



**INVESTA OFFICE FUND
ANNUAL RESULTS
JUNE 2017**

24 AUGUST 2017

I O F

**The first
choice in
Australian
office.**

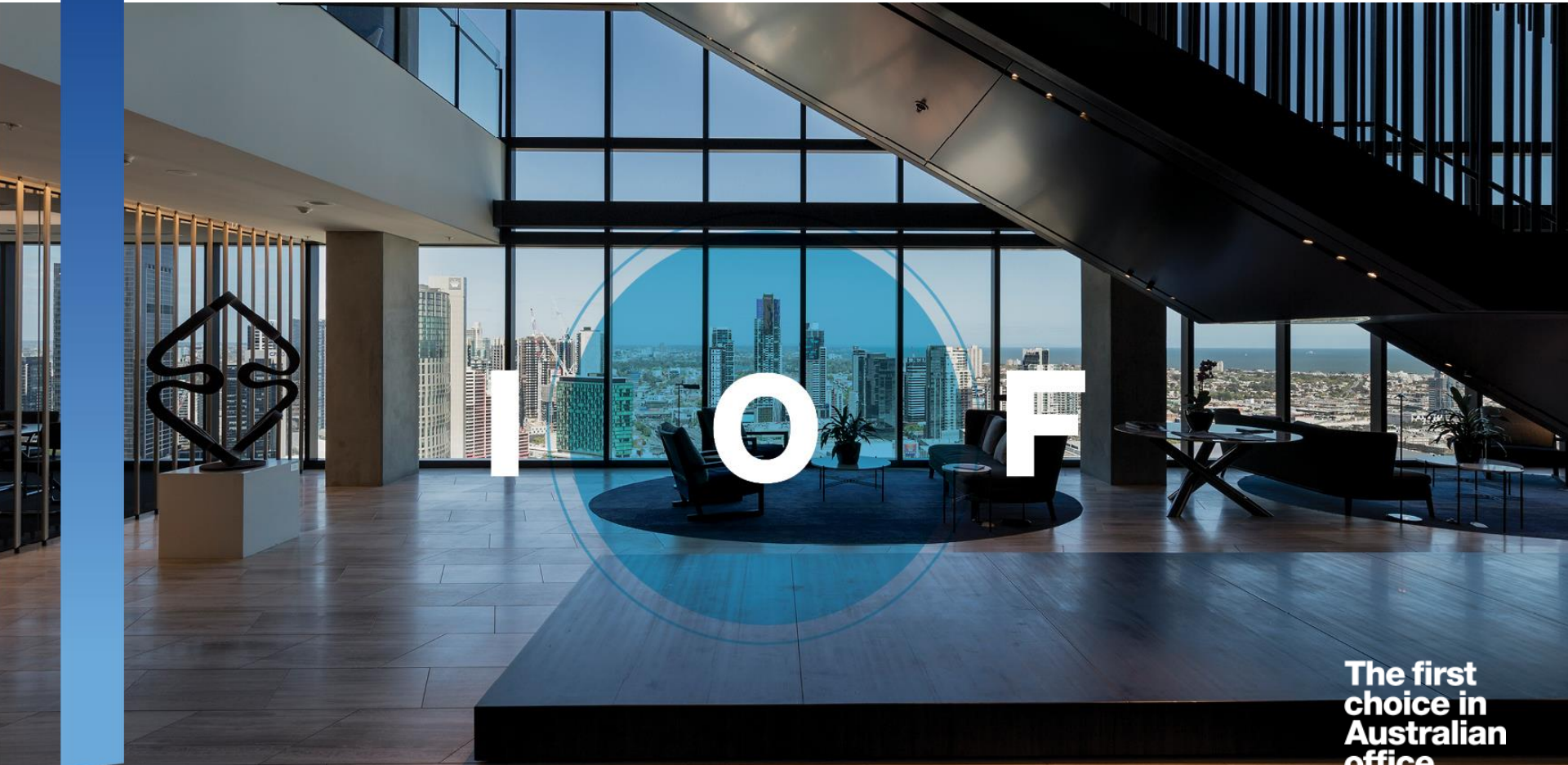
Agenda

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Deutsche Bank Place, 126 Phillip Street, Sydney

1. Fund Highlights

Penny Ransom, IOF Fund Manager



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Achievement of FY17 Key Objectives



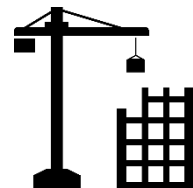
OUTPERFORMANCE

- Exceeded ASX200 A-REIT Accumulated Index by 1,337bps
- Return on Equity of 18.0%
- Strong Portfolio Total Return of 15.7%
- Distributions up 3.1%



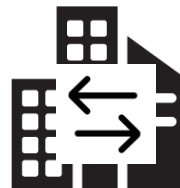
ACTIVE ASSET MANAGEMENT

- Near record leasing of 116,805sqm
- High occupancy at 97%
- Strong WALE of 5.1 years
- FY19 expiry reduced 4% to 25%
- Property valuation uplift of 10%



MANUFACTURING CORE ASSETS

- Barrack Place development ahead of expectations
- Significantly progressed the repositioning of 388 George St and 347 Kent St in Sydney



SELECTIVE TRANSACTIONS

- Disposed 800 Toorak Rd and 383 La Trobe St in Melbourne
- Reinvestment into the Fund's value add/development pipeline to drive returns



PRUDENT CAPITAL MANAGEMENT

- Low gearing at 21.4%
- Launched first AREIT A\$ green bond, extending debt duration
- Revised and implemented higher hedging strategy



RESOLVE JV OPTION

- Opportunity to acquire 50% of Investa Office Management platform triggered in August 2016 and Unitholders determined not to pursue in May 2017



Year in Review – Continued Strong Results

- FFO growth driven by the strong Sydney market and Brisbane leasing partially offset by two divestments and the redevelopment of Barrack Place, 151 Clarence Street
- Significant statutory net profit of \$472 million with strong valuation uplifts
- Low gearing of 21.4% provides capacity to fund value add/development pipeline
- NTA increased by 13.2% to \$4.79

Key Reporting Metrics

Profit and Loss	30 June 2017	30 June 2016	Change
FFO	\$182.6m	\$175.6m	4.0%
FFO per unit	29.7c	28.6c	4.0%
Distributions per unit	20.2c	19.6c	3.1%
Statutory Net Profit	\$471.6m	\$493.8m	(4.5%)
- Property Revaluations	\$360.4m	\$316.2m	14.0%
Balance Sheet	30 June 2017	30 June 2016	Change
Gearing (look-through)	21.4%	27.7%	(630bps)
NTA per unit	\$4.79	\$4.23	13.2%

Year in Review – Attractive Returns

- 18% Unitholder Return on Equity
- Strong Portfolio Unlevered Total Return of 15.7%
- Attractive compound average distribution growth of 3.5% pa
- Investa platform of 200+ people has again demonstrated ability to proactively add value

Overall Performance

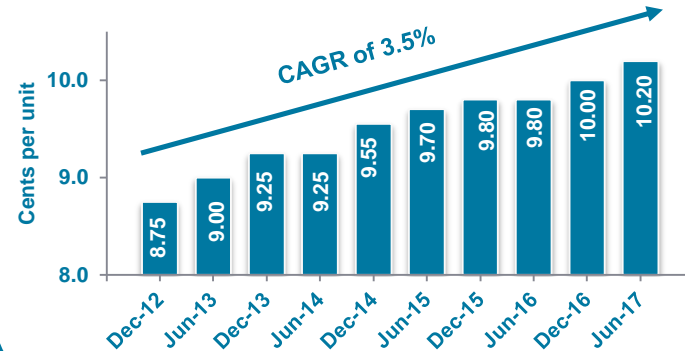
12 Month Unitholder Return on Equity

To 30 June 2017	To 30 June 2016
18.0%	22.3%

Portfolio Unlevered Total Return

To 30 June 2017	To 30 June 2016
15.7%	16.2%

Distribution Growth



High Quality Portfolio with High Weighting to Performing Markets

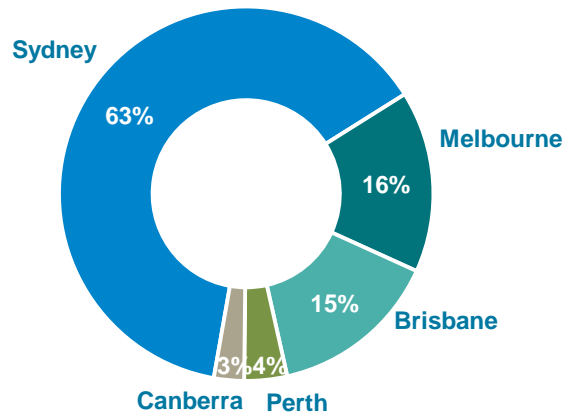
\$3.8
billion
PORTFOLIO
VALUE


432
TENANTS

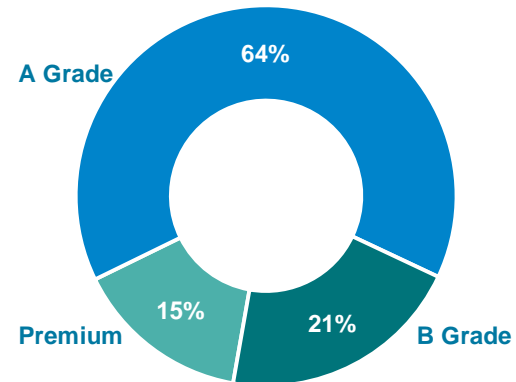
20
OFFICE
BUILDINGS


100% AUSTRALIAN
EXPOSURE

Portfolio Composition by CBD –
~80% weighting to Sydney and Melbourne¹



Portfolio Composition by grade –
~80% weighting to Prime assets



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1. Totals do not add to 100% due to rounding.

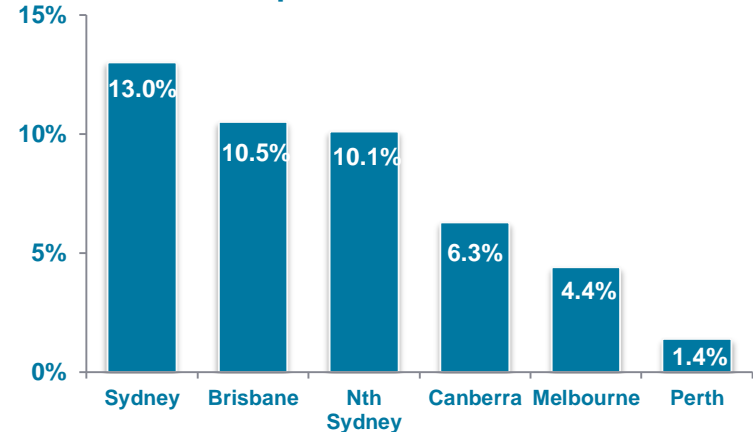
Strong Valuation Uplift

- Entire portfolio independently valued at 30 April 2017
- 10% (\$344 million) uplift over June 2016¹:
 - Continued strength in the Sydney office market
 - Solid leasing in the Brisbane portfolio
 - Value accretive leasing overall
- WACR² tightened 46bps to 5.74%
- 242 Exhibition St and 836 Wellington St significantly de-risked

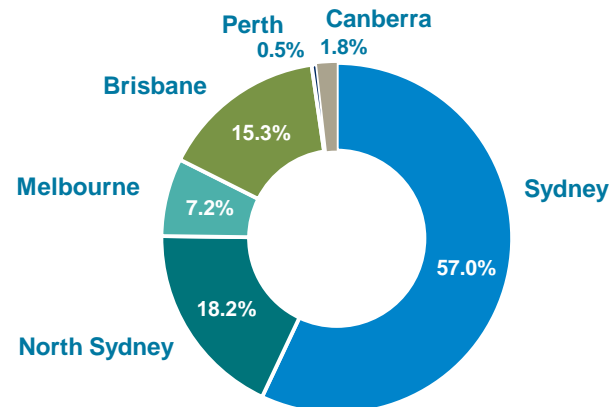
Capitalisation Rate Compression By CBD

Asset	Cap Rate
Sydney	-34bps
North Sydney	-38bps
Melbourne (includes 242 Exhibition St)	-71bps
Brisbane	-70bps
Perth (includes 836 Wellington St)	-66bps
Canberra	-15bps
Total WACR²	-46bps
242 Exhibition St, Melbourne (Telstra)	-125bps
836 Wellington St, Perth (Commonwealth Govt)	-100bps

% Uplift over June 2016¹



Proportion of Total Uplift over June 2016¹



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1. 30 June 2016 Book Value.

