OUT OF THE ORDINARY

Investec Property Fund

2021

Financial results

Reviewed preliminary condensed consolidated financial results

Investec Property Fund Limited

Key highlights

FOR THE YEAR ENDED 31 MARCH 2021

Despite significant volatility and uncertainty over the last 12 months, the Fund is well-positioned for growth going forward

Fund and management team exhibited resilience through the COVID-19 turbulence

Investment portfolio further consolidated following exit of interests in IAP, UK Fund and PELI

Business focused on SA diversified property portfolio and PEL platform

LTV flightpath achieved – gearing normalised to 38.3% (post year-end) and balance sheet significantly enhanced

Continued payment of dividends through the pandemic – FY20 dividend paid (95% payout ratio)

First SA REIT to issue R800m sustainability-linked bond in widely-subscribed offer

SA heavily impacted by COVID-19 and long-term lease re-gears in H1 but achieved stability in H2

PEL portfolio continued to benefit from structural tailwinds in Europe

Declared FY21 final dividend of 47.71cps (95% payout ratio) post year-end

South Africa

(21.2%)
decline in base NPI – impacted by concessions and long-term lease re-gears

75%
of expiring space re-let

Negative
17.7%
reversion on renewals and new leases but low **1.9%** incentive level and WALE of **5.4 years** achieved

Negative
R899 million
5% portfolio fair value adjustment for FY21

94,755m²
of early letting concluded, including significant long-term leases for +10 years

Debtors balance reduced significantly and reverted to pre-COVID levels

Europe

1.3%
base NPI growth – driven by reduction in base vacancy and positive letting reversion

9.2%
growth in distributable earnings per share (in EUR)

80%
of space expiring re-let and 55% of opening vacancy let

8.5%
positive reversion on renewals and new leases

Portfolio revalued up by
7.6%
to €1.06bn

€473m
PEL refinance completed releasing €138m of liquidity for IPF

KEY METRICS – FY21

Fund exhibited resilience through the downturn

Group metrics

(33.8)%
full year decline in DEPS to 97.08cps

(8.5)%
decline in NAV per share to R16.65

95%
payout ratio for FY20 and FY21

47.71cps
FY21 final dividend declared bringing full year DPS to 92.23cps post year-end

38.3%
gearing[1]

R22.1bn
total investments

See-through balance sheet composition[2]

South Africa
56%

Europe
44%

1. Post payment of FY21 interim dividend, UK sale proceeds and PELI sell down which occurred post year-end.
2. Based on proportional ownership of GAV (vs IFRS which is based on equity value) and post PELI sale.

South Africa

R15.2bn
property valuations post disposals
(Mar 20: R16.9bn)

1,081,114m²
total GLA (90 properties)
(Mar 20: 1,158,249m²)

11.4%
vacancy by GLA
(Mar 20: 3.5%)

3.2 years
WALE to expiry
(Mar 20: 2.7 years)

7.4%
in-force escalations
(Mar 20: 7.6%)

96%
average
rental collection

Europe

€1.06bn
property valuation
(Mar 20: €987m)

1,134,429m²
total GLA (47 properties)
(Mar 20: 1,134,429m²)

4.3%
vacancy by GLA
(Mar 20: 5.0%)

5.0 years
WALE to expiry
(Mar 20: 4.7 years)

3.8 years
WALE to break
(Mar 20: 3.1 years)

99%
average
rental collection

DISTRIBUTABLE EARNINGS RECONCILIATION

for the year ended 31 March 2021

Full year distributable earnings of 97.08 cents per share – 33.8% decrease from prior year – in line with guidance provided and primarily driven by the impact of COVID-19

R'000	Notes	**Reviewed Year ended 31 March 2021**	Audited Year ended 31 March 2020
(Loss)/profit after taxation		**(327 588)**	1 705 970
Adjusted for:			
Straight-line rental revenue adjustment		**54 838**	12 764
Fair value, foreign exchange (losses)/gains and other adjustments[3]		**600 688**	(470 152)
Loss on disposal of investment property		**2 717**	1 883
Izandla interest not received		**(4 096)**	(5 425)
Investment dividend accrual (net of withholding tax ('WHT'))[1]		**(16 228)**	(27 757)
Notional cost of funding Ingenuity acquisition		**–**	5 195
Deferred taxation and capital gains taxation ('CGT')		**17 978**	1 159
Antecedent dividend		**–**	38 980
Equity accounted earnings from associate[2]		**17 843**	8 462
Loss/(profit) after tax for the year from discontinued operations[3]	8.3	**435 269**	(139 392)
Available H1 Interim distributable earnings[4]		**377 228**	522 243
Available H2 distributable earnings[4]		**404 193**	609 444
Number of shares			
Shares in issue		**804 918 444**	804 918 444
Weighted average number of shares in issue		**804 918 444**	744 916 301
Cents			
Total available distributable earnings per share[5]		**97.08**	146.64
Available H2 distributable earnings per share (cents)[4]		**50.21**	75.72
Available H1 Interim distributable earnings per share (cents)[4]		**46.87**	70.92

1) The Fund considers the dividend declared in the current period relating to prior year earnings as part of the prior year distributable earnings and the cum dividend portion of the IAP sales price to be part of the distributable earnings for the current year. Accordingly an adjustment is made to match the distributable income for the period to which the distribution relates.
2) The Fund equity accounts its investment in Izandla and only distributes earnings declared as a dividend. Any distributions during the current year have been included in distributable income.
3) The Fund equity accounts its investment in the UK and only distributes earnings declared as a dividend. The UK investment was held for sale and sold during the current year. The prior year amounts have been re-presented to loss from discontinued operations (see note 8.3 for further detail). There has been no declaration of dividends for the current year.
4) For FY21, the Fund declared an interim dividend of 44.52 cents per share in March 2021, representing a 95% payout ratio for the first half of the year. An H2 dividend of 47.71 cents per share has been declared post year-end. The full year payout ratio is 95%. No income tax is payable for FY21.
5) Decrease to comparable period driven largely by the impact of COVID-19.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Notes	**Reviewed Year ended 31 March 2021**	Reclassified Audited Year ended 31 March 2020
Revenue, excluding straight line rental revenue adjustment[1]		**1 522 361**	1 786 185
Straight-line rental revenue adjustment[2]		**(54 838)**	(12 764)
Revenue		**1 467 523**	1 773 421
Property expenses		**(361 399)**	(324 899)
Expected credit losses[3]		**(51 984)**	(21 598)
Net property income		**1 054 140**	1 426 924
Other operating expenses		**(126 600)**	(108 559)
Operating profit		**927 540**	1 318 365
Fair value, foreign exchange (losses)/gains and other adjustments	2	**(600 688)**	470 152
Loss on disposal of investment property		**(2 717)**	(1 883)
Income from investments	4	**411 750**	302 380
Finance costs		**(678 706)**	(588 311)
Finance income[4]	5	**86 953**	50 022
Equity accounted earnings from associate		**(17 843)**	(8 462)
Profit before taxation from continuing operations		**126 289**	1 542 263
Taxation	6	**(18 608)**	(8 213)
Profit after taxation from continuing operations		**107 681**	1 534 050
Discontinued operations		**(435 269)**	171 920
(Loss)/Profit after tax for the year from discontinued operations[5]	8.3	**(435 269)**	171 920
(Loss)/Profit for the year		**(327 588)**	1 705 970
Other comprehensive income		**(3 026)**	3 026
Foreign currency translation (losses)/gains[6]		**(84 728)**	3 026
Recycled to profit or loss		**81 702**	–
Total comprehensive income attributable to equity holders		**(330 614)**	1 708 996
Basic and diluted earnings per share from continuing operations (cents)		**13.38**	206.34
Basic and diluted earnings per share from discontinued operations (cents)		**(54.08)**	23.08
Basic and diluted earnings per share (cents)[7]		**(40.70)**	229.42

1) Revenue decrease resulting largely from COVID-19 concessions and business insolvencies. Refer to the financial review section of the commentary for further details.
2) Straight line rental smoothing expense has increased due to changes in lease terms in the current year.
3) Relates to expected credit losses on lease receivables included in revenue. Increase in the current year due to COVID-19 defaults and deferrals provided.
4) Calculated using the effective interest rate method.
5) The UK investment was held for sale and classified as a discontinued operation in January 2021. The prior period has been re-presented to the discontinued operations line item.
6) Items that may be subsequently reclassified to profit or loss.
7) Year-on-year decrease due to the decrease in net property income, downward fair value adjustment of South African properties, loss on the sale of the UK investment and foreign exchanges losses on investments.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Notes	Reviewed Year ended 31 March 2021	Reclassified Audited Year ended 31 March 2020
ASSETS			
Non-current assets		**23 155 569**	25 644 027
Investment property	3	**14 636 707**	16 642 624
Straight-line rental revenue adjustment		**423 551**	431 552
Derivative financial instruments	7.4	**115 801**	170 387
Investment in listed equities	7.1	**–**	661 213
Equity accounted investment in associate and joint ventures	8	**16 932**	1 173 600
Other financial instruments	7.2	**7 962 578**	6 564 651
Current assets		**1 467 124**	4 201 094
Trade and other receivables[1,2]		**1 027 992**	329 867
Cash and cash equivalents[3]		**225 590**	643 072
Current portion of derivative financial instruments	7.4	**213 542**	45 123
Current portion of other financial instruments	7.2	**–**	3 183 032
Non-current assets held for sale	9	**525 152**	1 304 900
Total assets		**25 147 845**	31 150 021
EQUITY AND LIABILITIES			
Shareholders' interest		**13 398 404**	14 645 023
Stated capital		**11 133 011**	11 133 280
Retained earnings		**2 265 393**	3 508 717
Foreign currency translation reserve		**–**	3 026
Non-current liabilities		**8 352 906**	9 718 267
Long-term borrowings	7.3	**7 822 554**	9 013 707
Derivative financial instruments	7.4	**530 352**	695 903
Deferred taxation	6	**–**	8 657
Current liabilities		**3 396 535**	6 786 731
Trade and other payables		**783 083**	562 470
Current portion of long-term borrowings[4]	7.3	**2 502 755**	5 856 108
Current portion of derivative financial instruments	7.4	**110 697**	368 153
Total equity and liabilities		**25 147 845**	31 150 021
Shares in issue		**804 918 444**	804 918 444
Net asset value per share (cents)		**1 665**	1 819

1) The Fund reclassified tenant incentives from trade and other receivables to investment property and separately presents the tenant incentives in the current year to align with industry practices determined to be more appropriate.
2) Includes proceeds receivable on the sale of the UK investment of R713 million.
3) The cash balance includes cash relating to tenant deposits of R85 million (2020: R72 million) as well as revenue received in advance of R30 million (2020: R50 million).
4) Loans of R1.8bn were settled and refinanced post year-end.

CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Reviewed Year ended 31 March 2021	Reclassified Audited Year ended 31 March 2020
Cash generated from operations	**940 182**	1 431 921
Finance income received	**67 602**	50 022
Finance costs paid	**(684 088)**	(577 840)
Income from investments (net of tax)	**287 807**	127 481
Capital gains tax paid	**(26 635)**	(9 033)
Dividends paid to shareholders	**(554 344)**	(1 063 483)
Net cash inflow/(outflow) from operating activities	**30 524**	(40 932)
Acquisitions of investment property and capital expenditure	**(113 589)**	(1 459 517)
Proceeds on disposal of investment property	**901 852**	284 989
Proceeds from disposal of property company equity instruments[1]	**742 168**	705 269
Acquisitions of joint ventures and associates	**–**	(764 355)
Acquisition of other financial instruments	**(64 775)**	(4 893 187)
Proceeds from repayment of other financial instruments[2]	**2 496 198**	–
Net cash inflow/(outflow) from investing activities*	**3 961 854**	(6 126 801)
Shares issued, net of costs	**–**	868 437
Proceeds from borrowings[3]	**1 988 025**	8 532 437
Derivatives settled[4]	**(80 043)**	(59 997)
Repayment of borrowings	**(6 318 224)**	(2 913 052)
Net cash (outflow)/inflow from financing activities	**(4 410 242)**	6 427 825
Net (decrease)/increase in cash and cash equivalents	**(417 864)**	260 092
Cash and cash equivalents at the beginning of the year	**643 072**	382 940
Movement in foreign exchange	**382**	40
Cash and cash equivalents at the end of the year	**225 590**	643 072

1) Proceeds from sale of IAP.
2) Includes proceeds from the repayment of the bridge loan by the PEL platform.
3) Includes proceeds from the sale of an effective 10% of the Fund's holding in the PEL platform.
4) Forward exchange contracts settled on the sale of IAP and other derivatives.
* Proceeds from the sale of the UK investment were only received post 31 March 2021 and no dividends were declared or paid by the UK in FY21. Proceeds from the sale of the Belgium investment to the PEL platform were reinvested into the platform resulting in a non-cash transaction as the funds were retained in the PEL platform. This includes €38.5m advanced to PEL as part of the bridge loan (note 7.2.5).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Stated capital	Retained earnings	Foreign currency translation reserve	Total equity
Balance at 31 March 2019	**10 264 843**	**2 866 230**	**–**	**13 131 073**
Total comprehensive income attributable to equity holders	–	1 705 970	3 026	1 708 996
Shares issued net of costs	868 437	–		868 437
Dividends declared and paid	–	(1 063 483)	–	(1 063 483)
Balance at 31 March 2020	**11 133 280**	**3 508 717**	**3 026**	**14 645 023**
Total comprehensive income attributable to equity holders	–	(330 614)	(84 728)	(415 342)
Recycling to profit or loss	–	–	81 702	81 702
Shares issued net of costs[1]	(269)	–	–	(269)
Dividends declared and paid	–	(912 710)	–	(912 710)
Balance at 31 March 2021	**11 133 011**	**2 265 393**	**–**	**13 398 404**

1) Relates to costs linked to the issue of shares in the prior year.

