

**TEXTON PROPERTY FUND LIMITED**  
Granted REIT status by the JSE  
(Incorporated in the Republic of South Africa)  
(Registration number 2005/019302/06)  
JSE share code: TEX ISIN: ZAE000190542  
(“Texton” or the “Company”)

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**SUBSCRIPTION FOR SHARES IN BLACKSTONE REAL ESTATE INCOME TRUST ICAPITAL  
OFFSHORE ACCESS FUND SPC**

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## 1. INTRODUCTION

The board of directors of Texton (the “**Board**”) is pleased to advise shareholders that the Company, through its United Kingdom based wholly owned subsidiary, Texton Property Investments UK Limited (“**TPI**”), has increased its shareholding in Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC (“**Access Fund**”) Class I shares from \$4.4 million (ZAR 67.2 million) to \$7.5 million (ZAR 113.5 million).

The total number of Class I in issue at 31 December 2021 amounted to 3 099 305.5345 shares. The Class I shares have attributable Net Asset Value (“**NAV**”) of \$4 294 240 786 and a Net Asset Value per share (“**NAVPS**”) of \$1 311.8650<sup>1</sup> Texton will be subscribing for the additional shares at NAVPS and Texton total shareholding in the Class I shares will amount to 5 915.2913 shares or 0.19% of the Class I shares in issue.

## 2. RATIONALE

Texton will invest in the Access Fund, which is managed by its board of directors (the “**Board**”) and iCapital Advisors, LLC (the “**Investment Manager**”) and invests substantially all of its assets in Blackstone Real Estate Income Trust, Inc. (the “**Underlying REIT**”),<sup>2</sup> a Maryland corporation which is a non-listed, perpetual-life real estate investment trust that invests primarily in stabilized, income-generating U.S. commercial real estate, and to a lesser extent, in real estate debt investments.<sup>3</sup> The Underlying REIT brings institutional-quality real estate to income-focused investors.<sup>4</sup>

The Access Fund targets monthly distributions<sup>5</sup> and Texton has optionality to exit the fund through a share repurchase plan by giving 30 days’ notice. The liquidity option is subject to certain

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<sup>1</sup> Past performance does not guarantee future results.

<sup>2</sup> Investors in the Access Fund, including Texton, will not be investors in the Underlying REIT, will have no direct interest in the Underlying REIT, will have no voting rights in the Underlying REIT and will have no standing or recourse against the Underlying REIT or its investment manager, or any of their respective officers, directors, members, partners, shareholders, employees, agents or affiliates (or any officer, director, member, partner, shareholder, employee or agent of any such affiliate). The offering of the Access Fund should not be considered an offering of shares of the Underlying REIT.

<sup>3</sup> The Underlying REIT owns all or substantially all of its assets through its subsidiaries.

<sup>4</sup> Distributions are not guaranteed and may be sourced from non-income items.

<sup>5</sup> There is no assurance that either the Access Fund or the Underlying REIT will pay distributions in any particular amount, if at all. Any distributions made will be at the discretion of the board of directors of the Access Fund and the Underlying REIT, respectively. The Underlying REIT may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales of the Underlying REIT’s common stock or operating partnership units to its special limited partner, as further described in the prospectus of the Underlying REIT, an affiliate of Blackstone), and the Underlying REIT has no limits on the amounts it may pay from such sources.

limitations, which include certain terms and conditions of the Underlying REIT's share repurchase plan<sup>6</sup>.

Investing in the Access Fund meets a number of strategic and investment goals for Texton and is in line with Texton's strategy to increase its indirect offshore property exposure. Texton will continue to deploy capital into developed markets. The investment in the Access Fund is intended to provide Texton with current income<sup>7</sup> in the form of regular, stable cash distributions to achieve an attractive yield on the investment.<sup>8</sup>

Texton has strong conviction in the investment themes and sector tailwinds that are supported by a growing US economy. The Underlying Fund's asset class and sector exposures are thematically oriented toward areas of high conviction and its portfolio is currently concentrated in industrial and residential, two of the best performing sectors where growth is outpacing inflation.<sup>9</sup> In addition to providing Texton with compelling risk-adjusted returns and defensive cash flows, Texton believes the investment will benefit from long-term capital appreciation.

Central to Texton's deployment strategy is a strong bias towards partnering with best-in-class asset managers. The Access Fund invests substantially all of its assets in the Underlying REIT, the sponsor of which is Blackstone Real Estate, the world's largest owner of commercial real estate with a management team that has a solid demonstrable track record.<sup>10</sup> Blackstone is not an affiliate of the Investment Manager.<sup>11</sup>

### 3. TERMS OF THE TRANSACTION

The subscription of shares in the Access Fund and payment for the shares does not have any conditions. Texton originally made an investment of \$4.4 million (ZAR 67.2 million) on 1 October 2021 and has increased in position in fund to \$7.5 million (R115.5 million) effective 1 February 2022. Texton invests at Net Asset Value (NAV).

### 4. FINANCIAL INFORMATION

The Access Fund invests substantially all of its assets in the Underlying REIT, a non-listed, perpetual-life real estate investment trust that invests primarily in stabilized, income-generating U.S. commercial real estate, and to a lesser extent, in real estate debt investments.

