

INVESTEC PROPERTY FUND LIMITED

Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration Number 2008/011366/06)
Share code: IPF ISIN: ZAE000180915
("Investec Property Fund" or the "Fund")

VOLUNTARY ANNOUNCEMENT – PROPOSED SALE OF UP TO 45 MILLION INVESTEC AUSTRALIA PROPERTY FUND UNITS

1. IAPF ASX listing and capital raising

Shareholders are referred to the announcement released on SENS by Investec Australia Property Fund ("IAPF") on 3 May 2019, wherein it was advised that IAPF is pursuing a primary listing on the Australian Securities Exchange ("ASX") and associated capital raising in addition to its current primary listing on the JSE ("Offer").

Under the Offer, IAPF is seeking to raise approximately AUD100 million through the issue of 76.9 million new IAPF units, mainly from the Australian capital markets.

The final subscription price will be determined under an institutional bookbuild conducted by the joint lead managers (being J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited) (together, the "JLM's"), subject to a minimum subscription price of AUD 1.30. The final subscription price is expected to be within the indicative price range of AUD 1.30 to AUD 1.35, and is expected to raise approximately AUD 100 million. The proceeds from the Offer will be used by IAPF to repay debt and pay the costs associated with the Offer.

The issuer of IAPF units under the Offer is Investec Property Limited as responsible entity of IAPF, who has lodged a product disclosure statement dated 3 May 2019 in connection with the Offer ("PDS") with the Australian Securities and Investment Commission. A copy of the PDS is available on IAPF's website at www.iapf.com.au.

2. Proposed sale of units in IAPF

The Fund has agreed with the JLM's to make available up to 45 million IAPF units currently held by the Fund at the final subscription price determined under the institutional bookbuild for the Offer (the "Sale") for the purposes of satisfying oversubscriptions from certain institutional investors under the Offer, unless the Offer timetable is extended beyond an agreed period without the Fund's consent. The Fund is supportive of the Sale as a means of reducing IAPF's register concentration in order to facilitate broader investor engagement in Australia and improving aftermarket liquidity in IAPF units.

If the Offer is not oversubscribed, no IAPF units will be transferred under the Sale and the quantum of any sell down up to 45 million IAPF units will be dependent on the volume of oversubscriptions for the Offer. The transfer of any IAPF units under the Sale is expected to occur on or about the date that new IAPF units are allotted under the Offer (expected to be Tuesday, 28 May 2019).

IAPF remains a key investment for the Fund and should all the units made available under the Sale be transferred, the Fund would still retain a c.10% investment in IAPF. IAPF has delivered a compelling total ZAR return of c.90% since listing on the JSE in October 2013, underpinned by a high quality asset base and solid Australian real estate fundamentals, managed by an experienced on the ground team that has a proven track record of delivery.

The Fund has confirmed that it has no current intention to reduce its IAPF holding post the Sale (irrespective of whether the Sale proceeds, or the number of IAPF units sold under the Sale).

3. Rationale

As previously communicated, the Fund has embarked on a Pan-European logistics platform strategy and more recently, announced its intention to invest in a Pan-European light industrial platform (collectively, "**Pan-European Strategy**"), both of which have embedded capital commitments. As part of the Fund's ongoing capital allocation review process and efficient allocation of capital across its platforms, the proceeds of the Sale will be utilised to further de-lever the Fund's balance sheet and/or be deployed into the Pan-European Strategy, which deliver the Fund attractive risk-adjusted returns.

Furthermore, the Sale and potential de-levering and/or re-investment into the Pan-European Strategy will be earnings and net asset value enhancing to the Fund's shareholders.

Although the Sale will reduce the Fund's offshore exposure in the short term, given the remaining Pan-European Strategy capital commitments of c.EUR40 million into the logistics platform and c.EUR64.5 million into the light industrial platform, it is likely that offshore exposure will increase towards the end of the financial year.

4. An announcement confirming the outcome of the Sale will be made in due course.

Johannesburg
3 May 2019

Financial Advisor and Sponsor
Investec Bank Limited