SEGMENTAL ANALYSIS

The IPF Group (through its management company Investec Property Pty Ltd), determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (EXCO), the group's operating decision-making forum. The group is comprised of 7 segments, namely Retail, Office, Industrial, Australia, UK, Europe, and the South African investment portfolio (the UK and IAP segments have been exited in the current year). An operating segment's operating results are reviewed regularly by Exco to make decisions about resources to be allocated to the segment to assess its performance, and for which discrete financial information is available.

Segment	Brief description of segment
Retail	The retail portfolio consists of 26 properties, comprising shopping centres as well as retail warehouses, motor dealerships and high street properties.
Office	The office portfolio consists of 30 properties which includes P, A and B grade office space.
Industrial	The industrial portfolio consists of 34 properties which includes warehousing, standard units, high grade industrial, high-tech industrial and manufacturing.
South African – Investment portfolio	The local investment portfolio consists of a 35% share of an empowerment vehicle, Izandla valued at R0.3 billion.
UK	A 38.0% investment into the UK Fund valued at R0.7 billion. This investment was sold on 31 March 2021.
Australia (IAP)	A 9% investment into Australia (IAP) valued at R0.7bn. The investment was sold in June 2020.
Europe	A 75% investment into a PEL portfolio valued at R6.6 billion. This portfolio consists of 47 properties located in seven jurisdictions across Europe. A 25% investment into a PELI portfolio valued at R0.4 billion. This portfolio consists of 33 properties located in three jurisdictions across Europe. PELI is held for sale as at year-end.

SEGMENTAL ANALYSIS
CONTINUED

Profit or loss and assets and liabilities disclosure

	31 March 2021								
	South African property portfolio				Investment portfolio				
R'000	**Office**	**Industrial**	**Retail**	**Total/ fund level**	**South African investment portfolio**	**Australia[1]**	**UK[2]**	**Europe**	**Total**
Material profit or loss disclosures									
Revenue, excluding straight line rental revenue adjustment	583 117	321 441	575 427	**1 479 985**				42 376	**1 522 361**
Straight-line rental revenue adjustment	(63 408)	2 962	5 608	**(54 838)**				–	**(54 838)**
Revenue	519 709	324 403	581 035	**1 425 147**				42 376	**1 467 523**
Property expenses	(149 830)	(71 251)	(141 992)	**(363 073)**				1 674	**(361 399)**
Expected credit losses	(7 675)	(3 794)	(40 515)	**(51 984)**					**(51 984)**
Net property income	362 204	249 358	398 528	**1 010 090**				44 050	**1 054 140**
Other operating expenses				**(126 600)**					**(126 600)**
Operating profit				**883 490**				44 050	**927 540**
Fair value adjustments on derivative instruments				**(155 622)**		(65 407)	87 807	590 021	**456 799**
Fair value adjustments on investment property				**(895 910)**					**(895 910)**
Fair value and other adjustments on investments					(15 626)	80 270	–	453 464	**518 108**
Foreign exchange gains/(losses)						9 990	–	(689 675)	**(679 685)**
(Loss)/profit on disposal of investment property				**(2 717)**					**(2 717)**
Income from investments				**–**	7 166	28 504	–	376 080	**411 750**
Finance costs				**(678 706)**					**(678 706)**
Finance income				**86 953**					**86 953**
Equity accounted earnings from associate					(17 843)				**(17 843)**
(Loss)/profit before taxation from continuing operations				**(762 512)**	(26 303)	53 357	87 807	773 940	**126 289**
(Loss)/profit after tax for the year from discontinued operations							(435 269)		**(435 269)**
(Loss)/profit for the year before taxation				**(762 512)**	(26 303)	53 357	(347 462)	773 940	**(308 980)**

1) Australia is not a discontinued operation as it is not considered a major line of business.
2) Derivatives are not included in the discontinued operation as the Fund manages it's derivative book at a group level.

	Reclassified 31 March 2020								
	South African property portfolio				Investment portfolio				
	Office	Industrial	Retail	Total/ fund level	South African investment Portfolio	Australia	UK	Europe	Total
	655 478	380 320	730 836	1 766 634				19 551	1 786 185
	2 020	(6 005)	(8 779)	(12 764)					(12 764)
	657 498	374 315	722 057	1 753 870				19 551	1 773 421
	(130 993)	(64 201)	(151 303)	(346 497)					(346 497)
	526 505	310 114	570 754	1 407 373				19 551	1 426 924
				(108 559)					(108 559)
				1 298 814				19 551	1 318 365
				(186 231)		(52 317)	(133 314)	(402 759)	(774 621)
				(404 550)					(404 550)
				–	(8 327)	(30 107)	–	1 136 312	1 097 878
				–			–	551 445	551 445
				(1 883)					(1 883)
					9 536	90 128	–	202 715	302 379
				(644 438)					(644 438)
				106 150					106 150
				–	(8 462)				(8 462)
				167 862	(7 253)	7 704	(133 314)	1 507 264	1 542 263
							171 920		171 920
				167 862	(7 253)	7 704	38 606	1 507 264	1 714 183

SEGMENTAL ANALYSIS
CONTINUED

	31 March 2021								
	South African property portfolio				Investment portfolio				
R'000	**Office**	**Industrial**	**Retail**	**Total/ fund level**	**South African investment portfolio**	**Australia[1]**	**UK[2]**	**Europe**	**Total**
ASSETS									
Investment property	5 590 702	3 236 632	5 809 373	**14 636 707**					**14 636 707**
Straight-line rental revenue adjustment	150 161	112 008	161 382	**423 551**					**423 551**
Investment in listed equities						**–**			**–**
Equity accounted investment in associate					16 932				**16 932**
Other financial instruments					259 609	–	–	7 707 683	**7 967 292**
Derivative financial assets[1]				**–**	–	–	–	139 299	**139 299**
Trade and other receivables				**1 023 278**					**1 023 278**
Cash and cash equivalents				**225 590**					**225 590**
Current portion of other financial instruments									
Non-current assets held for sale	–	25 000	142 000	**167 000**	–	–	–	358 152	**525 152**
Total assets				**16 476 126**	276 541	–	–	8 205 134	**24 957 801**
LIABILITIES									
Long-term borrowings				**6 919 018**				903 536	**7 822 554**
Derivative financial liabilities[1]				**386 928**		9 714	54 363	–	**451 005**
Deferred taxation				**–**					**–**
Trade and other payables				**783 083**					**783 083**
Current portion of long-term borrowings				**2 502 755**					**2 502 755**
Total liabilities				**10 591 784**	–	9 714	54 363	903 536	**11 559 397**

1) Derivatives are shown on a net basis at a segmental level.

Reclassified 31 March 2020								
South African property portfolio				Investment portfolio				
Office	Industrial	Retail	Total/ fund level	South African investment Portfolio	Australia	UK	Europe	Total
6 050 518	3 371 790	5 835 932	15 258 240				1 384 384	16 642 624
213 553	104 672	113 327	431 552					431 552
			–		661 213			661 213
			–	25 284		1 148 316		1 173 600
			–	273 072			6 291 579	6 564 651
			391 864				10 166	402 030
			628 138				14 934	643 072
			–				3 183 032	3 183 032
6 000	55 000	1 243 900	1 304 900					1 304 900
			18 014 694					31 006 674
			9 013 707					9 013 707
			231 306	–	65 144	142 169	409 927	848 546
			8 657					8 657
			538 007				24 463	562 470
			5 856 108					5 856 108
			15 647 785					16 289 488

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS

1. RECONCILIATION OF BASIC EARNINGS TO HEADLINE EARNINGS

R'000		Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
1.1 Basic and diluted profit attributable to ordinary equity holders of the parent		**(327 588)**	1 708 996
Adjusted for:			
IAS 40 Fair value adjustment on investment property		**895 910**	404 550
IAS 40 Loss on disposal of investment property		**2 717**	1 883
IAS 40 Fair value adjustment on investment property in associate[1]		**125 560**	6 709
IAS 36 Impairment of investment in associate		**6 234**	–
IAS 28 Loss on contribution to associate[2]		**15 340**	–
IFRS 5 Loss on remeasurement to fair value less costs to sell[3]		**250 336**	–
IAS 21 Forex loss previously recognised in OCI (FCTR)[4]		**81 702**	–
Headline earnings attributable to shareholders		**1 050 211**	2 122 138
Headline and diluted headline earnings per share[5] (cents per share)		**130.47**	284.88
Headline and diluted headline earnings per share from continuing operations (cents per share)	1.2	**128.13**	261.80
Headline and diluted headline earnings per share from discontinued operations (cents per share)	1.2	**2.34**	23.08

1) Includes fair value adjustment relating to the UK investment and Izandla.
2) Relates to the IAS 28 contribution to associate (Izandla) through the restructuring of loans (see note 7.2.7 for further detail).
3) The UK investment was classified as held for sale in January 2021. The loss is as a result of remeasurement of the investment to fair value less costs to sell.
4) Reclassification of foreign currency translation reserve on sale of the Belgium subsidiaries and UK investment.
5) Year-on-year decrease due to decrease in net property income resulting from the impact of COVID-19 concessions and bad debts, net lower upward valuation of investments (including long term borrowings carried at fair value) and foreign exchange losses on investments for current year.

RECONCILIATION OF BASIC EARNINGS TO HEADLINE EARNINGS FROM CONTINUING AND DISCONTINUED OPERATIONS

R'000	Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
1.2 Basic and diluted profit from continuing operations attributable to ordinary equity holders of the parent	**107 681**	1 537 075
Adjusted to HEPS		
IAS 40 Fair value adjustment on investment property	**895 910**	404 550
IAS 40 Loss on disposal of investment property	**2 717**	1 883
IAS 40 Fair value adjustment on investment property in associate	**5 687**	6 709
IAS 21 Forex gain previously recognised in OCI (FCTR)	**(2 156)**	–
IAS 36 Impairment of investment in associate	**6 234**	–
IAS 28 Loss on contribution to associate	**15 340**	–
Headline earnings from continuing operations	**1 031 413**	1 950 217
Headline and diluted headline earnings per share from continuing operations (cents per share)	**128.13**	261.80
Basic and diluted (loss)/profit from discontinued operations attributable to ordinary equity holders of the parent	**(435 269)**	171 920
Adjustments for:		
IAS 40 Fair value adjustment on investment property in associate[1]	**119 873**	–
IFRS 5 Loss on remeasurement to fair value less costs to sell of assets held for sale	**250 336**	–
IAS 21 Forex loss previously recognised in OCI (FCTR)	**83 858**	–
Headline earnings from discontinued operations	**18 798**	171 920
Headline and diluted headline earnings per share from discontinued operations (cents per share)	**2.34**	23.08

2. FAIR VALUE, FOREIGN EXCHANGE (LOSSES)/GAINS AND OTHER ADJUSTMENTS

R'000	Reviewed Year ended 31 March 2021	Reclassified Audited Year ended 31 March 2020
Fair value adjustments on derivative instruments[1]	**456 799**	(774 621)
Fair value adjustment on investment property (note 3)	**(895 910)**	(404 550)
Fair value and other adjustment on investments[2]	**51 964**	(38 433)
Fair value adjustments on loans to associates	**41 112**	60 945
Fair value adjustments and transaction costs on loans to joint ventures and long-term borrowings at fair value*[3]	**(176 447)**	2 039 796
Foreign exchange translation losses on items not at fair value[4]	**(78 206)**	(412 985)
	(600 688)	470 152

1) Mark-to-market (MTM) on derivatives profit driven primarily by the impact of the strengthening South African Rand on cross currency swaps and forward exchange contracts.
2) Relates to MTM on the IAP investment and loss on dilution on the restructuring of the Izandla loans.
3) Decrease in current year driven by stronger Rand to foreign currency on the net investment (including long-term borrowings carried at fair value). The movement on the UK investment has been represented to discontinued operations, note 8.3.
4) The foreign exchange movements relate primarily to foreign currency borrowings.
* Fair value and foreign exchange from the UK Fund is included under discontinued operations in the current and prior periods (see note 8.3).

3. FAIR VALUE OF INVESTMENT PROPERTY

The Fund's policy is to assess the valuation of investment properties at each reporting period. During the year ended 31 March 2021, the assessment resulted in a net downward revaluation of R895.9 million (March 2020: R404.6 million downward revaluation). Each property is required to be revalued externally every three years. In the interest of transparency, the Fund elected to increase the number of properties that are revalued externally from one-third to one-half of total properties and to use a second valuer. As a result, 50 properties (56% of the portfolio) were revalued externally in the current year. Thirty four properties were valued by Mills Fitchet Magnus Penny Proprietary Limited and 16 by Spectrum Valuations and Asset Solutions Proprietary Limited. The valuers use both the discounted cash flow method as well as the cap rate method to value properties. Both valuers are registered in terms of Section 19 of the Property Valuers Professional Act, no 47 of 2000. For the year-end valuation, rental income was down on average 5%-7%. The overall investment property portfolio is down 3.1% since September 2020 and -5.2% since 31 March 2020.The impact of the lockdown measures implemented as a result of the COVID-19 pandemic have been taken into consideration in determining the inputs to the valuation technique applied. Refer to note 7.5 for the relationship with each level 3 unobservable input.

