ASX Announcement

1.05.18

Investa Office Fund (ASX:IOF)

Macquarie Australia Conference Presentation 2018

Investa Office Fund (IOF or the Fund) today provides a Fund update at the Macquarie Australia Conference. The attached presentation will be provided at the conference and provides an update on the Fund's activities including over 25,000 sqm of leasing deals finalised to date in 2018. Key leasing deals include:

- ANZ executing an Agreement For Lease over a minimum of 15,821 sqm for 5 years at the expiry of their lease in Januray 2019 at 347 Kent Street, Sydney;
- Nokia executing a Lease over 4,880 sqm for 5 years from 1 September 2018 at 111 Pacific Highway, North Sydney, comprising part of Broadspectrum's space expiring in July 2018.

Please refer to the attached presentation for further information or contact the Fund's key contacts below.

End

About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an externally managed Australian listed real estate investment trust, included in the S&P/ASX 100 index. IOF is governed by the Independent Board of Investa Listed Funds Management Limited as responsible entity, and managed by Investa – one of Australia's largest and most highly regarded office managers. IOF has total assets under management of $4.0 billion, with 20 investment grade office buildings in core CBD markets across Australia. The Fund receives rental income from more than 400 tenants, including government agencies and blue chip organisations. IOF's strategy is to deliver attractive risk-adjusted returns investing in high quality Australian office buildings, leveraging Investa's fully integrated specialist property sector capabilities to outperform.

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Investa Office Fund

Macquarie Australia Conference

Tuesday, 1 May 2018

IOF Strategic Achievements – 2013 to 2017[1]

$651 million
DIVESTMENTS

- Improving portfolio quality
- Refocussing strategy
- Recycling capital into return enhancing activity

$685 million
ACQUISITIONS

- 6 O'Connell 23.7% IRR[2]
- 567 Collins 17.2% IRR[2]
- Piccadilly 16.8% IRR[2]
- 99 Walker 16.2% IRR[2]

407,167 sqm
LEASING

- De-risking and enhancing returns
- WALE increased to in excess of 5 years[3] with 97% occupancy[3]
- 25% increase in average passing face rent (versus market at 18%[4])

67% of portfolio
ENHANCED

- 42% of portfolio enhanced
- 25% of portfolio - current or near term enhancement
- Enhanced portfolio quality and long term returns

$2 billion
DEBT REFINANCE

- Increased duration
- Greater diversity of debt through debt capital markets
- First $A Green Bond ($150m)

14% pa
3YR TOTAL RETURN

- 14.0% 3 year portfolio total return per annum
- 11.3% 5 year portfolio total return per annum

1. From 31 December 2012 to 31 December 2017.
2. From acquisition to 31 December 2017.
3. 4.6 years at 31 March 2013 to 5.1 years at 31 March 2018.
4. JLL Research and Investa Research.

High Quality Office Portfolio[1]

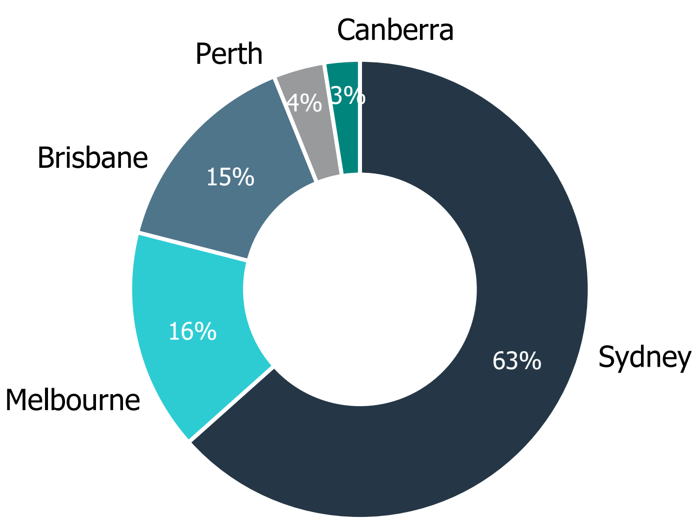
$4.0bn
TOTAL PORTFOLIO VALUE

426
TENANTS

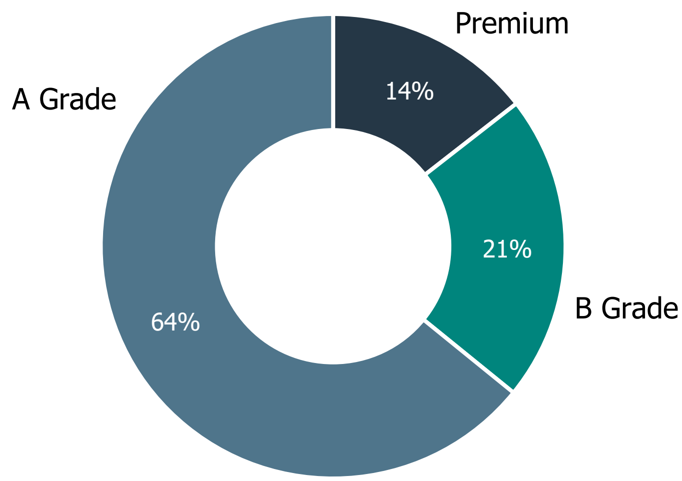
20
OFFICE BUILDINGS

100%
AUSTRALIAN EXPOSURE

Portfolio Composition by CBD[2]



