



ACCELERATE PROPERTY FUND: FROM STRENGTH TO STRENGTH



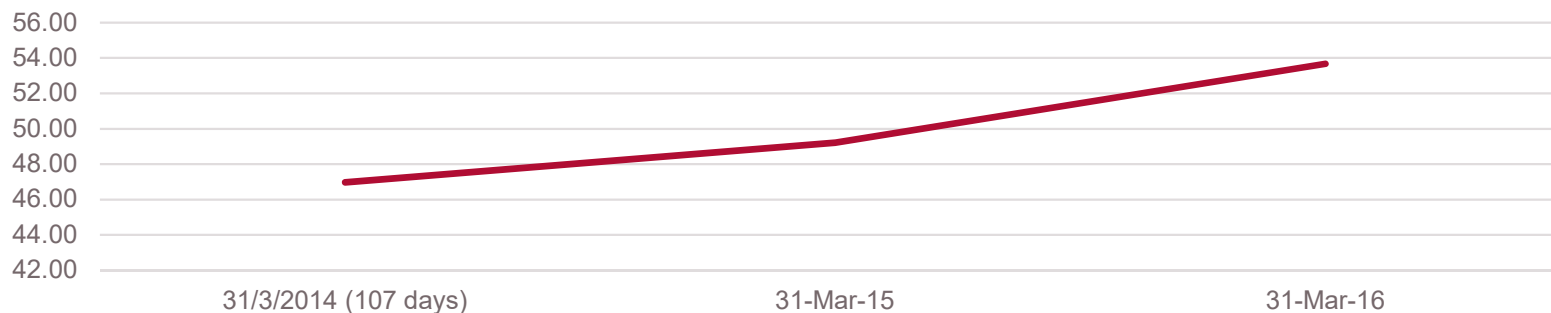
ACCELERARE PROPERTY FUND: FROM STRENGTH TO STRENGTH



| Indicator | Listing (12 December 2016) | Now |
|----------------------|---|---|
| Market cap | <ul style="list-style-type: none"> R 3.2 billion | <ul style="list-style-type: none"> R5.2 billion |
| Portfolio value | <ul style="list-style-type: none"> R5.5 billion | <ul style="list-style-type: none"> R9.2 billion |
| Number of properties | <ul style="list-style-type: none"> 51 properties | <ul style="list-style-type: none"> 60 properties |
| Forward yield | <ul style="list-style-type: none"> 9.06% | <ul style="list-style-type: none"> 9.61% |
| GLA | <ul style="list-style-type: none"> 440 520 m2 | <ul style="list-style-type: none"> 533 133 m2 |

Distribution growth - Average 7.1% since listing

Distribution per share (cents)





MAJOR ACQUISITIONS SINCE LISTING



KPMG PORTFOLIO - 14 MAY 2015



Portfolio:

6 A Grade offices, including KPMG head office

Single tenant:

KPMG

Acquisition price:

R850m

Lease:

15 years triple net

Escalation rates:

8% per annum

Yield (year 1):

8%

Finance:

Fully debt underwritten by

LTV on this deal has since been reduced to under 50%

Transaction concluded May 2015



PORTSIDE TOWER IN CAPE TOWN – 14 JUNE 2016



Building specifics:

25,127 m² of P-grade, 5-star green rated office & retail building

Acquisition price:

R755m

Yield (year 1):

7,5%

Finance:

Fully debt funded

Salient features:

R 100m rental guarantee from seller

Transferred 14 June 2016



EDEN MEANDER (GEORGE) – TO TRANSFER LATE SEPTEMBER 2016



Building specifics:

28 390 m² convenience centre in George

To transfer late September 2016

Anchor tenants:

- Checkers
- Pick n Pay clothing
- Builders warehouse

Acquisition price:

R365m

Yield (year 1):

9.1%

Finance:

Fully debt funded





ACCELERATE AT 31 MARCH 2016



ACCELERATE AT A GLANCE AS AT 31 MARCH 2016



| | | | |
|-------------------------------|--|------------------|---|
| Property portfolio | Asset value: R8.4bn | Agterskot | Agterskot vacancies to the value of R 18 960 028 were filled during the year |
| Strategic nodes | Fourways Precinct: 179 893m ² Charles Crescent – Kramerville: 44 380m ² Foreshore – Cape Town: 20 312m ² Somerset West – Cape Town: 19 263m ² | Entity structure | <ul style="list-style-type: none"> • Internal asset management function • External property management function |
| GLA | 520 226m ² | Market cap* | R4,82bn as at 31 march 2016 |
| Occupancy | 92.9% (excl. structural vacancies) 91.3% (incl. structural vacancies) | Yield** | 8.61% |
| WALE (gross income) | 5.1 years | Cost of funding | Weighted average cost of funding 8.24% |
| Portfolio split (Revenue) | Retail: 74.4% Office: 21.2% Industrial: 4.4% | Debt | WA term: 2.71 years Total debt: R2,99bn LTV: 35.6% ICR: 2.8x |
| Tenant profile (% of revenue) | A - Large National: 57.2% B - National Listed / Franchises: 17.1% C - Other: 25.7% | Hedging | 86.9% of debt hedged WA term: 2.4 years |

* Market cap calculated on a closing share price at 31 March 2016 of R6,01

** Actual Yield for the 12 months ended 31 March 2016, calculated on an average share price of R6.23

HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2016



Distribution to shareholders

March 2016 distribution: 53.67 cents per share
March 2015 distribution: 49.21 cents per share
Distribution growth year-on-year: 9.1%

KPMG deal

Completed the KPMG acquisition on 14 May 2015 at a fully debt funded purchase price of R850m. R275m of this debt has been settled by 31 March 2016 and a further R183.5 million on 14 May 2016

Portside

P – grade office block being acquired for R755m at a yield of 7,5% - this property transferred to Accelerate on 14 June 2016

Eden Meander

Eden Meander is a 28 390 m² sized centre in George being acquired at a yield of 9.1%. This suspensive conditions for this acquisition have been met and we are expecting transfer late September 2016.

