per Linked Unit.
- Antecedent interest has been excluded as it is assumed that the Rights Offer occurs on 31 March 2012. Ordinarily, as the Rights Offer Linked Units would be issued during an income distribution period, antecedent interest of R64 535 400 would be recognised as a current liability.
- All adjustments, with the exception of the incurrence of transaction costs, will have a continuing effect.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FORECAST FINANCIAL INFORMATION

"The Directors
Investec Property Fund Limited
100 Grayston Drive, Sandown
Sandton
2196

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE PRO FORMA FORECAST FINANCIAL INFORMATION OF IPF REFLECTING THE EFFECTS OF THE RIGHTS OFFER AND THE ACQUISITIONS

We have performed our limited assurance engagement in respect of the unaudited *pro forma* forecast financial information set out in Annexure 1 of the Circular to be dated 15 October 2012 issued in connection with the Acquisitions and Rights Offer of Investec Property Fund Limited, that is part of the subject of this Circular. The unaudited *pro forma* forecast financial information has been prepared in accordance with the requirements of the JSE Limited's Listings Requirements ("Listings Requirements") for illustrative purposes only, to provide information about how the Acquisitions and Rights Offer might have affected the reported forecast financial information presented in the Acquisition Circular to the linked unitholders dated 27 August 2012, had the Acquisitions and Rights Offer been undertaken on 1 October 2012, assuming the properties will transfer on 1 October 2012 ("Acquisition Date") as set out in Annexure 1 of Investec Property Fund Limited's Circular.

Directors' responsibility

The directors are solely responsible for the compilation, contents and presentation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that; the unaudited *pro forma* forecast financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Investec Property Fund Limited; and the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* forecast financial information disclosed in terms of the Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements other than Audits or Reviews of Historical Financial Information – ISAE 3000 and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants.

The standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* forecast financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unaudited *pro forma* forecast financial information of Investec Property Fund Limited after the Investec and Giuricich acquisitions as reported in the Circular issued to the linked unitholders on 27 August 2012 with the source documents, considering the unaudited *pro forma* adjustments in light of the accounting policies of Investec Property Fund Limited, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the Directors of Investec Property Fund Limited in respect of the transaction which is the subject of this Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the Directors of Investec Property Fund Limited and other information from various public, financial and industry sources. While our work performed has involved an analysis of the financial information and other information provided to us, our limited assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that pursuant to sections 8.17 and 8.30 of the Listings Requirements: the unaudited *pro forma* forecast financial information has not been properly compiled on the basis stated, such basis is inconsistent with the accounting policies of the issuer; and the *pro forma* adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed, in terms of section 8.17 and 8.30 of the Listings Requirements.

Ernst & Young Inc.

Director: Rosanne De Lange
Reporting Accountant Specialist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg

25 September 2012''

“The Directors
Investec Property Fund Limited
100 Grayston Drive, Sandown
Sandton
2196

INDEPENDENT REPORTING ACCOUNTANTS’ LIMITED ASSURANCE REPORT ON THE FORECAST OF THE NONKQUBELA MALL AND MEGAMARK MALL ACQUISITIONS (“FURTHER ACQUISITIONS”).

We have examined the forecast and the related assumptions of the Further Acquisitions of Investec Property Fund Limited for the six months ending 31 March 2013 amounting to an attributable net profit before distribution to linked unit holders of R12.978 million as set out in Annexure I to the Circular to be dated 15 October 2012.

This report and the conclusion contained herewith are provided solely for the benefit of the board of directors and prospective linked unitholders of Investec Property Fund Limited for the purpose of their consideration of the renounceable Rights Offer (“Transaction”). This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Directors’ responsibility

The Directors of Investec Property Fund Limited are solely responsible for the forecast, including the assumptions set out in Annexure I, on which it is based, and for the financial information from which it has been prepared. This responsibility includes:

- Determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecasts;
- Whether the forecasts have been properly compiled on the basis stated; and
- Whether the forecast information is presented on a basis consistent with the accounting policies of Investec Property Fund Limited.

Reporting accountants’ responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared on the Nonkqubela Mall and Megamark Mall acquisitions for inclusion in the “Adjustments for the acquisitions of Megamark and Nonkqubela Mall” column of the Circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the *Examination of Prospective Financial Information – ISAE 3400*. This standard requires us to obtain sufficient appropriate evidence as to whether:

- Management’s best-estimate assumptions on which the forecasts are based are not unreasonable and are consistent with the purpose of the information;
- The forecast is properly prepared on the basis of the assumptions;
- The forecast is properly presented and all material assumptions are adequately disclosed; and
- The forecast is prepared and presented on a basis consistent with the accounting policies of Investec Property Fund Limited.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and sources of information

In arriving at our conclusion, we have relied upon the management prepared forecast and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- Management prepared forecasts for the six months ending 31 March 2013;
- Lease agreements for the Nonkqubela and Megamark properties;
- Prior year income and expenses of the properties
- The Investec Property Fund Limited Assets Management and Property Management Agreement;
- The Investec Property Fund SA Limited Debenture Trust Deed;

Summary of work performed

In arriving at our conclusion we have performed the following procedures:

Rental income

The forecast contracted rental income streams as contained in the profit forecast model, were selected for the properties being acquired and agreed to the underlying lease agreements. The coverage obtained was 66% of the forecast contracted rental income of the Nonkqubela Mall and Megamark Mall acquisition, giving an overall coverage (across all Acquisitions) of 74%.

The forecast rental income was determined with reference to existing rental agreements on a property by property basis.

Lease agreements expiring during the forecast period were discussed with management and have been forecast on a lease by lease basis. In these circumstances, it has been assumed that the rental income will either be received at the same rental income, as that received under the previous signed lease agreement, or is forecast at a lower rental income, than that received under the previous signed lease agreement. This rental income has been included in the forecast as uncontracted rental income. This amounts to 3.3% of the total forecast rental revenue across all Acquisitions for the six months ending 31 March 2013.

The straight lining adjustment required by IFRS, of rental income generated by operating leases, was recalculated and agreed to the forecast model.

Property expenses

Material forecast expenses were compared to the underlying documentation and to prior period expenses. Explanations were obtained for material expenses that varied by 15% or more year-on-year, and these are disclosed in the notes to the forecast information.

Portfolio expenses

The forecast transaction costs (which are capitalised), finance raising, interest payable, property management fees and other portfolio expenses were assessed for reasonableness and agreed to underlying documentation (where available) and where applicable, recalculated. Certain expenses were compared to similar expenses of other funds in order to assess their reasonableness.

Material expenditure items

The detailed forecast expenditure was examined to ensure that all material expenditure items, as required by paragraph 13.14 (f) of the JSE Listings Requirements, were disclosed. The material expenditure items disclosed related to rates and taxes, electricity, security, cleaning and property management fees.

Application of accounting policies

We ascertained that the accounting policies to be applied by Investec Property Fund Limited in the future were applied consistently in arriving at forecast income and expenses.

Model review

In order to ensure the forecast model for the property income and expenses was accurate and reliable we performed a high level review to determine the consistency and mathematical accuracy of the model.

Accuracy of the information

We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions with the management of Investec Property Fund Limited. While our work has involved an analysis of the historical financial information and other information provided to us, our engagement does not constitute nor does it include, an audit conducted in accordance with International Auditing Standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, in respect of the property forecast and relevant information included in the Circular of Investec Property Fund Limited.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- The assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- The forecast has not been properly compiled on the basis stated;
- The forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- The forecast is not presented on a basis consistent with the accounting policies of Investec Property Fund Limited.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variations may be material. Accordingly no assurance is expressed regarding the achievability of the forecast.

Ernst & Young Inc.

Director: Rosanne De Lange
Reporting Accountant Specialist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg

25 September 2012"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION OF THE FUND

"The Directors
Investec Property Fund Limited
100 Grayston Drive
Sandown
Sandton
2196

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF IPF REFLECTING THE EFFECTS OF THE RIGHTS OFFER AND THE NONKQUBELA ACQUISITIONS AS AT 31 MARCH 2012

We have performed our limited assurance engagement in respect of the unaudited *pro forma* consolidated statement of financial position set out in Annexure 1 of the Circular to be dated 15 October 2012 issued in connection with the Acquisitions and Rights Offer of Investec Property Fund Limited, that is part of the subject of this Circular. The *pro forma* statement of financial position has been prepared in accordance with the requirements of the JSE Limited's Listings Requirements ("Listings Requirements") for illustrative purposes only, to provide information about how the Acquisitions and Rights Offer might have affected the reported historical financial information presented, had the Acquisitions and Rights Offer been undertaken as at the date of the unaudited consolidated *pro forma* statement of financial position being reported on, assuming the properties will transfer on 1 October 2012 ("Acquisition Date"), as set out in Annexure 1 of Investec Property Fund Limited's Circular.

Directors' responsibility

The directors are solely responsible for the compilation, contents and presentation of the unaudited *pro forma* consolidated statement of financial position contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that; the unaudited consolidated *pro forma* statement of financial position has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Investec Property Fund Limited; and the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited consolidated *pro forma* statement of financial position disclosed in terms of the Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* consolidated statement of financial position included in the Circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements other than Audits or Reviews of Historical Financial Information – ISAE 3000 and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants.

The standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* consolidated statement of financial position beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unaudited *pro forma* statement of financial position of Investec Property Fund Limited after the Investec and Giuricich acquisitions as reported in the Circular issued to the linked unitholders on 27 August 2012 with the source documents, considering the unaudited *pro forma* adjustments in light of the accounting policies of Investec Property Fund Limited, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the Directors of Investec Property Fund Limited in respect of the Transaction which is the subject of this Circular. In arriving at our conclusion, we have relied

upon financial information prepared by the Directors of Investec Property Fund Limited and other information from various public, financial and industry sources. While our work performed has involved an analysis of the financial information and other information provided to us, our limited assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that pursuant to sections 8.17 and 8.30 of the Listings Requirements: the unaudited *pro forma* consolidated statement of financial position has not been properly compiled on the basis stated, such basis is inconsistent with the accounting policies of the issuer, and the *pro forma* adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed, in terms of section 8.17 and 8.30 of the Listings Requirements, based on the assumption that in Annexure 1 of the Circular, the properties will transfer on the Acquisition Date.

Ernst & Young Inc.

Director: Rosanne De Lange
Reporting Accountant Specialist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg

25 September 2012''

INVESTEC PROPERTY FUND TRADING HISTORY ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
Quarterly					
2011					
June	1 149	1 006	1 050	9 129 909	94 731 446
September	1 147	1 010	1 030	9 628 915	100 100 028
December	1 200	1 020	1 125	5 533 197	60 001 366
2012					
March	1 188	1 110	1 170	3 914 864	45 380 005
June	1 859	1 165	1 370	12 939 498	154 094 850
Monthly					
2011					
September	1 050	1 010	1 030	3 650 327	37 862 749
October	1 075	1 020	1 065	2 496 835	26 103 590
November	1 150	1 065	1 145	1 350 278	14 915 199
December	1 200	1 110	1 125	1 686 084	18 982 577
January	1 188	1 125	1 155	790 595	9 049 395
February	1 175	1 110	1 150	1 530 121	17 724 750
March	1 180	1 145	1 170	1 594 148	18 605 860
April	1 370	1 165	1 170	1 590 634	18 600 235
May	1 250	1 165	1 249	10 346 795	122 261 158
June	1 859	1 231	1 370	1 002 069	13 233 457
July	1 624	1 370	1 495	2 684 732	38 959 858
August	1 773	1 460	1 773	1 123 420	17 280 926
Daily					
13 Aug 12	1 550	1 488	1 550	18 369	277 794
14 Aug 12	–	–	1 550	–	–
15 Aug 12	1 600	1 550	1 565	23 870	372 955
16 Aug 12	1 600	1 500	1 600	1 020	15 444
17 Aug 12	1 600	1 540	1 540	6 167	95 940
20 Aug 12	1 550	1 540	1 550	13 204	204 044
21 Aug 12	1 550	1 550	1 550	132 103	2 047 596
22 Aug 12	1 560	1 550	1 550	16 320	254 239
23 Aug 12	1 560	1 550	1 560	74 390	1 158 850
24 Aug 12	1 562	1 562	1 562	47 341	739 466
27 Aug 12	1 600	1 563	1 600	8 879	140 043
28 Aug 12	1 700	1 581	1 700	163 417	2 613 183
29 Aug 12	1 773	1 700	1 773	53 339	917 289
30 Aug 12	1 773	1 710	1 773	19 834	351 510
31 Aug 12	1 775	1 760	1 760	73 550	1 301 107
3 Sep 12	1 760	1 740	1 750	45 529	800 610
4 Sep 12	1 773	1 740	1 750	18 099	318 760
5 Sep 12	1 775	1 750	1 775	15 127	267 171
6 Sep 12	1 775	1 750	1 760	73 727	1 301 882
7 Sep 12	1 775	1 760	1 770	124 045	2 194 966
10 Sep 12	1 775	1 755	1 770	101 270	1 791 300
11 Sep 12	1 760	1 760	1 760	4 950	87 120
12 Sep 12	1 739	1 700	1 700	12 027	205 932
13 Sep 12	1 738	1 700	1 735	27 013	466 631

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
Daily <i>(continued)</i>					
14 Sep 12	1 737	1 700	1 720	22 314	382 514
17 Sep 12	1 720	1 651	1 700	47 379	805 729
18 Sep 12	1 706	1 700	1 706	5 050	85 994
19 Sep 12	1 800	1 720	1 720	67 500	1 168 585
20 Sep 12	1 750	1 737	1 750	44 250	774 212
21 Sep 12	1 825	1 740	1 740	38 601	675 487

TABLE OF ENTITLEMENT

No fractions of Rights Offer Linked Units will be issued to Linked Unitholders and the Rights Offer Linked Units will be issued based on the rounding principle (up or down, as the case may be). The Table of Entitlement of Linked Unitholders to receive Rights Offer Linked Units is set out below.

Number of existing Investec Property Fund Linked Units	Number of Rights Offer Linked Units to which a Linked Unitholder is entitled	Rounded number of Rights Offer Linked Units to which a Linked Unitholder is entitled	Number of existing Investec Property Fund Linked Units	Number of Rights Offer Linked Units to which a Linked Unitholder is entitled	Rounded number of Rights Offer Linked Units to which a Linked Unitholder is entitled
1	0.666	1	53	35.298	35
2	1.332	1	54	35.964	36
3	1.998	2	55	36.630	37
4	2.664	3	56	37.296	37
5	3.330	3	57	37.962	38
6	3.996	4	58	38.628	39
7	4.662	5	59	39.294	39
8	5.328	5	60	39.960	40
9	5.994	6	61	40.626	41
10	6.660	7	62	41.292	41
11	7.326	7	63	41.958	42
12	7.992	8	64	42.624	43
13	8.658	9	65	43.290	43
14	9.324	9	66	43.956	44
15	9.990	10	67	44.622	45
16	10.656	11	68	45.288	45
17	11.322	11	69	45.954	46
18	11.988	12	70	46.620	47
19	12.654	13	71	47.286	47
20	13.320	13	72	47.952	48
21	13.986	14	73	48.618	49
22	14.652	15	74	49.284	49
23	15.318	15	75	49.950	50
24	15.984	16	76	50.616	51
25	16.650	17	77	51.282	51
26	17.316	17	78	51.948	52
27	17.982	18	79	52.614	53
28	18.648	19	80	53.280	53
29	19.314	19	81	53.946	54
30	19.980	20	82	54.612	55
31	20.646	21	83	55.278	55
32	21.312	21	84	55.944	56
33	21.978	22	85	56.610	57
34	22.644	23	86	57.276	57
35	23.310	23	87	57.942	58
36	23.976	24	88	58.608	59
37	24.642	25	89	59.274	59
38	25.308	25	90	59.940	60
39	25.974	26	91	60.606	61

Number of existing Investec Property Fund Linked Units	Number of Rights Offer Linked Units to which a Linked Unitholder is entitled	Rounded number of Rights Offer Linked Units to which a Linked Unitholder is entitled	Number of existing Investec Property Fund Linked Units	Number of Rights Offer Linked Units to which a Linked Unitholder is entitled	Rounded number of Rights Offer Linked Units to which a Linked Unitholder is entitled
40	26.640	27	92	61.272	61
41	27.306	27	93	61.938	62
42	27.972	28	94	62.604	63
43	28.638	29	95	63.270	63
44	29.304	29	96	63.936	64
45	29.970	30	97	64.602	65
46	30.636	31	98	65.268	65
47	31.302	31	99	65.934	66
48	31.968	32	100	66.600	67
49	32.634	33	1 000	666.000	666
50	33.300	33	10 000	6660.000	6 660
51	33.966	34	100 000	66600.000	66 600
52	34.632	35			

CORPORATE GOVERNANCE

The Board, management and employees of the Manager are committed and aligned to the principles of sound corporate governance, transparency, accountability and integrity which are inherent in the King Code, the JSE Listings Requirements and the Act. This will assure all stakeholders that the Fund is managed ethically and properly, in compliance with the latest legislation, regulations and international governance best practices.

FINANCIAL REPORTING AND GOING CONCERN

The Directors are required to confirm that they are satisfied that the Fund has adequate resources to continue in business for the foreseeable future. The assumptions underlying the going concern statement are discussed at the time of the approval of the annual financial statements by the Board. In addition, the Directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the financial statements, accounting policies and other information contained in the annual report.

In undertaking this responsibility, the Directors are supported by an ongoing process for identifying, evaluating and managing the significant risks faced by the Fund in preparing the financial and other information contained in the annual report. The process is implemented by the Manager and independently monitored for effectiveness by the audit and risk committee.

The Board is of the opinion, based on its knowledge of the business, key processes in operation and specific enquiries, that there are adequate resources to support the Fund as a going concern for the foreseeable future. Furthermore, the Board is of the opinion that the risk management processes and the systems of internal control are effective.

BOARD OF DIRECTORS

The Board meets at least four times annually. The chairman is responsible for setting the agenda for each meeting, in consultation with the chief executive officer and the company secretary.

The roles and responsibilities of the chairman and the chief executive officer, and the responsibilities of executive and non-executive directors, are separated ensuring that no individual director can exercise unfettered powers of decision-making. Questions arising at a Directors' meeting shall be determined by a majority of votes, ensuring a balance of power and authority at Board level.

The Board seeks to exercise leadership, integrity and judgment in pursuit of strategic goals and objectives, to achieve long-term sustainability, growth and prosperity. The Board is accountable for the performance and affairs of the Fund. It strives to provide entrepreneurial leadership within a framework of prudent and effective controls that enable risks to be properly assessed and managed. The Board has adopted a board charter, which provides a framework for the operation of the Board and the process of decision-making to be executed by the Board or which needs to be delegated to the Manager.

Appointments to the Board are done in a formal and transparent manner and are a matter for deliberation by the whole Board with the assistance of the nominations committee. The nominations committee is responsible for identifying and nominating suitable candidates to fill vacancies on the Board. On appointment, non-executive directors are provided with a letter of appointment. At least one-third of the Directors are subject to retirement by rotation and re-election by Linked Unitholders at the annual general meeting each year. Such Directors are those longest in office since their last re-election and include Directors appointed since the last annual general meeting. All eligible Directors offer themselves for re-election.

Dealings in the Fund's Linked Units or other securities are subject to the directors' dealing policy that has been adopted by the Board. The policy is based upon regulatory guidance, in particular the Listing Requirements, as well as industry best practice. All Directors' dealings require the prior approval of the chairman or, in the chairman's absence, the approval of the LID. All the dealings of persons discharging management responsibilities require approval by line management of the Manager, the Compliance Division of Investec and the chairman.

Through the LID or the company secretary, individual Directors are entitled to seek professional independent advice on matters related to the exercise of their duties and responsibilities at the expense of the Fund.

The performance of the Board, its committees and individual Directors will be formally evaluated each year, and will cover the relevant areas of the Board's processes and responsibilities according to King III. The performance evaluation process will be effected both informally, through personal observations and discussions, and/or in the form of evaluation questionnaires. The chairman will hold regular one-on-one meetings with each Director to discuss the results of the formal and informal evaluations and in particular, to seek comments on strengths and developmental areas of the Directors, the chairman, the LID and the Board as a whole. Individual training and development needs will be discussed with each Director and any requests for training will be communicated to the company secretary for implementation.

Directors who are employed by the Manager will not be remunerated directly by the Fund for their services as Directors, as the Fund pays the Asset Management Fee to the Manager. The remuneration paid to the executive directors by the Manager for their services as Directors of the Fund is set out in paragraph 14.5.

INDEPENDENCE ASSESSMENT

The Directors carried out an informal evaluation to establish whether they satisfied the objective independence criteria of the King Code and concluded that all of the non-executive directors are independent according to the definition in the King Code.

