Investec
Property Fund

OUT OF THE ORDINARY

2023

Integrated annual report

and annual financial statements

CONTENTS

About this report

ABOUT THIS REPORT

Investec Property Fund (IPF or the Fund) is an internationally focused real estate investor and asset and funds manager, with a R23.5 billion investment portfolio of direct and indirect real estate investments in South Africa, Europe and Australia.

Integrated thinking

This report covers the period from 1 April 2022 to 31 March 2023 and provides a holistic overview of all material matters influencing IPF's ability to create value in the short, medium and long-term. The Fund's use of, and effect on, the six capitals (see page 26) is presented, considering how the availability of these capitals, along with other factors within our operating context, have influenced IPF's business model and strategic direction. We believe this report demonstrates how IPF seeks to fulfil its purpose and mission.

The report also provides a balanced view of the Fund's performance and prospects to enable providers of financial capital to make informed capital allocation decisions while supplying information relevant to our broader stakeholders.

Reporting scope and boundary

Our integrated reporting boundary covers the risks, opportunities and outcomes arising from our:

Vision, mission and purpose (refer page 28)	**Materiality** (refer page 3)	**Corporate governance** (refer pages 93 to 100)	**Our business model and strategic scorecard** (refer pages 26 to 30)	**Our performance outcomes** (refer page 52)

Reporting boundary for the integrated report
defined by control and significant influence

Financial and statutory reporting boundary

Investec Property Fund

Subsidiaries over which IPF has control	SA portfolio over which IPF has control	PEL portfolio over which IPF has joint control	Irongate Group funds management business over which IPF has joint control

Primary stakeholders

Providers of financial capital	Clients	Our people*	Brokers
Suppliers and service providers	Industry bodies	Regulators	Communities

The Fund is managed by an external management company, the Manager, and therefore has no employees or personnel of its own.

* During the year under review our people were employed by Investec Property (Pty) Ltd, as the Manager, and therefore included in all of Investec Limited's people strategies and policies.

Reporting principles and framework

This report is presented in accordance with the:

- International Integrated reporting <IR> Framework;
- Companies Act, No 71 of 2008, as amended (Companies Act);
- Johannesburg Stock Exchange (JSE) Listings Requirements and Debt Listings Requirements;
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the accounting practices committee;
- The sustainability information has been compiled with cognisance to the Global Reporting Index (GRI) standards; the GRI index is available on our website: https://bit.ly/437vgkn
- International Financial Reporting Standards (IFRS); and
- King IV™ Report on Corporate Governance™* for South Africa, 2016 (King IV™).

Materiality

This report aims to disclose information about matters that have the potential to substantively affect our ability to create value in the short term (the next 18 months), medium term (18 months to five years) and long term (beyond five years).

Our material issues are informed by the economic, social and environmental context in which we operate, and therefore encompass the global (especially the European) and South African trends and opportunities facing the business (see pages 43 – 45), the expectations of our stakeholders (see page 34), as well as the risks and opportunities that arise from our context (see page 46). Our governance structures oversee these critical areas of the business, seeking to ensure we create and sustain shareholder value while reducing the risk of value erosion.

The issues we have identified as material in terms of the impact on IPF's short-term and long-term sustainability include:

- Geopolitical and socio-economic growth uncertainty
- Risk management
- Capital recycling to manage LTV
- Client experience and reducing cost of occupation
- Capital allocation between domestic and offshore investments
- Capital light strategy
- Integrating ESG.

Feedback

A soft copy of this integrated report is available online at https://bit.ly/4452a6m

We are committed to improving this report year-on-year. Therefore, we appreciate and encourage constructive feedback. Please forward comments to: ramya.govinder@investec.co.za

We have identified, prioritised and integrated the material issues throughout this integrated report.

2 Ncondo Drive, Umhlanga, KwaZulu-Natal
GLA: 7 354 m^2

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

ABOUT THIS REPORT CONTINUED

Assurance

Business process	Nature of assurance	Assurance provider
External audit	Annual financial statements	PricewaterhouseCoopers Inc.
Internal audit	Processes, controls and financial information	Investec Limited
Carbon footprint / GHG inventory	Non-financial performance metrics	Terra Firma Solutions
Property valuations	Valuation report	Mills Fitchett (South Africa); JLL (Europe)
B-BBEE	Level 1 rating: https://invest.ec/42Ouo3R	Empowerdex
JSE requirements	Compliance reviews	Sponsor – Investec Bank Limited
Green buildings	Certification	GBCSA
Rating agency	Credit rating verification	GCR

IPF's primary UN SDGs

The report will also explain our primary SDGs, listed below, which are those most relevant to our business – considering our broader industry context and the unique contexts of the regions in which we invest. Refer to page 74 for more details.

- **Clean water and sanitation**
- **Affordable and clean water**
- **Decent work and economic growth**
- **Industry, innovation and infrastructure**
- **Sustainable cities and communities**
- **Responsible consumption and production**
- **Climate change**

Forward-looking statement

This report contains forward-looking statements in respect of the Fund's future performance outcomes. While these statements represent our judgements and future expectations, various future uncertainties could cause actual results to differ materially from our expectations. Therefore, all forward-looking statements have not been reported on by our auditor.

The board's statement of responsibility

The board acknowledges our responsibility for the integrity of IPF's integrated annual report. This report, presented in accordance with the International Integrated Reporting <IR> Framework (2021), provides a balanced view of the Fund's performance and prospects to enable providers of financial capital to make informed capital allocation decisions while supplying information relevant to our broader stakeholders. It addresses all material matters influencing IPF's ability to create value in the short, medium and long term. The Fund's use of, and effect on, the six capitals is presented, considering how the availability of these capitals, along with other factors within our operating context, have influenced IPF's business model and strategic direction. Furthermore, we believe this report demonstrates how IPF seeks to fulfil its purpose and mission. It is the board's opinion that this report presents a fair and balanced view of the Fund's performance and outlook.

The integrated annual report, which remains the ultimate responsibility of the board, is prepared under the supervision of executive management, and subject to a rigorous process using both internal and external assurance. The integrated annual report is submitted to the audit and risk committee, which reviews the integrated annual report and recommends it to the board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements.

This report was approved by the board on 30 June 2023.

FY23 SALIENT FEATURES

FY23 features

Completion of significant strategic transactions

Long term, value accretive and sets a clear path for growth

SA portfolio stabilised and achieving growth

against a challenging backdrop

Shareholder approval received for

management company internalisation

PEL portfolio

capturing strong growth in contracted rent

Reduced vacancy

in SA and Europe

Balance sheet remains healthy,

with defined plan to decrease LTV over time

DIPS and DPS down 2.8%

Results adversely impacted by global interest rate environment

ESG goals achieved for the year

in SA with roll-out progressed in Europe

FY23 SALIENT FEATURES CONTINUED

ESG highlights

6
additional Green Star ratings achieved

Market leader
partnered with GBCSA to participate in Green Star industrial pilot rating tool

3.3MWp
additional solar PV capacity

69%
of properties with back-up power

Europe highlights

7.4%
Growth in LFL NPI

0.9%
vacancy, further reduced (Mar 22: 2.3%)

98%
expiring space re-let

8.6%
positive reversion on new letting

(5)%
decline in portfolio valuation due to cap rate expansion

South Africa highlights

5.3%
Growth in LFL NPI

3.9%
vacancy, further reduced (Mar 22: 4.5%)

90%
expiring space re-let

(13.0)%
negative reversion on new letting with 1.7% incentives granted

(0.9)%
decline in portfolio valuation driven by office sector

192 Braam Fischer Drive, Randburg, Gauteng
GLA: 13 550 m²

27

buildings with Energy Performance Certificates

13%

reduction in total tCO_2e emissions (Scope 1, 2 & 3)

47

buildings with Energy Performance Certificates

BREEAM

in-use assessment done on full portfolio

REFLECTIONS FROM OUR CHAIRMAN

Strategy

It's been an exciting year of transformation, with several notable events worth highlighting. We have undertaken strategic transactions which have significantly repositioned our business to succeed in the current environment. Notably, we have extended our operating model, moving towards a capital light strategy providing access to broader capital markets for growth. Overall, we have more firmly established ourselves as an international real estate asset and funds management company.

In March 2023, we announced the proposed internalisation of our management businesses in South Africa and Europe. We also increased our interest in our European business to 83.15% and re-entered the Australian market through the acquisition of a JV interest in the Irongate funds management platform.

The internalisation was the natural progression of the business model, given the strength of our management capability on-the-ground in all our core regions. In Europe, we have a deep understanding of the light industrial and logistics market and intend to capitalise on this going forward with a hands-on team that is well-networked. In South Africa, given the subdued climate, we will have to seek out core and core plus opportunities to generate outsized returns, however, we have a strong and established team who have the ability to unlock this value. We will be utilising the experience of the team in Australia who have a track record of managing third party funds, and aim to roll this concept into the South African and European platforms.

This funds management model enables us to access capital from multiple sources, while offering these capital providers a unique opportunity to partner with us in building our asset management platform and participate in these returns.

Once we have obtained the necessary regulatory approval for the internalisation, our focus over the coming months will be the integration and alignment of our management teams across the regions. We are building on relationships that have been forged through many years of collaboration, and therefore don't foresee any significant challenges in the integration process. Undoubtedly there is much work that still lies ahead, and I look forward to reporting back on progress next year.

Financial performance

The portfolios have delivered strong performances led by proactive asset management strategies. Operations are stable and the underlying assets have performed well despite having to navigate an unfavourable interest rate environment which negatively impacted the performance of the European portfolio. IPF has measures in place to mitigate interest rate risk and moving forward, views its prospects as being sound.

In South Africa, we expect stable performance and low growth, which is reflective of difficult domestic economic conditions. In Europe, we are well placed to deliver on our growth strategy. We are hedged against interest risk in the medium term. We are extracting cost savings thus enhancing the quality of the earnings base. We anticipate strong contracted rental growth supported by structural tailwinds, which are expected to offset cost increases and rising interest costs in the longer term.

Offshore capital allocation

Our core strategy continues to focus on increasing our international exposure by growing in our core markets in which we have an established presence and management capabilities on-the-ground. We are mindful of the global macroeconomic environment which has become more uncertain with the war in Ukraine, and rising inflation and interest rates. These factors are driving a more negative outlook globally and are creating volatility in real estate markets. However, our portfolios have shown resilience in the face of economic headwinds over the years, and we will persist with our strategy of recycling capital and allocating this capital into more accretive investments with a view to significantly enhancing our offshore exposure. In this regard, we will seek core plus or value-add opportunities to bolt on to, or extend, existing platforms that we understand well and have extensive experience in managing.

ESG

ESG is becoming an increasingly pertinent issue for the real estate businesses and we are committed to making environmentally beneficial improvements to our portfolio. Coincidentally, the persistent loadshedding in South Africa is forcing us to seek out more creative ways of generating alternative energy, which aligns with our ESG strategy to promote renewable energy solutions and reduce the cost of occupation for clients. We have had great success with our solar rollout in South Africa, exceeding the power generation target that we had set for the year, and this experience is what we want to replicate in Europe and Australia. In Europe we have made good progress in assessing initiatives to further embed ESG into our business practices.

Governance

We as a board are confident in the corporate governance advancements we have made so far and appreciate the benefits of a diversified board, especially given the level of activity and engagement we have had over the past year. We value diverse thinking and continue to strive to create a culture that fosters constructive and robust debate.

We have not faced any major governance issues and are comfortable with the constitution and effectiveness of the board. We will continue seeking ways to reinforce and refresh it going forward.

During the year, we welcomed Rex Tomlinson to the board and as chair of the social and ethics committee and member of the nominations committee. We also welcomed Disebo Moephuli as a member of the audit and risk, and the social and ethics committees. Jenna Sprenger was appointed as permanent chief financial officer. Connie Mashaba retired from the board in November 2022 and we wish to express our gratitude to her for her service and dedication given to the Fund over her tenure of 11 years. We wish her well in her future endeavours.

Outlook and prospects

The leadership team has performed very well through a difficult period, and this gives me every confidence in their ability to deliver returns in both good and challenging times. Finalising the internalisation will require intense time and focus and a hands-on approach from executive management and the board to ensure that we are creating a fully integrated and aligned team.

Going forward, IPF will be entering an exciting period of growth. The macroeconomic conditions in South Africa and internationally remain a constraint to us and we will be pursuing our growth story within those constraints. Our existing platforms provide an excellent base from which to embark on new funds management strategies. I am confident that we have the right infrastructure and people in place to pursue this new growth path.

Appreciation

I want to express my gratitude to the other members of the board for their commitment and constant support this past year. I also want to congratulate the management team for their leadership, as well as the staff on the ground and our partners who continued serving clients through extraordinary challenges in an exemplary manner.

A final thank you goes to IPF's shareholders and other stakeholders for your continued support throughout this time as we continue to navigate the challenges faced by the Fund.

Moses Ngoasheng
Chair

30 June 2023

Venlo, Netherlands
GLA: 25 704 m^2

Investec Property Fund at a glance

INVESTEC PROPERTY FUND AT A GLANCE

IPF is a fully integrated specialist real estate business with a strong history of delivering sustainable returns and unlocking value

- Best of breed assets in chosen sectors with logistics underpin
- Fully aligned on-the-ground management teams with proven track record
- Geographically and sectorally diversified portfolio with significant offshore component
- Diversified income streams in South Africa
- Exposure to 1 million sqm+ high-growth European logistics platform
- Attractive entry point into Australia
- Capital light growth strategy
- Growth story underpinned by efficient balance sheet
- Sustainable distribution and capital growth
- Enhanced returns through value-add asset management initiatives
- Integrating ESG policies and practices into business strategies
- Culture of entrepreneurship and agility
- Disciplined approach to capital allocation and asset recycling

WHO WE ARE

About Investec Property Fund

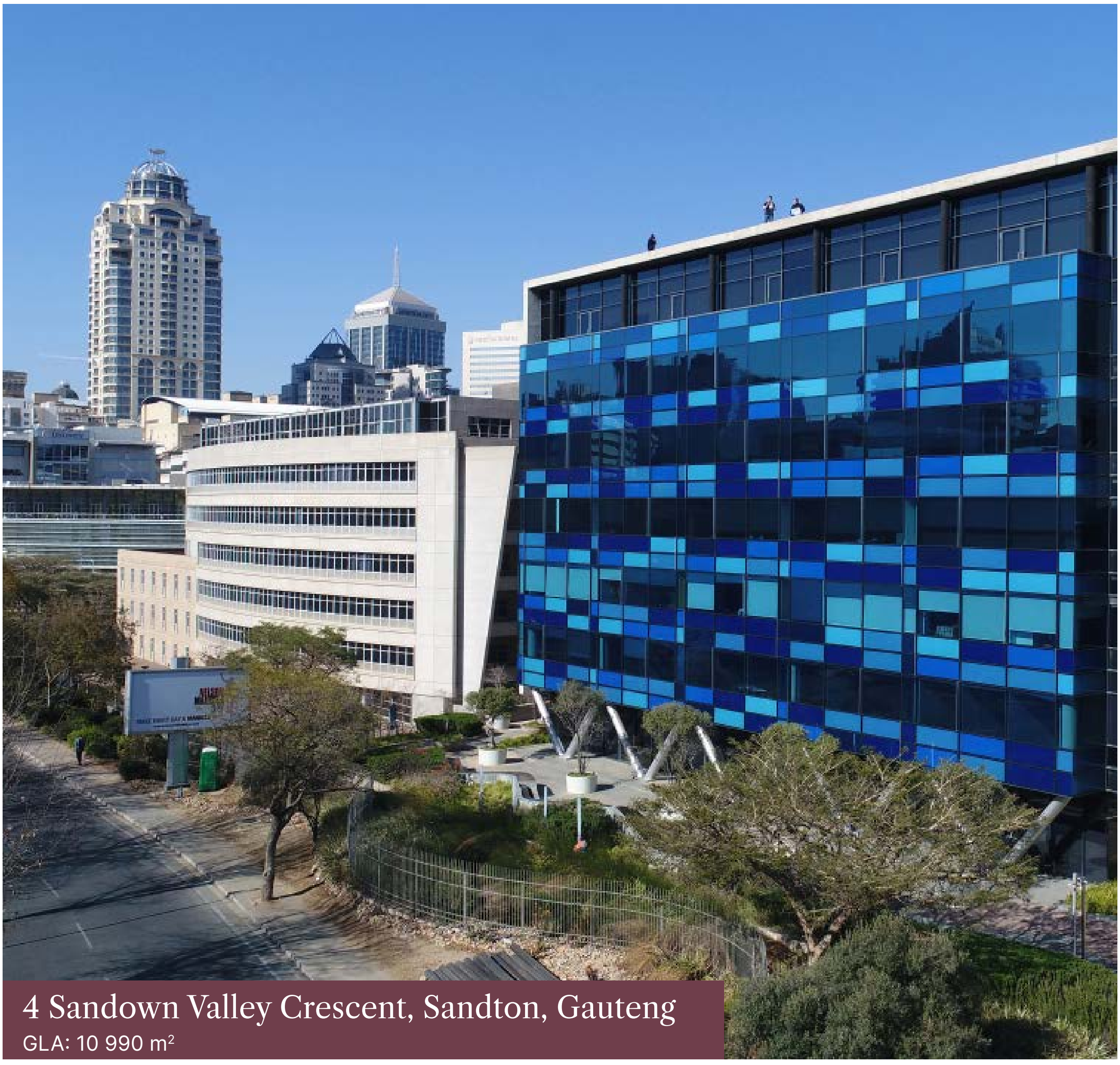
IPF is an internationally-focused real estate investor and asset and funds manager. The Fund listed on the Johannesburg Stock Exchange (JSE) in 2011 and has a strong management track record of more than 40 years' operating in the South African property market, delivering attractive and sustainable risk-adjusted returns for its investors.

Internationally the Fund has invested in, and built platforms in, markets where our management teams have extensive on-the-ground experience and proven track records. The Fund invests in quality local and international property assets with the purpose of delivering attractive long-term returns and unlocking value.

In South Africa, the Fund pursues a predominantly core investment strategy with a focus on quality income-producing assets in traditional asset classes. The South African portfolio comprises 79 properties diversified across the retail, industrial and office sectors valued at R14.6 billion.

In Europe, the Fund has an 83.15% investment in a Pan-European portfolio valued at R23 billion (€1.1 billion). The underlying portfolio comprises 47 logistics properties located in seven jurisdictions across Europe, including the core countries of Germany, France and the Netherlands. In Europe, IPF targets midsize and big-box logistics facilities in core Western European markets where it adopts a core-plus or value-add investment strategy to unlock value from both income-producing assets and development opportunities.

In Australia, the Fund has established a 50 / 50 joint venture with the management team of the Irongate Australia Fund Management Platform which has A$450 million equity under management and an estimated current realisable asset value of A$2.8 billion. In addition, IPF has a direct equity interest of A$22 million (c.18.7%) in the Irongate Templewater Australia Property (ITAP) Fund. The platform provides the Fund an attractive entry point into the Australian market with potential to further scale its funds management strategy.



4 Sandown Valley Crescent, Sandton, Gauteng
GLA: 10 990 m^2

How we create value

The Fund has created significant value through varying economic cycles, by adhering to the following key operating principles:

1 →

We are property purists who invest in best-of-breed assets
The Fund's portfolio of investments has been built over the years by adhering to our investment philosophy of acquiring quality assets with compelling property fundamentals in strategically selected sectors and geographies where we have an in-depth understanding of the market dynamics in those areas.

2 →

We proactively partner with our clients to provide the best client experience
We believe in building trusted long-term relationships with our clients and stakeholders and creating enhanced returns through value-added initiatives. We embrace a client-centric approach in our business ethos, focusing on active, hands-on property and client interaction to ensure clients are provided with an out-of-the-ordinary experience.

3 →

We are hands-on and highly skilled with strong local knowledge
We operate in markets where we have people on the ground with proven track records. With a combination of hands-on property skills, financial expertise and passion for real estate, our team comprises both experienced and young professionals who operate in a highly collaborative and entrepreneurial environment. Collectively, the team possesses a deep-rooted understanding of how to deliver excellence in client service and maximise total return.

4 →

We rigorously manage our balance sheet
We actively manage our capital, gearing level and liquidity to ensure that our balance sheet is sound and can support our long-term strategic objectives.

5 →

We focus on delivering sustainable value
We take a longer-term view on property fundamentals through varying cycles. We look to optimise our capital and unlock value by taking calculated, well-measured and managed risks. Our long-term track record is testament of this approach and our ability to deliver sustainable income and capital returns.

The Fund pursues a multi-regional investment strategy focused on building scale and relevance in our core geographies of South Africa, Western Europe and now Australia. This streamlined portfolio, with investments in both high growth, developed markets offshore as well as a quality, mature local portfolio, has allowed the Fund to generate returns throughout the cycles.

Sustainability is not only about returns, but we also fundamentally believe that the UN Sustainable Development Goals (SDGs) should form a cornerstone of our business practices and strategies.

Focusing on a sustainable future

We believe it is our responsibility to sustainably live in the societies in which we operate – not off them. We are driven by our purpose of unlocking the potential of space and want to lead in delivering attractive returns for investors and sustainable outcomes for communities. It is for this reason that we have chosen to align with the appropriate UN SDGs and have developed roadmaps with ambitious targets to ensure we make a meaningful long-term contribution to the societies in which we operate and are able to tangibly report on our progress.

Further details can be found in the Our Impacts section of the report from page 74 to page 91. With an emphasis on advocacy and thought leadership we actively participate on the Green Building Council and work with partners in South Africa and Europe to ensure policy coherence and use the strength of our brand to educate and promote sustainable thinking. During the year we advanced our ESG strategy and associated objectives and targets to ensure that the business is best positioned to create value in the widest sense.

Climate change and rapid technological evolution, have become more apparent through the pandemic and have been incorporated into our sustainability framework which is based on:

- Living sustainably within our operations.
- Partnering with clients on their ESG journey and offering sustainability products and services, with a focus on reducing cost of occupation.
- Aligning our community initiatives to our sustainable development priorities to maximise impact.

WHO WE ARE CONTINUED

Our ESG strategy encapsulates achieving tangible value for our stakeholders:

Our clients

- The pursuit of smart and healthy buildings
- Sustainable buildings as a differentiator
- Aligned strategic ESG goals
- Advocating climate action alongside our tenants, and providing access to data and / or educational initiatives to clients to promote sustainable thinking
- Reducing cost of occupation

The communities in which we operate

- Conscious contribution
- Entrepreneurship as a key underpin for what we do
- Leverage off environmental strategies in place at buildings, where possible
- Doing the right thing

Our people

- Building a sustainable, value-based culture
- Enhancing our sense of purpose
- Providing opportunities and training for career development

Our planet

- A commitment from leadership and the board in advocating climate action both within our own business, alongside our tenants and in providing access and / or educational initiatives to the communities in which we operate
- Reduce our carbon footprint over time
- Measure our performance against defined science-based targets and seek to constantly reduce our environmental footprint
- Incorporate considerations regarding climate change into our decision-making processes

Our shareholders

- Optimising capital allocation
- Investing in return-generating, sustainable investments, such as solar
- Attracting different pools of capital aligned with our ESG approach
- Delivering sustainable total returns

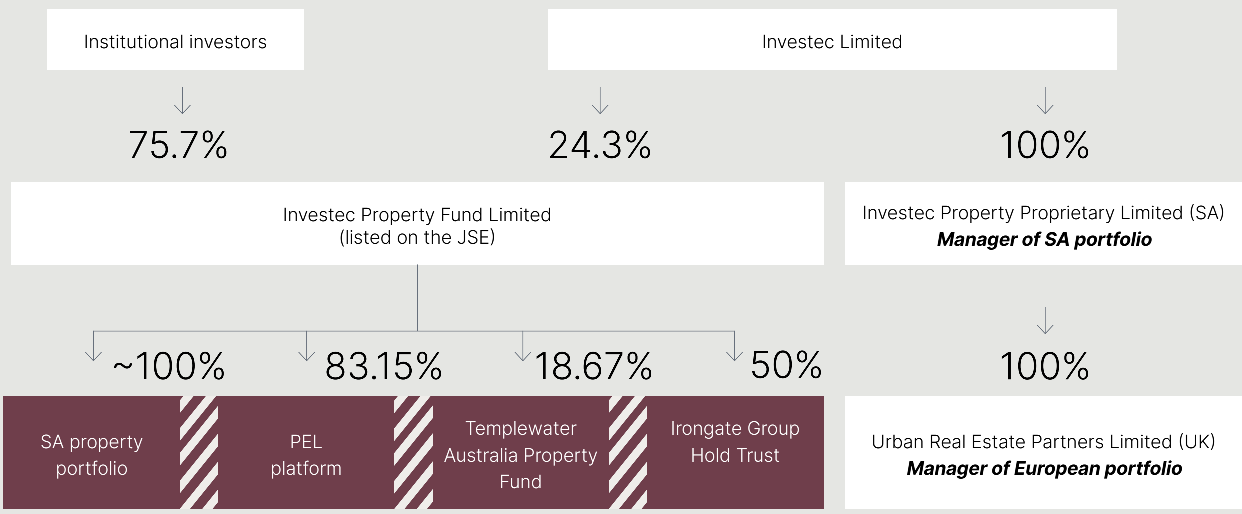
Our business

- Capital allocation that is not environmentally destructive or carbon-intensive and, where possible, investing in return-generating renewable energy roll-out
- Cost-saving through energy and water efficiency
- Attracting tenants, investors and additional pools of capital

Our organisational structure

During the year under review the Fund's property portfolio was managed and operated by Investec Property (Pty) Ltd (the Manager) under the terms of an asset management and property management agreement.

Organisational structure – pre-internalisation

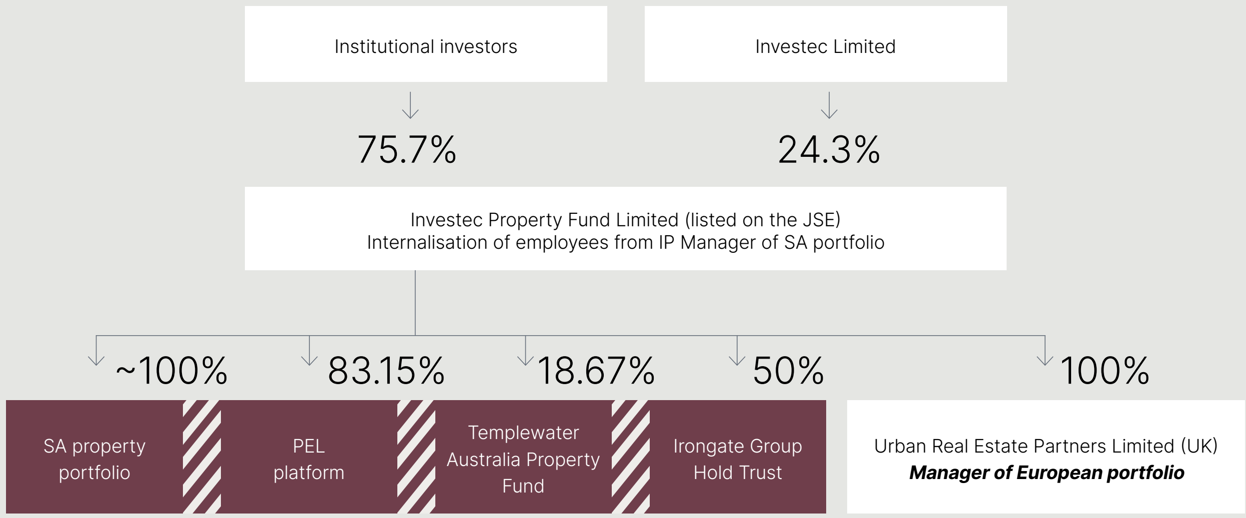


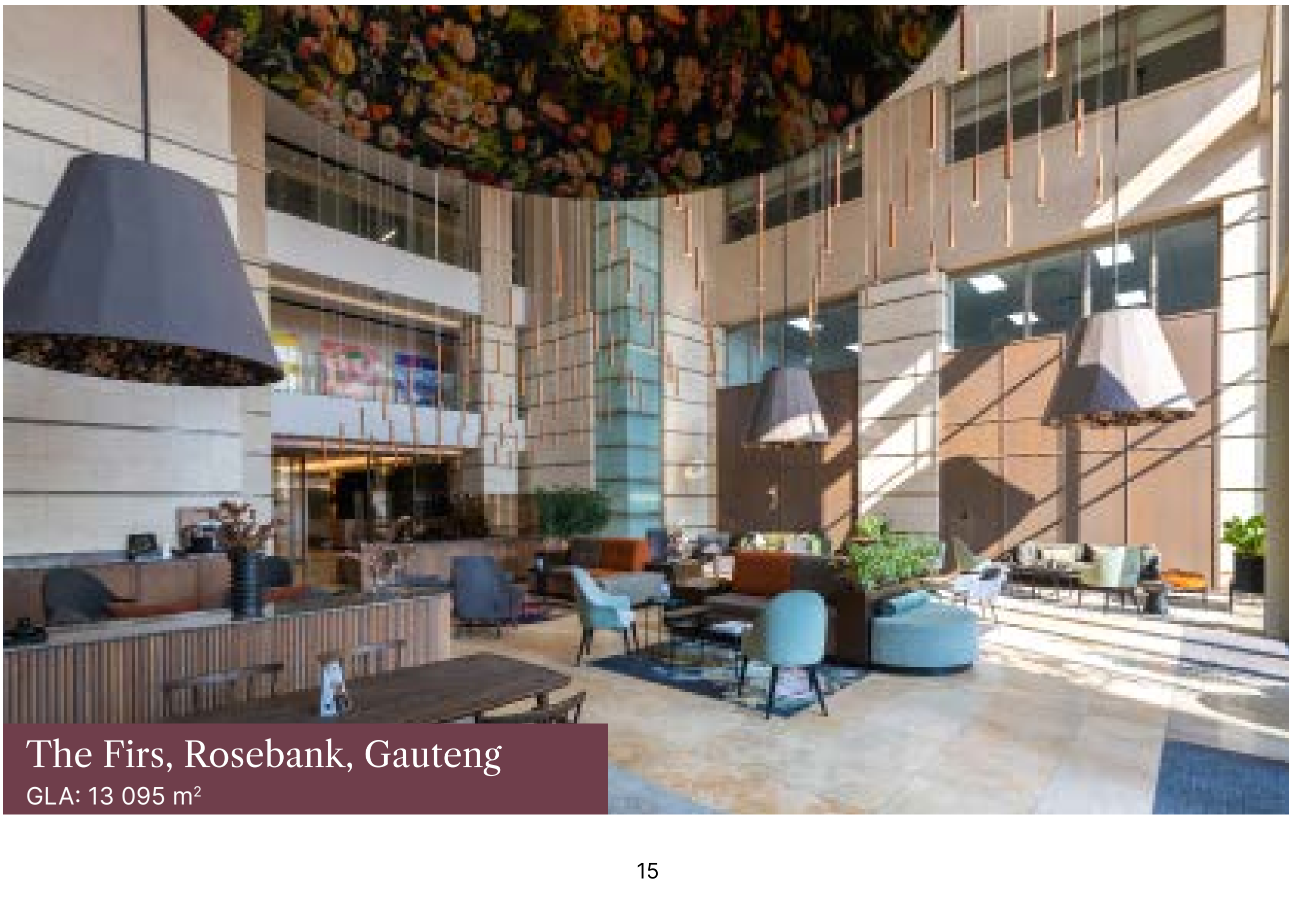
IPF has concluded an agreement with Investec Limited and Investec Property Proprietary Limited for the internalisation of its asset management businesses across South Africa and Europe, which is currently undertaken by Investec Limited (through its wholly-owned subsidiaries Investec Property Proprietary Ltd and Urban Real Estate Partners Ltd), for an aggregate purchase consideration of R850 million to be settled by a disposal of properties, an upfront cash payment and deferred cash payments. A further earn-out amount of R125 million will be payable by IPF over three years, dependent on certain AUM growth targets being met. The transaction was approved by shareholders on 17 May 2023, and remains subject to various regulatory approvals, which are anticipated to be obtained by no later than 30 September 2023.

The internalisation transaction creates a fully integrated international real estate company where the interests of a strong management team are aligned with that of IPF shareholders.

The envisaged operational structure post the internalisation is shown below. IPF will remain listed post the internalisation.

Organisational structure – post internalisation

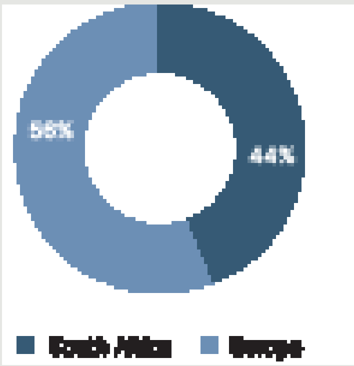




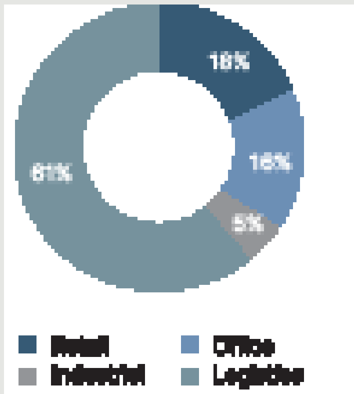
The Firs, Rosebank, Gauteng
GLA: 13 095 m^2

OUR INVESTMENT PORTFOLIO IN A SNAPSHOT

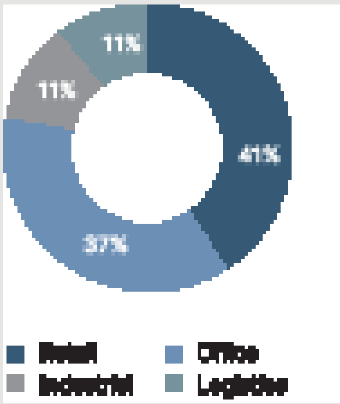
Proportionally consolidated balance sheet exposure



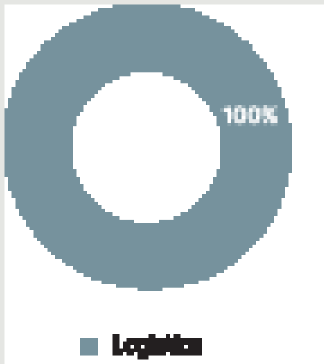
Group sectoral exposure (proportionally consolidated)



SA sectoral composition (by asset value)



Group sectoral exposure (proportionally consolidated)



South Africa (100% ownership)

- Diversification across office, industrial and retail sectors
- Best of breed assets in their sub-market

GLA (m²)	1 001 753
Value of investment	R14.6bn
Asset value	R14.6bn
No. properties	79
WALE to expiry	2.9 years
Vacancy	3.9%

Europe (83.15% ownership)

- High-growth business
- Western Europe (77% in core markets of France, Germany and Benelux)
- Big box logistics

GLA (m²)	1 124 649
Value of investment	R8.2bn
Asset value	€1.1bn
No. properties	47
WALE to expiry	5.2 years
Vacancy	0.9%

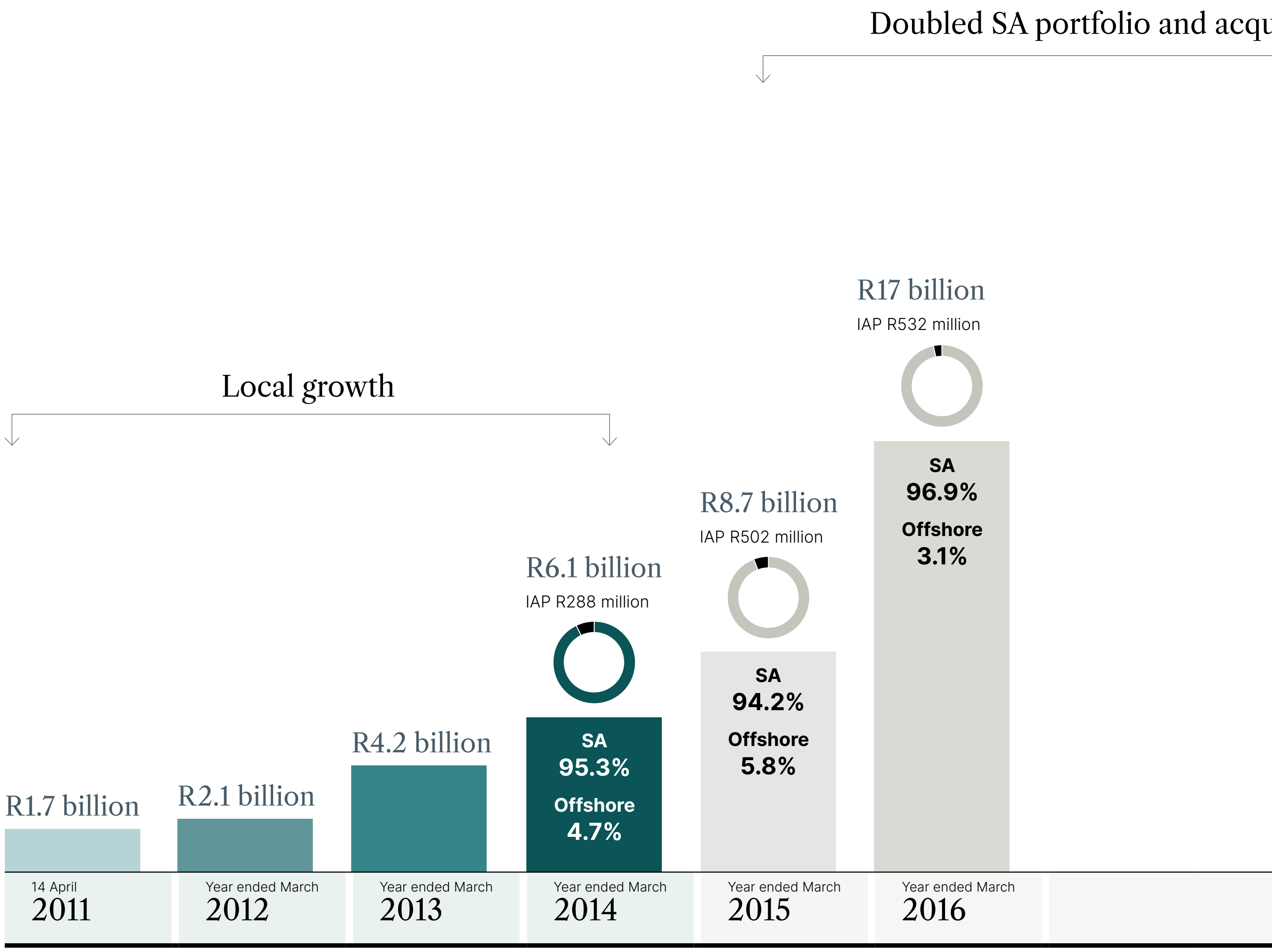
Marseille, France
GLA: 65 387 m^2

Australia (50%)

- 50:50 JV in Irongate funds management platform
- 18.7% interest in ITAP fund
- Capital light business

Equity under management	**A$450m**
Realisable asset value	**A$2.8bn**

OUR MILESTONES



2011	2012	2013	2014	2015	2016
29 properties (SA)	**32 properties (SA)**	**50 properties (SA)**	**69 properties (SA)**	**80 properties (SA)**	**122 properties (SA)**
Key events					
• Listing of IPF on the JSE		• REIT status (1 April 2013) • First international acquisition in IAP (October 23) • Corporate rating A- • Secured rating AA	• B-BBEE Level 3 contributor 2014		• Doubled Fund size through Zenprop and Griffin transactions (R7.9 billion) • New CEO – Nick Riley effective 15 April

1. Similar investment value over 2021 and 2022 but composition between SA and offshore changed. SA value impacted by sale of properties and valuation write down and offshore value reduced despite valuation uplift of PEL portfolio, due to lower translated exchange rate at 31 March 2022 and sale of PELI portfolio.

...ired international optionality

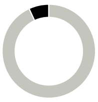
Simplification and focus

Strategic repositioning

Year ended March 2017

R18.8 billion

IAP R1.3 billion



SA 93.1%

Offshore 6.9%

119 properties (SA)

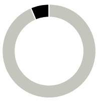
- Acquired 10% interest in UK Fund for £10 million (R173 million)

Year ended March 2018

R19.2 billion

IAP: R10 billion

UK Fund: R0.2 billion



SA 93.7%

Offshore 6.3%

105 properties (SA)

- B-BBEE Level 4 contributor
- £10 million investment into UK fund
- Launched Izandla empowerment vehicle
- Corporate rating A
- Acquired 42.9% interest in PEL and committed further capital of €150 million

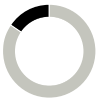
Year ended March 2019

R20.9 billion

IAP: R1.3 billion

PEL: R1.7 billion

UK Fund: R0.2 billion



SA 84.8%

Offshore 15.2%

102 properties (SA)

- Committed €64.5 million into Pan-European Light Industrial (PELI) portfolio
- Corporate rating A+
- New joint CEOs – Andrew Wooler and Darryl Mayers effective 18 December

Year ended March 2020

R29.9 billion

IAP: R0.7 billion

PEL and PELI: R6.7 billion

UK Fund: R1.1 billion

SA 65%

Offshore 35%

98 properties (SA)
48 properties (EU)

- Increased interest in PEL platform to 75% and acquired joint control
- Increased interest in UK Fund to 38%
- Acquired two Belgium assets for €70 million
- Interest in IAP diluted to 9%
- Invested R27.1 million into sustainability projects, of which 80% was spent on solar projects

Year ended March 2021

R22.1 billion[1]

PEL: R6.6 billion

SA 70%

Offshore 30%

90 properties (SA)
48 properties (EU)

- Sold down 10% interest in PEL platform to Investec Wealth & Investments
- Refinanced €473 million debt in PEL
- Transferred Belgian assets into PEL platform
- First SA REIT to raise R800 million sustainability linked bond
- Exited minority interest in IAP and UK investment as part of de-gearing flightpath

Year ended March 2022

R22.2 billion[1]

PEL: R6.9 billion

SA 72%

Offshore 28%

86 properties (SA)
48 properties (EU)

- Exited minority interest in PELI investments as part of our de-gearing flightpath
- Corporate rating A1+
- B-BBEE Level 1 contributor
- Stabilisation of SA operating environment following COVID-19

Year ended March 2023

R23.5 billion

PEL: R8.2 billion

SA 64%

Offshore 36%

79 properties (SA)
47 properties (EU)

- Initiated internalisation of management businesses
- Partial acquisition of JV partner's interest in PEL platform – increased interest to 83.15%
- Established 50 / 50 JV in Irongate funds management business

OUR LEADERSHIP

Executive directors

AW

Andrew R Wooler (41)
Chief Executive Officer
B Bus Sci (Finance Hons), FCA

Committees: I N S A
Standing invitation to all committee meetings

Appointed: 2015

Having joined the Investec Property Fund executive management team in August 2012, Andrew has been instrumental in growing the Fund from R2 billion of local assets to its current portfolio comprising R22.1 billion of direct and indirect real estate investments located across South Africa and Western Europe. Andrew fulfilled the role of Chief Financial Officer from August 2015 until 1 December 2018 when he became Joint Chief Executive Officer of the Fund. This position is a culmination of Andrew's commercial, corporate finance and property industry experience, leveraging his skill as a qualified chartered accountant for the benefit of the Fund through all aspects of M&A opportunities, corporate activity, financial structuring and asset positioning to ensure consistent business growth, efficient capital recycling and industry leading returns. Prior to this, Andrew spent eight years in London where he qualified as a Chartered Accountant, worked in corporate finance and later headed up the team at Caesars Entertainment UK that was responsible for driving profitability and rolling out new business opportunities across the EMEA region.

JS

Jenna C Sprenger (37)
Chief Financial Officer
CA(SA) (BACC Rhodes; Post Graduate Diploma in Accounting)

Committees: I N S A
Standing invitation to all committee meetings

Appointed: 2022[1]

Jenna joined the Fund in August 2014 and became an integral part of the management team in supporting the growth of the business. Jenna has well rounded experience in the business being responsible for Finance, Reporting and Balance Sheet and acts as a strategic partner in all decision making. She also assisted in driving the Fund's Environmental Social Governance (ESG) strategy. She fulfilled the role of Chief Financial Officer (CFO) from 1 December 2018 to 30 November 2020, at which time she stepped down from the role to spend more time with her young family. On 1 July 2022 Jenna assumed the role of interim CFO and was appointed permanently in the role on 20 January 2023. Jenna has extensive experience in managing the balance sheet and treasury function across both South African and European businesses. Prior to joining the Fund, Jenna was the Financial Manager at Annuity Properties Limited, which she joined shortly after it listed until its sale to Redefine Properties. Post-graduation, Jenna completed her accounting articles and gained experience at KPMG Johannesburg and KPMG New York.

Committee membership key

- I Investment committee
- N Nominations committee
- S Social and ethics committee
- A Audit and risk committee

1. Previously fulfilled the role of CFO from 2018 – 2020 and was re-appointed on 1 July 2022

Non-executive directors

SL

Samuel R Leon (73)
Non-executive director
LLB (London)

Committees: I
Appointed: 2008; Non-executive 2015

Sam has over 45 years of experience across all sectors of the property industry with 30 years at Investec Property (Pty) Ltd, firstly as a director, then managing director and deputy chairman, and currently contracted in an advisory capacity. He was a founder of the transformation of Growthpoint into South Africa's largest listed property REIT and was a director until Investec sold its interests in October 2007. Sam also served on the Board of the South African Property Owners' Association (SAPOA). He retired as CEO of the Fund on 31 March 2015, having held this position since its listing on the JSE in April 2011. He remains on the board as non-executive director and Chair of the Investment Committee. Sam was a key driver of the formation of the Investec Australia Property Fund and was a non-executive director from its initial listing in October 2013 until its transformation into Irongate Group in 2019.

NR

Nicholas P Riley (44)
Non-executive director
B Com (Cum Laude), B Com Hons, CA (SA), CFA, PLD (Harvard)

Committees: I
Appointed: 2015; Non-executive 2018

Nick joined the Fund on 1 April 2014, as part of the Fund's executive management team. In 2015 Nick assumed the role of CEO until 1 December 2018 when he assumed a new role within the Investec Group, heading up the combined Investment Banking and Principal Investment businesses of Investec Specialist Bank. Prior to joining the Fund, Nick spent nine years at Investec Corporate Finance, where he was a senior investment banker responsible for a number of Investec's key client relationships.

OUR LEADERSHIP CONTINUED

Independent non-executive directors

MN

Moses (Moss) M Ngoasheng (66)
Independent non-executive chair
BA Economics and Politics, BSoc Sci (Hons), MPhil (Development Studies)

Committees: I N (Chair) S
Appointed: 2011; Chair 2021

Moss has served as a director on the Board of the Fund since 2011 and acted as the Lead Independent Non-Executive Director since 2016. Prior to 1994, Moss was involved in economic policy formulation as part of the ANC's economic policy division and joined the Presidency as Economic Advisor to Deputy and later President Mbeki from 1995 to 2000. He is currently the Deputy Chairman and CEO of Safika Holdings (Pty) Ltd, a substantial investment holding company which he formed in 1994. Moss serves on the boards of Sephaku Holdings Ltd, The Nelson Mandela Children's Hospital and other unlisted subsidiaries and associates of Safika Holdings.

PH

Philip A Hourquebie (70)
Independent non-executive director
BAcc, BCom(Hons), CA(SA)

Committees: N
Appointed: 2016

Philip gained over 38 years of experience at the global professional services firm, EY (formerly Ernst & Young). Between 2010 and 2014 he served as the Regional Managing Partner, Central & South Eastern Europe, for EY and prior to that he was the Regional Managing Partner, Sub Saharan Africa and CEO South Africa. He currently serves as non-executive chair of Aveng Ltd and board chair of Investec Ltd and Investec plc. He is a member, and past chair of the board, of the South African Institute of Chartered Accountants (SAICA).

DM

Disebo Moephuli (59)
Independent non-executive director
BA, MBA

Committees: A S
Appointed: 2022

Disebo has over 25 years' experience in executive roles within financial services, freight transport and logistics industries and specialises in risk management (both operational and financial) and treasury management. Until August 2021, she served as chief executive officer of corporate and investment banking (CIB) South Africa for Standard Bank Ltd. In this role she ensured alignment of the strategic direction, goals, growth initiatives and business objectives at a regional level within the overall CIB. Disebo has served as an independent non-executive director and member of the risk and investment committees of Nampak and is deputy chair of Childline Gauteng. She holds a Bachelor of Administration degree from the National University of Lesotho, an MBA from Dalhouse University, Canada and an Executive Leadership Programme (LEAP) from INSEAD Business School. She further completed a Project Management course from Stellenbosch University, Property Development and Investment Course from the University of Cape Town, and the Accelerated Directorship Programme with the Institute of Directors Southern Africa.

Committee membership key

- I Investment committee
- N Nominations committee
- S Social and ethics committee
- A Audit and risk committee

CM

CW Nosipho Molope (58)
Independent non-executive director
B Sc (Med), B Compt (Hons) CTA, CA(SA)

Committees: A (chair)
Appointed: 2021

Nosipho serves as a director on a number of listed and unlisted company boards in South Africa. She is currently a member of the boards of Alexander Forbes Group Limited, EOH Holdings Limited, Engen Limited, and MTN Group Limited. Her board committee membership includes Audit, Risk and Compliance, Social and Ethics, Information Technology as well as Remuneration.

KS

Khumo L Shuenyane (52)
Independent non-executive director
ACA

Committees: A I N
Appointed: 2015

Khumo has served as an independent non-executive director of the Fund since 2015. He also serves on the boards of a number of companies within the Investec Group, including Investec Limited, Investec Plc, Investec Bank Limited and Investec Life Limited. Khumo also serves as an independent non-executive director of Vodacom Group Limited and a non-executive director of Ninety One Limited and Ninety One Plc. He previously worked with Delta Partners, a global advisory firm headquartered in Dubai and focused on the telecoms, media and technology sectors, in various capacities for six years from 2014. Between 2007 and 2013 Khumo served as Group Chief Mergers & Acquisitions Officer for MTN Group Limited and a member of its Group Executive Committee. Khumo previously worked for Investec Bank for nine years, serving as head of Principal Investments for three years and a member of Investec's corporate finance team before that. Prior to joining Investec in 1998, he worked for Arthur Andersen in Birmingham, UK and in Johannesburg for six years from 1992. He qualified as a member of the Institute of Chartered Accountants in England & Wales in 1995.

RT

Rex G Tomlinson (60)
Independent non-executive director
BCom

Committees: S (chair), N
Appointed: 2022

Rex is a business leader with over 30 years' experience at board level, in both a C-suite and non-executive capacity, across multiple sectors in South Africa, Africa and the United Kingdom. He served as an executive director of Illovo Sugar, Nampak and Liberty Holdings and as Group Executive of Old Mutual plc. He has served and continues to serve as non-executive chair of unlisted businesses. Rex served as a non-executive director for Tsogo Sun, Telkom, Kelly Group and Balwin Properties. He holds a Bachelor of Commerce degree, a post graduate diploma from Wits Business School and attended the Stanford Executive Programme.

OUR LEADERSHIP CONTINUED

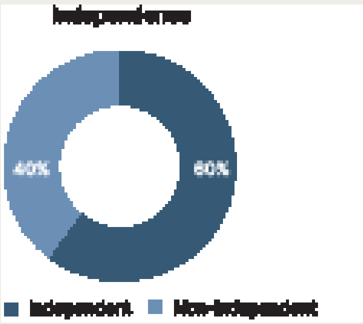
DIRECTORATE

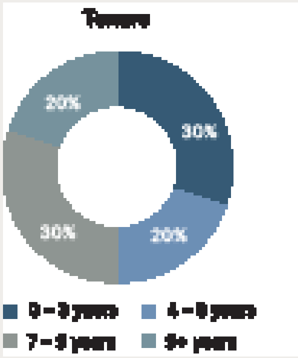
BOARD DIVERSITY, INDEPENDENCE AND EXPERTISE

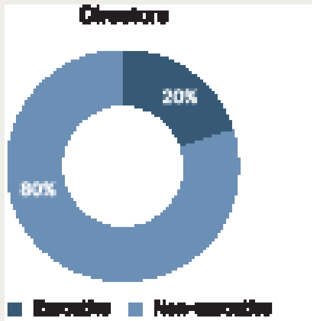
Our board provides ethical leadership and guidance in order to deliver long-term value to shareholders and stakeholders and is committed to ensuring that good governance practices are applied throughout all aspects of the business.

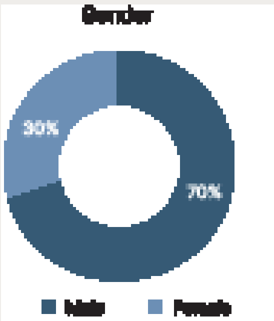
We have a unitary board with ten directors, with a balance of independent and non-independent directors.

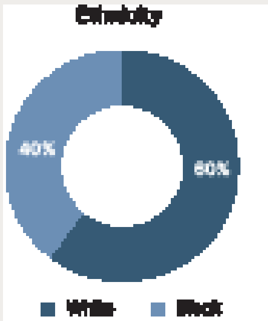
The graphs presented below is for the period ended 31 March 2023.



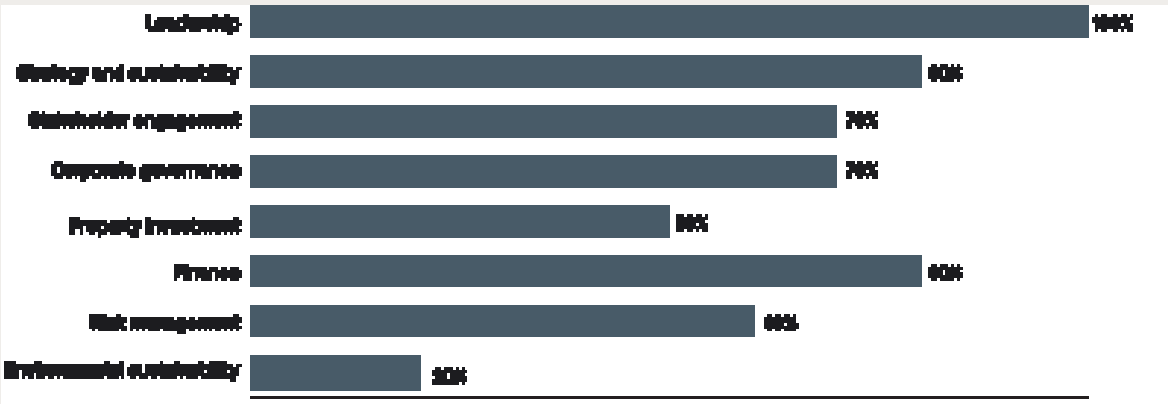








The board appreciates that it requires a diverse array of knowledge, skills, experience and diversity as well as independence to discharge its governing roles and responsibilities, and to remain relevant. Our directors' primary area of expertise is highlighted in the graph below.



Average age
56 years

Oldest member
73 years

Youngest member
37 years

How we create value

BUSINESS MODEL

Capital inputs

Financial capital

- Debt and equity
- Capital recycling
- Third-party capital

Human capital

- Experienced board of directors
- Strong leadership team
- Skilled professionals with track record
- On-the-ground, in-country, management teams in all regions
- Access to support services – finance, legal, marketing, tax, HR etc.

Social and relationship capital

- Partnership with clients
- Investor, analyst and lending community confidence
- Strong partnerships with suppliers and brokers
- B-BBEE compliance strategy
- CSI engagement
- ESG strategy

Intellectual capital

- Strong brand and reputation
- Operating systems and processes
- Management team track record and experience
- Client experience offering
- Culture of entrepreneurship and agility
- Diversified board with property and financial skills
- Access to capital and deal flow
- Integrated thinking
- Innovative thinking and ability to adjust to change

Manufactured capital

- South African direct property portfolio
- Pan-European property portfolio
- Australian funds management business and ITAP fund

Natural capital

- 135 459 MWh of energy (2022: 138 988 MWh)
  - Grid supply electricity 103 927 MWh (77%)
  - Renewable energy 15 234 MWh (11%)
  - Diesel 15 441 MWh (11%)
  - Natural gas 857 MWh (1%)
- 665 819 kilolitres of water (2022: 684 184 kilolitres)
- Land

The Fund

IPF's objective is to:

- be distinctive in our chosen markets and sectors
- be the partner of choice for our clients, consumers and capital markets
- optimise capital and income returns over time for shareholders and
- to deliver sustainable outcomes for communities

We do this by investing in well-priced, income-producing properties in South Africa and offshore.

1 → **The best of breed assets**

2 → **The best client experience**

3 → **The best shareholder returns on a risk adjusted basis**

The Manager

The Fund is currently managed and operated by Investec Property under the terms of an asset management and property management agreement.

The Fund has concluded an agreement for the purchase of the asset management functions of the Fund's South African assets (a division of Investec Property Limited) and that of PEL (through the acquisition of Urban Real Estate Partners, a wholly owned subsidiary of Investec Property Limited).

Our waste and emissions

113 751 total tCO_2e emissions

1 312 tonnes of non-hazardous solid waste generated

General waste: **860** tonnes (66%)

Waste recycled: **452** tonnes (34%)

Outputs

South Africa

In South Africa, the Fund seeks to invest in quality income-producing assets diversified across selected sectors:

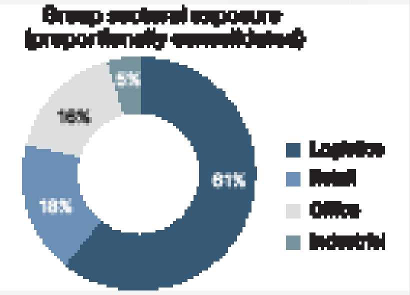
- **Retail** – niche assets or those that are the dominant offering within their respective locations
- **Office** – multi-tenanted low-rise buildings, with ability to be well amenitised
- **Industrial** – good-quality functional space in established nodes with consistent / stable demand

Europe

In Europe, the Fund targets big-box logistics facilities in the core markets of France, Germany and the Netherlands where it adopts a core plus / value add investment strategy to unlock value from both income-producing assets and development opportunities.

Australia

In Australia, the Fund has a 50 / 50 JV in the Irongate funds management platform and a 18.7% limited partner position in the ITAP fund managed by the JV. The Fund is seeking to establish several new platforms with value-add strategies in the medium to long term.



Summary of capital outcomes

- **R10.5 billion** debt
- **R13.0 billion** equity
- Paid **R800 million** of dividends
- Interest cover ratio of 2.8x
- Interest rates hedged on 85% of debt (Group) and 90% of debt (Europe)
- LTV temporarily elevated at 42%[1] with plan to reduce to below 40%
- Healthy liquidity with **R1.2 billion** cash and / or facilities available
- Average cost of SA funding (9% ZAR and 2.9% EUR) and 3.7% cost of debt in PEL
- GCR rating maintained at AA- / A1+(ZA) short / long term, outlook stable
- **R6.5 billion** debt refinanced
- **R1.5 billion** realised disposals

- Sector-specific specialists across asset management, finance and deal making
- An agile, performance-based, purpose-led culture
- Established funds management platform in Australia through JV in Irongate funds management business
- Shareholder approval obtained for internalisation of management businesses in South Africa and Europe

---

- Deep understanding of tenants' business and growth plans
- Consistent high-touch connections with clients
- Measured client service excellence
- Dedicated resources to manage stakeholder relations
- Investor buy-in and support received for growth ambitions and corporate activity
- Opened Scatterlings Early Childhood Development centre at Balfour Mall in February 2023
- Implemented an ESD programme to support AMP tenants over a two-year period
- CSI spend of **R7.2 million**
- Level 1 B-BBEE contributor

- Introduced capital light strategy to enhance growth:
  - Access to third-party capital
  - Leverages management skill set
  - New revenue streams
- Shareholder approval obtained for internalisation of management businesses in South Africa and Europe
- Entered Australian market with JV in funds management business
  Access to:
  - Deal flow
  - European pipeline
  - Investec Property development pipeline
  - Financial support
  - Off-market opportunities through Investec network

- Strategic repositioning of the business undertaken
- **R23.5 billion** total investments
- **R37 billion GAV under management**
- See through balance sheet composition – **56% Europe, 44% South Africa**
- A$450 million equity under management in Australia
- 4.7% decline in NAV – largely related to a 0.9% write-down of South African assets and 5% write-down of PEL portfolio (due to cap rate expansion)
- Generated:
  - **R1.2 billion** NPI in South Africa
  - **R228 million** income from investments
- Capital recycling completed – **R1.5 billion disposals to fund acquisitions of R2.1 billion:**
  - R0.4 billion South Africa assets disposed
  - R1.1 billion sale of PEL shareholder loan
  - Acquisition of R0.4 billion funds management JV and 18.7% interest in ITAP
  - Acquired additional 19% interest in PEL (R1.7 billion)

- **R40.6 million** spent on solar projects (SA)
- **3.3MWp** additional solar capacity created this year and **14.8MWp** total solar capacity (SA)
- Benchmarking tool to manage utility consumption
- During the year, 6 of our buildings received Green Star ratings (SA)
- In total 24 buildings received Green Star ratings (60% of office and 16% of industrial portfolios) (SA)
- BREEAM in-use assessment undertaken on 100% of portfolio (PEL)
- Assessing installation of smart meters to identify client optimisation initiatives (PEL)
- Energy Performance Certificates: 27 (SA) and 47 (PEL)

1. Adjusted for proceeds received from the sale of Netherlands Schiphol property that occurred post year end. As at 31 March 2023 the LTV was 43.4%.

STRATEGIC OVERVIEW

Purpose and mission

IPF AT A GLANCE

What is our mission?

- To be distinctive in our chosen markets and sectors
- To be the partner of choice for our clients, consumers and capital markets

What is our purpose?

- To unlock the potential of space
- Rigid focus on delivering value through client experience
- Deliver consistent performance through the cycles

How do we create value?

- Speed, agility, passion for clients
- We are property purists
- Focus on total shareholder return, but with strong cash underpin
- Primarily core, core plus and value-add strategies

Where do we operate?

