

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions commencing on page 5 of this circular apply mutatis mutandis throughout this circular including this cover page.

If you are in any doubt as to the action you should take, please consult your CSDP, broker, attorney, accountant or other professional adviser.

1. Linked unitholders of VPIF are referred to page 2 of this circular, which contains full details of the action required of them in regard to this circular.
2. If you have disposed of all your linked units in VPIF, please forward this circular to the purchaser of such linked units or to the broker, CSDP or agent through whom the disposal was effected.

CIRCULAR TO LINKED UNITHOLDERS

Regarding the:

- replacement of each VPIF linked unit with 1 delinked VPIF ordinary share by the delinking of all the VPIF linked units and the capitalisation of the value of the debentures in the books of account of VPIF to form part of VPIF's stated capital;
- conversion of the authorised and issued par value shares into authorised and issued no par value shares;
- substitution of the current MOI by the adoption of a new MOI; and
- cession and assignment of the Asset Management Agreement,

and incorporating

- a notice of general meeting of linked unitholders; and
- a form of proxy for completion by certificated and own-name dematerialised VPIF linked unitholders.

Corporate Adviser

VUNANI
CORPORATE FINANCE

Legal Adviser

GLYN MARAIS 
INSPIRED BY CHALLENGE

Sponsor

 **GRINDROD
BANK**

Investment Bank

Out of the Ordinary®

 **Investec**

Date of issue: 12 December 2013

Copies of this circular are available in English only and may be obtained during normal business hours between Thursday, 12 December 2013 and Thursday, 16 January 2014 from the registered office of VPIF and the offices of the Sponsor and the transfer secretaries, the addresses of which are set out in the "Corporate information and advisers" section hereof.

CORPORATE INFORMATION AND ADVISERS

Directors

PD Naidoo* (*Chairman*)
RF Kane* (*CEO*)
M de Lange* (*Financial Director*)
CE Chimombe-Munyoro#
EG Dube#
RR Emslie+
PW Mackenzie*
JR Macey+
PM Tau-Sekati+
KN Vundla+

* Executive

Non-executive

+ Independent non-executive

Website: <http://www.vpif.co.za>

Date and place of incorporation

6 June 2005 – Pretoria, South Africa

Company secretary

Probity Business Services Proprietary Limited
represented by Messrs N Toerien and
W Mapanzure
(Registration number 2000/002046/07)

Registered office

Vunani House, Vunani Office Park
151 Katherine Street
Sandown, Sandton, 2196
(PO Box 652419, Benmore, 2010)

Corporate Adviser

Vunani Corporate Finance (trading as a division of
Vunani Capital Proprietary Limited)
(Registration number 1998/001469/07)
Vunani House, Vunani Office Park
151 Katherine Street
Sandown, Sandton, 2196
(PO Box 652419, Benmore, 2010)

Sponsor

Grindrod Bank Limited
(Registration number 1994/007994/06)
4th Floor, Grindrod Tower
8a Protea Place
Sandton, 2196
(PO Box 78011, Sandton, 2146)

Investment Bank

Investec Bank Limited
(Registration number 1969/004763/06)
2nd Floor
100 Grayston Drive
Sandown, Sandton, 2196
(PO Box 785700, Sandton, 2146)

Auditors

KPMG Inc
(Registration number 1999/021543/21)
Registered Accountants and Auditors
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

Transfer secretaries

Computershare Investor Services Proprietary
Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Legal adviser

Glyn Marais Incorporated
(Registration number 1990/000849/21)
2nd Floor, The Place
1 Sandton Drive
Sandown, Sandton, 2196
(P.O. Box 652361, Benmore 2010)

Trustees of VPIT

RF Kane
PW Mackenzie
M de Lange
EG Dube

Debenture Trustee

Fluxmans Inc
(Registration number 2000/024775/21)
11 Biermann Avenue
Rosebank, Johannesburg, 2106
(Private Bag X41, Saxonwold, 2132)

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Form of proxy (for use by certificated and own-name dematerialised unitholders only)	Attached

ACTION REQUIRED BY UNITHOLDERS

Please take careful note of the following:

If you are in any doubt as to what action to take in regard to this circular, please consult your CSDP, broker, banker, accountant, attorney or other professional adviser immediately.

This circular contains information relating to the corporate actions, the adoption of a new MOI and the Ceded Asset Management Agreement. You should read this circular carefully and decide how you wish to vote on the special and ordinary resolutions to be proposed at the general meeting.

GENERAL MEETING

The general meeting, convened in terms of the notice incorporated in this circular, will be held at the company's offices, Vunani House, Vunani Office Park, 151 Katherine Street, Sandown on **Thursday, 16 January 2014 at 10:00.**

ACTION REQUIRED BY CERTIFICATED UNITHOLDERS AND OWN-NAME DEMATERIALISED UNITHOLDERS

A form of proxy is attached for the convenience of certificated unitholders and own-name dematerialised unitholders who are unable to attend the general meeting, but who wish to be represented thereat. In order to ensure validity, duly completed forms of proxy must be returned to either the:

- a) transfer secretaries, so as to reach them by no later than the Relevant Time; or
- b) chairperson of the general meeting so as to reach him by no later than immediately prior to the commencement of voting on the resolutions at the general meeting.

ACTION REQUIRED BY DEMATERIALISED UNITHOLDERS OTHER THAN THOSE WITH OWN-NAME REGISTRATION

The CSDP or broker, as the case may be, of dematerialised unitholders, other than those with own-name registration, should contact such dematerialised unitholders to ascertain how they wish their votes to be cast at the general meeting and thereafter cast their votes in accordance with their instructions. If such dematerialised unitholders have not been contacted, it is recommended that they contact their CSDP or broker, as the case may be, to advise them as to how they wish their votes to be cast.

Dematerialised unitholders, other than those with own-name registration, who wish to attend the general meeting, must request a Letter of Representation from their CSDP or broker, as the case may be, but must not complete the attached form of proxy.

VPIF does not accept any responsibility, and will not be held liable, for any action of, or omission by, any CSDP or broker including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner of linked units to to notify such beneficial unitholder of the details set out in this circular.

SURRENDER OF DOCUMENTS OF TITLE

VPIF currently has no certificated linked unitholders and accordingly a Form of Surrender has not been attached to this circular. If any linked units are certificated on or before Friday, 31 January 2014 (refer the "Important dates and times" on page 4), a Form of Surrender may be obtained from the transfer secretaries.

Dematerialised linked unitholder's accounts with their CSDP or broker will be automatically updated to reflect the relevant corporate actions.

ELECTRONIC PARTICIPATION

In terms of the Company's MOI, the directors have elected not to provide for electronic participation in respect of the General Meeting.

IDENTIFICATION OF MEETING PARTICIPANTS

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in a unitholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a unitholder, or as a proxy of an unitholder, has been reasonably verified.

IMPORTANT DATES AND TIMES

2013

Record date for the distribution of the circular	Friday, 29 November
Circular posted on	Thursday, 12 December

2014

Last day to trade in VPIF linked units to be eligible to vote at the general meeting	Friday, 3 January
Record date to be entitled to attend, participate in, and vote at the general meeting	Friday, 10 January By 10:00 on Tuesday, 14 January 2014 to the transfer secretaries or they may be handed to the Chairman of the meeting at any time prior to the commencement of voting on the resolutions tabled at the general meeting
General meeting of unitholders to be held at 10:00 on	Thursday, 16 January
Results of the general meeting released on SENS on or about	Thursday, 16 January
Receive CIPC registrations of special resolutions by this date	Thursday, 23 January

The dates below may change as they are subject to the registrations by CIPC of the relevant special resolutions and the provision of copies thereof to the JSE. Any such changes will be advised on SENS.

Finalisation announcement in respect of the corporate actions released on SENS	Friday, 24 January
Last date to trade in the VPIF linked units pre the corporate actions	Friday, 31 January
Termination of listing of current VPIF linked units at commencement of trade	Monday, 3 February
Delinked and converted shares trade under new ISIN ZAE000185872	Monday, 3 February
Record date to determine unitolders subject to the corporate actions	Friday, 7 February
Dematerialised unitholders accounts at CSDPs or brokers updated in respect of the corporate actions	Monday, 10 February

Notes:

1. The above dates and times are subject to amendment and any amendment made will be released on SENS and published in the press.
2. Unitholders should note that as transactions in VPIF units are settled via the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore unitholders who acquire units after Friday, 3 January 2014 will not be eligible to participate in and vote at the general meeting.
3. Unit certificates may not be rematerialised between Monday, 3 February 2014 and Friday, 7 February 2014, both days inclusive.
4. All times given are South African local times.
5. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement thereof.

DEFINITIONS

In this circular unless a contrary intention clearly applies, words importing the singular include the plural and vice versa, any one gender includes the other genders, natural persons include juristic persons and *vice versa* and the following terms bear the meanings assigned to them below:

“Asset Management Agreement”	the current agreement, dated 20 June 2011, entered into between VPIF and VPAM, in terms of which VPAM provides asset management services to VPIF and VPIT, details of which are set out in paragraph 9 of this circular;
“board” or “the directors”	the directors of VPIF as set out in the Corporate information and advisers section of this circular;
“Board Report”	the report by the board in terms of Regulation 31(7) of the Companies Act;
“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“business day”	any day, other than a Saturday, Sunday or official public holiday in South Africa;
“Ceded Asset Management Agreement”	the Asset Management Agreement which will be ceded and assigned to the Purchaser by VPAM in terms of which the Purchaser will provide the same asset management services to VPIF and VPIT and which cession and assignment requires the approval of unitholders;
“certificated unitholders”	unitholders who hold certificated units;
“certificated units”	units represented by a paper unit certificate or other physical document(s) of title, which units have not been surrendered for dematerialisation in terms of the Strate system;
“CIPC”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
“circular”	this circular to unitholders, dated 12 December 2013, including the appendices and the notice of general meeting and the form of proxy;
“Companies Act”	the South African Companies Act No. 71 of 2008, as amended, and its Regulations;
“conversion of the share capital”	the conversion of the authorised and issued par value share capital into authorised and issued no par value share capital;
“corporate actions”	where applicable, the delinking of the VPIF linked units and the conversion of the share capital;
“CSDP”	Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by individual unitholders for the purposes of, and in regard to the dematerialisation of documents of title for the purposes of incorporation into Strate;
“current MOI”	the current Memorandum of Incorporation of the Company, which was registered in terms of the Companies Act on 24 June 2011;
“debenture”	an unsecured variable rate debenture in VPIF having a nominal value of R2.4975, which is indivisibly linked to one ordinary share and which is regulated in terms of the Debenture Trust Deed;
“Debenture Trust Deed”	the Debenture Trust Deed in respect of the debentures, entered into between the Company and the trustee on 20 June 2011; the termination of which is set out in special resolution number 4 of the notice of general meeting attached to and forming part of this circular;
“delinking of the VPIF linked units”	the replacement of each VPIF linked unit with 1 delinked VPIF ordinary share by the delinking of the VPIF linked units through the separation of the ordinary shares from the debentures and the subsequent capitalisation of the value of the debentures in the books of account of the Company to form part of the stated capital account of VPIF;

