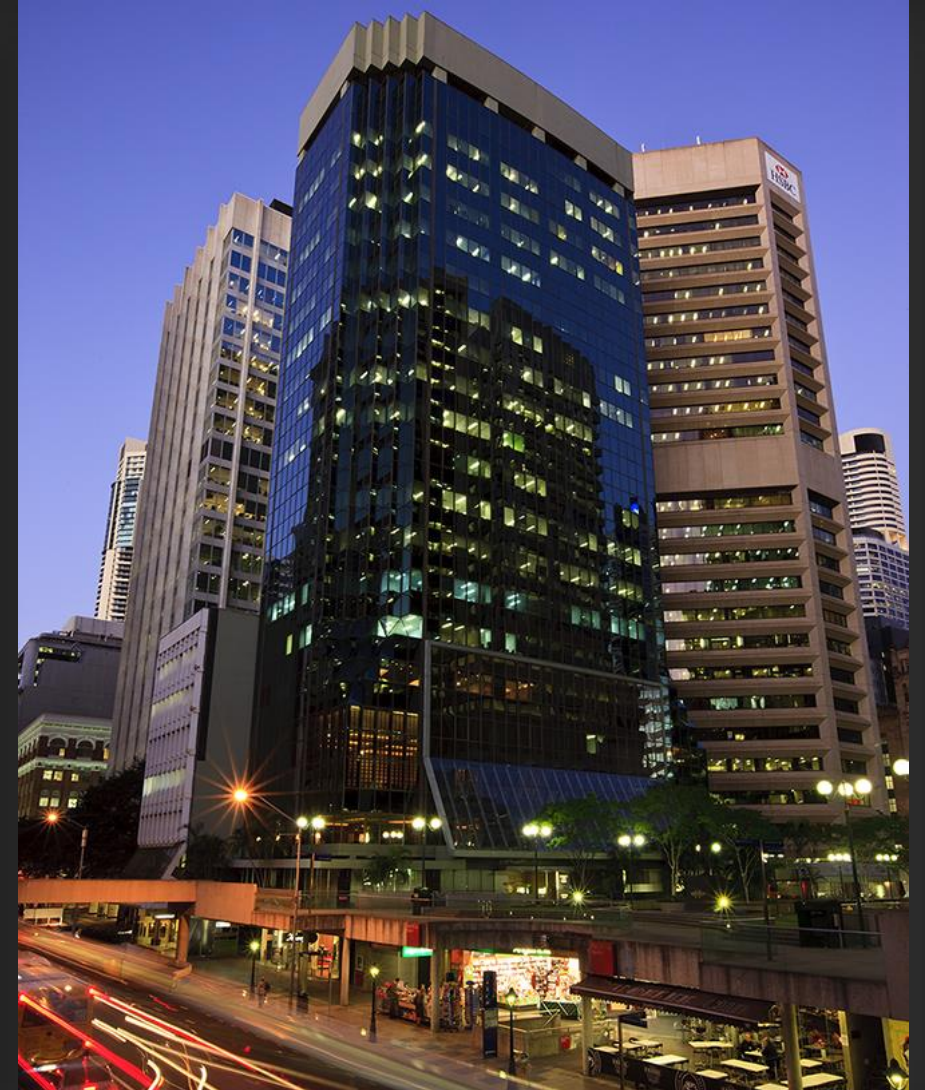


180
YEARS

Australian
Unity 
Real Wellbeing

Australian Unity Office Fund Property Book 31 December 2019

(ASX: AOF)



Important notice and disclaimer

180
YEARS



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All information in the presentation is current as at 31 December 2019 unless otherwise stated. Any dollar (\$) reference is Australian dollars unless otherwise stated. Roundings of the figures provided in this document may result in some discrepancies between the sum of components and the totals outlined within this document including in the tables and percentage calculations.

