

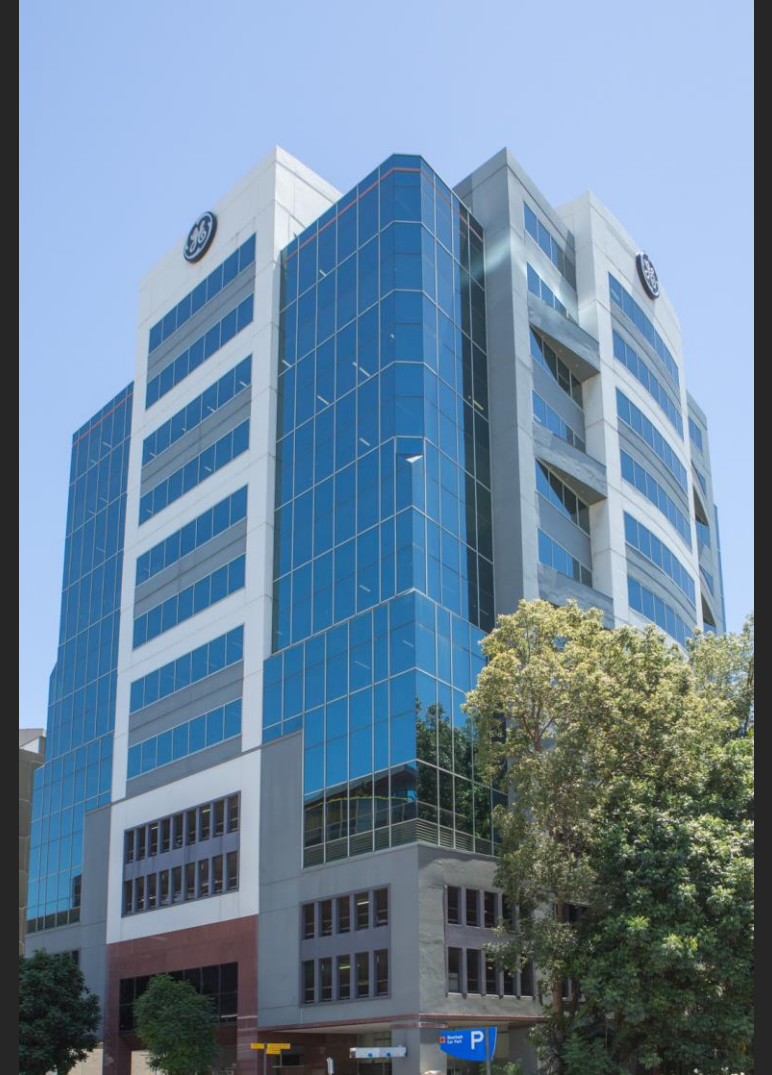
180
YEARS

Australian
Unity 
Real Wellbeing

AUSTRALIAN UNITY OFFICE FUND PROPERTY BOOK

30 June 2020

(ASX: AOF)



32 Phillip St. Parramatta

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Summary

Market	Property	State	Book Value (\$m)	Cap Rate (%)	NLA (sqm)	WALE (years) ¹	Occupancy (by NLA)
Parramatta	2 - 10 Valentine Ave, Parramatta	NSW	134.50	5.50%	16,020	2.0	97.3%
Parramatta	32 Phillip Street, Parramatta	NSW	65.50	5.50%	6,759	3.0	100.0%
Macquarie Park	5 Eden Park Drive, Macquarie Park	NSW	66.00	6.00%	11,029	4.2	92.8%
Macquarie Park	2 Eden Park Drive, Macquarie Park	NSW	50.00	6.25%	10,345	3.0	95.4%
Brisbane CBD	150 Charlotte St, Brisbane	QLD	100.00	6.00%	11,081	3.6	97.8%
Brisbane CBD	241 Adelaide Street, Brisbane	QLD	36.75	7.25%	10,075	2.3 ⁽²⁾	85.7%
Adelaide CBD	30 Pirie Street, Adelaide	SA	112.00	7.125%	24,665	2.7	96.1%
Melbourne Fringe	468 St Kilda Road, Melbourne	VIC	79.00	5.25%	11,211	2.7	91.6%
Canberra CBD	64 Northbourne Ave, Canberra	ACT	25.90	7.25%	6,429	3.6	77.3%
Total (T) / Weighted Average (W)			669.65 (T)	6.09% (W)	107,614 (T)	2.9 (W)	93.7% (W)

Notes:

(1) As at 30 June 2020, by Gross Property Income.