Domestic medium-term note programme

Successful re-finance of September and December 2015 long-term debt to the value of R452m through the debt capital markets further diversifying APF's funding (33% DMTN and 67% bank funded)

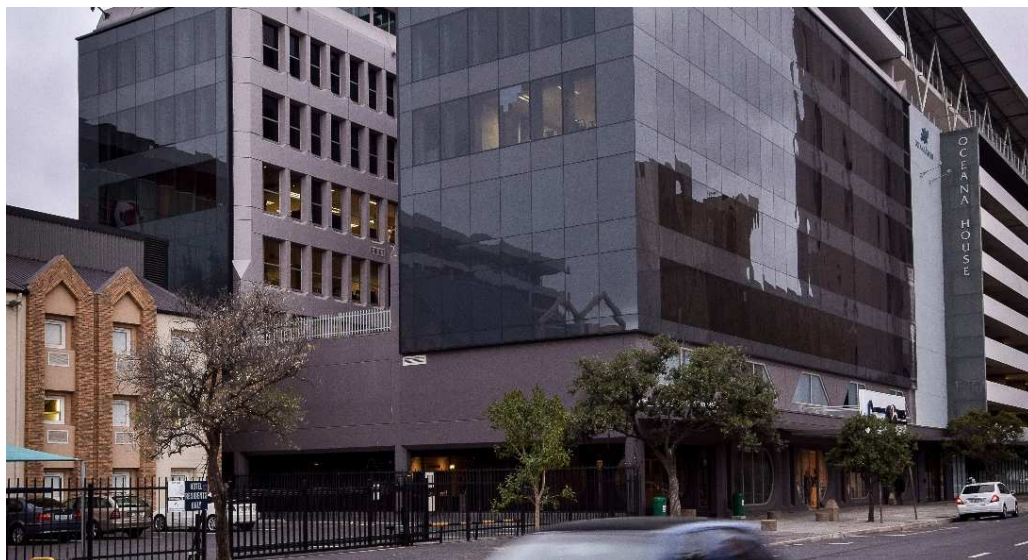
Equity issuance

Additional R500m raised

Extension of swap maturities

Additional swaps of R800m were entered into during the period

KEY RATIOS AGAINST PREVIOUS RESULTS AND THE MARKET

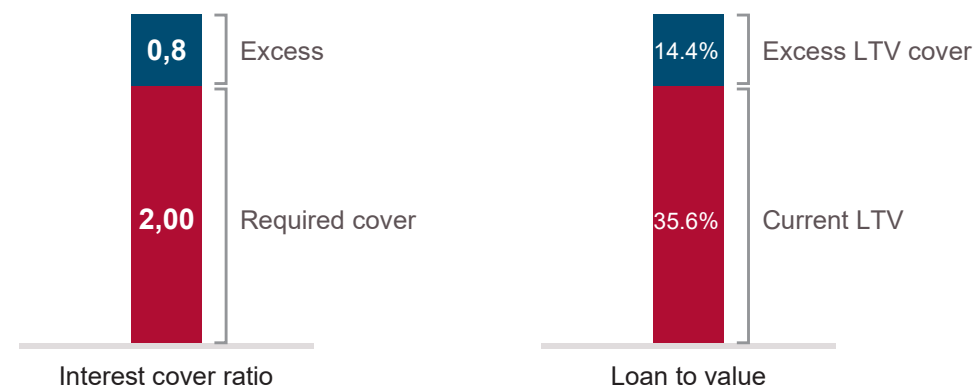


Key indicator summary

| | 31 March 2016 | 31 March 2015 |
|---|---------------|---------------|
| Distribution per share (cents) | 53.67 cents | 49.21 cents |
| Yield | 8.61% | 7.3% |
| Portfolio value (R bn) | 8.4 | 6.77 |
| GLA (m2) | 520 226 | 467 208 |
| Number of properties | 61 | 52 |
| Net asset value (R bn) | 5.7 | 4.6 |
| Weighted average lease expiry (years) | 5.1 | 2.9 |
| Lease escalations | 8.04% | 8.46% |
| Vacancies (net of structural vacancies) | 7.13% | 7.52% |
| Listed/Large National tenants | 62.2% | 60.1% |

| Key ratios | 31 March 2016 | | 31 March 2015 |
|-------------------------|---------------|---|---------------|
| Interest-cover ratio | 2.8 | ↑ | 2,55 |
| Loan-to-value | 35.6% | ↑ | 35,04% |
| Cost-to-income ratio | 13.41% | ↓ | 13,44% |
| Net asset value (Rbn) | 5.7 | ↑ | 4,6 |
| Market cap (Rbn) | 4.82 | ↑ | 4,67 |
| Senior secured rating | AA- (za) | | AA- (za) |
| Senior unsecured rating | BBB+ (za) | | BBB+ (za) |

