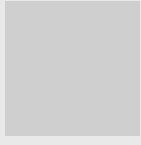
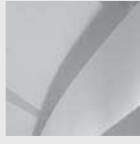
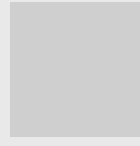
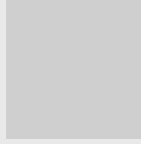
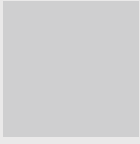
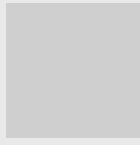
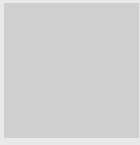
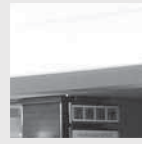
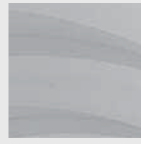
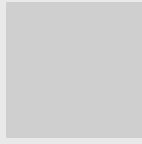
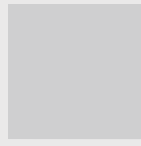
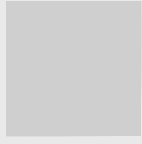
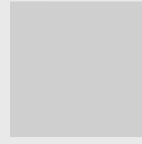




SYCOM PROPERTY FUND ANNUAL REPORT 2009





CONTENTS

PROFILE	02
SALIENT FEATURES	04
MANAGEMENT COMPANY'S REPORT	06
BOARD OF DIRECTORS	16
SYCOM PROPERTY FUND	18
Management company's responsibility and approval of annual financial statements	
Independent auditor's report	
Income statements	
Balance sheets	
Statements of changes in unitholders' funds	
Cash flow statements	
Notes to the annual financial statements	
SYCOM PROPERTY FUND MANAGERS LIMITED	48
Directors' report	
Independent auditor's report	
Income statement	
Balance sheet	
Statements of changes in equity	
Cash flow statement	
Notes to the annual financial statements	
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS	60
CERTIFICATE OF THE COMPANY SECRETARY	60
REPORT OF THE TRUSTEE	60
ANALYSIS OF THE UNITHOLDERS	62
UNITHOLDERS' DIARY	63
PROPERTY PORTFOLIO	64
DIRECTORATE AND ADMINISTRATION	68

PROFILE

Sycom Property Fund (the Fund) is a closed-end property unit trust (PUT) established in 1986, is governed by the Collective Investment Schemes Control Act, 2002 and is listed on the JSE Securities Exchange South Africa (JSE).

The Fund's earnings are distributed in full, free of tax and unitholders consequently pay tax according to their individual tax status.

The Fund invests directly and indirectly in investment property. Currently the Fund consists of investments in 14 properties, with relatively equal weighting in both the retail and commercial office sectors. The retail exposure comprises investments in regional shopping centres, while the office component consists of large, well-located, A-grade office buildings and office parks with predominantly large corporate tenants.

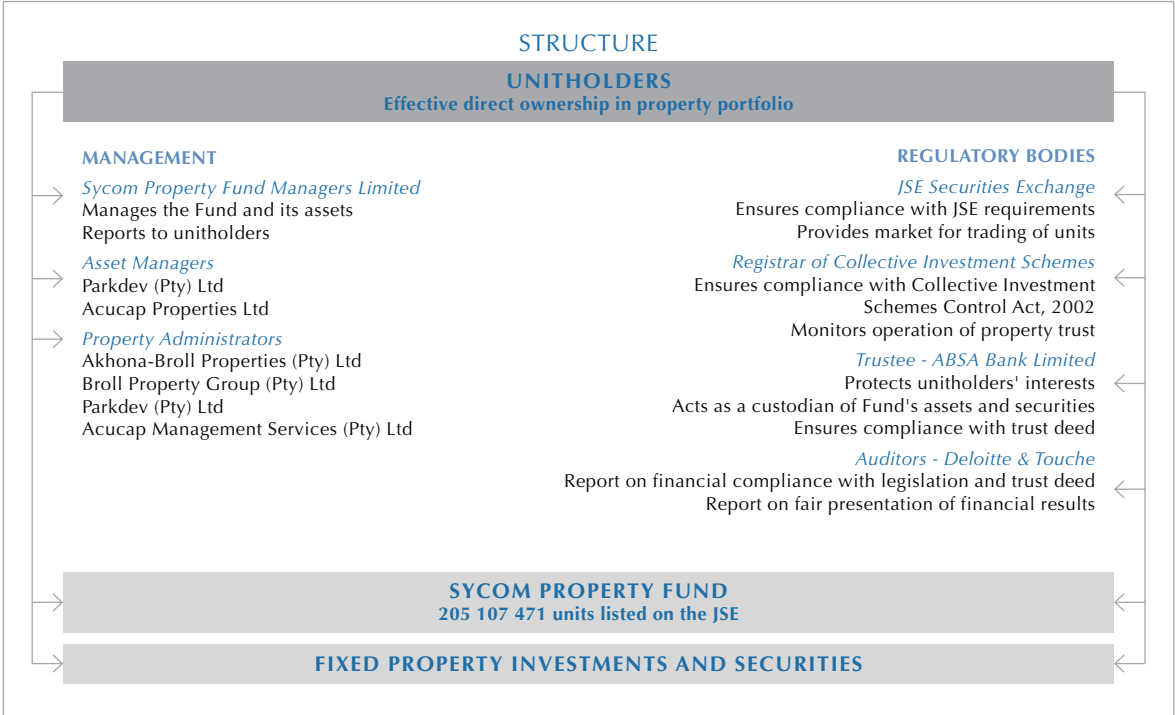
Approximately 62% of the South African portfolio, by value, is located in Gauteng, with the remainder in the Western Cape.