4. INCOME FROM INVESTMENTS

R'000	Reviewed Year ended 31 March 2021	*Reclassified Audited Year ended 31 March 2020
Income from IAP[1]	**28 504**	90 128
Income from Izandla (interest on loan at fair value through profit or loss)	**7 166**	9 536
Income from European platforms[2]	**376 080**	202 716
Total	**411 750**	302 380

1) The IAP investment was disposed of in June 2020. A dividend amounting to R11.65 million of the cum-dividend price was included in distributable earnings.
2) Increase in current year due to increased share of investment from c. 43% to c. 75% from 24 February 2020.
* Income from the UK Fund is included under discontinued operations in the current and prior periods have been represented (see note 8.3).

5. FINANCE INCOME

R'000	Reviewed Year ended 31 March 2021	Reclassified Year ended 31 March 2020
Interest income on loans to associates and joint ventures[1]	**75 748**	24 775
Interest from banks[2]	**11 205**	25 247
Total interest	**86 953**	50 022

1) Increase driven by interest on bridge loan provided to the PEL platform.
2) Interest relating to cross currency swaps has been reclassified to finance costs as this reflects more appropriate presentation of interest on cross currency swaps. See note 12 for further detail.

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS CONTINUED

6. TAXATION

R'000		Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
6.1	**DEFERRED TAXATION**		
	Balance at the beginning of the year	**8 657**	16 531
	(Loss)/Gain on fair value of investments	**–**	(1 710)
	Sale of Investments	**(8 657)**	(6 164)
	Balance at the end of the year	**–**	8 657
	The Fund would be subject to CGT on disposals of any investment that is not classified as a REIT or where the Fund holds less than 20% of such an investment. Such investments do not meet the definition of a 'property company' as defined under S25BB of the Income Tax Act and therefore deferred tax has been raised on such investments. During the current year, the Fund disposed of its investment in IAP. The fund was subject to CGT on the sale of IAP of R26.6 million.		
6.2	**WITHHOLDING TAXATION**		
	Withholding tax on IAP dividend	**630**	7 054
6.3	**CAPITAL GAINS TAXATION**	**26 635**	9 033
	Sale of Ingenuity shares	**–**	6 164
	Sale of IAP shares	**26 635**	2 869
	TOTAL TAXATION CHARGE	**18 608**	8 213

7. FINANCIAL INSTRUMENTS

Financial instruments consists of:

- Derivative financial instruments to hedge interest rate and foreign exchange risk at fair value through profit or loss.
- The PEL and PELI profit participating loans ('PPL') receivable and payable and the convertible loan to Izandla measured at fair value through profit or loss.
- Loans to associates and joint ventures and other loans at amortised cost.
- Long term borrowings at amortised cost.
- Cash and cash equivalents, trade and other receivables, trade and other payables and variable rate loans are at amortised cost.

Refer to note 7.5 for detail on the fair value disclosures of financial instruments.

R'000			Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
7.1	**INVESTMENT IN LISTED EQUITIES**			
	7.1.1	**LISTED INVESTMENTS**		
		Investment in IAP[1]	**–**	661 213
		% holding	**0,0%**	9,0%
		Total Fair Value	**–**	661 213

1) The investment in IAP was disposed of in the current financial year.

7.2	**OTHER FINANCIAL INSTRUMENTS**			
	UNLISTED INVESTMENTS			
	7.2.1	Investment in New Edcon Holdco[1]	**–**	–

1) The Fund holds <1% of New Edcon Holdco. The Fund has not attributed any economic value to this investment at 31 March 2021. The assessment is made resulting from Edcon being placed under business rescue as from April 2020.

R'000		Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
	OTHER FINANCIAL INSTRUMENTS		
	LOANS TO ASSOCIATES AND JOINT VENTURE AT FAIR VALUE THROUGH PROFIT OR LOSS		
7.2.2	**Pan-European logistics investment**		
	Finance income accrual	**274 100**	160 410
	Profit participating loan to PEL at fair value	**6 279 716**	5 981 644
	Total fair value	**6 553 816**	6 142 054

IPF has an investment into Pan-European logistics (PEL) via profit participating loans. As at 31 March 2021, IPF holds 75% of the PEL platform (FY20: 75%). IPF has joint control over the PEL portfolio and accounts for the investment as a joint venture. IPF is entitled to 75% of the net rental income earned on leasing the investment properties held by the underlying property companies held by PEL. The PEL entities have an obligation to deliver all returns to IPF and its joint venture partner via profit participating loans (PPL's). Therefore the investment is carried as a financial asset at fair value through profit or loss. The equity component of this joint venture is valued at nil.

During the current period, the Fund disposed of an effective 10% of the 75% stake in the platform to Pan-European Logistics Property Holdings Limited. Due to the legal nature and structuring of the PPL's advanced by IPF to the PEL platform and PPL's assumed through the effective sale of its 10% share, the Fund recognises the gross 75% right to receive cashflows as a financial asset and the PPL to Pan-European Logistics Property Holdings Limited as a financial liability (see note 7.5 for disclosures relating to the financial asset and liability).

7.2.3	**Pan-European light industrial investment**		
	Finance income accrual	**19 216**	11 046
	Profit participating loan to PELI Holdco at fair value	**338 936**	233 048
	Transferred to non-current asset held for sale (note 9)	**(358 152)**	
	Total fair value	**–**	244 094

IPF invested into PELI which has advanced loans to PELI Holdco at FV. The return and repayment of PPLs owed by the PELI Holdco entity comprises 25% of the net rental income earned on leasing the investment properties held by the underlying property companies. The PELI Holdco entity has an obligation to deliver all returns to its investors via the PPLs. Therefore the investment is carried as a financial asset at fair value through profit or loss. The equity of this associate is valued at nil. At 31 March 2021, the PELI investment was classified as held for sale. See note 9 for further detail.

7.2.4	**Izandla**		
	Convertible shareholder loan	**–**	94 569

The convertible shareholder loan was provided to part fund the Sasol development, with the option of conversion to equity upon completion of the development. The loan was converted to a Senior mezzanine loan with no option to convert to equity during the current financial year and is included under note 7.2.7 in the current year. The converted loan is classified at amortised cost.

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS CONTINUED

R'000		Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
	LOANS AT AMORTISED COST		
7.2.5	**Pan-European logistics investment[1]**		
	Bridge loan to PEL	**1 020 369**	3 082 391
	Interest accrual	**6 554**	6 072
	1) €58.8m (2020: €158m) remains of the bridge loan at the end of FY21. The term of the loan is five years and interest is charged at Euribor (floored at 0) plus a margin of 2.1% (2020: 1.9%).		
	Total bridge loan to PEL	**1 026 923**	3 088 463
7.2.6	**Receivable from PEL Co-investor**		
	Interest free receivable[1]	**126 943**	–
	1) The receivable from the PEL Co-investor of €8m is interest free and repayable in five years. The receivable is carried at amortised cost and the carrying amount approximates fair value. The receivable is a non-cash transaction as part of the proceeds from the sale of the Belgian properties were advanced to the PEL Co-investor as its portion of the reinvestment into PEL.		
	Total bridge and interest free loans	**1 153 867**	3 088 463
7.2.7	**Izandla Mezzanine loans**		
	Senior mezzanine[1]	**197 950**	98 908
	Junior mezzanine[2]	**56 946**	79 595
	Total carrying amount*	**254 896**	178 503
	1) The senior mezzanine loans were provided to part fund the acquisition of the Izandla properties. The initial loans were provided for a period of five years and interest is charged at prime plus 350 basis points. During the current year, the convertible loan in note 7.2.4 was converted to senior mezzanine to the value of R99 million. The loans have terms of three years and interest is charged at prime plus 300 basis points. 2) The junior mezzanine loan was provided to part fund the acquisition of the Izandla properties. The loan is provided for a period of five years and interest is charged at prime plus 550 basis points. The loan was modified in the current year resulting in a loss on dilution of R15m. * The carrying amounts of these loans approximates their fair values.		
	Total other financial instruments	**7 962 578**	9 747 683

R'000		Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
7.3	**BORROWINGS**		
	Long term borrowings[1]	**(7 822 554)**	(9 013 707)
	Long term borrowings[2]	**(7 827 456)**	(8 989 340)
	Interest accrual on borrowings	**(28 688)**	(58 417)
	Capitalised fees	**33 590**	34 050
	Short term borrowings[3]	**(2 502 755)**	(5 856 108)
	Total borrowings	**(10 325 309)**	(14 869 815)

1) Includes PPL liabilities to the value of R903 million (FY20: R82 million).
2) Long term borrowings decreased in the current year as a result of debt refinancing completed on PEL.
3) Short term borrowings are de-risked by the availability of R1.8 billion guarantees provided by IPF and cash of R0.2 billion (2020 guarantees of R0.9 billion and cash of R0.6 billion). Included in short term borrowings is the Euro loan of R23m repayable from proceeds received from the sale of PELI.

7.4	**DERIVATIVES**	**(311 706)**	(848 546)

Derivative financial instruments hedge interest rate and foreign exchange risks. The movement in derivatives in the current year is as a result of the sale of the IAP and UK investments, decrease in borrowings in the current year and the strengthening of the South African Rand.

7.5 FAIR VALUE HIERARCHY

R'000 at 31 March 2021	Carried at fair value	Level 1	Level 2	Level 3	Carried at amortised cost
Assets					
Derivative financial instruments	329 343	–	329 343	–	–
Other financial instruments	6 553 816	–	–	6 553 816	1 408 762
Trade and other receivables[1]	–	–	–	–	916 131
Cash and cash equivalents	–	–	–	–	225 590
Non-current asset held for sale[2]	358 152	–	–	358 152	–
Total financial assets	**7 241 311**	**–**	**329 343**	**6 911 968**	**2 550 483**
Liabilities					
Derivative financial instruments	641 049	–	641 049	–	–
Long-term borrowings (including current)	927 461	–	–	927 461	9 397 848
Trade and other payables[3]	–	–	–	–	744 746
Total financial liabilities	**1 568 510**	**–**	**641 049**	**927 461**	**10 142 594**

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS CONTINUED

7.5 FAIR VALUE HIERARCHY CONTINUED

R'000 at 31 March 2020	Carried at fair value	Level 1	Level 2	Level 3	Carried at amortised cost
Assets					
Derivative financial instruments	215 510	–	215 510	–	–
Investment in listed equities	661 213	661 213	–	–	–
Other financial instruments	6 480 717	–	–	6 480 717	3 266 966
Trade and other receivables[1]	–	–	–	–	209 355
Cash and cash equivalents	–	–	–	–	643 072
Total financial assets	**7 357 440**	**661 213**	**215 510**	**6 480 717**	**4 119 393**
Liabilities					
Derivative financial instruments	1 064 056	–	1 064 056	–	–
Long-term borrowings (including current)	82 016	–	–	82 016	14 787 799
Trade and other payables[3]	–	–	–	–	503 530
Total financial liabilities	**1 146 072**	**–**	**1 064 056**	**82 016**	**15 291 329**

1) Trade and other receivables exclude prepayments which are non-financial instruments.
2) The PELI investment is held for sale as at 31 March 2021 but excluded from the measurement criteria of IFRS 5. The PPL investment is measured in terms of IFRS 9.
3) Trade and other payables exclude revenue received in advance and value added tax as these are non-financial instruments.

LEVEL 2 VALUATIONS
at 31 March 2021

Interest rate hedging instruments are valued by discounting future cash flows using the market rate indicated on the interest rate curve at the dates when the cash flows will take place. Foreign exchange hedging instruments are valued by making reference to market prices for similar instruments and discounting for the effect of the time value of money.

LEVEL 3 VALUATIONS
at 31 March 2021

The level 3 valuations are reconciled as follows:	Izandla convertible loan[1]	Pan-European logistics investment[2]	Pan-European light industrial investment[3]	Long-term borrowings[4]
R'000				
Balance at the beginning of the period	94 569	6 142 054	244 094	(82 016)
Acquisition/increase in investment	–	439 681	64 775	(784 294)
Net interest accrued	4 473	113 689	8 170	(26 312)
Fair value and foreign exchange gains and (losses)	–	(141 609)	41 112	(34 839)
Derecognition on loan modification	(99 042)	–	–	–
Balance at the end of the period	**–**	**6 553 816**	**358 152**	**(927 461)**

1) Converted to senior mezzanine loan during the current financial year.
2) The fair value gain (excluding forex losses) of R510m on the PEL profit participating loans arose from the revaluation of the underlying properties in the PEL portfolio. An external valuation of the portfolio was carried out at 31 March 2021. Refer below for relationship with each unobservable input. The increase in investment is a non-cash transaction resulting from the reinvestment of the Belgium proceeds into PEL.
3) The underlying properties were externally revalued as at 31 March 2021. The fair value gain on the profit participating loans (excluding forex losses) of R71m arose from the revaluation of the underlying properties in the PELI portfolio. Refer below for relationship with each unobservable input. This investment is held for sale as at year-end.
4) Long-term borrowings includes other Euro Funding provided. The value of the loans are linked to the performance of the underlying properties in the Pan-European portfolio (PEL and PELI). Refer below for relationship with each unobservable input.

LEVEL 3 VALUATIONS
R'000
at 31 March 2020

The level 3 valuations are reconciled as follows:	UK Fund investment	Izandla convertible loan	Pan-European logistics investment	Pan-European light industrial investment	Long-term borrowings
Balance at the beginning of the year	222 548	93 798	1 685 757	–	(77 320)
Acquisition	763 532	–	2 161 185	168 508	(76 704)
Shareholder loan advanced	–	–	–	–	–
Net interest accrued	22 843	771	124 300	11 046	–
Fair value and forex gain/(loss)	139 393	–	2 170 812	64 540	(124 406)
(Transfer to joint venture)/ settlement	(1 148 316)	–	–	–	196 413
Balance at the end of the year	**–**	**94 569**	**6 142 054**	**244 094**	**(82 016)**

LEVEL 3 VALUATIONS
at 31 March 2021

Valuation techniques used to derive level 3 fair value

The significant unobservable inputs used to derive the fair value measurements are those relating to the valuation of underlying investment properties. The table below includes the following definitions and relationship between the unobservable inputs and fair value measurement:

Expected rental value ('ERV')	The rent at which space could be let in the market conditions prevailing at the date of valuation.
Capitalisation rate	The rate of return that is expected to be generated on the real estate investment property.
Long-term vacancy rate	The ERV of the expected long-term average structural vacant space divided by the ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.

