

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 THE PROPERTY KNOWN AS THE FORETRUST BUILDING
AND FURTHER CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Further to the cautionary announcement, dated 23 September 2011, and the renewal thereof on 28 October 2011, unitholders are advised that VPIF has entered into an agreement with Redefine Properties Limited ("the vendor"), in terms of which VPIF will acquire the enterprise conducted as a going concern in respect of the property known as "The Foretrust Building" ("the property" or "the transaction").

The agreement contains warranties normal for an acquisition of this nature.

2. INFORMATION RELATING TO THE PROPERTY

Description of the property:	Erf 172 Roggebaai, in the City of Cape Town, Cape Division, in the Province of the Western Cape, measuring 4 370 square metres.
Location:	Martin Hammerschlag Way, Cape Town.
GLA:	26 780 square metres + 151 parking days, split as between the following sectors which constitutes 100% offices.
Weighted average rental per square metre:	R95.48 per square metre
Purchase price and other costs:	<p>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:</p> <ul style="list-style-type: none">• Agent's commission is payable by the vendor.• All costs incidental to the transfer of the property - approximately R1 060 000.• With effect from 1 February 2012 until the date of transfer of the property, interest shall accrue on the purchase price at a rate of 8% per annum pro rata calculated from 1 February 2012 up to and including the date of transfer.
Independent valuation*:	<p>Date of valuation - 01 December 2011 Market value: R251 million</p>

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 TRANSACTION

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. This transaction is in keeping with the Fund's strategy of acquiring well located quality assets with stable income streams giving yield enhancement. Foretrust Building is in a developing node and is tenanted by PWD with 6 years remaining on the lease. The property is acquired at a yield of 11.1%

4. PURCHASE CONSIDERATION

A cash purchase price of R249 500 000 is payable by VPIF to the vendor, which amount includes VAT levied at the rate of 0% in terms of section 11(1)(e) of the VAT Act.

5. EFFECTIVE DATE

The effective date of the transaction will be the first business day after the fulfilment or waiver (as the case may be) of the last of the conditions precedent.

6. CONDITIONS PRECEDENT

The transaction is conditional, inter alia, upon:

6.1 The completion of a due diligence exercise by 9 November 2011 or such later date as may be agreed between the parties in writing;

6.2 Within 7 days of the fulfilment of the condition precedent set out in paragraph 6.1 and subject to VPIF electing to proceed with the transaction, VPIF shall furnish the vendors with written proof of finance approval in respect of the purchase price;

6.3 Compliance, within 90 days of the fulfilment of the condition precedent set out in paragraph 6.1, with all the requirements of the JSE;

6.4 Within 14 days of the fulfilment of the condition precedent set out in paragraph 6.3 and 6.5 whichever is the later, VPIF will cause a guarantee for the purchase price to be issued in favour of the vendor or its nominee; and

6.5 Within 60 days after the conditions precedent set out in paragraphs 6.1 and 6.3 have been fulfilled or waived (as the case may be), the transaction is unconditionally approved by the competition authorities in terms of the Competition Act.

The parties may, in writing, extend the date for the fulfilment, or where appropriate, waive the conditions precedent to such further date as they may agree. In the event that the transfer of the property does not occur by 30 April 2012 for any reason whatsoever, the agreement will be cancelled as at that date and shall be of no force or effect.

7. FINANCIAL EFFECTS AND FURTHER CAUTIONARY ANNOUNCEMENT

The financial effects of the transaction will be published in due course. Unitholders are advised to continue exercising

caution when dealing in the company's securities until such time as the financial effects of the transaction are published.

8. CLASSIFICATION OF THE TRANSACTION

The transaction is classified as a Category 1 transaction in terms of the Listing Requirements of the JSE. Accordingly a circular prepared in terms of the Listings Requirements of the JSE containing a notice of general meeting of unitholders, will be dispatched to unitholders as soon as possible.

Sandton
28 October 2011

Corporate Adviser and Joint Sponsor
Vunani Corporate Finance

Independent Lead Sponsor
Grindrod Bank Limited