

ASX Announcement

10.09.18

Investa Office Fund (ASX:IOF)

Release of Third Supplementary Explanatory Memorandum

Provision of Judicial Advice

Investa Listed Funds Management Limited (**ILFML**), as responsible entity of the Investa Office Fund (**IOF**) refers to its announcement earlier today in relation to the proposed acquisition of IOF by entities affiliated with The Blackstone Group L.P. (**Blackstone**) by way of trust scheme (**Scheme**).

Following the provision of judicial advice by the New South Wales Supreme Court earlier today, ILFML announces the release of the Third Supplementary Explanatory Memorandum (**Third Supplementary EM**).

As announced earlier today, under the revised terms of the Scheme, unitholders will be entitled to receive an increase in the cash consideration from \$5.3485 (**Base Price**) to \$5.52 per IOF unit (**Increased Price**), if the Scheme is approved by unitholders on or before 17 September 2018 and implemented. If the Scheme is approved by unitholders after this date, then the cash consideration payable under the Scheme will revert to the Base Price (unless Blackstone has waived the requirement for unitholders to vote on the Scheme on or before 17 September 2018).

The Third Supplementary EM and an accompanying proxy form will be mailed to IOF unitholders on or around 10 September 2018. IOF unitholders who have previously nominated an electronic means of notification will receive or be able to access the materials electronically.

New Date for Scheme Meeting

As noted in the Third Supplementary EM, the unitholder meeting to consider the Scheme (**Meeting**) will be resumed at **2pm on Monday, 17 September 2018 at the Hilton Hotel, Level 4, Room 5, 488 George Street, Sydney.**

Vote in favour of the Scheme

The Directors of ILFML continue to unanimously recommend that IOF unitholders vote in favour of the Scheme, in the absence of a superior proposal, noting that, as at the date of this announcement, the Increased Price would apply to the Scheme.

The Independent Expert has stated that the revised Scheme is now fair and reasonable, and continues to be in the best interests of unitholders in the absence of a superior proposal. In arriving at this opinion, the Independent Expert has stated that as the Meeting is to be held on 17 September 2018, its analysis has been focused on the Increased Price in determining whether the Proposal is in the best interests of IOF unitholders.

Updated Proxy Form

All IOF unitholders are encouraged to vote by completing and lodging the proxy form that will accompany the Third Supplementary EM or alternatively by attending the Scheme Meeting.

Due to the short period between release of this document and the **new deadline for receipt of proxy forms (being 2pm on Saturday, 15 September 2018)**, unitholders are strongly encouraged to lodge their proxy votes electronically in accordance with the instructions on their proxy form. If you have already submitted a proxy form, and you want to change the way in which you have voted, you may do that by lodging an updated proxy form. As mentioned, you are encouraged to lodge your updated proxy form electronically in accordance with the directions on the form.

Further Information

For further information in relation to the Scheme, IOF unitholders can contact the IOF Unitholder Information Line on +61 1300 851 394, between 8:30am and 7:30pm Monday to Friday (Sydney time), or consult their legal, investment or other professional adviser.

End

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About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an externally managed Australian listed real estate investment trust, included in the S&P/ASX 100 index. IOF is governed by the Independent Board of Investa Listed Funds Management Limited as Responsible Entity, and managed by Investa – one of Australia's largest and most highly regarded office managers. IOF has total assets under management of over \$4.3 billion, with 20 investment grade office buildings in core CBD markets across Australia. The Fund receives rental income from more than 400 tenants, including government agencies and blue chip organisations. IOF's strategy is to deliver attractive risk-adjusted returns investing in high quality Australian office buildings, leveraging Investa's fully integrated specialist property sector capabilities to outperform.

About Blackstone

Blackstone is one of the world's leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with US\$450 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter @Blackstone.

Investa Office Fund (ASX: IOF)

In relation to the proposed acquisition by Quartz BidCo Pty Ltd (ACN 626 431 927) and Quartz Sub TC Pty Limited (ACN 626 431 963) in its capacity as trustee of the Quartz Bid Trust of all of the issued securities of Investa Office Fund comprising Armstrong Jones Office Fund (ARSN 090 242 229) and Prime Credit Property Trust (ARSN 089 849 196)

Vote in favour

The Directors of Investa Listed Funds Management Limited, the responsible entity of Investa Office Fund, continue to

UNANIMOUSLY RECOMMEND

that IOF Unitholders vote in favour of the Proposal Resolutions, in the absence of a Superior Proposal.

Details of Meeting

Time: 2.00pm (Sydney time)

Date: 17 September 2018

Place: Hilton Hotel, Level 4, Room 5,
488 George Street, Sydney NSW 2000

This is an important document and requires your immediate attention. You should read this document, the Second Supplementary Explanatory Memorandum dated 28 August 2018, the Supplementary Explanatory Memorandum dated 16 August 2018 and the Explanatory Memorandum dated 24 July 2018 in their entirety before deciding how to vote.

If you are in any doubt about how to deal with this document, you should consult your legal, investment or other professional adviser.

Financial Adviser

J.P.Morgan

Legal Adviser

Allens > < Linklaters

Important Notices and Disclaimer

What is this document

This Third Supplementary Explanatory Memorandum supplements the Explanatory Memorandum dated 24 July 2018, the Supplementary Explanatory Memorandum dated 16 August 2018 and the Second Supplementary Explanatory Memorandum dated 28 August 2018 which contain information about the Proposal, which, if approved and implemented, will result in the Acquirer acquiring all of the IOF Units.

This document must be read together with the Explanatory Memorandum, Supplementary Explanatory Memorandum and Second Supplementary Explanatory Memorandum. If there are any inconsistencies between this document and the Explanatory Memorandum, Supplementary Explanatory Memorandum or Second Supplementary Explanatory Memorandum, this document will prevail.

This document, together with the Explanatory Memorandum, Supplementary Explanatory Memorandum and Second Supplementary Explanatory Memorandum, comprise an explanatory statement and notices of meeting for IOF Unitholders in relation to the Proposal.

The Proposal is subject to a number of conditions precedent, including IOF Unitholders approving the Proposal Resolutions (see Section 8.3 of the Explanatory Memorandum).

General

This document is important and requires your immediate attention. You should read this document in full before making any decision as to how to vote at the Meeting.

If you have sold all of your IOF Units, please ignore this document.

If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

Purpose of this document

This document, together with the Explanatory Memorandum, Supplementary Explanatory Memorandum and Second Supplementary Explanatory Memorandum, has been prepared for IOF Unitholders in connection with the extraordinary general meeting to be held on 17 September 2018 in relation to the Proposal under which the Acquirer proposes to acquire all of the IOF Units on issue. This document does not constitute or contain an offer to IOF Unitholders, or a solicitation of an offer from IOF Unitholders, in any jurisdiction.

A copy of this document has been provided to ASIC and ASX. None of ASIC or ASX, or their officers take any responsibility for the contents of this document.

Court involvement

The Court provided the First Judicial Advice on 24 July 2018, judicial advice in relation to the Supplementary Explanatory Memorandum on 16 August 2018, judicial advice in relation to the Second Supplementary Explanatory Memorandum on 28 August 2018, and judicial advice in relation to this document on 10 September 2018. The Court's provision of judicial advice is not and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Proposal. In particular, the Court's provision of the judicial advice does not mean that the Court:

- has formed any view as to the merits of the Proposal or as to how IOF Unitholders should vote (on these matters IOF Unitholders must reach their own decision); or
- has prepared, or is responsible for, the content of this document.

Notice of Second Judicial Advice hearing

On the Second Judicial Advice Date, the Court will consider whether to give the Second Judicial Advice following the vote at the Meeting.

Any IOF Unitholder may appear at the Second Judicial Advice hearing, expected to be held on 18 September 2018 at the Supreme Court of New South Wales, 184 Phillip Street, Sydney.

Any IOF Unitholder who wishes to oppose the Second Judicial Advice at the Second Judicial Advice hearing may do so by filing with the Court and serving on IOF a notice of appearance in the prescribed form together with any affidavit that the IOF Unitholder proposes to rely on.

Responsible entity

ILFML is the responsible entity of the AJO Fund and the PCP Trust. The AJO Fund and the PCP Trust are managed investment schemes registered under Chapter 5C of the Corporations Act.

Unless the context otherwise requires in this document, a reference to ILFML is a reference to it in its capacity as responsible entity of the AJO Fund and the PCP Trust.

Glossary

Capitalised terms used in this document are defined in the Glossary in Section 5, and in Section 9 of the Explanatory Memorandum, Section 6 of the Supplementary Explanatory Memorandum and Section 5 of the Second Supplementary Explanatory Memorandum.

Section 5.2 also sets out certain rules of interpretation which apply to this document.

No investment advice

This document contains general financial product advice only and has been prepared without taking account of the investment objectives, financial situation, tax position or particular needs of any IOF Unitholder or any other person. The information and recommendations contained in this document do not constitute, and should not be taken as, financial product advice.