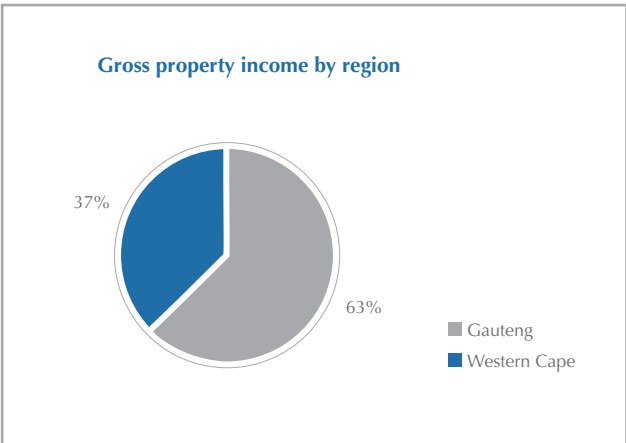
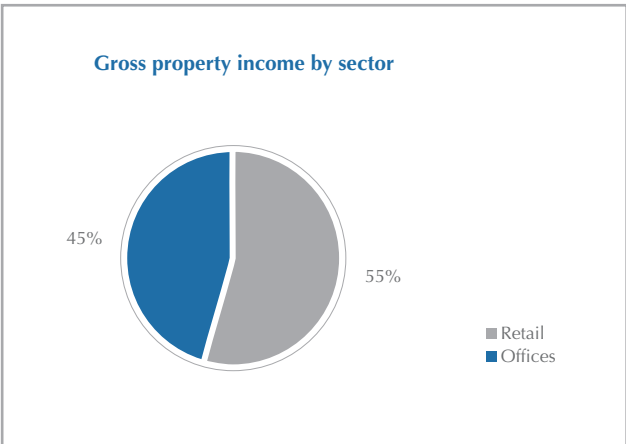
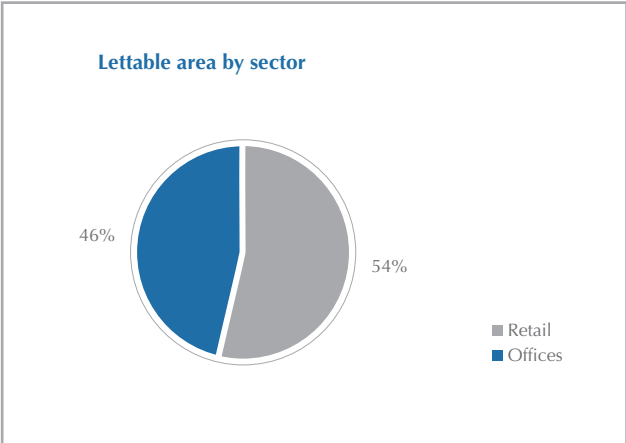
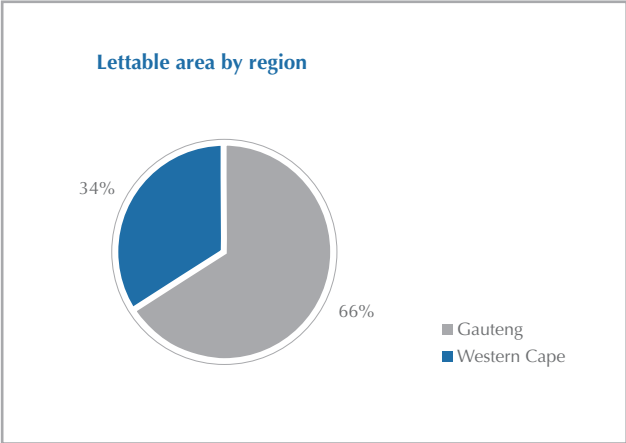
The Fund is invested in an international listed property fund in the current year and has an international exposure of 6% of total assets.

