ACCELERATE

PROPERTY FUND

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 31 March 2016

A LEADING PORTFOLIO

CONTENTS

LETTER TO SHAREHOLDERS

Dear shareholder

On behalf of the board of directors (board), you are invited to attend the third (3rd) annual general meeting (AGM) 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 Thursday, 28 July 2016 at 10:00.

You are encouraged to attend and vote at the AGM, as this is your opportunity to meet and question members of the board regarding Accelerate's performance for the year ended 31 March 2016.

The detailed notice of the annual general meeting and supporting documentation accompanies this letter. Explanatory notes setting out the reasons accompany the notice and the effects of all the proposed ordinary and special resolutions contained in the notice of annual general meeting. 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 may vote by proxy in accordance with the instructions on the annual general meeting notice and form of proxy.

Yours sincerely

Mr Tito Titus Mboweni
Accelerate Property Fund
Chairman
23 June 2016

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 third 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 Thursday, 28 July 2016 at 10:00 (AGM notice).

The following business will be transacted and the ordinary and special resolutions proposed, with or without modification, as set out in this notice.

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: joanne@ithembaonline.co.za before 10:00 on Wednesday, 27 July 2016 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.

Proof of identification required

Please note that in terms of section 63(1) of the Companies Act, any shareholder or proxy who intends to attend or participate at the AGM is required to provide reasonably satisfactory identification before or at the meeting (including participants via telephone conference). A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the AGM as sufficient identification.

Important dates and times

Important dates to note:	**Date**
Record date for receipt of notice of AGM	Friday, 17 June 2016
Integrated annual report posted on www.acceleratepf.co.za	Tuesday, 28 June 2016
Post AGM notice and summarised annual financial statements	Tuesday, 28 June 2016
Last day to trade in order to be eligible to participate in and vote at the AGM	Friday, 8 July 2016
Record date to determine which Accelerate shareholders are entitled to participate in and vote at the AGM	Friday, 15 July 2016
Last day to lodge forms of proxy for the AGM	Wednesday, 27 July 2016
AGM to be held at 10:00 on	Thursday, 28 July 2016
Results of AGM released on SENS on	Thursday, 28 July 2016

Ordinary business

Consolidated annual financial statements

Simultaneously with the posting of this notice of the AGM, the full consolidated annual financial statements (AFS) and integrated annual report of Accelerate have been published on the company's website at www.acceleratepf.co.za and are also available at the registered office of Accelerate and on request from the company secretary.

Presentation of the audited AFS of the company, as approved by the board of directors of the company, including the directors' report, the independent external auditor's report and the report of the audit and risk committee of the company for the year ended 31 March 2016 are to be presented as required in terms of section 30(3)(d) of the Companies Act, 2008 (Act 71 of 2008), as amended (the Companies Act).

Social, ethics and transformation committee
In accordance with Companies Regulation 43(5)(c), the chairman of the social, ethics and transformation committee, or in her absence, any member of the social, ethics and transformation committee, will verbally report to shareholders at the AGM on matters within its mandate.

Ordinary resolutions

Each of the ordinary resolutions 1 to 7 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.

Ordinary resolution number 1.1 to 1.2: Election of directors
In accordance with the company's memorandum of incorporation (MOI), one third of the non-executive directors must retire from office at the AGM and may, if eligible and willing, offer themselves for re-election. Dr Gert C Cruywagen and Mr John RP Doidge will retire from office at the AGM and have confirmed their willingness to continue to serve as members of the board. Brief resumes of these two directors and the remaining members of the board are detailed on pages 23 to 25 of this AGM notice.

Ordinary resolution number 1.1
"Resolved that Dr Gert C Cruywagen be and is hereby re-elected as an independent non-executive director of the company."

Ordinary resolution number 1.2
"Resolved that Mr John RP Doidge be and is hereby re-elected as an independent non-executive director of the company."

Ordinary resolution number 2.1 to 2.3: Election of the audit and risk committee members
In terms of section 94(2) of the Companies Act, 2008 (Act 71 of 2008), as amended (the Companies Act) a public company must elect an audit committee comprising at least three members who are independent non-executive directors and who meet the criteria of section 94(4) of the Companies Act at each annual general meeting. Regulation 42 to the Companies Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas listed in the Regulation.

The board of directors of the company is satisfied that the proposed members of the audit and risk committee meet all relevant statutory requirements, including being independent non-executive directors as defined by the King Code on Corporate Governance for South Africa, 2009 (King III).

Brief resumes of the independent non-executive directors offering themselves for re-election as members of the audit and risk committee of the company are detailed on pages 23 to 25 of this AGM notice.

Ordinary resolution number 2
"Resolved that the audit and risk committee comprising independent non-executive directors in terms of section 94(4) of the Companies Act, as set out below, be and are hereby re-appointed by way of separate resolutions to hold office until the conclusion of the next annual general meeting:

2.1 Mr Timothy J Fearnhead (chairman)
2.2 Dr Gert C Cruywagen
2.3 Ms Kolosa Madikizela"

Ordinary resolution number 3: Appointment of external auditor
Ernst & Young has indicated its willingness to continue in office and the audit and risk committee has recommended that shareholders approve the re-appointment of Ernst & Young as the company's auditors.

"Resolved that, upon the recommendation of the audit and risk committee of Accelerate, Ernst & Young, represented by Mr Rohan Baboolal 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 2017), meeting the requirements of section 90(2) of the Companies Act, until the conclusion of the next AGM."

Ordinary resolution number 4: Non-binding advisory vote on the company's remuneration philosophy and report
King III recommends that the remuneration philosophy of the company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration philosophy and policy of the company. Shareholders are referred to the remuneration philosophy as set out on pages 27 to 30 of the notice of the AGM.

"Resolved, by way of a non-binding advisory vote, that the remuneration philosophy and report included on pages 27 to 30 of the notice of the AGM, be and are hereby approved by way of a non-binding advisory vote, as recommended in the King Report on Corporate Governance for South Africa, 2009."

Ordinary resolution number 5: To place the unissued authorised ordinary shares of the company under the control of the directors
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.

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

"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 (subject to the relevant provisions of the Companies Act, the company's MOI and the Listings Requirements of the JSE Limited (JSE), until the next AGM, provided that it shall not extend beyond 15 months from the date of passing this resolution, to allot or issue any such shares at their discretion, provided that in all instances (save in respect of an offer of unissued shares to existing shareholders pro rata to their shareholdings), the following requirements are complied with:

- The number of shares that may be allotted or issued in aggregate, is limited to 10% of the company's issued shares at the date of passing of this resolution.
- The maximum discount permitted will be 5% of the weighted average traded price of the shares in question, measured over the three business days prior to the date of each issue of new shares or the three business days prior to the date the directors resolve to issue such new shares or the 30 business days prior to the date the directors resolve to issue such new shares."

Ordinary resolution number 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 number 7: Signing authority
"Resolved that, any director of the company be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those ordinary and special resolutions to be proposed and duly passed at this AGM."