Before acting on any of the matters described in this document, you should have regard to your investment objectives, financial situation, tax position or particular needs and obtain your own advice by contacting your legal, investment or other professional adviser.

Your investment in IOF is subject to investment and other risks, including possible loss of income and principal invested. ILFML gives no guarantee or assurance as to the performance of IOF, the IOF Units or the repayment of capital. Past performance is not indicative of future performance.

Forward looking statements

Some of the statements appearing in this document may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this document should not be taken to be a forecast or prediction that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words.

Similarly, statements that describe the objectives, plans, goals or expectations of IOF are or may be forward looking statements. You should be aware that such statements are subject to inherent risks and uncertainties.

Those risks and uncertainties include factors and risks specific to the circumstances in which IOF operates, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected.

Neither ILFML nor IOF, their officers, agents or advisers, or any person named in this document or involved in the preparation of this document makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

This document also contains forward looking statements based on the current expectations of ILFML about future events. The prospective information is, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such prospective information.

Factors which may affect future financial performance include the assumptions underlying any forecast or forward looking statement financial information not proving correct and other matters not currently known to, or considered by, ILFML. IOF Unitholders should note that the historical financial performance of IOF is no assurance or indicator of future financial performance of IOF (whether or not the Proposal proceeds). ILFML does not guarantee any particular rate of return or the performance of IOF nor does it guarantee the repayment of capital or any particular tax treatment in respect of any investment in IOF.

The forward looking statements in this document reflect facts, circumstances and views held only at the date of this document. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, ILFML and its officers, employees, agents and advisers disclaim any obligation or undertaking to distribute after the date of this document any updates or revisions to any forward-looking statements to reflect any change in expectations in relation to them or any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

Except as outlined below, the information contained in this document has been prepared by ILFML and is its responsibility alone. Except as outlined below, neither the Acquirer nor any of its Controlled Entities, directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

The Acquirer has prepared and provided the Acquirer Group Information and is responsible for that information. Neither ILFML nor IOF, nor any of their respective Controlled Entities, directors, officers, agents or advisers assume any responsibility for the accuracy or completeness of the Acquirer Group Information.

The ICPF Group is responsible for the ICPF Group Information. Neither ILFML nor IOF, nor any of their respective Controlled Entities, directors, officers, agents or advisers assume any responsibility for the accuracy or completeness of the ICPF Group Information.

KPMG Corporate Finance has prepared the Second Supplementary Independent Expert's Report (as set out in Schedule 1 to this document) and takes responsibility for that report.

No consenting party has withdrawn their consent to be named before the date of this document.

Important Notices and Disclaimer

Foreign jurisdictions

The release, publication or distribution of this document in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

IOF Unitholders who are nominees, trustees or custodians should seek independent advice as to how they should proceed.

This document has been prepared in accordance with laws of the Commonwealth of Australia and the information contained in this document may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of jurisdictions outside Australia.

Privacy

ILFML may collect personal information in the process of implementing the Proposal. The type of information that they may collect about you includes your name, contact details and information on your unitholding in IOF and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Meeting, as relevant to you. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist ILFML to conduct the Meeting and implement the Proposal. Without this information, ILFML may be hindered in its ability to issue this document and implement the Proposal. Personal information of the type described above may be disclosed to Link Market Services Limited, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of ILFML, Government Agencies, and also where disclosure is otherwise required or allowed by law.

IOF Unitholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of information about you held by ILFML, please contact the IOF Unitholder Information Line on +61 1300 851 394, between 8:30am and 7:30pm Monday to Friday (Sydney time).

IOF Unitholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Meeting should ensure that they inform that person of the matters relating to the collection and use of personal information outlined above.

Currency and financial information

Unless stated otherwise, all references to dollars, \$, cents or c in this document are to Australian currency.

Unless stated otherwise or implied, references to dates or years are financial year references. All financial and operational information contained in this document is current as at the date of this document unless otherwise specified.

Charts, maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this document are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at 30 June 2018.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this document are subject to the effect of rounding.

Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this document.

As a result, any calculations you make based on the figures, amounts, percentages, prices, estimates, calculations of value and fractions in this document may differ from the correct answers to those calculations.

Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

Timetable and dates

All times and dates referred to in this document are times and dates in Australian Eastern Standard Time, being the time in Sydney, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Proposal referred to in this document may change and, among other things, are subject to all necessary approvals from Government Agencies.

Additional information

If, after reading this document, you have any questions regarding the Proposal, please call the IOF Unitholder Information Line on +61 1300 851 394, between 8:30am and 7:30pm Monday to Friday (Sydney time), or consult your legal, investment or other professional adviser.

Date of Explanatory Memorandum

This Third Supplementary Explanatory Memorandum is dated 10 September 2018.

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Letter from the Chairman

10 September 2018

Dear IOF Unitholder,

Background

This document follows the Explanatory Memorandum dated 24 July 2018 (**Explanatory Memorandum**), the Supplementary Explanatory Memorandum dated 16 August 2018 (**Supplementary EM**) and Second Supplementary Explanatory Memorandum dated 28 August 2018 (**Second Supplementary EM**) relating to the proposal by Quartz BidCo Pty Ltd and Quartz Sub TC Pty Ltd as trustee of the Quartz Bid Trust (together, the **Acquirer**) to acquire all of the units in IOF by way of trust scheme (**Proposal**). The Acquirer is affiliated with The Blackstone Group L.P. and entities which are ultimately owned and/or controlled by The Blackstone Group L.P. (together, **Blackstone**).

Developments since Second Supplementary Explanatory Memorandum

The Implementation Agreement dated 12 June 2018 (as amended) provided for IOF Unitholders to receive \$5.45 cash per IOF Unit, less distributions declared or paid by IOF after 4 May 2018 (subject to satisfaction or waiver of all Conditions Precedent). As ILFML declared a distribution of 10.15 cents per IOF Unit on 18 June 2018, IOF Unitholders would have received cash consideration of \$5.3485 for each IOF Unit on implementation of the Proposal.

On 4 September 2018, ILFML received an unsolicited, non-binding, indicative and conditional proposal from Oxford Properties Group (**Oxford**) to acquire 100% of IOF for cash consideration of \$5.50 per IOF Unit (**Oxford Proposal**).¹ The Oxford Proposal was subject to a number of conditions including a four week of confirmatory due diligence period, receipt of final investment committee approval, FIRB approval, and confirmation of third party financing.

Following receipt of the Oxford Proposal, on 5 September 2018, ILFML obtained judicial advice to confirm that the Chairman would be justified in adjourning the Meeting from Thursday 6 September 2018 to a date to be determined.

After market close on 5 September 2018, as announced on ASX, ILFML received a letter from Blackstone stating that Blackstone was prepared to increase the Proposal Consideration to \$5.52 per IOF Unit,² subject to certain conditions, including that the ILFML Board uses best endeavours to set a new date for the Meeting which “is as soon as possible and in any event no later than 14 September 2018”. The ILFML Board has worked with Blackstone to address those conditions, and the parties have agreed that the earliest practicable date on which the Meeting may be resumed to allow time for lodgement of updated proxies, would be Monday 17 September 2018.

ILFML and Blackstone have also entered into transaction documents to amend the Proposal Consideration as follows:

- if the Proposal Resolutions are approved by IOF Unitholders on or before 17 September 2018 (unless Blackstone has waived this requirement), and the Proposal is implemented, IOF Unitholders will receive an increase in cash consideration from \$5.3485 per IOF Unit to \$5.52 per IOF Unit³ (**Increased Price**); and
- if the Proposal Resolutions are approved by IOF Unitholders after 17 September 2018 (except where Blackstone has waived the requirement that the Proposal Resolutions be voted on by IOF Unitholders on or before 17 September 2018), and the Proposal is implemented, IOF Unitholders will receive cash consideration of \$5.3485 per IOF Unit⁴ (**Base Price**).

Blackstone has stated that it will not increase the Proposal Consideration further, and accordingly, the increased Proposal Consideration is best and final, in the absence of a superior proposal.⁵

1. Less distributions declared or paid on or after 4 September 2018 and prior to implementation of the Oxford Proposal.

2. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

3. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

4. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

5. In this context, “superior proposal” means a competing proposal with a higher offer price than the consideration offered by Blackstone under the Proposal. See Section 3 for clarification in relation to the use of the term “superior proposal” in different contexts.

ILFML and Blackstone have also agreed to amend the quantum of the break fee payable under the Implementation Agreement as follows:

- if IOF Unitholders vote on the Proposal Resolutions on or before 17 September 2018 (or if Blackstone has waived this requirement), the break fee which may be payable by ILFML under clause 12.2 of the Implementation Agreement will be equal to 1% of the aggregate Increased Price (**Increased Break Fee**), which is approximately \$33 million; and
- if IOF Unitholders vote on the Proposal Resolutions after 17 September 2018 (except where Blackstone has waived the requirement for the Proposal Resolutions to be voted on by IOF Unitholders on or before 17 September 2018), the break fee which may be payable by ILFML under clause 12.2 of the Implementation Agreement will be equal to 1% of the aggregate Base Price (**Base Break Fee**), which is approximately \$32 million.