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Property portfolio

30 Pirie Street, Adelaide, South Australia

180
YEARS



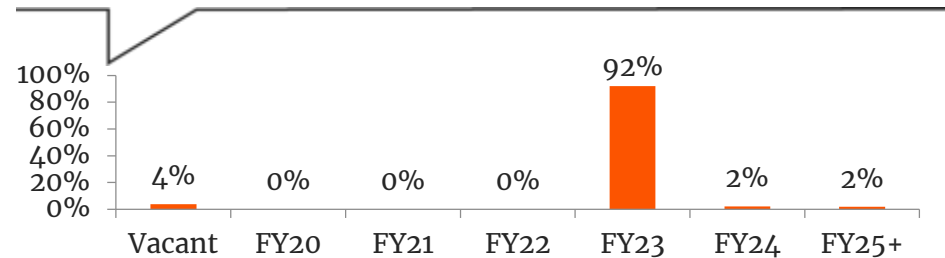
Property overview and strategy

- A-grade office property that is centrally located in Adelaide's CBD, comprising 23 levels of office space
- Building predominantly leased to Telstra, 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.
- Telstra has sublet, or is seeking to sublet, levels 2-7 (representing approximately 25% of the NLA)
- **Strategy:** Maintain strong tenant relations with Telstra to understand changes to its business which may alter ongoing or future tenancy requirements and seek to negotiate a long term lease extension. Lease the currently vacant part level 22 (speculative fitout in place) and part level 23, which have been fully refurbished.

Property information at 31 Dec 2019

Book value	\$125.4m
Capitalisation Rate	7.25%
Net Lettable Area (sqm)	24,665
Occupancy (by NLA)	96.1%
WALE ⁽¹⁾	3.2 years
Building constructed	1987
Latest refurbishment	2012

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G-21	Telstra	22,717	92%	28 Feb 2023	\$12.8 m	Annual fixed 3.5%
Part 22	Australian Unity Group Services	535	2%	30 Nov 2023	\$0.3m	Annual fixed 4.0%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

10 Valentine Avenue, Parramatta, New South Wales

180
YEARS



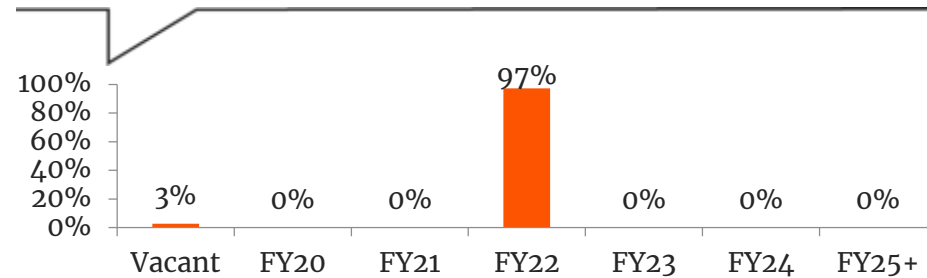
Property overview and strategy

- 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 existing building, and on the same title, is a six level freestanding car park providing parking for 286 vehicles. The existing building and adjacent car park form an island site with no adjacent properties
- Predominantly leased to the NSW State Government who have occupied the property since construction in 1987
- The NSW State Government did not provide notice by 31 December 2018 to hand back up to five floors
- Limited backfill arising from new commercial developments underway is expected to maintain downward pressure on vacancy in the Parramatta market.
- **Strategy:** Seek to negotiate a long term lease extension for the existing office space with the NSW State Government. Seek development approval to build a ~28,000 sqm (NLA) office building above the freestanding car park and, at the same time, seek a pre-commitment.

Property information at 31 Dec 2019

Book value	\$122.2m
Capitalisation Rate	5.75%
Net Lettable Area (sqm)	16,020
Occupancy (by NLA)	97.3%
WALE ⁽¹⁾	2.4 years
Building constructed	1987
Latest refurbishment	2017

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
1-13	NSW State Govt.	15,569	97%	30 June 2022	\$7.1m	Annual fixed 3.25%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