“delinked VPIF ordinary share”	a new delinked VPIF ordinary share after the replacement of each VPIF linked unit with 1 delinked VPIF ordinary share by the delinking of the VPIF linked units and the capitalisation of the value of the debentures to form part of the stated capital account of VPIF and the subsequent conversion of the share capital, which is to be listed on the JSE as a new instrument under ISIN: ZAE000185872;
“dematerialisation”	the process by which certificated units are converted to an electronic form as uncertified units and recorded in the sub-register of unitholders maintained by a CSDP;
“dematerialised unitholders”	unitholders who hold dematerialised units;
“dematerialised units”	units which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
“dividend”	a dividend as defined in section 1 of the Income Tax Act;
“documents of title”	unit certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of VPIF linked units in certificated form;
“employment contracts”	the employment contracts between VPAM and Messrs. RF Kane and D Govender and Ms M de Lange and Ms P Bonga;
“existing ordinary share”	ordinary shares in the share capital of VPIF with a par value of R0.0025 each linked to a debenture;
“Financial Markets Act”	the Financial Market Act (No. 19 of 2012);
“general meeting”	the general meeting of unitholders to be held at the Company’s offices, Vunani House, Vunani Office Park, 151 Katherine Street, Sandown on Thursday, 16 January 2014 at 10:00, to approve the requisite special and ordinary resolutions to effect the corporate actions, the adoption of a new MOI and the Ceded Asset Management Agreement;
“Income Tax Act”	Income Tax Act, No. 58 of 1962, as amended;
“JHI” or “the property manager”	Topeka Trading 4 Proprietary Limited (Registration number 2007/021131/07), a private company and a subsidiary of Excellerate Holdings Limited, duly registered and incorporated with limited liability in accordance with the laws of the RSA, trading as JHI;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“last practicable date”	Tuesday, 3 December 2013 being the last practicable date prior to the finalisation of this circular;
“new MOI”	the proposed new Memorandum of Incorporation of the Company, the salient features of which are set out in Appendix 3 to this circular; the adoption of which is set out in special resolution number 6 of the notice of general meeting attached to and forming part of this circular;
“qualifying distribution”	a qualifying distribution as defined in section 25BB of the Income Tax Act;
“Purchaser”	Texton Property Investments Proprietary Limited (Registration number 2004/029298/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA and the company to which the Asset Management Agreement will be ceded and assigned subject to unitholders’ approval;
“Property Management Agreement”	the agreement between VPIF and JHI, dated 8 February 2011, in regard to the property management of the properties owned by VPIF/VPIT;
“Record Date”	the record date in terms of section 59 of the Companies Act, by which a unitholder is required to be recorded in the Company’s Register in order to be able to attend, participate and vote at the general meeting;

“Register”	the register of certificated unitholders maintained by the Company’s transfer secretaries and the sub-register of dematerialised unitholders maintained by the relevant CSDPs;
“Regulations”	the regulations in terms of the Companies Act;
“REIT”	Real Estate Investment Trust;
“Relevant Time”	48 hours before the time of the general meeting;
“Sale of Business Agreement”	the Sale of Business Agreement, dated 9 November 2013, entered into between VPAM and the Purchaser in terms of which VPAM will sell its business, including the cession and assignment of the Asset Management Agreement between VPIF and VPAM and the employment contracts, to the Purchaser;
“SENS”	Stock Exchange News Service of the JSE;
“share” or “ordinary share”	the current ordinary shares in the share capital of VPIF with a par value of R0,0025 each, linked to a debenture;
“Strate”	the settlement and clearing system used by the JSE managed by Strate Limited (Registration number 1998/022242/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and the CSDP registered in terms of the Financial Markets Act;
“transfer secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of the RSA, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107);
“trustee”	the trustee holding office as such in terms of the Debenture Trust Deed (i.e. Fluxmans Inc);
“unitholder” or “linked unitholder”	a holder of VPIF units;
“unit” or “VPIF unit” or “VPIF linked unit”	one linked unit with a nominal value of R2.50 comprising one existing share which is indivisibly linked to one debenture, and which are not capable of disposal independently of each other;
“VPAM”	Vunani Property Asset Management Proprietary Limited (Registration number 2007/028777/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA and wholly owned by Vunani Properties;
“VPIF” or “the Company” or “the Fund”	Vunani Property Investment Fund Limited (Registration number 2005/019302/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and whose securities are listed on the JSE and where applicable, includes VPIT;
“VPIT”	the trustees of the Vunani Property Investment Trust, whose names are set out in the Corporate Information section of this circular and in whose favour the Master of the High Court has issued Letters of Authority under reference number IT6363/2006, and which is constituted in terms of and governed by the VPIT Trust Deed;
“VPIT Trust Deed”	the Deed of Trust registered on 3 July 2006 under Letters of Authority reference number IT6363/2006 and the Addendum thereto dated 24 June 2011, which aligns the Deed to the JSE Listings Requirements;
“Vunani Limited”	Vunani Limited (Registration number 1997/020641/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and whose securities are listed on the Alternative Exchange of the JSE; and
“Vunani Properties”	Vunani Properties Proprietary Limited (Registration number 2004/006730/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA and 78% owned by Vunani Limited.

VUNANI

PROPERTY INVESTMENT FUND

VUNANI PROPERTY INVESTMENT FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE code: VPF
ISIN: ZAE000000157459

CIRCULAR TO UNITHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

REIT conversion

VPIF has been granted REIT status by the JSE as provided for in the Income Tax Act and section 13 of the JSE Listings Requirements. VPIF is required to fully comply with the JSE Listings Requirements pertaining to REITs and the board proposes aligning VPIF's current linked unit structure to an all equity structure and therefore proposes:

- the delinking of the VPIF linked units – the replacement of each VPIF linked unit with 1 delinked VPIF ordinary share by the delinking of the VPIF linked units and the capitalisation of the value of the debentures in the books of account of the Company to form part of the stated capital accounts of VPIF. This is to be facilitated by an amendment to the Debenture Trust Deed followed by the termination of the Debenture Trust Deed and the cancellation of the debentures without payment to VPIF linked unitholders;
- the conversion of the share capital – to convert the Company's ordinary par value shares into ordinary shares with no par value pursuant to the requirements of the Companies Act; and
- the substitution of the current MOI by the adoption of a new MOI – to cater for the aforementioned corporate actions as well as other matters to more fully align the MOI to the Company's business.

Sale of the business conducted by VPAM

A Sale of Business Agreement, dated 9 November 2013, has been entered into between VPAM, a wholly owned subsidiary of Vunani Properties, and the Purchaser in terms of which VPAM will dispose of its business, including the cession and assignment of the Asset Management Agreement between VPIF and VPAM and the employment contracts. The disposal of the business conducted by VPAM is not a "defined transaction" in terms of the JSE Listings Requirements in relation to VPIF, however, it is a sale of an asset by a subsidiary of Vunani Limited and therefore categorised as a category 1 transaction in terms of the JSE Listings Requirements in relation to Vunani Limited and Vunani Limited will accordingly issue a circular to shareholders in this regard.

The management and board of VPIF are committed to the transformation and empowerment objectives of South Africa and have expended considerable effort in addressing VPIF's objective of having a meaningful, sustainable and commercially driven black economic empowerment shareholding at the listed level. It is the view of the board that such a scheme is an imperative for any well-run, South African business. The scheme will also fully address the DTI BEE codes of practice which are being further refined by the Property Charter. A sub-committee has been appointed by the board which is currently evaluating the scheme in terms of participants, financial effects, structure, possible vendor assistance and also relevance to generally accepted BEE good practice. It is the intention of the board that VPIF is at the forefront in the implementation of BEE. Announcements will be made early in 2014 when the scheme has been defined in more detail.

Purpose of the circular

The purpose of this circular is to furnish the Company's unitholders with all the relevant information relating to the proposed corporate actions, the adoption of a new MOI and the Ceded Asset Management Agreement and to convene a general meeting of unitholders in order for them to consider and, if deemed fit, approve, with or without amendment, the special and ordinary resolutions to effect the corporate actions, the adoption of a new MOI and the Ceded Asset Management Agreement in terms of the notice of general meeting attached to and forming part of this circular.

2. INFORMATION RELATING TO REITs

2.1 Overview

The concept of REIT regulation in South Africa had been under discussion between the National Treasury and the property industry for more than six years. More recently, the JSE, having regard to the promulgation of the Taxation Laws Amendment Act and the inclusion of section 25BB ("the taxation of REITs") in the Income Tax Act, was requested to facilitate the introduction of REIT regulation in South Africa and the JSE Listings Requirements were accordingly amended to facilitate this. The REIT structure is a tax regime that provides "flow through" on a pre-tax basis of the net property income of a REIT to investors. Benefits of the REIT structure include:

- greater tax certainty;
- the introduction in South Africa of a globally understood structure;
- no payment of securities transfer tax on the buying and selling of securities in a REIT;
- the deduction, as an expense, of all distributions paid to security holders of a REIT;
- the exemption from capital gains tax on any profit made by REITs from the sale of property; and
- simplified accounting treatment of REITs.

2.2 Taxation of REITs

In terms of the dividend and dividend withholding tax provisions of the Income Tax Act read in conjunction with section 25BB of the Income Tax Act, distributions received from a REIT will be taxed in the hands of the recipient (i.e. the unitholder/shareholder). Provided: that distributions paid by VPIF meet the definition of a "qualifying distribution" (which is currently the situation), distributions received by unitholders will be regarded as a dividend in the hands of the unitholder, with different tax treatment for resident and non-resident unitholders.