The Fund's net asset value is R4,25 billion and at 31 March 2009 the Fund was capitalised on the JSE at R3,50 billion.

There are 205,1 million units in issue, held by approximately 2 550 unitholders.

Sycom Property Fund Managers Limited, whose objective it is to maximise returns to unitholders, manages the Fund. This is accomplished through the strategy of actively managing, and where appropriate, rebalancing or developing the assets of the Fund to achieve a portfolio comprising relatively equal exposure to large, quality, well-located commercial office and retail properties all capable of providing sustained income and capital growth.

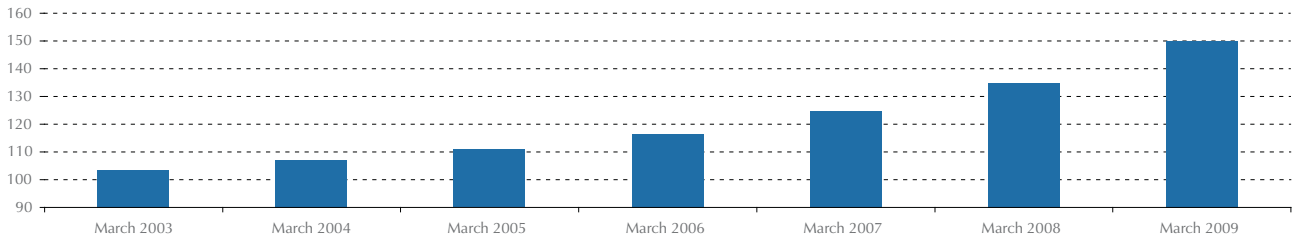




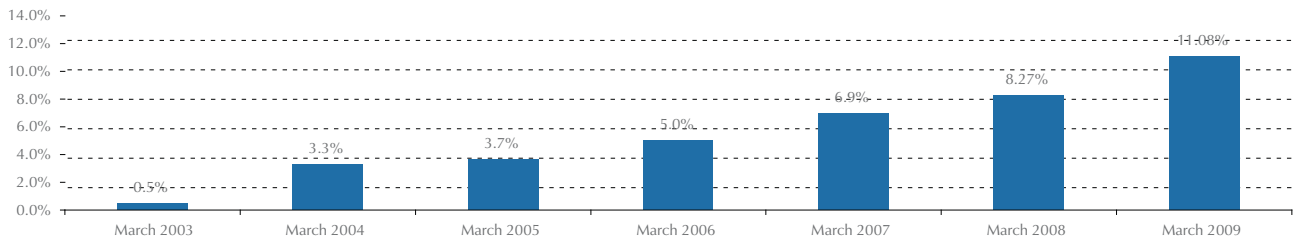
SALIENT FEATURES

	MARCH 2005	MARCH 2006	MARCH 2007	MARCH 2008	MARCH 2009
Distribution per unit - cents	110.93	116.53	124.62	134.92	149.87
Growth in distribution	3.7%	5.0%	6.9%	8.27%	11.08%
Weighted average number of units on issue during the year - (million)	183,356	183,356	183,356	196,703	205,107
Property value (Rm)	2,189	2,983	3,480	4,858	4,989
Unsecured borrowings (Rm)	178	542	529	562	686
Gearing to property value	8.1%	18.2%	15.2%	11.6%	13.8%
Net asset value per unit - cents	1,079	1,300	1,589	2,074	2,074
Closing market price - cents	1,395	1,925	2,070	1,870	1,710
Discount or premium	29.3%	48.1%	30.3%	-9.8%	-17.6%
Growth in unit price	37.4%	38.0%	7.5%	-9.7%	-8.6%
Total return	48.4%	46.3%	14.0%	-3.1%	-0.5%
Property Unit Trust Index at year end	259.5	396.2	413.0	360.0	325.8
Change on previous year	35.1%	52.7%	4.2%	-12.8%	-9.5%
Gross lettable area	224,870	271,661	290,579	318,413	322,773
- Local - Retail	93,908	121,662	151,028	160,651	161,214
- Local - Office	130,962	149,999	139,551	136,013	139,810
- International - Retail	-	-	-	21,749	21,749
Vacancy	11,693	2,717	2,751	3,310	5,087
Vacancy factor	5.2%	1.0%	0.9%	1.04%	1.58%
Number of properties	13	15	15	14	14

Sycom - distributions per unit (cents)



Growth in distributions per unit



MANAGEMENT COMPANY'S REPORT

FOR THE YEAR ENDED
31 MARCH 2009

1. REVIEW OF RESULTS AND OPERATIONS

The board of SPFM is pleased to announce an increase in distribution for the year ended 31 March 2009 of 11.1% over that of the prior year. Seen together with a 3.4% growth in the value of the property portfolio, these results demonstrate how good quality South African real estate assets have held up in the current economic climate, relative to many other property markets in both developed and emerging economies.

