

INVESTEC PROPERTY FUND LIMITED
Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration Number 2008/011366/06)
Share code: IPF ISIN: ZAE000155099
("Investec Property Fund" or "the Fund")

ACQUISITION OF NEW PROPERTIES AND INTEREST IN INVESTEC AUSTRALIA PROPERTY FUND AND CAUTIONARY ANNOUNCEMENT

1. ACQUISITION OF NEW PROPERTIES

1.1. RPP Acquisition

Unitholders are advised that the Fund has entered into an agreement with various vendors, ("**RPP Vendors**") to acquire a portfolio of 15 office and 2 industrial properties ("**RPP Portfolio**"), the details of which are provided in paragraph 1.4 below ("**RPP Acquisition**").

The effective date of the acquisition shall be the date of transfer of each of these properties into the name of the Fund, which, subject to fulfillment of the conditions precedent set out in 1.5 below, is expected on or about 1 March 2014.

Further details of the properties and the vendors are provided in paragraph 1.4 below.

1.2. Purchase consideration

The aggregate purchase consideration for the RPP Acquisition is R571,570,319, to be settled as follows:

- R120,000,000 will be settled through the issue of 8,784,773 new Investec Property Fund linked units ("**RPP Units**") to the RPP Vendors at a price of R13.66 per unit calculated with reference to the 30-day volume weighted average traded price ("**VWAP**") of a unit as at 17 September 2013, being the date of the offer to the RPP Vendors. The issue price represents a 5% discount to the VWAP as at this date and includes an adjustment for the accrued distribution up until this date.
- The remaining R451,570,319 will be payable in cash to be funded through existing debt facilities.

1.3. Rationale for the RPP Acquisition

The RPP Acquisition is consistent with Investec Property Fund's growth and investment strategy of building a quality portfolio by investing in well-priced income producing properties that optimise capital and income returns over the medium- and long-term for Unitholders. The acquisition will extend the Fund's diversification into the office and industrial sectors.

The portfolio comprises quality office buildings located in office parks in the strong commercial nodes of Bryanston, Lynwood Road (Pretoria), Constantia Kloof (Roodepoort) and the Tyger Valley node in Cape Town's northern suburbs. In addition, the portfolio includes 2 industrial properties that are located in the prime nodes of Linbro Park and Silverton, Pretoria.

The portfolio is 98.2% let with no major leases expiring during first 24 months and more than 35% of leases, by rental income, are longer dated, expiring during or after 2016. Clover is the dominant tenant in the portfolio, contributing approximately 25% of rental income and the balance of the space is multi-tenanted, including tenants such as Econet Wireless, Tharisha Minerals, Capespan, Pepkor, NHBRC, professional firms and others.

1.4. RPP Properties

The RPP Portfolio consists of 17 properties, the details of which are set out below:

Property	Sector	Vendor	Erf Description	GLA (m ²)	Net Rental/m ²	Purchase price (R)
The Braes Office Park	Office	Belle Vue The Braes (Pty) Ltd	Remainder of Erf 30 Bryanston and Portion 4 (a portion of 1) of Erf 31 Bryanston	4,372	R 107.73	88,161,582
Wellness Centre	Office	Belle Vue La Ridge (Pty) Ltd	Erf 5611 Bryanston	1,497	R109.14	29,243,189
Greenhill Village	Office	Bridgeport No 81 (Pty)	Erf 1372 and 1373 Die Wilgers Ext 70, Pretoria	4,713	R103.18	95,916,984
Danclave	Office	Danclave Office Park (Pty) Ltd	Portion 5, 7, 11, 12 of Erf 763 Constantia Kloof Ext 6	8,011	R102.00	142,035,135
Vinebridge	Office	Vinbridge North Properties (Pty) Ltd	Erf 39698 Bellville	2,297	R97.41	38,773,588
Farm 5 (Barinors Vineyards)	Office	Barinor Properties (Pty) Ltd	Erf 39701 Bellville	5,394	R89.36	96,347,627
Linbro Park Erf 1	Industrial	Erf 1 Frankenwald (Pty) Ltd	Portions 4, 5 & 6 (Portions of Portion 1) of Erf 1 Frankenwald	3,246	R71.54	30,242,741
Beechwood House	Industrial/Showroom	Beechwood House (Pty) Ltd	Erf 2147 Silverton Ext 60	5,677	R70.44	50,849,474
Total				35,207		571,570,319

1.5. Conditions Precedent

The RPP Acquisition is subject to the following conditions precedent:

- The satisfactory completion of a due diligence investigation, to be performed by the Fund on each of the properties within the RPP Portfolio;
- Confirmation that the transaction has been unconditionally approved by the competition authorities in terms of the Competition Act 89 of 1998; and
- The JSE granting a listing of the RPP Units.

1.6. Warranties

The RPP Vendors have provided warranties and indemnities to the Fund that are standard to a transaction of this nature.

1.7. Forecast financial information of the RPP Portfolio

The forecast financial information and *pro forma* financial effects in relation to the RPP Portfolio are still in the process of being finalised and will be published in due course.

1.8. Categorisation

The RPP Acquisition is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by Unitholders. Unitholders are advised to exercise caution when dealing in the Fund's securities until a further announcement regarding the *pro forma* financial effects of the RPP Acquisition and/or forecast financial information in relation to the RPP Portfolio is disclosed.

2. ACQUISITION OF INTEREST IN INVESTEC AUSTRALIA PROPERTY FUND

Investec Property Fund is pleased to announce the acquisition of an 18.56% interest, valued at R235.7m, in Investec Australia Property Fund (IAPF), through the acquisition of 25,000,000 IAPF units valued at AUD 1.00 each. IAPF is an Australian-domiciled real estate investment trust that will debut on the JSE on 23rd October 2013.

IPF's acquisition of IAPF units is a strategic investment in this oversubscribed new listing which will give the Fund direct exposure into attractive Australian property assets and the Australian dollar.

The investment in IAPF will represent approximately 4.2% of IPF's asset base (post conclusion of the RPP Acquisition and previously announced acquisitions).

Unitholders are referred to IAPF's abridged pre-listing statement, released on SENS on Monday, 30 September 2013 for further details on IAPF.

This transaction falls below the categorisation threshold of the JSE Listings Requirements. Accordingly the transaction does not require approval by Unitholders and the information provided in paragraph 2 above is voluntary.

Johannesburg
17 October 2013

Investment Bank and Sponsor
Investec Corporate Finance