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 number 1.1 to 1.6: Non-executive directors' fees
In terms of sections 66(8) and 66(9) of the Companies Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the MOI and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors, but as employees of the company and as such, the resolution as included in the notice requests approval of the remuneration paid to non-executive directors for their services as directors of the company.

Special resolution number 1.1
"Resolved that, the company be and is hereby authorised to pay remuneration of R960 000 to Mr Tito T Mboweni in respect of his services as a director and chairman of the board, as contemplated in sections 66(8) and 66(9) of the Companies Act, with effect from the conclusion of this annual general meeting until the conclusion of the 2017 annual general meeting unless rescinded or amended by shareholders by way of a special resolution."

Special resolution number 1.2
"Resolved that, the company be and is hereby authorised to pay remuneration of R405 132 to Dr Gert C Cruywagen in respect of his services as a director of the board, as contemplated in sections 66(8) and 66(9) of the Companies Act, with effect from the conclusion of this annual general meeting until the conclusion of the 2017 annual general meeting unless rescinded or amended by shareholders by way of a special resolution."

Special resolution number 1.3
"Resolved that, the company be and is hereby authorised to pay remuneration of R353 934 to Mr John RP Doidge in respect of his services as a director of the board, as contemplated in sections 66(8) and 66(9) of the Companies Act, with effect from the conclusion of this annual general meeting until the conclusion of the 2017 annual general meeting unless rescinded or amended by shareholders by way of a special resolution."

Special resolution number 1.4

"Resolved that, the company be and is hereby authorised to pay remuneration of R405 132 to Mr Timothy J Fearnhead in respect of his services as a director of the board, as contemplated in sections 66(8) and 66(9) of the Companies Act, with effect from the conclusion of this annual general meeting until the conclusion of the 2017 annual general meeting unless rescinded or amended by shareholders by way of a special resolution."

Special resolution number 1.5

"Resolved that, the company be and is hereby authorised to pay remuneration of R353 934 to Ms Kolosa Madikizela in respect of her services as a director of the board, as contemplated in sections 66(8) and 66(9) of the Companies Act, with effect from the conclusion of this annual general meeting until the conclusion of the 2017 annual general meeting unless rescinded or amended by shareholders by way of a special resolution."

Special resolution number 1.6

"Resolved that, the company be and is hereby authorised to pay remuneration of R353 934 to Prof Francois Viruly in respect of his services as a director of the board, as contemplated in sections 66(8) and 66(9) of the Companies Act, with effect from the conclusion of this annual general meeting until the conclusion of the 2017 annual general meeting unless rescinded or amended by shareholders by way of a special resolution."

Special resolution number 2: Financial assistance to purchase or subscribe for securities and financial assistance to a related or inter-related company or corporation

"Resolved that:

(i) for purposes of section 44 of the Companies Act, the directors of the company, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, be and are hereby authorised (subject to compliance with the requirements of the company's constitutional documents and the Companies Act, each as presently constituted and as amended from time to time) to grant financial assistance, as contemplated in section 44 of the Companies Act, to any person or entity for the purpose of, or in connection with, the subscription of any securities issued or to be issued by the company or a related or inter-related company, or for the purpose of any securities of the company or a related or inter-related company, on such terms and conditions as the directors of the company deem fit; and

(ii) for the purposes of section 45 of the Companies Act, the directors of the company, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, be and are hereby authorised (subject to compliance with the requirements of the company's constitutional documents and the Companies Act, each as presently constituted and as amended from time to time) to grant direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to a related or inter-related (as defined in section 1 of the Companies Act) company or corporation or to a member of a related or inter-related corporation or to a person related to any such company or corporation on such terms and conditions as the directors of the company deem fit."

Reason for and effect of this special resolution: to the extent necessary under sections 44 and 45 of the Companies Act, to authorise the directors of the company to provide financial assistance as contemplated under section 44 of the Companies Act in connection with the issuance of any securities issued or to be issued by the company or any related or inter-related company and to authorise the directors of the company to provide financial assistance as contemplated under section 45 of the Companies Act to a related or inter-related (as defined in section 1 of the Companies Act) company or corporation or to a member of a related or inter-related corporation or to a person related to any such company or corporation.

The board will not authorise any financial assistance in terms of sections 44 or 45 above unless it has considered and is satisfied that:

(i) 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;

(ii) the terms under which any financial assistance is proposed to be given are fair and reasonable to the company; and

(iii) 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 number 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 annual general meeting, 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 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 where the dates and quantities of the securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE."

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 annual general meeting notice, is provided in terms of section 11.26 of the Listings Requirements of the JSE, for purposes of the general authority:

- Major shareholders – page 26.
- Share capital of the company – page 33.

Special resolution number 4: Amendment to memorandum of incorporation

The JSE has amended its Listings Requirements whereby fractional entitlements that arise may only be rounded down to the nearest whole number following the allocation of securities and a cash payment will be made for the fraction portion.

"Resolved that Article 9 of the memorandum of incorporation relating to "Fractions of shares" be deleted in its entirety and replaced with the following:

9. Fractions of shares

In the event of fractional entitlements arising from the allocations of securities, such allocations will be rounded down to the nearest whole number resulting in allocations of whole securities and a cash payment for the fraction in terms of the applicable Listings Requirements in force at the time."

Reason for and effect of this special resolution: to align the company's Memorandum of Incorporation with the amendments to the JSE Listings Requirements which include a new fraction entitlement principle which will result in all allocations of securities being rounded down to the nearest whole number and a cash payment being paid for the fraction at beneficial owner level.

Directors' responsibility statement

The directors, whose names appear on pages 23 to 25 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 AFS, 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 the 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 may be obtained 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, 15 July 2016.
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 Thursday, 28 July 2016 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 Wednesday, 27 July 2016.
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: JR Matisonn
Company secretary
23 June 2016

Computershare Investor Services (Pty) Ltd
Transfer secretaries

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position
as at 31 March 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000
Assets			
Non-current assets		**8 496 381**	6 874 824
Investment property		**8 422 776**	6 803 437
Derivative financial instruments	2	**73 086**	71 153
Property, plant and equipment		**519**	234
Current assets		**278 605**	229 476
Current tax receivable		**9 269**	15
Trade and other receivables	2	**197 908**	170 644
Cash and cash equivalents	2	**71 428**	58 817
Investment property held for sale		**130 726**	28 420
Non-current assets held for sale		**130 726**	28 420
Total assets		**8 905 712**	7 132 720
Equity and liabilities			
Shareholders' interest		**5 771 966**	4 604 143
Share capital		**4 105 211**	3 422 723
Other reserves		**20 045**	7 223
Retained earnings		**1 646 710**	1 174 197
Total equity		**5 771 966**	4 604 143
Non-current liabilities		**2 597 181**	2 201 394
Borrowings	2	**2 569 905**	2 155 158
Contingent compensation to vendor	1	**27 276**	46 236
Current liabilities		**536 565**	327 183
Trade and other payables	2	**114 209**	88 327
Borrowings	2	**422 356**	238 856
Total equity and liabilities		**8 905 712**	7 132 720

