

SA Corporate Real Estate Fund

("SA Corporate" or "the Fund")

(Incorporated in the Republic of South Africa)

Share Code: SAC ISIN Code: ZAE000083614

(Registration number 1994/009895/06)

A Collective Investment Scheme in property registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 and managed by SA Corporate Real Estate Fund Managers Limited ("SA Corporate Fund Managers")

ANNOUNCEMENT REGARDING THE ACQUISITION OF A PROPERTY

1. Introduction

SA Corporate unitholders are advised that the Fund has entered into an agreement with Old Mutual Life Assurance Company (South Africa) Limited ("OMLACSA") dated 10 December 2009, in terms of which SA Corporate will acquire Portion 112 of the Farm Driefontein No 85 IR, Stand 227, Hughes Extension 4 and Portion 1 of Stand 52, Hughes Extension 4, situated in Rudo Nel Street, Boksburg, Gauteng together with the improvements thereon measuring approximately 30 299m² ("the Property") and known as the Old Mutual Triangle Warehouse ("the Acquisition") for a total purchase price of R208.5 million ("the Purchase Price").

The Acquisition will become effective upon transfer of the Property which is expected to take place during the first quarter of 2010.

2. Rationale for the Acquisition

The acquisition of the subject property is firmly in line with the overall investment strategy of the Fund at an initial yield on total cost of 9.67% with 9 years left on a triple net lease escalating at 8% in October of each year.

The property enjoys an excellent location and is situated in the light industrial area, Hughes Extension which is adjacent to the Jet Park Township, both in close proximity to OR Tambo International Airport.

SA Corporate currently own four properties of some 51 000 m² in the same block bordered by Yaldwyn, Tudor, Rudo Nel and Kelly Roads which are all leased to the same tenant, and the Acquisition is therefore also considered strategic.

3. Funding of the Acquisition

The consideration for the Property will be settled in cash.

4. **Small related party transaction**

As SA Corporate and OMLACSA have a common asset manager, Old Mutual Investment Group Property Investments (Proprietary) Limited ("OMIGPI") and further, that OMLACSA is an associate of OMIGPI as contemplated in terms of the JSE Limited ("JSE") Listings Requirements, the Acquisition is a "small related party" transaction in terms of the JSE Listings Requirements. SA Corporate have therefore appointed an independent registered valuer, Africa Corporate Real Estate Solutions (Proprietary) Limited ("the valuer"), who have valued the Property at an amount of R209 500 000.00 as at 30 November 2009. The valuation report is available for inspection at SA Corporate's registered office for a period of 28 days from the date of this announcement.

Based on the value of the Property arrived at by the valuer, the directors of SA Corporate Fund Managers are of the opinion that terms and conditions of the Acquisition are fair to SA Corporate unitholders.

5. **Conditions precedent**

The Acquisition is subject to, *inter alia*, the following conditions precedent:

- the obtaining of the relevant regulatory approvals, to the extent required; and
- Competition Commission approval.

6. **Property specific information relating to the Property**

Property	Location	Sector	Rentable Area m ²	Single or multi tenanted ⁽¹⁾	Average rental per m ² R	Vacancy by rentable area m ²	Annualise d property yield	Purchase Price of property Rm	Value of property Rm
Old Mutual Triangle Warehouse	Hughes Township, Gauteng	Industrial	30 299	Single, triple net lease	54.37	zero	9.67%	R208.5	R209.5

Notes:

1. The triple net lease expires on 30 September 2018.

7. **Pro forma financial effects of the Acquisition and forecast information relating to the Property**

The *pro forma* financial effects relating to the Acquisition on SA Corporate's net asset value per share ("NAV") and net tangible asset value per share ("NTAV") as at 30 June 2009, being the period relating to SA Corporate's most recent published results have not been disclosed as they are not significant.

The forecast property information relating to the Acquisition for the ten months ending 31 December 2010 and the year ending 31 December 2011 is set out below. The forecast property information has not been reviewed or reported on by SA Corporate's auditors in terms of Section 8 of the JSE Listings Requirements and is the responsibility of the directors of SA Corporate Fund Managers.

Description	Forecast for the 10 months ending 31 December 2010 ⁽²⁾	Forecast for the year ending 31 December 2011
	R'000	R'000
Net rentals ⁽¹⁾	16 693	21 550

Notes:

1. The forecast net rentals are fully contracted, for the duration of the forecast periods and reflect the net income after collection fee costs, based on the aggregate of contractual net rentals and contractual recoveries.
2. The forecast information for the 10 months ending 31 December 2010 has been calculated from the anticipated date of transfer of the property to the Fund, being 1 March 2010.
3. As the consideration for the Acquisition is to be settled in cash, the lease is a triple net lease and the Fund does not incur tax, the forecast net rental incomes before interest and net rental incomes after taxation are the same as the net rentals reflected above.

21 December 2009

Cape Town

Investment bank and sponsor
Nedbank Capital