


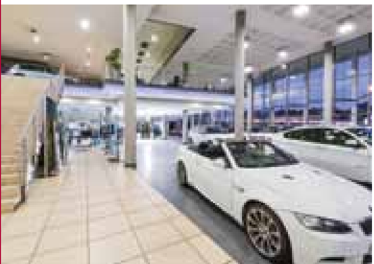

ACCELERATE
PROPERTY FUND

A LEADING PORTFOLIO

NOTICE OF ANNUAL GENERAL MEETING
for the year ended 31 March

2014

CONTENTS

LETTER TO SHAREHOLDERS

Dear shareholder

On behalf of the board of directors (board), you are invited to attend the annual general meeting of Accelerate Property Fund Limited (Accelerate) to be held at Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Tuesday, 29 July 2014 at 10:00.

You are encouraged to attend and vote at the annual general meeting as this is your opportunity to meet and question members of the board regarding Accelerate's performance for the year ended 31 March 2014.

The detailed notice of the annual general meeting and supporting documentation is attached hereto. The notice is accompanied by explanatory notes setting out the reasons and the effects of all the proposed ordinary and special resolutions in the notice. The full integrated report is available on the company's website at www.acceleratepf.co.za.

If you are not able to attend the annual general meeting, you are able to vote by proxy in accordance with the instructions on the annual general meeting notice and form of proxy.

Yours sincerely

Mboweni

Mr Tito Titus Mboweni
Accelerate Property Fund
Chairman

20 June 2014

NOTICE OF ANNUAL GENERAL MEETING

ACCELERATE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
JSE code: APF ISIN code: ZAE000185815

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, please consult your Central Securities Depository Participant (CSDP), broker, banker, legal advisor, accountant or other professional advisor immediately.

Notice is hereby given that the first annual general meeting (AGM) of shareholders of Accelerate Property Fund Limited (Accelerate or the company) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Tuesday, 29 July 2014 at 10:00 (AGM notice) for the following purposes:

i. Receive, consider and adopt the directors' report, the annual financial statements, the audit and risk committee report and the social and ethics committee report of the company for the year ended 31 March 2014.

ii Transact any other business as may be transacted at an AGM of shareholders of a company including the appointment of the auditors and election of the retiring directors to the board of directors (board).

iii Consider and, if deemed fit, adopt, with or without modification, the shareholder special and ordinary resolutions set out below, subject at all times to the Companies Act, 71 of 2008, as amended (the Companies Act) and the Listings Requirements of the JSE Limited (JSE).

Accelerate shareholders are advised that they or their proxies may participate in (but not vote at) this AGM by way of telephone conference and if they wish to do so:

- must contact the company secretary, **iThemba Governance & Statutory Solutions (Pty) Ltd** by email: claire@ithembaonline.co.za before 10:00 on Friday, 25 July 2014 to receive dial-in instructions for the conference call;
- will be required to provide reasonably satisfactory identification, as described below; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the AGM.

Please note that while it is possible to participate in the AGM through this medium, there is no facility for electronic voting and accordingly, Accelerate shareholders are required to submit their forms of proxy to the transfer secretaries, as described below.

Kindly note that in terms of section 63(1) of the Companies Act, participants in the AGM (including Accelerate shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the AGM via telephone conference. Forms of identification include valid identity documents, driver's licence and passports.

Important dates and times

Important dates to note:	Date
Record date for receipt of notice of AGM	Friday, 20 June 2014
Declaration date	Monday, 23 June 2014
Integrated annual report posted on www.acceleratepf.co.za	Monday, 30 June 2014
Last day to trade cum distribution	Friday, 11 July 2014
Last day to trade in order to be eligible to participate in and vote at the AGM	Friday, 11 July 2014
Shares commence trading ex distribution	Monday, 14 July 2014
Record date for the distribution	Friday, 18 July 2014
Record date to determine which Accelerate shareholders are entitled to participate in and vote at the AGM	Friday, 18 July 2014
Distribution payment date	Monday, 21 July 2014
Last day to lodge forms of proxy for the AGM	Monday, 28 July 2014
AGM to be held at 10:00 on	Tuesday, 29 July 2014
Results of AGM released on SENS on	Tuesday, 29 July 2014

Presentation of annual financial statements

To receive, consider and adopt the annual financial statements of the company for the year ended 31 March 2014, together with the reports of the directors and auditors thereon, and the report of the audit and risk committee.

Additional information
The full annual financial statements of Accelerate have been published on the company's website at http://www.acceleratepf.co.za and are also available at the registered office of Accelerate and on request from the company secretary.

Presentation by the chairman of the social and ethics committee
In accordance with Companies Regulation 43(5)(c) of the Companies Regulations, 2011, issued in terms of the Companies Act, the chairman of the social and ethics committee will present a verbal report to shareholders of Accelerate on the activities of the social and ethics committee.

Ordinary resolutions

Each of the ordinary resolutions 1 to 9 requires the support of a simple majority (that is, 50% + 1) of the votes exercised in respect of each resolution in order to be adopted, save for ordinary resolutions 7 and 9 which, in terms of the Listings Requirements of the JSE, requires the support of at least 75% of the votes exercised.

Ordinary resolution no. 1: Election of directors appointed by the board
In accordance with the company's memorandum of incorporation (MOI), to elect, by individual resolutions, the following directors who were appointed by the board to fill vacancies and are to retire at this AGM but hold themselves available for election as directors, as designated.

"Resolved that the following directors of the company, who, being eligible, have offered themselves for election, are elected by separate resolutions, and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, in terms of the company's MOI:

1.1 Mr TT Mboweni (independent non-executive chairman)
1.2 Mr A Costa (chief operating officer)
1.3 Dr GC Cruywagen (lead independent non-executive director)
1.4 Mr JRP Doidge (independent non-executive director)
1.5 Mr TJ Fearnhead (independent non-executive director)
1.6 Mr M Georgiou (chief executive officer)
1.7 Mr D Kyriakides (financial director)
1.8 Ms K Madikizela (independent non-executive director)
1.9 Mr JRJ Paterson (executive director)
1.10 Prof F Viruly (independent non-executive director)

Brief resumes in respect of each director offering themselves for election are contained on pages 15 to 17 of this AGM notice."

Ordinary resolution no. 2: Election of the audit and risk committee members
To elect, on the board's recommendation, by individual resolutions, the following independent non-executive directors as members of the audit and risk committee of the company.

"Resolved that the following independent, non-executive directors are elected as members of the company's audit and risk committee, in terms of section 94(2) of the Companies Act, by separate resolutions and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with effect from the end of this AGM:

2.1 Mr TJ Fearnhead (chairman)*
2.2 Dr GC Cruywagen*
2.3 Ms K Madikizela*

** Subject to election as directors pursuant to ordinary resolutions numbers 1.3, 1.5 and 1.8 above.*

Brief resumes of the independent non-executive directors offering themselves for election as members of the audit and risk committee of the company are contained on pages 15 to 16 of this AGM notice."

Ordinary resolution no. 3: Appointment of external auditor
"Resolved that, upon the recommendation of the audit and risk committee of Accelerate, Ernst & Young, represented by Rosanne de Lange as the audit partner, be and is hereby appointed as the independent registered auditor of the company (to report on the financial year ending 31 March 2015) meeting the requirements of section 90(2) of the Companies Act, until the conclusion of the next AGM".

Ordinary resolution no. 4: Non-binding advisory vote on the company's remuneration policy
To approve, on the board's recommendation and on an advisory, non-binding basis, the company's remuneration policy on base salary, benefits, short-term incentives and long-term incentives, including executive and non-executive directors, as set out on pages 20 to 22 of this AGM notice.