Consolidated statement of comprehensive income
for the period ended 31 March 2016

	Note	31 March 2016 R'000	31 March 2015 R'000
Revenue, excluding straight-line rental revenue adjustment		**818 700**	699 696
Straight-line rental revenue adjustment		**68 059**	49 116
Revenue		**886 759**	748 812
Property expenses		**(225 114)**	(205 750)
Net property income		**661 645**	543 062
Operating expenses		**(38 694)**	(36 317)
Operating profit		**622 951**	506 745
Fair value adjustments	5	**383 746**	381 008
Other income/(expenses)		**(142)**	465
Profit on disposal of asset		**–**	12 104
Finance income		**14 247**	12 743
Profit before long-term debt interest and taxation		**1 020 802**	913 065
Long-term debt interest		**(215 770)**	(172 016)
Profit before taxation		**805 032**	741 049
Taxation			–
Profit after taxation attributable to equity holders		**805 032**	741 049
Earnings per share			
Basic earnings per share (cents)		**107,53**	112,49
Diluted earnings per share (cents)		**105,92**	111,25
Distributable earnings			
Profit after taxation attributable to equity holders		**805 032**	741 049
Less: straight-line rental revenue adjustment		**(68 059)**	(49 116)
Less: fair value adjustments		**(383 746)**	(381 008)
Add: distribution from reserves		**25 758**	4 200
Less: profit on sale of property		**–**	(12 104)
Distributable earnings		**378 985**	303 021

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Consolidated statement of changes in equity
for the year ended 31 March 2016

	Other reserves R'000	Share capital R'000	Retained income R'000	Total equity R'000
Balance at 1 April 2014		3 117 914	654 047	3 771 961
Total comprehensive income attributable to equity holders		–	741 049	741 049
Issue of shares	–	304 809	–	304 809
Distribution paid	–	–	(220 899)	(220 899)
Share incentive scheme reserve	3 023	–	–	3 023
Distribution reserve*	4 200	–	–	4 200
Total contributions by and distributions to owners of company recognised directly in equity	7 223	304 809	(220 889)	91 133
Balance at 1 April 2015	7 223	3 422 723	1 174 197	4 604 143
Total comprehensive income attributable to equity holders			**805 032**	**805 032**
Issue of shares		**682 488**		**682 488**
Distribution paid	**(4 200)**		**(332 519)**	**(336 719)**
Share incentive scheme reserve	**3 098**			**3 098**
Distribution reserve*	**13 924**			**13 924**
Total contributions by and distributions to owners of company recognised directly in equity	**12 822**	**682 488**	**(332 519)**	**365 262**
Balance at 31 March 2016	**20 045**	**4 105 211**	**1 646 710**	**5 771 966**

** This reserve relates to the antecedent distribution portion of the capital raised.*

Consolidated statement of cash flows
for the year ended 31 March 2016

	31 March 2016 R'000	31 March 2015 R'000
Cash flows from operating activities		
Cash generated from operations	**547 313**	395 970
Finance income	**14 247**	12 743
Distribution paid	**(332 519)**	(220 899)
Tax paid	**–**	(15)
Net cash from operating activities	**229 041**	187 799
Cash flows from investing activities		
Purchase of property, plant and equipment	**(385)**	(184)
Purchase of investment property	**(1 300 193)**	(244 080)
Contingent purchase	**(18 960)**	(163 548)
Proceeds from disposal of investment property	**28 420**	78 740
Net cash from investing activities	**(1 291 118)**	(329 072)
Cash flows from financing activities		
Proceeds on share issue	**682 488**	304 809
Long-term borrowings raised	**1 335 500**	740 998
Long-term borrowings repaid	**(737 253)**	(735 544)
Finance costs	**(215 770)**	(172 016)
Antecedent distribution	**9 723**	4 200
Net cash from financing activities	**1 074 688**	142 447
Total cash movement for the year	**12 611**	1 174
Cash at the beginning of the year	**58 817**	57 643
Total cash at the end of the year	**71 428**	58 817

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Distribution analysis

	Year ended 31 March 2016 R'000	Year ended 31 March 2015 R'000
Distributable earnings	**378 985**	303 021
Less: interim distribution from profits	**175 255**	141 555
Final distribution	**203 730**	161 466
Shares qualifying for distribution		
Number of shares at year-end	**801 344 008**	691 423 255
Less: bulk ceded shares to Accelerate#	**(51 070 184)**	(51 070 184)
Less: ceded shares with regard to Noor properties acquired	**(13 290 135)**	–
Add: shares issued post-year-end	**16 100 000**	–
Total shares qualifying for distribution	**753 083 689**	640 353 071
Distribution per share		
Final distribution per share (cents)	**27,05277**	25,21490
Interim distribution per share made (cents)	**26,61692**	23,99368
Total distribution per share for the year (cents)	**53,66969**	49,20858

 # The cession on these shares relates to bulk in the Fourways area acquired by Accelerate at listing, these shares will only be eligible for dividends at the earlier of the development of the bulk or December 2021.

Earnings per share

	Year ended 31 March 2016 R'000	Year ended 31 March 2015 R'000
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 profit after tax	**805 032**	741 049
Fair value adjustment excluding straight-lining	**(383 746)**	(381 008)
Capital gains on sale of non-current assets held for sale#	**–**	(12 104)
Headline profit attributable to shareholders	**421 286**	347 937
Basic earnings per share (cents)	**107,53**	112,49
Diluted earnings per share (cents)	**105,92**	111,25
Headline earnings per share (cents)	**56,27**	52,81
Diluted headline earnings per share (cents)	**55,43**	52,24
Shares in issue at the end of the year	**801 344 008**	691 423 255
Weighted average number of shares	**748 651 001**	658 789 533
Shares subject to the deferred acquisition costs	**4 538 397**	6 849 747
Shares subject to the conditional share plan	**6 851 733**	447 872
Weighted average number of deferred shares	**11 390 130**	7 297 619
Total diluted weighted average number of shares in issue	**760 041 131**	666 087 152

 # The gain on non-current assets held for sale for the year ended 31 March 2015 of R12 104 000 was not added back to determine the headline profit in the audited financial statements for the year ended 31 March 2015. This has been corrected in the 31 March 2016 consolidated financial statements and has resulted in a 1,84 cents reduction in headline earnings per share and a 1,81 cents per share reduction in diluted headline earnings per share for the year ended 31 March 2015 as reflected in the comparative figures in the note above.

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Segmental analysis

The individual properties are aggregated into segments with similar economic characteristics, such as nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating properties into office, industrial and retail.