2. Weighted Average Capitalisation Rate.

Selective Divestments to Drive Long Term Performance

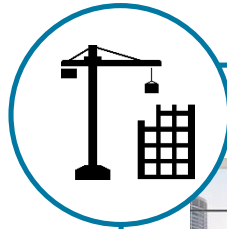
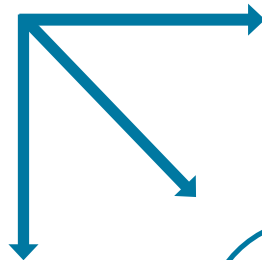
\$211 million of non-core assets divested for future capital recycling



383 La Trobe St, Melbourne



800 Toorak Rd, Melbourne



Development



Barrack Place,
151 Clarence St, Sydney



Asset Repositioning



347 Kent St,
Sydney



388 George St,
Sydney



Accretive Incentive Spend



ALLENS:
126 Phillip St,
Sydney



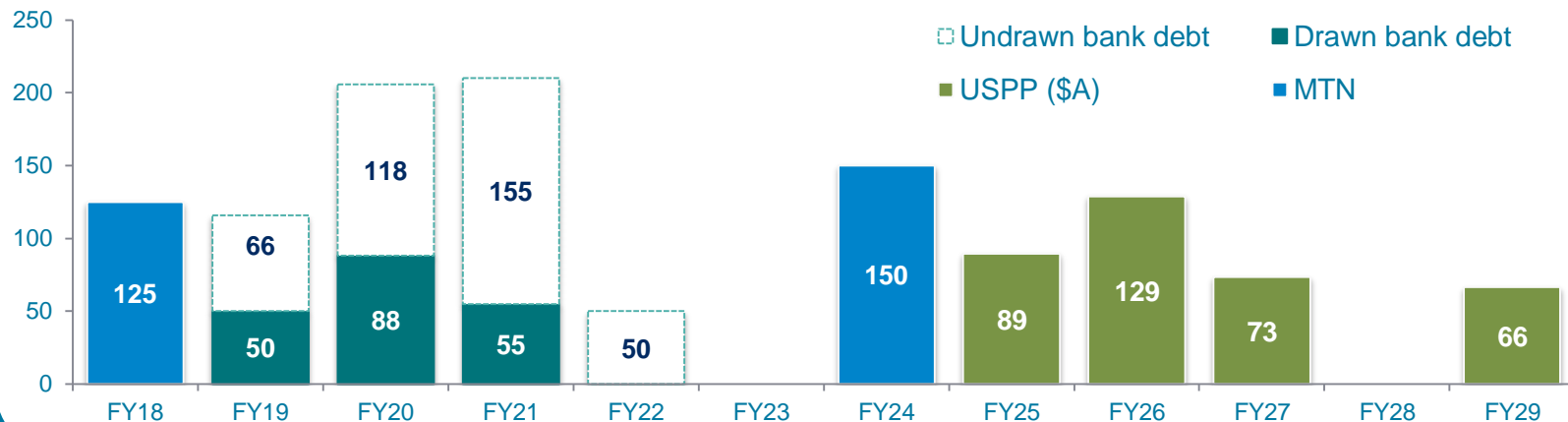
TELSTRA:
242 Exhibition St,
Melbourne

Prudent Capital Management

- Low gearing supports anticipated future capital expenditure
- Higher hedged debt levels reflecting current environment
- Further enhanced diversity of debt sources
- Announcing on-market buy-back of up to 5% of units

Key Indicators	30 June 2017	30 June 2016
Drawn debt ²	\$826m	\$1,013m
Gearing ^{1,2}	21.4%	27.7%
Weighted average debt cost	4.1%	4.2%
Weighted average debt maturity	4.7yrs	5.0yrs
Average debt hedged	50%	36%
Interest cover ratio ²	4.8x	4.3x
S&P credit rating	BBB+	BBB+

Debt Maturity Profile (\$m)



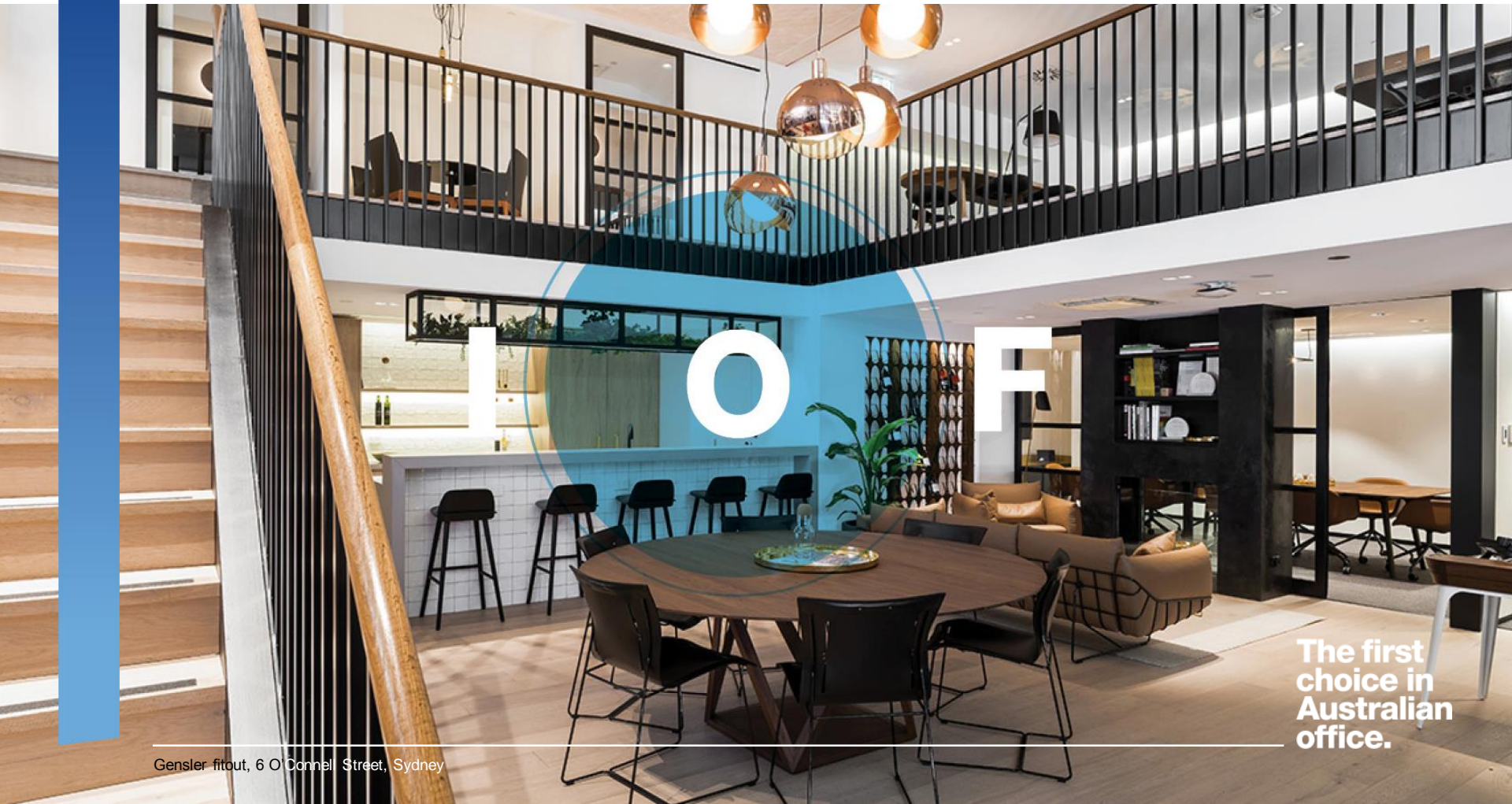
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1. Refer to Gearing (look-through) appendix for calculation methodology.
 2. Calculated on a look-through basis.

2. Property Portfolio Update

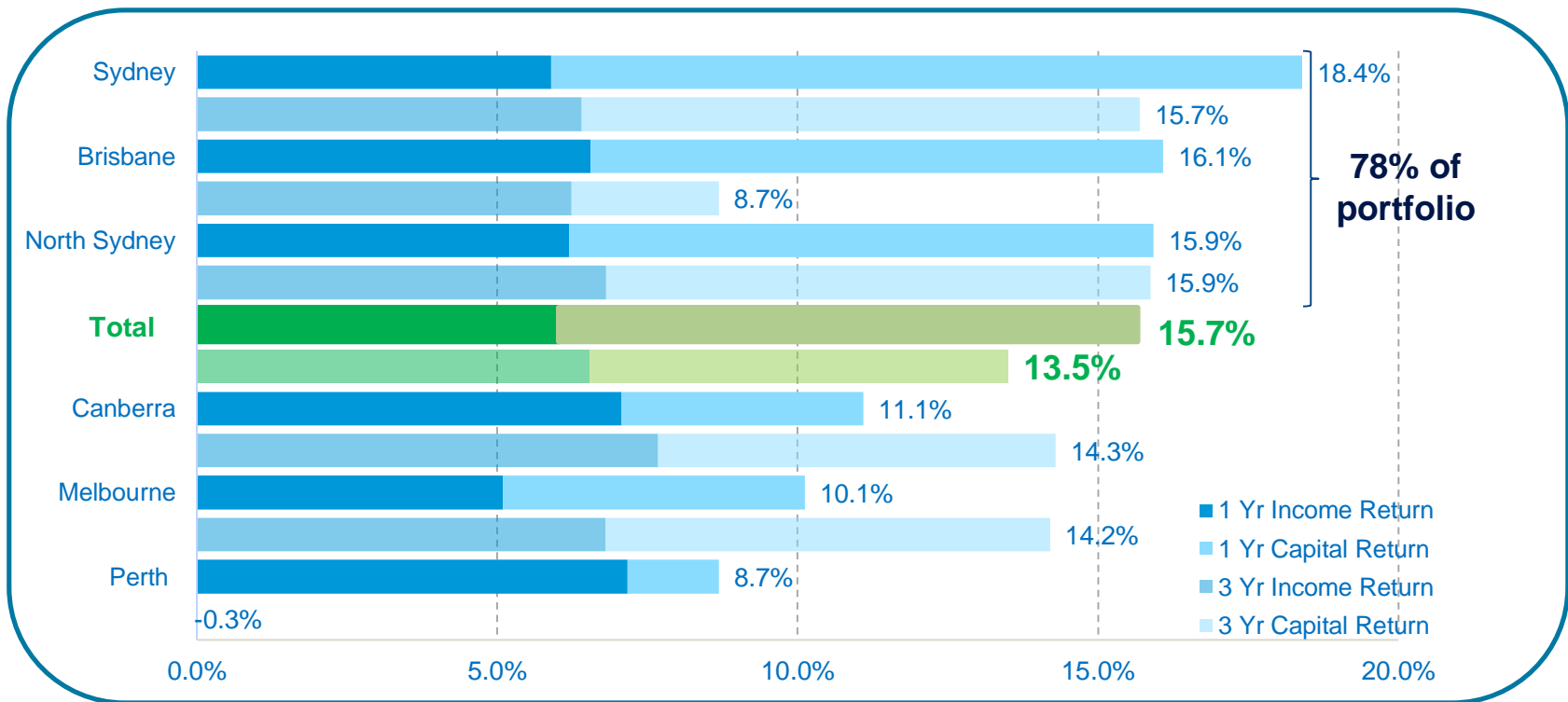
Nicole Quagliata, IOF Assistant Fund Manager



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Active Asset Management Driving Consistent Performance

- IOF portfolio consistently providing strong unlevered portfolio returns
 - 12 month total return 15.7%
 - Annualised 3 year total return 13.5%
- Returns supported by an attractive income return of 6.0%
- 12 month returns enhanced by strong weighting to Sydney market and active leasing in Brisbane



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Notes: Total returns based on movement in portfolio book value plus portfolio net income over 12 months to 30 June 2017, as a percentage of total book value. In chart above some total returns do not equal addition of income and capital returns due to rounding.

FY17 Portfolio Overview

Key Portfolio Metrics

	30 June 2017	30 June 2016
Net Property Income (NPI)	\$201.2m	\$200.1m
Effective like-for-like NPI growth ¹	4.7%	3.1%
Leased	116,805sqm	52,004sqm
Tenant retention	85%	77%
Face rent growth (deals completed)	-1.4%	1.2%
Face rent growth (deals completed excl. 242 Exhibition St & 836 Wellington St)	6.2%	n/a
Average incentive (renewal / new)	18% (17% / 25%)	30% (21% / 32%)
Occupancy (by income)	97%	96%
Weighted average lease expiry	5.1 years	4.8 years
Average passing face rent	\$661psm	\$604psm

Strong like-for-like NPI up 4.7% driven by Sydney and Brisbane



116,805sm of leasing driving increase in occupancy, tenant retention and WALE



Average incentives reduced to 18%, influenced by major renewals



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1. Like-for-like NPI growth is calculated by reference to the previous corresponding period.