Resident unitholders:

Distributions received by resident unitholders will be taxed as a dividend for income tax purposes but will not be exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. These dividends will however be exempt from dividend withholding tax. The dividends will accordingly represent income in the hands of the recipient.

Non-resident unitholders:

Distributions received by non-resident unitholders will not be taxed as a dividend for income tax purposes as distributions will be exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. These dividends will however be exempt from dividend withholding tax.

If unitholders are in any doubt as to the tax implications for distributions to be received from VPIF, they are encouraged to consult their professional tax advisers.

The replacement of each VPIF linked unit with 1 delinked VPIF ordinary share by the delinking of the VPIF linked units and the capitalisation of the value of the VPIF debentures to VPIF's stated capital will be tax neutral to VPIF and its unitholders.

3. DELINKING OF THE VPIF LINKED UNITS

3.1 Overview and process

The board proposes aligning VPIF's current linked unit structure to an all equity structure and therefore proposes the delinking of the VPIF linked units, which will harmonise VPIF's capital structure with the most familiar and understood international all equity REIT capital structures as well as simplifying the accounting treatment of that capital structure.

The delinking of the VPIF linked units will be facilitated as follows:

- The separation of the existing ordinary shares from the debentures and the subsequent capitalisation of the value allotted to the debentures in the books of account of VPIF to form part of the stated capital account.
- After the delinking of the VPIF linked units and capitalisation of the value of the debentures to VPIF's stated capital, the capital structure will comprise an all equity capital structure with the number of delinked VPIF ordinary shares in issue being equal to the current number of VPIF linked units in issue.
- The Debenture Trustee has consented to the delinking of the VPIF linked units and the subsequent conversion of the share capital as proposed and the capitalisation of the debentures. The Debenture Trustee has also consented to the termination of the Debenture Trust Deed, which termination will take effect from the date of approval of the relevant special resolution set out in the notice of general meeting. A copy of such consent is attached to this circular as Appendix 1.

The process of delinking the debentures from the existing ordinary shares and the capitalisation of the value of the debentures to VPIF's stated capital account requires unitholders' approval of the following special resolutions, which are set out in the notice of general meeting:

1. An amendment of the Debenture Trust Deed to facilitate the delinking of the debentures from the existing ordinary shares and the capitalisation of the value of the debentures to VPIF's stated capital account;
2. The delinking of the debentures from the existing ordinary shares;
3. The capitalisation of the value of the debentures to VPIF's stated capital account; and
4. The termination of the Debenture Trust Deed and the cancellation of the debentures, without payment to debenture holders.

3.2 Effect of the delinking of the VPIF linked units

Subsequent to the delinking of the VPIF linked units and the capitalisation of the value of the debentures to VPIF's stated capital:

- VPIF's capital structure will comprise an all equity capital with the number of delinked ordinary shares equaling the current number of VPIF linked units in issue before the delinking and capitalisation.
- In terms of the dividend and dividend withholding tax provisions of the Income Tax Act read in conjunction with section 25BB of the Income Tax Act, distributions received from a REIT are taxed in the hands of the recipient (being the unitholder).
- The tax effect on VPIF and its current unitholders will be tax neutral.
- The tangible net asset value on a per share basis will not be affected by the delinking of the VPIF linked units and the capitalisation of the value of the debentures to VPIF's stated capital. The net asset value of a delinked VPIF ordinary share held by a shareholder after the delinking and capitalisation will be the same as the net asset value of a VPIF linked unit before the delinking and capitalisation of the VPIF linked unit.
- The earnings and headline earnings on a per share basis will correlate to the earnings and headline earnings as would have applied to a VPIF linked unit before the delinking and capitalisation of the VPIF linked unit.

- After the delinking and capitalisation, the distribution that will be received by a shareholder (other than a non-resident shareholder), and the tax treatment thereof, will be the same as the distribution, and the tax treatment thereof, that would have been received by a shareholder (other than a non-resident shareholder) if such shareholder held a VPIF linked unit. Non-resident shareholders will have dividend withholding tax deducted in respect of the distribution received by them.
- Subject to any changes, which will be announced on SENS, the record date for purposes of determining those unitholders whose linked units will be subject to the delinking and capitalisation of the debentures is Friday, 7 February 2014. The last date to trade in VPIF linked units on the JSE in order to be recorded as a unitholder is Friday, 31 January 2014.

4. CONVERSION OF THE SHARE CAPITAL

4.1 Overview

The Companies Act provides for the conversion of all par value shares to no par value shares and the directors have resolved to align the Company's share capital to the Companies Act.

The proposed new MOI will reflect the conversion of the ordinary share capital, which currently comprises par value shares of 0,0025 each, to no par value shares.

As required in terms of the Regulations, the board has caused a report to be prepared in respect of the conversion of the shares from par value shares to no par value shares and a copy of this report, setting out the matters required in terms of Regulation 31(7) in relation to the conversion, is incorporated in this circular as Appendix 2.

The share capital of Vunani before and after the share conversion is set out in paragraph 8.

As required in terms of Regulation 31(8), a copy of the proposed special resolution as set out in the notice of general meeting will be filed with the CIPC and SARS at the same time that this circular is submitted to unitholders.

Unitholders will accordingly be requested to approve special resolution number 5 set out in the notice of general meeting to give effect to the conversion of the share capital.

4.2 Security holders' protection in terms of the Companies Act

In terms of Regulation 31(9)(b), a security holder in the company affected by the proposed conversion of the share capital, who believes that such proposal does not adequately protect its rights, or otherwise fails to satisfy the requirements of the Companies Act, may apply to the court for an order.

If such an application is made to a court, the company may not put the proposed special resolution to the vote until the court proceedings are completed and the time for any appeal or review of any court order has expired.

4.3 Tax implications of the conversion of the share capital

The conversion of the share capital will have no effect on the taxation of the Company.

The tax treatment of security holders is dependent on their individual circumstances and the tax jurisdiction to which they are subject and it is therefore recommended the Company's security holders should seek appropriate advice on the manner in which the conversion of the share capital could affect their taxation.

5. SURRENDER OF DOCUMENTS OF TITLE

VPIF currently has no certificated unitholders and accordingly a Form of Surrender has not been attached to this circular. If any linked units are certificated on or before Friday, 31 January 2014 (refer "Important dates and times" dates on page 4), a Form of Surrender may be obtained from the transfer secretaries.

Dematerialised linked unitholders' accounts with their CSDPs or brokers will be automatically updated to reflect the relevant corporate actions.

6. NEW MOI

The board has resolved to replace the current MOI in its entirety with a new MOI. The new MOI has been approved by the JSE, however, unitholders' approval is also required as set out in special resolution number 6 in the notice of general meeting. The new MOI is available for inspection as set out in paragraph 12 and the salient features thereof are summarised in Appendix 3.

7. JSE APPROVAL

Subject to unitholders' approval thereof and the filing with, and acceptance by CIPC of the relevant special resolutions, the JSE has approved the new MOI and has agreed to amend VPIF's listing to take account of the corporate actions. It is anticipated that the listing of the current VPIF linked units will be terminated and the subsequent listing of the delinked VPIF ordinary shares of no par value will take effect from Monday, 3 February 2014 under the new ISIN: ZAE000185872. The JSE code will remain as "VPF".

8. CAPITAL STRUCTURE

The Company's capital structure, before and after the conversion of the share capital is set out below:

	R'000
Before the share conversion	
Authorised	
2 000 000 000 ordinary shares of 0,0025 cent each	5 000
Issued (listed)	
169 122 019 ordinary shares of 0,0025 cent each linked to	423
169 122 019 unsecured variable rate debentures with a nominal value of R2,4975 each	422 382
Debenture premium	621 985
	1 044 790
After the share conversion	
Authorised	
2 000 000 000 ordinary shares of no par value	–
Issued (listed)	
169 122 019 ordinary shares of no par value	–
Stated capital	1 044 790

9. SALE OF BUSINESS AGREEMENT

9.1 Suspensive conditions

The Sale of Business Agreement is subject, *inter alia*, to the following suspensive conditions:

- shareholders of Vunani Limited approving the disposal by VPAM of its business to the Purchaser in general meeting;
- written confirmation from the board approving the cession and assignment of the Asset Management Agreement;
- unitholders approving the cession and assignment of the Asset Management Agreement in general meeting; and
- approval as required in terms of the Competition Act (No 89 of 1998), as amended.

In terms of the Sale of Business Agreement, the suspensive conditions must be fulfilled or waived on or before 28 February 2014 or such later date as agreed on by all the parties.

9.2 Background information

In 2005 Ethan Dube (the CEO of Vunani Limited and subsequently a director of VPIF and VPAM) joined the board of Hyprop Investments Limited (“Hyprop”), South Africa’s largest listed retail property fund. Through this relationship an opportunity to provide Hyprop with a BEE enterprise development venture while bulking up its own commercial portfolio of property assets was identified; a win-win result for both parties as Hyprop had been contemplating a sale of a commercial office portfolio as it represented non-retail assets. The formation of VPIF was effected by combining the commercial properties owned by Vunani Properties with a commercial portfolio owned by Hyprop.

VPIF was listed on the JSE on 11 August 2011. VPIF is a variable loan stock company with its sole assets being its property portfolio. The properties acquired on listing from Vunani Properties are held by VPIF with the balance of the properties being held by VPIT in terms of the VPIT Trust Deed. VPIT is fully bound by the JSE Listings Requirements as if it were a subsidiary of VPIF, subject to there being only one beneficiary of VPIT, namely VPIF.

Since its formation, the assets of VPIF/VPIT have been managed by VPAM, a wholly owned subsidiary of Vunani Properties.

VPAM’s sole business activity is the provision of property asset management services to VPIF and VPIT in terms of the Asset Management Agreement.

The current directors of VPAM are EG Dube (Chairman), RF Kane (CEO), A Judin, B Khoza and PW Mackenzie.

Mr RF Kane holds shares in Cozifor Proprietary Limited (which owns 100% of the Purchaser – refer paragraph 9) through his family trust and being a unitholder of VPIF will accordingly not participate in any voting relating to the Ceded Asset Management Agreement.

Mr Kane will remain as the CEO of VPIF and Ms M de Lange will remain as CFO of VPIF.

The following full-time employees of VPAM will be transferred to the Purchaser:

RF Kane, D Govender, M de Lange and P Bonga.