Description	**Average expected rental value per m²**	**Equivalent yield range**	**Weighted average cap rates**	**Long-term vacancy rate**	**Change in FV ('000) from a 0.25bp Increase/ decrease in cap rate**	**Change in FV ('000) from a 5% increase/ decrease in expected rental value**
Across South African sectors ('R)	99.2	6.9% – 14.2%	8.9%	1.5%	428 100	751 019
SA Retail ('R)	119.0	7.3% – 11.6%	8.4%	1.4%	174 578	299 597
SA Industrial ('R)	54.8	6.9% – 14.2%	9.7%	1.3%	85 890	166 882
SA Office ('R)	157.7	7.1% – 14.1%	9.0%	1.9%	168 981	284 540
Across European countries						
PEL €*	4.4	3.1% – 6.6%	5.3%	3.8%	36 699	41 865
PELI €*	5.7	4.3% – 8.3%	6.0%	5.3%	5 584	8 743

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS CONTINUED

7.5 FAIR VALUE HIERARCHY CONTINUED

LEVEL 3 VALUATIONS

at 31 March 2020

Description	Average expected rental value pm² ('R)	Equivalent yield range	Weighted average cap rates	Long-term vacancy rate	Change in FV ('000) from a 0.25bp increase/ decrease in cap rate	Change in FV ('000) from a 5% increase/ decrease in expected rental value
Across South African sectors ('R)	105.1	6.7% – 14.1%	9.0%	1.1%	437 111	780 881
SA Retail ('R)	122.5	7.2% – 11.8%	8.4%	0.8%	166 609	296 817
SA Industrial ('R)	53.6	8.0% – 12.4%	9.5%	0.8%	94 949	173 561
SA Office ('R)	180.9	7.5 % – 12.0%	9.4%	1.7%	175 625	310 504
Across European countries						
PEL €*	4.4	4.3% – 7.1%	5.4%	5.0%	38 750	45 360
PELI €*	6.0	5.9% – 9.1%	6.9%	9.6%	4 003	6 429

The fair value of the underlying property portfolio has been determined using the income capitalisation method.

* PEL and PELI properties are all in industrial. The investments' future cash flows are based on the consolidated returns of a group of properties.

8. EQUITY ACCOUNTED INVESTMENT IN ASSOCIATES AND JOINT VENTURES

R'000	Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
8.1 Izandla		
Equity accounted investment (35%)	**16 932**	25 284
Opening balance	**25 284**	33 242
Increase in investment[1]	**25 495**	830
Share of profits	**(11 609)**	(8 462)
Impairment of investment	**(6 234)**	–
Loss on contribution to associate	**(15 340)**	–
Dividend received	**(664)**	(326)

1) Modification of loans treated as a reinvestment into the Izandla investment.

R'000	Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
8.2 UK investment		
Equity accounted investment (38%)	**–**	1 148 316
Opening balance	**1 148 316**	–
Loss on sale of UK (note 8.3)	**(250 336)**	–
Equity accounted earnings	**(101 075)**	–
Foreign currency translation reserve/forex (losses)/gains on investment	**(83 858)**	–
Transfer of fair value from profit participating loan	**–**	1 148 316
Sale of UK investment	**(713 047)**	–
Equity accounted investment in associates and joint ventures	**16 932**	1 173 600

R'000		**Reviewed Year ended 31 March 2021**	Audited Year ended 31 March 2020
8.3	**(Loss)/profit for the year from discontinued operations**		
	On 8 March 2021, the Fund publicly announced the decision of its Board of Directors to sell the investment in the UK, a 38.04% joint venture of the Fund. The investment was classified as held for sale on 31 January 2021. The sale was completed on 31 March 2021. The business of the UK investment represented a separate geographical area of operations. The results of the UK investment for the year are presented below:		
	Equity accounted earnings	**(101 075)**	32 527
	Income accrual	**34 342**	32 527
	Fair value adjustments	**(135 417)**	–
	Related to remeasurement to fair value less costs to sell/fair value adjustment of investment	**(250 336)**	(56 486)
	Foreign currency translation reserve/forex gains/(losses) on investment	**(83 858)**	195 879
	(Loss)/profit for the year from discontinued operations	**(435 269)**	171 920

9. NON-CURRENT ASSETS HELD FOR SALE

R'000	**Reviewed Year ended 31 March 2021**	Audited Year ended 31 March 2020
Investment property		
Office	**–**	6 000
Industrial	**25 000**	55 000
Retail	**142 000**	1 243 900
Balance at the end of the year	**167 000**	1 304 900
The Fund intends to sell four buildings with settlement taking place within 12 months of the reporting date for a consideration of R167 million (2020: R1,305 million) and has presented those assets as non-current assets held for sale.		
Investments		
Following the exit from the Australian and UK investments and the Funds strategy to further consolidate its investment portfolio, the Fund has resolved to sell the investment in PELI. As at 31 March 2021 the investment in PELI was held for sale in anticipation to the sale to occur in the short term. The Fund is selling alongside the majority shareholder. The investment was sold post year-end but before the issue of these financial statements.		
Investment in PELI		
25% holding		
Investment in PELI	**358 152**	–
Long term borrowings classified as current liability[1]	**(23 925)**	–
Total non-current assets held for sale	**525 152**	1 304 900

1) PPL liability to be repaid from proceeds received on sale of PELI.

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS
CONTINUED

10. RELATED PARTIES

The table below shows the transactions and balances that the Fund has with related parties:

R'000	Reviewed Year ended 31 March 2021	Audited Year ended 31 March 2020
Investec Property (Proprietary) Limited[1]		
Asset management fees	**(83 731)**	(83 722)
Letting commissions and fees	**(35 528)**	(18 134)
Transaction fees	**–**	(55 838)
UK Fund		
Increase in investment	**–**	(763 532)
Distribution income	**–**	32 527
Movement in equity investment[2]	**(435 269)**	–
Izandla Property Fund[3]		
Movement in equity investment	**(11 609)**	830
Movement in loans receivable (including convertible loan)	**(18 176)**	319
Finance income from associates	**23 192**	24 775
Finance income from loans to associates at fair value through profit or loss	**7 167**	9 536
Izandla dividend received	**(664)**	326
Impairment of investment	**(6 234)**	–
Loss on dilution	**(15 340)**	–
Pan-European logistics investment[4]		
Fair value of profit participating loans to PEL entities	**6 279 716**	5 981 644
Bridge loan to PEL entities	**1 026 923**	3 082 391
Finance income accrual from joint venture	**274 100**	201 900
Pan-European light industrial investment[5]		
Fair value of profit participating loan to PELI Holdco entity	**338 936**	233 048
Finance income accrual from associate	**8 260**	11 046

R'000	**Reviewed Year ended 31 March 2021**	Audited Year ended 31 March 2020
Investec Bank Limited Group[6]		
Cash and cash equivalents[7]	**140 730**	572 706
Borrowings	**(200 608)**	(552 733)
Fair value of derivative instruments[7]	**(372 931)**	(596 019)
Nominal value of swap derivatives	**(4 223 307)**	(6 394 029)
Nominal value of FEC's	**17 075**	349 658
Rentals received	**59 341**	71 995
Interest received[8]	**9 207**	11 637
Sponsor fees paid	**(225)**	(210)
Corporate advisory and structuring fees paid	**(6 252)**	(40 659)
Interest paid on related party borrowings	**(33 659)**	(44 203)
Net interest received on cross currency swaps	**66 080**	51 951
Interest paid on interest rate swaps[9]	**(130 419)**	(22 385)

1) Fellow subsidiary and key management entity.
2) Equity accounted loss in current period resulting from write down of investment property, negative mark to market on derivatives in associate and remeasurement to non-current asset held for sale.
3) Related party as Izandla is an associate of IPF. The finance income relates to mezzanine loans provided to Izandla. Interest not received of R4 million has been capitalised to the loans.
4) Related party as joint venture of IPF.
5) PELI is an associate of IPF.
6) Fellow subsidiary of IPF.
7) Included in carrying amount as per the statement of financial position.
8) Interest is earned at the daily negotiated call rate of 3.25% (FY20: 5.05%).
9) Increase in interest paid due to a 300 basis point cut in JIBAR.

11. SUBSEQUENT EVENTS

- The Fund resolved to exit the PELI investment on 31 March 2021, post the exit from the UK and IAP investment. PELI was sold for net proceeds of €22.9m. The first tranche of proceeds of €22.0m was received on 7 May 2021.
- The fund declared a final dividend of 47.71 cents per share on 19 May 2021. In accordance with IPF's status as a REIT, the dividend declared meets the requirements of a qualifying distribution. The Fund has declared all the taxable income and recognised no tax liability. The Fund achieved a payout ratio of 95% to distributable earnings.
- The proceeds from the UK investment sale of £35m were received on 6 April 2021.
- The Fund is the first SA REIT to issue a sustainability linked bond – R800m unsecured note raised in well subscribed offers in April 2021.
- The Fund settled the MTM on a nominal balance of R0.9bn of interest rate swaps post year-end and R0.6bn of cross currency swaps were settled with proceeds from the sale of the UK investment.

NOTES TO THE REVIEWED PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL RESULTS CONTINUED

12. VOLUNTARY RECLASSIFICATION

The Fund made the following reclassifications to the line items of the financial statements as part of the continuous improvement to the Fund's financial statements and to align to industry practice.

Reclassification of statement of financial position
The description of loans to associates and joint ventures has been updated to other financial instruments.

The description of other investments has been updated to Investment in listed equities.

The Fund reclassified tenant incentives from trade and other receivables to investment property to align with industry practices as it is determined to be more appropriate.

Reclassification of statement of comprehensive income
Net Finance income/costs on cross currency swaps have been reclassified from finance income to finance costs.

Consolidated statement of financial position

R'000	Previously reported Audited Year ended 31 March 2020	Adjustments	Reclassified Year ended 31 March 2020
Fair value of investment property[1]	16 570 461	72 163	16 642 624
Non-current assets	**25 571 864**	**72 163**	**25 644 027**
Trade and other receivables[1]	402 030	(72 163)	329 867
Current assets	**4 273 257**	**(72 163)**	**4 201 094**

1) Tenant incentives reclassifies from trade and other receivables to investment property to align with industry practice.

Consolidated statement of comprehensive income

R'000	Previously reported Audited Year ended 31 March 2020	Adjustments	Reclassified Year ended 31 March 2020
Finance income[2]	106 150	(56 128)	50 022
Finance costs[2]	(644 438)	56 128	(588 310)
Fair value, foreign exchange (losses)/gains and other adjustments[3]	609 544	(139 392)	470 152
Income from investments[3]	334 907	(32 527)	302 380
(Loss)/Profit after tax for the year from discontinued operations[3]	–	171 920	171 920
Total	**406 163**	**–**	**406 163**

2) Net Finance income/costs on cross currency swaps have been reclassified from finance income to finance costs.
3) Reclassified in terms of IFRS 5.34.

Consolidated statement of cash flows

R'000	Previously reported Audited Year ended 31 March 2020	Adjustments	Reclassified Year ended 31 March 2020
Finance income	106 150	(56 128)	50 022
Finance costs	(633 968)	56 128	(577 840)
Operating activities total	**(527 818)**	**–**	**(527 818)**
Acquisition of other financial insruments[4]	**(4 893 187)**	**–**	**(4 893 187)**

4) Loans provided previously called loans to associates and joint ventures.

COMMENTARY

PROFILE

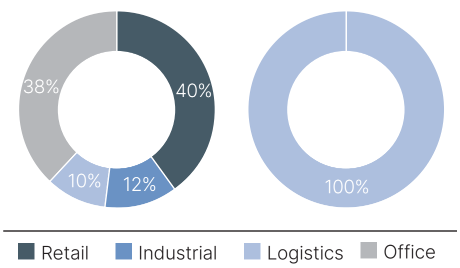
IPF is a South African-domiciled REIT and comprises a R22.1bn investment portfolio of direct and indirect real estate investments in South Africa and Europe:

- In South Africa, the Fund directly owns a substantial portfolio of 90 properties diversified across the retail, industrial and office sectors valued at R15.2bn and a 35% interest in and loans to Izandla valued at R0.3bn.
- In Europe, the Fund owns a 65% interest in a Pan-European portfolio of 47 logistics properties valued at €1.06bn and located in the major logistics corridors of 7 European countries, including the core countries of Germany, France and Benelux which together comprise 80% of the portfolio.

Following the exit in the last 12 months of its equity interests in IAP, the UK Fund and, subsequent to the reporting date, the PELI investment, 44% of the Fund's balance sheet is comprised of offshore investments, namely the strategic interest in the PEL portfolio (R6.6bn). The Fund is externally managed and, in both regions, the Manager has a presence on-the-ground with in-country expertise and therefore adopts a hands-on approach to managing the properties and creating value for shareholders.