Active Leasing Transforming Property Fundamentals



242 Exhibition Street

63,372sqm extension to Telstra to October 2031



126 Phillip Street

13,353sqm of leasing across 9 leases, including Allens (8,424sqm) and Property NSW (2,888sqm)



836 Wellington Street

10 year lease to Commonwealth Government over 11,973sqm



567 Collins Street

5,063sqm of leasing across 4 leases bringing occupancy to 91%



6 O'Connell Street

17 leases signed over 4,647sqm with average face rents 26% higher than passing



140 Creek Street

99% leased with further 3,526sqm lease signed to Qld Government

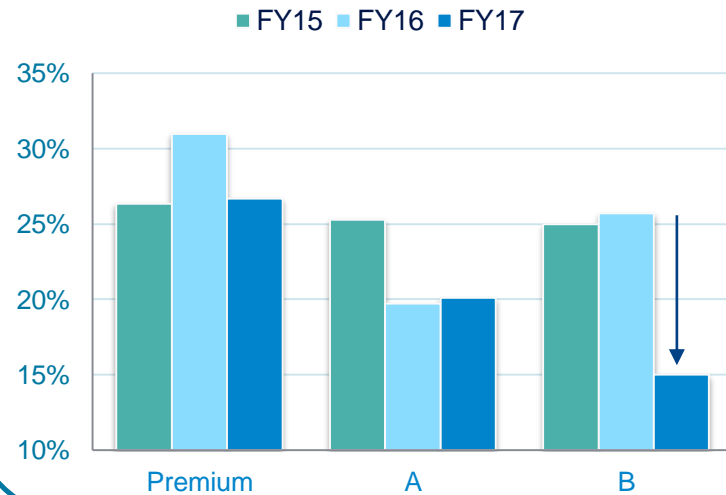
Sydney Market Continues to Perform

- IOF vacancy across all grades is significantly lower than market
- 11% face rental growth across new deals and renewals
- 12% increase in effective rents compared to last independent valuations
- Disparity between grades is reflected in incentives offered:
 - B grade materially reduced as the market continues to benefit from withdrawals
 - Premium incentives improving

Sydney Vacancy – IOF Vs Market¹



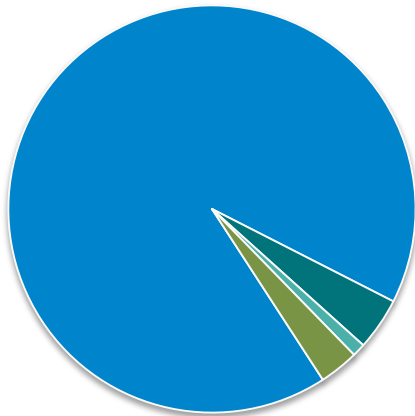
IOF Average Sydney Incentives by Grade



Small Tenants Driving Activity

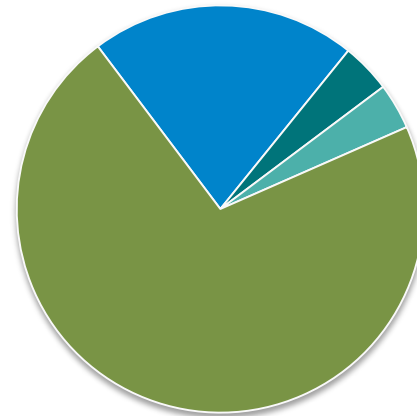
- IOF's portfolio positioned to take advantage of the small tenant market
- 92% of IOF's office leases (by number) to tenants under 1,000sqm
- Large deals provide the majority of portfolio income, reinforcing importance of long term relationships
- 6 O'Connell Street, Piccadilly Complex and 20 Bond Street provide multi-tenant exposure and have each achieved a 3 year annualised total return of circa 20%

IOF FY17 leasing by number of deals



■ Less than 1,000sqm ■ 1,000 - 2,500sqm
■ 2,500 - 5,000sqm ■ Over 5,000sqm

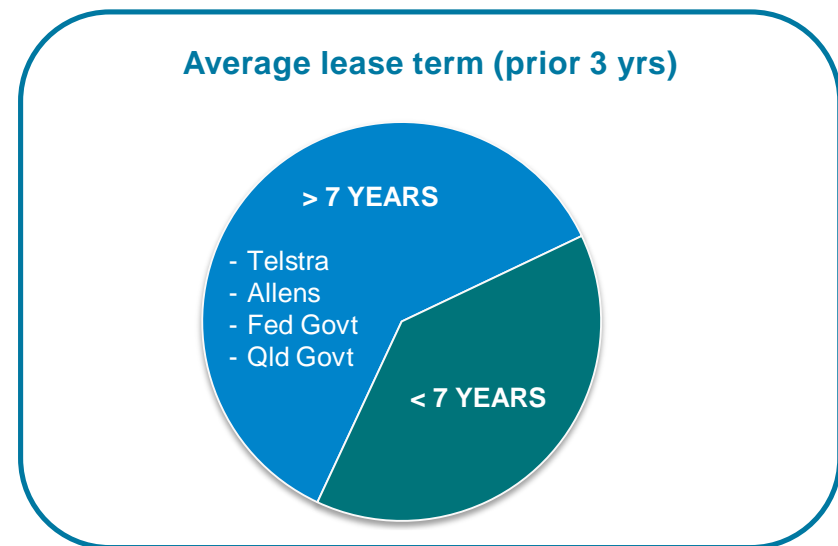
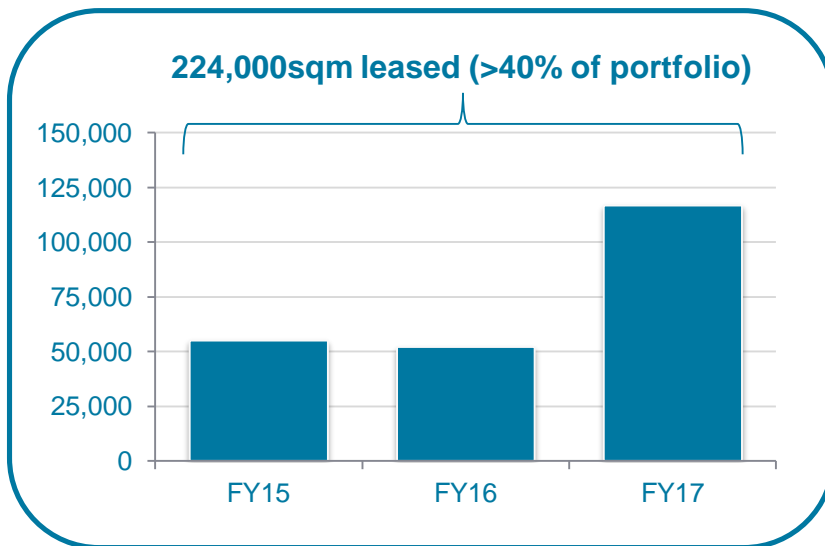
IOF FY17 leasing by income



■ Less than 1,000sqm ■ 1,000 - 2,500sqm
■ 2,500 - 5,000sqm ■ Over 5,000sqm

Recent Leasing has Repositioned the Portfolio

- IOF has undergone a significant period of transformation over the last 3 years
 - More than 40% of the portfolio (224,000sqm) has been leased
 - ~60% of this income has been secured with lease terms of 7 years or more
 - Occupancy increased from 93% to 97% from FY14 to FY17
- Two thirds of incentives taken as contribution to fitout or rent free
- All major deal allowances reflected in current valuations
- Forecast total incentives for FY18 (\$60-\$70m)¹

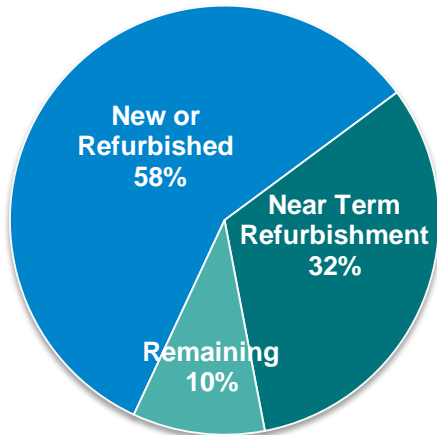


1. Subject to leasing outcomes and timing of incentives.

Material Investment Transforming IOF's Portfolio

- 58% of portfolio is new or has undergone significant upgrade in the last 5 years
- Works underway to actively reposition a further 32% of the portfolio
- Repositioning works will enhance the quality of the Fund and drive total returns
- Forecast maintenance capital expenditure for FY18 ~\$20-\$25 million
- Maximum forecast development exposure of ~15% of portfolio value going forward

Portfolio Transformation Status



Future Capital Requirements¹ (IOF Share)

242 Exhibition St, Melbourne	~\$35m
151 Clarence Street, Sydney	~\$96m
388 George Street, Sydney	~\$45m
347 Kent Street, Sydney ²	~\$50m
3 year requirement	~\$225m

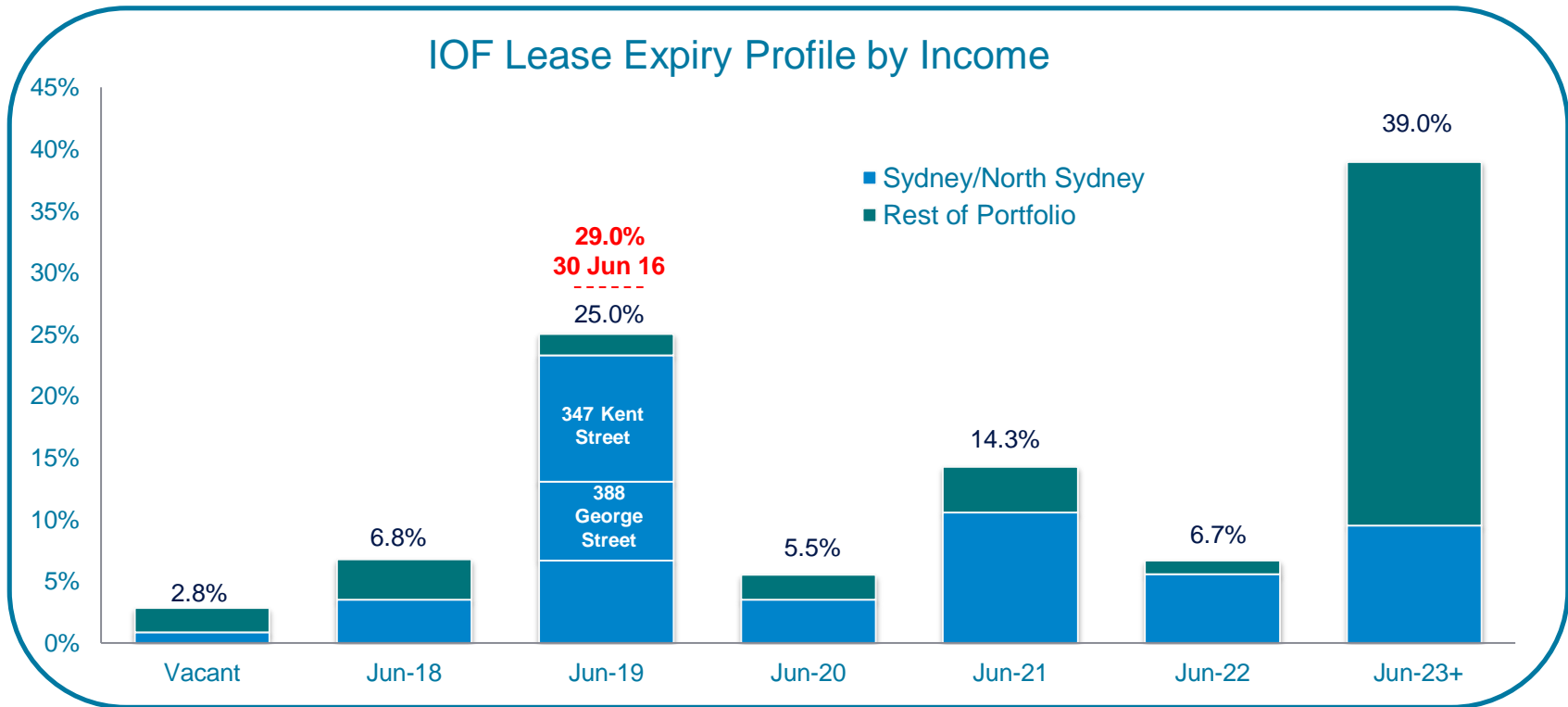
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1. Remaining future capital requirements inclusive of value add and maintenance capital expenditure, but not including incentives.
2. Subject to ANZ tenancy.