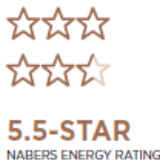
(2) This excludes The Brisbane Club at 241 Adelaide Street, Brisbane as the tenant has approximately 43 years remaining on the lease and would thus distort the metric.

2 Valentine Avenue, Parramatta, New South Wales



Property overview and strategy

- DA approved office tower which will provide approximately 28,000 sqm of A grade accommodation over 24 office levels with two outdoor terraces on levels 14 & 22.
- Typical floors of 1,235 sqm, side core amenity to optimise flexibility and collaboration, and abundant natural light due to setbacks.
- Well located within Parramatta CBD, located approximately 350m to Parramatta Bus and Railway Interchange, 400m from Parramatta Westfield and 200m from Jubilee Park.
- Design⁽²⁾ incorporates excellent sustainability credentials, include 5.5 star NABER Energy, 6 Star Green Star and a Gold Well rating for the base building for occupancy comfort and wellness.
- Early works to commence shortly with Buildcorp to reduce program delivery risks.
- **Strategy: Seek substantial pre-commitment to enable approvals and finance to commence construction. At appropriate point, split title to increase flexibility (2-10 Valentine all on one title).**



24 LEVELS
OF PCA A-GRADE COMMERCIAL SPACE, TWO WITH OUTDOOR TERRACES

1,235 SQM
FLOORPLATES WITH SIDE CORE AMENITY TO OPTIMISE FLEXIBILITY & COLLABORATION

8 SMART LIFTS
PROVIDING FAST & DIRECT FLOOR ACCESS

360°
VIEWS & ABUNDANT NATURAL LIGHT ON ALL LEVELS

1,000 SQM
ROOFTOP SOLAR FARM PROVIDING MARKET-LEADING ENERGY SAVINGS

BEST IN CLASS
END-OF-TRIP FACILITIES, LOCATED ON LEVEL 6 ENCOURAGING ACTIVE LIFESTYLES AND WORK/LIFE BALANCE

Notes:
(1) Image is an artist’s impression and subject to change.
(2) Building inclusions and sustainability metrics are based on current design parameters which are subject to change.

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 existing building, and on the same title, is a six level freestanding car park providing parking for 282 vehicles. The existing building and adjacent car park form an island site with no adjacent properties. This is the site for the 2 Valentine St development.
- Predominantly leased to the NSW State Government (PNSW) who have occupied the property since construction in 1987.
- Given the current COVID-19 environment, PNSW are conducting a review of their required office space across Parramatta and other markets. Management are investigating the opportunity to lease part of the tenancy direct to new tenants (with a part surrender agreed).
- **Strategy: Seek to negotiate a long term lease extension for the required office space with the NSW State Government. If all space not required, lease to new tenants and agree a part surrender with PNSW.**

Property information at 30 June 2020

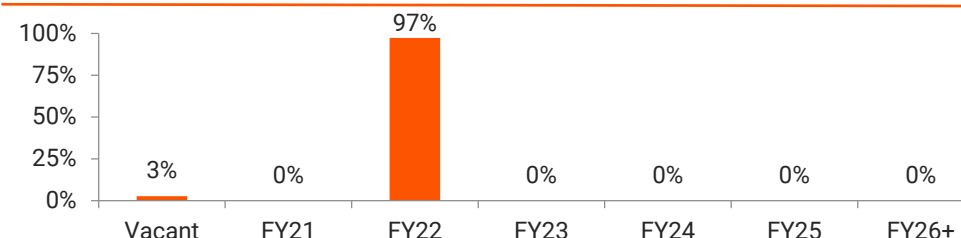
Book value (including 2 Valentine)	\$134.50m ⁽²⁾
Capitalisation Rate	5.50%
Net Lettable Area (sqm)	16,020
Occupancy (by NLA)	97.3%
WALE ⁽¹⁾	2.0 years
Building constructed	1987
Latest refurbishment	2017

Notes:

(1) As at 30 June 2020, by Gross Property Income.

