

ANNUAL REVIEW
30 JUNE 2016
INVESTA OFFICE FUND

I O F

INVESTA 

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Investa Office Fund (ASX:IOF) is one of Australia's leading owners of investment grade office buildings. IOF has total assets under management of \$3.6 billion with 22 investments located in core CBD markets throughout Australia. As an externally managed Australian Real Estate Investment Trust, IOF is governed by Investa Listed Funds Management Limited (consisting of majority of Independent Directors) as Responsible Entity and managed by Investa Office (Investa), one of Australia's largest office owners and managers.

This Annual Review is one of three documents that form IOF's FY16 reporting suite, which also includes the IOF FY16 Property Portfolio and the IOF FY16 Annual Financial Report. For more information or to download any of these documents visit www.investa.com.au/iof



IOF is focused on actively managing its assets through the market cycle and has again achieved strong results in FY16



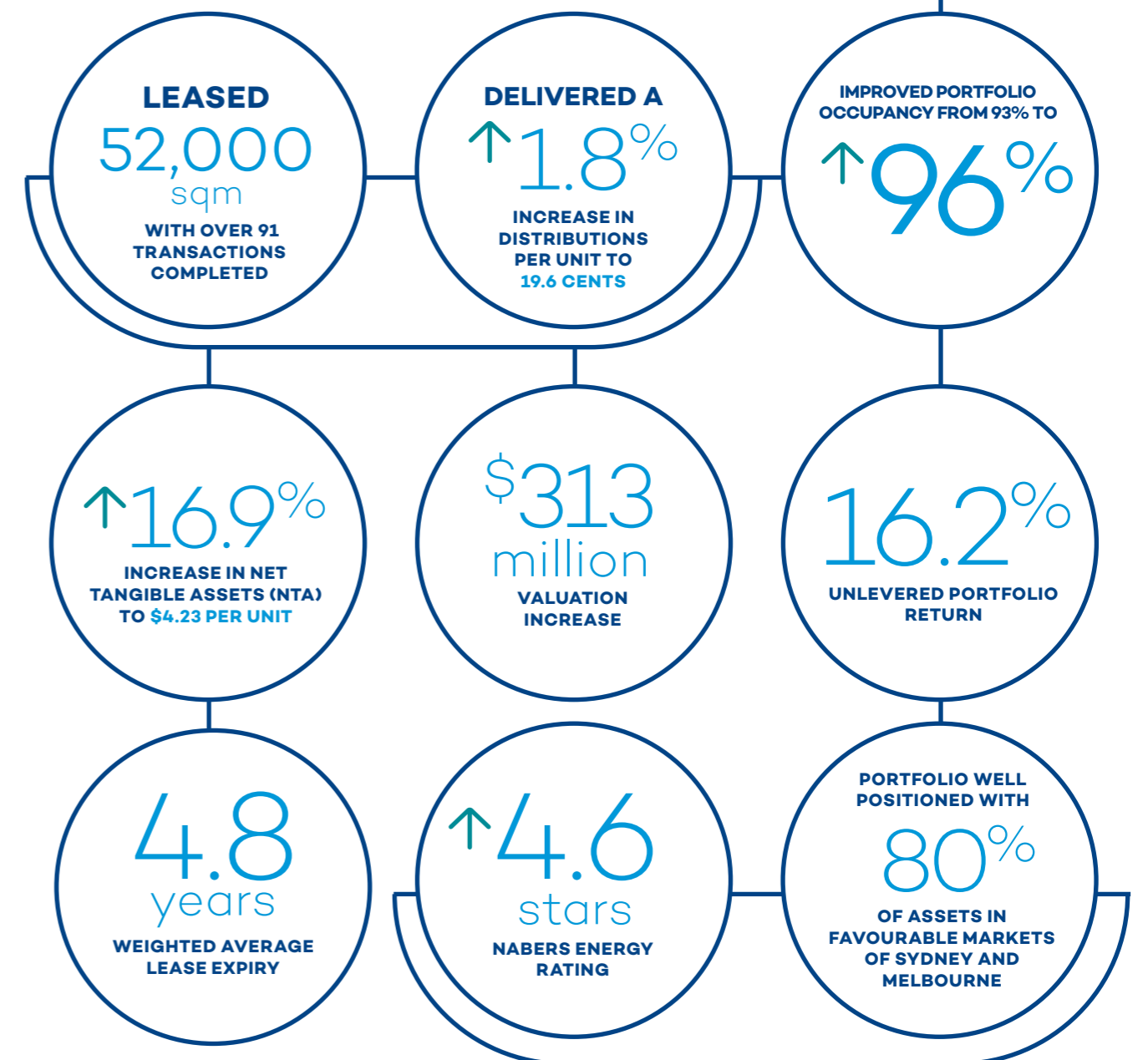
Fund strategy

IOF's strategy is to deliver attractive risk-adjusted returns by investing in high quality Australian CBD assets and leveraging the capabilities of the Investa Management Platform to pro-actively add value. As an office-only specialist and leader in the Australian market, Investa's expertise in asset, portfolio and capital management positions IOF strongly in a competitive marketplace, providing the capability to lease-up and renew tenants ahead of market expectations, reposition assets through the market cycle, and maximise returns by managing the debt and equity base of the Fund.

KEY HIGHLIGHTS 2016

"FY2016 has been a strong year for IOF with outstanding results achieved for our unitholders. Net tangible assets increased 16.9% and distributions per unit were up 1.8% to 19.6 cents per unit. Supported by significant leasing, portfolio value increased by \$313 million, underpinned by the capability of the Investa Management Platform."

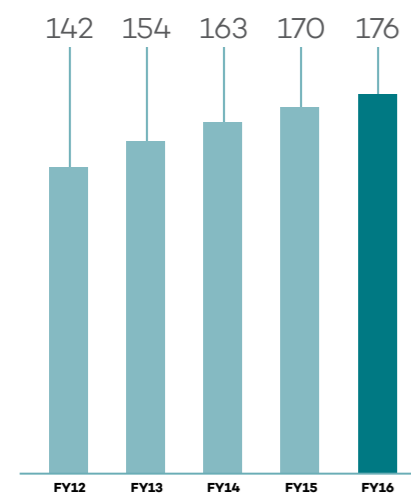
Penny Ransom,
IOF Fund Manager



Five year performance summary¹

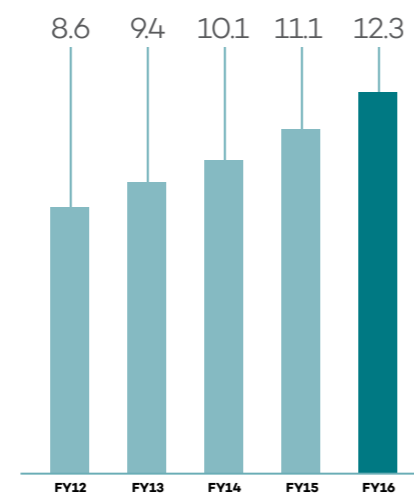
FUNDS FROM OPERATIONS (\$M)²

Funds From Operations, the key metric of IOF's performance, continues to grow.



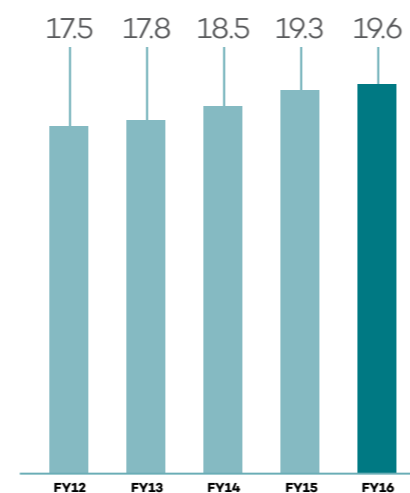
RESPONSIBLE ENTITY FEES (\$M)

The Responsible Entity fee was aligned with market capitalisation in 2012 and movements reflect the increase in the unit price over the last four years from \$2.71 to \$4.28.



TOTAL DISTRIBUTIONS PER UNIT (cents)

IOF is committed to a sustainable distribution and targets a payout ratio of 95-100% of AFFO through the cycle.



	UNIT OF MEASURE	FY2016	FY2015	FY2014	FY2013	FY2012
FINANCIAL						
Revenue	\$m	217.3	217.5	194.1	191.0	195.1
Responsible Entity Fees	\$m	12.3	11.1	10.1	9.4	8.6
Net Profit (statutory)	\$m	493.8	179.2	183.6	158.7	101.9
Funds From Operations	\$m	175.6	169.9	162.6	153.5	141.8
Funds From Operations Per Unit	cents	28.6	27.7	26.5	25.0	22.3
Operating Earnings	\$m	143.3	143.5	140.6	137.5	128.1
Total Assets	\$m	3,783.4	3,321.2	3,142.5	2,723.8	2,502.6
Total Liabilities	\$m	1,187.1	1,098.3	1,084.1	737.2	575.8
Gearing Ratio (look-through)	%	27.7	28.8 ³	32.0 ³	26.3	21.9
Net Tangible Asset Per Unit	\$	4.23	3.62	3.35	3.23	3.14

SECURITY HOLDERS

		FY2016	FY2015	FY2014	FY2013	FY2012
No of Unitholders ⁴	#	13,823	15,342	16,236	16,644	17,588
Units on Issue ⁴	millions	614.1	614.1	614.1	614.1	614.1
Securities on Issue to Top 20 Unitholders ⁴	%	86.6	85.3	83.9	83.1	82.6
Market Capitalisation ⁴	\$bn	2.80	2.33	2.10	1.79	1.66
Total Distributions Per Unit	cents	19.60	19.25	18.50	17.75	17.50 ⁵

1. Prior year balances have been recalculated where necessary for the 4:1 unit consolidation in 2012.

2. The Responsible Entity considers the non-AAS measure, Funds From Operation (FFO), an important indicator of underlying performance of IOF. FFO was adopted as the primary measure of the underlying earnings from FY13 onwards. To calculate FFO, net profit attributable to unitholders is adjusted to exclude unrealised gains or losses, certain non-cash items such as the amortisation of tenant incentives, fair value gains or losses on investments and other unrealised or one-off items. IOF's FFO calculation is based on Property Council of Australia definition of FFO. Refer to the glossary for the complete definition.

3. The methodology for the calculation of the gearing ratio has been amended during the period to reflect a look-through debt balance that includes the Group's Australian dollar exposure after hedging its US Private Placements (USPPs). The impact on the 30 June 2014 ratio is that the gearing ratio has increased from 31.5%, to 32.0% under the new methodology.

4. As at 31 August of each year.

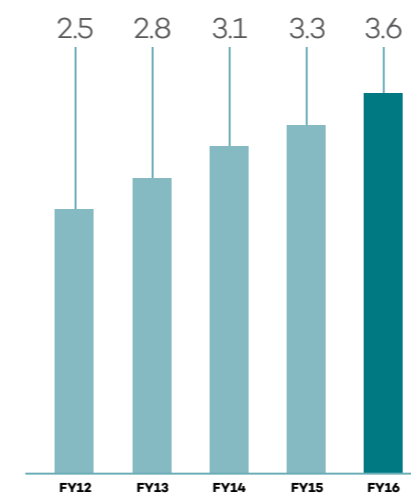
5. The financial year 2012 normal distribution was 15.6 cents. A special distribution of 1.9 cents was paid following the sale of offshore assets.

6. Environmental intensity statistics cover reporting period 1 April 2015 – 31 March 2016 and have been assured by KPMG. The KPMG Assurance Statement, including selected performance data and the relevant reporting criteria, can be found online at <http://www.investa.com.au/iof-sustainability-assurance>.

7. IOF assets joined the broader Investa waste and recycling program in FY13. This transition to new contracts includes provision for ongoing reporting.