Consequently, the company is considered to have three reportable operating segments, as follows:

- Office segment: acquires, develops and leases offices;
- Industrial segment: acquires, develops and leases warehouses and factories; and
- Retail segment: acquires, develops and leases shopping malls, community centres as well as retail centres.

Group administrative costs, profit/loss on disposal of investment property, finance revenue, finance costs, income taxes and segment liabilities are not reported to the members of executive management on a segmented basis.

There are no sales between segments.

For the year ended 31 March 2015	Office R'000	Industrial R'000	Retail R'000	Total R'000
Statement of comprehensive income 2015				
Revenue, excluding straight-line rental revenue adjustment	109 308	19 962	570 426	699 696
Straight-line rental adjustment	7 864	586	40 666	49 116
Property expenses	(37 380)	(4 128)	(164 242)	(205 750)
Segment operating profit	79 792	16 420	446 850	543 062
Fair value adjustments on investment property	64 698	20 889	355 978	441 565
Segment profit	144 490	37 309	802 828	984 627
Other operating expenses				(36 316)
Other income				12 569
Fair value gain on financial instruments				(60 557)
Finance income				12 742
Long-term debt interest				(172 016)
Profit before tax				741 049
For the year ended 31 March 2016				
Statement of comprehensive income 2016				
Revenue, excluding straight-line rental revenue adjustment	**173 262**	**36 108**	**609 330**	**818 700**
Straight-line rental adjustment	**35 655**	**2 217**	**30 187**	**68 059**
Property expenses	**(49 426)**	**(4 743)**	**(170 945)**	**(225 114)**
Segment operating profit	**159 491**	**33 582**	**468 572**	**661 645**
Fair value adjustments on investment property	**71 155**	**45 591**	**265 066**	**381 812**
Segment profit	**230 646**	**79 173**	**733 638**	**1 043 457**
Other operating expenses				**(38 694)**
Other income				**(142)**
Fair value gain on financial instruments				**1 934**
Finance income				**14 247**
Long-term debt interest				**(215 770)**
Profit before tax				**805 032**

For the year ended 31 March 2015	Office R'000	Industrial R'000	Retail R'000	Total R'000
Statement of financial position extracts at 31 March 2015				
Assets				
Investment property balance at 1 April 2014	798 291	112 011	5 253 354	6 163 656
Acquisitions	–	149 388	–	149 388
Capitalised costs	50 475	-	44 217	94 692
Disposals/classified as held for sale	(28 420)	-	(66 560)	(94 980)
Investment property held for sale	28 420	-	-	28 420
Straight-line rental revenue adjustment	7 864	586	40 666	49 116
Fair value adjustments	64 698	20 889	355 978	441 565
Segment assets at 31 March 2015	921 328	282 874	5 627 655	6 831 857
Other assets not managed on a segmental basis				
Derivative financial instruments				71 153
Equipment				234
Current assets				229 476
Total assets				7 132 720
For the year ended 31 March 2016				
Statement of financial position extracts at 31 March 2016				
Assets				
Investment property balance at 1 April 2015	**921 328**	**282 874**	**5 627 655**	**6 831 857**
Acquisitions	**850 000**	**295 221**	**–**	**1 145 221**
Capitalised costs	**92 559**	**12 093**	**50 321**	**154 973**
Disposals/classified as held for sale	**(28 420)**	**–**	**(130 726)**	**(159 146)**
Investment property held for sale	**–**	**–**	**130 726**	**130 726**
Straight-line rental revenue adjustment	**35 655**	**2 217**	**30 187**	**68 059**
Fair value adjustments	**71 155**	**45 591**	**265 066**	**381 812**
Segment assets at 31 March 2016	**1 942 277**	**637 996**	**5 973 229**	**8 553 502**
Other assets not managed on a segmental basis				
Derivative financial instruments				**73 086**
Equipment				**519**
Current assets				**278 605**
Total assets				**8 905 712**

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2015	Gauteng R'000	Western Cape R'000	KwaZulu-Natal R'000	Limpopo R'000	Eastern Cape R'000	Mpumalanga R'000	Total R'000
Statement of comprehensive income 2015							
Revenue, excluding straight-line rental revenue adjustment	599 320	83 863	7 599	8 914	–	–	699 696
Straight-line rental adjustment	42 339	5 241	359	1 177	–	–	49 116
Property expenses	(180 686)	(22 434)	(1 559)	(1 071)	–	–	(205 750)
Segment operating profit	460 973	66 670	6 399	9 020	–	–	543 062
Fair value adjustments on investment property	391 100	45 393	6 547	(1 475)	–	–	441 565
Segment profit	852 073	112 063	12 946	7 545	–	–	984 627
Other operating expenses							(36 316)
Other income							12 569
Fair value gain on financial instruments							(60 557)
Finance income							12 742
Long-term debt interest							(172 016)
Profit before tax							741 049
For the year ended 31 March 2016							
Statement of comprehensive income 2016							
Revenue, excluding straight-line rental revenue adjustment	**693 565**	**98 556**	**8 981**	**13 866**	**2 550**	**1 181**	**818 700**
Straight-line rental adjustment	**53 951**	**5 752**	**3**	**6 435**	**1 126**	**792**	**68 059**
Property expenses	**(193 067)**	**(25 880)**	**(2 210)**	**(3 957)**	**–**	**–**	**(225 114)**
Segment operating profit	**554 450**	**78 428**	**6 774**	**16 344**	**3 676**	**1 973**	**661 645**
Fair value adjustments on investment property	**327 363**	**48 297**	**3 622**	**2 530**	**–**	**–**	**381 812**
Segment profit	**881 813**	**126 725**	**10 396**	**18 874**	**3 676**	**1 973**	**1 043 457**
Other operating expenses							**(38 694)**
Other income							**(142)**
Fair value gain on financial instruments							**1 934**
Finance income							**14 247**
Long-term debt interest							**(215 770)**
Profit before tax							**805 032**