	South African direct property	Pan-European Logistics
No. of properties	90	47
Ownership interest	100%	65%
GAV (local currency)	R15.2bn	€1.06bn
Value of investment (Rbn)	R15.2bn	R6.6bn
GLA (m^2)	1 081 114	1 134 429
WALE to expiry (years)	3.2	5.0
Vacancy	11.4%	4.3%

Sectoral composition (by asset value)



Notes:
Table excludes investment in PELI portfolio, which was disposed of post year-end in April 2021.

COMMENTARY
CONTINUED

STRATEGY RECAP

The Fund's management team prides itself on being 'property purists', having built the Fund's portfolio by adhering to an investment philosophy of acquiring only quality assets with compelling property fundamentals in targeted sectors in selected geographies where it has in-country expertise. The management team has collated the Fund's portfolio with the mission of being recognised as South Africa's leading REIT. This entails:

- acquiring best of breed assets;
- delivering the best client experience; and
- delivering the best sustainable returns on a risk-adjusted basis to its shareholders over time.

The driving purpose behind this mission is the desire to *unlock the potential of space*, thereby creating sustainable value for all its stakeholders.

IPF's South African portfolio is diversified across multiple sectors namely office, retail and industrial. The Fund strategically shifted its focus towards the logistics sector with the entry into its PEL investment in 2018, as a result of which logistics assets now comprise 50% of IPF's investments on a proportionally consolidated basis.

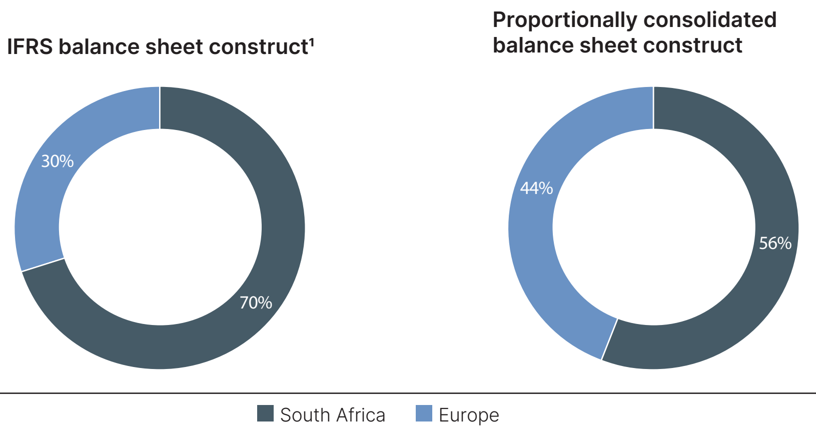
The Fund continues to maintain this bi-regional investment strategy, focused on building scale and relevance in its core geographies of South Africa and Western Europe. In South Africa, the Fund seeks to invest in quality income-producing assets diversified across selected sectors:

- Retail – niche assets that are the dominant offering within their respective locations
- Office – defensive assets with manageable risk profiles
- Industrial – good-quality functional space that is high in demand

The Manager seeks to unlock further value from these assets through active asset management initiatives.

In Europe, the Fund targets big-box logistics facilities in the core markets of France, Germany and Benelux where it adopts a core plus/value add investment strategy to unlock value from both income-producing assets and development opportunities. Structural tailwinds such as ecommerce and urbanisation have been driving strong growth in the logistics sector. This sectoral and geographical focus has therefore allowed the Fund to deliver returns throughout the cycles despite negative reversions in the domestic market.

The current balance sheet construct of the Fund is set out below.



1) Balance sheet construct excludes PEL shareholder loan and investment in PELI, which was disposed of post year-end in April 2021.

All investment decisions are reinforced by the Fund's objective to generate superior risk-adjusted returns and deliver sustainable income and capital returns to shareholders. This will be achieved through strategic focus on the following areas over the coming year:

- Building relevance in the core markets of SA and Western Europe;
- Continued emphasis on a client-centric approach as IPF's key differentiator;
- Tapping into new sources of capital to support growth of the European logistics platform;
- De-risking the South African portfolio while creating future value from the existing portfolio;
- Following a rigorous approach to capital allocation and asset recycling;
- Unlocking the European development pipeline; and
- Integrating ESG policies and practices into our operational, investment, and development strategies.

FINANCIAL REVIEW

Performance highlights

The FY21 financial year marked a year characterised by COVID-19 which brought with it unprecedented socio-economic and market conditions, economic weakness and uncertainty in the business environment. The disruption caused by COVID-19 on the property sector is reflected in the recent financial performance and sector valuations of many property sector counters and the recovery from this is expected to be protracted.

Despite facing COVID-19-related challenges in H1, the Fund's operational and cashflow performance metrics showed signs of stabilisation in H2, enabling the Fund to deliver a respectable set of results overall. FY21 DEPS declined by 33.8% yoy to 97.08cps (Mar-20: 146.64cps) primarily due to the impact of COVID-19 and the related rental concessions granted to tenants in H1. In addition, significant lease re-gears were concluded in the first half of the year which, despite a short-term negative impact on NPI, served to boost the Fund's WALE and promote long-term income sustainability. While SA performance recovered marginally in H2 as anticipated, this has been offset by the lower accretion from the reduced effective ownership in PEL and the Belgium assets and no dividend income from the UK Fund. The Fund also incurred higher costs linked to the refinancing and restructuring that occurred within the PEL platform during the year.

The resilience of the Fund's portfolio against the backdrop of COVID-19 enabled IPF to continue to maintain semi-annual dividend payments even through the pandemic. In light of the successful conclusion of the PEL and ZAR debt refinances that were achieved and the modest recovery in the operating environment as the year progressed, the Fund declared an FY21 interim dividend of 44.52cps.

The Fund intends to resume a normalised dividend payment cycle going forward, having achieved stability in the SA business. As such, the Board has resolved to declare a dividend of 47.71cps for the six months ended 31 March 2021. This brings the full year dividend to 92.23cps, representing a payout ratio of 95% of distributable earnings. This enables sufficient funds to be retained within the business for maintenance capex spend whilst ensuring optimal tax efficiency for the Fund and its shareholders.

Balance sheet highlights

Despite the challenges presented by COVID-19, significant progress was made in delivering on IPF's stated strategy. Key to this, was successful completion of the de-gearing flightpath following the conclusion of the PEL debt refinance in H2. Aggregate proceeds of c.R5bn were raised from this strategy and used to settle debt. The Fund also progressed its portfolio consolidation strategy during the year, following on from the earlier disposals of its interests in Ingenuity (Nov-19) and IAP (Jun-20). This led to the exit from IPF's investments in the UK Fund (Mar-21) and the PELI portfolio (Apr-21), the proceeds of which allowed the Fund to further de-lever its balance sheet. As a result, the Fund's LTV has normalised from 47.5% (Mar-20) to the current 38.3% (post year-end). The outcome of the above activity is a more simplified and robust balance sheet going into FY22, with added capacity to support the growth of the PEL platform together with opportunistic initiatives in South Africa.

NAV per share decreased by 8.5% to R16.65 (Mar-20: R18.19) largely due to a R899m (5%) writedown recognised on the SA portfolio, of which R488m was recognised in H2. The largest writedown was recognised within the office sector (R525m – representing 9% of carrying value), reflective of the structural challenges within the sector. This decline was compounded with the loss recognised on the sale of the UK Fund (R349m) but offset to an extent by an aggregate R453m (before exchange losses) upward revaluation of the PEL and PELI investments during the year.

Despite the tough operating conditions over the year, IPF achieved a milestone for the REIT sector by becoming the first REIT to issue an R800m unsecured sustainability-linked bond shortly after year-end. The issuance provided an opportunity to raise capital at a competitive coupon rate and to further unencumber the balance sheet. (Refer to section Balance Sheet and Risk Management sector for further information).

COMMENTARY
CONTINUED

PORTFOLIO REVIEW – SOUTH AFRICA

South African direct property portfolio

Overview

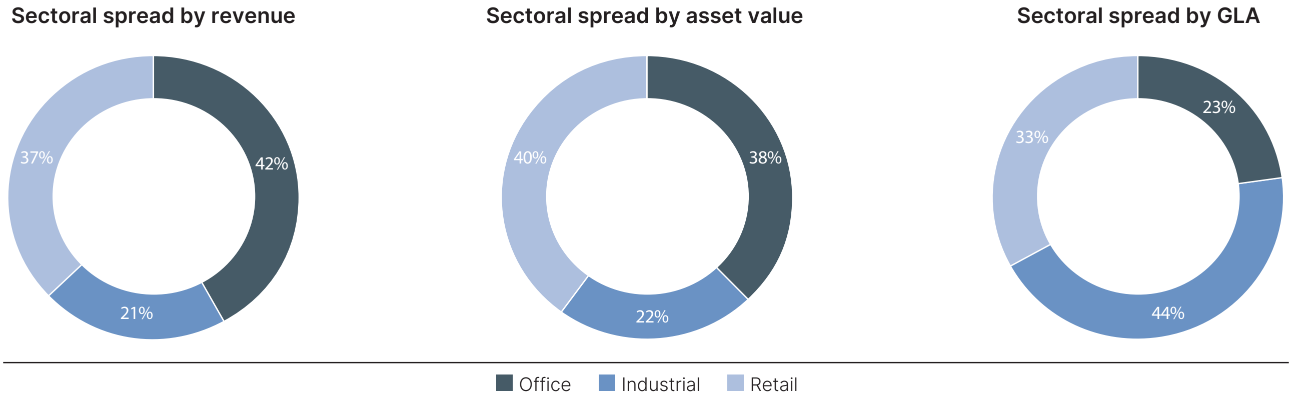
The South African direct property portfolio accounts for 56% of the Fund's balance sheet on a proportionally consolidated basis (but 70% on an IFRS basis) and this remains the core focus of the dedicated South African management team. The local portfolio comprises 90 high-quality properties in strategic well-located nodes.

The table below presents a snapshot of the SA property portfolio at 31 March 2021:

	Total		Office		Industrial		Retail	
Portfolio	**31-Mar-21**	31-Mar-20	**31-Mar-21**	31-Mar-20	**31-Mar-21**	31-Mar-20	**31-Mar-21**	31-Mar-20
Number of properties	**90**	98	**30**	31	**34**	36	**26**	31
Asset value (Rbn)[1]	**15.2**	16.9	**5.7**	6.2	**3.4**	3.5	**6.1**	7.2
Base NPI growth/ (decline)	**(21.2%)**	0.9%	**(19.2%)**	(2.6%)	**(20.4%)**	2.1%	**(23.8%)**	4.2%
Cost-to-income (excl. bad debts)	**24.5%**	18.6%	**25.8%**	18.7%	**22.0%**	17.2%	**24.5%**	19.4%
GLA	**1 081 114**	1 158 249	**245 685**	248 621	**485 771**	511 108	**349 658**	398 520
Vacancy (by GLA)	**11.4%[2]**	3.5%	**9.7%**	6.9%	**17.2%**	3.5%	**4.3%[2]**	1.4%
Vacancy (by income)	**9.0%**	4.3%	**8.0%**	5.9%	**17.9%**	4.1%	**4.2%**	2.4%
WALE (years)	**3.2**	2.7	**3.4**	2.9	**2.9**	2.7	**3.2**	2.8
In-force escalations	**7.4%**	7.6%	**7.6%**	8.0%	**7.5%**	7.5%	**7.0%**	7.4%

1) Post asset disposals and portfolio writedown.
2) Excludes development vacancy in Balfour and DQ malls. The retail vacancy is 7.1% and overall vacancy is 12.3% if included.

The sectoral spread of the SA portfolio is set out below.



Financial performance

In 2020 the South African economy suffered the worst economic performance since the Great Depression with GDP contracting by 7% and consumer confidence collapsing to a 35-year low. The COVID lockdown worsened an already ailing economy, pushing the country deeper into economic recession. With the onset of lockdown, the REIT sector faced an uphill battle with management teams switching to crisis management mode and making all efforts to preserve liquidity and assist tenants seeking rent relief, all whilst managing the shift of their own staff to remote working.

IPF's SA portfolio delivered an overall negative performance, impacted by the lockdown restrictions and resulting rental concessions in H1. H2 saw a moderate recovery in the SA business which was evidenced by an improvement in the debtors' position, stronger rental collections, recovery of rental deferral concessions previously granted and no insolvencies.

The South African portfolio delivered like-for-like NPI decline of 21.2% (Mar-20: 0.9% growth) for FY21, driven by:

- the impact of rental relief granted – R62m;
- the negative short-term impact (R62m) of the re-gearing of notable long-term leases (with total GLA of 48,600m^2), however the Fund has gained the benefit of an enhanced WALE and a longer-term contractual income profile;
- increasing vacancies, longer void periods and reversion costs amidst a challenging leasing market – R143m; and

- an increase in bad debt provision as a result of adopting a more prudent policy in the heightened risk environment – R30m. R39m was written off due to bad debts arising from business failures (including Edcon).

Property expenses have increased due to the abovementioned increase in the bad debt provision and a 12% increase in rates and municipal charges. Variable expenses increased by 18.6%, the largest component being repairs and maintenance as the Fund strives to maintain the quality of its buildings. Ordinary fixed expenses remain well-controlled with gross expenses (excluding bad debt) increasing by only 3.5% yoy.

Cost-to-income ratios (excluding bad debts) have been adversely impacted across all sectors by the decline in rental income arising from the relief granted to tenants as well as longer void periods. This reduction in income and increase in expenses resulted in a higher portfolio base net cost-to-income ratio of 24.5% (Mar-20: 18.6%), excluding bad debts. This ratio is expected to improve in the FY22 financial year with the reduction in concessions granted and filling of void spaces.

Collections and arrears

Through the lockdown period, IPF's management team devoted considerable time engaging with tenants, with a focus on providing adequate support to SMME's through the volatility. Concessions were provided in the form of rental discounts and deferrals.