Leverage to the Sydney Market

- Over 80% of expiries in the next three years are in anticipated strong Sydney/North Sydney markets
- FY19 expiry actively reduced by 4%
- Asset re-positioning at 347 Kent Street and 388 George Street provide value add opportunities



3. Development Update

Mark Tait, Head of Commercial Development



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Barrack Place, 151 Clarence Street, Sydney

Opportunity

New office development

- ~22,000 sqm A grade building
- Strong Sydney market fundamentals
- Attractive yield on cost of over 7.5%
- Versatile floor plate (1,200 sqm)
- Dynamic retail offering (1,444 sqm) providing improved amenity

Cost

- \$130 million total development cost (excluding incentives)
- \$96 million (remaining spend, excluding incentives)

Timing

- Completion anticipated Q3 2018



BARRACK PL

Barrack Place, 151 Clarence Street, Sydney

FY17 Achievements

- Demolition completed, construction on track
- ARUP extended pre-commitment by 1,591sqm = 35% in total
- First building in Australia to receive WELL Core and Shell Gold Precertification
- Office and retail marketing campaigns well underway



Pre demolition



Demolition commences
March 2016



Demolition completes
May 2017



Construction underway
August 2017

Barrack Place, 151 Clarence Street, Sydney

FY18 Focus

- Lease uncommitted office space
- Optimise retail tenancy mix and leasing
- Deliver to project schedule
- Commence ARUP integrated fitout



Barrack Place Retail Precinct

347 Kent Street, Sydney

Opportunity

Building enhancement

- Major repositioning in a dynamic inner city location
- Relocation and upgrade of ground floor lobby
- Activation of underutilised space to create additional income
- Upgrade of common and tenancy areas
- New end of trip facilities
- Full mechanical upgrade

Cost

- \$35 million to \$50 million (subject to ANZ)

Timing

- 9 to 12 months for major works



347 Kent Street, Sydney

FY17 Achievements

- Design significantly progressed
- DAs submitted and approved for proposed refurbishment
- Marketing campaign well underway



New double height office entrance foyer

347 Kent Street, Sydney

FY18 Focus

- Resolve ANZ tenancy
- Finalise documentation and tender of works
- Commence lift refurbishment
- Lease available space



New outdoor terrace accessed from level 1



New commercial offering

388 George Street, Sydney

Opportunity

Office refurbishment and retail redevelopment

- Transformation of a landmark office tower
- Activation of five atriums creating vertical villages
- Upgrade of common and tenancy areas
- New end of trip facilities
- Full mechanical upgrade
- Retail redevelopment potential on a prominent central CBD retail corner

Cost

- Office: \$85 million to \$95 million (100% share and excluding incentives)
- Retail: subject to design outcome

Timing

- 15 to 18 months for major works



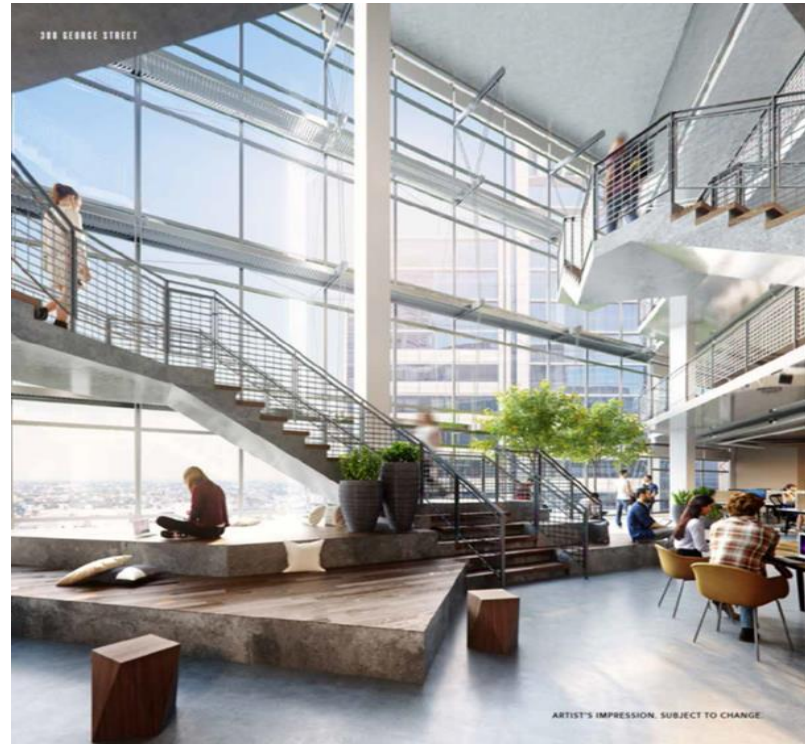
388 George Street, Sydney

FY17 Achievements

- Development approval granted for office tower upgrade
- Detailed design significantly progressed
- Marketing campaign well underway



Refurbished office foyer and mezzanine



Activated villages within five bespoke atriums

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388 George Street, Sydney

FY18 Focus

- Forward leasing
- Finalise design and tender of office tower upgrades
- Progress options for retail



Cut away of unique vertical village offering in the centre of Sydney

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Value Add / Development Pipeline

- Works and planning significantly progressed
- Value add opportunities captured driving enhanced returns for Unitholders
- In-house delivery expertise with Investa



Barrack Place, 151 Clarence Street, Sydney status photo August 2017

4. ESG and Market Update

Penny Ransom, IOF Fund Manager



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G R E S B
★ ★ ★ ★ ★ 2016

1st

Public Disclosure Score
Office / Australia
out of 6

3rd

Australia / Office
out of 18

13th

Global
out of 733

Climate Bonds INITIATIVE

First \$A Property Certified Green Bond Issuance

- Amount: A\$150 million
- Term: 7 years
- Coupon: 4.262% pa fixed

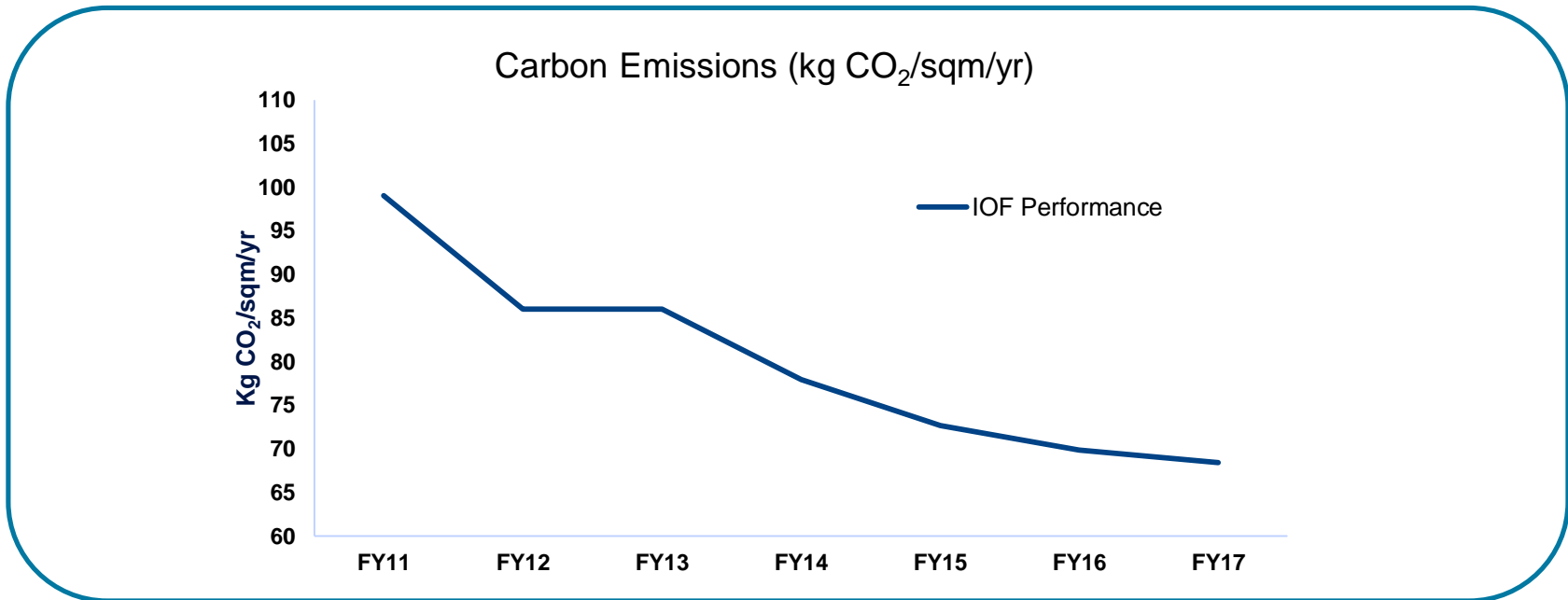
How does it work?

- IOF's Green Bond proceeds allocated against a portfolio of IOF Low Carbon Buildings
- Low Carbon Buildings are within the top 15% of CO₂ emissions intensity performance in their city
- Independently verified by EY

Leadership In Responsible Investment

Progress on Science Based Target

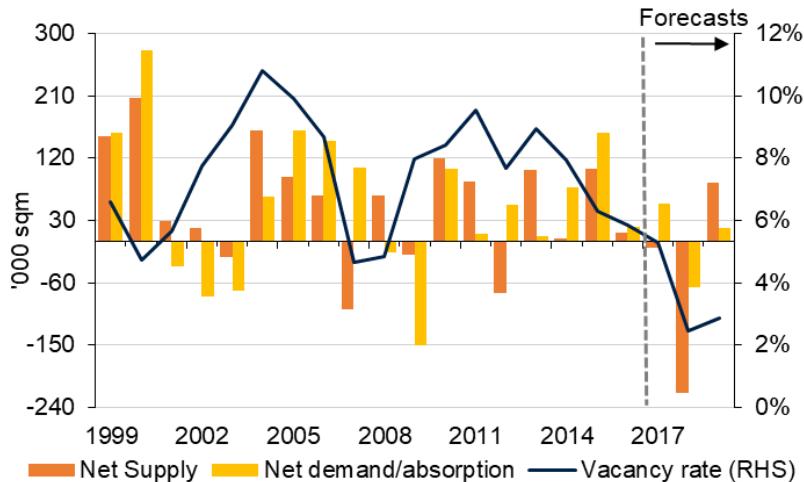
- 2.1% reduction of carbon emissions intensity when compared to FY16
- 2.6%¹ reduction of electricity consumption, creating savings in excess of \$230,000
- Portfolio NABERS energy rating: 4.64 Stars; water rating: 4.02 Stars



Sydney CBD Outlook – Strong Market Fundamentals Continue

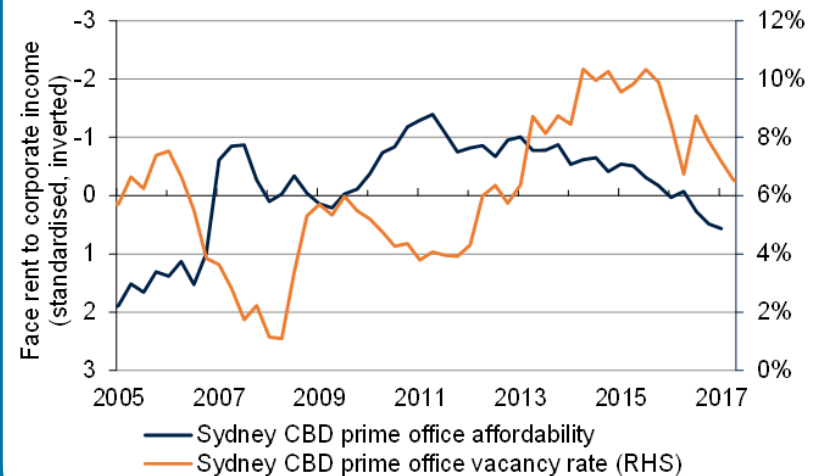
Sydney CBD Leasing Market Outlook

- NSW economic outperformance to support net absorption
- Sydney infrastructure boost to both increase government absorption and create unprecedented withdrawal of office supply
- Significant tightening in Sydney CBD leasing market to drive face rental growth in 2018



Sydney CBD Rental Affordability

- Sydney prime office affordability has deteriorated with prime space leasing at a historical premium
- Sydney prime office rents have increased 9.7% in the past year compared to white collar corporate income growth of 5.3%
- Tight leasing market outlook to maintain strong Sydney CBD prime office rental growth



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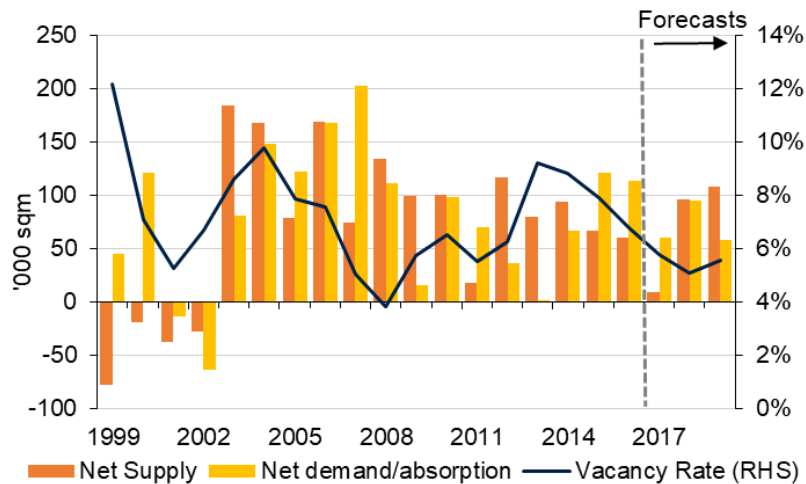


Source: ABS, JLL, PCA and Investa Research (forecasts).