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<sup>6</sup> Neither the Access Fund nor the Underlying REIT is obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month. The discretion to repurchase shares in the sole discretion of the Board of Directors of the Access Fund and the Underlying REIT, respectively.

<sup>7</sup> Distributions are not guaranteed and may be sourced from non-income items.

<sup>8</sup> Distributions are not guaranteed and may be sourced from non-income items.

<sup>9</sup> BREIT's sector allocation as of December 31, 2021. Based on performance of residential and industrial public REITs in 2021 and since BREIT's inception provided by FTSE Nareit Equity REITs. Inflation figures provided by the Bureau of Labor Statistics' Consumer Price Index.

<sup>10</sup> World's largest owner based on Blackstone's standing as the largest owner of commercial real estate globally by estimated market value per Real Capital Analytics, as of September 30, 2021. Excludes governmental entities and religious organizations. Blackstone Inc. ("Blackstone") is a global investment manager. The real estate group of Blackstone, Blackstone Real Estate, is the Underlying REIT's sponsor and an affiliate of the Underlying REIT's advisor.

<sup>11</sup> Neither Blackstone nor any of its affiliates have any responsibility for, and do not endorse, any fund, account or other entity into which the Investment Manager's clients are solicited to invest, including the Access Fund. Except as may be noted in the confidential private placement memorandum of the Access Fund (the "**Offering Memorandum**"), none of the Access Fund, the general partner of the Access Fund or iCapital has the right to participate in the control, management or operations of the Underlying REIT or its affiliates or has any discretion with respect to the management of the Underlying REIT or its affiliates.

As of 31 December 2021,, the Access Fund has:<sup>12</sup>

1. Net asset value of \$4 294 240 786
2. Net Asset Value per share (“NAVPS”) of \$1 311.8650
3. Total distribution for the 12 months ended 31 December 2021 amounted to \$54.6577, which represents an historic yield of 4.17%

## 5. CATEGORISATION OF THE SALE

The purchase of shares in the Access Fund is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by shareholders

### SANDTON

3 February 2022

Important Disclaimer Information:

Past performance does not guarantee future results.

This information contained herein (the “Material”) is provided for informational and regulatory compliance purposes only and is not, and may not be relied on in any manner as, legal, tax or investment advice, is not a recommendation or opinion regarding the appropriateness of any investment or strategy, and is not an offer to sell or a solicitation of an offer to buy an interest in the Underlying REIT or the Access Fund. The Access Fund is managed by iCapital Advisors, LLC (the “Investment Manager”), a subsidiary of Institutional Capital Network, Inc (d/b/a iCapital Network), which is an investment adviser registered in the U.S. Securities and Exchange Commission (“SEC”). A private offering of the interests in the Access Fund will be made only pursuant to the confidential private placement memorandum (the “Offering Memorandum”), which will be furnished only to qualified prospective investors on a confidential basis and incorporates by reference the prospectus of the Underlying REIT (as amended, restated and/or supplemented from time to time, the “Prospectus”). References herein to the Underlying REIT’s Prospectus refer investors to the additional information in the Prospectus with respect to the Underlying REIT and are in no way an offer to sell or a solicitation of an offer to buy an interest in the Underlying REIT.

Prospective investors of the Access Fund must refer to the Offering Memorandum, which contains detailed information about the Access Fund’s investment objective, terms and conditions and also contains tax information and risk disclosures that are important to any investment decision regarding the Access Fund.

No person has been authorized to make any statement concerning the Access Fund other than as set forth in the Offering Memorandum and any such statements, if made, may not be relied upon.

There are important differences between the Access Fund and the Underlying REIT as described in the Offering Memorandum. An investment in the Access Fund is not suitable for all investors. Prospective investors should be aware that investing in the Access Fund involves a high degree of risk. There can be no assurance that the Access Fund or the Underlying REIT will achieve its investment objectives or that investors will receive a return on their capital. The possibility of partial or total loss of capital will exist and prospective investors must be prepared to bear capital losses that may result from investments.

Investors in the Access Fund will be subject to fees and expenses (including a management fee and a performance participation allocation) of the Underlying REIT in addition to the Access Fund’s expenses and administrative fee. As a result, Access Fund investors will experience lower returns than investors subscribing directly to the Underlying REIT.

Blackstone is not an affiliate of the Investment Manager. Neither Blackstone nor any of its affiliates have any responsibility for, and do not endorse, any fund, account or other entity into which the Investment Manager’s clients are solicited to invest, including the Access Fund. Except as may be noted in the Offering Memorandum, none of the Access Fund, the board of directors of the Access Fund or iCapital has the right to participate in the control, management or operations of the Underlying REIT or its affiliates or has any discretion with respect to the management of the Underlying REIT or its affiliates.

Neither of the Access Fund nor the Underlying REIT is registered or may be offered or sold to investors in South Africa.

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<sup>12</sup> Past performance does not guarantee future results.

This Material has not been prepared by, and no statement herein is endorsed by, Blackstone Inc. or any of its affiliates ("Blackstone") or the Underlying REIT.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. No public offering of securities is being made in the United States, and no securities have been or will be registered under the U.S. Securities Act of 1933, as amended, or may be offered or sold in the United States, except pursuant to an applicable exemption from registration.

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**CORPORATE ADVISER AND SPONSOR TO TEXTON**

Investec Bank Limited