For the year ended 31 March 2015	Gauteng R'000	Western Cape R'000	KwaZulu-Natal R'000	Limpopo R'000	Eastern Cape R'000	Mpuma-langa R'000	Total R'000
Statement of financial position extracts at 31 March 2015							
Investment property balance at 1 April 2014	5 499 394	609 856	53 586	820	–	–	6 163 656
Acquisitions	–	149 388	–	–	–	–	149 388
Capitalised costs	5 251	45 224	–	44 217	–	–	94 692
Disposals/classified as held for sale	(66 560)	(28 420)	–	–	–	–	(94 980)
Investment property held for sale	–	28 420	–	–	–	–	28 420
Straight-line rental revenue adjustment	42 339	5 241	359	1 176	–	–	49 116
Fair value adjustments	391 100	45 393	6 547	(1 475)	–	–	441 565
Investment property at 31 March 2015	5 871 524	855 102	60 492	44 739	–	–	6 831 857
Other assets not managed on a segmental basis							
Derivative financial instruments							71 153
Equipment							234
Current assets							229 476
Total assets							7 132 720
For the year ended 31 March 2016							
Statement of financial position extracts at 31 March 2016							
Investment property balance at 1 April 2014	**5 871 524**	**855 102**	**60 492**	**44 739**	**–**	**–**	**6 831 857**
Acquisitions	**1 003 221**	**–**	**–**	**70 000**	**64 500**	**7 500**	**1 145 221**
Capitalised costs	**100 157**	**25 492**	**2 549**	**24 649**	**1 225**	**901**	**154 973**
Disposals/classified as held for sale	**(130 726)**	**(28 420)**	**–**	**–**	**–**	**–**	**(159 146)**
Investment property held for sale	**130 726**	**–**	**–**	**–**	**–**	**–**	**130 726**
Straight-line rental revenue adjustment	**53 951**	**5 752**	**3**	**6 435**	**1 126**	**792**	**68 059**
Fair value adjustments	**327 363**	**48 297**	**3 622**	**2 530**	**–**	**–**	**381 812**
Investment property at 31 March 2016	**7 356 216**	**906 223**	**66 666**	**148 353**	**66 851**	**9 193**	**8 553 502**
Other assets not managed on a segmental basis							
Derivative financial instruments							**73 086**
Equipment							**519**
Current assets							**278 605**
Total assets							**8 905 712**

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Notes to the financial statements

Corporate information

The condensed financial statements of Accelerate for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors passed on 23 June 2016. Accelerate is a public company incorporated and domiciled in South Africa whose shares are publicly traded on the JSE. 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 properties. The functional and presentation currency of Accelerate is South African rand thousands. All figures are rounded off to R'000 except where otherwise stated.

Basis of preparation

These condensed financial statements for the year ended 31 March 2016 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), contain the minimum information required by IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, as amended, and the JSE Listings Requirements.

The accounting policies applied in the preparation of these condensed financial statements are in terms of IFRS and are consistent with those applied in the previous financial period, except for the new and amended IFRS that became effective during the 31 March 2016 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.

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. All investment properties are valued by independent external valuers on a three-year rolling cycle.

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

1. Contingent compensation to vendor

As part of the sale and purchase agreement for properties acquired by Accelerate at listing, an amount of contingent purchase consideration has been agreed with the vendor in accordance with the conditional deferred payment agreement. In accordance with this agreement, Accelerate will provide the vendor with additional purchase consideration for any lettable vacant space excluded from the purchase consideration which is let within the first three years. This payment will be settled by Accelerate through 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. During the year ended 31 March 2015, a portion of the vacant lettable space has been let in compliance with the conditions laid down in the agreement. As a result of this, an amount of R163 548 205 in shares was issued in terms of the contingent purchase consideration. The remaining contingent purchase consideration at 31 March 2016 is R27 275 766 due to additional vacant space to the value of R18 960 029 being let during the year ended 31 March 2016, this was settled to the vendor by reducing the amounts payable to Accelerate by the vendor by R18 960 029.

A reconciliation of the movement of the contingent purchase consideration liability is provided below:

	Year ended 31 March 2016 R'000	Year ended 31 March 2015 R'000
Contingent purchase consideration		
Opening balance	**46 236**	209 784
Reduction due to vacancies filled	**(18 960)**	(163 548)
	27 276	46 236

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

	Carried at fair value R'000	Amortised cost# R'000	Total R'000
2. Fair value of financial assets and liabilities			
31 March 2016			
Financial assets			
Derivative financial assets*	**73 086**	**–**	**73 086**
Trade and other receivables	**–**	**197 908**	**197 908**
Cash and cash equivalents	**–**	**71 428**	**71 428**
Total financial assets	**73 086**	**269 336**	**342 422**
Financial liabilities			
Long-term interest-bearing borrowings	**–**	**(2 569 905)**	**(2 569 905)**
Trade and other payables	**–**	**(114 209)**	**(114 209)**
Current portion of long-term debt	**–**	**(422 356)**	**(422 356)**
Total liabilities	**–**	**3 106 470**	**3 106 470**
31 March 2015			
Financial assets			
Derivative financial assets*	71 153	–	71 153
Trade and other receivables	–	170 644	170 644
Cash and cash equivalents	–	58 817	58 817
Total financial assets	71 153	229 461	300 614
Financial liabilities			
Long-term interest-bearing borrowings	–	(2 155 158)	(2 155 158)
Trade and other payables	–	(88 327)	(88 327)
Current portion of long-term debt	–	(238 856)	(238 856)
Total liabilities	–	(2 482 341)	(2 482 341)

** 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 value of the swaps is determined as the discounted value of the future cash flows to be received from the swap assets. For the valuation current JIBAR was used as an indication of future JIBAR.*

 # 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.

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Notes to the financial statements continued

	Year ended 31 March 2016 R'000	Year ended 31 March 2015 R'000
3. Directors' remuneration		
Total guaranteed package		
M Georgiou	**Nil**	Nil
A Costa	**2 901**	2 333
D Kyriakides	**1 957**	1 866
JRJ Paterson	**2 100**	1 833
Short-term incentive payment		
M Georgiou	**Nil**	Nil
A Costa	**1 698**	780
D Kyriakides	**1 158**	469
JRJ Paterson	**1 415**	650
Non-executive directors' fees		
TT Mboweni	**1 633**	1 580
GC Cruywagen	**536**	520
TJ Fearnhead	**379**	364
JRP Doidge	**329**	316
K Madikizela	**329**	312
F Viruly	**329**	312

4. Related-party transaction

Relationships

M Georgiou and A Costa are directors of both Accelerate Property Fund Ltd and Accelerate Property Management Company (Pty) Ltd. Both directors' full remuneration is paid by Accelerate. M Georgiou owns 100% of Fourways Precinct (Pty) Ltd through The Michael Family Trust and also owns 100% of Accelerate Property Management Company.

Related-party transactions and balances	Year ended 31 March 2016 R'000	Year ended 31 March 2015 R'000
Related-party balances		
Vendor loans*		
Fourways Precinct (Pty) Ltd		51 216
The Michael Family Trust	**50 040**	
Contingent purchase		
Fourways Precinct (Pty) Ltd	**(27 276)**	(46 236)
Related-party transactions		
Vacancy guarantee		
Fourways Precinct (Pty) Ltd	**–**	11 549
The Michael Family trust	**11 563**	
Development guarantee		
The Michael Family trust	**6 887**	–
Interest charged		
Interest charged on outstanding amounts:		
Fourways Precinct (Pty) Ltd	**–**	1 967
The Michael Family Trust	**2 711**	
Accelerate Property Management costs		
Fourways Precinct (Pty) Ltd	**(3 647)**	(3 885)
Accelerate Property Management Company (Pty) Ltd	**(2 711)**	(2 648)

5. Fair value adjustments

Investment property (Fair value model)	**381 812**	441 565
Mark-to-market movement on swap	**1 934**	(60 557)
	383 746	381 008

** In the current financial period it was identified that the loan accounts were not disclosed as a related party balance in this note in the prior year. This was however correctly included in the trade and other receivables balance in the statement of financial position in 2015. The related party disclosure has been corrected in the current year financial statements.*

ANNEXURE 1: CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Notes to the financial statements continued

6. Capital commitments

In terms of Accelerate's budgeting process, R65 million was allocated to Accelerate's planned capital expenditure. As such, Accelerate views this amount as authorised and not contracted.