Portfolio Composition by Grade[2]



1. As at 31 March 2018.
2. Totals do not add to 100% due to rounding.

IOF Sydney Portfolio

Small tenant market continues to perform for IOF

FY18 YTD small office tenant (<1,000sqm) leasing (incl. HoA)

	No. Deals	Avg Size (sqm)	Face Spread	Avg Gross Incentive
6 O'Connell St	11	356	21%	15%
126 Phillip St	8	441	12%	22%
Piccadilly Complex	7	76	13%	10%
10 – 20 Bond St	3	439	20%	15%
Total/Avg	**29**	**320**	**16%**	**18%**

- Strong positive leasing spreads
- Incentives continue to tighten

Development & value add projects on track

Barrack Place, 151 Clarence Street development:

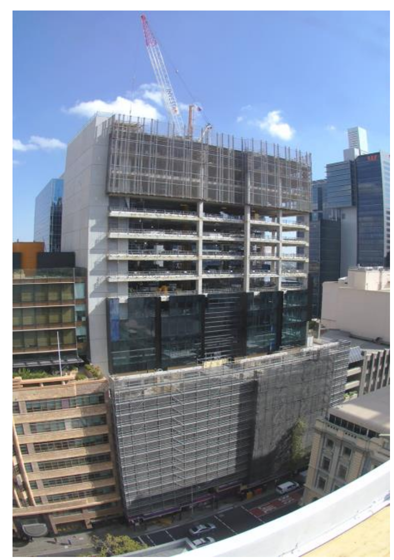
- Construction topped out in April (19 levels)
- 57% of NLA committed (fully contracted) with significant interest over remaining space

388 George Street:

- Strategic office leasing progressing
- Early contractor involvement has commenced
- DA submitted for potential retail development and lobby upgrade works

347 Kent Street:

- ANZ Agreement for Lease executed (unconditional)
- ANZ to advise re additional 4,170sqm by 31 May 2018



Barrack Place April 2018

Note: HoA= Heads of Agreement.

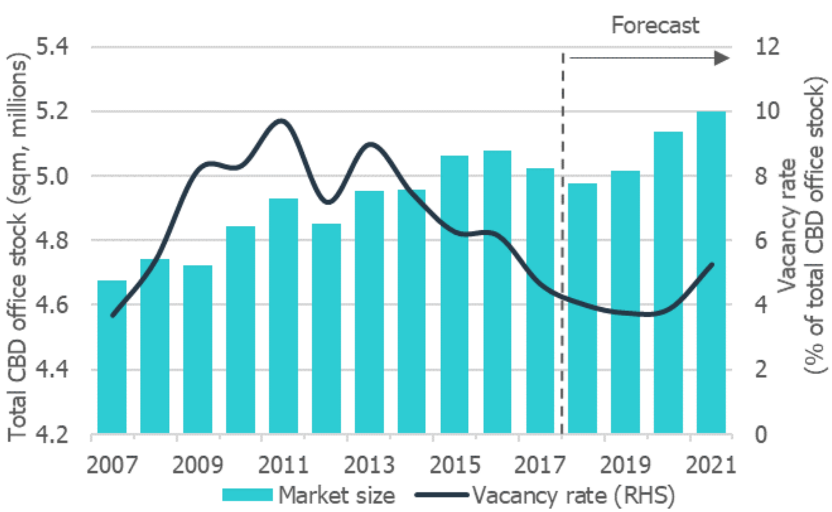
Sydney CBD Market Conditions

Landlord's market to continue while supply relief a few years away

Sydney CBD	**Dec-17**	**Current (Mar-18)***	**Forecast (Dec-18)**	
Vacancy rate (%)*	4.6	4.6	4.0	Tightening
Net supply (annual, sqm)	-101,072	-84,095	-48,000	Decreasing
Face rent growth (% y/y, prime gross)	8.4	8.5	8.0	Peaking
Incentive (% of gross face rent, prime)	18.6	17.8	18.4	Stabilising

* Vacancy rate sourced from half yearly Property Council Office Market Report (updated mid-year and at year-end)

