

VUNANI PROPERTY INVESTMENT FUND LIMITED
(formerly Vunani Property Investment Fund Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE code: VPF
ISIN: ZAE000157459
("VPIF" or "the company")

ACQUISITION BY VPIF OF AN OFFICE PARK IN PORT ELIZABETH AND TWO PROPERTIES IN RUSTENBERG

1. INTRODUCTION

Unitholders are advised that VPIF has entered into Sales of Enterprise Agreements for the acquisition by it of:

- 1.1 the rental enterprise conducted as a going concern on Erfs 11322 and 1698, Walmer, Port Elizabeth, known as The Lion Roars Office Park, ("the Lion Roars property" or "the Lion Roars transaction") with Hobbes Holdings Proprietary Limited ("the Lion Roars vendor");
- 1.2 a building situated on 87 Ridder Street, Xstrata, Rustenberg ("the Xstrata property" or the Xstrara transaction) with the Trustees of the Michael Viljoen Trust, Master's number IT6645/1995 and RCV Projects CC (registration number 2000/045175/23) ("the Xstrata vendor"); and
- 1.3 a 2 storey office block situated on 12 Kgwebo Street, Mabe Park, Rustenburg ("the Mabe property" or "the Mabe transaction") with Lizard Creek Properties Proprietary Limited ("the Mabe vendor"),
(collectively "the properties" or "the transactions").

The agreements contain warranties normal for transactions of this nature.

2. INFORMATION RELATING TO THE PROPERTIES

2.1 The Lion Roars property:

Description of the property: Erf 11322 Walmer in the Nelson Mandela Bay Metropolitan Municipality, Division of Port Elizabeth, measuring 4 367 square metres; and
Erf 1698 Walmer in the Nelson Mandela Bay Metropolitan Municipality, Division of Port Elizabeth, measuring 3 468 square metres.

Location: 53 Heugh Road, Walmer, Port Elizabeth

GLA: 4 280 square metres and 136 parking days, which constitutes 100% offices

Weighted average rental per square metre: R116.93 per square metre

Purchase price and other costs: The purchase price of the property is set out in paragraph 4 below. The following other expenditure will be incurred in respect of the property:

- Agent's commission is payable by

the vendor.

- All costs incidental to the transfer of the property - approximately R86 625
- All amounts due in terms of the agreement shall, unless paid on due date, bear interest at the Prime Rate from the due date to date of payment.

Independent valuation: Date of valuation - 01 December 2011
Market value: R52 300 000

2.2 The Xstrata property:

Description of the property: Portion 19 of Erf 1833 Rustenberg Extension 4, measuring 7 016 square metres.

Location: 91 Ridder Street, Ooseinde, Rustenberg.

GLA: 3 720 square metres constituting 100% offices.

Weighted average rental per square metre: R69.46 square metres

Independent valuation: Date of valuation - 01 December 2011
Market value: R29 150 000

2.3 The Mabe property:

Description of the property: Erf 114 Waterval East Extension 4, measuring 2 612 square metres.

Location: 12 Kgwebo Avenue, Waterval East Extension 4, Rustenberg.

GLA: 1 642 square metres plus 54 bays constituting 100% offices.

Weighted average rental per square metre: R138.27 square metres

Independent valuation: Date of valuation - 01 December 2011
Market value: R24 700 000

The properties have been valued by Mr. MRB Gibbons, an authorised Professional Valuer, registered without restriction in terms of section 19 of the Property Valuers Professional Act, 2000 (Act 17 of 2000), of Mills Fitchet Magnus Penny Proprietary Limited.

3. RATIONALE FOR THE TRANSACTIONS

VPIF was listed on the JSE Limited ("JSE") on 11 August 2011. The main purpose of the listing was to provide VPIF with a

platform for acquisitive growth and these transactions are a step towards VPIF's stated intention to grow the portfolio by the acquisition of high quality yield-enhancing properties.

The Lion Roars property will give an initial yield of 12%. The property is located in Walmer which is the prime decentralised office node and is tenanted by 'blue chip' tenants.