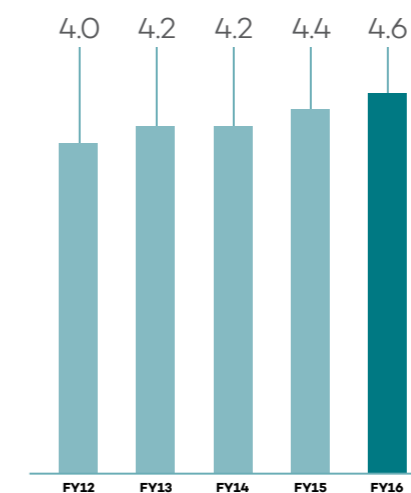
BOOK VALUE (\$BN)

The portfolio is now 100% based in Australia and continues to grow as assets continue to show strong valuation improvements.



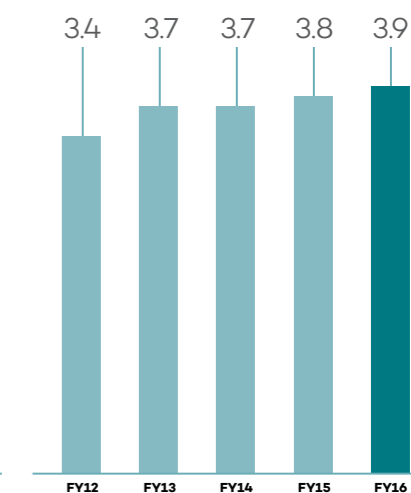
NABERS ENERGY (STARS)

NABERS ratings demonstrate the outcomes of strategic capital investment in energy saving initiatives, building infrastructure and active asset management.



NABERS WATER (STARS)

NABERS Water ratings improved incrementally through increased operational focus on water management. This is despite added demand through the introduction of end-of-trip facilities and increased occupancy.



	UNIT OF MEASURE	FY2016	FY2015	FY2014	FY2013	FY2012
OPERATIONAL						
Portfolio Occupancy	%	96	93	92	94	96
Weighted Average Lease Expiry	years	4.8	5.2	5.0	4.9	5.1
Investment Properties	#	22	22	24	23	20
Net Lettable Area (ownership %)	sqm	421,895	414,080	427,813	502,244	477,533
Total Book Value	\$bn	3.6	3.3	3.1	2.8	2.5
Australian Owned Assets	%	100	100	97	88	87
No of Tenants	#	387	446	437	312	312
Retention	%	77	62	68	56	79

ENVIRONMENTAL⁶

		FY2016	FY2015	FY2014	FY2013	FY2012
Net Lettable Area (metered)	sqm	457,726	459,760	411,045	409,458	303,641
Electricity Metered Consumption	MWh	35,401	37,209	34,617	36,098	27,773
Electricity Consumption Intensity	kWh/sqm/yr	77	81	84	88	91
Gas Metered Consumption	GJ	25,151	23,810	24,702	31,716	25,327
Gas Consumption Intensity	MJ/sqm/yr	78	73	77	99	134
Greenhouse Gas Emissions Intensity	kg.CO2-e/sqm/yr	70	73	78	86	86
Water Metered Consumption	kL	307,534	310,218	284,508	297,689	245,446
Water Consumption Intensity	L/sqm/yr	672	675	692	727	808
Waste Total ⁷	tonnes	2,017	1,077	557	1,517	-
Waste Recycled	%	42	52	46	34	-
NABERS Energy Ratings	Stars	4.6	4.4	4.2	4.2	4.0
NABERS Water Ratings	Stars	3.9	3.8	3.7	3.7	3.4

Letter from the Chairman



Left to right: John Fast – Independent Non-Executive Director, Richard Longes – Chairman and Independent Non-Executive Director, Bob Seidler AM – Independent Non-Executive Director, and Geoff Kleemann – Independent Non-Executive Director

“Your Board is committed to maintaining market leading standards in corporate governance and maximising value for unitholders”

Richard Longes
ILFML Chairman

Dear Unitholder,

My name is Richard Longes and together with John Fast, Geoff Kleeman and Bob Seidler AM we were appointed independent non-executive directors of ILFML to replace the previous independent non-executive directors on the Board who resigned following the unitholders meeting in April 2016.

In accordance with the constitution of ILFML and with agreement from IOM, we will stand for election at the coming Annual General Meeting. The experience and background of each Director is set out later in this Report.

The Board is committed to ensure that the interests of IOF unitholders remain paramount. Part of this is to work with the Investa team to continue to realise the IOF portfolio's objectives and maximise the long term returns.

The Fund has appointed Penny Ransom as Fund Manager. Penny is a highly respected and qualified property executive who brings a lot of experience to this role. I would also like to thank Jason Leong who was Acting Fund Manager from April 2016 until Penny took over her role.

Results from the last financial year have provided strong returns to unitholders.

Funds From Operations (FFO), our preferred measure of operational performance, was up 3.4% to \$175.6 million and the distribution to unitholders up 1.8% to 19.60 cents per unit. IOF's net tangible assets per unit increased by 16.9%, from \$3.62 to \$4.23, after \$313 million of valuation uplifts.

We consider IOF's \$3.6 billion Australian-only office portfolio as being one of the best in the country. By leveraging the skills and expertise of the Investa Management Platform, we have continued to generate attractive and stable risk-adjusted returns through the cycle, for our unitholders.

Our strategic focus on quality office buildings in Australia's major office markets, particularly the largest and most diversified CBDs of Sydney and Melbourne, is proving advantageous. Both markets have strong underlying fundamentals and continued investment demand, which is providing both income and capital growth. As a result of this and our strong leasing results, the overall portfolio value increased by an impressive 9% following revaluations during the year.

Nationally, the Investa team has achieved significant leasing success. In Brisbane, Investa's ability to understand the needs and drivers of our tenants delivered over 31,000sqm of value accretive leasing. Occupancy in the Brisbane portfolio increased from 78% to 90%, well above current market occupancy of 83%. Occupancy by income for the portfolio as a whole increased from 93% to 96%. In addition, post 30 June 2016, the Investa team renewed Telstra's occupancy of over 63,000sqm at 242 Exhibition Street, Melbourne to 2031. This is a major achievement which de-risked the Melbourne portfolio.

Construction of 567 Collins Street, Melbourne was completed in July 2015, bringing a new premium grade asset into the IOF portfolio. The re-development of 151 Clarence Street, Sydney is well underway and due for completion in late 2018, which is opportune timing, given we are forecasting Sydney office vacancy at that point to be less than 5%, well below long term averages.

The unlevered portfolio return for the year was robust at 16.2%. Given the continuing low interest rate environment and improving fundamentals in most markets, particularly Sydney, coupled with the ongoing performance of the Investa management team, we are confident in IOF's ability to continue delivering attractive risk-adjusted returns.

A review has been undertaken by the Honourable James Spigelman AC QC, former Chief Justice of the Supreme Court of NSW, of the governance arrangements in place to deal with conflicts with IOM management roles should these arise. The findings of the review are referred to in the IOF Annual Financial Report and will be discussed with IOM and other interested parties.

On 12 August 2016, IOF received a certificate of valuation confirming the gross value of the commercial office assets of IOF was greater than \$3.5 billion. As a result, IOF has the opportunity to acquire 50% of the Investa Management Platform for \$45 million plus agreed working capital and other agreed reimbursement adjustments. The Board will review and consider this potential acquisition and will keep IOF unitholders informed of any material developments as they occur.

I would like to thank the IOF management team and the employees of the now stabilised Investa Management Platform for their continued commitment and performance. Their achievements and the high quality characteristics of the portfolio have underpinned another successful year for IOF. In a low-growth economic environment, the Fund is well positioned moving into financial year 2017.

Finally, I look forward to meeting with unitholders at the Annual General Meeting on 20 October 2016.

Richard Longes
Chairman, Investa Listed Funds
Management Limited

Letter from the Fund Manager



Dear Unitholder,

I am pleased to report strong results for IOF for the 2016 financial year, as the Fund continues to focus on active portfolio, capital and asset management. IOF delivered a 3.4% increase in Funds From Operations (FFO) to 28.6 cents per unit, ahead of guidance, and increased the Distribution Per Unit by 1.8% to 19.60 cents.

Statutory net profit increased 175.6% to \$493.8 million, reflecting strong performance across all business activities. Net Tangible Assets (NTA) rose by 16.9% to \$4.23 per unit supported by the expertise of the Investa Office Management Platform and improved market conditions.

PROACTIVE LEASING CONTINUES TO DRIVE VALUE

Net Property Income (NPI) increased 7.1%, due largely to annual fixed rental increases, new leasing, and the completion of the new Premium grade office development at 567 Collins Street, Melbourne in July 2015, of which IOF holds a 50% interest. On a like for like basis, the portfolio delivered strong NPI growth of 3.1%.

Total portfolio occupancy increased from 93% to 96% with over 116,200sqm of leasing completed including 63,400sqm post balance date, equating to 19% of the portfolio. This resulted in a long weighted average lease expiry of 5.6 years¹. Pleasingly, much of the new leasing activity over the financial year occurred in Brisbane where occupancy increased from 78% to 90%.

In Sydney, where 59% of IOF's portfolio sits, conditions are tight driving market rental growth particularly in the second half of the year. Demand from smaller occupiers is strong and the withdrawal of largely B grade stock for the construction of the new metro rail, as well as for residential conversion, continues to place downward pressure on A and B grade vacancy.

Barrack Place, IOF's A grade office development at 151 Clarence Street, Sydney, which is due to complete in late 2018, together with major expiries at 388 George Street and 347 Kent Street in Sydney, provide excellent opportunities to access anticipated stronger market conditions and to drive future performance.

Rounding off a very busy year was the post balance date renewal of Telstra at 242 Exhibition Street, Melbourne to 2031. This 63,400sqm 11.5 year lease extension was the Fund's most significant potential vacancy exposure in the Melbourne market, and the result is a great example of Investa's client focus and expertise to secure an optimal solution for both tenant and landlord.

SELECTIVE CAPITAL RECYCLING

In July 2015, IOF exchanged contracts to divest 383 La Trobe Street, Melbourne, for \$70.7 million, a 31% premium to book value. This transaction is anticipated to settle in the second half of the 2017 financial year.

This asset was attractive to potential buyers for residential/mixed use redevelopment and the Fund took advantage of the strong market to divest this asset and improve the overall quality of the portfolio. The funds from this divestment will be used to repay debt and fund future value add development and asset enhancement activities.

SIGNIFICANT REVALUATIONS DUE TO STRONG CAPITAL MARKETS AND LEASING SUCCESS

Pro-active asset management, improving fundamentals and strong capital markets have driven a \$313m or 9% increase in book values over the period. The portfolio capitalisation rate reduced 73 basis points to 6.2%. Importantly, 40% of the total valuation uplift was due to improved asset fundamentals, independent of capitalisation rate movement.

Strong valuation uplifts were achieved across Sydney and Melbourne, with total valuation uplifts of 11%. Notable increases included 10-20 Bond Street (31%), 6 O'Connell Street (20%) and the Piccadilly Complex (20%) in Sydney.

Asset values in Brisbane increased by 9% following a period of significant leasing activity and repositioning. 140 Creek Street increased 14% in value following the lease up of 18,300sqm, and 295 Ann Street increased by 8% with three new deals completed.

Contrary to rising valuations in Sydney, Melbourne and Brisbane, asset values in Perth declined by 15% on average over the year as the slowdown in the resource sector continued.

CONSERVATIVE DEBT PROFILE MAINTAINED

IOF's debt capital structure continues to be stable and well balanced. The Fund benefits from a diverse source of debt funding including bank facilities, medium term notes and US private placements.

Post balance date a \$350 million bank facility was extended to July 2019, 2020, and 2021. The weighted average debt maturity is now 5 years and is staggered with a target of no more than circa \$200 million expiring in any given year.

The Fund's look through gearing of 27.7% remains comfortably within the target gearing range of 25-35%. IOF's weighted average cost of debt continues to remain low at 4.2% and is expected to fall below

4.0% over FY17. The Fund maintained a hedging ratio of 44% at June 2016 which has worked well for the Fund during a declining interest rate environment, and will be closely monitored going forward. The Fund also maintained a stable triple B+ S&P credit rating over the period.