The Fund agreed R62m of rental discounts to qualifying tenants equating to 4.3% of annual gross income. This relief was provided almost solely to SMME's, retail line shops and restaurants, being the tenant categories most severely affected during lockdown. Rent relief is expected to diminish in quantum going forward with a focus on providing relief to tenants most affected by the lingering social distancing measures e.g. entertainment, restaurants, gym, leisure and hospitality related tenants.

Despite the difficult trading environment, there has been a steady improvement in monthly collections, which now incorporate a recovery of previously deferred rent, demonstrating the resilient nature of the Fund's income profile. Average rental collections of 96% have been achieved over the last 12 months.

An intense focus on arrears management has resulted in the debtors' position returning to pre-COVID levels at R59m (Mar-20: R59m excluding legal debt subsequently written off). The Fund incurred R38m of write offs and impairments for the year (Mar-20: R19m).

Portfolio performance

Demand for space diminished during the year with many tenants adopting a wait-and-see approach amidst the COVID-induced uncertainty. The difficulty in concluding new transactions combined with a number of tenant failures during the year contributed to an increase in portfolio vacancy. Overall vacancy has increased to 11.4% by GLA excluding development vacancy (Mar-20: 3.5%) of which c.3% is attributable to tenant insolvencies and delinquencies. The majority of this vacancy is concentrated across 4 large pockets of space in the industrial sector which is expected to be filled as the year progresses and as letting activity picks up.

Portfolio WALE has increased since Mar-20, from 2.7 years to 3.2 years (Mar-21) driven by notable long-term new leases and early re-gears concluded during the year.

Whilst the REIT sector is starting to show signs of revival (to pre-COVID levels), the outlook for FY22 remains uncertain with a marked recovery only expected towards the end of the 2021 calendar year, driven by the availability and effectiveness of a COVID-19 vaccine. New lease escalations are trending lower to track inflation and, due to the oversupply in most sectors and above average vacancies, muted rental growth and negative rental reversions are likely to persist in the short to medium-term. Going forward, growth is expected to be moderate in line with current economic conditions and letting activity will be slow, but management is confident that the quality of its assets and tenant base leave the Fund well-positioned to benefit when the cycle turns.

COMMENTARY
CONTINUED

Letting activity

As expected, activity levels during the year have been lower than previous years with lease negotiations becoming more protracted and tenants reluctant to commit to longer term leases.

FULL YEAR	Expiries & cancellations GLA	Renewals & new lets GLA	Gross expiry rental R/m^2	Gross new rental R/m^2	Rental reversion %	Average escalation %	WALE Years	Incentive % lease value	Retention %
Office	28 994	18 962	364.8	215.3	(41.0%)	7.1%	5.9	2.2%	51.0%
Industrial	158 343	92 729	64.3	55.7	(13.5%)	7.2%	4.9	2.5%	27.0%
Retail	82 255	64 159	196.5	191.6	(2.5%)	6.4%	4.7	0.1%	59.8%
Early letting	94 755[3]	94 755	136.6	106.3	(22.1%)	6.9%	6.2	2.5%	100.0%
Subtotal	**364 347**	**270 605**	**142.0**	**116.8**	**(17.7%)**[1]	**6.9%**	**5.4**[2]	**1.9%**	**62.0%**
Opening vacancy	39 402	3 367							
Total letting	**403 749**	**273 972**							

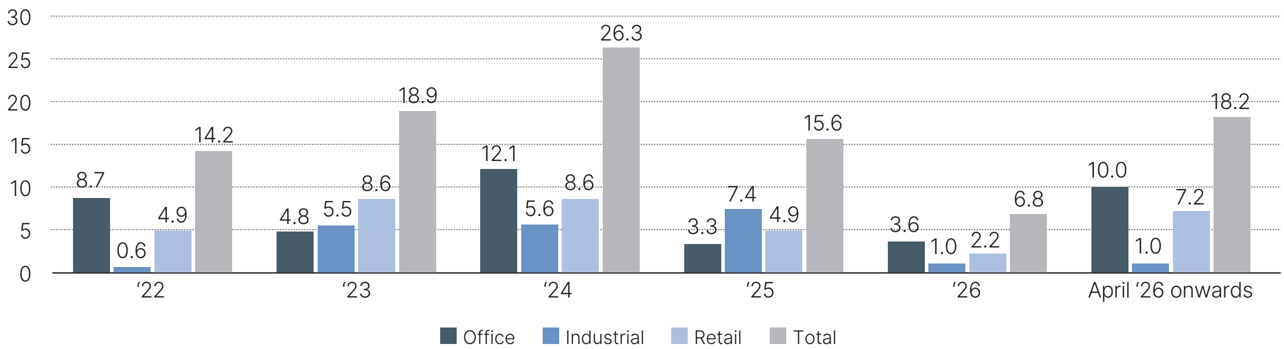
1) The largest contributors related to the Investec Durban office lease (7 years) with a reversion of negative 46.9% and the lease with Cliffe Dekker Hofmeyr (10.7 years) reverting at negative 42%. Industrial reversion was positively impacted by 49,700m^2 of early letting concluded at a strong positive reversion. Office reversion excluding Investec Durban is negative 11.5% and total reversion excluding Investec Durban is negative 12.4% (weighted by GLA).
2) Strong WALE on renewals due to 10-year lease signed for Intercare Fourways (2,575m^2), 7-year lease for Investec Durban (6,500m^2), 9.2-year lease for Zamani Chemicals (2,500m^2), re-gearing of Massmart leases until 2030 (45,500m^2) as well as 10.7 years for Cliff Dekker Hofmeyr (10,640m^2).
3) Strong early letting concluded in respect of future periods thus promoting long-term sustainability of income.

The Fund successfully renewed 75% of space expiring in FY21 at a weighted average reversion of negative 17.7%. Despite large reversions, leases were signed at favourable terms in the form of long WALE's (average of 5.4 years) and low incentive levels (average of 1.9%). FY21 letting has been concluded at a weighted average escalation of 6.9%, slightly lower than portfolio average in-force escalations of 7.4%, reflective of the current low inflationary environment and increasing pressure on lower escalations.

The Massmart, Intercare and CDH leases contributed to the 94,755m^2 of early letting concluded at a reversion of negative 22.1% and WALE of 6.2 years, improving longevity of contractual income and de-risking future periods. This comprises 34,100m^2 in respect of FY22 (representing 23% of space expiring in FY22) with the balance attributable to space expiring in FY23 and FY24.

During the period, the Fund took the opportunity to pre-empt medium term expiries and concluded significant long-term (+10 years) lease renewals over 48,600m^2 of space. This was achieved at a short-term cost to the Fund (R62m) but secured longer-term sustainability of income and enhanced WALE from 2.7 years to 3.2 years. All renewals were done at current market rates and negative reversions on expiry of long-term leases will be encountered where the annual escalations exceed the demand for premises, in the absence of inflation and in an environment with low business confidence.

SA lease expiry profile (by revenue)
(%)



As a result of the management team's efforts to negotiate longer leases with tenants as part of rental concession discussions and the early letting concluded in FY21, 67% of leases expire in FY24 and beyond.

Valuation

The valuation of the SA property portfolio was written down by R488m in H2, bringing the full year writedown to R899m (5%). This was largely driven by a 6% reduction in NPI following the negative reversions incurred during the year to market-related rentals but mitigated to an extent by an improvement in earnings quality due to the improved portfolio WALE.

The office sector remains under pressure both in terms of high vacancy and muted rental growth prospects and therefore contributed the largest component of the writedown of R525m (9%). Both the industrial and retail sectors have been resilient with writedowns isolated to selected buildings within each sector, aggregating to 3% of carrying value each.

The Fund has applied a more conservative approach with respect to its valuation policy through the COVID uncertainty and has procured external valuations for 100% of the portfolio over the last 18 months. Thus, the total current valuations are believed to be reflective of fair market value.

Property disposals

During the period, the Fund reached agreement to dispose of 12 properties valued at R1.1bn. The Musina Mall and Great North Plaza, Boitekong Mall, Combined Motor Holdings, Renew-It, International SOS, Boxer Cofimvaba, 8 Flamink Road and BMW Boksburg assets have transferred, generating R0.9bn of gross proceeds representing a 0.8% premium to carrying value. A further 3 assets (R139m) are still pending transfer.

The Fund assesses the relevance of its investments on a continual basis and is pursuing further disposals of non-core assets. Of the assets held for sale at 31 March 2021, only one asset (R28m) is yet to be sold.

South African portfolio sectoral performance

Office

The Fund's office portfolio comprises 30 quality properties in major nodes across South Africa. The market continues to be in a state of significant oversupply with weak demand resulting in elevated vacancy levels. While 38% of IPF's SA portfolio is comprised of office assets by value, the Fund has made great strides in identifying and addressing risk within this portfolio. To this end, upcoming lease expiries have been pre-empted and re-geared for long lease terms (7-10 years) in the Fund's single-tenanted buildings. The remaining vacancy within the office sector is considered to be manageable, being spread evenly across Sandton and Rosebank in the Fund's multi-tenanted buildings.

Structural shifts in the office sector were already emerging prior to the pandemic with the increased prevalence of flexible and shared office space. The impact of work from home has accelerated this shift, however, there remains a great degree of uncertainty around the longer-term sustainability of flexible working policies. The sector is currently in a state of flux as businesses reassess working models and the extent of downsizing, if any, required. The Fund's strategy of repurposing office assets and amenitising office space (i.e. incorporating more lifestyle amenities for tenants) has become even more relevant in the post-COVID environment to promote office demand.

The Fund has reported base NPI decline of 19.2% yoy (Mar-20: 2.6% decline) in this sector due to concessions granted, business failures and the short-term income impact of the renewed Investec Durban and re-geared CDH leases for lease terms of 7-10 years.

The sector cost-to-income ratio increased to 25.8% (excluding bad debts) (Mar-20: 18.7%), driven by both the decline in rental income and an increase in expenses. The increase in expenses were the result of additional repairs and maintenance spend across the sector to maintain the quality of buildings.

Office sector vacancy increased to 9.7% by GLA (Mar-20: 6.9%) driven by the structural oversupply in the sector and is expected to remain at these levels in the medium term. The WALE of the sector improved from 2.9 years (Mar-20) to 3.4 years due to long-term leases signed with Investec Durban, Cliffe Dekker Hofmeyr and Intercare Fourways.

The sector has let 65% of space expiring in FY21 at an average reversion of negative 41% (primarily due to the renewal of the Investec Durban office lease). There has been limited letting activity in the sector and tenants are hesitant to commit to long-term overheads given the current uncertainty. 13,529m^2 of early letting was concluded in the sector at a reversion of negative 42.5% and WALE of 10 years, primarily driven by the lease with Cliffe Dekker Hofmeyr.

The Fund is budgeting to let or renew 75,772m^2 of office space in FY22, of which 5,553m^2 (2%) is located in Sandton and 6,217m^2 (2%) in Rosebank. 60% of this letting is represented by tenants that are highly likely to renew or where negotiations are near conclusion. The Fund's Rosebank and Sandton assets are well-placed to capture smaller users when market activity improves.

Industrial

The South African industrial and logistics sector was impacted by COVID-19 following the closing of global borders and the halting of international trade for a period. The accelerated growth of online retail has had a significant impact on the logistics and warehousing landscape however, many smaller operators were heavily impacted by the economic slowdown. The ensuing uncertainty also resulted in many tenants being reluctant to commit to leases during this time. Given that these assets are more adaptable to tenants' changing needs for space, the impact on the sector is not expected to be long-lasting.

IPF's industrial portfolio comprises 34 properties with good fundamentals in strategically located nodes. The Fund's portfolio was impacted by the slowdown in letting activity over the year and the inability to conclude new leases in the uncertain market.

COMMENTARY
CONTINUED

The industrial sector suffered NPI decline of 20.4% (Mar-20: 2.1% growth). The yoy decline was driven by increased vacancy in the sector, arising from the reduced demand. The uncertainty in the market has resulted in heightened risk aversion and many prospective tenants adopting a "wait-and-see" approach. 49,700m^2 of early letting was achieved in the sector, with lease re-gears concluded at a positive reversion.

The cost-to-income ratio of the sector increased due to higher repairs and maintenance spend. A relatively low retention ratio of 27% adversely impacted the cost of letting and voids across the sector. Net rates and electricity expenses have contributed to the increase in the cost base (due to void periods), while fixed cost growth has been kept below inflation at 2% for the year.

The sector has experienced a short-term spike in vacancy to 17.2% by GLA (Mar-20: 3.5%) due to tenants in business rescue as well as the impact of short-term letting concluded during FY20 which resulted in spaces becoming vacant early in the current year which were not filled during the lockdown. The management teams are in advanced negotiations with various tenants on most of the current vacancies, a number of which involve lease terms of between 7-10 years. The WALE of the sector increased from 2.7 years (Mar-20) to 2.9 years.

The industrial sector leased 92,729m^2 (60%) of expiring space during FY21 at a negative reversion of 13.5%. A further 49,700m^2 of early letting was concluded during the period at a positive reversion of 4.1% and WALE of 2.8 years.

Retail

The retail sector experienced the greatest setback with tenants severely restricted from trading at the beginning of the financial year. The sector has since rebounded as evidenced by the recovery in trading statistics of IPF's retail assets.

The Fund's 26 retail assets have been strategically selected to comprise mainly semi-urban shopping centres that are well-tenanted with a significant proportion of national clients, serve large catchment areas and are dominant in the nodes within which they are located. These semi-urban shopping centres have displayed real resilience, and turnover growth and footfall has rebounded faster than in metropolitan areas.

