

Australian Unity Office Fund

(ASX: AOF)

Property Book as at 31 December 2016

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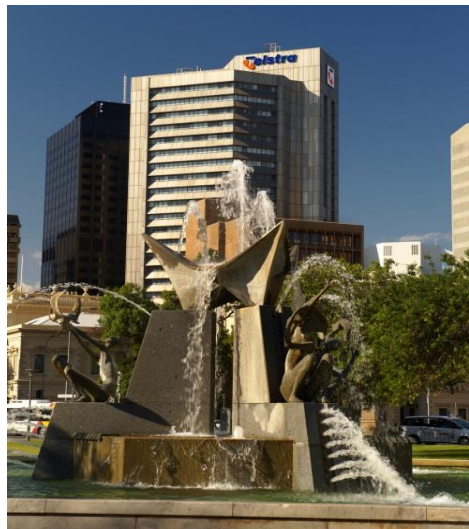
All information in the presentation is current as at 31 December 2016 unless otherwise stated. Any dollar (\$) reference is Australian dollars unless otherwise stated.

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Property portfolio

30 Pirie Street, Adelaide, South Australia

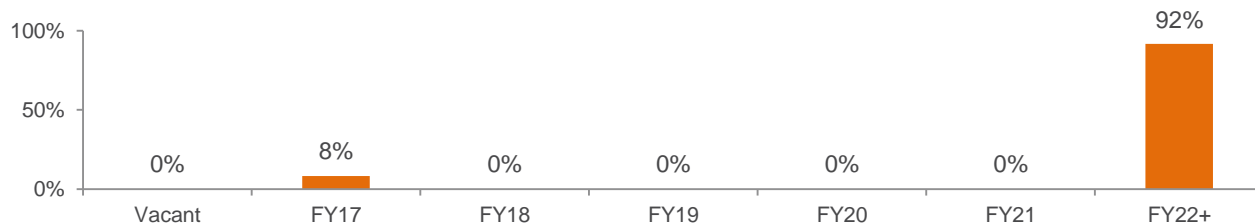


Property overview and strategy

- A grade office property that is centrally located in Adelaide's CBD, comprising 23 levels of office space
- Building leased to Telstra⁽¹⁾, who have occupied the property since its construction in 1987
- Underwent an extensive c.\$19 million base building refurbishment in accordance with the terms of a new 11 year lease entered into with Telstra in 2012
 - Works included lobby refurbishment, lift, mechanical, electrical and fire service upgrades, toilet and common amenity refurbishments, construction of 'end of trip' facilities etc.

Strategy: Maintain strong tenant relations with Telstra to understand changes to its business which may alter ongoing or future tenancy requirements. Refurbish levels 22 and 23 and establish a proactive leasing campaign to address the pending vacancy.

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G-23 ⁽¹⁾	Telstra	24,781	100%	28 Feb 2023	\$12.9m	Annual fixed 3.5% ⁽³⁾

Property information at 31 Dec 2016

Book value	\$118.4m
Capitalisation Rate	7.50%
Net Lettable Area (sqm)	24,781
Occupancy (by NLA)	100%
WALE ⁽²⁾	5.67 years
Building constructed	1987
Latest refurbishment	2012

Notes:

(1) Telstra will hand back two floors (levels 22 and 23) in February 2017.

(2) As at 31 December 2016, by Gross Property Income.

(3) Market review in 2018 (review capped at 10% increase, no decrease).