(2) 2-10 Valentine Avenue are all on one title.

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
1-13	NSW State Government	15,569	97%	30 June 2022	Annual fixed

32 Phillip Street, Parramatta, New South Wales



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 General Electric ("GE").
- Amenity in the Parramatta market is set to improve due to the significant Government investment into Parramatta, including the light rail, Metro West rail, proposed Powerhouse Museum and Parramatta City Council's proposed 'Civic Link', a public space and cultural spine connecting Parramatta CBD to the river.
- GE has sublet the ground floor and levels 5-10 to various tenants (representing approximately 77% of the NLA)
- **Strategy: Investigate opportunities to upgrade the ground floor, improving rental stream and amenity, integrating into the proposed Powerhouse precinct and 'Civic Link' to the east of our site. Engage with GE for a lease extension on their required area and convert sub-tenants to direct tenants / lease up any vacancy to reposition asset.**

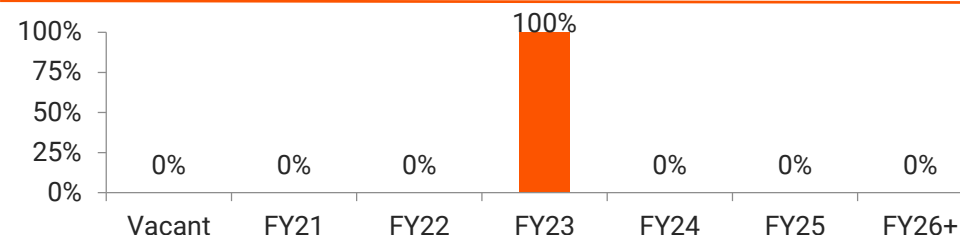
Property information at 30 June 2020

Book value	\$65.50m
Capitalisation Rate	5.50%
Net Lettable Area (sqm)	6,759
Occupancy (by NLA)	100.0%
WALE ⁽¹⁾	3.0 years
Building constructed	1991
Latest refurbishment	2013

Notes:

(1) As at 30 June 2020, by Gross Property Income.

Lease expiry profile (by NLA)



Summary of major tenant

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
G - 13	General Electric	6,759	100%	30 June 2023	Annual fixed

5 Eden Park Drive, Macquarie Park, 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 Sydney Metro Northwest railway link.
- Post 30 June, the CPSA lease has been restructured. Saluda has leased Level 1, while Aegros has acquired CPSA and leases the warehouse and production facilities. Both tenants are in growth industries which may result in further expansion into the building⁽²⁾.
- The Macquarie Park office market is performing well due to the competitive rental on offer in comparison to the CBD and other major metro markets, coupled with solid transport infrastructure and retail amenity. With limited near term supply and significant appeal to tenants in the pharmaceutical, IT and logistics industries, the market appears well positioned.
- **Strategy: Proactive management strategy targeted at addressing tenant retention and vacancy, including splitting and fitout of level 3 vacancy. As the property is a relatively new construction, the property services and amenities remain functional and presentable.**

Property information at 30 June 2020

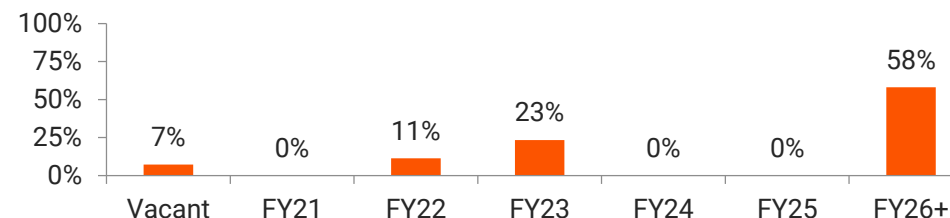
Book value	\$66.00m
Capitalisation Rate	6.00%
Net Lettable Area (sqm)	11,029
Occupancy (by NLA)	92.8%
WALE ⁽¹⁾	4.2 years
Building constructed	2004
Latest refurbishment	n/a

Notes:

(1) As at 30 June 2020, by Gross Property Income.