Melbourne CBD Outlook – Cautious Outlook Towards 2020

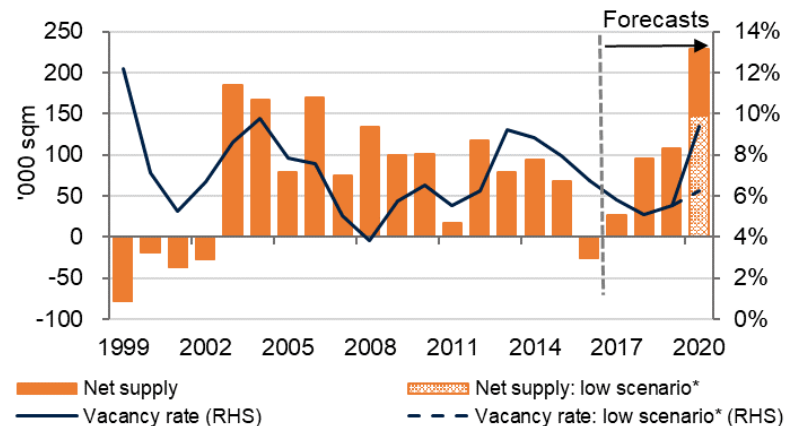
Melbourne CBD Leasing Market Outlook

- Strong net absorption and white collar employment growth supporting tighter leasing market conditions
- Solid office development to boost office supply from 2018
- Rent growth to soften in response to new supply in 2018



Melbourne Supply Outlook

- 2020 looms as potentially the strongest office supply surge since the 1990's
- Potential for a number of additional projects to add circa 100,000 sqm to supply in 2020
- New office surge unlikely to maintain tight leasing market conditions. Melbourne CBD vacancy to ease in 2020

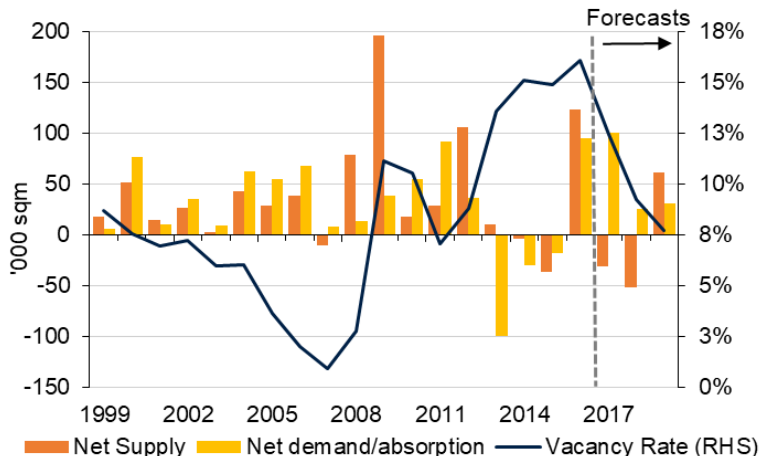


* Minimum new uncommitted office development

Brisbane CBD Outlook – Leasing Market Outlook Improving

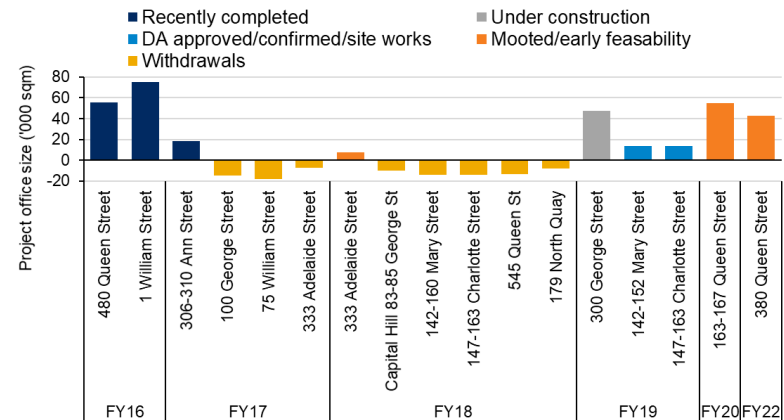
Brisbane CBD Leasing Market Outlook

- Government and AUD-exposed sectors driving absorption of Brisbane CBD office space and declining vacancy
- Brisbane net absorption has been positive for the past two years and is increasing at a greater rate than Sydney
- Weak development combined with strong absorption supporting cyclical improvement in prime office leasing conditions



Brisbane Development Outlook

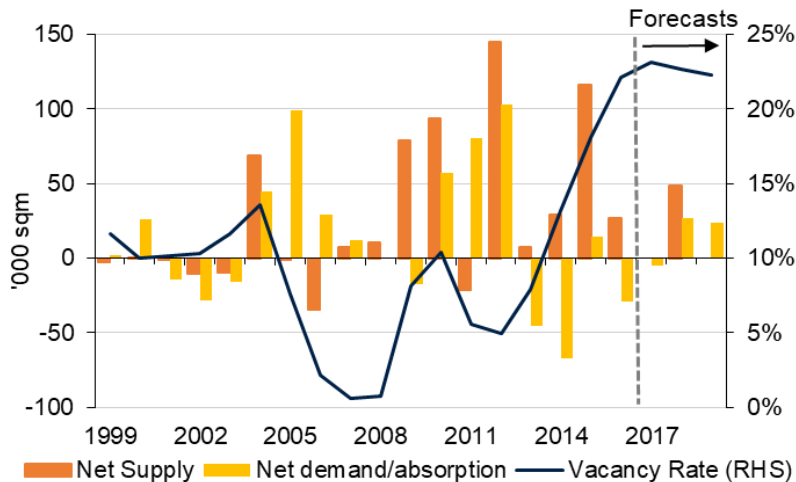
- Brisbane leasing market to improve on soft development outlook
- Withdrawals to tighten availability of office space, particularly in lower grades
- Next development cycle to add to Brisbane office market from 2019 and forecast to be more moderate than previous cycles



Perth CBD Outlook – Positive Signs, Prime Market Leading

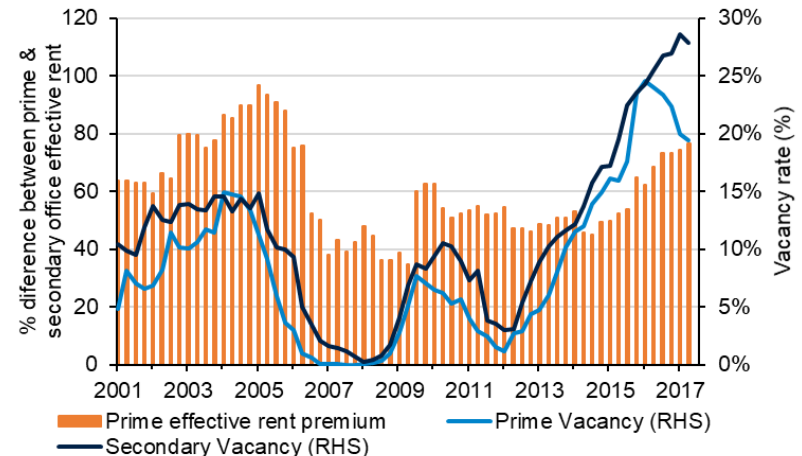
Perth CBD Leasing Market Outlook

- Perth CBD office market at early stages of a moderate cyclical recovery
- Improving business confidence and conditions to support employment growth and net absorption in 2017-18
- Development pipeline points to soft outlook for new office supply which is positive for vacancy rate



Perth CBD Office Grade Differential

- Prime office market is leading cyclical recovery in Perth CBD
- Positive absorption of office space driven by the prime market, while the secondary market continues to ease
- Differential between prime and secondary office market vacancy rates are at a multi-decade high, driving the spread between prime and secondary rents



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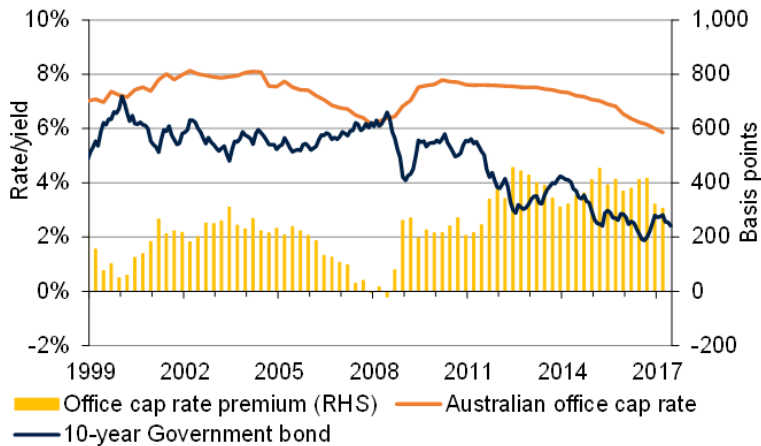


Source: PCA, JLL and Investa Research (forecasts).

Capital Markets – Solid Leasing to Support Capital Gains

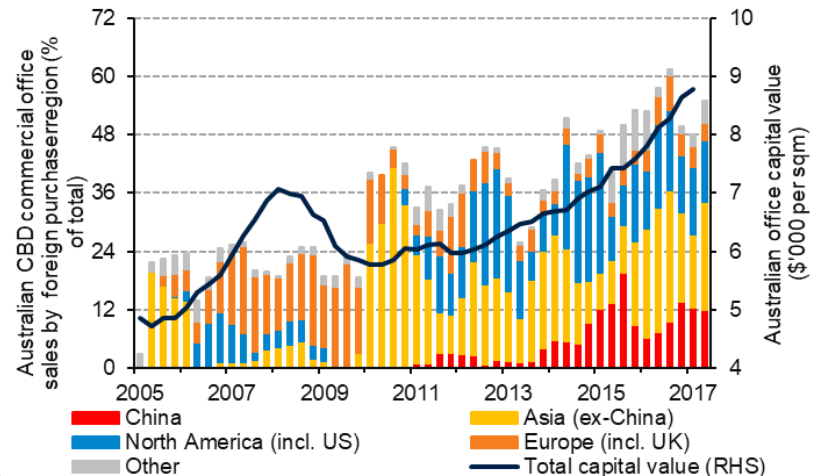
Historical Cap Rates

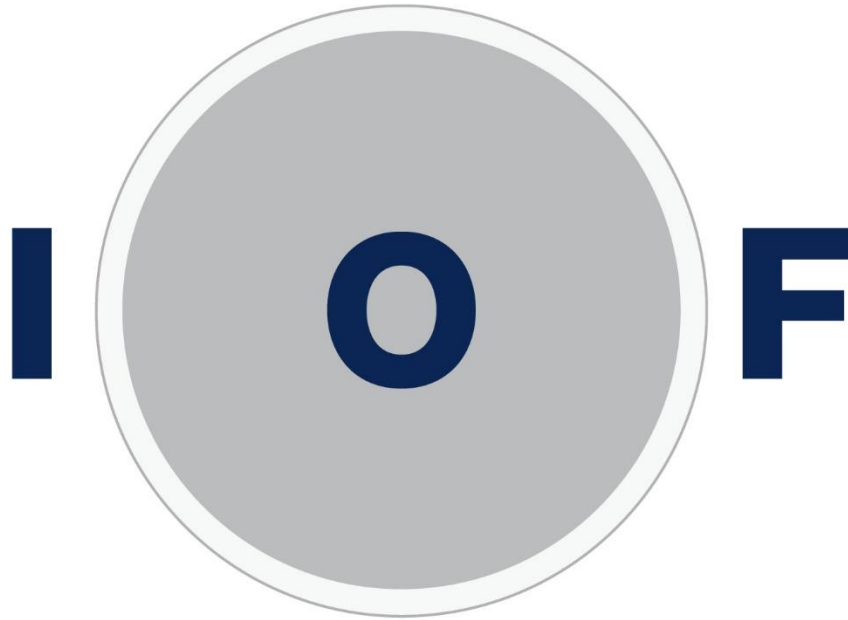
- Australian office market cap rate premium remains above long-run average
- Australian 10-year Government bond rates have ~200bps to return to 'normal' levels
- Office cap rates likely to ease from current historical lows, however 'new normal' likely to trade below historical benchmarks



Capital Values & Foreign Investment

- Foreign capital inflow has supported strong capital gains in Australian CBD office markets over the past five years
- Softer capital inflow in late 2016 and early 2017 has tempered capital growth expectations
- Global financial market liquidity remains a key dependency for Australian office market returns





FY18 Key Objectives



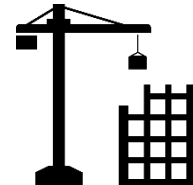
OUTPERFORMANCE

- Optimise Unitholder returns
- Sustained distribution
- Consistent performance



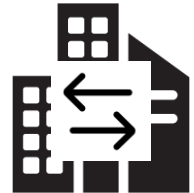
ACTIVE ASSET MANAGEMENT

- Driving net operating income
- Forward leasing focus
- Proactive capital investment in existing assets to sustain and enhance returns
- Progress towards net zero carbon



MANUFACTURING CORE ASSETS

- Deliver Barrack Place development
- 388 George Street redevelopment
- 347 Kent Street refurbishment
- Progress options at 105 Miller Street



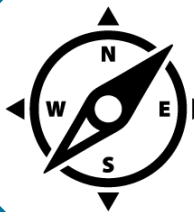
SELECTIVE TRANSACTIONS

- Selective approach to acquisitions and capital recycling to drive Unitholder returns



PRUDENT CAPITAL MANAGEMENT

- Active debt capital management
- Focused risk management
- Strong equity capital management



FY18 GUIDANCE

- Like-for-like NPI growth of ~2.0%
- FFO 30.0 cents per unit¹ (1.0% growth on FY17)
- Distribution 20.3 cents per unit¹ (0.5% growth on FY17)



1. Subject to prevailing market conditions and assumes no further acquisitions or disposals and no on-market buyback of IOF units.