The Board comprises three executive directors and five non-executive directors. The Board complies with principle 2.18 of the King Code in that the majority of non-executive directors are independent. The chairman of the Board, Sam Hackner, is not considered to be independent as contemplated by King III, since he is the chief executive officer of the Manager. In such circumstances, King III advocates the appointment of a lead independent director (LID) who can assist the Board in dealing with any actual or perceived conflicts of interest that may arise where the chairman is not independent. Thus, Michael Crawford has been appointed as the LID, in conformity with King III.

Sam Leon and David Donald are the deputy chairman and the financial director of the Manager respectively and accordingly, are not considered to be independent as contemplated by King III.

INTERNAL FINANCIAL CONTROLS

Internal financial controls are based on established policies and procedures. The management and employees of the Manager are responsible for implementing internal financial controls, ensuring that the relevant personnel are suitably qualified, that appropriate segregation exists between duties, and that there is suitable independent review. These areas are monitored by the Board through the audit and risk committee and are independently assessed by Investec Internal Audit, Operational Risk and Compliance. Processes are in place to monitor internal control effectiveness, identify and report material breakdowns and ensure that timely and appropriate corrective action is taken.

RISK MANAGEMENT

The Board is responsible for the overall process of risk management and the systems of internal control. Senior management of the Manager are responsible for identifying risks and implementing appropriate mitigation processes and controls. The independent risk management functions of Investec, accountable to the Board, are responsible for establishing, reviewing and monitoring the process of risk management in the Fund.

INVESTMENT COMMITTEE

The investment committee comprises at least five members of the Board, of which at least a majority must consist of independent, non-executive directors. The chairman of the Board acts as the chairman of the committee unless there is a potential conflict of interest with respect to the Manager, whereupon the executive directors will recuse themselves from the vote and the committee will be chaired by one of the non-executives directors, generally the LID.

The committee members at year-end comprise: Sam Hackner (chairman), Samuel Leon (executive), Michael Crawford (LID), Suliman Mahomed (independent non-executive director) and Moses Ngoasheng (independent non-executive director).

AUDIT AND RISK COMMITTEE

The Board has mandated the audit and risk committee to assume responsibility for management of risk, ensuring the Fund complies with all legal and regulatory requirements required by South African legislation and to apply the corporate governance principles stipulated in King III.

The audit and risk committee comprises three independent non-executive directors and meets regularly with the senior management of the Manager, the external auditors, Investec Operational Risk, Investec Internal Audit, Investec Compliance and Investec Finance, to consider the nature and scope of the external and internal audits and the effectiveness of the Fund's risk and control systems. All audit and risk committee members are required to meet predetermined skills, competency and experience requirements. The Fund believes the audit and risk committee members have the necessary expertise to discharge their responsibilities effectively. The audit and risk committee is required to report to the Board and Linked Unitholders on how they have discharged their duties.

Dave Donald has been appointed as the full time executive financial director. The audit and risk committee has considered and satisfied itself of the appropriateness of the expertise and experience of Mr Donald.

The board has appointed Graham Rosenthal (*chairman*), Constance Mashaba and Michael Crawford as members to the audit and risk committee.

REMUNERATION COMMITTEE

As the operations of the Fund are undertaken by the Manager, the Fund does not have any employees and the Board is of the view that a remuneration committee is not required. The executive directors who are employees or directors of the Manager are not remunerated by the Fund for their services as Directors of the Fund. The Board determines the remuneration of the non-executive directors.

NOMINATIONS COMMITTEE

The nominations committee comprises a minimum of three members, the majority of whom are independent non-executive directors, having due regard to King III. The functions of the nominations committee is to assist the Board by making recommendations to the Board for the purposes of identifying and nominating, for the approval by the Board, suitable candidates to fill vacancies on the Board amongst other functions.

The chairman of the Board, Michael Crawford has been appointed to chair the nominations committee and Moses Ngoasheng and Graham Rosenthal have also been appointed by the Board as members of the committee.

SOCIAL AND ETHICS COMMITTEE

The Board has appointed Moses Ngoasheng, Constance Mashaba and Sam Leon as the initial members of the social and ethics committee. The terms of reference for this committee will be established for FY2013 in line with the Companies Act requirements.

INTERNAL AUDIT

Investec Internal Audit is employed to perform the internal assurance function on behalf of the Fund. A risk-based audit approach is followed and the audit and risk committee approve the internal audit plans each year.

The internal audit personnel report at each audit and risk committee meeting and have a direct reporting line to the chairman of the audit and risk committee. They operate independently of executive management of the Manager and have access to the Board. The adopted functions comply with the international standards for the professional practice of internal auditing.

Internal audit conducts a formal risk assessment of the Fund's business from which a comprehensive risk-based audit plan is derived. The assessment and programme are validated by executive management of the Manager and approved by the audit and risk committee. Internal audit also liaises with the external auditors of the Fund and other assurance providers to enhance efficiencies in terms of combined assurance.

EXTERNAL AUDIT

The external auditors of the Fund are Ernst & Young Inc. The independence of the external auditors is reviewed by the audit and risk committee each year. The audit and risk committee meets with the external auditors to review the scope of the external audit, budgets, the extent of non-audit services rendered and all other audit matters. The external auditors are invited to attend audit and risk committee meetings and have access to the chairman of the audit and risk committee.

COMPLIANCE

Compliance risk is the risk that the Fund fails to comply with the letter and spirit of statutes, regulations, supervisory requirements and industry codes of conduct which apply to its business. The Fund seeks to implement the highest standard of compliance best practice to its operations. The Fund also endeavours to comply with the highest professional standards of integrity and behaviour, which builds trust. The Investec Compliance function ensures that the Fund and the Manager continuously comply with existing and emerging regulations that impact on its operations. Investec Property Fund recognise its responsibility to conduct business in accordance with the laws and regulations relevant to the sector in which it operates.

COMMUNICATION, PUBLIC DISCLOSURE OBLIGATIONS AND STAKEHOLDER RELATIONS

The Fund endeavors to present a balanced and understandable assessment of its position by addressing material matters of significant interest and concern. Investec Property Fund seeks to highlight the key risks to which it considers itself exposed and its responses to minimise the impact of these risks.

The Fund's primary stakeholders include Linked Unitholders, government, regulatory bodies, clients, suppliers, rating agencies, the media, communities and industry equity and debt analysts. The Board appreciates the importance of ensuring an appropriate balance in meeting the diverse needs and expectations of all stakeholders and building lasting relationships with them.

The Fund complies with the disclosure obligations contained in the applicable Listings Requirements. The company secretary and sponsor, the Corporate Finance Division of Investec Bank Limited, ensure that the Fund meets its public disclosure obligations. Investec Property Fund has a Board approved policy statement in place to ensure that it complies with all relevant public disclosure obligations and upholds the Board's communication and disclosure philosophy.

NON-COMPLIANCE

The following principles of the King Code are currently not being applied:

- The Board should elect a chairman of the Board who is an independent non-executive director. To remedy this position, Michael Crawford has been appointed as the lead independent director (LID).
- As the Fund does not have any employees, the Board is of the view that a remuneration committee is not required. The executive directors who are employees or directors of the Manager are not remunerated by the Fund for their services as Directors of the Fund and the Board determines the remuneration of the non-executive directors.
- Sustainability reporting and disclosure should be independently assured. The Fund does not believe that this is necessary given the formative nature of its business and level of sustainability reporting required. The audit and risk committee is responsible for overseeing the Fund's integrated report, including sustainability disclosures.

Out of the Ordinary®



Property Fund Limited

INVESTEC PROPERTY FUND LIMITED

(Formerly known as **INVESTEC PROPERTY FUND SA LIMITED**)

(Incorporated in the Republic of South Africa)

(Registration number 2008/011366/06)

Share code: IPF ISIN: ZAE000155099

("Investec Property Fund" or "the Fund")

Directors

S Hackner (*Chairman*)

MP Crawford (*Lead Independent non-executive Director*)#

SR Leon (*Chief Executive Officer*)

DAJ Donald (*Executive Financial Director*)

S Mahomed#

CM Mashaba#

MM Ngoasheng#

GR Rosenthal#

Independent non-executive

REVISED LISTING PARTICULARS PREPARED IN TERMS OF THE LISTINGS REQUIREMENTS

The definitions and interpretations section commencing on page 6 of this Circular of which the Revised Listing Particulars form part applies, *mutatis mutandis*, throughout these Revised Listing Particulars, including this cover page.

These Revised Listing Particulars are not an invitation to the public to subscribe for securities, but are issued in compliance with the Listings Requirements, for the purpose of providing information to the public and Linked Unitholders with regard to the Fund.

As at the date of this Circular, the authorised Linked Unit capital of the Company consists of 1 000 000 000 ordinary Shares of one cent each, linked to one variable rate, unsecured subordinated Debenture of 999 cents. The Fund's issued Linked Unit capital of R1 700 000 000 is divided into 170 000 000 Shares of R1 700 000 and 170 000 000 Debentures of R1 698 300 000, collectively comprising 170 000 000 Linked Units. All Linked Units rank *pari passu* with each other. The Fund does not have any treasury Shares or treasury Linked Units in issue.

Following the approval by Linked Unitholders of the Giuricich Acquisition and Investec Acquisitions at the General Meeting, the Fund will issue 17 000 000 Linked Units at a Clean Price of R12.29 per Linked Unit to Giuricich and a further 17 000 000 Linked Units at a Clean Price of R12.66 to Investec in part settlement of the purchase considerations for the acquisitions of the Giuricich Properties and the Investec Properties.

A total of 113 220 000 Investec Property Fund Linked Units are offered for subscription upon the terms and conditions set out in the accompanying Circular. The Rights Offer is made by way of renounceable Rights, at an Issue Price of R13.82 per Rights Offer Linked Unit on the basis of 66.60 Linked Units for every 100 Linked Units held by Qualifying Unitholders at the close of business on the Record Date.

The Rights Offer Linked Units will, upon allotment and issue, rank *pari passu* with all other existing Linked Units in terms of voting rights and distributions and shall be fully paid and freely transferable.

Linked Unitholders are advised that their Linked Units will only be traded on the JSE in Dematerialised form and accordingly all Linked Unitholders who hold their Linked Units in Certificated form will have to Dematerialise their Linked Unit certificates in order to trade their Linked Units on the JSE. Such Linked Unitholders must make necessary arrangements with their CSDP or broker, in terms of the custody agreement with their CSDP or broker.

Only whole numbers of Linked Units will be issued and Linked Units will be entitled to subscribe for rounded numbers of Rights Offer Linked Units once the Ratio of Entitlement has been applied. Fractional Rights of 0.5 or greater will be rounded up and fractional Rights of less than 0.5 will be rounded down.

Excess applications will be allowed.

The Directors, whose names are given in the “corporate information” section of the Circular, collectively and individually accept full responsibility for the accuracy of the information furnished relating to the Fund and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that these Revised Listing Particulars contain all information required by law and the JSE Listings Requirements.

**Investment Bank
and Sponsor**

Out of the Ordinary®



**Independent Reporting
Accountant and Auditor**



Independent Sponsor



Date of issue: 15 October 2012

Copies of these Revised Listing Particulars and the Circular of which they form part are available in English only. Copies may be obtained from the registered offices of Investec Property Fund and those of the Investment Bank and Independent Sponsor at the addresses set out in the “Corporate Information” page of this Circular between Monday, 15 October 2012 and Friday, 2 November 2012, and also available on the website www.investecpropertyfund.com from Monday, 8 October 2012.

TABLE OF CONTENTS

	<i>Page</i>
1. Incorporation, history and nature of business	53
2. Management of the Fund	54
3. Property Portfolio	58
4. Relationship information	60
5. Prospects	61
6. Directors	61
7. Capital structure	61
8. Material loans and borrowings	61
9. Material capital commitments, contingent liabilities and lease payments	61
10. Financial information	61
11. Acquisitions and disposals	61
12. Additional information	62
13. Documents available for inspection	62
Annexure A Historical financial information of Investec Property Fund	63
Annexure B Details of Directors' other directorships and partnerships	86
Annexure C Details of directors of the Manager	91
Annexure D Information relating to the Property Portfolio	93
Annexure E Extracts from the Memorandum of Incorporation of the Fund	98
Annexure F Salient features of the Debenture Trust Deed	105
Annexure G Details of material acquisitions and vendors	108

REVISED LISTING PARTICULARS

I. INCORPORATION, HISTORY AND NATURE OF BUSINESS

I.1 Background and history

The Fund was incorporated as a public company under the name Afropulse 405 Limited as a newly formed property investment company in South Africa on 7 May 2008. On 14 April 2011, the Fund was listed on the JSE in the "Real Estate Holdings and Development" sector. On 1 October 2008 the Fund's name was changed to Investec Property Fund SA Limited, and subsequently amended to Investec Property Fund Limited upon listing. The Fund is a limited liability, variable loan stock company formed with the purpose of investing in direct real estate, where the Directors believe there is potential for income generation and capital growth.

The Fund has a financial year which ends on 31 March of each year.

On 15 February 2011 the Fund entered into sale and purchase agreements for the acquisition of a portfolio of 27 properties from Investec. Prior to this the Fund had been dormant since incorporation and had no trading history.

I.2 Structure

On 1 April 2011, 170 000 000 Linked Units were issued to Investec at a subscription price of R10. In terms of this subscription Investec acquired 100% of the Fund thereby raising total subscription proceeds of R1 700 000 000. On this date, the Fund utilised R1 696 500 000 of the subscription proceeds to acquire the initial Property Portfolio from Investec Property. The surplus subscription proceeds remaining in the Fund was utilised for working capital requirements.

Upon listing of the Fund, Investec retained 85 000 100 Linked Units and disposed of the balance to investors, resulting in its current shareholding of just over 50% in the Fund.

I.3 Investment strategy

The objective of the Fund is to grow its asset base by investing in well-priced income producing properties to optimise capital and income returns over time for Linked Unitholders. The Fund may also, from time to time, redevelop properties to enhance value and support longer-term income and capital growth.

The primary objectives of the Fund are to:

- provide an income stream through the acquisition and redevelopment of office, retail and industrial investment properties;
- invest in a well diversified property portfolio that provides good growth opportunities;
- optimise and secure long-term distribution and capital growth; and
- allow Linked Unitholders to participate in the net income (after providing for related expenditure) by distributing significantly all the net income to Linked Unitholders.

Should the opportunity arise, the Fund may consider the acquisition of or investment in other property funds that will contribute favourably over time to the capital and income returns for Linked Unitholders.

I.4 Growth strategy

It is the objective of the Fund to grow its asset base by investing in fairly valued income producing properties that will enhance the overall capital and income returns of the Fund in the medium to long term. Redevelopment opportunities will be selectively considered.

I.5 Nature and conduct of business

The Fund will conduct business only in relation to the investment, redevelopment and growth of its commercial, retail and industrial properties and all matters ancillary thereto. It will not have any capacity, nor will the Board have any power to conduct any business of the Fund unrelated to this.

The Directors will exercise their powers in relation to the Fund so as to ensure that:

- the Fund carries on and conducts its business and affairs in a proper and efficient manner and for its own benefit;

- all business is transacted at arm's length;
- the Fund will not enter into any agreement or arrangement restricting its competitive freedom, other than in the ordinary course of business;
- all the business of the Fund will be undertaken and transacted by the Board, provided that the Board will delegate certain matters to the Manager in terms of the Asset Management and Property Management Agreement;
- all business will be carried on pursuant to policies laid down by the Board;
- the Fund allots and issues its Linked Units and other securities at the best price attainable in the circumstances;
- the Fund will not acquire, dispose of, hire, lease, license or receive licences of any assets, goods, rights or services otherwise than at a reasonable price attainable in the circumstances;
- the Fund will maintain books of account and record accurate and complete entries of all its dealings and transactions of and in relation to its operations;
- the Fund will prepare its accounts on a historical cost basis and will adopt accounting policies in accordance with IFRS;
- the Fund will prepare such accounts in respect of each accounting reference period as required by statute and the JSE and procure that such accounts are audited or reviewed, as the case may be, as soon as practical and in any event not later than six months after the end of a relevant accounting reference period;
- each accounting reference period of the Fund will be a period of six calendar months;
- if the Fund requires any approval, consent or licence to conduct its business in the places and in the manner in which it is carried on, the Fund will use its best endeavours to maintain the same in full force and effect;
- the Fund will adopt and maintain in force bank mandates which require that each cheque issued or bank transfer made is signed by the authorised signatories and in accordance with such mandate as the Board determines from time to time and for the time being;
- if the Fund conducts any property development activities and for such purpose concludes a development agreement with any third party, that such development agreement will be concluded on an arm's length basis on market-related terms; and
- the Board will from time to time determine the required investment strategy for the Fund and may delegate certain authority to the investment committee to implement the strategy.

1.6 **Government protection and investment encouragement law**

The Fund does not benefit from any government protection or investment encouragement law in the jurisdiction in which it operates.

1.7 **Material changes**

The main business of the Fund as stated in the Memorandum of Incorporation is general trading in all aspects. There has been no change in the business or the trading objectives of the Fund since the adoption of the new Memorandum of Incorporation.

There have been no changes in the business of Investec Property Fund since listing on the JSE on 14 April 2011.

The Directors confirm that there has been no material change in the financial or trading position of the Fund since its results for the year ended 31 March 2012, save for the Acquisitions as detailed in the Acquisition Circular and the Rights Offer to be conducted in terms of this Circular.

2. **MANAGEMENT OF THE FUND**

The Fund is managed by the Manager in terms of the Asset Management and Property Management Agreement. The management team of the Manager has significant experience and a reputable track record in managing and developing large property funds. This management team is responsible for managing the Fund in an efficient manner, diligently and in good faith in accordance with acceptable and prevailing industry standards, within an approved budget, so as to obtain the optimum long-term yield and capital growth of the Fund.

The Asset Management and Property Management Agreement is available for inspection in terms of paragraph 20 of the Circular. However, a brief summary of the services provided by the Manager and the fees payable by the Fund in respect thereof is set out below.

The Manager is an indirect wholly owned subsidiary of Investec.

2.1 Term of contract and remuneration

The Asset Management and Property Management Agreement shall be for an initial period of seven years and in the event of breach, may be terminated on six months' notice by the Fund with the approval of a majority of the votes cast by Linked Unitholders (excluding the votes of any Linked Unitholders who are related parties of the Manager and their associates) in a general meeting of the Fund called by the Fund or the Linked Unitholders.

If the Manager is not in default and Linked Unitholders require the termination of Asset Management and Property Management Agreement, the Manager shall be entitled to sell the asset management business to the Fund which shall be obliged to purchase the business for fair market value. Fair market value shall be an amount determined as equivalent to the anticipated aggregate fees payable to the Manager in terms of the Asset Management and Property Management Agreement for the year following the date of termination, determined by multiplying the last month's fees payable prior to the date of termination by 12, capitalised at a rate equivalent to the forward yield of the Fund determined as at the date of termination. In the event of any dispute between the Parties as to the calculation of the termination purchase price the dispute shall be referred to an expert for determination.

2.2 Details of directors of the Manager

The full names, ages, business addresses and capacities of the directors of the Manager are set out below:

Full name	Age	Capacity	Business address
Sam Hackner	57	Chief Executive	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Stephen Koseff	61	Chairman	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Samuel R Leon	62	Deputy Chairman	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
David AJ Donald	62	Executive Financial Director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Glynn R Burger	56	Executive Director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Robin Magjid	40	Executive Director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
David M Nurek	62	Executive Director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Ronald Sevitz	68	Executive Director	100 Grayston Drive, Sandown, Sandton, 2196, South Africa

None of the directors of the Manager is currently appointed as a director of any other listed property entity.

None of the directors of the Manager has any material beneficial interest, direct or indirect, in the promotion of the Fund or in any property acquired or proposed to be acquired by the Fund out of the proceeds of the Rights Offer or during the three years preceding the date of this Circular.

Save for the annual asset management fee paid by the Fund to the Manager, no other sums have been paid, or have been agreed to be paid, within the three years preceding the date of this Circular, to any director of the Manager or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director, to induce him to become a director or to qualify him as a director or otherwise for services rendered by him in connection with the promotion or formation of the Fund.

