

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

1. No action is required if you wish to receive the cash distribution as you will be deemed to have elected the cash distribution if you do not elect the linked unit reinvestment alternative.
2. If you wish to elect to receive Vukile Property Fund Limited (“**Vukile**”) ordinary shares with a par value of 1 cent each in the share capital of Vukile (“**shares**”) linked to debentures in the ratio of one share to one unsecured, subordinated, variable rate debenture with a nominal value of 490 cents each (“**debentures**”) trading as a linked unit on the JSE Limited (“**JSE**”) (“**linked units**”) and you:
 - are holding certificated linked units, you must complete the attached form of election in respect of all or part of your linked unitholding in accordance with the instructions contained in the form of election and lodge it with, or post it to, the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by them by no later than 12:00 on Friday, 13 December 2013. Forms of election received after this date and time will not be accepted; or
 - have dematerialised your linked units (“**dematerialised linked unitholder**”) with a Central Securities Depository Participant (“**CSDP**”) or broker, you must instruct your CSDP or broker, accordingly, in terms of the custody agreement entered into between you and your CSDP or broker.
3. If you have disposed of your linked units on or before Friday, 6 December 2013 you should forward this circular, together with the attached form of election, to the purchaser to whom, or the broker, CSDP or agent through whom, you disposed of your linked units.
4. The distribution of this circular and/or accompanying documents and the right to elect linked units in jurisdictions other than the Republic of South Africa may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Linked unitholders’ rights to elect linked units are not being offered, directly or indirectly, in the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia unless certain exemptions from the requirements of those jurisdictions are applicable.
5. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor.
6. The commentary regarding the tax implications of the cash distribution and reinvestment election option, as contained in paragraph 5 of this circular, should not be construed as tax advice. If you are in any doubt as to the tax implications for your unique circumstances, please consult your tax advisor.



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)
(Registration number 2002/027194/06)
ISIN: ZAE000056370
JSE share code: VKE NSX share code: VKN
Granted REIT status with the JSE
("Vukile" or "the Company")

Board of Directors AD Botha (*Chairman*)⁽¹⁾ SF Booysen⁽¹⁾ HC Lopion (*Executive Director: Asset Management*) GS Moseneke PS Moyanga⁽¹⁾ NG Payne⁽¹⁾ SEN Sebotsa⁽¹⁾ MJ Potts (*Financial Director*) LG Rapp (*Chief Executive Officer*) HM Serebro⁽¹⁾ H Ntene⁽¹⁾

⁽¹⁾ Independent non-executive

CIRCULAR TO VUKILE LINKED UNITHOLDERS

regarding

THE DECLARATION OF A CASH DISTRIBUTION WITH THE ELECTION TO REINVEST THE CASH DISTRIBUTION IN RETURN FOR VUKILE LINKED UNITS

Salient dates and times	2013
Circular and form of election posted to linked unitholders	Friday, 22 November
Finalisation information including the linked unit ratio and price per linked unit released on SENS	Friday, 29 November
Last day to trade in order to participate in the election to receive the linked unit reinvestment alternative or to receive a cash distribution	Friday, 6 December
Linked units to trade <i>ex</i> -distribution	Monday, 9 December
Listing of maximum possible number of linked units under the linked unit reinvestment alternative	Tuesday, 10 December
Last day to elect to receive the linked unit reinvestment alternative or to receive a cash distribution (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 13 December
Record date for the election to receive the linked unit reinvestment alternative or to receive a cash distribution	Friday, 13 December
Announcement of results of cash distribution and linked unit reinvestment alternative on SENS	Tuesday, 17 December
Cash distribution cheques posted to certificated linked unitholders on or about	Tuesday, 17 December
Accounts credited by CSDP or broker to dematerialised linked unitholders with the cash distribution payment	Tuesday, 17 December
Linked unit certificates posted to certificated unitholders on or about	Wednesday, 18 December
Accounts updated with the new linked units (if applicable) by CSDP or broker to dematerialised linked unitholders	Wednesday, 18 December
Announcement of results of cash distribution and linked unit reinvestment alternative in the press	Wednesday, 18 December
Adjustment to linked units listed on or about	Thursday, 19 December

Notes:

1. **Linked unitholders electing the linked unit reinvestment alternative are alerted to the fact that the new linked units will be listed on LDT + 2 and that these new linked units can only be traded on LDT + 2, due to the fact that settlement of the linked units will be two days after the record date, which differs from the conventional one day after record date settlement process.**
2. Linked units may not be dematerialised or rematerialised between Monday, 9 December 2013 and Friday, 13 December 2013, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.