7. Subsequent events

Non-adjusting events after year-end

On 16 May 2016 Rietfontein Pavilion, a non-core retail property, situated in Gauteng, was sold for R28 million. The sale of this property is in line with Accelerate's strategy to sell non-core properties and reinvest in the core portfolio.

On 14 June 2016 the Portside transaction, as announced on SENS 24 August 2015, was concluded by the transfer of floors 9 to 18 of the iconic Portside office building in the Cape Town CBD to Accelerate. The property, with a GLA of 25 127 m^2 was acquired from Old Mutual Life Assurance Company at a cost of R755 million at an initial yield of 7,5%. This acquisition was fully debt funded by Rand Merchant Bank.

On 8 June 2016 Rock Cottage, a non-core retail property situated in Gauteng, was sold for R65 million. The sale of this property is in line with Accelerate's strategy to sell non-core properties and reinvest in the core portfolio.

Auditors' review

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

The review report does not necessarily report on all of the information contained in these condensed financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of the auditors' report together with the accompanying financial information from the company's registered office.

Directors' responsibility statement

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

ANNEXURE 2
BOARD OF DIRECTORS

Non-executive directors

Mr Tito Titus Mboweni
Chairman
Independent non-executive director
BA, MA
Appointed: 1 June 2013

Mr Mboweni has diverse experience, having served the South African government as the Minister of Labour and governor of the South African Reserve Bank.

Mr Mboweni is an international advisor to Goldman Sachs International. He is the non-executive chairman of Nampak Ltd and SacOil Holdings Ltd and a non-executive director of Discovery Ltd. 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.

Dr Gert Cruywagen
Lead independent director
PhD, MSc, PMD, FIRM(SA)
Appointed: 1 June 2013

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. Previously he was an independent non-executive director of Denel SOC Ltd, a non-executive director of Dikhololo Ltd 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.

Mr John Doidge
Independent non-executive director
BProc, attorney of the High Court of South Africa.
Appointed: 1 June 2013

Mr Doidge is an admitted attorney who has specialised in the law and practice of trusts, and has 30 years' experience in this field. Mr Doidge has extensive experience in a wide variety of structured finance matters. 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 1990s and he started what is now TMF Corporate Services (South Africa) (Pty) Ltd in 2003. He is a former chairman of the Association of Trust Companies in South Africa and founding member of the South African Securitisation Forum.

Mr Tim Fearnhead
Independent non-executive director
CTA (Wits), CA(SA), Diploma in Advance Banking (UJ)
Appointed: 1 June 2013

Mr Fearnhead is a chartered accountant and was a partner at Deloitte for 21 years. He joined Nedbank Ltd 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.

Ms Kolosa Madikizela
Independent non-executive director
Master of Technology Degree in Construction Management
Appointed: 1 June 2013

Ms Madikizela is the cape regional manager and executive director at Pragma Africa, an engineering organisation specialising in physical asset management.

Ms Madikizela's 12-year career spans across the construction, property development and engineering sectors where she has occupied senior management and executive-level positions at various multinational organisations, including Shell SA, Life Healthcare Ltd and most recently at Aveng Water as the general manager responsible for the engineering, projects and proposals for business units. Prior to joining Aveng Water, she was the chief executive officer of Nexus Facilities Management Company, with a focus in the telecommunications sector.

ANNEXURE 2 CONTINUED
BOARD OF DIRECTORS CONTINUED

Non-executive directors

Prof Francois Viruly
Independent non-executive director
MA in Development Economics, BA (Hons) in Economics, BA (Economics and Industrial Sociology)
Appointed: 1 April 2014

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. He is presently an associate professor at the University of Cape Town (UCT).

Executive directors

Mr Michael Georgiou
Chief executive officer
Appointed: 1 January 2013

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 prominent properties such as: Fourways Mall Shopping Centre; Cedar Square, Fourways (award-nominated); Loch Logan Waterfront Shopping Centre, 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 Holdings Ltd; and First National Bank, a division of the FirstRand group.

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

Mr Andrew Costa
Chief operating officer
BCom, LLB
Appointed: 1 April 2013

Before his appointment to the board, Mr Costa spent nine years at the corporate and investment banking division of Standard Bank Group Ltd, where he was a director and head of debt capital markets. He was responsible for raising finance for numerous blue chip South African companies as well as multinationals.

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.

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 Dimitri Kyriakides
Chief financial officer
CA(SA)
Appointed: 1 January 2013

Mr Kyriakides qualified as a CA(SA) in 1981. Thereafter, Mr Kyriakides joined Pick n Pay Stores Ltd 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, Mr Kyriakides 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 Family to assist with the management and administration of their Johannesburg-based properties, gaining experience in all facets of the commercial property industry.

Mr John Paterson
Executive director
BA, LLB, LLM
Appointed: 1 January 2013

Mr Paterson is an admitted attorney. Prior to joining the banking sector, 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 Ltd (Investec) 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. Mr Paterson left Investec to establish an independent debt advisory business focusing on, among others, funding structures for the commercial property sector. He brings a wealth of legal, banking, rating advisory and capital markets experience to Accelerate.

ANNEXURE 3
EXECUTIVE MANAGEMENT

Mr Michael Georgiou
Chief executive officer

Mr Andrew Costa
Chief operating officer
BCom, LLB

Mr Dimitri Kyriakides
Chief financial officer
CA(SA)

Mr John Paterson
Executive director
BA, LLB, LLM

ANNEXURE 4
SHAREHOLDERS' ANALYSIS

	Number of shareholdings	%	Number of shares	%
Shareholder spread				
1 – 100 shares	60	8,43	1 612	0,00
101 – 1 000 shares	80	11,24	36 847	0,00
1 001 – 50 000 shares	270	37,92	4 009 462	0,50
50 001 – 100 000 shares	70	9,83	5 350 931	0,67
100 001 – 10 000 000 shares	214	30,06	228 663 480	28,53
More than 10 000 000 shares	18	2,53	563 281 676	70,29
Total	**712**	**100,00**	**801 344 008**	**100,00**
Distribution of shareholders				
Banks/brokers	7	0,98	957 344	0,12
Close corporations	2	0,28	94 000	0,01
Endowment funds	45	6,32	8 122 871	1,01
Individuals	312	43,82	3 053 790	0,38
Insurance companies	22	3,09	22 351 410	2,79
Investment companies	2	0,28	470 970	0,06
Medical schemes	8	1,12	1 864 354	0,23
Mutual funds	122	17,13	333 372 528	41,60
Private companies	23	3,23	261 603 089	32,65
Public companies	2	0,28	407 873	0,05
Retirement funds	124	17,42	124 303 378	15,51
Trusts	43	6,04	44 742 401	5,58
Total	**712**	**100,00**	**801 344 008**	**100,00**
Public/non-public shareholders				
Non-public shareholders	11	1,54	271 573 691	33,89
Directors of the company	11	1,54	271 573 691	33,89
Public shareholders	701	98,46	529 770 317	66,11
Total	**712**	**100,00**	**801 344 008**	**100,00**

ANNEXURE 5
REMUNERATION REVIEW

Letter from the remuneration committee chairman

Dear shareholder,

The board of Accelerate Property Fund Ltd and the remuneration committee are pleased to submit the remuneration report for the year ended 31 March 2016. PwC was again engaged as an independent advisor to undertake an in-depth benchmarking exercise for the executive and non-executive directors.