(2) All statistics are as at 30 June and do not account for recent CPSA lease restructure

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
G & 1	CPSA	6,408	58%	30 June 2026	Annual fixed
3	Commonwealth of Australia	1,557	14%	31 Aug 2022	Annual fixed

2 Eden Park Drive, Macquarie Park, New South Wales



Property overview and strategy

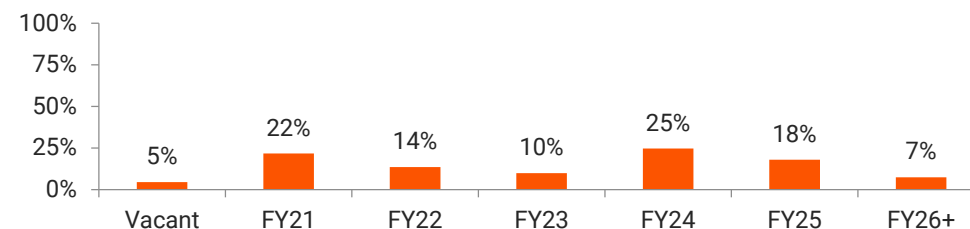
- Industrial complex comprising 16 attached units incorporating office and warehouse components. The three level office areas are at the front of the property with the warehouse at the rear, split over two levels.
- Located in the Macquarie Park business park, within close proximity to the Macquarie Park railway station on the Sydney Metro Northwest rail.
- 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.
- The Macquarie Park office market is performing well due to the competitive rental on offer in comparison to the Sydney CBD and other major metro markets, coupled with solid transport infrastructure and retail amenity. With limited near term supply and significant appeal to tenants in the pharmaceutical, IT and logistics industries, the market appears well positioned.
- Strategy: Continue with a proactive asset management targeted at tenant retention and improving the asset's WALE. Investigate development opportunities given large land holding.**

Property information at 30 June 2020

Book value	\$50.00m
Capitalisation Rate	6.25%
Net Lettable Area (sqm)	10,345
Occupancy (by NLA)	95.4%
WALE ⁽¹⁾	3.0 years
Building constructed	1999
Latest refurbishment	n/a

Notes:
(1) As at 30 June 2020, by Gross Property Income.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
1 & 2	Nuskin Australia	1,427	14%	31 Dec 2024	Annual fixed
5 & 6	Interblock Asia Pacific	1,123	11%	14 Jun 2021	n/a

150 Charlotte Street, Brisbane, Queensland



Property overview and strategy

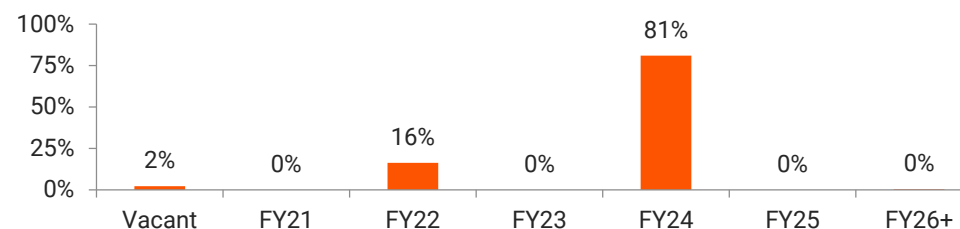
- A-grade office building centrally located in Brisbane's CBD, comprising 16 levels of office space
- The midtown precinct location will benefit from some of Brisbane's largest projects including Queen's Wharf and the Cross River Rail, incorporating the construction of a new train station 200 metres 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 110 car parking bays.
- **Strategy: Maintain strong tenant relationship with Boeing Defence Australia and the Commonwealth of Australia to understand changes to their businesses which may alter ongoing or future tenancy requirements. Seek to negotiate long term lease extensions.**

Property information at 30 June 2020

Book value	\$100.00m
Capitalisation Rate	6.00%
Net Lettable Area (sqm)	11,081
Occupancy (by NLA)	97.8%
WALE ⁽¹⁾	3.6 years
Building constructed	1988
Latest refurbishment	2012

Notes:
(1) As at 30 June 2020, by Gross Property Income.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
2 - 15	Boeing Defence Australia	8,943	81%	30 June 2024	Annual fixed
16 - 17	Commonwealth of Australia	1,492	13%	30 June 2022	Annual fixed