Corporate advisor and sponsor



Date of issue: Friday, 22 November 2013

Copies of this circular are only available in English and may be obtained at Vukile's registered office, One-on-Ninth, Corner Glenhove Road and Ninth Street, Melrose Estate, 2196 during normal business hours 08:00 until 16:00 from Friday, 22 November, 2013 to Wednesday, 18 December 2013.

CIRCULAR TO VUKILE LINKED UNITHOLDERS

1. INTRODUCTION

On 15 November 2013 it was announced on SENS that the directors of Vukile have declared a cash distribution of 54.81000 cents per linked unit ("**cash distribution**") for the six months ended 30 September 2013. Linked unitholders have been provided with the election to re-invest the cash distribution in return for Vukile linked units ("**linked unit reinvestment alternative**"). By electing the linked unit reinvestment alternative, linked unitholders will be able to increase their linked unitholding in Vukile without incurring dealing costs. In turn, Vukile will benefit from an increase in the amount of linked unitholders' funds available to support continued growth.

Linked unitholders will be entitled, in respect of all or part of their linked unitholding, to elect to participate in the linked unit reinvestment alternative, failing which, they will receive the cash distribution of 54.81000 cents per linked unit that will be paid to those linked unitholders not electing to participate in the linked unit reinvestment alternative. The number of linked units to which linked unitholders are entitled will be determined with reference to the ratio that 54.81000 cents per linked unit bears to the ratio price (i.e. either spot or the three-day volume weighted average traded price (both ex-distribution) of Vukile linked units on the JSE prior to the finalisation date). The price will be announced on the finalisation date, which will be no later than Friday, 29 November 2013 (by 11:00).

2. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to provide linked unitholders with information regarding the cash distribution and the linked unit reinvestment alternative.

3. THE CASH DISTRIBUTION AND THE LINKED UNIT REINVESTMENT ALTERNATIVE

3.1 Terms of the cash distribution

Subject to the terms contained in this circular and the attached form of election pertaining to certificated linked unitholders, linked unitholders recorded in the register of Vukile at the close of business on the record date who have **not** elected to participate in the linked unit reinvestment alternative, will be paid the cash distribution.

3.2 Procedure for linked unitholders to receive the cash distribution

Linked unitholders who wish to receive the cash distribution do not need to take any further action. If no election is made to participate in the linked unit reinvestment alternative, linked unitholders will receive the cash distribution in respect of all the linked units held on the record date.

3.3 Procedure for linked unitholders who elect to receive the linked unit reinvestment alternative

Linked unitholders who hold certificated linked units and wish to elect to receive linked units must complete the attached form of election in accordance with the instructions contained therein and lodge it with the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received no later than 12:00 on the record date.

Linked unitholders who have dematerialised their linked units through a CSDP or broker must not complete the attached form of election, but should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

Linked unitholders may make the election in respect of all or part of their linked units held on the record date. If an election is made in respect of part of a linked unitholding, linked unitholders will receive the cash distribution in respect of the linked units for which the election is not made.

3.4 Posting of linked unit certificates and crediting of CSDP or broker accounts

Linked unitholding certificates in respect of the linked units relating to the linked unit reinvestment alternative will be dispatched to the certificated linked unitholders at the risk of such linked unitholders on or about Wednesday, 18 December 2013, to the registered addresses or in accordance with instructions given to the transfer secretaries via registered post. Dematerialised linked unitholders' CSDP or broker accounts will be credited on Wednesday, 18 December 2013 in respect of the linked reinvestment unit alternative.