"Resolved that the company's remuneration policy be and is hereby approved and adopted"

Additional information
The King Code of Governance Principles for South Africa, 2009 (King III) recommends that the remuneration policy of a company be submitted for a non-binding advisory vote by shareholders at each AGM. The objective of a remuneration policy is to guide the board in its decision-making process and in particular the determination of remuneration of non-executive directors, as set out on pages 20 to 22 of the integrated annual report.

Ordinary resolution no. 5: To place the unissued authorised ordinary shares of the company under the control of the directors
"Resolved that the unissued authorised ordinary shares of no par value in the company be and are hereby placed under the control and authority of the directors of the company who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the company's MOI and the Listings Requirements of the JSE, provided that the number of shares issued at any time may not exceed 10% of the total number of shares in issue determined immediately prior to each issue of new shares."

Note: no issue will be made that could effectively transfer control of the company without the prior approval of shareholders at a general meeting.

Additional information
In terms of the company's MOI, shareholders of Accelerate must approve the placement of the unissued authorised ordinary shares under the control of the directors.

Ordinary resolution no. 6: Specific authority to issue shares to afford shareholders distribution re-investment alternatives
"Resolved that, subject to the provisions of the Companies Act and the Listings Requirements of the JSE, the directors be and are hereby authorised, by way of a specific standing authority to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders of Accelerate opportunities from time to time to elect to re-invest their distributions in new ordinary shares of the company."

Ordinary resolution no. 7: General but restricted authority to issue shares for cash
"Resolved that, subject to the provisions of the Companies Act and the Listings Requirements of the JSE, the directors be and are hereby authorised, by way of a general authority, to issue up to 10% of the authorised but unissued ordinary share capital in the company for cash as and when suitable situations arise, subject to the following limitations:

- This authority shall not extend beyond the next AGM of the company or 15 months from the date of this annual general meeting (whichever period is shorter).
- The issue of shares must be of a class already in issue, or where this is not the case, be limited to such shares or rights that are convertible into a class already in issue.
- An announcement will be published giving full details, including the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published at the time of an issue representing, on a cumulative basis within one financial year, 5% or more of the number of ordinary shares in issue prior to such issue.
- That issues in aggregate in any one financial year, including instruments which are or may be compulsorily convertible into ordinary shares, will not exceed 95 837 988 ordinary shares which represents 15% of the number of shares in issue as at the date of the notice of this AGM, being 638 916 916 ordinary shares.
- That, in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the ordinary shares in question, measured over the 30 business days prior to the date on which the price of such issue is agreed between the company and the subscribers for the ordinary shares to be issued.
- That issues of ordinary shares in the company shall be made to public shareholders only (material shareholders are excluded from participating) and not to related parties.
- That this authority shall be restricted to the issue of ordinary shares to finance the acquisition of property assets or at any time to settle debt in respect of any of the company's property assets, and further, provided that any such issues for cash may be made prior to the registration of transfer of any property assets to be acquired."

In terms of the Listings Requirements of the JSE, at least 75% of the votes held by shareholders of the company be present or represented by proxy at the AGM need to be cast in favour of this resolution in order to give effect thereto.

Ordinary resolution no. 8: Signing authority
"Resolved to authorise any one director or the secretary of the company to do all such things and sign all such documents as are deemed necessary to implement the resolutions set out in the notice convening the AGM."

Ordinary resolution no. 9: Adoption of the Accelerate conditional share plan
"Resolved that the existing Accelerate Property Fund Limited share incentive scheme trust be and is hereby terminated and substituted in its entirety by the Accelerate conditional share plan."

Additional information
The Accelerate conditional share plan will lie open for inspection at the company's registered office from Monday, 30 June 2014 to Tuesday, 29 July 2014. Furthermore, a summary of the salient features of the Accelerate conditional share plan is set out on page 26 of this AGM notice.

Special resolutions

Each of the special resolutions 1 to 3 requires a minimum of 75% majority of the votes exercised in its favour in order for the resolution to be adopted.

Special resolution no. 1: Non-executive directors' fees for the financial year ending 31 March 2015

"Resolved that the payment of non-executive directors' fees in respect of the financial year ending 31 March 2015 be and are hereby approved on the following basis:

"Resolved, in terms of the company's MOI, that the remuneration payable, with effect from 1 April 2014, to the company's non-executive directors for their services as directors and chairman of the company, respectively, be set as follows:

Remuneration payable to non-executive chairman	Proposed composite fee R
1.1 Company non-executive chairman: Mr TT Mboweni	1 611 200

Payable to non-executive directors for participating in board and committees	Proposed annual retainer R
1.2 Dr GC Cruywagen	530 000
1.3 Mr JRP Doidge	318 000
1.4 Mr TJ Fearnhead	371 000
1.5 Ms K Madikizela	318 000
1.6 Prof F Viruly	318 000

Special resolution no. 2: Financial assistance to related or inter-related companies

"Resolved that any direct or indirect provision of financial assistance granted by the company by way of inter-company loans or in any other form, during the two-year period commencing on the date of adoption of this special resolution, be and is hereby approved and that the board of the company be and is hereby authorised and empowered to give effect to any such financial assistance."

Reason for and effect of this special resolution: to the extent necessary under section 45 of the Companies Act, to ratify financial assistance to related or inter-related companies granted during the financial year ended 31 March 2014 and to approve, and also to authorise the board to give effect to any financial assistance deemed appropriate to implement during the two-year period commencing on the date of adoption of this special resolution.

The board will not authorise any financial assistance in terms of the above unless it has considered and is satisfied that:

- considering all reasonably foreseeable financial circumstances of the company at that time, the company will, immediately after providing the financial assistance to related or inter-related companies, satisfy the solvency and liquidity test as required in terms of the Companies Act;
- the terms under which any financial assistance is proposed to be given are fair and reasonable to the company; and
- any conditions or restrictions in respect of the granting of any financial assistance as set out in the company's MOI have been met.

Special resolution no. 3: Authority to repurchase ordinary shares

"Resolved that the company be and is hereby authorised, by way of a general approval, to acquire ordinary shares issued by the company, in terms of the Companies Act, the company's MOI and the Listings Requirements of the JSE, being that:

- any such acquisition of ordinary shares shall be implemented on the open order book of the JSE and without any prior arrangement;
- this general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from the date of this special resolution;
- an announcement will be published as soon as the company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;

- acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of the company's ordinary shares in issue as at the date of passing of this special resolution or 10% of the company's ordinary shares in issue in the case of an acquisition of ordinary shares in the company by a subsidiary of the company;
- in determining the price at which ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares;
- the company is duly authorised by its MOI to acquire ordinary shares it has issued;
- at any point in time, the company may only appoint one agent to effect any repurchase of ordinary shares on the company's behalf;
- the board authorises the acquisition, the company passes the solvency and liquidity test and that, from the time that test is done, there are no material changes to the financial position of the company;
- the company's sponsor must confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of ordinary shares in writing to the JSE before entering the market to proceed with the acquisition;
- the company shall remain in compliance with the minimum shareholder spread requirements of the JSE; and
- the company and/or its subsidiaries do not repurchase any shares during a prohibited period in accordance with the Listings Requirements of the JSE, unless they have in place a repurchase programme in terms of which the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement on the JSE's Stock Exchange News Service, (SENS) prior to the commencement of the prohibited period."

Reason for and effect of this special resolution

To permit the company or any of its subsidiaries, by way of a general approval, to acquire ordinary shares in the company as and when suitable opportunities to do so arise.

Note: although no acquisition of ordinary shares is contemplated at the time of this notice, the directors, having considered the effects of an acquisition of the maximum number of ordinary shares in terms of the aforegoing general authority, are of the opinion that for a period of 12 (twelve) months after the date of this notice of AGM:

- the company will be able, in the ordinary course of business, to pay its debts;
- the assets of the company, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company; and
- the company's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, which appears in this AGM notice, is provided in terms of section 11.26 of the Listings Requirements of the JSE, for purposes of the general authority:

- Directors and management – pages 15 to 18.
- Major beneficial shareholders – page 19.
- Directors' interests in ordinary shares – page 24.
- Share capital of the company – page 25.

Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names appear on pages 15 to 17 of the integrated annual report, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the company's financial position.

Directors' responsibility statement

The directors, whose names appear on pages 15 to 17 of this AGM notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information.

Material changes

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice of AGM.

Intentions

The directors have no specific intention, at present, for the company to acquire any of its ordinary shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

Voting and proxies:

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the company. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such member may attend the AGM in person and vote thereat, to the exclusion of the appointed proxy.
2. A form of proxy is attached to this AGM notice. Additional forms of proxy are obtainable from the company's share transfer secretaries, Computershare Investor Services (Pty) Ltd, or may be reproduced by photocopying the form of proxy provided.
3. The record date for the meeting in terms of section 62(3)(a) of the Companies Act, shall be Friday, 18 July 2014.
4. All forms of proxy or other instruments of authority must be deposited with the transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received not less than 24 hours before the appointed time for the holding of the meeting (excluding Saturdays, Sundays and public holidays).
5. If you are a certificated Accelerate shareholder or an own name dematerialised Accelerate shareholder and are unable to attend the AGM of Accelerate shareholders to be held at Accelerate's registered offices, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Tuesday, 29 July 2014 at 10:00 , but wish to be represented thereat, you are required to complete the form of proxy attached hereto in accordance with the instructions therein and return it to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107, fax: 011 688 5238) so as to be received by no later than 10:00 on Monday, 28 July 2014.
6. If you are a beneficial owner of dematerialised Accelerate ordinary shares and are not an own name dematerialised Accelerate shareholder, then you may instruct your CSDP or broker as to how you wish to cast your vote at the AGM in order for them to vote in accordance with your instructions.
7. If you are a beneficial owner of dematerialised Accelerate ordinary shares and wish to attend the Accelerate AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Accelerate shareholder (who is not an own name dematerialised Accelerate shareholder) and the CSDP or broker.

By order of the board

iThemba Governance & Statutory Solutions (Pty) Ltd
Secretaries
per: CL Middlemiss
Company secretary
30 June 2014

Computershare Investor Services (Pty) Ltd
Transfer secretaries

ANNEXURE 1
CONDENSED FINANCIAL STATEMENTS

Condensed statement of comprehensive income
for the period ended 31 March 2014

	2014 R'000	2013 R'000
Revenue, excluding straight–line rental revenue adjustment	204 845	–
Straight–line rental revenue adjustment	16 457	–
Revenue	221 302	–
Property expenses	(65 696)	–
Net property income	155 606	–
Other operating expenses	(8 354)	(3)
Operating profit	147 252	(3)
Fair value adjustments	455 391	–
Other income	48	–
Finance income	1 607	–
Profit before long-term debt interest and taxation	604 297	(3)
Long-term debt interest	(51 486)	–
Profit before taxation	552 811	(3)
Taxation	–	–
Total comprehensive income attributable to equity holders	552 811	n/a
Basic earnings per share (including bulk ceded shares) (cents)*	287,10	n/a
Diluted earnings per share (including bulk ceded shares) (cents)*	269,00	n/a
Headline earnings per share (including bulk ceded shares) (cents)*	50,59	n/a
Diluted headline earnings per share (including bulk ceded shares) (cents)*	47,41	n/a

* *Note: The above basic, diluted, headline and diluted headline earnings per share include the 51 070 184 shares on which the distribution was ceded to the Fund, until such time that the bulk is developed. As these shares do not qualify for distribution, they have been excluded from the distribution per share. The shares issued on listing have been weighted over the full financial year, in order to arrive at an average total number of shares in issue of 192 550 303 (177 164 782 shares in issue eligible for distribution).*

	2014 R'000	2013 R'000
Distributable earnings		
Profit after taxation attributable to equity holders	552 811	–
Less: straight–line rental revenue adjustment	(16 457)	–
Less: fair value adjustments on investment property	(455 391)	–
Distributable earnings	80 963	–

Condensed statement of financial position as at 31 March 2014

	2014 R'000	2013 R'000
Assets		
Non-current assets	6 228 589	–
Investment property	6 096 791	–
Straight-line rental revenue adjustment	16 151	–
Fair value of investment property assets	6 080 640	–
Derivative financial instruments	131 709	–
Equipment	89	–
Current assets	176 694	–
Trade and other receivables	119 051	–
Cash and cash equivalents	57 643	–
Investment property held for sale	66 866	–
Straight-line rental revenue adjustment	306	–
Fair value of investment property assets	66 560	–
Total assets	6 472 149	–
Equity and liabilities		
Shareholders' interest	3 771 962	(12)
Stated capital	3 117 914	–
Retained earnings	654 048	(12)
Total equity	3 771 962	(12)
Non-current liabilities	2 240 060	–
Long-term borrowings	2 030 276	–
Loans from shareholders	209 784	–
Current liabilities	460 127	12
Trade and other payables	89 541	12
Current portion of long-term debt	358 284	–
Taxation payable (VAT)	12 302	–
Total equity and liabilities	6 472 149	–
Shares in issue	638 916 916	n/a
Net asset value per share (cents)	590,37	n/a

ANNEXURE 1 CONTINUED
CONDENSED FINANCIAL STATEMENTS CONTINUED

Condensed statement of changes in equity
for the year ended 31 March 2014

	Stated capital R'000	Retained earnings R'000	Total equity R'000
Balance at 1 March 2012	–	(9)	(9)
Issue of ordinary shares	–	–	–
Profit/(loss) for the period	–	(3)	(3)
Other comprehensive income	–	–	–
Balance at 31 March 2013	–	(12)	(12)
Issue of ordinary shares	3 117 914	–	3 117 914
Retained earnings on listing	–	101 249	101 249
Total comprehensive income attributable to equity holders	–	552 811	552 811
Profit/(loss) for the period	–	552 811	522 811
Balance at 31 March 2014	3 117 914	654 048	3 771 962

Condensed statement of cash flows
for the year ended 31 March 2014

	2014 R'000	2013 R'000
Cash flows from operating activities		
Cash generated from operations	113 628	(3)
Finance income received	1 607	–
Finance costs paid	(51 486)	–
Net cash inflow from operating activities	63 749	–
Cash flows from investing activities	–	–
Investment in investment property	(5 512 474)	–
Listing acquisition	(5 441 474)	–
Post-listing acquisitions	(71 000)	–
Equipment	(94)	–
Net cash outflow from investing activities	(5 512 568)	–
Cash flows from financing activities	–	–
Long-term debt financing	2 388 560	–
Repayment of shareholder loans	–	3
Proceeds from issue of shares	3 117 914	–
Adjustment: opening retained earnings	(12)	
Net cash inflow from financing activities	5 506 462	3
Net increase/(decrease) in cash and cash equivalents	57 643	–
Cash and cash equivalents at the beginning of the year	–	–
Cash and cash equivalents at the end of the year	57 643	–

Condensed segmental analysis

Management considers that segmental analysis is best achieved by aggregating properties into office, industrial, retail and specialised segments. There are no sales between segments.

