

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
Bond code: INV
ISIN: ZAE000180915
("Investec Property Fund" or "the Fund")

TRADING STATEMENT AND REVISED INTERIM DIVIDEND DATES

Investors are referred to the pre-close call held on 19 March 2021 and the trading update made available on the Company's website at the time. In this regard, please note the update to the dividend dates.

FY21 H1 dividend

The board of directors of IPF ("**Board**") have resolved to declare a dividend of 44.52205 cents per share (an aggregate of R358m) for the period 1 April 2020 to 30 September 2020, given the conclusion of the PEL and ZAR debt refinancing that have been achieved and the modest recovery in the operating environment. This represents a 95% pay-out ratio of H1 FY21 distributable earnings of 46.87cps.

FY21 guidance and trading statement

IPF uses distributable earnings per share as its relevant measure of financial performance. In terms of the JSE Listings Requirements, the Fund is required to publish a trading statement as soon as it becomes reasonably certain that the distributable earnings per share for the next period to be reported on will differ by at least 15% from that of the prior corresponding period.

Distributable earnings per share for the year ended 31 March 2021 is expected to be 30% - 35% lower than the same period last year (i.e. between 95.32 – 102.65 cps), primarily due to the impact of COVID-19 and the concessions granted to tenants in H1. While SA performance recovered marginally in H2 as anticipated, this has been offset by the lower accretion from the reduced ownership in PEL and the Belgium assets and no dividend from the UK investment. The Fund continues to target a payout ratio between 90-95%.

The Fund intends releasing its results for the year ended 31 March 2021 on 19 May 2021.

Information pertaining to the FY21 H1 dividend:

- 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 35.61764 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 35.61764 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 FY21 H1 dividend:

Last day to trade in order to receive the dividends (cum-dividend)	Tuesday, 13 April 2021
Shares trade ex-dividend	Wednesday, 14 April 2021
Record date for shareholders to receive dividend	Friday, 16 April 2021
Dividend payment date	Monday, 19 April 2021

Notes:

1. Shares may not be rematerialised or dematerialised between commencement of trade on Wednesday, 14 April 2021 and close of trade on Friday, 16 April 2021, 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 announcement is based has not been reviewed or reported on by the Fund’s auditors.

Sandton – 8 April 2021

Sponsor: Investec Bank Limited