OPPORTUNITY TO ACQUIRE 50% OF THE INVESTA MANAGEMENT PLATFORM

As stated by our Chairman, IOF has an opportunity to acquire 50% of the Investa Management Platform. IOF management will work closely with the Board to review and consider this potential acquisition in the context of what is in the best interests of all unitholders, and further information will be provided as appropriate in the future.

OUTLOOK

Office market fundamentals in Sydney, Melbourne and Brisbane, where the portfolio maintains its largest weightings, are anticipated to continue to improve, and the strong weight of capital chasing prime office assets in these markets should continue to support valuations moving forward.

A FINAL WORD

I am very excited to be part of the IOF team and to work with the broader Investa Office management business, which I hold in very high regard. I look forward to working hard to optimise unitholder returns and to act in the best interests of all unitholders.

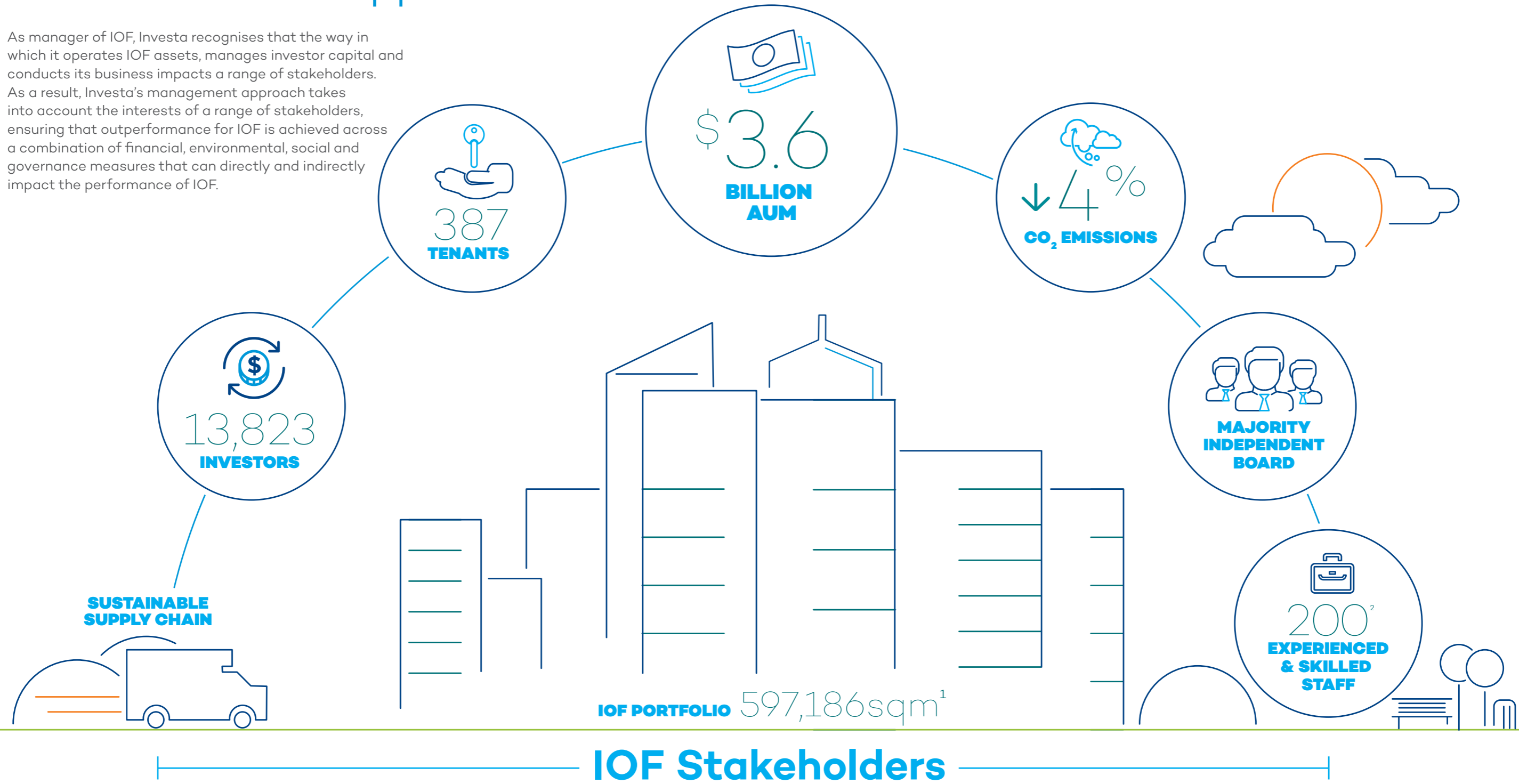
On behalf of the IOF team, I would like to take this opportunity to thank you for your support and I look forward to your continuing support in 2017.

Yours sincerely,

Penny Ransom
Fund Manager, IOF

IOF stakeholder approach

As manager of IOF, Investa recognises that the way in which it operates IOF assets, manages investor capital and conducts its business impacts a range of stakeholders. As a result, Investa's management approach takes into account the interests of a range of stakeholders, ensuring that outperformance for IOF is achieved across a combination of financial, environmental, social and governance measures that can directly and indirectly impact the performance of IOF.



INVESTORS

- Market leading governance framework
- Transparent disclosure and reporting
- Leverage the Investa Management Platform to optimise operational and environmental performance

TENANTS

- Apply Investa's customer centric operating model to deliver market leading service to tenants
- Provide a safe environment for all tenants and visitors by utilising Investa's Work, Health and Safety platform

SUPPLIERS

- Monitor supply chains and align contractor processes, conduct, and material use to Investa's environmental and operational standards
- Maintain best practice disclosure reporting and assessment standards
- Achieve operational cost savings by leveraging Investa's national contracts and procurement management system

EMPLOYEES

- Attract and retain experienced and skilled professionals to implement IOF's investment strategies and manage and operate the assets
- Foster a diverse workforce to ensure that the way we do business and make decisions is representative of our stakeholders and the broader community

COMMUNITY

- Engage with the wider community through charities and community investment to deliver societal benefits
- Provide thought leadership via participation in key industry associations and initiatives

ENVIRONMENT

- Leverage new tools and innovations to drive building management system performance, enhancing building efficiency and operation
- Maintain and expand partnerships and initiatives that stimulate progress and continual improvement in responsible investment

1. IOF Portfolio net lettable area at 100% ownership.
2. Number of staff employed by Investa Management Platform as at 30.06.16.

Risk and sustainability

IOF's sustainability strategy ensures the Fund remains a global leader in responsible investment, adding value via universal management of environmental, social and governance (ESG) risks and opportunities. The strategy is guided by the following core principles:

"A responsible investment approach continues to deliver a global competitive advantage for IOF. In FY16, our focus on calibrating environmental, social and financial results continued to maximise returns for our unitholders."

Nina James, General Manager, Corporate Sustainability



First choice for tenants



MEETING TENANT NEEDS AND HARNESSING HUMAN CAPITAL

Improving communication and services to tenants to deliver an enhanced occupant experience and greater value-add as a building owner



Optimising operational performance



ACTIVE MANAGEMENT TO DELIVER OPERATIONAL OUTPERFORMANCE

Through experience and technical expertise, buildings are actively managed to operate at their optimum level



Research and innovation



ADDING VALUE THROUGH RESEARCH AND INNOVATION

In-house research and strategic industry, government and business partnerships deliver improved performance and drive change



Leadership in governance



FOCUS ON TARGETS AND ALIGNMENT OF STRATEGIES ACROSS THE BUSINESS

Maintaining the highest standards of corporate governance and ethical conduct

AUSTRALIAN BUSINESS ROUNDTABLE

Investa continues to support the Australian Business Roundtable, which produced two concurrent white papers during FY16. Focusing on the total social costs of natural disasters and advocating for the integration of resilience planning into federal and state infrastructure investment, the Roundtable's work continues to be globally recognised for its leadership in reducing the risks associated with natural disasters.



www.australianbusinessroundtable.com.au

GRESB

During FY16, IOF was able to considerably improve its GRESB ranking, rising from the 34th highest ranked fund globally to 13th. IOF is ranked as the second best performing Listed Australian Office Fund, with the strong 5 Green Star GRESB ranking recognising the Fund's excellent ESG performance.



www.gresb.com

DIVERSITY

Investa continues to demonstrate leadership on issues of gender equality through the Women's Empowerment Principles (WEPs), a collaborative initiative between UN Women and the UN Global Compact. Additionally, Investa is a founding partner in the Property Council of Australia's Male Champions of Change program, elevating gender equality as an issue of social and economic importance.



www.weprinciples.org

CARBON DISCLOSURE PROJECT (CDP)

With more than half of the world's superannuation funds committed to a more responsible approach to investment, IOF is working closely with CDP to embed and promote a more accountable approach to investment.

IOF was awarded a position on the A-list of the 2015 CDP Climate Performance Leadership Index for its actions to reduce carbon emissions and mitigate the risks of climate change. IOF was one of only two Australian companies and 113 companies worldwide included on the A-list.



www.cdp.net

PRINCIPLES FOR RESPONSIBLE INVESTMENTS (UNPRI)

Investa has been a signatory to the UN Principles for Responsible Investment since 2007.



www.unpri.org

LOW CARBON STRATEGY

IOF is preparing for the global transition to a low carbon economy through the preparation of a low carbon strategy. Set to formally launch in FY17, the strategy defines a roadmap for the Fund to set and achieve a science-based emissions reductions target, in line with a 2 degree future. The strategy aims to ensure IOF retains its global environmental leadership position and continues to attract global investment.



www.sciencebasedtargets.org

BEST IN CLASS PERFORMANCE LEASE

To be launched in FY17, Investa's new best practice lease provides a leasing framework that encourages collaboration with tenants for embedding sustainability initiatives into leases. Gold certified by the Better Buildings Partnership, the best practice lease will position IOF as a leader in sustainable commercial leasing.



www.betterbuildingspartnership.com.au/projects/leasing/



Interaction between IOF, the Board and the Manager

IOF does not employ any staff directly, instead the Responsible Entity has engaged the manager, Investa, to provide IOF with asset, portfolio and capital management services to support the delivery of IOF's strategy. This relationship allows IOF to benefit from Investa's integrated platform and capability as an office manager, which ultimately contributes to superior unitholder returns.

The Responsible Entity is entitled to a fee equivalent to 0.55% per annum of market capitalisation and engages the manager to provide the services required to manage IOF. When compared to traditional fee structures across the industry, this market leading fee structure provides greater alignment between the Responsible Entity, manager and unitholders.

STRONG CORPORATE GOVERNANCE PRINCIPLES

- > Dedicated Responsible Entity focused entirely on IOF with Independent Directors who bring depth and breadth of experience
- > Ability to ratify appointment of Independent Directors
- > Unitholder approval required for real estate related party transactions
- > Responsible Entity fee of 55 bps of total market capitalisation (subject to 2.5% cap and collar), providing greater alignment between the Responsible Entity, the manager and unitholders
- > Enhanced communication and transparency

Board of Directors

As at the date of this Report, ILFML has five Directors, four of whom are Independent Directors. An overview of the experience, qualifications and memberships of each Director is set out below.



RICHARD LONGES – CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

Richard Longes is an Independent Director and Non-Executive Chairman of the Responsible Entity.

Richard Longes is the Chairman of Liberty Financial Pty Limited, Terrace Tower Group Pty Limited and Investec Australia Limited. He was previously Chairman of GPT and Deputy Chairman of Lend Lease, as well as a Director of a number of public companies.



BOB SEIDLER AM – INDEPENDENT NON-EXECUTIVE DIRECTOR

Bob Seidler AM is an Independent Director of the Responsible Entity. Bob Seidler AM is also a Director of Investa Office Management Pty Limited, which is the parent company of the Responsible Entity and the manager of IOF.