For executive directors, the targets of the short-term and long-term incentives were set to be sufficiently stretching, so that superior performance is required for payout of any short-term incentive, and for vesting of long-term awards and driving the appropriate long-term behaviour in executives to align the executives with stakeholders in the group.

The group believes that its remuneration policy plays an essential role in realising business strategy and therefore should be competitive and appropriate for the market in which Accelerate operates. Accelerate operates in a highly competitive sector and as a result, the board acknowledges the need to attract and retain high-quality professionals from a limited pool. The remuneration of executive directors has been designed to support an entrepreneurial spirit appropriate to a newly listed company, through the investment in high-calibre employees who have the experience and ability to drive the performance of the company in a limited resource environment. Furthermore, we have endeavoured to ensure that appropriate safeguards are built into the remuneration structures to ensure that behaviour that exposes the group to unnecessary risk is not encouraged.

The remuneration committee

Terms of reference

The board of directors delegates formal terms of reference, which represent the scope of responsibility, to the committee. In turn, the committee confirms that it has discharged its functions and complied with its terms of reference.

Key activities and recommendations

The key activities and recommendations of the committee during 2015 included the following:

- Benchmarking of executive directors' remuneration; and
- Approval of a remuneration philosophy.

Remuneration philosophy

Fixed remuneration and benefits

Accelerate follows a total guaranteed package (TGP) approach to structure its remuneration for employees. The TGP includes the total benefit to the individual, and the total cost to the organisation. The TGP approach acts as a reflection on employees' job worth within the company and is payable for executing the expected day-to-day requirements. We believe that this approach forms the basis for Accelerate's ability to attract and retain the high-calibre skills that we require.

At present, Accelerate's TGP approach is not structured to include any benefits to employees other than life cover for executive directors.

ANNEXURE 5 CONTINUED
REMUNERATION REVIEW CONTINUED

Variable remuneration
Employees are eligible for an annual short-term incentive (STI), which is calculated on an additive basis. This will be based on personal and business scores, determined with reference to the financial performance of the company and the achievement of personal key performance indicators as set out below.

Indicator	Weighting
Business/Financial indicator* Achievement of financial metrics, including: Loan-to-value ratio Debt expiry profile Interest rate hedging Hedging expiry profile Debt rating Achievement of operational metrics, including: Property cost-to-income ratio Vacancies Operating expense ratio Arrears (as percentage of collectibles) ** Subject to adjustments approved by the committee. Such adjustments would be for instances such as acquisitions, disposals and redevelopments, during the performance period.*	70%
Personal indicator Achievement of personal KPIs, including: Key executive responsibilities Compliance with industry best standards Development of people/culture/values Industry perception	30%

Long-term incentives (LTI)
A conditional share plan (CSP) was concluded during the 2015 financial year.

Regular annual awards of conditional shares are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation. The CSP makes shares available to executives and selected senior management of Accelerate Property Management Company (Pty) Ltd in an effort to align their interests with those of the shareholders. Vesting of the conditional shares is 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.

The essential features of the CSP are detailed below:

Purpose	The primary intent of the CSP is to provide an opportunity to executives and senior management to receive shares in the company, thereby aligning their interests with those of shareholders. This is done through the award of conditional shares.
Operation	The vesting of the conditional shares is subject to continued employment (employment condition) and appropriate stretching performance results (performance condition(s)). The performance conditions are measured over a three-year period, in line with the financial year-end of the company. Regular annual awards of performance units are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation.
Participants	Selected senior employees of the company and Accelerate Property Management Company are eligible to participate, at the discretion of the remuneration committee.

Performance period	The performance conditions are measured over a three-year period, in line with the financial year-end of the company.
Maximum value of award	The maximum annual face value of the LTI is based on market benchmarks obtained from independent experts.
Plan limits	The aggregate number of shares that may be allocated under the CSP is subject to an overall limit of 5% of the issued share capital, and an individual limit of 1,5% of the issued share capital of the company.
Performance conditions	The performance conditions are objective and include one or more of the following: • Growth in dividend per share (internal benchmark, and peer group comparison if possible/appropriate) • Outperformance relative to SA All Bond Index (ALBI) • Outperformance relative to Listed Property Index (SAPI)

Non-executive directors' fees

Non-executive directors do not hold contracts of employment with the company and play no part in any short- or long-term incentives. Their fees are reviewed by Accelerate, and submitted for shareholder approval on an annual basis.

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

The committee recommends the non-executive director fee structure to the board for approval. Accelerate is committed to ensuring non-executive base fees, which were agreed upon pre-listing, come into line with market norm in the medium term.

2016 fees

The resolutions relating to non-executive directors' fees for the 2016 financial year can be found on page 4 of this notice of annual general meeting.

2015 and 2016 fees

Non-executive directors' fees for 2015 and 2016 are as follows:

	2016	2015
TT Mboweni	**R1 632 682**	R1 580 800
GC Cruywagen	**R536 183**	R520 000
TJ Fearnhead	**R379 657**	R364 000
JRP Doidge	**R329 130**	R316 500
K Madikizela	**R329 130**	R312 000
F Viruly	**R329 130**	R312 000

Executive directors' remuneration

Fixed pay is determined through the annual review process, and considers an employee's pay rate in relation to market averages. Any adjustments to pay are made in accordance with the company's pay philosophy. The annual review commences in March of each year and any rate changes will become effective on 1 July.

ANNEXURE 5 CONTINUED
REMUNERATION REVIEW CONTINUED

2015 and 2016 remuneration

The executive directors' TGP and STI remuneration for the 2015 and 2016 financial year is set out in the table below.