Key covenant ratios

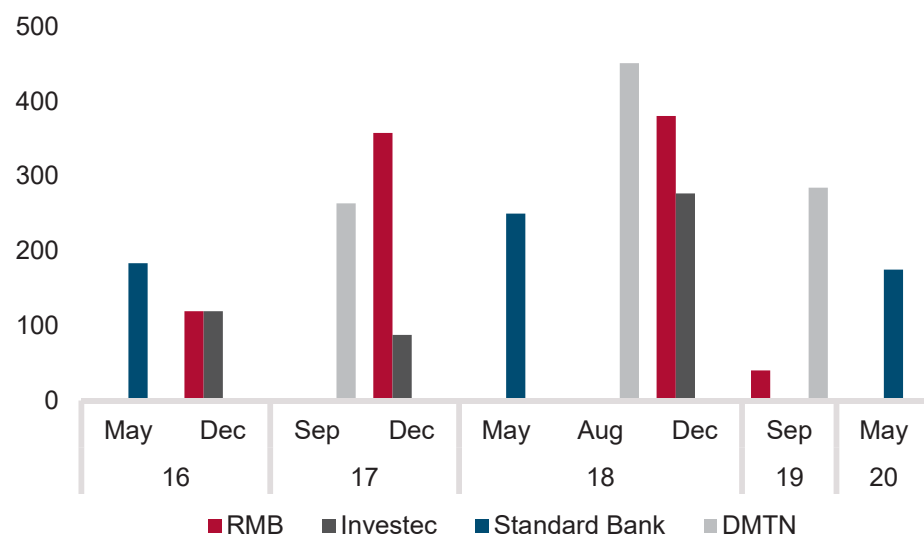


* Senior secured LTV covenant: 45%; Senior unsecured LTV covenant: 50%

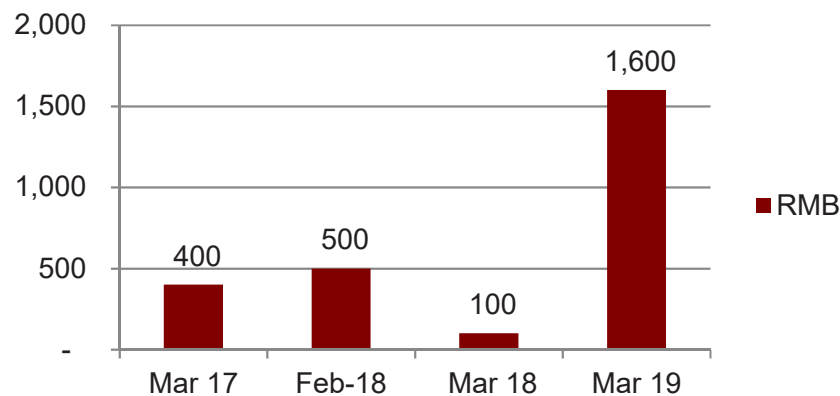
CAPITAL STRUCTURE



Long-term debt funding maturity profile (Rm)



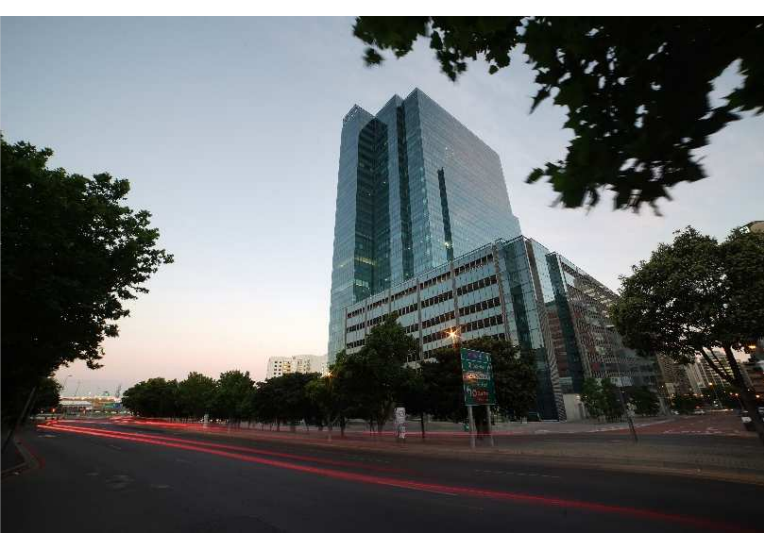
Interest rate swap maturity buckets (Rm)



Long-term debt allocation

| Bank funding | 31 March 2016 (Rm)* | | 31 March 2015 (Rm) | |
|------------------------------------|---------------------|---------------|--------------------|---------------|
| | (Rm)* | % | (Rm) | % |
| Debt capital markets | 1 001 | 33,5% | 416 | 17,4% |
| Bank funding | 1 991 | 66,5% | 1 978 | 82,6% |
| Total | 2 992 | 100,0% | 2 394 | 100,0% |
| Weighted average debt term (years) | 2.7 | | 2,9 | |
| Short-term portion of debt | 422.35 | 14.11% | 239 | 10,0% |
| Debt hedged | 2 600 | 89.6% | 2 147 | 89,7% |
| Weighted average swap term (years) | 2.4 | | 2,3 | |
| Blended interest rate* | | 8.24% | | 7,35% |
| Interest-cover ratio (x) | 2.8 | | 2,55 | |
| Loan-to-value | | 35.6% | | 35,0% |

