

VUNANI PROPERTY INVESTMENT FUND 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 PROPERTIES IN GREENSTONE HILL IN GAUTENG,
PROPOSED RIGHTS OFFER AND CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Unitholders are advised that VPIF, following the successful conclusion of a due diligence investigation, has entered into the following inter-conditional agreements:

- 1.1. Sale of Shares and Claims Agreement with Vunani Properties Proprietary Limited ("Vunani Properties"), Barrow Properties Proprietary Limited ("Barrow") and the Trustees of the Task Trust ("Task") in terms of which VPIF will acquire the shares and loan accounts in Greenstone Hill Office Park Proprietary Limited ("Greenstone"). Greenstone owns 8 buildings in the sectional title schemes known as Greenstone Hill Office Park SS1149/2008 and SS599/2009 with associated exclusive use areas, situated at Erf 1841 Greenstone Hill Extension 22 Township, Gauteng ("Greenstone Properties"); and
- 1.2. Sale of Rental Enterprise Agreement with Barrow in terms of which VPIF will acquire the rental enterprise conducted as a going concern of buildings 2 and 6 of the sectional title scheme known as Greenstone Hill Office Park SS 1149/2008 and associated exclusive use areas, situated at Erf 1841 Greenstone Hill Extension 22 Township, Gauteng ("Buildings 2 and 6"),

jointly referred to as "the transaction".

The agreements contain warranties normal for transactions of this nature.

2. INFORMATION RELATING TO THE PROPERTIES

2.1. The Greenstone Properties

Description of the property:	The Greenstone Properties comprise buildings 4, 5, 10-15 of the sectional title schemes known as Greenstone Hill Office Park SS 1149/2008 and SS599/2009, and associated exclusive use areas, situated at Erf 1841 Greenstone Hill Extension 22 Township, Gauteng.
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Location:	Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Gauteng
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GLA:	14 536 square metres of office space and 744 parking bays
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Rental guarantee:	The vendors guarantee the rental in respect of buildings 5 and 15 and in respect of a certain tenant in
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	building 13 for a period of 12 months from the effective date (refer paragraph 5 below).
Purchase price and other costs:	The purchase price for the shares and loan accounts in Greenstone is R86 260 281. Greenstone has an existing loan of R121 018 328 with Investec Bank Limited which will be settled from the proceeds raised from the proposed rights offer mentioned below. No commission is payable.
Independent valuation:	An independent valuation has been carried out and the board of VPIF is of the view that a value of R207 278 609 represents the fair value of the Greenstone Properties.

2.2. Buildings 2 and 6

Description of the property:	Buildings 2 and 6 of the sectional title scheme known as Greenstone Hill Office Park SS 1149/2008 and associated exclusive use areas, situated at Erf 1841 Greenstone Hill Extension 22 Township, Gauteng.
Location:	Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Gauteng
GLA:	3 034 square metres of office space and 153 parking bays
Rental guarantee:	The vendor guarantees the rental in respect of buildings 2 and 6 for a period of 12 months from the effective date (refer paragraph 5 below).
Purchase price and other costs:	The purchase price for Buildings 2 and 6 is R51 649 000. No commission is payable and the transfer cost is approximately R75 000.
Independent valuation:	An independent valuation has been carried out and the board of VPIF is of the view that a value of R51 649 000 represents the fair value of Buildings 2 and 6.

The properties have been valued by Mr. MRB Gibbons, a duly 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 and this transaction will further enable VPIF to grow the portfolio by the acquisition of high quality yield-enhancing properties. Post the acquisition,

VPIF will own 11 of the 15 buildings in the Greenstone Hill Office Park.

4. PURCHASE CONSIDERATION

The aggregate cash purchase price of R137 909 281, which will be funded from the proceeds raised from the proposed rights offer mentioned below, is payable by VPIF to the vendors, 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 date of registration of transfer of ownership of the shares in Greenstone and the properties which is expected to be on or about 30 June 2013.

6. CONDITIONS PRECEDENT

The transaction is conditional upon, *inter alia*, the following:

- the approval by the competition authorities in terms of the Competition Act;
- the requisite approval of VPIF unitholders in general meeting;
- VPIF raising the requisite funding in terms of the proposed rights offer as detailed in paragraph 9 below
- the transfer of the properties and the shares in Greenstone.

7. FINANCIAL EFFECTS AND FORECAST INFORMATION

The financial effects of the transaction and the forecast information will be published in due course.

8. CLASSIFICATION OF THE TRANSACTION

The transaction is classified as a category 2 related party transaction in terms of the JSE Listings Requirements as Vunani Properties, the holding company of VPIF's asset manager, Vunani Property Asset Management Proprietary Limited, is selling its 40% holding in Greenstone. Accordingly the transaction will be subject to unitholders' approval at a general meeting of VPIF unitholders. A circular setting out further details of the transaction and containing a notice convening a general meeting of unitholders will be sent out in due course.

9. PROPOSED RIGHTS OFFER

The board of directors of VPIF proposes to raise sufficient capital by way of a renounceable rights offer in order to settle debt incurred in the acquisition of properties as well as to fund further acquisitions. Unitholders will be advised in due course of the salient features of the proposed rights offer as well as the salient dates and documentation pertaining thereto.

10. CAUTIONARY ANNOUNCEMENT

Unitholders are advised to exercise caution when dealing in the company's units until such time as the financial effects of the transaction and further details relating to the proposed rights offer are disclosed.

Sandton
12 April 2013

Independent Lead Sponsor
Grindrod Bank Limited

Corporate Adviser and Joint Sponsor
Vunani Corporate Finance

Legal Advisors to VPIF
Cliffe Dekker Hofmeyr Inc.