3.5 Linked unitholders wishing to receive the cash distribution

The cash distribution of 54.81000 cents per linked unit will be paid via electronic transfer into the personal bank accounts of certificated linked unitholders who have not elected the linked unit reinvestment alternative only in the event that the transfer secretaries are already in possession of their banking details. Where the transfer secretaries do not have the banking details of the aforesaid certificated linked unitholders, distribution cheques will be dispatched at the risk of such linked unitholders on or about Tuesday, 17 December 2013, to their registered addresses, or in accordance with the instructions given to the transfer secretaries, or in the case of dematerialised linked unitholders the cash will be credited to their accounts held at their CSDP or broker.

4. FRACTIONS

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where a linked unitholder's entitlement to the linked units in relation to the linked unit reinvestment alternative calculated in accordance with the formula mentioned in paragraph 1 above gives rise to a fraction of a new linked unit, such fraction will be rounded up to the nearest whole number where the fraction is greater than or equal to 0.5 and rounded down to the nearest whole number where the fraction is less than 0.5.

5. TAX IMPLICATIONS

Vukile was granted REIT status by the JSE Limited with effect from 1 April 2013 in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the "**Income Tax Act**"), and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash distribution of 54.81000 cents per linked unit meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (a "**qualifying distribution**") with the result that:

- qualifying distributions received by resident Vukile linked unitholders must be included in the gross income of such linked unitholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Vukile linked unitholder. These qualifying distributions are however exempt from dividend withholding tax;
- qualifying distributions received by non-resident Vukile linked unitholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents are not subject to dividend withholding tax. From 1 January 2014, any qualifying distribution will be subject to dividends tax.

Linked unitholders are advised that in electing to participate in the linked unit reinvestment alternative, pre-taxation funds are utilised for the reinvestment purposes and that taxation will be due on the total cash distribution amount of 54.81000 cents per linked unit.

Other information:

- The ordinary issued share capital of Vukile is 478 352 223 ordinary shares of 1 cent each before any election to reinvest the cash distribution.
- Income Tax Reference Number of Vukile: 9331/617/114/3.

This cash distribution or linked unit reinvestment alternative may have tax implications for resident as well as non-resident linked unitholders. Linked unitholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

If applicable, an announcement relating to the treatment of taxation will be released on SENS and/or published in the press.

6. LISTING OF NEW VUKILE LINKED UNITS

Application will be made to the JSE for the maximum possible number of linked units to be issued in terms of the linked unit reinvestment alternative to be listed with effect from the commencement of business on Tuesday, 10 December 2013. A further application will be made to the JSE to adjust the maximum number of new linked units listed to take into account the actual number of linked units issued to linked unitholders on or about Wednesday, 18 December 2013.

7. FOREIGN LINKED UNITHOLDERS

The distribution of this circular and/or accompanying documents and the right to elect linked units under the linked unit reinvestment alternative in jurisdictions other than the Republic of South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. The linked units have not been and will not be registered for the purposes of the election under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

8. EXCHANGE CONTROL

In terms of the Exchange Control Regulations of South Africa:

8.1 in the case of certificated unitholders:

- any linked unit certificate that might be issued to non-resident linked unitholders will be endorsed "non-resident";
- any new linked unit certificates and cash distribution payments based on emigrants' linked units controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new linked unit certificates will be endorsed "non-resident"; and
- cash distribution payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the common monetary area (collectively, the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland), the cash distribution payments due will be sent to the registered address of the linked unitholder concerned or in accordance with instructions given to the transfer secretaries;

8.2 in the case of dematerialised linked unitholders:

- any linked units issued to emigrants from the common monetary area and all other non-residents of the common monetary area, will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register;
- any cash distribution paid to emigrants from the common monetary area, will be credited to their CSDP or broker's accounts which will arrange for the same to be credited directly to the shareholder's blocked Rand account held by that shareholder's authorised dealer and held to the order of that authorised dealer; and
- any cash distribution paid to non-resident linked unitholders who are not emigrants from the common monetary area, will be credited directly to the bank account nominated for the relevant linked unitholders, by their duly appointed CSDP or broker.