241 Adelaide Street, Brisbane, Queensland



Property overview and strategy

- B-grade office building also known as "The Brisbane Club Tower" located within the Brisbane 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.
- **Strategy: Sales campaign has recently commenced. Continue proactive asset management to let up vacant space and retain tenants to maximise asset value / potential sales price.**

Property information at 30 June 2020

Book value ⁽¹⁾	\$36.75m
Capitalisation Rate	7.25%
Net Lettable Area (sqm)	10,075
Occupancy (by NLA)	85.7%
WALE ^(2,3)	2.3 years
Building constructed	1988
Latest refurbishment	Since 2012

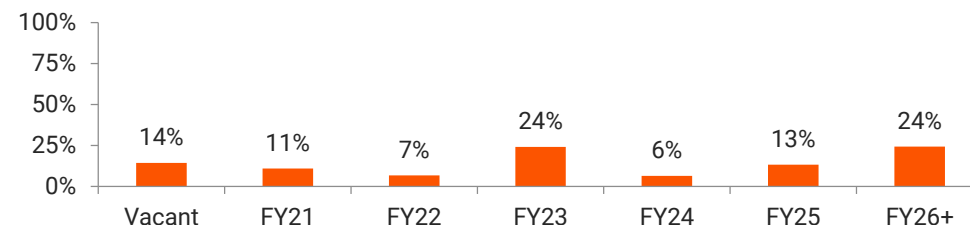
Notes:

(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. 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 30 June 2020, by Gross Property Income.

(3) This excludes The Brisbane Club as the tenant has approximately 43 years remaining on the lease and would thus distort the metric.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
11	Pitt & Sherry	509	5%	31 Mar 2025	Annual fixed
16	Australian Unity Group Services	509	5%	30 June 2023	Annual fixed

30 Pirie Street, Adelaide, South Australia



Property overview and strategy

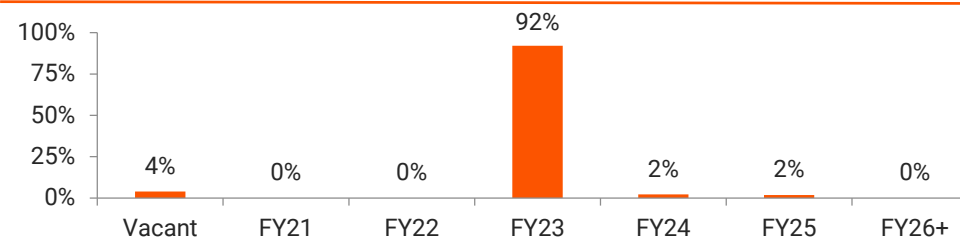
- A-grade office property that is centrally located in Adelaide's CBD, comprising 23 levels of office space.
- Building predominantly leased to Telstra, who have occupied the property since its construction in 1987.
- Underwent an extensive c.\$19 million base building refurbishment in accordance with 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 floors 2,3,5,6,7 (representing approximately 21% of the NLA).
- **Strategy: Maintain active dialogue with Telstra to renew them on their required area (they are currently reviewing their business and its occupancy needs) and covert existing sub-leases to direct leases. Lease existing vacant space which has been fully refurbished.**

Property information at 30 June 2020

Book value	\$112.00m
Capitalisation Rate	7.125%
Net Lettable Area (sqm)	24,665
Occupancy (by NLA)	96.1%
WALE ⁽¹⁾	2.7 years
Building constructed	1987
Latest refurbishment	2012

Notes:
(1) As at 30 June 2020, by Gross Property Income.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
G – 21	Telstra	22,717	92%	28 Feb 2023	Annual fixed
Part 22	Australian Unity Group Services	535	2%	30 Nov 2023	Annual fixed

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.
- Longer term, the asset will benefit from the Government's metro rail project, due in 2025, with ANZAC station located close by.
- 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 asset management strategy, addressing tenant retention and improving WALE. Sub-divide floors to attract smaller tenants and reduce vacancy downtimes. While the existing commercial use is the highest and best use, AOF will continue to monitor this as there are significant residential developments in the vicinity which may present future opportunities.**

