

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

SMALL RELATED PARTY TRANSACTION

1. Introduction

Investec Property Fund shareholders ("**Shareholders**") are hereby advised that Investec Property Fund has entered into an agreement for the acquisition of a retail property located in Carletonville from Italite Investments Proprietary Limited, a wholly-owned subsidiary of Investec Property Limited ("**Vendor**") for a purchase consideration of R23,700,000 ("**the Acquisition**").

The purchase consideration will be funded with debt and paid to the Vendor upon registration of transfer of the property into the name of the Fund.

The Acquisition is unconditional with an effective date of 1 September 2014.

2. Rationale for the Acquisition

The property is a well-located asset offering a stable income stream increasing at market related escalations and is underpinned by a long dated lease and strong tenant covenant. The Acquisition is yield-enhancing to the Fund and contributes to the Fund's underlying long-term lease expiry profile.

3. Description of the property and tenant

The property is tenanted by Edcon Holdings (trading as Edgars) on a 10-year triple-net lease with the lessee responsible for all operating costs and interior and exterior maintenance (including structure). It is a single-tenanted retail facility with 2,797m² of retail trading area, 841m² of storerooms and 317 m² of yard.

The property is being acquired at a forward yield of 9.38% and the independent valuation of the Acquisition supports this view.

4. Specific information relating to the Acquisition

Erf description:	Portion 1, 2 and remainder of Erf 4660, Carletonville Extension 2
Location:	Corner of Flint, Halite and Gold Streets, Carletonville
Sector:	Retail
Rentable area:	3,955 m ²
Single or multi-tenanted:	Single-tenanted
Weighted average rental per m ² :	R48.35
Vacancy by rentable area:	0%
Annual Escalations:	7.25%

5. Financial effects

The Acquisition does not have a material effect on the Fund as the property will not contribute more than 3% to the *pro forma* earnings per share, *pro forma* headline earnings per share, *pro forma* distribution, *pro forma* net asset value per share or *pro forma* tangible net asset value per share of the Fund.

6. Small related party transaction

The Acquisition constitutes a small related party transaction in terms of the JSE Listings Requirements, as Investec Property Limited, a wholly-owned subsidiary of Investec Limited, holds 100% of the Vendor's issued share capital and is the management company of the Fund.

An independent valuation of the property has been performed by Mills Fitchet Magnus Penny (Pty) Limited ("**Independent Valuer**"), who is an independent registered valuer as defined in section 13 of the JSE Listings Requirements.

Based on the value of the property arrived at by the Independent Valuer, the directors of the Fund are of the opinion that the terms and conditions of the Acquisition are fair to Shareholders.

The JSE Limited has been provided with a summary of the sworn valuation of the property by the Independent Valuer. The full valuation report is available for inspection at the registered office of the Fund during normal business hours for a period of 28 days from the date of this announcement.

Sandton
16 September 2014

Investment Bank and Sponsor
Investec Bank Limited

Legal advisor
Fluxmans Inc.