For the period ended 31 March 2014	Office R'000	Industrial R'000	Retail R'000	Specialised R'000	Total R'000
Statement of comprehensive income 2014					
Revenue, excluding straight-line rental revenue adjustment	32 070	4 524	162 400	5 852	204 845
Straight-line rental adjustment	2 136	293	12 859	1 168	16 457
Property expenses	(9 882)	(471)	(53 128)	(2 215)	(65 696)
Segment operating profit	24 324	4 346	122 131	4 805	155 606
Fair value adjustments on investment property	10 478	2 230	399 254	12 980	424 941
Segment profit	34 802	6 576	521 385	17 785	580 547
Other operating expenses					(8 354)
Other income					48
Fair value gain on financial instrument					30 449
Finance income					1 607
Long-term debt interest					(51 486)
Profit before tax					552 811
For the year ended 31 March 2014 **Statement of financial position extracts at 31 March 2014**					
Assets					
Investment property balance 1 April 2013	–	–	–	–	–
Acquisitions through listing	677 663	109 488	4 399 852	254 470	5 441 474
Conditional purchase price	108 013	–	101 771	–	209 784
Acquisitions*	–	–	71 000	–	71 000
Disposals/classified as held for sale	–	–	(66 560)	–	(66 560)
Investment property held for sale	–	–	66 560	–	66 560
Straight-line rental revenue adjustment	2 136	293	12 859	1 168	16 457
Fair value adjustments	10 478	2 230	399 254	12 980	424 941
Segment assets at 31 March 2014	798 290	112 012	4 572 624	254 470	6 163 657
Other assets not managed on a segmental basis					
Derivative financial instruments					131 709
Equipment					89
Current assets					176 695
Total assets					6 472 149

* *Note: Bela Bela was acquired in February 2014 for R71 million.*

ANNEXURE 1 CONTINUED
CONDENSED FINANCIAL STATEMENTS CONTINUED

	2014 R'000	2013 R'000
Distribution per share		
Final distribution for the year ended 31 March 2014 (of which the trading period consists of three months and 20 days),		
Profit after taxation attributable to equity holders	552 811	–
Less: straight-line rental revenue adjustment	(16 457)	–
Less: fair value adjustment on investment property	(455 391)	
Distributable earnings	80 963	–
Reconciliation of shares qualifying for distribution		
Shares in issue at 31 March 2014	638 916 916	–
Shares ceded on purchase of bulk*	(51 070 184)	–
Shares qualifying for distribution	587 846 732	–
Distribution per share (cents)	13,77	–

* *The vendors will cede the distribution relating to 51 070 184 shares held by themselves to Accelerate over vacant land acquired per the bulk agreement. This is due to Accelerate acquiring the bulk development rights over various buildings in the greater Fourways area.*

	2014 R'000	2013 R'000
Earnings per share		
Basic earnings per share (EPS) amounts are calculated by dividing profit for the year attributable to ordinary equity holders of Accelerate by the weighted average number of ordinary shares outstanding during the year.		
Reconciliation of basic/diluted earnings to headline earnings		
Total comprehensive income attributable to equity holders	552 811	–
Fair value adjustment excluding straight-lining	455 391	–
Applicable taxation	–	
Headline profit attributable to shareholders	97 421	
Basic earnings per share (cents)	287,10	–
Diluted earnings per share (cents)	269,00	
Headline earnings per share (cents)	50,59	–
Diluted headline earnings per share (cents)	47,41	
Shares in issue at the end of the year	638 916 916	1 000
Weighted average number of shares in issue	192 550 303	1 000
Shares subject to the deferred acquisition costs	42 988 555	–
Weighted average number of deferred shares	12 955 455	–
Total diluted weighted average number of shares in issue	205 505 758	1 000

Weighted average number of shares in issue has been time weighted from the commencement of trading on 12 December 2013 to 31 March 2014.

Notes to the financial statements

Corporate information

The condensed financial statements of Accelerate Property Fund Limited (hereafter referred to as Accelerate) for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors passed on 18 June 2014. Accelerate is a public company incorporated and domiciled in South Africa whose shares are publicly traded on the Johannesburg Stock Exchange. The registered office is located at Cedar Square Shopping Centre, corner Cedar Road and Willow Avenue. The principal activities of Accelerate are acquisition, development and leasing of retail, commercial, and industrial properties. The functional and presentation currency of Accelerate is South African rand thousands (R'000).

Basis of preparation

These condensed financial statements for the year ended 31 March 2014 (trading commenced on 12 December 2013, resulting in a three-month-and-20-days trading period) are prepared in accordance with International Financial Reporting Standard, IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the previous financial period, except for the new and amended IFRSs that became effective during the 31 March 2014 reporting period, none of which had any material impact on Accelerate's financial result.

These condensed financial statements have been prepared under the historical cost convention except for investment properties which are measured at fair value and certain financial instruments which are measured at either fair value or amortised cost.

The fair value of investment properties is determined by directors with reference to market-related information while other financial liabilities are valued with reference to market-related information and valuations as appropriate.

These condensed financial statements were prepared under the supervision of Mr Dimitri Kyriakides (CA)SA in his capacity as chief financial officer.

Business combinations

Acquisitions in 2014

On 12 December 2013, Accelerate acquired a property portfolio consisting of 51 properties from Fourways Precinct (Pty) Limited, George Nicholas Trust and Orthotouch (Pty) Limited. The portfolio consists of retail, office, industrial and specialised buildings let under operating leases and the acquisition was made to give Accelerate access to those assets. The existing strategic management function and associated processes were acquired with the properties and, as such, the directors consider this transaction to constitute the acquisition of a business, rather than that of an asset acquisition. The fair value of the identifiable assets and liabilities as at the date of acquisition were:

	Fair value recognised at acquisition R'000
Investment property	5 651 258
Derivative financial instruments	101 249
Total identifiable net assets at fair value	**5 752 507**
Gain on bargain purchase from derivative financial instrument obtained for no consideration	**(101 249)**
Purchase consideration transferred	**5 651 258**

The purchase consideration was settled in cash for R5 441 474 071 on the acquisition date and R209 784 554 in contingent consideration. The incidental costs incurred in connection with the acquisition was carried by one of the sellers in accordance with the sales agreement.

Contingent purchase consideration

As part of the sale and purchase agreement, an amount of contingent purchase consideration has been agreed with the seller in accordance with the conditional deferred payment agreement. In terms of this agreement Accelerate will provide the seller with an additional purchase consideration for any vacant space let within three years, previously excluded from the purchase consideration. This payment will be settled by Accelerate by the issue of additional shares in Accelerate in future, when certain conditions have been met. As at the acquisition date, the fair value of the contingent purchase consideration was estimated at R209 784 554. There were no measurement period adjustments and the contingent purchase consideration remains unpaid as at 31 March 2014. The fair value continues to be R209 784 554. This is a level 3 measurement in the fair value measurement hierarchy as at 31 March 2014. The fair value was determined using a discounted cash-flow analysis using the significant unobservable valuation inputs, as provided overleaf:

ANNEXURE 1 CONTINUED
CONDENSED FINANCIAL STATEMENTS CONTINUED

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	Contingent consideration R'000
Opening balance as at 1 April 2013	-
Contingent purchase consideration	209 784
Unrealised fair value changes recognised in profit or loss	-
Closing balance as at 31 March 2014	**209 784**

The contingent purchase consideration is a mechanism used to shift the risk of vacant space from purchaser (Accelerate) to Fourways Precinct. The manner in which additional shares are issued to Fourways Precinct is unlikely to have a dilutive effect on yield.

Fair value of financial assets and liabilities

The table below sets out Accelerate's accounting classification of each class of financial asset and liability and their fair values at 31 March 2014.

Financial assets	Carried at fair value	Amortised cost#	Total
Derivative financial assets*	131 709	–	131 709
Trade and other receivables	–	119 051	119 051
Cash and cash equivalents	–	57 643	57 643
Total financial assets	**131 709**	**176 694**	**308 403**
Financial liabilities			
Long-term interest-bearing borrowings	–	(2 030 276)	(2 030 276)
Trade and other payables	–	(101 843)	(101 843)
Current portion of long-term debt	–	(358 284)	(358 284)
Total liabilities	**–**	**(2 490 403)**	**(2 490 403)**

* *The values of the derivative financial asset shown at fair value are based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) – level 2.*

\# *The carrying value of financial assets and liabilities carried at amortised cost is considered to approximate the fair value of those financial assets and liabilities. There have been no significant changes in valuation techniques or transfers between fair value hierarchy levels as this is the company's first year of operation.*

Related party

Ten buildings were purchased from Fourways Precinct (Pty) Ltd in the Fourways area (giving rise to a vacancy guarantee over five buildings within the area). Further, Fourways Precinct (Pty) Ltd, for the standard percentage fee on rental collections, manages certain properties on Accelerate's behalf.