* Includes the effect of the interest rate swap



OUR NODAL STRATEGY

STRATEGIC POSITIONING OF ACCELERATE PROPERTY FUND



Strategic update

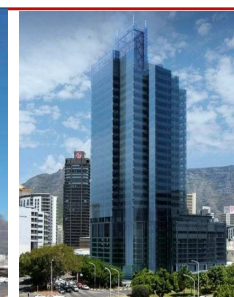
- R8.4 billion of assets at 31 March 2016 (R9.5 billion including acquisitions transferred since 31 March 2016 and Eden Meander)
- Significant retail bias (70.7% by revenue including acquisitions transferred since 31 March 2016 and Eden Meander)
- Low vacancies across the portfolio 7.92% (6.46% excl structural vacancies) and WALE above 5.1 years at 31 March 2016
- Focused in strategic nodes of Fourways Precinct, Cape Town Foreshore, Charles Crescent, Somerset West, with the ability to conclude portfolio enhancing transactions
- First right of refusal on various quality properties including Parow shopping centre, Western Cape, Netcare Hospital Foreshore, Western Cape and Loch Logan, Bloemfontein

Strategic nodes



FOURWAYS, SANDTON, JOHANNESBURG

| | |
|----------------------|--|
| Total GLA | 179,893 m ² |
| Valuation | R4.8 billion (31 March 2016) |
| Properties | Fourways Mall, Fourways View, Cedar Square, BMW, The Buzz, Leaping Frog, Regus. |
| Redevelopment | <p>Redevelopment of Fourways Malls and Cedar Square by MFT is underway</p> <ul style="list-style-type: none"> ▪ Phase 1: November 2016 ▪ Phase 2: Mid 2018 |
| Tenants | <p>Approximately 80% pre-let</p> <p>New international tenants include H&M, Hamleys, Bounce etc.</p> |
| Valuation | Estimated increase in valuation of Accelerate's undivided share post redevelopment and exercise of option of approximately R 1 billion |



FORESHORE, CAPE TOWN

| | |
|----------------------------------|--|
| Total GLA | 45,439 m ² (including Portside) |
| Valuation | R1.1 billion (31 March 2016) |
| Properties | 101 Hertzog, Thomas Patullo, Portside, Oceana Head Office, Mustek House |
| Acquisition opportunities | Accelerate remains acquisitive in this node, with existing first right of refusal on quality buildings such as Chevron, BMW and Netcare Hospital |
| Portside gains | <p>Section 1 comprises floors 9 to 18, 24,422m² offices and 742m² retail</p> <p>Forecast minimum net property yield to 31 March 2017: 7.50%</p> <p>EXL taken up additional floor.</p> <p>10 062 m² vacant space to be let of which 9 223 m² is under negotiation</p> |

STRATEGIC POSITIONING OF ACCELERATE PROPERTY FUND



Strategic nodes



CHARLES CRESCENT, JOHANNESBURG

| | |
|-------------------------|---|
| Total GLA | 44,380 m ² |
| Valuation | R411 million |
| Properties | 1, 9 and 10 Charles Crescent, PriMovie Park, MB Technologies |
| Location | <ul style="list-style-type: none"> Strategic location relative to N2 / N3 highway Close proximity to Sandton |
| Tenants | Prime Media, ADT, Scottish Knitware (Pringle), MB Technologies |
| Current strategy | <p>Focused on active asset management in the node</p> <ul style="list-style-type: none"> Vacancies reduced Long term tenants secured |
| Future strategy | Remains a future growth node earmarked for mixed-use redevelopment in the long term given proximity to Sandton, transport and highway visibility. Acquired Ithuba building for R150 million at a yield of 9% to transfer shortly. |

KPMG PORTFOLIO

| | |
|-------------------|--|
| Total GLA | 30 226 m ² |
| Valuation | R911 million |
| Properties | <ul style="list-style-type: none"> KPMG Head Office (Parktown, Johannesburg) KPMG Polokwane KPMG Port Elizabeth KPMG Secunda |

EDEN MEANDER SHOPPING CENTRE

| | |
|------------------|--|
| Total GLA | Approximately 30,000m ² plus significant bulk (To transfer late September 2016) |
| Valuation | R365 million |
| Tenants | <ul style="list-style-type: none"> Builders Warehouse, Sportsman Warehouse, Checkers, House & Home, Pick n Pay Clothing Over > 90% national tenants |

STRATEGIC POSITIONING OF ACCELERATE PROPERTY FUND



Strategic nodes



OTHER PROPERTIES

| | |
|--------------------------------------|--|
| Total GLA | 239 750 m ² |
| Valuation | R1.8 billion |
| Properties <i>inter alia</i>: | <ul style="list-style-type: none"> ▪ Checkers Warehouse (Montague Gardens, Western Cape) ▪ Mr Price, Triangle House, The Pines (Somerset West) ▪ Bosveld Pick n Pay Bela Bela |

TOTAL PORTFOLIO (Including Eden Meander)

| | |
|--|--|
| Total GLA | 568 078m ² |
| Valuation after acquisitions transferred since | R9.5 billion |
| Sectoral split by revenue (at 31 March 2016 and after Eden Meander) | Retail: 70.7% Office: 25.3% Industrial: 4% |



THE FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT



FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT



THE FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT



Salient construction features

Commencement Third Quarter 2015

Mota Engil contracted for the build

Pre-cast concrete method build

Anticipated build time

Approximately 3 years

Phase 1 – Food court, parkades and Technology & Banking court – November 2016

Phase 2 – Remainder of centre –2018

Option

Option approved by shareholders for Accelerate to acquire the equalisation share in the completed development at a yield of 8%

Letting

75% pre let requirements have been met and construction is well under way. Letting of smaller line shops to be concluded closer to the completion of the development.