150 Charlotte Street, Brisbane, Queensland

180
YEARS



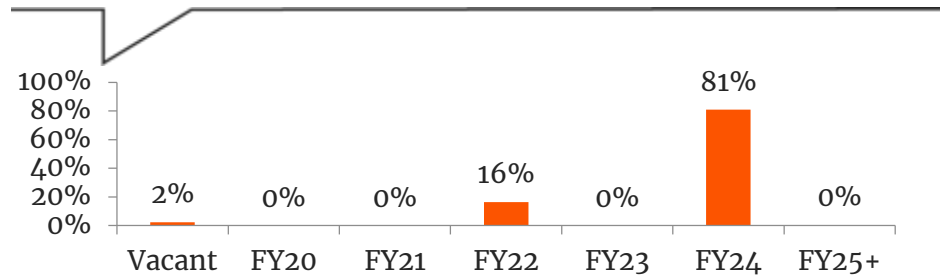
Property overview and strategy

- A-grade office building centrally located in Brisbane's CBD, comprising 16 levels of office space
- The midtown precinct location will benefit from some of Brisbane's largest projects including Queen's Wharf and the Cross River Rail, incorporating the construction of a new train station 200 metres from the asset
- Underwent an extensive \$21 million refurbishment in 2012 with all bathrooms upgraded, the ground floor foyer refurbished with meeting rooms and a cafe, lift modernisation, construction of end of trip facilities, and installation of new air handling units, chillers and a building management system
- Three levels of basement parking providing 102 car parking bays and 13 motorbike bays.
- **Strategy:** Maintain strong tenant relations with Boeing Defence Australia and the Commonwealth of Australia to understand changes to their businesses which may alter ongoing or future tenancy requirements, and seek to negotiate a long term lease extension.

Property information at 31 Dec 2019

Book value	\$104.5m
Capitalisation Rate	5.75%
Net Lettable Area (sqm)	11,081
Occupancy (by NLA)	97.8%
WALE ⁽¹⁾	4.1 years
Building constructed	1988
Latest refurbishment	2012

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
2-14	Boeing Defence Australia	8,943	81%	30 June 2024	\$7.1m	Annual fixed 4.0%
16-17	Commonwealth of Australia (DFAT)	1,492	13%	30 June 2022	\$1.3m	Annual fixed 4.0%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

32 Phillip Street, Parramatta, New South Wales

180
YEARS



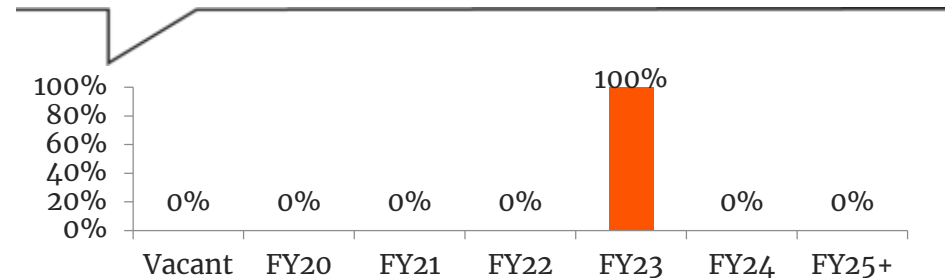
Property overview and strategy

- B-grade office building, comprising 8 levels of office accommodation and 104 car parking bays on levels 1-4, 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
- Located on Parramatta City Council's proposed 'Civic Link', a public space and cultural spine connecting Parramatta CBD to the river, adjacent to the proposed Powerhouse Museum.
- GE has sublet the ground floor and levels 5-10 to various tenants (representing approximately 77% of the NLA)
- **Strategy:** Investigate the feasibility of alternate redevelopment opportunities, given the changing nature of surrounding development, including residential conversion. While 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. Alternatively, the Fund may seek a lease extension with GE and / or sub-tenants.

Property information at 31 Dec 2019

Book value	\$68.5m
Capitalisation Rate	5.50%
Net Lettable Area (sqm)	6,759
Occupancy (by NLA)	100.0%
WALE ⁽¹⁾	3.5 years
Building constructed	1991
Latest refurbishment	2013

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G-13	GE	6,759	100%	30 June 2023	\$4.1m	Annual fixed 3.5%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