Property portfolio

10 Valentine Avenue, Parramatta, New South Wales

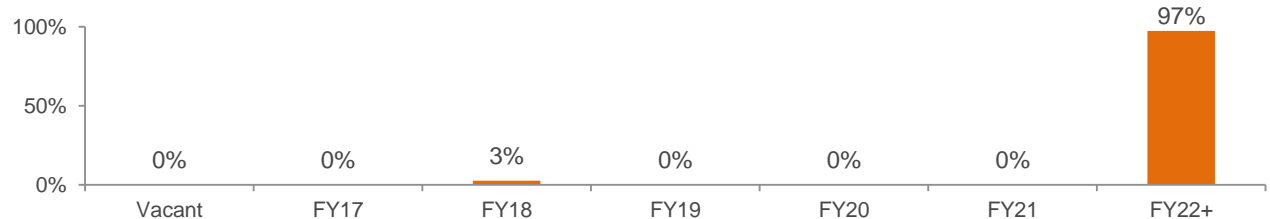


Property overview and strategy

- A grade office property comprising 14 levels of office space, located approximately 100 metres from the Parramatta Bus and Railway Interchange and Westfield Parramatta
- Adjacent to the property is a six level freestanding car park providing parking for 286 vehicles. The property and adjacent car park form an island site with no adjacent properties
- Predominantly leased to the NSW State Government⁽¹⁾ who have occupied the property since construction in 1987
- A lack of supply and site competition from residential development is expected to maintain downward pressure on vacancy in the Parramatta market

Strategy: Refurbish the main foyer and bathrooms and construct new 'end of trip' facilities, improving property amenity. Combined, these works will improve the tenant experience and aid the possibility of future lease renewals. Investigate the feasibility of redevelopment opportunities for the adjacent freestanding car park. This may include redeveloping the car park to commercial space or obtaining an uplift in value from a development consent.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G-13	NSW State Govt.	15,995	100%	30 June 2022	\$6.7m	Annual fixed 3.25%

Property information at 31 Dec 2016

Book value	\$70.5m
Capitalisation Rate	8.50%
Net Lettable Area (sqm)	15,995
Occupancy (by NLA)	100%
WALE ⁽²⁾	5.24 years
Building constructed	1987
Latest refurbishment	Current

Notes

(1) The NSW State Government has the ability to hand back five floors between December 2019 and December 2020, provided notice has been given by 31 December 2018.

(2) As at 31 December 2016, by Gross Property Income.

Property portfolio

32 Phillip Street, Parramatta, New South Wales

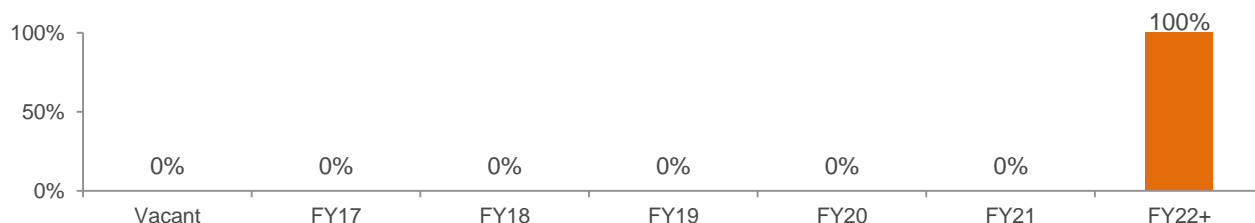


Property overview and strategy

- B grade office building located within the northern portion of the Parramatta commercial precinct in close proximity to the Church Street retail strip
- Fully refurbished in 2013 under the terms of a new 10 year lease to GE.
- A lack of supply and site competition from residential development is expected to maintain downward pressure on vacancy in the Parramatta market

Strategy: As the Property was recently fully refurbished, there are no near term capital requirements. Whilst there is no immediate intention given the remaining lease term to GE, the Fund will, in time, investigate the feasibility of alternate redevelopment opportunities, given the changing nature of surrounding development, including residential conversion. Whilst the Fund does not intend to undertake any residential development, it may consider seeking development consent prior to disposal if sufficient value uplift could be achieved by doing so.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G-13	GE	6,759	100%	30 June 2023	\$3.7m	Annual fixed 3.5% ⁽²⁾

Property information at 31 Dec 2016

Book value	\$41.7m
Capitalisation Rate	7.00%
Net Lettable Area (sqm)	6,759
Occupancy (by NLA)	100.0%
WALE ⁽¹⁾	6.50 years
Building constructed	1991
Latest refurbishment	2013

Notes

(1) As at 31 December 2016, by Gross Property Income.