Capital commitments

As per Accelerate's pre-listing statement R65 million was raised and allocated to Accelerate's planned capital expenditure and working capital requirements. As such, Accelerate views this amount as authorised and not contracted.

Subsequent events

There have been no subsequent events that require reporting.

Auditors' review

Ernst & Young Inc, Accelerate's independent auditors, have reviewed the preliminary condensed financial results and have expressed an unmodified review conclusion on the preliminary condensed financial results, which are available for inspection at the company's registered office.

Directors' responsibility statement

The directors of Accelerate assume full responsibility for the preparation of the summarised financial results and the summarised financial information has been correctly extracted from the underlying annual financial statements.

ANNEXURE 2
BOARD OF DIRECTORS

Mr Tito Titus Mboweni (55)
Chairman
Independent non-executive director
BA, MA

Mr Mboweni served as the Minister of Labour in the first post-apartheid government led by President Nelson Mandela from 1994 until 1998. At the time he was a member of the ANC's national executive committee (NEC) and convenor of the NEC's subcommittee on economic transformation (the economic transformation committee or ETC). The ETC was responsible for developing the ANC's economic policy positions. Mr Mboweni became a member of the ANC's NEC again in January 2013, and sits on several subcommittees including the ETC, social transformation, finance and fundraising, and the Free State Province subcommittees.

Mr Mboweni was appointed as advisor to Mr Chris Stals, governor of the South African Reserve Bank, from 1998 to 1999. In August 1999, he was appointed as governor of the South African Reserve Bank and retired in November 2009.

Mr Mboweni is an international advisor to Goldman Sachs International and was non-executive chairman of AngloGold Ashanti Limited from 1 June 2011 to 17 February 2014. He is the non-executive chairman of Nampak Limited and SacOil Holdings Limited and a non-executive director of Discovery Limited. Mr Mboweni is a trustee of the Nelson Mandela Children's Hospital Trust and chairman of the trust's fundraising committee, He is also a trustee of the Thabo Mbeki Foundation and holds a number of honorary qualifications and academic positions.

Mr Mboweni was appointed as non-executive chairman to the board on 1 June 2013.

Dr Gert Cruywagen (58)
Lead independent director
MBSc, PMD, PhD, FIRM(SA)

Dr Cruywagen is a member of the King committee on corporate governance and the convenor of its risk work group. He is the director of risk for the Tsogo Sun Group and an independent non-executive director of Denel SOC Limited. He is the chairman of Denel Aerostructures SOC Limited and chairman of the City of Johannesburg's group risk governance committee.

Dr Cruywagen holds fellowships, memberships and honorary memberships of a number of local and international risk management institutes and was voted South Africa's "Risk Manager of the Year" for 2002 and 2009.

Dr Cruywagen was appointed to the board on 1 June 2013.

Mr John Doidge (65)
Independent non-executive director
BProc, attorney of the High Court of South Africa.

Mr Doidge is an admitted attorney who has specialised in the law and practice of trusts, and has 30 years' experience in this field. He is a former general manager of Syfrets Trust, where he spent 15 years. Mr Doidge was responsible for establishing Maitland Trust in South Africa in the late '90s and he started what is now GMG Trust Company (SA) (Pty) Ltd in 2003.

Mr Doidge has been involved in securitisation in South Africa since 2001 and has extensive experience in a wide variety of structured finance matters, and is a former chairman of the Association of Trust Companies in South Africa and founding member of the South African Securitisation Forum.

Over the last 10 years, Mr Doidge has served on a number of boards, many of which have listed notes or investment products. The listed notes pertain to securitisation and the listed investments to directorships of Satrix and DB X-Tracker Funds. He is currently the chairman of Alexander Forbes Preference Share Investments Limited, a company listed on the JSE.

Mr Doidge was appointed to the board on 1 June 2013.

Mr Tim Fearnhead (65)
Independent non-executive director
CTA (WITS), CA(SA), Diploma in Adv. Banking

Mr Fearnhead is a chartered accountant and was a partner at Deloitte & Touche for 21 years. He joined Nedcor Bank Limited in 1997, where he held a number of senior financial management positions.

Mr Fearnhead retired from Nedbank in 2006 and is currently an independent consultant and financial trainer. He holds a number of non-executive board and committee positions and in addition is a trustee on numerous trusts. He consults regularly with clients on investment and estate planning.

Mr Fearnhead was appointed to the board on 1 June 2013.

ANNEXURE 2 CONTINUED
BOARD OF DIRECTORS CONTINUED

Ms Kolosa Madikizela (34)
Independent non-executive director
Master of Technology Degree in Construction Management

Ms Madikizela is a construction manager with a Master of Technology Degree in Construction Management from the Cape Peninsula University of Technology.

Ms Madikizela was the general manager for engineering, projects and proposals at Aveng Water at the Aveng Group. Ms Madikizela worked for blue-chip companies such as Shell Energy SA and Life Healthcare in the facilities management, engineering and project management disciplines and was the chief executive officer of Nexus Facilities Management Company with Neotel as their major client line. Ms Madikizela is currently the Cape regional manager for Pragma.

Ms Madikizela was appointed to the board on 1 June 2013.

Prof François Viruly (53)
Independent non-executive director
MA in Development Economics, BA (Hons) in Economics, BA (Economics and Industrial Sociology)

Prof Viruly is a property economist with over 20 years' experience in the analysis of the South African property market. He lectures in urban economics, property development and portfolio management at the University of Cape Town's School of Construction Economics and Management.

Prof Viruly held the position of chief economist at the Chamber of Mines and was head of research at JHI Professional Services and more recently Head of School of the School of Construction Economics and Management at the University of Witwatersrand.

Among other positions held, he is a fellow of the Royal Institute of Chartered Surveyors (RCIS) and chairs RCIS's education committee in South Africa. He also acts as an expert witness in property-related cases. Prof Viruly has undertaken extensive research into the South African property cycle, the drivers of the South African property market and the relationship between urban economics and property markets.

He is a non-executive director of the Orion Real Estate Group.

Prof Viruly was appointed to the board on 1 April 2014.

Executive directors

Mr Michael Georgiou (44)
Chief executive officer

Mr Georgiou owns one of the largest private property portfolios in South Africa.

In a property career spanning over 20 years, he has successfully acquired and/or developed over 100 properties including the following prominent properties: Fourways Mall Shopping Centre; Cedar Square, Fourways (award-nominated); Loch Logan Waterfront, Bloemfontein (award-nominated); Windmill Casino Hotel and Retail Complex; the Fort Drury Complex and the Sediba Building for Department of Public Works; College Acre Development for Liberty Life Group and First National Bank.

Mr Georgiou has a wealth of property knowledge and is respected as a market leader by his peers within the property industry.

Mr Georgiou was appointed to the board on 1 January 2013.

Mr Andrew Costa (43)
Chief operating officer
BCom, LLB

Before his appointment to the board, Mr Costa spent nine years at the corporate and investment banking division of Standard Bank Group Limited, where he was a director and head of debt capital markets.

Mr Costa has been involved in the issuing of vanilla bonds, high-yield bonds, convertible bonds, bank and insurance capital, preference shares and hybrid capital transactions, raising in excess of R100 billion. He also has experience in raising funding through inward listings, retail bonds, project bonds as well as municipal bonds. His clients have included among others, Anglo American, Barloworld, SAB Miller, Goldman Sachs, Standard Bank and Hyprop.