5 Eden Park Drive, North Ryde, New South Wales

180
YEARS



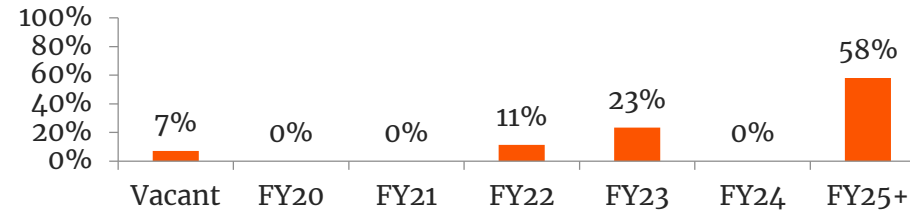
Property overview and strategy

- 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 Sydney Metro Northwest railway link
- Purpose built for the specific requirements of the major tenant, Contract Pharmaceutical Services of Australia (CPSA), which occupies all of the production and warehouse area, and a portion of the office space
- North Ryde is comparatively inexpensive compared to other major Sydney office markets, with limited supply expected in the medium term.
- **Strategy:** 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.

Property information at 31 Dec 2019

Book value	\$66.00m
Capitalisation Rate	6.00%
Net Lettable Area (sqm)	11,029
Occupancy (by NLA)	92.8%
WALE ⁽¹⁾	4.5 years
Building constructed	2004
Latest refurbishment	N/A

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
G&1	CPSA	6,408	58%	30 June 2026	\$2.3 m	Annual fixed 3.5%
3	Commonwealth of Australia	1,557	14%	31 Aug 2022	\$0.8m	Annual fixed 3.5%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

468 St Kilda Road, Melbourne, Victoria

180
YEARS



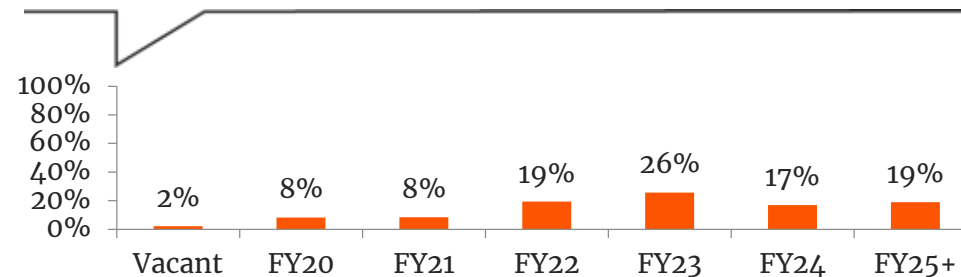
Property overview and strategy

- 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 since the mid 1990's and some office buildings in this market have been withdrawn for residential conversion. This withdrawal continues to keep the vacancy within the market low while 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 pending vacancy, the Fund will consider subdivision to attract smaller tenants and further diversify the lease expiry profile. While the Fund considers the ongoing commercial use as currently most suitable, having regard to the amount of residential development in the surrounding area, the Fund will continue to monitor the highest and best use and the feasibility of potential redevelopment opportunities.

Property information at 31 Dec 2019

Book value	\$82.5m
Capitalisation Rate	5.25%
Net Lettable Area (sqm)	11,211
Occupancy (by NLA)	97.8%
WALE ⁽¹⁾	3.0 years
Building constructed	1985
Latest refurbishment	Since 2010

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
12 & 13	EGA Corporate Advisors	1,269	11%	14 Aug 2022	\$0.6m	Annual fixed 3.5%
7	ID Property Advisory	901	8%	30 Apr 2022	\$0.5m	Annual fixed 4.0%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

2 Eden Park Drive, North Ryde, New South Wales

180
YEARS



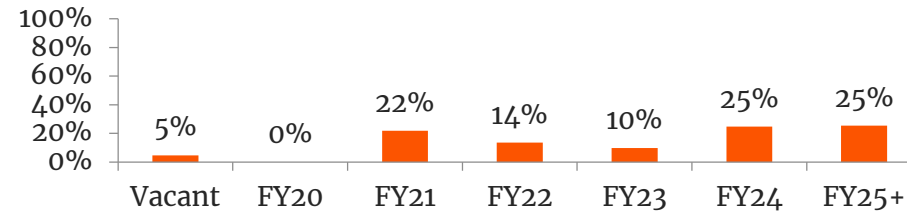
Property overview and strategy

- 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 Sydney Metro Northwest 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.