A break fee equal to 1% of the equity value of IOF (calculated using the aggregate Increased Price or the aggregate Base Price, as applicable) is consistent with Takeovers Panel guidance and market practice. The ILFML Board was prepared to accept the amendments to the break fee in light of the Increased Price and the increase in costs incurred by Blackstone in connection with the Proposal.

ILFML and Blackstone have also agreed that, in the event that the Implementation Agreement is validly terminated, Blackstone will no longer be subject to the standstill obligations which it is currently subject to under the Confidentiality Agreement, and may also enter into consortium arrangements with other parties to pursue a further transaction (including purchasing IOF Units on market or making a takeover offer) in relation to IOF should it choose to do so.

ILFML Directors' Recommendation

The Directors continue to unanimously recommend that IOF Unitholders vote in favour of the Proposal Resolutions, in the absence of a Superior Proposal⁶, noting that, as at the date of this Third Supplementary EM, the Increased Price would apply, as the Meeting is currently scheduled to occur at 2pm on 17 September 2018.

If the Proposal Consideration reverts to the Base Price, then the ILFML Board would assess whether or not the fiduciary exception in accordance with the Implementation Agreement is triggered by the Oxford Proposal.⁷ In this context, it is relevant to note that the Independent Expert has provided commentary on the consequences that may arise where IOF Unitholders have not voted on the Proposal Resolutions on or before 17 September 2018 (see Section 2.3 and the Second Supplementary Independent Expert's Report in Schedule 1, for further detail).

The Directors note that no further communication has been received from Oxford as at the date of this Third Supplementary EM.

Independent Expert's Opinion

The Independent Expert considers that the Proposal continues to be in the best interests of IOF Unitholders in the absence of a superior proposal.⁸ The Independent Expert's opinion is based on its assessment that the Proposal is fair and reasonable. The Independent Expert has noted that, as the Meeting is scheduled to be held on 17 September 2018, its analysis has been focused on the Increased Price in determining whether the Proposal is in the best interests of IOF Unitholders.

Schedule 1 of this document sets out a copy of the Second Supplementary Independent Expert's Report (**Second Supplementary IER**). IOF Unitholders should read the report in its entirety. A summary of the range of factors relevant to the Independent Expert's assessment of the Proposal are set out in Section 2 of the Second Supplementary IER.

6. Note that in this document, the capitalised term "Superior Proposal" has the meaning given in the Implementation Agreement, and is also set out in the Glossary in Section 9 of the Explanatory Memorandum dated 24 July 2018. See Section 3 for clarification in relation to the use of the term "superior proposal" in different contexts.

7. For the avoidance of doubt, while the Proposal Consideration is the Increased Price, ILFML confirms that condition (e) of the Blackstone conditional price increase letter announced to ASX on 6 September 2018 will be complied with.

8. In this context, "superior proposal" means a competing proposal that is, in the opinion of the Independent Expert, superior to the Proposal.

Letter from the Chairman (cont)

New Meeting Date

Following the receipt of judicial advice from the Supreme Court of New South Wales, the Meeting was adjourned on 6 September 2018 to a date to be determined.

As a consequence of the updated information in this Third Supplementary EM, the Directors have determined that the Meeting will now be held at **2pm on 17 September 2018 at the Hilton Hotel, Level 4, Room 5, 488 George Street, Sydney NSW 2000.**

A full list of the new dates in connection with the Proposal is set out on page 7.

IOF Unitholders should note that in the event that the Meeting is the subject of a further adjournment, a new meeting date will be set no earlier than 7 clear days after the date on which any further supplementary disclosure is despatched to IOF Unitholders, to allow sufficient time for lodgement of updated proxies.

Voting Record Date and Proxy Forms

All IOF Unitholders on the IOF Register as at 7.00pm (Sydney time) on 15 September 2018 will be entitled to attend and vote at the Meeting (subject to any applicable voting exclusions).

If you are not able to attend the Meeting, you can vote by proxy. If you have already submitted a valid proxy form, and you do not want to change the way in which you have voted, you do not need to do anything. If you have already submitted a valid proxy form, and you want to change the way in which you have voted, you may do that by completing and returning a new proxy form to the IOF Registry in accordance with the details contained in Section 6 of Schedule 1 of the Explanatory Memorandum.

Due to the short period of notice between release of this document and the new deadline for receipt of proxy forms (being 2pm on 15 September 2018), IOF Unitholders are encouraged to lodge their proxy votes electronically in accordance with the instructions on their proxy form.

Conclusion

I look forward to your participation at the Meeting on 17 September 2018 and encourage you to vote in favour of the resolutions relating to the Proposal in the absence of a Superior Proposal.

Yours sincerely



Richard Longes
Chairman
INVESTA LISTED FUNDS MANAGEMENT LIMITED

Key Dates

Date of the Explanatory Memorandum	24 July 2018
Date of the Supplementary Explanatory Memorandum	16 August 2018
Date of the Second Supplementary Explanatory Memorandum	28 August 2018
Date of this Third Supplementary Explanatory Memorandum	10 September 2018
Time and date by which Proxy Forms must be received	2pm, 15 September 2018
Voting Record Date	7pm, 15 September 2018
Time and date of the Meeting	2pm, 17 September 2018

If the Proposal is approved by IOF Unitholders and all other Conditions Precedent in connection with the Proposal are fulfilled or waived, the following key dates apply:

Second Judicial Advice Date	18 September 2018
Effective Date*	18 September 2018
Record Date	25 September 2018
Implementation Date	2 October 2018

Dates and times are indicative only and are subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be notified to the ASX and made available on the website at <https://www.investa.com.au/funds/iof/asx-announcements>.

* IOF Units will be suspended from trading on the ASX at the close of trading on the Effective Date. If the Proposal proceeds, this will be the last day that IOF Units will trade on ASX.

1. Key Questions

This Section 1 answers certain key questions about the Proposal. It is not intended to address all relevant issues for IOF Unitholders. This Section 1 should be read together with all other parts of this document, the Second Supplementary EM, the Supplementary EM and the Explanatory Memorandum.

Question	Answer	More information
This Third Supplementary Explanatory Memorandum		
1. Why have I received this document?	<p>This is a Third Supplementary EM that has been sent to you because you are an IOF Unitholder and you are being asked to vote on the Proposal Resolutions.</p> <p>This document provides an update in relation to changes that have occurred since release of the Second Supplementary EM on 28 August 2018.</p>	N/A
2. What has changed since the Second Supplementary EM?	<p>The ILFML Board has worked with Blackstone to address the conditions to Blackstone's price increase announced on 6 September 2018. ILFML and Blackstone have entered into transaction documents to amend the Proposal Consideration and break fee provisions of the Implementation Agreement, as follows:</p> <p>Proposal Consideration</p> <p>The Proposal Consideration has been amended as follows:</p> <ul style="list-style-type: none"> the Increased Price of \$5.52 per IOF Unit will apply if the Proposal Resolutions approved by IOF Unitholders on or before 17 September 2018 (unless Blackstone has waived this requirement which it may do so in its absolute discretion); and the Base Price of \$5.3485 per IOF Unit will apply if the Proposal Resolutions approved by IOF Unitholders after 17 September 2018 (except where Blackstone has waived the requirement that the Proposal Resolutions be voted on by IOF Unitholders on or before 17 September 2018), <p>in each case, less distributions declared or paid on or after 5 September 2018.</p>	Section 2 and Schedule 1