Total office market size vs vacancy rate



Sydney CBD is entering a multi-year strong cycle:

- **Tightest market conditions in a decade:** Constrained supply has driven the vacancy rate to a low of 4.6%, well below the long-run average.
- **Further withdrawals to limit supply and drive tighter vacancy in 2018:** More office stock to be removed from Sydney CBD through 2018 for redevelopment.
- **Activation of the office development cycle:** Developer activation in response to strong market outlook will expand Sydney CBD market from 2019 onwards.
- **Absorption upside:** Withdrawals and limited supply will continue to constrain net absorption in 2018. However, solid underlying demand for Sydney CBD office space will create pent-up demand and support absorption through the cycle.

Sources: Property Council and Investa Research (forecasts).

IOF North Sydney Portfolio

Significant progress at 111 Pacific Highway

Lobby upgrade completed

44% of building re-leased FY18 YTD (incl. HoA)

Nokia taking a 5 year lease of 4,880sqm over Broadspectrum's (BRS) space (expiring July 2018):

- 1 month downtime between leases
- Makegood with BRS was settled and Nokia are utilising the existing fitout
- 16% re-leasing spread (net face rent)

111 Pacific Highway, North Sydney - Lobby Upgrade

105 Miller Street opportunity

Significant transport and amenity upgrades underway for North Sydney CBD

Anticipated vacation of NAB in 30 September 2020

Continuing to assess potential asset management and value enhancement opportunities:

- Lease 'as is' – in good condition, last upgraded 2013, currently circa 33% under-rented
- Refurbish and release
- Redevelop (subject to authority approvals)
- Opportunity to integrate with the immediately adjoining new Victoria Cross Metro Rail Station

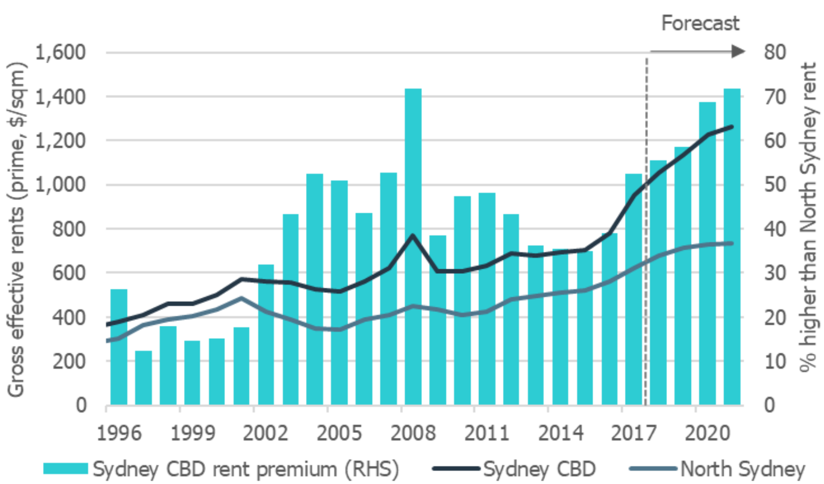
North Sydney Market Conditions

Affordability and infrastructure to support positive office demand

North Sydney	Dec-17	Current (Mar-18)*	Forecast (Dec-18)	
Vacancy rate (%)*	7.9	7.9	7.6	Tightening
Net supply (annual, sqm)	-3,327	-10,451	35,200	Increasing
Face rent growth (% y/y, prime gross)	7.1	4.2	5.3	Increasing
Incentive (% of gross face rent, prime)	24.7	24.1	22.5	Decreasing

* Vacancy rate sourced from half yearly Property Council Office Market Report (updated mid-year and at year-end)

Sydney CBD/North Sydney rental spread



Sources: JLL Research, Property Council and Investa Research (forecasts).

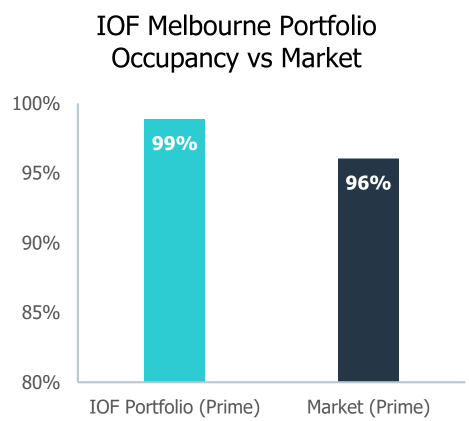
North Sydney emerging as a premier CBD alternative:

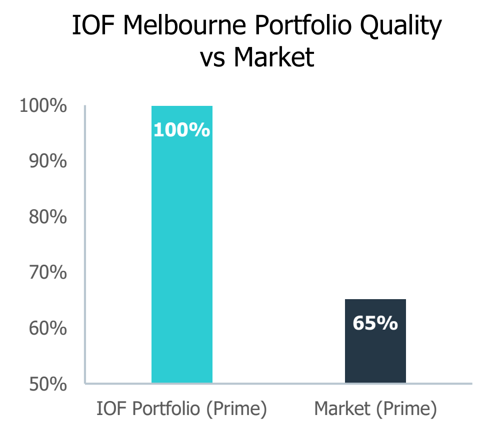
- **Attraction of tenants from surrounding markets:** North Sydney continues to draw tenants from Sydney's other metro markets. Q1 2018 attracted almost 7,000 sqm from other markets (including Nokia 4,880 sqm).
- **Improving integration with Sydney CBD:** Metro rail development will improve integration of North Sydney with Sydney CBD, increasing the attraction to tenants requiring easy access to Sydney CBD.
- **Supply boost:** Development has responded to favourable outlook. North Sydney to received unprecedented injection of new prime office space in coming cycle.
- **Relative affordability:** Sydney CBD rental growth to outpace North Sydney to a greater degree in the coming years, strengthening the affordability benefit North Sydney has over Sydney CBD.

IOF Melbourne Portfolio

Well positioned for imminent supply pressures

- 100% prime CBD office portfolio
- 99% occupancy[1]
- Long weighted average lease expiry profile of 11.3 years[1]

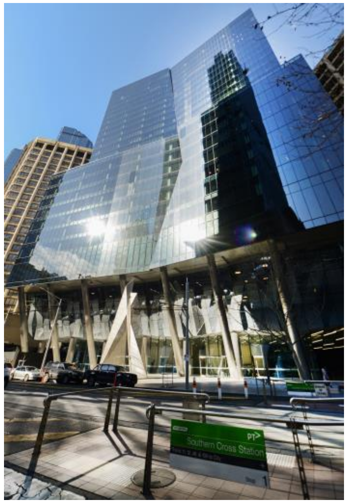




567 Collins Street

FY18 YTD:

- 5 new deals (incl. HoA)
- Avg size 781sqm
- Avg 22% gross/28% net incentive



242 Exhibition Street

- Over 85% of floor refurbishment completed
- Services upgraded to house additional 2,000 employees

1. As at 31 March 2018.

Note: HOA = Heads of Agreement.

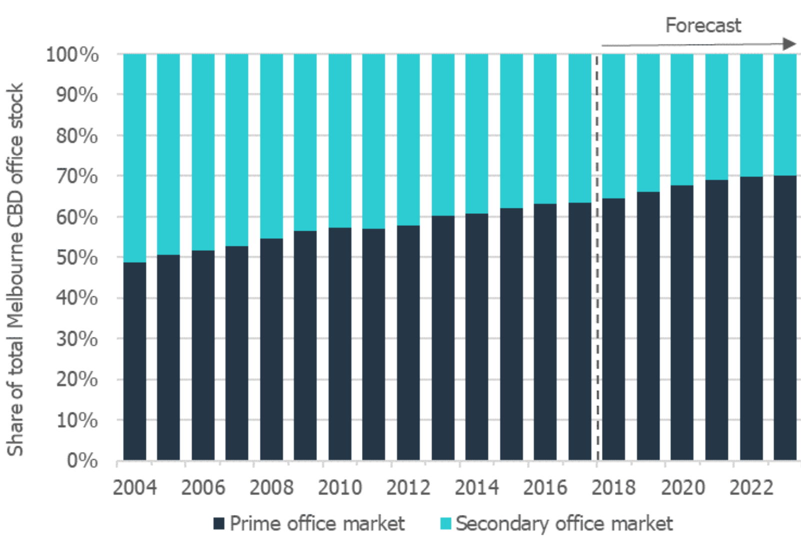
Melbourne CBD Market Conditions

Strong development to increase prime market presence

Melbourne CBD	Dec-17	Current (Mar-18)*	Forecast (Dec-18)	
Vacancy rate (%)*	4.6	4.6	4.6	Troughing
Net supply (annual, sqm)	15,603	-4,772	63,200	Increasing
Face rent growth (% y/y, prime net)	9.5	9.1	8.4	Slowing
Incentive (% of net face rent, prime)	30.4	29.0	29.0	Stabilising

* Vacancy rate sourced from half yearly Property Council Office Market Report (updated mid-year and at year-end)

Melbourne CBD: prime & secondary office stock



Sources: JLL Research, Property Council and Investa Research (forecasts).