9.3 Asset Management Agreement

The Asset Management agreement is for an initial period of seven years following the listing date of VPIF (i.e. 11 August 2011), renewable for subsequent five-year periods in accordance with the provisions of that agreement. In event of breach, the agreement may be terminated on the expiry of three months written notice. In terms of the JSE Listings Requirements, where an asset management agreement is entered into or renewed, such agreement cannot be entered into or renewed:

- without a majority of the votes cast by unitholders (excluding any parties or their associates who are party to or have an interest in the agreement); and
- without providing therein for the right of unitholders, in a general meeting called by them or held by the Company, to cancel the agreement at any time before its expiry date, subject to a majority of the votes cast by unitholders (excluding any parties or their associates who are party to or have an interest in the contract).

The terms of the existing Asset Management Agreement will not change as a result of the cession and assignment thereof to the Purchaser.

The Asset Management Agreement is available for inspection as set out in paragraph 12.

9.4 Asset management services

The Asset Management Agreement provides for the provision of the following services:

Operating standard:

The strategic management of the VPIF Portfolio in an efficient manner, in good faith and diligently in accordance with sound, reasonable and prudent asset management practices and in keeping with directives issued by the fund from time to time.

Strategy:

The preparation and presentation of a strategic plan to the Fund prior to the commencement of each financial year. This strategic plan will be reviewed bi-annually and the progress in implementation will be reported on quarterly within 60 days after the end of each quarter. The asset manager will from time to time recommend general strategies to maximise the performance of the VPIF portfolio and strategies regarding property acquisitions, disposals, new developments, funding the expansion of the VPIF portfolio and interest rate strategies in respect of the fund's liabilities. The asset manager will also recommend such other strategies deemed to be in the best interests of the Fund.

Marketing:

Marketing of the Fund to investors, analysts, bankers, financiers, the press, and the investment community generally.

Strategic research:

The asset manager will conduct or use available research into the relative investment merits of the various sectors and geographical localities of the property market.

Succession plan:

A human resources plan will be submitted to the Fund for its approval from time to time to ensure the adequate management and staffing of the asset manager with a view to ensuring that the asset manager maintains the requisite skills and expertise to conduct the business of the Fund.

Asset management services:

The asset manager will perform the following asset management services:

- Formalise a strategic plan for the property portfolio and make recommendations regarding portfolio re-engineering, streamlining and risk balancing within the portfolio;
- Scrutinise the maintenance plan prepared for each property and revise the programme and budget in terms of affordability, if deemed necessary;
- Perform quarterly performance analyses of property managers and for the property portfolio as a whole in terms of performance against budgets and relevant industry benchmarks, with a focus on gross revenue growth, expense control and management of a comprehensive utility cost program (i.e. actual recoveries to actual costs);
- Perform risk and exposure analyses on a semi-annual basis and review the perceived potential and current risks to which each property is or might be exposed and to which the fund is or might be exposed and report thereon;
- Forecast building lifecycles and revise the business plan for each property on an annual basis;
- Make recommendations regarding improvements to the property portfolio and, more specifically, regarding upgrades, renovations, developments, selling of assets and acquisitions on a quarterly basis;
- Conduct viability and feasibility studies to appraise upgrades, development and acquisition opportunities;
- Have annual independent property valuations for multi and single tenant buildings prepared;
- Manage marketing strategy at property management level to include target market identification, compilation of tenant mix, tenant procurement and selection of objectives;
- Make use of market research and available surveys, together with market intelligence to ensure that the property managers implement at property level, a relevant marketing strategy for all rentable premises, including rent reviews with lease renewals;
- Advise on long-term loan funding structures, maintaining debt to open market value ratios and implementing approved interest rate hedging strategies;

- Manage the appointment process and assess the performance of property managers against agreed industry benchmarks and constantly review and advise on any contractual issues relating to property managers; and
- In all instances, act in the best interests of the Fund.

Operational management:

The asset manager will manage the day-to-day operations of the Fund as follows:

- Management and supervision of bank statements and the reconciliation thereof;
- Financial control:
 - Cash flow management;
 - Bank accounts;
 - Bank exposure limits policy;
 - Overdraft and funding facilities;
 - System and internal controls review; and
 - Deposits/securities;
- Tender documentation;
- Annual insurance review;
- Manage insurance claims processing and settling;
- Manage the process of risk assessment of tenants, including the taking of any legal action when required;
- Monitoring and reporting on changes to regulatory requirements;
- Appraisal of project definition and design concepts;
- Manage the function/process of project quality, cost and time control as well as building inspections;
- Zoning and town planning controls;
- Retain responsibility for audits and inspections regarding compliance requirements in respect of national building regulations, including local authority laws and the Occupational Health and Safety Act;
- Rates and tax objections;
- Replacement costing;
- Ensure compliance with regulatory and statutory requirements and authorities;
- Corporate governance controls;
- Marketing of the fund's image;
- Control professional appointments of auditors, corporate advisers, legal advisers, sponsors (if applicable), insurers, consultants and service providers;
- Retain responsibility for communication including communication and announcements, on a regular basis in respect of financial results, informal press and SENS releases (if applicable) and annual reports;
- Preparation of all trustee and committee documentation and documentation pertaining to the Fund for the directors of the Fund; and
- Manage the business process according to VPIF board approved and authorised levels of authority.

9.5 Fees payable for asset management services

The remuneration payable by the Fund to the asset manager for all asset management and operational management services rendered by it in terms of the Asset Management Agreement shall be 1/12th of 0,5% (one twelfth of zero comma five percent) of the aggregate of the market capitalisation of the Fund determined by multiplying the number of linked units in issue at month end by the monthly weighted average price thereof and the borrowings of the Fund, less cash or cash equivalents, payable monthly in arrears. There will be no transaction fees payable to the asset manager.

The asset management fee will include all normal costs associated with such an activity but will exclude specified fund expenses such as property management, audit, property valuation, strategic research, legal, corporate advisory, sponsor, company secretarial, Strate, transfer secretarial and trustee fees, fund advertising costs, bank charges in respect of the operation of the Fund's bank accounts, insurance costs in respect of the assets of the Fund and professional indemnity costs in respect of the directors of the Company and non-executive directors' remuneration incurred by or on behalf of the Fund.

In addition to the asset management fee, the Fund shall pay a property management fee, the amount of which shall be agreed from time to time between the Fund and the managers of the properties in consideration for the performance of the property management services.

Letting commissions will be payable to the asset manager or its sub-contractors for the successful conclusion of new leases and renewal of leases and will be in keeping with generally accepted tariffs as follows:

- a) 5% of the first two years' rental on the space let;
- b) 2,5% on the next three years' rental on the space let to new tenants;
- c) 1,5% on the next three years' rental on the space let to new tenants;
- d) 1% on the balance thereafter;

with a minimum of one month's rental.

If an existing lease is renewed, or should an existing tenant expand its premises or relocate within the relevant property, then the commission payable shall be 30% of the amounts set out in (a) – (d).

9.6 Information relating to the Purchaser

Registered name:	Texton Property Investments Proprietary Limited
Legal form:	A private company (Registration number 2004/029298/07), duly registered and incorporated with limited liability in accordance with the laws of the RSA
Business address:	54 Bompas Road, Dunkeld West, Johannesburg
Directors:	AN de Rauville, JPG de Rauville, DJ Tew, RF Kane, M de Lange, JA Legh, MJ van Heerden
Shareholders:	100% Cozifor Proprietary Limited Shareholders of Cozifor Proprietary Limited are as follows: 25% Handful of Keys Proprietary Limited 20% Investec Bank Limited 17% Ludlow Trust (RF Kane) 15% JA Legh 15% Nooitgedacht Familie Trust 5% N&G Trust 3% M de Lange

The Purchaser represents a consortium of investors led by Angelique de Rauville, the Managing Director of Handful of Keys Proprietary Limited.

The Purchaser has no direct or indirect beneficial interest in any properties owned by VPIF/VPIT and has not contracted to become a tenant in any of these properties. In addition, the Purchaser had no direct or indirect beneficial interest in any properties acquired or disposed of by VPIF/VPIT.

There is no conflict of interest between the Purchaser and VPIF.

Professional qualifications and relevant experience of the directors:	Appointments to other listed property entities
<p>Angelique Norma Du Hecquet de Rauville, BSocSc</p> <p>Angelique's career in property commenced in 1998 when she founded Provest Limited (a listed property asset management company) where she was appointed managing director in May 2001. In March 2003, the Investec Group acquired Provest and Angelique assumed numerous responsibilities within that group, including:</p> <ul style="list-style-type: none"> • head of Investec's Global Property Investments business; • advised on over R20 billion worth of private, corporate and parastatal real estate transactions; • chaired Investec's listed property investments committee; and • executive director of Investec Property Limited. <p>Her history in property investments includes fund manager of the top-performing South African Investec Property Equity Fund and during her management of this fund, she achieved the accolade of the best performing unit trust in South African over one year and the fund was awarded the "Raging Bull" award for the top performing domestic real estate fund over three years. She is currently founder and Managing Director of specialist property investments business Handful of Keys Proprietary Limited and continues to consult to the Investec Group.</p>	None
<p>Joseph Philippe Gerard Du Hecquet de Rauville, CA(SA)</p> <p>Gerard is a qualified chartered accountant with over 40 years' experience and has held numerous board positions of South African and international listed and unlisted companies. His property experience includes the appointment as CEO of South African listed Grove Property Fund and then joint CEO of Pangbourne Properties Limited post a merger with the company. He was vice-chairman of JHI, the Marshalls Group and was also CEO of Grovewalk Holdings Limited in the 1980s – a listed property and industrial services company. He currently serves on the board committees of Grindrod Bank Limited and Landlock Group Limited.</p>	None