2. PORTFOLIO ACTIVITIES

The major activity in the retail portfolio over the last 12 months has been the installation of back-up generators at Vaal Mall, Somerset Mall and Paarl Mall. Integrated Building Management Systems (BMS) have been installed at the same time to improve efficiency in energy use and reduce power consumption.

In the office portfolio, activity centred around the Veld Estates development in the 114,000m² Woodlands Office Park. Veld Estates comprises 19,842m² of new office space, with the initial phase of 12,038m² completed and handed over at the end of May 2009. It has been fully tenanted by Deloitte & Touche. Negotiations are in progress to let the remaining 7,804m², which is due for completion by July 2009.

3. BORROWINGS

Sycom has an approved facility of R950 million. The facility is subject to renewal in November 2014. At 31 March 2009, R686 million of this facility had been utilised, with 87% of borrowings subject to interest rate swaps, as tabulated below. The weighted average borrowing cost is 10.68%.

Type	Maturity Date	Effective Rate	Value R'000	% of total
SWAP	1 June 2009	9.56%	100,000	14.6%
SWAP	1 June 2011	9.67%	100,000	14.6%
SWAP	1 June 2012	9.54%	100,000	14.6%
SWAP	17 Mar 2014	11.92%	200,000	29.2%
SWAP	9 April 2014	11.63%	100,000	14.6%
			600,000	87.5%
Floating	25 November 2014	10.50%	85,879	12.5%
		10.68%	685,879	100.0%

4. PROPERTY PORTFOLIO REVALUATION

Sycom's property portfolio, excluding Southgate Mall and Value Mart, was independently valued by Quadrant Properties at 31 March 2009. The Southgate properties were revalued by One Focus Property Consultants. Increased net rental income compensated for higher capitalisation rates, and the result was a 3.4% increase in the overall value of the portfolio.

5. STENHAM EUROPEAN SHOPPING CENTRE FUND ('SESCF')

SESCF owns a single asset, the 96,000m² Nova Eventis shopping centre situated in Leipzig, Germany. At the time Sycom acquired its 22.509% interest in SESCOF in June 2007, Nova Eventis was valued at €365.6m. The property was revalued at the end of December 2008 at €351.3m, an annualised decline since acquisition of 2.6%, and yet a relatively good performance in a difficult market for physical property. This outcome is partly due to the comparative strength of the German economy and its property sector, seen in the context of Europe and the UK as a whole, and partly because net rental cash flows have held up well at Nova Eventis itself.

At 31 March 2009, Sycom's investment in SESCOF was valued at R316m compared with its March 2008 value of R360.2m. The decline in value over this period was due principally to the lower property valuation referred to above, amplified by the effect of gearing in SESCOF at 69% of asset value. Compared to its initial cost of R256.6m, the investment has appreciated by 23% as a result of the decline in the exchange rate of the Rand, from R9.55 to the Euro at the end of June 2007 to R12.57 to the Euro at the end of March 2009.

In terms of income, the dividend from SESCOF for the year ended 31 March 2009 was R11.67m compared to R6.52m earned since acquisition in the prior year. Net rental income from Nova Eventis is expected to remain under pressure in the next financial year, and the dividend received from SESCOF is likely to remain flat.



PAARL MALL
RETAIL

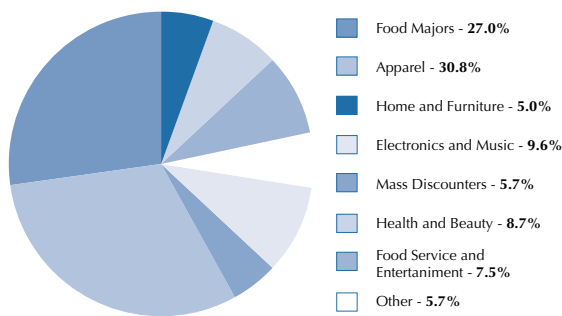
6. RETAIL PORTFOLIO PERFORMANCE

The eight defined segments in Sycom's retail portfolio contributed to total retail turnover as shown in the chart below, with food and apparel making up nearly 60% of all turnover.