Question	Answer	More information
2. What has changed since the Second Supplementary EM? (Cont)	<p>Break Fee</p> <p>ILFML and Blackstone have also agreed to amend the quantum of the break fee payable under the Implementation Agreement as follows:</p> <ul style="list-style-type: none"> the Increased Break Fee of approximately \$33 million (being equal to 1% of the aggregate Increased Price) will apply if IOF Unitholders vote on the Proposal Resolutions on or before 17 September 2018 (or if Blackstone has waived this requirement); and the Base Break Fee of approximately \$32 million (being equal to 1% of the aggregate Base Price) will apply if IOF Unitholders vote on the Proposal Resolutions after 17 September 2018 (except where Blackstone has waived the requirement that the Proposal Resolutions be voted on by IOF Unitholders on or before 17 September 2018). <p>Standstill and Consortium Restrictions</p> <p>ILFML and Blackstone have also agreed that, in the event that the Implementation Agreement is validly terminated, Blackstone will no longer be subject to the standstill obligations which it is currently subject to under the Confidentiality Agreement with other parties, and may also enter into consortium arrangements to pursue a further transaction (including purchasing IOF Units on market or making a takeover offer) in relation to IOF should it choose to do so.</p> <p>New Meeting Details</p> <p>As a consequence of the updated information in this Third Supplementary EM, the Directors have determined that the Meeting will now be held at 2pm on 17 September 2018 at the Hilton Hotel, Level 4, Room 5, 488 George Street, Sydney NSW 2000.</p>	Section 2 and Schedule 1
3. Are further increases to the Proposal Consideration contemplated?	The Acquirer has stated that it will not increase the Proposal Consideration further, and accordingly, the increased Proposal Consideration is best and final, in the absence of a superior proposal. ¹	N/A
Independent Expert opinion and the Directors' recommendation		
4. Do the Directors continue to recommend the Proposal?	<p>Yes. The Directors continue to unanimously recommend that IOF Unitholders vote in favour of the Proposal Resolutions, in the absence of a Superior Proposal,² noting that, as at the date of this Third Supplementary EM, the Increased Price would apply, as the Meeting is currently scheduled to occur at 2pm on 17 September 2018.</p> <p>If the Proposal Consideration reverts to the Base Price, then the ILFML Board would assess whether or not the fiduciary exception in accordance with the Implementation Agreement is triggered by the Oxford Proposal.</p> <p>In this context, it is relevant to note that the Independent Expert has provided commentary on the consequences that may arise where IOF Unitholders have not voted on the Proposal Resolutions on or before 17 September 2018 (see Section 2.3 and the Second Supplementary Independent Expert's Report in Schedule 1, for further detail).</p>	Chairman's Letter; Section 2

1. In this context, "superior proposal" means a competing proposal with a higher offer price than the consideration offered by Blackstone under the Proposal. See Section 3 for clarification in relation to the use of the term "superior proposal" in different contexts.

2. Note that in this document, the capitalised term "Superior Proposal" has the meaning given in the Implementation Agreement, and is also set out in the Glossary in Section 9 of the Explanatory Memorandum dated 24 July 2018. See Section 3 for clarification in relation to the use of the term "superior proposal" in different contexts.

1. Key Questions

Question	Answer	More information
5. What is the opinion of the Independent Expert?	The Independent Expert considers that the Proposal continues to be in the best interests of IOF Unitholders in the absence of a superior proposal. ⁴ The Independent Expert's opinion is based on its assessment that the Proposal is fair and reasonable. The Independent Expert has noted that, as the Meeting is scheduled to be held on 17 September 2018, its analysis has been focused on the Increased Price in determining whether the Proposal is in the best interests of IOF Unitholders.	Supplementary Independent Expert's Report (Schedule 1)
6. How do the Directors intend to vote?	The Directors intend to vote all IOF Units they hold or control in favour of the Proposal, in the absence of a Superior Proposal.	N/A
Oxford Proposal		
7. Does the ILFML Board intend to engage with Oxford in relation to the Oxford Proposal?	<p>As at the date of this Third Supplementary EM, the ILFML Board has not engaged with Oxford in relation to the Oxford Proposal as received.</p> <p>Under the Implementation Agreement, ILFML is subject to a number of exclusivity obligations, including no-talk restrictions which would prevent it from engaging with Oxford, subject to a fiduciary exception.</p> <p>The ILFML Board considers that the fiduciary exception in the Implementation Agreement is not currently triggered by the Oxford Proposal as the Oxford Proposal represents lower financial value for IOF Unitholders compared to the Increased Price if the Proposal Consideration reverts to the Base Price, then the ILFML Board would assess whether or not the fiduciary exception in accordance with the Implementation Agreement is triggered by the Oxford Proposal.</p>	Section 8.3 of the Explanatory Memorandum
8. Has the Board received any further Competing Proposal from Oxford or any other third party?	As at the date of this Third Supplementary EM, the ILFML Board has not received any further Competing Proposal from Oxford or any other third party.	N/A
Meeting details, voting and approval thresholds		
9. When and where will the Meeting be held?	The Meeting will be held at the Hilton Hotel, Level 4, Room 5, 488 George Street, Sydney NSW 2000 on Monday, 17 September 2018, commencing at 2pm (Sydney time).	Section 2.7

3. In this context, "superior proposal" means a competing proposal that is, in the opinion of the Independent Expert, superior to the Proposal.

Question	Answer	More information
10. Who is eligible to vote at the Meeting?	<p>All IOF Unitholders on the IOF Register as at 7.00pm (Sydney time) on 15 September 2018 (the Voting Record Date) are entitled to attend and vote at the meeting, except that:</p> <ul style="list-style-type: none"> • for the purposes of the Trust Acquisition Resolutions, and in accordance with item 7, section 611 and section 253E of the Corporations Act, the Acquirer and its Associates must not cast any votes in favour of the resolutions, and ILFML and its Associates are not entitled to vote their interests if they have an interest in the resolutions other than as a member of IOF; • for the purposes of the Trust Constitution Amendment Resolutions, and in accordance with section 253E of the Corporations Act, ILFML and its Associates are not entitled to vote their interests if they have an interest in the resolutions other than as a member of IOF; and • for the purposes of the De-stapling Resolutions, and in accordance with section 253E of the Corporations Act, ILFML and its Associates are not entitled to vote their interests if they have an interest in the resolutions other than as a member of IOF. 	Notice of Meeting (Schedule 1 to the Explanatory Memorandum)
11. Further questions	<p>If after reading this Third Supplementary EM, you have any questions about the Proposal, you should call the IOF Unitholder Information Line on +61 1300 851 394 between 8.30 am and 7.30 pm (Sydney time) Monday to Friday. If you are in any doubt as to what you should do, you should consult your legal, investment or other professional adviser without delay.</p>	N/A

2. Overview of Improved Proposal

2.1 Revised Proposal Consideration

On 4 September 2018, ILFML received an unsolicited, non-binding, indicative and conditional proposal from Oxford Properties Group (**Oxford**) to acquire 100% of IOF for cash consideration of \$5.50 per IOF Unit (**Oxford Proposal**).¹ The Oxford Proposal was subject to a number of conditions including a four week of confirmatory due diligence period, receipt of final investment committee approval, FIRB approval, and confirmation of third party financing.

After market close on 5 September 2018, as announced on ASX, ILFML received a letter from Blackstone stating that Blackstone was prepared to increase the Proposal Consideration to \$5.52 per IOF Unit,² subject to certain conditions, including that the ILFML Board uses best endeavours to set a new date for the Meeting which “is as soon as possible and in any event no later than 14 September 2018”. The ILFML Board has worked with Blackstone to address those conditions, and the parties have agreed that the earliest practicable date on which the Meeting may be resumed to allow time for lodgement of updated proxies, would be Monday 17 September 2018.

ILFML and Blackstone have also entered into transaction documents to amend the Proposal Consideration as follows:

- if the Proposal Resolutions are approved by IOF Unitholders on or before 17 September 2018 (unless Blackstone has waived this requirement which it may do so in its absolute discretion), and the Proposal is implemented, IOF Unitholders will receive the Increased Price of \$5.52 per IOF Unit³; and
- if the Proposal Resolutions are approved by IOF Unitholders after 17 September 2018 (except where Blackstone has waived the requirement that the Proposal Resolutions be voted on by IOF Unitholders on or before to 17 September 2018), and the Proposal is implemented, IOF Unitholders will receive the Base Price of \$5.3485 per IOF Unit⁴.

Blackstone has stated that it will not increase the Proposal Consideration further, and accordingly, the increased Proposal Consideration is best and final, in the absence of a superior proposal.⁵

2.2 ILFML Directors' Recommendation

The Directors of ILFML continue to unanimously recommend that IOF Unitholders vote in favour of the Proposal in the absence of a Superior Proposal, noting that, as at the date of this Third Supplementary EM, the Increased Price would apply, as the Meeting is currently scheduled to occur at 2pm on 17 September 2018. The Increased Price offers an attractive and certain price for IOF Unitholders when considered against the historic trading performance of IOF Units, as described in further detail below.

In making this recommendation, the ILFML Directors have also taken into account the factors outlined in Sections 2.2 and 2.3 of the Explanatory Memorandum in relation to the Increased Price.

If the Proposal Consideration reverts to the Base Price, then the ILFML Board would assess whether or not the fiduciary exception in accordance with the Implementation Agreement is triggered by the Oxford Proposal.