Professional qualifications and relevant experience of the directors:	Appointments to other listed property entities
<p>Robert Fletcher Kane, BSc (Civ) Eng, MBA</p> <p>Rob has over 25 years' experience in all aspects of the property industry. After completing his BSc degree at the University of Cape Town, Rob was employed by Wilson Bayly Homes-Ovcon Limited as a building contractor. He gained his Pr Eng qualification in 1989 and then worked as a consultant in the United Kingdom for 18 months prior to completing an MBA at Bath University. He joined Kennedy & Donkin (UK) as the business development manager responsible for Western Europe, Scandinavia, Turkey and Africa. Rob returned to South Africa in 1996 and joined Herbert Penny as a property investment broker. Rob managed his own property development and investment broking business between 1998 and 2003. Rob joined Vunani Properties in 2004, where his responsibilities include the management of VPIF and involvement in developments in the Cape Province. Rob has been CEO of VPIF since mid 2008. Rob is Chairman of the Cape Town City Improvement District, a board member of the Cape Town Partnership and a member of the South African Property Owners' Association W Cape committee. He is an external examiner and occasional lecturer at the University of Cape Town. He is a member of the Investment Analysts Society.</p>	VPIF only
<p>Marelise de Lange, BCom (Law, BCom (Hon)(Acc)</p> <p>Marelise obtained BCom (Law) and BCom (Hon)(Acc) degrees and commenced her career at Absa Corporate and Merchant Bank in the Structured Finance division. She later worked at Absa Capital where she held the position of Business Manager – Structured Capital Market. In June 2008, Marelise joined International Housing Solutions, a property equity fund for affordable housing, as Financial Director where her duties included the implementation of IFRS accounting and reporting systems for the South Africa Workforce Housing Fund. Her finance and accounting experience extends over 18 years. Marelise joined Vunani Limited in June 2009 as Group Financial Manager and was appointed Financial Director of VPIF on 11 August 2011.</p>	VPIF only
<p>John Alastair Legh (Chick), BA (Wits)</p> <p>Chick has been operating in the South African property market since 1981, primarily as an owner/developer of commercial, industrial and retail properties. He is currently the Chairman of the Kuper Legh Property Group, which he started together with David Kuper in 1997. Prior to this, he was joint Managing Director and shareholder of BOE Properties Transvaal Limited and during this time Boardprop Limited was successfully listed in the property section of the JSE. In 2006 Kuper Legh merged its properties with Sanlam Properties to list the Vukile Property Fund Limited. Since 1980 John has also developed numerous up-market leisure properties which he currently owns and operates.</p>	None

Professional qualifications and relevant experience of the directors:	Appointments to other listed property entities
<p>David John Tew, BCom, PGDA, CA(SA)</p> <p>David has over 12 years' investment banking experience, a significant amount of which has been focused in the property sector. After completing his degrees at the University of Cape Town, David joined Deloitte & Touche where he completed his articles and thereafter spent three years as a manager focusing on auditing and learning and development. From Deloitte & Touche, David joined the Investec Corporate Finance team where he developed his transaction and advisory skills and ultimately advised on numerous transactions in the listed sector for some of South Africa's top corporates. Key property related highlights include advising on the disposal of the V&A Waterfront for Transnet and the various Transnet Retirement Funds and a couple of years later the joint acquisition of the V&A Waterfront by Growthpoint and the Public Investment Corporation. David was also involved in various other transactions for Growthpoint, including its BEE transaction. He played a key role in the listing of the Investec Property Fund in 2011. Following the listing of the Investec Property Fund, David joined Investec Property, the asset manager of the Fund to develop its financial reporting function and to focus on the financing requirements of the Fund. Having completed the first annual report of the Fund for the year ended March 2012 and having completed the raising of bridging loan facilities and the successful registration and placement of a domestic medium term note programme, David returned to a deal-making role as the Johannesburg head of Growth & Acquisition Finance in the Investec Specialist Bank.</p>	None
<p>Mathys Johannes van Heerden (Thys), BCom (Hon) (Real Estate)</p> <p>Thys has been involved in the property industry for over 24 years serving in different capacities. He commenced his career at Barprop Limited, a listed fund, moved to PPS as Senior Property Manager and then returned to RMP/Barprop as Marketing Manager. He moved to Old Mutual as Senior Investment Analyst when Barprop was delisted and acquired by that company, and was eventually responsible for sales and acquisitions for Old Mutual Properties where he served them for more than 10 years. He is currently co-owner and CEO of Kuper Legh Property Group where he is involved with major acquisitions and transactions and where his vast experience in property management, sales and acquisitions, valuations, large developments, direct property investment and deal-making is invaluable.</p>	None

9.7 Property management

The management of the properties owned by VPIF/VPIT is undertaken by JHI in terms of the Property Management Agreement.

The original Property Management Agreement with JHI was signed on 13 December 2006 and Addenda thereto have been signed, the latest of which is dated 8 February 2011. The effective date of the current agreement is 1 January 2013 and it will remain in force for one year, whereafter it will be renewed subject to continued satisfactory performance and subject to the right of either party to terminate it on three months' written notice.

JHI is a well-established property services company with more than a century of experience. The JHI directors are: JE Wellsted, M van der Walt and J Boshoff.

JHI's business address is: JHI Place, 2 Norwich Close, Sandton, 2196.

Neither the VPIF directors nor the directors of the Purchaser have any beneficial interest, direct or indirect, in JHI.

The directors of JHI do not have any beneficial interest, direct or indirect, in the VPIF property portfolio and there is no relationship between the JHI directors and any other person, where a duty in relation to that other person conflicts or may conflict with JHI and this situation prevailed over the past two years.

The Property Management Agreement is available for inspection as set out in paragraph 12.

10. DIRECTORS' OPINION AND RECOMMENDATION

The board:

- is of the opinion that the corporate actions are fair insofar as the unitholders are concerned; and
- has approved the cession and assignment of the Asset Management Agreement, subject to certain conditions being fulfilled, to the Purchaser,

and unanimously recommends that unitholders vote in favour of the relevant special and ordinary resolutions at the general meeting.

The directors who hold VPIF linked units intend to vote their linked units in favour of the special and ordinary resolutions as set out in the notice of general meeting, other than Mr RF Kane who will not participate in the voting relating to the Ceded Management Agreement set out in ordinary resolution number 1.

11. ADDITIONAL INFORMATION

11.1 Consents

The legal and corporate advisers and the investment bank have given and have not, prior to the last practicable date, withdrawn their written consents to the inclusion in this circular of their names in the form and context in which they appear.

11.2 Directors' responsibility statement

The directors, whose names are given in the "Corporate information and advisers" section of this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular 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 this circular contains all information required by law, the Companies Act and the JSE Listings Requirements.

11.3 General meeting and voting

11.3.1 General meeting

A notice convening the general meeting to approve the corporate actions, the adoption of the new MOI and the Ceded Asset Management Agreement and a form of proxy, for use by any registered certificated unitholders and dematerialised unitholders with own-name registration who are unable to attend the general meeting, form part of this circular.

Unitholders are referred to the "Action required by unitholders" section of this circular, which contains information as to the actions they need to take in regard to the general meeting.

11.3.2 Voting

For the special resolutions to be approved by unitholders, each resolution must be supported by 75% or more of the voting rights exercised. Ordinary resolutions number 1 and 2 must be supported by a simple majority of votes.

11.4 Irrevocable undertakings

The following unitholders, representing 39,7% of the units held by independent unitholders, have provided VPIF with irrevocable undertakings to vote in favour of the Ceded Asset Management Agreement at the general meeting:

	Number of units	% of eligible votes
ABSA Asset Management Proprietary Limited	10 696 236	6,4
Momentum Assetment Management Proprietary Limited	7 347 792	4,3
Old Mutual Investment Group Proprietary Limited	9 300 000	5,5
Stanlib Asset Management Limited	29 804 264	17,6
A de Rauville	719 835	0,5
J Legh	446 643	0,3
N & G Trust	276 238	0,2
Nooitgedacht Familie Trust No. 1	157 214	0,1
	66 963 487	39,7

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at VPIF's registered office, as detailed in the "Corporate information and advisers" section of this circular, during normal business hours from the date of issue hereof until the date of the general meeting:

- The current and new MOIs;
- The Debenture Trust Deed;
- The Asset Management Agreement;
- Property Management Agreement;
- The original Debenture Trustee's consent letter, the text of which is included as Appendix 1 to this circular;
- Adviser's consent letter;
- Copies of the irrevocable undertakings;
- The Board Report; and
- A signed copy of this circular.

SIGNED AT JOHANNESBURG ON 3 DECEMBER 2013 BY M DE LANGE ON BEHALF OF ALL THE DIRECTORS OF VPIF IN TERMS OF A DIRECTORS' ROUND ROBIN RESOLUTION.

M DE LANGE

DEBENTURE TRUSTEE'S CONSENT LETTER

"The Directors
Vunani Property Investment Fund Limited
Vunani House
151 Katherine Street
SANDTON

3 December 2013

Dear Sirs

THE INTENDED CONVERSION TO A REAL ESTATE INVESTMENT TRUST, AMENDMENTS TO THE CAPITAL STRUCTURE AND CIRCULAR TO UNITHOLDERS

Fluxmans Inc, being the Trustee of the Vunani Property Investment Fund Limited ("VPIF") Debenture Trust (Reference number IT6363.2006) hereby consents to the actions set out below and as set out in the relevant special resolutions detailed in the VPIF circular to its unitholders to be dated on or about 10 December 2013 ("the circular"). Fluxmans Inc consents to and supports the matters set out below on the basis that those actions are regarded to be in the best interests of the VPIF unitholders (and therefore also its debenture holders) for the reasons as set out in the circular:

- the proposed delinking of the VPIF debentures and ordinary shares and the subsequent capitalisation of the VPIF debentures to VPIF's capital account;
- the subsequent capitalisation of the VPIF debentures to VPIF's stated capital account whereafter linked unitholders will hold ordinary shares only in VPIF, listed on the JSE; and
- the termination of the Debenture Trust Deed, with effect from the date of the approval of the debenture holders (effectively the linked unitholders) of the proposed special resolution to terminate the Debenture Trust.

We consent to the inclusion of this letter and the references thereto, in the form and context in which they appear in the circular. Furthermore we confirm that we will not withdraw our consent prior to the issue of the circular.

Yours faithfully

S SLOM

Director of Trustee of the Vunani Property Investment Fund Limited Trust"

BOARD REPORT ON THE CONVERSION OF THE SHARE CAPITAL IN TERMS OF REGULATION 31(7)

Regulation 31(7) of the Companies Act requires the board of a company to cause a report to be prepared in respect of a proposed resolution to convert any par value shares into no par value shares ("the Report"). This appendix constitutes the Report in relation to the proposed conversion of the Company's ordinary shares from par value shares of 0,0025 cents each to ordinary shares of no par value ("the proposed conversion").