Annual turnover in Sycom's retail portfolio grew by 5.64% over the prior year, and by 4.54% for the quarter ended 31 March 2009 over the same quarter last year. The performance of the March quarter is largely due to Easter falling in April this year, and turnover growth for the month of April bears this out, with a 6.25% growth over the same month in 2008.

Overall, the turnover growths show a sound performance from Sycom's retail portfolio in a weakening market. The health and beauty segment was the best performer, and food majors showed annual growth of 8.5%. The home and electronics segments, in which Sycom has limited exposure, showed the poorest performance annually, although both segments improved in the last quarter of the year, at the expense of the mass discount segment, which moved into negative growth for the first time. The lagged effect on consumers of high interest rates is revealed in the weakness of spend in discretionary segments, and although consistent rate reductions will gradually bring relief, the effects may be dampened by a contracting economy and job losses.

Across Sycom's malls, total footcounts have decreased by 3.9%. It is clear that turnovers will remain under pressure as long as this trend continues, and to arrest the trend, increasing proportions of the retail marketing budgets are now being allocated to a number of initiatives aimed at retaining customers and also attracting new feet to the fund's malls.



7. LEASE EXPIRY AND RENEWALS OVER THE LAST 12 MONTHS

The pattern of lease expiries and renewals for the South African portfolio over the last 12 months is shown in the table below. In the office portfolio, the opening vacancy was 1,766m², new space of 3,797m² was added to the portfolio, and 8,659m² expired during the year. Renewals and new leases for 11,573m² were concluded, leaving a vacancy of 2,649m², or 1.9% of office GLA. The expiring leases terminated at an average rental of R57.98/m², and were renewed at an average of R100.92/m². In the retail portfolio, 24,306m² or 15% of that portfolio expired during the year at an average rental of R183/m². Of this, 23,413m² was let or renewed at an average of R192.80/m², with the retail vacancy increasing from 0.95% to 1.5% by GLA.

			Offices	Retail	Total
31-March-08	Let	m ²	134,247	159,670	293,917
	Vacant	m ²	1,766	1,544	3,310
	Total	m ²	136,013	161,214	297,227
Additions		m ²	3,797	-	3,797
		m ²	8,659	24,306	32,965
Expiries	Ave R/ m ²		57.98	183.01	150.17
		m ²	11,573	23,413	34,986
New lets & renewals	Ave R/m ²		100.92	192.80	162.41
		m ²	137,161	158,776	295,937
31-March-09	Let	m ²	137,161	158,776	295,937
	Vacant	m ²	2,649	2,438	5,087
	Total	m ²	139,810	161,214	301,024

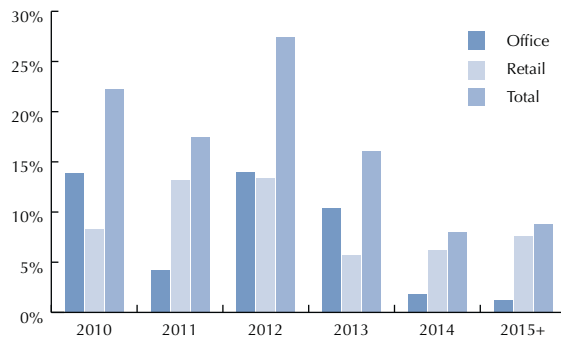
8. FORWARD LEASE EXPIRIES

Sycom's lease expiry profile shows relatively high office expiries in the 2010 financial year, and particular emphasis will be placed on leasing and tenant retention in the office portfolio over the next 12 months. Average office gross rental on expiry, excluding parking, is R116.04/m², and market-related renewal level is estimated to be R106.74/m² on average. This is an 8% negative reversion, and there is also an inherent risk of increased vacancy as the fund lets into a softening office market.

In the retail portfolio, expiring leases offer potential for meaningful upward reversion over the next 12 months, as tabulated below.

	Expiring next 12 months (m ²)	Expiry rent (R/m ²)	Market rent (R/m ²)	% change
Retail	22,140	188.89	235.55	24.7%
Offices	35,467	116.04	106.74	(8.0%)
Total Portfolio	57,607	144.04	156.25	8.5%

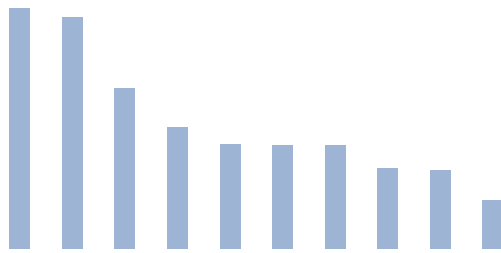
Over the next 5 years, the retail portfolio shows a consistent and relatively low expiry profile. There will be negligible office expiries in 2011, but another relatively high expiry year in 2012, by which time an expected improvement in the economic climate should facilitate leasing activities at around exit rental levels.