(2) Market review in 2018 (review capped at 7.5% increase, no decrease).

Property portfolio

5 Eden Park Drive, North Ryde, New South Wales

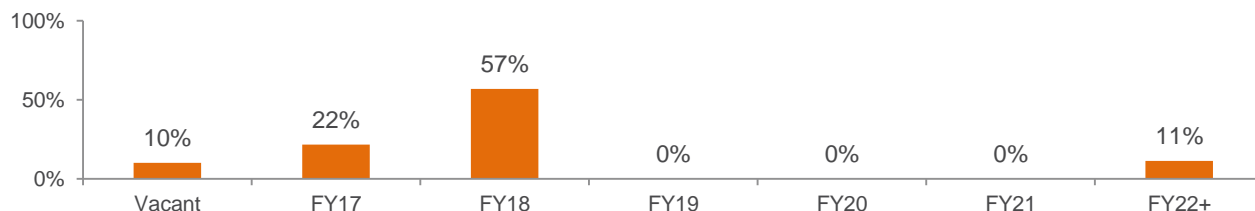


Property overview and strategy

- A grade office property comprising three levels of office accommodation and a hi-tech production and warehouse area in close proximity to the Macquarie Park railway station on the Chatswood to Epping railway link.
- Purpose built for the specific requirements of the major tenant, Contract Pharmaceutical Services Australia (CPSA), which occupies all of the production and warehouse area, and a portion of the office space
- Ongoing withdrawal of office space for conversion to alternative uses has the potential to keep vacancy low into the foreseeable future, with the only substantial supply likely to be substantially pre-committed

Strategy: Maintain strong tenant relations with the property's major tenant, CPSA, to understand business changes and enhance renewal opportunities. Continue with a proactive property management strategy targeted at addressing tenant retention and current vacancy. As the Property is a relatively new construction the property services and amenities remain functional and presentable.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G&1	CPSA	6,280	57%	30 June 2018	\$2.1m	Annual fixed 3.5%

Property information at 31 Dec 2016

Book value	\$40.9m
Capitalisation Rate	7.75%
Net Lettable Area (sqm)	11,033
Occupancy (by NLA)	90.0%
WALE ⁽¹⁾	1.55 years
Building constructed	2004
Latest refurbishment	N/A

Notes

(1) As at 31 December 2016, by Gross Property Income.

Property portfolio

468 St Kilda Road, Melbourne, Victoria

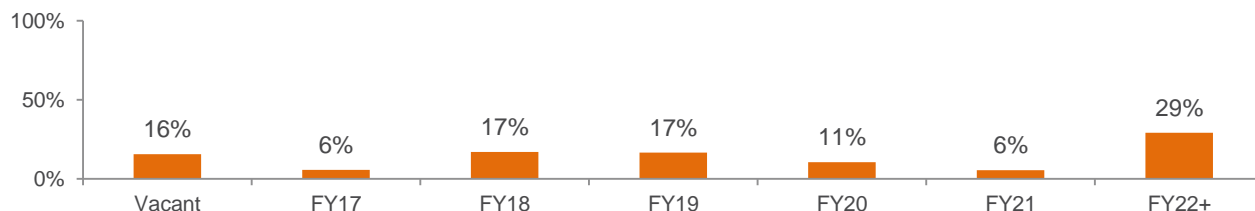


Property overview and strategy

- B grade office building comprising 13 levels, with refurbishments carried out progressively since 2010. St Kilda Road is one of the largest non-CBD office markets in Australia located approximately 3 kms to the South of the Melbourne CBD providing cost effective office accommodation
- There have been no new office developments in the St Kilda Road office market for some time and some office buildings in that market have been withdrawn for residential conversion. This withdrawal continues to keep the vacancy within the market low whilst demand for smaller tenancies keeps the leasing market buoyant