Mr Costa was a member of Standard Bank's focus team that advised on the Municipal Finance Management Act, 56 of 2003, the Public Finance Management Act, 1 of 1999, and the JSE Debt Listings Requirements. In addition, he was a member of the Debt Issuers Association and an approved JSE debt sponsor.

Prior to this, Mr Costa was a director in the corporate law department of attorneys Cliffe Dekker Inc. and specialised in mergers and acquisitions, corporate restructurings and competition law.

Mr Costa was appointed to the board on 1 April 2013.

Mr Dimitri Kyriakides (59)
Chief financial officer
CA(SA)

Mr Kyriakides qualified as a CA(SA) in 1981 after serving articles with Coopers & Lybrand, now known as PricewaterhouseCoopers. Mr Kyriakides then joined Pick n Pay Retailers as chief regional accountant for the Pretoria hypermarkets. In 1986, he joined a firm of chartered accountants in Pretoria as an audit partner.

In 1989, he moved to Johannesburg as an audit partner at Myers Tennier & Co and in 1995, he purchased an interest in a manufacturing concern, which he managed, and eventually disposed of in 2006.

In 2009, Mr Kyriakides joined the Georgiou Group to assist with the management and administration of the Johannesburg-based properties. During this time, he gained valuable experience and expertise in all facets of the commercial property industry, from property administration to maintenance, leasing, selling and buying of properties, and property development.

Mr Kyriakides was appointed to the board on 1 January 2013.

Mr John Paterson (40)
Executive director
BA, LLB, LLM (Tax)

Mr Paterson is an admitted attorney having served his articles at Webber Wentzel Bowens. Prior to joining the financial services industry, he was an associate director at Fitch Ratings and was responsible for rating over R25 billion of debt funding in the South African capital markets.

Mr Paterson joined Investec Bank Limited in 2005, where he was the head of debt capital markets and was a member of Investec's strategic asset liability committee. Mr Paterson was responsible for raising in excess of R10 billion of debt against Investec's various property portfolios and he oversaw a capital markets debt portfolio of approximately R20 billion. He was part of the team that was responsible for a number of securitisation, commercial paper and bond transactions for corporates including listed property counters.

Mr Paterson left Investec to establish an independent debt advisory business focusing on, inter alia, funding structures for the commercial property sector. He brings a wealth of banking, rating advisory and capital markets experience to Accelerate.

Mr Paterson was appointed to the board on 1 January 2013.

ANNEXURE 3
EXECUTIVE MANAGEMENT

Michael Georgiou (44)
Chief executive officer

Andrew Costa (43)
Chief operating officer
BCom, LLB

Dimitri Kyriakides (59)
Chief financial officer
CA(SA)

John Paterson (40)
Executive director
BA, LLB, LLM (Tax)

Rob Vallance (52)
Chief investment officer
National Diploma in Property Valuation, MIVSA

ANNEXURE 4
SHAREHOLDERS' ANALYSIS

	Number of shareholders	% of total shareholders	Number of shares	% Interest
Analysis of shareholders				
1 – 100 shares	13	2,68%	603	0,00%
101 – 1 000 shares	36	7,42%	21 538	0,00%
1 001 – 50 000 shares	168	34,64%	2 956 739	0,46%
50 001 – 100 000 shares	52	10,72%	4 241 731	0,66%
100 001 – 10 000 000 shares	203	41,86%	213 289 752	33,38%
More than 10 000 000 shares	13	2,68%	418 406 553	65,49%
Total	**485**	**100%**	**638 916 916**	**100%**
Type of shareholder				
Individuals	157	32,37%	2 268 029	0,35%
Companies	26	5,36%	232 383 135	36,37%
Growth funds/unit trusts	134	27,63%	290 375 910	45,45%
Nominee companies or trusts	43	8,87%	42 401 513	6,64%
Pension and retirement funds	100	20,62%	68 535 723	10,73%
Other	25	5,15%	2 952 606	0,46%
Total	**485**	**100%**	**638 916 916**	**100%**

		Shareholders in South Africa		Shareholders other than in South Africa		Total shareholders	
	Number of share-holders	Nominal number	% Interest	Nominal number	% Interest	Nominal number	% Interest
Shareholder spread							
Public shareholders	479	330 200 221	51,68%	9 212 837	1,44%	**339 413 058**	**53%**
Directors and associates	5	253 517 647	39,68%			**253 517 647**	**40%**
Holdings of 5% or more	1	45 986 211	7,20%			**45 986 211**	**7%**
Coronation balance plus fund		45 986 211	7,20%				
Total	**485**	**629 704 079**	**98,56%**	**9 212 837**	**1,44%**	**638 916 916**	**100%**

ANNEXURE 5
REMUNERATION REVIEW

Introduction from the chairman of the committee

Dear shareholder,

The remuneration committee of Accelerate is pleased to submit its remuneration report for the year ended 31 March 2014. During the year, the company has listed as a REIT on the JSE. Subsequent to the listing, PwC were engaged to undertake an in-depth benchmarking exercise for the executive directors, as a result of which appropriate short-term and long-term incentives were introduced. As a part of the detailed benchmarking exercise, an appropriate comparator group was determined based on a number of financial measures. This comparator group was also carefully considered to only include property companies, which operate in a similar manner to Accelerate.

The targets of the short- and long-term incentives were set with the dual purpose of being sufficiently stretching, so that superior performance is required for payout of any short-term incentive, and for vesting of long-term awards as well as driving the appropriate long-term behaviour in executives to align the executives with you, as stakeholders in the company.

The remuneration of executive directors has been designed to support an entrepreneurial spirit appropriate to a newly listed company through the investment in a high calibre of employees who have the experience and ability to drive the performance of the company. Further, we have endeavoured to ensure that appropriate safeguards are built into the remuneration structures to ensure that behaviour which exposes you to unnecessary risk is not encouraged.

The company believes that its remuneration policy plays an essential, vital role in realising business strategy and therefore should be competitive and appropriate for the market in which Accelerate operates.

The remuneration committee

Membership

The remuneration committee (the committee) consists of three independent non-executive directors.

At 31 March 2014, the committee comprised the following members:

- Mr JRP Doidge, chairman
- Mr TJ Fearnhead, non-executive director
- Mr TT Mboweni, non-executive director

Terms of reference

The committee operates according to formal terms of reference that are delegated to it by the board of directors and represent the scope of its responsibilities. The committee confirms that it has discharged the functions and complied with its terms of reference for the year ended 31 March 2014. The terms of reference can be found on www.acceleratepf.co.za

Key activities and recommendations

During the year under review, the committee met on 26 March 2014.

The key activities and recommendations of the committee during 2014 included the following:

- Appointment of Prof F Viruly as a non-executive director
- Benchmarking of executive directors' total reward
- Benchmarking of non-executive director fees
- Approval of a remuneration policy and philosophy
- Approval of a new STI and LTI

Remuneration policy and elements of pay

Elements of pay

The table below sets out an overview of the elements of pay applicable to Accelerate executives from 1 July 2014 onwards.

	Element	Detail
Fixed remuneration and benefits	Total guaranteed package (TGP)	Accelerate follows a TGP approach to structure remuneration for all employees. The TGP is the total benefit to the individual, as well as the total cost to the organisation. Guaranteed remuneration reflects the employee's role and job worth within Accelerate and is payable for doing the expected day-to-day job requirements, and forms the basis of the company's ability to attract and retain the required skills.
	Benefits	At present, Accelerate's TGP approach is not structured to include any benefits to staff members.
Variable remuneration	Short-term incentive (STI)	All employees are eligible for an annual STI, which is calculated on an additive basis, and will be based on both personal and business scores, determined with reference to the financial performance of the company and the achievement of personal key performance indicators.
	Long-term incentives (LTI)	*Share incentive scheme (SIS)* No awards have been made, or will be made under the existing SIS, and the scheme will be dissolved and replaced with the CSP. *Conditional share plan (CSP)* Regular, annual awards of conditional shares will be made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation. The CSP will provide executives and selected senior management of Accelerate Property Management Company (Pty) Ltd with the opportunity to receive shares in the company, thereby aligning their interests with that of shareholders. Vesting of the conditional shares will be subject to continued employment and appropriate stretching performance conditions. The performance conditions are measured over a three-year period, in line with the financial year-end of the company.