Bob Seidler AM is Chairman of Hunter Phillip Japan Limited and a member of CIMIC Group Limited's board. Previous board memberships include Valad Property Group, Australian Prime Property Fund, Chairman of Leighton Asia India and Offshore and Leighton Properties Pty Limited.



JONATHAN CALLAGHAN – EXECUTIVE DIRECTOR AND CEO, INVESTA

Jonathan Callaghan is the CEO of Investa and an Executive Director of the Responsible Entity and Investa Wholesale Funds Management Limited.

Jonathan Callaghan is responsible for the strategic direction of Investa, across both the office and funds businesses, including responsibility for financial strategy, treasury, debt and risk management, taxation and internal and external reporting.

Jonathan Callaghan has been with Investa for over 10 years where he has held a number of roles, including Group General Counsel and more recently, Joint Managing Director and Finance Director.

Jonathan Callaghan is a member of the NSW Division Council of the Property Council of Australia and a founding member of the Property Male Champions of Change.

Jonathan Callaghan holds a Bachelor of Science (Hons), a Bachelor of Laws (Hons) and a Masters of Applied Finance.



JOHN FAST – INDEPENDENT NON-EXECUTIVE DIRECTOR

John Fast is an Independent Director of the Responsible Entity.

John Fast is founder and Joint Managing Director of international specialist advisory firm Dragoman Pty Limited. John Fast is also Chairman of NIEF Limited, Deputy Chairman of the Norman Beischer Medical Research Foundation, Non-Executive Director of the Australian Brandenburg Orchestra and Chairman of the Advisory Board of the Rotary Aboriginal and Torres Strait Islanders Tertiary Scholarship.

John Fast's previous executive roles include Chief Legal Counsel and Head of External Affairs at BHP Billiton Limited and BHP Billiton Plc respectively.



GEOFF KLEEMANN – INDEPENDENT NON-EXECUTIVE DIRECTOR

Geoff Kleemann is an Independent Director of the Responsible Entity and Non-Executive Chairman of the Audit and Compliance Committee of the Responsible Entity.

Geoff Kleemann's former directorships include being an independent and Non-Executive Director of Asciano Limited and a Non-Executive Director of Broadspectrum Limited. Geoff Kleemann was also previously CFO at a number of major Australian companies including Crown Limited, Publishing & Broadcasting Limited and Woolworths Limited.

Management team

The high calibre industry professionals that manage IOF have a diverse range of skills and experience. The team's complementary skills and dedication to the Fund enable a balanced approach to managing IOF both operationally and strategically.

IOF's management team is underpinned by Investa's market leading operating platform. The platform specialises in the delivery of superior service experiences to tenants, contributing to higher tenant retention and better operational and Fund performance over the long term. This approach is carried out across IOF's portfolio by 200 real estate service professionals based locally in the markets in which IOF operates – driving value creation through active leasing and continued tenant engagement.



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**PENNY RANSOM
FUND MANAGER, IOF**

Penny Ransom is the Fund Manager for IOF and is responsible for the strategic direction and performance of the Fund. Penny recently joined the IOF management team from DEXUS, where she was responsible for the A\$7.1 billion diversified DEXUS Wholesale Property Fund.

Penny has over 22 years of Australian and international property industry experience, with a strong track record in driving performance through challenging market cycles. Previous roles include Head of Capital in Australia at DEXUS and 14 years at Lend Lease in investment management, business development and capital transaction roles, including Head of Equity UK & Europe.

B

**NICOLE QUAGLIATA
ASSISTANT FUND MANAGER, IOF**

Nicole is responsible for developing and delivering the asset management strategies for the IOF portfolio. This includes leveraging Investa's project and development management, sustainability and research teams to enhance long term decision making and strategy execution across the portfolio. Nicole also provides high level support in the area of investor relations. Nicole has over 11 years' experience in property and funds management and is a CFA charter holder.

C

**JORRIT SENNEMA
SENIOR FUND ANALYST, IOF**

Jorrit is responsible for overseeing the financial performance of the Fund. This includes analysing financial decisions at both the fund and asset level and assessing the impact of any transaction on fund performance. Jorrit also oversees capital management initiatives, working closely with treasury and the wider Investa finance teams. Jorrit has over 6 years' experience in property and funds management.

D

**NICK LEARMONTH
FINANCIAL CONTROLLER, IOF**

Nick is responsible for all internal and external financial reporting requirements for the Fund, which incorporate accounting, tax and treasury functions. Prior to Nick's current role, he was responsible for the financial reporting requirements of the previously held offshore operations and the Fund's financial modelling and analysis. Nick has over 14 years' experience in finance, the last seven of that within the property industry. He is a Chartered Accountant.

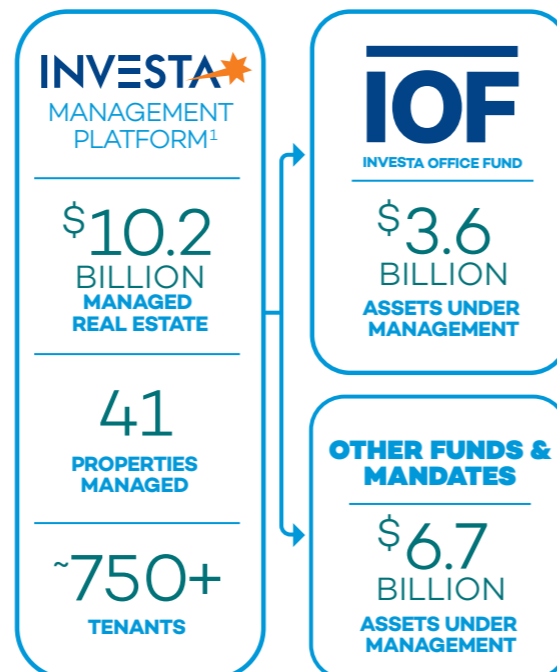
About the manager

Investa is one of Australia's largest, most recognised managers of institutional grade, CBD office buildings. Its \$10.2 billion portfolio incorporates more than 1 million square metres of office space, accommodating more than 750 tenants.



With a focus on prime-grade office buildings in the major Australian CBD markets, Investa optimises returns for IOF by combining a low-risk investment approach and active financial, leasing, operational and environmental management. Investa's highly regarded, in-house office management platform allows it to lead the market, and to consistently deliver strong performance, while exceeding the expectations of its tenants and staff.

Investa is a global leader in sustainability and is committed to responsible property investment and sustainable building management practices across all IOF assets.



1. Figures below reflect all assets managed by the Investa Management Platform. Refer to Investa Management Platform services overview on page 16 for further information.

HOW DOES INVESTA ADD VALUE?

Our Approach

 Strong governance and ethical standards Responsible custodian of third party capital	 Office specialist with scale Office only focus with sector specific expertise	 Australian only Deep knowledge and experience of local market, underpinned by specialist, in-house research capabilities	 Strategy execution Strong track record for effective execution of fund and asset strategies
 Active management via integrated platform Full service commercial property business with national market coverage and local offices	 SRI leader World leading sustainability practices	 End-to-end service offering Asset management, property services, development, capital transactions and sustainability	 Outperformance Under Investa management, IOF has consistently delivered strong performance

Our Employees

 Experience and track record Senior management team with significant industry experience, tenure and performance record	 Personal alignment Cross-business KPIs aligned with Fund objectives Majority of property services personnel are Investa employees
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Our Customers

 Extensive relationships Significant tenant and investor relationships	 Customers first Tenant focused manager with a team of people focused and rewarded for delivering the highest level of service
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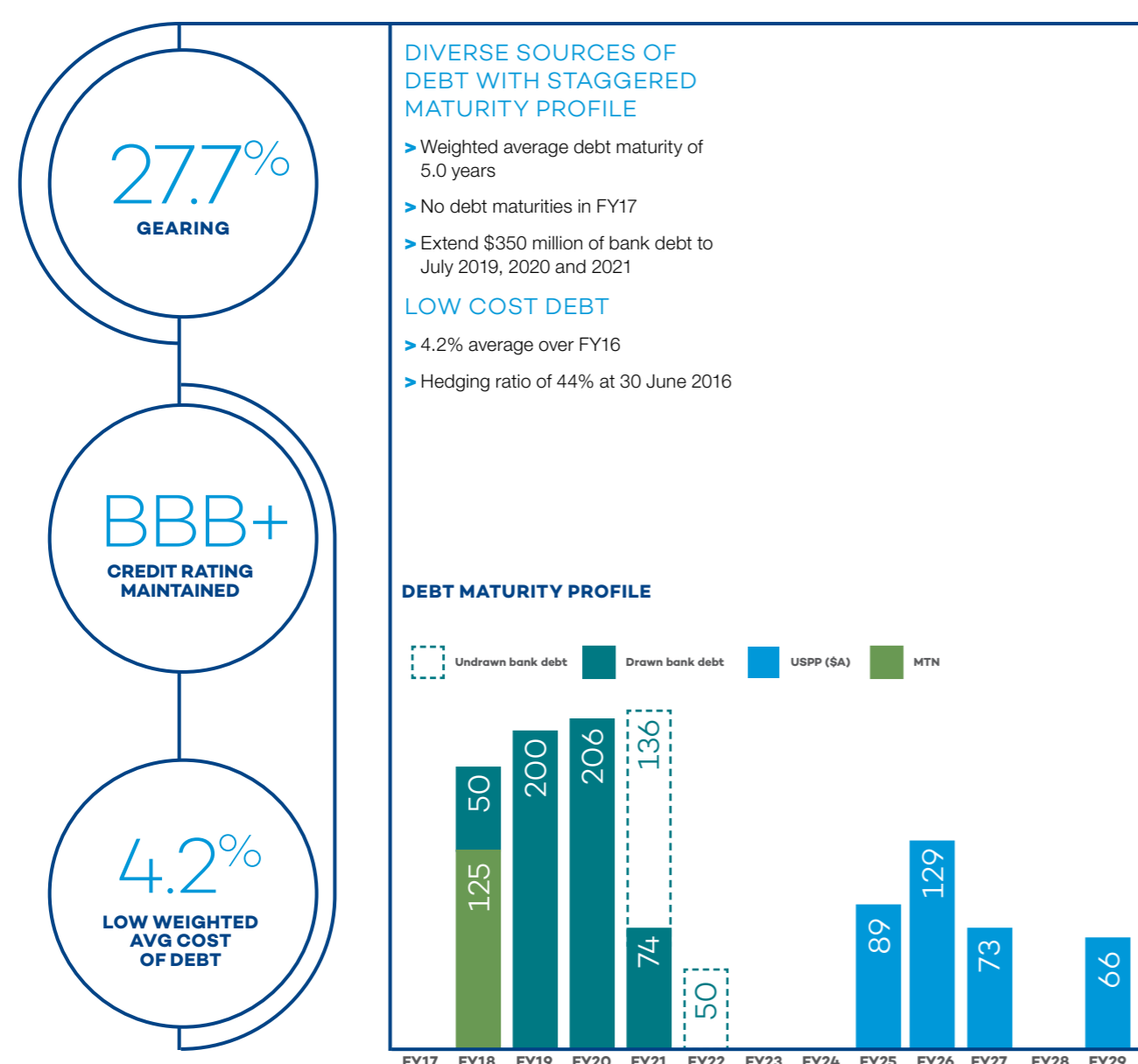
INDUSTRY RECOGNITION IN 2016

 2016 RICS Award 2016 Royal Institute of Chartered Surveyors (RICS) Oceania Awards Property Funds Management Team of the Year	 2016 Urban Taskforce Development Excellence Awards 2016 Urban Taskforce Development Excellence Awards Commercial Office Development of the Year – 567 Collins Street, Melbourne	 2016 Australasian Reporting Awards 2016 Australasian Reporting Awards Silver Award – 2015 IOF Annual Reporting Suite
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Capital management

In FY16, the focus remained on actively managing the balance sheet to minimise financing costs, whilst maintaining diversity of funding to reduce refinancing risks.