- In markets where we have people on-the-ground with a proven track record
- We manage R37 billion of GAV across South Africa and Europe with A$450 million funds under management in Australia

Where we are today

We are an internationally focused real estate fund and asset management company. We aim to deliver attractive returns for investors and sustainable outcomes for communities by giving life to our purpose of unlocking the potential of space.

Dortmund, Germany
GLA: 25 783 m²

An international real estate investor, asset and funds manager

Fully internalised, diversified portfolio with a footprint for greater expansion and scale

SOUTH AFRICA

- Primarily direct investments
- Mature business
- Diversification across office, industrial (including logistics) and retail sectors
- Best of breed assets in their sub-market
- Core, core plus / value-add investments

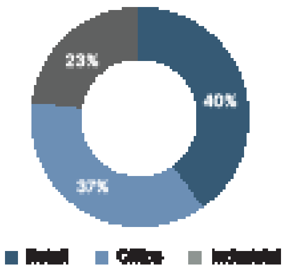
EUROPE

- Direct investments
- Managed and development assets
- Structurally advantaged asset base
- High-growth business
- Core plus / value-add and core strategies with development opportunities
- Pipeline of both completed and development opportunities
- Exploring multiple new capital light strategies and platforms across different risk profiles and markets

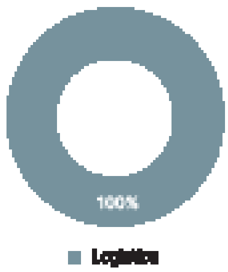
AUSTRALIA

- Funds management business
- Realisable AUM of A$2.8 billion
- Value-add strategy
- Actively seeking new capital partners
- Seeking to establish several new platforms and strategies within next 12-24 months
- Diversification of revenue sources
- Opportunity to invest directly

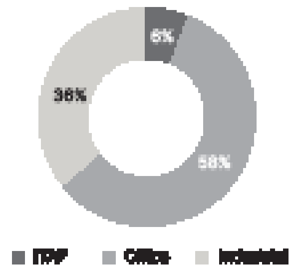
~R15bn GAV



~€1.1bn GAV



~A$450m FUM



Best-in-class management teams at the forefront of an increasingly dynamic real estate market

Incorporating ESG

Our ESG strategy is incorporated into the broader Fund strategy through:

- Integrated risk management framework
- Engagement with all stakeholders; includes engagement on ESG
- Governance frameworks, policies and principles
- Commitment at board and executive level
- Identified SDGs
- Education though collaboration with industry bodies and networks as well as best practices

See Our Impacts on pages 74 to 91 for further detail.

STRATEGIC OVERVIEW CONTINUED

Strategic priorities

- Focus on bedding down the basics while we transition through the internalisation into an international real estate fund and asset management company.
- Expanding fund management strategies across all regions – in line with our capital light strategy.

	South Africa	Europe
Strategic priorities by business area	• Maintaining the quality and relevance of the South Africa portfolio and extracting incremental value from existing assets; • Continuing to execute on the South Africa asset disposal programme as part of the Fund's levers to manage LTV down; • Considering acquisition opportunities particularly around core-plus / value-add opportunities, with a view to generating superior returns for shareholders; • Supporting clients through continued initiatives focused on reducing the cost of occupation; • Ensuring energy security within our portfolio; • Further embedding our ESG initiatives; • Maintaining an appropriate level of capex spend; and • Rolling-out the funds management strategy.	• Active capital recycling through the asset disposal pipeline; • Capitalising on pricing dislocation and seeking investment opportunities; • Exploring early refinancing opportunities; • Rolling-out the funds management strategy; • Introducing a strategic partner into the PEL business over the medium term; and • Embedding ESG principles into the business.
Achievements to date	• Firs development completed and Design Quarter nearing completion – successful projects which are both fully let; • R0.4 billion completed SA asset disposals and R1.1 billion pipeline still to come, of which R0.5 billion signed to date; • 69% of properties (by GLA) with back-up power; • 30% (3.3MWp) additional solar capacity created – 14.8MWp total solar capacity; • FY23 ESG targets achieved with additional initiatives around water savings being explored; • Opened Scatterlings Early Childhood Development centre at Balfour Mall and initiated ESD programme to support AMP tenants; and • R100 million capex budget for FY24 to maintain relevance and quality of buildings.	• Disposed of Schiphol asset at 61% premium to book (3.1% net yield); • Engaged with lenders around early refinancing of debt maturing in 2.5 years; • Full BREEAM in-use assessment undertaken on 100% of portfolio; and • Acquired additional 19% interest in PEL and facilitated exit of PEL JV partner to unlock future growth potential.

Strategic priorities focused on long-term value creation

Management internalisation:

- Finalise process
- Full alignment going forward between management team and shareholders
- Transaction is expected to be earnings accretive and unlocks long-term growth path

Optimise current portfolios:

- Maintain stability against challenging operating climate
- Client retention through high-touch engagement and delivering on tenant requirements
- Enhance quality of recurring earnings
- Reduce cost of occupation
- Exit non-core assets
- Further embed ESG initiatives

Deliver growth:

- Europe development pipeline
- Extract cost savings in EU platform
- Funds management roll-out in all regions
- Seek value-add / core plus opportunities

Maintain a robust balance sheet:

- Execute on strategic levers to reduce LTV
- Capital recycling to create capacity
- Low refinancing risk
- Continue to manage interest rate risk

OUR CAPITAL ALLOCATION STRATEGY

All investment decisions are underpinned by underlying real estate fundamentals. The Fund seeks to optimise capital allocation across local and offshore opportunities pursuing primarily core and core plus investment strategies, with the fund management strategy providing enhanced returns and optionality going forward.

Offshore strategy

Following the acquisition of the additional 19% interest in PEL, offshore assets under management constitute 56% of the Fund's balance sheet. This comprises the strategic interest in the R23 billion PEL portfolio and an interest in the Australian funds management business.

Europe
In Europe, the Fund invests in big-box logistics facilities in the core regions of Germany, France and the Benelux using a core plus / value-add investing approach to unlock value from both income-producing assets and development prospects.

The logistics sector has experienced considerable growth due to structural tailwinds such as e-commerce and urbanisation. The Fund's diverse and mature South African portfolio complements the European platform's logistics-focused, high-growth nature, allowing it to generate returns across the cycles notwithstanding limited growth prospects in the South African market. Resurgence in global volatility and economic headwinds have recently dented investment appetite and impacted valuations within the European logistics sector. The disparity between buyer and seller expectations has created pricing dislocation in the market, which could present an opportunity for IPF to pursue acquisitions where we see value unlock potential.

In Europe we are primarily in core plus and are focused on incorporating more development and value-add assets. This comprises under-managed assets where IPF can price the capex, letting and income risk and extract greater value. The Fund will continue to seek light industrial, logistics and general warehousing assets in the core logistics regions of Germany, France and Netherlands.

This investment approach may also be aligned to the Fund's capital light strategy, where capital partners may be introduced into the investment alongside management co-investment. The Fund may also consider potential opportunities to assist third party owners in managing their non-performing assets or their management teams, in core existing markets.

IPF will also seek to continue to progress development opportunities within PEL. The lack of quality product in the market and historically low vacancy rates support the need for quality industrial developments and tenant demand remains strong. Opportunities exist to create a development platform as part of the funds management strategy.

Australia
IPF re-entered Australia during the period through a 50 / 50 joint venture with the management team of the Irongate funds management business, which controls c. A$450 million equity under management, allowing the Fund to unlock its broader capital light fund management strategy. Additionally, having a fully aligned and internalised business creates opportunities for IPF to further expand fund management strategies across all regions.

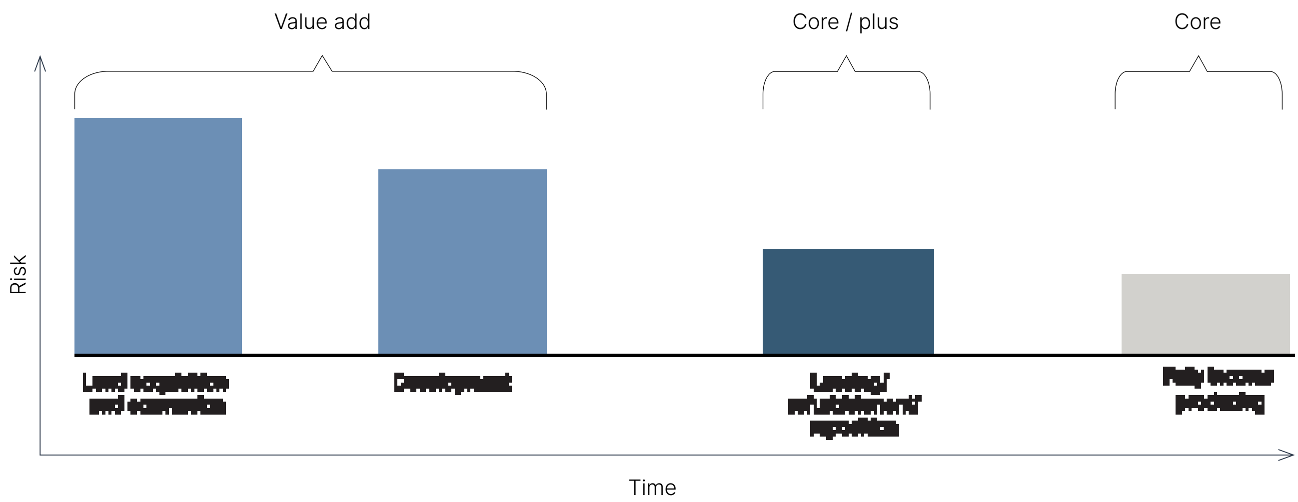
In Australia, existing investments comprise opportunity funds in which the Fund has assumed co-investment stakes ranging from 5–50% and targeting investment across traditional asset classes, pursuing risk strategies that may be core, core plus, value-add or developments. Growth will be achieved through new funds targeting core-plus, value-add or specialised strategies.

South Africa

In South Africa, IPF seeks to invest in income-producing assets diversified across the traditional sectors:

- **Retail** – niche assets or those that are the dominant offering within their respective locations
- **Office** – Multi-tenanted low-rise buildings, with ability to be well amenitised.
- **Industrial** – Good-quality functional space in established nodes with consistent / stable demand.

With the domestic portfolio now largely de-risked, the focus will be on accelerating the capital recycling programme. Proceeds will be redeployed into core-plus and value-add opportunities which are converted to core over time, to generate returns through the property life cycle. Within a funds management model, investors will be offered the opportunity to participate across the different risk appetites.



OUR CAPITAL ALLOCATION STRATEGY CONTINUED

Risk spectrum of investment strategies

Investing across the risk spectrum

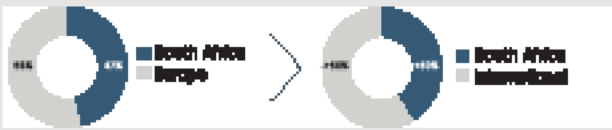
	Value add	Core plus	Core
Characteristics	• Land acquisition and conversion • Forward funding • Top structure development and associated leasing • Considerable capital needs • 15 – 20% returns	• Typically, something is 'broken' • Short WALE • Element of vacancy • Capex requirement • Acquisition of vacant properties, required repositioning and leasing • 10 – 15% returns	• Fully de-risked • Quality location and tenant • Stable cash flow and capex requirements • Prime assets and location • 7 – 10% returns
Examples	• Schiphol Logistics Court • Hoppegarten developments • PEL developments	• Benoni Multi-park • Design Quarter • Balfour Mall • PEL strategy	• SA retail portfolio • Hoppegarten property

In addressing the gaps in IPF's value chain we seek to build platforms in all geographies that play across the entire spectrum on a risk-adjusted basis.

Evolution of the investment strategy

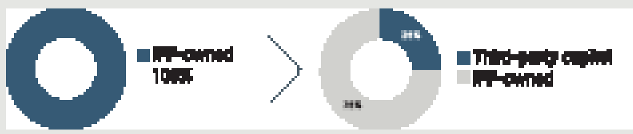
Geographical diversification remains a key element of our investment strategy and we continue to explore opportunities with a view to increasing the offshore component of investments and participating across the risk spectrum over time, as we gradually shift towards a more capital light model.

Geographic profile of assets under management



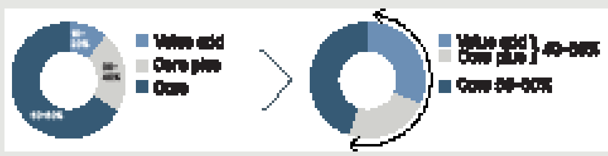
Significantly increased offshore component

Capital heavy vs. capital light



Leveraging our skill set to manage third-party capital and introduce new sources of capital

Investment strategy – risk profile



Invest across the risk spectrum and generate returns through the property cycle – leverage our people and skill sets

Capital recycling

The Fund adopts a disciplined approach to capital allocation in pursuit of investments that generate the highest risk-adjusted returns, subject to sound property fundamentals and where this meets the Fund's investment criteria.

IPF proactively implements asset recycling across platforms and individual assets to ensure the most efficient use of its capital. During the period under review, the Fund executed on a R1.5 billion disposal pipeline to fund announced acquisitions totalling R2.1 billion.

FY23		*Pipeline*		*Net position*
Acquisitions completed		**Acquisitions**		**Acquisitions**
R2.1bn	• R0.4bn ITAP investment • R1.7bn acquisition of 19% interest in PEL	**R0.9bn**	• R0.85bn Manco internalisation	**R3.0bn** **Offshore: 71%** **SA: 29%**
Disposals completed		**Disposals**		**Disposals**
R1.5bn	• R1.1bn sale of PEL bridge loan • R0.4bn sale of SA assets[1]	**R1.5bn**	• R0.3bn Netherlands assets sale (April 23) • R1.2bn SA asset disposals[2]	**R3.0bn** **Offshore: 48%** **SA: 52%**

Disposals implemented include the sale of the PEL bridge loan, South African asset disposals and the sale of a property in the Netherlands which concluded in April 2023.

The Fund raised R424 million cash proceeds through disposals of seven non-core properties in South Africa:

Asset	Sector	Gross selling price (R)	Disposal yield
Masscash Kimberley	**Retail**	**33 000 000**	**10.5%**
BW Polokwane	**Retail**	**107 000 000**	**8.0%**
BW Bloemfontein	**Retail**	**99 000 000**	**8.6%**
BW Witbank	**Retail**	**65 000 000**	**8.4%**
Unitrans	**Retail**	**17 250 000**	**Vacant**
Zenth East Rand	**Industrial**	**86 979 421**	**8.7%**
Minolta Highveld	**Industrial**	**15 750 000**	**8.2%**
Total		**423 979 421**	**8.6%**

Proceeds from concluded disposals have been directed towards the acquisition of the 19% interest in PEL, investment in the Irongate funds management business and the pending purchase consideration in respect of the internalisation, once regulatory approvals are received.

The Fund is targeting a further R1.1 billion of disposals in the next 12 months, of which sale agreements have been signed on R0.5 billion of this disposal portfolio. The latter includes the Investec Durban and Pretoria office properties that form part of the management internalisation transaction:

Held for sale

Asset	Sector	Book value (R)
Shoprite van der Bijl	**Retail**	**136 000 000**
Builders warehouse – The Glen	**Retail**	**174 000 000**
Barinors Vineyards – Farm 5	**Office**	**119 837 717**
Vinebridge	**Office**	**47 788 884**
Bigen	**Office**	**100 000 000**
Total		**577 626 601**

Sale agreements signed

Asset	Sector	Gross selling price (R)
Investec Pretoria	**Office**	**183 000 000**
Investec Durban	**Office**	**206 000 000**
Silverlakes	**Retail**	**80 000 000**
Martin & Martin	**Industrial**	**52 000 000**
Total		**521 000 000**

1. Assets sold and transferred during the year.
2. Held for sale assets, sale agreements signed and / or awaiting transfer.

STAKEHOLDER RELATIONSHIPS

The Fund's strategic objectives include communication, public disclosure duties, and stakeholder interactions, as well as identifying, engaging, and creating relationships with our stakeholders. Over the last year, we have placed a great emphasis on the well-being, safety, and security of our stakeholders. The board understands that good communication is critical to increasing stakeholder value, and it is committed to providing primary stakeholders with meaningful, transparent, timely, and accurate financial and non-financial information.

This allows stakeholders to make relevant assessments and informed decisions about the Fund, notably regarding investment decisions.

Stakeholder	Methods of engagement	*Status*
Clients Client-centric approach focused on building and maintaining strong mutually beneficial relationships with our clients.	• Proactively understanding the client's business, growth ambitions and identifying value-adding propositions o High touch engagement with clients o Focusing on building 'lived' experience o Innovative solutions tailored to meet client needs o Interactive engagement at both personal and professional level o Client touchpoint programme o Client events o Partnering with clients to evaluate evolving office space requirements with the increased prevalence of work from home • Site visits • Lease negotiations • Client evaluation • Using client data to further inform decision-making	*Impact on capitals*

Expectations and needs

- Partner of choice – a distinctive provider of great space and service excellence in good and bad times
- Speedy and responsive service
- Flexibility in terms of space requirements
- Increased amenitisation
- Managing loadshedding in South Africa
- Reducing cost of occupation

Response

Vacancy reduced across both South African and European portfolios:

- South Africa: 3.9% (March 2022: 4.5%)
- Europe: 0.9% (March 2022: 2.3%)

Focus on client experience strategy and leasing resulted in strong letting performance across both regions:

- South Africa:
  - o 90% of space expired re-let at an average reversion of negative 13%, but low incentives of 1.7% in a constrained letting market
  - o 182 leases concluded with 77 new lets across all sectors (March 2022: total 177 leases)
- Europe:
  - o 98% of space expired re-let at an average reversion of +8.6%

IPF has made significant steps in supporting clients through loadshedding and reducing the cost of occupation for its clients through energy assessments, wheeling considerations, interfacing solar to generators, rolling out additional solar power initiatives and improving back-up power in its buildings. 69% of IPF's portfolio is covered by back-up power and the Fund has installed 14.8MWp of solar generation capacity to date to alleviate the burden of the energy crisis.

No relationship · Established relationship · Strong mutual relationship

FINANCIAL CAPITAL · HUMAN CAPITAL · INTELLECTUAL CAPITAL · SOCIAL AND RELATIONSHIP CAPITAL · MANUFACTURED CAPITAL · NATURAL CAPITAL

Stakeholder	Methods of engagement	*Status*
Investors and funders Timely and transparent information is essential to keep investors and funders informed of developments. Analysts provide the market with information about the company, which influences current and potential investor confidence. Require sustainable income and capital returns.	• Regular communication with investors, banks and debt providers to ensure continued financial backing and mitigate refinance risk • Operational updates shared frequently with investors and lenders • Early dialogue concerning debt refinancing • Investor roadshows, market sounding exercise ahead of corporate activity • Meetings (Annual General Meeting) • SENS announcements (both regulatory and *ad-hoc* operational updates), circulars and integrated and sustainability reports • Press releases • Annual and interim results presentations and one-on-one roadshow meetings • IPF website • Site visits • Reporting on covenants • Engagement with debt-rating agencies who provide independent insight into the ratings of the Fund's debt	*Impact on capitals*

Expectations and needs

- Constant dialogue with investors around operational updates and corporate activity
- Prudent liquidity management and a strong balance sheet position, with capacity to grow the investment base
- Sustainable income and capital returns on a risk-adjusted basis for shareholders
- Ability to maintain REIT status
- Path to growth and create value for shareholders

Response

- 157% total return (market) and 207% (book) return to shareholders since listing
- FY23 dividend of 99.41 cps paid (95% pay-out ratio)
- LTV 42%[1] (5.3% cost of debt) in South Africa, LTV 53.4% (3.7% cost of debt) in Europe
- Debt rating maintained with stable outlook
- R6.5 billion debt refinancing successfully undertaken and incorporating significant sustainability element

1. Adjusted for proceeds received from the sale of Netherlands Schiphol property that occurred post year end. As at 31 March 2023 the LTV was 43.4%.

No relationship | Established relationship | Strong mutual relationship

FINANCIAL CAPITAL | HUMAN CAPITAL | INTELLECTUAL CAPITAL | SOCIAL AND RELATIONSHIP CAPITAL | MANUFACTURED CAPITAL | NATURAL CAPITAL

STAKEHOLDER RELATIONSHIPS CONTINUED

Stakeholder	Methods of engagement	Status
Brokers Quality relationships are critical to sustainability. Alignment with IPF values and brand.	• Extensive broker engagement programmes, including broker roadshows and events • IPF website • Incentive programme • Internal leasing executives liaise with brokers • Site inspections, presentations, and marketing • Embracing technology platforms • Broker app with vacancy schedule	*Impact on capitals*

Expectations and needs

- Information regarding vacant space through site visits, technology platforms, presentations and marketing and timely communication regarding other pertinent matters

Response

- Incentive programmes
- Letting opportunities
- Steady vacancy levels of 3.9% (March 2022: 4.5%) in South Africa and 0.9% (March 2022: 2.3%) in Europe

Stakeholder	Methods of engagement	Status
Suppliers Established strong working relationships with a wide range of suppliers to enhance operating efficiency.	• Ongoing interaction • Effective management of supplier payments, ensuring alignment with agreed-upon payment terms • Potential / new supplier introduction • Contract management	*Impact on capitals*

Expectations and needs

- An agile response and speed of doing business
- Timely payment of suppliers
- Constructive engagement where disputes arise
- Cost savings

Response

- Procurement opportunities on regular basis to ensure competitive pricing and improved service delivery
- Enhanced efficiencies
- Improved net cost-to-income ratio of 22.8% (March 2022: 23.9%) in South Africa and in Europe reduced to 8.4% (March 2022: 8.7%)
- Cost rationalisation implemented in Europe to reduce operating costs – expected to generate c.€2 million in savings over two years

No relationship Established relationship Strong mutual relationship

FINANCIAL CAPITAL HUMAN CAPITAL INTELLECTUAL CAPITAL SOCIAL AND RELATIONSHIP CAPITAL MANUFACTURED CAPITAL NATURAL CAPITAL

Stakeholder	Methods of engagement	*Status*
Property managers Provision of hands-on management services for the portfolio.	• Regular meetings between property management and asset management teams • Proactive performance management • Ongoing assessment of alignment with the Fund's strategy • Service level agreement (SLA) management • Roll-out plan to ensure new property managers are aligned with the Fund's expectations regarding client service	Strong mutual relationship *Impact on capitals* Social and relationship capital, Manufactured capital, Human capital, Natural capital

Expectations and needs
- Positive collaboration to improve the quality of business and information
- Improvement in reporting function to enable decision-making

Response
- Cultural alignment
- Improved level of service delivery
- Client-centric focus and consistency in the IPF offering to clients
- Cost saving and efficiency

Stakeholder	Methods of engagement	*Status*
Government and regulators Regulations, legislation and municipal expenses all impact the Fund.	• Monitoring and responding to local, provincial and national issues • Engaging municipalities through property managers and consultants • Meeting public disclosure obligations through the company secretary and the sponsor • Monitoring and responding to developments in the JSE Listings Requirements • Meetings with the JSE • Regular reporting to the JSE • Meeting regulatory requirements of EU	Strong mutual relationship *Impact on capitals* Financial capital, Social and relationship capital

Expectations and needs
- A responsible, ethical and transparent corporate citizen

Response
- Legal, regulatory and tax compliance – external advisors engaged where necessary to provide support
- REIT compliance
- Engagement with regional experts across Europe to ensure compliance
- Engage industry experts in South Africa to ensure compliance with legal and statutory requirements

No relationship   Established relationship   Strong mutual relationship
FINANCIAL CAPITAL   HUMAN CAPITAL   INTELLECTUAL CAPITAL   SOCIAL AND RELATIONSHIP CAPITAL   MANUFACTURED CAPITAL   NATURAL CAPITAL

STAKEHOLDER RELATIONSHIPS CONTINUED

Stakeholder	Methods of engagement	*Status*
Industry and business associations Critical to driving best practice, identifying new opportunities and creating a conducive long-term business environment.	• Press releases • IPF website • Membership of the SA REIT Association • Representation on SA REIT Association sub-committees • Membership of SAPOA • Engagement with rating agencies	*Impact on capitals*

Expectations and needs

- Mutually beneficial experience and expertise to improve the quality of business in the property industry and associated businesses

Response

- Active participation and engagement on various industry bodies to ensure key issues facing the Fund and the sector are being addressed more widely as an industry

Stakeholder	Methods of engagement	*Status*
Communities and environment Facilitating upliftment in communities where we own assets improves the profitability of the assets. Environmental sustainability is vital to the Fund to enhance asset quality.	• Corporate social investment • Hosting of events at the Fund's premises • Ongoing sustainability projects • Investment in solar PV	*Impact on capitals*

Expectations and needs

- A responsible corporate citizen
- Create financial and social value in a sustainable way

Response

- Scatterlings Early Childhood Development centre at Balfour Mall opened in February 2023
- Partnered with Property Point to implement an enterprise and supplier development programme to support AMP tenants over a two-year period – nine candidates in first intake
- Sustainability projects in South Africa:
  - Additional 3.3MWp solar capacity installed in FY23 and total capacity of 14.8MWp across the South African portfolio
  - Reducing cost of occupation for clients through energy assessments, wheeling considerations, interfacing solar to generators
  - Exploring borehole as alternative source to reduce reliance on municipal supply with successful projects completed at two sites
- Sustainability projects in Europe:
  - Evaluating solar roll-out strategy
  - Assessment completed on all properties to install smart meters to identify energy optimisation initiatives
- R7.2 million total CSI spend

No relationship | Established relationship | Strong mutual relationship

FINANCIAL CAPITAL | HUMAN CAPITAL | INTELLECTUAL CAPITAL | SOCIAL AND RELATIONSHIP CAPITAL | MANUFACTURED CAPITAL | NATURAL CAPITAL

CASE STUDY

Newcastle solar project

Newcastle Mall (Phase 1):

Newcastle solar farm (Phase 2):

Newcastle Phase 1 & 2 combined	
System size (kWp)	**2 102**
kWh savings per year	**4 887 665**
Emissions savings per year (tCO_2e)	**5 027**

Solar installation at Newcastle Mall creates 5 027 metric tons of emission savings per year

This is equivalent to CO_2 emission from:

1.9 million litres of diesel consumed

2.6 million kilograms of coal burned

634 homes energy use for one year

978 homes electricity use for one year

11 627 barrels of oil consumed

This is equivalent to greenhouse gas emissions avoided by:

190 528 incandescent lamps switched to LEDs

217 597 trash bags of waste recycled instead of landfilled

1 739 tons of waste recycled instead of landfilled

248 garbage trucks of waste recycled instead of landfilled

1.4 wind turbines running for a year

Our operating environment

OUR BUSINESS IN CONTEXT

The context of our portfolio

Client experience is a strategic priority and we have made it a point to remain close to our clients, focusing on deepening and broadening these relationships to promote efficiency and agility in our service offering. We are also focused on responding to systemic changes and strive to partner with clients to ensure our buildings meet the changing needs of the users of these spaces. We work together with clients to share the challenge of adapting the properties to more sustainable and greener buildings to reduce the cost of occupation and meet both our and their sustainability targets. In addition, we apply each of our strategic pillars to our sector portfolios to maximise value for all stakeholders.

Links to strategy

- **S1** Sustainable, high-quality earnings generated through the defensive nature of investments that is underpinned by quality assets and hands-on asset management
- **S2** De-risk portfolio and maintain stability by addressing underperforming assets while creating future value from existing portfolio
- **S3** Rationalise and simplify assets through capital recycling on an efficient and effective basis
- **S4** Disciplined balance sheet and risk management
- **S5** Create growth through pursuit of a capital light strategy and acquisitions across our core areas of focus
- **S6** Tap into new sources of capital to support growth

Pan-European logistics context (56% of total portfolio)

The Eurozone felt the strain of economic challenges impacted by an energy crisis and ongoing pressure on supply chains stemming from the war in Ukraine. Despite a dip in demand driven by increasing interest rates, geopolitical uncertainty, and the threat of global recession, the European logistics real estate market continues to expand. Growth can be attributed to supply chain reconfiguration and increasing e-commerce penetration underpinning the rising demand for high quality facilities.

Supply remains constrained due to cost inflation and rising funding costs. A constrained credit market has contributed to a limited development pipeline in Europe, further restricting supply.

This continued supply-demand imbalance has resulted in vacancy declining to record low levels and positive rental growth expectations, further supported by indexation.

Interest rate pressure and significant interest rate increases by the ECB has however, created pricing volatility in asset markets. The disparity between buyer and seller expectations has hampered transaction activity in 2022, with the increased cost of debt making it challenging to achieve accretive transactions and thus the weight of capital targeting the logistics sector reduced.

The performance of the Fund's PEL platform is underpinned by a strong, defensive portfolio that has capitalised on sector dynamics. The underlying portfolio continues to deliver solid performance and has further improved on key portfolio metrics.

Overall performance was dampened by the increase and volatility in global interest rates.

South African context (44% of total portfolio)

The South African macroeconomic environment remains uncertain as domestic fundamentals continue to be under pressure on the back of global recession concerns. This has been exacerbated by loadshedding and infrastructure challenges locally. 69% of the Fund's portfolio has back-up power and management continues to support clients through loadshedding and reducing the cost of occupation for clients through various cost-saving initiatives. Management's focus is on maintaining the quality and stability of the South African portfolio, reducing cost of occupation, enhancing sustainable NPI and exploring opportunities to create further value.

Industrial and logistics context (23% of South African portfolio)

Supply chain optimisation, onshoring and the need for greater efficiency, together with a shortage of new stock, supported the logistics sector in maintaining its upward trend in 2022. As a result, there are signs of positive market rental growth emerging in the sector, and the investment appeal of this sector is rebounding.

The industrial property sector has experienced a strong comeback as evidenced by positive letting, sustained low vacancy and this sector achieving the strongest NPI growth. The Fund's portfolio comprises good-quality functional assets in established nodes that continue to illustrate their appeal and benefit from consistent demand. Limited supply of stock in the industrial sector and lower risk appetite by banks to fund speculative developments in the current environment will continue to support demand for existing stock.

Retail context (40% of South African portfolio)

During the period under review, landlords reported strengthening revenue generation, declining vacancies and continued growth in trading metrics. However, the domestic climate is becoming more challenging, as severe loadshedding, a weakening currency, rising interest rates and consumer price inflation are negatively impacting investor sentiment and causing many consumers to become increasingly reliant on credit. Growing levels of consumer debt is a concern as higher interest rates increase the cost of this debt and place additional financial strain.

The local energy crisis is having a significant impact on the sector and has resulted in reduced domestic GDP growth forecasts for the year. Retail owners have been forced to buy diesel to fuel generators thus increasing total energy costs which is then passed onto clients, increasing their cost of occupation. For clients without back-up power options, the impact of lost trade is even more crippling. Loadshedding has led to customer preference for convenience-type centres and has resulted in a shift in footfall towards those centres. This contributed to community and neighbourhood centres, which are smaller centres, particularly in rural areas remaining robust in 2022 and were frontrunners in delivering rental growth.

OUR BUSINESS IN CONTEXT CONTINUED

Furthermore, retail has shifted into the realm of the omni-channel experience, where stores reach their consumers at multiple touchpoints. This has resulted in the opening of e-commerce platforms as well as mobile apps to support physical stores, which in-turn will increase demand within the industrial sector for necessary logistics and warehousing requirements to support the speedy fulfilment and delivery times.

The Fund's portfolio comprises of 19 properties, the majority of which are strategically situated in semi-rural, non-metropolitan nodes that are well-tenanted with a significant proportion of national clients. The shopping centres within the portfolio serve large catchment areas and are dominant in the nodes within which they are located. The segment remains an attractive asset class within IPF's portfolio, having delivered sustained growth since the COVID pandemic.

Office context (37% of South African portfolio)

The office sector kept up its run as the least desirable sector in terms of investment in the current environment, driven by oversupply issues that continue to restrict the sector's performance. Through the first half of 2022, demand fundamentals from an occupier viewpoint remained muted, only picking up in a few nodes in the second half of the year. Factors such as rising construction and funding costs negatively impacted the feasibility of converting older stock to alternate uses, also limiting any recovery in the lower quality segment of the market.

As offices are viewed as essential for productivity and collaboration by large corporations, core properties are being renovated, updated, and repositioned whenever practical. Supply / demand dynamics are expected to improve as businesses start to return to their office spaces as the preferred place of work. This is being further encouraged by loadshedding, which is challenging hybrid working models and hampering productivity when WFH is without back-up power.

Despite the challenging backdrop, the Fund's office assets delivered a resilient performance, evidenced by positive NPI growth, further reduction in vacancy and increased enquiries within the sector illustrating the desirability of IPF's office assets. Office vacancies were well-managed with a further reduction to 7.4% by GLA, and well below the industry average of 15.8%[1], due to strong management skills and execution of strategy.

Australia

IPF re-entered the Australian market during the year, through a 50 / 50 joint venture with the management team of the Irongate Australia Fund Management platform, which has A$450 million equity under management and an estimated current realisable asset value of A$2.8 billion.

In addition, IPF has a direct equity interest of A$22 million (i.e. c.18.67%) in the Templewater Australia Property Fund. The transaction is a first step in the strategic shift towards a capital light funds management operating model with potential to further scale this strategy across all regions.

1. Q1 2023 SAPOA SA office vacancy rate.

TRENDS IN THE MARKET

Property investment activity

South Africa

South Africa's overall volume of real estate investments decreased to R16.7 billion in 2022, down almost 19% y-o-y. The majority of activity was concentrated in Gauteng although it lost significant market share to the Western Cape, where investment activity improved 66% y-o-y driven by the semigration factor.

Sectoral performance varied, with the industrial sector performing well, the retail sector recovering more slowly than anticipated, and the offices sector lagging.

Looking ahead to 2023, lower activity levels are expected in H1, with any potential rebound being driven by a resolution to the energy crisis and improved economic growth prospects. As interest rate hikes start to taper, we may see an uplift in activity. Ongoing pressure on acquisition yields is still anticipated. The domestic political climate will also play a role in 2023's slow start.

European logistics market

The logistics market in Europe proved resilient despite a difficult political and economic environment. Only 6% short of the 2021 record, close to 32 000 000m^2 was taken-up in 2022 across 13 major markets.

Nearly €51 billion was invested in European industrial assets in 2022. Investments reached their second-highest level for the industry last year, although they were below the record level seen in 2021.

The latter half of 2022 saw a slowdown in take-up due to high inflation and monetary tightening. The rapid acceleration in financing costs from mid-2022 destabilised pricing in the market, resulting in investment activity declining by Q4 as buyers and sellers pulled back. The accelerated increases in interest rates and bond yield expansion ultimately put an end to 10 years of prime yield compression in the logistics sector. During 2022, European prime yields expanded by c.100bps.

Despite this, the lack of available space remains the main obstacle to take-up, rather than the absence of demand. Speculative development has also been hampered by the lack of land, prolonged construction times, rising construction costs and increased financing costs.

Despite a 19% y-o-y decline overall, 2022 transaction volumes were 30% higher than the five-year average. Institutional buyers and sellers remain cautious as yields increase further. Long-term sector growth is supported by market fundamentals and increased investment activity is anticipated.

The PEL portfolio has strong operating metrics and there is potential for IPF to release capital for recycling through a potential sale of stabilised assets. Dislocations in the current market could further present acquisition opportunities for the Fund, whereby the Fund would leverage its strong management capability to buy and manage riskier assets that offer potential for higher returns.

Sources: JLL, Knight Frank, Catalyst Fund Managers research

Macrotrends impacting the property sector

IPF continues to monitor and respond to trends that impact its operations. These also influence our strategy as they are critical to our global operations.

Higher interest rate and inflationary environment to persist globally

Context

The FY23 financial year was characterised by accelerated increases in global interest rates to curb rising inflation. This has resulted in a higher cost of debt for REITs and an increased need for treasury management as loan durations and fixed- vs. floating-rate considerations are becoming increasingly important in the current environment.

Higher interest rates have affected lending activity, particularly in Europe. The constrained debt market and higher borrowing costs has resulted in cap rate expansion and a decline in property valuations.

The increased inflation has, however, supported growth in market rentals which, if captured through active asset management, serves to cushion the impact of cap rate expansion.

The current environment also poses opportunity for acquisitions as sellers with distressed balance sheets may be forced to bring assets to market due to rapidly increasing funding costs.

Our response

- Capital recycling to maintain balance sheet strength and create capacity for growth
- Disciplined capital allocation across our portfolio to generate long-term sustainable returns
- Rigid focus on treasury management to maintain liquidity, extend and stagger debt and swap expiry profile and reduce cost of debt

Links to strategy

S3 S4 S5

TRENDS IN THE MARKET CONTINUED

Heightened economic and geopolitical uncertainty

Context

The macroeconomic outlook is characterised by a continued uneven post-pandemic economic recovery and heightened geopolitical tensions. The performance of the European logistics sector is broadly linked to the global growth outlook and supply chain activity and the Eurozone is expected to recover more quickly than most of its counterparts. However, this recovery is being hampered by the Russian invasion of Ukraine which has aggravated supply disruptions, resulting in rising energy prices and higher inflation.

Recovery in South Africa could take place at a much slower rate due to structural economic factors and the increased power crisis. This, together with the impact of inflation on the cost of living and the political instability caused by the upcoming 2024 elections may fuel further social unrest. The reinvigoration of renewable energy and rising government spending may help boost the economy in the short term but long term increasing debt levels will pose a significant challenge. Domestic growth prospects are reflective of the muted operating environment.

Our response

- High touch engagement and understanding of client growth and servicing requirements
- Proactive asset management to maintain asset quality, relevance and capture rental growth
- Balance sheet and risk management to maintain liquidity and navigate volatility
- Best-of-breed assets to enhance portfolio resilience
- Constant communication with stakeholders to obtain support for company strategy and decision-making

Links to strategy

S1 S2 S4

Loadshedding in South Africa

Context

Loadshedding in South Africa poses a significant challenge to the property sector, resulting in significant disruption to the economy and the Fund's clients, not limited to increased cost of operating, loss of operating hours and reduced production levels. The increased severity of loadshedding has also given rise to the possibility of a total grid failure as an extreme scenario.

Loadshedding has led to customer preference for convenience-type centres and has resulted in a shift in footfall towards those centres. Loadshedding has also driven an increased return to office.

Our response

- Improve and maintain the availability of back-up power at properties
- Preparing contingencies for grid failure with a focus on ensuring safety of clients and ability to continue basic operations
- Investigating alternative power back-up solutions including wheeling considerations, interfacing solar to generators and / or batteries, rolling out additional solar power initiatives
- Supporting clients through loadshedding and reducing cost of occupation through energy-saving initiatives

Links to strategy

S1 S2

Fast-tracking technology

Context

Technology can help companies compete based on value addition and not just price alone. "Prop-tech" provides advanced data analytics with real time feedback to help with better building management. Technology such as cool-roof systems, solar panels, LED lights, thermal glass, and clerestory windows contribute to reducing a company's carbon footprint.

Our response

- Investment into Prop-tech initiatives over the next five years
- Increasing use of consumer data to inform strategy and drive decision-making

Links to strategy

S2

An active role in creating a sustainable future

Context

As environmental, social and governance matters take centre stage, several key trends are starting to emerge, such as climate change and social inclusion, which may directly affect property structures either through natural disasters such as floods or through social unrest in the form of strike action.

Businesses must therefore empower the communities in which they operate. The rise in technology has also made it easier for businesses to incorporate features within their operations that are aligned with reducing their carbon footprint. Green buildings have become a key factor in the property sector due to having benefits that go beyond economic and environment factors. It is estimated that workers in green, well-ventilated offices post better cognitive scores when compared to workers in a more traditional setup.

Governance is critical as it sheds light on how a company is managed and how well the board attends to the interests of stakeholders. It also provides an indication of what the board's view is regarding diversity and transformation. Financial and accounting transparency are also considered key elements of good corporate governance.

Our response

- ESG strategy gaining momentum with set targets each year and a continued focus on reducing cost of occupation
- Environmental strategy rolled out across multiple initiatives – climate and energy, sustainable buildings and water
- Commitment across the business including the board and executive management
- Engagement with clients, staff*, communities, shareholders and debt providers
- Six additional Green building certifications achieved with a total of 24 properties rated 4-star in South Africa
- BREEAM certification undertaken on Europe portfolio
- Milestones achieved with respect to social initiatives

Links to strategy

S1

* The Fund is currently managed by an external management company, the Manager, and therefore has no employees or personnel of its own, but reference to staff are those employees dedicated, by the Manager, to IPF.

Resilient business model for an ever-evolving environment

Context

COVID-19 has changed the way people live and work. Certain tenants are looking to downsize due to remote working, while others are increasing their space to adapt to the hybrid working model, allowing increased desk space and more meeting rooms that facilitate online meetings when at the office. This has prompted property companies to be more agile as well as to re-evaluate capital allocation strategies, balance sheet capacity and funding models. Relevance and strategy execution will continue to be a key factor to mitigate vacancy risk.

The Fund is in a secure position, delivering consistent NPI growth since the COVID-19 pandemic, with a robust balance sheet and PEL cost mitigation initiatives that are starting to realise savings. The introduction of the capital light business model will unlock numerous benefits for IPF, including reduced gearing, access to growth capital, diversification of investment base and creation of new revenue streams.

Our response

- Best-of-breed assets in high demand nodes
- Differentiator through focus on client experience
- Capital allocation between local and offshore portfolio
- Capital recycling and exit of non-core assets where maximum value has already been extracted
- Pursuit of a capital light strategy and introduction of third-party capital to fund growth

Links to strategy

S1 S2 S3 S4 S5 S6

RISKS AND OPPORTUNITIES

Risk management is key to the Fund's long-term growth and sustainability as it ensures strategic objectives are met through the balancing of risks and value creation. The Fund is exposed to several risks that could have an impact on its operations in the ordinary course of business. Our overall risk management strategy includes identifying, evaluating, controlling, and reducing these risks as well as balancing their impact by seizing opportunities.

By understanding key risks to the business, determining risk tolerance, and approving and reviewing implementation processes, the board mitigates risk and capitalises on opportunities. This process is overseen by the audit and risk committee at Group level.

Internal audit

Internal audit provides independent assurance that the risk management framework is designed appropriately, operates effectively, and is implemented with integrity within the business.

Compliance

The compliance function collaborates to develop, monitor and report on risk management frameworks and processes.

External audit

The external auditor provides an opinion on the fair presentation of the financial statements and acts as a line of defence with regards to effective risk management.

Assurance

The Fund engages with internal assurance providers (e.g. internal audit, compliance, IT / operational risk managers, business resilience coordinator, information security officer) to ensure that an effective risk and control framework is in place.

The Board

The Fund's board assesses and provides oversight over the management of risk while fostering a culture of risk awareness.

Management

All levels of management actively manage risks through processes and systems to support decision-making that aids performance.

Top down

Bottom up

Reputational risk is a key area within the entity-wide risk assessment that is proactively managed.

Steps taken to ensure the Fund's reputational risk management:

- Dedicated marketing resource to ensure that our brand is represented properly and we react appropriately to bad publicity;
- Public relations companies are utilised when dealing with scenarios that could affect the reputation of the business;
- Leadership closely involved in each matter; and
- Investor relations is kept in place.

Strategic risk, operational risk, liquidity risk, foreign exchange risk, insurance risk, business continuity risk, internal financial control risk, and compliance risk are all risks that the Company faces.

The Fund conducts formal risk assessments during the year. The entity-wide risk assessment is performed on a quarterly basis and presented at the audit and risk committee meeting. Risks are monitored on an ongoing basis by management (presented and discussed in a monthly operational forum).

The Fund's major risks, as well as the measures taken to mitigate them and the influence they have on capital results, are outlined below.

	Inherent risk	Residual risk	Change in risk
Political and socioeconomic risk	H	M	↑

	Mitigating measures
Given the lead up to 2024 elections in South Africa, the increased level of loadshedding and lack of economic growth, we have seen a spike in protests which can escalate into conflict and crime. Damage or destruction of property due to civil unrest, war and terror. Loss of rental income due to shut down of properties as a precautionary measure against direct or imminent danger. Unforeseen damage to properties and investment nodes could increase expense base and result in non-renewal of leases, thereby reducing distributable earnings. Safety and well-being of employees, service providers, clients and community at risk.	• Investments are well diversified across various geographies as well as sectors, thereby preventing concentration risk within a specific area. • Emergency, security, and prevention plans in place. • Adequate insurance cover in place for protection of assets in South Africa and Europe (should there be potential spill over from Russia / Ukraine crisis). • Business continuity plan in place and tested regularly with respect to business' ability to resume operations quickly post any disruption caused by civil unrest.

Opportunities	**Capitals impacted**
Engage with the communities surrounding our assets and collaborate on social initiatives. The 2021 unrest that occurred in South Africa highlighted the importance of stakeholder engagement and the positive impact of good relations with the communities within which we invest. Working together in uplifting the area, improving employment, enhancing surrounding infrastructure and access to basic facilities will improve the positive association between our properties and the sustainability of the community. This remains a key initiative of the Fund's ESG strategy.	Financial capital, Intellectual capital, Manufactured capital, Social and relationship capital

H High M Medium L Low ↑ Increase ↓ Decrease – No change New

FINANCIAL CAPITAL HUMAN CAPITAL INTELLECTUAL CAPITAL SOCIAL AND RELATIONSHIP CAPITAL MANUFACTURED CAPITAL NATURAL CAPITAL

RISKS AND OPPORTUNITIES CONTINUED

	Inherent risk	Residual risk	Change in risk
Interest risk	M	M	↑

Mitigating measures

Accelerated increases in European interest rates have led to increased borrowing costs within PEL and will have an impact at Fund level in the coming year, consequently resulting in reduced distributable earnings.

This is exacerbated by a shortening hedge profile in both regions (2.3 years in South Africa and 2.5 years in PEL).

In addition, this impacts our clients, resulting in increases in their operating costs and may increase the likelihood of potential business failure.

- Diversified funding sources from various banking institutions.
- Majority of borrowings are hedged by interest rate swaps.
- Treasury system that enables proactive monitoring of debt facilities and forecasting of interest obligations.
- Regular monitoring of the costs of borrowings and restructuring borrowings whenever appropriate.
- Active treasury management.
- Constant monitoring of the market and assessment of hedging profile and alternative instruments to reduce cost or extend maturity profile.
- Ongoing engagement with Asset and Liability Committee and various lenders.

Opportunities

Considering alternative hedging instruments to reduce interest costs.

Early refinancing of maturing debt to extend and stagger debt and associated swap maturity profile.

Capitals impacted

	Inherent risk	Residual risk	Change in risk
Liquidity risk	H	M	↑

Mitigating measures

Refers to inability to secure funding from financial institutions and shareholders, impacting growth prospects and resulting in increased cost of debt facilities.

Refinance risk exists relating to Euro debt expiring in 2025. A wall of European debt refinance is anticipated in late 2024 and 2025, predominantly out of the Euro Bond market.

New-issue volumes have generally been subdued compared to prior years, due to the economic uncertainty generated by factors such as rising interest rates, war in Ukraine and most recently, the forced takeover of Credit Suisse by UBS. As a result, the Euro bond market is experiencing tighter financing conditions.

- 2.5 years remaining on PEL interest rate caps.
- Active strategy to de-risk expiry profile of PEL in-country debt.
- Strong relationships with existing syndicate lenders.
- Banks will absorb debt / bond expiries of the stronger players in the market.
- PEL is well-positioned with a strong underlying portfolio.

Opportunities

Early refinancing of maturing debt.

Managing liquidity through capital recycling, hedging, and diversifying funding sources.

Capitals impacted

H High | M Medium | L Low | ↑ Increase | ↓ Decrease | – No change | New

FINANCIAL CAPITAL | HUMAN CAPITAL | INTELLECTUAL CAPITAL | SOCIAL AND RELATIONSHIP CAPITAL | MANUFACTURED CAPITAL | NATURAL CAPITAL

	Inherent risk	Residual risk	Change in risk
Insurance risk and threat of grid failure	M	M	↑

	Mitigating measures
Insurance risk refers to the risk associated with uninsured or insufficient cover resulting in direct loss of asset(s). This impacts earnings and property valuations. This is particularly relevant in the event of a national electricity grid failure with the introduction of a new exclusion to insurance policies throughout the industry – Public Utilities Failure Exclusion (previously termed Grid Failure Exclusion): • Refers to total or partial interruption of supply that affects an entire or major part of any municipal area or any major part of province or the country substantially as a whole at substantially the same time. • Exclusion does not apply to loadshedding, unless loadshedding was the cause.	• Investigating additional backup solutions (power, water, other) enhanced security and preventative measures. • Business continuity plans.

Opportunities	Capitals impacted
Undertaking inspections of key sites to understand potential eventualities that may arise due to grid failure and enhancing preventative measures, which will benefit the company's assets in any instance of power failures.	

	Inherent risk	Residual risk	Change in risk
Business resilience risk	H	M	↑

	Mitigating measures
Risk of total electricity grid collapse, with disruption to telecommunications. Supply chain issues impacting logistics and availability of food, water, medical and fuel supplies. Potentially leads to risk of looting, vandalism and public unrest and crippling the economy.	• Investments into renewable energy and back up diesel generators across majority of the portfolio. • Supplier agreements with delivery of diesel to sites. • Water back up at most sites. • Actively assessing the potential impact of severe and prolonged loadshedding (stage 8 and above) or possible total collapse of the national power grid. • Crisis communications plan. • Enhanced operational resilience plan.

Opportunities	Capitals impacted
Undertaking inspections of key sites to ensure adequate contingency measures are in place to ensure safety of tenants and functioning of operations in the event of incidents that may be caused by grid failure. Including grid failure scenarios in business continuity planning.	

H High M Medium L Low ↑ Increase ↓ Decrease – No change New

FINANCIAL CAPITAL HUMAN CAPITAL INTELLECTUAL CAPITAL SOCIAL AND RELATIONSHIP CAPITAL MANUFACTURED CAPITAL NATURAL CAPITAL

RISKS AND OPPORTUNITIES CONTINUED

	Inherent risk	Residual risk	Change in risk
Internalisation implementation risk	H	M	↑

Mitigating measures

IPF has identified various risks associated with the internalisation of the South Africa and Europe management businesses, the most notable being governance, reputational, insurance and regulatory risk.

- The Fund has appointed a designated Chief Operations Officer to co-ordinate and implement the process of internalising the management businesses and migrating from the Investec Group.
- An extensive detailed analysis of each business function has been conducted, including but not limited to:
  - identifying systems, services, processes and relationships that will be impacted by the change and plans for transition;
  - identifying gaps in personnel and key functions that will need to be filled;
  - implications of an entity change of name; and
  - regulatory impact.
- Key workstreams include the identification of risks pertaining to the internalisation processes and initiatives to mitigate these.

Opportunities	Capitals impacted
IPF will no longer have access to the Investec Group's resources after a transition period, however, opportunities exist to enhance operating efficiency and improve processes within the new independent entity.	

H High M Medium L Low ↑ Increase ↓ Decrease – No change New

FINANCIAL CAPITAL HUMAN CAPITAL INTELLECTUAL CAPITAL SOCIAL AND RELATIONSHIP CAPITAL MANUFACTURED CAPITAL NATURAL CAPITAL

CHIEF EXECUTIVE OFFICER'S REPORT

Year in review

The year has been marked by a strategic repositioning of the business. We have undertaken significant transaction activity that is long-term value accretive and sets a clear path for future growth. The transactions included the acquisition of an additional 19% interest in the PEL platform, thereby increasing our interest to 83.15%; re-entering Australia through a JV with the management team of the Irongate funds management business; and internalising the management of both the South African and European businesses. These transactions progress the evolution of the Fund from a traditional property investment business into an international real estate fund and asset management company, and position the Fund to unlock further value with additional opportunities for growth.

A year ago, we announced that we were exploring a potential sale of the European business in an opportunistic move that was taking advantage of unsolicited interest we had received at pricing that was at unforeseen levels. We believed this was in line with our strategy of creating long-term value for shareholders as a sale would deliver maximum return to shareholders compared to holding the asset. However, the advent of the war in Ukraine and volatile market conditions quickly removed this opportunity. Following a strategic review of various alternatives, we decided to increase our interest in PEL which, together with an internalisation of the European management business, provides us with the ability to pursue our European growth strategy and, in time, introduce a funds management strategy into this platform.

As we look at the performance of the business in both South Africa and Europe, we are pleased by the results achieved in both regions despite the global volatility that has adversely impacted each region. The operations have demonstrated their resilience and stability underpinned by our strong and exceptional asset management teams in both regions. These teams have gone above and beyond to extract significant value during a challenging period.

South African portfolio

Against all odds, the South African team has delivered a credible performance. Given current volatile market conditions and a weak economic backdrop, maintaining stability despite flat growth is commendable. Looking at the operating metrics of the business, we have achieved strong positive NPI growth and reduced vacancy, with our office vacancy rate well below the national average[1]. Our current South African portfolio is a mature and defensive one that has weathered many cycles and delivered consistent performance. However, we are only able to achieve the pleasing results we have due to the strength and dedication of the team and their dynamic nature.

A few years ago, we made client-centricity a strategic priority and targeted our efforts towards deepening our relationships with clients and focusing on their experience when partnering with IPF. This is evident in our branding and marketing collateral, how we have worked with brokers, the way we have upgraded and amenitised many of our buildings and how we show our space. Furthermore, we are committed to reducing the cost of occupation for our clients, particularly in light of worsening loadshedding and the additional pressure this is placing on our tenants and are in the process of exploring various initiatives to alleviate the burden on clients. Our results this year are largely a fruition of our client-focused strategy.

PEL portfolio

The tailwinds that have driven the sector from an operating perspective are still strong. We have continued to see surges in demand for space and ongoing supply constraints. This has led to strong market rental growth, which we have done well to capture in the PEL portfolio. For the first half of last year, this would have translated into an uptick in capital value, however, the accelerated increases in European interest rates led to cap rate expansion and ultimately a decline in capital values across the sector. In PEL, this was largely cushioned by the strong increase in contracted rent resulting in a net 5% decline in the value of the portfolio.

Our European asset base delivered a strong operational performance. We have a robust occupier base with vacancies sub 1%. We succeeded in growing base NPI by 7.4%, however, earnings declined overall due to the impact of the higher Euribor rate on financing costs which increased 30% and are now capped. We have made efforts to enhance earnings quality through various cost containment initiatives which have started to bear fruit and are expected to deliver c.€2 million of savings in aggregate over the next two years. The underlying operational performance remains solid and we have a strong portfolio and management team in place.

Redevelopments

We continued to progress our redevelopment projects in South Africa during the year. The Design Quarter (DQ) redevelopment is in the final stages and due for completion in August 2023. A few years ago, the centre had grown out of favour with the surrounding community due to its limited tenant offering and had developed significant vacancies. After an extensive transformation process that began in 2019, it is with a great sense of pride that we announced this year that the centre is fully let. We have succeeded in strategically repositioning the centre, reviving its offering, and reducing the vacancy of the entire DQ precinct.

On a smaller scale, the Firs refurbishment was also completed during the year and has been equally successful with both retail and office components now fully let.

The successful letting of these redevelopments is further evidence of our ability to unlock value in the portfolio.

Strategic repositioning

As mentioned, during the year we concluded a series of transactions that further unlocked IPF's broader growth strategy, the most notable being the proposed internalisation. We believe that having a fully internalised management function, with deeply experienced management teams across South Africa and Europe and now Australia, will align with the interests of shareholders and enhances our ability to attract third-party capital. Additionally, the introduction of a capital light funds management strategy, commencing with A$450 million equity under management in Australia, will further reposition IPF into an international real estate fund and asset management company.

Balance sheet and treasury

Active balance sheet management remained a key focus during the year, especially given the transaction activity and interest rate volatility experienced. IPF continues to adopt a disciplined approach to capital allocation, relying primarily on capital recycling to fund announced acquisitions and manage gearing. Proceeds from capital recycling during the year totalled R1.5 billion, which was used to fund announced acquisitions totalling R2.1 billion.

We remain focused on managing and lowering our LTV which is temporarily elevated due to transaction activity and sits at 42%[2] compared to 38.2% in the prior year. We have a clear plan to reduce

1. IPF office sector vacancy of 7.4% vs. SAPOA Q1 2023 office vacancy rate of 15.8%.
2. Adjusted for proceeds received from the sale of Netherlands Schiphol property that occurred post year end. As at 31 March 2023 the LTV was 43.4%.

this closer to our target of 35% over the medium-term and are confident in our ability to achieve this, having delivered on a de-gearing flightpath in the past.

In light of the interest rate environment both in South Africa and Europe we maintain an 85% hedge against ZAR denominated borrowings (Mar 22: 84%) at Group level and a 90% hedge against European in-country debt by way of an interest rate cap. Our interest costs increased in the second half of the year in Europe as Euribor increased towards the capped rate, but have now reached a threshold, with limited risk for the next 2.5 years. Going forward, potential higher interest rate costs are expected to be largely offset by NPI growth and cost savings.

Dividend

Notwithstanding the rising interest rate environment globally, IPF is in a stable position, having delivered consistent NPI growth since the COVID-19 pandemic, with a robust balance sheet that offers sufficient liquidity, and PEL cost mitigation initiatives that are starting to realise savings. As a result, the board decided to apply a 95% payout ratio for the current financial year. Going forward, the Fund will seek to maintain a dividend policy of between 90% to 95%.

Our commitment to ESG

We remain committed to ESG and believe it is our responsibility to live in the societies in which we operate – not off them. We regard it as critical to our long-term performance and want to lead in delivering sustainable value to our stakeholders. We have developed roadmaps with ambitious targets to ensure we are able to tangibly report on our progress. In South Africa we exceeded our targets on solar roll-out, energy consumption and certification of buildings and in Europe, we continue to assess various initiatives to further embed ESG into business practices. A highlight for the year was the opening of the Scatterlings Early Childhood Development Centre at Balfour Mall in February 2023.

Outlook

We are cognisant of macroeconomic risk primarily relating to interest rate volatility in Europe and the political instability in South Africa.

The South African economy is expected to achieve low growth and this is likely to reflect in portfolio performance. Consumers are under significant pressure and corporates are still trying to navigate massive uncertainty. Cost of occupation is increasing due to loadshedding and additional diesel costs. Our focus is on maintaining the stability of our South African portfolio and ensuring it remains best-of-breed and relevant for tenants.

In Europe demand drivers remain intact, and we expect to continue to capture resulting estimated rental value (ERV) growth. Given we have capped out on interest costs, we expect to see earnings growth over time as we have also done a lot of work to extract savings out of the cost base in this region.

Given the higher funding now affecting us for the full year in FY24, we expect to deliver low earnings growth in the coming year. The internalisation is expected to be accretive to earnings but will not be captured until the latter half of the year.

As we transition into the internalisation, we are focused on the basics of operational implementation i.e., ensuring we have the right people in place, rebranding, migrating systems and policies and integrating teams across all regions to create alignment.

Post the pandemic, we have put a great deal of effort into achieving stability in our business and creating a solid platform for growth. Our recent transactions position the Fund to capitalise on the current base and we believe that the business is well-positioned to further unlock value for shareholders in the future.

Appreciation

My thanks to the board for their ongoing leadership and support and the UREP team and local IPF team for their hard work and dedication over an incredibly busy year. My appreciation also to our clients for choosing us and allowing us to work together to accomplish our shared goals. Despite the difficulties of the previous year, our team persisted in working relentlessly to support our stakeholders and contribute to the creation of a future in which we can all take pride.

Andrew Wooler
Chief executive officer

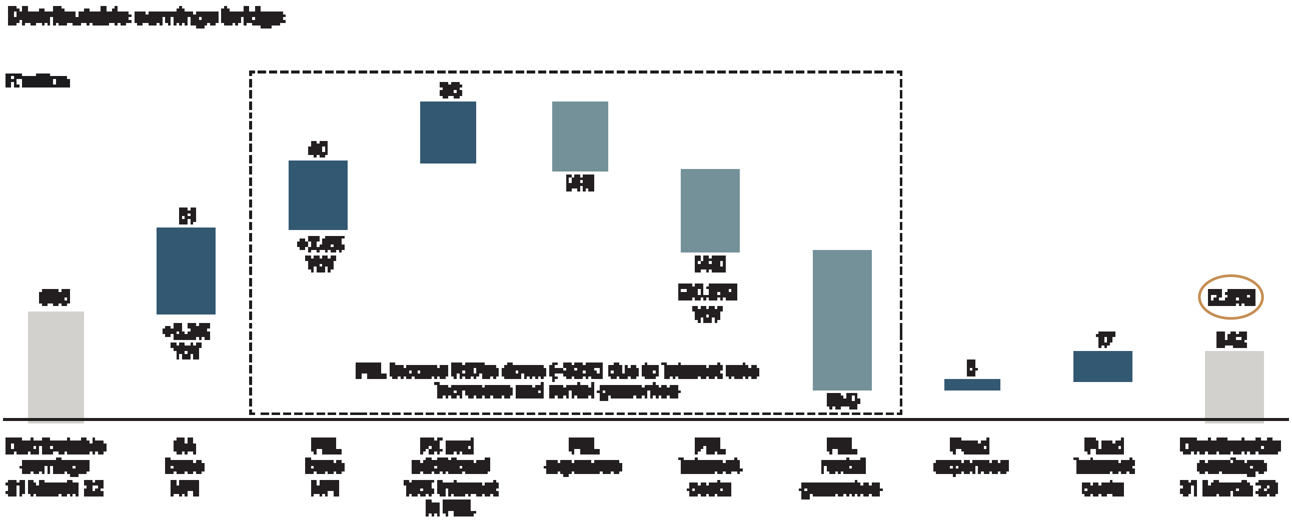
30 June 2023

CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED

Woodmead North Office Park, Woodmead, Gauteng
GLA: 7 957 m^2

CHIEF FINANCIAL OFFICER'S REPORT

> "We can look back on this year with pride. Our results are marginally negative which should not take away from the exceptional operational performance in South Africa and Europe."



