

ASX Announcement – Australian Unity Office Fund

20 December 2019

Estimated December 2019 valuations

Australian Unity Investment Real Estate Limited (**AUIREL**) as Responsible Entity of Australian Unity Office Fund (ASX: **AOF**) announces that the following four properties are in the final stages of being externally valued as at 31 December 2019:

- 150 Charlotte Street, Brisbane
- 32 Phillip Street, Parramatta
- 468 St Kilda Road, Melbourne
- 2 Eden Park Drive, North Ryde

Combined, these four preliminary independent valuations:

- have resulted in an increase of approximately \$10.5 million, or approximately a 4% increase over the preceding book value immediately prior to the valuation of those properties;
- reflect a weighted average tightening in capitalisation rates of approximately 18 bps since each of these properties were revalued in June 2019; and
- will increase AOF's net tangible asset backing (NTA) per unit by approximately 6 cents.

The balance of AOF's portfolio (a further five properties) will be revalued in June 2020 unless required earlier under AOF's Valuation Policy.

Mark Lumby, Fund Manager for AOF, said "Market rental growth in the metropolitan office markets of Sydney and Melbourne is still improving, aligning well with AOF's income focus. In addition, investment demand continues to be strong following the three interest rate cuts since 5 June 2019 with capitalisation rates tightening 25 bps for three of the four properties revalued."

AOF's weighted average capitalisation rate across its portfolio of nine assets is expected to tighten from 6.21% as at 30 June 2019 to 6.13% as at 31 December 2019.

Further details relating to individual property valuations will be announced as part of AOF's half year 2020 results on Wednesday, 5 February 2020.

Authorised by:

AUIREL Continuous Disclosure Committee

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About AOF

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of nine office properties located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (AUIREL). AUIREL is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

Australian Unity is a health, wealth and living organisation providing products and services designed to help people thrive. More than one million Australians have created a bright future with us. Our businesses span operations providing healthcare, financial services, and retirement and living services, employing more than 7,500 people across Australia.

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