

**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”)

---

**FINALISATION OF A CAPITAL COMMITMENT TO GIM INVESTMENTS PCC LIMITED FOR INVESTMENTS INTO THE UNITED STATES OF AMERICA**

---

## 1. INTRODUCTION

The Company is pleased to advise shareholders that its wholly owned subsidiary, TPI No 2 Limited, has finalised and entered into a capital commitment (“**Commitment**”) to partner with GIM Investments PCC Ltd (“**GIM**”). Accordingly, the Company has made capital commitments of \$5.5 million (R90.3 million) to GIM for investments in the manufactured housing real estate sector in the United States of America (“**US**” or “**USA**”). The capital commitment will be deployed over an expected two-year investment period, drawn down as and when transactions are identified in accordance with the investment guidelines.

## 2. RATIONALE

GIM has identified an opportunity to invest in the development of high-end manufactured housing communities to capitalise on the shortage of affordable housing in the US. The opportunity is aimed at building out a ground rent, development platform in geographies with acute shortages of affordable housing. The asset class has proven to operate in a countercyclical fashion with durable cash flows due to its affordability element and a sticky tenant base. In addition, it is a real estate sector which did not suffer like-for-like earnings declines during the last two recessions. Texton has strong conviction in the investment themes and tailwinds that support the sector.

The investment meets a number of strategic and investment goals for Texton and is in line with our strategy to increase international property exposure. We are pleased to invest alongside GIM and to deploy capital offshore by partnering with best-in-class asset managers who have a demonstrable track record.

## 3. KEY TERMS OF THE COMMITMENT

The objective of the investment is to acquire, develop and sell high end manufactured housing developments across the US taking advantage of the need for affordable housing. Key terms of the investment are as follows

<b>Target leverage</b>	Maximum 55% LTV, non-recourse debt
<b>Target number of investments</b>	10
<b>Expected Investment period</b>	24 months
<b>Target hold period</b>	7 years
<b>Target net IRR and MOIC<sup>1</sup></b>	14.5%/1.6 times
<b>Target cash yield</b>	-
<b>Commitment by Texton</b>	\$5.5 million

---

<sup>1</sup> Multiple of invested capital

#### 4. CATEGORISATION OF THE TRANSACTION

The capital commitment to GIM is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by shareholders.

**SANDTON**

17 August 2022

---

**CORPORATE ADVISER AND SPONSOR TO TEXTON**

Investec Bank Limited