Financial performance

The underlying South African and European portfolios continued to achieve strong growth for the year ended 31 March 2023.

The South African portfolio benefited from improved vacancy rates and a strong performance in the industrial portfolio, delivering 5.3% y-o-y like-for-like NPI growth. The cost base and arrears were well-managed with the base net-cost-to-income ratio declining from 23.9% to 22.8%.

In Europe, the PEL portfolio benefited from sector tailwinds realising 7.4% NPI growth on the back of strong growth in contracted rent driven by the ability to capture positive ERV. Vacancy rates have continued to decline and are currently at historically low levels and reversion rates have seen positive growth in excess of 8%.

European earnings were boosted by FX enhancement and the acquisition of the additional 19% stake in PEL but hampered by higher expenses and financing costs. PEL operating expenses remained under pressure, however the Fund has implemented cost containment initiatives that are expected to realise c.€2 million in savings over the next two years.

Interest rates were driven higher by the shift in Euribor in the second half of the year, with PEL's weighted average funding costs increasing by 1.4% on c.€0.6 billion of debt. These interest costs are now capped at a rate of 1.4% with limited additional risk expected in the next 2.5 years. PEL income therefore declined 43.9% y-o-y largely as a result of the above and the absence of the rental guarantee that was fully utilised in FY22.

At a Fund level, borrowing costs were well managed and finance costs were reduced through disposals and active treasury management.

Considering the above-mentioned factors, Group distributable income per share decreased by 2.8% to 104.64cps (March 2022: 107.65cps).

NAV per share declined by 4.7% to R16.17 (March 2022: R16.96) largely reflecting a 5% write down on the PEL portfolio driven by cap rate expansion.

Capital allocation

IPF continues to adopt a disciplined approach to capital recycling to manage gearing. In this regard, during the period under review, the Fund executed on a R1.5 billon disposal pipeline to fund announced acquisitions totalling R2.1 billion:

- Acquired the ITAP investment in Australia for R0.4 billion;
- Acquired an additional interest of 19% in PEL for R1.7 billion;
- Completed R0.4 billion of South African asset disposals within 4% of book value;
- Concluded the sale of the PEL bridge loan at a 6% discount, which was strategically necessary to unlock the acquisition of the additional 19% interest; and
- Concluded the sale of a property in the Netherlands, at a significant premium to book, in April 2023.

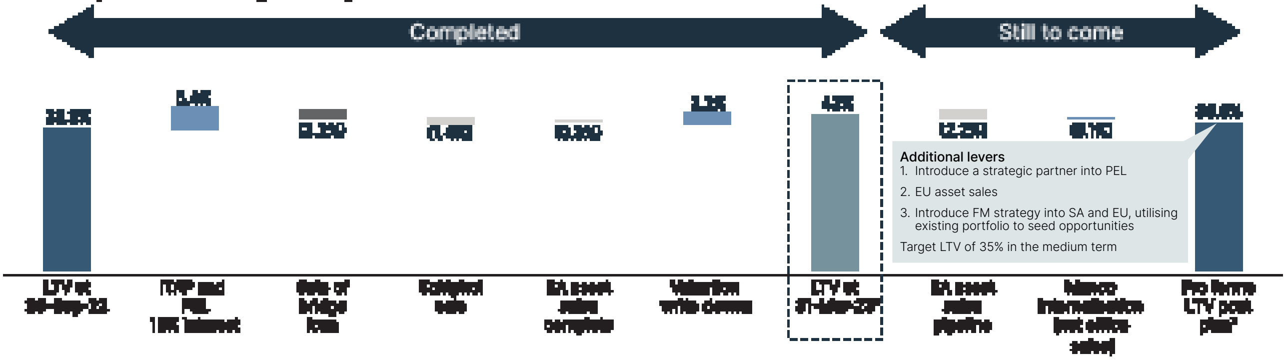
The Fund has several asset disposals in the pipeline for FY24 and will look to complete the internalisation of its management business. The end result of the active capital allocation is that we have greatly enhanced our offshore weighting in line with our international expansion strategy, and created balance sheet capacity positioning the business for growth.

Gearing

The balance sheet remains sound supported by pro-active capital and interest rate management. LTV has temporarily increased to 42.0%* (March 2022: 38.2%) as expected, largely due to the strategic transactions implemented and a decline in asset valuations, partially offset by asset sales.

* *Adjusted for proceeds received from the sale of Netherlands Schiphol property that occurred post year end. As at 31 March 2023 the LTV was 43.4%.*

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED



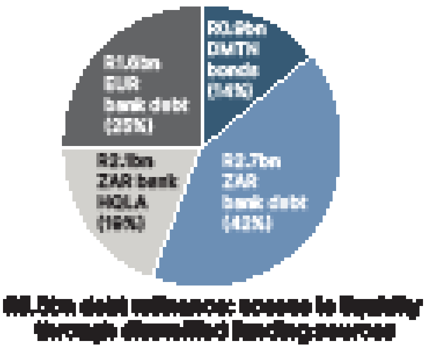
1. Adjusted to include proceeds from sale of Netherlands (Schiphol) property which occurred post year end (April 2023). At March 2023 LTV was 43.4%.
2. Look-through LTV of 58% due to acquisition of additional 19% interest in PEL; represents short to medium term investment position as IPF is looking to introduce a strategic partner. The entry of a new strategic partner will reduce IPF's overall investment and exposure to PEL, which will directly reduce IPF's gearing level.

IPF has a clear plan to reduce the LTV closer to a target ratio of 35% in the medium-term, which is already well underway. Of the anticipated R1.1 billion pipeline South African asset sales that are still to come, R522 million of these have been signed and the balance well progressed, thus illustrating how achievable the target of 39.9% is.

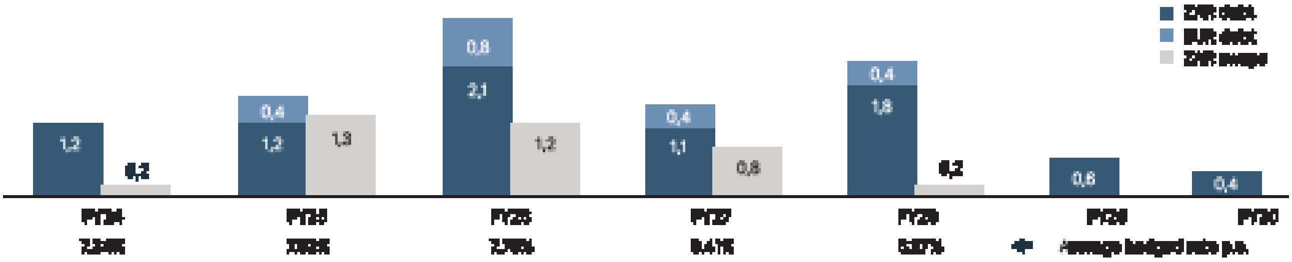
Liquidity

The debt book remains well diversified, and the group has low near-term refinancing risk. The Fund successfully accessed new sources of liquidity in FY23 through new and existing lending relationships with a R6.5 billion refinance undertaken during the year. The refinancing served to extend debt maturity and introduced a sustainability element further evidencing IPF's commitment to ESG principles. There is no bank debt maturing in the next three years.

The Fund has R1.2 billion of debt maturing in FY24, comprising bonds and commercial paper. In addition, the Fund has R1.2 billion in unutilised committed facilities to cover refinancing risk.



Group debt



Management is cognisant of the volatile interest rate environment and maintains an 85% hedge against group debt, comprising a staggered ZAR swap expiry profile. As a result of this structure, there is minimal impact on total financing costs from the higher ZAR interest rates incurred when a portion of swaps are refinanced each year.

IPF has hedged 75% of its capital investment in PEL. This is temporarily elevated due to the acquisition of the 19% interest in PEL which is considered a strategic short-term hold and was 100% EUR debt funded. This hedged proportion will reduce as the fund is seeking to introduce a strategic partner into the PEL platform and sell down.

Debt covenants are well managed and balance sheet metrics remain healthy as can be seen from the table below:

	Group			PEL
	ZAR debt	**EUR debt**	**Total Group**	**PEL Europe**
Quantum	**R4.7 billion**	**R5.8 billion**	**R10.5 billion**	**€588 million**
Debt maturity (years)	**3.3**	**3.2**	**3.3**	**2.5**
Swap maturity (years)	**2.3**	**1.3**	**2.0**	**2.5**
Hedge percentage	**78%**	**90%**	**85%**	**90%**
Gearing %			**42%**[4]	**53%**
Average all-in cost of funding	**9.0%**	**2.9%**	**5.3%**	**3.7%**
Average debt margin (local currency)	**1.7%**	**1.9%**	**1.7%**	**2.3%**
Average swap rate	**7.3%**	**0.4%**	**5.4%**	**1.4%**[5]
Encumbrance ratio[1]			**49.6%**	**100.0%**
% debt secured[2]			**55.3%**	**90.0%**
% Foreign debt and CCS of EUR investment[3]			**75%**	

1. Secured assets as a percentage of total investments.
2. Secured debt as a percentage of total debt facilities.
3. Temporarily elevated due to acquisition of 19% interest in PEL which was EUR debt funded; seeking to introduce strategic partner into PEL and sell down in the short to medium term.
4. Adjusted for proceeds received from the sale of Netherlands Schiphol property that occurred post year end. As at 31 March 2023 the LTV was 43.4%.
5. Comprises €473m debt at 1.1% and €56m debt at 4%, hedged via interest rate cap. €59m bridge loan remains unhedged.

The Fund's long- and short-term corporate debt ratings were maintained at AA- and A1+ respectively (October 2022) and the stable outlook was re-affirmed.

PEL debt and swap profile

€588 million of European in-country debt is 90% hedged by way of a cap at a weighted average interest rate of 1.4%. Debt maturity is 2.5 years; however, based on the operational performance achieved by the asset base and support received from lenders, we believe an early refinancing is achievable.

The swap expiry matches the debt expiry, thus the platform has limited interest rate risk for 2.5 years and potential higher interest rate costs are expected to be largely offset by NPI growth and cost savings initiatives that will be implemented.

Active treasury and balance sheet management remains a key priority.

Appreciation

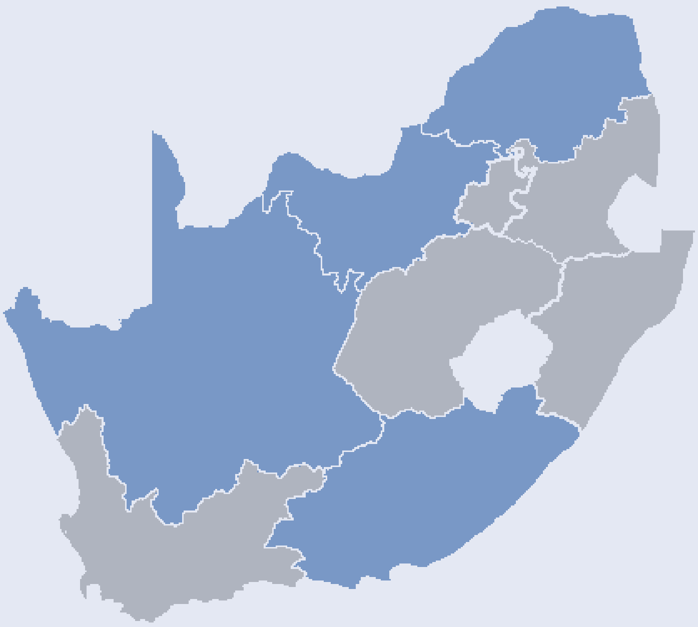
Overall it has been a hugely accretive year and significant progress has been made. A huge thank you to my Finance team, the Executive Committee and the Board. We also appreciate all our partners without whom none of this would be possible.

Jenna Sprenger
Chief financial officer

30 June 2023

OPERATIONAL OVERVIEW

SOUTH AFRICAN PORTFOLIO



Province	Rbn	Properties
Gauteng	8.7	61
KwaZulu-Natal	2.3	11
Western Cape	1.8	4
Free State	1.5	2
Mpumalanga	0.4	1
Total	**14.7**	**79**

Overview

The South African direct property portfolio accounts for 44% of the Fund's balance sheet on a look-through basis. The local portfolio comprises 79 high-quality properties in strategic, well-located nodes.

Sentiment has been hampered by an overwhelming energy crisis and impact thereof, renewed local and global uncertainty and rising interest rates. Nevertheless, the portfolio proved its resilience underpinned by a solid asset management team, ensuring a focus on ameliorating the cost of occupation. The strength of our client relationships and our continued focus on improving marketing efforts and remaining responsive to client requirements have underpinned this year's performance.

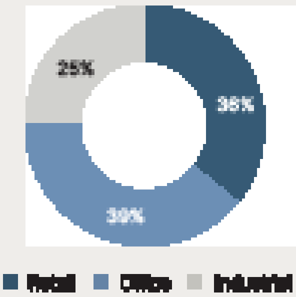
The Fund's retail assets delivered strong growth underpinned by sustained low vacancies and a resilient tenant base comprised mainly of national retailers. Industrial benefited from a rebound in demand and underlying market rental growth is starting to emerge. Office has seen an increasing return to office shift with some promise of improvement in supply-demand dynamics over the longer term if this momentum is maintained.

The table below presents a snapshot of the South African property portfolio at 31 Mar:

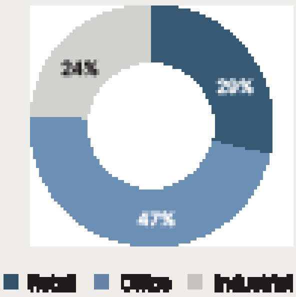
	TOTAL		OFFICE		INDUSTRIAL		RETAIL	
Portfolio	**31 Mar-23**	31 Mar-22	**31 Mar-23**	31 Mar-22	**31 Mar-23**	31 Mar-22	**31 Mar-23**	31 Mar-22
Number of properties	**79**	86	**30**	30	**30**	31	**19**	25
Asset value (Rbn)	**14.6**	14.9	**5.4**	5.5	**3.3**	3.3	**5.9**	6.1
Base NPI growth	**5.3%**	9.6%	**2.9%**	2.1%	**9.2%**	10.5%	**5.3%**	17.4%
Cost-to-income (excl. bad debts)	**22.8%**	23.9%	**26.4%**	26.5%	**19.2%**	23.1%	**19.4%**	19.0%
GLA (m^2)	**1 001 753**	1 065 500	**243 524**	245 563	**475 507**	476 771	**282 723**	343 160
Vacancy (by GLA)	**3.9%**	4.5%	**7.4%**	9.5%	**1.9%**	1.6%	**4.5%**	4.6%
WALE (years)	**2.9**	3.3	**2.8**	3.6	**2.8**	2.7	**2.9**	3.3
In-force escalations	**6.8%**	7.3%	**7.1%**	7.6%	**7.3%**	7.5%	**6.5%**	6.7%

The sectoral spread of the South African portfolio is set out below:

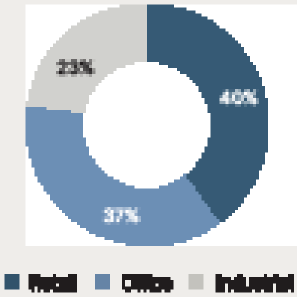
Sectoral spread by revenue



Sectoral spread by GLA



Sectoral spread by asset value

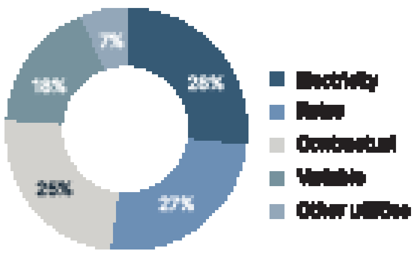


Financial performance
Despite the subdued economic backdrop, the South Africa portfolio has experienced a successful year. The portfolio, supported by the hands-on efforts of its skilled management team maintained good growth momentum delivering a base NPI growth of 5.3% y-o-y (Mar 22: 9.6%), driven by lower y-o-y vacancy (FY23 average: 6.2% versus FY22 average: 9.0%), strong letting activity across all sectors, a rebound in demand within the industrial sector, supported by continued improvement in retail performance and disciplined cost management.

Performance was hampered by reversions across all sectors and particularly in the office sector where growth was muted as a result, although we are starting to see an uptick in activity in this sector.

Net expenses increased by a minimal 3% due to increased municipal recoveries following the reduction in vacancy, increased solar rollout and a R5 million reduction in the provision for bad debts. As a result, cost-to-income ratios (excluding bad debts) improved across the portfolio to 22.8% (Mar 22: 23.9%).

Expenses



Collections and arrears

Rentals have been collected timeously, with y-o-y improvement in arrears from R69 million (Mar 22) to R56 million outstanding debtors (including legal debtors) as a result of active management. Arrears as a percentage of collectibles amount to 3.0% (Mar 22: 3.8%).

Vacancy and WALE
The second half of the year has seen continued stability and further improvement in vacancy down to 3.9% (Mar 22: 4.5%), driven by solid leasing across all sectors, with a noteworthy achievement of 7.4% vacancy in the office sector.

Portfolio WALE decline slightly to 2.9 years (Mar 22: 3.3 years) and was bolstered by WALE on new lettings of 5.3 years.

OPERATIONAL OVERVIEW

SOUTH AFRICAN PORTFOLIO CONTINUED

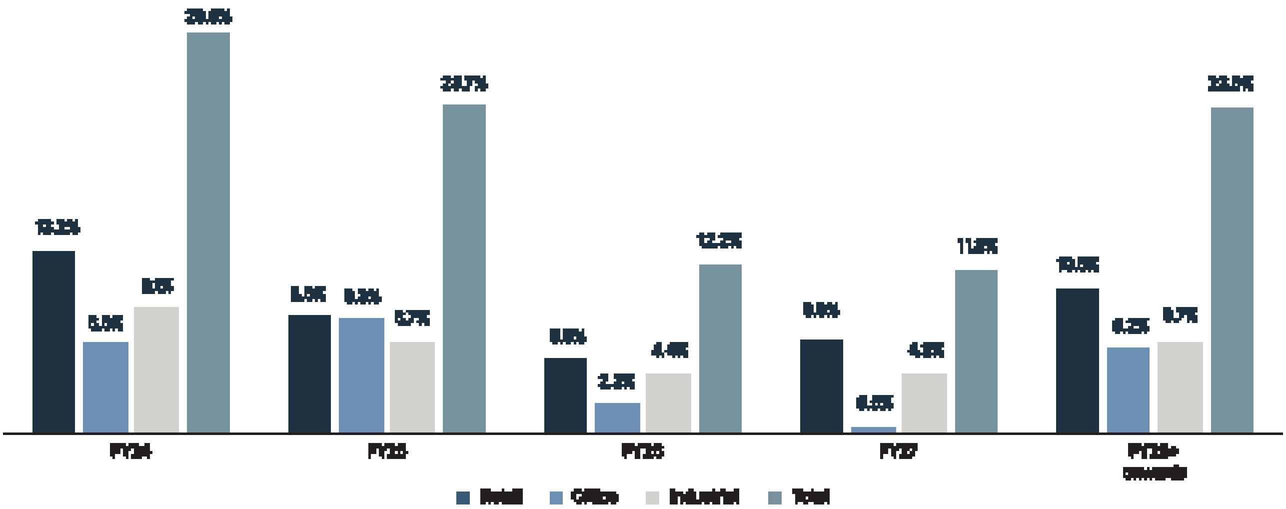
Letting activity

The Fund successfully let 151 725m² (90%) of space expiring in FY23 and 20 838m² (42%) of opening vacancy.

	Expiries and cancellations	Renewals and new lets	Weighted average gross expiry rental	Weighted average gross new rental	Rental reversion	Average escalation	WALE	Incentive	Retention
	GLA (m²)	GLA (m²)	R / m²	R / m²	%	%	Years	% lease value	%
Office	24 824	20 789	172.1	133.5	(22.4%)[1]	6.8%	3.8	11.4%[2]	37.8%
Industrial	107 961	101 522	80.4	66.3	(17.5%)	6.6%	6.0	0.1%	34.0%
Retail	27 906	19 532	263.1	232.2	(1.7%)[5]	6.2%	4.2	0.1%	87.4%
Subtotal	**160 691**	**141 843**	**115.3**	**99.0**	**(14.1%)**	**6.6%**	**5.4**	**1.8%**	**52.2%**
Early letting	9 883	9 883	243.9	229.6	(5.8%)	6.3%	4.2	0.0	100%
Subtotal	**170 574**	**151 725**	**123.6**	**107.5**	**(13.9%)**	**6.5%**	**5.3[3]**	**1.7%**	**54.1%[4]**
Opening vacancy	50 027	20 838							
Total letting	**220 601**	**172 563**							

1. Largest reversions arising from challenging Sandton node and 192 Bram Fischer (Randburg).
2. The Fund maintains a well-staggered lease expiry profile with 48% of leases expiring in FY26 and beyond.
3. Successfully concluded significant long-term leases, including Anchor Park and T3 packaging on 6-year and 10-year leases respectively.
4. While retention was 54% at year-end, 90% of expiring space has been relet.
5. Reversion is +1% if development projects are excluded.

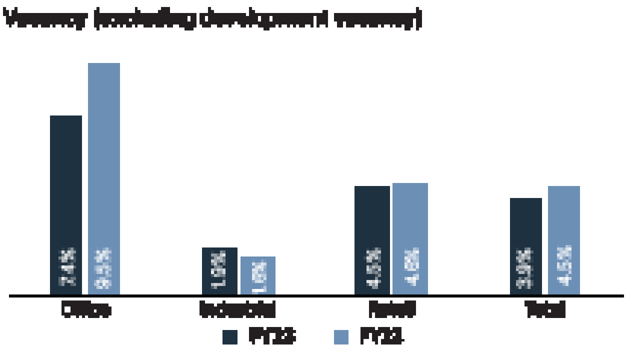
Lease expiry profile (by revenue)

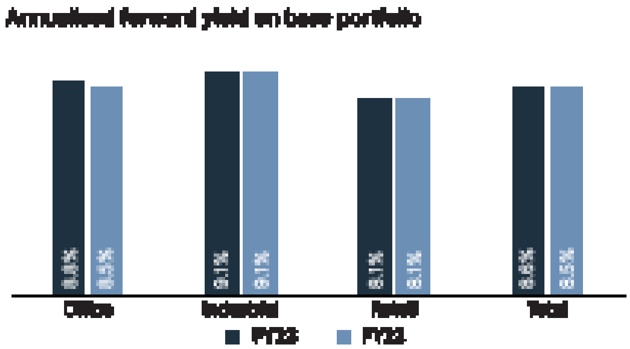


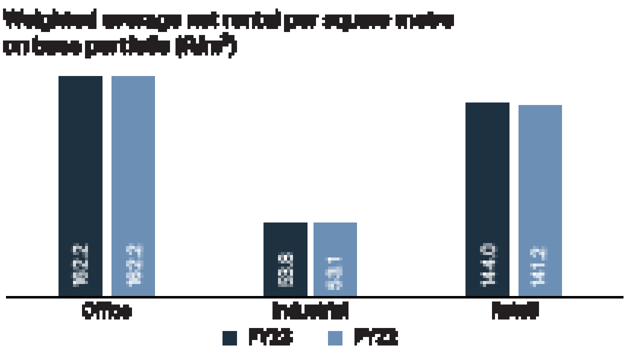
Valuation

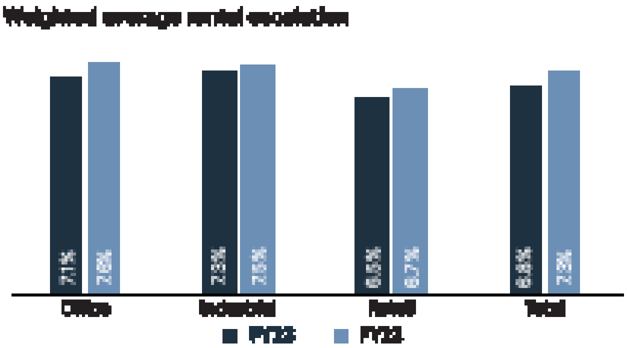
South African property valuations increased by R0.2 billion to R14.6 billion, following a marginal write down of R130 million (-0.9%) attributable to the office sector, offset by value enhancing capex spend of R327 million (+2.3%) largely for redevelopment projects. Valuations increased within the retail and industrial sectors given the positive income growth achieved, which further evidenced the resilience of the two sectors.

The average cap rate remained relatively unchanged at 8.8% (Mar 22: 8.8%). The outlook with respect to valuations appears stable, with the risk of further write-downs mitigated by the improved trading conditions, healthy portfolio metrics and stable market cap rates.









South African property disposals

During the year, the Fund disposed of seven assets for gross proceeds of R424 million at a disposal yield of 8.6%.

The Fund is targeting a further R1.1 billion of disposals in the next 12 months, of which sale agreements have been signed on R0.5 billion of this disposal portfolio. The latter includes the Investec Durban and Pretoria office properties that form part of the management internalisation transaction.

Assets sold

Asset	Sector	Disposal value (R)
Masscash Kimberley	Retail	33 000 000
BW Polokwane	Retail	107 000 000
BW Bloemfontein	Retail	99 000 000
BW Witbank	Retail	65 000 000
Unitrans	Retail	17 250 000
Zenth East Rand	Industrial	86 979 421
Minolta	Industrial	15 750 000
Total		**423 979 421**

Sale agreements signed

Asset	Sector	Disposal value (R)
Investec Pretoria	Office	183 000 000
Investec Durban	Office	206 000 000
Silverlakes	Retail	80 000 000
Martin & Martin	Industrial	52 000 000
Total		**521 000 000**

OPERATIONAL OVERVIEW CONTINUED

The following 10 properties were the highest value properties per sector within the Fund portfolio as at 31 March 2023:

RETAIL	Carrying value (Rm)	% of sector by value	GLA (m^2)	% of sector by GLA
Zevenwacht Mall	1 195	20.2%	39 846	14.1%
Newcastle Mall	1 036	17.5%	38 835	13.%
Dihlabeng Mall	800	13.5%	31 222	11.0%
Fleurdal Mall	691	11.7%	29 889	10.6%
Design Quarter Mall	432	7.3%	22 702	8.0%
Balfour Mall	421	7.1%	33 478	11.8%
Kriel Mall	355	6.0%	21 058	7.4%
Builders Warehouse Tiger Wheel & Tyre The Glen	174	2.9%	11 113	3.9%
Shoprite Checkers Vanderbijlpark	136	2.3%	11 746	4.2%
Builders Warehouse Zambesi	133	2.3%	8 908	3.2%
Retail top 10 sub-total	5 373		248 798	
Retail grand total	5 915		282 723	

INDUSTRIAL	Carrying value (Rm)	% of sector by value	GLA (m^2)	% of sector by GLA
Alrode Multipark	495	15.0%	91 004	19.1%
Benoni Multipark	296	9.0%	44 987	9.5%
Aberdare Cables	283	8.6%	51 097	10.7%
Riverhorse – RTT	248	7.5%	18 474	3.9%
Riverhorse – Adcock Ingram	185	5.6%	9 715	2.0%
Sumitomo	150	4.6%	19 294	4.1%
Riverhorse – Midas	148	4.5%	11 112	2.3%
WACO	137	4.2%	14 375	3.0%
Consol	136	4.1%	23 693	5.0%
Riverhorse – Discovery Health	107	3.3%	6 134	1.3%
Industrial top 10 sub-total	2 184		289 885	
Industrial grand total	3 291		475 507	

OFFICE	Carrying value (Rm)	% of sector by value	GLA (m^2)	% of sector by GLA
1 & 1A Protea Consol	728	13.4%	20 230	8.3%
2929 on Nicol Total	441	8.1%	16 354	6.7%
The Firs	432	7.9%	13 095	5.4%
Woolworths House	417	7.7%	30 435	12.5%
30 Jellicoe	341	6.2%	10 669	4.4%
Nicol Main Office Park Building	339	6.2%	11 898	4.9%
3 Sandown Valley Crescent	229	4.2%	13 890	5.7%
4 Protea Place	213	3.9%	6 956	2.9%
4 Sandown Valley Crescent	212	3.9%	10 990	4.5%
Nicol Grove – Business Centre	210	3.8%	8 978	3.7%
Office top 10 sub-total	3 562		143 496	
Office grand total	5 451		243 524	

Top 10 tenants by gross revenue and as % of total portfolio

Retail

Tenant name	
Shoprite Checkers	3.8%
Foschini Retail Group	2.5%
Mr Price Group	2.0%
Builders, A Division of Massmart Retail	1.7%
Pepkor Trading	1.4%
Masstores	1.4%
Retailability	1.0%
Clicks Retailers	0.9%
Woolworths	0.9%
McCarthy	0.8%

Office

Tenant name	
Investec Bank	3.8%
Woolworths	2.8%
Clidet No 887	2.3%
Fluxmans Inc.	1.9%
Bigen Africa Group Holdings	1.4%
Samsung Electronics SA	1.4%
Clover SA	1.3%
The Maisels Group	1.1%
TBWA Hunt Lascaris JHB	1.0%
Webhelp SA Outsourcing	0.9%

Industrial

Tenant name	
T3 Plastic Packaging CC	1.9%
RTT Group	1.7%
Sumitomo Rubber South Africa	1.4%
African Oxygen	1.4%
Reload Aquarius Shipping International	1.2%
Motus Aftermarket Parts	1.2%
Waco Africa	1.1%
The Beverage Company	1.1%
Martin & Martin	1.1%
Anchor Park Investments 48	1.1%

Outlook

In South Africa, the Fund has a stable and defensive portfolio which supports a sustainable level of earnings. Overall, NPI growth expectations remain low given domestic energy and industry challenges and global macro-economic volatility and uncertainty.

On a sector basis:

- **Retail:** Growth momentum is expected to continue, with improving demand driving low to mid-single-digit NPI growth, supported by a low cost of occupation and positive reversion on renewals.
- **Industrial:** performance is expected to be maintained through capitalising on the increasing demand for stock and market rental growth. The Fund expects to achieve low to mid-single-digit NPI growth driven by strong leasing and improved occupancy.
- **Office:** the sector is expected to achieve low negative growth because of negative reversions, but partly offset by the lower vacancy.

345 Rivonia Road, Johannesburg, Gauteng
GLA: 10 276 m^2

OPERATIONAL OVERVIEW CONTINUED

Loadshedding impact

Loadshedding poses a significant challenge to the property sector. The impact on clients has been significant, leading to increased cost of operating, loss of operating hours and reduced production levels. Loadshedding has led to customer preference for convenience-type centres and has resulted in a shift in footfall towards those centres. Loadshedding has also driven an increased return to office.

IPF's malls are largely dominant or niched, and this relative dominance has ensured that trading figures including footfall have remained strong. These figures are further supported by a large portion of IPF's malls having backup power, thereby enabling trade during loadshedding. IPF has also seen momentum in the office space, with a notable increase in enquiries in Sandton.

IPF has made significant steps in supporting clients through loadshedding and reducing the cost of occupation for its clients through energy assessments, wheeling considerations, interfacing solar to generators, rolling out additional solar power initiatives and improving back-up power in its buildings. 69% of IPF's portfolio is covered by back-up power and the Fund has installed 14.8MWp of solar generation capacity to date to alleviate the burden of the energy crisis.

IPF has incurred a 10% electricity cost increase vs. Nersa increase of 18.65%, which is a direct result of the Fund's ESG rollout i.e. LED lighting, tariff optimisation etc. IPF's total diesel spend amounted to R37 million, of which c.90% is recoverable from clients. The net impact on clients has been a 25% increase in total energy costs during the year.

The Fund has identified further opportunities to roll out energy solutions at select properties while actively targeting other initiatives to reduce the cost of occupation for clients.

Solar installation: Alrode Multipark, Alberton, Gauteng
GLA: 91 004 m^2

Solar installation: Builders Warehouse The Glen, Gleneagles, Gauteng
GLA: 11 113 m^2

Solar installation: Builders Warehouse Zambezi, Montana, Gauteng
GLA: 8 908 m^2

RETAIL SECTOR REVIEW

Province	Rbn	Properties
Free State	1.5	2
Gauteng	1.8	14
KwaZulu-Natal	1.0	1
Mpumalanga	0.4	1
Western Cape	1.2	1
Total	**5.9**	**19**

Sectorial KPIs

Number of properties	19
Asset value (Rbn)	5.9
Base NPI growth	5.3%
GLA (m^2)	282 723
Vacancy (by GLA)	4.5%
WALE (years)	2.9
In-force escalations	6.5%

The Fund's retail portfolio comprises 19 properties, the majority of which are strategically situated in semi-rural, non-metropolitan nodes, and are well-tenanted with a significant proportion of national clients. The shopping centres serve large catchment areas and are dominant in the nodes within which they are located.

There was a noticeable rebound in the retail sector this year and the segment remains an attractive asset class within IPF's portfolio, having delivered sustained growth since the COVID-19 impact and with consistently low vacancy.

Notwithstanding high levels of consumer debt, trading activity continues to improve as evidenced by continued improvement in trading metrics. However, disruptions caused by loadshedding stand to potentially offset the gains made by the retail sector.

Like-for-like NPI grew 5.3% (Mar 22: 17.4%) driven by contractual escalations and stable vacancy. Despite the headwinds faced by loadshedding, high inflation and increased interest rates, a consistent improvement in trading metrics illustrates the defensive nature of the sector and consumer resilience:

- Average turnover increased by 8.5% for the 12 months ended Mar 23 (Mar 22: +10.6%)
- Visitor numbers improved with an average increase of 6.2% in footfall (Mar 22: +9.4%)
- Trading density increased 8.5% to R2 773 / m^2 (Mar 22: R2 561 / m^2)
- Retail clients traded on an improved average cost of occupation of 6.3% (Mar 22: 7.1%), representing a sustainable trading environment

The cost-to-income ratio for the sector weakened marginally to 19.4% (Mar 22: 19.0%) driven by a 16.8% increase in net expenses, due to increases in repairs and maintenance spend, insurance costs and municipal rates expense.

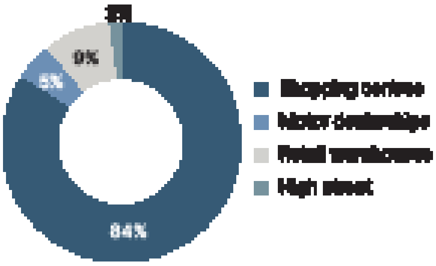
Vacancy remained stable at 4.5% (Mar 22: 4.6%).

Leasing activity has been positive during the year with 70% of space expiring over the period let at a slight reversion of negative 1.7% and WALE decreased to 2.9 years (Mar 22: 3.3 years).

Refurbishment at the Design Quarter is in the final stages with the Food Street (area comprising restaurant tenants) now completed and 95% tenanted, with Checkers and Clicks as new anchor tenants. The project remains on track for completion in August 2023.

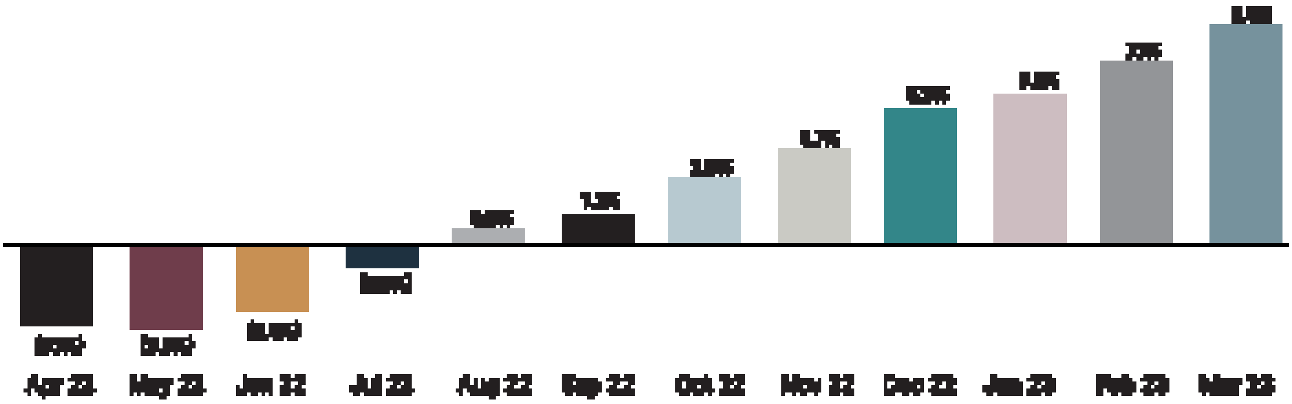
OPERATIONAL OVERVIEW CONTINUED

Retail portfolio composition by NPI

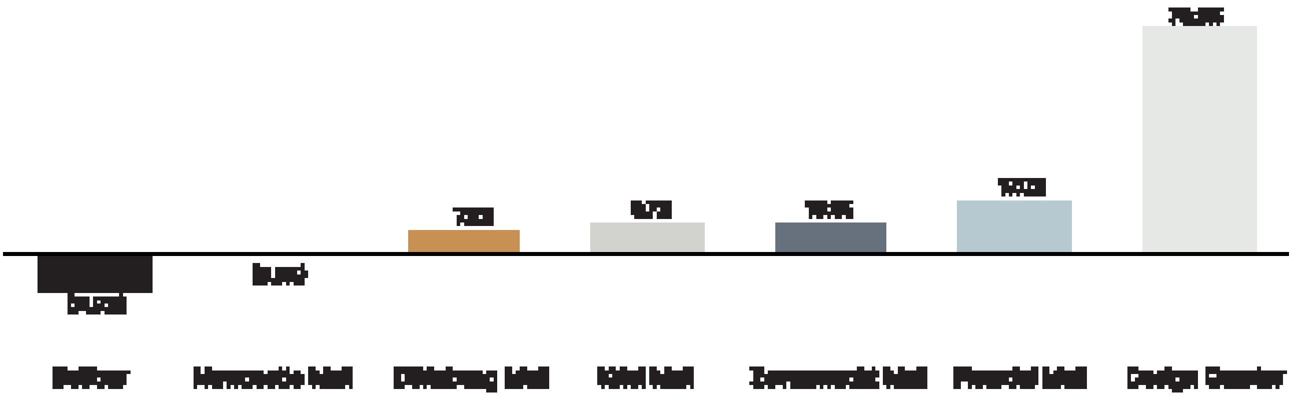


Trading performance

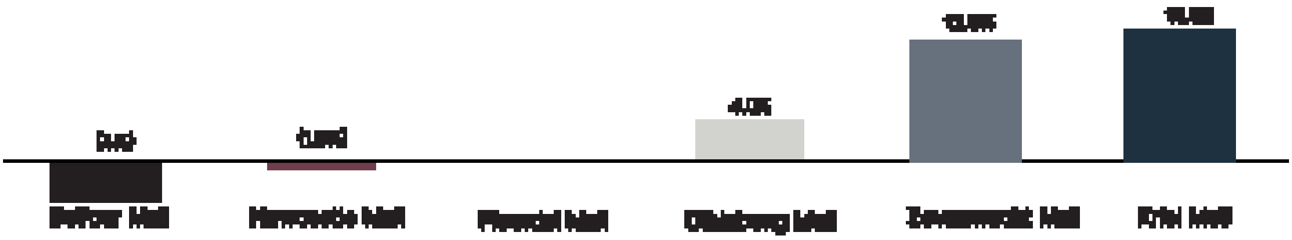
Average like-for-like turnover growth
(12 month turnover at month end over turnover for the corresponding period in the prior year. Excludes Design Quarter and Balfour mall which were undergoing redevelopment)



Average like-for-like turnover growth by property
(12 month turnover at Mar 23 over turnover for the corresponding period in the prior year)



Average like-for-like footcount growth
(2 month footcount at Mar 23 over footcount for the corresponding period in the prior year)



CASE STUDY

DESIGN QUARTER SHOPPING CENTRE

Background
The Design Quarter shopping centre was previously a niche décor mall with a limited convenience and restaurant offering, and with a notable office component. Over the years, as alternative décor offerings emerged, the centre's uniqueness was diluted given the limited response to the increased competition. Furthermore, the centre offered insufficient amenities for office users.

This required a strategy shift that would consolidate and solidify a value décor offering, bring in a convenience factor, improve the lifestyle offering and expand the restaurant offering and reconfigure these tenants to make them all north-facing so they are well exposed to light.

The transformation process required a capital investment of R144 million and took five years to complete.

Design Quarter Shopping Centre

The transformation process

2017-2018	IPF attempted to create a new entrance off William Nicol to improve traffic flow, which was not approved
2019-2020	Conducted in-depth demographic and location studies to understand the surrounding demographic in order to form a detailed view on the target consumer
2020-2021	Commenced with multiple design iterations and extensive debate around the optimal location of the convenience offering that would maximise consumer benefit

Results
Upon completion, the vacancy of the mall improved from 30.2% initially to 1.5% and the vacancy of the precinct has undergone a similar transformation. The centre's offices are fully let and the general value of the precinct has increased to almost R1 billion. The purpose of the refurbishment was not only for a retail repositioning, but more about protecting and enhancing the value of the precinct over time.

The amount of time the development has taken is testament to the thinking and preparation that went into the project.

BEFORE (DQ): Exterior

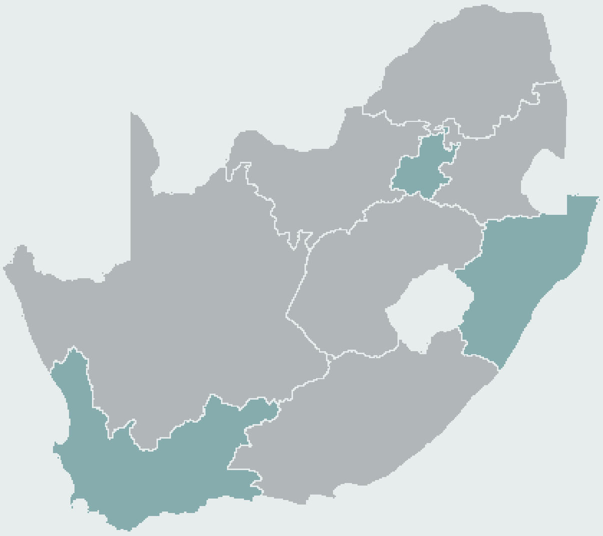
BEFORE (DQ): Interior

AFTER (DQ): Exterior

AFTER (DQ): Interior

OPERATIONAL OVERVIEW CONTINUED

OFFICE SECTOR REVIEW



Province	Rbn	Properties
Gauteng	4.5	25
KwaZulu-Natal	0.3	2
Western Cape	0.6	3
Total	**5.4**	**30**

Sectorial KPIs

Number of properties	30
Asset value (Rbn)	5.4
Base NPI growth	2.9%
GLA (m^2)	243 524
Vacancy (by GLA)	7.4%
WALE (years)	2.8
In-force escalations	7.1%

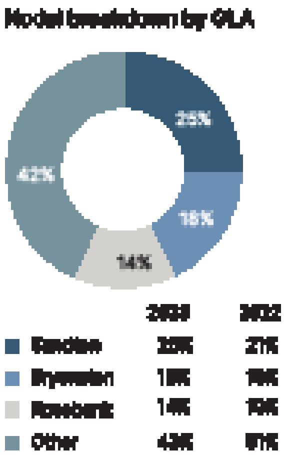
Office assets comprise 37% of the South African portfolio by value, with 30 properties located in major commercial nodes. The Fund's office assets remained resilient despite depressed operating conditions, evidenced by positive NPI growth, further reduction in vacancy to single digits and 84% of expiring office space let during the period.

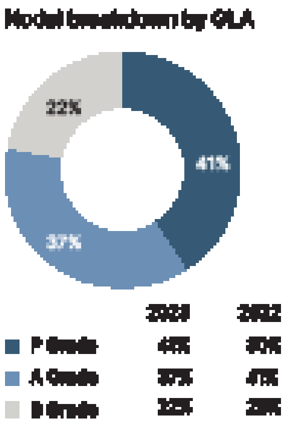
The sector reported like-for-like NPI growth of 2.9% (Mar-22: 2.1%), driven by contractual escalations and reduction in vacancy, but hampered by significant reversions. Net expenses were tightly controlled with a minimal 2.9% increase, driven mainly by an increase in fixed expenses and higher diesel spend that is fully recoverable from clients in due course. As a result, the sector's cost-to-income ratio was maintained at 26.4% (Mar 22: 26.5%).

Office vacancies were well-managed with further reduction to 7.4% by GLA (Mar 22: 9.5%) as a result of strong management skills and execution of strategy. Vacancies are concentrated in properties in the subdued Sandton node, namely 3 and 4 Sandown Valley Crescent (6 400m²) and 1 Protea Place (3 400m²). The Fund's buildings in Rosebank are fully let, with almost full occupation in its Bryanston buildings, and a notable increase in enquiries in the Sandton buildings. Although small on a relative basis, the Fund concluded 3 900m² of new leases in Sandton in the last three months.

Demand dynamics are expected to improve as businesses are returning to their office spaces post the COVID pandemic, and also due to the impact of loadshedding.

The office sector leased 20 789m² (84%) of expiring space during FY23 at an average WALE of 3.8 years. New lettings and renewals incurred a negative reversion of 22.4%, impacted by leases signed in the subdued Sandton and Randburg nodes.





INDUSTRIAL SECTOR REVIEW

Province	Rbn	Properties
Gauteng	2.4	22
KwaZulu-Natal	0.9	8
Total	**3.3**	**30**

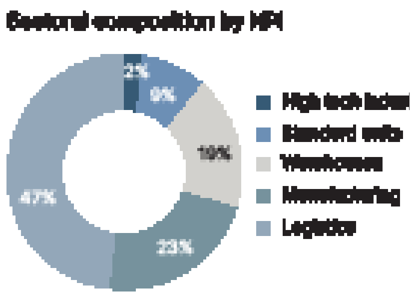
Sectorial KPIs

Number of properties	30
Asset value (Rbn)	3.3
Base NPI growth	9.2%
GLA (m^2)	475 507
Vacancy (by GLA)	1.9%
WALE (years)	2.8
In-force escalations	7.3%

IPF's industrial portfolio comprises 30 functional properties (22% of total asset value) with strong fundamentals in well-established nodes. The industrial property sector has experienced a strong comeback as evidenced by good demand for IPF's industrial assets resulting in strong letting activity and the emergence of market rental growth in the sector.

The industrial sector delivered the strongest base NPI growth at 9.2% (Mar 22: 10.5%) driven by positive letting and sustained low vacancy (Mar 22: 1.6% versus Mar 23: 1.9%). Net expenses declined due to an increase in recoveries and the positive impact of added solar capacity. The cost-to-income ratio of the sector therefore decreased to 19.2% (Mar 22: 23.1%).

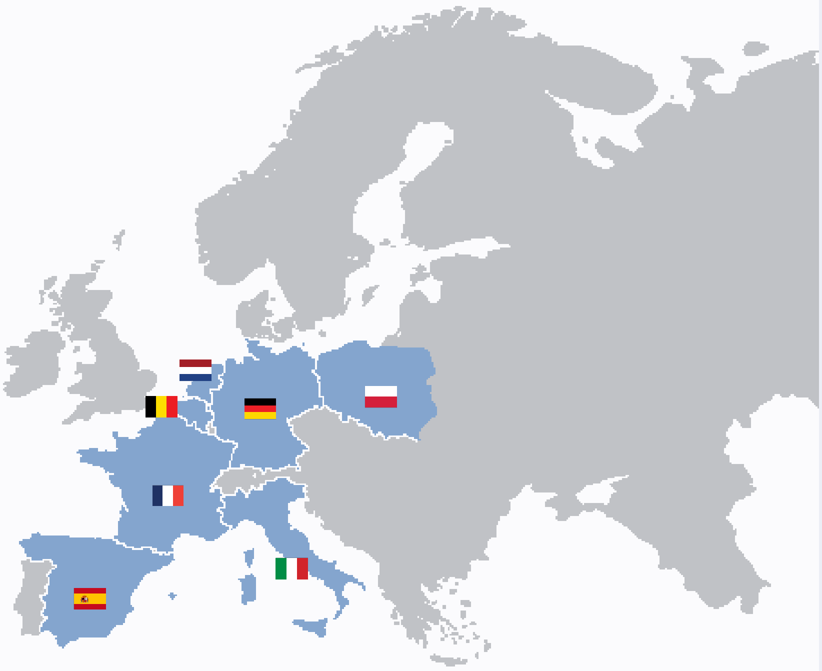
The industrial sector leased 101 522m^2 (94%) of FY23 space at a WALE of 6.0 years and 6.6% escalation. WALE was maintained at 2.8 years (Mar 22: 2.7 years). The sector concluded notable longer-term leases over the period with 71 100m^2 signed on lease terms of between five and 10 years.



Limited supply of stock in the industrial sector and lower risk appetite by banks to fund speculative developments in the current environment will continue to support demand for existing stock.

OPERATIONAL OVERVIEW CONTINUED

PAN-EUROPEAN PORTFOLIO



	Country	€bn	Property
	France	265	12
	Germany	340	11
	Italy	68	3
	Poland	113	9
	Netherlands	159	8
	Spain	44	2
	Belgium	78	2
	Total	**1 067[1]**	**47[1]**

1. Excludes Netherlands Schiphol property which was sold post-year end.

Key portfolio metrics

	2023
Shareholding	**83.15%**
Number of properties	**471**
GLA (m^2)	**1 124 648**
Vacancy	**0.9%**
WALE to expiry (years)	**5.2**
Total value of property	**€1.1bn**

Overview

The European portfolio consists of 47 properties located in seven jurisdictions across Europe. The asset management team situated throughout Europe ensures on-the-ground focus and is supported by the London-based head office.

The Eurozone felt the strain of economic challenges impacted by an energy crisis and ongoing pressure on supply chains stemming from the war in Ukraine. However, the sector has maintained the strong momentum displayed throughout. The occupier market has been resilient to date and demand remains strong. This is driving rental growth, which is further supported by rising indexation. Supply has also been further constrained due to cost inflation and rising funding costs.

Interest rate pressure is expected to adversely impact offshore investments, as European and other governments attempt to reign in soaring inflation. The European Central Bank rapidly raised interest rates by 200 basis points in 2022. Prior to this, interest rates had been negative.

The faster than expected increase over recent months has created pricing volatility in asset markets and the impact on long-term valuations is uncertain.

Financial performance

The performance of the PEL platform is underpinned by a strong, defensive portfolio that has been capitalising on the favourable sector dynamics. The underlying portfolio continues to deliver solid performance and has further improved on key portfolio metrics. During the year, the Fund made good progress in enhancing the quality of PEL earnings, through strong contracted rent growth and cost rationalisation initiatives.

The portfolio delivered gross rental growth of 7.1% driven by positive rental reversion, good letting activity and captured c.6% indexation across the portfolio. The Fund re-let 98% of space that expired in FY23 at a positive reversion of 8.6%. Property expenses were well managed, increasing by 3.3% y-o-y due to indexation, but mitigated by the increased occupancy which reduced non-recovery of service charges. Base NPI grew 7.4% (in EUR) as a result.

The cost-to-income ratio (excluding bad debts) reduced to 8.4% (March 2022: 8.7%).

Strong underlying asset performance was impacted by higher operating costs (+60% y-o-y). The Fund has implemented several cost savings initiatives that will unlock savings of €2 million over the next two years.

Overall performance was dampened by the increase and volatility in global interest rates. PEL income declined 43.9% y-o-y largely because of its weighted average funding costs increasing by 1.4% in the second half of the financial year, and the absence of the rental guarantee that was fully utilised in FY22.

Valuation

The PEL portfolio incurred a net write down of 5% to €1.1 billion (March 2022: €1.16 billion) equating to a carrying yield of 5.1%, driven by cap rate expansion in Europe. The full impact of the cap rate expansion was cushioned by the strong growth in contractual rent achieved.

Valuations are supported at current levels given the strong investment appetite for the logistics sector, improved portfolio metrics of the PEL portfolio, continued rental growth and the value-add capex that has been successfully deployed.

PEL balance sheet and LTV

Following the significant increase in interest rates and subsequent downward revaluation of properties due to cap rate expansion, PEL net asset value has declined 10% to €510 million. At IPF level, this decline is largely mitigated by R0.7 billion foreign exchange uplift, resulting from the strong decline in the value of the Rand.

Gearing within the PEL platform is at an LTV of 53.4% (March 2022: 49%) affected by the dip in valuation. IPF continues to focus on capital optimisation. The Fund has identified a pipeline of disposals valued at between c.€100 million and €150 million, the net proceeds of which will be used to fund investment opportunities and further developments. Furthermore, the Fund continues to explore the introduction of a strategic partner into the PEL business over the medium term, in addition to rolling-out of the funds management strategy in Europe.

The business is also exploring early refinancing opportunities with its existing lenders. The average all-in cost of funding within the PEL platform increased to 3.7% (March 2022: 2.5%) following the increase in Euribor, and is now capped at this level through an interest rate cap. The platform is 90% hedged and therefore has limited interest rate risk for 2.5 years. As interest rates stabilise, the impact of higher funding costs is expected to be mitigated to a large extent by continued growth in contracted rent and lower platform costs, as the cost containment initiatives start to unlock savings.

Collections and arrears

The arrears position reduced to €2.5 million (March 2022: €3.5 million) due to strong collections and a strict arrears collection process.

Vacancy and WALE

Vacancy was further reduced to 0.9% (March 2022: 2.3%) with the largest remaining vacancy being a 6 123m^2 space in the Hanover property in Germany. Lease negotiations over this space are ongoing and if successful, will result in vacancy reducing to 0.6%.

The portfolio WALE was maintained at 5.2 years to expiry (March 2022: 5.3 years), supported by a WALE of 5.9 years signed on new lettings.

Tiel, Netherlands

GLA: 9 822 m^2

OPERATIONAL OVERVIEW CONTINUED

PAN-EUROPEAN PORTFOLIO CONTINUED

Letting activity

Letting performance has been strong and the portfolio continues to capture market rental growth generated within the sector. The Fund has relet or renewed 98% of space expiring in FY23 at a positive reversion of 8.6%. In addition, 69% of opening vacancy has been leased.

Full year	Expiries and cancellations	Renewals and new lets	Gross expiry rental	Gross new rental	Rental reversion	WALE	Incentive	Retention
	GLA (m^2)	GLA (m^2)	€ / m^2	€ / m^2	%	Years	% lease value	%
Germany	19 365	17 760	50.6	66.4	31.2[1]	4.9	0.0	62.3
Netherlands	51 409	51 409	49.5	54.9	10.8[2]	7.3	3.7	50.0
France	98 639	85 157	45.3	47.0	3.8	6.0	2.3	58.5
Poland	21 416	35 513	43.2	46.2	7.0	2.7	9.8[3]	85.9
Belgium	19 030	14 888	40.3	42.0	4.3	9.0	0.0	0.0
Subtotal	**209 859**	**204 727**	**45.9**	**49.9**	**8.6**	**5.9**	**4.3**	**55.5**
Opening vacancy	26 630	18 418						
Germany	8 049	698						
France	13 925	13 578						
Poland	4 657	4 142						
Total	**236 489**	**223 145**						

Notes:

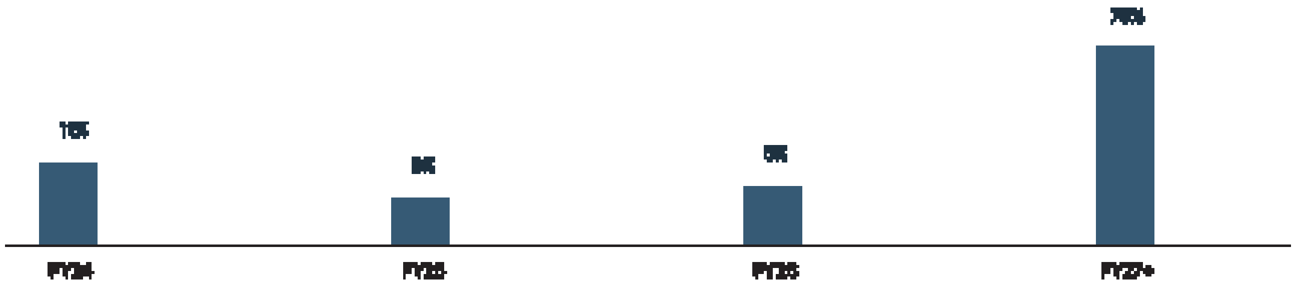
1 Client in Hanover has renewed their lease for five years (with a break after three years). A significant 35% rental increase was achieved on this letting to bring the rental up to market level (previously under market)

2 25 705m^2 renewed in Maasvlakte on five-year lease at 9% uplift and 25 704m^2 renewed in Venlo on 10-year lease at 13% uplift

3 Competitive market in Poland requires higher rent incentives as market norm

PEL lease expiry to break (by revenue)

Extended lease expiry profile with 75% of leases expiring beyond five years



PEL top 10 tenants

Based on gross revenue and as % of total portfolio

Tenant name	%
Rhenus	**8.5**
CHI Deutschland	**4.3**
Geodis Logistics	**3.8**
Empik	**3.6**
Tiesse S.p.a	**3.4**
H. Essers Logistics	**2.9**
AF Logistik	**2.8**
Procter & Gamble	**2.6**
Neele-Vat Maasvlakte	**2.6**
ET Global	**2.3**

Outlook

The PEL portfolio has strong operating metrics and is well positioned to capitalise on market dynamics. We expect strong NPI generation with growth prospects supported by structural fundamentals. The quality of earnings will be enhanced through cost savings initiatives. Further rental growth in the medium term will be driven by the development pipeline and active asset management. Interest rates are an external, volatile factor, but are well-managed with limited change forecast for 2.5 years.

Our impacts

Our impacts

ENVIRONMENTAL

Environmental, social, and governance (ESG) has been an increasingly important factor in the property sector. Property companies and investors are recognising the importance of sustainability and social responsibility in their operations and investments. This has led to a growing focus on the inclusion of ESG criteria in the decision-making process for property investments and developments.

IFP aspires to be recognised as a market leading REIT, which entails owning the best-of-breed assets, providing the best customer experience and delivering the best sustainable returns to shareholders on a risk-adjusted basis. The Fund's purpose is to unlock the potential of space – to create sustainable value for all its stakeholders, both financial and non-financial.

With the support of the board and led by the CEO, we took tangible steps forward to address and advance our ESG practices over the past year across both South Africa and Europe. We have embedded ESG considerations into the investment process and our risk management framework has integrated ESG risks across all elements, ensuring these are considered as part of the day-to-day business and operations of the Fund.

We need to consider the variety of socio-economic and environmental factors which impact our clients and tenants, as well as the local context where our properties are situated. We strive to advance sustainability through collaboration with our clients, working with them to improve the environmental performance of our properties and minimise their impact on climate change. We believe this approach will ultimately be to the benefit of all stakeholders through reduced cost of occupation for tenants, enhanced asset values for shareholders and sustainable outcomes for surrounding communities.

We are also cognisant of the increasing need to quantify our impact and have enhanced our focus on disclosure and delivering greater levels of meaningful ESG data. Our carbon footprint and all our targets are independently verified to ensure that the strategy is accountable. We are active members across the industry with members sitting on several relevant industry bodies namely the SA REIT Association, SA Property Owners Association (SAPOA), South African Council of Shopping Centres (SACSC), the Property Industry Group and the Green Building Council South Africa (GBCSA) and the sustainability committee.

We are committed to B-BBEE and have maintained a level 1 rating. We will work hard to keep this rating.

Governance forms a critical part of our ESG strategy and further details on our governance structure and policies can be found in the corporate governance report on page 93.

Sustainability positioning

We aim to **create stakeholder value** that:

1. Positively impacts our planet
2. Acts as an enabler of ESG within our clients' businesses
3. Improves the lives of our staff, clients and the communities in which we operate.

We have identified the following United Nations Sustainable Development Goals (SDGs) as critical to our organisation and contribute to sustainability opportunities aligned with these:

- **Clean water and sanitation**
- **Affordable and clean water**
- **Decent work and economic growth**
- **Industry, innovation and infrastructure**
- **Sustainable cities**
- **Responsible consumption and production**
- **Climate change**

ENVIRONMENTAL AND CLIMATE

Environmental problems, including pollution, water scarcity, and climate change, rank among the biggest problems we face today. We cannot have a vibrant society or a sustainable economy without a healthy environment. We comprehend the significance of climate-related risks and the necessity for open reporting since we are a company that places the long-term vision at the centre of all we do. South Africa is one of the most difficult markets in the world to operate in terms of climate change due to its dependency on coal. As a result, we have put time and effort into learning about climate change and the road to net zero.

Our environmental strategy

IPF believes in creating financial and social value in a sustainable way that ensures a low-carbon inclusive world. The Fund is committed to embracing its responsibility to understand and manage its direct environmental impact and create awareness that encourages positive sustainable behaviour.

This financial year, we have focused on understanding our environmental footprint and impact. In line with this we seek to align and integrate our environmental strategy into the Fund's broader strategy, with the client at the heart. In doing so we are cognisant of the cost of occupation for tenants. Currently we have established environmental practices in South Africa, enhanced by our partnership with an external sustainability expert that has experience in developing and implementing sustainable energy strategies across sub-Saharan Africa.