IOF's BBB+ stable credit rating continued to provide opportunities to raise capital for short and long term debt from traditional providers such as banks as well as domestic and offshore bond markets. This diversity of funding creates price tension across lenders and underpins our sector leading, low cost of debt.



Portfolio management

By leveraging its active asset and property management capabilities, intricate market knowledge and extensive tenant relationships, Investa has been able to deliver outperformance for IOF.

Brisbane portfolio largely de-risked, 31,482sqm leased, occupancy 90%



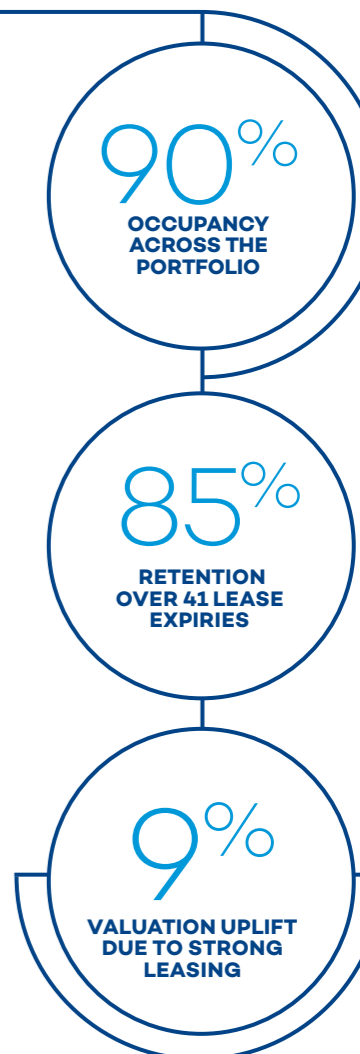
Specialist leasing capability and strong reach into the commercial and government tenant market delivers value for IOF.

Investa's active approach to leasing delivered strong results in Brisbane during FY16, providing stability of earnings and addressing near term, residual vacancy risk in the Brisbane market.

By fostering long term relationships with our tenants, and the skills and experience of the entire Investa business, IOF achieved 31,482sqm of value accretive leasing.

- > Despite subdued market conditions, the continued appetite for well located, affordable, A grade accommodation positioned IOF assets well this year
- > Strong expansion in government requirements, coupled with good relationships and Investa's ability to align available space with tenant needs, meant the Investa team secured a number of government departments across the Brisbane portfolio
- > An increasing volume of smaller tenant moves along with consolidation into the CBD further strengthened performance, particularly in the government, legal and financial services sectors
- > 24,000sqm of leasing achieved at 140 Creek Street and 295 Ann Street – both now 95% leased
- > 3,790sqm of leasing at 239 George Street, including 14 tenant renewals

Brisbane Results



Actively managing IOF assets

Active asset management has added value to the Melbourne portfolio

63,400 sqm
LEASED TO TELSTRA



100%
OCCUPANCY



63,400sqm, 11.5 year lease to Telstra at 242 Exhibition Street, Melbourne, delivers income stability and secures the long-term value of IOF's largest asset.

Investa's strong, long-term relationship with Telstra, coupled with its ability to offer a space solution that was both competitive and flexible, enabled a new, long term lease to be secured well ahead of expiry.

Investa's deep understanding of Telstra's *Future Ways of Working* model and ability to negotiate mutually beneficial terms, means the building will remain as Telstra's flagship premises in Melbourne. IOF has committed to spend ~\$30m (IOF share) to upgrade building amenity and services, allowing Telstra to showcase its services and technology and future proofing the asset for IOF.

- > **11.5 year lease extension to October 2031**
- > **Reinforces the building as a global business hub for Telstra**
- > **Delivers long term income stream for 242 Exhibition Street**
- > **Underpins future valuations**

15 years
WEIGHTED AVERAGE LEASE EXPIRY

"Being a specialist in the commercial office sector means we have an intimate understanding of the market and the subsequent demand and supply dynamics driving tenant decisions. We're able to leverage this knowledge, along with our strong relationships, to attract and retain quality tenants, optimising occupancy in our buildings."

Nicole Quagliata
Assistant Fund Manager, IOF

Investa commits to setting a science based target



IOF is preparing for the global transition to a low carbon economy by committing to reduce the carbon intensity of its portfolio.

Science Based Carbon Reduction Targets are a framework supported by the Carbon Disclosure Project, the UN Global Compact, WWF and the World Resources Institute.

Targets adopted by companies to reduce Green House Gas (GHG) emissions are considered "science-based" if they are in line with the level of decarbonisation required to keep global temperature increases below 2°C compared to pre-industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

As an example, one of IOF's flagship assets, 126 Phillip Street, Sydney has achieved a 12% reduction in electricity use when compared to the previous 12 months. As a result, the asset's carbon footprint has shrunk, with the building emitting ~430 less tonnes of GHG emissions during FY16.

29%
REDUCTION IN CARBON EMISSIONS INTENSITY SINCE 2011

INVESTA IS THE
1st
AUSTRALIAN PROPERTY COMPANY TO COMMIT TO SETTING CARBON REDUCTION TARGETS



Professor Richard de Dear, Director of the IEQ Lab, The University of Sydney and Shaun Condon, General Manager, Safety and Environment, Investa

Image credits Daniel Munoz, Fairfax Syndication

New technology to track indoor climate

In June this year, Investa announced the launch of SAMBA (Sentient Ambient Monitoring of Buildings in Australia) in partnership with The University of Sydney's Indoor Environmental Quality (IEQ) Lab. This ground-breaking technology will enable Investa to track indoor climate within IOF buildings and optimise the productivity of tenants.

Built on revolutionary sensor technology, SAMBA was developed to capture a range of parameters, including air temperature, radiant heat, air movement, humidity, light, sound, carbon dioxide, and carbon monoxide, along with various pollutants emitted from building materials, such as volatile organic compounds.

Investa's cornerstone research partnership is currently being trialled at 126 Phillip Street in Sydney, and will be rolled out to other buildings as more units become available.

Australia

IOF's high quality office portfolio has been well positioned to take advantage of the improving market fundamentals, particularly in Sydney. Combined with active asset management, this has delivered Funds from Operations (FFO) growth ahead of expectation and Net Tangible Asset (NTA) growth of 17%.



MARKET HIGHLIGHTS¹

NATIONAL LOW INTEREST RATE ENVIRONMENT SUPPORTING TIGHTENING OFFICE YIELDS

Office yield spread to bonds remains attractive

Lower Australian dollar continues to boost the expansion of the services sector

Domestic labour market and business conditions remain robust

SYDNEY LIMITED SUPPLY PLUS WITHDRAWALS IS PLACING DOWNWARD PRESSURE ON VACANCY IN SYDNEY

IOF is well positioned to benefit from its large 59% exposure to Sydney

Incentives trending downward, boosting effective rents

Strong NSW economy assisting business conditions

MELBOURNE STRONGER DEMAND AND A PAUSE IN SUPPLY HAS PUSHED VACANCY DOWN TO 8%² IN MELBOURNE

Opportunity for solid effective rental growth due to limited supply under construction post 2016

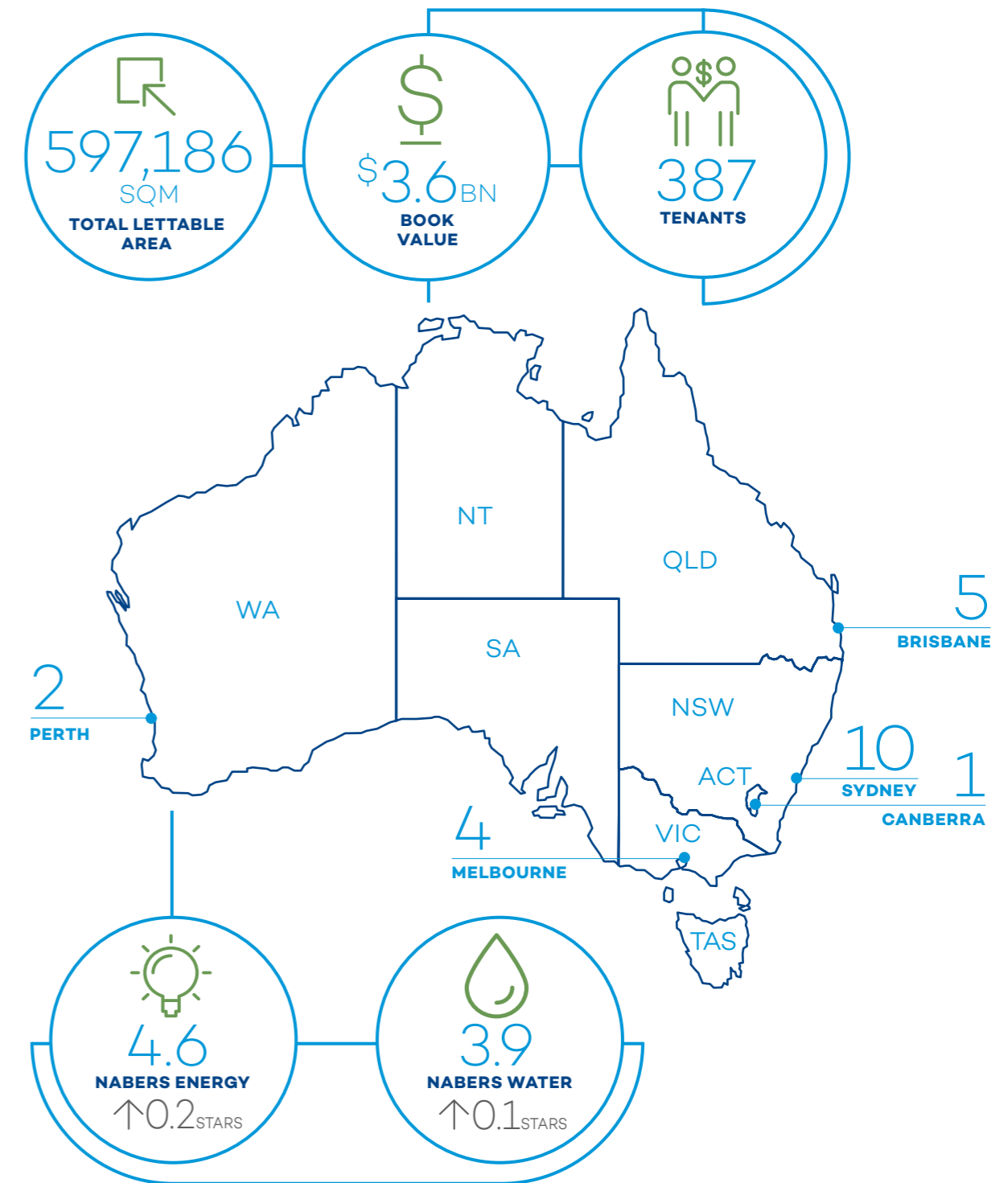
BRISBANE BRISBANE CONTINUES TO RECOVER WITH 47,000SQM NET ABSORPTION OVER FY16, MORE THAN DOUBLE THE 10 YEAR AVERAGE

Brisbane portfolio largely de-risked with occupancy increased to 90%

New supply driving vacancy rate to record highs, particularly Premium grade, but demand for A grade remains

PERTH DEMAND REMAINS SUBDUED IN PERTH

Limited exposure to challenging Perth market with only 4% of total portfolio value in this market



SYDNEY	59%
Deutsche Bank Place, 126 Phillip Street, Sydney	
347 Kent Street, Sydney	
388 George Street, Sydney	
Piccadilly Complex, 133 Castlereagh Street, Sydney	
10-20 Bond Street, Sydney	
Barrack Place, 151 Clarence Street, Sydney	
6 O'Connell Street, Sydney	
Campus MLC, 105-151 Miller Street, North Sydney	
111 Pacific Highway, North Sydney	
99 Walker Street, North Sydney	

MELBOURNE	21%
567 Collins Street, Melbourne	
Telstra Global Headquarters, 242 Exhibition Street, Melbourne	
800 Toorak Road, Melbourne	
Royal Mint Centre, 383 La Trobe Street, Melbourne	
BRISBANE	14%
140 Creek Street, Brisbane	
295 Ann Street, Brisbane	
232 Adelaide Street, Brisbane	
239 George Street, Brisbane	
15 Adelaide Street, Brisbane	

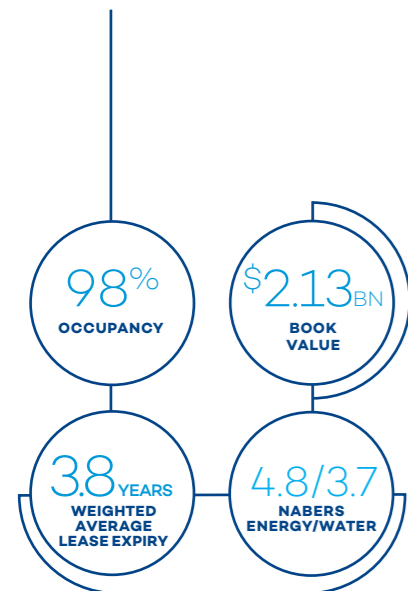
PERTH	4%
66 St Georges Terrace, Perth	
Wellington Central, 836 Wellington Street, Perth	
CANBERRA	3%
Times Square, 16-18 Mort Street, Canberra	

*Totals do not add to 100% due to rounding

1. This commentary is made by Investa Research based on property data sourced from JLL as at 30/06/2016.
2. JLL Research, Melbourne CBD average vacancy rate as at 30/06/2016.

