

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")

FY20 H2 DIVIDEND DECLARATION

Shareholders are referred to the announcement dated 10 September 2020 wherein IPF shareholders were informed of the Fund's election to delay the declaration of a FY20 H2 dividend until 29 September 2020 and the subsequent announcement released by the JSE on 22 September 2020 informing the REIT sector that the FSCA is not in a position to consent to any further dispensation.

Shareholders are also further referred to the announcement dated 23 September 2020 in which the Fund announced the sale of the Belgium Properties and a 10% interest in the Pan-European logistics platform ("PEL"). This has further progressed the Fund's stated degearing flightpath, with only the PEL refinancing outstanding. As set out in the announcement dated 10 September 2020, the refinancing is progressing well and is anticipated to complete by mid-October 2020.

In light of the Fund executing on a number of its stated objectives, the board of directors of IPF ("**Board**") have now elected to proceed with the declaration of the FY20 H2 dividend.

The Board is acutely aware of the JSE Listings Requirements regulations which requires a REIT to distribute at least 75% of its total distributable profits in order to retain its REIT status. Consequently, having applied the requisite solvency and liquidity test as prescribed by the Companies Act, No 71 of 2008, and, to ensure the continued liquidity of the Fund through the uncertainty caused by the COVID-19 pandemic and to protect against certain eventualities which may still materialise, the Board has resolved to declare a dividend of 39.05402 cents per share (an aggregate of R314.4m) ("**Tranche 1 Dividend**") for the period 1 October 2019 to 31 March 2020.

The payment of this Tranche 1 Dividend will ensure compliance with the JSE Listing Requirements (i.e. minimum 75% of earnings distributed). The Board will continue to monitor the operating environment both locally and abroad and upon conclusion of a successful refinancing of the PEL debt and ability to refinance bonds maturing in December 2020, will consider declaring a further top-up dividend. This will be considered together with any tax obligations arising on unpaid distributions.

Other information:

- The dividend has been declared from income reserves.
- A dividend withholding tax of 20% will be applicable on the dividend portion to all shareholders who are not exempt. Assuming Dividend Tax of 20% is applicable, the net dividend amount due is 31.24322 cents per share.
- The issued share capital at the declaration date is 804 918 444 ordinary shares of no par value.

In accordance with Investec Property Fund's status as a REIT, shareholders are advised that the dividend meets the requirements of a 'qualifying distribution' for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ('Income Tax Act'). The dividends on the shares will be deemed to be dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from dividend withholding tax ("**Dividend Tax**") in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated Shares, or the Fund, in respect of certificated Shares, a declaration by the beneficial owner (in such form as may be prescribed by the Commissioner) that the dividend is exempt from dividends tax in terms of section 64F and a written undertaking (in such form as may be prescribed by the Commissioner) to forthwith inform the CSDP, broker or the Fund, as the case may be, should the circumstances affecting the exemption change or if the beneficial owner ceases to be the beneficial owner.

If resident shareholders have not submitted the abovementioned documentation to confirm their status as South African residents, they are advised to contact their CSDP, or broker, as the case may be, to arrange for the documents to be submitted prior to the date determined by the regulated intermediary, or if no date is determined, by the date of payment of the dividend.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable in South Africa as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to Dividend Tax. With effect from 22 February 2017, any dividend received by a non-resident from a REIT are subject to Dividend Tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ('DTA') between South Africa and the country of residence of the non-resident shareholder. Assuming Dividend Tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 31.24322 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Fund, in respect of certificated shares:

- A declaration by the beneficial owner (in such form as may be prescribed by the Commissioner) that the dividend is subject to a reduced rate as a result of the application of the DTA; and
- A written undertaking (in such form as may be prescribed by the Commissioner) to forthwith inform, the CSDP, broker or the Fund, as the case may be, should the circumstances affecting the reduced rate change or if the beneficial owner ceases to be the beneficial owner.

If applicable, non-resident shareholders are advised to contact the CSDP, broker or the Fund, as the case may be, to arrange for the abovementioned documents to be submitted prior to the date

determined by the regulated intermediary, or if no date is determined, by the date of payment of the dividend, if such documents have not already been submitted.

Other information:

- As at the date of this announcement, the ordinary issued share capital of Investec Property Fund is 804 918 444 ordinary shares of no par value before any election to reinvest the cash dividend
- Income Tax Reference Number of Investec Property Fund: 9332/719/16/1
- Shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

Summary of salient dates relating to the Tranche 1 Dividend

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| Declaration of dividend | Wednesday, 23 September 2020 |
| Last day to trade in order to receive the dividends (cum-dividend) | Tuesday, 13 October 2020 |
| Shares trade ex-dividend | Wednesday, 14 October 2020 |
| Record date for shareholders to receive dividend | Friday, 16 October 2020 |
| Dividend payment date | Monday, 19 October 2020 |

Notes:

1. Shares may not be rematerialised or dematerialised between commencement of trade on Wednesday, 14 October 2020 and close of trade on Friday, 16 October 2020, both days inclusive.
2. The above dates and times are subject to change. Any change will be released on SENS.

The information on which this pre-close trading update is based has not been reviewed or reported on by the Fund's auditors.

Investec Bank Limited
Sponsor

23 September 2020