Strategy: Continue with a proactive property management strategy, addressing tenant retention and improving WALE. To address current and pending vacancy, the Fund will consider subdivision to attract smaller tenants and further diversify the lease expiry profile. Whilst the Fund considers the ongoing commercial use as currently most suitable, having regard to the fact that residential development in the surrounding area has recently increased, the Fund will continue to monitor the highest and best use and the feasibility of potential redevelopment opportunities.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
12 & 13	EGA Corporate Advisors	994	9%	14 Aug 2022	\$0.5m	No further reviews
8	TLC Aged Care	898	8%	16 Aug 2022	\$0.4m	Annual fixed 3.75%

Property information at 31 Dec 2016

Book value	\$50.0m
Capitalisation Rate	6.75%
Net Lettable Area (sqm)	11,186
Occupancy (by NLA)	84.4%
WALE ⁽¹⁾	3.38 years
Building constructed	1985
Latest refurbishment	Since 2010

Notes

(1) As at 31 December 2016, by Gross Property Income

Property portfolio

241 Adelaide Street, Brisbane, Queensland

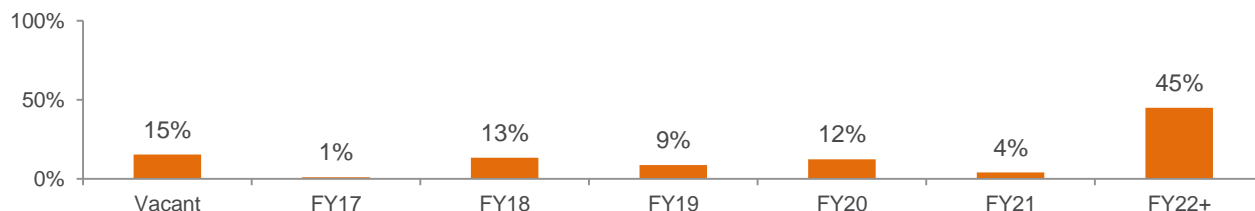


Property overview and strategy

- B grade office building also known as "The Brisbane Club Tower" located within the CBD core, being adjacent to Post Office Square and within close proximity to central railway station.⁽¹⁾
- Progressively refurbished since 2012, including converting a noise attenuation floor, previously used as storage space, into office space and converting ground floor office space into a retail use
- In Brisbane, small tenants remain particularly active, with tenants moving from the fringe to the CBD where better value is now apparent

Strategy: Continue with a proactive property management strategy, addressing tenant retention and improving WALE. To address current and pending vacancy, the Fund will consider subdivision to attract smaller tenants and further diversify the lease expiry profile. Undertake a lift upgrade and progressively refurbish bathrooms and lift foyers to enhance presentation and tenant amenity.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
14	PPC World-wide	509	4.6%	28 Feb 2018	\$0.3m	Annual fixed 4.00%
11	Trust Company	509	4.6%	14 July 2021	\$0.4m	Annual fixed 4.00%

Property information at 31 Dec 2016

Book value	\$38.1m
Capitalisation Rate	9.00%
Net Lettable Area (sqm)	11,078
Occupancy (by NLA)	84.7%
WALE ⁽²⁾	3.10 years
Building constructed	1988
Latest refurbishment	Since 2012

Notes

(1) The interest in the Property is held in the form of a head lease from The Brisbane Club over the freehold area. The rent for the head lease is \$1 p.a. with a 2063 expiry. 3,339sqm of the NLA is sub-let to The Brisbane Club. The rent for the sub lease is \$1 p.a. with a 2063 expiry.