2.3 Asset Management Services

The Manager renders strategic management services to the Fund including, *inter alia*, the following services:

- the management of the Fund's properties in order to, over the long term, optimise its performance;
- sourcing new property and redevelopment opportunities that could be acquired by the Fund and make recommendations to the Fund;

- evaluating all development and investment proposals presented by any external parties to the Fund and make recommendations of such investment proposals which the Manager believes are in the best interests of the Fund;
- the determination of general strategies to, over the long term, optimise the performance of the Property Portfolio and strategies with regard to property acquisitions, disposals, new third party developments, redevelopments, funding the expansion of the Property Portfolio, the formulation of marketing strategies and the implementation thereof and all matters incidental thereto;
- the undertaking, alternatively the procuring of all administrative, accounting, auditing, tax (including VAT) and secretarial functions relating to the Fund and the properties;
- prior to the commencement of each financial year, the preparation of a budget of total anticipated income and expenditure in respect of each property for the ensuing 12-month period;
- the revision of the income and expenditure forecast against budget;
- the effecting of such authorised capital expenditure as may be necessary to maintain the properties, including the refurbishment of and improvements to properties, provided that in effecting such expenditure, the Manager only commits to and/or incurs expenditure that is approved by the Board or which is in terms of the mandate approved by the Board;
- the formulation and implementation of letting policies and leasing terms as required by prevailing market conditions in accordance with objectives established by the Board;
- the conduct of research into prevailing rental rates and leasing terms offered in localities where properties are represented and comparative localities and research of general market conditions prevailing in such localities;
- the undertaking of general research into the state and relative investment merits of the various segments of the property market;
- the determination of tenant mix where appropriate;
- the marketing of the properties to potential tenants;
- valuations of the properties on an annual basis including procuring an external valuation on a three-year cycle on a third of the properties by value;
- the arranging for insurance of the buildings or structures erected on the properties against such risks as are normally required to be insured against in the interests of the Fund;
- the renewal of the insurance policies in respect of the properties, ensuring the prompt payment of premiums payable and the compliance by the Fund with all obligations under such insurance policies;
- the preparation of schedules of insurance cover, replacement valuations of the properties and the procuring of a statement by the Fund's insurance representative or broker as required in terms of any borrowing agreement or otherwise, as the case may be;
- the management of insurance claims in respect of the properties;
- should the Fund undertake either directly or through a third party larger building projects, developments or redevelopments, the managing and supervision of such projects;
- assuming responsibility for audits and inspections regarding compliance requirements in respect of all laws and regulations including national building regulations and local authority laws for each property;
- the performance of all treasury-related and cash management functions in relation to the Fund, including managing, sourcing and arranging the borrowings of the Fund;
- the preparation of any reports required in terms of any borrowings extended to the Fund; and
- the lodging of any objections against local authority valuations if deemed appropriate.

2.4 **Property Management Services**

The property management services include, *inter alia*, the:

- marketing of vacant space in the properties to the general tenancy market and endeavouring to fill any vacancies in the properties with acceptable tenants;
- negotiating with tenants with a view to lease agreements being concluded;
- preparation and signature of written lease agreements with tenants;
- investigating the credit worthiness of prospective tenants, their trade history and obtaining such other information as may be relevant to the suitability of the prospective tenant;
- renewing lease agreements in accordance with their terms;

- collection of rentals under the lease agreements and the payment of the amounts so collected to the Fund on an agreed basis. It is specifically agreed that no trust fund will be required for receipt and transferring of monies due to the Fund and that all interest on cash balances will accrue to the Fund;
- collection of rental deposits, rental security and other contributions pursuant to any lease agreements;
- refund of rental deposits to tenants as and when they fall due;
- checking of turnover statements in respect of tenants, where applicable;
- management of the marketing for retail centres to achieve the optimum spending patterns and turnover by retailer tenants;
- management of all amounts received from tenants in respect of the lease agreements and all activities related and incidental thereto;
- liaising with tenants and the attendance to tenant's requirements;
- taking all necessary action to enforce prompt and proper performance and discharge by the tenants and other relevant parties of their respective obligations under lease agreements and the exercise of all rights under the lease agreements and any related security provided in respect thereof in the event of default under the relevant lease agreement;
- appointment and management of maintenance contractors where required;
- timeous payment of all expenses, including municipal consumption and service fees, property taxes and other municipal taxes, duties and levies, in respect of the properties and the rendering of the services;
- arranging security in and about the properties where required;
- liaising with local and other authorities in respect of the properties;
- arranging and supervising the cleaning of the properties and surrounding areas where required;
- ensuring that the Fund complies with all laws and regulations pertaining to the properties and the use of the properties;
- implementation of all necessary management and control systems;
- liaising with attorneys and supervision of legal actions with regard to the recovery of amounts payable under the lease agreements and any other matters relating to the properties and the management thereof;
- arranging maintenance and preventative maintenance (including but not limited to fire control measures) in respect of the properties where required;
- collection and payment of VAT amounts; and
- compliance with all Fund requirements in respect of the management, control, administration and letting of the properties and the performance of such further functions as are usually performed by managing agents.

2.5 Fees payable to the Manager

2.5.1 **Asset Management Fees**

For the Asset Management Services, the Fund pays the Manager the Asset Management Fee, calculated as 0.5% of the enterprise value of the Fund, being the sum of the Fund's market capitalisation (based on one-month volume weighted average price) and net debt i.e. total interest-bearing debt less cash and cash equivalents held by the Fund. This will be calculated and payable monthly in arrears.

The Asset Management Fee excludes:

- auditing fees;
- company secretarial fees;
- independent valuation fees;
- financing costs and finance raising fees; and
- development management fees.

2.5.2 **Property management fees**

The fees which are payable by the Fund to the Manager or its sub-contractors in respect of Property Management Services provided are market related taking into account the size, location and management complexity of each property and the overall Property Portfolio. The fee is deducted by the Manager on a monthly basis from the gross cash receipts, including VAT.

Letting commissions are payable to the Manager or its subcontractors for the successful conclusion of new leases and renewal of leases and is calculated with reference to the Tariff. In respect of new leases, the letting commission payable to the Manager is 100% (one hundred per cent) of the Tariff and in respect of renewals the letting commission is 50% (fifty per cent) of the Tariff.

2.5.3 **Transaction fee**

The Manager is entitled to a transaction fee of 1% of the value of any property acquired or sold, but this will only be levied on complex or complicated transactions and therefore will not be levied on the Acquisitions.

2.5.4 **Development watching fee**

The Manager is entitled to a fee of 1% of the value (excluding VAT), or any other percentage as agreed between the Manager and the Fund, of any material development or redevelopment of a property performed by an independent developer on behalf of the Fund. This is paid to the Manager upon the issue of the practical completion certificate in respect of the development or redevelopment of the relevant property.

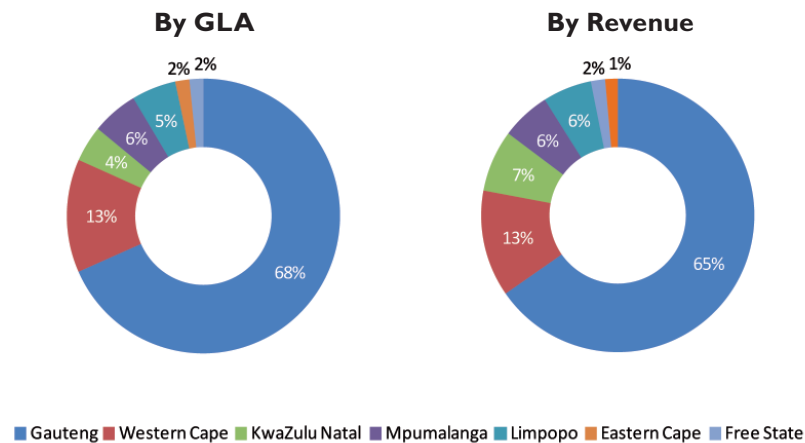
3. **PROPERTY PORTFOLIO**

After the implementation of the Giuricich Acquisition and Investec Acquisitions, Investec Property Fund will have a Property Portfolio consisting of 51¹ properties with a rentable area of approximately 592 776m² and will be valued at approximately R4.2 billion. The full details of the Property Portfolio, including the Giuricich Properties and Investec Properties, appear in Annexure D.

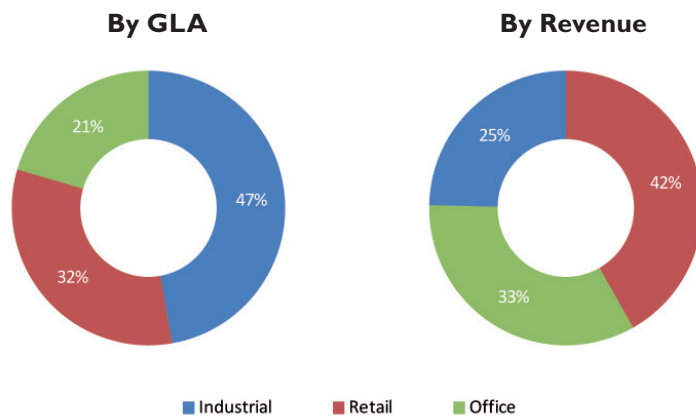
3.1 **Analysis of the Property Portfolio**

An analysis of the Property Portfolio, including the Giuricich Properties and Investec Properties for the forecast year ending 31 March 2013, in respect of sectoral, geographic, tenant and lease expiry profiles is set out below:

3.1.1 **Geographic spread**

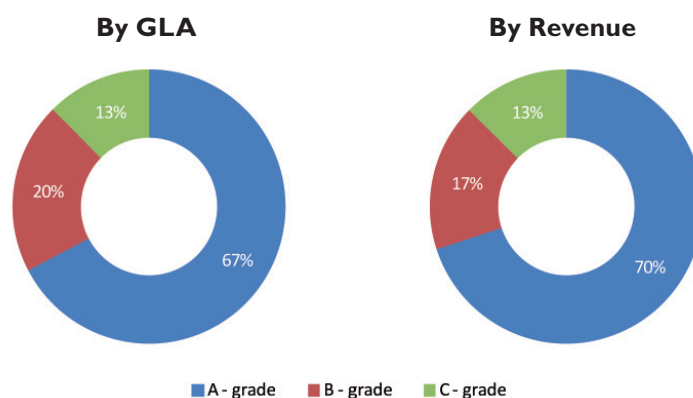


3.1.2 **Sectoral spread**



1. Prior to the disposal of the 373 Pretorius Street and 5 Walnut Road properties as these are currently undergoing due diligence investigations and have not transferred into the name of the purchaser as at the Last Practicable Date.

3.1.3 Tenant spread



For the graphs above the following key is applicable:

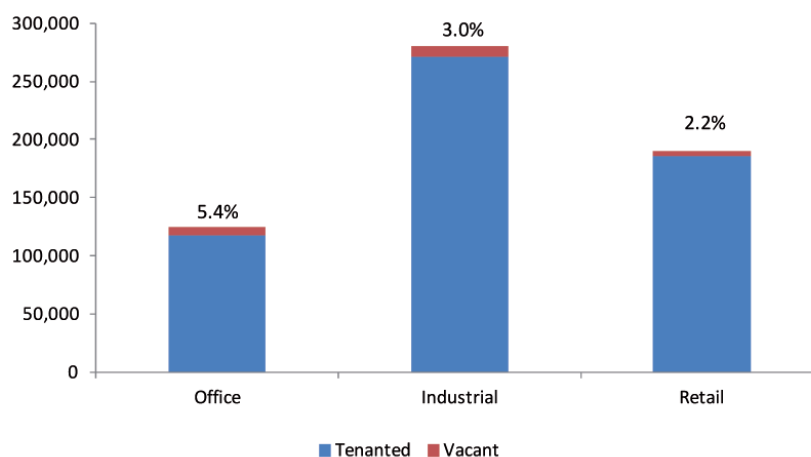
A – large national tenants, large listed tenants, Government and major franchisees;

B – national tenants, listed tenants, franchisees and medium to large professional firms; and

C – other.

3.1.4 Vacancy profile by sector

The total portfolio vacancy as at the Last Practicable Date is 3.3%



3.1.5 Lease expiry

The lease expiry profile reflects current leases expiring as a percentage of both GLA and current income receivable for the Property Portfolio. Current leases include the rental guarantee provided by Investec Property in respect of the FIRS.

By income receivable	Office		Industrial		Retail	
	(m ²)	(%)	(m ²)	(%)	(m ²)	(%)
Vacant	–	–	–	–	–	–
3/31/2013	4 199 452	2.9	18 074 717	17.2	6 968 641	3.9
3/31/2014	12 673 428	8.9	16 695 498	15.8	32 098 965	18.0
3/31/2015	27 759 698	19.4	19 574 708	18.6	19 885 041	11.1
3/31/2016	3 280 502	2.3	5 396 966	5.1	22 050 009	12.3
3/31/2017	8 446 712	5.9	20 498 238	19.5	29 229 685	16.3
April 2017 onwards	86 835 038	60.6	25 103 508	23.8	68 583 959	38.4
Total	143 194 831	100.0	105 343 634	100.0	178 816 301	100.0

By GLA	Office		Industrial		Retail	
	(m ²)	(%)	(m ²)	(%)	(m ²)	(%)
Vacant	4 762*	4.1	–	–	–	–
3/31/2013	2 376	2.0	48 980	18.0	7 475	4.0
3/31/2014	5 843	5.0	47 027	17.3	15 259	8.2
3/31/2015	30 967	26.4	50 473	18.6	13 401	7.2
3/31/2016	1 734	1.5	18 794	6.9	16 411	8.8
3/31/2017	5 311	4.5	54 671	20.1	46 202	24.9
April 2017 onwards	66 406	56.6	51 488	19.0	86 749	46.8
Total	117 398	100.0	271 433	100.0	185 498	100.0

* Investec Property has provided a rental guarantee in respect of this vacant area in the FRS as detailed in the Acquisition Circular.

3.1.6 **Rental escalations, rental per square metre and average annual property yield**

The weighted average gross rental per m² per month by rentable area excluding vacant GLA, for the Property Portfolio is:

- Industrial: R33.20
- Retail: R91.84
- Office: R107.04

The annualised weighted average rental escalation by rentable area for the financial year ended 31 March 2013, based on existing leases is:

- Industrial: 7.8%
- Retail: 7.5%
- Office: 7.8%

The average annualised property yield for Property Portfolio the financial year ended 31 March 2013 is approximately 9.1%.

4. **RELATIONSHIP INFORMATION**

4.1 **Tenancies by Investec**

The Fund is managed by the Manager, an indirect wholly owned subsidiary of Investec, in terms of the Asset Management and Property Management Agreement. The Investec Pretoria building has been leased to a single user, being Investec Private Bank, a division of Investec. The lease is a triple-net lease for a period of 10 years commencing in September 2012.

4.2 **Conflicts of interest**

Investec is a specialist bank and asset management group, engaging in, *inter alia*, investment banking activities, including corporate finance; capital market activities; the issuing of and trading in securities; the distribution of trading and research; custodial and trustee services, lending activities, property investments and investment management.

Investec may and does sponsor, manage and participate in other securities and property investment activities and programs unrelated to the Fund's business (some of which may compete with the Fund's investment activities) and may be engaged in other business activities (including, among other things, investing for its own account or for other clients).

Accordingly, the Fund may participate in transactions in respect of which Investec may have an interest, whether direct or indirect, or via a relationship of whatever nature with another party. Conflicts of interest that may arise will be managed appropriately in accordance with Investec conflicts policy and procedures. The directors and employees of the Manager are governed and bound by this policy.

In the event that the Fund is presented with an investment proposal involving a property owned (in whole or in part), directly or indirectly, by Investec or any other related disposition of assets, such interest will be fully disclosed to the Fund and will be referred to the investment committee and the Board. The investment committee and the Board must approve any such proposals referred to it before the investment or divestment is made. In the event that any Directors and/or employees of the Manager are conflicted between their

employment roles and their positions on the Board or investment committee of the Fund, such persons will recuse themselves from such decisions.

In the event that the investment committee or any party believes that a prospective investment or relationship raises concerns as regards conflicts of interests, it will inform the Board, which will decide on an appropriate resolution of the matter.

5. **PROSPECTS**

The Directors' opinion on the prospects of the Fund is set out in paragraph 2 on page 11 of the Circular.

6. **DIRECTORS**

Details of the Directors are set out in paragraph 14 on page 23 of the Circular.

7. **CAPITAL STRUCTURE**

Information on Investec Property Fund's capital structure is provided under paragraph 10 of the Circular on page 17.

8. **MATERIAL LOANS AND BORROWINGS**

Information on Investec Property Fund's borrowings are provided in paragraph 11 of the Circular on page 20.

9. **MATERIAL CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND LEASE PAYMENTS**

Information on Investec Property Fund's material capital commitments, contingent liabilities and lease payments are provided in paragraph 12 of the Circular on page 21.

10. **FINANCIAL INFORMATION**

10.1 **Dividend and distribution policy**

It is the Directors' intention to declare a dividend and distribution bi-annually, which is expected to be declared in June and December and paid in July and January, respectively.

Any interest on distributions remaining unclaimed may be retained by the Fund and invested or used as the Directors deem fit for the benefit of the Fund or may be paid into a separate account, and any distribution unclaimed after a period of 12 years from the declaration date thereof or three years should the Fund be wound up or deregistered, may be forfeited and cease to remain owing by the Fund.

There are no arrangements in terms of which future dividends or distributions are waived or agreed to be waived.

10.2 **Historical financial information**

The historical financial information of Investec Property Fund for the year ended 31 March 2012 is included in Annexure A. The information contained in Annexure A is the responsibility of the Directors of the Fund.

11. **ACQUISITIONS AND DISPOSALS**

11.1 **Properties acquired or to be acquired**

Set out in Annexure G are details of material immovable properties and/or fixed assets or securities and/or business undertakings which have been acquired within the three years preceding the date of this Circular or are proposed to be acquired by the Fund.

The names and addresses of the vendors in respect of such assets acquired by the Fund and the consideration received or to be received by each of them is detailed in Annexure G.

11.2 **Properties disposed of or to be disposed**

The Fund has commenced the process of disposing of the following properties:

- 373 Pretorius Street, located on Erf 3255, Pretoria; and
- 5 Walnut Road, located on Portion 2 of Erf 11715, Durban

Details of these disposals can be found in Annexure G.

Save for these, no material immovable properties and/or fixed assets and/or securities and/or business undertakings have been disposed of in the three years preceding these Revised Listing Particulars, or are to be disposed of within the first six months after the Last Practicable Date of these Revised Listing Particulars.

12. **ADDITIONAL INFORMATION**

12.1 **Promoters' interests**

No amounts have been paid or accrued as payable within the preceding three years, nor have any amounts been proposed to be paid to any promoter.

There have been no commissions paid or accrued as payable within the preceding three years as commission to any person, including commission so paid or payable to any sub-underwriter. There have been no commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any securities, Shares or Debentures in the capital of Investec Property Fund, where this has not been disclosed in the audited annual financial statements.

Other than in respect of the Directors, whose interests in Investec Property Fund Linked Units are disclosed in paragraph 14.4 of the Circular, there are no other promoters which have had any material beneficial interest, direct or indirect, in the promotion of the Fund or in any property acquired or proposed to be acquired by the Fund or otherwise in the three years preceding the Last Practicable Date and no amount has been paid during this period, or is proposed to be paid to any other promoters.

12.2 **Material inter-company transactions**

The Fund has no subsidiaries and therefore there have been no inter-company financial or other transactions and no inter-company balances exist.

12.3 **Litigation statement**

Details of the litigation statement are set out under paragraph 16.3 on page 28 of the Circular.

12.4 **Adequacy of working capital**

The Directors are of the opinion that the working capital resources of Investec Property Fund are sufficient for the Fund's current working capital requirements and will, post implementation of the Giuricich Acquisition, Investec Acquisitions and the Rights Offer, be adequate for a minimum period of 12 months from the date of issue of these Revised Listing Particulars.

13. **DOCUMENTS AVAILABLE FOR INSPECTION**

Details on the documents available for inspection is set out in paragraph 20 on page 29 of the Circular.

Signed on behalf of the Board

INVESTEC PROPERTY FUND LIMITED
Sam Hackner

25 September 2012
Sandton

HISTORICAL FINANCIAL INFORMATION OF INVESTEC PROPERTY FUND

Set out below are extracts from the audited financial statements of Investec Property Fund for the year ended 31 March 2012. The auditors of Investec Property Fund, E&Y Inc., issued an unqualified audit report on the financial statements for the year ended 31 March 2012. These extracts are the responsibility of the Directors of Investec Property Fund.

There has been no material change in the nature of the business of the Fund, nor has there been any material change in the nature of property and any change in policy regarding the use thereof since the year ended 31 March 2012.

