

MEDIA RELEASE

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Investec Property Fund trebles since listing

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Highlights

- 8.2% annual growth in distribution to 108.2 cps (8.6% increase in second half to 57.74 cps)
- 45% growth in assets with acquisitions of R1,7 billion in quality properties in SA and an investment in Australian real estate via acquisition of 18% of newly JSE listed Investec Australia Property Fund.
- 16.8% gearing, with long-term hedge profile consistent with the Funds objective to retain headroom to make quality acquisitions.
- R1,1 billion of new funding raised.
- Future growth underpinned by weighted average lease expiry (WALE) of 4.3 years and low vacancy of 2.6%.

IPF CEO Sam Leon said:

“We are pleased with the performance of the Fund with it having continued to deliver good growth in both distribution and assets. This is particularly pleasing as the growth has been delivered through an increase in net property income and supported by quality acquisitions with sustainable income. The Fund, now at over R6 billion in asset value, is more than 3.6 times bigger than when it listed three years ago.”

The Fund announced a total distribution for the year of 108.2 cents per share, representing an 8.2% increase in distribution. This was supported by growth in the underlying base property portfolio, strong leasing and renewal activity and resultant low vacancy. The Fund stated that it will continue to incur appropriate expenditure on effective maintenance and operations of the underlying properties as part of its long term focus and tenant retention.

Importantly the Fund has a long weighted average lease expiry profile (WALE) of 4.3 years with more than 38% of leases expiring five years and beyond by value.

In addition the balance sheet has been conservatively managed with gearing levels remaining low. Taking into account announced and completed acquisitions post year end, the Fund will still be geared at a low 21% with an all in cost of funding of approximately 8.5% and a long dated debt and swap maturity profile of three and four years respectively. This will provide the Fund with a robust platform to both confront any uncertain economic headwinds and to pursue good quality property acquisitions for growth.

The Fund has also continued to deepen the skills and expand the expertise in its management team across all disciplines. Leon said: “The Fund remains aggressively acquisitive for the right quality assets as demonstrated by our significant growth since listing in April 2011 and continues to benefit from the Investec connection and strong relationships in the market.