5. Questions and Answers



Image of retail area, Barrack Place, 151 Clarence, Sydney

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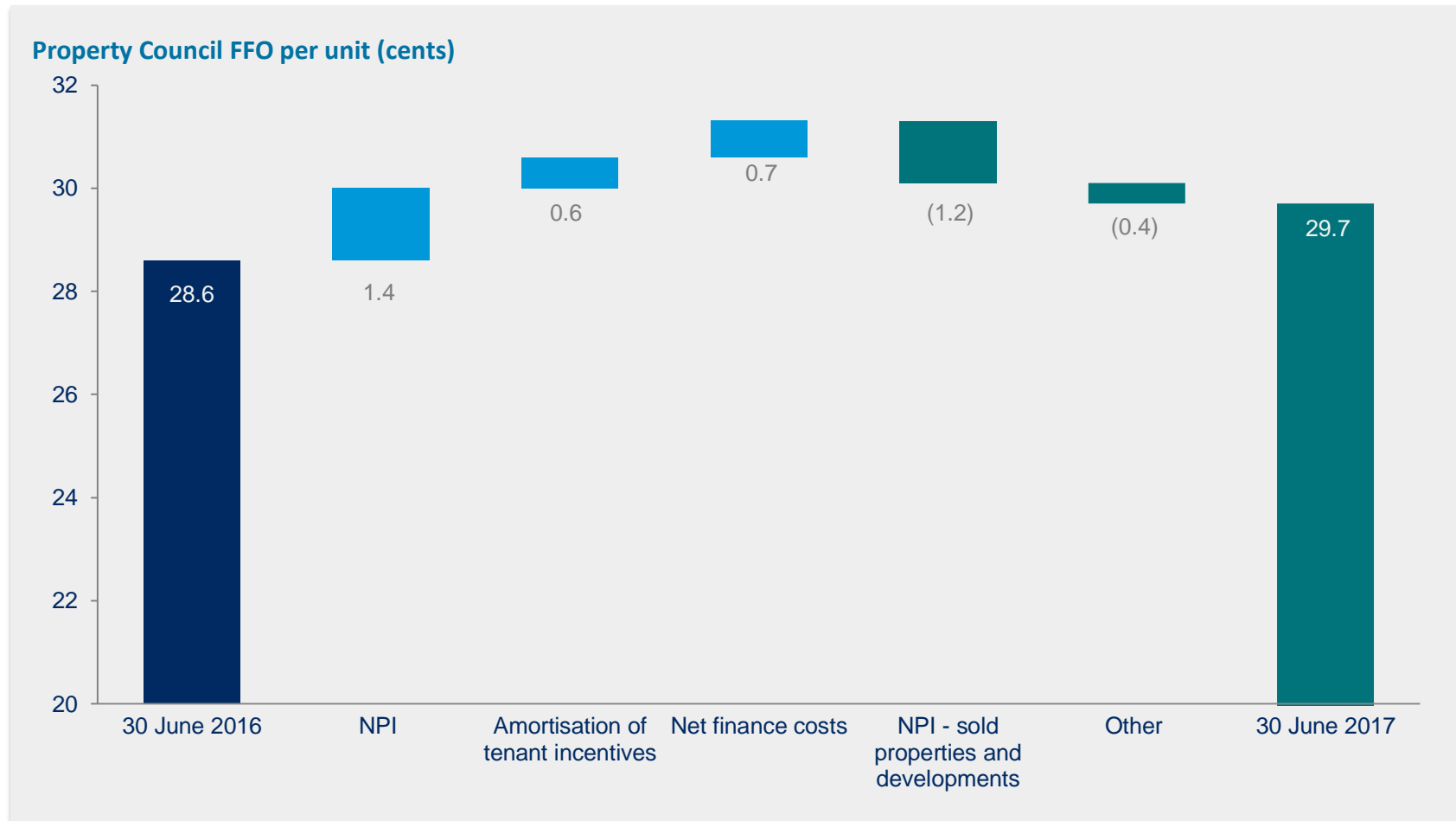
Reconciliation of Statutory Profit to Property Council FFO

Property Council FFO is calculated as follows:	30 June 2017 (\$m)	Cents per unit	30 June 2016 (\$m)	Cents per unit
Statutory profit attributable to unitholders	471.6	76.8	493.8	80.4
Adjusted for:				
Net (gain)/loss on change in fair value in:				
Investments	(360.4)	(58.7)	(316.2)	(51.5)
Derivatives	47.5	7.7	(56.5)	(9.2)
Net foreign exchange (gain)/loss	(15.1)	(2.5)	14.4	2.3
Amortisation of incentives	36.0	5.9	32.3	5.3
Straight lining of lease revenue	3.8	0.6	3.6	0.6
Other	(0.8)	(0.1)	4.2	0.7
Property Council FFO	182.6	29.7	175.6	28.6

Property Council FFO and AFFO (Look-Through)

	30 June 2017 (\$m)	30 June 2016 (\$m)
Net property income	201.2	200.1
Interest income	0.4	0.7
Finance costs	(38.2)	(43.1)
Responsible Entity's fees	(13.5)	(12.3)
Net foreign exchange loss	(0.2)	0.1
Other expenses	(3.1)	(2.2)
Operating earnings	146.6	143.3
Amortisation of tenant incentives	36.0	32.3
Property Council FFO	182.6	175.6
Maintenance Capex	(10.5)	(6.7)
Incentives paid during the period	(37.1)	(31.7)
AFFO	135.0	137.2
Property Council FFO per unit	29.7c	28.6c
AFFO per unit	22.0c	22.3c
Distributions per unit	20.2c	19.6c

Property Council FFO Waterfall



Reconciliation of Cash Flow to FFO

	30 June 2017 (\$m)	30 June 2016 (\$m)
Cash flow from operating activities	152.7	145.2
Add: Adjustments for equity account distributions ¹	18.3	14.5
Add: Rent free income	14.4	16.0
Add: Capitalised interest	0.8	0.1
Less: Amortisations (includes leasing fee and borrowing costs)	(4.6)	(3.4)
Other working capital movements	1.0	3.2
FFO	182.6	175.6

Balance Sheet

	30 June 2017 (\$m)	30 Jun 2016 (\$m)
Property investments	2,973.2	2,752.9
Equity accounted investments	848.6	801.8
Assets classified as held for sale	-	70.5
Derivatives	89.1	143.5
Receivables	8.1	12.6
Cash	4.0	2.1
Total assets	3,923.0	3,783.4
Borrowings ¹	887.2	1,089.2
Distribution payable	62.6	60.2
Payables	24.2	25.7
Derivatives	5.1	12.0
Total liabilities	979.1	1,187.1
Net assets	2,943.9	2,596.3
Units on issue (thousands)	614,047	614,047
NTA per unit (\$)	4.79	4.23

Change in Net Tangible Assets

	(\$m)	Per unit (\$)
Opening Net Tangible Assets (30 June 2016)	2,596.3	4.23
Property revaluations	360.4	0.59
Retained earnings ¹	58.6	0.10
Amortisation of tenant incentives	(36.0)	(0.06)
Fair value movements ²	(32.3)	(0.06)
Other	(3.1)	(0.01)
Closing net tangible assets (30 June 2017)	2,943.9	4.79

Gearing (Look-Through)

	30 June 2017 (\$m)
Gearing – Statutory	22.6%
Total assets (headline)	3,923.0
Less: equity accounted investments (242 Exhibition Street, 126 Phillip Street, 567 Collins Street)	(848.6)
Add: share of total assets – equity accounted investments (242 Exhibition Street, 126 Phillip St, 567 Collins Street)	854.2
Less: Cross currency swap assets	(84.1)
Look-through Assets	3,844.5
Total debt (headline)	887.2
Less: USPPs debt translated at 30 June 2017 USD/AUD foreign exchange rate	(422.5)
Add: USPPs based on foreign exchange hedge rate	358.0
Look-through Debt¹	822.7
Look-through Gearing	21.4%

Debt Facilities

Facility Type	Base Currency	Facility Limit (A\$m)	Drawn (A\$m)	Undrawn (A\$m)	Maturity Date
Corporate Facility:					
Bank Debt	AUD	66.0	-	66.0	Jul-18
Bank Debt	AUD	50.0	50.0	-	Jun-19
Bank Debt	AUD	140.0	60.0	80.0	Jul-19
Bank Debt	AUD	66.0	28.0	38.0	Aug-19
Bank Debt	AUD	210.0	55.0	155.0	Jul-20
Bank Debt	AUD	50.0	-	50.0	Jul-21
Medium Term Notes:					
MTN	AUD	125.0	125.0	-	Nov-17
MTN (Green bond)	AUD	150.0	150.0	-	Apr-24
US Private Placements¹:					
USPP	USD	89.3	89.3	-	Apr-25
USPP	USD	128.9	128.9	-	Aug-25
USPP	USD	73.3	73.3	-	Apr-27
USPP	USD	66.4	66.4	-	Apr-29
Total/Weighted average		1,214.9	825.9	389.0	4.7 years

- A \$350m bank debt facility expiring in 2017 was refinanced with new debt facilities of \$350 million with expiries between 2019 and 2021
- Issued \$150m 7 year Green Bond
- Debt capacity to repay the \$125m MTN expiring in FY18 with existing undrawn bank debt

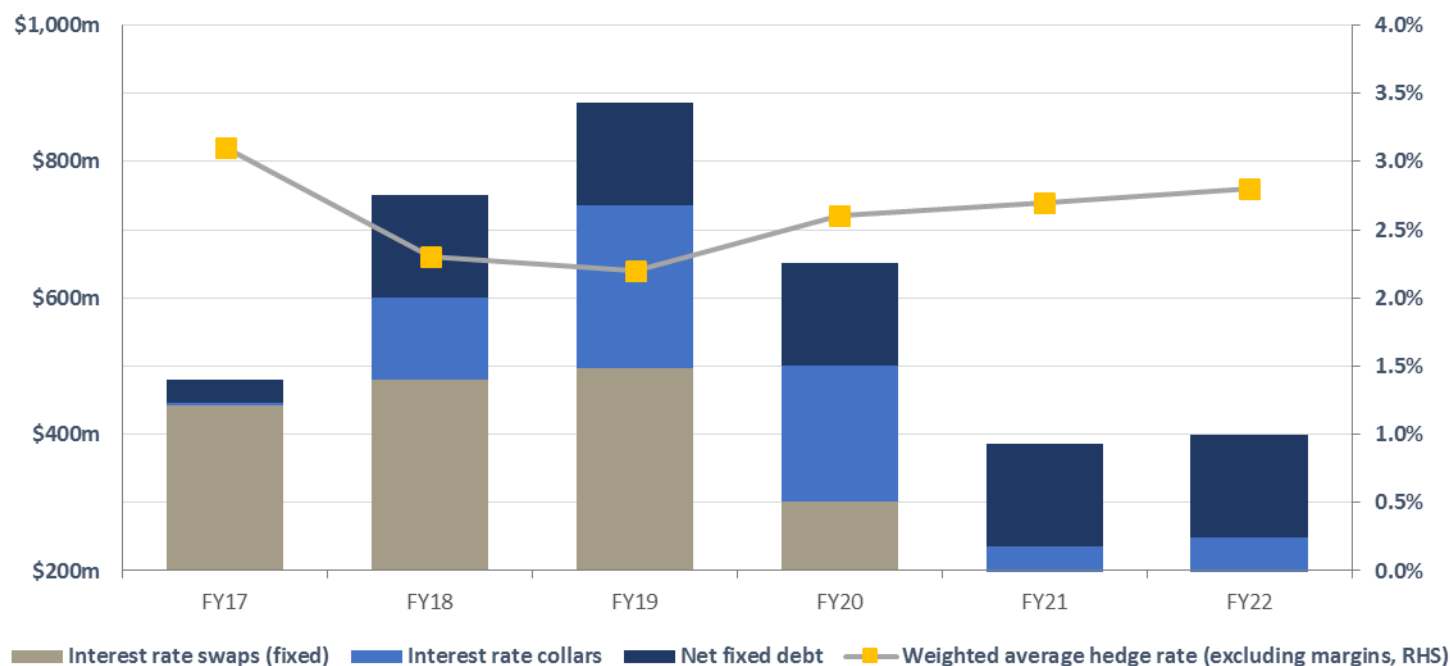
Updated Hedging Strategy

- Fund's hedging policy was reviewed by the IOF Board in FY17
- Resulted in an increase in the annual hedge ratio limits (shown below), reflecting the current environment

Years	Revised hedge ratio range limit (%)	Previous hedge ratio range limit (%)
1-3	50-80%	30-80%
4-5	20-60%	0-75%
>5	0-60%	0-75%

- Hedging increased as a result with \$1 billion of new instruments put in place in FY17
- Also \$150 million, 7 year, Green Bond issued April 2017 with a fixed rate

Hedge Maturity Profile^{1,2} and Debt Covenants



Debt Covenants

	Actual	Covenant
Covenant calculation		
Covenant Gearing	25.1%	50.0%
Actual interest cover	4.9x	2.5x

1. IOF was 90.8% hedged (including fixed debt) as at 30 June 2017. Refer to 30 June 2017 annual financial report, section D5 for further details.
2. Weighted average rate of interest rate swaps, interest rate collars and fixed debt excluding margin included at the forecast floating rate for the applicable period unless lower or higher than the floor or cap rate is adopted respectively.