	2016	2015
Total guaranteed package		
M Georgiou	**Nil**	Nil
A Costa	**R2 900 920**	R2 333 333
D Kyriakides	**R1 956 800**	R1 866 667
JRJ Paterson	**R2 100 153**	R1 833 333
Short-term incentive payment		
M Georgiou	**Nil**	Nil
A Costa	**R1 697 843**	R780 154
D Kyriakides	**R1 158 033**	R469 718
JRJ Paterson	**R1 414 874**	R650 128

Share options awarded during the period, which only vest on the below dates, once the vesting conditions have been met, are as follows:

	Performance shares		Retention shares		Vesting date		
Director	Number of shares	Accrual at 31 March 2016 (R)	Number of shares	Accrual at 31 March 2016 (R)	Number of shares vesting 11 August 2017	Number of shares vesting 11 April 2018	Number of shares vesting 11 August 2018
M Georgiou	**824 770**	**609 681**	–	–	–	824 770	–
M Georgiou	**–**	**–**	201 244	285 232	–	201 244	–
A Costa	**2 534 969**	**1 698 870**	–	–	1 243 781	824 770	466 418
A Costa	**–**	**–**	731 818	1 276 503	252 118	201 244	278 456
D Kyriakides	**808 934**	**567 544**	–	–	404 229	346 403	58 302
D Kyriakides	**–**	**–**	66 322	123 909	31 515	–	34 807
JRJ Paterson	**1 267 485**	**849 435**	–	–	621 891	412 385	233 209
JRJ Paterson	**–**	**–**	416 191	709 577	126 029	150 933	139 229
Total	**5 436 158**	**3 725 530**	1 415 575	2 395 221	2 679 563	2 961 749	1 210 421

The maximum number of shares that 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).

Employees

Our employees drive our day-to-day success providing their professional expertise in the many facets of our business, through sourcing, developing, leasing, working with tenants, suppliers and corporate partners, and managing property portfolios. We take care to select the people who display a passion for the property industry and potential to grow and add value to the company.

We manage employees in a way that ensures their success and the success of our company. We provide them with the means and resources to carry out their duties and responsibilities and create an environment in which they can excel and be rewarded appropriately for their performances.

High-performance culture

We believe in a high-performance culture at Accelerate and believe that this culture filters down from the management team to each individual employee.

Employees are encouraged to maintain this culture and are provided with the necessary tools to reach their goals, in a personal and professional capacity.

All employees of Accelerate are reviewed against key performance indicators on an annual basis to measure their performance. These reviews are set to ensure our company's strategic objectives are met, and that employees have attained their goals. We believe in continued growth and development and so employees are encouraged to discuss their training needs during their performance reviews.

John Doidge
Chairman of remuneration committee
23 June 2016

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 2015 to 23 June 2016, 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

40 924 783 shares	5,11% interest	Michael Family Trust
230 452 924 shares	28,76% interest	Fourways Precinct (Pty) Ltd
81 857 shares	0,01% interest	Andrew Costa
65 275 shares	0,01% interest	John Paterson
49 122 shares	0,01% interest	Dimitri Kyriakides

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

Ordinary share capital (R'000)	2016	2015
Authorised		
Ordinary shares of no par value	**5 000 000 000**	5 000 000 000
Reconciliation of number of shares issued:		
Reported as at 1 April 2014	**691 423 255**	638 916 916
Issue of shares – ordinary shares at an average of R6,18 per share	**109 920 753**	52 506 339
	801 344 008	691 423 255

The unissued authorised ordinary shares of no par value in the company are 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:

- such authority to allot and issue new shares is limited to vendor settlements only;
- the number of shares that may be issued (under general authority), in aggregate in any one financial year, is limited to 10% of the total number of shares in issue at the beginning of each financial year, any other issuances require specific authority; and
- the maximum discount permitted, in respect of vendor settlement, will be 5% of the average trade price of the shares in question, measured over the 30 business days prior to the date of each issue of new shares or the 30 business days prior to the date the directors resolve to issue such new shares.

ANNEXURE 9
CONDITIONAL SHARE PLAN

The executive directors have been awarded share options in line with Accelerate Property Fund's conditional share plan (CSP) which came into effect during the year ended 31 March 2015. None of the share options are exercisable as at 31 March 2015 or 31 March 2016, due to the vesting periods being 2017 and 2018.

The shares to be awarded to each executive director have been calculated in the following manner:

- Performance shares, the vesting of which are subject to pre-determined performance metrics (performance condition(s)) and continued employment (employment conditions), 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).
- 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.

Share options awarded at 31 March 2016, which only vest on the below dates once the vesting conditions have been met, are as follows:

	Performance shares		Retention shares		Vesting date		
Director	**Number of shares**	**Accrual at 31 March 2016 (R)**	Number of shares	Accrual at 31 March 2016 (R)	Number of shares vesting 11 August 2017	Number of shares vesting 11 April 2018	Number of shares vesting 11 August 2018
M Georgiou	**824 770**	**609 681**	–	–	–	824 770	–
M Georgiou	**–**	**–**	201 244	285 232	–	201 244	–
A Costa	**2 534 969**	**1 698 870**	–	–	1 243 781	824 770	466 418
A Costa	**–**	**–**	731 818	1 276 503	252 118	201 244	278 456
D Kyriakides	**808 934**	**567 544**	–	–	404 229	346 403	58 302
D Kyriakides	**–**	**–**	66 322	123 909	31 515	–	34 807
JRJ Paterson	**1 267 485**	**849 435**	–	–	621 891	412 385	233 209
JRJ Paterson	**–**	**–**	416 191	709 577	126 029	150 933	139 229
Total	**5 436 158**	**3 725 530**	1 415 575	2 395 221	2 679 563	2 961 749	1 210 421

After vesting the shares are exercisable at a strike price of R0.

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.

The maximum number of shares which may be allocated to an individual in respect of all unvested awards may not exceed 9 583 854 (nine million, five hundred and eighty three thousand, eight hundred and fifty four) shares, which represents approximately 1,5% of the number of issues shares as at date of approval of the CSP by shareholders.

The reserve at 31 March 2016 was calculated by applying the share prices at grant date, pro rata over the vesting period of the shares.

GLOSSARY

AFS
Annual financial statements

AGM
Annual general meeting

APF
Accelerate Property Fund

CSDP
Central Securities Depository Participant

DMTN
Domestic medium-term note

JSE
Johannesburg Stock Exchange

KPI
Key performance indicator

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
Instinctif Partners
The Firs, 302 3rd Floor,
Cnr Craddock and Biermann Road,
Rosebank, 2196
Tel: 011 447 3030
Email: accelerate@instinctif.com

Company secretary
Joanne Matisonn
iThemba Governance and Statutory Solutions (Pty) Ltd
Monument Office Park, Block 5, Suite 102,
79 Steenbok Avenue, Monument Park
Tel: 086 111 1010
Email: joanne@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
The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
Baker Street, Rosebank, 2196
PO Box, 61344, Marshalltown, 2107
Tel: 011 721 6125

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: 082 898 7644/083 609 1159

Attorneys
Glyn Marais Inc.
(Registration number 1990/000849/21)
2nd Floor, The Place, 1 Sandton Drive Sandton, 2196
PO Box 652361, Benmore, 2010
Tel: 011 286 3700

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