Retail portfolio revenue has been the hardest hit by lockdown restrictions as the bulk of rental discounts granted were attributable to this sector. R39m of discounts and R3m of deferral relief was provided to tenants in the retail sector. This had a direct impact on underlying base NPI resulting in a yoy decline of 23.8% (Mar-20: 4.2% growth).

While performance was constrained during the initial phases of lockdown, these assets have proved to be defensive and there has been a solid recovery in all semi-urban centres with monthly trading density rebounding from peak-COVID levels and ending at 4.1% yoy for Mar-21 from R2,528/m^2 to R2,631/m^2 (Mar-20: -0.5%, Sep-20: 0.9%).

Monthly footfall has recovered from a low of negative 56% yoy in Apr-20 but remains down at negative 9.3% yoy in Mar-21. However, basket sizes have increased by 28.9% and turnover growth has rebounded (4.0% yoy), suggesting consumers are visiting less frequently but spending more per visit. Trading amongst restaurants that are dependent on the office sector returning to work and IPF's tenants reliant on the entertainment and leisure sectors continue to be affected.

The cost-to-income ratio of the sector has increased to 24.5% (Mar-20: 19.4%) following the drop in income due to rent free concessions and an increase in bad debt provision. Fixed costs increased by 10% due to an increase in security costs and a change in the property management fee structure.

The vacancy of the portfolio has increased to 4.3% by GLA excluding development vacancy (Mar-20: 1.4%) due to business failures, the most notable being Edcon. Of the 18,700m^2 previously occupied by Edcon, 14,300m^2 of GLA will be retained following its restructure. Closure and downsizing of stores will result in c.4,400m^2 of space becoming vacant. Non-metropolitan malls continue to be resilient with limited vacancies.

Leasing activity during the year has been positive with 78% of space expiring during the period let at rental reversions of negative 2.5%. This has had a positive impact on WALE, increasing sector WALE from 2.8 years to 3.2 years, given the new Massmart lease terms of 10 years.

South African investments

Izandla

IPF has a R272m (Mar-20: R294m) investment in Izandla comprising a 35% equity interest (R17m) and mezzanine loans of R255m. A capital restructure was implemented during the year, in term of which the IPF convertible shareholder loan was converted into a 3-year mezzanine facility to align with the rest of the investment structure. Only cash interest income serviced on the mezzanine loans is distributed by IPF. The Fund earned an investment yield of 11% on this investment in FY21.

The portfolio has proved resilient through the COVID-19 crisis with a low arrears balance of 3.6% of billings, portfolio WALE of 3.8 years and in-force escalations of 7.1%.

The investment was written down by R33m during the year as a result of the capital restructure and a writedown of Izandla's property portfolio. There has been no further investment by IPF into the empowerment vehicle during the year.

PORTFOLIO REVIEW – OFFSHORE INVESTMENTS

IPF's management teams across both South Africa and Europe have been focused on bedding down the PEL acquisition during the year and exiting minority offshore positions given the increased stake in PEL. The progress made to date is pleasing, given the acquisition was concluded immediately prior to the hard lockdowns of March 2020 and the integration occurred in the midst of unprecedented global operating conditions. The timing of the increased investment into the PEL platform was however beneficial as the pandemic further enhanced the investment case into the logistics sector. The logistics nature of the PEL platform and the investment into the high growth developed markets of Europe contributed to the Fund's performance through the COVID-19 volatility.

During the year, the Fund further progressed its portfolio consolidation strategy with the disposal of its minority interests in IAP (Jun-20) and the UK Fund (Mar-21), followed by the exit of the PELI portfolio (Apr-21) post year-end. In October 2020, the Fund also sold an effective 10% interest in the PEL portfolio to private clients of Investec Wealth & Investment, as previously communicated in terms of its de-gearing flightpath. The proceeds of these disposals have been used to de-gear the balance sheet, providing capacity to pursue growth of the PEL business.

Pan-European logistics portfolio (unlisted investment)

Overview

The European logistics markets outperformed other global asset classes during 2020 with forecast structural shifts being amplified and fast-tracked by the pandemic. The shift to ecommerce that was accelerated by COVID-19 has seen demand for logistics space increase dramatically over the year. Together with the structural undersupply of prime logistics warehouses, this has ensured consistent rental growth and record low vacancies in the sector driving up rentals across Europe. Investment flows into the sector have remained resilient over the year driven by an environment of negative interest rates. This has resulted in yield compression, which has been evidenced within the PEL portfolio.

The platform currently comprises 47 logistics and warehouse properties valued at €1.06bn (Mar-20: €987m), with total GLA of 1,134,429m^2 located across 7 European countries. 80% of the portfolio (by value) is located across the core markets of Germany, France and Benelux.

Financial performance

The portfolio continues to perform well, having been minimally impacted by global lockdowns, with strong rent collection rates, low tenant defaults and healthy portfolio metrics maintained through the period.

The logistics portfolio delivered like-for-like NPI growth of 1.3% for the FY21 trading period, driven by a reduction in base vacancy and positive letting activity but offset by bad debt provisions linked to two tenant liquidations within the portfolio (excluding these liquidations, base NPI growth would have been 5.9%). An increase in non-recoverable spend due to planned maintenance resulted in an increase in the cost-to-income ratio (excluding bad debts) to 6.7% (Mar-20: 5.5%). Net expenses remained well-controlled and in line with expectations. The PEL portfolio delivered like-for-like[1] distributable earnings per share growth of 9.2%, driven by the accretive nature of acquisitions and their underlying performance. The PEL portfolio delivered an investment yield of 9.2% (in EUR) for the year.

Portfolio performance

Vacancy was reduced to 4.3% from 5.0% (Mar-20) driven by strong letting performance. A portion of vacant space is located within the Opglabbeek property in Belgium which is covered by a vendor rental guarantee. Including this Belgian space, current vacancy is 5.1%. This vacancy is concentrated across 3 properties of which 2 have been undergoing refurbishment works due to be completed in Q1 and Q3, thus available portfolio vacancy remains low.

The underlying tenant base proved resilient during the year with only two tenants in Germany and France falling into insolvency. These tenants occupied 28,960m^2 in aggregate and represented 2.9% of contracted income. The majority of these units have been re-let on short-term interim leases in France and long-term leases in Germany to quality tenants. The remaining vacancy from these insolvencies sits in the Hanover property and the space is currently undergoing major roof refurbishment works and will be brought to market once completed.

Portfolio WALE at Mar-21 increased to 5.0 years to expiry (Mar-20: 4.7 years) and 3.8 years to break (Mar-20: 3.1 years) following the conclusion of various long-term leases during the year (see below).

1) FY20 finance costs restated to reflect similar quantum of debt as FY21 (i.e. including the €158m shareholder loan).

COMMENTARY
CONTINUED

Letting activity

YTD	Expiries & cancella-tions GLA	Renewals & new lets GLA	Gross expiry rental €/m²	Gross new rental €/m²	Rental reversion %	WALE Years	Incen-tive % lease value	Retention %
Germany	75 401	103 137	47.0	53.5	13.8%	8.2	2.4%	36.3%
Netherlands	23 523	31 089	55.0	54.2	(1.3%)[1]	4.1	5.7%[1]	0.00%
France	55 629	51 742	40.1	41.9	4.4%	5.0	1.9%	49.2%
Poland	7 074	6 259	49.6	49.9	0.5%	4.5	10.5%[2]	100.0%
Belgium	35 074	48 785	35.9	37.3	3.9%	2.5	8.5%	N/a
Spain	43 531	43 531	22.0	26.4	19.9%[3]	15.0	0.9%	100.0%
Subtotal	**240 232**	**284 543**	**41.0**	**44.5**	**8.5%**	**6.8**	**2.7%**	**49.4%**
Opening vacancy	80 598							
Germany	16 441							
Netherlands	18 205							
France	771							
Poland	703							
Belgium	26 298							
Italy	18 180							
New development	21 373							
Total	**342 203**							

1) Space leased to an existing tenant seeking more space. Agreed a rent of €53/m² which was consistent with the tenant's existing terms. In anticipation of taking this space, it had been leased on a short-term basis in the interim at above market rentals, hence negative reversion when the tenant took over. A higher incentive was offered to the same tenant (8.3%) to take up the whole of Maasvlakte DC3 on a long-term lease (5 years).
2) Tenant renewed a unit of 3,409m² for 10-years and a 9-month rent incentive package was included.
3) A new 15-year lease extension has been signed with a tenant in Spain. Rent will increase over time with the average rent over the 15-year term representing a 20% uplift on the current rent. 2 months rent-free was awarded as part of the lease negotiations.

Letting performance has been strong despite the lockdown conditions and the portfolio continues to capture the rental growth being generated across the sector. The Fund has re-let:

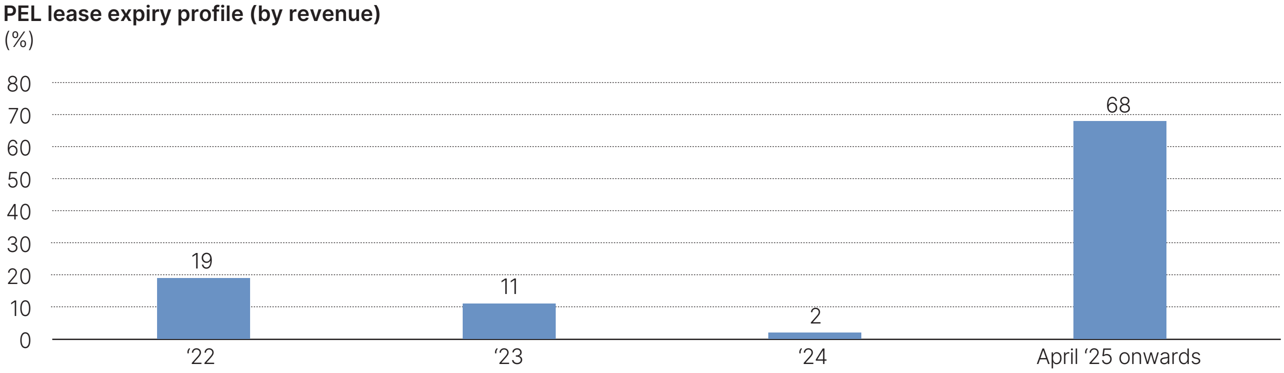
- 80% of space expiring in FY21 at a positive reversion of 8.5% and 96% of space subject to break options; and
- 55% of opening vacancy

During the year the Fund concluded the following notable leases (aggregating 116,752m², 10% of total PEL GLA), amongst others:

- The Hoppegarten development (18,535m²) that was completed during the year was let to logistics tenant, The Rhenus Group on a 14-year lease;
- ET Global signed a 10.5 year lease extension on a 22,979m² space in the Wetzlar property in Germany;
- Tenant Xermis signed a 15-year lease on a 4,250m² unit in the Logistics Court Schiphol property in the Netherlands. A 6-year lease was agreed with Ferrari Group Limited in the same property over a 2,354m² space;
- A 9-year lease was agreed with retail tenant Empik over a 12,103m² space in the Sochaczew property in Poland;
- Tenant K+M Logistics signed a 10-year lease over a 13,000m² space in the Hanover property in Germany; and
- A 15-year lease extension was signed with Docout in Spain over a 43,531m² space in the Tarancon property;

The lettings during the period added a WALE of 6.8 years to the portfolio, enhancing overall WALE from 4.7 years (Mar-20) to the current 5.0 years.

PEL lease expiry profile (by revenue)



Collections and arrears

Deferrals of €0.7m were granted across the portfolio to qualifying tenants, representing 1.4% of annual contracted income. Further relief was provided to tenants by way of amendments to payment terms (i.e. from quarterly to monthly). Other concessions offered were in the form of bringing forward future rent-free periods and adjustments to payment periods. To date, 80% of deferrals have been recovered and the remainder expected to be fully recoverable in line with agreed timelines with each tenant.

Weighted average rental collections of 99% have been achieved over the last 12 months.

Total arrears within the PEL portfolio was €3.7m (Mar-20: €2.7m) of which €981k is provided for.

BALANCE SHEET AND RISK MANAGEMENT

IPF's financial position has been significantly enhanced over the year following successful execution of the de-gearing flightpath and active capital recycling program, the proceeds of which were applied towards deleveraging the balance sheet. This has created additional capacity to support the growth of the value-accretive European logistics strategy. While normalising gearing has been a critical focus area over the year, management has also prioritised prudent cashflow management and liquidity preservation which were of paramount importance to weather the pandemic.

LTV

The Fund delivered on its stated de-gearing flightpath with the execution of the below events:

- SA direct property disposals – R0.9bn
- Sale of effective 10% interest in the PEL platform and sale of Belgian properties into PEL – R0.7bn
- Exit of minority positions of both IAP and UK Fund and exit of the PELI portfolio post year-end – R1.8bn gross proceeds
- Refinancing of debt within PEL platform – completed in mid-November and enabled settlement of €138m (c.R2.4bn) of the bridge loan incurred to fund the increased investment into the PEL platform.

An aggregate quantum of c.R5.8bn was raised and used to settle €138m of the bridge loan, with the balance used to settle existing ZAR debt. As a result, the Fund was able to normalise its gearing from 47.5% (Mar-20) to the current 38.3% post payment of the FY21 H1 interim dividend and sale of interest in the PELI portfolio post year-end.