Development activity to upgrade Melbourne CBD:

- **Development cycle to inject new supply from H2-2018:** Current Melbourne CBD office development to add in excess of 400,000sqm over the next three years.
- **Quality upscale:** The current strong development pipeline will tilt the CBD office market quality split towards a higher share of prime stock. In five years, prime office is expected to account for over 70% of the Melbourne CBD market (~50% in 2005).
- **Net absorption to remain elevated:** Current office development is around 75% pre-committed, reflecting solid demand for Melbourne CBD office space.
- **Centralisation to continue:** A diversified tenant base and relative rental affordability to support tenant demand and net absorption for Melbourne's expanding CBD office market.

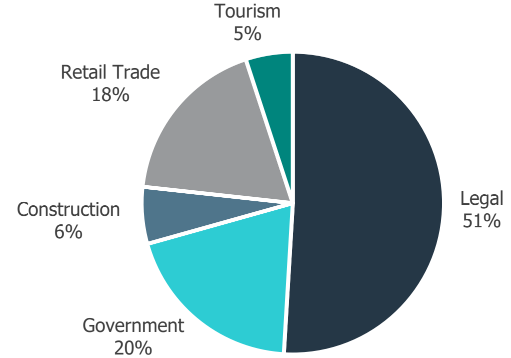
IOF Brisbane Portfolio

Small tenant demand dominating activity

16 out of total 17 new leases including HoA were to small tenants (<1,000sqm) in FY18 YTD:

- 300sqm average size
- Average releasing spreads still moderately negative with gross incentives in the low 30% range given the highly competitive market
- 10 new leases to legal firms at 239 George St

Small Tenant Leasing – By Industry



Speculative suite strategy is supporting leasing outcomes:

- Small tenants not as well equipped to fitout own space
- Space presented to the market in its best light
- Reduced downtime driving net income
- 2 offers within 4 weeks of PC at 15 Adelaide Street

15 Adelaide St speculative suite

Note: HOA = Heads of Agreement.

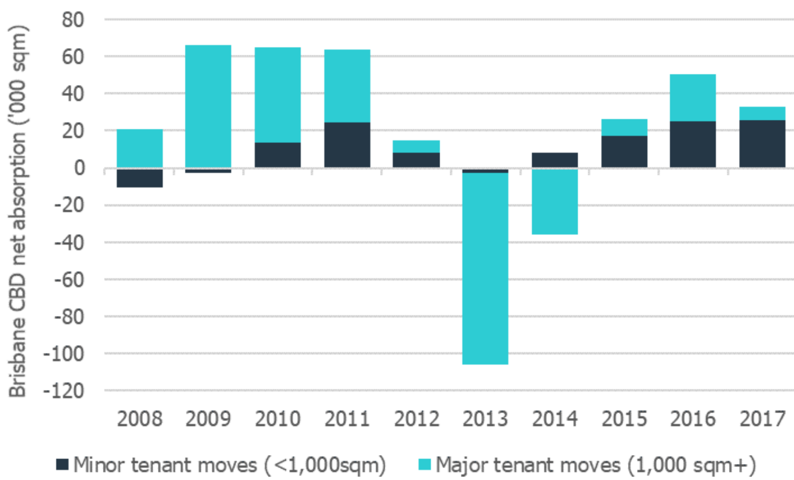
Brisbane CBD Market Conditions

Economic conditions and infrastructure investment to support office demand

Brisbane CBD	Dec-17	Current (Mar-18)*	Forecast (Dec-18)	
Vacancy rate (%)*	16.2	16.2	14.6	Tightening
Net supply (annual, sqm)	-9,841	-19,845	-9,700	Decreasing
Face rent growth (% y/y, prime gross)	2.5	2.8	2.7	Stabilising
Incentive (% of gross face rent, prime)	38.5	38.7	37.1	Decreasing

* Vacancy rate sourced from half yearly Property Council Office Market Report (updated mid-year and at year-end)

Brisbane CBD: small vs large occupier demand



Foundations laid for cyclical improvement:

- **Economic support for office market:** Improving economic conditions, supported by a pipeline of major infrastructure projects to drive further growth in net absorption.
- **Small occupiers driving absorption gains:** Similar to recent trends in tightening cycles of Sydney and Melbourne, cyclical upturn in Brisbane CBD office market being led by smaller tenants.
- **The return of dislocated tenants:** A number of large tenants displaced during the last market cycle are likely to relocate to the CBD, rebalancing take-up of large occupiers.
- **Infrastructure to spur activity:** Around $14 billion in new public infrastructure projects will spur jobs growth in Brisbane white collar sectors. In particular, government and specialist business services are expected to drive net absorption in the coming years.

Sources: JLL Research, Property Council and Investa Research (forecasts).