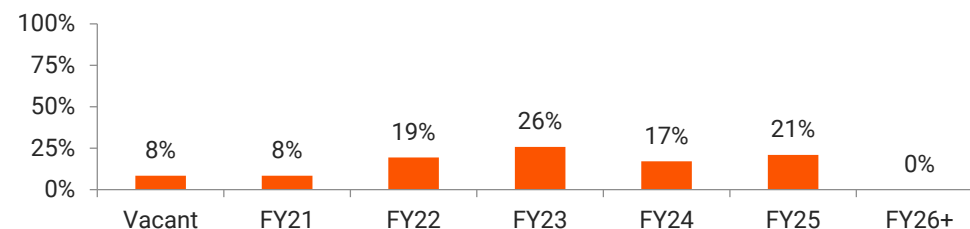
Property information at 30 June 2020

Book value	\$79.00m
Capitalisation Rate	5.25%
Net Lettable Area (sqm)	11,211
Occupancy (by NLA)	91.6%
WALE ⁽¹⁾	2.7 years
Building constructed	1985
Latest refurbishment	Since 2010

Notes:

(1) As at 30 June 2020, by Gross Property Income.

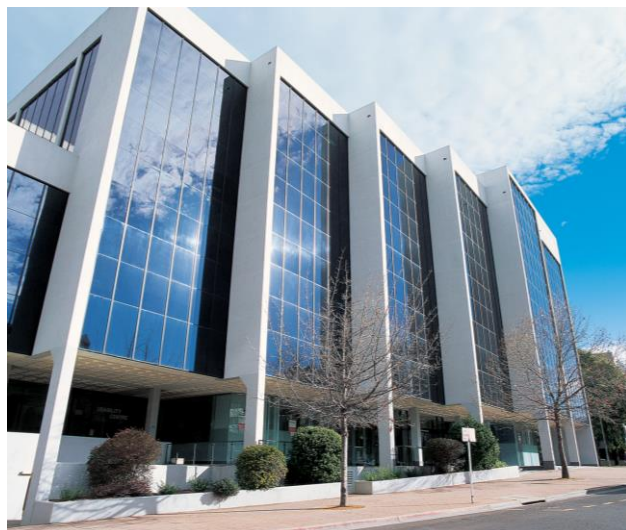
Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
12 & 13	EGA Corporate Advisers	1,269	11%	14 Aug 2022	Annual fixed
7	ID Property Advisers	901	8%	30 Apr 2022	Annual fixed

64 Northbourne Avenue, Canberra, ACT



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.
- The façade will be repainted to improve the assets appearance.
- **Strategy: Active asset management to let up vacancy space, including sub-division of floors and speculatively fitting out tenancies where appropriate. Actively pursue a diversified mix of smaller tenants so as to avoid a future lumpy expiry profile.**

Property information at 30 June 2020

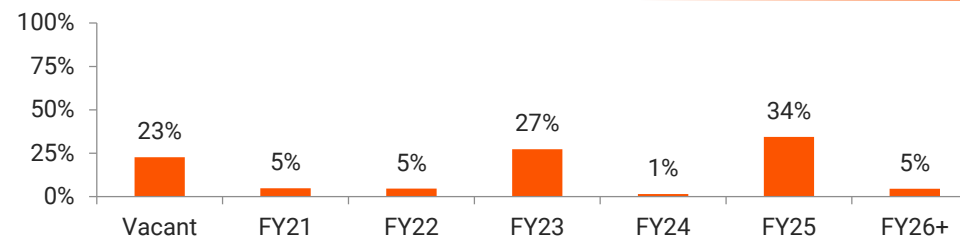
Book value	\$25.90m
Capitalisation Rate	7.25%
Net Lettable Area (sqm)	6,429
Occupancy (by NLA)	77.3%
WALE ⁽²⁾	3.6 years
Building constructed	1985
Latest refurbishment	2012

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 30 June 2020, by Gross Property Income.

Lease expiry profile (by NLA)



Summary of major tenants

Level	Tenant	NLA (sqm)	NLA %	Expiry	Rent Review
1	Commonwealth of Australia	1,265	20%	7 June 2025	Annual fixed
2	Defence Force Recruiting	1,275	20%	30 June 2023	Annual fixed

180
YEARS