In line with our Environmental Policy and Climate Change Statement, we are committed to the following environmental goals and objectives:

- Advocating climate action within our own business, alongside our tenants, and engaging with the communities in which we operate
- Reducing our carbon footprint
- Working towards collecting appropriate data to enable the setting of defined science-based targets, seeking to measure performance against these going forward
- Incorporating considerations regarding climate change into our decision-making processes
- Allocating capital in a manner that is not environmentally destructive or carbon-intensive and, where possible, investing in the roll-out of return-generating renewable energy
- Commitment to open and transparent reporting of our sustainability progress

Environmental achievements and targets:

South Africa

2023 targets	Achievements	2024 targets
• Six additional buildings receiving Green Star ratings (minimum level 4)	• Six sites with four-star ratings • Total 24 buildings (60% of office; 16% of industrial portfolio) • Market leader – IPF piloted the rollout of industrial certifications	• Five new Green Star certifications • Seven re-certifications (minimum four-star rating)
2.0MWp additional solar PV	• 3.3MWp additional solar • Total portfolio capacity of 14.8MWp	• 1.8MWp of additional solar PV
Energy Performance Certificates (EPC) for 27 buildings	27 buildings	• n / a – the fund is compliant with regulations and existing certificates are valid for five years
CDP submission	• B-rating • Identified gaps for improvement	• n / a • Address gaps and strive to improve rating

Europe

The European portfolio is still in the early stages of rolling out its ESG strategy. The past financial year was a year of establishing the baseline through assessing initiatives and opportunities to embed ESG into business practices. We made progress with various initiatives in the PEL portfolio:

Initiative	Considerations	Current performance	Planned action
Building performance, certifications and ratings	• Energy data collection and monitoring • EPC compliance and rating improvements • BREEAM third-party certifications	• 100% Energy Labels complete for EPC compliance. 100% Reported Ratings C or above, 82% above B • BREEAM In-Use 16% Good / Very Good[1] • Implementation of smart metering across majority of portfolio	• **BREEAM In-Use 100% Good / Very Good** post capex investment
On-site renewable energy	• Solar PV generation potential • Sale of excess on-site energy generated • Impact on tenant and landlord operational costs and revenue	• PV installations currently operational on 4 properties • Assessing cost of further rollout in phases i.e. Phase 1 – to generate sufficient capacity to satisfy current tenant requirements and Phase 2 – exploring the opportunity to further utilise roof space and sell additional capacity into the grid	• Implement portfolio Solar PV instalment strategy to meet **100% of tenant demand** (8.5 MWp)

ENVIRONMENTAL CONTINUED

Initiative	Considerations	Current performance	Planned action
Climate risks and opportunities	• Carbon Risk Real Estate Monitor assessment[2] of potential stranding analysis and opportunities for improvement • Location and avoidance of climate risks and building resilience • Soil contamination risk • Historical flood risk	• CRREM: 53% of portfolio is stranding after 2030 (based on Energy Use Intensity) with 32% 2050 Paris Aligned (EUI)[3] • MSCI Climate Value At Risk Assessment completed: – 8.4% Climate Value at Risk (physical risk) – Physical risks are higher in Netherlands exposed to coastal flooding. Remaining properties are relatively low risk	• Conduct detailed CRREM stranding analysis for both energy use intensity and greenhouse gas emissions (at asset and portfolio level) including CAPEX plan and positive impacts from solar PV implementation on overall portfolio carbon emissions • Regular assessments of climate risks and actions to reduce and mitigate or adapt to that risk • Monitor EU guidance on climate pathways and availability of new methodologies and data
Tenant risk & occupier engagement	• Tenant profile and on-site activities • Tenant sustainability goals and energy usage • Green lease clauses	• c.35% of total income with sustainability targets	• Continued engagement and implementation of green leases at lease regears or new leases to support data sharing and emissions reduction.
Biodiversity risks and opportunities	• Risk of biodiversity loss • Opportunities for on-site biodiversity improvement	• Biodiversity considerations incorporated when environmental impact assessments are conducted	• Biodiversity measures to be assessed as part of BREEAM In-Use improvements • Develop a biodiversity statement and include nature-related considerations in the investment process

1. Percentage of total units.
2. Global standard and initiative for reducing emissions from real estate assets. Assessment helps to identify which properties will be at risk of stranding due to the expected increase in stringent building codes, regulation, and carbon prices.
3. Based on a selection of the portfolio representing c.50% of total income.

Our carbon footprint

The Fund submits an annual carbon footprint to the Carbon Disclosure Project ('CDP') and has achieved a B-rating. This is a commendable achievement for the Company and sets the stage for what we aim to achieve going forward.

The CDP is an international body that runs the global disclosure system for investors, companies, cities, states and regions to manage and rate their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action and is fully aligned to the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations.

Our carbon footprint assessment is calculated according to the Greenhouse Gas Protocol and follows the operational control approach. Greenhouse Gas emissions are categorised into three scopes. Scope 1 covers direct emissions from owned or controlled sources, while Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling. Scope 3 includes all other indirect emissions that occur in our value chain. Our carbon footprint has undergone limited third-party verification following ISO 14064-3.

The total greenhouse gas emissions for IPF have been calculated at 113 751 tCO_2e, following the Greenhouse Gas Protocol. Non-Kyoto Gases were calculated at 69 tCO_2e.

Year-on-year emissions

	Total tCO_2e					FY2022 vs FY2023 % change
Scope	Category	Emissions source	FY2021	FY2022	FY2023	
Scope 1	Stationary combustion	Diesel (Generators)	268	476	4 104	762%
	Stationary combustion	Natural Gas	51	136	182	34%
	Stationary combustion	LPG	–	–	46	
		Renewable Energy	–	–		
	Fugitive emissions	Refrigerant Gases	385	277	308	11%
Total scope 1			**703**	**889**	**4 640**	**422%**
Scope 2	Location Based Electricity	IPF Electricity	2 790	2 534	2 310	(9%)
	Market Based Electricity	IPF Electricity	2 790	2 534	2 310	(9%)
Total scope 2			2 790	2 534	2 310	(9%)
Total (Scope 1 and 2)			3 493	3 423	6 951	103%
Scope 3	Fuel and Energy-related Activities	Tenant Electricity	125 586	127 097	105 774	(17%)
	Purchased Goods and Services	Municipal Water	520	633	616	(3%)
	Waste	Waste Recycled	Not included	8	10	(17%)
	Waste	Waste Disposal	Not included	344	401	(17%)
Total scope 3			126 107	128 082	106 801	(17%)
Total tCO_2e emissions (Scope 1, 2 and 3)			126 600	131 504	113 751	(13%)
Total non-Kyoto Gasses			396	1 606	69	(96%)

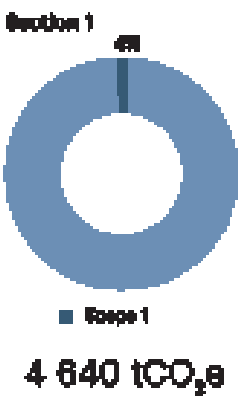
- **Scope 1** emissions refer to direct emissions from sources that are owned or controlled by the company, in IPF's case this is refrigerant gases (used for HVAC), natural gas, LPG, and diesel (used for generators).
- **Scope 2** emissions refer to indirect emissions from the consumption of purchased electricity, heat or steam. In IPF's case, this is purchased electricity not recovered by tenants and electricity used in common areas.
- **Scope 3** emissions are all indirect emissions that occur in the value chain of the company, including both upstream and downstream emissions. In IPF's case, this is, tenant recovered electricity, water and waste.

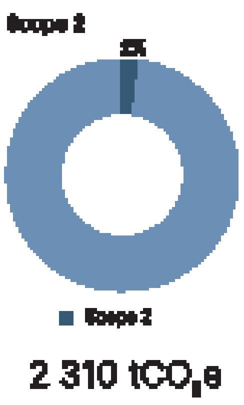
Reducing Scope 3 emissions:

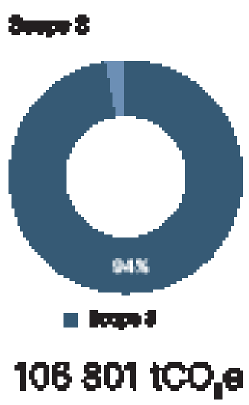
- Emissions associated with **tenant recoveries are the largest contributor toward the overall carbon footprint (94%)**. Scope 3 emissions are reduced through reducing grid-consumed electricity by installing solar PV and reducing energy consumption through energy efficiency initiatives and ultimately by driving behavioural changes which can be driven by green leases.

Electricity benchmarking

Emissions associated with tenants' electricity were the highest contributor to the carbon footprint at 106 801 tCO_2e, comprising 94% of total emissions.







Tenant recoveries are the largest contributor toward the overall carbon footprint

(94%)

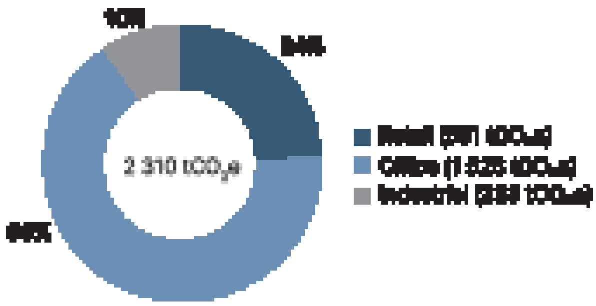
ENVIRONMENTAL CONTINUED

Scope 1 and 2 Intensity	FY2021	FY2022	FY2023	2022 vs 2023 % Change
Scope 1 and 2 / m²	0.00301	0.00316	0.00654	107%
Scope 1 and 2 / revenue	2.36044	2.28472	4.49307	97%

Total emissions per sector (%)

	FY2023			
	Total	Retail	Office	Industrial
Scope 2 & 3 Electricity tCO_2e	108 084	46 328	35 350	26 406
Square Meter	1 062 386	342 072	246 035	474 279
tCO_2e / Square Meter	0.10	0.14	0.14	0.06

Scope 2 electricity emissions by sector



Scope 3 electricity emissions by sector

Addressing climate change

The Fund's Environmental Policy and Climate Change Statement considers the challenges to the global economy. We recognise the complexity and urgency of climate change and are committed to the transition to a cleaner, low-carbon world. In line with this, we understand that addressing climate change requires complex, bold and urgent action. Thus, we support the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts towards limiting it to 1.5°C.

IPF is seeking to align its climate-risk management framework to the TCFD alongside its CDP submission. The Fund aims to understand and approach potential risks and opportunities as guided by this framework. This will assist in the alignment of strategy, plans of action, policies and objectives, to address climate-related risk. The board plays an integral role in respect of oversight specifically in relation to climate change. The Fund will consider issuing a standalone TCFD report at the appropriate time, if the board deems it appropriate.

The Fund recognises the risks and opportunities that climate change presents to the global economy.

Top climate-related risks and opportunities

Climate-related risk	Mitigation	Theme financial impact
Carbon tax transitional risk (current regulation)	• Solar PV rollout and energy efficiency actions to reduce emissions and associated risk with future carbon tax liability	• Increase indirect (operating costs) • Decreased revenue
Energy performance certificates transitional risk (current regulation)	• Procurement of EPCs, which will allow the Fund to understand sites which are inefficient, with the aim to improve EPC ratings, in line with our environmental strategy	• Penalties related to non-compliance
Amendments and phased roll-out of legislation including NEMA 1998, National Waste Act 2008, National Water Act 1998 and municipal by-laws (emerging regulation)	• Continuous engagement with experts along with internal tracking and research on regulatory changes that could impact the Fund	• Increased direct costs through capital expenditure to ensure legal and regulatory compliance • Increased costs associated with litigation, penalties and fines
Substitution of existing products and services to lower emission options (technology)	• Continued pursual of green-certified properties • The rollout of solar PV and energy efficiency measures	• Decreased revenues due to reduced demand for products and services
Exposure to climate-related litigation (legal)	• Ensure compliance with all relevant environmental legislation	• Increased indirect (operating) costs through litigation, fines and penalties
The increased cost of raw materials (market)	• The rollout of solar PV and energy efficiency measures • We are investigating backup battery systems to reduce our diesel consumption	• Increased indirect (operating) costs from diesel, electricity, and water purchases

2929 on Nicol, Bryanston, Gauteng

GLA: 16 354 m²

ENVIRONMENTAL CONTINUED

Climate-related risk	Mitigation	Theme financial impact
Increased water stress leading to drought conditions, increased water tariffs necessitating water storage infrastructure Chronic physical risk (water security and resilience)	• Bulk remote meters have been installed throughout the South African portfolio, allowing monitoring of portfolio and alarms set on irregular consumption trends • Aqua trips installed on a number of sites. Night flow monitoring across the South African portfolio to identify wastage and / or possible leaks • SMART water meters installed to monitor water consumption and inform our operational strategy • Irrigation metered with timers • Retail centres: all bathrooms are separately metered and air-rated nozzles installed on majority of taps • Water wise vegetation across portfolio • Investigating water initiatives on identified properties: o Water-storage tanks o Grey water harvesting • Borehole water o 11 sites identified for feasibility which is underway o Successful projects completed at Fleurdal and 345 Rivonia	• Impact on tenant operations, increase in indirect costs (operating costs) and decrease of revenue • Borehole project costs of R1.6m incurred to date • Fleurdal Mall borehole usage commenced in March 2023. To date, 77% of total consumption is from borehole with R314k of savings realised to date • Borehole at 345 Rivonia has recently come online. Property is 100% off grid with anticipated savings of c.R25k per month
Structural damage to infrastructure and property because of extreme weather events Acute physical risk (infrastructure)	• Tracking weather-related insurance claims • Portfolio risk assessment performed using the WRI Aqueduct tool and WWF climate risk tool, to identify areas that are vulnerable to extreme weather: floods, droughts and wildfires, for planned response by business	Events leading to unforeseen damage to properties, increased insurance claims, higher capital expenditure and operational costs, thus reducing distributable earnings
Energy supply, storage, increased consumption and increased tariffs Transitional risk (energy security and cost)	• Planned asset by asset environmental assessment to get to net zero, with costing • Greener, more efficient buildings • Energy efficient assessments performed by specialist • Solar energy investment • Battery back-up • Utility optimisation • Lighting retrofits • HVAC optimisation	Increased direct and indirect (operating) costs Decreased revenues due to reduced demand for 'product' – shift in consumer preferences
Increased pressure to decarbonise Transitional risk Reputational risk	• Obtaining Green Star certification to understand and address areas related to decarbonisation and shifting consumer behaviour	Receiving greater attention around the world as it poses an environmental and now financial risk due to severe weather patterns. South Africa has signed up to the Paris Agreement to reduce emissions to below 1.5°C, as a country heavily reliant on coal and its ability to reduce its carbon emissions. Inability to raise capital (equity and debt)

Using insurance claims to measure weather-related damage is one way to track the impacts of climate change. The table below sets out the amount of weather related claims in respect of the South African portfolio over the past year.

	R
Earthquake / sinkhole	–
Rain / floods*	2 058 392
Hail	–
Wind	27 435
Lightning	177 780
Total cost of weather-related damage resulting from changing weather conditions (R)	**2 263 607**

* Storm-related claims.

Energy

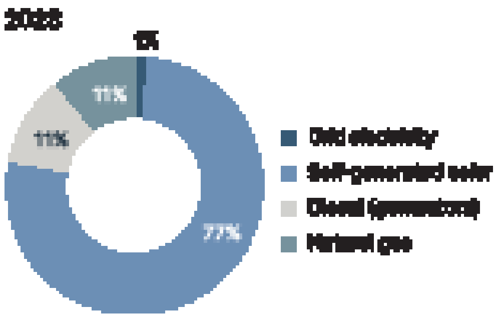
We have always played a leadership role in this sector by using and promoting efficient, reliable and sustainable energy resources.

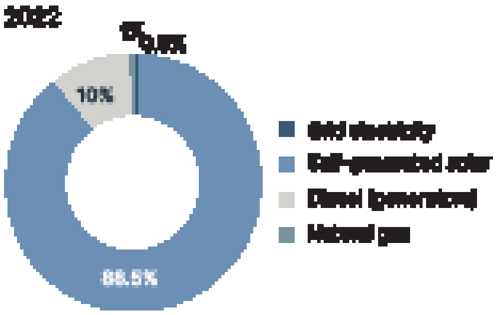
We continually seek opportunities to reduce our energy consumption by introducing renewable energy sources such as solar photovoltaic (PV) installations, minimising energy usage in common areas and assisting our tenants in reducing energy consumption and cost. In 2023, our energy consumption equated to 135 459 MWh (including solar consumption, electricity sold to tenants, diesel and natural gas consumption), from 138 988 MWh in 2022. The decrease was as a result of the disposal of assets.

Rising electricity costs impact tenant affordability. In our South African operations, the country's reliance on coal generated electricity means that the use of grid energy has an adverse impact on the environment. We therefore continually seek to reduce our reliance on grid electricity. In 2023, the average amount of grid electricity consumed per square metre of portfolio area reduced to 98 kWh / m² (2022: 113.0 kWh / m²). This was, however, offset by increased reliance on diesel power to fuel generators through persistent loadshedding.

Over the past year, IPF succeeded in containing the increase in the Fund's total electricity cost to 10%, well below the Nersa increase of 18.65%, which is a direct result of the Fund's ESG rollout, i.e. LED lighting, tariff optimisation etc. However, due to severe loadshedding, IPF's total diesel spend amounted to R37 million, of which c.90% is recoverable from clients. The net impact on clients has been a 25% increase in total energy costs during the year.

Total energy consumption





Investing in renewable energy

To reduce reliance on the grid, minimise our negative environmental impact and decrease costs, we continue to invest in renewable energy.

Since 2016, we have invested R113 million in renewable energy initiatives (2023: R73 million). IPF's solar plants have generated a total of 55 959 868 kWs of renewable energy which have saved approximately 58 082 tonnes of COe amounting to R87 million in financial savings. During FY23, the solar PV plants have saved IPF R27 million in grid supplied electricity. The plants generated 15 234 155 kWs of renewable energy, saving 15 844 tCO_2e (2022: 15 126 tCO_2e) purely due to solar PV installations.

	2023	2022
Total solar PV capacity (MWp)	**13.24***	11.54
Energy produced by solar / PV installations (MWh)	**15 234**	14 270
Annual saving in electricity spend from solar / PV installations (R)	**26.8m**	22.6m

* Increased to 14.8MWp post-year end with Newcastle solar farm coming online.

ENVIRONMENTAL CONTINUED

During the year we completed an additional 3.3MWp of solar PV installations which exceeded our previously set target of 2.0MWp for the year and taking our total solar generation capacity to 14.8MWp post-year end. IPF has made significant steps in supporting clients through loadshedding during the year and reducing the cost of occupation for its clients through energy assessments, wheeling considerations, interfacing solar to generators, rolling out additional solar power initiatives and improving back-up power in its buildings.

In Europe, PV installations are currently operational on four properties within the portfolio. We are assessing the cost of further rollout in phases, i.e. Phase 1 – to generate sufficient capacity to satisfy current tenant requirements (8.5MWp) and Phase 2 – exploring the opportunity to further utilise roof space and sell additional capacity into the grid. This will not only provide ROI opportunities and additional revenue streams but will also have a significant impact on the path to net zero.

Energy efficiency

We frequently review our energy performance and seek opportunities to address operational efficiencies, such as replacing common area lighting with light-emitting diodes (LEDs) and rolling out SMART electricity metering systems to identify energy savings opportunities and influence behavioural drivers. Alerts for unexpected energy consumption are issued by the meters to track irregularities and support benchmarking performance against industry norms. The Fund is performing energy assessments throughout the portfolio, to understand the potential areas of improvement and to maximise efficiencies in our drive to reduce tenant cost of occupation.

Buildings are the largest end-users of energy globally and account for a significant portion of the world's end-use of energy. Although solar and other renewable energy technologies are generally in the limelight, energy efficiency is the unsung hero on the route to decarbonisation.

Lighting forms a significant component of electricity consumption. With the help of a third-party consultancy, we conducted a lighting assessment across the portfolio and have replaced lights with energy efficient fittings, which is one of the simplest and most cost-effective measures to reduce electricity consumption and related greenhouse gas emissions.

Opglabbeek, Belgium
GLA: 77 501 m^2

Water

We continually seek ways to reduce our water consumption. Bulk-check meters have been installed across our entire South African portfolio, which allows for early detection of wastage, including water leakages. Furthermore, the Fund has implemented night flow monitoring across the South African portfolio to identify wastage and / or possible leaks. We have also installed SMART water meters across some of the portfolio to monitor water consumption and inform our operational strategy.

	2023	2022
Total portfolio water consumption (kilolitres)	**665 819**	684 184
Percentage municipal water (%)	**100%**	100%
Average amount of water consumed per square metre of portfolio area (kl / m²)	**0.634**	00.63

The Fund continues to investigate back-up water systems, where necessary, prioritising high water outage areas. The focus over the past year has been on borehole initiatives. In this regard, 11 sites were identified to undertake feasibility assessments on, and this remains ongoing. Successful pilot projects have been completed to date at:

- Fleurdal Mall where water was discovered at 40 meters and is now delivering sufficient volumes to satisfy 50% of the site's consumption
- 345 Rivonia was fitted with a water filtration system, taking the site off the grid and realising c.R25 000 in cost savings per month

Climate-related risks such as flooding and heatwaves can directly impair the performance and longevity of buildings and infrastructure. It is therefore critical to understand the possible impact of these risks on our business. The entire portfolio was assessed for water flood risk. The assessment was conducted using the WRI (World Resource Institute) aqueduct tool to measure, map, and mitigate water risks. The following is a breakdown of the risks identified within our portfolio, which is being taken into account when considering the implementation of any potential water initiatives:

	Baseline water stress[1]		**Riverine flood risk[2]**		**Drought risk[3]**	
	No. assets	**% of Total**	**No. assets**	**% of Total**	**No. assets**	**% of Total**
Extremely High (>80%)	5	8%	0	0%	0	0%
High (40-80%)	62	65%	10	11%	72	80%
Medium – High (20-40%)	8	9%	1	1%	16	20%
Low – Medium (10-20%)	10	12%	60	63%	0	0%
Low (<10%)	3	6%	17	25%	0	0%
	88	100%	88	100%	88	100%

1. Baseline water stress measures the ratio of total water withdrawals as percentage of total available renewable surface and groundwater supply.
2. Riverine flood risk measures the percentage of population expected to be affected by Riverine flooding (i.e. when rivers overflow their banks).
3. Drought risk measures where droughts are likely to occur, the population and assets exposure and their vulnerability to adverse effects.

Waste

Our total amount of non-hazardous solid waste generated from externally managed waste for 24 of our buildings was 1 122 tonnes (general waste: 735 tonnes and waste recycled: 387 tonnes). Of this, 34% was diverted from landfill through recycling. IPF manages a waste register to better understand our waste management across the portfolio and identify opportunities to implement programmes to reduce waste to landfill.

Green buildings

Investing in greening our buildings enhances our performance towards achieving a portfolio of properties that contribute to more sustainable cities. The GBCSA has developed rating tools to recognise and reward environmental leadership, creating a common standard of measurement for green buildings.

Benefits of green building include:

Lower operating costs	**Increased property values**	**Minimising churn**	**Combat climate change**	**Responsible investing**	**Higher returns on assets**

During the year, six of our buildings achieved a four Green Star rating, of which five were industrial assets that were part of the pilot project for the rating of industrial sites. In total 24 buildings have received Green Star ratings (2022: 18 buildings), comprising 60% of the office portfolio and 16% of the industrial portfolio.

ENVIRONMENTAL CONTINUED

Fleurdal Mall, Bloemfontein, Free State
GLA: 29 889 m^2

In Europe we have adopted the BREEAM certification for our buildings and full BREEAM in-use assessments have been undertaken on the entire portfolio. It is the world's first and leading sustainability assessment and certification scheme for the built environment and is an international standard that is locally adapted, operated and applied through a network of international operators, auditors and industry experts.

BREEAM in-use helps building managers reduce the running costs and improves the environmental performance of existing buildings. It consists of a standard, easy-to-use assessment methodology and an independent certification process that provides a clear and credible route map to improving the sustainability of the asset and its operation.

SOCIAL

The social pillar of our ESG strategy concentrates on our relationships with our clients, the people dedicated to the Fund in terms of the asset management agreement with Investec Property, the communities in which we operate, our value chain and all stakeholders in our value chain, ensuring that everyone's interests are taken into consideration and addressed as effectively as possible.

Our people

In the year under review IPF did not employ any people directly, however, our asset managers and management teams are aligned to the Investec Group policies. Post the internalisation of the asset management function, the Fund will directly employ those people who have been dedicated to the management of the Fund to date, and various policies in this regard will be put in place going forward. However, for the year under review all people-related reporting set out below falls under the umbrella of Investec Group.

Our purpose-led culture is the organisation's strategic differentiator. As a culture-driven organisation, our values and philosophies must underpin and inform people's conduct. We choose a flat organisational structure, ensuring high levels of access for all, thereby showing deep respect for individuals, and upholding an environment that encourages authentic dialogue, great flexibility, and speed of execution in line with the organisation's purpose and business strategies. This unique cultural proposition is inculcated via artefacts and practices that evidence both our employee value proposition as well as, reciprocally, what is expected of employees.

Aligned to our purpose of living in society, not off it, we are committed to creating enduring worth, in a sustainable and inclusive way, for all our stakeholders. We invest deeply in education and job creation initiatives for our own employees as well as the communities in which we operate. These initiatives align to our support of the SDGs, and particularly our commitment to:

- SDG 4: quality education
- SDG 8: decent work and economic growth

The Investec experience

Although we had no direct employees during the year, we align to the Investec Group employee value proposition which is known as the Investec experience – it positions our culture as the overarching, significant differentiator that guides conduct. Our culture shapes the attitudes, norms, and expectations that help us fulfil our purpose and accomplish our strategic goals.

Leaders, together with the people and organisation team, are responsible for delivering and curating the Investec experience throughout the employee lifecycle, with the intention of creating value and enhancing performance.

Key components of the Investec experience include:

- **High-performance culture** – enabled by the flat structure, open and honest dialogue, ongoing, direct feedback with autonomy and freedom to operate
- **Employee engagement** – through dialogue – this remains our primary method of decision-making, problem solving and challenging convention
- **Storytelling** – to preserve and inculcate our culture
- **Meaningful attraction, development, and retention** – we create an environment in which learning is prioritised and enhanced
- **Recognition and reward** – our reward philosophy and process reflect our purpose and culture
- **Wellbeing** – we value the physical, financial, and psychosocial health, welfare and safety of our people
- **Belonging, inclusion and diversity** – meaningful representation and bringing your whole self to work

Number of employees: 23 (2022: 26).

Investec's key themes for the year

Our purpose statement and values

Investec lives by its purpose 'to create enduring worth, living in society, not off it'. We believe purpose matters and impacts the way we approach business, how we consider socio-economic issues and the lives of our employees and ultimately the legacy we continue to broker and build.

Attraction, development and retention

Investec has a national and international footprint with differentiated businesses and functions. Our approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce.

Employee engagement

We have various mechanisms to monitor, gain a 'felt sense of', and evaluate how people experience our culture as well as their alignment and adherence to our system of beliefs. These include:

- Culture dialogues
- Team culture sessions
- Regular staff updates and dialogues hosted by the executive leadership
- Ongoing messaging from the executive leadership
- An induction programme for new employees
- Ongoing learning, leadership development and diversity programmes
- Tailored internal investor relations presentations on Group results, strategy updates and market feedback
- Dedicated, comprehensive intranet
- Newly launched global employee app, 'Investec spaces'

Recognition and reward

The Investec remuneration practices comply with local regulations and reward people meaningfully for performance and contribution. Investec is supportive of a minimum living wage and ensures that all its employees globally are paid above the relevant minimum statutory wage.

Performance

At Investec, performance is enabled by our relational culture as well as the learning the organisation is defined by. We are a feedback-rich environment in which open and honest dialogue is required. The environment offers stretch, support, trust, and discipline where individuals are given freedom to operate and autonomy in pursuit of extraordinary performance.

Employee wellbeing

Investec's approach to wellbeing is all encompassing and forms part of the Investec experience. We are a deeply caring organisation and value holistic health which we understand enables performance. We offer a proactive and preventative programme, but equally respond to people's curative needs. Wellbeing at Investec is about the health of the individual, their family, as well as the health of the team and the system as a whole.

SOCIAL CONTINUED

Family-friendly policies

In line with our commitment to equity in employment and in recognition of the dignity and rights of each employee, we provide an environment supportive of combining parenthood with a career. Our parental leave scheme provides enhanced benefits to parents, irrespective of their length of service.

Flexible working policies and practices

We endeavour to create a working environment that enables exceptional performance and innovation. Our core principle for 2023 is to spend most of our time in the office, face-to-face. We believe that the energy we create through our physical presence is a key part of our culture, which is our strategic differentiator, and creates 'the smell of the place'. The experience of being together enables relationships and interactions that underwrite the out-of-the-ordinary experience our clients expect. Alongside this we encourage high degrees of flexibility, allowing employees the freedom to operate in the context of the work, the team's purpose and performance commitments, the needs of clients and the lives of every individual in the team. Within South Africa all employees have flexible leave that allows them to take the leave they require without the constraint of a leave accrual, provided work obligations are up to date.

Learning and development

As a learning organisation Investec aims to constantly stretch and develop our people, recognising that the calibre of our employees is a unique long-term competitive advantage. To achieve this, we employ talented people and enable their professional and personal growth so they can perform extraordinarily and deliver an out of the ordinary experience for the client. Learning is therefore directly linked to the strategic business objectives, with learning offerings constantly evolving to meet changing business and organisational needs.

We continue to invest significantly in providing learning opportunities to develop our people holistically, focusing on personal, interpersonal skills as well as technical (role based) and professional skills. Exploring our organisational culture and purpose and engaging with the concepts of belonging, inclusion, and diversity remain a key priority for us. We make use of both mentoring and coaching to support our learning efforts.

Over and above this, we offer our people access to public programmes, conferences, seminars, and courses and provide employees with formal development opportunities through registered and accredited institutions, to enable the acquisition of knowledge and skills necessary for career development within Investec. Our educational bursary scheme provides employees in South Africa with focused educational opportunities to enable the acquisition of qualifications.

Training expenditure*:

	R
Average learning spend per person	**11 450**
Total IPF learning spend during the year	**274 793**

* Based on average headcount of 24.

Belonging, inclusion and diversity

Our diversity and inclusion framework has a sense of belonging for all our people, irrespective of difference, as its goal. We aim to make Investec a place where it is easy to be yourself. It is a responsibility we all share and is integral to our purpose and values as an organisation. Continually mindful of our biases and consciously inclusive, we encourage each other to embrace opportunities for growth. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world.

Investec's approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce; our recruitment strategies actively seek difference, engaging with minority groups, females and people with disabilities.

Investec is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant international labour organisation conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment for all.

During the year, the belonging, inclusion, and diversity (BID) practice has focused on research and provided thought leadership on how to create an environment in which everyone finds it easy to be themselves, to feel they belong and are engaged in the sustained success of Investec.

Health and safety

Investec is committed to ensuring the health, safety and welfare of its employees. A group-wide formal health and safety programme identifies and manages all health and safety risks and carries out regular safety audits. There is a committee that oversees health and safety that meets quarterly to review any concerns raised. The health and safety policy is monitored regularly.

Investec:

- Complies with the Disaster Management Act 2002 and latest Occupational Health and Safety regulations as effected from March 2020;
- Continuously reviews and amends its workplace plan as regulations change, to provide and maintain, a working environment that is safe and with minimal risk to the health of our employees; and
- Maintains and monitors the workplace to ensure that standards of health protocols, adequate space for our employees and physical distancing measures for the public and service providers remain intact.

Health and safety is managed through:

- **Head of facilities** – responsible for ensuring that the tasks delegated to the health and safety manager are undertaken. the head of facilities will support the health and safety manager and provide appropriate resources to ensure the successful implementation of the health and safety policy
- **The health and safety manager** – Day-to-day responsibility for health and safety matters

- **Health and safety representatives** – represents his / her fellow employees to ensure that all risks and hazards are identified and dealt with as far as is reasonably practicable
- **Evacuation marshals**
- **First aiders**
- **Fire marshals**

The occupational health and safety committee

The occupational health and safety committee (the committee) has been set up and shall be run on a quarterly basis.
The committee comprises of the chief operating officer of group risk, head of people and organisation and / or the employee relations representative, health and safety manager, head of facilities, operational resilience manager and head of operational risk. The committee is supported by the operational resilience working group (ORWG) and health and safety representatives. The committee aims to provide Investec with a mechanism for consulting with employees on matters of health and safety. Any issues to be escalated to the committee by the ORWG and if board awareness is required, the matter will be escalated from the committee to the board. Escalation points such as severe incidents and fatalities are also part of the annual sustainability report to the social and ethics committee.

The occupational health and safety committee's duties:

- Members meet when required, in order to initiate, promote, maintain and review measures of ensuring the health and safety of the workers; quarterly report from the health and safety manager to be distributed and committee to meet only when escalations are required;
- To keep records of recommendations to employers and inspectors (three years);
- Where these recommendations do not lead to solving the matter, the committee may make recommendations to an inspector;
- Shall discuss, report and keep records of incidents in which someone is killed, injured, or infected with a communicable disease; and
- To represent their team / department / office and to give them the opportunity to put forward suggestions or highlight any concerns regarding health and safety.

Our communities

AMP Programme

IPF has collaborated and entered a partnership with Property Point Venture Catalyst which operates as an industry agnostic programme to drive economic inclusion for small and growing businesses (SGBs) and to implement enterprise and supplier development programmes in South Africa within the property sector.

The programme was initiated at the end of the year and nine SGBs with sound entrepreneurs at the helm were selected to take part in the programme sponsored by IPF. Six existing entrepreneurs were part of the programme in the previous financial year and were selected as part of the new programme.

The programme is designed to be implemented over two years during which time the entrepreneurs will be provided with skills, knowledge and development. The programme aims to develop businesses using a bespoke methodology underpinned by impact monitoring and evaluation processes which target:

- entrepreneurial mindset development;
- business management and skills development;
- personal mastery and leadership development;
- corporate governance;
- industry mentorship;
- peer learning and networking;
- individual coaching sessions;
- financial management and literacy;
- sales and marketing post lockdown (pandemic); and
- green programme.

The programme has been designed to offer a unique approach to rental relief coupled with business development support to drive a level of supply chain integration for businesses who show the capability, competency and capacity to deliver in line with the procurement needs of IPF.

The entrepreneurs are provided access to P-grade office space tailored to meet the desired business needs in year one of the programme.

The programme's agenda is to align the development of businesses that meet the regulatory requirements and public concerns around climate change, resource efficiency and water scarcity brought on by sustainability into the mainstream business operations through environmental, social and governance (ESG).

Understanding where the ESG risks and opportunities lie for the businesses, using assessment processes, and then developing a roadmap for each is essential to them becoming more resilient, responsible and responsive. In light of this, Property Point's partnership with the NCPC (National Cleaner Production Centre of SA), SANEDI (South African National Energy Development Institute) and the GBCSA (Green Building Council of SA) are providing the businesses with information, support and skill on how to position themselves with a green value proposition for opportunities in the green building value chain.

One of the programme's key focus areas is to promote women-owned businesses, and the results have been encouraging. A total of 50% of current businesses on the programme are women-owned which is in line with the strategic focus of Property Point to support 75% women-owned businesses within the next two years. Currently, Property Point representation across all programmes sits at 58%.

SOCIAL CONTINUED

AMPreneurs

Splash Coatings Africa founded by

Bonga Masoka

Splash Coatings Africa (Pty) Ltd is a youth-owned company that specialises in the manufacturing, retail and application of architectural and infrastructure based premium paint. The company was founded by Bonga Masoka after acquiring a set of well researched and developed paint formulations which were researched and developed for more than 20 years with the intention of finding a perfect balance between affordability and sustainability (i.e. environmental friendliness, quality and durability). Although they have a retail client base, Splash Coatings have secured commercial projects through their Ga-Rankuwa paint store.

Clear Path Lifestyle founded by

Xoli Nkosi

Clear Path is a company which provides Turnkey Solution Services. The company specialises in tenant installation, shopfitting with interior designing or space planning expertise as well as professional project management for all types of buildings from concept planning to completion. Xoli Nkosi the founder and managing director of Clear Path Projects has been involved in the building industry for 18 years. Clients include SAB, JHI, PRAZA, JRA and Growthpoint.

SCATTERLINGS






IPF recognises the importance of early childhood development (ECD) and has partnered with Scatterlings in an effort to protect the rights of children and develop their full cognitive, emotional, social and physical potential. Scatterlings is a non-profit organisation and has 18 years' experience in building ECD schools and business owners. They aim to identify and train women in disadvantaged communities to join the existing workforce, implement established programmes and provide ongoing monitoring and establish partnerships with sponsors and / or government organisations.

The programme is based in Balfour Mall and currently has 74 children within the centre with capacity to take up to 150 children. Approximately 450m^2 of retail space is being utilised. This includes naturally lit play areas, rest spaces, learning facilities, educational toys and dedicated bathrooms, all serviced by a team of dedicated teachers and caregivers.

Children are provided with a healthy lunch and refreshments on a daily basis. The focus areas are:

- Early childhood education;
- Quality education;
- Supporting tenant staff with childcare;
- Empowering female teachers and educating them to run their own ECD centres; and
- Ongoing support for the schools.

In May 2023, IPF conducted a site visit of the centre to meet the team and the children. Contributing to improving quality of life in South Africa is at the heart of IPF's retail property business. We at IPF aspire to contribute to these achievements since integrated early child development programmes may be the most effective intervention for assisting poor children, families, and communities to escape the inter-generational cycle of poverty.

SOCIAL CONTINUED

Green Star Existing Building Performance (EBP) industrial PILOT project

The Green Building Council of South Africa's Green Star Existing Building Performance (EBP) rating tool was designed to rate the sustainability of the operational performance of existing buildings. In practice, it had been successfully utilised for commercial office projects, but the tool previously had limitations in its usage for industrial buildings. However, more recently the tool was adapted for this sector and the EBP's custom industrial PILOT tool was launched in June 2022.

The tool enables landlords and tenants to work together to measure and improve operational performance. This is particularly beneficial where the tenants concerned have their own corporate targets and policies on sustainability that align with the landlord's goals.

The development of an industrial-specific tool involved a customisation process to offer the market a standardised guideline for energy and water benchmarking for industrial buildings, which did not exist in the South African property market. As with the standard EBP tool, a buildings' performance in terms of energy and water use is measured over a 12-month period. Staff also complete questionnaires about the indoor environment, which includes aspects such as natural daylight and fresh air, particularly in occupied spaces. Indoor air quality is also tested for carbon monoxide and other contaminants. The certification is then valid for three years, and a building will then need to be re-certified.

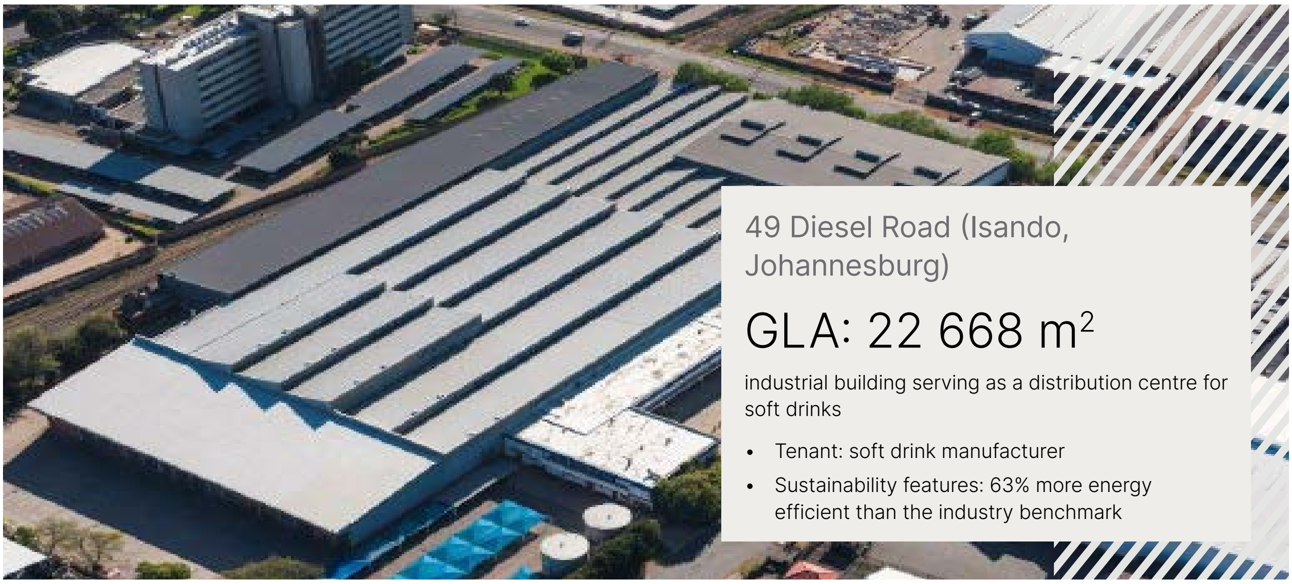
In line with IPF's desire to achieve a more sustainably built environment, the Fund partnered with the GBCSA to participate in the Green Star EBP Industrial PILOT rating tool. Five of IPF's industrial buildings were submitted for the pilot and were awarded Four-Star ratings. 19 of IPF's office buildings have already been rated (60% of office portfolio), all achieving 4-star ratings.

39 Imvubu Park Place (Riverhorse Valley, KwaZulu-Natal)

GLA: 9 715 m^2

of industrial space used for the distribution of medical supplies

- Tenant: listed pharmaceutical manufacturer
- Sustainability features: 19% improvement in energy efficiency vs. historically, due to the installation of a new, 550kwp PV array during the assessment period. Water efficiency is also 71% better than the industry benchmark.

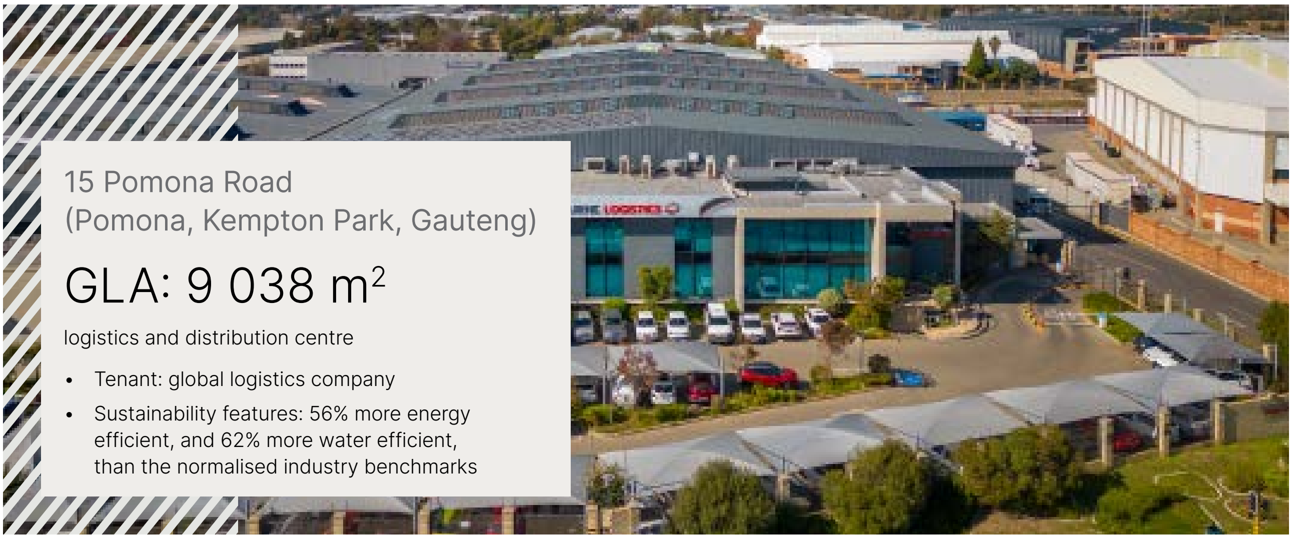


49 Diesel Road (Isando, Johannesburg)

GLA: 22 668 m^2

industrial building serving as a distribution centre for soft drinks

- Tenant: soft drink manufacturer
- Sustainability features: 63% more energy efficient than the industry benchmark



15 Pomona Road
(Pomona, Kempton Park, Gauteng)

GLA: 9 038 m^2

logistics and distribution centre

- Tenant: global logistics company
- Sustainability features: 56% more energy efficient, and 62% more water efficient, than the normalised industry benchmarks

16 Pomona Road
(Pomona, Kempton Park, Gauteng)

GLA: 7 394 m^2

industrial distribution centre

- Tenant: manufacturer and distributor of agricultural machinery and technology
- Sustainability features: 60% more energy efficient and 80% more water efficient, than the normalised industry benchmarks.

10 Jansen Road (Jetpark, Gauteng)

GLA: 19 294 m^2

distribution space and fitment centre

- Tenant: tyre manufacturer
- Sustainability features: 45% more energy efficient, and 66% more water efficient, than the normalised industry benchmark

IPF is proud to have partnered with GBCSA and to have obtained six additional Green Star certifications this year (five industrial, one office). The Fund looks forward to continued collaboration to achieve the sustainability of the environment and the societies we operate in.

Accountability

CORPORATE GOVERNANCE

Governance structure and combined assurance framework

Our governance structure and combined assurance framework is aimed at managing the business ethically and effectively, ensuring risk is managed within an environment of effective control.

The board

Executive directors

- **Andrew Wooler** – Chief executive officer
- **Jenna Sprenger**[1] – Chief financial officer

Non-executive directors

- **Nicholas Riley**
- **Samuel Leon**

Independent non-executive directors

- **Moss Ngoasheng** – Chair
- **Philip Hourquebie**
- **Nosipho Molope**
- **Khumo Shuenyane**
- **Disebo Moephuli**[2]
- **Rex Tomlinson**[3]

Notes
1. Jenna Sprenger was appointed as permanent chief financial officer with effect from 20 January 2023.
2. Disebo Moephuli was appointed as an independent non-executive director with effect from 1 December 2022.
3. Rex Tomlinson was appointed as an independent non-executive director with effect from 1 September 2022.

The board normally meets four times a year. Special board meetings are held as required.

Information on our leadership team is provided on page 20.

Board committees

Roles and responsibilities

Audit and risk committee (ARC)	Social and ethics committee (SEC)	Nominations committee (NC)	Investment committee (IC)	Related party committee
See page 119 for the report	See page 101 for the report			
Members				
Nosipho Molope* Khumo Shuenyane Disebo Moephuli[2]	Rex Tomlinson[1]* Moss Ngoasheng Disebo Moephuli[2]	Moss Ngoasheng* Philip Hourquebie Khumo Shuenyane Rex Tomlinson[1]	Sam Leon* Moss Ngoasheng Nicholas Riley Khumo Shuenyane	Moss Ngoasheng Nosipho Molope
Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler	Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger

Notes:
- * Chair.
1. Rex Tomlinson was appointed as chair of the social and ethics committee and member of the nominations committee with effect from 1 December 2022.
2. Disebo Moephuli was appointed as a member of the audit and risk committee along with the social and ethics committee with effect from 1 December 2022.

CORPORATE GOVERNANCE CONTINUED

Roles and responsibilities

Audit and risk committee (ARC)	Social and ethics committee (SEC)	Nominations committee (NC)	Investment committee (IC)	Related party committee
• Reviewing reports, annual financial statements and integrated annual report; • Reviewing the appropriateness of accounting policies and application; • Establishing appropriate financial reporting procedures and ensuring they are effective; • Overseeing the external audit process and monitoring quality thereof; • Considering the scope of the external audit; • Reviewing internal audit plans, reports, capacity and capability; • Ensuring compliance with legal requirements, accounting standards and the JSE Listings Requirements; • Ensuring the finance function of the Manager, as it pertains to the Fund, is adequately skilled, resourced and experienced; • Ensuring the expertise and experience of the financial director is appropriate; • Ensuring the effectiveness of the internal financial controls and procedures; • Reviewing the audit firm and designated partner and ensuring that the external auditor is overseeing the external audit process and monitoring the quality thereof; • Reviewing risk processes and key risk areas; • Reviewing risk processes and key risk areas; and • Ensuring that the appointment of the auditor is tabled as a resolution at the annual general meeting of the Fund pursuant to Section 61(8) of the Companies Act.	• Ensure that the Fund promotes social and economic development; • Oversee ethical business practices and mitigate reputational risk; • Observe the Fund's behaviour as a good corporate citizen, including its contribution to the development of our communities; • Assisting the Board in defining the Fund's strategy relating to ESG matters and overseeing the management of ESG matters; and • Responsible for monitoring sustainability-linked debt.	• Identifying and nominating suitable candidates to fill vacancies on the board; • Determining and evaluating the adequacy, efficiency and appropriateness of the corporate governance structure and practices; and • Establishing and maintaining a board continuity programme to: o review the performance of the chair and identify successors; o provide input into the remuneration of the executive directors and senior management; o ensure the continued presence of non-executive directors; o conduct an annual self-assessment of the board and committees; and recommend to AGM non-executive director fees. • Regularly reviewing the structure, size and composition (including the skills, knowledge experience and diversity) of the board; • Making recommendations to the board with regard to any proposed changes to the board; and • Providing recommendations to the board for the retention of a current director, when appropriate.	• Reviewing and recommending or approving or recommending to the board: o acquisitions or disposals of investment properties; or o related party transactions; o development or redevelopment opportunities; and o any other investments or disposals for which the board may require the approval of the investment committee, subject to the authority levels specified in the Terms of Reference; • Ensuring all investment proposals approved by the committee are in the best interests of the Fund; and • Assessing whether any proposed deal represents a significant risk or conflict of interest or whether it could cause embarrassment for the Fund.	• Review proposed transactions between the Fund and its related parties, to: o assess whether the transactions are in the best interests of IPF and its shareholders; o evaluate whether the transactions fall within the ambit of a normal business relationship, including whether the related party service providers have the adequate skills and capacity and services are provided at market competitive rates; and o confirm whether the terms of such transactions are no more favourable than would reasonably be expected of transactions negotiated on an arm's-length basis.

Board focus areas

During the period under review, the board deliberations included the following:

Strategy and performance

- Strategic review of PEL investment, evaluating the introduction of third-party capital and options to maximise value of the investment in PEL
- Periodically reviewed the Fund's short- and long-term strategy to ensure the business evolved with changing operating conditions and remained relevant and innovative
- Approved the strategic repositioning of the Fund towards a fully integrated, international real estate company and the shift towards a capital light business model
- Considered proposed acquisitions and disposals and approved the execution of transaction activity undertaken during the year
- Approved annual budgets, capital expenditure plans, business plans and property valuations
- Assessed the quantitative and qualitative aspects of performance through a system of financial and non-financial monitoring that involved an annual budget process, detailed quarterly reporting against budget, regular reviews of forecasts and regular management of strategic and operational updates

Balance sheet and treasury management

- Understanding the impact of the global volatility in interest rates on the business and ensuring appropriate measures are in place to manage this risk
- Monitored gearing, liquidity and debt covenant levels ensuring compliance with all statutory, regulatory and other obligations
- Ongoing monitoring of derivative instruments ensuring the balance sheet is exposed to an acceptable level of foreign exchange and interest rate risk

Annual governance review

- Annual review of terms of reference of all committees and sub-committees and ensuring all authorisation / approval levels are appropriate
- Reviewed policies and procedures to ensure that internal systems of control are effective
- Ensured the induction and ongoing training and development of directors
- Evaluated the performance of the board, senior management and considers succession planning

Risk and compliance

- Ongoing monitoring of the Fund's risk register with all new and amended risks highlighted on a quarterly basis and ensured that the appropriate measures are in place to mitigate these risks
- Monitored compliance with relevant laws, regulations, and codes of business practice

Conflict of interest and independence

- All conflicts of interest managed through conflicts of interest policy
- Conflicts declared and noted prior to commencement of committee meeting and conflicted party refrained from voting on decision-making matters
- Independence managed through the related party committee where related party matters requiring approval are opined and escalated by committee where required

Environmental, social and governance

- Approved the Fund's ESG strategy and key targets over the short and medium term, including implementation and monitoring thereof
- Ensured that the Fund's business practices, including our social and environmental activities, are sustainable
- Delivery of key CSI initiatives for the year, namely the opening of the Scatterlings Early Childhood Development Centre and implementing an enterprise development programme to support AMP tenants
- Ensured that appropriate risk governance processes are in place to determine the Fund's risk tolerance level and the integrity of its risk assessment procedures
- Ensured that appropriate information and technology governance processes are in place, and ensured that these processes are aligned to performance and sustainability objectives

Stakeholder engagement

- Monitored communication with all stakeholders to ensure that it is transparent, relevant and understandable
- Access and engagement through various platforms including, but not limited to, results roadshows, engagement around transaction activity, investor conferences and AGM

The board aims to exercise leadership, integrity and judgement in pursuit of these strategic goals and objectives in order to secure the long-term sustainability, growth and performance of the Fund. Conflicts of interest and related party transactions are dealt with in terms of formalised processes.

CORPORATE GOVERNANCE CONTINUED

Ethical leadership

The Fund's philosophy, values and processes inform its compliance with legislative, regulatory and best-practice requirements. It provides the framework against which we measure behaviour and conduct practices to ensure the highest standard of corporate governance.

The Fund's values, culture, processes, functions and organisational structure are informed by a fundamental commitment to best practice corporate governance.

The Fund's values require that directors and all stakeholders, and those providing services to the Fund, act with integrity, displaying consistent and uncompromising moral strength and conduct in order to promote and maintain trust among all our stakeholders. The business is structured in such a way as to ensure that our values and ethics are embedded in all business processes, which are consistently assessed and enhanced. A written statement of values serves as the Fund's code of ethics.

The Fund complies with all relevant regulations (and all international equivalents), including:

- The Companies Act (No. 71 of 2008, as amended);
- King IV™;
- The JSE Listings Requirements; and
- The JSE Debt Listings Requirements.

Stakeholders are assured that the Fund is managed ethically and in accordance with international best practice at all times. Given the common brand, the Investec Group's values and philosophies are the benchmarks against which the Fund measures its own behaviour and practices.

External service providers, including property managers, are held to the highest standards, and these have been incorporated into the relevant service level agreements.

Governance framework

The Fund has adopted a risk and governance structure that enables it to operate effectively by delegating certain responsibilities to the committees of the board. The roles and responsibilities of the board committees are outlined on pages 93 to 94.

Governance structure and combined assurance framework

Governance structure and combined assurance framework

Compliance

6th line of defence	Board of directors
5th line of defence	Board committees *Nominations committee, Audit and risk committee, Related party committee, Social and ethics committee*
4th line of defence	External audit and other assurance providers
3rd line of defence	Internal audit
2nd line of defence	Risk management and internal assurances *Lease / capex forum, investment forum, asset / liability forum*[1]
1st line of defence	Executive management and operational committees

Compliance with applicable laws
The Fund has remained compliant with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act, and has operated in conformity with its memorandum of incorporation during the year under review.

Notes
1. All provided through the Manager, Investec Property Proprietary Limited.

Value-enhancing governance

Key corporate governance practices in place within our business

✔ At least one-third of non-executive directors offer themselves for re-election at each Annual General Meeting in line with MOI	✔ Proactive stakeholder engagement
✔ Annual review of board leadership structure	✔ Risk appetite set and monitored
✔ Annual board and committee evaluations	✔ MOI includes provisions on the protection of shareholder rights and the equitable treatment of shareholders
✔ Directors are entitled to seek independent professional advice	✔ Combined assurance approach
✔ Succession planning	✔ Shareholder right to call special meetings
✔ Risk management through an enterprise risk management framework	✔ Related-party transactions monitored and transparently disclosed

CORPORATE GOVERNANCE CONTINUED

The board

The board recognises that sound corporate governance is essential to creating value as well as protecting against value erosion. The board provides effective leadership based on an ethical foundation and together with its committees is responsible for assessing and managing risk and ensuring that appropriate risk management policies and procedures are in place. By understanding key risks to the business, determining risk tolerance, and approving and reviewing implementation processes, the board mitigates risk and capitalises on opportunities. The board ensures that appropriate information and technology governance processes are in place, and that these processes are aligned to performance and sustainability objectives.

The board oversees significant capital expenditure and the approval of acquisitions and disposals of investments.

The board approves, and is responsible for, the business strategy developed by the executive and monitors the implementation thereof, as well as ensuring legislative and regulatory compliance. The board constantly reviews and updates corporate strategy and works to promote the highest standards of corporate governance by assessing and approving key policies and objectives, as well as by ensuring that obligations to its shareholders and other stakeholders are understood and met.

The board aims to exercise leadership, integrity and judgement in pursuit of these strategic goals and objectives in order to secure the long-term sustainability, growth and performance of the Fund. In doing so it ensures that the Fund's business practices, including our social and environmental activities, are sustainable.

The board, through the nominations committee, ensures the induction and ongoing training and development of directors. It further evaluates the performance of senior management and considers succession planning.

It provides leadership within a framework of effective controls, which allow for risks to be properly assessed and managed. Conflicts of interest and related party transactions are dealt with in terms of formalised processes.

The board charter details the objectives of the board and its scope of responsibility. In order to achieve the Fund's strategic objectives, the board may delegate certain duties and functions to the board committees or to executive management while not abdicating its own responsibilities. All of these committees have specific Terms of Reference, appropriately skilled members and access to specialist advice, when necessary.

In fulfilling its responsibilities, the board monitors the implementation of the strategies and plans it has approved.

Board composition

The board recognises that a range of perspectives is critical to ensure effective oversight and strategic decision-making. The diversity of skills, experience, background and outlook is essential for the Fund to operate effectively. While non-executive appointments are based on merit and overall suitability for the role, the nominations committee is mindful of all aspects of diversity, including gender and race, when making recommendations for appointment to the board. A board diversity policy is in place.

The balance of executive and non-executive directors is such that there is a clear division of responsibility to ensure a balance of power. No single individual or group can dominate board processes or have unfettered decision-making powers.

The chair is an independent non-executive director. Although he has a longer tenure with the Company, the nominations committee is comfortable that he remains independent and his institutional knowledge is critical.

In compliance with international standards of best practice, the roles of the chair and the CEO are separate and distinct, with a clear division of responsibilities that has been approved by the board.

Skills and experience

The board has diverse skills which serve as a competitive advantage. In our continual pursuit of best practice governance, we seek areas where board skills can be bolstered to address the dynamic context in which we operate. The skills and experience of the board members, who are subject to annual evaluation, were deemed appropriate to fulfil their duties and responsibilities. In assessing the skills requirements considering the current operating environment and forward-looking material matters, our analysis identified that additional skills in the areas of environmental, social and governance sustainability would be advantageous. These board development focus areas are broad, yet could have an impact on our ability to create sustainable value over the longer term. The board will continue to build its proficiency in these areas, supported by a skilled management team.

For detailed overview of the board of directors' CVs, refer to pages 20 to 23.

Company secretary

The role of the company secretary is performed by Investec Limited. Niki van Wyk oversees the company secretarial services rendered by Investec to the Fund. Ms van Wyk is not a director or a shareholder of the Fund and maintains an arm's-length relationship with the board and the individual directors. As the company secretary, Investec is responsible for the flow of information to the board and the board committees, as well as for ensuring compliance with board procedures. All directors have access to the advice and services of the company secretary, whose appointment and removal is decided by the board.

The board is assured that the company secretary is suitably qualified, competent and experienced.

Debt officer

Jenna Sprenger is the debt officer pursuant to the Debt Listings Requirements.

The board has satisfied itself on the competence, qualifications and experience of the debt officer.

Independent advice

Through the chair or the company secretary, individual directors are entitled to seek independent professional advice at the Fund's expense on matters relating to the fulfilment of their duties and responsibilities.

Rotation of directors

In line with the recommendations of King IV™, the periodic, staggered rotation of non-executive directors serves to introduce members with new expertise and perspectives while retaining valuable knowledge, skills and experience, and maintaining continuity. This year, Philip Hourquebie, Moses Ngoasheng and Khumo Shuenyane will retire by rotation at the AGM. Mr Shuenyane is not available for re-election.

Board and directors' performance evaluation

The performance of the board, the board committees and individual directors are evaluated regularly against recognised standards of corporate governance that cover all areas of the board's processes and responsibilities.

The chair conducted a formal performance evaluation process for the 2023 financial year by means of both questionnaires and one-on-one meetings with each director. The meetings were used as an opportunity to discuss personal observations and, in particular, to seek comments on the strengths and areas of development of the members, the chair and the board as a whole.

Terms of appointment

Non-executive directors are appointed in accordance with terms set out in a letter of appointment. Among other things, this letter sets out their duties, responsibilities and expected time commitments. It also provides details of the Fund's policy on obtaining independent advice and, where appropriate, details of the board committees on which the non-executive director will serve.

Tenure

The board is of the view that none of the current non-executive directors have served on the board for a period that materially interferes with their ability to act in the Fund's best interests.

Ongoing training and development

Ongoing training and development are a standing agenda item for the board, and the board pack includes updates on various training and development initiatives. Training and development happens on an as needed basis. Board members receive regular formal presentations on regulatory and governance matters, as well as on the business and support functions.

Board meetings

The board meets at least four times a year. During the year ended 31 March 2023, ten meetings were held. The chair, in consultation with the chief executive officer and the company secretary, is responsible for setting the agenda for each meeting. Comprehensive information packs on matters to be considered by the board are provided to the directors in advance of the meetings.

Board and committee meetings attendance

Director	Board meetings	Audit and risk committee meetings	Investment committee meetings	Nominations committee meetings	Social and ethics committee meetings
Moss Ngoasheng#	10/10	–	1/1	7/7	2/2
Andrew Wooler	10/10	Invitee	Invitee	Invitee	Invitee
Jenna Sprenger[1]	10/10	Invitee	Invitee	Invitee	Invitee
Samuel Leon	10/10	–	1/1	Invitee	–
Nicholas Riley	5/10	–	0/1	Invitee	–
Philip Hourquebie#	8/10	–	Invitee	7/7	–
Nosipho Molope	9/10	5/5	–	Invitee	–
Khumo Shuenyane#	10/10	5/5	1/1	7/7	–
Disebo Moephuli[2]	3/10	1/5	–	–	–
Rex Tomlinson[3]	7/10	–	–	3/7	–
Darryl Mayers[4]	4/10	Invitee	Invitee	Invitee	Invitee
Connie Mashaba[5]	6/10	4/5	–	Invitee	2/2

Notes
1. Jenna Sprenger was appointed as permanent chief financial officer with effect from 20 January 2023.
2. Disebo Moephuli was appointed as an independent non-executive director with effect from 1 December 2022.
3. Rex Tomlinson was appointed as an independent non-executive director with effect from 1 September 2022.
4. Darryl Mayers stepped down as joint chief executive officer with effect from 30 November 2022.
5. Connie Mashaba stepped down as an independent non-executive director with effect from 30 November 2022.