EXTRACTS FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Statement of comprehensive income

for the year to 31 March 2012

	Notes	2012 R'000
Revenue, excluding straight-line rental revenue adjustment		211 558
Straight-line rental revenue adjustment		30 507
Total revenue	2	242 065
Property expenses	3	(38 498)
Net property income		203 567
Other operating expenses	4	(11 858)
Operating profit		191 709
Fair value adjustments	5	(30 507)
Finance costs	6	(6 034)
Finance income	7	3 016
Profit before debenture interest and taxation		158 184
Debenture interest	9	(158 026)
Profit before taxation		158
Taxation	8	(49)
Profit after taxation attributable to equity holders		109
Total comprehensive income attributable to equity holders		109
		Cents
Basic and diluted earnings per linked unit	10	0.064
Distribution per linked unit	9	93.021

Statement of financial position

as at 31 March 2012

	Notes	2012 R'000
ASSETS		
Non-current assets		2 065 400
Investment property		2 034 893
Straight-line rental revenue adjustment		30 507
Fair value of property assets	11	2 065 400
Current assets		16 634
Trade and other receivables	12	12 064
Taxation receivables		3
Cash and cash equivalents	13	4 567
Total assets		2 082 034
EQUITY AND LIABILITIES		
Shareholders' interest		1 700
Ordinary share capital	14	1 700
Debentures	15	1 836 379
Total unitholders' interest		1 838 079
Non-current liabilities		1 169
Other non-current financial liabilities	16	1 169
Deferred taxation	18.3	–
Current liabilities		242 785
Trade and other payables	17	28 097
Current portion of other non-current financial liabilities	16	130 900
Linked unitholders for interest and dividends	22	83 789
Total liabilities – including debentures		2 080 334
Total equity and liabilities		2 082 034
Linked units in issue		170 000 000
		Cents
Net asset value per linked unit		28 1 081.22

Statement of changes in equity

for the year to 31 March 2012

	Ordinary share capital R'000	Retained earnings R'000	Total share- holder's interest R'000	Total equity R'000
Balance at 1 April 2011	–	–	–	–
Issue of ordinary shares	1 700	–	1 700	1 700
Total comprehensive income	–	109	109	109
Dividends payable to ordinary shareholders	–	(109)	(109)	(109)
Balance at 31 March 2012	1 700	–	1 700	1 700

Statement of cash flows
for the year to 31 March 2012

	Notes	2012 R'000
Cash flows from operating activities		
Cash received from clients		206 644
Cash paid to suppliers		(33 158)
Cash generated from operations	19	173 486
Finance income received		3 016
Finance costs paid	20	(2 285)
Taxation paid	21	(52)
Distribution paid to unitholders	22	(74 347)
Net cash inflow from operating activities		99 819
Cash flows from investing activities		
Investment property acquired	23	(1 926 152)
Net cash outflow from investing activities		(1 926 152)
Cash flows from financing activities		
Current loans raised	11	225 900
Repayment of current loans		(95 000)
Proceeds from issue of shares		1 700
Proceeds from issue of debentures		1 698 300
Net cash inflow from financing activities		1 830 900
Net increase/(decrease) in cash and cash equivalents		4 567
Cash and cash equivalents at beginning of the year		–
Cash and cash equivalents at end of the year	13	4 567

Segmental analysis

R'000	Office	Industrial	Retail	Total		
Statement of comprehensive income 2012						
Revenue, excluding straight-line rental revenue adjustment	113 653	80 122	17 783	211 558		
Straight-line rental revenue adjustment	19 616	8 510	2 381	30 507		
Property expenses	(16 748)	(20 779)	(971)	(38 498)		
Segment results	116 521	67 853	19 193	203 567		
Net investment property revaluation	37 738	65 084	8 919	108 741		
Total segment results	151 259	132 937	28 112	312 308		
Other operating expenses				(11 858)		
Debenture fair value adjustment				(138 079)		
Fair value adjustment on interest rate swap derivatives				(1 169)		
Finance costs				(6 034)		
Finance income				3 016		
Profit before debenture interest and taxation				158 184		
Statement of financial position extracts at 31 March 2012						
Investment property balance 1 April 2011	–	–	–	–		
Acquisitions prior to listing	976 500	545 800	174 200	1 696 500		
Acquisitions after listing	151 000	74 900	–	225 900		
Developments and capital expenditure	745	3 006	–	3 752		
Fair value adjustments	54 355	73 594	11 300	139 248		
Non-current assets	1 182 600	697 300	185 500	2 065 400		
Other current assets not managed on a segmental basis	–	–	–	16 634		
Total assets as at 31 March 2012	1 182 600	697 300	185 500	2 082 034		
For the year to 31 March 2012						
R'000	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	North West	Total
Statement of comprehensive income 2012						
Revenue, excluding straight-line rental revenue adjustment	131 470	40 769	32 015	5 786	1 518	211 558
Straight-line rental revenue adjustment	18 338	3 679	7 462	1 010	18	30 507
Property expenses	(31 772)	(2 901)	(3 463)	(287)	(75)	(38 498)
Segment results	118 036	41 547	36 014	6 509	1 461	203 567
Total fair value adjustment on total investment property	108 948	16 400	14 600	–	(700)	139 248
Statement of financial position extracts at 31 March 2012						
Investment property balance 1 April 2011	–	–	–	–	–	–
Acquisitions prior to listing	878 500	443 900	302 400	56 500	15 200	1 696 500
Acquisitions after listing	225 900	–	–	–	–	225 900
Developments and capital expenditure	3 552	200	–	–	–	3 752
Fair value adjustments	108 948	16 400	14 600	–	(700)	139 248
Non-current assets	1 216 900	460 500	317 000	56 500	14 500	2 065 400
Other current assets not managed on a segmental basis						16 634
Fair value of total property assets at 31 March 2012	1 216 900	460 500	317 000	56 500	14 500	2 082 034

Approximately 10% of total revenue was received from a single client, in the office portfolio.

I. ACCOUNTING POLICIES

I.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared in accordance with the requirements of the Financial Reporting Standards Council (FRSC), in addition to IFRS and the Companies Act.

The financial statements have been prepared on a historical cost basis, unless otherwise indicated.

Fair value adjustments, where applicable, do not affect the calculation of distributable earnings but do affect the net asset value per linked unit to the extent that adjustments are made to the carrying values of assets and liabilities.

The financial statements are prepared on the going concern basis and the accounting policies set out below have been applied consistently by the company.

The preparation of financial statements in conformity with IFRS requires the board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

I.2 Segmental reporting

Determination and presentation of operating segments

The company has the following operating segments:

- Retail properties
- Office properties
- Industrial properties.

The above segments are derived from the way the business of the company is structured and managed. The Fund manages its business in the retail, office and industrial property sectors where resources are specifically allocated to each sector in achieving the Fund's stated objectives.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment. Segment assets and liabilities comprise those assets and liabilities that are directly attributable to the segment on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period on investment property in each segment.

I.3 Revenue recognition

Revenue consists of rental income and interest income measured at fair value.

Revenue is recognised when it can be reliably measureable and it is probable that the economic benefits will flow to the company. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from the letting of investment property in terms of rental agreements comprises gross rental income and recoveries of fixed operating costs, net of value added taxation. Rental income is recognised in profit or loss on a straight-line basis over the term of the rental agreement. Recoveries of costs from lessees, where the company merely acts as an agent and makes payment of these costs on behalf of lessees, are offset against the relevant costs.

Interest earned on cash invested with financial institutions is recognised in the statement of comprehensive income on an accrual basis using the effective interest method.

1.4 Financial instruments

Financial instruments are initially recognised at their fair value plus, for financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. All other transaction costs are charged to profit or loss in the statement of comprehensive income immediately.

Any gains or losses on these instruments arising from fair value adjustments, where appropriate, do not affect distributable earnings. The company recognises financial instruments on the date it commits to purchase or sell such instruments. From this date, any gains and losses in the fair value of the financial assets and financial liabilities are charged to profit or loss in the statement of comprehensive income.

Certain financial instruments are designated upon initial recognition as at fair value through profit or loss as this eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability. The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

1.4.1 Trade and other receivables

Trade and other receivables are initially recognised and subsequently measured at amortised cost, which approximates fair value as the effect of discounting is immaterial on these instruments. Any gains or losses on trade and other receivables are charged to profit or loss in the statement of comprehensive income. An estimate is made for credit losses based on a review of all outstanding amounts at the year-end. Bad debts are written off as an expense in the statement of comprehensive income during the year in which they are identified.

1.4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value. Cash and cash equivalents are measured at amortised cost.

1.4.3 Linked units

Compound financial instruments known as linked units are issued by the company to its unitholders. These compound instruments contain both an equity component (ordinary share) and a liability component (debenture).

Ordinary shares

The equity component of the linked units confers to the holder a residual interest in the company and the company has no obligation to deliver either cash or another financial asset to the holder. Equity instruments are initially measured net of directly attributable issue costs and are never subsequently remeasured.

Debentures

The liability component which contains an obligation to deliver cash to the holder comprises a debenture. Debentures are designated as held at fair value through profit or loss financial liabilities. Debentures are measured initially at fair value, which is the issue value and are subsequently remeasured to fair value. Fair value is derived from the underlying activities of the business and comprises the net asset value attributable to debenture holders after adjusting all other assets and liabilities to fair value.

The obligation to deliver cash arises from the company's stated policy to distribute substantially all trading profits to linked unitholders. This distribution comprises interest on the debentures which in terms of the debenture trust deed is at a minimum 999 times the dividend payable on the ordinary shares.

1.4.4 **Trade and other payables**

Trade and other payables are initially recognised and subsequently measured at amortised cost, which approximates fair value as the effect of discounting is immaterial on these instruments. Any interest expense and gains or losses on trade and other payables are charged to profit or loss in the statement of comprehensive income.

1.4.5 **Derivative financial instruments**

The company utilises derivative financial instruments to hedge its exposure to interest rate risk arising from its financing activities. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for trading purposes. However, as the hedge relationship is not designated as a hedge for accounting purposes, the derivatives are accounted for as trading instruments.

All derivative instruments of the company are recorded in the statement of financial position at fair value. Positive and negative fair values are reported as assets and liabilities respectively and are offset when there is both an intention to settle net and a currently enforceable legal right to offset exists.

Derivative financial instruments are initially recognised and subsequently measured at fair value with any gains or losses being charged to profit or loss in the statement of comprehensive income.

1.4.6 **Other financial liabilities**

Non-derivative financial liabilities, other than debentures, are measured initially and subsequently at fair value, with gains or losses being recognised in profit or loss in the statement of comprehensive income. The fair value is estimated by discounting the future cash payments using the market rate applicable at the reporting date.

1.5 **Investment property**

Properties held by the company are held for capital appreciation or rental income and are classified as investment properties. Investment properties are carried in the statement of financial position at fair value, with fair value gains and losses recognised in the statement of comprehensive income.

Investment property consists of land and buildings, installed equipment and undeveloped land held to earn rental income and capital appreciation over the long term. Properties are measured initially at cost at acquisition and subsequent additions that will result in future economic benefits and whose cost can be measured reliably, are capitalised.

Should any properties no longer meet the company's investment criteria and are sold, any profits or losses will be of a capital nature and will be taxed at capital gains rates for all gains above the determined base cost.

Investment property under construction is measured at fair value. Direct costs relating to major capital projects are capitalised until the properties are brought into commercial operation.

Subsequent to initial recognition, investment properties are measured at their fair value. Investment property is maintained, upgraded and refurbished where necessary, in order to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss in the statement of comprehensive income.

Independent valuations are obtained on a rotational basis, ensuring that every property is valued at least once every three years by an external independent valuer.

The directors value the remaining properties that have not been independently valued annually on an open market basis. Directors' valuations are prepared by considering the aggregate of the net annual rental receivable from the properties and where relevant, associated costs, using the discounted cash flow method. This method takes projected cash flows and discounts them at a rate which is consistent with comparable market transactions. The discount rates reflect the risks inherent in the net cash flows and are constantly monitored by reference to comparable market transactions. Undeveloped land is valued in terms of the internationally accepted and preferred method of comparison.

Gains or losses on subsequent measurement or disposals of investment properties are recognised in profit or loss in the statement of comprehensive income. Deferred taxation on fair value gains/losses is provided for using the capital gains taxation rate in line with the rebuttable presumption contained in IAS 12. Such gains or losses are excluded from the calculation and determination of distributable earnings.

1.6 **Impairment**

At each statement of financial position date the company reviews the carrying value of non-financial assets, other than investment property and deferred taxation assets for indication of impairment. The recoverable amount, being the higher of fair value less cost to sell and value in use, is determined for any assets for which an indication of impairment is identified. If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable value.

Impairment losses are recognised as an expense in the statement of comprehensive income in the period in which they are identified. Reversal of impairment losses is recognised in income in the period in which the reversal is identified, to the extent that the asset is not revalued to a carrying value that would have been calculated without impairment.

1.7 **Rental agreements**

A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a financial lease.

The company is party to numerous rental agreements in the capacity as lessor of the investment properties. All rental agreements are operating leases.

Where classified as operating leases, rentals payable/receivable are charged/credited in the statement of comprehensive income on a straight-line basis over the lease term. Contingent rentals (if any) are accrued to the statement of comprehensive income when incurred. This does not affect distributable earnings. Turnover-based rental is recognised when it is due in terms of the relevant rental agreement.

1.8 **Property letting commissions and client installations**

When considered material, letting commissions and client installations are written off over the period of the lease to which they relate.

1.9 **Operating profit**

Operating profit included in the statement of comprehensive income represents the net property income earned from investment property.

1.10 **Provisions, contingent liabilities and contingent assets**

Provisions are liabilities of uncertain timing or amount and are recognised as soon as the company has incurred a legal or constructive obligation which will lead to an outflow of economic resources to settle the obligation as a result of a past event. Contingent assets and contingent liabilities are not recognised on the statement of financial position.

Provisions are determined by discounting the expected future cash flows at a pre-taxation rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.11 **Taxation and deferred taxation**

Current taxation payable is provided on taxable profits at rates that are enacted or substantively enacted and applicable to the relevant period.

Deferred taxation is provided using the balance sheet method on temporary differences between the carrying amount of an asset or liability in the statement of financial position and its taxation base. Deferred taxation assets or liabilities are measured using the taxation rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred taxation asset can be utilised. Items recognised directly in the statement of comprehensive income are net of related current and deferred taxation.

1.12 **Related parties**

Related parties include any unitholder who is able to exert a significant influence on the operating policies of the company. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the company are also considered to be related parties.

Any party appointed as the asset manager and property asset manager of the company is also considered to be a related party.

1.13 Share capital

1.13.1 **Ordinary share capital**

Ordinary shares are classified as equity.

1.13.2 **Dividends**

Dividends are recognised when the obligation to make payment arises.

1.14 Key management assumptions

In preparation of the financial statements the Fund makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the next financial year. The key area in which judgement is applied lies with the valuation of investment properties. The valuation is performed by capitalising the budgeted net income of a property at the market-related yield applicable at the time assuming a constant yield, that current vacancies will remain vacant and that all let areas will continue to be let in the future at fair rentals subject to escalation clauses.

1.15 Standards and interpretations applicable to the company not yet effective

The following standards, which may have an impact on the Fund in the future, have been issued but are not yet effective.

IFRS 9 – Financial instruments – classification and measurement

This, the first phase of the IASB's project to replace IAS 39 in its entirety, addresses the classification and measurement of financial instruments.

Amendments published in October 2010 incorporate the existing derecognition principles of IAS 39 directly into IFRS 9.

Financial assets

All financial assets are initially measured at fair value.

Subsequent measurement of debt instruments is only at amortised cost if the instrument meets the requirements of the 'business model test' and the 'characteristics of financial asset test'.

All other debt instruments are subsequently measured at fair value.

All equity investments are subsequently measured at fair value either through other comprehensive income (OCI) or profit and loss.

Embedded derivatives contained in non-derivative host contracts are not separately recognised. Unless the hybrid contract qualifies for amortised cost accounting, the entire instrument is subsequently recognised at fair value through profit and loss.

Financial liabilities

For liabilities measured at fair value through profit and loss, the change in the fair value of the liability attributable to changes in credit risk is presented in OCI. The remainder of the change in fair value is presented in profit and loss.

All other classification and measurement requirements in IAS 39 have been carried forward into IFRS 9.

Effective for years beginning on or after 1 January 2015.

Status of financial instruments project

There are a number of matters relating to IFRS 9 which are still to be completed including:

Impairment, where the IASB is pursuing a 'three-bucket' credit impairment approach under which financial assets would initially be included in one of three buckets based on the credit quality of each asset upon origination. The guiding principle of the new approach is to reflect the general pattern of deterioration in credit quality based on expected rather than incurred losses.

General hedge accounting where the IASB is proposing a hedging model that is hoped to align the accounting for hedging activities with the risk management practices of an entity. In addition the IASB is pursuing simplifying certain aspects of hedge accounting.

Portfolio (macro) hedge accounting. Proposals are still being developed by the IASB in this area.

IFRS 13 – Fair value measurement

IFRS 13 describes how to measure fair value where fair value is required or permitted to be used as a measurement basis under IFRS (with certain standards being excluded from the scope of IFRS 13).

Under IFRS 13 fair value is presumed to be an 'exit price'.

New disclosures related to fair value measurements are also introduced.

The impact of this standard is currently under evaluation.

Effective for periods beginning on or after 1 January 2013.

IFRS 9 – Mandatory effective date and transition disclosures (amendments to IFRS 9)

Mandatory effective date for IFRS 9 is 1 January 2015.

The impact of these amendments is currently under evaluation.

	2012
	R'000
2. REVENUE	
Contractual rental	191 464
Assessment rates recovered	8 832
Casual parking	6 522
Contracted operating cost recoveries	3 548
Turnover rental	1 192
Revenue, excluding straight-line rental revenue adjustment	211 558
Straight-line rental revenue adjustment	30 507
Total revenue	242 065
3. PROPERTY EXPENSES	
Assessment rates	12 279
Cleaning	450
Electricity – net	(468)
cost	15 736
recovery	16 204
Impairment loss relating to tenants and related receivables	1 205
Insurance	1 613
Letting commissions	3 933
Other property expenses	3 894
Property management expenses	6 684
Repairs and maintenance	1 608
Security	4 256
Client installation costs	3 133
Water and municipal charges – net	(89)
cost	4 129
recovery	(4 218)
Total property expenses	38 498
4. OTHER OPERATING EXPENSES	
Administration costs	87
Asset management fee	9 157
Auditor's remuneration	657
audit fee	657
other fees	–
total other fees	151
less capitalised to investment properties	(151)
Directors' fees	325
Legal fees	200
Other fund expenses	1 432
Total other operating expenses	11 858
5. FAIR VALUE ADJUSTMENTS	
Gross investment property fair value adjustment	139 248
Less: Straight-line rental revenue adjustment	(30 507)
Net investment property revaluation	108 742
Fair value adjustment – loss on interest rate swap derivatives	(1 169)
Fair value adjustment before debenture fair value adjustment	107 572
Debenture fair value adjustment	(138 079)
Total fair value adjustments	(30 507)

2012
R'000

5.1 Debenture fair value adjustment	
Debentures are adjusted to fair value which represents the net asset value attributable to debenture holders, excluding intangible assets	
The adjustment consists of:	
Fair value adjustment on other assets and liabilities	(107 572)
Straight-line rental revenue adjustment	(30 507)
	(138 079)
6. FINANCE COST	
Interest on other non-current liabilities	6 034
7. FINANCE INCOME	
Interest received from banks	3 016
8. TAXATION	
South African normal tax	49
Normal tax	44
Secondary tax on companies	5
Deferred taxation charge	25 733
Deferred taxation credit	(25 733)
Tax rate reconciliation:	
Standard rate of South African normal taxation (%)	28.0
Secondary tax on companies (%)	3.1
Deferred tax asset not recognised (%)	8 383.1
Capital gains tax rate on investment property fair value gain (%)	(8 383.1)
Effective tax rate (%)	31.1
9. DISTRIBUTION PER LINKED UNIT	
Net property income after other operating expenses	191 709
Less: Straight-line rental revenue adjustment	(30 507)
Finance costs	(6 034)
Finance income	3 016
Taxation (excluding capital gains tax and deferred tax)	(49)
Distributable earnings	158 135
Distribution comprises:	
debenture interest	158 026
ordinary dividend	109
Total distribution	158 135
Retained distributable earnings	–
Distribution per linked unit	Cents
	93.02
Interest on debentures	92.96
Dividend	0.06
Distribution for the year	93.02
Interim distribution for the six months ended 30 September 2011	43.73
Final distribution for the six months ended 31 March 2012	49.29

2012
R'000

10. EARNINGS PER SHARE

Reconciliation of basic earnings to headline earnings	109
Total comprehensive income attributable to equity holders	(88 646)
Less: Net fair value adjustment – investment property	(108 741)
Fair value adjustment	20 095
Applicable taxation	

Headline loss attributable to shareholders (88 537)

Add: net fair value adjustment – debentures	112 673
Fair value adjustment	138 079
Applicable taxation	(25 733)
Add: Debenture interest paid	158 026

Headline earnings attributable to linked unit holders 183 835

	Cents
Basic earnings per share	0.06
Headline earnings per share	(52.08)
Headline earnings per linked unit	106.96

	Number of shares
Shares in issue at the end of the year	170 000 000
Weighted average number of shares in issue	170 000 000

11. INVESTMENT PROPERTIES AND RELATED RECEIVABLES

Cost	1 926 152
Accumulated fair value adjustment	108 741
Investment properties as per statement of financial position	2 034 893
Straight-line rental revenue adjustment	30 507

Carrying value 2 065 400

Movement in investment properties	
Balance at beginning of year	–
Acquisitions prior to listing	1 696 500
Acquisitions after listing	225 900
Capital expenditure	3 752
Unrealised surplus on revaluation of investment properties	139 248
Straight-line rental revenue adjustment	30 507
Fair value gain on investment properties	108 742

Carrying value at end of the year 2 065 400

Subsequent to year-end, mortgage bonds have been registered over investment property with a fair value of R895.5 million as security for long-term interest-bearing liabilities at a nominal value amounting to R450 million.