1. Less distributions declared or paid on or after 4 September 2018 and prior to implementation of the Oxford Proposal.

2. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

3. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

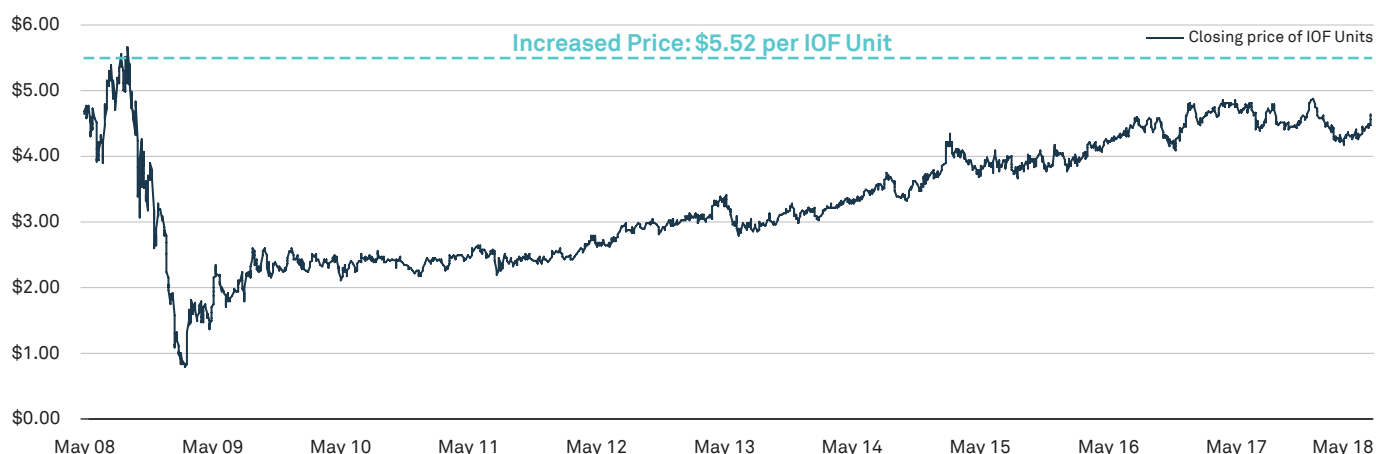
4. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

5. In this context, “superior proposal” means a competing proposal with a higher offer price than the consideration offered by Blackstone under the Proposal. See Section 3 for clarification in relation to the use of the term “superior proposal” in different contexts.

a. 10 Year Historical Trading Performance prior to announcement of the original Proposal

The Increased Price of \$5.52 for each IOF Unit⁶ provides near-term cash value for IOF Unitholders at a price that is in excess of IOF's highest trading price since 29 September 2008, nearly 10 years ago,⁷ as shown below.

IOF 10 Year Historical Trading Price Performance



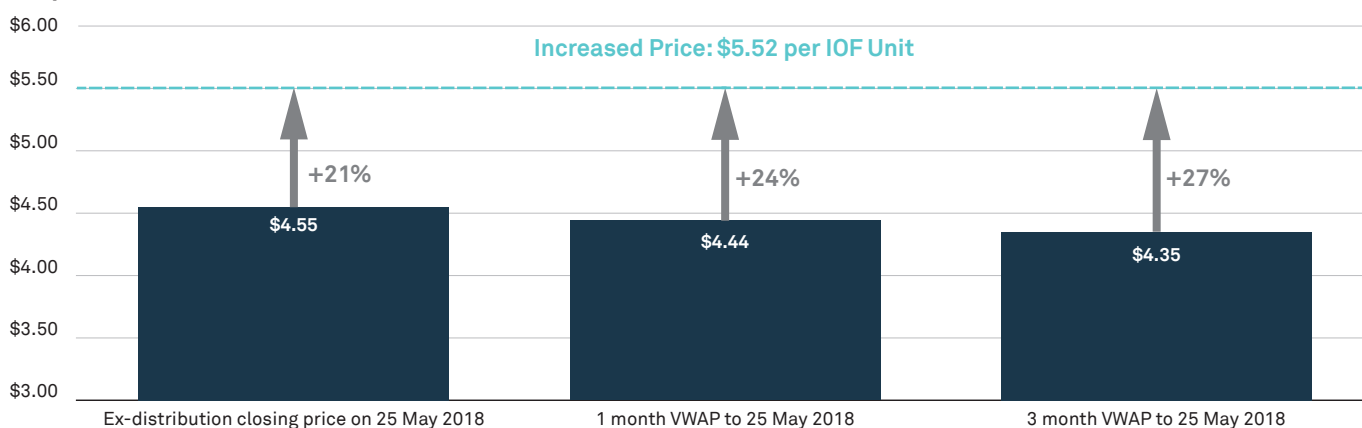
Source: IRESS; based on market information as at 25 May 2018.

b. Proposal Consideration Metrics

The Increased Price of \$5.52 per IOF Unit⁸ also delivers an attractive premium to the trading price of IOF Units prior to the announcement of the Proposal, as follows:

- 21.3% premium to IOF's ex-distribution price of \$4.55 per IOF Unit on 25 May 2018, being the last trading day prior to announcement of the Proposal;⁹
- 24.3% premium to the 1 month VWAP up to 25 May 2018 of \$4.44 per IOF Unit; and
- 26.9% premium to the 3 month VWAP up to 25 May 2018 of \$4.35 per IOF Unit.

Proposal Consideration Metrics



Source: IRESS; based on market information as at 25 May 2018

6. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

7. Prior to announcement of the transaction on 28 May 2018.

8. Less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.

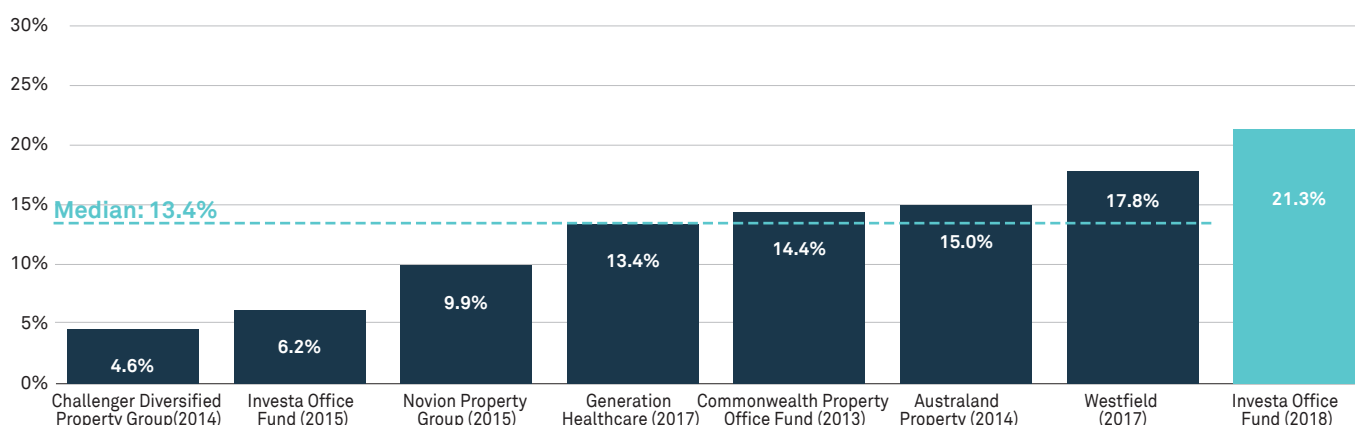
9. The ex-distribution price has been calculated as IOF's closing price on 25 May 2018 of \$4.63 less the pro-rated amount of the distribution of 10.15 cents per IOF Unit declared on 18 June 2018. The pro rata calculation is based on the number of days between IOF's ex-distribution dates for 1H18 (28 December 2017) and 2H18 (28 June 2018).

2. Overview of Improved Proposal

c. Comparable A-REIT premiums

The Increased Price represents an attractive premium of 21.3% to the ex-distribution price of IOF Units prior to announcement of the original Proposal.¹⁰ This premium compares favourably to comparable A-REIT transactions which have occurred in the last 5 years.

Comparable A-REIT premiums



Note: Transactions occurring in the last five years with an implied market capitalisation greater than \$500 million. (2) Data based on quoted premiums in the relevant target's statement or scheme booklet. (3) Where scrip consideration involved, premium calculated based on acquirer's scrip price last close prior to proposal announcement. (4) Investa Office Fund (2015) proposal was not approved by unitholders.

2.3 Opinion of the Independent Expert

The Independent Expert, KPMG Corporate Finance, has considered the impact of the increased Proposal Consideration.¹¹

The Independent Expert considers that the Proposal continues to be in the best interests of IOF Unitholders in the absence of a superior proposal.¹² The Independent Expert's opinion is based on its assessment that the Proposal is fair and reasonable. The Independent Expert has noted that, as the Meeting is scheduled to be held on 17 September 2018, its analysis has been focused on the Increased Price in determining whether the Proposal is in the best interests of IOF Unitholders.

The Independent Expert has also noted that:

- if IOF Unitholders do not vote on the Proposal on or before 17 September 2018, the Increased Price will no longer apply, and the Proposal Consideration will revert to the Base Price (except where Blackstone has waived the requirement for the vote to occur on or before 17 September 2018);
- in this event, it is unclear what may happen – Oxford may or may not proceed to make a binding offer to acquire IOF, and Blackstone may or may not increase its offer above the Base Price (or a price offered by Oxford); and
- in such circumstances, the ILFML Board would need to reassess its options depending on the actions of Blackstone and Oxford;

A Second Supplementary IER is set out in Schedule 1 to this document. The ILFML Directors encourage you to read the Supplementary IER in its entirety.