Non-resident and emigrant dematerialised linked unitholders will have all aspects relating to exchange control managed by their CSDP or broker.

For and on behalf of

Vukile Property Fund Limited

Johann Neethling

Company Secretary



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/027194/06)

ISIN: ZAE000056370

JSE share code: VKE NSX share code: VKN

Granted REIT status with the JSE

("Vukile" or "the Company")

FORM OF ELECTION

For use only by linked unitholders who hold linked units in certificated form ("certificated linked unitholders") and who elect to receive the linked units, for all or part of their linked unitholding (the "linked unit reinvestment alternative") in Vukile.

Dematerialised linked unitholders must instruct their Central Securities Depository Participant ("CSDP") or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker. **These linked unitholders must not use this form of election.**

Linked unitholders electing the linked units alternative are alerted to the fact that the new linked units will be listed on LDT + 2 and that these new linked units can only be traded on LDT + 2, due to the fact that settlement of the linked units will be two days after record date, which differs from the conventional one day after record date settlement process.

Linked unitholders who wish to receive the cash distribution of 54.81000 cents per Vukile linked unit must not complete this form of election and no further action is required.

I/We,

(name/s in BLOCK LETTERS)

regarding the election:

- hereby irrevocably elect to receive that number of linked units under the linked unit reinvestment alternative, which number will be determined with reference to the ratio that 54.81000 cents per linked unit bears to either the spot or the three-day volume weighted average traded price (both *ex*-distribution) of Vukile linked units on the JSE prior to the finalisation date, which will be no later than Friday, 29 November 2013 (by 11:00), in respect of the number of linked units in the capital of Vukile as reflected overleaf on terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of linked units of which I/we was/were the registered holder(s) on the close of business on the record date, being Friday, 13 December 2013; and
- acknowledge that I/we am/are not entitled to a cash distribution of 54.81000 cents per linked unit in respect of linked units for which the linked unit reinvestment alternative is elected.

Signed at

on

2013

Signature

Telephone number: ()

Cellphone:

Assisted by (where applicable)

PLEASE READ THE NOTES OVERLEAF.

Forms of election must be lodged with or mailed to the transfer secretaries, Link Market Services South Africa Proprietary Limited:

Hand deliveries to:

Link Market Services South Africa Proprietary Limited
 13th Floor, Rennie House
 19 Ameshoff Street
 Braamfontein, 2001

Postal deliveries to:

Link Market Services South Africa Proprietary Limited
 PO Box 4844
 Johannesburg, 2000

to be received by no later than 12:00 on Friday, 13 December 2013.

Name and address of registered linked unitholder		Account number
		Enquiries in connection with this form of election should be addressed to the transfer secretaries, quoting this account number
Number of Vukile linked units held or to be held on the record date, being Friday, 13 December 2013	Number of Vukile linked units for which the linked unit reinvestment alternative is elected. (The maximum number of linked units for which the linked unit reinvestment alternative can be made is the number of linked units registered in Vukile Property Fund Limited's register on the record date in the name of the registered linked unitholder)	
Date of signature	Signature	

Notes:

1. The election may be made in respect of all or any of the Vukile linked units registered or deemed to be registered in the name of the linked unitholder at the close of business on the record date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with, or posted to the transfer secretaries of Vukile at the address indicated above, to be received by them by no later than 12:00 on Friday, 13 December 2013. Late forms of election will not be accepted.
4. Vukile reserves the right in its discretion to:
 - 4.1. treat as invalid (in which case the distribution will be paid) any form of election not complying with the terms of the election or any instruction contained herein;
 - 4.2. require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries, Link Market Services South Africa Proprietary Limited.
5. Any and every alteration or correction made to this form of election must be initialled by the signatory(ies).

FOR INFORMATION ONLY