All of the investment properties, except for Woolworths House which is held under leasehold terminating in July 2047, are held under freehold interests, and the register of deeds is available for inspection at the registered office.

The investment properties were valued at 31 March 2012, using the discounted cash flow of future income streams method by MRB Gibbons of Mills Fitchet Magnus Penny (Proprietary) Limited (Nat.Dip.Prop.Val.,MIV (SA), Professional Valuer) who is registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000.

2012
R'000

12. TRADE AND OTHER RECEIVABLES

Rental receivables	3 415
Impairment of receivables raised in the current year	(1 205)
Prepaid expenses	998
Municipal deposits	1 277
Sundry debtors	2 359
Accrued recoveries	5 220

12 064

In calculating the impairment of receivables, consideration is given to all failed rental payments as well as outstanding amounts past due

13. CASH AND CASH EQUIVALENTS

Cash held on call account	4 567
---------------------------	-------

14. ORDINARY SHARE CAPITAL

Authorised

1 000 000 000 ordinary shares with a nominal value of 1 cent each	10 000
---	--------

Issued

170 000 000 ordinary shares with a nominal value of 1 cent each	1 700
---	-------

In terms of the Memorandum of Association and the Debenture Trust Deed, each share is linked to one debenture of 999 cents. This linkage means that each share may only be issued and traded together with the debenture with which it is linked, until such time that it is de-linked in accordance with the terms of the Memorandum of Association and the Debenture Trust Deed.

The unissued shares are under the control of the directors of the company subject to the provisions of the Companies Act 2008, as amended and the requirements of the JSE Limited.

2012
R'000

15. DEBENTURES

170 000 000 variable rate, unsecured, subordinated debentures	
Fair value at beginning of year	–
Issued during the year	1 698 300
Fair value adjustment	138 079

Fair value

1 836 379

Nominal value	1 836 379
Issue value	1 698 300
Fair value adjustment current year	138 079

The rights of the debenture holders to repayment of capital are subordinated to the claims of all other secured and unsecured creditors. The interest payable on the debenture in each linked unit will be at least 999 times the dividend payable on each share.

Subject to the subordination provisions, the debentures will be repayable if a final court order is granted or if an effective special resolution is passed for the winding up of the company or if the company, *inter alia*, commits a material breach of a material obligation under the debenture trust deed. The debentures are redeemable at the instance of the debenture holders at the 25th anniversary of the date of allotment and issue of the debentures (1 April 2011).

This right must be exercised by special resolution of the debenture holders. Upon passing of this special resolution, the debentures shall be redeemed one year after the special resolution is passed.

At 31 March

R'000	Facility	Capital repayment date	Interest rate	2012 R'000
16. OTHER NON-CURRENT FINANCIAL LIABILITIES				
Variable rate loans – unsecured				
Investec bridge loan facility	500 000	Six-month notice	Jibar + 2.25%	56 000
Investec working capital facility	20 000	Six-month notice	Jibar + 2.25%	–
Investec vendor loan on acquisition of Scientific Group building		On transfer	Call rate	34 900
Investec vendor loan on acquisition of BAT building		On transfer	Jibar + 2.25%	40 000
Total nominal value of interest-bearing loans				130 900
Fair value adjustments on interest rate swap derivatives				1 169
Fair value of long-term interest-bearing loans and derivatives				132 069
Less portion repayable within the next 12 months – at nominal value				(130 900)
Total non-current financial liabilities				1 169
loans				–
derivatives				1 169
17. TRADE AND OTHER PAYABLES				
Accrued expenses				13 967
Accrued interest				3 749
Client deposits				6 080
Property management creditor				969
Trade creditors				3 332
				28 097
18. DEFERRED TAXATION				
18.1 Taxable temporary differences				
Investment property component				
Fair value adjustment – investment property assets				139 248
				139 248
Deferred tax rates applied to temporary differences				Rate
Investment property component				
Fair value adjustment – investment property assets			18.4%	25 733
Deferred taxation liability				25 733

2012
R'000

18.2 Deductible temporary differences

Debenture component

Fair value adjustment – debentures 138 079

Other assets/liabilities

Fair value adjustment – loss on fair value of interest rate swap derivative 1 169

139 248

	Rate	
Deferred tax rates applied to temporary differences		
Fair value adjustment – debentures	28%	38 662
Fair value adjustment – loss on fair value of interest rate swap derivative	28%	327

Potential deferred taxation asset 38 989

Deferred tax asset not recognised 13 256

Deferred taxation asset 25 733

The recovery of deferred tax assets is dependent on the generation of sufficient future taxable income. In order to recognise the asset, it must be probable that deductible temporary differences in excess of existing taxable temporary differences will be used.

The policy of the Fund is to distribute all taxable income (excluding capital gains) to linked unitholders, primarily in the form of tax deductible debenture interest. Whilst the debentures remain unredeemed future tax deductions are likely to equal or exceed any tax liability that may arise (excluding capital gains taxation). Therefore the extent to which the deferred tax asset is recognised is limited to the deferred tax liability raised. The net effect therefore reflected on the statement of financial position is therefore R nil.

18.3 Movement in deferred tax

Balance at beginning of year –

Movement in deferred tax liability (25 733)

Movement in deferred tax asset 25 733

Balance at end of the year –

19. CASH GENERATED FROM OPERATIONS

Operating profit 191 709

Straight-line rental revenue adjustment (30 507)

Working capital movement 12 284

Trade and other receivables (12 064)

Current liabilities 24 348

173 486

20. FINANCE COSTS PAID

Amounts unpaid at beginning of the year –

Amounts charged to profit and loss 6 034

Amounts unpaid at end of the year 3 749

2 285

2012
R'000

21. TAXATION PAID

Amounts unpaid/(overpaid) at beginning of the year	–
Amounts charged to profit and loss	49
Amounts overpaid at end of the year	3
	52

22. DISTRIBUTION TO LINKED UNITHOLDERS

Amounts unpaid at beginning of the year	–
Interest	158 026
Dividends	109
Amounts unpaid at end of the year	(83 789)
	74 346

23. NET CASH OUTFLOW FROM INVESTING ACTIVITIES

Opening balance of non-current assets	–
Non-cash movements	139 248
fair value adjustment of investment property	108 741
straight-line rental revenue adjustment	30 507
Closing balance of non-current assets	(2 065 400)
	(1 926 152)

24. BORROWING POWERS

The borrowing capacity of the Fund is unlimited in terms of its Articles of Association

25. CAPITAL COMMITMENTS

Authorised and contracted	285 057
Authorised and not contracted	21 934
	306 991

The capital expenditure will be financed from existing funding facilities including the DMTN programme.

26. MINIMUM CONTRACTED RENTAL INCOME

The Fund leases a number of retail, office and industrial properties under operating leases, which typically run for a period of three to five years.

Contractual amounts due in terms of operating lease agreements	
Less than one year	212 852
Between one and five years	650 059
More than five years	460 906
	1 323 817

27. RELATED PARTY TRANSACTIONS

- 27.1 Investec Limited is the controlling shareholder of the Fund and through its wholly owned subsidiary Investec Property (Pty) Limited is the Asset and Property Manager of the Fund, and therefore, Investec Limited and its subsidiaries are related parties to the Fund. All related party transactions are conducted at arm's length.

On 1 April 2011 the Fund acquired 29 properties from various wholly owned subsidiaries of Investec Limited as follows:

	Office	Industrial	Retail	Total
Number of properties	7	18	4	29
Gross Lettable Area (GLA)/(m ²)	89 469	244 637	34 424	368 530
Cost of acquisition (R'000)	976 500	545 800	174 200	1 696 500
Since 1 April 2011 the Fund has acquired 3 properties from subsidiaries of Investec Limited as follows:				
Number of properties	1	2	–	3
Gross Lettable Area (GLA)/(m ²)	15 500	18 903	–	34 403
Cost of acquisition (R'000)	151 000	74 900	–	225 900

	2012 R'000
27.2 Investec Property (Pty) Limited	
Asset management fee	(9 157)
In respect of the unlet space in 345 Rivonia Road, Investec Property Limited, has undertaken to pay to the Fund the gross rental in respect of the unlet space for a period up to 1 April 2014.	
Amount received in the current year	11 991
27.3 Investec Property (Pty) Limited	
Rental received in respect of the Durban office	18 247
Sponsor fee	(150)
The fixed for variable swap was taken out with Investec Bank Limited	
27.4	
The current portion of non-current liabilities includes various transactions with related parties including vendor loans with wholly owned subsidiaries of Investec Limited and bridge loan facility with Investec Bank Limited. The Fund also holds its call accounts and fixed deposit accounts with Investec Bank Limited and earns interest income thereon.	
Borrowings	
Vendor loans	(74 900)
Bridge loan	(56 000)
Interest on related party borrowings	(6 034)
Refer to note 16 for terms and conditions.	
Cash accounts	
Cash held on call account	4 567
Finance income	3 016
Interest is earned at the overnight safex call rate, currently 5.25%	

	Amount advanced R'000	Outstanding at year-end R'000	Units held
For the year ended 31 March			
27.5 Borrowings advanced to Directors to acquire Linked Units in the Fund			
Sam Hackner	30 001	20 423	3 689 474
Sam Leon	12 501	8 587	1 504 789

Both loans are granted by Investec Securities Limited and extend over a 36-month period with interest payable at 8.25% per annum.

28. NET ASSET VALUE

	Number of units
Linked units in issue at end of year	170 000 000
<hr/>	
At 31 March	Cents
Net asset value per linked unit	1 081.22

29. FINANCIAL RISK MANAGEMENT

29.1 Total financial assets and liabilities

The table below sets out the Fund's accounting classification of each class of financial asset and liability and their fair values at 31 March 2012

	Non- financial instru- ments	Held for trading	Designated at fair value	Amortised cost	Total
ASSETS					
Non-current assets	2 065 400	–	–	–	2 065 400
Current assets	–	–	–	16 631	16 631
Trade and other receivables	–	–	–	12 064	12 064
Cash and cash equivalents	–	–	–	4 567	4 567
Total assets	2 065 400	–	–	16 631	2 082 031
Liabilities					
Debentures	–	–	1 836 379	–	1 836 379
Other non-current liabilities	–	1 169	–	–	1 169
Current liabilities	–	–	214 689	28 097	242 786
Trade and other payables	–	–	–	28 097	28 097
Current portion of other non-current financial liabilities	–	–	130 900	–	130 900
Linked unit holders for distributions	–	–	83 789	–	83 789
Total liabilities	–	1 169	2 051 068	28 097	2 080 334

29.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method, defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

At 31 March R'000	Total financial instruments recognised at fair value	Held for trading			Designated at fair value		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
2012							
Total assets	-	-	-	-	-	-	-
Liabilities							
Debentures	1 836 379						1 836 379
Other non-current liabilities	1 169	1 169					
Current portion of other non-current financial liabilities	130 900				130 900		-
Linked unit holders for distributions	83 789	-	-	-	-	-	83 789
Total liabilities	2 052 237	1 169	-	-	83 789	130 900	1 920 168

(a) Details of changes in valuation techniques.

There have been no significant changes in valuation techniques during the year under review.

(b) Significant transfers between Level 1, Level 2 and Level 3.

There have been no significant transfers between Level 1, Level 2 and Level 3 during the year under review.

(c) Level 3 reconciliation.

	Opening balance R'000	Gain/(loss) in profit for the year R'000	Issues R'000	Closing balance R'000
2012				
Debentures	-	138 079	1 698 300	1 836 379

The fair value loss is included in the fair value adjustment line in profit and loss. There are no reasonably expected changes in the assumptions used to determine fair value of the debentures., therefore no sensitivity analysis was performed

29.3 Other financial risk management considerations

The financial instruments of the Fund consist mainly of cash and cash equivalents, including deposits with banks, borrowings, derivative instruments, trade and other receivables and trade and other payables, debentures and linked unitholders for interest and dividends. The Fund purchases or issues financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations and the source of funding.

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

The board has overall responsibility for the establishment and oversight of the Fund's risk management framework. The board has established the audit and risk committee, which is responsible for developing and monitoring the Fund's risk management policies. The audit and risk committee reports regularly to the board on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit and risk committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit and risk committee is assisted in its oversight role by Investec Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk committee.

29.4 Credit risk

Credit risk is the risk of financial loss to the Fund if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from derivatives, as well as trade and other receivables. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2012
	R'000
Trade receivables	12 064
Cash and cash equivalents	4 567

Derivative assets and cash and cash equivalents

Exposure to credit risk is limited by investing in liquid funds and entering into derivative financial instruments with counterparties who have a high percentage tier 1 capital and strong credit ratings assigned by international credit rating agencies.

Trade receivables

The Fund's exposure to credit risk is mainly in respect of clients and is influenced by the individual characteristics of each client. The Fund's widespread client base reduces credit risk.

Management has established a credit policy under which each new client is analysed individually for creditworthiness before the Fund's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, the Fund's credit review includes external ratings.

Impairment losses have been recorded for those debts whose recovery was not reasonably assured at year-end. The maximum credit exposure at the reporting date was R13.3 million, of which R1.2 million has been provided for.

29.5 Market risk

Interest rate risk

The Fund is exposed to interest rate risk and adopts a policy of ensuring that at least 75% of its exposure to changes in interest rates on borrowings is on a fixed basis. This is achieved by entering into fixed for variable rate swap instruments. All such transactions are carried out within the guidelines set by the audit and risk committee. As a consequence, the Fund is exposed to fair value interest rate risk in respect of the fair value of its interest rate financial instruments, which will not have an impact on distributions. Short-term receivables and payables and investments are not directly exposed to interest rate risk.

It is estimated that for the year ended 31 March 2012, a 1% increase/decrease in interest rates on the variable rate borrowings would have decreased/increased the Fund's profit before debenture interest by approximately R1.1 million.

At 31 March 2012 75% of interest-bearing borrowings were fixed for a weighted average of five years.

	Net swap expiring R'000
Financial year	
2017	113 250

Currency risk

The Fund does not have any exposure to currency risk at 31 March 2012.

Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and

to refinancing risk. In effect the Fund seeks to borrow for as long as possible at the lowest acceptable cost. The Fund regularly reviews the maturity profile of its financial liabilities and will seek to avoid concentration of maturities through the regular replacement of facilities, and by using a selection of maturity dates.

The tables below set out the maturity analysis of the Fund's financial liabilities based on the undiscounted contractual cash flows. No interest payments on debentures have been included as the amounts involved are dependent on future profitability which cannot be forecasted. Furthermore, the liquidity risk of debenture interest is mitigated in that the Fund declares debenture interest only to the extent of its operating profit.

For the year-ended 31 March 2012	Within one year R'000	One to two years R'000	Two to five years R'000	Over five years R'000	Total R'000
Debentures				1 698 300	1 698 300
Trade and other payables	23 727	1 905	2 414	51	28 097
Interest rate swap	271 800	271 800	816 145		1 359 745
Current portion of other non-current financial liabilities	130 900				
Linked unit holders for distributions	83 789				83 789
Total liabilities	510 216	273 705	818 559	1 698 351	3 300 831

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Fund. Subsequent to year-end in terms of covenants with its lenders, the nominal value of interest-bearing borrowings may not exceed 50% of the value of investment property:

At 31 March	2012 R'000
Value of investment property	2 065 400
50% thereof	1 032 700
Nominal value of interest-bearing borrowing utilised at year-end	(130 900)
Potential borrowing capacity	901 800
Facilities available in terms of existing bridge and working capital facilities	464 000
Facilities available in terms of agreements concluded after year-end	1 000 000

29.6 Derivatives

Derivative instruments are used to hedge the Fund's exposure to any increases in interest rates on variable rate loans. Interest rate swap contracts are entered into whereby the Fund hedges out its variable rate obligation to provide a maximum fixed rate obligation. Details of fixed for variable interest rate swap instruments are as follows:

For the year-ended 31 March R'000	Amount	Start date	End date	Fixed rate
Financial institution 31 March 2012				
Investec	113 250	28/3/2012	28/02/2017	7.15%

30. CAPITAL MANAGEMENT

In terms of its articles of association, the Fund has unlimited borrowing capacity. The Fund is funded partly by linked units or owners' capital and partly by external borrowings. The linked units each comprise one share of 1 cent linked to 1 debenture with a nominal value of R9.99.

In terms of its covenants entered into after year-end the Fund is committed in terms of its external borrowings, to a maximum value of external borrowings as a percentage of the value of investment property assets of 50%. In practice, the Fund aims to keep gearing levels between 30% and 40% over the long term. At 31 March 2012, the nominal value of borrowings was equal to 6.4% of the value of investment property.

170 000 000 new linked units were issued in April 2011, to Investec Limited immediately prior to the listing of the Fund. The linked units were issued at R10.00 per linked unit.

The board's policy is to maintain a strong capital base, comprising its linked unitholders' interest, so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is the Fund's stated purpose to deliver medium- to long-term sustainable growth in distributions per unit. All net profits, as defined in the debenture trust deed, are distributed on a six monthly basis. The board monitors the level of distributions to linked unitholders and ensures compliance with the terms of the debenture trust deed and that no profits of a capital nature are distributed. There were no changes in the Fund's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

31. **SUBSEQUENT EVENTS**

Post-year-end, the Fund established a R1 billion domestic medium-term note programme and successfully placed R450.0 million of secured notes at an all in borrowing cost of 8.3%. The proceeds will be used to repay the bridge loan in full and to pay for the other acquisitions, excluding BAT.

32. **ESTIMATION OF FAIR VALUE**

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:

Trade receivables

These are valued at their nominal value (less cumulative impairment losses) as the time value of money is considered to be immaterial for these current assets. Impairment losses are estimated at the year-end by reviewing amounts outstanding and assessing the likelihood of recoverability.

Non-current liabilities (excluding debentures) at fair value

As a property loan stock company, the Fund relies on long-term borrowings to fund the acquisition of investment properties. The Fund adopts the fair value model to measure the investment properties, with fair value adjustments being recorded through profit or loss. In order to eliminate any mismatch that would otherwise arise from measuring the non-current liabilities on a different basis, non-current liabilities are also measured at fair value through profit or loss. The value of these liabilities is estimated using a discounted cash flow analysis. Each future cash flow is discounted using the market rate indicated on the interest rate curve (see definition below) at the dates when the cash flows will take place.

Debentures

Debentures are designated as held at fair value through profit or loss financial liabilities. It is believed that this method results in the most relevant measure of the debenture liability as it represents the net asset value attributable to debenture holders after all other liabilities and assets are reflected at fair values. In addition, this method eliminates possible measurement inconsistencies that may arise by valuing the debenture liability on some other basis. These instruments are measured initially at issue price, and subsequently at fair value. Fair value represents the net asset value attributable to debenture holders after adjusting all other assets and liabilities to fair value.

Derivatives

Derivative financial instruments consist of interest rate hedging instruments. Interest rate hedging instruments are valued by discounting future cash flows using the market rate indicated on the interest rate curve (see definition below) at the dates when the cash flows will take place.

Trade payables

Trade payables are valued at their nominal value as the time value of money is considered to be immaterial for these current liabilities.

Definition of 'interest rate curve'

The interest rate curve is the South African swap curve which represents a benchmark interest rate curve for all JIBAR-related transactions in the market. JIBAR itself is a benchmark short-term interest rate and, as such, the swap curve gives a representation of future expectations of JIBAR. It is constructed using both short-dated financial instruments (such as forward rate agreements (FRAs)), as well as longer-dated instruments (such as swaps) where the movements in the curve are reflected through price changes of the underlying instruments.