Portfolio Book Values

Property	Location	Book Value (\$m)	% Net change in Fair Value ¹	Cap Rate (%)	Discount Rate (%)
10-20 Bond Street (50%)	NSW	284.4	6.6	5.27	6.77
151 Clarence Street ²	NSW	161.9	7.6	5.25	7.25
388 George Street (50%)	NSW	229.8	9.1	5.38	7.00
347 Kent Street	NSW	292.2	5.8	5.63	7.00
105-151 Miller Street	NSW	230.0	1.9	6.25	7.25
6 O'Connell Street	NSW	223.5	7.3	5.75	7.00
111 Pacific Highway	NSW	208.3	5.9	6.13	7.25
Piccadilly Complex (50%)	NSW	295.0	5.1	5.69	7.00
126 Phillip Street (25%)	NSW	250.4	3.1	4.75	6.50
99 Walker Street	NSW	244.9	4.4	5.75	7.00
567 Collins Street (50%)	VIC	321.4	5.5	5.00	6.75
242 Exhibition Street (50%)	VIC	279.3	0.1	5.00	6.75
15 Adelaide Street	QLD	59.8	8.4	7.88	8.25
232 Adelaide Street	QLD	18.7	9.0	7.25	7.75
295 Ann Street	QLD	131.7	6.1	6.63	7.25
140 Creek Street	QLD	221.1	8.1	6.38	7.25
239 George Street	QLD	131.6	2.2	7.00	7.75
66 St Georges Terrace	WA	64.4	(4.6)	7.50	8.00
836 Wellington Street	WA	75.0	4.0	6.50	7.50
16-18 Mort Street	ACT	100.9	6.4	5.85	7.50
Total		3,824.3	5.0	5.74³	7.05³

1 Represents the change in book value resulting from the 30 April 2017 independent valuations.

2 151 Clarence Street, Sydney cap rate and discount rate are on completion of development.

3 Excludes 151 Clarence Street, Sydney

Book Values by CBD

	Book Value (\$m)	Book Value (\$/sqm) ^{1,2}	Average Passing Face Rent (\$/sqm) ^{1,2}	Weighted Average Lease Expiry (yrs) ²	Weighted Average Cap Rate (%) ²
Sydney	1,737.2	13,696	862.9	3.0	5.41
North Sydney	683.2	10,264	540.6	4.3	6.03
Melbourne	600.7	9,919	551.1	11.8	5.00
Brisbane	562.9	6,392	625.6	4.5	6.77
Perth	139.4	5,962	562.4	6.0	6.96
Canberra	100.9	7,130	443.8	8.6	5.85
Total / Average	3,824.3	9,959	660.5	5.1	5.74

Investment Properties – Reconciliation of Fair Value Gain

	FY17 (\$'m)
External 31 December 2016 valuations	160.9
External 30 April 2017 valuations	182.9
Valuation increase of 800 Toorak Road (asset disposed in FY17)	13.1
Straight-lining of lease revenue	3.8
Total¹	360.4
Valuation increase disclosed as:	
Investment properties held through direct ownership	328.2
Investment properties held through interests in associates	32.2
Total	360.4

Portfolio NPI

Property	State	30 Jun 2017	30 Jun 2016	Movement		Comments
		NPI (\$m)	NPI (\$m)	(\$m)	(%) ¹	
10-20 Bond Street (50%)	NSW	10.8	10.1	0.7	7.3	
388 George Street (50%)	NSW	15.2	14.8	0.4	2.5	
347 Kent Street	NSW	25.9	24.7	1.2	4.7	
105-151 Miller Street	NSW	14.5	13.4	1.1	8.6	NAB fixed rental increase and nil amortisation in extension period
6 O'Connell Street	NSW	9.8	9.1	0.7	8.0	
111 Pacific Highway	NSW	10.1	10.4	(0.3)	(3.3)	
Piccadilly Complex (50%)	NSW	14.2	13.1	1.1	7.6	
126 Phillip Street (25%)	NSW	10.4	10.0	0.4	3.7	
99 Walker Street	NSW	11.4	10.2	1.2	12.4	Full year benefit of prior year leasing
242 Exhibition Street (50%)	VIC	15.4	17.0	(1.6)	(9.4)	Amortisation of incentives from new lease
15 Adelaide Street	QLD	2.6	2.9	(0.3)	(9.6)	
232 Adelaide Street	QLD	1.4	1.2	0.2	14.9	Higher occupancy
295 Ann Street	QLD	6.5	5.7	0.8	14.7	Higher occupancy
140 Creek Street	QLD	10.8	8.3	2.5	29.6	Higher occupancy
239 George Street	QLD	6.5	5.9	0.6	9.6	
66 St Georges Terrace	WA	4.2	4.4	(0.2)	(5.3)	
836 Wellington Street	WA	5.8	6.5	(0.7)	(9.7)	Lease extension to Commonwealth Government (Feb 2017)
16-18 Mort Street	ACT	4.6	4.4	0.2	6.2	
Like-for-like		180.1	172.1	8.0	4.7	

Portfolio NPI (cont'd) and 151 Clarence Street Construction Costs Remaining

Rest of IOF Portfolio		30 Jun 2017	30 Jun 2016	Movement	
Property		NPI (\$m)	NPI (\$m)	(\$m)	
Development	567 Collins Street ¹	VIC	13.3	12.8	0.5
	151 Clarence Street	NSW	0.2	3.2	(3.0)
Sold	383 La Trobe Street	VIC	2.5	4.6	(2.1)
	800 Toorak Road	VIC	5.1	7.4	(2.3)
Total IOF Portfolio			201.2	200.1	1.1

151 Clarence Street

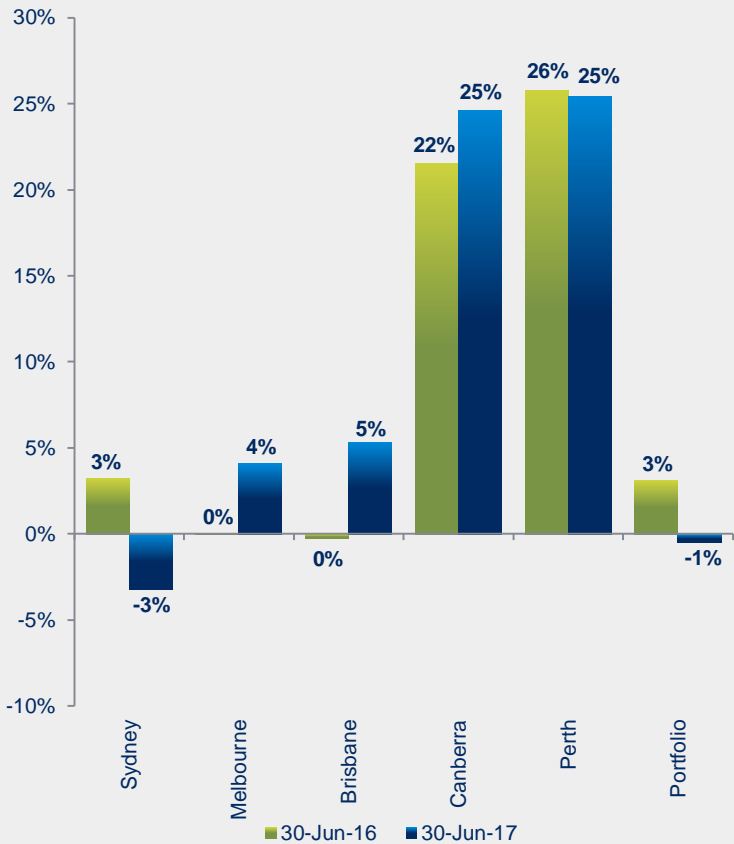
	Dec 17	Jun 18	Dec 18
Forecast construction/consultant costs	\$42m	\$42m	\$12m

Key Lease Expiries¹

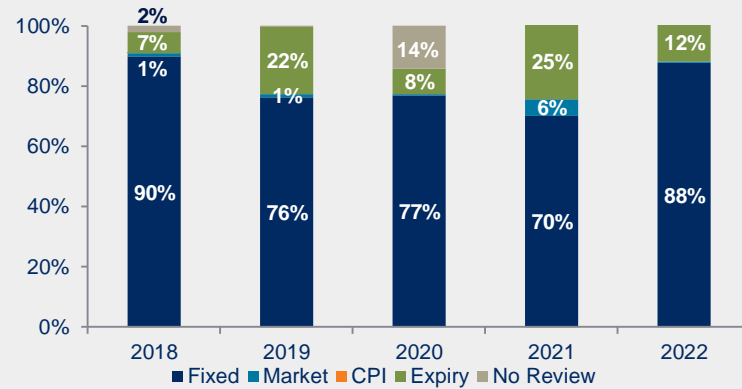
Property	CBD	Tenant	Area (sqm)	Expiry
Vacant				
66 St Georges Terrace	Perth		3,739	Vacant
126 Phillip Street	Sydney		3,591	Vacant
239 George Street	Brisbane		2,801	Vacant
15 Adelaide Street	Brisbane		2,436	Vacant
FY18				
6 O'Connell Street	Sydney	Various	4,009	Various
126 Phillip Street	Sydney	Investa	2,888	Mar 18
66 St Georges Terrace	Perth	Subsea	2,014	Feb 18
FY19				
388 George Street	Sydney	IAG	35,817	Oct 18
347 Kent Street	Sydney	ANZ	24,808	Jan 19
111 Pacific Hwy	North Sydney	Broadspectrum	6,337	Jul 18
10-20 Bond Street	Sydney	AICD	3,071	Dec 18
15 Adelaide Street	Brisbane	Federal Government	2,167	Mar 19
10-20 Bond Street	Sydney	Hudson	2,903	Jun 19
FY20				
567 Collins Street	Melbourne	Rent Guarantee	5,292	Jul 19
10-20 Bond Street	Sydney	Origin Energy	3,746	Nov 19
133 Castlereagh Street	Sydney	GHD Services	3,739	Dec 19

Portfolio Leasing Metrics

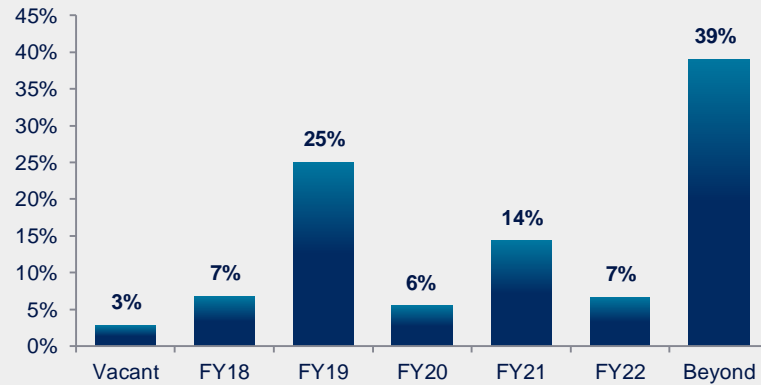
Total portfolio over/(under) renting¹



Australian rent review profile (by area)



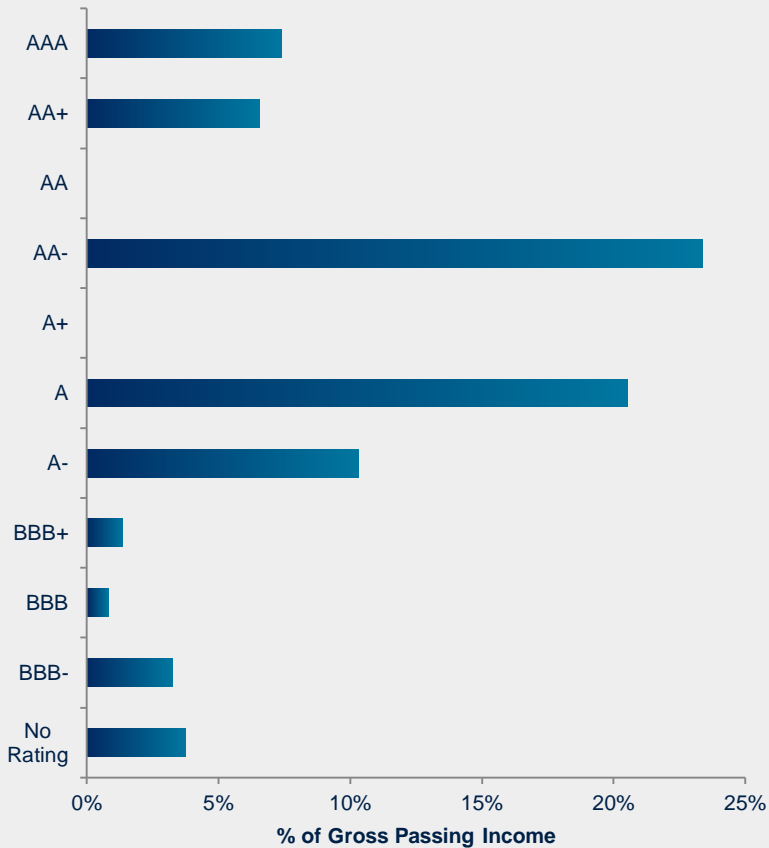
Lease expiry profile (by income)