\# Retiring by rotation at the annual general meeting.

Directors' dealings

Directors' dealings in the securities of the Fund are subject to a policy based on regulatory requirements and best-practice governance. All directors' dealings require the prior approval of the compliance function and the chair or, in the chair's absence, an independent director. All dealings of persons discharging management responsibilities require approval by executive management and the compliance division of Investec Limited.

King IV™

The board is of the opinion that the Fund has complied with the guidelines set out in King IV™ throughout the reporting period. This is evidenced by the information disclosed throughout this report. An overview of all the principles and the extent of their application is set out on our website https://bit.ly/3CR4HVK.

CORPORATE GOVERNANCE CONTINUED

Remuneration

The Fund has no employees, and the Manager has employed the executive directors. As a result, the Fund has not required a Remuneration Committee and has obtained a dispensation from the JSE in this regard. The remuneration of the non-executive directors continues to be determined by the Nominations Committee.

During the year, the Manager, a wholly owned subsidiary of the Investec Group, undertook the operations of the Fund. The Manager employs the executive directors, who were therefore not remunerated by the Fund for their services, as the executive directors' remuneration is the Manager's responsibility. The Manager obtains the necessary funds to fulfil this obligation through the asset management fee received from the Fund, as stipulated in the Asset and Property Management Agreement.

The Manager aligns with the greater Investec Group's remuneration approach, which fosters a high-performance culture that enables an entrepreneurial spirit and a strong sense of ownership. Various reward levers are utilised to attract and retain talent and recognise and further motivate exceptional performance. Performance is measured against the Fund's business objectives, ensuring the management team fully aligns with the organisational strategy.

The remuneration of the executive directors, as determined by the Manager, is guided in part by the Fund's distribution performance, increase in net asset value per share of the Fund, total return to shareholders, vacancy levels, cost-to-income ratios, capital management and their individual performance in terms of their execution of the Fund's strategy, employee engagement and leadership behaviour. Through the Nominations Committee, the board provides input to the remuneration process of the Manager to enhance alignment with the Fund's goals and performance.

Furthermore, the Nominations Committee is responsible for the remuneration policy for non-executive directors. This remuneration is subject to approval by the Fund's shareholders at the Annual General Meeting.

Looking forward

The proposed internalisation of the South African and European management businesses will result in the Manager's employees being employed and remunerated by the Fund.

In principle, the Fund will focus on employing and retaining the highest calibre individuals through the payment of competitive industry packages and long-term share awards, which ensure alignment with key stakeholders in the Fund. The board has sought advice from independent advisers to develop the remuneration policy for the Fund.

The proposed internalisation will result in several changes as far as remuneration is concerned, including, and not limited to:

- The scope of the Nominations Committee will be extended to incorporate remuneration and a Remuneration and Nominations Committee will be formed with agreed terms of reference;
- A framework for the remuneration of employees and executive directors will be developed. Rewards will be distributed from pools of realised earnings generated in excess of targeted thresholds. Total remuneration packages will comprise elements of fixed pay (including benefits), short-term and long-term incentives and will be paid in cash and share awards.
- A retention framework will be put in place to ensure that the Fund is able to retain their key and critical skills, and prevent the loss of institutional memory during the internalisation process;
- As the Fund operates internationally, local and international remuneration requirements will be considered, ensuring that the remuneration structure is fit for purpose across these jurisdictions;
- Minimum shareholding requirements for executive directors and malus and clawback provisions will be introduced;
- A detailed remuneration policy which will set out the remuneration arrangements for executive directors and employees of the Fund will be developed and disclosed;
- The Fund's remuneration policy and implementation report will be put forward for a non-binding vote by shareholders at the 2024 Annual General Meeting.

The Fund will engage with stakeholders on these matters following the completion of the internalisation transaction, and further announcements in this regard are expected to be made over the coming months.

The board will aim to ensure that the remuneration philosophy and reward framework are aligned to support and reinforce the achievement of the Fund's strategic objectives. The remuneration framework will closely align with the Fund's culture and values, including a spirit of entrepreneurship, risk consciousness and meritocracy. Furthermore, the board will seek to maintain an appropriate balance between these interests and the interests of its stakeholders, ensuring that the Fund continues to make a meaningful contribution to the societies in which it operates.

Financial reporting and going concern

The assumptions underlying the going-concern statement are discussed at the time of the approval of the annual financial statements by the board. These include budgeting and forecasts; profitability; capital; and solvency and liquidity.

In addition, the directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the annual financial statements, accounting policies and the information contained in the integrated annual report. In undertaking this responsibility, the directors are supported by an ongoing process for identifying, evaluating and managing the risks associated with preparing financial and other information contained in this integrated annual report.

The process is implemented by executive management and independently monitored for effectiveness by the audit and risk committee and other board committees.

Our annual financial statements are prepared on a going-concern basis, taking into consideration the:

- Fund's strategy, prevailing market conditions and business environment;
- Nature and complexity of our business;
- Risks, management and mitigation;
- Key business and control processes in operation;
- Credit rating and access to capital;
- Needs of stakeholders;
- Operational soundness;
- Accounting policies;
- Corporate governance practices; and
- Desire to provide relevant and clear disclosures.

The board is of the opinion, based on its knowledge of the workings of the Fund and in consideration of the key processes in operation and specific enquiries, that there are adequate resources to support the Fund as a going concern for the foreseeable future. Furthermore, the board is of the opinion that the risk management processes and systems of internal control are effective.

The board is required to confirm that it is satisfied that the Fund has adequate resources to continue in business for the foreseeable future.

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee (SEC) was established to assist the board in ensuring that the Company conducts itself as a responsible corporate citizen with a focus on sustainable growth and social and economic development guided by high ethical standards. The committee takes responsibility for monitoring the non-financial elements of sustainability and monitors the Group's performance in terms of climate-related and sustainability (including ESG) indicators.

The committee is chaired by independent non-executive director Rex Tomlinson and further comprises of two independent non-executive directors, Moss Ngoasheng and Disebo Moephuli.

Rex was appointed as Chair of the committee effective 1 December 2022, following Connie Mashaba stepping down as a director on 30 November 2022. IPF and the committee would like to thank Connie for her valued service and contribution. Furthermore, the Fund wishes Rex success in his role as chair.

The committee may delegate any of its powers, authorities and responsibilities to a sub-committee comprising such other forums or committees or individuals and may revoke or vary such delegation, as it sees fit. The committee's principal objective is to assist the board in ensuring that IPF remains a committed, socially responsible corporate citizen in the context of the economy, society, and environment in which IPF operates. It is responsible for monitoring IPF's activities, having regard to any relevant legislation, other legal requirements, or prevailing codes of best practice.

The audit and risk committee (ARC) has the primary role of providing assurance to the board on the effectiveness of the compliance function, control framework, procedures and processes. However, the social and ethics committee will rely on the input of the ARC to give assurance in relation to these issues as well as any other matters where there may be overlap with matters dealt with by the ARC.

The chair of the committee may, at the chair's discretion, invite non-members to meetings as deemed necessary. Two meetings were held during the year and agenda items that were discussed comprise:

- Broad-based Black Economic Empowerment and the Property Sector Transformation Charter.
- Corporate social investment (CSI) initiatives whereby the fund could leverage its property resources to support tenants and create long-term sustainable outcomes for surrounding communities.
- Environmental targets for the 2023 financial year and other considerations around additional energy and water saving initiatives.
- Received report on tenant safety-related issues and aspects of ethics impacting the Fund, thus fostering a company-wide culture of good governance.

Attendance is set out on page 99. The committee chair reports to the board after each meeting on the nature and content of its discussion, recommendations, and action to be taken, and makes recommendations to the board as deemed appropriate, on any area within its remit, where action or improvement is needed.

Environmental

Environmental targets were set for the 2023 financial year relating to sustainable buildings, solar rollout, energy efficiency and climate change. Efforts are being made to progress towards a more integrated shared-value model that involves partnering with clients to create value for all parties, with a focus on reducing clients' cost of occupation.

The climate-related responsibilities of the committee include:

- Promoting environmental responsibility (including action on climate change).
- Assessing, and where appropriate minimising, the impact of IPF's activities and its properties on the environment and the communities in which it operates.
- Considering, reviewing and monitoring climate-related risks and opportunities within the ambit of the built environment.
- Reviewing changes to IPF's chosen Sustainable Development Goals (SDGs).
- Reviewing new climate-related and sustainability (including ESG) policies and any material changes to existing policies.
- Reviewing and approving the sustainability report published as part of the annual reporting process.
- Reviewing and approving the CDP (Carbon Disclosure Project) submission and monitoring IPF's performance.

The IPF SEC is informed of climate-related issues through a standing agenda point. The report presented to the IPF SEC includes a progress report in terms of targets. The climate-related achievements and targets have been outlined on pages 74 to 84 of this report. IPF's progress and goals are discussed, and revised targets set for the following financial year.

Greater focus was placed over the year on progressing the Fund's European ESG strategy and in this regard, various energy efficiency initiatives were identified to be pursued.

Social

The Fund seeks to underpin its CSI investment strategy with property and, where possible, utilise its property portfolio as a resource to support tenants and the communities in which they operate.

In this regard the SEC approved the establishment of the Scatterlings Early Childhood Development Centre at Balfour Mall, which IPF has supported by providing the required space and carrying the operating costs thereof for the first year.

A pilot initiative was also rolled out at Benoni Multipark, whereby a canteen and laundry facility were created, with the objective to make clients' and staff's lives easier.

The Fund also partnered with Property Point to further enhance the AMP Programme by offering formal Enterprise and Supplier Development training to a select intake of AMP tenants. The AMP programme is IPF's enterprise and supplier development project which seeks to develop small businesses in property-related industries.

Management reports to the committee on matters relevant to its deliberations and the committee in turn draws relevant matters to the attention of the board and reports on them to the shareholders at the annual general meeting.

The committee wishes to acknowledge the support received from the Investec Group over the years which assisted the Fund in establishing its ESG framework. Post the internalisation of the management businesses, the Fund will continue to pursue its ESG strategy independently under the guidance of the SEC.

Rex Tomlinson
Social and ethics committee chairman

30 June 2023

Property portfolio

PROPERTY PORTFOLIO

	Industrial	Office	Retail	Total
South African property portfolio				
Gross Leasable Area (m^2)	475 507	243 524	282 723	**1 001 753**
Net Property Income (Rm)	300	487	482	**1 268**
Average Net Rental base portfolio (per m^2)	52	137	133	**96**
Weighted Average Escalation	7.3%	7.1%	6.5%	**6.8%**
Vacancy (by GLA)[1]	1.9%	7.4%	4.5%	**3.9%**
WALE (Years)	2.8	2.8	2.9	**2.9**
Weighted Average Annualised Property Yield	9.1%	8.8%	8.1%	**8.7%**

1. Excludes planned vacancies for development.

Design Quarter Mall, Fourways, Gauteng
GLA: 24 891 m^2

PROPERTY PORTFOLIO CONTINUED

Property name	Physical address	Building grade	Province	GLA (m^2) FY2023	Average[1] net rental per m^2 (R) FY2023
Industrial					
52 Jakaranda	52 Jakaranda St, Hennopspark	High-tech	Gauteng	**2 694**	**128.81**
6 Nywerheid (Tunney)	Cnr Nywerheid Street & Evergreen Road, Tunney, Elandsfontein	Manufacturing	Gauteng	**4 035**	**79.47**
Aberdare Cables	181 Barbara Road, Elandsfontein	Manufacturing	Gauteng	**51 097**	**35.15**
AGCO	16 Pomona Road, Pomona	Warehousing	Gauteng	**7 394**	**137.67**
Alrode Multipark	1 Potgieter Street, Alrode Ext 8, Alberton	Warehousing	Gauteng	**91 004**	**36.90**
Aluminco	56 Loper St, Spartan	Light Manufacturing/ Low Grade Industrials	Gauteng	**501**	**46.82**
Benoni Multipark	1 Van Dyk Rd, Benoni Ext 12, Benoni	Standard Units (Maxi)	Gauteng	**44 987**	**47.38**
Capital Motors (McCarthy Pretoria)	Cnr Visagie St & Prince's Park Ave, Pretoria CBD	Warehousing	Gauteng	**7 011**	**26.71**
Consol	1 North Reef Rd, Wilbart	Warehousing	Gauteng	**23 693**	**30.57**
Diesel Road	45 Diesel Road, Isando	Warehousing	Gauteng	**22 668**	**46.74**
General Electric	130 Gazelle Street, Midrand	High-tech	Gauteng	**11 180**	**33.76**
Grindrod	23 Nguni Drive, Longmeadow	High-tech	Gauteng	**7 640**	**41.09**
Jotun Paints	58 Loper St, Spartan	Light Manufacturing/ Low Grade Industrials	Gauteng	**2 090**	**38.67**
Kevro – Longlake	Mastiff Drive, Linbro	Warehousing	Gauteng	**4 881**	**40.93**
Kevro – Longmeadow	25 Nguni Drive, Longmeadow	Warehousing	Gauteng	**13 088**	**45.91**
Lerwick Road	1 Lerwick Road, Wentworth	Warehousing	KZN	**21 107**	**39.52**
MTU	38 – 40 Loper St, Spartan	Light Manufacturing/Low Grade Industrials	Gauteng	**3 638**	**40.47**
Riverhorse – ABB	31 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	**2 842**	**70.62**
Riverhorse – Adcock Ingram	39 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	**9 715**	**125.07**
Riverhorse – Discovery Health	41 Imvubu Park Place, Riverhorse Valley	Grade A	KZN	**6 134**	**139.03**
Riverhorse – IHD	25 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	**8 459**	**49.60**
Riverhorse – Media24	43 Imvubu Park Place, Riverhorse Valley	Grade B	KZN	**3 459**	**33.82**
Riverhorse – Midas	37 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	**11 112**	**107.14**
Riverhorse – RTT	25 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	**18 474**	**101.03**
SA Ladder	32 Potgieter Street, Alrode	Manufacturing	Gauteng	**26 645**	**16.76**
SASFIN	15 Pomona Road, Pomona	Manufacturing	Gauteng	**9 038**	**81.55**
Sumitomo	10 Jansen Road, Jet Park	Manufacturing	Gauteng	**19 294**	**77.29**
Table Charm Aeroton	103 Aeroton Avenue, Aeroton	Warehousing	Gauteng	**7 282**	**57.25**
WACO	181 Barbara Road, Elandsfontein	Manufacturing	Gauteng	**14 375**	**98.68**
Total industrial base				**455 535**	**52.45**

1. Net property income divided by GLA.

Property name	Physical address	Building grade	Province	GLA (m²) FY2023	Average[1] net rental per m² (R) FY2023
Office					
1 & 1A Protea Place	1 Protea Place, Sandton	Grade P	Gauteng	**20 230**	**182.06**
2929 on Nicol	2929 William Nicol Drive, Bryanston	Grade P	Gauteng	**16 354**	**175.91**
3 Sandown Valley Crescent	3 Sandown Valley Crescent, Sandton	Grade A	Gauteng	**13 890**	**70.96**
30 Jellicoe	30 Jellicoe Avenue, Rosebank	Grade P	Gauteng	**10 669**	**275.05**
34 Ingersol	34 Ingersol Rd, Lynnwood Glen	Grade A	Gauteng	**2 376**	**185.28**
345 Rivonia Road	345 Rivonia Road, Rivonia	Grade A	Gauteng	**10 276**	**38.42**
36 Ingersol	36 Ingersol Road, Lynwood Glen	Grade B	Gauteng	**1 180**	**127.46**
4 Protea Place	4 Protea Place, Sandton	Grade B	Gauteng	**6 956**	**275.06**
4 Sandown Valley Crescent	4 Sandown Valley Crescent, Sandton	Grade A	Gauteng	**10 990**	**55.77**
5 Bond Street	5 Bond Street, Midrand	Grade A	Gauteng	**5 870**	**162.38**
Clover Head Office	200 Constantia Drive, Constantia Kloof	Grade B	Gauteng	**8 149**	**211.70**
Innovation Group	192 Bram Fischer Drive, Kensington B	Grade B	Gauteng	**13 550**	**52.34**
Intercare Fourways	Cnr Fourways Boulevard & Short Street, Fourways	Grade A	Gauteng	**2 575**	**181.99**
Nedbank Umhlanga Rocks	2 Ncondo Drive, Umhlanga Rocks	Grade A	KZN	**7 354**	**86.23**
Nicol Grove – Business Centre	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	**8 978**	**131.70**
Nicol Grove – Lexmark	Nicol Grove Office Park, Leslie Ave, Fourways	Grade B	Gauteng	**1 946**	**148.64**
Nicol Grove – Old Mutual\ Pod Communications	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	**2 559**	**79.41**
Nicol Grove – Saatchi & Saatchi	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	**4 583**	**103.60**
Nicol Main Office Park Building	6 Bruton Road, Bryanston	Grade P	Gauteng	**11 898**	**190.81**
The Braes Office Park	3 & 5 Eaton Avenue, Bryanston	Grade A	Gauteng	**4 184**	**94.15**
The Firs	193 Oxford Road, Rosebank	Grade A	Gauteng	**13 095**	**140.46**
Wellness Centre	17 Eaton Avenue, Bryanston	Grade A	Gauteng	**1 529**	**80.66**
Woodmead North Office Park	54 Maxwell Drive, Woodmead	Grade A	Gauteng	**7 957**	**140.49**
Woolworths House	93 Longmarket Street, Cape Town CBD	Grade B	Western Cape	**30 435**	**112.13**
Total office base				**217 584**	**136.76**

1. Net property income divided by GLA.

PROPERTY PORTFOLIO CONTINUED

Property name	Physical address	Building grade	Province	GLA (m^2) FY2023	Average[1] net rental per m^2 (R) FY2023
Retail					
Balfour Mall	Cnr Johannesburg Road & Louis Botha Avenue, Highlands North	Small Regional	Gauteng	**33 478**	**46.84**
Bryanston Boulevard	Cnr William Nicol & Bryanston Drive, Bryanston, Johannesburg	Neighbourhood SC	Gauteng	**6 224**	**125.45**
Builders Warehouse Zambesi	371 Veda Avenue, Montana	Stand Alone Retail Unit	Gauteng	**8 908**	**97.80**
Design Quarter Mall	Design Quarter, Cnr William Nicol Drive and Leslie Ave, Fourways	Lifestyle/ Speciality Centre	Gauteng	**22 702**	**102.41**
Nicol Grove – Golfers Club	Design Quarter, Cnr William Nicol Drive and Leslie Ave, Fourways	Lifestyle/ Speciality Centre	Gauteng	**1 521**	**138.42**
Nicol Grove – Seacom	Design Quarter, Cnr William Nicol Drive	Grade B	Gauteng	**2 520**	**112.24**
Plastic Land Fourways	Cnr Sunrise Boulevard & William Nicol Drive, Fourways	Stand Alone Retail Unit	Gauteng	**1 296**	**157.23**
Dihlabeng Mall	Cnr Paul Laesecke Ave and Preekstoel Road, Bethlehem	Community SC	Free State	**31 222**	**162.37**
Fleurdal Mall	Vereeniging Dr, Fleurdal	Community SC	Free State	**29 889**	**157.01**
Highlands Centre	Cnr Louis Botha Avenue & Atholl Street Highlands North	Community SC	Gauteng	**5 833**	**6.81**
Kriel Mall	1 Bronwyn Street, Kriel	Community SC	Mpumalanga	**21 058**	**141.88**
McCarthy Menlyn	Cnr Garsfontein Road & January Masilela Drive, Waterkloof Glen	Motor Dealership	Gauteng	**7 346**	**109.42**
Newcastle Mall	Cnr Oak and Ladysmith Road, Newcastle	Small Regional	KZN	**38 835**	**171.86**
Tile World Supa Quick Fourways	Cnr Sunrise Boulevard & William Nicol Drive, Fourways	Stand Alone Retail Unit	Gauteng	**2 400**	**146.76**
Toyota Menlyn	Cnr January Maselela & Garsfontein Roads, Waterkloof Glen	Motor Dealership	Gauteng	**6 785**	**74.08**
Zevenwacht Mall	Cnr Van Riebeeck & Polkadraai Road, Kuils River	Small Regional	Western Cape	**39 846**	**180.52**
Total retail base				**259 864**	**132.98**

1. Net property income divided by GLA.

Property name	Physical address	Building grade	Province	GLA (m²) FY2023	Average[1] net rental per m² (R) FY2023
Non–current assets held for sale					
Barinors Vineyards – Farm 5	99 Jip de Jager Drive, Tyger Valley	Grade B	Western Cape	**5 388**	**150.20**
Bigen Africa	1617 Allan Cormack Street, Persequor	Grade A	Gauteng	**5 412**	**167.16**
Investec Offices Durban	5 Richefond Circle, Ridgeside Office, Park, Umhlanga Rocks	Grade P	KZN	**6 543**	**253.46**
Investec Offices Pretoria	Cnr Atterbury & Klarinet Streets, Menlo Park	Grade P	Gauteng	**6 301**	**204.29**
Vinebridge	99 Jip de Jager Drive, Tyger Valley	Grade B	Western Cape	**2 297**	**142.07**
Martin & Martin	9 Quality Street, Isando	Light Manufacturing/ Low Grade Industrials	Gauteng	**19 972**	**40.69**
Builders Warehouse Tiger Wheel & Tyre The Glen	5 Lois Road, Gleneagles	Stand Alone Retail Unit	Gauteng	**11 113**	**110.46**
Devland Silverlakes	Cnr Solomon Mahlangu Drive & Bendeman Boulevard, Silverlakes	Retail Value Centre	Gauteng	**–**	**–**
Shoprite Checkers Vanderbijlpark	165 Jan van Riebeeck Ave, Vanderbijlpark	Stand Alone Retail Unit	Gauteng	**11 746**	**102.13**
Non–current assets held for sale total				**68 771**	**130.05**
Disposals					
Minolta Highveld	14A Esdoring Nook, Highveld Techno Park	High–tech	Gauteng	**2 955**	**–**
Builders Warehouse Bloemfontein	349 Curi Avenue Bloemfontein	Stand Alone Retail Unit	Free State	**9 298**	**–**
Builders Warehouse Polokwane	161 Crescent Drive Polokwane	Stand Alone Retail Unit	Limpopo	**8 829**	**–**
Builders Warehouse Witbank	Mandela Street President Park Emalahleni	Stand Alone Retail Unit	Mpumalanga	**5 512**	**–**
Masscash Kimberley	4,4A & 6 Cecil Sussman Road Kimberley	Stand Alone Retail Unit	Northern Cape	**5 850**	**–**
Unitrans Polokwane	204 Tagore Street Polokwane	Motor Dealership	Limpopo	**4 322**	**–**
Zenth East Rand	265 North Rand Road, Boksburg	Retail Value Centre	Gauteng	**14 144**	**–**
Disposals total				**50 910**	**–**
Land					
530 Atterbury	530 Atterbury Rd, Menlo Park		Gauteng		
Land total					
Total portfolio				**1 001 753**	**105.51**

1. Net property income divided by GLA.

EUROPEAN PORTFOLIO

Property name	Physical address	Building grade	Region	GLA (m^2) 2023	Contracted rent / m^2 (€) 2023
Logistics					
Frankfurt DC1A	Cargo City Sued, Building 556, Frankfurt, 60549	Distribution centre/ Office	Germany	**15 930**	**13.6**
Frankfurt DC1B	Cargo City Sued, Building 556, Frankfurt, 60549	Distribution centre/ Office	Germany	**10 654**	**13.0**
Koelleda DC1A	Heinrich-Hertz-Straße 10 kölleda 99625	Distribution centre/ Office	Germany	**10 827**	**4.1**
Koelleda DC1B	Heinrich-Hertz-Straße 10 kölleda 99625	Distribution centre/ Office	Germany	**5 237**	**2.5**
Wetzlar DC2	Auf dem Hüttenberg 1-3 Langengöns 35428	Distribution centre/ Warehouse/Office	Germany	**23 583**	**5.0**
Hordijk DC1	Bergambachstraat 1 10 Rotterdam 3079DA	Distribution centre/ Office	Netherlands	**13 268**	**5.5**
Maasvlakte DC1	Bosporusstraat 42-50 Rotterdam-Maasvlakte 3119LI	Distribution centre/ Office	Netherlands	**20 961**	**5.3**
Maasvlakte DC2	Bosporusstraat 32-40 Rotterdam-Maasvlakte 3119LI	Distribution centre/ Office	Netherlands	**20 724**	**5.3**
Maasvlakte DC3	Hainanstraat 1 Rotterdam-Maasvlakte 3199LT	Distribution centre/ Office	Netherlands	**25 705**	**5.0**
Schiphol DC10*	Koolhovenlaan 1 Schiphol-Rjijk 1119NB	Distribution centre/ Office	Netherlands	**10 981**	**8.8**
Belfort DC1	ZI Aeroparc Fontaine 90150	Distribution centre	France	**30 591**	**3.6**
Le Havre DC12	Le Mirlbut Etainhus 76430	Distribution centre	France	**28 595**	**4.0**
Rennes DC1	Zone du Haut Montigne Torce 35370	Distribution centre	France	**19 158**	**3.8**
Orleans DC1	Rue Ormes 45140	Distribution centre	France	**20 509**	**3.4**
Tarancon DC1	Manzana M-1 Parcela I-1 (Edificios A y C) Tarancon 16400	Distribution centre	Spain	**39 474**	**2.7**
Tarancon DC3	Manzana M-1 Parcela I-1 (Edificios A y C) Tarancon 16400	Distribution centre	Spain	**43 531**	**2.5**
Sochaczew DC1A	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	**27 087**	**3.5**
Sochaczew DC1B	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	**10 926**	**3.2**
Sochaczew DC2A	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	**15 703**	**3.5**
Sochaczew DC2B	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	**15 354**	**3.2**
Sochaczew DC2C	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	**15 731**	**3.1**
Sochaczew DC2D	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	**16 813**	**3.5**
Hoppegarten	Industriestrasse 12-14, 15366 Dahlwitz-Hoppengarten	Distribution centre/ Office	Germany	**79 180**	**4.7**
Hoppegarten Development	Industriestrasse 12-14, 15366 Dahlwitz-Hoppengarten	Distribution centre/ Office	Germany	**18 535**	**6.2**
Combs-la-Ville	Boulevard Maurice Faure, Combs-la-Ville	Distribution centre/ Office	France	**23 262**	**3.2**
Rouen	Rue du Lon Boël Saint Etienne du Rouvray 76800	Distribution centre/ Office	France	**9 649**	**3.5**
Dortmund	Flautweg 5 Dortmund 44329	Distribution centre	Germany	**25 783**	**3.8**
Hanover	Schachtebeckweg 6-8 Hannover	Distribution centre/ Office	Germany	**24 471**	**3.3**
Mönchengladbach	Regioparking 8 Monchengladbach 4199	Distribution centre	Germany	**10 618**	**7.6**
Marseille B2	3 Avenue de Shanghai, Porte de l'Asie, Marseille 13230	Distribution centre	France	**31 502**	**4.1**
Marseille B3	3 Avenue de Shanghai, Porte de l'Asie, Marseille 13230	Distribution centre	France	**33 885**	**4.1**

1. Sold post year end.

Property name	Physical address	Building grade	Region	GLA (m^2) 2023	Contracted rent / m^2 (€) 2023
Bergen op Zoom	Conradweg 10-14 Bergen op Zoom 4612PD	Distribution centre	Netherlands	**20 958**	**4.5**
Tiel	Oudewei 4 Tiel	Distribution centre/ Office	Netherlands	**9 822**	**5.2**
Venlo Marco Poloweg	Marco Poloweg 7 Venlo 5928LE	Distribution centre	Netherlands	**25 704**	**4.1**
Logistics Court Schiphol	Logistics Court, Amsterdam	Small Logistics	Netherlands	**17 378**	**8.7**
Krakowska	Krakowska Distribution Park, Warsaw 43, 02-285	Distribution centre	Poland	**11 046**	**5.0**
Lodz	Dostawcza Str. 3A Lodz 93-231	Distribution centre	Poland	**19 422**	**4.6**
Poznan	59 Drukarska Street, Wielkopolski 0	Distribution centre	Poland	**31 875**	**4.3**
Houthalen	3530 Houthalen	Distribution centre/ Office	Belgium	**26 995**	**4.0**
Opglabbeek	3660 Oudsbergen (Opglabbeek)	Distribution centre/ Office	Belgium	**77 507**	**3.8**
Saint Fargeau	Rue de Bruxelles, 77310, Saint-Fargeau-Ponthierry	Distribution centre	France	**20 426**	**3.7**
Bourg en Bresse	Avenue Amedee Mercier, 01000 Bourg-en-Bresse	Distribution centre	France	**34 999**	**4.1**
Toussieu 1	ZAC du Bois Chevrier, 69780, Toussieu	Distribution centre	France	**20 936**	**4.4**
Toussieu 2	ZAC du Bois Chevrier, 69780, Toussieu	Distribution centre	France	**17 904**	**4.3**
Carpiano A	Via Sandro Pertini snc, 20080	Distribution centre	Italy	**12 079**	**5.2**
Carpiano B	Via Sandro Pertini snc, 20080	Distribution centre	Italy	**46 146**	**4.1**
Carpiano C	Via Sandro Pertini snc, 20080	Distribution centre	Italy	**18 180**	**5.8**
Solingen	Solingen Dusseldorf, Dellenfeld 25, 42653	Distribution centre/ Office	Germany	**26 025**	**4.3**
Total				**1 135 629**	

Dihlabeng Mall, Bethlehem, Free State
GLA: 31 222 m²

Annual financial statements

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Investec Property Fund Limited.

The annual financial statements comprise:

- Directors' report;
- Consolidated and separate statements of comprehensive income for the year ended 31 March 2023;
- Consolidated and separate statements of financial position at 31 March 2023;
- Consolidated and separate statements of changes in equity for the year ended 31 March 2023;
- Consolidated and separate statements of cash flows for the year ended 31 March 2023; and
- Notes to the consolidated and separate annual financial statements, which include the accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No 71 of 2008, as amended.

The directors are also responsible for such internal controls as they determine necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Group and Company to continue as a going concern and have no reason to believe that the businesses will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the Group and Company annual financial statements

The consolidated and separate annual financial statements of Investec Property Fund Limited Group and Company, as identified in the first paragraph, were approved by the board of directors on 19 June 2023 and are signed on their behalf by:

Moses Ngoasheng	**Andrew Wooler**	**Jenna Sprenger**
Chairman	Chief executive officer	Chief financial officer

31 August 2023

Sandton

Internal Controls attestation

Each of the directors, whose names are stated below, hereby confirm that:

(a) the consolidated and separate annual financial statements set out on pages 125 to 184, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our our knowledge abd belief, no facts have been omitted or untrue statements made that would make the consolidated and separate annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

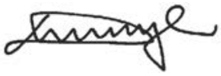
(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and

(f) We are not aware of any fraud involving directors.

Andrew Wooler	**Jenna Sprenger**
Chief executive officer	Chief financial officer

Certificate of company secretary

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008, as amended (the Act), we hereby certify that The company has filed the required returns and notices in terms of the Act for the financial year ended 31 March 2023 and that, to the best of our knowledge and belief, all such returns and notices are true, correct and up to date.



Company secretary
Investec Bank Limited

31 August 2023

Sandton

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INVESTEC PROPERTY FUND LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Investec Property Fund Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Investec Property Fund Limited's consolidated and separate financial statements set out on pages 125 to 184 comprise:

- the consolidated and separate statements of financial position as at 31 March 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – subsequent event

We draw attention to the Basis of preparation accounting policy in the consolidated and separate financial statements which indicates that the previously issued consolidated and separate financial statements for the year ended 31 March 2023, on which we issued an auditor's report dated 30 June 2023, have been revised and reissued. As explained in the Basis of preparation accounting policy, this is as a result of clerical and casting errors which are further described in Note 31 to the consolidated and separate financial statements. Furthermore, as stated in Note 31 to the consolidated and separate financial statements, the changes did not impact the previously issued consolidated and separate statements of comprehensive income, consolidated and separate statements of financial position, the consolidated and separate statements of cash flows and/or the consolidated and separate statements of changes in equity. The changes also did not impact distribution or earnings per share or headline earnings per share. Our opinion is not modified in respect of this matter.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview

<table>
<tr><td rowspan="3">
</td><td>Overall group materiality
Overall group materiality: R84.5 million, which represents 0.65% of consolidated net asset value.</td></tr>
<tr><td>Group audit scope
The group consists of a holding company (Investec Property Fund Limited), 13 subsidiaries, 2 joint venture investments and 2 investments in associates.

Full scope audits were performed over Investec Property Fund Limited, and 9 of its subsidiaries. A full scope audit of Pan European Logistics (in which a joint venture interest is held) for the year ending 31 December 2022 was performed with specified procedures being performed for the three months ending 31 March 2023. Analytical procedures were performed over the remaining subsidiaries, joint venture, and associates as their contribution to the group for the year ended 31 March 2023 was deemed to be financially insignificant.</td></tr>
<tr><td>Key audit matters
• Valuation of investment properties (applicable to both the consolidated and separate financial statements).
• Valuation of investment in joint venture at fair value through profit or loss (applicable to the consolidated financial statements only).
• Investment in joint venture: Assessment of control (applicable to the consolidated financial statements only).</td></tr>
</table>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing, and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R84.5 million
How we determined it	0.65% of consolidated net asset value
Rationale for the materiality benchmark applied	We determined that choosing a 1% threshold based on net assets would be appropriate for purposes of calculating overall materiality based on our professional judgement, and after consideration of the range of quantitative materiality thresholds that we would typically apply when using net assets to compute materiality. This resulted in an overall materiality for the Group of R130 million. However, at the request of the Group we have limited our materiality to comply with their instructions resulting in an overall group materiality of R84.5 million. We chose consolidated net asset value as the benchmark because, in our view, it is the key benchmark against which the performance of the Group is most commonly measured by users of the financial statements. Users are likely to be focussed on the net assets underlying the Group. Although the Group is profit-orientated, its strategic focus is to deliver long-term shareholder returns through the acquisition and development of investment property.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The group consists of a holding company (Investec Property Fund Limited), 13 subsidiaries, 2 joint venture investments and 2 investments in associates.

The group is invested into office, retail and industrial properties held directly by Investec Property Fund and its South African subsidiaries. The group has an indirect investment into the European logistics property sector through its investment in the joint venture (which is held across 2 of the groups offshore subsidiaries). It also holds a joint venture interest investment in an Australian property manager and an associate investment in an Australian Property Fund.

Full scope audits were performed over Investec Property Fund Limited and 9 of its subsidiaries, namely Investec Property Fund Offshore Proprietary Limited, Investec Property Fund Offshore Luxembourg Sarl, Investec Property Fund Offshore Luxembourg 2 Sarl Fleurdal Properties Proprietary Limited, Spareprops Proprietary Limited, Listani Proprietary Limited, Friedshelf 113 Proprietary Limited, Double Flash Investments Proprietary Limited and Farm Rietfontein (RF) 31 Proprietary Limited. Analytical procedures were performed over the remaining subsidiaries, joint venture, and associates as their contribution to the group for the year ending 31 March 2023 was deemed to be financially insignificant.

For Pan European Logistics ("PEL") (in which the group holds a joint venture interest), a full scope audit was performed by the component audit team for the year ended 31 December 2022 (which is the finance year end of PEL). Additional specified procedures were performed by ourselves and the component audit team from 1 January 2023 to 31 March 2023 for both the statement of financial position and income statement line items.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient and appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INVESTEC PROPERTY FUND LIMITED CONTINUED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Valuation of investment properties (applicable to both the consolidated and separate financial statements) This key audit matter is applicable to both the consolidated and separate financial statements. Refer to the following accounting policies and notes to the consolidated and separate financial statements: • Accounting policy: Investment property, • Accounting policy: Non-current assets held for sale, • Accounting policy: Key management assumptions and judgements - Investment Property, • Note 12 Investment property, • Note 16 Non-current assets held for sale, • Note 25.3 Financial risk management: Fair value estimation – Investment Property The Group and Company's investment properties comprises of properties in the office, retail, and industrial sectors with a total carrying amount, (excluding the straight-line rental revenue adjustment and including investment property classified as held for sale), of R14.2 billion and R11.8 billion and a related fair value loss of R0.1 billion and R0.1 billion for the group and company respectively for the year ended 31 March 2023. The investment properties and investment properties classified as held for sale are stated at their respective fair values based on either internal valuation, performed by management using the income capitalisation rate valuation method, or external valuation, performed by independent valuers using the discounted cash flow valuation method. Judgement is applied in determining the unobservable inputs applied in these valuation methods. Note 25.3 sets out these unobservable inputs. It is the policy of the Group and Company to obtain external valuations for each investment property every three years at the end of each financial reporting period.	Our audit addressed this key audit matter as follows: • We obtained an understanding of the approaches followed by management and the independent valuers for the valuation of the Group and Company's local investment properties (which included those classified as held for sale) through discussions with both management and the independent valuers. We noted no exceptions. • We evaluated the competence, capabilities, and objectivity of the external valuers through inspection of their qualifications as well as through discussion with management and noted no aspects requiring further consideration. • In respect of the South African property portfolio, we obtained an understanding of, and tested the relevant controls relating to the valuation of investment properties (which included those classified as held for sale), which included controls in relation to the entering and amending of leases in support of contractual rental income which forms the basis for the cash flows and net operating income used in the valuation models. We noted no exceptions. • We performed the following procedures on a representative sample of the investment properties and investment properties classified as held for sale, in order to assess the acceptability of the valuation approach as well as the reasonableness of the significant unobservable inputs into the valuation. For properties within the sample valued by the external valuer using the discounted cash flow valuation model we performed the following: • Inspected the external valuation reports and assessed whether the valuation approach for each of these properties was in accordance with International Financial Reporting Standards (IFRS) and suitable for use in determining the fair value for the purpose of the consolidated and separate financial statements. • Assessed the reasonableness of the significant unobservable inputs to the cash flows of each of these properties used by the valuers in the discounted cash flow models. This involved assessing the assumptions used in the preparation of the forecasted cash flows against market information and other supporting information. • Making use of our internal valuation expertise where necessary, we evaluated the significant unobservable inputs, including discount rates, exit capitalisation rates, occupancy rates, against appropriate market information in order to assess whether they were within a reasonable range for the respective market, sector, and asset. • Based on the outcome of the evaluation of the significant unobservable inputs (as noted above) we assessed the overall reasonability of the fair value of the sample of investment properties. Our audit procedures found the year end values of the sampled properties to be reasonable.

Key audit matter	How the matter was addressed in the audit
We considered the valuation of investment properties to be a matter of most significance to our current year audit due to the following: • Inherent subjectivity of the key assumptions that underpin the valuations of investment properties; and • The magnitude of the balance of the investment properties recorded in the consolidated and separate statements of financial position, as well as the changes in fair value relating to the property portfolio recorded in the consolidated and separate statements of comprehensive income.	For properties within the sample valued internally using the income capitalisation rate valuation model we performed the following: • Assessed whether the valuation approach for each of these properties was in accordance with International Financial Reporting Standards (IFRS) and suitable for use in determining the fair value for the purpose of the consolidated and separate financial statements. • Assessed the reasonableness of the forecasted net operating income (NOI) of each of these properties used by management in the income capitalisation rate valuation models. This involved: - Agreeing the actual NOI for the respective property back to the current year forecasts to assess management's ability to accurately forecast NOI. - Assessing the assumptions used in the preparation of the forecasted NOI against market information and other supporting information. • Making use of our internal valuation expertise where necessary, we evaluated the significant unobservable inputs, the exit capitalisation rate, against appropriate market information in order to assess whether they were within a reasonable range for the respective market, sector, and asset. • Based on the outcome of the evaluation of the significant unobservable inputs (as noted above) we assessed the overall reasonability of the fair value of the sample of investment properties. Our audit procedures found the year end values of the sampled properties to be reasonable.

Key audit matter	How the matter was addressed in the audit
Valuation of investment in joint venture at fair value through profit or loss (applicable to the consolidated financial statements only) Refer to the following accounting policies and notes to the consolidated financial statements: • Accounting policy: Accounting for associates and joint ventures • Accounting policy: Key management assumptions and judgements – Loans to joint venture at fair value • Note 5: Fair value, foreign exchange (losses)/gains and other adjustments • Note 13.2: Financial Instruments: Loans to associates and joint ventures at fair value through profit or loss • Note 25.3 Financial risk management: Fair value estimation The Group has a net 83.15% investment into Pan European Logistics ("PEL") which comprises an equity and a debt element (through the PPL's (Profit participating loans). The Fund has joint control over the PEL portfolio and accounts for the investment as a joint venture classified as a financial asset at fair value through profit or loss. The fair value of the profit participating loans changes from movements in the underlying net assets of the business, including movements in the revaluation of the underlying properties in the PEL portfolio which is valued using the income capitalisation method (Note 25.3 sets out the unobservable inputs applied in this valuation methods), and fair value movements in other assets and liabilities. We considered the valuation of the profit participating loans to be a matter of most significance to our current year audit due to the inherent subjectivity of the significant unobservable inputs that underpin the valuations of investment properties which drive the fair value of the profit participating loans.	Our audit addressed this key audit matter as follows: The fair value of the profit participation loans is largely determined based on the fair values of the underlying net assets, including the fair value of the property portfolio translated into South African Rands using the appropriate exchange rate. We performed the following procedures on a representative sample of the investment properties as of 28 February 2023, in order to assess the acceptability of the valuation approach as well as the reasonableness of the significant unobservable inputs into the valuation and we performed further roll forward procedures for the period to 31 March 2023 as described below: • Obtained an understanding of, and tested, the control environment and management oversight to establish the principles around valuation techniques applied. • Making use of internal valuation expertise where necessary, we assessed the underlying data and significant unobservable inputs used in the 28 February 2023 property valuations to evaluate the reasonability of management's estimates. • Based on the outcome of the evaluation of reasonableness of the underlying data and significant unobservable inputs we assessed the reasonability of the fair value of the sample of investment properties. Making use of the internal property valuation expertise, we performed roll forward procedures up to 31 March 2023. The above-mentioned procedures found the year end values of the sampled properties to be reasonable. We reperformed management's calculation of the net asset value of PEL which is based on the underlying assets and liabilities of the portfolio and found this to be reasonable.

Key audit matter	How the matter was addressed in the audit
Investment in joint venture: Assessment of control (applicable to the consolidated financial statements only) Refer to the following accounting policies and notes to the consolidated and separate financial statements: • Accounting policy: Key management assumptions and judgements - control vs joint control, The Group has an investment into Pan European Logistics. During the current year, the group increased its net interest in Pan European Logistics ("PEL") from 65% to 83.15%, giving the group the right to 83.15% of the net rental income earned on leasing the investment properties held by the underlying companies owned by PEL. The group has joint control over the PEL portfolio and accounts for the investment as a joint venture. The joint venture is classified as a financial asset at fair value through profit or loss. In making their control assessment of the additional investment made into PEL, management considered the following factors, • Whether the terms and conditions underlying the agreements with other investors are at arm's length. • Whether, through its investments, the Fund is exposed to, or has rights to variable returns of the investee company; and • Whether the fund is able to influence the returns generated by the investee company. Given decisions about the relevant activities require unanimous consent of the joint venture partners, management concluded that IPF do not have control and joint venture accounting is appropriate. We considered the assessment of control of PEL to be a matter of most significance to the audit due to the judgement involved in assessing whether the group controls PEL.	Making use of our accounting specialists, we performed the following procedures to assess whether the group controls PEL: • We obtained the agreements and contracts relating to the joint venture arrangement to understand the underlying terms and conditions. • We evaluated whether these contracts and agreements are at arm's length. We noted no matters requiring further consideration. • We evaluated management's assessment of control in accordance with the principles of International Financial Reporting Standards 10 - Consolidated financial statements ("IFRS 10") by assessing if the Group and the joint venture partner: - are exposed to or have rights to variable returns from its involvement with PEL.; and - are equally able to influence the returns generated by the platform and concluded that neither party can influence the returns in isolation of the other. We found the conclusion reached by management to account for the investment in PEL as a joint venture to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Investec Property Fund Limited 2023 Integrated Annual Report and Annual Financial Statements", which includes the Directors' Report, the Report of the Audit and Risk Committee and the Certificate of company secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INVESTEC PROPERTY FUND LIMITED CONTINUED

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Investec Property Fund Limited for 1 year.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: C Natsas
Registered Auditor

4 Lisbon Lane, Waterfall City
Jukskei View
31 August 2023

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Fund has pleasure in submitting this report to shareholders as required by the Companies Act, No 71 of 2008, as amended (the Companies Act) and as recommended by the King IV Code of Governance Principles for South Africa.

The activities of the Audit and Risk Committee (the committee), which comprises four independent non-executive directors, are determined by its terms of reference and mandate as set out on pages 93 to 94.

The committee is satisfied that it has considered and discharged its responsibilities in terms of its mandate and terms of reference, the King IV Code, and the Companies Act.

The committee carried out its duties by, inter alia, reviewing the following:

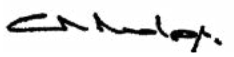
- Internal audit reports;
- Financial management reports;
- Information technology reports pertaining to financial reporting;
- External audit reports; and
- Management's enterprise risk assessment.

The abovementioned information, together with interaction with the external and internal auditors, management and other invitees attending meetings in an ex officio capacity, enabled the committee to conclude that the risk management process and systems of internal financial control have been designed and were operating effectively during the year.

The committee is satisfied:

- Its members have the requisite financial skills and experience to contribute to its deliberations;
- With the independence and effectiveness of the external auditor, including the provision of non-audit services and compliance with the company policy in this regard;
- With the nomination of PricewaterhouseCoopers Inc. as the new independent auditor, with Costa Natsas as audit partner, to commence for the year ended 31 March 2023;
- The Fund has complied with the Companies Act, King IV Code and the JSE Debt Listings Requirements; and the JSE Listings Requirements;
- It considered and approved the audit fee payable to the external auditor in respect of the audit for the year ended 31 March 2023 as well as their terms of engagement and scope of the audit;
- That the appointment of the external auditor is in compliance with the Companies Act, the Auditing Professions Act and the JSE Listings Requirements;
- With the effectiveness of the internal audit function and that the system of internal financial control in all key material aspects is effective and provides reasonable assurance that the financial records may be relied upon for the preparation of the consolidated and separate annual financial statements; and
- With the expertise and experience of the financial director and the overall adequacy and appropriateness of the finance function.

The committee, having fulfilled the oversight role regarding the reporting process and the integrated annual report, recommends the integrated annual report and the consolidated and separate annual financial statements for the year ended 31 March 2023 for approval by the board of directors.



Nosipho Molope Chairman
Audit and Risk Committee

31 August 2023

Sandton

DIRECTORS' REPORT

Introduction

Investec Property Fund Limited is a South African Real Estate Investment Trust, (REIT), which listed on the JSE in the Real Estate Holdings and Development Sector on 14 April 2011.

At 31 March 2023 the Fund comprised a portfolio of 79 properties in South Africa with a total GLA of 1 001 753 m^2 valued at R14.6 billion. In addition, the Fund has the following investments:

- Pan-European Logistics in Europe (83.15%) valued at R8.2 billion.
- Australia (50/50 JV and 18.67% in ITAP) valued at R0.3 billion.

Authorised and issued share capital

The authorised share capital of the Company as at 31 March 2023 is 2 000 000 000 ordinary shares of no par value. There was no change in issued capital in the current financial year.

At 31 March 2023 there are 804 918 444 ordinary shares in issue (FY22: 804 918 444), the shares have no par value and were paid in full.

Financial results

The results of the Fund are set out in the consolidated and separate annual financial statements and accompanying notes for the year ended 31 March 2023.

Dividends

The Fund declared a final dividend of 48.31977cents per share (cps) (R389m) (FY22: 52.46cps; R422m) in respect of the six months ended 31 March 2023. This represents a 95% pay-out ratio for H2 FY23's distributable earnings of 50.86292cps (H2 FY22: 55.22cps). This brought the total dividend for FY23 to 99.41074 cps (FY22: 102.23cps), representing a full year pay-out ratio of 95% for the year's distributable earnings of 104.64288cps (FY22: 107.61cps).

Directors, secretary and debt officer

Rex Tomlinson was appointed as an independent non-executive director with effect from 1 September 2022. Constance Mashaba stepped down as an independent non-executive director with effect from 30 November 2022. Disebo Moephuli was appointed as an independent non-executive director to the Board with effect from 1 December 2022. Disebo Moephuli also serves as a member of the Audit and Risk Committee and the Social and Ethics Committee.

Darryl Mayers stepped down from the Board of Directors and as Joint Chief Executive Officer of the Fund, effective 30 November 2022. With effect from 1 December 2022, Andrew Wooler continued as the sole CEO of the Fund.

Zaida Adams resigned from the board of directors and her role of Chief Financial Officer (CFO) effective 30 June 2022. She was replaced by Jenna Sprenger effective 20 January 2023 .

Details of the directors can be found on pages 20 to 23 of the integrated annual report. Details of the Company Secretary and debt officer are set out on page 98.

Directors' interests in shares

The directors' interests in shares are set out on page 191.

Remuneration report

During the year, the executive directors were employed and remunerated by the Fund manager for their services. The Manager obtains the necessary funds to fulfil this obligation through the asset management fee received from the Fund, as stipulated in the Asset and Property Management Agreement.

The salaries (the fixed portion of remuneration) for the current financial year to the executive directors who act as the prescribed officers of the Fund for services on behalf of the Fund are as follows:

Salaries R'000	**31 March 2023**	31 March 2022
Executive director		
Andrew Wooler	**3 560**	3 375
Darryl Mayers[1]	**2 670**	3 375
Zaida Adams[2]	**638**	2 542
Jenna Sprenger[3]	**2 025**	–

Notes:
1. Darryl Mayers resigned on 30 November 2022. His annualised effective salary was R3.56 million.
2. Zaida Adams resigned on 30 June 2022. Her annualised effective salary was R2.542 million.
3. Jenna Sprenger was formally appointed on 23 January 2023. Her annualised effective salary is R3.0 million.

Remuneration comprises both fixed and variable pay.

Executive directors are employed by the Manager and responsible for running the Fund business. For this they are paid a salary by the Manager. Any variable pay component including cash bonus and longer term incentives are at the discretion of the Manager.

All executive remuneration is the responsibility of the Manager and none is paid by the Fund.

Following the proposed internalisation of the South African and European management businesses, several changes with respect to the remuneration are expected to be made, further information is provided in the remuneration report.

The non-executive directors' fees paid for the financial years ended 31 March were:

	Directors' fee		**Special fees**	
R'000	**2023**	2022	**2023[6]**	2022[7]
Director				
Samuel Leon	**525**	469	**132**	–
Luigi Guiricich[1]	**–**	142	**–**	–
Philip Hourquebie	**410**	530	**198**	–
Suliman Mahomed[2]	**–**	142	**–**	–
Constance Mashaba[3]	**410**	558	**–**	–
Moss Ngoasheng	**1 575**	1 239	**264**	–
Nosipho Molope	**725**	433	**231**	–
Khumo Shuenyane	**625**	595	**231**	–
Disebo Moephuli[4]	**182**	–	**146**	–
Rex Tomlinson[5]	**265**	–	**208**	–
Sam Hackner [8]	**–**	667	**–**	–

Notes:
1. Retired as non-executive director at the Annual General Meeting held on 2 August 2021.
2. Retired as non-executive director at the Annual General Meeting held on 2 August 2021.
3. Resigned as non-executive director with effect from 30 November 2022.
4. Appointed as an Independent Non-Executive Director with effect from 1 December 2022
5. Appointed as independent non-executive director effective from 1 September 2022.
6. Special board meetings were required during the year to effect approval and implementation of transactions. The fees were approved by the nominations committee based on the number of meetings attended and their duration, in line with the shareholders fees approved at the AGM in August 2022.
7. There were no special board meetings in FY2022.
8. Deceased – 7 August 2021.

Audit and risk committee

The Audit and Risk Committee, comprising independent non-executive directors, meets regularly with the senior management of the Manager, the external auditor, internal audit, compliance, IT, and tax, to consider the nature and scope of the audit reviews and the effectiveness of our risk and control systems.

Further details on the role and responsibility of the Audit and Risk Committee are set out on pages 93 to 94.

Auditor

PricewaterhouseCoopers Inc. was appointed as the external auditors of Investec Property Fund Limited for the year ended 31 March 2023.

Interests in subsidiaries

The Fund continues to hold 100% direct investments in 11 subsidiaries and holds 100% in 1 (FY22: 1) subsidiary through Investec Property Offshore Investments.

For the year ended 31 March	% held 2023	% held 2022
Principal subsidiaries		
Listani Proprietary Limited	**100**	100
Friedshelf 113 Proprietary Limited	**100**	100
Double Flash Investments Proprietary Limited	**100**	100
Tort Trade and Investment Proprietary Limited	**100**	100
Spareprops Proprietary Limited	**100**	100
Bethlehem Property Development Proprietary Limited	**100**	100
Fleurdal Properties Proprietary Limited	**100**	100
Erf 145 Isando Properties Proprietary Limited	**100**	100
Lekup Property Company 6 Proprietary Limited	**100**	100
Farm Rietfontein (RF) 31 Proprietary Limited	**100**	100
Investec Property Fund Offshore Investments Proprietary Limited ("IPFO")	**100**	100
Investec Property Fund Luxembourg Sarl[1]	**100**	100

1. 100% held by IPFO.

Major shareholders

The largest shareholders of the Fund are set out on page 190.

Shareholder resolutions

At the Annual General Meeting of shareholders held on 1 August 2022, special resolutions were passed in terms of which:

- Directors' authority was granted to allot and issue shares for cash in respect of 5% of the shares in issue.
- General authority was granted to the directors to acquire shares.
- The non-executive directors' remuneration was approved.
- Financial assistance to subsidiaries and other related and inter-related entities was granted.

The special resolutions, to the extent required, was submitted for filing with the Companies and Intellectual Property Commission in due course.

Accounting policies and disclosure

Accounting policies are set having regard to commercial practice, and comply with applicable South African law and IFRS.

These policies are set out on pages 132 to 137.

Financial instruments

Detailed information on the Fund's risk management process and policy can be found in the risk management report on pages 46 to 50. Information on the Fund's use of derivatives can be found on pages 161 to 179 and in note 25.4(b).

Management and administration

With effect from 1 April 2011, the Manager has been undertaking, in terms of an asset management and property management agreement, the Fund's asset management and property management activities. This agreement was renewed in the 2018 financial year for a further period of seven years with effect from 1 April 2018.

The Manager has, in turn, outsourced all of the property management to property management companies.

The asset management fee paid by the Fund to the Manager for the current year amounted to R74.1 million (FY22: R75.9 million). The asset management fee paid by the Company amounted to R89.4 million (FY22: R63.9 million).

In addition, the contract with the Manager allows for letting commission to be charged where applicable.

In the current financial year, the Fund paid R21.9 million in letting commission (FY22: R37.8 million). The Company paid R16.7 million in letting commission (FY22: R33.3 million).

The Fund has entered into an agreement with Investec Limited and Investec Property Limited whereby the Fund will purchase the asset management functions of the Fund's South African assets (through the acquisition of the SA Manco, a division of Investec Property Limited) and that of PEL (through the acquisition of Urban Real Estate partners, a wholly owned subsidiary of Investec Property Limited). This is referred to as the internalisation transaction.

Environmental policies

The Fund is committed to pursuing sound environmental policies in all aspects of its business and seeks to encourage and promote good environmental practice with clients and the communities in which it operates.

Capital commitments

At 31 March 2023, the Fund and Company had committed to capital expenditure of R78.8 million (FY22: R33.37 million).

Subsequent events

Refer to note 26, subsequent events, on page 180 for details on the events subsequent to year-end.

The consolidated and separate financial statements that were previously issued on 30 June 2023 are superseded by this version of the consolidated and separate financial statements. The previously issued consolidated and separate financial statements have been re-issued as a result of clerical and casting errors. The specific totals in the notes materially impacted are indicated with an asterisk in these amended consolidated and separate financial statements. These are further described in Note 31 Revised and re-issued consolidated and separate financial statements.

DISTRIBUTABLE EARNINGS RECONCILIATION FOR THE YEAR ENDED 31 MARCH 2023

Full year distributable earnings of 104.64 cents per share, representing a 2.8% decline, in line with guidance issued by the Fund in November 2022.