DETAILS OF DIRECTORS' OTHER DIRECTORSHIPS AND PARTNERSHIPS

The table below lists the companies and partnerships of which each Director is currently a director or partner as well as the companies and partnerships of which each Directors was a director or partner over the five years preceding the Circular:

Director	Current directorships/partnerships	Past directorships/partnerships
Hackner, Sam	Braamfontein 4410 Share Block Ltd 83 Protea Properties (Pty) Ltd Maritzburg Mall Investments (Pty) Ltd Tecnom Properties (Pty) Ltd Blue Strata Trading (Pty) Ltd Cenacle Properties (Pty)Ltd Plantationlcc Copperleaf Country Estate (Pty) Ltd Grayston Prop Number 002 (Pty) Ltd Grayston Prop Number 005 (Pty) Ltd Growthpoint Managers (Pty) Ltd Investec Insurance Brokers (Pty) Ltd Investec GLL Fund Management S.A Investec GLL Global Special Opportunities Real Estate Fund FCP Investec Property Fund Ltd Investec Property Investments (Pty) Ltd Investec Property (Pty) Ltd Investec Trust (Pty) Ltd Investec Property Group Holdings (Pty) Ltd Iptco 0004 (Pty) Ltd Notae Resorts (Pty) Ltd Protea Hospitality Holdings (Pty) Ltd, Riverport Trading 143 (Pty) Ltd Secupar Properties (Pty) Ltd Tresso Trading 119 (Pty) Ltd Vesque Ltd (<i>in deregistration process</i>) Capricorn Business & Technology Park (Pty) Ltd	Changing Tides 5 (Pty) Ltd Flip-Flap Properties (Pty) Ltd Growthpoint Properties Ltd Hentiq 2395 (Pty) Ltd Investec Investments Ltd The Meat Company (Montecasino) (Pty) Ltd The Meat Company (Melrose Arch) (Pty) Ltd Metboard Properties Ltd Metropolitan Board Nominees Ltd New Heights 344 (Pty) Ltd Paramount Property Fund Ltd Paraprop Asset Managers (Pty) Ltd RSG Distributors (Pty) Ltd South African Golf Development Board Skillfull 62 (Pty) Ltd Paraprop Property Managers (Pty) Ltd Tresso Trading 337 (Pty) Ltd

Director	Current directorships/partnerships	Past directorships/partnerships
Crawford, Michael Patrick	Arendal Number Four cc Bain Sable cc Belle Vue La Ridge (Pty) Ltd Belle Vue The Braes (Pty) Ltd Belle Vue The Wedge (Pty) Ltd Bridgeport Properties No. 62 (Pty) Ltd Champion Sports Cars cc Classic Number Trading 143 (Pty) Ltd Compagnie Inter Africaine de Travaux Constitution Road Developers (Pty) Ltd Crawford Heights (Pty) Ltd Crawford Management Consulting (Pty) Ltd Divine Inspiration Trading 79 (Pty) Ltd Erf I Frankenwald (Pty) Ltd Fordcraw Properties (Pty) Ltd Four Arrows Investments 227 (Pty) Ltd Fourways Longdrive (Pty) Ltd Georgian Terrace (Pty) Ltd Golden Dividends 53 (Pty) Ltd Golden Falls Trading 420 (Pty)Ltd Green Willows Properties 89 (Pty) Ltd Harviprox Investments Investec Property Fund Ltd Kusasa Commodities (Pty) Ltd Linbro Business Park Property Owners Association NPC Lyricwood Properties (Pty) Ltd Marples Developments (Pty) Ltd UK M P Crawford Holdings (Pty) Ltd M P C Properties (Northam) (Pty) Ltd Mphodimo Bush Lodge (Pty) Ltd Nogoduka-Ngumbela Consortium Pacific Eagle Properties 86 (Pty) Ltd Phindana Properties 6 (Pty) Ltd Prosperisense 37 cc RZT Zelpy 4279 (Pty)Ltd Sales Affiliates 60 (Pty) Ltd Setswatswa Trackers (Pty) Ltd Shock Proof Investments (Pty) Ltd Stratford Property Investments (Pty) Ltd Stratford Property Ventures (Pty) Ltd Stratford Property Ventures Namibia (Pty) Ltd Superstrike Investments 41 (Pty) Ltd The Foreman's Cottage (Pty) Ltd VDB Property Leasing (Pty) Ltd	Basfour 2882 (Pty) Ltd Bluegate Developments (Pty) Ltd Bluegate Properties (Pty) Ltd Capricorn Business & Tech Park (Pty) Ltd Capricorn Square (Pty) Ltd Putalong (Pty) Ltd Safirich RPP JV (Pty) Ltd

Director	Current directorships/partnerships	Past directorships/partnerships
Leon, Samuel Ronald	55 Fox Street Share Block Ltd Fifty Eight Marshall Street Ltd Maser Properties (Pty) Ltd Capensis Investments 241 (Pty) Ltd Cenacle Properties (Pty) Ltd C S Street Investment (Pty) Ltd Elandsfontein Rem Erf 57 (Pty) Ltd Erf 764 Building Investment (Pty) Ltd Grayston Property Managers (Pty) Ltd Grayston Prop Number 001 (Pty) Ltd Huddle Investments (Pty) Ltd Imine Investments (Pty) Ltd Investec GLL Fund Management S.A Investec GLL Global Special Opportunities Real Estate Fund FCP Investec Property Fund Ltd Investec Property Group Holdings (Pty) Ltd Investec Property (Pty) Ltd Italite Investments (Pty) Ltd S.D. Mdlalo Properties (Pty) Ltd Midrand Town Centre (Pty) Ltd Oxford Rosebank Hotel Services(Pty) Ltd Randburg Street Property (Pty) Ltd Rosebank Employees (Pty) Ltd Royal Ascot Property Development (Pty) Ltd South African Property Owners Association Smile Properties (Pty) Ltd Tresso Trading 119 (Pty) Ltd	Changing Tides 5 (Pty) Ltd Flip-Flap Properties (Pty) Ltd Growthpoint Properties Ltd LPG (Property Management) (Pty) Ltd- Majorshelf 184 (Pty) Ltd Metboard Properties Ltd New Heights 344 (Pty) Ltd Paraprop Asset Managers (Pty) Ltd Scopefull 157 (Pty) Ltd Paraprop Property Managers (Pty) Ltd Tresso Trading 337 (Pty) Ltd

Director	Current directorships/partnerships	Past directorships/partnerships
Donald, David Alexander Jon	55 Fox Street Share Block Ltd Fifty Eight Marshall Street Ltd Angara Investments (Pty) Ltd Angara One Investments (Pty) Ltd Bellerive SA Proprietary Investments (Pty) Ltd Capensis Investments 241 (Pty) Ltd Carringson Properties (Pty) Ltd Consulate Properties (Pty) Ltd C S Street Investment (Pty) Ltd Elandsfontein Rem Erf 57 (Pty) Ltd Portion 1 Erf 12 Rosslyn (Pty) Ltd Erf 764 Building Investment (Pty) Ltd Extension 24 Commercial Leasing Company (Pty) Ltd Flashfin (Pty) Ltd Florprops (Pty) Ltd Geocen (Pty) Ltd Gino's Corner (Pty) Ltd Goldlynn Investments (Pty) Ltd Goldsilver Investments (Pty) Ltd Grayston Prop Number 001 (Pty) Ltd Grayston Prop Number 002 (Pty) Ltd Investec Insurance Brokers (Pty) Ltd Investec Insurance Operations (Pty) Ltd (<i>in deregistration process</i>) Investec Property Fund Ltd Investec Property (Pty) Ltd Investec Property Group Holdings (Pty) Ltd IPG (Market Square Matatiele) (Pty) Ltd Italite Investments (Pty) Ltd Kershendale Properties (Pty) Ltd Mansid Investments Share Block (Pty) Ltd Midrand Town Centre (Pty) Ltd Olstev Properties (Pty) Ltd Oxford Rosebank Hotel Services (Pty) Ltd Pillemer Properties (Pty) Ltd Randburg Street Property (Pty) Ltd Rojeff Properties (Pty) Ltd Rosebank Employees (Pty) Ltd Royal Ascot Property Development (Pty) Ltd Rundu Development Company (Pty) Ltd Spareprops (Pty) Ltd	448 West Street (Pty) Ltd Kcanpat Leribe (Pty) Ltd Arcadia Centre (Pty) Ltd (<i>Liquidated</i>) Benmore Gardens Ltd (<i>Liquidated</i>) Bleat Properties (Pty) Ltd City Securities (Pty) Ltd Endorse Properties (Pty) Ltd Flip-Flap Properties (Pty) Ltd Growthpoint Building Managers (Pty) Ltd Grayston Prop Number 001 (Pty) Ltd Gustav Voigts Investments (Pty) Ltd (<i>Liquidated</i>) IPG (Property Management) (Pty) Ltd Lands View Investments (Pty) Ltd Paraprop Asset Managers (Pty) Ltd Paraprop Property Managers (Pty) Ltd
Suliman Noor Mahomed	Computron Group Investec Property Fund Ltd Phondelo Investments (Pty) Ltd Solly's Discount World Group Solly Noor Properties (Pty) Ltd Swanvest 362 (Pty) Ltd Wheatfields 195 (Pty) Ltd	ASBA Bank Ltd

Director	Current directorships/partnerships	Past directorships/partnerships
Constance M Mashaba	Balapeng Investment Holdings Black Like Me (Pty) Ltd Deutsche Bank Africa Foundation Trustee The Energy Company Investec Property Fund Ltd Mach5 Advertising Solutions (Pty) Ltd South African Women Entrepreneurs Network (SAWEN)	None
Moses M Ngoasheng	8 Mile Investments 511 (Pty) Ltd Bohwa I Gaming (Pty) Ltd Castle Cement (Pty) Ltd Dimension Data SA Global Credit Rating Co. Hot Slots Gaming Enterprises (Pty) Ltd Investec Property Fund Ltd Kelly Group Ltd Lexshell 618 Investments (Pty) Ltd Modidima Properties (Pty) Ltd Modidima Ventures (Pty) Ltd Morning Tide Investments 327 (Pty) Ltd Ntsimbintle Mining (Pty) Ltd Quantam Leap Investments 740 (Pty) Ltd Safika (Pty) Ltd Safika Asset Finance (Pty) Ltd Safika Financial Services (Pty) Ltd Safika Holdings (Pty) Ltd Safika Industrial (Pty) Ltd Safika Investments (Pty) Ltd Safika Resources Safika Technologies (Pty) Safika Technologies Holdings (Pty) Safika Two Investments (Pty) Ltd Sephaku Holdings Ltd South African Breweries Ltd Temo Capital (Pty) Ltd Temo Capital 2 (Pty) Ltd Tshipi e ntle Manganese Mining (Pty) Ltd Tutuwa Strategic Holdings (Pty) Ltd Unitrade 1239 (Pty) Ltd Bunang Trust The Macozoma Trust	Excellent Gems Sports Management (Pty) Ltd (Dormant) Freeworld Coatings Ltd Goal Technology Solutions Networks (Pty) Ltd Goal Technology Solutions Services (Pty) Ltd Next Generation Network Telecommunications (Pty) Ltd SafikaTel (Pty) Ltd
Graham R Rosenthal	Andulela Investment Holdings Ltd Investec Property Fund Ltd Sun International Ltd	None

DETAILS OF DIRECTORS OF THE MANAGER

Name	Sam Hackner (57)
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	BCom(Hons), Dip Acc, CA(SA)
Current position	CEO
Resume	<i>Refer to paragraph 14 of Circular for experience</i>
Name	Stephen Koseff (61)
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	BCom, CA(SA), H Dip BDP, MBA
Current position	Chairman
Resume	Stephen joined the Investec Group in 1980 and has been the chief executive officer of Investec Plc and Investec Limited since 1997. He has had diverse experience within Investec as chief accounting officer and general manager of Banking, Treasury and Merchant Banking. His directorships include The Bidvest Group Ltd, Rensburg Sheppards plc and a number of Investec subsidiaries.
Name	Samuel R Leon (62)
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	LLB (London)
Current position	Deputy chairman <i>Refer to paragraph 14 of Circular for experience</i>
Name	David AJ Donald (62)
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	BCom, CA(SA), H Dip Taxation Law
Current position	Executive director <i>Refer to paragraph 14 of Circular for experience</i>
Name	Glynn R Burger (54)
Business address	100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications	BAcc, CA(SA), H Dip BDP, MBL
Current position	Executive director
Resume	Glynn currently serves as the joint managing director of Investec Limited in South Africa, a position held by him since 2000, and as the financial director of the Investec Group. Glynn joined Investec in 1980 and has also held the position of chief accounting officer and group risk manager. Current directorships include Investec Bank Limited and a number of Investec subsidiaries.

Name Robin Magid (40)
Business address 100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications BCom
Current position Executive director
Resume Robin has been with Investec for 15 years, initially in the property finance team of Investec Private Bank, before moving to Investec Property in 2000 where he manages the Investec Property trading and commercial real estate activities. In 2008, Robin moved from South Africa to the United Kingdom where he was involved in establishing an international property investment division. In 2010 he moved back to South Africa to continue his role in managing the South African business, whilst remaining actively involved in the driving of the now established United Kingdom business.

Name David M Nurek (62)
Business address 100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Qualifications Dip Law, Dip Advanced Company Law
Current position Executive director
Resume David joined Investec in July 2000 and is the regional chairman of Investec's various businesses in the Western Cape and is also global head of Legal Risk. He is a non-executive director of various listed and unlisted companies including The Foschini Group Ltd, Sun International Ltd, Trencor Ltd, Clicks Group Ltd, Distell Group Ltd, Aspen Pharmacare Ltd, Sun International Ltd and Lewis Group Ltd. He served as chairman of the legal firm Sonnenberg Hoffman & Galombik (now Edward Nathan Sonnenbergs) until June 2000. David was formerly a non-executive director of Allan Gray Property Management Co. Ltd (Grayprop) for several years.

Name Ronald Sevitz (68)
Business address 100 Grayston Drive, Sandown, Sandton, 2196, South Africa
Current position Executive director
Resume Ronald has over 40 years' experience in the property industry which commenced in the late 1960s dealing with residential rental collections and management. For the last 20 years, he has been involved in the development of commercial centres and some of South Africa's most successful retail centres.

INFORMATION RELATING TO THE PROPERTY PORTFOLIO

A. OFFICE PORTFOLIO

Property name	Location	Registered description	Freehold/ Leasehold	GLA (m ²)	Weighted average gross rental per m ² of GLA (excl. parking)	Approx. age of building (years)	Cost of acquisition (R)	Market value attributed by independent valuer (R)	Effective date of acquisition	Vacancy rate (%)
345 Rivonia Road	Rivonia, Johannesburg	Portion 11 of Erf 70, Edenburg Township, Registration Division IR Gauteng	Freehold	10 495	126.19	2*	117 000 000	117 000 000	1 Apr 11	0
373 Pretorius Street	CBD, Pretoria	Erf 3255 City of Pretoria, Registration Division JR, Gauteng	Freehold	13 340	95.36	26	125 000 000	125 000 000	1 Apr 11	0
4 Protea Place	4 Protea Place, Sandown, Sandton	Ptn 4 of Erf 5 Sandown Township	Freehold	6 955	117.75	16	120 000 000	120 000 000	1 Apr 11	0
5 Walnut Road	Periphery CBD, Durban	Ptn 2 of Erf 11715, Durban Township	Freehold	14 041	63.14	16	75 000 000	93 000 000	1 Apr 11	0
Business Connexion	Randjespark, Midrand	Erf 84 Township Randjespark Extension 39, Registration Division JR, Gauteng	Freehold	6 759	80.52	13	52 600 000	52 600 000	1 Apr 11	0
Innovation Group	Randburg, Johannesburg	Erf 524 Kensington B, Registration Division I.R., Province of Gauteng	Freehold	15 500	86.80	2	170 000 000	170 000 000	1 Oct 11	0
Investec Offices Durban	Ridgeside Office Park, Umhlanga Rocks	Portion 2 of Erf 3138, Umhlanga Rocks, KZN	Freehold	6 543	232.39	2	225 000 000	225 000 000	1 Apr 11	0
Investec Offices Pretoria	Corner Atterbury and Klarinet Streets, Menlo Park, Pretoria	Portion 4 of Erf 757 and remainder of Erf 872, Menlo Park, Township Pretoria	Freehold	6 301	187.02	6	169 952 000	166 500 000	1 Nov 12	0
The Firs	193 Oxford Road, Rosebank, Johannesburg	Section 2 of Erf 246 Rosebank Township, together with exclusive use area on the sectional plan of the scheme known as the Firs (Section 2)	Freehold	13 790	221.60	4*	272 300 000	272 500 000	1 Oct 12	0
Woolworths House	CBD, Cape Town	Erf 4941, Cape Town	Leasehold	30 435	62.33	21	298 000 000	298 000 000	1 Apr 11	0
Total				124 157			1 624 852 000	1 639 600 000		

* Redevelopment years.

B. INDUSTRIAL PORTFOLIO

Property name	Location	Registered description	Freehold/ Leasehold	GLA (m ²)	Weighted average gross rental per m ² of GLA (excl. parking)	Approx. age of building (years)	Cost of acquisition (R)	Market value attributed by independent valuer (R)	Effective date of acquisition	Vacancy rate (%)
17 Derrick Road	Spartan, Kempton Park	Erven 132 and 134 Township of Spartan, Registration Division, I.R. Gauteng	Freehold	5 977	27.99	16	18 200 000	18 200 000	1 Apr 11	0
95 Main Reef Road	Boksburg North, Boksburg	Ptn 243, 244 (both ptns of ptn 6), RE of Ptn 6 (a ptn of ptn 4) of the Farm Klipfontein No. 83, Registration Division IR Gauteng	Freehold	14 598	20.83	26	15 000 000	27 400 000	1 Apr 11	11
Alrode Multipark	Alrode, Alberton	Erven 760 and 761 Alrode Ext 8 Township, Registration Division I.R. Gauteng	Freehold	90 838	24.45	16	235 000 000	235 000 000	1 Apr 11	1
Ampaglas East London	Wilsonia, East London	R/e Ext of Erf 26558 (a portion of Erf 1010), East London, Local Municipality of Buffalo City division of East London, Eastern Cape	Freehold	5 802	12.29	21	8 500 000	8 500 000	1 Apr 11	0
Ampaglas Tunney	Tunney, Elandsfontein	Erf 448 & 290 Tunney Ext 7, Township Registration Division IR Gauteng	Freehold	4 035	39.68	16	21 000 000	22 700 000	1 Apr 11	0
Benoni Multipark	Benoni Extension 12, Benoni	Ptns 4, 10, 11, 13 and RE of Erf 4450 Benoni Ext 12 Township, Registration Division IR Gauteng	Freehold	40 960	23.85	26	70 000 000	92 300 000	1 Apr 11	13
Boksburg Minipark	Boksburg North, Boksburg	Ptn 112 (a ptn of ptn 96) of the Farm Klipfontein 83, Registration Division I.R., Gauteng	Freehold	9 151	26.86	21	14 000 000	22 000 000	1 Apr 11	26
British American Tobacco	Waltloo, Pretoria	Erf 172 Waltloo township, Registration Division J.R., Gauteng	Freehold	13 170	30.84	13	40 000 000	44 000 000	1 Dec 11	0
Capital Motors	CBD, Pretoria	Erf 3042 City of Pretoria, Registration Division J.R., Gauteng	Freehold	7 463	22.14	16	20 000 000	20 000 000	1 Apr 11	0
General Electric	Northmid Corporate Park, Midrand	RE Erf 210 Randjespark Ext 72, Registration Division J.R. Gauteng	Freehold	11 180	69.21	1*	119 057 333	n/a	25 Jul 12	0

Property name	Location	Registered description	Freehold/ Leasehold	GLA (m ²)	Weighted average gross rental per m ² of GLA (excl. parking)	Approx. age of building (years)	Cost of acquisition (R)	Market value attributed by independent valuer (R)	Effective date of acquisition	Vacancy rate (%)
Gresmac	Epping, Cape Town	Erf 102571 Cape Town at Epping in the Municipality of Cape Town, Division of the Western Cape	Freehold	12 879	27.76	26	31 000 000	31 000 000	1 Apr 11	24
Heriotdale Mimipark	Heriotdale, Johannesburg	Erven 6, 7, 8 and 9 Heriotdale Township, Registration Division I.R., Gauteng	Freehold	4 851	29.99	16	13 700 000	13 700 000	1 Apr 11	5
Hycol Mini Units	Wynberg, Sandton	Erven 509, 510 and 511 Township of Wynberg Ext 7, Registration Division I.R., Gauteng	Freehold	2 350	33.67	16	7 800 000	7 800 000	1 Apr 11	8
Monsanto	Nuffield, Springs	Ptn 1 of Erf 154 and RE of Erf 154 Nuffield Ext 2 Township, Registration Division I.R., Gauteng	Freehold	9 819	29.61	21	28 600 000	28 600 000	1 Apr 11	0
Renew It	Wynberg, Sandton	Erf 1125 Marlboro Township, Registration Division IR, Gauteng	Freehold	5 013	37.16	26	22 000 000	22 000 000	1 Apr 11	0
SABB Maitland	Maitland, Cape Town	Re of Erf 22805, Erf 141661 (a ptn of Erf 109828) and RE 109828, Cape Town, WC Division	Freehold	16 017	25.92	21	49 000 000	49 000 000	1 Apr 11	0
SABB Mayville	Mayville, Durban	Erf 727 and RE of Erf 674 Brickfield, Durban, KZN	Freehold	4 003	41.31	21	16 400 000	17 000 000	1 Apr 11	0
The Scientific Group	Kya Sands, Randburg	Erf 15621 Cosmo City, Extension 15, Gauteng	Freehold	5 733	53.83	1	34 800 000	34 800 000	1 Oct 11	0
Standard Bank	City Deep, Johannesburg	Erven 94 and 95 City Deep Ext 4 Township, Registration Division I.R., Gauteng	Freehold	2 342	42.61	13	10 500 000	10 500 000	1 Apr 11	0
Table Choice Aeroton	Aeroton, Johannesburg	Erven 39 and 40 Aeroton Ext 2 Township, Registration Division I.Q., Gauteng	Freehold	6 994	34.12	15	26 200 000	26 200 000	1 Apr 11	0
Voltex	Alrode, Alberton	Erven 368 and 369, Alrode Ext 5 Township, Registration Division IQ, Gauteng	Freehold	6 543	15.89	13	11 000 000	11 000 000	1 Apr 11	0
Total				279 737			811 757 333	741 700 000		