The Xstrata property and the Mabe property are both well-located properties, recently constructed, A-Grade buildings occupied by 'blue chip' tenants on long leases. These properties have a forward yield of 10,6%.

4. PURCHASE CONSIDERATIONS

The cash purchase considerations of the properties will be funded by debt and the amounts include VAT levied at the rate of 0% in terms of section 11(1)(e) of the VAT Act.

The Lion Roars property:	The Xstrata property:	The Mabe property:
R52 100 000	R28 982 000	R24 000 000

5. EFFECTIVE DATES

The effective dates of the transactions will be the dates of registration of transfer of ownership of the properties.

6. CONDITIONS PRECEDENT

The transactions are unconditional and are subject to transfer of the properties.

7. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

The pro forma financial effects of the transactions, individually and jointly on net asset value and net tangible asset value per linked unit are not significant and have therefore not been disclosed.

8. FORECAST INFORMATION RELATING TO THE TRANSACTIONS

The forecast financial information relating to the transactions for the financial periods ending 30 June 2012 and 30 June 2013 are set out below. The forecast financial information has not been reviewed or reported on by a reporting accountant in terms of section 8 of the Listings Requirements of the JSE and is the responsibility of the company's directors.

8.1 The Lion Roars property

	Forecast for the 7 months ending 30 June 2012	Forecast for the 12 months ending 30 June 2013
	R'000	R'000
Gross income	3 510	7 340
Property Expenditure	(560)	(1 195)
Net operating income	2 950	6 145
Finance costs	(2 425)	(4 837)
Debenture interest	(525)	(1 308)
Net profit before tax	0	0
Taxation	0	0
Net profit after taxation	0	0
Distributable earnings:	525	1 308

8.2 The Xstrata property

	Forecast for the 7 months ending 30 June 2012	Forecast for the 12 months ending 30 June 2013
	R'000	R'000
Gross income	2 048	3 719
Property Expenditure	(394)	(713)
Net operating income	1 654	3 007
Finance costs	(1 571)	(2 692)
Debenture interest	(83)	(314)
Net profit before tax	0	0
Taxation	0	0
Net profit after taxation	0	0
Distributable earnings:	83	314

8.3 The Mabe property

	Forecast for the 7 months ending 30 June 2012	Forecast for the 12 months ending 30 June 2013
	R'000	R'000
Gross income	1 671	3 089
Property Expenditure	(288)	(519)
Net operating income	1 383	2 570
Finance costs	(1 301)	(2 230)
Debenture interest	(81)	(340)
Net profit before tax	0	0
Taxation	0	0
Net profit after taxation	0	0
Distributable earnings:	81	340

Notes:

- Gross income includes all tenant recoveries while Property Expenditure includes all consumption expenditure as well as property and asset management fees.
- VPIF will raise debt to fund the transactions and therefore 100% of the debt for the transactions has been attributed to the individual transactions.
- The debenture interest has been calculated in accordance with the provision of the Debenture Trust Deed.

9. CLASSIFICATION OF THE TRANSACTIONS

The Lion Roars transaction is classified as a Category 2 transaction in terms of the Listing Requirements of the JSE.

The Xstrata transaction and the Mabe transaction, when aggregated, are classified as a Category 2 transaction in terms of the Listing Requirements of the JSE as they have been entered into by the company with vendors who are associated with each other.

The transactions jointly constitute a Category 2 transaction.

10. RENEWAL OF CAUTIONARY ANNOUNCEMENT

Unitholders are referred the cautionary announcement published by the company on 23 September 2011 and advised that the company remains involved in negotiations in respect of property acquisitions that if concluded, could have a material effect on

the price of VPIF`s units. Unitholders are therefore advised to continue exercising caution in dealing with the units of VPIF until such time that a further announcement is made.

Sandton
28 October 2011

Corporate Adviser and Joint Sponsor
Vunani Corporate Finance

Independent Lead Sponsor
Grindrod Bank Limited