	Group	
R'000	**Audited Year ended 31 March 2023**	Restated* Audited Year ended 31 March 2022
Profit after taxation	**194 946**	1 038 278
Adjusted for:		
Straight-line rental revenue adjustment	**15 839**	25 857
Fair value, foreign exchange losses and other adjustments	**392 474**	200 833
Fair value adjustment on investment property	**129 833**	(390 981)
Loss on derecognition of financial instruments[1]	**100 053**	–
Loss/(profit) on disposal of investment property	**25 189**	(3 101)
Interest not received in cash	**(14 000)**	(7 541)
Capital gains taxation ('CGT')[2]	**(19 911)**	(6 164)
Equity accounted loss from associate	**7 945**	8 987
Expected credit losses on financial instruments	**9 920**	–
Available H1 Interim distributable earnings	**432 884**	421 694
Available H2 distributable earnings	**409 404**	444 474
Number of shares:		
Shares in issue	**804 918 444**	804 918 444
Weighted average number of shares in issue	**804 918 444**	804 918 444
Total available distributable earnings per share (cents)	**104.64**	107.61
Available H2 distributable earnings per share (cents)	**50.86**	55.22
Available H1 Interim distributable earnings per share (cents)	**53.78**	52.39

* These amounts have been restated as presented in note 27.1.
1. Settlement of loan to the PEL co-investor and sale of PEL bridge loan (note 6).
2. Partial capital gains tax refund on sale of Investec Australia Property Fund Limited in FY21.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Group		Company	
R'000	Notes	**Audited Year ended 31 March 2023**	Restated[1] Audited Year ended 31 March 2022	**Audited Year ended 31 March 2023**	Restated[1] Audited Year ended 31 March 2022
Revenue, excluding straight-line rental revenue adjustment	2	**1 832 165**	1 808 007	**1 715 952**	1 700 220
Straight-line rental revenue adjustment	2	**(15 839)**	(25 857)	**(12 047)**	(31 932)
Revenue	2	**1 816 326**	1 782 150	**1 703 905**	1 668 288
Property expenses	3	**(670 202)**	(649 951)	**(563 355)**	(544 466)
Expected credit losses		**(3 261)**	(11 848)	**(266)**	(10 868)
Net property income		**1 142 863**	1 120 351	**1 140 284**	1 112 954
Other operating expenses	4	**(109 858)**	(114 435)	**(118 132)**	(94 294)
Operating profit		**1 033 005**	1 005 916	**1 022 152**	1 018 660
Fair value, foreign exchange (losses)/gains and other adjustments	5	**(392 474)**	581 129	**42 945**	270 508
Fair value losses on investment property[2]	12, 16	**(129 833)**	(390 981)	**(124 981)**	(282 169)
(Loss)/profit on disposal of investment property		**(25 189)**	3 101	**(25 493)**	7 258
Loss on derecognition of financial instruments	6	**(100 053)**	–	**–**	–
Income from investments	7	**239 776**	372 180	**–**	–
Finance costs	8	**(521 586)**	(591 778)	**(498 639)**	(484 536)
Finance income	9	**89 254**	61 534	**322 471**	265 648
Equity accounted losses from associate		**(7 945)**	(8 987)	**(7 945)**	(8 987)
Expected credit losses on financial instruments		**(9 920)**	–	**(77 334)**	(202 668)
Profit before taxation		**175 035**	1 032 114	**653 176**	583 714
Taxation	10	**19 911**	6 164	**19 911**	6 164
Profit after taxation		**194 946**	1 038 278	**673 087**	589 878
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income attributable to equity holders		**194 946**	1 038 278	**673 087**	589 878
Basic and diluted earnings per share (cents)		**24.22**	128.99	**83.60**	73.28

1. These amounts have been restated as presented in note 27.1.
2. Fair value losses on investment property is shown on the face of the statement of comprehensive income in the current and prior year to enhance disclosure by further disaggregating the amount which was previously included in note 5.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

R'000	Notes	Group **Audited 31 March 2023**	Group Audited 31 March 2022	Company **Audited 31 March 2023**	Company Audited 31 March 2022
ASSETS					
Non-current assets		**23 551 508**	22 332 311	**13 605 732**	14 607 048
Investment property	12	**13 178 659**	13 515 379	**10 754 099**	11 236 120
Straight-line rental revenue adjustment	12	**324 815**	353 982	**276 411**	302 017
Investments in subsidiaries	24	**–**	–	**2 185 156**	2 597 705
Investment in associate and joint venture	13.1	**–**	7 945	**–**	7 945
Derivative financial instruments	25	**191 079**	240 242	**142 200**	205 213
Other financial instruments	13.2	**9 856 955**	8 214 763	**247 866**	258 048
Current assets		**733 737**	681 000	**3 619 238**	2 828 940
Derivative financial instruments	25	**94 876**	182 668	**29 797**	99 468
Intercompany receivable	24	**–**	–	**3 133 684**	2 341 004
Trade and other receivables	14	**336 114**	262 554	**246 673**	191 694
Cash and cash equivalents	15	**302 747**	235 778	**209 084**	196 774
Non-current assets held for sale	16	**1 098 627**	1 026 187	**1 098 627**	969 234
Total assets		**25 383 872**	24 039 498	**18 323 597**	18 405 222
EQUITY AND LIABILITIES					
Shareholders' interest		**13 013 545**	13 652 089	**10 945 588**	11 105 992
Ordinary share capital	17	**11 133 011**	11 133 011	**11 133 011**	11 133 011
Retained earnings		**1 880 534**	2 519 078	**(187 423)**	(27 019)
Non-current liabilities		**10 040 168**	7 908 806	**5 329 171**	5 167 816
Long-term borrowings	18	**9 890 985**	7 749 948	**5 295 446**	5 024 797
Derivative financial instruments	25	**149 183**	158 858	**33 725**	143 019
Current liabilities		**2 330 159**	2 478 603	**2 048 838**	2 131 414
Long-term borrowings	18	**1 650 099**	1 884 117	**1 230 454**	925 000
Derivative financial instruments	25	**69 451**	82 709	**14 792**	95 058
Intercompany payable	24	**–**	–	**340 609**	698 227
Trade and other payables	19	**610 609**	511 777	**462 983**	413 129
Total equity and liabilities		**25 383 872**	24 039 498	**18 323 597**	18 405 222
Share in issue[1]		**804 918 444**	804 918 444	**804 918 444**	804 918 444
Net asset value per share (cents)[1]		**1 617**	1 696	**1 360**	1 380

1. Disclosure is for REIT purposes only and is not required as per IFRS, therefore is unaudited.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

R'000	Note	Group Audited Year ended 31 March 2023	Group Restated* Audited Year ended 31 March 2022	Company Audited Year ended 31 March 2023	Company Restated* Audited Year ended 31 March 2022
Cash generated from operations[5]	20	**1 052 325**	1 170 188	**518 923**	160 836
Finance income received		**83 114**	51 289	**34 847**	27 480
Finance costs paid		**(505 005)**	(509 002)	**(498 910)**	(467 218)
Income from investments		**79 255**	123 357	**–**	–
Capital gains tax		**19 911**	6 164	**19 911**	6 164
Dividends paid to shareholders[1]		**(833 491)**	(1 142 958)	**(833 491)**	(1 142 958)
Net cash (outflow) from operating activities		**(103 891)**	(300 962)	**(758 720)**	(1 415 696)
Capital expenditure and tenant installation on investment property		**(374 826)**	(222 234)	**(239 961)**	(179 513)
Proceeds on disposal of investment property		**417 215**	117 798	**417 215**	61 298
Loan to property co-investor		**(23 782)**	–	**–**	–
Proceeds from sale of joint ventures and associates		**–**	709 277	**–**	709 277
Acquisition of other financial instruments[2]		**(2 270 559)**	–	**–**	–
Proceeds from sale of other financial instruments[3]		**1 072 170**	390 441	**–**	4 389
Net cash (outflow)/inflow from investing activities		**(1 179 782)**	995 282	**177 254**	595 451
Proceeds from bank loans		**8 000 087**	2 848 413	**4 211 500**	2 648 413
Proceeds from bonds		**2 135 000**	800 000	**2 135 000**	800 000
Proceeds from commercial paper[4]		**1 459 000**	1 350 000	**1 459 000**	1 350 000
Derivatives settled		**(166 742)**	(25 018)	**33 776**	(68 906)
Repayments of bank loans		**(6 912 703)**	(3 932 527)	**(4 081 500)**	(2 158 413)
Repayments of bonds		**(1 855 000)**	(325 000)	**(1 855 000)**	(325 000)
Repayment of commercial paper		**(1 309 000)**	(1 400 000)	**(1 309 000)**	(1 400 000)
Net cash inflow/(outflow) from financing activities		**1 350 642**	(684 132)	**593 776**	846 094
Net increase in cash and cash equivalents		**66 969**	10 188	**12 310**	25 849
Cash and cash equivalents at the beginning of the year		**235 778**	225 590	**196 774**	170 925
Cash and cash equivalents at the end of the year		**302 747**	235 778	**209 084**	196 774

* These amounts have been restated as presented in note 27.2.
1. Comprises cash paid as dividend in the financial year being H2 2022 and H1 2023, the prior year includes an additional dividend which relates to H1 2021.
2. Purchase of additional 19% in Pan-European Logistics Limited, 50% investment in Irongate Fund in Australia and 18.67% investment in ITAP.
3. Proceeds from sale of Pan-European Logistics Limited bridge loan to a financial institution (note 6).
4. Commercial paper rolls on a quarterly basis and has been corrected as presented in note 27.2.
5. Presentation of the statement of cash flows has been enhanced as shown in note 20.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Group		
R'000	Stated capital	Retained earnings	Total equity
Balance at 31 March 2021	11 133 011	2 265 393	13 398 404
Total comprehensive income attributable to equity holders	–	1 038 278	1 038 278
Dividends declared and paid	–	(784 593)	(784 593)
Balance at 31 March 2022	11 133 011	2 519 078	13 652 089
Total comprehensive income attributable to equity holders[1]	–	194 946	194 947
Dividends declared and paid	–	(833 490)	(833 491)
Balance at 31 March 2023	**11 133 011**	**1 880 534**	**13 013 545**

	Company		
R'000	Stated capital	Retained earnings	Total equity
Balance at 31 March 2021	11 133 011	167 696	11 300 707
Total comprehensive income attributable to equity holders	–	589 878	589 878
Dividends declared and paid	–	(784 593)	(784 593)
Balance at 31 March 2022	11 133 011	(27 019)	11 105 992
Total comprehensive income attributable to equity holders	–	673 087	673 087
Dividends declared and paid	–	(833 491)	(833 491)
Balance at 31 March 2023	**11 133 011**	**(187 423)**	**10 945 588**

SEGMENT ANALYSIS

The Fund 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. As at 31 March 2023, the group is comprised of six segments, namely SA Retail, SA Office, SA Industrial, Europe, Australia and the South African investment portfolio. An operating segment's operating results are reviewed regularly by the Exco to make decisions about resources to be allocated to the segments and assess its performance.

Segment	**Brief description of segment**
SA Retail	The retail portfolio consists of 19 properties, comprising shopping centres as well as retail warehouses, motor dealerships and high street properties.
SA Office	The office portfolio consists of 30 properties which includes P, A and B grade office space.
SA Industrial	The industrial portfolio consists of 30 properties which includes warehousing, standard units, high grade industrial, high-tech industrial and manufacturing.
South Africa – Investment portfolio	The local Investment Portfolio consists of a 35% share of an empowerment vehicle, Izandla valued at R0.
Australia	50% of Irongate Group Holdings and 18.67% of units in Irongate Templewater Australia Property Fund. The investment into the Australian platform took place on 29 March 2023, therefore the financial results will be included in the investment portfolio in the following financial year.
Europe	A 83.15% investment into a PEL portfolio valued at R8.2 billion. This portfolio consists of 47 properties located in seven jurisdictions across Europe.

PROFIT OR LOSS AND ASSETS AND LIABILITIES DISCLOSURE

	31 March 2023							
	South African property portfolio				Investment portfolio			
GROUP	**Office**	**Industrial**	**Retail**	**Total/ fund level**	**South African investment portfolio**	**Australia[1]**	**Europe**	**Total**
Profit or loss disclosures								
Revenue, before straight-line rental revenue adjustment	705 233	425 350	701 582	**1 832 165**	–	–	–	**1 832 165**
Straight-line rental revenue adjustment	(5 529)	3 956	(14 266)	**(15 839)**	–	–	–	**(15 839)**
Revenue	699 704	429 306	687 316	**1 816 326**	–	–	–	**1 816 326**
Property expenses	(251 697)	(137 438)	(281 067)	**(670 202)**	–	–	–	**(670 202)**
Expected credit losses	4 340	819	(8 420)	**(3 261)**	–	–	–	**(3 261)**
Net property income	452 347	292 687	397 829	**1 142 863**	–	–	–	**1 142 863**
Other operating expenses	–	–	–	**(109 858)**	–	–	–	**(109 858)**
Operating profit				**1 033 005**				**1 033 005**
Fair value adjustments on derivative instruments	–	–	–	**142 416**	–	–	(468 875)	**(326 459)**
Fair value adjustments on investment property	(252 930)	51 977	71 120	**(129 833)**	–	–	–	**(129 833)**
Fair value adjustments on investments	–	–	–	**31 346**	–	–	–	**31 346**
Foreign exchange gains/(losses)	–	–	–	**–**	–	–	(97 361)	**(97 361)**
Profit/(loss) on derecognition of financial instruments	–	–	–	**–**	–	–	(100 053)	**(100 053)**
Profit/(loss) on disposal of investment property	(28)	(12 681)	(12 480)	**(25 189)**	–	–	–	**(25 189)**
Income from investments	–	–	–	**–**	–	–	239 776	**239 776**
Finance costs	–	–	–	**(521 586)**	–	–	–	**(521 586)**
Finance income	–	–	–	**89 254**	–	–	–	**89 254**
Equity accounted losses from associate	–	–	–	**–**	(7 945)	–	–	**(7 945)**
Expected credit losses in financial instruments	–	–	–	**–**	(9 920)	–	–	**(9 920)**
Profit/(loss) for the year before taxation				**619 413**				**175 035**
ASSETS								
Investment property	4 652 383	3 123 709	5 402 567	**13 178 659**	–	–	–	**13 178 659**
Straight-line rental revenue adjustment	108 863	101 360	114 592	**324 815**	–	–	–	**324 815**
Other financial instruments	–	–	–	**–**	634 470	–	9 222 485	**9 856 955**
Derivative financial assets	–	–	–	**122 974**	–	–	162 981	**285 955**
Trade and other receivables	–	–	–	**336 114**	–	–	–	**336 114**
Cash and cash equivalents	–	–	–	**302 747**	–	–	–	**302 747**
Non-current assets held for sale	656 627	52 000	390 000	**1 098 627**	–	–	–	**1 098 627**
Total assets				**15 363 936**	634 470	–	9 385 466	**25 383 872**
LIABILITIES								
Long-term borrowings	–	–	–	**10 530 054**	–	–	1 011 030	**11 541 084**
Derivative financial liabilities	–	–	–	**14 224**	–	–	204 410	**218 634**
Trade and other payables	–	–	–	**610 609**	–	–	–	**610 609**
Total liabilities				**11 154 887**	–	–	1 215 440	**12 370 327**

1. The investment into the Australian platform took place on 29 March 2023, therefore the investment portfolio is not material for the current financial year.

	31 March 2022						
	South African property portfolio				Investment portfolio		
GROUP	**Office**	**Industrial**	**Retail**	**Total/ fund level**	**South African investment Portfolio**	**Europe**	**Total**
Profit or loss disclosures							
Revenue, before straight-line rental revenue adjustment[1]	683 013	407 266	717 728	**1 808 007**	–	–	**1 808 007**
Straight-line rental revenue adjustment	(44 265)	4 702	13 706	**(25 857)**	–	–	**(25 857)**
Revenue	638 748	411 968	731 434	**1 782 150**	–	–	**1 782 150**
Property expenses[1]	(248 711)	(138 772)	(262 468)	**(649 951)**	–	–	**(649 951)**
Expected credit losses	(10 022)	426	(2 252)	**(11 848)**	–	–	**(11 848)**
Net property income	380 015	273 622	466 714	**1 120 351**	–	–	**1 120 351**
Other operating expenses	–	–	–	**(114 435)**	–	–	**(114 435)**
Operating profit				**1 005 916**	–	–	**1 005 916**
Fair value adjustments on derivative instruments	–	–	–	**181 827**	–	293 251	**475 078**
Fair value adjustments on investment property[3]	(233 526)	(77 673)	(79 782)	**(390 981)**		–	**(390 981)**
Fair value adjustments on investments	–	–	–	**–**	–	467 575	**467 575**
Foreign exchange gains/(losses)	–	–	–	**(11 572)**	–	(349 952)	**(361 524)**
Profit/(loss) on derecognition of financial instruments	–	–	–	**–**	–	–	**–**
Profit/(loss) on disposal of investment property[3]	(953)	(2 073)	6 127	**3 101**	–	–	**3 101**
Income from investments	–	–	–	**–**	–	372 180	**372 180**
Finance costs	–	–	–	**(591 778)**	–	–	**(591 778)**
Finance income	–	–	–	**61 534**	–	–	**61 534**
Equity accounted losses from associate	–	–	–	**–**	(8 987)	–	**(8 987)**
Expected credit losses in financial instruments	–	–	–	**–**	–	–	**–**
Profit/(loss) for the year before taxation				**258 047**			**1 032 114**
ASSETS							
Investment property	5 418 155	2 699 714	5 397 510	**13 515 379**	–	–	**13 515 379**
Straight-line rental revenue adjustment	105 897	98 476	149 609	**353 982**	–	–	**353 982**
Equity accounted investment in associate	–	–	–	**–**	7 945	–	**7 945**
Other financial instruments	–	–	–	**–**	258 048	7 956 715	**8 214 763**
Derivative financial assets[2]	–	–	–	**150 885**	–	272 025	**422 910**
Trade and other receivables	–	–	–	**262 554**	–	–	**262 554**
Cash and cash equivalents	–	–	–	**235 778**	–	–	**235 778**
Non-current assets held for sale	–	481 687	544 500	**1 026 187**	–	–	**1 026 187**
Total assets				**15 544 765**	265 993	8 228 740*	**24 039 498**
LIABILITIES							
Long-term borrowings	–	–	–	**8 683 495**	–	950 570	**9 634 065**
Derivative financial liabilities[2]	–	–	–	**241 567**	–	–	**241 567**
Trade and other payables	–	–	–	**511 777**	–	–	**511 777**
Total liabilities				**9 436 839**	–	950 570	**10 387 409**

* This amount was superseded as shown in note 31.
1. These amounts have been restated as shown in note 27.1.
2. Amounts previously shown on a net basis. In the current year management has elected to reflect amounts on a gross basis as this is how they are managed.
3. These amounts have been enhanced to show the adjustments on investment property and profit or loss on disposal of investment property disaggregated between the sectors.

ACCOUNTING POLICIES

Basis of preparation

The consolidated and separate annual financial statements for the year ended 31 March 2023 are prepared in accordance with International Financial Reporting Standards (IFRS) , Interpretations issued by the International Accounting Standards (International Financial Reporting Standards) Board (IASB), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements as well as the requirements of the Companies Act, 71 of 2008 of South Africa.

The financial statements are prepared in South African Rands and is rounded off to the nearest '000. The financial statements are prepared on the historical cost basis, except where indicated otherwise. The annual financial statements are prepared on the going-concern basis and the accounting policies set out below have been applied consistently by the Group and Company.

The preparation of annual financial statements in conformity with IFRS requires the board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses.

The estimates and assumptions applied are based on historical experience (and various other factors) that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The consolidated and separate financial statements that were previously issued on 30 June 2023 are superseded by this version of the consolidated and separate financial statements. The previously issued consolidated and separate financial statements have been re-issued as a result of clerical and casting errors. The specific totals in the notes materially impacted are indicated with an asterisk in these amended consolidated and separate financial statements. These are further described in Note 31 Revised and re-issued consolidated and separate financial statements.

Basis of consolidation

The consolidated annual financial statements include those of the Fund and entities controlled by the Fund. The fund controls an entity (Investec Property Fund Limited) when:

- it has power over the investee;
- is exposed to, or has rights to the variable returns from its involvement with the investee;
- and has the ability to use its power to affect its returns.

The consolidated annual financial statements include assets, liabilities, income, expenses and cash flows of the Fund and all entities controlled by the Fund. Intercompany transactions, balances and unrealised profits are eliminated on consolidation.

Accounting for associates and joint ventures

An associate is an entity over which the Fund has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. IFRS requires that investments in associates are either equity accounted or measured at fair value.

For equity accounted associates and joint venture holdings, the consolidated annual financial statements include the attributable share of the results and reserves of associated undertakings and joint venture holdings. The Fund's interests in associated undertakings and joint venture holdings are included in the consolidated balance sheet at cost plus the post-acquisition changes in the Fund's share of the net assets of the associated undertakings and joint venture holdings. The investment in Pan-European Logistics, the Irongate joint venture and the Irongate associate are held at fair value. After application of the equity method, management evaluates on an annual basis if there is objective evidence that its net investment in the associate or joint venture is impaired.

The investment in PEL is considered an investment in a joint venture as defined in IFRS 11 resulting from a joint control arrangement. PEL has an obligation to deliver all returns to IPFO and its joint venture partner via profit participating loans (PPL's) therefore the Fund measures the investment in PEL at fair value through profit or loss in terms of IFRS 9 – Financial Instruments. The Fund elected to measure the investment at fair value through profit or loss using the venture capital exemption on consolidation and classifying the investment in terms of IFRS 9 – Financial Instruments: Recognition and Measurement at fair value through profit or loss.

Other associates and joint ventures are accounted for using the equity method. Associates and joint ventures are initially recognised at cost, which includes transaction costs. The cost of an investment in an associate or joint venture acquired in stages is deemed to be the fair value of the investment immediately prior to transfer. Subsequent to initial recognition, the Group and Company's share of profit or loss, other comprehensive income and other changes in the net asset value thereof, is included in the consolidated annual financial statements in equity accounted earnings, other comprehensive income and equity respectively.

A joint venture is an entity over which the Fund has joint control. Joint control is the contractually agreed sharing of control of an arrangement, between the Fund and a joint partner, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Segmental reporting

Determination and presentation of operating segments

The Fund has the following operating segments:

- SA retail properties
- SA office properties
- SA industrial properties
- SA – investment portfolio
- Australia
- Europe

The above segments are derived from the way the business of the Fund is structured and managed and how financial information is reported to the Chief Operating Decision Maker(s); Investec Property Proprietary Limited, 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 Fund manages its business in the retail, office and industrial property sectors where resources are South Africa, split between each sector held in achieving the Fund's stated objectives, as well as in Europe and Australia.

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments. A detailed statement of comprehensive income and statement of financial position are reported for the operating segment.

Segment results include revenue and expenses directly attributable to a segment, and the relevant portion of the enterprise revenue and expenses that can be allocated on a reasonable basis to a segment. Segment assets and liabilities comprise those assets and liabilities that are directly attributable to the segment on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period on investment property in each segment.

Disclosure of material items on segment information is only required if the items are both quantitative and qualitatively material. The Fund has no such items.

Revenue recognition

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: Identify the contract(s) with a customer; Identify the performance obligations in the contract; Determine the transaction price; Allocate the transaction price to the performance obligations in the contract; Recognise revenue when (or as) the entity satisfies a performance obligation.

As per IFRS 15 – Revenue from Contracts with Customers: revenue from service and property management charges is recognised in the accounting period in which control of the services is passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. Dividend income is recognised in profit or loss only when: (a) the entity's right to receive payment of the dividends is established, (b) it is probable that the economic benefits associated with the dividend will flow to the entity, and (c) the amount of the dividend can be measured reliably. The Fund eliminates the dividends received from subsidiaries at consolidation level.

As per IFRS 16 – Leases: rental income such as contracted rental and contracted parking earned from operating leases is recognised on a straight-line basis over the lease term. When the Fund provides tenant installations, the cost of the tenant installation are recognised over the lease term, on a straight-line basis, as tenant installation amortisation.

Some property management contracts may include multiple elements of service that are provided to tenants. The Fund assesses whether individual elements of service in the contract are separate performance obligations. Where the contracts include multiple performance obligations and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the relative standalone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Fund exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services.

Rental agreements

A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Fund is party to numerous rental agreements in the capacity as lessor of the investment properties. All rental agreements are operating leases.

Where classified as operating leases, rentals payable/receivable are charged/credited in the statement of comprehensive income on a straight-line basis over the lease term. Contingent rentals (if any) are accrued to the statement of comprehensive income when incurred. This does not affect distributable earnings.

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Expenses

Property expenses include water and electricity charges, cleaning, lease commission amortisation, other property expenses, property management expenses, repairs and maintenance and management fee expenses. Other operating expenses include asset management fee expense, audit fees, directors' fees, legal fees and other fund expenses. These expenses are included in profit or loss as and when it is incurred.

Operating profit

Operating profit is the profit before fair value, foreign exchange gains/(losses) and other adjustments, fair value adjustments on investment property, (loss)/profit on disposal of investment property, loss on derecognition of financial instruments, income from investments, finance costs, finance income, equity accounted losses from associate and expected credit losses raised on financial instruments.

Net property income

Net property income is before other operating expenses, fair value, foreign exchange (losses)/gains and other adjustments, fair value losses on investment property, (loss)/profit on disposal of investment property, loss on derecognition of financial instruments, income from investments, finance costs, finance income, equity accounted losses from associate and expected credit losses on financial instrumens.

Financial instruments

Financial instruments are initially recognised at their fair value. For financial assets or financial liabilities not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities are included in the initial measurement. All other transaction costs are recorded in the income statement immediately. Regular way purchase and sales transactions in respect of financial assets that require delivery of a financial instrument within the time-frame established by market convention are recorded at trade date.

Business model assessment for financial assets, IFRS 9 requires that a business model assessment is carried out which reflects how the Fund manages the assets in order to generate cash flows. The assessment is at a portfolio level, being the level at which the portfolio is managed. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported and how risks are assessed and managed.

The standard sets out different types of business models:

- **Hold to collect:** It is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest from the customer. These assets are accounted for at amortised cost.
- **Hold to collect and sell:** This model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity to achieve the objectives of the business model. These assets are accounted for at FVOCI.
- **Hold to sell / managed on a fair value basis:** The entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation or the portfolio is managed on a fair value basis. These assets are accounted for at FVPL.

However, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- A debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The classification into one of these categories is based on the Fund's business model for managing the assets and the contractual cash flow characteristics of the assets.

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the assets' cash flows represent solely

ACCOUNTING POLICIES CONTINUED

payments of principal and interest (the SPPI test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related asset is classified and measured at FVPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets and liabilities measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. The Fund may commit to provide a loan which has not yet been drawn. When the loan that arises from the lending commitment is expected to meet the criteria to be measured at amortised cost, the undrawn commitment is also considered to be and is included in the impairment calculation. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognised over the life of the loan through the recognition of interest income, unless the loan is credit impaired.

The Fund applies the amortised cost model as the default for financial liabilities, except for instances where an accounting mismatch exists, and it is more appropriate to designate it at fair value through profit or loss. The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability. The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

Profit Participating Loans

Loan receivables are initially measured within the standard of IFRS 9. With regards to profit participating loans (PPL) the Fund assess the business model applicable and whether the loan meets the solely payments of principal and interest 'SPPI' test. Although the PPLs have contractual payments of principal and interest, the additional contingent payment linked to the appreciation in the property value that will be realised on sale, must be considered in order to determine whether the loan meets the SPPI test. If the PPLs fail to meet the SPPI test, the Fund will classify the PPLs at fair value through profit or loss (FVPL). Subsequent to the loan not meeting the requirements of IFRS 9 the Fund will measure the PPLs at fair value in accordance with IFRS 13 Fair value measurement with all movements in fair value going through profit or loss.

IFRS 13 requires the fair value determined to reflect the exit price (price that a seller would receive to sell an asset) and not the entry price (price that a buyer would pay to purchase an asset) of a transaction. The valuation represents the price that would most likely be achievable across a wide range of circumstances and therefore excludes any element of value attributable to a specific owner or purchaser. The market value represents the best price reasonably obtainable by the seller of an asset. The market value is negotiated in an open and competitive market where the participants are acting freely and without compulsion. Income from investments represents the amounts accrued to the Fund on an annual basis which represents the net distributable earnings earned from the PEL investment.

Loans to / from subsidiaries

The Fund measures loans to subsidiaries at amortised cost less any accumulated impairment. The loans to and from subsidiaries are recognised at the fair value of the consideration receivable or payable and are subsequently measured at amortised cost using the effective interest method. Loans to subsidiaries are tested for impairment using the expected credit loss model as per IFRS 9: Financial Instruments. Loans to subsidiaries are classified as non-current as they do not have redemption dates relating to the maturity of the loans, and management's intention is not to have these settled within the next 12 months. Loans from subsidiaries are classified as current due to inability to defer payments, and they are payable on demand.

Trade and other receivables

Trade and other receivables consists of rental debtors, net of expected credit losses, prepayments, municipal deposits, sundry debtors, VAT receivable and accrued recoveries. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less any expected credit losses. Any gains or losses on realisation of trade and other receivables previously written off are charged to profit or loss in the statement of comprehensive income.

Expected credit losses

The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take the time value of money into account. As a result, the recognition and measurement of impairment is intended to be forward-looking and therefore, potentially volatile.

Process to determine ECL

ECLs are calculated using three main components:

- A probability of default (PD)
- A loss given default (LGD)
- The exposure at default (EAD).

The 12-month and lifetime PDs represent the probability of a default occurring over the next 12 months or the lifetime of the financial exposures, respectively, based on conditions existing at the balance sheet date and future forecast macroeconomic conditions that affect credit risk.

The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money. The forecast value for the collateral is also affected by the range of forward-looking probability weighted macroeconomic scenarios.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a committed facility.

The calculation of the 12-month ECL is based on the 12-month PD and LGD along with the EAD and EIR for the asset. Lifetime ECL is calculated using the lifetime PD curve, and the appropriate LGDs and EADs and discount rates derived from the EIR based on the remaining life of the financial asset.

Expert judgement models are also utilised for certain portfolios where the ECL is found to be minimal, either due to the portfolio's small relative size or the low default nature of these portfolios, such as cash and balances held at central banks.

Management adjustments are made to model output to account for situations where additional information and known or expected risk factors have not been captured in the modelling process.

Earnings per share

The Fund calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders. Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Diluted earnings per share is calculated by using the amounts for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders.

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec Property Fund Limited by the weighted average number of ordinary shares in issue during the year. Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2021 issued by the South African Institute of Chartered Accountants. Headline earnings per share calculated by dividing the Fund's headline earnings by the average number of shares which it had in issue during the accounting period.

Loan modification

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Fund recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

A substantial modification of the terms of an existing financial instrument or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial instrument and the recognition of a new financial instrument. The difference between the carrying amount of the derecognised financial instrument and the fair value of the new financial instrument, shall be recognised in profit or loss.

Other financial instruments

The listed and unlisted investments are initially recognised at fair value and subsequently held at fair value through profit or loss unless the irrevocable election at initial recognition has been made to measure the equity instrument at fair value through other comprehensive income. Investments in subsidiaries in the separate financial statements are measured at cost less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value. Cash and cash equivalents are measured at amortised cost.

Trade and other payables

Trade and other payables consists of accrued expenses, tenant deposits, trade and other creditors, VAT creditor and income received in advance. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Any gains or losses on trade and other payables are charged to profit or loss in the statement of comprehensive income.

Derivative financial instruments

The Fund utilises derivative financial instruments to mitigate its exposure to interest rate risk arising from its financing activities as well as foreign exchange risk relating to expected inflows from foreign investments. In accordance with its treasury policy, the Fund does not hold or issue derivative financial instruments for trading purposes. Derivatives used to mitigate interest rate risk are not designated as a hedge for accounting purposes and are accounted for at fair value through profit or loss.

All derivative instruments of the Fund are recorded in the statement of financial position at fair value.

Gains or losses on derivatives are charged to profit or loss in the statement of comprehensive income.

Long-term borrowings

Long-term borrowings are initially recognised at fair value and subsequently measured at amortised cost, except for instances where an accounting mismatch exists and its more appropriate to designate it at fair value through profit or loss.

Offset

Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a currently enforceable legal right to offset exists. No financial assets and financial liabilities of the Fund are offset during the financial year.

Impairment

Impairment of financial assets

At each reporting date, the Fund reviews the carrying values of financial assets carried at amortised cost for an indication of impairment, based on either the 12-month expected credit losses or lifetime expected credit losses. For rental debtors and other trade receivables, the Fund applies the simplified impairment approach, and therefore assesses impairment using a lifetime approach for these assets. Impairment on other financial assets is measured using the general approach.

Changes in the loss allowance are recognised in profit or loss as an impairment gain or loss.

In determining whether an impairment loss should be recorded in profit or loss, the Fund makes judgements as to whether there is observable data, based on past behaviour as well as forward-looking information, indicating a measurable decrease in the estimated future cash flows from a financial asset. The Fund also considers any collateral held as security in estimating the loss given default.

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific forward-looking economic expectations and other indicators present at the reporting date that correlate with defaults on the portfolio.

Impairment of other assets

The Fund assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. The asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Investment property

Properties held by the Fund which are held for capital appreciation or rental income are classified as investment property. Investment property is carried in the statement of financial position at fair value, with fair value gains and losses recognised in the statement of comprehensive income. Investment property consists of land and buildings, including undeveloped land. Properties are measured initially at cost at acquisition, and subsequent additions that will result in future economic benefits and whose cost can be reliably, are capitalised when recognised.

Investment property under construction is measured at fair value. Direct costs relating to major capital projects are capitalised until the properties are brought into commercial operation.

ACCOUNTING POLICIES CONTINUED

Subsequent to initial recognition, investment property is measured at its fair value. Investment property is maintained, upgraded and refurbished, where necessary, in order to preserve or improve the capital value. Maintenance and repairs which do not give rise to future economic benefits are charged against profit or loss in the statement of comprehensive income.

Gains or losses on subsequent measurement or disposals of investment property is recognised in profit or loss in the statement of comprehensive income. Such gains or losses are excluded from the calculation and determination of distributable earnings.

Upon disposal an investment property shall be derecognised when it is permanently withdrawn from use and no future economic benefits can be expected from its disposal. Ownership of investment property shall change upon transfer of title deed.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Fund's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Property-letting commissions and tenant incentives

Letting commissions and tenant incentives are amortised over the period of the lease to which they relate. The cost of lease incentives (tenant incentives) are recognised as a reduction of rental income over the lease term, on a straight-line basis.

The tenant incentive part of the costs are capitalised and recognised as investment property. The tenant incentive to investment property costs are measured at cost minus amortisation written off over the period of the lease.

Non-current assets held for sale

A non-current asset or disposal group comprises assets and liabilities that are classified as held for sale if it is expected that its carrying amount will be recovered principally through sale rather than continuing use, if it is available for immediate sale and it is considered highly probable that the sale will occur within one year.

Non-current assets held for sale comprise investment property which is measured at fair value, any related fair value gain or loss is recognised in the statement of comprehensive income. Refer to note 16: Non-current assets held for sale and note 25.3: Fair value estimation for further information on how the fair value of these properties is determined.

Non-current assets held-for-sale are presented separately from other assets in the statement of financial position.

Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount and are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent assets and contingent liabilities are not recognised.

Provisions are determined by discounting the expected future cash flows if the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Taxation and deferred taxation

The Fund is registered as a REIT, and as such will only pay tax on profits not distributed to shareholders. Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax payable is provided on taxable profits at rates that are enacted or substantively enacted and applicable to the relevant period.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The Fund converted to a REIT on 16 August 2013. As a result, section 25BB of the Income Tax Act will apply to qualifying REIT income and expenses.

However, Section 25BB of the Income Tax Act allows for the deduction of the qualifying distribution paid to shareholders, but the deduction is limited to taxable income. To the extent that no tax will be payable in future as a result of the qualifying distribution, no deferred tax is raised on items such as the straight-line rental revenue adjustment and revenue received in advance.

As the Fund is a REIT, CGT is no longer applicable on the sale of investment property in terms of Section 25BB of the Income Tax Act. The deferred taxation rate applied to investment property at the sale rate will therefore be 0%. Consequently, no deferred taxation is raised on the fair value adjustments on investment property.

However, in the event that the Fund holds greater than 20% of an investment, this investment is a Property Company as defined in Section 25BB of the Income Tax Act and therefore the sale thereof is not subject to CGT.

Key management assumptions and judgements

In preparation of the annual financial statements, estimations and judgements are made that could affect the reported amount of assets and liabilities within the next financial year. The key area in which judgement is applied lies with the valuation of investment properties, profit participating loans, loans to joint venture at fair value, control vs significant influence and interest held in PEL. Refer to note 12 and 25.3 for the valuation techniques applied in the valuation investment property.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

There were no transfers between levels 1, 2 and 3 during the reporting period. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Investment Property

Valuation of the Funds investment property portfolio is inherently subjective and a degree of judgment is required in respect of certain assumptions used in the valuations. Refer to accounting policy: Investment property, Note 12 Investment Property and Note 25.3 Fair value estimation for further information.

Loans to joint ventures at fair value

The investment in ventures is valued at each reporting date based on the net asset value of the portfolio as a whole. The biggest contributor to NAV are the group's investment properties which are held at fair value.

PEL management obtained external valuations from an accredited valuation house which uses the income capitalisation approach in valuing the properties. The other assets and liabilities that contribute to the net asset value (being cash, derivatives, financial instruments, trade receivables and payables and borrowings) are not considered to involve significant judgments. A portfolio premium (which represents the additional value in investing in a fully operational platform) is added to the underlying NAV to arrive at the fair value of the PPL. Refer to accounting policy: Profit Participating Loans note 13.2: Financial instruments – Loans to Associates and Joint Ventures at Fair Value through Profit or Loss and note 25.3: Financial Risk Management – Fair value estimation for further information.

Control versus joint control

In making its control assessment of investments made the Fund considers the following factors:

- Whether the terms and conditions underlying the agreements with other investors are at arm's length.
- Whether, through its investments, the Fund is exposed to, or has rights to variable returns of the investee company; and
- Whether the fund is able to influence the returns generated by the investee company.

Interest held in PEL

During the current financial year, the Fund increased its investment into PEL, from 65% to 83.15% giving the Fund the right to 83.15% of the net rental income earned on leasing the investment property held within PEL. The Fund, together with the new joint venture partner have contractually agreed to sharing of control. Given that decisions about relevant activities require unanimous consent of the joint venture partners the Fund has concluded that it does not control PEL, and that joint venture accounting is appropriate.

Venture capital policy

The Fund takes an active role in helping to build and develop the Funds/companies in which it invests in. Therefore the Fund applies the exemption in paragraph 18 in IAS 28 to value its joint venture investment at fair value. The Fund takes into account the following when making this determination:

- The fund is managed independently from its other South African activities and has a different joint management team.
- The Fund's property investments are managed on a fair value basis as part of a portfolio of assets. These property investments are acquired for growth in fair value.

The Fund is of the view that fair value measurement would therefore produce more relevant information for management and the entity's investors.

Related parties

Related parties include any stakeholder who is able to exert a significant influence on the operating policies of the Fund. This includes key management personnel, who are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including a director.

Any party appointed as the asset manager and property asset manager of the Fund is also considered to be a related party.

An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

Ordinary share capital

Ordinary shares are classified as equity. Ordinary share capital is initially measured net of directly attributable issue costs.

Dividends

Dividends on ordinary shares are recognised as a deduction from equity at the earlier of payment date or the date that it is approved by Investec Property Fund Limited (in relation to dividends declared by the Fund).

Adoption of new standards applicable to the Fund and the impact thereof

There were no new standards adopted in the current year of assessment, ending 31 March 2023.

Standards and interpretations applicable to the Fund, not yet effective

The Fund is in the process of assessing the impact of the following amendments on the financial statements:

Change	Number	Effective date	Impact on Fund
Classification of Liabilities as Current or Non-current	Amendments to IAS 1	1 January 2023	No material impact on the Fund, will be applied in the following financial periods.
Definition of Accounting Estimates	Amendments to IAS 8	1 January 2023	No material impact on the Fund, will be applied in the following financial periods.
Disclosure of Accounting Policies	Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	No material impact on the Fund, will be applied in the following financial periods.
Amendment to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	No material impact on the Fund, will be applied in the following financial periods.
Amendment to IFRS 16	Leases on sale and leaseback	1 January 2023	No material impact on the Fund, will be applied in the following financial periods.
Amendment to IAS 1	Non-current liabilities with covenants	1 January 2024	No material impact on the Fund, will be applied in the following financial periods.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

		Group		Company	
	R'000	**2023**	Restated* 2022	**2023**	Restated* 2022
2	**REVENUE**				
	Contracted rental	**1 187 273**	1 209 003	**994 663**	1 015 402
	Tenant installation amortisation	**(29 291)**	(22 409)	**(23 033)**	(20 374)
	Assessment rates recovered	**141 865**	133 728	**119 642**	114 516
	Contracted operating cost recoveries	**82 575**	77 162	**64 298**	61 712
	Contracted parking	**91 789**	94 627	**76 018**	79 255
	Exhibition income, cancellation fees and other letting related sincome	**59 292**	32 097	**56 871**	29 422
	Dividends received from subsidiaries	**–**	–	**171 062**	174 252
	Electricity recoveries	**254 530**	242 429	**219 997**	210 774
	Water and municipal charges recoveries	**44 132**	41 370	**36 434**	35 261
	Revenue, excluding straight-line rental adjustment[1]	**1 832 165**	1 808 007	**1 715 952**	1 700 220
	Straight-line rental adjustment[2]	**(15 839)**	(25 857)	**(12 047)**	(31 932)
	Revenue	**1 816 326**	1 782 150	**1 703 905**	1 668 288

* These amounts have been restated as presented in note 27.1.
1. Revenue positively impacted by improved South African performance.
2. The change in the straight-line rental adjustment is largely impacted by longer letting and early re-gearing of leases.

		Group		Company	
	R'000	**2023**	Restated* 2022	**2023**	Restated* 2022
3	**PROPERTY EXPENSES**				
	Assessment rates	**188 969**	198 260	**157 283**	168 606
	Electricity cost	**206 488**	199 072	**182 121**	173 674
	Water and municipal charges cost	**48 411**	49 346	**38 672**	40 227
	Cleaning	**22 159**	20 367	**17 811**	15 901
	Lease commission amortisation	**30 482**	23 480	**26 921**	19 008
	Insurance[1]	**16 380**	9 299	**13 197**	7 300
	Security[1]	**40 921**	38 358	**33 609**	30 997
	Marketing[1]	**5 347**	6 893	**4 787**	4 930
	Salaries and consulting fees[1]	**8 944**	7 715	**6 312**	4 956
	Other property expenses	**8 339**	15 994	**8 830**	13 988
	Property management expenses	**51 413**	48 352	**40 840**	38 636
	Repairs and maintenance	**42 349**	32 815	**32 972**	26 243
	Total	**670 202**	649 951	**563 355**	544 466

* These amounts have been restated as presented in note 27.1.
1. These amounts have been enhanced for disclosure by further disaggregating these amounts as compared to the prior year.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED
For the year ended 31 March 2023

	R'000	Group 2023	Group 2022	Company 2023	Company 2022
4	**OTHER OPERATING EXPENSES**				
	Asset management fee expense[1]	**74 145**	75 915	**89 411**	63 971
	Audit fees	**4 713**	7 397	**3 416**	4 804
	Directors' fees	**4 791**	5 720	**4 791**	5 720
	Legal fees	**1 103**	1 104	**478**	1 104
	Other Fund expenses	**25 106**	24 299	**20 036**	18 695
	Total	**109 858**	114 435	**118 132**	94 294

1. The asset management fee expense is payable to the manager for services rendered to the Fund.

	R'000	Group 2023	Group 2022	Company 2023	Company 2022
5	**FAIR VALUE, FOREIGN EXCHANGE (LOSSES)/ GAINS AND OTHER ADJUSTMENTS[2]**				
	Fair value (loss)/gain on derivative instruments[1]	**(326 459)**	475 078	**74 278**	282 080
	Fair value gain on loans to associates	**–**	27 900	**–**	–
	Fair value gains on loans to joint ventures at fair value (net of foreign exchange)[3]	**149 825**	66 993	**–**	–
	Fair value losses as a result of transaction costs capitalised on loans to joint ventures[3]	**(118 479)**	(12 109)	**–**	–
	Foreign exchange translation losses on long-term borrowings, and loans provided to joint ventures not at fair value	**(97 361)**	23 267	**(31 333)**	(11 572)
	Total	**(392 474)**	581 129	**42 945**	270 508

1. The fair value (loss)/gain on derivatives is primarily due to the ZAR/EUR currency deterioration since IPF is primarily exposed to the ZAR/EUR currency movement.
2. Fair value adjustments on investment property has been shown on the face of the statement of comprehensive income during the current and prior year for enhanced disclosure. The fair value adjustment on investment property was not previously shown on the face of the statement of comprehensive income.
3. Fair value adjustments and transaction costs on loans to joint ventures and long-term borrowings at fair value have been disaggregated further in the current and prior year.

	R'000	Group 2023	Group 2022	Company 2023	Company 2022
6	**LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS**				
	Settlement of loan to PEL co-investor[1]	**(21 905)**	–	**–**	–
	Sale of PEL bridge loan[2]	**(78 148)**	–	**–**	–
	Total	**(100 053)**	–	**–**	–

1. The loan to the co-investor was settled at a value of €6.5m compared to a carrying value of €7.5m.
2. The PEL bridge loan, which had a carrying value of €58.8m was sold to a financial institution for €54.8m, based on the present value of the interest differential.

	R'000	Group 2023	Group 2022	Company 2023	Company 2022
7	**INCOME FROM INVESTMENTS**				
	Income from PEL	**239 776**	372 180	**–**	–
	Total	**239 776**	372 180	**–**	–

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
8	**FINANCE COSTS**				
	Interest on corporate bonds	**321 252**	251 830	**321 252**	251 830
	Interest on term loans	**262 244**	179 906	**93 818**	74 158
	Interest on commercial paper	**22 119**	18 057	**22 119**	18 057
	Net interest on derivatives[2]	**(130 309)**	46 473	**52 481**	129 496
	Other interest[1]	**46 280**	95 512	**8 969**	10 995
	Total	**521 586**	591 778	**498 639**	484 536

1. Significant reduction in interest expense due to lower average debt levels from disposal proceeds and active treasury management.
2. Include the net interest on derivatives on the interest rate and forward exchange impacts driven by the steeper ZAR interest rate curve.

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
9	**FINANCE INCOME**				
	Interest income on loans to associates and joint ventures[1]	**68 685**	51 858	**34 493**	27 660
	Interest from other financial instruments	**20 569**	9 676	**14 092**	8 847
	Interest from subsidiaries	**–**	–	**273 886**	229 141
	Total	**89 254**	61 534	**322 471**	265 648

1. Includes interest on bridge loan provided to the PEL platform which was sold during the current financial year.

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
10	**TAXATION**				
	South African normal taxation:				
	Capital gains taxation	**19 911**	6 164	**19 911**	6 164
	Sale of Ingenuity shares	**–**	6 164	**–**	6 164
	Refund in respect of Investec Australia Property Fund Limited's shares	**19 911**	–	**19 911**	–
	Total taxation	**19 911**	6 164	**19 911**	6 164
	Effective tax rate	**0%**	0.6%	**0%**	1.1%
	Standard tax rate	**27%**	28%	**27%**	28%

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

10 TAXATION CONTINUED

The taxation charge is reconciled as follows:

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
10.1	**Statutory charge at 27% (FY22: 28%)[2]**	**47 260**	288 992	**176 358**	163 440
	Straight-line rental revenue adjustment	**(15 839)**	(25 857)	**(12 047)**	(31 932)
	Fair value, foreign exchange gains/(losses) and other adjustments	**(392 474)**	581 129	**42 945**	270 508
	Fair value adjustment on investment property	**(129 833)**	(390 981)	**(124 981)**	(282 169)
	(Loss)/profit on disposal of investment property	**(25 189)**	3 101	**(25 493)**	7 258
	Loss on derecognition of financial instruments	**(100 053)**	–	**–**	–
	Equity accounted losses from associate	**(7 945)**	(8 987)	**(7 945)**	(8 987)
	Total adjustments	**(671 333)**	158 405	**(127 521)**	(45 322)
	Fair value, straight-line rental adjustments and other distribution reconciliation adjustments not taxable (27% (FY22: 28%))	**181 260**	(44 353)	**34 431**	12 690
	Qualifying distribution deduction[1]	**(228 520)**	(238 475)	**(210 789)**	(169 966)
	Capital gains tax on sale of Ingenuity and IAP shares	**19 911**	6 164	**19 911**	6 164
	Total taxation	**–**	6 164	**–**	6 164
	Effective tax rate	**0%**	0.6%	**0%**	1.1%

1. The tax deduction of the qualifying distribution is limited such that no assessed loss is created, as per Section 25BB of the Income Tax Act. During the current year, 95% of the distributable earnings were declared for distribution.
2. This note has been enhanced for disclosure during the current and prior year to further disaggregate the total adjustments. The tax rate changed effective 1 April 2022.

11 EARNINGS PER SHARE

		Group	
	R'000	**2023**	2022
	Basic and diluted earnings per share (cents)	**24.22**	128.99
11.1	**RECONCILIATION OF BASIC EARNINGS TO HEADLINE EARNINGS**		
	Total comprehensive income attributable to equity holders	**194 946**	1 038 278
	Adjusted for:		
	Fair value losses on investment property	**129 833**	390 981
	Loss/(profit) on disposal of investment property	**25 189**	(3 101)
	Fair value adjustment on investment property in associate	**1 590**	6 147
	Profit on sale of subsidiaries	**211**	(731)
	Headline earnings attributable to shareholders	**351 769**	1 431 574
	Headline and diluted headline earnings per share (cents per share)	**43.70**	177.85
	NUMBER OF SHARES		
	Shares in issue at the end of the year	**804 918 444**	804 918 444
	Weighted average number of shares in issue (basic and diluted)	**804 918 444**	804 918 444

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

	Group		Company	
R'000	**2023**	2022	**2023**	2022

12 INVESTMENT PROPERTY[2]

	Group		Company	
R'000	**2023**	2022	**2023**	2022
Total investment property	**13 178 659**	13 515 379	**10 754 099**	11 236 120
Investment property	**13 135 733**	13 465 042	**10 716 304**	11 192 418
Tenant incentives[1]	**42 926**	50 337	**37 795**	43 702

1. Properties to the value of R11.64bn (2022: R11.67bn) have been pledged as security for the secured long-term borrowings for the group.
   Properties to the value of R9.87bn (2022: R10.05bn) have been pledged as security for the secured long-term borrowings for the company.
2. The investment property note has been enhanced for disclosure during the current and prior year to further disaggregate the movemenets during the year. The straight line rental assets has been disclosed separately in the note.

	Group		Company	
R'000	**2023**	2022	**2023**	2022
Balance at the beginning of the year	**13 515 379**	14 636 707	**11 236 120**	12 172 237
Disposals	**(90 783)**	(81 676)	**(90 783)**	(22 990)
Developments and capital expenditure	**324 774**	178 997	**204 840**	136 563
Fair value adjustments	**(129 833)**	(351 570)	**(124 981)**	(242 651)
Tenant incentives	**(7 715)**	1 643	**(6 211)**	4 730
Transfer to non-current assets held for sale	**(846 463)**	(868 722)	**(846 463)**	(811 769)
Transfer from non-current assets held for sale	**413 300**	–	**381 577**	–
Balance at the end of the year	**13 178 659**	13 515 379	**10 754 099**	11 236 120

STRAIGHT LINE RENTAL ASSET

	Group		Company	
R'000	**2023**	2022	**2023**	2022
Balance at 31 March	**356 681**	395 496	**308 277**	343 300
Straight-line rental asset related to non-current assets held for sale	**(31 866)**	(41 514)	**(31 866)**	(41 283)
Straight-line rental asset	**324 815**	353 982	**276 411**	302 017
Balance at the beginning of the year	**353 982**	423 551	**302 017**	377 135
Disposals	**(572)**	(1 370)	**(572)**	(101)
Straight-line rental adjustment	**(19 469)**	(38 568)	**(15 677)**	(45 614)
Transfer to non-current assets held for sale	**(24 900)**	(29 631)	**(24 900)**	(29 403)
Transfer from non-current assets held for sale	**15 774**	–	**15 543**	–
Balance at the end of the year	**324 815**	353 982	**276 411**	302 017

FAIR VALUE OF INVESTMENT PROPERTY[1]

Group and Company

The Fund's policy is to assess the valuation of investment property (including those classified as held for sale) at each reporting period. During the year ended 31 March 2023, this assessment resulted in a downward revaluation of R129.8 million (2022: R351.6 million downward revaluation in investment property and R39.4 million in non-current assets held for sale).

The Company's policy is to assess the valuation of investment property (including those classified as held for sale) at each reporting period. During the year ended 31 March 2023, this assessment resulted in a downward revaluation of R125 million (2022: R242.7 million downward revaluation in investment property and R39.5 million in non-current assets held for sale).

The full portfolio of investment property (including those held for sale) is valued internally by the Funds asset management team and the head of the funds South African asset management using the income capitalisation rate method. Note 25.3 sets out the significant unobservable inputs applied in this method of valuation.These assumptions are mainly based on market conditions exiting at reporting date.

In line with the JSE Listing Requirements, each property is externally valued by an independent valuer every three years. In the current financial year 18 properties were valued which represents 23% of the portfolio by property, and 31% in terms of value. These valuations were performed by Mills Fitchett Magnus Penny (Proprietary) Limited, a valuer registered in terms of Section 19 of the Property Valuers Profession Act, no 47 of 2000 using the discounted cash flow valuation method. The outcome of these independent external valuations did not materially differ from those of the internal asset management team on both an individual property and total (across the 18 properties) level.

1. The Fund had intended to sell a portfolio of industrial assets and during the year elected to rather hold as they have been let up.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED
For the year ended 31 March 2023

13 FINANCIAL INSTRUMENTS
13.1 INVESTMENT IN ASSOCIATE AND JOINT VENTURE

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
13.1.1	**IZANDLA[1]**				
	Equity accounted investment (35%)	**–**	7 945	**–**	7 945
	Opening balance	**7 945**	16 932	**7 945**	16 932
	Share of losses	**(7 945)**	(8 987)	**(7 945)**	(8 987)

1. The significant relevant activities of Izandla are directed by the shareholders with the board of directors. The Fund holds 35% of the voting rights over Izandla and is represented by one out of five directors on the board of Izandla. Based on this, the Fund has significant influence over Izandla and accounts for the investment as an investment in associate.

	Group and Company	
R'000	**2023**	2022
SUMMARISED FINANCIAL INFORMATION OF IZANDLA		
Summarised statement of financial position		
Non-current assets	**687 072**	715 360
Current assets	**33 859**	43 691
Non-current liabilities	**(638 564)**	(669 679)
Current liabilities	**(38 334)**	(66 672)
Shareholder's interest	**44 033**	22 700
Summarised statement of comprehensive income		
Net property income	**65 566**	76 430
Fair value adjustments on derivatives	**18 291**	19 980
Fair value adjustments on investment property	**(4 542)**	(24 643)
Other operating expenses	**(3 912)**	(27 063)
Net finance cost	**(75 522)**	(72 899)
Finance income	**530**	–
Loss on disposal	**(603)**	–
Taxation	**–**	2 518
Total comprehensive income and profit/(loss) for the period	**(192)**	(25 677)
RECONCILIATION OF NET ASSET VALUE TO CARRYING VALUE OF IZANDLA		
Net asset value	**44 033**	22 700
IPF's share of net asset value (35%)	**15 412**	7 945
Equity accounted losses	**(15 412)**	–
Carrying value of interest	**–**	7 945

13.2 OTHER FINANCIAL INSTRUMENTS
Total other financial instruments is made up as follows:

		Group		Company	
R'000	Notes	**2023**	2022	**2023**	2022
Irongate Group Holdings Funds management business	13.2.1	**59 614**	–	**–**	–
Investment in ITAP Fund Australia	13.2.2	**264 919**	–	**–**	–
94% Profit participating loans to PEL at fair value (FY22: 75%)	13.2.3	**9 211 323**	6 873 541		
Bridge loan to PEL	13.2.4.1	**11 162**	961 660		
Receivable from PEL Co-investor	13.2.4.2	**–**	121 514	**–**	–
Loan to Pan European Logistics Mauritius	13.2.4.3	**20 324**	–	**–**	–
Izandla Mezzanine loans	13.2.4.4	**247 866**	258 048	**247 866**	258 048
Loan to Property Co-investor	13.2.4.5	**30 457**	–	**–**	–
Shareholder Loan to Irongate Group JV	13.2.4.6	**11 290**	–	**–**	–
Total other financial instruments		**9 856 955**	8 214 763	**247 866**	258 048

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED
For the year ended 31 March 2023

13 FINANCIAL INSTRUMENTS CONTINUED
13.2 OTHER FINANCIAL INSTRUMENTS CONTINUED

	Group		Company	
13.2.1 **Irongate Group Holdings funds management business**[1]	**2023**	2022	**2023**	2022
Investment at fair value (50%)	**59 614**	–	**–**	–
Investment	**59 614**	–	**–**	–

Irongate Group balance sheet	**Group**
R'000	**2023**
Assets	
Current assets	
Cash and cash equivalents	**2 916 265**
Other receivables	**279 047**
Prepayments	**10 280**
Total current assets	**3 205 592**
Non-current assets	
Right-of-use asset	**367 123**
Office equipment at cost	**72 692**
Total non-current assets	**439 815**
Total assets	**3 645 407**
Liabilities	
Current liabilities	
Other payables	**1 060 000**
Income received in advance	**2 188 146**
Total current liabilities	**3 248 146**
Non-current liabilities	
Lease liability	**397 161**
Total non-current liabilities	**397 161**
Total liabilities	**3 645 307**
Equity	
Current year earnings	**100**
Share capital	
Total equity	**100**

1. The investment into Irongate Group Holdings funds management business was made on 29 March 2023 and therefore the profit/loss at fair value is insignificant to the Fund in the current year. As a result no income statement has been shown.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

13 FINANCIAL INSTRUMENTS CONTINUED

13.2 OTHER FINANCIAL INSTRUMENTS CONTINUED

13.2.2 Investment in Australia: Investment at fair value

	Group		Company	
Investment in ITAP Fund Australia	**2023**	2022	**2023**	2022
Investment associate in ITAP Fund (18.67%)[1]	**264 919**	–	**–**	–
	264 919	–	**–**	–

1. An acquisition of a co-investment stake in Irongate Templewater Australia Property Fund for an amount of A$22,22 million during the current financial year.

Irongate Templewater Australia Property Fund[1]

Quarterly Financial Statements

R'000	31 December 2022
Current assets	15 368
Cash and cash equivalents	14 498
Trade receivables	533
Other receivables	21
Prepayments	316
Loan receivables	–
Non-current assets	1 452 074
Investments at cost	1 189 521
Equity accounted investments	262 553
Current liabilities	139
Other payables	139
Unearned income	–
Loans payable	–
Equity	1 467 303
Capital contributions	1 227 434
Retained earnings	135 034
Current earnings	104 835

1. An investment into ITAP Fund Australia was made during the current financial year. The investment was entered into on 29 March 2023, the 29 March 2023 financial results are not yet available and will be available during the following financial year. The quarterly financial statements are based on the Irongate Templewater Australia Property Fund investor statement.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

13 FINANCIAL INSTRUMENTS CONTINUED

13.2 OTHER FINANCIAL INSTRUMENTS CONTINUED

13.2.3 Pan European Logistics: held at fair value

R'000	Group 2023	Group 2022
Pan-European logistics investment (PEL)		
Finance income accrual[1]	**159 834**	152 109
Profit participating loan asset	**9 051 489**	6 721 432
94% Profit participating loans to PEL at fair value (FY22: 75%)	**9 211 323**	6 873 541
Profit participating liability – effective 10% Minority interest (note 18.1)	**(1 011 030)**	(950 570)
Profit participating loan asset – IPF's effective 83.15% holding	**8 200 293**	5 922 971

1. Represents the unpaid portion of the income from investments earned by the fund through its investment in PEL.

PEL income statement[1]

Quality of earnings enhanced through strong contracted rent growth and cost rationalisation

R'm	12 months ended 31 March 2023	12 months ended 31 March 2022
Gross income	**1 041**	820
Net expense	**(87)**	(72)
Net property income	**954**	748
Asset management fees	**(141)**	(106)
Other operating expenses	**(127)**	(68)
Tax	**(56)**	(42)
Interest costs	**(339)**	(220)
Rental guarantee	**–**	122
Distributable earnings	**291**	434

PEL summarised balance sheet

R'm	31 March 2023	31 March 2022
Investment property	**21 189**	18 829
Derivative financial instruments	**540**	163
Trade and other receivables	**308**	407
Cash	**290**	243
Total assets	**22 327**	19 642
Shareholder interest	**8 233**	7 577
Total equity	**8 233**	7 577
Long-term borrowings	**11 337**	9 561
Other liabilities	**2 757**	2 504
Total liabilities	**14 094**	12 065
Total equity and liabilities	**22 327**	19 642*

* This amount was superseded as shown in note 31.

1. The financial information in PEL has been included during the current and prior year to enhance for disclosure, the financial information was not shown in the prior year.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

13 FINANCIAL INSTRUMENTS CONTINUED

13.2 OTHER FINANCIAL INSTRUMENTS CONTINUED

The Fund has joint control over the PEL portfolio and accounts for the investment as a joint venture classified as a financial asset at fair value through profit or loss. The total fair value of the investment in the joint venture comprises of an equity and a debt element, through the PPL's (Profit participating liabilities). As at 31 March 2023, after the purchase of an additional 19% from the previous JV partner during February 2023 for an amount of R1.8 billion (€95 million), the Fund holds a total of 94% in the PEL platform (FY22: 75%). The Fund is therefore entitled to 94% of the net rental income earned for an amount of R239 million (€12.09 million) on leasing the investment properties held by the underlying property companies held by PEL.

The PEL entities have an obligation to deliver the net returns to the fund and its joint venture partner via the profit participating loans (PPL's). These PPL's are valued at fair value through profit and loss.

Through it's 13% shareholding in IPF Luxembourg 2 Sarl ('IPF Lux 2') Pan-European Logistics Mauritius ('PELM') holds an effective 10% interest in PEL. This results in the Fund recognising a gross 94% right to receive cash flows as a financial asset at fair value and a liability of 10% of this right to receive cash flows as a financial liability.

13.2.4 LOANS AT AMORTISED COST

13.2.4.1 Pan-European logistics investment[1]	Group	
	2023	2022
Bridge loan to PEL[1]	**–**	956 638
Interest accrual[2]	**11 162**	5 022
Total bridge loan to PEL	**11 162**	961 660

1. The bridge loan granted to PEL was sold to a financial institution effective 23 March 2023.
2. Interest accrued on the loan up to the effective date of sale and was only settled by PEL by post 31 March 2023.

	Group		Company	
13.2.4.2 Receivable from PEL Co-investor	**2023**	2022	**2023**	2022
Interest free receivable[1]	**–**	121 514	**–**	–
	–	121 514	**–**	–

1. The loan to the previous PEL co-investor was settled in full as part of the purchase of the additional 19% interest in PEL by the Fund from the co-investor in the current year.

	Group		Company	
13.2.4.3 Loan to Pan European Logistics Mauritius[1]	**2023**	2022	**2023**	2022
Loan to Pan European Logistics Mauritius	**20 324**	–	**–**	–
	20 324	–	**–**	–

1. The receivable from the PEL Co-investor carries interest at 3 month Euribor + 2.5% and is repayable on 31 Oct 2025. The receivable is carried at amortised cost and the carrying amount approximates fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

13 FINANCIAL INSTRUMENTS CONTINUED

13.2 OTHER FINANCIAL INSTRUMENTS CONTINUED

	Group		Company	
13.2.4.4 Izandla Mezzanine loans	**2023**	2022	**2023**	2022
Mezzanine loans				
Senior mezzanine	**189 317**	195 134	**189 317**	195 134
Junior mezzanine[1]	**68 469**	62 914	**68 469**	62 914
Expected credit losses	**(9 920)**	–	**(9 920)**	–
Total	**247 866**	258 048	**247 866**	258 048

1. The loans of R96 million were provided for a period of five years ending 28 February 2023 and interest is charged at prime plus 350 basis points.

	Group		Company	
13.2.4.5 Loan to Property Co-investor	**2023**	2022	**2023**	2022
Receivable from co-investor - sale of property[1]	**23 814**	–	**–**	–
Receivable from co-investor - building improvements[2]	**6 643**	–	**–**	–
	30 457	–	**–**	–

1. During the current financial year, the Fund sold a 25% undivided share in a property. The purchaser was granted a loan at prime + 1% which is repayable in full within 10 years.
2. The Fund also granted a development loan for up to R20 million for building improvements to the purchaser. The loan carries interest at prime + 1% and is repayable in full at the end of the lease contract. As at 31 March 2023 R35.5 million was drawn on the loan, R25 million was not drawn as cash but consisted of a property sale.

	Group		Company	
13.2.4.6 Shareholder Loan to Irongate Group JV	**2023**	2022	**2023**	2022
Shareholder Loan to Irongate Group JV[1]	**11 290**	–	**–**	–
	11 290	–	**–**	–

1. The loan carries interest at the applicable rate of Bank Bill Swap Rates (BBSW) + 4% multiplied by the period applicable. Interest is capitalised within the relevant period.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
14	**TRADE AND OTHER RECEIVABLES**				
	Rental debtors	**59 702**	66 220	**42 908**	60 131
	Expected credit losses[1]	**(24 940)**	(34 107)	**(20 813)**	(29 538)
	Prepayments[2]	**167 946**	112 288	**132 295**	95 199
	Municipal deposits	**16 954**	16 910	**13 022**	12 779
	Sundry debtors	**42 733**	34 116	**38 950**	22 946
	Vat receivable	**24 150**	29 783	**–**	–
	Accrued recoveries	**49 569**	37 344	**40 311**	30 177
	Total	**336 114**	262 554	**246 673**	191 694

1. Expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the lease agreement and all the cash flows that the Fund expects to receive. For rental debtors and other trade receivables, the Fund applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date. The decrease in the current year is due to a reduction in COVID-19 defaults and deferrals provided.
2. Included in prepayments is tenant installations at R58.2 million (FY22: R32.3 million) for group and R36.7 million (FY22: R27.5 million) for company.

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
14.1	**MOVEMENT IN EXPECTED CREDIT LOSSES[1]**				
	Opening balance	**34 107**	44 611	**29 538**	34 752
	Charge for the year	**3 261**	11 848	**266**	10 868
	Written off	**(12 428)**	(22 352)	**(8 991)**	(16 082)
	Balance at the end of the year	**24 940**	34 107	**20 813**	29 538

1. The expected credit losses (ECLs) charge for the year is calculated based on lifetime ECLs.

		Group[1]		Company	
	R'000	**2023**	2022	**2023**	2022
15	**CASH AND CASH EQUIVALENTS**				
	Cash held on call account	**302 747**	235 778	**209 084**	196 774
	Cash and cash equivalents[1]	**302 747**	235 778	**209 084**	196 774

1. Cash for Group includes cash relating to tenant deposits of R79 million (2022: R74 million), municipal guarantees of R7 million (2022: R7 million) and revenue received in advance of R85 million (2022: R48 million).