Adjacent infrastructure spend

Additional capital will be utilised to improve access into the centre and road improvement to alleviate traffic congestion.



REFURBISHMENT OF CEDAR SQUARE



CEDAR REFURBISHMENT



Scope:

Extension of Woolworths to 3 000 m²

upgrade of façade,

overall revamp and refurbishment

Approximate cost:

R60m for the extension of the Woolworths and upgrade of façade

R 40 million for additional upgrades

Timing:

Completion towards the end of 2016





OUR TOP TEN PROPERTIES (BY VALUE)



TOP TEN PROPERTIES BY VALUE



Top ten properties by value*

| Property name | Region | Value | GLA |
|-------------------------------|--------------|----------------------|----------------|
| Fourways Mall Shopping Centre | Gauteng | 2 417 200 000 | 61 480 |
| Cedar Square | Gauteng | 979 531 662 | 46 025 |
| Portside | Western Cape | 755 000 000 | 25 127 |
| KPMG Crescent | Gauteng | 631 102 337 | 20 096 |
| Fourways View | Gauteng | 328 386 292 | 12 962 |
| The Buzz Shopping Centre | Gauteng | 287 449 933 | 14 291 |
| BMW Fourways (Cedar) | Gauteng | 210 587 867 | 13 098 |
| KPMG Wanooka place | Gauteng | 210 254 400 | 6 762 |
| Fourways Game | Gauteng | 195 800 000 | 8 763 |
| Checkers Montague | Western Cape | 175 680 712 | 26 135 |
| Total | | 6 190 993 203 | 234 739 |

* As per 31 March 2016 valuation



OFFSHORE – EXPLORING NEW HORIZONS



OUR OFFSHORE STRATEGY



Introduction

- On 20 April 2016, Accelerate announced its strategy to establish a subsidiary (“**Accelerate Europe**”) that will focus on the acquisition, management and development of single tenant net leased properties that are strategic to blue-chip multinational or large regional tenants in Central and Eastern Europe (“**CEE**”)
- This investment strategy complements Accelerate’s defensive focus in South Africa on quality retail and strategic nodes/properties
- Accelerate Europe’s **investment philosophy** is to:
 - **Deliver superior returns through the potential for attractive yields and the prospect of long term capital growth**
 - **Acquire and develop real estate (at the right price) that other international institutional investors want to own**
 - Utilise geographic and tenant diversification and low leverage to mitigate portfolio risk
 - **Create an independent listing for Accelerate Europe (subject to market conditions) on a recognized stock exchange once the appropriate scale and asset/country diversification is achieved**
- The **single tenant, net lease sub-sector is a successful, defensive and established asset class, delivering relative outperformance even during periods of economic instability** as demonstrated by the likes of Gramercy, W.P Carey (both NYSE), LCN amongst others
- Fully domestic internal asset management led by **2 experienced property executives:**
 - Over 40 years of combined property and property related experience in the CEE including Germany, Hungary, Austria, Poland, Slovakia amongst others
 - Completed over €1.5 billion of investments and over €800 million of property developments in CEE, €900 million of which were single tenant properties for tenants such as **H&M, DHL, Michelin, Syngenta, Nestle, Hornbach (DIY), Mitsubishi Corporation, Auchan, Renault Nissan, Volvo and National Bank of Hungary**
 - Full time finance executive appointed.
- Local executives will be supported by local full-time property managers, accounting and admin functions with seamless integration into Accelerate’s existing investment, governance and reporting structures

Accelerate Europe has experienced and active domestic management

UNIQUE VALUE PROPOSITION FOR THE CEE REGION ADDRESSES CONCERNS REGARDING SA REITS INVESTING OFFSHORE



Strategic rationale

- **Specialist focus within an established and defensive asset class and exposure only to blue-chip investment grade tenants**
 - Focus on target countries in CEE with:
 - **established domestic industry demonstrated by high gross fixed capital formation (“GFCF”), domestic/private consumption, GDP/Capita**
 - above average GDP growth, wage growth
 - full EU membership and strong financial sector and capital markets
 - a stable political environment and low employment and national debt to GDP ratio
- **Superior risk weighted income returns with potential for income growth in addition to initial positive yield spreads:**
 - Attractive Euro denominated initial yields with potential for rental growth through contractual escalations, sharing in turnover growth above a contractual base (in some instances), positive rental reversions through acquisitions being under-rented
 - Strategic nature and location of the target properties mitigate re-let risk or non-renewal risk at the end of the lease period
- **Demonstrate-able long term capital growth through:**
 - Unique exposure to Central and Eastern Europe countries where the potential for cap rate compression is demonstrated by precedent transactions and independent valuations taking into account the property and interest rate cycle in-country
 - Non-speculative developments and tenant expansion
- **Committed local management: Full internal asset management with significant local knowledge, experience, networks, relationships, deal flow and presence in the initial target countries provides access to off-market transactions,** avoids initial set up costs, and pitfalls of investing in a new market – “school fees”
 - Acquisition pipeline in excess of €700 million plus development pipeline of ±200 000m²
 - Long term performance incentive scheme and local management’s equity ownership ensures alignment
- **Achievable exit strategy**