Non-executive directors' fees

The non-executive directors do not participate in any short-term incentive or long-term incentive schemes, and do not have contracts of employment with the company. Their fees are reviewed by the company annually, and submitted to shareholders for approval on an annual basis.

Non-executive director fees reflect the directors' role and membership of the board and its subcommittees.

2015 fees

The resolution relating to non-executive director fees for the 2015 financial year can be found on page 5 of the notice of AGM.

2014 fees

The non-executive directors' fees for the 2014 year were as set out in the table below. For the 2014 year, these fees were paid by Accelerate on a pro rata basis from the date of listing to 31 March 2014.

Non-executive director	Directors' fee
TT Mboweni	445 591
GC Cruywagen	150 538
TJ Fearnhead	105 376
JRP Doidge	90 323
K Madikizela	90 323
Total	**R882 151**

Executive directors' remuneration

Regarding fixed pay, the annual review process is used to determine where an employee's pay is in relation to the market and to make necessary adjustments in line with the pay policy. The annual review will take place in March each year, with increases effective on 1 July. Based on the annual review, a recommendation is made to the committee for approval of the mandate for annual increases.

Regarding variable pay, the company is in the process of dissolving the share incentive scheme, under which no awards have been made. The conditional share plan as outlined on pages 26 to 28 is planned for implementation in 2014, and will replace the share incentive scheme.

A detailed benchmarking exercise was conducted by PwC which informed the executive directors' remuneration for 2014. As part of this process, a comparator group was selected, comprising companies on the JSE which were considered appropriate in terms of the roles which were being benchmarked. Due to the practice of a number of property companies outsourcing asset management roles, some companies from the financial services sector were included to ensure that the roles being benchmarked were able to be appropriately compared.

From 2014 onwards, the company will undertake an annual benchmarking exercise relating to the remuneration of all employees.

2014 remuneration

The executive directors' fixed remuneration for the 2014 financial year is set out in the table below. During the period, the executive directors received no variable pay. Thus, for the 2014 financial year, the remuneration reflected below was paid by the company on a pro rata basis from 1 January 2014 to 31 March 2014 .

Executive director/prescribed officer	Basic salary (R)
M Georgiou	–
A Costa	500 000
D Kyriakides	450 000
JRJ Paterson	425 000

John Doidge
Chairman of remuneration committee

20 June 2014

ANNEXURE 6
MATERIAL CHANGE STATEMENT

The directors of Accelerate report that there have been no material changes in the affairs, financial or trading position of Accelerate since 31 March 2014 to 20 June 2014, other than those disclosed in the integrated report, which is available on the website, www.acceleratepf.co.za, or can be requested from the company secretary.

ANNEXURE 7
DIRECTORS' INTEREST IN SHARES

Directors' interest in the shares of the company

38 378 658 shares	6,00% interest	Michael Family Trust	Beneficiary account
215 138 989	33,67%	Fourways Precinct (Pty) Ltd	

Michael Family Trust is the 100% shareholder of Fourways Precinct (Pty) Ltd
Mr M Georgiou is a beneficiary of the Michael Family Trust

ANNEXURE 8
SHARE CAPITAL

	2014	2013
Ordinary share capital		
Authorised		
Ordinary shares with no par value	**5 000 000 000**	1 000
Issued		
On listing - 638 916 916 ordinary shares	**638 916 916**	–
In issue at period end	**638 916 916**	1 000

The unissued shares are under the control of the directors of the company subject to the provisions of the Companies Act, 71 of 2008, as amended and the Listings Requirements of the JSE Limited.

ANNEXURE 9
CONDITIONAL SHARE PLAN

SALIENT FEATURES

Introduction and purpose

Following an extensive benchmarking and design process facilitated by PwC (the company's independent advisors), necessitated by the recent listing of Accelerate Property Fund Limited (Accelerate or the company), the company has, in conjunction with PwC, developed the conditional share plan (CSP) for executive directors and senior management (participants) of the company and Accelerate Property Management Company (the management company).

The CSP is in line with local and global best practice for executive remuneration and will strongly support the reward philosophy and strategic objectives of the company and ensure that shareholder and executive interests are strongly aligned, and that shareholder value is created. Under the CSP, participants will receive conditional rights to shares, according to the provisions set out below.

The rationale behind the introduction of the CSP is to align participants closely with shareholders, through the award of two types of instruments (collectively referred to as conditional shares) with the following intentions:

1. **Performance shares**, the vesting of which are subject to predetermined performance metrics (performance condition(s)) and continued employment (employment condition), and which are intended to be used primarily as an incentive to participants to deliver the group's business strategy over the long term through the selection of appropriate and stretching performance condition(s).
2. **Retention shares**, the vesting of which are subject to the fulfilment of the employment condition by the participant and which are aimed at retention in specific, ad hoc circumstances where it is in the company's, management company's and shareholders' strategic and financial interests that a specific individual is retained, or to address sign-on requirements.

The CSP also provides for the once-off award of top-up awards, being awards of performance shares and retention shares made simultaneously with the initial allocation of awards under the CSP. These top-up awards address specific retention risks resulting from the lack of variable remuneration opportunity for specific individuals during the listing process, as well as operating as recognition of the services provided by these individuals during the listing process.

The proposed CSP aligns with King III recommendations, as it is less leveraged than option-type plans, and as such mitigates the risk of unjustified windfalls.

Participants will not receive any awards under the Accelerate Property Fund Limited share incentive scheme trust (SIS), under which no awards have been made to date. The SIS will be dissolved after the introduction of the CSP.

The salient features of the CSP are detailed below.

Participants

Eligible employees will include executive directors and senior management of both the company, but exclude non-executive directors. The remuneration committee (remco) may, in its discretion, call upon the employer companies to make recommendations as to which of their respective employees they wish to incentivise, retain the services of or attract the services of, by the making of an award of conditional shares.

Rights of participants

Under the CSP, participants will be entitled to all rights, including the voting, dividend transfer and other rights in respect of shares received on settlement.

Basis of awards and award levels

In line with the requirements of King III and best practice that regular, annual awards are made on a consistent basis to ensure long-term shareholder value creation, annual awards of performance shares will be made under the CSP. Awards of retention shares will be made on an ad hoc basis, or for sign-on requirements as determined necessary by remco.

The number of performance shares awarded to a participant will primarily be based on the participant's annual salary, grade, performance, retention and attraction requirements and market benchmarks. The number of retention shares will be determined on a case-by-case basis, to address initial retention risks identified before the implementation of the CSP, or subsequent retention risks on an ad hoc basis.

The mix between conditional shares will be weighted considerably more towards performance shares, as the performance shares will be awarded annually, whereas the retention shares will be awarded on an ad hoc basis to address specific needs determined by remco. The top-up awards will comprise 50% retention shares and 50% performance shares.

The award levels will be decided by remco each time that awards are granted, by taking into account the particular circumstances at that time. Annual allocations will be benchmarked and set to a market-related level of remuneration while considering the overall affordability thereof to the company.

Employment condition, performance conditions and vesting

The employment condition for the performance shares stretches over three years and will be determined on a case-by-case basis for retention shares. Top-up awards will vest in equal tranches after three and four years, respectively.

Performance shares will be subject to predetermined performance condition(s) measured over a three-year period (performance period) in addition to the employment condition, for vesting. Remco will set appropriate performance conditions as relevant for each award, taking into account the business environment at the time of making the awards. For the first set of awards, based on best market practice as advised by PwC, it is envisaged that the performance condition will be based on cumulative distributions over the performance period, guided by industry norms.