   Cash for IPF includes cash relating to tenant deposits of R61 million (2022: R57 million), municipal guarantees of R7 million (2022: R7 million) and revenue received in advance of R69 million (2022: R39 million).

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

	Group		Company	
R'000	**2023**	2022	**2023**	2022
16 NON-CURRENT ASSETS HELD FOR SALE[1]				
INVESTMENT PROPERTY				
Office	**656 627**	–	**656 627**	–
Industrial	**52 000**	481 687	**52 000**	424 734
Retail	**390 000**	544 500	**390 000**	544 500
Total	**1 098 627**	1 026 187	**1 098 627**	969 234

1. The Fund intends to sell 9 properties with settlement taking place within 12 months of the reporting date and has presented those assets as non-current assets held for sale. For Company, 9 properties are held for sale. The non-current assets held for sale has been enhanced for disclosure in the current and prior year to further disaggregate the movements. The straight-line rental portion has been disclosed separately in the note.

	Group		Company	
Held for sale	**2023**	2022	**2023**	2022
Balance at the beginning of the year	**1 026 187**	167 000	**969 234**	167 000
Disposals	**(373 614)**	(25 000)	**(348 614)**	(25 000)
Developments and capital expenditure	**3 258**	13 726	**3 259**	14 062
Fair value adjustments	**–**	(39 411)	**–**	(39 518)
Straight-line rental adjustment	**505**	11 521	**505**	11 518
Transfer from Investment property	**871 365**	898 351	**871 363**	841 172
Transfer (to) Investment property	**(429 074)**	–	**(397 120)**	–
Total non-current assets held for sale	**1 098 627**	1 026 187	**1 098 627**	969 234
Held for sale made up as follows:	**1 098 627**	1 026 187	**1 098 627**	969 234
Non current assets held for sale excluding straight-lining	**1 066 761**	984 673	**1 066 761**	927 951
Straight-line rental asset relating to straight-lining	**31 866**	41 514	**31 866**	41 283

	Group		Company	
R'000	**2023**	2022	**2023**	2022
17 STATED CAPITAL				
Authorised				
2 000 000 000 ordinary shares				
Issued				
Opening issued number of shares	**804 918 444**	804 918 444	**804 918 444**	804 918 444
Shares in issue at year-end	**804 918 444**	804 918 444	**804 918 444**	804 918 444
Stated capital at year-end	**11 133 011**	11 133 011	**11 133 011**	11 133 011

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

18 BORROWINGS

		Group		Company	
	R'000	**2023**	2022	**2023**	2022
18.1	**BORROWINGS**				
	The balance at the end of the year comprises:				
	Long-term borrowings	**9 890 985**	7 749 948	**5 295 446**	5 024 797
	Long-term borrowings	**8 897 508**	6 774 388	**5 305 000**	5 035 945
	Bonds	**3 935 000**	3 765 000	**3 935 000**	3 765 000
	Bank Loans	**4 962 508**	3 009 388	**1 370 000**	1 270 945*
	Profit Participating Loans (PPL) – effective 10% minority interest[1]	**1 011 030**	950 570	**–**	–
	Capitalised fees	**(17 553)**	24 990	**(9 554)**	(11 148)
	Current portion of long-term borrowings[2]	**1 650 099**	1 884 117	**1 230 454**	925 000
	Long-term borrowings	**1 570 627**	1 884 117	**1 185 000**	925 000
	Commercial Paper	**500 000**	350 000	**500 000**	350 000
	Bank Loans	**385 627**	959 117	**–**	–
	Bonds	**685 000**	575 000	**685 000**	575 000
	Interest accrual on borrowings	**79 472**	–	**45 454**	–
	Total borrowings	**11 541 084**	9 634 065	**6 525 900**	5 949 797

The Fund has various bonds amounting to R4 620 million (2022: R4 340 million). These bonds have differing maturities ranging from 2023 to 2029. The weighted average interest rate charged on these bonds ranges from 8.85% to 9.46%.

The company has various bonds amounting to R4 620 million (2022: R4 340 million). These bonds have differing maturities ranging from 2023 to 2029. The weighted average interest rate charged on these bonds ranges from 8.85% to 9.46%.

The Fund has commercial paper amounting to R500 million (2022: R350 million), for both the group and company. This is a rolling facility. The weighted average interest rate charged on the commercial paper is 8.05% (2022: 3.68%).

The company has various bank loans with various banks amounting to R1 370 million (2022: R1 271 million*). These bonds have differing maturities ranging from 2023 to 2030. The majority of these borrowings are secured, as disclosed in note 12. The weighted average interest rate charged on these bonds ranges from 8.85% to 9.73%.

The Fund has various bank loans with various banks amounting to R5 348 million (2022: R3 969 million*). These bonds have differing maturities ranging from 2023 to 2030. The majority of these borrowings are secured, as disclosed in note 12. The weighted average interest rate charged on these bonds ranges from 3.52% to 9.73%.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ('SARB') has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group.

* This amount was superseded as shown in note 31.

1. Relates to the 10% share of Pan-European logistics investment sold to Pan-European Logistics Property Holdings Limited in the prior year.
2. Short-term borrowings are de-risked by the availability of R1.2 billion undrawn facilities and cash of R0.3 billion (2022 R1.2 billion and R0.2 billion respectively).

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

18 BORROWINGS CONTINUED

18.2 SUMMARY OF BORROWINGS FACILITIES

	Interest rate	Maturity Date
Loans – secured – Foreign term bank debt		
Standard Bank – Tranche 15A	3-month EURIBOR +2.34%	2025-02-28
Standard Bank – Tranche 15C	3-month EURIBOR +2.35%	2028-01-07
Nedbank Trance 6c	3-month EURIBOR +1.15%	2023-04-07
Standard Chartered Facility 1	3-month EURIBOR + 1.75%	2022-05-03
Standard Chartered Facility 2	3-month EURIBOR +1.8%	2026-01-31
Standard Chartered Facility 3	3-month EURIBOR +1.75%	2026-01-31
Standard Chartered Facility 4	3-month EURIBOR +1.75%	2026-01-31
Standard Chartered Facility 5	3-month EURIBOR +1.75%	2026-01-31
Standard Chartered Facility 6	3-month EURIBOR +1.75%	2026-01-31
Loans – unsecured – Foreign term bank debt		
Standard Bank – Tranche 25C	3-month EURIBOR +2.56%	2025-02-28
Loans – unsecured – Term bank debt		
Standard Bank Headroom Facility	3-month JIBAR + 1.80%	2024-01-31
Standard Bank – Tranche 25A	3-month JIBAR + 1.77%	2026-11-30
Investec General Banking Facility	3-month JIBAR +2.63%	2023-12-01
Standard Bank headroom facility	Prime -1.6%	2023-12-31
Standard Bank – Tranche 18C General Banking Facility	3-month JIBAR + 1.70%	2023-12-31
Standard Bank – Tranche 22B	3-month JIBAR + 1.67%	2023-12-15
Standard Bank – Tranche 24B General Banking Facility	3-month JIBAR + 1.85%	2024-05-03
Standard Bank – Tranche 25C	3-month JIBAR + 1.90%	2027-11-30
Standard Bank – Tranche 18B	3-month JIBAR +1.70%	2023-11-28
Loans – unsecured – Corporate bonds /DMTN programme		
Commercial Paper IPFC36	3-month JIBAR + 0.53%	2022-05-10
Commercial Paper IPFC41	3-month JIBAR + 0.60%	2023-05-26
Note IPF 30	3-month JIBAR + 1.60%	2024-03-25
Note IPF 31	3-month JIBAR +1.83%	2026-03-25
Note IPF 37	3-month JIBAR +1.50%	2026-02-23
Note IPF 38	3-month JIBAR +1.70%	2028-02-23
Note IPF 39	3-month JIBAR +1.70%	2029-02-23
Note IPF25	3-month JIBAR +1.70%	2023-10-15
Note IPFG01	3-month JIBAR +1.90%	2024-06-22
Note IPF22 DMTN	3-month JIBAR +1.80%	2022-06-14
Note IPF24 DMTN	3-month JIBAR +1.70%	2023-02-05
Loans - unsecured - HQLA		
Note IPF26	3-month JIBAR +1.70%	2023-11-09
Note IPF27	3-month JIBAR +1.80%	2024-11-09
Note IPF 33	3-month JIBAR +1.75%	2024-12-12
Note IPF 32	3-month JIBAR +1.82%	2026-07-01
Note IPF 34	3-month JIBAR +1.75%	2026-12-15
Note IPFG02	3-month JIBAR +1.4%	2026-02-23
Note IPF 35	3-month JIBAR +1.65%	2028-02-23
Note IPF 36	3-month JIBAR +1.75%	2029-02-23

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

For the year ended 31 March 2023			For the year ended 31 March 2022			**Group**	Group
	Group	**Company**		Group	Company	**2023**	2022
Total Facility (R'000)	**Drawn (R'000)**	**Drawn (R'000)**	Total Facility (R'000)	Drawn (R'000)	Drawn (R'000)	**Foreign profile (€'000)**	Foreign profile (€'000)
173 532	**173 532**	**–**	146 306	146 306	–	**9 000**	9 000
385 627	**385 627**	**–**	–	–	–	**20 000**	–
385 627	**385 627**	**–**	–	–	–	**20 000**	–
–	**–**	**–**	650 249	650 249	–	**–**	40 000
192 813	**192 813**	**–**	162 562	162 562	–	**10 000**	10 000
173 532	**173 532**	**–**	146 306	146 306	–	**9 000**	9 000
115 688	**115 688**	**–**	97 537	97 537	–	**6 000**	6 000
57 844	**57 844**	**–**	48 769	48 769	–	**3 000**	3 000
231 376	**231 376**	**–**	195 075	195 075	–	**12 000**	12 000
1 716 039	**1 716 039**	**–**	**1 446 804**	**1 446 804**	**–**	**89 000**	**89 000**
212 095	**212 095**	**–**	178 820	178 820	–	**11 000**	11 000
200 000	**–**	**–**	–	–	–	**–**	–
200 000	**–**	**–**	–	–	–	**–**	–
–	**–**	**–**	301 516	301 516	301 516	**–**	–
–	**–**	**–**	300 000	–	–	**–**	–
–	**–**	**–**	300 000	–	–	**–**	–
–	**–**	**–**	200 000	–	–	**–**	–
–	**–**	**–**	150 000	–	–	**–**	–
250 000	**–**	**–**	–	–	–	**–**	–
–	**–**	**–**	150 000	150 000	–	**–**	–
650 000	**–**	**–**	**1 401 516**	**451 516**	**301 516**	**–**	**–**
	–	**–**	350 000	350 000	350 000		
500 000	**500 000**	**500 000**	–	–	–		
300 000	**300 000**	**300 000**	300 000	300 000	300 000		
400 000	**400 000**	**400 000**	400 000	400 000	400 000		
230 000	**230 000**	**230 000**	–	–	–		
480 000	**480 000**	**480 000**	–	–	–		
200 000	**200 000**	**200 000**	–	–	–		
85 000	**85 000**	**85 000**	85 000	85 000	85 000		
800 000	**800 000**	**800 000**	800 000	800 000	800 000		
–	**–**	**–**	150 000	150 000	150 000		
–	**–**	**–**	300 000	300 000	300 000		
2 995 000	**2 995 000**	**2 995 000**	**2 385 000**	**2 385 000**	**2 385 000**		
–	**–**	**–**	600 000	600 000	600 000		
–	**–**	**–**	280 000	280 000	280 000		
–	**–**	**–**	400 000	400 000	400 000		
250 000	**250 000**	**250 000**	250 000	250 000	250 000		
240 000	**240 000**	**240 000**	–	–	–		
550 000	**550 000**	**550 000**	–	–	–		
335 000	**335 000**	**335 000**	–	–	–		
100 000	**100 000**	**100 000**	–	–	–		
1 475 000	**1 475 000**	**1 475 000**	**1 530 000**	**1 530 000**	**1 530 000**		

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

18 BORROWINGS CONTINUED

	Interest rate	Maturity Date
Loans - secured - ZAR term bank debt		
IBL T24	3-month JIBAR +1.85%	2024-05-03
Standard Bank - Tranche 18A	3-month JIBAR +1.81%	2024-11-28
Rand Merchant Bank- Tranche 21 Facility A	3-month JIBAR +1.95%	2023-12-04
Rand Merchant Bank- Tranche 21 Facility B	3-month JIBAR +2.05%	2024-12-04
Nedbank Tranche 6B	3-month JIBAR +1.05%	2023-12-31
Standard Bank Tranche 22A	3-month JIBAR +1.95%	2025-12-15
Standard Bank Tranche 31A	3-month JIBAR +1.61%	2026-02-23
Standard Bank Tranche 23	3-month JIBAR +1.62%	2026-05-31
Standard Bank Tranche 25B	3-month JIBAR +1.77%	2027-11-30
Standard Bank Tranche 25D	3-month JIBAR +1.85%	2028-11-30
Standard Bank Tranche 25E	3-month JIBAR +1.95%	2029-11-30
Rand Merchant Bank Tranche 21C	3-month JIBAR +2.20%	2025-12-04
Rand Merchant Bank Tranche 28	3-month JIBAR +1.90%	2026-12-23
ABSA Tranche 26C	3-month JIBAR +1.85%	2028-12-23
ABSA Tranche 26B	3-month JIBAR +1.75%	2028-01-27
ABSA Tranche 26A	3-month JIBAR +1.65%	2026-12-24
Nedbank Tranche 30	3-month JIBAR +1.60%	2028-02-23
Nedbank Tranche 27B	3-month JIBAR +1.60%	2028-02-24
Nedbank Tranche 27A	3-month JIBAR +1.50%	2026-02-23

Loans - secured - Corporate bonds /DMTN programme		
Note IPF 19 (Libfin) DMTN	3-month JIBAR + 1.80%	2022-12-22
Note IPF 34	3-month JIBAR +1.8%	2024-02-16
Note IPF23U DMTN	3-month JIBAR +1.83%	2024-11-02

	For the year ended 31 March 2023	
	Group	**Company**
Total ZAR borrowings – unsecured	**4 470 000**	**4 470 000**
Total EUR borrowings – unsecured	**212 095**	**–**
Total ZAR borrowings – secured	**4 070 000**	**2 020 000**
Total EUR borrowings – secured	**1 716 039**	**–**
Total drawn amount	**10 468 134**	**6 490 000**
Add: Other borrowings[1]	**1 011 030**	**–**
Less: Amortised fees	**(17 553)**	**(9 554)**
Add: Accrued interest	**79 472**	**45 454**
Total borrowings	**11 541 084**	**6 525 900**

1. Other borrowings relate to the minority interest PPL liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

For the year ended 31 March 2023			For the year ended 31 March 2022		
	Group	**Company**		Group	Company
Total Facility (R'000)	**Drawn (R'000)**	**Drawn (R'000)**	Total Facility (R'000)	Drawn (R'000)	Drawn (R'000)
–	**–**	**–**	151 365	151 365	151 365
–	**–**	**–**	700 000	700 000	–
–	**–**	**–**	100 000	100 000	100 000
–	**–**	**–**	150 000	150 000	150 000
–	**–**	**–**	250 000	–	–
250 000	**250 000**	**–**	250 000	250 000	–
300 000	**300 000**	**–**	–	–	–
470 000	**370 000**	**370 000**	470 000	440 000	440 000
190 000	**190 000**	**–**	–	–	–
310 000	**310 000**	**–**	–	–	–
400 000	**400 000**	**–**	–	–	–
100 000	**100 000**	**100 000**	100 000	100 000	100 000
250 000	**250 000**	**250 000**	–	–	–
200 000	**200 000**	**200 000**	–	–	–
100 000	**100 000**	**100 000**	–	–	–
260 000	**–**	**–**	–	–	–
600 000	**600 000**	**–**	–	–	–
300 000	**100 000**	**100 000**	–	–	–
250 000	**250 000**	**250 000**	–	–	–
3 980 000	**3 420 000**	**1 370 000**	**2 171 365**	**1 891 365**	**941 365**
–	**–**	**–**	125 000	125 000	125 000
300 000	**300 000**	**300 000**	300 000	300 000	300 000
350 000	**350 000**	**350 000**	350 000	350 000	350 000
650 000	**650 000**	**650 000**	**775 000**	**775 000**	**775 000**

For the year ended 31 March 2022	
Group	Company
4 366 516	4 216 516
178 820	–
2 666 365	1 716 365
1 446 804	–
8 658 505	**5 932 881**
950 570	–
(14 362)	(11 151)
39 352	28 065
9 634 065	**5 949 795**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

18 BORROWINGS CONTINUED

18.3 RECONCILIATION OF BORROWINGS

	Group		Company	
R'000	**2023**	2022	**2023**	2022
Opening balance	**9 634 065**	10 325 309	**5 949 797**	4 993 089
Proceeds from bank loans	**8 000 087**	2 848 413	**4 211 500**	2 648 413
Proceeds from bonds	**2 135 000**	800 000	**2 135 000**	800 000
Proceeds from commercial paper	**1 459 000**	1 350 000	**1 459 000**	1 350 000
Repayment of bank loans	**(6 912 703)**	(3 932 527)	**(4 081 500)**	(2 158 413)
Repayment of bonds	**(1 855 000)**	(325 000)	**(1 855 000)**	(325 000)
Repayment of commercial paper	**(1 309 000)**	(1 400 000)	**(1 309 000)**	(1 400 000)
Outside shareholders interest in PEL	**60 459**	23 109	**–**	–
Amortised fees	**(5 925)**	11 184	**1 597**	(88)
Accrued interest	**40 120**	41 796	**14 506**	41 796
Foreign exchange	**294 981**	(108 219)	**–**	–
Closing balance	**11 541 084**	9 634 065	**6 525 900**	5 949 797

19 TRADE AND OTHER PAYABLES

	Group		Company	
R'000	**2023**	2022	**2023**	2022
Accrued expenses	**291 677**	259 272	**242 013**	218 533
Tenant deposits	**78 907**	74 051	**61 161**	57 365
Trade and other creditors	**129 738**	96 028	**66 513**	64 724
Value added tax creditor	**25 223**	34 728	**24 532**	33 463
Income received in advance	**85 064**	47 698	**68 764**	39 044
Total	**610 609**	511 777	**462 983**	413 129

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

	Group		Company	
R'000	2023	2022	2023	2022
20 CASH GENERATED FROM OPERATIONS[1]				
Profit before taxation	**175 035**	1 032 114	**653 176**	583 714
Adjusted for:				
(Loss)/profit on disposal of investment property	**25 189**	(3 101)	**25 493**	(7 258)
Loss on derecognition of financial instruments	**100 053**	–	**–**	–
Income from investments	**(239 776)**	(372 180)	**–**	–
Finance costs	**521 586**	591 778	**498 639**	484 536
Finance income	**(89 254)**	(61 534)	**(322 471)**	(265 648)
Equity accounted losses from associate	**7 945**	8 987	**7 945**	8 987
Expected credit losses on financial instruments	**9 920**	–	**77 334**	202 668
Non-cash items	**516 355**	(169 097)	**147 486**	36 557
Working capital movement	**25 272**	143 221	**(568 679)**	(882 720)
(Increase)/decrease in trade and other receivables[2]	**(73 560)**	56 161	**(54 979)**	91 573
Increase in trade and other payables[3]	**98 832**	87 060	**49 854**	50 921
(Increase) in intercompany loans receivable[4]	**–**	–	**(551 067)**	(1 069 555)
(Decrease)/increase in intercompany loans payable[4]	**–**	–	**(12 487)**	44 341
Cash generated from operations	**1 052 325**	1 170 188	**518 923**	160 836

Non-cash items

	Group 2023	Group 2022	Company 2023	Company 2022
Fair value, foreign exchange gains/(losses) and other adjustments on financial instruments	**392 474**	(581 129)	**(42 945)**	(270 508)
Fair value adjustment on investment property	**129 833**	390 981	**124 981**	282 169
Expected credit losses	**4 559**	11 848	**1 563**	10 868
Amortisation of tenant incentives	**29 291**	22 409	**23 033**	20 374
Reclassification of tenant incentives from investment property	**(25 908)**	(32 300)	**(9 169)**	(27 528)
Amortisation of letting commission	**30 482**	23 480	**26 921**	19 008
Straight-line rental revenue adjustment	**15 839**	25 857	**12 047**	31 932
Loss on sale of co-investor loan	**(21 905)**	–	**–**	–
Accrued expenses relating to the PEL investment	**(52 855)**	–	**–**	–
Other	**14 545**	(30 243)	**11 055**	(29 758)
Total non-cash items	**516 355**	(169 097)	**147 486**	36 557

1. This note has been enhanced for disclosure to arrive at cash generated from operations. All items adjusted in profit before tax have been included on a more disaggregated basis.
2. This 2022 movement represents the movement in trade and other receivables from 31 March 2021 (2022: R1 027 992) to 31 March 2022 excluding the proceeds from sale of joint venture and associates of R709 277 that is shown separately on the cash flow statement. There was no profit or loss as it was held at fair value.
3. This 2022 movement represents the movement in trade and other payables from 31 March 2021 (2022: R783 083) to 31 March 2022 excluding the final dividend declared in respect of 31 March 2022 that is shown on the face of the cash flow statement (together with the half year dividend declared for year ending 31 March 2022).
4. Intercompany receivables and payables is presented in the cash generated from operations note for both current and prior year. This was enhanced from the presentation in the prior year. Intercompany loan movements represent funding by related parties of the day-to-day activities.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

21 BORROWING POWERS

The borrowing capacity of the Fund is unlimited in terms of its Memorandum of Incorporation.

	Group		Company	
R'000	**2023**	2022	**2023**	2022
22 CAPITAL COMMITMENTS[1]				
Authorised and contracted	**78 870**	33 372	**24 984**	5 060
	78 870	33 372	**24 984**	5 060

1. Capital commitments relate to development work that has been contracted but not completed (and therefore the Fund is not liable) at 31 March 2023.

	Group		Company	
R'000	**2023**	2022	**2023**	2022
23 MINIMUM CONTRACTED RENTAL				
The Fund leases a number of retail, office and industrial properties under operating leases, which typically run for a period of 3 to 5 years.				
Contractual amounts receivable in terms of operating lease agreements:				
Less than 1 year	**1 208 794**	1 263 133	**1 006 283**	1 061 489
Between 1 and 5 years	**2 451 441**	2 726 655	**2 155 313**	2 362 836
Between 1 and 2 years	**927 849**	1 051 311	**790 035**	878 297
Between 2 and 3 years	**645 599**	752 372	**572 911**	645 371
Between 3 and 4 years	**533 245**	508 950	**484 546**	456 682
Between 4 and 5 years	**344 748**	414 022	**307 821**	382 486
More than 5 years	**1 063 463**	1 513 264	**1 000 319**	1 423 568
	4 723 698	5 503 052	**4 161 915**	4 847 893

Lessees are entitled to the use of the properties leased to them for their own business purposes for the duration of the contracted lease period.

All leases currently take the form of operating leases as per IFRS 16: Leases as no lease transfers substantially all the risks and rewards of incidental ownership to the lessee.

The Fund is exposed to changes in the residual value of properties at the end of the current lease agreements. The residual value active management of its property portfolio with the objective of optimising the tenant mix in order to achieve the largest weighted average lease term possible, minimise vacancy rates across all properties and minimise the turnover of tenants with high quality credit ratings.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

24 RELATED PARTIES

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

	Group		Company	
R'000	**2023**	2022	**2023**	2022
Investec Property (Proprietary) Limited[1]				
Asset management fees	**(74 145)**	(75 915)	**(89 411)**	(63 971)
Letting commissions and fees	**(21 903)**	(37 775)	**(16 693)**	(33 311)
Irongate JV Australia				
Equity Investment	**59 614**	–	**–**	–
Shareholder loan	**11 290**	–	**–**	–
Investment in ITAP Fund Australia	**264 919**	–	**–**	–
Izandla Property Fund[2]				
Movement in equity investment	**(7 945)**	(8 987)	**(7 945)**	(8 987)
Movement in loans receivable	**(10 182)**	3 152	**(10 182)**	3 152
Finance income from associates	**34 493**	27 660	**34 493**	27 660
Pan-European logistics investment[3]				
Fair value of profit participating loans to PEL entities	**9 051 489**	6 721 432	**–**	–
Bridge loan to PEL entities	**11 162**	1 083 174	**–**	–
Finance income from joint venture	**159 834**	152 109	**–**	–
Pan-European light industrial investment[4]				
Finance income accrual from associate	**–**	4 433	**–**	–
Investec Property Fund Offshore Investments (Proprietary Limited)				
Interest received	**–**	–	**273 886**	229 141
Investec Bank Limited Group[5]				
Cash and cash equivalents	**212 426**	123 215	**143 678**	101 621
Borrowings**	**–**	(151 365)	**–**	(151 365)
Fair value of derivative instruments	**6 851**	52 653	**74 287**	28 480
Nominal value of swap derivatives*	**2 492 245**	1 033 717	**–**	–
Nominal value of interest rate swaps*	**2 803 126**	2 969 000	**2 067 500**	2 619 000
Nominal value of FEC's	**344 725**	(8 369)	**344 725**	(8 369)
Rentals and recoveries received	**73 420**	74 816	**73 420**	74 816
Interest received	**14 659**	7 242	**11 479**	7 242
Sponsor fees paid	**(282)**	(270)	**(282)**	(270)
Corporate advisory and structuring fees paid	**(22 868)**	(11 081)	**(687)**	(3 486)
Interest paid on related party borrowings	**(28 862)**	(21 646)	**(28 862)**	(16 460)
Net interest received on cross currency swaps	**96 326**	98 847	**–**	–
Interest paid on interest rate swaps	**(34 681)**	(87 802)	**(28 852)**	(76 661)

* The 2022 amount for the nominal value of swap derivatives was not disclosed in the prior year annual financial statements and is enhanced for disclosure by presenting the nominal value of swap derivatives for 2022. The nominal value of interest rate swap derivatives was incorrectly denoted with brackets during the prior year, the was corrected during the current year.

** The borrowings number in the company prior year was denoted without brackets. This has been corrected in the current year.

1. Fellow subsidiary and key management entity.
2. Related party as Izandla is an associate of the fund. The finance income relates to mezzanine loans provided to Izandla.
3. Related party as a joint venture of the Fund.
4. PELI was an associate of the Fund.
5. Group company into which IPF is consolidated.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

24 RELATED PARTIES CONTINUED

For the year ended 31 March			Investment at book value		Intercompany loan receivable	
Company	**% held 2023**	% held 2022	**2023**	2022	**2023**	2022
Bethlehem Property Development Proprietary Limited	**100**	100	**–**	25 505	**–**	342 777
Double Flash Investments Proprietary Limited	**100**	100	**40 364**	58 137	**–**	–
Erf 145 Isando Properties Proprietary Limited	**100**	100	**110 774**	110 774	**–**	1 356
Farm Rietfontein (RF) 31 Proprietary Limited	**100**	100	**73 250**	73 250	**–**	5 370
Fleurdal Properties Proprietary Limited	**100**	100	**182 502**	182 502	**128 386**	128 386
Friedshelf 113 Proprietary Limited	**100**	100	**237 253**	256 020	**479 148**	479 149
Investec Property Fund Offshore Investments Proprietary Limited ('IPFO')	**100**	100	**–**	–	**–**	–
Lekup Property Company 6 Proprietary Limited	**100**	100	**20 256**	20 256	**–**	1 000
Listani Proprietary Limited	**100**	100	**561 405**	561 405	**–**	–
Spareprops Proprietary Limited	**100**	100	**134 844**	134 844	**216 974**	216 974
Torte Trade and Investment Proprietary Limited[1]	**100**	100	**–**	–	**–**	–
Closing balance			**1 360 648**	1 422 693	**824 508**	1 175 012

1. Investment deemed not material.

The Fund continues to hold 100% direct investments in eleven subsidiaries (2022: eleven subsidiaries) and indirectly holds 100% in one subsidiary (2022: one subsidiary) through Investec Property Offshore Investments.

In 2023, the impairment loss of R62 million (2022: R202.6 million) represented the write-down of investments in subsidiaries to the recoverable amount as a result of impairment of investment property in the underlying investments. This was recognised in the statement of profit or loss. The recoverable amount is based on fair value less costs of disposal, based on the fair value of the underlying investment properties. The investment properties were valued using the income capitalisation method, which is a level 3 valuation. The key assumptions used in valuing the underlying investment property includes expected rental value, equivalent yield and long-term vacancy rate.

Intercompany loans receivable and payable

For the year ended 31 March	Company Loans receivable		Company Loans payable	
R'000	**2023**	2022	**2023**	2022
Bethlehem Property Development Proprietary Limited	**–**	–	**(67 222)**	(409 921)
Double Flash Investments Proprietary Limited	**2 255**	–	**–**	(942)
Erf 145 Isando Properties Proprietary Limited	**–**	–	**(110 600)**	(112 647)
Farm Rietfontein (RF) 31 Proprietary Limited	**–**	–	**(7 947)**	(7 165)
Fleurdal Properties Proprietary Limited	**80 237**	63 732	**–**	–
Friedshelf 113 Proprietary Limited	**104 452**	26 156	**–**	–
Investec Property Fund Offshore Investments Proprietary Limited ("IPFO")	**2 946 686**	2 251 062	**–**	–
Lekup Property Company 6 Proprietary Limited	**–**	–	**(20 231)**	(21 231)
Listani Proprietary Limited	**–**	–	**(98 070)**	(107 652)
Spareprops Proprietary Limited	**–**	–	**(36 539)**	(38 669)
Torte Trade and Investment Proprietary Limited	**54**	54	**–**	–
Closing balance	**3 133 684**	2 341 004	**(340 609)**	(698 227)

The loans are interest free and are repayable on demand with the exception of IPFO. The IPFO loan accrues interest at a rate of 13%.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

For any items displayed at fair value in the tables below, the carrying value approximates the fair value.

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT

25.1 TOTAL ASSETS AND LIABILITIES

Group

The table below sets out the Fund's accounting classification of each class of asset and liability and their fair values at 31 March 2023

R'000	Held at fair value[1]	Amortised cost	Non-financial instruments	Total
ASSETS				
Non-current assets	**9 726 935**	**321 099**	**13 503 474**	**23 551 508**
Investment property	–	–	13 178 659	**13 178 659**
Straight-line rental revenue adjustment	–	–	324 815	**324 815**
Investment in associates and joint venture	–	–	–	**–**
Derivative financial instruments[1]	191 079	–	–	**191 079**
Other financial instruments	9 535 856	321 099	–	**9 856 955**
Current assets	**94 876**	**446 765**	**1 290 723**	**1 832 364**
Trade and other receivables	–	144 018	192 096	**336 114**
Cash and cash equivalents	–	302 747	–	**302 747**
Derivative financial instruments[1]	94 876	–	–	**94 876**
Non-current assets held for sale	–	–	1 098 627	**1 098 627**
Total assets	**9 821 811**	**767 864**	**14 794 197**	**25 383 872**
LIABILITIES				
Non-current liabilities	**1 160 213**	**8 879 955**	**–**	**10 040 168**
Long-term borrowings	1 011 030	8 879 955	–	**9 890 985**
Derivative financial instruments[1]	149 183	–	–	**149 183**
Current liabilities	**69 451**	**2 150 421**	**110 287**	**2 330 159**
Trade and other payables	–	500 322	110 287	**610 609**
Long-term borrowings	–	1 650 099	–	**1 650 099**
Derivative financial instruments[1]	69 451	–	–	**69 451**
Total liabilities	**1 229 664**	**11 030 376**	**110 287**	**12 370 327**

1. All items are mandatorily held at fair value except for long-term borrowings which are designated at fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED
For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.1 TOTAL ASSETS AND LIABILITIES CONTINUED

For the year ended 31 March 2022

R'000	Held at fair value[1]	Amortised cost	Non-financial instruments	Total
Total assets and liabilities				
The table below sets out the Fund's accounting classification of each class of asset and liability and their fair values at 31 March 2022				
ASSETS				
Non-current assets	7 113 783	1 341 222	13 877 306	**22 332 311**
Investment property	–	–	13 515 379	**13 515 379**
Straight-line rental revenue adjustment	–	–	353 982	**353 982**
Investment in associates and joint venture	–	–	7 945	**7 945**
Derivative financial instruments[1]	240 242	–	–	**240 242**
Other financial instruments	6 873 541	1 341 222	–	**8 214 763**
Current assets	182 668	356 261	1 168 258	**1 707 187**
Trade and other receivables	–	120 483	142 071	**262 554**
Cash and cash equivalents	–	235 778	–	**235 778**
Derivative financial instruments[1]	182 668	–	–	**182 668**
Non-current assets held for sale	–	–	1 026 187	**1 026 187**
Total assets	7 296 451	1 697 483	15 045 564	**24 039 498**
LIABILITIES				
Non-current liabilities	1 109 428	6 799 378	–	**7 908 806**
Long-term borrowings	950 570	6 799 378	–	**7 749 948**
Derivative financial instruments[1]	158 858	–	–	**158 858**
Current liabilities	82 709	2 313 468	82 426	**2 478 603**
Trade and other payables	–	429 351	82 426	**511 777**
Long-term borrowings	–	1 884 117	–	**1 884 117**
Derivative financial instruments[1]	82 709	–	–	**82 709**
Total liabilities	1 192 137	9 112 846	82 426	**10 387 409**

1. All items are mandatorily held at fair value except for long term borrowings which are designated at fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.1 TOTAL ASSETS AND LIABILITIES CONTINUED

For the year ended 31 March 2023

R'000	Held at fair value[1]	Amortised cost	Non-financial instruments	Total
Company				
The table below sets out the Fund's accounting classification of each class of asset and liability and their fair values at 31 March 2023				
ASSETS				
Non-current assets	**142 200**	**1 072 374**	**12 391 158**	**13 605 732**
Investment property	–	–	10 754 099	**10 754 099**
Straight-line rental revenue adjustment	–	–	276 411	**276 411**
Investment in associates and joint venture	–	–	–	**–**
Investment in subsidiaries	–	824 508	1 360 648	**2 185 156**
Derivative financial instruments[1]	142 200	–	–	**142 200**
Other financial instruments	–	247 866	–	**247 866**
Current assets	**29 797**	**3 457 146**	**1 230 922**	**4 717 865**
Intercompany loans receivable	–	3 133 684	–	**3 133 684**
Trade and other receivables	–	114 378	132 295	**246 673**
Cash and cash equivalents	–	209 084	–	**209 084**
Derivative financial instruments[1]	29 797	–	–	**29 797**
Non-current assets held for sale	–	–	1 098 627	**1 098 627**
Total assets	**171 997**	**4 529 520**	**13 622 080**	**18 323 597**
LIABILITIES				
Non-current liabilities	**33 725**	**5 295 446**	**–**	**5 329 171**
Long-term borrowings	–	5 295 446	–	**5 295 446**
Derivative financial instruments[1]	33 725	–	–	**33 725**
Current liabilities	**14 792**	**1 940 750**	**93 296**	**2 048 838**
Intercompany loans payable	–	340 609	–	**340 609**
Trade and other payables	–	369 687	93 296	**462 983**
Long-term borrowings	–	1 230 454	–	**1 230 454**
Derivative financial instruments[1]	14 792	–	–	**14 792**
Total liabilities	**48 517**	**7 236 196**	**93 296**	**7 378 009**

1. All items are mandatorily held at fair value except for long-term borrowings which are designated at fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.1 TOTAL ASSETS AND LIABILITIES CONTINUED

For the year ended 31 March 2022

R'000	Held at fair value[1]	Amortised cost	Non-financial instruments	Total
Total assets and liabilities				
The table below sets out the Fund's accounting classification of each class of asset and liability and their fair values at 31 March 2022				
ASSETS				
Non-current assets	205 213	1 433 060	12 968 775	**14 607 048**
Investment property	–	–	11 236 120	**11 236 120**
Straight-line rental revenue adjustment	–	–	302 017	**302 017**
Investment in associates and joint venture	–	–	7 945	**7 945**
Investment in subsidiaries	–	1 175 012	1 422 693	**2 597 705**
Derivative financial instruments[1]	205 213	–	–	**205 213**
Other financial instruments	–	258 048	–	**258 048**
Current assets	99 468	2 634 273	1 064 433	**3 798 174**
Intercompany loans receivable	–	2 341 004	–	**2 341 004**
Trade and other receivables	–	96 495	95 199	**191 694**
Cash and cash equivalents	–	196 774	–	**196 774**
Derivative financial instruments[1]	99 468	–	–	**99 468**
Non-current assets held for sale	–	–	969 234	**969 234**
Total assets	304 681	4 067 333	14 033 208	**18 405 222**
LIABILITIES				
Non-current liabilities	143 019	5 024 797	–	**5 167 816**
Long-term borrowings	–	5 024 797	–	**5 024 797**
Derivative financial instruments[1]	143 019	–	–	**143 019**
Current liabilities	95 058	1 963 849	72 507	**2 131 414**
Intercompany loans payable	–	698 227	–	**698 227**
Trade and other payables	–	340 622	72 507	**413 129**
Long-term borrowings	–	925 000	–	**925 000**
Derivative financial instruments[1]	95 058	–	–	**95 058**
Total liabilities	238 077	6 988 646	72 507	**7 299 230**

1. All items are mandatorily held at fair value except for long-term borrowings which are designated at fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

	Group				
R'000	Carried at fair value	Level 1	Level 2	Level 3	Carried at amortised cost
25.2 FAIR VALUE HIERARCHY AT 31 MARCH 2023					
Assets					
Investment Property	**13 178 659**	–	–	13 178 659	**–**
Derivative financial instruments	**285 955**	–	285 955	–	**–**
Other financial instruments	**9 535 856**	–	–	9 535 856	**321 099**
Trade and other receivables[2]	**–**	–	–	–	**144 018**
Cash and cash equivalents	**–**	–	–	–	**302 747**
Non-current assets held for sale	**1 098 627**	–	–	1 098 627	**–**
Total financial assets	**24 099 097**	**–**	**285 955**	**23 813 142**	**767 864**
Liabilities					
Derivative financial instruments	**218 634**	–	218 634	–	**–**
Long-term borrowings (including current)	**1 011 030**	–	–	1 011 030	**10 530 054**
Trade and other payables[3]	**–**	–	–	–	**500 322**
Total financial liabilities	**1 229 664**	**–**	**218 634**	**1 011 030**	**11 030 376**

R'000	Carried at fair value	Level 1	Level 2	Level 3	Carried at amortised cost
FAIR VALUE HIERARCHY at 31 March 2022					
Assets					
Investment Property[1]	13 515 379	–	–	13 515 379	–
Derivative financial instruments	422 910	–	422 910	–	–
Other financial instruments	6 873 541	–	–	6 873 541	1 341 222
Trade and other receivables[2]	–	–	–	–	120 483
Cash and cash equivalents	–	–	–	–	235 778
Non-current asset held for sale[1]	1 026 187	–	–	1 026 187	–
Total financial assets	21 838 017	–	422 910	21 415 107	1 697 483
Liabilities					
Derivative financial instruments	241 567	–	241 567	–	–
Long-term borrowings (including current)	950 570	–	–	950 570	8 683 495
Trade and other payables[3]	–	–	–	–	429 351
Total financial liabilities	1 192 137	–	241 567	950 570	9 112 846

1. Enhanced disclosure for investment property and non-current assets held for sale during the prior year were erroneously not shown as part of this fair value hierachy table
2. Trade and other receivables exclude prepayments and value added tax which are non-financial instruments.
3. Trade and other payables exclude revenue received in advance as these are non-financial instruments.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

	Company				
R'000	Carried at fair value	Level 1	Level 2	Level 3	Carried at amortised cost
25.2 FAIR VALUE HIERARCHY at 31 March 2023					
Assets					
Investment Property	**10 754 099**	–	–	10 754 099	**–**
Other financial instruments	**–**	–	–	–	**247 866**
Investment in subsidiaries	**–**	–	–	–	**824 508**
Intercompany loans receivable	**–**	–	–	–	**3 133 684**
Derivative financial instruments	**171 997**	–	171 997	–	**–**
Trade and other receivables[3]	**–**	–	–	–	**114 378**
Cash and cash equivalents	**–**	–	–	–	**209 084**
Non-current assets held for sale	**1 098 627**	–	–	1 098 627	**–**
Total financial assets	**12 024 723**	**–**	**171 997**	**11 852 726**	**4 529 520**
Liabilities					
Derivative financial instruments	**48 517***	–	48 517	–	**–**
Borrowings	**–**	–	–	–	**6 525 900**
Intercompany loans payable	**–**	–	–	–	**340 609**
Trade and other payables[4]	**–**	–	–	–	**369 687**
Total financial liabilities	**48 517***	**–**	**48 517**	**–**	**7 236 196**

R'000	Carried at fair value	Level 1	Level 2	Level 3	Carried at amortised cost
FAIR VALUE HIERARCHY at 31 March 2022					
Assets					
Investment Property[1]	11 236 120	–	–	11 236 120	–
Other financial instruments	–	–	–	–	258 048
Investment in subsidiaries	–	–	–	–	1 175 012
Intercompany loans receivable	–	–	–	–	2 341 004
Derivative financial instruments	304 681	–	304 681	–	–
Trade and other receivables[3]	–	–	–	–	96 495
Cash and cash equivalents	–	–	–	–	196 774
Non-current assets held for sale[2]	969 234	–	–	969 234	–
Total financial assets	12 510 035	–	304 681	12 205 354	4 067 333
Liabilities					
Derivative financial instruments	238 077	–	238 077	–	–
Borrowings	–*	–	–	–	5 949 797
Intercompany loans payable	–	–	–	–	698 227
Trade and other payables[4]	–	–	–	–	340 622
Total financial liabilities	238 077*	–	238 077	–	6 988 646

* These totals have been superseded as stated in note 31.
1. The investment property disclosure was incorrectly omitted during the prior year. The investment property disclosure was not included in the fair value hierarchy as a level 3 financial instrument in the prior year and has been included in the current year.
2. Non-current assets held for sale is shown as a level 3 financial asset, this has been enhanced from the prior financial year.
3. Trade and other receivables exclude prepayments and value added tax which are non-financial instruments.
4. Trade and other payables exclude revenue received in advance as these are non-financial instruments.

Details of changes in valuation techniques in current and prior year

There have been no significant changes in valuation techniques during the current or prior year.

There were no transfers between level 1, level 2 and level 3 in the current or prior year.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.3 FAIR VALUE ESTIMATION

LEVEL 2 VALUATIONS

at 31 March 2023

Derivatives

Derivative financial instruments consist of interest rate hedging instruments, cross-currency hedges as well as foreign exchange hedging instruments. 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.

Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), will the net position owing/receivable to a single counterparty in the same currency be taken as owing and all the relevant arrangements terminated. As Investec Property Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table below.

	Group		Company	
R'000	**2023**	2022	**2023**	2022
The table below sets out the Fund's accounting classification of each class of derivative and their fair value at 31 March 2023 and 2022.				
ASSETS				
Non-current assets				
Derivative financial instruments	**191 079**	240 242	**142 200**	205 213
Cross currency swaps	**5 739**	25 746	**–**	–
Interest rate swaps	**97 672**	32 772	**54 531**	23 489
Forward exchange contracts	**23 775**	69 656	**23 775**	69 656
Foreign exchange options	**63 893**	112 068	**63 894**	112 068
Current assets				
Current portion of derivative financial instruments	**94 876**	182 668	**29 797**	99 468
Cross currency swaps	**54 449**	83 200	**–**	–
Interest rate swaps	**11 810**	–	**1 633**	–
Forward exchange contracts	**20 002**	24 569	**20 002**	24 569
Foreign exchange options	**8 615**	74 899	**8 162**	74 899
LIABILITIES				
Non-current liabilities				
Derivative financial instruments	**149 183**	158 858	**33 725**	143 019
Cross currency swaps	**82 214**	1 952	**–**	–
Interest rate swaps	**2 405**	96 786	**1 858**	82 899
Forward exchange contracts	**–**	–	**–**	–
Foreign exchange options	**31 866**	60 120	**31 867**	60 120
Contract for difference	**32 698**	–	**–**	–
Current liabilities				
Current portion of derivative financial instruments	**69 451**	82 709	**14 792**	95 058
Cross currency swaps	**54 659**	–	**–**	–
Interest rate swaps	**-**	18 153	**–**	14 808
Forward exchange contracts	**78**	–	**78**	–
Foreign exchange options	**14 714**	64 556	**14 714**	80 250

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.3 TOTAL ASSETS AND LIABILITIES CONTINUED

LEVEL 3 VALUATIONS

at 31 March 2023

The significant unobservable inputs used to derive the level 3 fair value measurements are those relating to the valuation of underlying investment properties.

	Group			
The Level 3 valuations are reconciled as follows:	Irongate Group Holdings funds management business	ITAP Fund Australia	Pan-European logistics investment[1]	Profit Participating Liability[2]
Balance at the beginning of the period	–	–	6 873 541	(950 570)
Acquisition/increase in investment[3]	59 614	264 919	1 986 413	–
Net interest accrued	–	–	159 834	(18 750)
Fair value and foreign exchange gains/ (losses)	–	–	191 535	(41 710)
Balance at the end of the period	59 614	264 919	9 211 323	(1 011 030)

1. The fair value loss (excluding forex gain) of R1,048 million (March 2022: R520 million) on the PEL profit participating loans arose from the revaluation of the underlying properties in the PEL portfolio which translates to the fair-value of the PPLs.
2. Profit participating liability is the effective 10% in PEL.
3. The acquisition was made via cash of €95 million (R1.8 billion) and settlement of the loan receivable from PEL co-investor €6.5 million (R0.1 billion).

INVESTMENT PROPERTY[1]

	Group	Company
R'000	2023	2023
Balance at the beginning of the year	13 515 379	11 236 120
Disposals	(90 783)	(90 783)
Developments and capital expenditure	324 774	204 840
Fair value adjustments	(129 833)	(124 981)
Tenant incentives	(7 715)	(6 211)
Transfer to non-current assets held for sale	(846 463)	(846 463)
Transfer from non-current assets held for sale	413 300	381 577
Balance at the end of the year	13 178 659	10 754 099

1. Investment property has been included as a level 3 financial instrument during the current and prior year, therefore a reconciliation of the investment property amounts has been included here.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.3 TOTAL ASSETS AND LIABILITIES CONTINUED

LEVEL 3 VALUATIONS

at 31 March 2022

	Group		
The Level 3 valuations are reconciled as follows:	Pan-European logistics investment[1]	Pan-European light industrial investment[2]	Profit Participating Liability
Balance at the beginning of the period	**6 553 816**	**358 152**	**(927 461)**
Net interest accrued	**152 109**	**4 433**	**(37 085)**
Fair value and foreign exchange gains/(losses)	**167 616**	**23 467**	**(9 949)**
Derecognition on loan modification	**–**	**(386 052)**	**23 925**
Balance at the end of the period	**6 873 541**	**–**	**(950 570)**

1. The fair value gain (excluding forex loss) of R520 million (March 2021: R510 million) 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 2022.
2. The Pan-European light industrial investment was sold in July 2021. There was no profit or loss on the sale as this was held at fair value.

INVESTMENT PROPERTY[1]

	Group	Company
R'000	2022	2022
Balance at the beginning of the year	14 636 707	12 172 237
Disposals	(81 676)	(22 990)
Developments and capital expenditure	178 997	136 563
Fair value adjustments	(351 570)	(242 651)
Tenant incentives	1 643	4 730
Transfer to non-current assets held for sale	(868 722)	(811 769)
Transfer from non-current assets held for sale	–	–
Balance at the end of the year	13 515 379	11 236 120

1. Investment property was not shown as a level 3 financial asset during the prior financial year. Investment property was shown as a level 3 asset during the current year, therefore a reconciliation is required to be shown for the prior year.

Valuation techniques used to derive Level 3 fair value

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.
Equivalent Yield Range	The measure in property valuation to determine the expected return on investment for a property.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.3 LEVEL 3 VALUATIONS CONTINUED

LEVEL 3 VALUATIONS
AT 31 MARCH 2023

The following table shows the valuation techniques used in measuring level 2 and 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment property	The fair value of the underlying property portfolio has been determined using the income capitalisation method, which capitalises the net revenue stream supported by market-related rentals and deducting market-related expenses.	• Expected rental value ('ERV') • Capitalisation rate • Long-term vacancy rate • Equivalent Yield Range	The estimated fair value would increase if: • the exit capitalisation rates declined; • Property operating expense growth rates declined; • Maintenance costs declined; and • rental growth rates increased
Derivative assets and liabilities: interest rate hedging instruments	Valued by discounting future cash flows using the applicable interest rate curve at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative assets and liabilities: forward exchange and cross currency hedging instruments	Valued with reference to market pricing of similar instruments discounted using applicable forward rates.	Not applicable	Not applicable

LEVEL 3 VALUATIONS
at 31 March 2023

	Group					
Description	**Average Expected rental value per m² ('R)**	**Equivalent yield range**	**Weighted average cap rates**	**Long-term vacancy rate**	**Change in FV ('000) from a 25bp increase/ decrease in cap rate**	**Change in FV ('000) from 500bp increase/ decrease in expected rental value**
SA Retail ('R)	162.2	7.4% – 11.0%	8.3%	4.0% – 5.0%	140 904	270 033
SA Industrial ('R)	53.8	7.6% – 12.9%	9.3%	1.5% – 2.0%	73 950	158 691
SA Office ('R)	144.0	7.7% – 12.0%	8.9%	7.7% – 9.5%	58 102	237 479
PEL €[1]	56.4	4.0% – 8.3%[3]	4.7%	1.0% – 3.0%	51 111	54 930
ITAP Australia AUD$[2]	21.0	4.6% – 6.0%	5.5%	1.0% – 3.0%	1 087	2 497

1. Relates to properties within the PEL platform which are all held in the logistics sector, spread across Europe. PEL properties are investment properties relating investment into the PEL platform valued using the income capitalisation method.
2. This relates to the investment in ITAP which is new during the current year and is made by the Fund, therefore the investment is not included in the prior year tables.
3. The large range is due to an outlier in Poland.

The fair value of the underlying portfolio has been determined using the income capitalisation method by the Fund and externally determined using the discounted cash flow method for 23% of the portfolio during the year.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.3 LEVEL 3 VALUATIONS CONTINUED

LEVEL 3 VALUATIONS

at 31 March 2022

Description	Average Expected rental value pm² ('R)	Equivalent Yield range	Weighted average cap rates	Long-term vacancy rate	Change in FV ('000) from a 25bp increase/ decrease in cap rate	Change in FV ('000) from a 500bp increase/ decrease in expected rental value
SA Retail ('R)	135.4	7.5% – 12.0%	8.4%	1.5% – 2.5%	171 124	277 738
SA Industrial ('R)	56.3	8.0% – 12.0%	9.4%	0%	76 913	141 129
SA Office ('R)	164.0	7.8% – 12.0%	8.9%	1% – 5%	159 876	277 278
PEL €[1]	50.4	3.4% – 6.4%	4.1%	2.5%	56 916	68 813

1. The average expected rental value was shown as a monthly rate during the prior year, this has been enhanced to show the annual rental value.

LEVEL 3 VALUATIONS

at 31 March 2023

	Company					
Description	Average Expected rental value pm² ('R)[1]	Equivalent Yield range	Weighted average cap rates	Long-term vacancy rate	Change in FV ('000) from a 25bp increase/ decrease in cap rate	Change in FV ('000) from a 500bp increase/ decrease in expected rental value
SA Retail ('R)	144.5	7.4% – 10.5%	8.3%	4.3% – 4.4%	182 269	321 598
SA Industrial ('R)	53.9	7.8% – 12.9%	9.3%	1.9% – 2.3%	14 662	224 616
SA Office ('R)	161.0	8.1% – 12.0%	8.9%	8.0% – 9.9%	110 860	330 268

1. Disclosure relates to base portfolio. Increase in expected rental value from prior year resulted from change in base portfolio in current year.

The fair value of the underlying portfolio has been determined using the income capitalisation method by the Fund and externally determined using the discounted cash flow method for 41% of the portfolio.

LEVEL 3 VALUATIONS

at 31 March 2022

Description	Average Expected rental value pm ('R)	Equivalent Yield range	Weighted average cap rates	Long-term vacancy rate	Change in FV ('000) from a 25bp increase/ decrease in cap rate	Change in FV ('000) from a 500bp increase/ decrease in expected rental value
SA Retail ('R)	135.8	7.8% – 12%	9.0%	1.5% – 2.5%	127 163	223 120
SA Industrial ('R)	56.1	8% – 11.5%	9.5%	0%	62 026	114 776
SA Office ('R)	163.4	7.8% – 12%	8.9%	1% – 5%	138 579	240 341

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4 OTHER FINANCIAL RISK MANAGEMENT CONSIDERATIONS

The financial instruments of the Fund consist mainly of cash and cash equivalents (including deposits with banks), borrowings, derivative instruments, trade and other receivables and trade and other payables. The Fund purchases or issues financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations and the source of funding.

The Fund has exposure to the following risks from its use of financial instruments:

(a) Credit risk

(b) Market risk

(c) Liquidity risk

The board has overall responsibility for the establishment and oversight of the Fund's risk management framework. The board has established the audit and risk committee, which is responsible for developing and monitoring the Fund's risk management policies. The audit and risk committee reports regularly to the board on its activities.

The audit and risk committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit and risk committee is assisted in its oversight role by Investec internal audit, which undertake both regular and *ad hoc* reviews of risk management controls and the results of which are reported to the audit and risk committee.

25.4(a) CREDIT RISK

Credit risk is the risk of financial loss to the Fund if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises from derivatives, trade and other receivables as well as cash and cash equivalents. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

Maximum exposure to credit risk	**Group**		**Company**	
R'000	**2023**	2022	**2023**	2022
Trade and other receivables (excluding non-financial instruments)[1]	**144 018**	120 483	**114 378**	96 495
Other financial instruments[2]	**9 532 422**	8 214 763	**247 866**	258 048
Derivative financial instruments	**285 955**	422 910	**171 997**	304 681
Cash and cash equivalents	**302 747**	235 778	**209 084**	196 774
Intercompany loans receivable	**–**	–	**3 133 684**	2 341 004
Investment in subsidiaries	**–**	–	**824 508**	1 175 012

1. In the prior year expected credit risk was not included.
2. The Fund has exposure to credit risk on the debt component of the investment.

Trade receivables

The Fund's exposure to credit risk is mainly in respect of clients and is influenced by the individual characteristics of each client. The Fund's widespread client base reduces credit risk.

Management has established a credit policy under which each new client is analysed individually for creditworthiness before the Fund's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, the Fund's credit review includes external ratings.

The debtors' ageing is monitored on an ongoing basis and any amount outstanding for an extended period of time is an indicator of impairment.

Other financial instruments: loans to associates and joint ventures

The value of the PEL investment and loans is underpinned by the value of the direct property in the portfolio and strong balance sheet position. The value and performance of the properties demonstrate the ability to recover the value of the investment.

Other financial instruments: loans to associates (Izandla)

Any deterioration in Izandla's cash flows would indicate an increase in credit risk. The mezzanine loans are secured by the underlying properties, but rank behind senior lenders. The junior mezzanite loans are impaired as these loans have the lowest credit ranking, because it is considered prudent to impair these loans.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(a) CREDIT RISK CONTINUED

Derivative assets and cash and cash equivalents

Exposure to credit risk is limited by investing in liquid funds and entering into derivative financial instruments with counterparties who have a high percentage tier one capital holdings and strong credit ratings assigned by international credit rating agencies.

Intercompany loan receivable

The Company's exposure to credit risk relating to intercompany receivables arises mainly from shareholder loans provided to subsidiaries of the Group. Management considers the probability of default, exposure at default and loss given default to determine if an ECL is required to be provided for on the intercompany receivables. Management considers the strength of the subsidiary's balance sheet value of underlying property and investment values to determine the exposure at default.

Loans to property co-investor

There is no expected credit losses on the loans to the property co-investor as the total value of the loans are secured by sufficient value in the underlying value of the properties.

Concentration risk

The majority of the derivative balances are held with Investec. The Fund does not see this as a risk as the bank has a high credit rating. The Fund evaluates the concentration risk with respect to trade receivables as low, as its clients are in several jurisdictions and industries and operate in largely independent markets.

External credit risk

For credit risk exposure, the Fund monitors their exposure and cash and cash equivalents are held with the following institutions:

	Instruments	Rating
Financial institutions		
Investec	Borrowings	Ba1
	Derivatives	Ba2
	Cash and sash equivalents	ba2
Standard Bank	Borrowings	(P)Ba2
	Derivatives	Ba2
	Cash and sash equivalents	baa2
Nedbank	Borrowings	(P)Ba2
	Derivatives	Ba2
Standard Chartered	Borrowings	A1
	Derivatives	A1
ABSA	Borrowings	Ba2
Rand Merchant Bank	Borrowings	Ba2
Financial instruments		
Trade receivables		Unrated
Intercompany loans		Unrated
Investment in subsidiaries		Unrated
Investmente in associates and joint ventures		Unrated

The ECL on balances held with banks is considered immaterial.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(a) CREDIT RISK CONTINUED

Capital Management

The Fund is funded partly by stated share capital and partly by external borrowings.

In terms of its covenants entered into during the year, the Fund is committed to a maximum value of external borrowings of 50% of the value of investment property and investment assets. In practice, the Fund aims to keep LTV levels below 40% over the long term. At 31 March 2023, the nominal value of borrowings was equal to 42.1% (2022: 38.2%) of the value of investment property, other investments and equity accounted investments in and loans to associates.

The board's policy is to maintain a strong capital base comprising its shareholders' interest so as to promote investor, creditor and market confidence and to sustain future development of the business. It is the Fund's stated purpose to deliver medium to long-term sustainable growth in distributions per share. The board monitors the level of distributions to shareholders and ensures that no profits of a capital nature are distributed. There were no changes in the Fund's approach to capital management during the year. The Fund is not subject to externally imposed capital requirements.

The covenants are reported to the Board twice per year, the Board is satisfied that the Fund is not at risk at breaching any covenants.

25.4(b) MARKET RISK

Interest rate risk

The Fund is exposed to interest rate risk and adopts a policy of ensuring that at least 75% of its exposure to changes in interest rates on borrowings is on a fixed basis. This is achieved by entering into fixed for interest variable rate swap instruments. All such transactions are carried out within the guidelines set by the audit and risk committee. As a consequence, the Fund is exposed to fair value interest rate risk in respect of the fair value of its interest rate derivative instruments, which will not have an impact on distributions. Short-term receivables and payables and investments are not directly exposed to interest rate risk.

It is estimated that for the year ended 31 March 2023, an 1% increase/decrease in interest rates on the variable rate borrowings would have decreased/increased the Fund's profit after tax by approximately R14.21 million (2022: R14.7 million).

At 31 March 2023, 86% (2022: 84%) of interest-bearing borrowings were fixed for a weighted average of 2.3 years (2022: 3.4 years).

Currency risk

Distributions and interest on the PEL loan is paid in Euros. This exposes the Fund to changes in the value of the distribution as a result of currency fluctuations. The risk is managed through entering into cross currency swaps. The Fund also has foreign denominated borrowings which expose it to currency risk.

It is estimated that for year ended 31 March 2023, R1 strengthening/weakening in exchange rate on total PEL distribution would have decreased/increased in the Fund's profit after tax by approximately R16 million (2022: R24 million)

It is estimated that for year ended 31 March 2023, a R1 strengthening/weakening in exchange rates on foreign profile interest rate swaps would have decreased/increased in the Fund's profit after tax by approximately R71 million (2022: R100 million)

It is estimated that for year ended 31 March 2023, a R1 strengthening/weakening in exchange rates on foreign profile cross currency swaps would have decreased/increased in the Fund's profit after tax by approximately R211.5 million (2022: R137.8 million)

Derivatives

Derivative instruments are used to hedge the Fund's exposure to any increases in interest rates on variable interest rate loans. Interest rate swap contracts are entered into whereby the Fund hedges out its variable rate obligation to provide a maximum fixed rate obligation.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(b) MARKET RISK CONTINUED

Interest rate swaps

Details of the interest rate fixed for variable swap instruments are as follows:

	Group		
Financial institution	**Nominal amount ZAR'000**	**Expiry date financial year**	**Weighted average swap rate (%)**
31 March 2023			
Nedbank	**150 000**	**2024**	**7.3**
Standard Bank	**450 000**	**2025**	**7.5**
Investec	**912 500**	**2025**	**7.7**
Nedbank	**650 000**	**2025**	**7.7**
Investec	**525 000**	**2026**	**7.4**
Investec	**760 000**	**2027**	**6.9**
Investec	**240 000**	**2028**	**6.4**
31 March 2022			
Investec/Standard Bank	598 500	2023	8.0
Nedbank	150 000	2024	7.3
Investec/Standard Bank/Nedbank	1 442 500	2025	7.6
Investec	525 000	2026	8.0
Investec	760 000	2027	6.4
Investec	240 000	2028	6.4

	Group		
Financial institution	**Nominal amount EUR'000**	**Expiry date financial year**	**Weighted average swap rate (%)**
31 March 2023			
Standard Chartered	**30 000**	**2024**	**0.2**
Standard Chartered	**20 000**	**2026**	**0.2**
31 March 2022			
Standard Chartered	50 000	2023	0.3
Standard Chartered	30 000	2024	0.2
Standard Chartered	20 000	2026	0.2

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(b) MARKET RISK CONTINUED

Forward exchange rate contracts

FECs are entered into to mitigate foreign exchange exposure. The details of the FEC instruments are as follows:

	Group		
Financial institution AUD FEC	**Nominal amount AUD'000**	**Expiry date financial year**	**Weighted average exchange rate**
31 March 2022			
Investec	3 700	2023	13.5
Investec	1 500	2024	14.0

	Group		
Financial institution GBP FEC	**Nominal amount GBP'000**	**Expiry date financial year**	**Weighted average exchange rate**
31 March 2022			
Investec	351	2023	24.4
Investec	180	2024	26.1

	Group		
Financial institution EUR FEC	**Nominal amount ZAR'000**	**Expiry date financial year**	**Weighted average exchange rate**
31 March 2023			
Investec	**46 401**	**2024**	**21.2**
Investec	**83 914**	**2025**	**22.7**
Investec	**154 656**	**2026**	**24.6**
Investec	**40 167**	**2027**	**26.9**
Investec	**19 586**	**2028**	**29.4**
31 March 2022			
Investec/Standard Bank/Nedbank	151 402	2023	20.1
Investec/Standard Bank/Nedbank	239 602	2024	20.7
Investec/Standard Bank/Nedbank	243 006	2025	22.0
Investec/Nedbank	93 454	2026	22.9

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(b) MARKET RISK CONTINUED

Cross-currency swaps (CCS's)

CCS were entered into to convert ZAR borrowings to hedge the mismatch between the currency of the borrowing and the currency of the investment. The details of the CCS are as follows:

	Group		
Financial institution EUR CCS	**Amount EUR'000**	**Expiry date**	**Weighted average fixed rate (%)**
31 March 2023			
Investec	**56 000**	**2024**	**1.6**
Nedbank	**72 200**	**2024**	**2.8**
Investec	**56 257**	**2025**	**1.6**
Nedbank	**10 000**	**2025**	**2.7**
Investec	**3 000**	**2026**	**0.5**
Investec	**14 000**	**2027**	**2.0**
31 March 2022			
Investec/Nedbank	84 333	2023	0.3
Nedbank	4 200	2024	1.7
Investec	35 257	2025	1.4
Investec	14 000	2027	2.0

Interest rate swaps

The interest swaps are entered into to minimise the Fund's exposure to unfavourable interest rate positions.