Sydney

Strong demand for office space continues in Sydney, driven by the expansion of business services tenants. Much of this interest has been from tenants who occupy less than 1,000sqm, many of whom are being forced to move due to assets being withdrawn from the market. As a result, conditions are becoming very tight in the more affordable A-grade and B-grade market segments. Incentives have been steadily trending downward, particularly for lease renewals, due to improving market dynamics, which is boosting effective rental growth. The supply pipeline is heavily weighted to the near-term, as Sydney will see significant asset withdrawals over the next few years due to the Sydney Metro rail link project, residential/hotel conversions and office redevelopments.

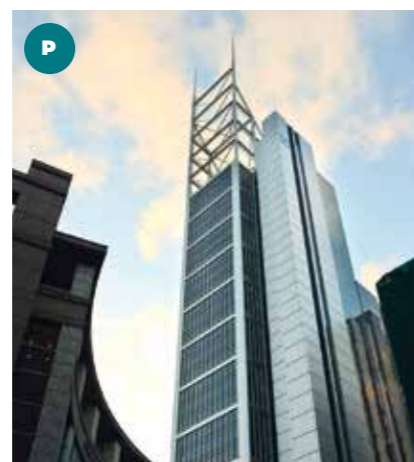


OUTLOOK

A- and B-grade markets to outperform as available options in some precincts become scarce

Tight supply and robust demand will continue to place downward pressure on vacancy over the medium-term, driving effective rental growth

Yields are likely to compress further, supported by the improving market fundamentals



**DEUTSCHE BANK PLACE,
126 PHILLIP STREET, SYDNEY NSW**

Ownership interest	25%
Occupancy level	95%
Net property income	\$10.0m
NABERS Energy/Water Rating (stars)	5.0 / 3.0



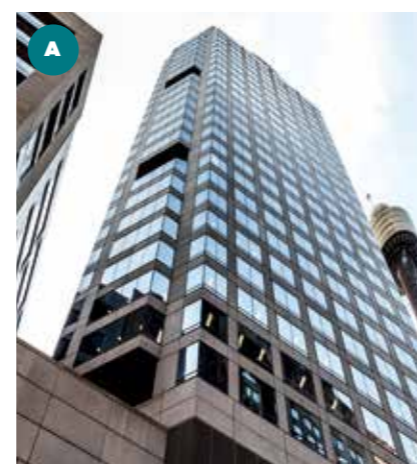
**347 KENT STREET,
SYDNEY NSW**

Ownership interest	100%
Occupancy level	100%
Net property income	\$24.7m
NABERS Energy/Water Rating (stars)	4.0 / 3.0



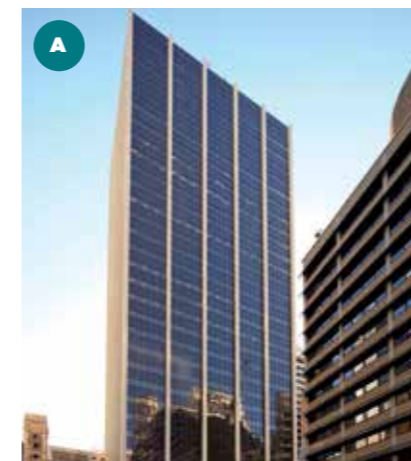
**388 GEORGE STREET,
SYDNEY NSW**

Ownership interest	50%
Occupancy level	100%
Net property income	\$14.8m
NABERS Energy/Water Rating (stars)	4.5 / 4.0



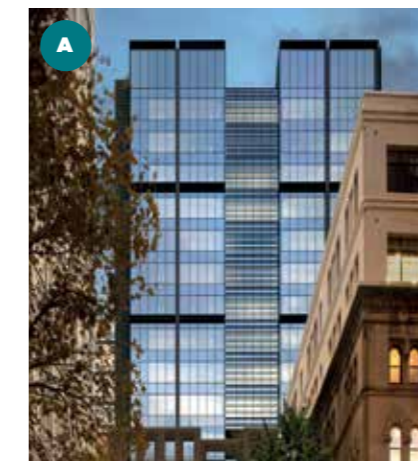
**PICCADILLY COMPLEX,
133 CASTLEREAGH STREET, SYDNEY NSW**

Ownership interest	50%
Occupancy level	98%
Net property income	\$13.1m
NABERS Energy/Water Rating (stars)	5.0 / 4.5



**10-20 BOND STREET,
SYDNEY NSW**

Ownership interest	50%
Occupancy level	99%
Net property income	\$10.1m
NABERS Energy/Water Rating (stars)	5.5 / 4.0



**151 CLARENCE STREET,
SYDNEY NSW (UNDER DEVELOPMENT)**

Ownership interest	100%
Occupancy level	N/A
Net property income	\$3.2m
NABERS Energy/Water Rating (stars)	E/E



**6 O'CONNELL STREET,
SYDNEY NSW**

Ownership interest	100%
Occupancy level	93%
Net property income	\$9.1m
NABERS Energy/Water Rating (stars)	4.5 / 4.0



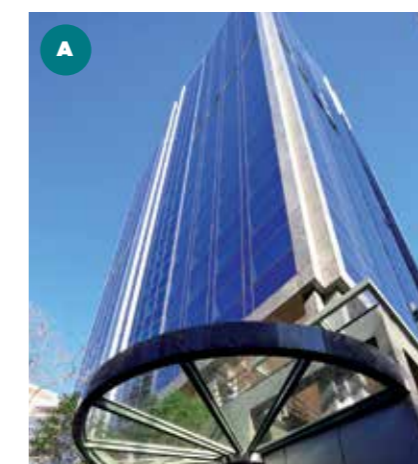
**105-151 MILLER STREET,
NORTH SYDNEY NSW**

Ownership interest	100%
Occupancy level	99%
Net property income	\$13.4m
NABERS Energy/Water Rating (stars)	5.0 / 3.5



**99 WALKER STREET,
NORTH SYDNEY NSW**

Ownership interest	100%
Occupancy level	95%
Net property income	\$10.2m
NABERS Energy/Water Rating (stars)	4.5 / 4.0



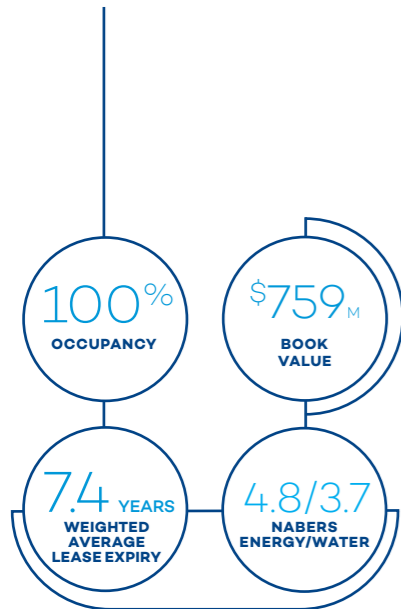
**111 PACIFIC HIGHWAY,
NORTH SYDNEY NSW**

Ownership interest	100%
Occupancy level	100%
Net property income	\$10.4m
NABERS Energy/Water Rating (stars)	4.0 / 3.5



Melbourne

Strong demand and an easing of the supply pipeline have allowed the vacancy rate to decrease in Melbourne. Demand has been supported by a high volume of smaller tenant moves (<1,000sqm) and a wave of tenants relocating from fringe markets into the CBD. Domestic lead indicators, such as job advertisements and business conditions remain robust, supporting a solid demand outlook. Although Melbourne is lagging behind the rental dynamics of Sydney, rental returns are expected to continue to improve.

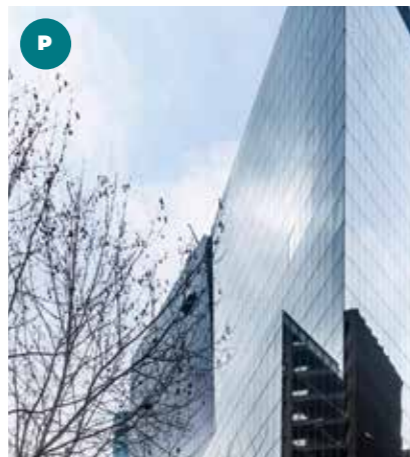


OUTLOOK

An easing supply pipeline and solid demand fundamentals will underpin a tightening in vacancy and growth in effective rents

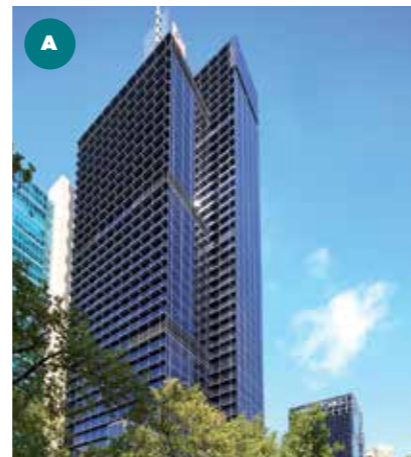
Larger finance and business services tenants to expand as demand cycle evolves

Yields are likely to remain under downward pressure as vacancy tightens and rental growth escalates



567 COLLINS STREET, MELBOURNE VIC

Ownership interest	50%
Occupancy level	100%
Net property income	\$12.8m
NABERS Energy/Water Rating (stars)	5.0 / 5.0 ¹



242 EXHIBITION STREET, MELBOURNE VIC

Ownership interest	50%
Occupancy level	100%
Net property income	\$17.0m
NABERS Energy/Water Rating (stars)	4.0 / 4.5



800 TOORAK ROAD, MELBOURNE VIC

Ownership interest	50%
Occupancy level	100%
Net property income	\$7.4m
NABERS Energy/Water Rating (stars)	C / C



383 LATROBE STREET, MELBOURNE VIC

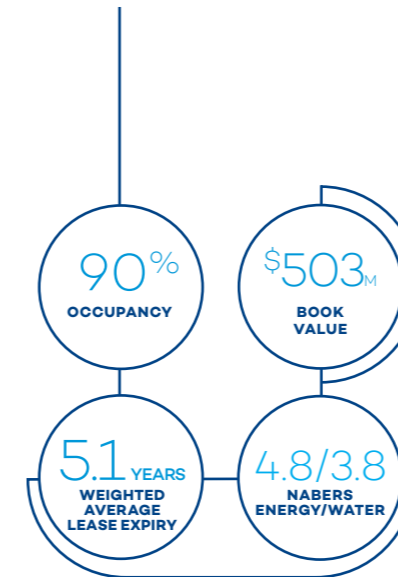
Ownership interest	100%
Occupancy level	100%
Net property income	\$4.6m
NABERS Energy/Water Rating (stars)	C / C

1. Targeted NABERS rating.

C. Not reported as management control of the building is assigned to the tenant under the terms of the lease.

Brisbane

The demand cycle in Brisbane has turned the corner and absorption over the last 12 months has been solid, at more than double the long-term average rate. Face rents have remained stable over the year, however incentives have been under pressure, leading to significant declines in effective rents. While new supply has driven the vacancy rate up to record high levels, demand is gradually improving, supported by tenant relocations from fringe markets back into the CBD. A flight to quality has emerged with many tenants seeking to upgrade at an opportune time in the cycle.