IOF Perth Portfolio

836 Wellington Street potential divestment

- Asset currently under consideration for divestment subject to a market campaign
- Commonwealth Government renewed for 10 years in FY17
- Quality asset with strong covenant and long WALE in West Perth

836 Wellington Street, West Perth

66 St Georges Terrace

- Perth market continues to be challenging with high market vacancy
- Occupancy decreased to 59% at 31 March 2018 (from 80%) with Subsea 7 and Kinetic IT consolidating tenancies elsewhere
- 3 new deals (including HoA) have been undertaken across 1,420sqm
- Multiple letting options available including fitted and vacant space
- Asset presents well, with retail tenancies renewed in 2017 and lobby refurbishment completed in 2016

66 St Georges Terrace, Perth

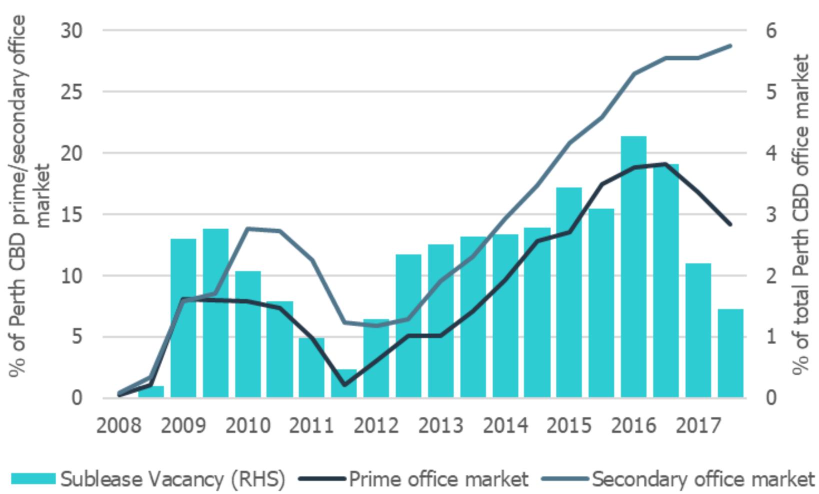
Perth CBD Market Conditions

On the path to recovery

Perth CBD	Dec-17	Current (Mar-18)*	Forecast (Dec-18)	
Vacancy rate (%)*	19.8	19.8	20.7	Peaking
Net supply (annual, sqm)	698	-77	48,500	Increasing
Face rent growth (% y/y, prime net)	-1.0	-0.6	0.6	Troughing
Incentive (% of net face rent, prime)	48.9	48.2	46.0	Decreasing

* Vacancy rate sourced from half yearly Property Council Office Market Report (updated mid-year and at year-end)