(2) As at 31 December 2016, by Gross Property Income

Property portfolio

2 Eden Park Drive, North Ryde, New South Wales

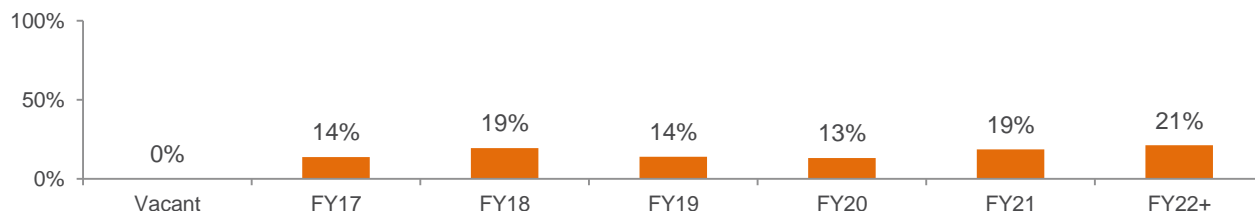


Property overview and strategy

- Modern industrial complex comprising 16 attached units incorporating office and warehouse components. The three level office areas are at the front of the property with the warehouse at the rear, split over two levels
- Located in the Macquarie Park business park, within close proximity to the Macquarie Park railway station on the Chatswood to Epping railway link
- The unique nature of the property being predominantly small quality offices attached to high clearance warehouse has meant the property has sustained a relatively high level of occupancy since construction

Strategy: Continue with a proactive property management strategy targeted at addressing tenant retention and improving the Property's WALE.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
4 & 5	NuSkin Australia	1,427	14%	31 Dec 2016	\$0.5m	No further review
15 & 16	Enterix	967	9%	30 June 2019	\$0.3m	Annual fixed 4.00%

Property information at 31 Dec 2016

Book value	\$34.0m
Capitalisation Rate	8.00%
Net Lettable Area (sqm)	10,345
Occupancy (by NLA)	100.0%
WALE ⁽¹⁾	2.83 years
Building constructed	1999
Latest refurbishment	N/A

Notes

(1) As at 31 December 2016, by Gross Property Income.

Property portfolio

64 Northbourne Avenue, Canberra, ACT

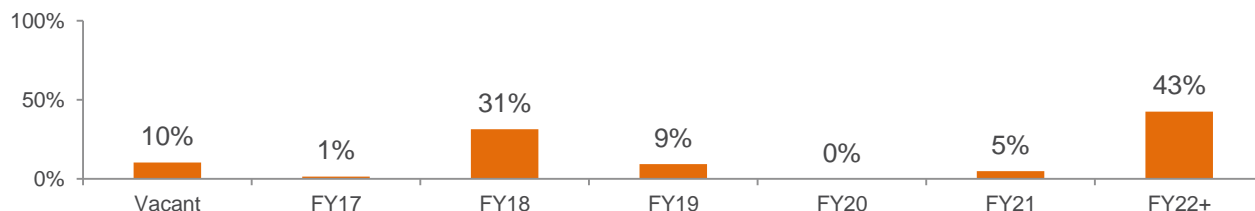


Property overview and strategy

- B grade property comprising six levels of office accommodation
- Located on a prominent corner within the Canberra CBD within close proximity of the prime retail precinct and the City Bus Interchange
- The vacant space within the property has been fully refurbished and base building services upgraded to ensure a 4.5 stars NABERS energy rating

Strategy: To capture higher rents, satisfy tenant demand, and diversify the lease expiry profile, the Fund will consider subdividing floors to attract smaller tenancies. Actively pursue a diversified mix of smaller tenants so as to avoid a future lumpy expiry profile.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
3 & 4	UGL Services	1,761	27%	31 July 2017	\$0.8m	No further review
2	Defence Force Recruiting	1,265	20%	30 June 2023	\$0.6m	Annual fixed 3.75%

Property information at 31 Dec 2016

Book value	\$19.2m
Capitalisation Rate	9.00%
Net Lettable Area (sqm)	6,419
Occupancy (by NLA)	89.7%
WALE ⁽²⁾	4.11 years
Building constructed	1985
Latest refurbishment	2012

Notes

(1) Leasehold property. Most land in the Australian Capital Territory is leased to private lessees under long term Crown leases. Subject to some exceptions, a Crown lease is akin to ownership and is governed by the Land Titles Act 1925 (ACT) and the Planning and Development Act 2007 (ACT).

(2) As at 31 December 2016, by Gross Property Income.





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