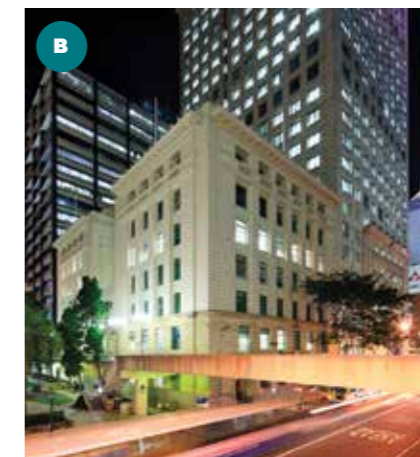


OUTLOOK

Vacancy rate to remain elevated as supply cycle nears completion, while rents and incentives remain relatively stable

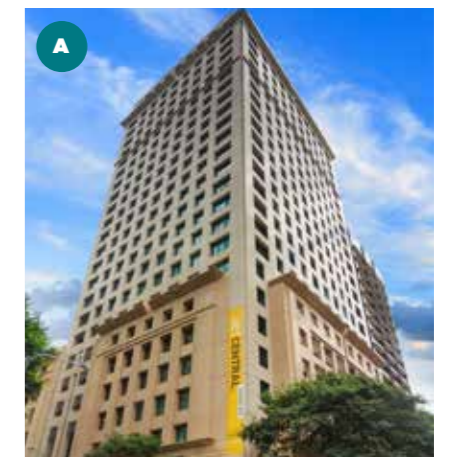
Demand dynamics to continue improving in line with gradually improving economic conditions

Permanent asset withdrawals to mitigate much of the supply impact over the next few years



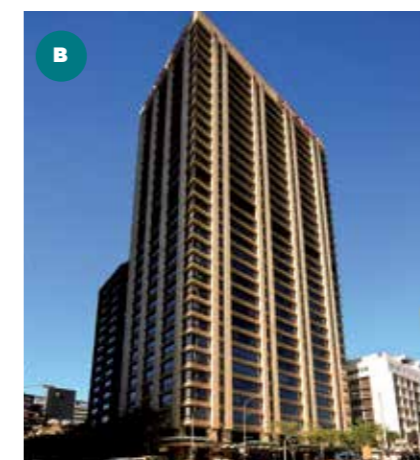
232 ADELAIDE STREET, BRISBANE QLD

Ownership interest	100%
Occupancy level	100%
Net property income	\$1.2m
NABERS Energy/Water Rating (stars)	5.0 / 4.5



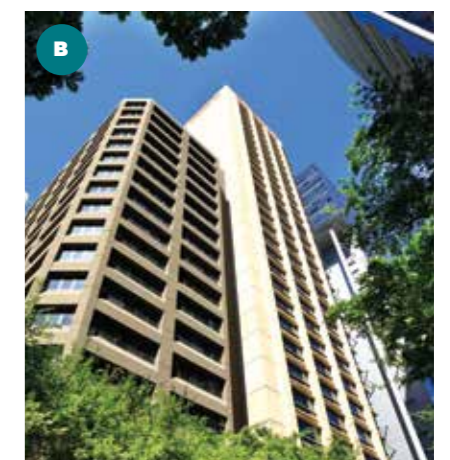
140 CREEK STREET, BRISBANE QLD

Ownership interest	100%
Occupancy level	95%
Net property income	\$8.3m
NABERS Energy/Water Rating (stars)	4.5 / 3.5



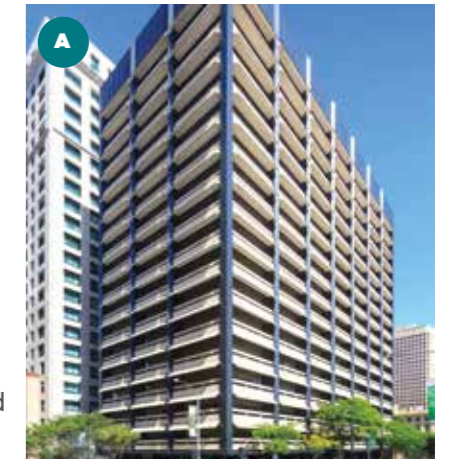
239 GEORGE STREET, BRISBANE QLD

Ownership interest	100%
Occupancy level	84%
Net property income	\$5.9m
NABERS Energy/Water Rating (stars)	4.5 / 4.0



15 ADELAIDE STREET, BRISBANE QLD

Ownership interest	100%
Occupancy level	79%
Net property income	\$2.9m
NABERS Energy/Water Rating (stars)	4.5 / 4.0

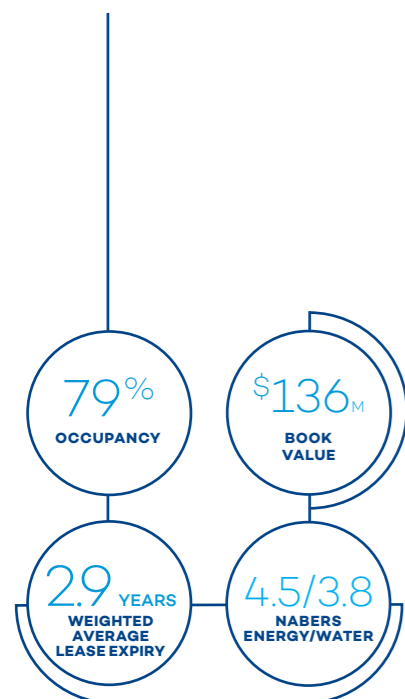


295 ANN STREET, BRISBANE QLD

Ownership interest	100%
Occupancy level	95%
Net property income	\$5.7m
NABERS Energy/Water Rating (stars)	5.0 / 4.5

Perth

Weakness in the mining industry and associated service industries continues to result in negative demand for office space. As a result, the vacancy rate has increased to above 20%, placing upward pressure on incentives and reducing rents. Tenants are taking advantage of the current leasing conditions to upgrade to better quality accommodation, including moving from the fringe to the CBD. The supply cycle is now complete, with no new major supply due until 2018, which should allow the demand environment to stabilise.



OUTLOOK

Demand is likely to remain subdued as the market continues to adjust to challenging conditions in the resources industry

Upgrade activity to escalate as tenants make the most of market conditions

Potential for older, poor quality buildings to form a pool of structural vacancy with future demand likely to be concentrated in the Prime grade market



66 ST GEORGES TERRACE, PERTH WA

Ownership interest	100%
Occupancy Level	61%
Net property income	\$4.4m
NABERS Energy/Water Rating (stars)	3.5 / 3.0

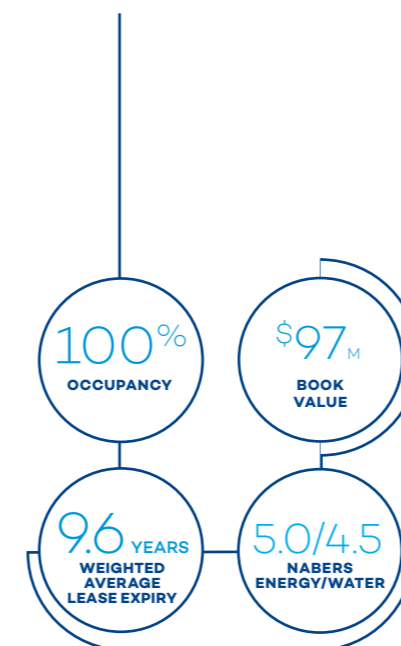


836 WELLINGTON STREET, PERTH WA

Ownership interest	100%
Occupancy Level	100%
Net property income	\$6.5m
NABERS Energy/Water Rating (stars)	5.5 / 4.5

Canberra

Market conditions are stabilising in Canberra, thanks to a gradual pick-up in demand for A-grade accommodation led by government. As a result of improving demand and little new supply compared to recent history, the vacancy rate has trended downward and effective rental growth has emerged. The government's "Operation Tetris" initiative, which aims to reduce the quantum of vacant office space, is well underway and driving a decline in sub-lease vacancy.

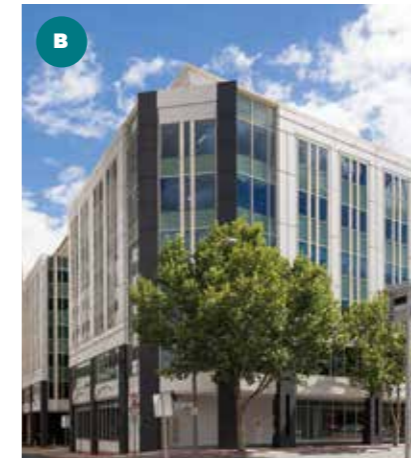


OUTLOOK

Demand for secondary-grade space is likely to remain weak as the flight to better quality stock continues

A-grade space rents are likely to expand as occupancy markets improve

The weakness in the secondary market will encourage withdrawals of assets to be converted to alternative uses



16-18 MORT STREET, CANBERRA ACT

Ownership interest	100%
Occupancy Level	100%
Net property income	\$4.4m
NABERS Energy/Water Rating (stars)	5.0 / 4.5



[WWW.INVESTA.COM.AU/IOF](http://www.investa.com.au/IOF)

The IOF website, www.investa.com.au/IOF, contains important information on the Fund including recent annual reports and Australian Securities Exchange (ASX) announcements, historical information about distributions paid, unit pricing and units on issue. While visiting the site, unitholders can access Link Market Services' website, the registry provider for IOF. Link Market Services manages the IOF unit registry and can assist with investment details including holding balances and payment history.

APPROACH TO INVESTOR RELATIONS

The Fund's unitholder base is made up of both institutional and private investors. The management team regularly engages and communicates with all investors through a specific schedule undertaken throughout the year. This includes the results presentations, immediately following the release of the financial statements to the ASX in August and February each year, which provide investors with a detailed overview of the Fund's performance for the relevant period.

UNITHOLDERS

Our private unitholders are a valued part of our unitholder base and are actively encouraged to provide feedback and communicate throughout the year.

Our institutional unitholders constitute a large majority of IOF's unitholder base and are provided with opportunities to provide feedback and communicate with management via our annual reporting schedule.

Annual General Meeting

The Annual General Meeting provides all unitholders with an opportunity to engage directly with the Directors and senior management, and to question the Board and Chairman on matters relating to the business of the Fund. A detailed presentation on the performance and management of the Fund is lodged with the ASX and delivered by the Fund Manager and Chairman at the meeting.

Annual reporting suite

During the year unitholders are also provided with Fund updates via the annual reporting suite and the half year review. Any material announcements during the year are lodged with the ASX and are available on the ASX website and the IOF website www.investa.com.au/IOF

Roadshows and investor meetings

Undertaken after the Fund's results presentation each year, management provides an opportunity for investors, analysts and the media to meet one-on-one or in small forums directly with senior management of the Fund throughout Australia, Asia, US and Europe.

Industry conferences

Throughout the year management promotes the Fund by attending various industry conferences, meeting with existing and potential investors and providing further clarification on the Fund's operations, strategy and competitive advantage.