WOODLANDS
OFFICE

9. MAJOR TENANTS BY AREA AND INCOME

The graph below reflects the contribution to income by Sycom's 10 largest tenant groups. The four largest are all office tenants, and contribute 22.4% of Sycom's annual rental. The next six are all retail groups, contributing 15.4% of rental income.



10. VACANCIES AND BAD DEBTS

The table below provides full details of Sycom's vacancies for the 2008 and 2009 financial years, expressed by area and by income. Average through rentals for both the retail and office portfolios are also shown. By income, the vacancy has declined slightly from 1.75% in 2008 to 1.71% at the end of March 2009.

Average through rentals for the retail portfolio are relatively low, at R120.70/m² and offer upside growth on renewal. For the office portfolio, the average is considered close to market for the portfolio as a whole, although any softening in office rentals will expose potential over-rents, with the associated reversionary risk.

	31-Mar-09			31-Mar-08		
	Lettable (m ²)	Vacant (m ²)	Vacant (%)	Lettable (m ²)	Vacant (m ²)	Vacant (%)
Retail	161,214	2,456	1.52%	161,214	1,677	1.04%
Offices	139,810	2,631	1.88%	136,013	1,633	1.20%
Total	301,024	5,087	1.69%	297,227	3,310	1.11%

	31-Mar-09			31-Mar-08		
	Lettable (R)	Vacant (R)	Vacant (%)	Lettable (R)	Vacant (R)	Vacant (%)
Retail	19,457,932	350,055	1.80%	18,813,674	385,535	2.05%
Offices	16,231,448	259,942	1.60%	13,030,045	170,267	1.31%
Total	35,689,380	609,997	1.71%	31,843,719	555,802	1.75%

AVERAGE THROUGH RENTALS					
	31-Mar-09		31-Mar-08		
	Lettable (R/m ²)	Vacant (R/m ²)	Lettable (R/m ²)	Vacant (R/m ²)	
Retail	120.70	142.53	116.70	229.83	
Offices	116.10	98.80	95.80	104.30	
Total	118.56	119.91	107.14	167.91	

Bad debts written off for the 2009 financial year represent 0.49% of rental income and amount to R2,119,924. The comparative write-off for 2008 was 0.38% of rental income, or R1,472,500.



VAAL MALL
RETAIL



11. COST TO INCOME

There has been a reduction in the cost to income ratio to 13.9% of contractual rental income from 15.6% in the prior year. Of this 1.7% reduction, 0.4% relates to an asset management fee saving as a result of a lower average Sycom unit price for the year, and 1.3% represents real reductions in operating costs. Acucap and Parkdev, as joint asset managers, will continue to focus on efficiencies in this area.

12. PROSPECTS

Whilst the economic outlook remains uncertain, the performance of Sycom's portfolio over the last 12 months has shown its defensive qualities in a weakening market. The Fund's strategy remains one of delivering consistent real growth in distributions, and whilst there is no doubt that there are still significant challenges ahead for property managers in South Africa, the board is of the view that this can be achieved in the year ahead, provided there is no unexpected deterioration in the economic climate.

CORPORATE GOVERNANCE REVIEW

The Board of Directors of Sycom Property Fund Managers Limited endorses the Code of Corporate Practices and Conduct as recommended in the second King Report in all material respects. In supporting the Code, the directors recognise the need to conduct the affairs of the Company and the Fund with integrity and accountability in accordance with generally

accepted corporate practice and further recognise that they are ultimately accountable and responsible for the performance and affairs of the Company and the Fund.

The Fund is a trust and is managed by Sycom Property Fund Managers Limited in terms of the Collective Investments Schemes Control Act, 2002. Neither the Fund nor the management company employs staff as all management and administrative functions are contracted out to third parties. Accordingly it has no worker participation or affirmative action programmes. The Board does, however, support and encourage their service providers to adhere to recommended practices and monitors progress as part of performance appraisal.

The Board is conscious of the need to uphold and support applicable legislation. To this end, the Board ensures that all occupational health and safety provisions are enforced at the buildings in the portfolio; environmental impact studies are undertaken where required and the provisions of the National Heritage Resources Act are complied with before embarking on any new property development.

Directors are appointed to hold office for an unspecified period and at each financial year end one third is requested to retire by rotation and may offer themselves for re-election. The Chairman and Chief Executive Office are appointed to hold office for renewable periods not exceeding five and three years respectively. The attendance by directors and fees paid to directors of the management company are set out below.