2.4 Amendments to Implementation Agreement

Prior to market open on 10 September 2018, the Implementation Agreement was amended to reflect:

- the amendments to the Proposal Consideration described in Section 2.1; and
- amendments to the quantum of the break fee payable under the Implementation Agreement as follows:

10. The ex-distribution price has been calculated as IOF's closing price on 25 May 2018 of \$4.63 less the pro-rated amount of the distribution of 10.15 cents per IOF Unit declared on 18 June 2018. The pro rata calculation is based on the number of days between IOF's ex-distribution dates for 1H18 (28 December 2017) and 2H18 (28 June 2018).

11. The original Independent Expert's Report is set out in Schedule 2 of the Explanatory Memorandum.

12. In this context, "superior proposal" means a competing proposal that is, in the opinion of the Independent Expert, superior to the Proposal.

- the Increased Break Fee of approximately \$33 million (being equal to 1% of the aggregate Increased Price) will apply if IOF Unitholders vote on the Proposal Resolutions on or before 17 September 2018 (or if Blackstone has waived this requirement); and
- the Base Break Fee of approximately \$32 million (being equal to 1% of the aggregate Base Price) will apply if IOF Unitholders vote on the Proposal Resolutions after 17 September 2018 (except where Blackstone has waived the requirement that the Proposal Resolutions be voted on by IOF Unitholders on or before 17 September 2018).

A break fee equal to 1% of the equity value of IOF (calculated using the aggregate Increased Price or the aggregate Base Price, as applicable) is consistent with Takeovers Panel guidance and market practice. The ILFML Board was prepared to accept the amendments to the break fee in light of the Increased Price and the increase in costs incurred by Blackstone in connection with the Proposal.

2.5 Amendments to Confidentiality Agreement

ILFML and Blackstone have also agreed that, in the event that the Implementation Agreement is validly terminated, Blackstone will no longer be subject to the standstill obligations which it is currently subject to under the Confidentiality Agreement, and may also enter into consortium arrangements with other parties to pursue a further transaction (including purchasing IOF Units on market or making a takeover offer) in relation to IOF should it choose to do so.

2.6 Funding arrangements of the Acquirer

If the Increased Price applies, based on the number of IOF Units on issue as at the date of this Third Supplementary EM, the maximum amount of cash payable by the Acquirer to IOF Unitholders in connection with the Proposal will be approximately \$3.3 billion.

As noted in Section 5.3 of the Explanatory Memorandum, the Acquirer has advised ILFML that it proposes to fund the acquisition using a combination of debt and equity. An update in relation to the Acquirer's equity and debt funding arrangements is set out below.

- a. **Equity Funding Arrangements:** The Acquirer has received an amended equity commitment from the Blackstone Funds for up to:
 - i. where the Increased Price applies, \$3,303,280,000; and
 - i.i where the Base Price applies, \$3,200,650,000,

in each case, subject to certain conditions being satisfied, including the Proposal becoming Effective.

- b. **Debt Funding Arrangements:** The availability of the Acquirer's debt funding arrangements is subject to a number of conditions, including approval of the Proposal by IOF Unitholders and the Court. As at the date of this Third Supplementary EM, the Acquirer is not aware of:
 - i. any reason why any of the conditions precedent to the debt funding arrangements will not be satisfied, in time to allow payment in full (when taken together with the equity funding arrangements) of the aggregate Proposal Consideration as and when due under the terms of the Proposal; or
 - ii. the occurrence of any misrepresentation, breach of undertaking or event of default or any circumstance which would give rise to a right to the financiers to terminate the debt funding arrangements.

2.7 New Date for Meeting

Following the receipt of judicial advice from the Supreme Court of New South Wales, the Meeting was adjourned on 6 September 2018 to a date to be determined.

As a consequence of the updated information in this Third Supplementary EM, the Directors have determined that the Meeting will now be held at **2pm on 17 September 2018 at the Hilton Hotel, Level 4, Room 5, 488 George Street, Sydney NSW 2000.**

IOF Unitholders should note that in the event that the Meeting is the subject of a further adjournment, a new meeting date will be set no earlier than 7 clear days after the date on which any further supplementary disclosure is despatched to IOF Unitholders, to allow sufficient time for lodgement of updated proxies.

3. Clarification of 'superior proposal' concepts

As a result of media speculation and commentary, ILFML believes it is important to clarify the meaning of the words 'superior proposal' when used in different contexts.

(a) References to "Superior Proposal" in the context of the Implementation Agreement

"Superior Proposal" is a defined term in the Implementation Agreement.

Under the Implementation Agreement, the ILFML Board is required to maintain its recommendation of the Proposal, except in certain limited circumstances, including where there is a "Superior Proposal" (as defined in the Implementation Agreement).

The Implementation Agreement also includes certain exclusivity provisions, including no-talk and no due diligence restrictions, which are subject to fiduciary exceptions.

Under the fiduciary exception, certain exclusivity obligations cease to apply where the ILFML Board, after taking advice, has determined that there is a "Superior Proposal", and failing to take action in relation to the "Superior Proposal" would be likely to be a breach of its fiduciary or statutory obligations.

(b) References to "superior proposal" in the context of ICPF's voting intentions

The Second Supplementary EM stated that, 'As announced on 24 August 2018, ICPF has confirmed that they intend to vote all of the IOF Units that they hold at the Voting Record Date in favour of the revised Proposal, in the absence of a superior proposal' (ICPF Voting Intention Statement). This ICPF Voting Intention Statement related to Blackstone's previous proposal when the consideration offered was \$5.3485 per IOF unit (Blackstone's Previous Proposal)

A footnote to the ICPF Voting Intention Statement in the Second Supplementary EM stated that:

When used in this context, "superior proposal" means a competing proposal which is determined to be superior by ICPF. It does not have the meaning given to the capitalised term in the Explanatory Memorandum dated 24 July 2018 which is the definition agreed between ILFML and the Acquirer.

ICPF has confirmed that, in accordance with, and consistent with ICPF's view of accepted market practice, it considers the Oxford Proposal to be a "superior proposal" to Blackstone's Previous Proposal. As a result, ICPF is no longer bound by the ICPF Voting Intention Statement.

(c) References to “superior proposal” in the context of ‘best and final’ statements made by Blackstone

The letters received from Blackstone dated 5 September 2018 and 22 August 2018 both stated that ‘The Acquirers will not increase the Scheme Consideration further and accordingly, the proposed increase in price is best and final, in the absence of a superior proposal’.¹

Blackstone has confirmed that, in accordance with, and consistent with Blackstone’s view of accepted market practice, in its view, a “superior proposal” in the context of the above statements is a competing proposal with a higher offer price than the consideration offered by Blackstone under the Proposal, which is determined to be superior by Blackstone. Accordingly, following announcement of the Oxford Proposal, Blackstone was able to provide ILFML with a letter on 5 September 2018 indicating that it was prepared to further increase the Proposal Consideration.

In a similar regard, Blackstone confirms that ICPF was open to form the view that the Oxford Proposal was, in ICPF’s opinion, a “superior proposal” in the context of the voting intention statement released by ICPF on 24 August 2018.

(d) References to “superior proposal” in the context of the Independent Expert’s opinion

In the Independent Expert’s Report, Supplementary Independent Expert’s Report, and the Second Supplementary IER, the Independent Expert has concluded that the Proposal is in the best interests of IOF Unitholders, ‘in the absence of a superior proposal’.²

In this context, “superior proposal” means an alternative proposal considered by the Independent Expert to be superior to the Proposal.

1. It is noted that in Question 5 on page 8 and on page 4 of the Second Supplementary EM, the capitalised term “Superior Proposal” was used in the context of the Acquirer’s best and final statement. This was an error and should have been a reference to “superior proposal”, consistently with the letter received from Blackstone dated 22 August 2018.

2. It is noted that in the body of the Explanatory Memorandum, Supplementary EM, and Second Supplementary EM, the capitalised term, “Superior Proposal” was used in the context of the Independent Expert’s conclusion. This was an error and should have been a reference to “superior proposal”.

4. *Additional Information*

4.1 Consents to be named

The following persons have given, and have not, before the date of issue of this Third Supplementary EM, withdrawn their consent to be named in this Third Supplementary EM in the form and the context in which they are named:

a. the Acquirer;

The Acquirer has given its written consent to the inclusion of the Acquirer Group Information, and the references to that information in the form and context in which it is included in this Third Supplementary EM and has not, before the date of issue of this Third Supplementary EM, withdrawn such consent;

b. the ICPF Group;

the ICPF Group has given its written consent to the inclusion of the ICPF Group Information, and the references to that information in the form and context in which it is included in this Third Supplementary EM, and has not, before the date of issue of this Third Supplementary EM, withdrawn such consent;

c. KPMG Corporate Finance as the Independent Expert;

KPMG Corporate Finance as Independent Expert has given its written consent to the inclusion of the Second Supplementary IER in Schedule 1 of this Third Supplementary EM, and has not, before the date of issue of this Third Supplementary EM, withdrawn such consent;

d. Link Market Services Limited as IOF's security registrar;

e. Allens as IOF's legal adviser;

f. J.P. Morgan Australia Limited as IOF's financial adviser;

g. PricewaterhouseCoopers as IOF's auditor; and

h. PricewaterhouseCoopers Securities Limited as IOF's accounting adviser.