Perth CBD vacancy: prime, secondary & sub-lease

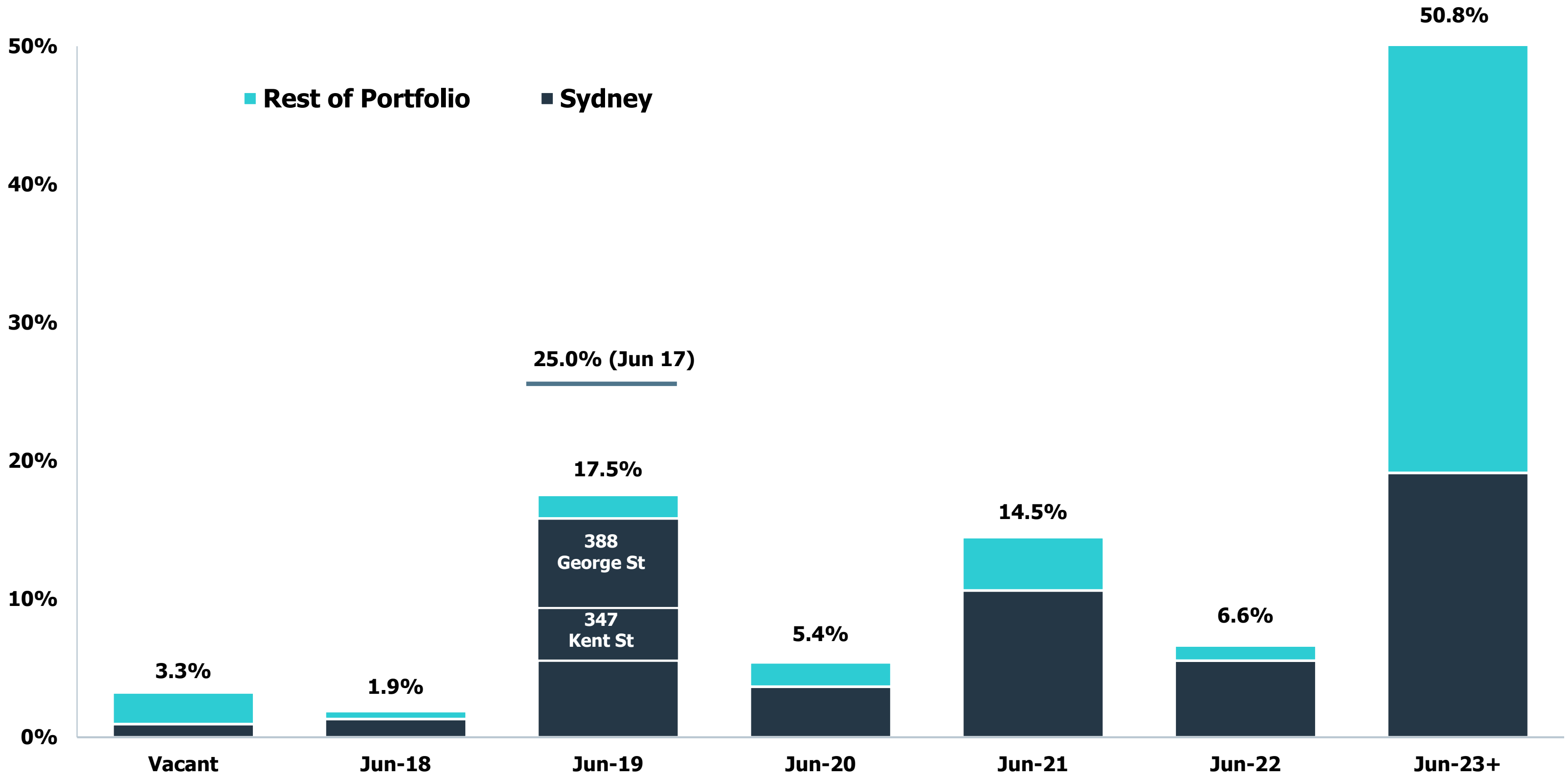


Sources: JLL Research, Property Council and Investa Research (forecasts).

Marginal gains and commodity correlation:

- **The vacancy peak has passed:** A pick-up in demand has occurred in line with a recovery in commodity prices. Hiatus in the supply cycle will support tighter leasing market conditions when combined with positive absorption of idle space.
- **Flight to quality:** Elevated incentive levels in prime space, and stagnant market rents encouraging upgrade activity of renewing or expanding tenants. Secondary stock to continue to lag prime market tightening for some time yet.
- **Market sentiment improving with increasing commodity prices:** Market sentiment measures, including falling Perth sub-lease vacancy indicate occupiers are increasingly optimistic about their business outlook and future space requirements.

Lease Expiry Profile by Income[1]



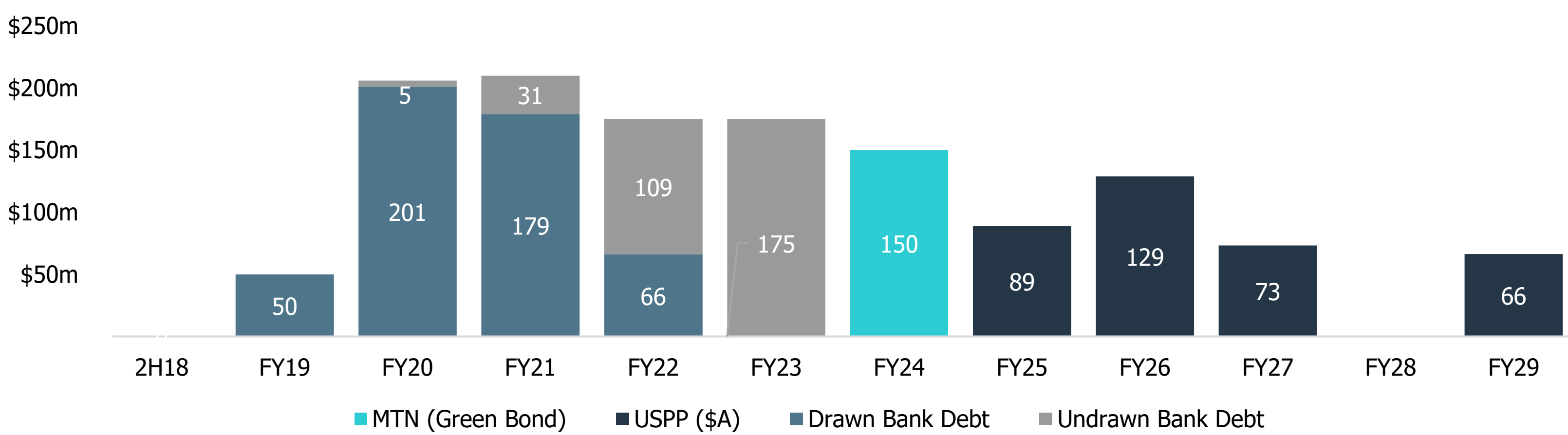
1. As at 31 March 2018 (excludes Heads of Agreement).