C. RETAIL PORTFOLIO

Property name	Location	Registered description	Freehold/ Leasehold	GLA (m²)	Weighted average gross rental per m² of GLA (excl. parking)	Approx. age of building (years)	Cost of acquisition (R)	Market value attributed by independent valuer (R)	Effective date of acquisition	Vacancy rate (%)
Balfour Park Shopping Centre	Corner Johannesburg Road and Louis Botha Avenue, Highlands North, Kensington	Erf 2052, 2053 & 2054, Highlands North Ext 9 Township and Erf 1971 Highlands North Ext 4 Township, Registration division IR, Gauteng	Freehold	36 311	150.73	3.5*	397 000 000	410 000 000	1 Nov 12	7
Builders Warehouse Bloemfontein	349 Curi Avenue Bloemfontein	Proposed Portion of Remainder of portion 349 of the Farm Bloemfontein No. 654, Free State	Freehold	9 378	69.03	6	98 000 000	92 000 000	On or about 1 Nov 2012	0
Builders Warehouse Polokwane	161 Crescent Drive Polokwane	Remaining Extent of Erf 6471 Pietersburg Extension 27 Township	Freehold	8 500	72.66	7.5	93 000 000	89 000 000	On or about 1 Nov 2012	0
Builders Warehouse Tiger Wheel & Tyre The Glen	5 Lois Road Gleneagles	Erf 40 & 41 Glen Eagles Extension 9 Township, Gauteng	Freehold	11 114	79.95	6.5	139 000 000	128 000 000	On or about 1 Nov 2012	0
Builders Warehouse Witbank	Mandela Street President Park Emalahleni	Portion 1 of Erf 16, President Park, Emalahleni Extension 5	Freehold	11 492	45.80	1.5	80 000 000	75 000 000	On or about 1 Nov 2012	0
Builders Warehouse Zambesi Pretoria	371 Veda Ave Montana	Portion 7 of Erf 2173 Montana Park Extension 3 Township, Gauteng	Freehold	8 907	77.21	7	104 500 000	99 000 000	On or about 1 Nov 2012	0
Great North Road Plaza	Corner NI, Smelter Avenue and Harper Road, Musina	Erf 2018 & 169, Umtata, King Sabata Dalindyebo Municipality, District of Umtata, Eastern Cape	Freehold	13 543	94.14	2	145 000 000	n/a	6 Jun 12	2
Jet Umtata	York Road, Umtata	Erf 2018 & 169, Umtata, King Sabata Dalindyebo Municipality, District of Umtata, Eastern Cape	Freehold	3 721	110.45	6	48 000 000	48 000 000	1 Apr 11	0
Makro Montague Gardens	Montague Gardens, Cape Town	Erf 1434, Montague Gardens, Situated in the Blaauwberg administration of the City of Cape Town, Cape Division W.C.	Freehold	11 236	56.88	16	82 500 000	82 500 000	1 Apr 11	0
Megamark Mall	Bronwyn Street, Kriel	RE of Erf 3, Kriel, Mpumalanga	Freehold	20 078	86.32	25	217 973 539	n/a	On or about 1 Nov 2012	18

* Redevelopment years.

Property name	Location	Registered description	Freehold/ Leasehold	GLA (m ²)	Weighted average gross rental per m ² of GLA (excl. parking)	Approx. age of building (years)	Cost of acquisition (R)	Market value attributed by independent valuer (R)	Effective date of acquisition	Vacancy rate (%)
Nissan Rodepoort	47 Ontdekkers, Rodepoort	Erf 2324 Helderkruin Extension 30 Township, Registration Division I.Q., Gauteng	Freehold	4 893	69.05	5.5	34 800 000	42 000 000	On or about 1 Nov 2012	0
Nonkqubela Link Mall	Sulani Drive, Khayelitsha	Erf 50261 Khayelitsha, Western Cape	Freehold	7 778	154.01	3	100 500 000	n/a	On or about 1 Nov 2012	8
Plastic Land Fourways	Corner Sunrise Boulevard and William Nicol Drive, Fourways	Portion 4 of Erf 1180 Lonehill Extension 56 Township, Gauteng	Freehold	1 250	98.33	11	13 000 000	14 200 000	On or about 1 Nov 2012	0
Shoprite Checkers Thabazimbi	Vanderbijl Street, Thabazimbi Ext 6, Thabazimbi	Ptms 1 and 3 of Erf 1079 in the Town of Thabazimbi Ext 6, Registration Division K.Q. Limpopo	Freehold	4 125	30.67	16	15 200 000	14 500 000	1 Apr 11	0
Shoprite Checkers Vanderbijlpark	165 Jan van Riebeck Ave, CBD, Vanderbijlpark	Erven 103 and 165 Vanderbijlpark Township, Registration Division I.Q. Gauteng	Freehold	15 497	16.83	16	31 000 000	40 500 000	1 Apr 11	0
Super Group Greenstone	Corner Van Riebeck and Aitken Street Edenvale	Remaining Extent of Erf 1845 Greenstone Hill Extension 24 Township, Gauteng	Freehold	5 538	85.83	5	50 000 000	57 600 000	On or about 1 Nov 2012	0
Tile World Supa Quick Fourways	Corner Sunrise Boulevard and William Nicol Drive, Fourways	Portion 3 of Erf 1180 Lonehill Extension 56 Township, Gauteng	Freehold	2 412	102.94	11	23 500 000	25 200 000	On or about 1 Nov 2012	0
Unitrans Polokwane	204 Tagore Street Polokwane	Portion 3 of Erf 6471 Pietersburg Extension 27 Township, Limpopo	Freehold	4 322	46.74	4	20 000 000	25 000 000	On or about 1 Nov 2012	0
VW McCarthy Rodepoort	Hendrik Potgieter Road and Jim Fouche Drive Constantia	Portion 1 of Erf 681 Allen's Nlek Ext. 19, Gauteng	Freehold	2 595	92.02	8.5	26 000 000	28 000 000	On or about 1 Nov 2012	0
Wetherly's and Chateaux D'Ax Bryanston	Corner William Nicol and Bryanston Drive	Portion 73 of Erf 5597 Bryanston, Gauteng	Freehold	6 190	97.36	8	61 000 000	62 800 000	On or about 1 Nov 2012	0
Total				188 882			I 779 973 539	I 333 300 000		

Valuations of the portfolio were undertaken by Mills Fitchet Magnus Penny Proprietary Limited as at 31 March 2012 save for the Giurich Properties and Investec Properties, the effective dates of which valuations are as at 1 November 2012. Mills Fitchet Magnus Penny Proprietary Limited is an independent registered valuer for the purposes of the JSE Listings Requirements. Mike Gibbons is registered in terms of the Property Valuer's Professional Act No. 47 of 2000. The Nonkqubela Mall and Megamark Mall properties have not been independently valued.

EXTRACTS FROM THE MEMORANDUM OF INCORPORATION OF THE FUND

The following sections use the definitions as set out in the Memorandum of Incorporation of the Fund which is available for inspection as provided for in paragraph 20 of the Circular:

“4. POWERS AND CAPACITY OF THE COMPANY

- 4.1 The Company has the powers and capacity of an Individual and is not subject to any special conditions.
- 4.2 Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Companies Act empowers a company to do if so authorised by its MOI.”

“7. AUTHORISED SECURITIES AND ALLOTMENT AND ISSUE

- 7.1 Until this MOI is amended in accordance with the requirements of the Companies Act to provide otherwise, the Company is authorised to issue no more than 1 000 000 000 (one billion) Ordinary Shares with a par value of R0.01 (one cent) each which includes Shares already issued at any time. The Ordinary Shares shall:
 - 7.1.1 have Voting Rights in respect of every matter that may be decided by voting, for which purposes, on a vote by poll, every Person entitled to vote who is Present at the Meeting shall have 1 (one) vote per issued Ordinary Share;
 - 7.1.2 rank after all other classes of Shares in the Company which do not rank *pari passu* with the Ordinary Shares as regards Distributions and returns of capital, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation; and
 - 7.1.3 for as long as the variable rate, unsecured, subordinated debentures with a nominal value of R9.99 (nine Rand ninety nine cents) each (“**Debentures**”), created in terms of the trust deed between the Company and Ironwood Trustees (Proprietary) Limited, and any amendments thereto (“**Trust Deed**”), are in issue and unless the Trust Deed specifically permits otherwise, not be:
 - 7.1.3.1 allotted and issued, except on the basis that Holders of the Ordinary Shares simultaneously subscribe for and are allotted and issued 1 (one) Debenture for every 1 (one) Ordinary Share, allotted and issued as a linked unit as defined in the Trust Deed. For purposes of the foregoing, the Directors of the Company are authorised to issue up to 1 000 000 000 (one billion) Debentures on the terms and conditions set out in the Trust Deed, as amended or replaced from time to time in accordance with the provisions of the Trust Deed; and
 - 7.1.3.2 sold and/or transferred, without the Holders thereof selling and transferring simultaneously 1 (one) Debenture for every 1 (one) Ordinary Share sold and transferred as a linked unit as defined in the Trust Deed.
- 7.2 To the extent that the Company immediately before the Effective Date had authorised but unissued par value Shares in its capital of a class of which there are issued Shares, the unissued Shares of that class may be issued at par or at a premium or at a discount.

MODIFICATION OF RIGHTS

- 7.3 All Securities of a class shall rank *pari passu* in all respects.
- 7.4 No rights, privileges or conditions for the time being attached to any class of Share of the Company, nor any interests of that class of Shares may (unless otherwise provided by the terms of issue of the Shares of that class) whether or not the Company is being wound up, be varied in any manner adverse to the Holders of that class of Shares, nor may any variations be made to the rights, privileges, conditions or interests, of any class of Shares, such that the interests of another class of Shares is adversely affected, unless a Special Resolution sanctioning the variation has been passed by the Holders of that adversely affected class of Shares with the support of at least 75% (seventy five per cent) of the Voting Rights Exercised on the Special Resolution at a separate meeting of the Holders of that class. The Holders of that class of Shares shall also be entitled to vote with the Holders of the Ordinary Shares as regards the passing of any resolution required to be passed for such variation by the Holders of the Ordinary Shares, subject to clause 18.27. The provisions of this MOI relating to Shareholders’ Meetings shall *mutatis mutandis* apply to any such separate meeting except that:

- 7.4.1 the necessary quorum shall be the Holders of that class present in Person or represented by proxy and holding at least 25% (twenty five percent) of the Voting Rights that are entitled to be exercised in respect of the resolution required to be passed for the variation of the relevant rights, privileges and/or conditions; and;
- 7.4.2 if at any adjourned meeting of such Holders, the required quorum contemplated in clause 7.4.1 is not present, those Persons entitled to vote who are Present shall be a quorum."

"8. **AUTHORITY TO ISSUE SECURITIES**

- 8.1 The Board shall not have the power to issue authorised Securities (other than as contemplated in clause 8.4) without the prior approval contemplated in clause 8.2 and the approval of the JSE (where necessary).
- 8.2 As regards the issue of:
 - 8.2.1 equity Securities that requires the approval of a Special Resolution as contemplated in sections 41(1) and (3) of the Companies Act or as contemplated in the Listings Requirements, the Directors shall not have the power to allot or issue same without the prior approval of a Special Resolution;
 - 8.2.2 equity Securities, other than as contemplated in clause 8.2.1, including options in respect thereof, the Directors shall not have the power to allot or issue same, without the prior approval of an Ordinary Resolution,provided that such issue has been approved by the JSE and is made subject to the Listings Requirements.
- 8.3 Any such approval may be in the form of a general authority to the Directors, whether conditional or unconditional, to allot or issue any such Securities contemplated in clauses 8.2.1 and 8.2.2 in their discretion, or in the form of a specific authority in respect of any particular allotment or issue of such Securities contemplated in clauses 8.2.1 and 8.2.2. Such authority shall endure for the period provided in the Ordinary or Special Resolution in question, but may be revoked by Ordinary Resolution or Special Resolution, as the case may be, at any time.
- 8.4 The Board may:
 - 8.4.1 create and issue debt instruments as contemplated in section 43(1)(a) of the Companies Act, on such terms and conditions and in such manner as the Company or the Board may from time to time determine, in accordance with the requirements of section 43 of the Companies Act, provided that no special privileges may be granted to secured and unsecured debt instruments as contemplated in the Listings Requirements; and
 - 8.4.2 issue capitalisation Shares or offer a cash payment in lieu of awarding a capitalisation Share in accordance with section 47 of the Companies Act.
- 8.5 No Securities of a class which is listed may be issued other than as fully paid."

"9. **PRE-EMPTION ON ISSUE OF EQUITY SECURITIES**

- 9.1 Equity Securities of a particular class in the Company which are authorised but unissued and which are intended to be issued for cash, may be offered to the existing Holders of that class of equity Securities by way of a rights offer pro rata to the Voting Power of that Shareholder's Voting Rights of that class of equity Securities immediately before the offer was made with a reasonable time allowed to subscribe, except if to be issued:
 - 9.1.1 for cash, for an acquisition of assets (including another company) or an issue for the purposes of an Amalgamation or Merger, pursuant to the approvals contemplated in clauses 8.1 and 8.2 having been obtained;
 - 9.1.2 if a capitalisation issue is to be undertaken;
 - 9.1.3 in terms of option or Conversion rights,provided that if any fraction of an equity Security will have to be issued, that fraction may be sold for the benefit of the Shareholder in question in such manner as the Directors may determine. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the Person to whom the offer is made that he/she/it declines to accept the equity Securities offered, the Directors may, subject to the foregoing provisions, issue such equity Securities in such manner as they think most beneficial to the Company.

- 9.2 The Directors of the Company may at any time after the allotment of any Securities, but before the Securities in question have been issued and any Person has been entered into the Securities Register as the Holder:
- 9.2.1 recognise a renunciation thereof by the allottee in favour of some other Person and accord to any allottee of a Security a right to effect such renunciation; and/or
- 9.2.2 allow the rights represented thereby to be traded subject to the rules of Strate as the Central Securities Depository as if they were Securities,
- in each case upon and subject to the terms and conditions as the Directors of the Company may think fit to impose.”

“20. **ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS AND VACANCIES**

- 20.1 The minimum number of Directors shall be 4 (four) and the maximum 11 (eleven).
- 20.2 Each of the Directors and the Alternate Directors, other than a Director contemplated in clause 20.7, shall be elected (which in the case of a vacancy arising shall take place at the next Annual General Meeting), in accordance with clause 20.5. No Alternate Director may be appointed from the ranks of the Directors. An Alternate Director shall serve in the place of 1 (one) or more Director/s named in the resolution electing her/him during the Director's/s' absence or inability to act as Director. If a Person is an Alternate Director to more than 1 (one) Director, she/he shall have a separate vote, on behalf of each Director she/he is representing.
- 20.3 There are no general qualifications prescribed by the Company for a Person to serve as a Director or an Alternate Director in addition to the requirements of the Companies Act. The Board with the assistance of the nominations committee must make recommendations to the Holders regarding the eligibility of Persons nominated for election as Directors, taking into account their past performance and contribution, if applicable. A brief curriculum vitae of each Person standing for election or re-election as a Director at a Meeting or the Annual General Meeting, must accompany the notice of the Meeting.
- 20.4 No Director shall be entitled to appoint any Person as an Alternate Director to himself/herself.
- 20.5 In any election of Directors and Alternate Directors, the election is to be conducted as follows:
- 20.5.1 a series of votes of those entitled to exercise votes regarding such election, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board at that time have been filled; and
- 20.5.2 in each vote to fill a vacancy:
- 20.5.2.1 each Voting Right entitled to be exercised may be exercised once; and
- 20.5.2.2 the vacancy is filled only if a majority of the Voting Rights exercised support the candidate.
- 20.6 No Person shall be elected as a Director or Alternate Director, if she/he is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a Director or Alternate Director nor act as a Director or Alternate Director. A Person placed under probation by a court must not serve as a Director or an Alternate Director unless the order of court so permits.
- 20.7 Any vacancy occurring on the Board may be filled by the Board, but so that the total number of the Directors shall not at any time exceed the maximum number fixed, if any, but the Individual so appointed shall cease to hold office at the termination of the first Annual General Meeting to be held after the appointment of such Individual as a Director unless she/he is elected at such or any other Shareholders Meeting.
- 20.8 The continuing Directors (or sole continuing Director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to this MOI as the minimum, the continuing Directors or Director may act only for the purpose of summoning a Shareholders Meeting or filling vacancies not later than 3 (three) months from the date that the number falls below the minimum. The failure by the Company to have the minimum number of Directors during the 3 (three) month period does not limit or negate the authority of the Board of Directors or invalidate anything done by the Board of Directors or the Company.
- 20.9 If there is no Director able and willing to act, then any Holder entitled to exercise Voting Rights in the election of a Director may convene a Shareholders Meeting for the purpose of electing Directors.”

“21. CESSATION OF OFFICE AS DIRECTOR OR ALTERNATE DIRECTOR

A Director or Alternate Director shall cease to hold office as such:

- 21.1 immediately she/he becomes Ineligible or Disqualified or the Board resolves to remove her/him on such basis, and in the latter case the Director/Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period she/he shall be suspended);
- 21.2 when her/his term of office contemplated in clause 22.1 expires;
- 21.3 when she/he dies;
- 21.4 when she/he resigns by Written notice to the Company;
- 21.5 if there are more than 3 (three) Directors in office and if the Board determines that she/he has become incapacitated to the extent that the person is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time, and the Director/Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period she/he shall be suspended);
- 21.6 if she/he is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a director of the company;
- 21.7 if she/he is removed by Ordinary Resolution;
- 21.8 if there are more than 3 (three) Directors in office and if she/he is removed by resolution of the Board for being negligent or derelict in performing the functions of a Director, and the Director/Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period she/he shall be suspended);
- 21.9 she/he files a petition for the surrender of her/his estate or an application for an administration order, or if she/he commits an act of insolvency as defined in the insolvency law for the time being in force, or if she/he makes any arrangement or composition with her/his creditors generally; or
- 21.10 she/he is otherwise removed in accordance with any provisions of this MOI.”

“22. RETIREMENT OF DIRECTORS IN ROTATION

22.1 At the Annual General Meeting held in each year:

- 22.1.1 1/3 (one-third) of the non-executive Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one-third) shall retire from office, provided that if, at the date of any Annual General Meeting, any non-executive Director will have held office for a period of 3 (three) years or longer since his last election or appointment, he shall retire at such Annual General Meeting, either as one of the non-executive Directors to retire in pursuance of the foregoing or additionally thereto. The non-executive Directors to so retire by rotation at each Annual General Meeting shall include, so far as necessary to obtain the number required, any non-executive Director who wishes to retire and not to offer himself for re-election. Any further non-executive Directors so to retire shall be those of the other non-executive Directors subject to retirement by rotation who have been longest in office since their first election or re-election and so that as between non-executive Directors of equal seniority, the non-executive Director to retire shall, unless they otherwise agree among themselves, be determined by lot. The length of time a non-executive Director has been in office shall be computed from the date of her/his last election;
- 22.1.2 any Director holding office for an aggregate period in excess of 9 (nine) years since his/her first election or appointment, shall retire from office at such Annual General Meeting (notwithstanding that he/she may have retired from office at the previous Annual General Meeting in terms of clause 22.1.1).

A retiring non-executive Director shall act as a Director throughout the Meeting at which she/he retires.

- 22.2 Retiring non-executive Directors shall be eligible for re-election. No Person other than a non-executive Director retiring at the Meeting shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any Annual General Meeting unless, not less than 7 (seven) days nor more than 14 (fourteen) days before the day appointed for the Meeting, there shall have been given to the company secretary of the Company notice in Writing by a Holder or Holders duly qualified to be Present

and vote at the Meeting for which such notice is given of the intention of such Holder or Holders to propose such Person for election and also notice in Writing signed by the Person to be proposed of her/his willingness to be elected.