OUR TEAM



COMPANY STRUCTURE



**Non-Executive
Chairman**

Tito Mboweni



**Chief Executive
Officer**

Michael Georgiou



**Chief Operating
Officer**

Andrew Costa

Investment Committee
Gert Cruywagen

Audit Committee
Tim Fearnhead

Social and Ethics Committee
Kolosa Madikizela

Internal Audit
LM Consulting

**Chief Financial
Officer**

Dimitri Kyriakides

**Director of Treasury
(Debt & Equity)**

John Paterson

**MD Property
Management**

Chris Savva

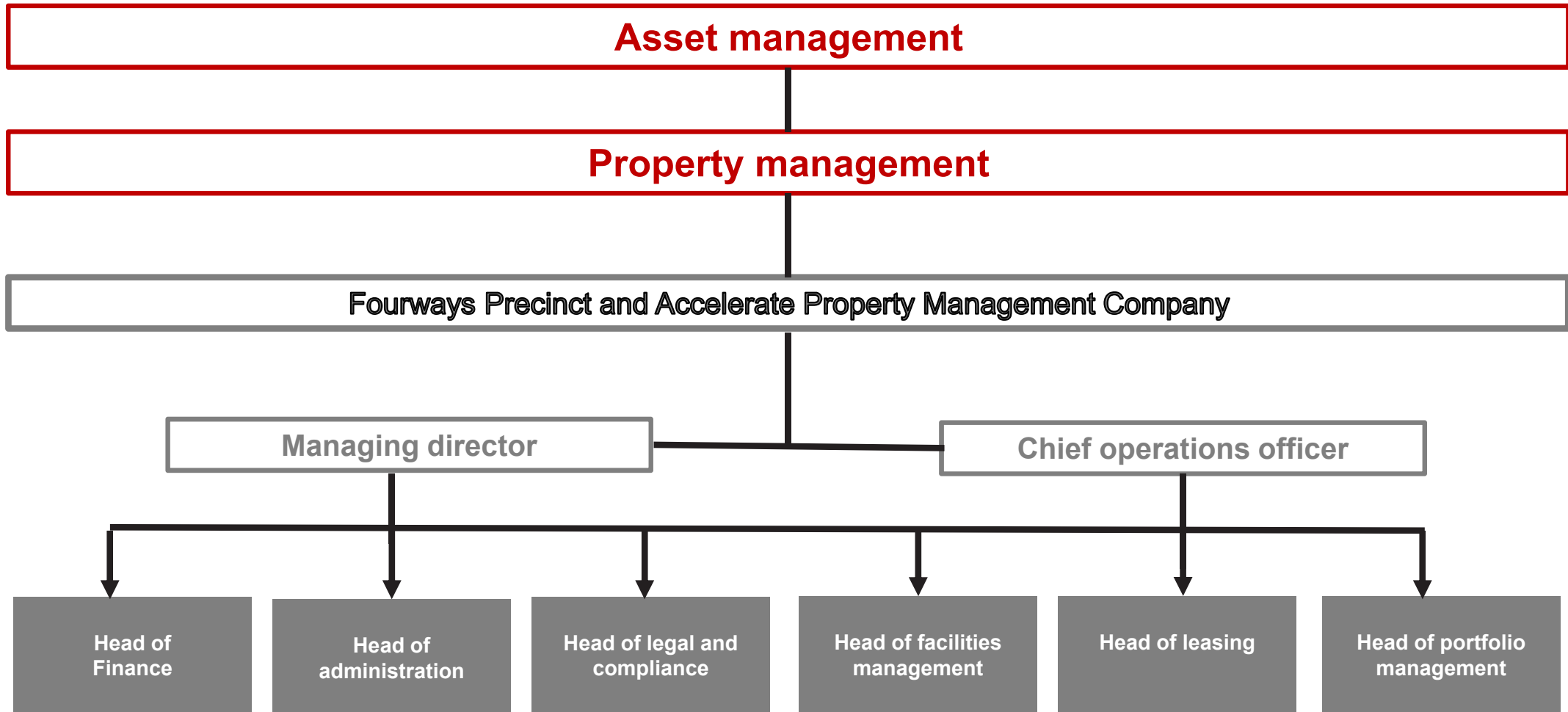
Company Secretary

**TMF – Joanne
Matisonn**

**Investor
Relations**

Instinctif Partners

MANAGEMENT AND OPERATIONAL STRUCTURE

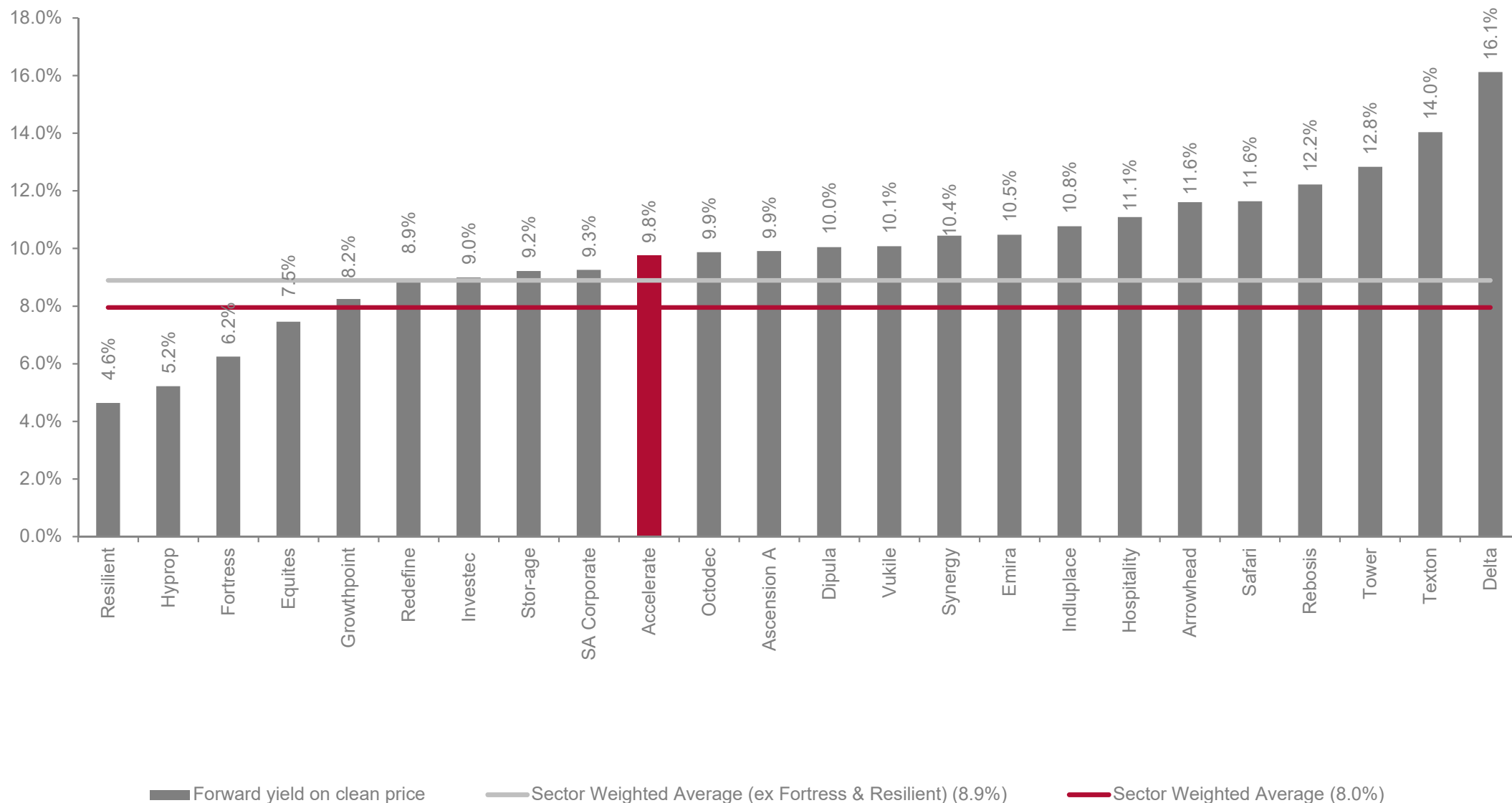




ANNEXURE 2: ACCELERATE'S POSITIONING ON THE JSE



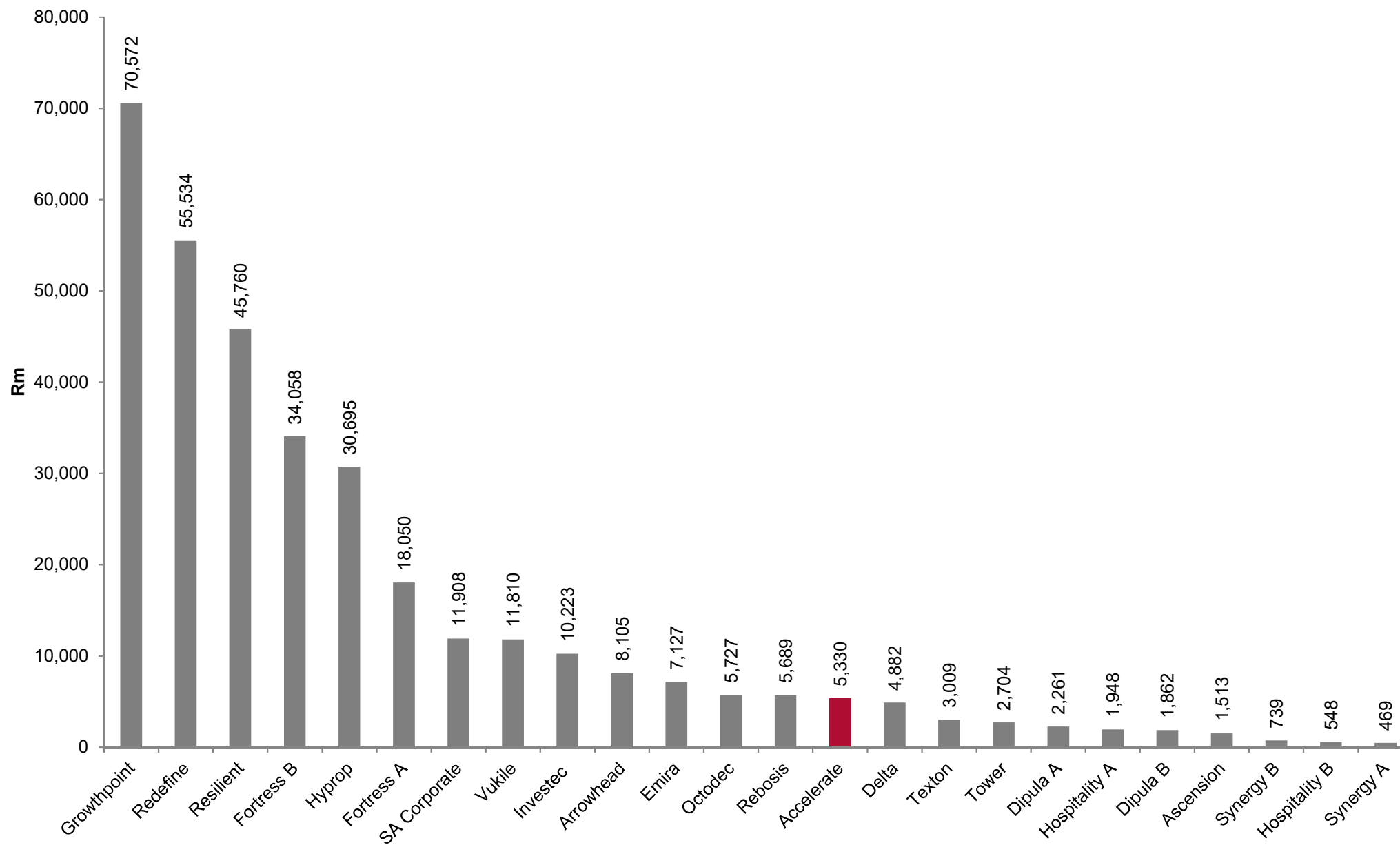
PEER COMPARISON: SECTOR FORWARD YIELD BASED ON CLEAN PRICE AND ROLLING 12 MONTHS DISTRIBUTION