Capital Management

- Capacity to fund committed value add and development capital expenditure
- Diversification of facilities between bank debt and debt capital markets (USPP and $A Green Bond)
- Hedging is positioned to the upper end of target band (50% to 80%)
- $150m of new bank debt facilities in March 2018 quarter

Key Indicators	31 Mar 2018	31 Dec 2017
Drawn debt[1]	$1,004m	$954m
Gearing[2]	24.9%	23.8%
Weighted average debt cost	4.1%	4.0%
Weighted average debt maturity	4.6yrs	4.7yrs
Weighted average debt hedged	79.2%	81.2%
Interest cover ratio	5.2x	5.0x
S&P credit rating	BBB+	BBB+

Debt Maturity Profile as at 31 March 2018 ($m)

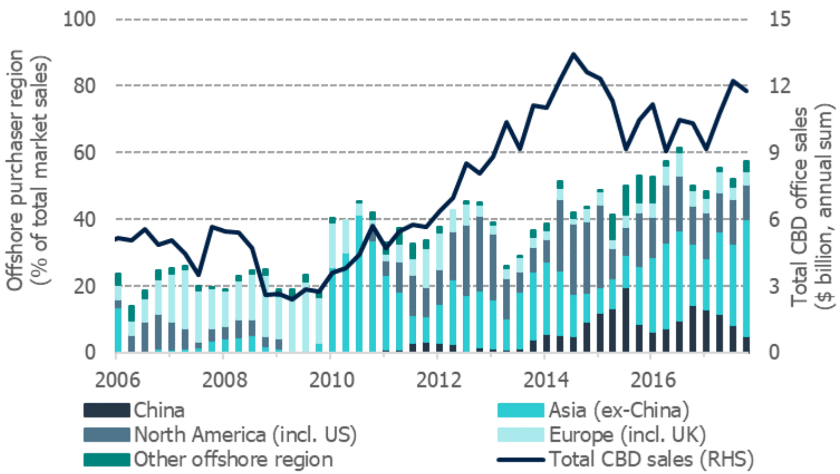


1. Calculated using the foreign exchange hedge rate of the US Private Placements (USPP).
2. Calculated on a look-through basis.

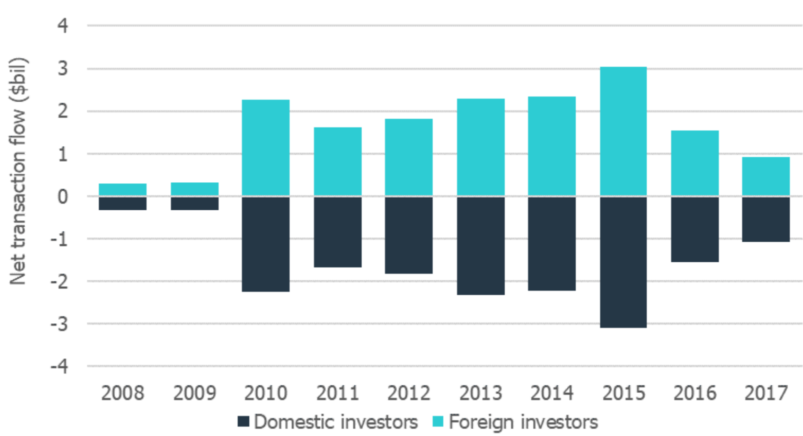
Capital Markets

Continued weight of global capital to maintain pressure on cap rates

Australian CBD office transactions & offshore buyers (rolling annual quarterly)



Australian CBD office markets: net transaction flow



Market fundamentals point to further downward pressure on cap rates:

- **Global weight of capital remains elevated:** Looking through individual market developments, foreign investor capital remains healthy. In conjunction with a limited pool of prime assets, cap rates in Australia's major CBD markets anticipated to remain tight.
- **Australian office remains attractive:** Portfolio allocations and diversification continue to support foreign investor appetite for Australian office markets.
- **Total returns to remain solid:** Underlying fundamentals to support income return in addition to further capital growth.
- **Domestic superannuation funds are adding to global demand:** Over the last 12 months domestic superannuation funds have purchased almost $2.2 billion of direct real estate, particularly in large scale development projects.

Sources: JLL Research and Investa Research.

Continued Focus

PERFORMANCE

ACTIVE ASSET MANAGEMENT

MANUFACTURING CORE ASSETS

SELECTIVE TRANSACTIONS

PRUDENT CAPITAL MANAGEMENT

STRONG GOVERNANCE & ETHICAL STANDARDS

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).

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