22.3 If at any Annual General Meeting, the place of any retiring non-executive Director is not filled, she/he shall if willing continue in office until the dissolution of the Annual General Meeting in the next year; and so on from year-to-year until her/his place is filled, unless it shall be determined at such Meeting not to fill such vacancy."

"24. **REMUNERATION OF DIRECTORS AND ALTERNATE DIRECTORS AND MEMBERS OF COMMITTEES**

24.1 The Directors or Alternate Directors or members of Board or statutory committees shall be entitled to such remuneration for their services as Directors or Alternate Directors or members of Board or statutory committees as may have been determined from time to time by Special Resolution within the previous 2 (two) years. In addition, the Directors and Alternate Directors shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the Directors and Holders, and the members of committees shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the members of committees as determined by a disinterested quorum of Directors. The Company may pay or grant any type of remuneration contemplated in sections 30(6)(b) to (g) of the Companies Act to any executive Directors.

24.2 A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a subsidiary of, the Company and in that event, his/her appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors."

"25. **GENERAL POWERS AND DUTIES OF DIRECTORS**

25.1 The powers of management granted to the Directors in terms of section 66(1) of the Companies Act are not limited in any manner.

25.2 The Directors may:

25.2.1 establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and

25.2.2 give pensions, gratuities and allowances to and make payments for or towards the insurance of, any persons who are employees or ex-employees (including Directors or ex-Directors) of the Company, or of any company which is or was a subsidiary of the Company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons."

"26. **EXECUTIVE DIRECTORS**

26.1 The Board shall from time to time appoint a chief executive officer and an executive financial Director as executive Directors and may, notwithstanding any contract between them and the Company, from time to time terminate their appointment as chief executive officer or executive financial Director and appoint others in their places.

26.2 In addition, the Board may from time to time appoint one or more of the Directors to be executive Directors or to be holders of any other executive office in the Company for such period (not exceeding 5 (five) years) and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms it may think fit, and it may be made a term of her/his appointment that she/he be paid a pension, gratuity or other benefit on her/his retirement from office."

"27. **BOARD COMMITTEES**

27.1 The Directors may appoint any number of Board committees and delegate to such committees any authority of the Board. The members of any such committees other than the nominations committee which shall have as its members only non-executive Directors, the majority of whom must be independent (as defined in the Listings Requirements), and which must be chaired by the chairperson of the Board or, where applicable, lead independent director, may include Persons who are not Directors as long as they are not Ineligible or Disqualified to be Directors, but such Persons shall not be able to vote.

- 27.2 No Person shall be appointed as a member of a Board committee if she/he is Ineligible or Disqualified and any such appointment shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be appointed as a member of a Board committee nor act as such a member. A Person placed under probation by a court must not serve as a member of a Board committee unless the order of court so permits.
- 27.3 There are no general qualifications prescribed by the Company for a Person to serve as a member of a Board committee in addition to the requirements of the Companies Act.
- 27.4 A member of a Board committee shall cease to hold office as such immediately she/he becomes Ineligible or Disqualified in terms of the Companies Act.
- 27.5 Committees of the Board may consult with or receive advice from any person.
- 27.6 Meetings and other proceedings of a committee of the Board consisting of more than 1 (one) member shall be governed by the provisions of this MOI regulating the meetings and proceedings of Directors.
- 27.7 The composition of such committees, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report of the Company."

“28. **PERSONAL FINANCIAL INTERESTS OF DIRECTORS AND PRESCRIBED OFFICERS AND MEMBERS OF BOARD COMMITTEES**

- 28.5 At any time, a Director may disclose any Personal Financial Interest in advance, by delivering to the Board, or Holders (if the circumstances contemplated in clause 28.3 prevail), a notice in Writing setting out the nature and extent of that Personal Financial Interest, to be used generally by the Company until changed or withdrawn by further Written notice from that Director.
- 28.6 If, in the reasonable view of the other non-conflicted Directors, a Director or the Related Person in respect of such Director acts in competition with the Company relating to the matter to be considered at the meeting of the Board, the Director shall only be entitled to such information concerning the matter to be considered at the meeting of the Board as shall be necessary to enable the Director to identify that such Personal Financial Interest exists or continues to exist.
- 28.7 If a Director (whilst the circumstances contemplated in clause 28.3 are not applicable), has a Personal Financial Interest in respect of a matter to be considered at a meeting of the Board, or Knows that a Related Person has a Personal Financial Interest in the matter, the Director:
 - 28.7.1 must disclose the Personal Financial Interest and its general nature before the matter is considered at the meeting;
 - 28.7.2 must disclose to the meeting any Material information relating to the matter, and Known to the Director;
 - 28.7.3 may disclose any observations or pertinent insights relating to the matter if requested to do so by the other Directors;
 - 28.7.4 if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in clauses 28.7.2 and 28.7.3;
 - 28.7.5 must not take part in the consideration of the matter, except to the extent contemplated in clauses 28.7.2 and 28.7.3;
 - 28.7.6 while absent from the meeting in terms of this clause 28.7:
 - 28.7.6.1 is to be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute a quorum; and
 - 28.7.6.2 is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
 - 28.7.7 must not execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the Board.
- 28.8 If a Director acquires a Personal Financial Interest in an agreement or other matter in which the Company has a Material interest, or Knows that a Related Person has acquired a Personal Financial Interest in the matter, after the agreement or other matter has been approved by the Company, the Director must promptly disclose to the Board, or to the Holders entitled to vote (if the Company is a company contemplated in clause 28.3), the nature and extent of that Personal Financial Interest, and the material circumstances relating to the Director or Related Person's acquisition of that Personal Financial Interest.

- 28.9 A decision by the Board, or a transaction or agreement approved by the Board, or by the Holders (if the Company is a company contemplated in clause 28.3), is valid despite any Personal Financial Interest of a Director or Person Related to the Director; only if:
- 28.9.1 it was approved following the disclosure of the Personal Financial Interest in the manner contemplated in this clause 28; or
 - 28.9.2 despite having been approved without disclosure of that Personal Financial Interest, it has been ratified by an Ordinary Resolution following disclosure of that Personal Financial Interest or so declared by a court."

"32. **DISTRIBUTIONS**

- 32.1 The Company:
- 32.1.1 may make Distributions from time to time, provided that:
 - 32.1.1.1 any such Distribution:
 - 32.1.1.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
 - 32.1.1.1.2 has been authorised by the Board, by resolution, and, save in the case of:
 - 32.1.1.1.2.1 a *pro rata* payment to all Shareholders (except one which result in Shareholders holding Shares in an unlisted entity which requires the sanction of an Ordinary Resolution); or
 - 32.1.1.1.2.2 cash dividends paid out of retained income; or
 - 32.1.1.1.2.3 capitalisation issues; or
 - 32.1.1.1.2.4 scrip dividends incorporating an election to receive either capitalisation Shares or cash, it has been sanctioned by Ordinary Resolution;
 - 32.1.1.2 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution;
 - 32.1.1.3 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution; and
 - 32.1.1.4 no obligation is imposed, if it is a distribution of capital, that the Company is entitled to require it to be subscribed for again;
 - 32.1.2 must before incurring any debt or other obligation for the benefit of any Holders, comply with the requirements in clause 32.1.1,

and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 32.1.1.3, failing which it must again comply with the foregoing.
- 32.2 No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 32.1.1.1, shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.
- 32.3 The Company must hold all monies due to the Shareholders in trust indefinitely, but subject to the laws of prescription. No such monies shall bear interest as against the Company.
- 32.4 The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed Distributions, to any one of the Company's bankers from time to time."

SALIENT FEATURES OF THE DEBENTURE TRUST DEED

1. INTRODUCTION

Investec Property Fund SA Limited ("the Fund") has created 1 000 000 (one million) Debentures which are subject to the terms and conditions of the Debenture Trust Deed.

2. AMOUNT AND RIGHTS OF DEBENTURE HOLDERS

The Debentures shall only be allotted and issued at such price as the Board of the Fund may determine from time to time, which price may be at the nominal value of R9.99 (nine rand and ninety-nine cents) or at a discount or premium thereto. Debentures may only be issued as part of a Linked Unit, each debenture being linked to an ordinary share in the Fund of R0.01 (one cent).

3. SUBORDINATION

The rights of Debenture Holders to repayment of the capital is subordinated to the claims of the creditors of the Fund and the Debenture Holders authorise and direct the trustee for Debenture Holders (the "Trustee") to take such action as may be necessary or appropriate to give effect to the subordination in terms of the Debenture Trust Deed.

4. INTEREST

4.1 The Debentures will bear interest at a variable rate per annum determined in accordance with a formula based on the net income before tax of the Fund determined in accordance with International Financial Reporting Standards.

4.2 The aggregate interest entitlement in cents per Debenture shall be the greater of:

4.2.1 999 (nine hundred and ninety-nine) times the dividend in cents declared by the Fund on the ordinary share to which each Debenture is linked; or

4.2.2 2% (two per cent) of the nominal value of the Debentures, subject to adjustment.

4.3 The aggregate amount available for interest payments for any relevant period will be certified by the auditors of the Fund based on the following formula:

$$i = 999/1000 \times r$$

Where:

i – is the aggregate amount available for payment to Debenture Holders;

r – is the income of the Fund available for distribution to Linked Unit Holders to be determined as follows:

the net income before debenture interest and tax determined in accordance with International Financial Reporting Standards ("IFRS").

excluding:

- accounting adjustments which do not have a cash flow effect during the relevant period (such as lease rental income recognised in advance as a result of straight lining the recognition of operating lease receipts); and
- fair value adjustments.

The above is to be further adjusted for the following:

- any accruals for short term, receivables and payables (such as amounts receivable in terms of lease agreements and routine expense payments); and
- any current tax payable (including secondary tax on companies but excluding capital gains taxation and deferred taxation which does not have a cash flow effect during the relevant period (such as deferred tax on lease rental income recognised in advance as a result of straight-lining the recognition of operating lease receipts)),

and for the purposes hereof, the aggregate amount available for distribution as Interest shall, in respect of the relevant half year accounting period be based on the unaudited interim financial statements of the Company and in respect of the full year the audited financial statements for the year concerned.

- 4.4 Interest will be due on the Debentures as at half-yearly periods ending on 31 March and 30 September in each financial year and will be payable on the earlier of the date upon which dividends in respect of the ordinary shares in the share capital of the Fund are payable or 4 (four) months after the end of each financial year of the Fund or the half-yearly periods of 31 March and 30 September.

5. **REPAYMENT**

- 5.1 The Debentures shall become repayable if the Fund commits a material breach of a material obligation in the Trust Deed or if the Fund commits an act of default as specified in the Debenture Trust Deed.
- 5.2 The Debentures shall also become repayable together with any outstanding interest if the Board of the Fund resolves to wind up the Fund with the agreement of at least 75% (seventy-five per cent) of the Debenture Holders or on 1 (one) year's notice given in writing after the 25th (twenty-fifth) anniversary of the date of allotment and issue of the Debentures.

6. **APPLICATION OF MONIES BY TRUSTEE**

- 6.1 The Trustee is obliged in terms of the Debenture trust Deed to apply all monies it receives in discharging the expenses of the Trust (including the Trustee's remuneration), paying the creditors of the Trust and all other amounts due in terms of the Trust Deed. Thereafter the monies are applied to paying the interest and, if applicable, the capital portion repayable on the Debentures.
- 6.2 Any shortfall in amounts necessary to pay the interest and capital to the Debenture Holders shall be borne pro rata in proportion to the capital owed to them.

7. **CONVERSION**

The Debenture Trust Deed contemplates that the Fund will be entitled to convene a meeting of Debenture Holders, at the appropriate time, to adopt the internationally recognised Real Estate Investment Trust ("REIT") structure or a derivative thereof in South Africa. If the proposal is accepted by extraordinary resolution passed by the Debenture Holders (and by implication the holders of the shares which are linked to the Debentures) then the proposed conversion shall be adopted.

8. **LISTING**

It is a specific condition of the issue of the Debentures that the Board shall, when it deems appropriate, be entitled to resolve that the Fund applies for a listing of the Linked Units on the JSE.

9. **THE COMPANY'S OBLIGATIONS**

- 9.1 There are various provisions in the Debenture Trust Deed which provide for the good corporate governance of the Fund, the provision of information to Debenture Holders and the entitlement of Debenture Holders to participate in decisions of the Fund which directly affect their interests.
- 9.2 The Fund is authorised to pay the Trustees agreed annual fees and to reimburse their expenditure incurred in the carrying out of their duties.
- 9.3 The Fund has indemnified the trustees and any of their officers, employees or representatives against any claims made against them in carrying out their duties in terms of the Debenture Trust Deed but only if the accepted degree of care and diligence required of the Trustees in their capacity has been exercised or the Debenture Holders agree to release the Trustees or such other person from such liability.

10. **BORROWING POWERS OF THE FUND**

The Fund requires the written sanction of a special resolution of Debenture Holders for the amendment of the provisions of its Memorandum of Incorporation in relation to the borrowing powers of the Fund.

11. **TRUSTEE'S RIGHTS**

- 11.1 The Trustee has various powers and rights which are necessary to enable it to discharge its obligations in terms of the Debenture Trust Deed. A Trustee is not obliged to account or give security to the Master of the High Court of South Africa or any other official or government body.
- 11.2 Debenture Holders shall only be entitled to exercise their rights as such against the Fund with the prior written consent of the Trustee.

12. **REGISTER AND CERTIFICATES**

- 12.1 A register of Debenture Holders will be kept by the Fund and certificates will be issued to Debenture Holders. Replacement certificates may be issued.
- 12.2 The registered Linked Unit Holder or his executor shall be regarded as being the only person having entitled to any Linked Units and by implication to any Debenture.
- 12.3 Debentures shall only be transferrable as part of a Linked Unit and each transfer shall be writing and in the common form or any other form acceptable to the Fund, signed by the Linked Unit Holder or his authorised agent and registered by the Fund in the appropriate register.
- 12.4 Joint Linked Unit holders shall be recognised and the amounts owed to them for capital and interest shall be owed jointly and severally by the Fund.
- 12.5 If the Fund is listed the Board of the Fund may determine that Linked Units may be held in uncertificated form.

13. **MEETINGS**

Meetings of Debenture Holders shall be convened and held as provided for in the Schedule to the Debenture Trust Deed, a copy of which is attached.

14. **DEFAULT BY THE FUND**

If the Fund is in default, as determined by the Debenture Trust Deed, the Trustee may in his discretion require the capital together with interest to be repaid to the Debenture Holders in accordance with the provisions of the Debenture Trust Deed.

15. **ARBITRATION**

Any dispute between the Debenture Holders and the Trustee for the debenture Holders shall be referred to arbitration in accordance with the provisions of the Debenture Trust Deed.

DETAILS OF MATERIAL ACQUISITIONS AND VENDORS

A. ACQUISITIONS

Property acquired	Name of vendor(s)	Address of vendor(s)	Names of beneficial shareholders of the vendor(s)	Date of acquisition by the Fund	Issue of Linked Units	Cash portion	Current market valuation	Loans incurred to finance acquisition	Goodwill paid	Date of acquisition by vendor (if acquired within last three years)	Cost of asset to vendor (if purchased within the last three years)	Amount paid by vendor
Innovation Group	Investec Limited	100 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	1 Oct 11	n/a	151 000 000	170 000 000	n/a	None – direct purchase of immovable property	Acquire by Investec more than 3 years ago	None – direct purchase of immovable property	None – direct purchase of immovable property
Investec Durban	Investec Limited	100 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	1 Apr 11	n/a	225 000 000	225 000 000	n/a	None – direct purchase of immovable property	n/a – developed by Investec Property	n/a	n/a
Woolworths House	Investec Limited	101 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	1 Apr 11	n/a	298 000 000	298 000 000	n/a	None – direct purchase of immovable property	Acquire by Investec more than 3 years ago	None – direct purchase of immovable property	None – direct purchase of immovable property
Alrode Multipark	Investec Limited	102 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	1 Apr 11	n/a	235 000 000	235 000 000	n/a	None – direct purchase of immovable property	Acquire by Investec more than 3 years ago	None – direct purchase of immovable property	None – direct purchase of immovable property
Great North Road Plaza	Swanvest 362 Proprietary Limited	Mahomed Noor Centre, Corner Songozwi and Burger Street, Louis Trichardt, Limpopo, 0920	Suliman Mahomed	6 Jun 12	n/a	145 000 000	145 000 000 (directors' valuation)	145 000 000	None – direct purchase of immovable property	n/a – developed by Swanvest 362 Proprietary Limited	n/a	n/a
Balfour Park	Investec Limited	102 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	On or about 1 Nov 2012	n/a	Approx. R397 000 000	410 000 000	n/a	None – direct purchase of immovable property	Acquire by Investec more than 3 years ago	None – direct purchase of immovable property	None – direct purchase of immovable property
Firs	Investec Limited	102 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	On or about 1 Nov 2012	215 220 000	57 080 000	272 500 000	n/a	None – direct purchase of immovable property	Acquire by Investec more than 3 years ago	None – direct purchase of immovable property	None – direct purchase of immovable property

Property acquired	Name of vendor(s)	Address of vendor(s)	Names of beneficial shareholders of the vendor(s)	Date of acquisition by the Fund	Issue of Linked Units	Cash portion	Current market valuation	Loans incurred to finance acquisition	Goodwill paid	Date of acquisition by vendor (if acquired within last three years)	Cost of asset to vendor (if purchased within the last for goodwill three years) by vendor	Amount paid for goodwill by vendor
Investec Pretoria	Investec Limited	102 Grayston Drive, Sandown, Sandton, 2196	Listed – public shareholders	On or about 1 Nov 2012	n/a	169 952 295	166 500 000	n/a	None – direct purchase of immovable property	29-Feb-2012 ⁽¹⁾	40 076 235	3 808 966
Megamark Mall	Ivory Pewter Trading 18 Proprietary Limited	Build 5, 1st Floor, Harrowdene Office Park, Western Service Road, Woodmead, Sandton	Selwyn Smith	30 Nov 12	n/a	217 973 539	n/a	n/a	None – direct purchase of immovable property	Unknown ⁽²⁾	Unknown ⁽²⁾	Unknown ⁽²⁾

(1) Investec Pretoria was previously owned by Riverport Trading Proprietary Limited, which was 51% owned by Atterbury Investment Holdings and 49% owned by Investec Bank Limited. On 29 February 2012, Investec Bank Limited acquired 51% of Riverport Trading Proprietary Limited and subsequently sold the property out of the company to the Fund.

(2) Information could not be obtained due to inaccessibility to the prior vendor.

Notes:

- Investec Pretoria was previously owned by Riverport Trading Proprietary Limited, which was 51% owned by Atterbury Investment Holdings and 49% owned by Investec Bank Limited. On 29 February 2012, Investec Bank Limited acquired 51% of Riverport Trading Proprietary Limited and subsequently sold the property out of the company to the Fund. The property was jointly developed by Investec Property and Atterbury Investment Holdings more than three years preceding the date of acquisition by the Fund.
- The Vendors have provided warranties and indemnities to the Fund that are standard to transactions of such nature.
- None of the acquisition agreements entered into with the vendors listed above preclude the vendors from carrying on business in competition with the Fund, or impose any restrictions on the vendors, nor has any cash been paid in respect of restraints of trade.
- The vendors of the properties provided guarantees against any undisclosed liabilities.
- Great North Road Plaza was acquired from Swanvest 362 Proprietary Limited, a private company wholly owned by Suliman (Solly) Noor Mahomed. Mr Mahomed was subsequently invited to be a member of the Board of Directors of the Fund and was appointed effective from 14 May 2012. Save for this, and the employment of the executive directors with the Manager (being an indirect wholly owned subsidiary of Investec), none of the other directors of Investec Property Fund held any direct or indirect beneficial interest in the properties or investments acquired.
- No benefit or securities were given within the three preceding years or proposed to be given to any promoter
- With the exception of Megamark Mall and the properties comprising the Investec Acquisitions, all the assets disclosed in the table above have been transferred into the name of the Fund.

B. **DISPOSALS**

Property acquired	Name of purchaser	Address of purchaser	Names of beneficial shareholders of the vendor(s)	Date of disposal by the Fund	Consideration		
					Receipt of securities	Cash portion	Directors valuation
373 Pretorius Street	Ascension Properties Limited	2nd Floor, Sunclare Building, 21 Dreyer Street, Claremont, 7708	Listed – public shareholders	To be disposed of on date of transfer	n/a	155 000 000	125 000 000
5 Walnut Road	Hestilux Proprietary Limited	Motseng House, 204 Rivonia Road, Morningside, Sandton, 2128	Motseng Investment Holdings of which Sandile Nomvete is the major shareholder	To be disposed of on date of transfer	n/a	87 000 000	75 000 000