Property information at 31 Dec 2019

Book value	\$51.0m
Capitalisation Rate	6.00%
Net Lettable Area (sqm)	10,345
Occupancy (by NLA)	95.4%
WALE ⁽¹⁾	3.5 years
Building constructed	1999
Latest refurbishment	N/A

Lease expiry profile (by NLA)



Summary of major tenant

Suite	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
1 & 2	NuSkin Australia	1,427	14%	31 Dec 2024	\$0.6m	Annual fixed 3.5%
5 & 6	Interblock Asia Pacific	1,123	11%	14 Jun 2021	\$0.4m	Annual fixed 3.75%

Notes:

(1) As at 31 December 2019, by Gross Property Income.

Property portfolio

241 Adelaide Street, Brisbane, Queensland

180
YEARS



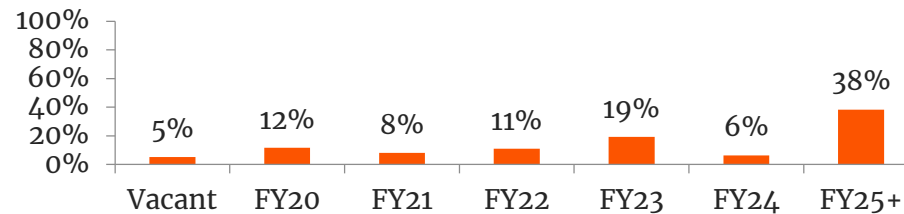
Property overview and strategy

- 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, address identified façade defects, and progressively refurbish bathrooms and lift foyers to enhance presentation and tenant amenity.

Property information at 31 Dec 2019

Book value	\$41.1m
Capitalisation Rate	7.50%
Net Lettable Area (sqm)	10,075
Occupancy (by NLA)	94.8%
WALE ^(2,3)	2.5 years
Building constructed	1988
Latest refurbishment	Since 2012

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
11	Pitt & Sherry (Operations)	509	5.0%	31 Mar 2025	\$0.3m	Annual fixed 3.50%
16	Australian Unity Group Services	509	5.0%	30 June 2023	\$0.3m	Annual fixed 3.75%

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. 2,452sqm 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 2019, by Gross Property Income
- (3) This excludes The Brisbane Club as the tenant has approximately 43 years remaining the lease and would thus distort the metric.

Property portfolio

64 Northbourne Avenue, Canberra, ACT

180
YEARS



Property overview and strategy

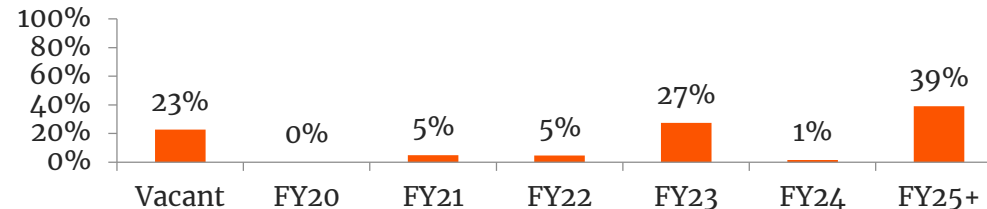
- B-grade property comprising six levels of office accommodation⁽¹⁾
- Located on a prominent corner in the Canberra CBD within close proximity of the prime retail precinct, the City Bus Interchange and the main station of the Canberra Light Rail Network.
- **Strategy:** To capture higher rents, satisfy tenant demand, and diversify the lease expiry profile, the Fund will consider subdividing floors to attract smaller tenancies and to address the imminent reduction in occupied space by Cushman & Wakefield. Actively pursue a diversified mix of smaller tenants so as to avoid a future lumpy expiry profile.

Property information at 31 Dec 2019

Book value	\$24.5m
Capitalisation Rate	7.00%
Net Lettable Area (sqm)	6,429
Occupancy (by NLA)	77.3%
WALE ⁽²⁾	4.1 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 2019, by Gross Property Income.

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Passing gross income	Review
1	Commonwealth of Australia	1,265	20%	7 June 2025	\$0.6m	Annual fixed 3.50%
2	Defence Force Recruiting	1,275	20%	30 June 2023	\$0.6m	Annual fixed 3.75%

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YEARS

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