Liquidity

Despite the impact of COVID-19 and the added burden of rental concessions granted early in the year, the Fund had no difficulty in meeting its financial obligations during the year:

- The Fund refinanced debt expiring in Dec-20 with a R1.2bn funding package split between 4 institutions, introducing new lenders into the portfolio and reaffirming the appetite for IPF debt in a constrained lending market.
- During FY21, the bridge facility of €205m that had been used to part fund the increased investment in PEL was largely settled following the successful PEL refinance and sale of an effective 10% interest, with a balance equivalent to R1.4bn (or €70m) remaining at year-end.
- As at 31-Mar-21, the Fund reflected R2.5bn of its debt as current. In Apr-21, the remaining bridge facility was settled using proceeds from a listed bond issuance of R800m, new bank debt of R300m and cash.
- In addition, post year-end, the Fund negotiated an early refinance of R750m of bank facilities maturing in FY22, illustrating the Fund's proactive approach to debt management.

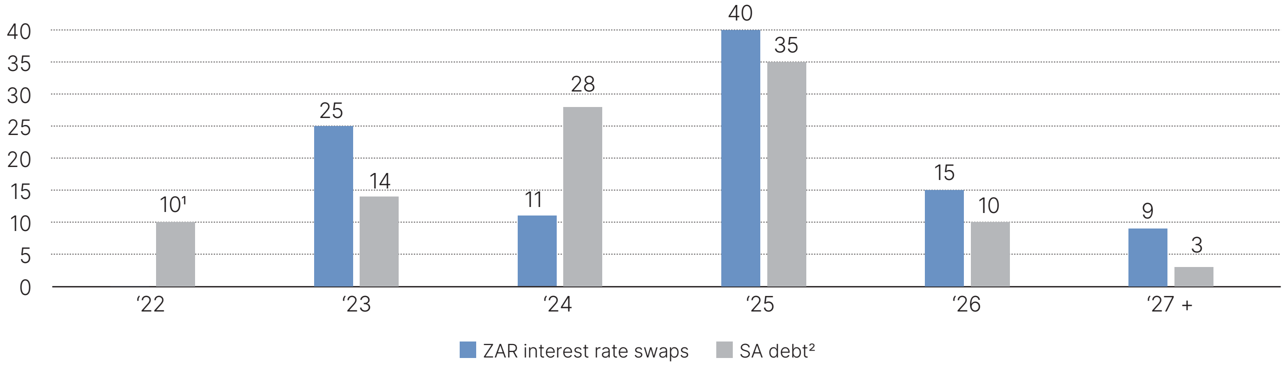
The result of the above activity is that in South Africa, there is R925m of debt maturing in FY22 comprising R400m commercial paper, R200m term debt and R325m of bonds. The Fund has R2bn of cash and unutilised committed facilities, sufficient to address any short-term liquidity risk.

COMMENTARY
CONTINUED

There is no debt expiring within the next 12 months in Europe.

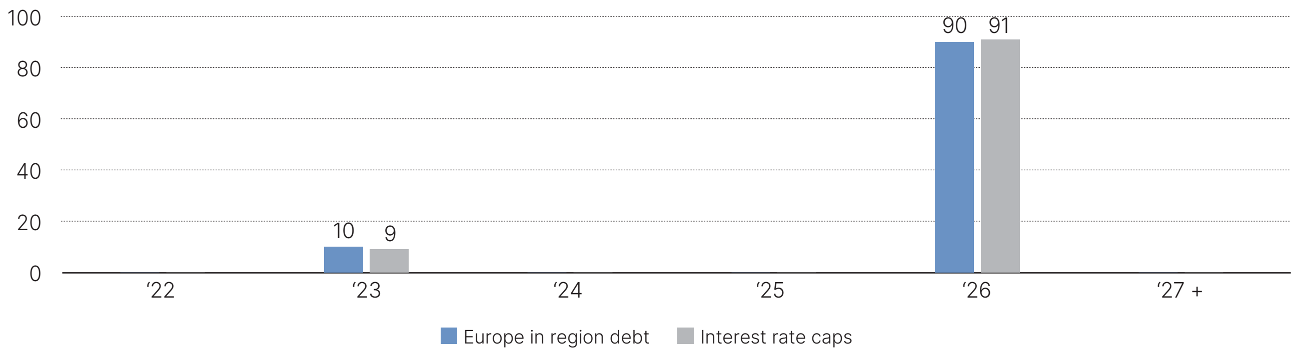
In a milestone event for the South African REIT sector, IPF become the first South African REIT to issue a sustainability-linked bond in Apr-21 shortly after year-end, raising R800m of unsecured bonds in a widely subscribed offer. The issuance provided an opportunity to raise capital at a competitive coupon rate (3m JIBAR + 190bps) and to further unencumber the balance sheet. In addition, IPF will benefit from a reduction in the coupon rate of 10bps if certain pre-agreed performance targets are achieved in respect of renewable energy and green buildings by 30 June 2022. The note issuance demonstrates the Fund's commitment to ESG principles and its efforts to promote good corporate citizenship.

SA debt and ZAR swap expiry
(%)



1) R1.4bn maturing in FY22 comprising R400m commercial paper, R680m term debt, R325m bonds largely planned for.
2) SA debt based on drawn facilities and includes EUR-denominated debt at an IPF level.

Europe in-region debt and cap expiry
(%)



Debt and hedging

	SA	Europe
Debt maturity (years)[1]	3.2	4.3
Swap maturity	3.5	4.3
Hedge percentage[2]	83%	100%
Average all-in cost of funding	8.5%	2.2%
Average debt margin (local currency)	1.8%	2.2%
Average swap rate	7.3%	1.2% interest rate cap
Encumbrance ratio[3]	48%	100%
% debt secured[4]	47%	90%
% Foreign debt and CCS of EUR investment[5]	60%	–

1) Post April bridge debt refinance.
2) Post de-hedging (see below).
3) Secured assets as a percentage of total investments. Post April bridge debt refinance.
4) Secured debt as a percentage of total debt facilities. Post April bridge debt refinance.
5) CCS are considered synthetic EUR funding; hedged up to 60% post year-end.

The Fund has hedged 100% of expected income from the PEL investment over the next 4 years at forward exchange rates ranging between R18.10 – R23.24.

ZAR interest rates are hedged for 83% (Mar-20: 92%) of interest-bearing borrowings for a weighted average duration of 3.5 years (Mar-20: 4.0 years). Post year-end IPF restructured its ZAR swap book back to historical levels of c.80% – 85%. Following the disposal of SA assets over the last 12 months, the Fund had not applied these proceeds to proportionately unwind its swap book as the mark to market proved too costly. The mark to market on the swap book recently reduced following a steepening of the yield curve and presented an opportunity to apply the proceeds and restructure the hedge percentage down to historical levels. As part of the restructure, the Fund also extended the tenor of its swap book to provide further interest rate protection at the longer end.

The Fund's long and short-term corporate debt rate was upgraded in December 2020 to AA- and A1+ respectively with a stable outlook, following successful completion of the de-gearing flightpath.

The Fund's key focus areas over the next 12 months in terms of balance sheet management include:

- Continue to manage LTV down to normalised level of 35%;
- Executing on European debt refinancing initiatives (Novem portfolio, working capital and capex facilities);
- Identify new sources of capital e.g. sustainability-linked capital, offshore debt capital markets etc.;
- Strive to maintain or further improve credit rating;
- Implement efficient capital recycling; and
- Optimise security and covenant structures across the SA balance sheet.

SHAREHOLDING

At 31 March 2021, Investec Group, Coronation Fund Managers and GEPF are the only shareholders holding in excess of 5% of the Fund's total shares in issue.

Rank	Beneficial shareholder	As at 31 March 2021	As at 31 March 2020	Change
1	Investec Group*	**24.3%**	24.3%	–
2	Coronation Fund Managers	**13.1%**	8.5%	4.6%
3	Government Employees Pension Fund	**6.2%**	6.3%	(0.1%)
4	STANLIB Asset Management	**4.0%**	5.1%	(1.1%)
5	Ninety One	**3.2%**	3.7%	(0.5%)

* includes Investec Limited and Investec Bank Limited.

FINAL DIVIDEND

Having achieved stability in the SA business through the pandemic and delivering against the LTV flightpath, the Board has resolved to declare a dividend of 47.71cps for the six months ended 31 March 2021. This brings the full year dividend to 92.23cps, representing a payout ratio of 95% of distributable earnings for the full year.

PROSPECTS AND GUIDANCE

As the Fund enters FY22, there is a sense of hope as plans for the COVID-19 vaccination programme in South Africa are underway and are well-advanced in Europe. This carries the anticipation of being the "beginning of the end" of the pandemic, and for South Africa, the potential start of an economic recovery. It is expected to take time for the property sector's performance and growth to return to pre-COVID levels and risks to the Fund persist, particularly in South Africa, albeit to a far lesser extent compared to this time last year. The IPF management team has been encouraged by the strength and resilience that the Fund has displayed through the turmoil of the last year, which resilience can largely be attributed to the quality of the underlying portfolios and strength of the Fund's balance sheet.

South Africa: The short-term economic outlook in South Africa remains muted and the low growth environment is likely to persist for the near term. This backdrop remains an impediment to growth prospects for the local property sector. Rentals will therefore continue to remain under pressure, aggravated by the supply and demand imbalance in the major local sub-markets. FY22 H1 performance is expected to exceed FY21 H1, however, the impact of current leasing activity will only be fully captured in FY22 H2, with vacancy rates expected to reduce over the course of the year. The Fund has 150,000m^2 (14% of total GLA) of expiring space in the coming year, with rental reversions expected to remain similar to the previous two financial years. Management's focus in South Africa is to maintain the stability and quality of the portfolio so that it is well-placed to benefit when the cycle turns.

Europe: European logistics demand showed resilience through the pandemic and has underpinned the Fund's financial performance through the downturn. The outlook for the sector remains positive, driven by persisting structural tailwinds. Thus, growth momentum is likely to be sustained going forward with continued rental growth and yield compression expected. Looking ahead, the Fund will look to unlock earnings and capital growth from the existing development pipeline (c.64,000m^2) and further reduce vacancy through leasing up assets that are currently undergoing refurbishment works.

COMMENTARY
CONTINUED

Balance sheet: IPF's balance sheet remains strong, with an LTV of 38.3% (post year-end) and all short-term debt expiries adequately covered by committed banking facilities. The management team will continue to explore opportunities to further reduce leverage levels towards the target of 30-35%, whilst ensuring earnings are maintained or enhanced.

Guidance: Given the uncertainty around the pace of economic recovery in South Africa, combined with the level of letting activity required locally, the Board has resolved to defer providing guidance at this stage and will reassess its decision at its interim results in September 2021.

Whilst the performance of REITs is underpinned by the operating climate, it is the quality of IPF's underlying assets, proactive balance sheet management and hands-on asset management approach that will continue to hold the Fund in good stead. These qualities enabled the Fund to navigate the uncertainty of FY21, continue paying dividends and emerge from the crisis with a stronger balance sheet and very focused investment strategy. The management team is excited to build from this solid position and is looking forward to the next few years with cautious optimism.

Sam Hackner
Non-executive Chairman

Andrew Wooler and Darryl Mayers
Joint Chief executive officers

19 May 2021

BASIS OF ACCOUNTING

The reviewed preliminary condensed consolidated financial information for the year ended 31 March 2021 has been prepared in compliance with International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by The Financial Reporting Standards Council, the Companies Act, (71 of 2008, as amended) of South Africa and the JSE Listings Requirements.

The accounting policies applied in the preparation of the results for the period ended 31 March 2021 are consistent with those adopted in the financial statements for the year ended 31 March 2020, other than the adoption of those standards that became effective in the current year. These reviewed preliminary condensed consolidated financial statements have been prepared under the supervision of Zaida Adams CA(SA).

REVIEW CONCLUSION

Ernst & Young Inc., the Fund's independent auditor, has reviewed the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, consolidated segmental information and notes to the condensed consolidated financial results, as set out on pages 4 to 24 of the reviewed preliminary condensed consolidated financial results and have expressed an unmodified review conclusion. A copy of their review conclusion is available for inspection at the Company's registered office.

Investec Bank Limited
Company Secretary

19 May 2021

GLOSSARY

Term	Definition
Board	Board of directors of Investec Property Fund Limited
CCS	Cross currency swaps
CGT	Capital gains tax
Cps	Cents per share
DEPS	Distributable earnings per share
DPS	Dividend per share
Edcon	Edcon Holdings Limited
ESG	Environmental, social and governance
EV	Enterprise value
FEC	Foreign exchange contract
Gross income	Revenue from all investments aggregated on a proportionally consolidated basis
IAP	Investec Australia Property Fund
Ingenuity or ING	Ingenuity Property Investments Limited
IPF or The Fund	Investec Property Fund Limited group including Investec Property Fund Limited and its subsidiaries, investments in joint-ventures and any other investments
Izandla or Izandla Property Fund	Izandla Property Fund Proprietary Limited
Like-for-like	Measure of growth in base NPI and refers to comparison between the same portfolio of properties i.e. adjusted for properties acquired or disposed
LTV	Loan to value, calculated as net debt/total investments net of minority interests
Manager	Investec Property Proprietary Limited, being the asset manager of IPF
MTM	Mark to market
NAV	Net asset value
NPI	Net property income
PEL	Pan-European logistics
PEL Co-investor	MB Hercules Holdings Limited, being the strategic equity partner who was introduced for a 25% interest alongside IPF in the PEL platform
PELI	Pan-European light industrial
REIT	Real estate investment trust
SA	South Africa/South African
SMME’s	Small, medium and micro enterprises
UK	United Kingdom
UK Fund/UK investment	Nestor Investment Holdings Limited
UREP	Urban Real Estate Partners
WALE	Weighted average lease expiry
WHT	Withholding tax
yoy	Year on year

NOTES

Investec
Property Fund

OUT OF THE ORDINARY

Property Fund