	NUMBER OF MEETINGS	BOARD MEETINGS	AUDIT COMMITTEE	REMUNERATION	
				12 MONTHS 31 MAR 09	12 MONTHS 31 MAR 08
	7	4	3	R'000	R'000

Director's attendance and remuneration

INDEPENDENT NON-EXECUTIVE

TE Sewell *	7	4	3	120	98
FM Berkeley +	6	3	3	105	86
JPD Flanagan	4	4	-	80	70
GA Nelson	4	4	-	80	70
CJV Fleming (resigned 30 August 2007)	-	-	-	-	29
Y Omar (resigned 9 November 2007)	-	-	-	-	43

EXECUTIVE

NFJ Haasbroek	6	4	2	48	84
L Norval	4	4	-	39	70
PA Theodosiou	2	2	-	-	-
GR Jones	2	2	-	-	-
Mrs SJ Wentzel	4	4	-	39	70
TOTAL				511	620

* Chairman of the Board of Directors

+ Chairman of the Audit Committee and Remuneration Committee

SOMERSET MALL
RETAIL



AUDIT COMMITTEE

The audit committee members are depicted above and are all financially literate. Formal terms of reference have been established and during the year it conducted its affairs in compliance with its constitution. The mandate of the committee provides the Board with assurance regarding reliability of information used by the directors in their assessment of the Fund's financial position and risk management.

The audit committee also set out its responsibilities with respect to the appointment of the Fund's auditors, the financial statements and the evaluation of the effectiveness of systems of internal control and corporate governance. The external auditors, who also attend the audit committee meetings, are responsible for reporting on whether the financial statements are fairly presented on conformity with International Financial Reporting Standards ("IFRS").

The committee meets at least once every six months, prior to the finalisation of results for each reporting period.

INVESTMENT COMMITTEE

The management company has established an investment committee to recommend and advise the Board on acquisitions, sales and new development proposals. The committee meets as often as is required.

REMUNERATION COMMITTEE

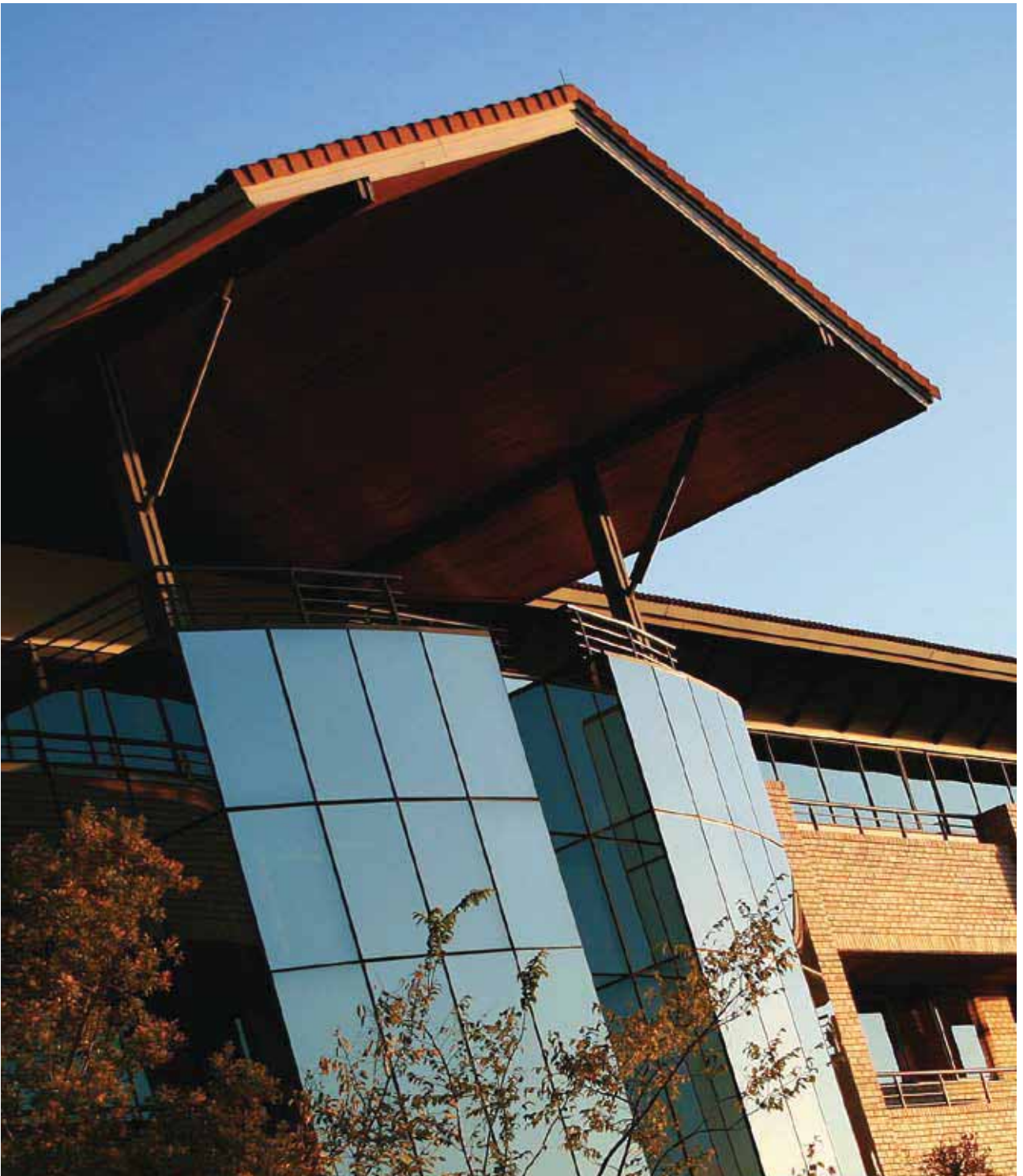
The remuneration committee, when required, consists of the Chairman, the Chief Executive Officer and one independent director, and is responsible for determining the remuneration of the directors of the management company.