ASX LISTING

Investa Office Fund is listed on the ASX. The ASX code for the Fund is "IOF". Units in the Fund trade on the ASX in the same manner as shares in a listed company. Unitholders wishing to trade their units will need to use the services of a stockbroker or online broking facility.

ANNUAL TAXATION STATEMENT

The Fund produces the annual tax statement at the end of August each year. This statement advises the taxable income for the financial year ended 30 June. Unitholders may view their financial year 2016 annual taxation statement by visiting www.investa.com.au/IOF and accessing "Investor Login" on the landing page.

DISTRIBUTION PAYMENTS

The Fund pays distributions half-yearly in August and February. Distribution payments to unitholders with registered addresses in Australia will only be made by direct credit to their nominated bank account. Unitholders with registered addresses outside of Australia will receive payment by the method they have nominated.

You will continue to receive a distribution statement in the form nominated by you (electronic or paper) for your tax records. Please provide details of your nominated bank account to our share registrar, Link Market Services. If your banking instructions are not received by the record date for each distribution, your distribution payment will be retained by Investa Office Fund until your banking instructions are received, after which the full amount will be paid into your nominated bank account.

DISTRIBUTION REINVESTMENT PLAN

The distribution reinvestment plan (DRP) is currently switched off. Should this change, an ASX announcement will be made to the market and participation forms will be sent to unitholders.

ON-MARKET BUY BACK

There is no current on-market buy back.

DISPOSAL AND ACQUISITION OF STAPLED SECURITIES

Investa Office Fund is a stapled security consisting of units in both PCP Trust and AJO Fund. The sale (or acquisition) of units in IOF represents the sale (or acquisition) of separate interests in each of the two entities. For capital gains tax purposes, the acquisition costs and disposal proceeds need to be apportioned to each of the two entities, using a reasonable basis of apportionment.

One possible method of apportionment is on the basis of the relative net assets (excluding minority interest) of the individual entities comprising IOF, which are set out in the following table as at 31 December 2015 and 30 June 2016.

	31 December 2015	30 June 2016
PCP Trust	56.6%	55.5%
AJO Fund	43.4%	44.6%

UNITS ON ISSUE

The number of IOF units on issue currently stands at 614,047,458.

UNITHOLDER MEETINGS

The Annual General Meeting of unitholders of IOF is currently scheduled to be held in October 2016. All unitholders will be sent a Notice of Meeting approximately one month in advance to advise of the agenda and venue for the meeting. Details of the location will also be made available on the IOF website. Additional unitholder meetings may occur at other times during the year and unitholders will be advised in writing of the details.

2016/2017 KEY DATES¹

Distribution paid for half year ended June 30 2016	31 August 2016
FY16 Annual Taxation Statements available	31 August 2016
Annual General Meeting	20 October 2016
Half year results for six months to 31 December 2016 released to ASX	23 February 2017
Distribution payment for half year ended 31 December 2016	28 February 2017
Annual results for year to 30 June 2017 released to ASX	17 August 2017
Distribution paid for half year ended 30 June 2017	31 August 2017
FY17 Annual Taxation Statements available	31 August 2017
FY17 Annual Report available	September 2017

1. These timings are indicative only and subject to change.

ENQUIRIES

If a unitholder wishes to advise of a change of address, altered or closed bank account to which distributions are directed, or wishes to advise a tax file number, then please contact IOF's registry provider as follows:

Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235
 Phone: Freecall (+61) 1300 851 394
 Fax: +61 2 9287 0303
 Email: investa@linkmarketservices.com.au
 Website: www.linkmarketservices.com.au

Enquiries about IOF can be directed to the Investor Relations representative as follows:

Investa Property Group
 Level 6 Deutsche Bank Place
 126 Phillip Street
 Sydney NSW 2000
 Phone: Freecall 1300 130 231 (within Australia)
 or +61 2 8226 9497 (outside Australia)
 Fax: +61 2 9844 9300
 Email: investorrelations@investa.com.au

COMPLAINTS

Any unitholder wishing to register a complaint should direct it to the Investor Relations representative of ILFML in the first instance.

Investor Relations Representative
 Investa Listed Funds Management Limited
 Level 6 Deutsche Bank Place
 126 Phillip Street
 Sydney NSW 2000
 Phone: 1300 130 231 (within Australia)
 or +61 2 8226 9497 (outside Australia)
 Fax: +61 2 9844 9300
 Email: investorrelations@investa.com.au

Investa Listed Funds Management Limited is a member of an independent dispute resolution scheme, the Financial

Ombudsman Service (FOS). If a unitholder believes that a complaint remains unresolved or wishes that it is further investigated, the FOS can be contacted as below:

Financial Ombudsman Service
 GPO Box 3
 Melbourne VIC 3001
 Phone: 1300 780 808
 Fax: +61 3 9613 6399
 Email: info@fos.org.au

Investa Listed Funds Management Limited is committed to ensuring the confidentiality and security of personal information.

TERM	MEANING
AASB	Australian Accounting Standards Board
AFFO	Adjusted Funds From Operations (AFFO) is calculated by adjusting Property Council FFO for the other non-cash and other items such as maintenance cap ex, incentives paid during the year, and other one-off items.
AIFRS	Australian equivalents to International Financial Reporting Standards
AJO Fund	Armstrong Jones Office Fund (ARSN 090 242 229)
ASX	ASX Limited (ACN 008 624 691) trading as Australian Securities Exchange, which is the main Australian marketplace for the trading of equities, government bonds and other fixed interest securities.
AUM	Assets under management
Board	The Board of Directors of the Responsible Entity
Bps or basis points	A basis point is a common unit of measure for interest rates and other percentages. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001), and is used to denote the percentage change in a financial instrument.
CBD	Central Business District refers to the business and financial area of an Australian state capital city.
CDP	Carbon Disclosure Project is an independent not-for-profit organisation that works with investors, businesses and governments to benchmark organisations' greenhouse gas emissions.
Corporations Act	Corporations Act 2001 (Cth)
Directors	Directors of the Responsible Entity
DPU	Distributions per unit
ESG	Environmental, Social and Governance
FFO	Property Council Funds From Operations defined as the Fund's underlying and recurring earnings from its operations, determined by adjusting statutory net profit (under AIFRS) for non-cash and other items such as the amortisation of tenant incentives and rent free periods, fair value gains/losses on investment property, fair value gains/losses on the mark to market of derivatives, the straight-lining of rent, non-FFO deferred tax benefits and expenses, foreign currency translation reserves recognised in net profit, and any other unrealised or one-off items.
FY	Financial Year
GRESB	Global Real Estate Sustainability Benchmark, from the GRESB Foundation, an investor-led organisation committed to assessing the sustainability performance of real estate portfolios around the globe.
GRI	Global Reporting Initiative are voluntary international reporting guidelines to ensure completeness, transparency, materiality and boundary setting of corporate reporting. A 'GRI Index' covers environmental, social and financial report contents.
ILFML	Investa Listed Funds Management Limited (ACN 149 175 655)

TERM	MEANING
Independent Directors	The Directors of the Responsible Entity who are external directors within the meaning of section 601JA(2) of the Corporations Act. As at the date of this document, the Independent Directors are Richard Longes, John Fast, Geoff Kleemann and Bob Seidler AM.
Investa, Investa Office or the manager	IOM and its subsidiaries (which include the Responsible Entity), which operates the Management Platform.
IOF or the Fund	Investa Office Fund (ASX: IOF), which comprises of the AJO Fund and the PCP Trust.
IOM	Investa Office Management Pty Limited (ACN 161 345 065)
IPG	Investa Property Group
Management Platform	The management platform operated by Investa Office is an integrated property platform incorporating property services, funds, portfolio and asset management services and development and sustainability services.
NABERS	National Australian Built Environment Ratings System, is a national rating system that measures the environmental performance of Australian buildings, tenancies, homes, shopping centres and hotels.
NLA	Net Lettable Area
Non-AAS measure	A financial measure not in accordance with Australian Accounting Standards.
NTA	Net Tangible Assets
Operating earnings	A non-AAS measure used by the Responsible Entity to measure underlying performance of the Group prior to FY13. To calculate operating earnings, net profit attributable to unitholders is adjusted to exclude unrealised gains or losses, certain non-cash items, fair value gains or losses on investments and other amounts that are non-recurring or capital in nature.
PCP Trust	Prime Credit Property Trust (ARSN 089 849 196)
Responsible Entity or RE	Investa Listed Funds Management Limited (ACN 149 175 655)
S&P	Standard & Poor's
Unit	A stapled security in IOF consisting of one unit in AJO Fund stapled to one unit in PCP Trust or a unit in AJO Fund or PCP Trust, as the context requires.
United Nations Principles for Responsible Investment	United Nations Principles for Responsible Investment, proclaimed by the UN Secretary-General in 2005 are put into practice through a voluntary framework for investors to incorporate ESG issues into decision-making and ownership practices.
USPP	US Private Placement

CORPORATE DIRECTORY

INVESTA OFFICE FUND

Armstrong Jones Office Fund
ARSN 090 242 229

Prime Credit Property Trust
ARSN 089 849 196

RESPONSIBLE ENTITY

Investa Listed Funds Management Limited
(ILFML)

ACN 149 175 655 AFSL 401414

REGISTERED OFFICE

Deutsche Bank Place
Level 6, 126 Phillip Street
Sydney NSW 2000 Australia

Phone: +61 2 8226 9300

Fax: +61 2 9844 9300

Email: investorrelations@investa.com.au

Website: www.investa.com.au/IOF

DIRECTORS OF ILFML

Richard Longes (Chairman)

John Fast

Geoff Kleemann

Bob Seidler AM

Jonathan Callaghan

IOF FUND MANAGER

Jason Leong
(Acting Fund Manager until 22 August 2016)

Penny Ransom
(Fund Manager from 22 August 2016)

COMPANY SECRETARY

Ivan Gorridge

ASX CODE

IOF

UNIT REGISTRY

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235
Phone: +61 1300 851 394 (local call cost)
or: +61 2 8280 7912 (outside Australia)
Fax: +61 2 9287 0303

Email: investa@linkmarketservices.com.au

AUDITORS

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

DISCLAIMER

This Annual Review (Review) was prepared by Investa Listed Funds Management Limited (ACN 149 175 655 and AFSL 401414) (the Responsible Entity) 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). Information contained in this Review is current as at 30 June 2016 unless otherwise stated.

This Review is provided for general information purposes only and has been prepared without taking account of any particular reader's financial situation, objectives or needs. Nothing contained in this Review constitutes investment, legal, tax or other advice. Accordingly, readers should conduct their own due diligence in relation to any information contained in this Review and, before acting on any information in this Review, consider its appropriateness, having regard to their objectives, financial situation and needs, and seek the assistance of their financial or other licensed professional adviser before making any investment decision.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this Review. By reading this Review and to the extent permitted by law, the reader releases the Responsible Entity, IOF, each of their related entities and affiliates (together, the Investa Property Group), and the directors, officers, employees, agents, representatives and advisers of any member of the Investa Property Group from any liability (including, without limitation, in respect of direct, indirect or consequential loss or damage arising by negligence) arising in relation to any reader relying on anything contained in or omitted from this Review.

This Review may include forward-looking statements, which are not guarantees or predictions of future performance. Any forward-looking statements contained in this Review involve known and unknown risks and uncertainties which may cause actual results to differ from those contained in this Review. Past performance is not an indication of future performance. As such, any past performance information in this document is illustrative only and should not be relied upon.

Any investment in IOF is subject to investment and other known and unknown risks, some of which are beyond its control. The Responsible Entity does not guarantee the performance of the Group, any particular rate of return, the repayment of capital or any particular tax treatment.

This Review does not constitute an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, nor does it form the basis of any contract or commitment.



Contact details

If you have any questions regarding IOF's reporting or in relation to your unitholding, please call the Investa information line on **+61 1300 851 394**.

Further details about the Fund can be accessed and downloaded at **www.investa.com.au/IOF**