	Company		
Financial institution	**Nominal amount ZAR'000**	**Expiry date**	**Weighted average swap rate (%)**
31 March 2023			
Nedbank	**150 000**	**2024**	**7.3**
Investec	**892 500**	**2025**	**7.6**
Standard Bank	**450 000**	**2025**	**7.5**
Investec	**375 000**	**2026**	**8.0**
Investec	**560 000**	**2027**	**6.9**
Investec	**240 000**	**2028**	**6.4**
31 March 2022			
Investec/Standard Bank	598 500	2023	8.0
Nedbank	150 000	2024	7.3
Investec/Standard Bank/Nedbank	1 442 500	2025	7.6
Investec	375 000	2026	8.0
Investec	560 000	2027	6.0
Investec	240 000	2028	6.4

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(b) MARKET RISK CONTINUED

Forward exchange rate contracts

FECs are entered into to mitigate foreign exchange exposure. The details of the FEC instruments are as follows:

	Company		
Financial institution AUD FEC	**Nominal amount AUD'000**	**Expiry date financial year**	**Weighted average exchange rate**
31 March 2022			
Investec	3 700	2023	13.5
Investec	1 500	2024	14.0

	Company		
Financial institution GBP FEC	**Nominal amount GBP'000**	**Expiry date financial year**	**Weighted average exchange rate**
31 March 2022			
Investec	351	2023	24.4
Investec	180	2024	26.1

	Company		
Financial institution EUR FEC	**Nominal amount ZAR'000**	**Expiry date financial year**	**Weighted average exchange rate**
31 March 2023			
Investec	**46 401**	**2024**	**21.2**
Investec	**83 914**	**2025**	**22.7**
Investec	**154 656**	**2026**	**24.6**
Investec	**40 167**	**2027**	**26.9**
Investec	**19 586**	**2028**	**29.4**
31 March 2022			
Investec/Standard Bank/Nedbank	151 402	2023	20.1
Investec/Standard Bank/Nedbank	239 602	2024	20.7
Investec/Standard Bank/Nedbank	243 006	2025	22.0
Investec/Nedbank	93 454	2026	22.9

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

25 FINANCIAL RISK MANAGEMENT CONTINUED

25.4(c) LIQUIDITY RISK

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and refinancing risk. In effect the Fund seeks to borrow for as long as possible at the lowest acceptable cost.

The Fund regularly reviews the maturity profile of its financial liabilities and will seek to avoid concentration of maturities through the regular replacement of facilities and by using a selection of maturity dates.

The table below set out the maturity analysis of the Fund's financial liabilities based on the undiscounted contractual cash flows, being capital and interest repayments.

For the year ended 31 March	Group				
R'000	Within 1 year	1 – 2 years	2 – 5 years	Over 5 years	Total
2023					
Long-term borrowings	**2 025 857**	**2 237 882**	**7 780 586**	**1 331 141**	**13 375 466**
Derivatives	**92 954**	**101 503**	**49 180**	**–**	**243 637**
Trade and other payables	**500 322***	**–**	**–**	**–**	**500 322***
Total liabilities	**2 619 133***	**2 339 385**	**7 829 766**	**1 331 141**	**14 119 425***
2022					
Long-term borrowings	2 365 591	3 486 730	4 729 285	–	10 581 606
Derivatives	95 781	26 276	132 582	–	254 639
Trade and other payables	429 351	–	–	–	429 351
Total liabilities	2 890 723	3 513 006	4 861 867	–	11 265 596

For the year ended 31 March	Company				
R'000	Within 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
2023					
Long-term borrowings	**1 741 579**	**1 569 622**	**4 338 913**	**538 769**	**8 188 883**
Derivatives	**14 792**	**8 793**	**25 207**	**–**	**48 792**
Intercompany loans payable	**340 609**	**–**	**–**	**–**	**340 609**
Trade and other payables	**369 687***	**–**	**–**	**–**	**369 687***
Total liabilities	**2 466 667**	**1 578 415**	**4 364 120**	**538 769**	**8 947 971**
2022					
Long-term borrowings	1 318 353	1 967 561	3 406 678	–	6 692 592
Derivatives	95 059	24 276	118 743	–	238 078
Intercompany loans payable	698 227	–	–	–	698 227
Trade and other payables	340 622	–	–	–	340 622
Total liabilities	2 452 261	1 991 837	3 525 421	–	7 969 519

* These totals have been superseded as stated in note 31.

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Fund. In terms of covenants with the lenders of the Fund, the nominal value of interest bearing borrowings may not exceed 50% of the value of investment property and the carrying value of other investments and the interest cover ratio is not less than 2x.

Secured debt also has other SPV covenants which apply.

The Fund has comfortably met all its covenant requirements.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

26 SUBSEQUENT EVENTS

Subsequent to year end, the fund has rolled R500 million of its commercial paper with a financial institution. During April 2023 the Fund also refinanced €20 million with Standard Chartered.

During the month of April 2023, the Izandla senior and junior mezzanine loans were extended for a period of 24 months and earning interest at a rate of JIBAR + 3.1%.

In relation to the new Funds management business in Australia, a capital call of A$1.3 million was advanced to ITAP during the year.

Internalisation of the Management Companies

The Fund has entered into an agreement with Investec Limited and Investec Property Limited whereby the Fund will purchase the asset management functions of the Fund's South African assets (through the acquisition of the SA Manco, a division of Investec Property Limited) and that of PEL (through the acquisition of Urban Real Estate Partners, a wholly owned subsidiary of Investec Property Limited). This is referred to as the Internalisation Transaction.

The final valuation of the underlying assets and the related accounting were still in progress at the time of this announcement and therefore these numbers have not been included.

The aggregate consideration for the Internalisation is R975 million which will be settled as follows:

- Through the sale of two properties occupied by the Investec Limited Group, which have been valued at R390 million;
- A cash payment of R260 million;
- A deferred cash payment of R200 million (payable in equal installments, 12 and 24 months after the close date of the transaction); and
- Contingent consideration of R125 million which is based on the growth of the underlying assets under management. Given management's track record and activity in the past, management considers the probability of reaching the targets fair certain and this probability will be assessed on an annual basis based on the AUM achieved to date.

The proposed internalisation transaction creates a fully integrated international real estate company with an internalised asset management function, an established track record and a number of specific benefits to the Fund, contributing to the goodwill created by the Fund by the internalisation transaction.

The internalisation transaction was approved by the Competition Tribunal on 27 June 2023.

27 RESTATEMENT

27.1 RATES RECOVERIES

In prior years, recoveries of electricity and water recovered by the Fund from lessees were offset against the relevant costs and presented on a net basis in the statement of comprehensive income as the Fund applied the view that it was acting as an agent in the provision of these services to its tenants.

In the current year on consideration of the following points, it became evident that the Fund was acting in a principal capacity:

- The Fund is primarily responsible for fulfilling the obligation to provide the specified goods or service to the lessee as it manages the relationships with suppliers; and
- The Fund will, where possible on-charge costs at municipal rates. The Fund has discretion in establishing the price for the specified service as it recovers the costs for its own account.

To correct this the prior period amounts have been restated on the statement of comprehensive income to present these recoveries and related costs on a gross basis.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

27 RESTATEMENT CONTINUED

27.1 RATES RECOVERIES

As required by IAS 8, the aforementioned changes have been applied retrospectively to the comparative period affected. This restatement has no impact on the statement of financial position, statement of changes in equity, statement of cash flows and basic and diluted earnings per share. The impact of the afore-mentioned restatement on the consolidated and separate statements of comprehensive income is as follows:

	Group	Company
R'000	31 March 2022	31 March 2022
Statement of Comprehensive Income		
Amounts previously reported:		
Revenue, before straight-line rental revenue adjustment	1 524 208	1 454 185
Property expenses	(366 152)	(298 431)
	1 158 056	1 155 754
Amounts restated:		
Revenue, before straight-line rental revenue adjustment	1 808 007	1 700 220
Property expenses	(649 951)	(544 466)
	1 158 056	1 155 754

27.2 CASH FLOW STATEMENT

In the prior year, the proceeds from borrowings and repayment of borrowings line items in the cash flow statement represented an aggregation of all borrowings (which included bank loans, bonds, commercial paper) and therefore the aggregate inflow and outflow was disclosed. Furthermore within these aggregated amounts disclosed, the Fund incorrectly disclosed the proceeds from borrowings and repayment of borrowings line items on a net basis. These proceeds from borrowings and repayments of borrowings items have been presented on a disaggregated gross basis by loan type during the current financial year. And the effect of the above is as follows:

	Group	Company
R'000	31 March 2022	31 March 2022
Amounts previously reported:		
Proceeds from borrowings	1 490 000	1 690 000
Repayment of borrowings	(2 149 114)	(775 000)
	(659 114)	915 000
Amounts restated:		
Proceeds from bank loans	2 848 413	2 648 413
Proceeds from bonds	800 000	800 000
Proceeds from commercial paper	1 350 000	1 350 000
Repayments of bank loans	(3 932 527)	(2 158 413)
Repayments of bonds	(325 000)	(325 000)
Repayments of commercial paper	(1 400 000)	(1 400 000)
	(659 114)	915 000

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

28 DIRECTORS' REMUNERATION

During the year, the executive directors were employed and remunerated by the Fund manager for their services. The Manager obtains the necessary funds to fulfil this obligation through the asset management fee received from the Fund, as stipulated in the Asset and Property Management Agreement.

In line with the requirements of the Companies Act of 2008, the amounts disclosed in the table below we only include the payments made by the Manager to the executive directors for remuneration as executive directors of the Fund.

Executive directors are employed by the Manager and responsible for running the Fund business. For this they are paid a salary by the Manager. Any variable pay component including cash bonus and longer term incentives are at the discretion of the Manager.

Following the proposed internalisation of the South African and European management businesses, several changes with respect to the remuneration are expected to be made, further information is provided in the remuneration report.

All executive remuneration is the responsibility of the Manager and none is paid by the Fund.

The salaries (the fixed portion of remuneration) for the current financial year to the executive directors who act as the prescribed officers of the Fund for services on behalf of the Fund are as follows:

Salaries R'000	**31 March 2023**	31 March 2022
Director		
Andrew Wooler	**3 560**	3 375
Darryl Mayers[1]	**2 670**	3 375
Zaida Adams[2]	**638**	2 542
Jenna Sprenger[3]	**2 025**	–

Notes:

1. Darryl Mayers resigned on 30 November 2022. His annualised effective salary was R3.56 million.
2. Zaida Adams resigned on 30 June 2022. Her annualised effective salary was R2.542 million.
3. Jenna Sprenger was formally appointed on 20 January 2023. Her annualised effective salary is R3.0 million.

Non-executive directors

The non-executive directors' fees paid for the 2023 financial year were:

For the year ended 31 March R'000	**Directors' fee 2023**	Directors' fee 2022	**Special fees[6] 2023**	Special fees[7] 2022
Director				
Samuel Leon	**525**	469	**132**	–
Luigi Giuricich[1]	**–**	142	**–**	–
Philip Hourquebie	**410**	530	**198**	–
Suliman Mahomed[2]	**–**	142	**–**	–
Constance Mashaba[3]	**410**	558	**–**	–
Moss Ngoasheng	**1 575**	1 239	**264**	–
Nosipho Molope	**725**	433	**231**	–
Khumo Shuenyane	**625**	595	**231**	–
Disebo Moephuli[4]	**182**	–	**146**	–
Rex Tomlinson[5]	**265**	–	**208**	–
Sam Hackner[8]	**–**	667	**–**	–

Notes:

1. Retired as non-executive director at the Annual General Meeting held on 2 August 2021.
2. Retired as non-executive director at the Annual General Meeting held on 2 August 2021.
3. Resigned as non-executive director with effect from 30 November 2022.
4. Appointed as an Independent Non-Executive Director with effect from 1 December 2022.
5. Appointed as independent non-executive director effective from 1 September 2022.
6. Given the transaction activity during the year a number of special board meetings were required in order to effect approval and implementation of said transactions. The fee approved recommended by the nominations committee based on number of meetings and their duration in line with the shareholder fees approved at the AGM in August 2022.
7. There were no special board meetings in FY2022.
8. Deceased – 7 August 2021.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

29 GOING CONCERN

The directors have assessed the Fund's ability to continue as a going concern. This assessment includes solvency and liquidity tests. As at 31 March 2023 the Fund has a positive net asset value. The current liabilities of the Fund exceed the current assets, the Fund is however solvent and meets its working capital requirements. There is no doubt in the Fund's going concern ability.

The directors consider a distribution at a Group level given the material contribution of the Fund's offshore investments.

The Fund also has R1.26bn of undrawn committed facilities, sufficient to cover any short-term borrowings, that have not yet been refinanced.

The Fund reports its covenant positions to its lenders at 30 September and 31 March. There have been no covenant breaches to date and as at 31 March 2023 the Fund has sufficient headroom on all of its covenants.

The directors have therefore concluded that the Fund has adequate resources to continue operating into the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the consolidated and separate annual financial statements.

30 CONDENSED FINANCIAL STATEMENTS

The condensed financial statements were published on 18 May 2023.

The following are the material impacts of the changes between the condensed financial statements and the annual financial statements:

Statement of financial position

	R'000	R'000	R'000
	Amount as per annual financial statements	**Amount as per condensed financial statements**	**Difference**
Non-current liabilities: Long-term borrowings	9 890 985	10 276 612	(385 627)
Current liabilities: Long-term borrowings	1 650 099	1 264 472	385 627

There is a difference between the current and non-current long term borrowing amounts in the condensed financial statements when compared to the Consolidated and Separate financial statements. The Nedbank facility was incorrectly categorised at year-end, as contractually the Fund was liable to settle this liability within 12 months as at year-end but had disclosed this liability as non-current. This results in a R385 million reclassification between the current and non-current long term borrowing categories.

Cash flow statement

	R'000	R'000	R'000
	Amount as per annual financial statements	**Amount as per condensed financial statements**	**Difference**
Investing activities: Acquisition of joint venture and associate	–	2 072 849	(2 072 849)
Investing activities: Acquisition of other financial instruments	2 270 559	272 470	1 998 089

The investment in the joint venture at fair value is disclosed in the balance sheet in the other financial instruments line item. This was incorrectly disclosed in the Acquisition of joint venture and associate line item instead of the other financial instruments in the cash flow statement. If you refer to note 8 in the condensed financial statements, the investment in the joint venture at fair value is disclosed as a "other financial instrument" and thus should not have been reflected in two lines in the cash flow. The acquisition of joint venture and associate also incorrectly included non-cash transaction costs amounting to R74 million as cash payments in the condensed consolidated financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2023

31 REVISED AND RE-ISSUED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The consolidated and separate financial statements that were previously issued on 30 June 2023 are superseded by this version of the consolidated and separate financial statements. The previously issued consolidated and separate financial statements have been re-issued as a result of clerical and casting errors. The specific totals in the notes materially impacted are indicated with an asterisk in these amended consolidated and separate financial statements. There have been no changes to the consolidated and separate statements of comprehensive income, consolidated and separate statements of financial position, the consolidated and separate statements of cash flows and/or the consolidated and separate statements of changes in equity. The changes also did not impact distribution or earnings per share or headline earnings per share.

The nature and impact of these clerical and casting errors within the previously reported consolidated and separate financial statements has been set out below.

31 March 2023

25. Financial risk management

R'000	**Amount previously reported**	**Correction**	**Re-issued and corrected total**
25.2 Fair value hierachy – Company	**Carried at fair value**	**Carried at fair value**	**Carried at fair value**
Liabilities			
Derivative financial instruments	**238 077**	**(189 560)**	**48 517**
Total financial liabilities	**238 077**	**(189 560)**	**48 517**

	Amount previously reported	**Correction**	**Re-issued and corrected**	**Amount previously reported**	**Correction**	**Re-issued and corrected**
25.4 (c) Liquidity risk – Group	**Within 1 year**	**Within 1 year**	**Within 1 year**	**Total**	**Total**	**Total**
Trade and other payables	610 609	(110 287)	500 322	610 609	(110 287)	500 322
Total liabilities	2 729 218	(110 085)	2 619 133	14 664 421	(544 996)	14 119 425

25.4 (c) Liquidity risk – Company	**Within 1 year**	**Within 1 year**	**Within 1 year**	**Total**	**Total**	**Total**
Trade and other payables	462 985	(93 298)	369 687	462 985	(93 298)	369 687

This amount previously included the "VAT creditor" and "Income received in advance" amounts which are non-financial instruments and should therefore have been excluded.

31 March 2022

R'000	**Amount previously reported**	**Correction**	**Re-issued**
Segmental analysis	**Europe**	**Europe**	**Europe**
Total assets	7 956 715	272 025	8 228 740

Note 13: Other Financial Instruments	**Amount previously reported**	**Correction**	**Re-issued and corrected total**
13.2.3 PEL summarised balance sheet	**R'm**	**R'm**	**R'm**
Total equity and liabilities	31 707	(12 065)	19 642

R'000	**Amount previously reported**	**Correction**	**Re-issued**
18. Borrowings	**Company**	**Company**	**Company**
Long term borrowings – bank loans	886 831	384 114	1 270 945

In addition to the above, the following qualitative disclosure to note 18 were amended:

Bank loans (Company): The amount reflected as the 2022 Company 'Bank loans' balance was corrected to reflect R1 271 million, previously stated as R887 million.

Bank loans (Group): The amount reflected as the 2022 Group 'Bank loans' balance was corrected to reflect R3 969 million, previously stated as R3 584 million.

	Amount previously reported	**Correction**	**Re-issued and corrected total**
	Carried at fair value	**Carried at fair value**	**Carried at fair value**
25.2 Fair value hierachy – Company	**R'000**	**R'000**	**R'000**
Liabilities			
Borrowings	950 570	(950 570)	–
Total financial liabilities	1 188 647	(950 570)	238 077

REIT Best Practice Ratios

REIT BEST PRACTICE RATIOS

IPF presents the SA REIT best practice ratios in response to the second edition of the SA REIT Association's best practice recommendations issued in November 2019. The publication outlines consistent presentation and disclosure of relevant ratios in the SA REIT sector. This will ensure information and definitions are clearly presented, enhancing comparability and consistency across the sector.

R'000	**2023**		2022	
SA REIT Funds from Operations (SA REIT FFO) per share	**REIT BPR**	**IPF Ratio**	REIT BPR	IPF Ratio
Profit or loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	**194 947**	**194 947**	1 038 278	1 038 278
Adjusted for:				
Accounting/specific adjustments:	**178 473**	**178 473**	327 890	327 890
Fair value adjustments to Investment property debt and equity instruments held at fair value through profit or loss	**326 459**	**326 459**	390 981	390 981
Fair value adjustments to debt and equity instruments held at fair value through profit or loss	**(149 825)**	**(149 825)**	(82 784)	(82 784)
Deferred tax movement recognised in profit or loss	**(14 000)**	**(14 000)**	(6 164)	(6 164)
Straight-lining operating lease adjustment	**15 839**	**15 839**	25 857	25 857
Adjustments to dividends from equity interests held	**–**	**–**	–	–
Adjustments arising from investing activities:	**(129 833)**	**(129 833)**	(3 101)	(3 101)
Gains or losses on disposal of investment property and property, plant and equipment	**(129 833)**	**(129 833)**	(3 101)	(3 101)
Foreign exchange and hedging items:	**118 479**	**118 479**	(498 345)	(498 345)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**–**	**–**	(475 078)	(475 078)
Foreign exchange gains or losses relating to capital items – realised and unrealised	**118 479**	**118 479**	(23 267)	(23 267)
Other adjustments:	**(7 945)**	**(7 945)**	8 987	8 987
Adjustments made for equity-accounted entities	**(7 945)**	**(7 945)**	8 987	8 987
SA REIT FFO:	**354 121**	**354 121**	873 709	873 709
Number of shares outstanding at end of period (net of treasury shares '000)	**804 918**	**804 918**	804 918	804 918
SA REIT FFO per share:	**43.99**	**43.99**	108.55	108.55
Company-specific adjustments (cents per share)	**–**	**(1.74)**	–	(0.94)
Capitalised interest on loans to associates	**–**	**14 000**	–	(7 541)
Dividend per share (cents):	**43.99**	**42.26**	108.55	107.61

R'000	**2023**		2022	
SA REIT Net Asset Value (SA REIT NAV)	**REIT BPR**	**IPF Ratio**	REIT BPR	IPF Ratio
Reported NAV attributable to the parent	**13 013 545**	**13 013 545**	13 652 089	13 652 089
Adjustments:				
Dividend to be declared	**(388 934)**	**–**	(422 250)	–
SA REIT NAV:	**12 624 611**	**13 013 545**	13 226 839	13 652 089
Shares outstanding				
Number of shares in issue at period end (net of treasury shares)	**804 918 444**	**804 918 444**	804 918 444	804 918 444
Dilutive number of shares in issue	**804 918 444**	**804 918 444**	804 918 444	804 918 444
SA REIT NAV per share:	**1 568**	**1 617**	1 666	1 696

	2023		2022	
SA REIT loan-to-value	**REIT BPR**	**IPF ratio**	REIT BPR	IPF ratio
Gross debt	**(11 541 085)**	**(11 541 085)**	(9 634 065)	(9 634 065)
Less:				
Profit participating loans[1]	**–**	**1 011 030**	–	950 570
Accrued interest and deferred fees	**–**	**61 920**	–	24 990
Dividends	**302 747**	**302 747**	235 778	235 778
Add/Less:				
Derivative financial instruments[2]	**(218 633)**	**–**	(241 567)	–
Net debt	**(11 456 971)**	**(10 165 387)**	(9 639 854)	(8 422 727)
Total assets – per Statement of Financial Position	**25 383 872**	**25 383 872**	24 039 498	24 039 498
Less:				
Cash and cash equivalents	**(302 747)**	**(302 747)**	(235 778)	(235 778)
Derivative financial assets	**(285 955)**	**(285 955)**	–	(422 910)
Trade and other receivables	**(336 114)**	**(336 114)**	(262 554)	(262 554)
Profit participating loans[1]	**–**	**(1 011 030)**	–	(950 570)
Carrying amount of property-related assets	**24 459 056**	**23 448 026**	23 541 166	22 167 686
SA REIT loan-to-value ("SA REIT LTV")	**46.8%**	**43.4%**	40.9%	38.2%

1. IPF adjusts for profit participating loan liabilities representing the effective interest held by outside shareholders in PEL.
2. The REIT BPR adjusts net debt for the mark to market on derivative financial instruments.

REIT BEST PRACTICE RATIOS CONTINUED

	2023		2022	
SA REIT cost-to-income ratio	**REIT BPR**	**IPF**	REIT BPR	IPF
Expenses				
Operating expenses per IFRS income statement (includes municipal expenses)[1,2]	**730 265**	**381 558**	633 347	362 698
Administrative expenses per IFRS income statement (if directly related to property)	**–**	**–**	–	–
Operating costs	**730 265**	**381 558**	633 347	362 698
Rental income				
Contractual rental income per IFRS income statement (excluding straight-lining)[1,2]	**1 540 261**	**1 540 261**	1 515 424	1 515 424
Utility and operating recoveries per IFRS income statement	**348 707**		270 650	–
Gross rental income	**1 888 968**	**1 540 261**	1 786 074	1 515 424
SA REIT cost-to-income ratio	**38.7%**	**24.8%**	35.5%	23.9%

1. The REIT BPR and IPF ratios are calculated using base net property income (NPI) to ensure that the income and expenses are for a comparable period.
2. IPF calculates cost to income by netting off the recoveries against expenses and not grossing up rental income

	2023		2022	
Cost of debt	**REIT BPR**	**IPF**	REIT BPR	IPF
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	**8.1%**	**8.1%**	6.1%	6.1%
Fixed interest-rate borrowings				
Weighted average fixed rate	**–**	**–**	–	–
Pre-adjusted weighted average cost of debt – CU:	**8.1%**	**8.1%**	6.1%	6.1%
Adjustments:				
Impact of interest rate derivatives	**(0.2%)**	**(0.2%)**	2.3%	2.3%
Impact of cross-currency interest rate swaps	**(2.5%)**	**(2.5%)**	(3.1%)	(3.1%)
All-in weighted average cost of debt – CU:	**5.3%**	**5.3%**	5.3%	5.3%

		2023		2022	
SA REIT GLA vacancy rate		**REIT BPR**	**IPF**	REIT BPR	IPF
Gross lettable area of vacant space[1]	A	**39 731**	**39 731**	47 825	47 825
Gross lettable area of total property portfolio	B	**1 000 034**	**1 000 034**	1 063 627	1 063 627
SA REIT GLA vacancy rate	**(A/B)**	**4.0%**	**4.0%**	4.5%	4.5%

1. 158 675m² (2020: 63 719m²) is classified as held for sale.

Shareholder information

SHAREHOLDERS' ANALYSIS

Spread of shareholders at 31 March 2023

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares in issue	% of issued capital
1 – 10 000 shares	5 338	79.55	7 593 123	0.94
10 001 – 50 000 shares	776	11.56	17 566 244	2.18
50 001 – 100 000 shares	153	2.28	11 239 927	1.40
100 001 – 1 000 000 shares	329	4.90	104 817 002	13.02
1 000 001 shares and over	114	1.70	663 702 148	82.46
	6 710	**100.00**	**804 918 444**	**100.00**

Shareholder classification at 31 March 2023

Holdings	Number of shares in issue	% of total shares
Non-public shareholders	212 959 520	26.46
Executive directors	295 365	0.04
Independent non-executive directors	6 189 872	0.77
Non-executive directors[1]	8 123 759	1.01
Directorate of the Manager[2]	383 127	0.05
Investec Group entities	197 967 397	24.59
Public shareholders[3]	591 958 924	73.54
Total	**804 918 444**	**100.00**

1. Including beneficial and non-beneficial holdings.
2. Excluding any director that is also a director of the Fund.
3. Per JSE Listings Requirements definitions.

Largest shareholders as at 31 March 2023

By proxy	Number of shares in issue	% holding
Investec Limited	195 636 495	24.31
Government Employees Pension Fund	98 701 650	12.26
Coronation Fund Managers	69 054 388	8.58
Eskom Pension & Provident Fund	23 554 707	2.93
Vanguard	23 399 187	2.91
Ninety One	22 816 662	2.83
L Giuricich	19 857 890	2.47
STANLIB	17 124 577	2.13
Total	**470 145 556**	**58.41**

Directors' beneficial interest in shares at 31 March 2023

	Number of shares 2023	Number of shares 2022
Executive directors		
AR Wooler[1]	257 350	257 350
JC Sprenger[2]	38 015	34 600
Non-executive directors		
SR Leon	7 500 000	7 500 000
NP Riley	623 759	623 759
Independent non-executive directors		
MM Ngoasheng[3]	6 114 930	6 114 930
KL Shuenyane	74 942	74 942
Total	**14 608 996**	14 605 581

1. 231 469 beneficial shares pledged.
2. Not a director as at 31 March 2022.
3. Indirectly held through Modidima Ventures Proprietary Limited and Modidima Properties Proprietary Limited.

There have been no changes to the directors' interests between 31 March 2023 and the date on which these annual financial statements were approved.

Share statistics at 31 March 2023

	2023	2022
Closing market price (R)		
– Year-end	8.25	12.00
– High	13.00	12.80
– Low	7.66	9.29
Shares in issue (million)	804.9	804.9
Market capitalisation (million)	6 641	9 659
Daily average volume of shares traded	1 371 850	180 559

Shareholder diary

Financial year-end	Friday, 31 March 2023
Publication of 2023 year-end pre-close	Wednesday, 1 March 2023
Publication of financial results	Thursday, 18 May 2023
Annual report posted to shareholders	Friday, 30 June 2023
Annual general meeting	Thursday, 3 August 2023

SHAREHOLDERS' ANALYSIS CONTINUED

Release of 2024 interim results	Wednesday, 15 November 2023

Dividends

An interim dividend number 25 of 51.09097 cents per share (a net dividend of 40.87278 cents per share after applying dividend withholding tax of 20%) was declared for the six months ended 30 September 2022. The distribution was paid on Monday, 12 December 2022.

Shareholders were given notice of final dividend number 26 of 48.31977 cents per share (a net dividend of 38.65582 cents per share after applying dividend withholding tax of 20%) for the six months ended 31 March 2023. The final distribution was paid on Monday, 19 June 2023.

Dividend details for the financial year ended 31 March 2023

Dividend	Distribution number	2023 cents per share
Six months ended		
Friday, 30 September 2022	25	**51.09**
Friday, 31 March 2023	26	**48.32**
Total		**99.41**

NOTICE OF ANNUAL GENERAL MEETING

Investec Property Fund Limited

Investec Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
Share code: IPF | ISIN: ZAE000180915
(The Fund or the Company)

Directors of the Fund

Moses M Ngoasheng (Independent non-executive chair)
Andrew R Wooler (Chief executive officer)
Jenna C Sprenger (Chief financial officer)
Samuel R Leon (Non-executive)
Nicholas P Riley (Non-executive)
Disebo Moephuli (Independent non-executive)
Nosipho Molope (Independent non-executive)
Khumo L Shuenyane (Independent non-executive)
Philip A Hourquebie (Independent non-executive)
Rex G Tomlinson (Independent non-executive)

Notice is hereby given that the annual general meeting (AGM) of the Company will be held at Investec, 100 Grayston Drive, Sandton, South Africa, 2196 at 09:00 on Thursday, 3 August 2023 to: (i) deal with such business as may lawfully be dealt with at the meeting, and (ii) consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions of the Company as set out hereunder.

In terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonable satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licenses and passports.

Record dates, proxies and voting

In terms of sections 59(1)(a) and (b) of the Act, the board of the Company has set the record date for the purpose of determining which shareholders are entitled to receive notice and participate in the AGM. Important dates and times to note:

Record date at which shareholder is entitled to receive notice	Friday, 23 June 2023
Notice of AGM, form of proxy and electronic participation issued to shareholders	Friday, 30 June 2023
2023 Integrated Report available on IPF's website	Friday, 30 June 2023
Last day to trade in order to be eligible to vote at the AGM	Tuesday, 25 July 2023
Record date at which shareholder is entitled to vote at the AGM	Friday, 28 July 2023
Last day forms of proxy should be lodged with the transfer secretaries for the AGM (by 09:00), failing which forms of proxy may be handed to the transfer secretaries or the chair at any time prior to the commencement of the AGM	Tuesday, 1 August 2023
Annual general meeting held at 09:00	Thursday, 3 August 2023
Results of annual general meeting released on SENS	Thursday, 3 August 2023

Notes:

i. All dates and times in this notice are local dates and times in South Africa.

ii. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.

iii. Shareholders should note that as transactions in IPF shares are settled in the electronic settlement system used by Strate, and settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire IPF shares after Tuesday, 25 July 2023 will not be eligible to vote at the annual general meeting.

iv. In order to ensure the orderly arrangement of affairs at the annual general meeting, forms of proxy should be lodged with the transfer secretaries by 09:00 on Tuesday, 1 August 2023, failing which forms of proxy may be handed to the transfer secretaries or the chair at any time prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting.

v. If the annual general meeting is adjourned or postponed, forms of proxy submitted for the initial annual general meeting will remain valid in respect of any adjournment or postponement of the annual general meeting.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration, and who are entitled to attend, participate in and vote at the AGM, are entitled to appoint a proxy (or more than one proxy in respect of different shares held by them) to attend, speak and vote in their stead.

A proxy need not be a shareholder and shall be entitled to vote on a show of hands or a poll. Forms of proxy can be emailed to: proxy@computershare.co.za

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their CSDP or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

– to furnish them with their voting instructions; or
– in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so.

Every shareholder present in person or represented by proxy and entitled to vote shall, on a show of hands, have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for each share such shareholder holds.

Electronic participation

Shareholders or their proxies may participate in (but not vote at) the AGM by way of telephone conference call and if they wish to do so, they:

- must contact the Company Secretary (by email at the address companysecretarial@investec.com) or Computershare (by email at the address proxy@computershare.co.za) by no later than 10:00 on Friday, 28 July 2023, in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their telephone service providers for their telephone calls to participate in the AGM; and
- shareholders and their proxies will not be able to vote telephonically at the AGM and will still need to appoint a proxy or representative to vote on their behalf at the AGM.

Presentation of annual financial statements

To present to shareholders:

- the audited annual financial statements of the Company for the year ended 31 March 2023, together with:
  - the reports of the directors and the auditors;
  - the report by the chair of the audit and risk committee; and
  - the report by the chair of the social and ethics committee.

The complete set of the audited annual financial statements, together with the abovementioned reports, are set out on pages 112 to 184 of the 2023 integrated annual report.

To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions of the Company:

1. To elect Disebo C Moephuli as a director of the Company, in accordance with the provisions of the Memorandum of Incorporation of the Company.

2. To elect Rex G Tomlinson as a director of the Company, in accordance with the provisions of the Memorandum of Incorporation of the Company.

   Philip A Hourquebie, Moses M Ngoasheng and Khumo L Shuenyane will retire by rotation at the AGM. Mr Shuenyane is not available for re-election.

3. To re-elect Philip A Hourquebie, as a director of the Company in accordance with the provisions of the Memorandum of Incorporation of the Company.

4. To re-elect Moses M Ngoasheng, as a director of the Company in accordance with the provisions of the Memorandum of Incorporation of the Company.

For brief biographical details of the directors to be elected or re-elected refer to pages 20 to 23 of the 2023 integrated annual report.

5. To elect Carol WN Molope as a member of the audit and risk committee, with effect from the end of this AGM, in terms of section 94(2) of the Act.

6. To elect Disebo C Moephuli as a member of the audit and risk committee, with effect from the end of this AGM, in terms of section 94(2) of the Act, subject to her election as director.

7. To elect Rex G Tomlinson as a member of the audit and risk committee, with effect from the end of this AGM, in terms of section 94(2) of the Act, subject to his re-election as director.

   The members of the audit and risk committee have been nominated by the board of the Company for election as members of the Company's audit and risk committee in terms of section 94(2) of the Act. The board has reviewed the proposed composition of the audit and risk committee against the requirements of the Act and the Regulations under the Act and has confirmed that if all the individuals referred to above are elected, the committee will comply with the relevant requirements and have the necessary knowledge, skills and experience to enable it to perform its duties in terms of the Act.

8. To reappoint PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090 (Private Bag X36, Sunninghill, 2157) as independent external auditor of the Company, until such time as the conclusion of the next AGM of the Company.

   In terms of section 90(1) of the Act, each year at its AGM, the Company must appoint an auditor who complies with the requirements of section 90(2) of the Act. Following a detailed review, which included an assessment of its independence, the current audit and risk committee of the Company has recommended that PricewaterhouseCoopers Inc. be reappointed as the auditor of the Company.

9. To authorise any director or the company secretary of the Company to do all things and sign all documents which may be necessary to carry into effect the resolutions contained in this notice to the extent the same have been passed and, where applicable, filed.

10. Directors' authority to issue shares specifically in relation to a Dividend Reinvestment Plan:

Resolved that:

– To the extent required by and subject to the provisions of the Act and the Listings Requirements of the JSE Limited (JSE Listings Requirements), the directors be and they are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders the opportunity from time to time to elect to reinvest their dividends into new ordinary shares of the Company. The directors have decided to seek annual renewal of this authority in accordance with best practice.

  The exercise of the authority will be subject to the provisions of the Act and the JSE Listings Requirements.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

11. Authorising the directors to allot and issue authorised but unissued shares:

Resolved that:

– To the extent required by and subject to the Memorandum of Incorporation of the Company, the Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the directors of the Company are authorised, as they in their discretion think fit, to allot and issue 80 491 844 of the authorised but unissued shares in the Company, which equates to 10% of the shares in issue, to such person(s) and upon such terms and conditions as the directors may determine, such authority to not exceed 10% of the shares in issue at the date of the AGM when read in conjunction with Resolution 13 (Special Resolution 1) and to expire at the next AGM of the Company. In terms of the Company's Memorandum of Incorporation, read with the JSE Listings Requirements, the shareholders of the Company may authorise the directors to, inter alia, issue any unissued shares of the Company, as the directors in their discretion think fit.

  The directors have decided to seek annual renewal of this authority in accordance with best practice. The exercise of the authority will be subject to the provisions of the Act and the JSE Listings Requirements. The directors consider it advantageous to attain the authority to enable the Company to take advantage of any business opportunity that may arise in future.

12. Special resolution No 1: Directors' authority to allot and issue shares for cash in respect of 40 245 922 (5%) of the shares in issue:

Resolved that:

– To the extent required by, and subject to the JSE Listings Requirements, the Company's Memorandum of Incorporation and the Companies Act, No. 71 of 2008, as amended (the Act), each as presently constituted and as amended from time to time, the directors of the Company are authorised by way of a general authority, which authority shall not extend beyond the date of the next AGM of the Company to be held in 2023 or the date of the expiry of 15 (fifteen) months from the date of the AGM of the Company convened for 3 August 2023, whichever period is shorter, to allot and issue 40 245 922 shares for cash (i.e. other than by way of rights offer, to the existing shareholders in proportion to their then existing holdings), such authority to not exceed 5% of the shares in issue at the date of the AGM when read in conjunction with Resolution 12 subject to the limitations as required by the JSE Listings Requirements from time to time, it being recorded that at 30 June 2023, the JSE Listings Requirements provide, *inter alia*, that:

i. a press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of an issue of shares for cash representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of shares in issue prior to such issue;

ii. the issue of shares for cash in the aggregate in any 1 (one) financial year will not exceed 30% (thirty percent) of the number of the Company's shares in issue, including instruments which are compulsorily convertible;

iii. in determining the price at which an allotment and issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price of the shares in question as determined over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the directors of the Company and the party subscribing for the shares; and

iv. related parties may participate in a general issue for cash through a bookbuild process provided that: (a) the related party only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be 'out of book' and not be allocated shares; and (b) equity securities must be allocated equitably 'in the book' through the bookbuild process and the measures applied be disclosed in the SENS announcement launching the bookbuild.

The directors are seeking authority to allot and issue up to 40 245 922 of the number of unissued shares for cash which represents 5% (five percent) of the number of the Company's issued shares as at the date of this notice of AGM, which is in line with the 30% (thirty percent) permitted in terms of the JSE Listings Requirements.

The authority will be exercised subject to the provisions of the Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements.

The directors consider it beneficial to obtain the authority to enable the Company to take advantage of any business opportunity that may arise in future.

13. Special resolution No 2: Directors' authority to acquire shares:

Resolved that:

– The Company is authorised (to the extent required), by way of a general authority, which authority shall not extend beyond the date of the next AGM of the Company to be held in 2023 or the date of the expiry of 15 (fifteen) months from the date of the AGM of the Company convened for 3 August 2023, whichever period is shorter, to acquire shares issued by the Company, from any person, upon such terms and conditions and in such number as the directors of the Company may from time to time decide, but subject to the provisions of the Company's Memorandum of Incorporation, the Companies Act, No. 71 of 2008, as amended (the Act), and the JSE Listings Requirements, each as presently constituted and as amended from time to time, it being recorded that at 30 June 2023, the JSE Listings Requirements provide, *inter alia*, that:

i. any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;

ii. an announcement containing full details of such acquisitions will be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of the Company's shares in issue (at the time that this authority is granted) and for each 3% (three percent) in aggregate of the initial number of such shares acquired thereafter;

iii. acquisitions of shares by the Company in aggregate in any 1 (one) financial year may not exceed 20% (twenty percent) of the Company's issued shares as at the date of passing of this special resolution No 2;

iv. in determining the price at which shares issued by the Company are acquired by it in terms of this general authority, the maximum price at which such shares may be acquired will be 10% (ten percent) above the weighted average of the market value at which such shares are traded on the JSE as determined over the 5 (five) business days immediately preceding the date of acquisition of such shares, by the Company;

v. at any point in time, the Company may only appoint 1 (one) agent to effect any acquisition on the Company's behalf;

vi. a resolution is passed by the board of directors that it has authorised the acquisition, that the Company (and where applicable, its subsidiaries) has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company; and

vii. the Company may not acquire any shares during a prohibited period as defined by the JSE Listings Requirements unless there is in place a repurchase programme where dates and quantities of securities to be traded during the prohibited period are fixed and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period.

Special resolution No 2 is sought to allow the Company, by way of a general authority, to acquire its own shares in issue from time to time, subject to the Company's Memorandum of Incorporation, the Act and the JSE Listings Requirements.

At the present time, the directors of the Company have no specific intention of making any such acquisition, but believe that the Company should retain the flexibility to take action if future acquisitions are considered desirable and in the best interests of shareholders, taking into account prevailing market conditions.

The directors of the Company are of the opinion that, after considering the effect of such acquisition of shares, if implemented and on the assumption that the maximum of 20% (twenty percent) of the current issued shares of the Company will be acquired, using the mechanism of the general authority at the maximum price at which the acquisition may take place and having regard to the price of the shares on the JSE at the last practical date prior to the date of the notice of AGM of the Company convened for 3 August 2023:

– The Company will be able, in the ordinary course of business, to pay its debt for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 3 August 2023.

– The assets of the Company will be in excess of the liabilities of the Company, each recognised and measured in accordance with IFRS, for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 3 August 2023.

– The Company will have adequate capital and reserves for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 3 August 2023.

– The working capital of the Company will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 3 August 2023. The Company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any acquisition of the Company's shares on the open market.

14. Special resolution No 3: Non-executive directors' remuneration:

Resolved that:

– In terms of section 66(9) of the Companies Act, No. 71 of 2008, as amended (the Act), fees to be paid by the Company to the non-executive directors for their services as directors, exclusive of VAT, be and are hereby approved as follows:

i. for the period 1 April 2023 to 31 March 2024:

	Current	Proposed SA (R'000)	% increase	Proposed UK[1] (GBP'000)
Chair[2]	1 575	1 670	6%	117
Lead independent director	525	557	6%	39
Non-executive director	368	390	6%	27
Audit and risk committee chair	315	334	6%	23
Audit and risk committee member	137	145	6%	10
Social and ethics committee chair	110	117	6%	8
Social and ethics committee member	42	55	31%	4
Investment committee – chair	158	167	6%	12
Investment committee – member	79	83	6%	6
Remuneration and Nominations committee – chair[3]	–	150	–	11
Remuneration and Nominations committee – member	42	70	67%	5

Notes:

1. Based on ZAR / GBP exchange rate of R23.81 and a cost-of-living differential of 1.67 (premium for UK residents).
2. An additional fee of R330 000 will be paid to the Chairperson for the next two years to compensate for the additional time and effort required post-internalisation. The total Chairperson fee will therefore equate to R2 million per annum for the next 2 years.
3. The Nominations Committee has been chaired by the Board Chairperson (i.e. the Nominations Committee Chairperson fee is included in the all-inclusive Board Chairperson fee). The Nominations Committee will become the Remuneration and Nominations Committee post the internalisation, for which a Chairperson and Member fee is proposed.

ii. thereafter, but only until the next AGM (or until amended by a special resolution of shareholders prior to the expiry of such period), on the same basis as above, escalated as determined by the board of the Company up to a maximum of 5% (five percent), per annum, per amount set out as aforesaid, exclusive of VAT.

NOTICE OF ANNUAL GENERAL **MEETING** CONTINUED

Special resolution No 3 is proposed to enable the Company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that remuneration to non-executive directors for their service as non-executive directors may be paid only in accordance with a special resolution approved by the shareholders within the previous two years. The remuneration proposed for approval has been determined being mindful thereof that the role of non-executive directors is under increasing focus of late with greater accountability and risk attached to the position.

Value-Added Tax (VAT), at the prevailing rate, where applicable, will be added to the above fees.

For further information on the proposed directors' remuneration, please refer to page 195 of the annual integrated report.

15. Special resolution No 4: Financial assistance to subsidiaries and other related and interrelated entities:

Resolved that:

- To the extent required by the Companies Act, No. 71 of 2008, as amended (the Act), the board of directors of the Company may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, provision of security or otherwise, to:
- any of its current and future subsidiaries; and/or
- any other company or entity that is or becomes related or interrelated to the Company; and/or
- any company or entity created for the purpose of providing a guarantee to noteholders under the Company's Domestic Medium-Term Notes Programme for the purpose of or in connection with any matter, including, but not limited to:
- the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company; or
- for the purchase of any securities of the Company or a related or interrelated company; or
- for the purpose of lending money, guaranteeing a loan or other obligation and securing any debt or obligation; or
- for the provision of a guarantee by special purpose vehicles to noteholders under the Domestic Medium-Term Notes Programme such authority to endure until the next AGM of the Company.

Reason

The Company would like the ability to provide financial assistance to its subsidiaries and related or interrelated entities and to any company or entity created for the purpose of providing a guarantee to noteholders under the Company's Domestic Medium-Term Notes Programme, for the purpose of or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company or for the purpose of lending money, guaranteeing a loan or other obligation and securing any debt or obligation of any such company.

Under sections 44 and 45 of the Act, the Company will require a special resolution to be adopted before such financial assistance may be provided. In the circumstances and in order to, among others, ensure that the Company's related and interrelated companies and entities have access to financing and/or financial backing from the Company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 4.

It should be noted that this resolution does not authorise financial assistance to a director or a prescribed officer of the Company or any company or person related to such a director or prescribed officer.

Directors' responsibility statement

The directors, whose names appear on page 93 of the 2023 integrated annual report, collectively and individually accept full responsibility for the accuracy of the information given pertaining to this special resolution No 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

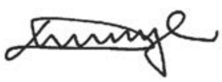
Material changes

Other than the facts and developments reported on in the 2023 integrated annual report, there have been no material changes in the affairs or financial position of the Company since the date of signature of the audit report and up to the date of this notice of AGM of the Company.

The following additional information is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- Largest shareholders: page 190 of the 2023 integrated annual report
- Directors: page 93 of the 2023 integrated annual report
- Issued capital of the Company: page 190 of the 2023 integrated annual report.

By order of the board



Investec Bank Limited
Company secretary
30 June 2023

Registered office
100 Grayston Drive
Sandown
Sandton
2196

PO Box 78949
Sandton
2146

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Private Bag X9000
Saxonwold 2132

Email: proxy@computershare.co.za

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

FORM OF PROXY

Investec Property Fund Limited

(Incorporated in the Republic of South Africa) | (Registration number 2008/011366/06)
Share code: IPF | ISIN: ZAE000180915
(the Fund or the Company)

For use by certificated and 'own name' dematerialised shareholders only.

For use by certificated and 'own name' registered dematerialised shareholders of the Company, recorded as such in the Company's securities register as at Friday, 28 July 2023, in the exercise of their voting rights in respect of the ordinary shares in the capital of the Company, at an annual general meeting (AGM) of the Company will be held at Investec, 100 Grayston Drive, Sandton, South Africa, 2196 at 09:00 on Thursday, 3 August 2023.

I/We: (please print names in full)

of (address)

being the holder/s of ____________ shares in the Company, appoint (see note 1):

1. ____________ or failing him/her,

2. ____________ or failing him/her,

3. the chair of the annual general meeting,

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against such resolutions and/or abstain from voting in respect of the share component of the shares registered in my/our name/s, in accordance with the following instructions (see note 3):

	Number of votes (one vote per share)		
	For	**Against**	**Abstain**
Ordinary resolution number 1: To elect Disebo C Moephuli as a director of the Company			
Ordinary resolution number 2: To elect Rex G Tomlinson as a director of the Company			
Ordinary resolution number 3: To re-elect Philip A Hourquebie as a director of the Company			
Ordinary resolution number 4: To re-elect Moses M Ngoasheng as a director of the Company			
Ordinary resolution number 5: To elect Carol WN Molope as a member of the audit and risk Committee			
Ordinary resolution number 6: To elect Disebo C Moephuli as a member of the audit and risk committee			
Ordinary resolution number 7: To elect Rex G Tomlinson as a member of the audit and risk committee			
Ordinary resolution number 8: To reappoint PricewaterhouseCooper Inc. as designated auditor of the Company for the year to 31 March 2024			
Ordinary resolution number 9: To provide the directors or the company secretary with the authority to take action in respect of the resolutions approved by shareholders			
Ordinary resolution number 10: Directors' authority to issue shares specifically in relation to a Dividend Reinvestment Plan			
Ordinary resolution number 11: Authorising the directors to allot and issue 80 491 844 of the authorised but unissued shares (10.00% of shares in issue)			
Special resolution number 1: To provide the directors with general authority to allot and issue 40 245 922 of the authorised but unissued shares (5.00% of shares in issue) for cash			
Special resolution number 2: To provide the directors with general authority to acquire shares			
Special resolution number 3: Non-executive directors' remuneration			
Special resolution number 4: Financial assistance to subsidiaries and other related and interrelated entities			

FORM OF PROXY CONTINUED

Certificated shareholders

If you are a certificated shareholder or have dematerialised your shares with 'own name' registration and you are unable to attend the annual general meeting (AGM) of the Company to be held at Investec, 100 Grayston Drive, Sandton, 2196 at 09:00 on Thursday, 3 August 2023 and wish to be represented thereat, you are requested to complete and return this form of proxy in accordance with the instructions contained herein and to lodge it with, or post it to the Transfer Secretaries, namely Computershare Investor Services Proprietary Limited.

Dematerialised shareholders, other than those with 'own name' registration

If you hold dematerialised shares in the Company through a CSDP or broker, other than with an 'own name' registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary letter of representation to do so, or should you not wish to attend the annual general meeting in person, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the annual general meeting.

Signed at:	on	2023
Signature:	Assisted by me where applicable:	
Name:	Capacity:	Signature:

Please read the notes that follow.

NOTES TO THE FORM OF PROXY

Notes and summary of rights under section 58 of the Companies Act 2008

1. A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint any one or more individual (who need not be a shareholder of the Company) as a proxy to attend, speak and vote in his place at the annual general meeting, provided that, if more than one proxy is concurrently appointed by a shareholder, each proxy is appointed to exercise the rights attached to different shares held by that shareholder. Such shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chair of the meeting', provided that any such deletion must be signed in full by the shareholder. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. Should a proxy not be specified, this will be exercised by the chair of the annual general meeting.
2. A shareholder or his proxy shall have one vote for every share held. You are not obliged either to cast all your votes or to cast all your votes in the same way. Please instruct your proxy how to vote by either:
   - Marking the appropriate box with an 'X' next to the resolution (i.e. in favour of and/or against and/or by way of abstention), in which event the proxy will cast all your votes in the manner so specified; or
   - Setting out the number of votes to be cast in the appropriate box next to the resolution, provided that, if for any resolution the aggregate number of votes to be cast would exceed the total number of shares held, you will be deemed to have given no specific instruction as to how you wish your proxy to vote in respect of that resolution.

   Your proxy will have discretion to vote in respect of your total holding on any resolution on which you have not (or are deemed not to have) given specific instruction as to how to vote and, unless instructed otherwise, on any business which may properly come before the meeting.
3. The date must be filled in on this form of proxy when it is signed.
4. If you are signing in a representative capacity, whether for another person or for an organisation, then, in order for this form to be valid, you must include a power of attorney or other written authority that authorises you to sign (or a certified copy of such power or authority).
5. In the case of a company, the proxy form should either be sealed by the Company or signed by a director or an authorised signatory (and the provisions of paragraph 4 shall apply to such authorised signatory).
6. In the case of joint shareholders, only one need sign.

   If more than one joint shareholder votes, whether in person or by proxy, only the most senior shareholder who casts a vote, whether in person or by proxy, will be counted. For this purpose, seniority is determined by the order in which shareholders' names appear in the securities register for that share.
7. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatory or signatories.
8. A minor must be assisted by his/her parent/guardian and the relevant documentary evidence establishing his/her legal capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the chair of the annual general meeting.
9. The chair of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
10. The return of this form of proxy will not prevent you from attending the meeting and voting in person.
11. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
12. The appointment of a proxy or proxies:
    - Is suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
    - Is revocable in which case the shareholder may revoke the proxy appointment by:
      - Cancelling it in writing or making a later inconsistent appointment of a proxy; and
      - Delivering a copy of the revocation instrument to the proxy and to the Company
13. Should the instrument appointing a proxy or proxies have been delivered to the Company, as long as the appointment remains in effect, any notice that is required by the Companies Act, No. 71 of 2008, as amended, (the Act) or the Company's Memorandum of Incorporation to be delivered by such Company to the shareholder, must be delivered by such Company to:
    - the shareholder; or
    - the proxy or proxies, if the shareholder has directed the Company to do so in writing and has paid any reasonable fee charged by the Company for doing so.
14. The proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used (including any adjournment thereof), unless revoked as contemplated in section 58(5) of the Act.
15. It is requested that this form of proxy be forwarded to the Company's transfer secretaries by no later than 09:00 on Tuesday, 1 August 2023:

    Computershare Investor Services Proprietary Limited
    Rosebank Towers
    15 Biermann Avenue
    Rosebank Johannesburg 2196

    Private Bag X9000
    Saxonwold 2132

    proxy@computershare.co.za

ELECTRONIC PARTICIPATION IN THE AGM

Application Form

Investec Property Fund Limited

(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
Share code: IPF | ISIN: ZAE000180915
(The Fund or the Company)

The annual general meeting (AGM) of the Company will be held in person and through electronic participation at 09:00 on Thursday, 3 August 2023 (AGM).

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the AGM by way of electronic participation, such shareholder must either:

(i) register online using the online registration portal at www.meetnow.global/za prior to the commencement of the AGM; or

(ii) make a written application (the form of which is attached to this notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 09:00 on Tuesday, 1 August 2023, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of Section 63(1) of the Companies Act, No 71 of 2008, as amended (the Act)) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would need to obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM by way of electronic means.

Application Form: Electronic participation in the AGM

Full name of shareholder: ______________________________

Identity/registration number: ______________________________

Email address: ______________________________

Cell number: ______________________________

Telephone number: (code): __________ (number): ______________________________

Number of ordinary shares in the Company: ______________________________

Name of CSDP or broker (if shares are held in dematerialised form): ______________________________

Contact number of CSDP/broker: ______________________________

Contact person of CSDP/broker: ______________________________

Number of share certificate (if applicable): ______________________________

Signed at ______________________________ on ______________________________ 2023

Signature of shareholder ______________________________

Terms and conditions for participation in the AGM via electronic means

1. Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM and it will not be for the expense of the Company, the transfer secretaries or the JSE. Neither the Company, the transfer secretaries nor the JSE will be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the AGM electronically.
2. The shareholder acknowledges that the electronic platform through which the AGM will be facilitated is provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic platform, whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else.
3. A shareholder, participating in and/or voting at the AGM by means of electronic participation, acknowledges by signing this application form, that he/she will have no claim against the Company, the transfer secretaries and the JSE, whether for consequential damages or otherwise, arising from the use of the electronic platform or any defect in it or from total or partial failure of the electronic platform and connections linking the shareholder via the electronic platform to the AGM.
4. An application to participate in the AGM electronically, utilising this application form, will only be deemed successful if this application form, along with the submission of the necessary letter of representation (if applicable), has been completed fully, signed by the shareholder and submitted to the transfer secretaries of the Company as detailed above, prior to the commencement of the AGM and such shareholder is verified (as required in terms of Section 63(1) of the Act).

CORPORATE INFORMATION

Parent company
Investec Limited
100 Grayston Drive
Sandown, Sandton 2196
PO Box 785700
Sandton 2146

Investec has a 24.31% shareholding in IPF and consolidates the Fund because Investec Property (Pty) Ltd, a wholly owned subsidiary of Investec Limited, is the appointed asset manager of IPF. Post the internalisation of the management company, IPF will no longer be consolidated by Investec Limited.

Investec Property Fund Limited
Incorporated in the Republic of South Africa
Registration number 2008/011366/06
Share code: IPF | ISIN: ZAE000180915

Secretary and registered office
c/o Company Secretarial
Investec Bank Limited
100 Grayston Drive
Sandown, Sandton 2196
PO Box 78949
Sandton 2196

Website
www.investecpropertyfund.com

Auditor
PricewaterhouseCoopers Inc.
4 Lisbon Lane, Waterfall City
Jukskei View
Midrand 2090

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
Private Bag X9000
Saxonwold 2132
Telephone (27 11) 370 5000

Sponsor
Investec Bank Limited
100 Grayston Drive
Sandown, Sandton 2196
PO Box 78949
Sandton 2196

Directorate
Refer to pages 20 to 23

For queries regarding information in this document:

Investor Relations
Telephone (27 11) 286 7000
e-mail: investecpropertyfund@investec.co.za
Internet address: https://www.investecpropertyfund.com/en_za/investor-relations/financial-results.html

Preparer
This integrated annual report and annual financial statements have been prepared under the supervision of the chief financial officer, Jenna Sprenger *CA(SA) (BACC Rhodes; Post Graduate Diploma in Accounting).*

Glossary of terms

GLOSSARY OF TERMS

AGM	Annual general meeting
AML	Anti-Money Laundering
ASX	Australian Securities Exchange
AUD	Australian Dollar
B-BBEE	Broad-based black economic empowerment
Black	All African, Indian or Coloured people qualifying for South African citizenship by birth or descent, or people who were naturalised before 27 April 1994
Board	Board of directors of IPF
BPR	Best Practice Recommendations
BREEAM	Building Research Establishment Environment Assessment Methodology
CCS	Cross-currency swap
CGT	Capital gains tax
CPS	Cents per share
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
DIPS	Distributable income or earnings per share
DPS	Dividend per share
DMTN	Domestic medium-term note
EMEA	Europe, the Middle East and Africa
ERV	Estimated rental value
ESG	Environmental, social and governance
EUR	Euro
Euribor	The Euro Interbank offered rate
EV	Enterprise value
EY	Ernst & Young Inc.
FECs	Forward exchange contracts
FVTPL	Fair value through profit or loss
FX	Foreign exchange
GAV	Gross asset value
GBCSA	Green Building Council of South Africa
GBF	General banking facility
GCR	Global Credit Rating
GDP	Gross domestic product
GHG	Greenhouse gas
GLA	Gross lettable area
GRI	Global Reporting Initiative
Hexagon	Hexagon Holdco S.a.r.l and Hexagon Holdco S.a.r.l 2
HFS	Held for sale
HQLA	High quality liquid assets
IAP	Investec Australia Property
ICR	Interest coverage ratio
IFRS	International Financial Reporting Standards
Investec Group	Investec Bank Limited and Investec Limited
Investec Property, IP or The Manager	Investec Property (Pty) Ltd

IPF	Investec Property Fund
IPF or The Fund or The Group	Investec Property Fund Limited and its subsidiaries
Investec Property Fund Offshore/IPFO	Investec Property Fund Offshore Investments (Pty) Ltd
IRS	Interest rate swaps
IT	Information technology
ITAP	Irongate Templewater Australia Property
Izandla	Izandla Property Fund (Pty) Ltd
JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange
King IV	Report on Corporate Governance for South Africa 2016
KPIs	Key performance indicators
KZN	KwaZulu-Natal
LED	Light-emitting diodes
LFL	Like-for-like
LID	Lead Independent Director
LTV	Loan-to-value
MOI	Memorandum of Incorporation
MTM	Mark to market
NAV	Net asset value
NPI	Net property income
OECD countries	Countries that are members of the Organisation for Economic Co-operation and Development
Our people/IPF team/employees	During the year under review, our people were employed by Investec Property (Pty) Ltd as the Manager, and therefore included in all of Investec Limited's people strategies and policies. Post the internalisation, IPF's SA and EU asset management businesses will be acquired by IPF and its associated employees will be employed by IPF
PEL	Pan-European logistics platform
PELI	Pan-European light industrial
PPE	Personal protective equipment
PPL	Profit participating loans
Proptech	The usage of technology and software to assist in today's property needs
PV	Photovoltaic
REIT	Real Estate Investment Trust
SA	Africa/n
SAICA	South African Institute of Chartered Accountants
SAPOA	South African Property Owners' Association
SDG	Sustainable Development Goals
SLA	Service level agreement
SMME	Small, medium and micro enterprises
UREP	Urban Real Estate Partners
VAT	Value-Added Tax
WALE	Weighted average lease expiry
WFH	Work from home
WHT	Withholding tax
Y-o-y	Year-on-year
ZAR	South African Rand

Investec
Property Fund

OUT OF THE ORDINARY

Property Fund

ince