THE REPORT:

In terms of Regulation 31(7) of the Companies Act, the Report is required to, at a minimum:

- a) *state all information that may affect the value of the securities affected by the proposed conversion;*
- b) *identify the class of holders of the company's securities affected by the proposed conversion;*
- c) *describe the material effect that the proposed conversion will have on the rights of the company's securities affected by the proposed conversion; and*
- d) *evaluate any material adverse effects of the proposed arrangement against the compensation that any of these persons will receive in terms of these arrangements."*

REPORT IN TERMS OF REGULATION 31(7)

1. Regulation 31(7)(a) – Information relevant to the value of the securities affected by the proposed conversion

1.1 The following securities are affected by the proposed conversion:

- the authorised share capital of 2 billion par value ordinary shares of 0,0025 cent each; and
- the issued share capital of 169 122 019 par value ordinary shares of 0,0025 each.

The ordinary shares are indivisibly linked to the same number of debentures to form linked units, which linked units are listed on the JSE and which ordinary shares and debentures are not capable of disposal independently of each other ("linked units").

1.2 Given that the number of ordinary shares (and linked units) in the Company in issue and the rights attaching to those ordinary shares (and linked units) will be affected by the proposed conversion, the proposed conversion will have no impact on the historic net asset value and tangible net asset value per share. The proposed conversion will also not have any effect on the distribution, and tax treatment thereof. The proposed conversion should not have any impact on the price at which the Company's linked units trade on the JSE.

2. Regulation 31(7)(b) – Holders of the Company's securities affected by the proposed conversion

The authorised share capital of the Company consists of a single class of ordinary shares. No other equity securities have been issued by the Company.

Consequently, the proposed conversion will apply equally to all holders of the Company's linked units.

3. Regulation 31(7)(c) – Material effects of the proposed conversion on the rights of the holders of the Company’s securities affected by the proposed conversion

The proposed conversion of the shares from par value to no par value shares will not have any effect on the rights of the holders of the securities affected by the proposed conversion and each shareholder of the Company will continue to own the identical number of ordinary shares as they did before the proposed conversion. As the Company’s ordinary shares are inseparably linked to the debentures, the same will apply to the proportion of the total issued linked units held before the proposed conversion.

4. Regulation 31(7)(d) – Evaluation of any material adverse effects of the proposed conversion against any compensation offered

The conversion of the ordinary shares in the Company from par value to no par value shares will not have any material adverse effect on the holders of ordinary shares in the Company, The holders of ordinary shares (and linked units) will not receive any compensation in terms of the proposed conversion.

FINANCIAL EFFECTS

The conversion will have no financial effect on the Company.

However, it should be noted that, pursuant to the Conversion, the amounts standing to the credit of the share capital and share premium accounts in the Company’s books of account will be transferred to the stated capital account of the Company.

PROVISIONS OF REGULATION 31

In terms of Regulation 31(9), a unitholder of the company affected by the proposed conversion who believes that the proposed conversion does not adequately protect their rights or otherwise fails to satisfy the requirements of the Companies Act, may apply to the High Court for an order and the High Court may order that such an application is just and reasonable in the circumstances.

CONCLUSION

The board has satisfied itself that the proposed conversion from ordinary par value shares to no par value shares will have no effect on the Company’s unitholders and recommends the conversion of the Company’s ordinary shares from par value to no par value shares in accordance with the Companies Act.

FILING AND PUBLISHING OF THIS REPORT

A copy of this Report will be filed at the offices of the CIPC and at the South African Revenue Services at the same time that this Report is published to unitholders.

SALIENT FEATURES OF THE NEW MOI

1. APPLICATION OF THE COMPANIES ACT, NO. 71 OF 2008

The MOI of the Company is subject to the unalterable provisions of the Companies Act. All acts of the Company must be carried out in terms of the provisions of the Act and except where the Act provides for elections, the provisions of the Act must be strictly adhered to.

2. JURISTIC PERSONALITY

2.1 The Company was incorporated as from 6 June 2006, as a public company.

2.2 The Company is a pre-existing company and, as such, continues to exist as a public company as if it had been incorporated and registered in terms of the Act. The MOI replaces and supersedes the Memorandum and Articles of Association of the Company applicable immediately prior to the filing thereof.

2.3 The Company's shares are listed on the JSE. The Company has obtained REIT status from the JSE in accordance with the provisions of the JSE Listings Requirements, and will make application to the South African Revenue Services for qualification for tax deduction of its distributions under the Income Tax Act.

3. POWERS OF THE COMPANY AND SPECIAL CONDITIONS

3.1 The Company will conduct its business in such manner as to ensure that it at all times complies with the provisions of the Income Tax Act and the requirements set by the JSE for the Company to qualify as a REIT. A special resolution approved by a 75% (seventy five per cent) majority of those shareholders present and voting, for as long as the REIT requirements as contemplated in the Income Tax Act and the Listings Requirements are in existence, is required in order to amend the special condition referred to in this 3.1.

3.2 Save for the provisions of 3.1:

3.2.1 the Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in the MOI should be interpreted or construed as negating, limiting or restricting those powers in any way whatsoever; and

3.2.2 the legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications.

3.3 The MOI does not contain any restrictive conditions applicable to the Company, or prohibit the amendment of any particular provision of the MOI.

4. ISSUE OF SHARES AND VARIATION OF RIGHTS

4.1 Shares in each class for which application is made for listing on the JSE shall rank *pari passu* in respect of all rights.

4.2 The authority of the board to increase or decrease the number of authorised securities, consolidate and reduce the number of the Company's issued and authorised securities, subdivide its securities by increasing the number of its issued and authorised securities without an increase of its capital, reclassify any classified shares that have been authorised but not issued and to classify any classified shares that have been authorised but not issued, or to determine the preferences, rights, limitations or other terms of any class of shares has been limited to the extent that any such action requires approval of the JSE and of the shareholders passed by way of a special resolution.

- 4.3** The rights of existing shareholders to be offered unissued securities, *pro rata* to their shareholdings, have been limited. In this regard, the aforesaid rights shall not apply where the securities are issued in consideration for the acquisition of assets; for cash, as contemplated in, and in accordance with, the provisions of the Listings Requirements; or under an approved share incentive scheme.

5. FINANCIAL ASSISTANCE

The board may authorise the Company to provide financial assistance including, without limitation, by way of loan, guarantee, the provision of security, or otherwise to any person 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 inter-related company, or for the purchase of such shares, and the authority of the board in this regard, is not limited or restricted by the MOI.

6. DEBT INSTRUMENTS

- 6.1** The ability of the board to authorise the issue of any debt instruments is not limited or restricted by the MOI.
- 6.2** The authority of the board to grant special privileges regarding the attendance and voting at general meetings and the appointment of directors, or the allotment of securities, redemption by the Company or substitution of debt instruments for shares in the Company has been limited.

7. REIT STATUS

- 7.1** The Company must conduct its business in such a way that at least such percentage of the gross income received by or accrued to the Company in each year of assessment as laid down in the JSE Listings Requirements will consist of rental income for as long as the REIT regime as contemplated in the Income Tax Act and the JSE Listings Requirements is in existence. These provisions can only be amended by special resolution approved by a 75% (seventy five per cent) majority of those shareholders present and voting.
- 7.2** The Company shall remain a property entity in terms of the JSE Listings Requirements and may not dispose of all or the greater part of its assets or undertaking unless the disposal has been approved by a special resolution of the shareholders adopted by 75% (seventy five per cent) of those persons entitled to exercise voting rights on such a matter at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 75% (seventy five per cent) of all the voting rights that are entitled to be exercised on that matter.

8. DISTRIBUTIONS

Subject to the provisions of the Act and the MOI, the Company may make a proposed distribution if such distribution:

- 8.1** is pursuant to an existing legal obligation of the Company or a court order; or
- 8.2** is authorised by resolution of the board, in compliance with the Listings Requirements.

9. GENERAL MEETINGS OF SHAREHOLDERS

- 9.1** The Company shall hold a general meeting:
- 9.1.1** at any time that the board is required by the Act, the JSE Listings Requirements or the MOI to refer a matter to shareholders for decision;
- 9.1.2** for the purposes of adhering to the JSE Listings Requirements; or
- 9.1.3** whenever required in terms of the Act to fill a vacancy on the board.
- 9.2** The authority of the Company to conduct a meeting entirely by electronic communication, or to provide for participation by 1 (one) or more shareholders, or proxies for shareholders, in a meeting by electronic communication is not limited or restricted by the MOI.
- 9.3** Voting is to take place by poll in accordance with the provisions of the Act and the MOI.

10. PROXIES

- 10.1** The right of a shareholder to appoint 2 (two) or more persons concurrently as proxies, and to appoint more than 1 (one) proxy to exercise voting rights attached to different securities held by that shareholder is not limited, restricted or varied by the MOI.
- 10.2** A proxy may not:
- 10.2.1* delegate its authority to act on behalf of the shareholder on whose behalf such proxy is held to another person, other than to the chairperson of the General Meeting;
 - 10.2.2* exercise, or abstain from exercising, any voting right without the direction of the shareholder on whose behalf such proxy is held, without direction from the shareholder, unless the appointed proxy is the chairperson of the General Meeting.

11. NOTICES AND ELECTRONIC COMMUNICATION

- 11.1** All notices shall be given by the Company to each shareholder and simultaneously to the Issuer Regulation Division of the JSE, and shall be given in writing in any manner authorised by the JSE Listings Requirements and the Regulations, and particularly Table CR3 annexed to the Regulations. All notices shall also be released through SENS where required by the JSE Listings Requirements provided that, in the event that any shares are not listed on the JSE, all provisions of the MOI relating to the publication of notices via SENS shall no longer apply and such notices shall thereafter only be published in accordance with the provisions of the Act.
- 11.2** Each shareholder shall notify the Company in writing of an address, which address may be a physical, postal, facsimile or e-mail address ("Address"), which Address shall be his registered address for the purposes of delivery of notices and other documentation. If a shareholder does not name an Address, he shall be deemed to have waived his right to be so served with notices and other documentation until such time as he provides an Address. If a shareholder provides written notice of an e-mail address and/or facsimile number, that shall be the shareholder's address for the purposes of receiving notices by way of electronic communication (as contemplated under the Electronic Communications and Transactions Act, No. 25 of 2002) and, having done so a shareholder shall be deemed to have agreed to receiving by electronic communication, notices and other documents from the Company at his e-mail address or facsimile number.
- 11.3** A document is treated as having been sent to a shareholder where:
- 11.3.1* the Company and the shareholder have agreed to the shareholder having access to documents on a website and the shareholder has been notified of the publication of the documents on a website, the address of that website and the place on the website where the documents may be accessed; and
 - 11.3.2* not less than 15 (fifteen) business days before the date of a general meeting if the documents have been published on a website throughout the period commencing 15 (fifteen) business days before the general meeting and ending with the conclusion of the general meeting and notification of that publication on the website has been sent to the shareholder not less than 15 (fifteen) business days before the date of the general meeting.