INTERNAL CONTROLS

Acucap Properties Limited, and its predecessor Parkdev (Pty) Ltd, and the two companies appointed to administer and manage the property portfolio, are responsible for the maintenance of adequate accounting records, internal control systems and for safeguarding the assets of Sycom Property Fund and Sycom Property Fund Managers Limited.

COMMUNICATION

The Chief Executive Office regularly communicates with major unitholders, institutional investors and investment analysts. Financial results are published in the press and sent to unitholders. The annual report deals adequately with disclosures pertaining to financial statements, auditors responsibility, accounting records, internal control, risk management, accounting policies, adherence to accounting standards, going concern issues and adherence to codes of governance.



HARROWDENE
OFFICE



BOARD OF DIRECTORS

PAUL THEODOSIOU

was appointed to the Sycom board in late 2008 when Acucap Properties Limited acquired joint control over Sycom's management company, and is Sycom's Chief Executive. A Chartered Accountant and former partner in KPMG, Paul has been active in property investment for the past 19 years, and he is the MD of Acucap.



TIM SEWELL

was appointed a director of Sycom in 1994 and has been chairman since 1999. He is also the chairman of Hospitality Property Fund Ltd. Tim qualified as a Chartered Accountant (SA) in 1968, then joined UAL Merchant Bank Ltd that became Nedcor Investment Ltd until retiring in 1999.



LOUIS NORVAL

was a founding member and senior partner of Norval Wentzel Steinberg Quantity Surveyors. Currently the Chief Executive of Attfund Ltd and Managing Director of Parkdev Asset Managers, Louis has served on the Board of Sycom since 2006.



SUSJAN WENTZEL

was a founding member and senior partner of Norval Wentzel Steinberg Quantity Surveyors. She has served on the Board of Directors of Sycom since 2006. Susjan is a director of Parkdev Asset Managers and has 32 years experience in the property industry.



GAVIN JONES

heads the retail portfolio in Acucap, and he was appointed to the board of Sycom in late 2008. A town planner, Gavin joined the development arm of Colliers in 1996, before spending 5 years with Woolworths as senior real estate manager, and later joining Acucap to lead the company's retail asset management team.



NENO HAASBROEK

is a co-founder and director of Attfund Limited, and he is also a director of Parkdev Asset Managers. The former chief executive of Sycom, Neno has been active in the property development industry for the past 28 years.



FRANK BERKELEY

is the Managing Executive of Nedbank Corporate Property Finance. A Chartered Accountant, he also serves on the boards of Acucap Properties Limited and Attfund Limited. Frank has been a member of Sycom's board since 2003.



GERALD NELSON

has served on the Board of Directors of Sycom since 1997 and was the Managing Director for a period of 9 years. Gerald is currently the Chief Executive Officer of Hospitality Property Fund Ltd and the Managing Director of Grapnel Property Group.



PAT FLANAGAN

has been in the property industry for the past 40 years. He founded RMS Syfrets in 1979 which later became Colliers International. Some of the major developments completed by Pat include Paarl Mall, Vaal Mall, High-veld Mall and New Redruth Village. Pat has served on the Board of Directors of Sycom since 1999.