PEER COMPARISON: SHARE PRICE SINCE LISTING



PEER COMPARISON: MARKET CAP



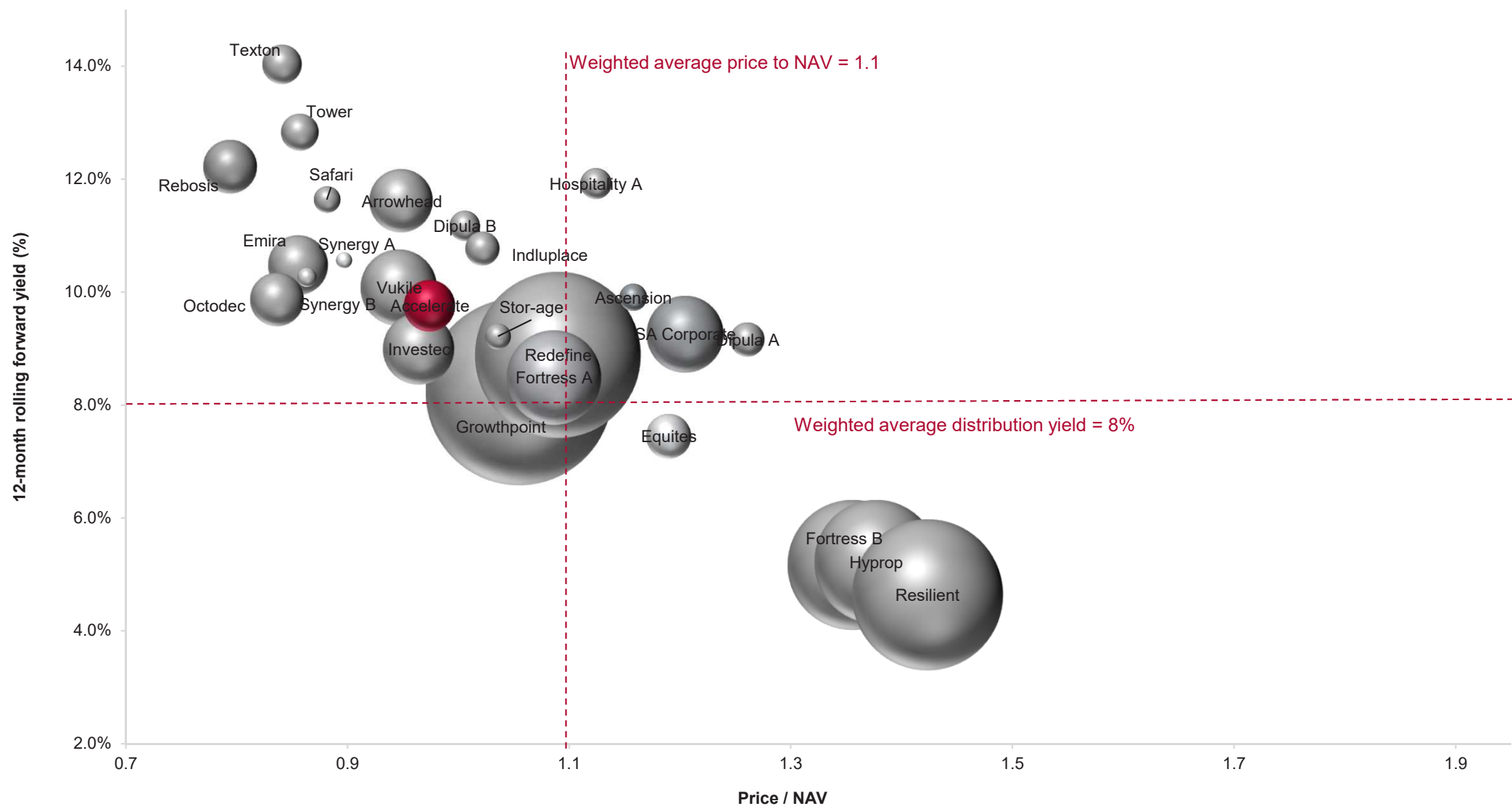
Source: I-Net Bridge, 15 September 2016

PEER COMPARISON: LISTED PROPERTY SECTOR RATING

ACCELERATE POSITIONING FROM A BUY-IN PERSPECTIVE



Sector rating: 15 September 2016



Bubble sizes represent the market cap



THANK YOU

INVESTOR RELATIONS

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