12. SHAREHOLDERS' RESOLUTIONS

- 12.1** Save for where the JSE Listings Requirements require a 75% (seventy five per cent) majority, for an ordinary resolution to be adopted at a general meeting, it must be supported by the holders of more than 50% (fifty per cent) of the voting rights exercised on the resolution.
- 12.2** For a special resolution to be adopted at a general meeting, it must be supported by the holders of at least 75% (seventy five per cent) of the voting rights exercised on the resolution.

13. SHAREHOLDERS ACTING OTHER THAN AT A MEETING

A resolution may be voted on in writing by shareholders entitled to exercise the voting rights in relation to that resolution (save in respect of general meetings that are called for in terms of the JSE Listings Requirements or the passing of any resolution for the election or re-election of directors, or to any annual general meeting).

14. COMPOSITION AND POWERS OF THE BOARD

14.1 The board shall comprise at least 4 (four), and not more than 20 (twenty), directors, elected by the shareholders.

14.2 In addition to the elected directors:

14.2.1 there are no shareholder appointed or *ex officio* directors of the Company; and

14.2.2 each director may nominate an alternate director.

14.3 All directors shall be elected by ordinary resolutions of the shareholders at a general meeting or annual general meeting of the Company. The election is to be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the board at that time have been filled. In each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once, and the vacancy is filled only if a majority of the voting rights exercised support the candidate.

14.4 No appointment by shareholders of a director in accordance with a resolution passed by way of a written resolution shall be competent.

14.5 In addition to satisfying the qualification and eligibility requirements set out in the Act to become or remain a director or a prescribed officer of the Company, the board may, in its sole discretion, impose that in order to become or remain a director or prescribed officer of the Company, a person must be, and remain, independent from any competitor of the Company and, in particular, without limitation, another real estate holding company listed on the JSE.

14.6 Should the number of directors fall below the prescribed minimum, then the board shall have a 3 (three) month period to fill such vacancy (provided that such directors are elected by the shareholders at the next annual general meeting). A failure to have the minimum number of directors during such period does not limit or negate the authority of the board, although after the expiry of such period, the board may only act to increase the number of directors to the required minimum or to summon a general meeting for that purpose.

14.7 A director authorised by the board:

14.7.1 may call a board meeting at any time, and

14.7.2 must call a board meeting if required to do so by at least:

14.7.2.1 25% (twenty five per cent) of the directors, if the board is comprised of at least 12 members; or

14.7.2.2 2 (two) directors in any other case.

14.8 At least 1/3 (one third) of the directors (or such number that is nearest to, but not less than, 1/3 (one third) of the directors) must retire with effect from the annual general meeting of the Company, provided that if a director is appointed as an executive or managing director or chief executive officer or financial director, or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of directors.

14.9 For purposes of the election or re-election of a retiring director, the nomination committee shall provide the shareholders with a recommendation in the notice of the general meeting or the explanatory notes as to which directors are eligible for election or re-election.

14.10 The board may authorise the payment of donations by the Company to religious, charitable, public or other bodies, clubs, funds, associations or persons as may seem desirable in the interests of the Company, provided that any donations to any political parties or associations shall require the prior approval of shareholders in general meeting.

15. MANAGING DIRECTOR AND EXECUTIVE DIRECTORS

The board may from time to time appoint one or more of the directors as executive directors or as managing directors, Chief Executive Officer or Financial Director, on such terms and conditions as to remuneration and otherwise as may be determined from time to time by the remuneration committee or the board.

16. DIRECTORS' REMUNERATION AND FINANCIAL ASSISTANCE

16.1 The authority of the Company to pay remuneration to the directors for their services as directors, in accordance with a special resolution approved by the shareholders within the previous 2 (two) years is not limited or restricted by the MOI.

16.2 The authority of the board to authorise the Company to provide direct or indirect financial assistance (including lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation or to a person related to any such company, corporation, director, prescribed officer or member is not limited or restricted by the MOI.

17. INDEMNIFICATION OF DIRECTORS

The power of the Company to do the following is not limited, restricted or extended by the MOI:

17.1 advance expenses to a director or directly or indirectly indemnify a director in respect of the defence of legal proceedings;

17.2 indemnify a director in respect of liability; and/or

17.3 purchase insurance to protect the Company or a director.

18. BORROWING POWERS

18.1 Subject to the JSE Listings Requirements and the Income Tax Act, the board may from time to time and in accordance with the Act exercise all of the powers of the Company, to:

18.1.1 borrow for the purposes of the Company such sums as they think fit; and/or

18.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of securities, the conclusion of letters of comfort, guarantees, the creation of a mortgage or charge upon all or any of the property or assets of the Company.

18.2 The borrowing powers of the Company shall be unlimited both as to quantum and as to instrument used.

19. COMMISSION

19.1 The Company may pay commission at a rate not exceeding 10% (ten per cent) of the issue price of a share to any person in consideration for his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares or for procuring or agreeing to procure, whether absolutely or conditionally, subscriptions for any shares.

19.2 Such commission may be paid out of capital or profits, whether current or accumulated, or partly out of the one and partly out of the other, and may be paid in cash or, if authorised by the Company in general meeting, by the allotment of fully paid up shares, or partly in one way and partly in the other.

19.3 The Company may, on any issue of shares, pay such brokerage as may be lawful.

20. COMPANY RULES

The board is prohibited from making, amending or repealing any rules relating to the governance of the Company in respect of matters that are not addressed in the Act and the board's capacity to make, amend or repeal such rules is excluded in the MOI.

21. ANNUAL FINANCIAL STATEMENTS

21.1 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of the Act, the Regulations, the JSE Listings Requirements, any other law with respect to the preparation of financial statements to which the Company may be subject and the MOI.

21.2 The Company shall each year prepare annual financial statements within 6 (six) months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting.

21.3 The Company shall appoint an auditor each year at its annual general meeting. If the Company appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of auditor.

21.4 The annual financial statements of the Company must be prepared and audited in accordance with the provisions of the Act and the JSE Listings Requirements.

21.5 In accordance with the provisions of 21.2, a copy of the annual financial statements must be sent to shareholders at least 15 (fifteen) business days before the date of the annual general meeting of the Company at which such annual financial statements will be considered.

21.6 The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable or non-elective provision of the Act and shall:

21.6.1 satisfy, as to form and content, the financial reporting standards of IFRS; and

21.6.2 subject to and in accordance with IFRS:

21.6.2.1 present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;

21.6.2.2 show the Company's assets, liabilities and equity, as well as its income and expenses;

21.6.2.3 set out the date on which the statements were produced and the accounting period to which they apply; and

21.6.2.4 bear on the first page thereof a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them.

21.7 The Company may provide any person with a summary of any particular financial statements.

22. AMENDMENT OF MOI

The MOI may be altered or amended in the manner set out in the Act, provided that:

22.1 any amendment must be submitted to the JSE for approval before such amendments are submitted to all the shareholders for approval; and

22.2 any amendment to the MOI must be approved by a special resolution of all the shareholders, save if such an amendment is ordered by a court.

UNIT PRICE HISTORY

	High (cents)	Low (cents)	Volume	Value Rand)
Quarters ended				
December 2011	720	690	2 908 516	20 499 489
March 2012	775	705	16 806 263	120 278 766
June 2012	830	762	2 306 016	17 943 828
September 2012	1 028	845	6 130 559	56 720 525
December 2012	975	800	32 392 748	284 933 405
March 2013	1 060	947	1 7 69 491	17 683 614
June 2013	1 150	990	9 350 552	101 738 595
September 2013	1 075	925	11 995 073	117 140 108
Monthly				
November 2012	840	800	1 654 695	13 587 678
December 2012	960	846	5 218 724	44 454 150
January 2013	1 000	947	298 976	2 917 988
February 2013	1 000	975	1 166 822	11 554 502
March 2013	1 060	1 050	303 693	3 211 132
April 2013	1 850	1 050	2 423 964	25 016 142
May 2013	1 150	1 078	4 038 962	46 048 137
June 2013	1 060	990	2 986 626	30 674 325
July 2013	1 075	1 000	1 264 195	12 702 715
August 2013	1 030	960	5 000 786	49 391 773
September 2013	970	925	5 730 092	55 045 620
October 2013	982	930	3 605 680	34 302 643
Daily – 2013				
1 November	982	982	150	1 473
4 November	977	977	21 248	207 593
5 November	982	980	85 106	835 634
6 November	–	–	–	–
7 November	982	982	17 535	172 194
8 November	982	982	11 434	112 282
11 November	980	975	168 760	1 645 798
12 November	979	975	6 670	65 123
13 November	1 000	975	92 575	917 189
14 November	1 000	1 000	100	1 000
15 November	998	998	17 600	175 648
18 November	990	979	361 780	3 577 407

	High (cents)	Low (cents)	Volume	Value Rand)
19 November	985	985	54 100	532 885
20 November	–	–	–	–
21 November	–	–	–	–
22 November	985	983	13 100	128 953
25 November	985	980	76 200	748 234
26 November	980	975	266 100	2 594 934
27 November	975	975	1 566 158	15 270 041
28 November	975	974	141 905	1 383 140
29 November	974	973	8 250	80 353
2 December	972	972	100	972
3 December*	974	972	350	3 409

* Last practicable date.

VUNANI

PROPERTY INVESTMENT FUND

VUNANI PROPERTY INVESTMENT FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE code: VPF
ISIN: ZAE000000157459

NOTICE OF GENERAL MEETING OF LINKED UNITHOLDERS

Notice is hereby given that a general meeting of the linked unitholders of the Company will be held at the Company's offices, Vunani House, Vunani Office Park, 151 Katherine Street, Sandown on Thursday, 16 January 2014 at 10:00, for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out below.

The record date in terms of section 59 of the Companies Act for unitholders to be recorded in the Register in order to be able to attend, participate and vote at the general meeting is Friday, 10 January 2014.