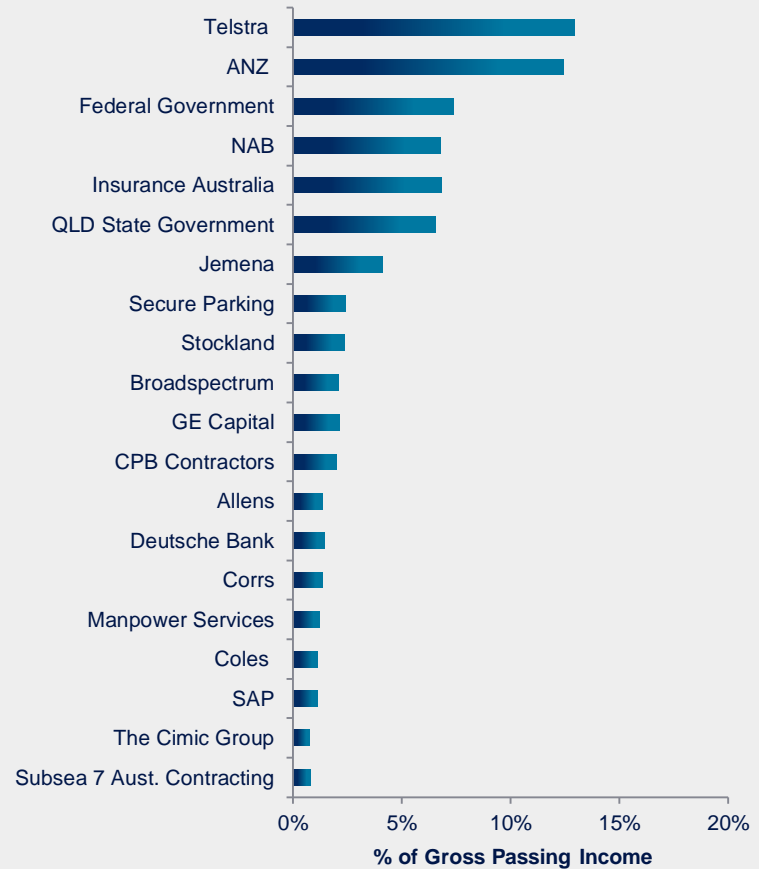
1. Passing rents compared to market rents as per most recent valuation.

Tenant Profile

IOF Credit Ratings of Top 20 Tenants



Top 20 Tenants



Portfolio Overview



Perth	
Number of properties	2
Book value	\$139.4
% of IOF portfolio value	3.7%

Melbourne	
Number of properties	2
Book value	\$600.7
% of IOF portfolio value	15.7%

Brisbane	
Number of properties	5
Book value	\$562.9
% of IOF portfolio value	14.7%

Sydney / North Sydney	
Number of properties	10
Book value	\$2,420.4
% of IOF portfolio value	63.3%

Canberra	
Number of properties	1
Book value	\$100.9
% of IOF portfolio value	2.6%

IOF Fund Strategy

VISION

To be Australia's leading listed specialist office fund

STRATEGY

To deliver attractive risk-adjusted returns investing in **high quality Australian office buildings**, leveraging Investa's fully integrated **specialist property sector capabilities** to outperform. This will be achieved by:

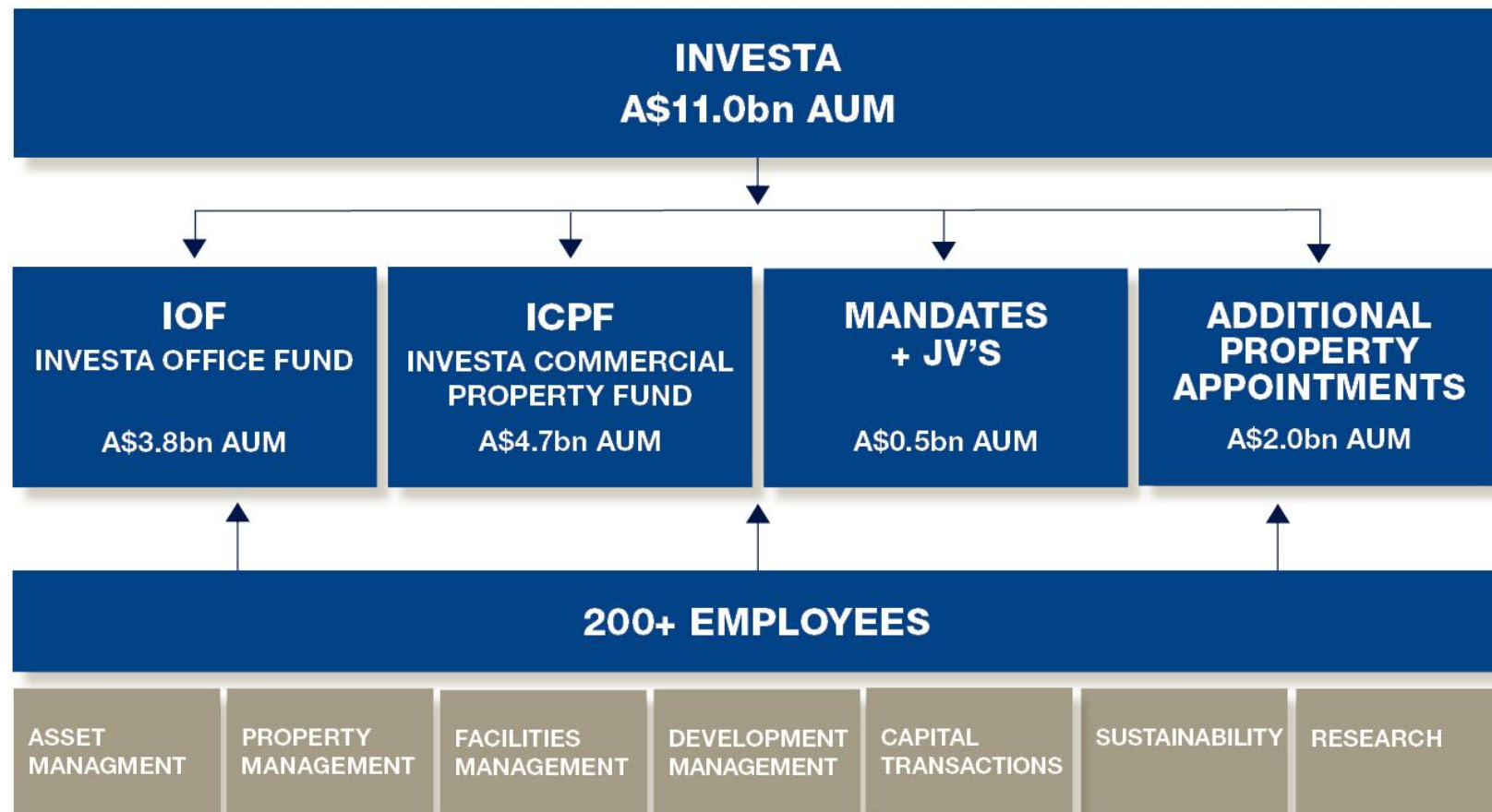
- **Active asset management** of the portfolio to drive income and capital returns;
- Identifying and implementing **value add and development** opportunities to create high quality core assets;
- Enhancing portfolio quality, scale and diversification with **selective acquisitions and divestments**;
- Applying an active approach to **capital and risk management**; and
- Ensuring best in class **responsible investment** (environmental, social and governance).



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Investa Management Platform Overview



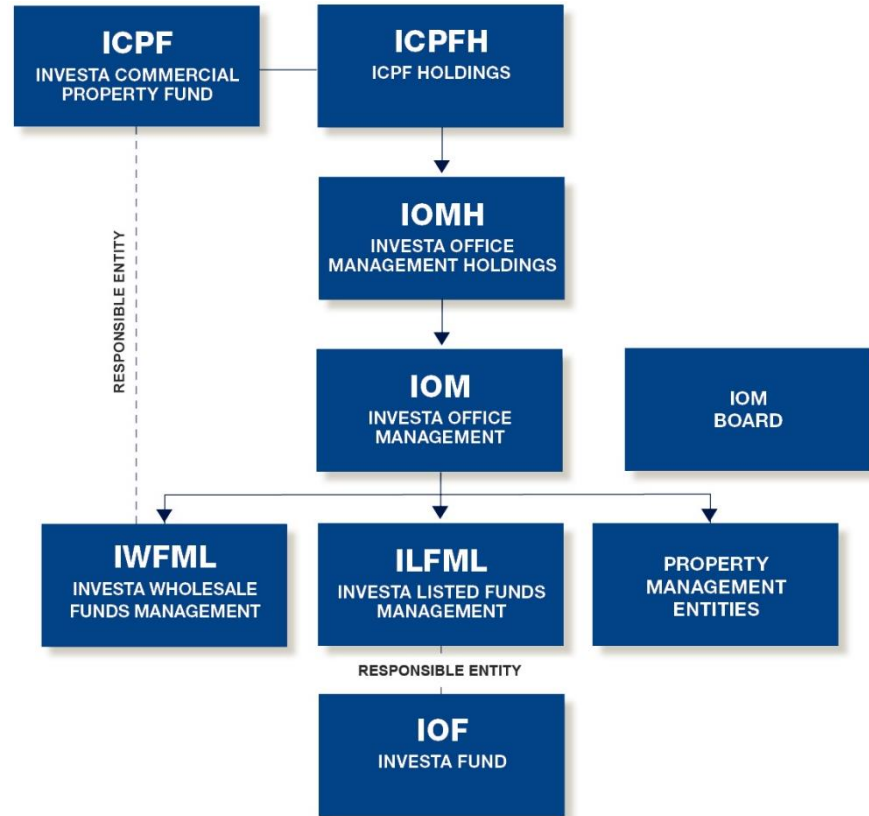
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Note: Figures as at 30 June 2017.

Investa Management Platform Structure

- > Investa Office Management Platform owned by an entity stapled to Investa Commercial Property Fund (ICPF).
- > Investa Office Management Pty Ltd (IOM) which has a separate board comprising:
 - Rebecca McGrath (Independent Chairman)
 - Jennifer Lambert (Independent)
 - Sydney Bone (Independent)
 - Bob Seidler AM (IOF Independent nominee)
 - Dennis Wildenburg (Independent)
 - Jonathan Callaghan (Executive Director)
 - Peter Menegazzo (Executive Director)
- > Investa Listed Funds Management Limited (ILFML) is the Responsible Entity of IOF which has a separate board comprising:
 - Richard Longes (Independent Chairman)
 - Geoffrey Kleemann (Independent)
 - John Fast (Independent)
 - Bob Seidler AM (Independent)



Glossary

AFFO	Adjusted FFO (AFFO) is defined by the Property Council of Australia and is calculated by adjusting FFO for items including maintenance capex, incentives and leasing costs paid
CAGR	Compound Annual Growth Rate
ESG	Environmental, Social, and Governance
FFO or Funds from Operations	IOF determines FFO in accordance with the PCA definition of FFO. FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with AAS and adjusted for: property revaluations, derivative and foreign exchange mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments and deferred tax expense/benefit
FY17	Financial year to 30 June 2017
MER	Management Expense Ratio, calculated as Responsible Entity Fee plus Other Expenses as a percentage of the average of Totals Assets as at 30 June 2016, 31 December 2016, and 30 June 2017
NTA	Net Tangible Assets
NPI	Net Property Income, equating to gross rental income less property expenses less amortisation of tenant incentives and leasing fees
Portfolio Unlevered Total Return	Portfolio book value movement plus portfolio income as a percentage of total book value as at 30 June 2016
Unitholder Return on Equity	Net Tangible Asset (NTA) movement plus distributions

For any questions please contact us

Should you have any questions regarding the Fund, please call Investor Relations on +61 1300 130 231 or email: investorrelations@investa.com.au

If you have any questions about your unitholding, distribution statements or any change of details, please call the unitholder information line on +61 1300 851 394.

More information about the Fund can be accessed and downloaded at: www.investa.com.au/IOF

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ACN 149 175 655 AFSL 401414

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Disclaimer

This presentation was prepared by Investa Listed Funds Management Limited (ACN 149 175 655 and AFSL 401414) (the IOF RE) on behalf of the Investa Office Fund (ASX: IOF) (IOF), which comprises the Prime Credit Property Trust (ARSN 089 849 196) and the Armstrong Jones Office Fund (ARSN 090 242 229). Information contained in this presentation is current as at 24 August 2017 unless otherwise stated.

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