

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")

VOLUNTARY ANNOUNCEMENT - RECYCLING OF PROCEEDS FROM THE DISPOSAL OF TWO SOUTH AFRICAN RETAIL ASSETS INTO OFFSHORE PLATFORMS

Shareholders are advised that Investec Property Fund has concluded separate sale agreements, to dispose of its undivided shareholding in the following properties:

- Musina Mall (incorporating the adjacent Great North Plaza), a 35,037m² retail centre in Musina, Limpopo Province, in which the Fund owned a 66.7% interest; and
- Boitekong Mall, a 17,668m² regional mall situated in Rustenburg, North West Province, in which the Fund owned a 70.0% interest, (collectively, the "**Properties**").

The aggregate cash disposal proceeds in respect of the Properties is R727 million (the "**Disposals**"), which equates to a blended exit yield of 8.5% and represents a marginal discount to book value of 3%. The Disposals, which only remain subject to Competition Commission approval, are anticipated to be concluded during March 2020.

The Disposals are in line with Fund's strategy of unlocking value through the recycling of capital through disposals and redeploying it into long term value-enhancing assets that provide superior risk-adjusted returns.

The Disposals allow the Fund to further de-gear its South African balance sheet on an earnings accretive basis, whilst providing funding capacity to further deploy capital into the Pan-European logistics real estate and U.K Fund strategies. The most recent Pan-European pipeline acquisition announced in December 2019, being two Belgium logistics properties for a purchase consideration of EUR70.4 million¹, are expected to generate an investment yield of 7.9% in EUR and 9.5% in ZAR. This is clear evidence of the Funds proactive recycling strategy coming to fruition.

Post the disposal of the Properties and the recent Belgium acquisition, the Fund's LTV will remain in line with the level reported at 30 September 2019 and the Fund's offshore exposure will increase to c.23% (30 September 2019: 18.6%).

The Disposals are not categorisable for the Fund in terms of the JSE Listings Requirements and this announcement is voluntary and for information purposes only.

Sandton
24 January 2020

Financial Advisor and Sponsor
Investec Bank Limited

¹ Full details of the Belgium acquisition were published on SENS on 12 December 2019