In line with best practice and the provisions of King III, the proposed vesting scale is as follows:

- Threshold achievement of performance (the minimum level of performance for vesting of any incentive) – 30% vesting.
- Target achievement of performance (the level of performance for payment of an on-target incentive) – 60% vesting.
- Stretch (a level of performance representing exceptional performance in the context of the current business environment) – 100% vesting.

Linear vesting will be applied for performance between the above levels. In line with corporate governance principles, performance conditions will not be retested if they are not met at the end of the performance period, and to the extent that they are not satisfied, awards will lapse at this time.

Manner of settlement

The rules of the CSP will be flexible in order to allow for settlement in any of the following manners:

- By way of a market purchase of shares
- Use of treasury shares
- Issue of shares

The exact method of settlement will be determined by remco, although the preference will be a market purchase of shares which will cause no dilution to shareholders.

Limits and adjustments

The maximum number of shares which may be allocated under the CSP shall not exceed 31 945 846 (thirty-one million, nine hundred and forty-five thousand, eight hundred and forty-six) shares, which represents approximately 5% of the number of issued shares as at the date of approval of the CSP by shareholders.

Shares issued by the company or shares held in treasury which are used to settle the CSP will be included in the company limit. Shares allocated under the CSP, which are not subsequently settled to a participant as a result of the forfeiture thereof, will be excluded in calculating the company limit. Similarly, any shares purchased in the market in settlement of the CSP will be excluded. Remco must, where required, adjust the company limit (without the prior approval of shareholders in a general meeting), to take account of a subdivision or consolidation of the shares of the company. Such adjustment should give a participant entitlement to the same proportion of equity capital as that to which he was previously entitled. The issue of shares as consideration for an acquisition, and the issue of shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the company or individual limit. Performance shares and/or retention shares comprising an award under the CSP, which are not subsequently settled to a participant as a result of the forfeiture thereof, will revert back to the CSP.

The maximum number of shares which may be allocated to an individual in respect of all unvested awards may not exceed 9 583 754 (nine million, five hundred and eighty-three thousand, seven hundred and fifty-four) shares, which represents approximately 1,5% of the number of issued shares as at date of approval of the CSP by shareholders. Remco must, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the company. Such adjustment should give a participant entitlement to the same proportion of equity capital as that to which he was previously entitled.

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the CSP and must be reported on in the company's financial statements in the year during which the adjustment is made. The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the company limit and the individual limit.

Consideration

The participant will give no consideration for the award or settlement of conditional shares.

Termination of employment

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct, or on the basis of abscondment, will be classified as "bad leavers" and will forfeit all unvested CSP awards.

Participants terminating employment due to death, ill-health, disability, injury, retrenchment or retirement (except to the extent that it constitutes bad-leaver termination as set out above), or the sale of a subsidiary company will be classified as "good leavers" and a portion of the CSP award will vest on date of termination of employment. This portion will reflect the number of months served from the award date to the date of termination of employment over the total number of months in the employment period and the extent to which the performance condition(s) (for performance shares) have been met. The remainder of the award will lapse.

ANNEXURE 9 CONTINUED
CONDITIONAL SHARE PLAN CONTINUED

Change of control
The CSP provides for two treatments in the event of a change of control.

In terms of the top-up awards, in the event of a change of control of the company occurring before the vesting date of any award which results in the loss of employment of the recipient of a top-up award:
- all retention shares will vest in full upon the change of control, without adjustment for time served; and
- performance shares (or a portion thereof) will also vest upon change of control, without adjustment for time served. The portion which will vest will reflect the extent to which the performance condition(s) have been met by reference to the immediately preceding financial year.

In terms of any other awards, or a top-up award where the change of control did not result in a termination of employment, a portion of the award will vest. The portion of the award which will vest will reflect the number of months served from the award date to the change of control date over the total number of months in the employment period and the extent to which the performance condition(s) (if applicable) have been met by reference to the immediately preceding financial year.

For awards which are not top-up awards, or top-up awards where the change of control did not result in a termination of employment, the portion of the award which does not vest as a result of the change of control will continue to be subject to the terms of the award letter and CSP, unless remco determines otherwise, provided that the participants are no worse off.

Awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control as defined in the rules of the CSP. In this case, remco must make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more other companies, to ensure that the interests of participants following the occurrence of such an event are protected. In such circumstances, remco may also vary the performance condition(s) relating to conditional shares where appropriate and reasonable in the circumstances.

Variation in share capital
In the event of a variation in share capital, such as a capitalisation issue, subdivision of shares, rights issue, consolidation of shares etc, participants shall continue to participate in the CSP. Remco must make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the happening of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event.

The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to awards.

Liquidation
If the company is placed into liquidation, other than for purposes of reorganisation, an award of conditional shares associated with such conditional shares shall ipso facto lapse as from the liquidation date.

Amendment
Remco may alter or vary the rules of the CSP as it sees fit, provided that such amendments may only affect awards to participants that have already been made if they are to the advantage of participants, and subject to the Listings Requirements. However, in the following instances, the CSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:
- The category of persons who are eligible for participation in the CSP.
- The number of shares which may be utilised for the purpose of the CSP.
- The individual limitations on benefits or maximum entitlements.
- The basis upon which awards are made.
- The amount payable upon the award, settlement or vesting of an award.
- The voting, distribution, transfer and other rights attached to the awards, including those arising on a liquidation of the company.
- The adjustment of awards in the event of a variation of capital of the company or a change of control of the company.
- The procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

General
The rules of the plan are available for inspection from 30 June 2014 to 29 July 2014 at the company's registered office, being Accelerate Property Fund, Cedar Square Shopping Centre, 1st Floor, Corner of Willow and Cedar Roads, Fourways, Johannesburg, South Africa.

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 9 requires the approval of a 75% majority of the voting rights exercised on the resolution.

CORPORATE INFORMATION

Accelerate Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/015057/06)
Share code: APF ISIN: ZAE000185815

Registered office and business address
Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Ave and Cedar Rd,
Fourways, Johannesburg, 2055
Tel: 010 001 0790
Web: www.acceleratepf.co.za

Investor relations
Sam Bruwer
Tel: 010 001 0790
Email: sam@acceleratepf.co.za

Company secretary
Claire Middlemiss
iThemba Governance & Statutory Solutions (Pty) Ltd
Monument Office Park, Block 5, Suite 102, 79 Steenbok Avenue, Monument Park
Tel: 086 111 1010
Email: claire@ithembaonline.co.za

Transfer secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107, South Africa
Tel: 011 370 5000
Email: proxy@computershare.co.za
Fax: 011 688 2238

Sponsor
KPMG Services (Pty) Ltd
(Registration number 1999/012876/07)
KPMG Crescent, 85 Empire Road, Parktown, Johannesburg, 2193
Private Bag 9, Parkview, 2122

Auditors
Ernst & Young Incorporated
102 Rivonia Road, Sandton, Johannesburg, 2149
Tel: 011 772 3000

Internal Auditors
LateganMashego Auditors (Pty) Ltd
Registration number 2001/107847/07
Registered address: 11 Boca Walk, Highveld, Centurion, 0157
Email: lindie@lateganmashego.co.za
Tel: 0828987644/0836091159

Attorneys
Glyn Marais Inc.
(Registration number 1990/000849/21)
2nd Floor, The Place
1 Sandton Drive
Sandton
2196
(PO Box 652361, Benmore, 2010)

Contact details
Chief operating officer: Andrew Costa
Email: andrew@acceleratepf.co.za

Chief financial officer: Dimitri Kyriakides
Email: dimitri@acceleratepf.co.za

ACCELERATE
PROPERTY FUND

www.acceleratepf.co.za