SPECIAL RESOLUTION NUMBER 1

"Resolved that, in order to make provision for and facilitate the delinking of the Company's debentures from the Company's ordinary shares and the capitalisation of the value of the Company's debentures to the stated capital, the following amendment to the Debenture Trust Deed in respect of the Company's debentures authorising the delinking and capitalisation, be and is hereby approved:

The inclusion of the following new clause after clause 2.15 of the Debenture Trust Deed:

'2.16. CAPITALISATION

The Company may:

- 2.16.1 delink the ordinary shares and debentures for the purpose of the capitalisation as contemplated in 2.16.2;
- 2.16.2 subsequent to the delinking contemplated in 2.16.1, capitalise the value allotted to the debentures in the books of account of the Company to form part of the stated capital account; and
- 2.16.3 subsequent to the capitalisation as contemplated in 2.16.2, cancel the debentures and terminate the Debenture Trust Deed without payment to debenture holders."

SPECIAL RESOLUTION NUMBER 2

"Resolved that, following and subject to the passing of special resolution number 1, and in order to facilitate the capitalisation of the value of the Company's debentures to stated capital, the delinking of the Company's ordinary shares and the debentures comprising the Company's linked units in issue, be and is hereby approved."

SPECIAL RESOLUTION NUMBER 3

“Resolved that, following and subject to the passing of special resolutions numbered 1 and 2 the value allotted to the Company’s debentures in the books of account of the Company is to form part of the Company’s stated capital account.”

SPECIAL RESOLUTION NUMBER 4

“Resolved that, following and subject to the passing of special resolutions numbered 1 to 3, the Debenture Trust Deed in respect of the Company’s debentures be terminated with immediate effect and the debentures cancelled, without payment to unitholders.”

Reason for and effect of special resolutions numbered 1 to 4:

The reason for and the effect of special resolutions numbered 1 to 4 is to approve the delinking of the Company’s current linked units and the subsequent capitalisation of the value of the VPIF debenture portion of the linked units to allow for the amendment of the Company’s existing linked unit structure to be better aligned with the pre-eminent capital structure of international REITs, the capital structure of which are all equity and to simplify the accounting treatment of VPIF’s capital structure. The subsequent amendment and cancellation of the Debenture Trust Deed is as a result of this process.

SPECIAL RESOLUTION NUMBER 5

“Resolved that, following and subject to the passing of special resolutions numbered 1 to 4 as proposed by the board of directors of the Company and as required in terms of Regulation 31(6)(b) of the Regulations to the Companies Act, No. 71 of 2008, as amended:

- the existing authorised ordinary share capital of the company of R5 000 000 divided into 2 billion ordinary par value shares of R0,0025 each be converted into 2 billion ordinary shares of no par value without altering the substance of the specific rights and privileges associated with each such share;
- the existing issued ordinary share capital of the Company of R423 divided into 169 122 019 ordinary par value shares of R0,0025 each be converted into 169 122 019 ordinary shares of no par value without altering the substance of the specific rights and privileges associated with each such share; and
- the transfer of all amounts standing to the credit of the share capital account and the share premium account to the stated capital account,

be and it is hereby authorised.”

Reason for and effect of special resolution number 5:

The reason for special resolution number 5 is to convert the ordinary shares in the Company’s share capital from par value shares to shares of no par value.

The effect of special resolution number 5 will be that the share capital of the Company shall be converted to ordinary shares of no par value

SPECIAL RESOLUTION NUMBER 6

“Resolved that, following and subject to the passing of special resolutions numbered 1 to 5, and in terms of sections 16(1)(c)(i) and 16(1)(c)(ii) of the Companies Act, No. 71 of 2008, as amended (“Companies Act”), the substitution of the existing Memorandum of Incorporation (“MOI”) of the Company with a new MOI, which has been initialled by the Chairman of the board of directors of the Company for identification purposes, which is aligned with the requirements of the Companies Act and Schedule 10 of the Listings Requirements of the JSE Limited, and which has been approved by the JSE Limited, be and is hereby approved.”

Reason for and effect of special resolution number 6:

The reason for and effect of special resolution number 6 is to replace the existing MOI with a new MOI.

ORDINARY RESOLUTION NUMBER 1

“Resolved as an ordinary resolution that the Asset Management Agreement entered into between the Company and Vunani Property Asset Management Proprietary Limited be ceded and assigned to Texton Property Investments Proprietary Limited; the same terms and conditions remaining in force; a copy of which agreement reflecting the cession and assignment, is tabled at this general meeting and initialled by the Chairman for identification purposes, be and is hereby approved.”

ORDINARY RESOLUTION NUMBER 2

“Resolved as an ordinary resolution that Mr. RF Kane in his capacity of Chief Executive Officer of the Company, or in his absence, Ms M de Lange in her capacity as Chief Financial Officer of the Company, be and hereby is authorised to sign any documents and to take any steps as may be necessary or expedient to give effect to special resolutions numbered 1 to 6 and ordinary resolution number 1 passed at this meeting.”

THRESHOLD FOR RESOLUTION APPROVAL

For the special resolutions to be approved by unitholders, each resolution must be supported by 75% or more of the voting rights exercised.

The ordinary resolutions must be supported by a simple majority of votes, however, Mr RF Kane will not participate in the voting in respect of ordinary resolution number 1.

RECORD DATE

The circular of which this notice of general meeting forms part has been distributed to all dematerialised unitholders of VPIF registered as such on Friday, 29 November 2013, who have elected to receive the aforesaid circular.

VOTING, PROXIES AND ELECTRONIC PARTICIPATION

Unitholders who have not dematerialised their units or who have dematerialised their units with own-name registration, and who are entitled to attend and vote at the general meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a unitholder and shall be entitled to vote on a show of hands or poll. It is requested that forms of proxy be forwarded so as to reach the transfer secretaries by no later than the Relevant Time. If unitholders who have not dematerialised their units or who have dematerialised their units with own-name registration, and who are entitled to attend and vote at the general meeting do not deliver forms of proxy to the transfer secretaries by the Relevant Time, such unitholders will nevertheless at any time prior to the commencement of the voting on the ordinary resolutions at the general meeting be entitled to lodge the form of proxy in respect of the general meeting, in accordance with the instructions therein with the chairperson of the general meeting. Forms of proxy must only be completed by unitholders who have not dematerialised their units or who have dematerialised their units with own-name registration.

On a show of hands, every unitholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of units such member holds. On a poll, every unitholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for every unit held or represented by that unitholder. On a poll taken at any such meeting a unitholder entitled to more than one vote need not, if he votes, use all of his votes, or cast all the votes he uses in the same way.

Unitholders who have dematerialised their units, other than those unitholders who have dematerialised their units with own-name registration, should contact their CSDP or broker in the manner and 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 general meeting, to obtain the necessary Letter of Representation to do so.

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a unitholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a unitholder, or as a proxy of an unitholder, has been reasonably verified.

In terms of the Company's MOI, the directors have elected not to provide for electronic participation in respect of the General Meeting.

By order of the board

12 December 2013

Registered office

Vunani House
Vunani Office Park
151 Katherine Street
Sandown, Sandton, 2196
(PO Box 652419, Benmore, 2010)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

VUNANI PROPERTY INVESTMENT FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE code: VPF
ISIN: ZAE000157459
("VPIF" or "the Company")

**FORM OF PROXY**

To be completed by registered certificated unitholders and dematerialised unitholders with own-name registration only.

For use in respect of the general meeting to be held at at the Company's offices, Vunani House, Vunani Office Park, 151 Katherine Street, Sandown on Thursday, 16 January 2014 at 10:00.

Unitholders who have dematerialised their units with a CSDP or broker, other than with own-name registration, must arrange with the CSDP or broker concerned to provide them with the necessary Letter of Representation to attend the general meeting or the unitholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the unitholder and the CSDP or broker concerned.

I/We (full name in block letters)

of (address)

Telephone (work)

Telephone (home)

Mobile

being the holder(s) of linked units in the Company, appoint (see note 1):

1. _____ or failing him/her,
2. _____ or failing him/her,

the chairman of the general meeting as my/our proxy to act on my/our behalf at the general meeting which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the VPIF linked units registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes (one vote per unit)		
	For	Against	Abstain
Special resolution number 1 – amendments to the Debenture Trust Deed			
Special resolution number 2 – approval of the delinking of the ordinary shares and the debentures			
Special resolution number 3 – approval of the capitalisation of the value of the debentures to stated capital			
Special resolution number 4 – cancellation of the Debenture Trust Deed			
Special resolution number 5 – conversion of the par value shares to no par value shares			
Special resolution number 6 – approval of the new MOI			
Ordinary resolution number 1 – cession and assignment of the Asset Management Agreement			
Ordinary resolution number 2 – directors' authority			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.)

Each unitholder is entitled to appoint one or more proxies (who need not be an unitholder of the Company) to attend, speak, and on a poll, vote in place of that unitholder at the general meeting.

Signed at _____ on _____ 2013/2014

Signature(s)

Capacity

Please read the notes on the reverse side hereof.

Notes

1. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member should insert an "X" in the relevant space according to how he wishes his votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of VPIF linked units than he owns in the Company, he should insert the number of VPIF linked units held in respect of which he wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he deems fit in respect of all the member's votes exercisable at the general meeting. A member is not obliged to use all the votes exercisable by the member, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.
3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.
4. The chairman of the general meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
5. Unitholders who have dematerialised their units with a CSDP or broker, other than with own-name registration, must arrange with the CSDP or broker concerned to provide them with the necessary Letter of Representation to attend the general meeting or the unitholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the unitholder and the CSDP or broker concerned.
6. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or waived by the chairman of the general meeting.
8. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his capacity are produced or have been recorded by the Company.
9. Where there are joint holders of units:
 - any one unitholder may sign this form of proxy; and
 - the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the Company's register of members, will be accepted.
10. To be valid, the completed forms of proxy must either (a) be lodged so as to reach the transfer secretaries by no later than the Relevant Time; or (b) be lodged with the chairperson of the general meeting prior to the general meeting so as to reach him by no later than immediately prior to the commencement of voting on the ordinary resolutions to be tabled at the general meeting.

Summary of the rights established in terms of section 58 of the Companies Act

For purposes of this summary, “shareholder” shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder, or give or withhold written consent on behalf of such shareholder in relation to a decision contemplated in section 60 of the Companies Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the MOI of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a 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 the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provides otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1. such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2. the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3. the company must not require that the proxy appointment be made irrevocable; and
 - 9.4. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

NOTES