Other than as specifically outlined above, each party referred to in this Section 4.1 has not caused or authorised the issue of this Third Supplementary EM and does not make or purport to make any statement in this Third Supplementary EM or any statement on which a statement is based, and takes no responsibility for any part of this Third Supplementary EM other than any reference to its name.

4.2 Supplementary Information

To the extent required by the Listing Rules, the Corporations Act or any other applicable law, ILFML will issue a supplementary document to this Third Supplementary EM if it becomes aware of any of the following between the date of this Third Supplementary EM and the date of the Meeting:

- a. a material statement in this Third Supplementary EM is or becomes false or misleading;
- b. a material omission from this Third Supplementary EM;
- c. a significant change affecting a matter included in this Third Supplementary EM; or
- d. a significant new matter has arisen and it would have been required to be included in this Third Supplementary EM if it had arisen before the date of this Third Supplementary EM.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, ILFML may circulate and publish the supplementary document by any or all of:

- e. placing an advertisement in a prominently published newspaper that is circulated in Australia;
- f. posting the supplementary document on IOF's website;
- g. making an announcement on ASX; or
- h. issuing a supplementary document.

4.3 No other information

Other than as contained in this Third Supplementary EM, there is no information within the knowledge of any member of the ILFML Board that is material to the making of a decision in relation to the Proposal to be voted on by IOF Unitholders, and that has not been previously disclosed to IOF Unitholders.

5. Glossary and Interpretation

5.1 Definitions

In this Third Supplementary EM, unless the context otherwise appears, defined terms have the meanings given to them in the Explanatory Memorandum, the Supplementary EM, and the Second Supplementary EM, and the following terms have the meanings shown below.

Term	Meaning
Acquirer Group Information	the information provided by the Acquirer Group for inclusion in this Third Supplementary EM and for which the Acquirer Group is responsible.
Base Break Fee	an amount equal to 1% of the aggregate Base Price, being approximately \$32 million.
Base Price	\$5.3485 per IOF Unit, being the cash consideration that would be payable under the Proposal if the Proposal Resolutions are approved by IOF Unitholders after 17 September 2018 (except where Blackstone has waived the requirement for the Proposal Resolutions to be voted on by IOF Unitholders on or before to 17 September 2018), less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.
Confidentiality Agreement	the Confidentiality Agreement dated 3 May 2018 between ILFML and Blackstone (as amended).
Effective Date	the date on which the Proposal becomes Effective (expected to be 18 September 2018).
Explanatory Memorandum	the explanatory memorandum dated 24 July 2018, including the attachments to it.
ICPF Group Information	the information provided by the ICPF Group for inclusion in this Third Supplementary EM and for which the ICPF Group is responsible.
Implementation Date	the date that the Proposal is implemented, being the third Business Day following the Record Date or such other date as ILFML and the Acquirer agree in writing (expected to be 2 October 2018).
Increased Break Fee	an amount equal to 1% of the aggregate Increased Price, being approximately \$33 million.
Increased Price	\$5.52 per IOF Unit, being the cash consideration that would be payable under the Proposal if the Proposal Resolutions are approved by IOF Unitholders on or before 17 September 2018 (unless Blackstone has waived this requirement which it may do so in its absolute discretion), less distributions declared or paid on or after 5 September 2018 and prior to implementation of the Proposal.
Oxford	Oxford Properties Group

Term	Meaning
Oxford Proposal	the unsolicited, non-binding, indicative and conditional proposal from Oxford to acquire 100% of IOF for a cash price of \$5.50 per unit that IOF, as announced to the ASX on 4 September 2018 (less distributions declared or paid on or after 4 September 2018).
Proposal Consideration	the cash payment per IOF Unit payable to Proposal Participants on the Implementation Date, being either the Base Price or the Increased Price (as applicable).
Record Date	7.00 pm on the fifth Business Day following the Effective Date, or such other date as agreed between the Acquirer and ILFML (expected to be 25 September 2018).
Second Judicial Advice Date	the date on which the Second Judicial Advice is obtained (expected to be 18 September 2018).
Second Supplementary EM	the second supplementary explanatory memorandum dated 28 August 2018, including the attachments to it.
Second Supplementary IER	the Second Supplementary Independent Expert's Report set out in Schedule 1.
Supplementary EM	the supplementary explanatory memorandum dated 16 August 2018, including the attachments to it.
Third Supplementary EM	this third supplementary explanatory memorandum dated 10 September 2018, including the attachments to it.
Voting Record Date	the time and date for determining eligibility to vote at the Meeting (being 7.00pm on 15 September 2018).

5.2 Interpretation

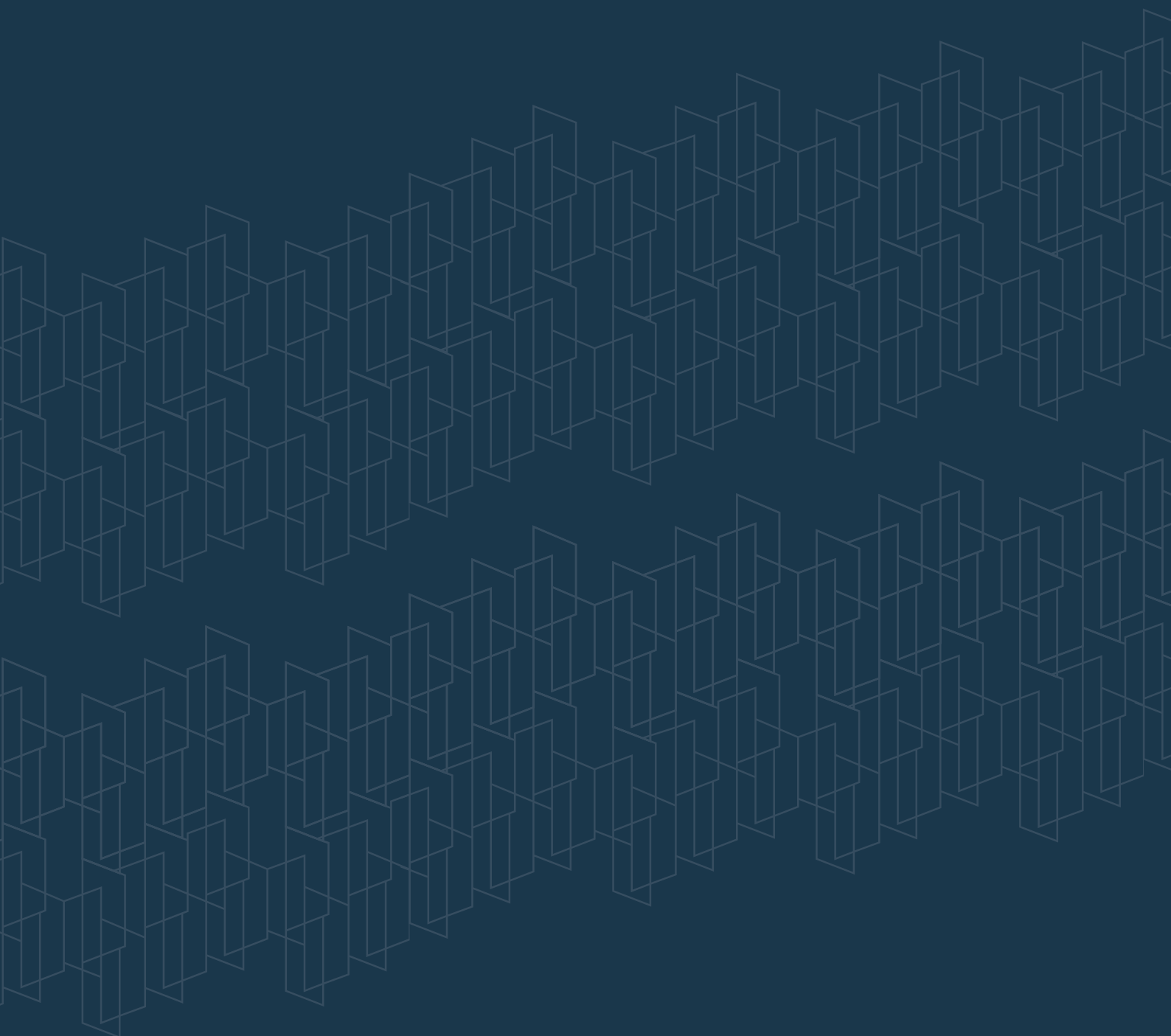
In this Third Supplementary EM, unless the context otherwise appears:

- a. words and phrases have the same meaning (if any) given to them in the Corporations Act;
- b. words importing a gender include any gender;
- c. words importing the singular include the plural and vice versa;
- d. an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- e. a reference to a clause, attachment or schedule is a reference to a clause of and an attachment and schedule to this Third Supplementary EM as relevant;
- f. a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- g. headings and bold type are for convenience only and do not affect the interpretation of this Third Supplementary EM;
- h. a reference to time is a reference to time in Sydney, Australia;
- i. a reference to writing includes electronic and digital communications; and
- j. a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Schedule 1

Second Supplementary

Independent Expert's Report



**KPMG Corporate Finance**

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The Directors
Investa Listed Funds Management Limited as
Responsible Entity for Investa Office Fund
Level 30
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Sydney NSW 2000

7 September 2018

Dear Directors

SUPPLEMENTARY INDEPENDENT EXPERT'S REPORT AND FINANCIAL SERVICES GUIDE

PART ONE - SUPPLEMENTARY INDEPENDENT EXPERT'S REPORT

1 Introduction

The Proposal

On 28 May 2018, Investa Listed Funds Management Limited (ILFML), as responsible entity of the Investa Office Fund (IOF), announced that it had entered into a Process Deed with an affiliate of Quartz BidCo Pty Ltd and Quartz Sub TC Pty Ltd as trustee of the Quartz Bid Trust (together, the Acquirer) in relation to an unsolicited, indicative and non-binding proposal (the Proposal) for the acquisition of all the units in IOF (IOF Units) by way of a trust scheme (Scheme). The Acquirer is affiliated with The Blackstone Group L.P. and entities which are ultimately owned and/or controlled by The Blackstone Group L.P. (together, Blackstone). The cash consideration under the Proposal was \$5.1485 per IOF Unit (after taking into account the 10.15 cent per IOF Unit declared dividend that IOF Unitholders received on 27 August 2018) (Proposal Consideration).

The Directors of ILFML, as responsible entity for IOF, requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG Corporate Finance) to prepare an independent expert's report (IER) in relation to the Proposal. In our IER, dated 24 July 2018, we concluded that in our opinion, the Scheme was in the best interests of IOF Unitholders in the absence of a superior proposal. This opinion was based on our assessment that the Proposal was not fair but reasonable. The Proposal is described more fully in Section 5 of the IER and Section 3 of the Notice of Meeting and Explanatory Memorandum (Explanatory Memorandum).

KPMG Financial Advisory Services (Australia) Pty Ltd is an affiliate of KPMG. KPMG is an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Schedule 1

Second Supplementary Independent Expert's Report



7 September 2018

The Revised Proposal Consideration

On 13 August 2018, ILFML as responsible entity of IOF announced that Investa Wholesale Funds Management Limited (IWFML) as responsible entity for the Investa Commercial Property Fund (ICPF) had advised that ICPF Holdco Pty Limited (a wholly owned subsidiary of the ICPF Group) had sold a 50% interest in the Investa Office Management Platform to, and entered into a joint venture deed with, Macquarie Real Estate Investment Holding (Australia) Pty Limited, a wholly owned subsidiary of Macquarie Group Limited (Platform Transaction). The transaction resulted in ICPF being able to vote on the Proposal Resolutions associated with the Proposal.

On 20 August 2018, IWFML as responsible entity of ICPF notified ILFML that ICPF Group intended to vote all of the IOF Units they hold (19.9973%) against the Proposal Resolutions as the Proposal Consideration did not adequately reflect the value of the IOF portfolio.

Subsequently, on 22 August 2018, ILFML as responsible entity for IOF, announced that Blackstone was prepared to increase the Proposal Consideration to \$5.3485¹ per IOF Unit (the revised Proposal Consideration) (a 20.0 cent increase from the Proposal Consideration). The revised Proposal Consideration was conditional on ICPF Group issuing a public statement by 5 pm on 24 August 2018 that they intended to vote all of the IOF Units they hold in favour of the Proposal Resolutions in the absence of a superior proposal. IWFML confirmed to ILFML that the ICPF Group intended to vote in favour of the revised Proposal, in the absence of a superior proposal. As such, this condition was met.

Blackstone stated that it would not increase the Proposal Consideration further and accordingly, the revised Proposal Consideration was best and final, in the absence of a superior proposal.

The Directors of ILFML, as responsible entity for IOF, requested KPMG Corporate Finance to prepare a supplementary independent expert's report (Supplementary IER) in relation to the revised Proposal. In our Supplementary IER (dated 27 August 2018) we concluded that the Scheme continued to be in the best interests of IOF Unitholders in the absence of a superior proposal. This opinion was based on our assessment that the Scheme remained not fair but reasonable and, in accordance with RG 111, in the best interests of IOF Unitholders.

The Increased Price

On 4 September 2018, ILFML as responsible entity for IOF announced that it had received an unsolicited, non-binding, indicative and conditional proposal from Oxford Properties Group to acquire 100% of IOF for a cash price of \$5.50 per IOF Unit (less any distributions declared or paid on or after 4 September 2018) (Oxford Proposal). The Oxford Proposal is subject to a number of conditions, including:

- confirmatory due diligence over a four week period
- receipt of final approval by the OMERS Investment Committee
- confirmation of third party financing, and
- FIRB approval.

Subsequently, on 6 September 2018, ILFML as responsible entity of IOF announced that Blackstone was prepared to increase the Proposal Consideration to \$5.52² per IOF Unit (a 17.15

¹ Taking into account the 10.15 cent per IOF unit declared dividend that IOF Unitholders received on 27 August 2018

² Taking into account the 10.15 cent per IOF unit declared dividend that IOF Unitholders received on 27 August 2018. Reduced by any dividend declared or paid on or after 5 September 2018.



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cent increase from the revised Proposal Consideration) subject to a number of conditions, including that the ILFML Board uses best endeavours to set a new date for the Scheme Meeting as soon as possible. The ILFML Board has entered into transaction documents to amend the Proposal Consideration as follows:

- if the Proposal Resolutions are voted on by IOF Unitholders on or before 17 September 2018 (or if Blackstone has waived this requirement), IOF Unitholders will receive an increase in cash consideration from \$5.3485 per IOF Unit to \$5.52³ per IOF Unit (Increased Price), and
- if the Proposal Resolutions are voted on by IOF Unitholders after 17 September 2018 (except where Blackstone has waived the requirement that the Proposal Resolutions be voted on by IOF Unitholders on or before 17 September 2018), IOF Unitholders will receive cash consideration of \$5.3485⁴ per IOF Unit (Base Price).

Blackstone has stated that it will not increase the Proposal Consideration further, and accordingly, the Increased Price is best and final, in the absence of a superior proposal.

ILFML and Blackstone have also agreed that, in the event that the Implementation Agreement is validly terminated, Blackstone will no longer be subject to the standstill obligations which it is currently subject to under the Confidentiality Agreement, and may also enter into consortium arrangements to pursue a further transaction in relation to IOF should it choose to do so.

ILFML and Blackstone have also agreed to amend the quantum of the break fee that may be payable by IOF under the Implementation Agreement from \$20 million to 1% of the consideration (i.e. approximately \$33 million based on the Increased Price or approximately \$32 million based on the Base Price).

As a result of the announcement of the updated information, the Scheme Meeting⁵ to consider and vote on the Proposal has been adjourned and will now be held on 17 September 2018. Therefore, KPMG Corporate Finance's analysis has focused on the Increased Price in determining whether the Scheme is in the best interests of IOF Unitholders.

The implementation date for the Proposal is 2 October 2018.

The Directors continue to unanimously recommend that IOF Unitholders vote in favour of the Proposal Resolutions, in the absence of a superior alternative proposal.

The Directors of ILFML, as responsible entity for IOF, have requested that KPMG Corporate Finance provide a second supplementary independent expert's report (Second Supplementary IER) in relation to the second revised Proposal to be put to IOF Unitholders on 17 September 2018 to determine whether the Increased Price results in a change of our opinion.

In preparing our Second Supplementary IER, we have focussed our discussions on the principal matters that have changed since our Supplementary IER (dated 27 August 2018) was prepared. As such, we have not included all matters covered in either the IER or the Supplementary IER

³ Taking into account the 10.15 cent per IOF unit declared dividend that IOF Unitholders received on 27 August 2018. Reduced by any dividend declared or paid on or after 5 September 2018.

⁴ Taking into account the 10.15 cent per IOF unit declared dividend that IOF Unitholders received on 27 August 2018. Reduced by any dividend declared or paid on or after 5 September 2018.

⁵ The extraordinary general meeting of IOF Unitholders convened by the notice of meeting accompanying the Third Supplementary Explanatory Memorandum (Third Supplementary EM)

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and, therefore, our Second Supplementary IER should be read in conjunction with the IER and Supplementary IER.

Further information regarding KPMG Corporate Finance, as it pertains to the preparation of this report, is set out in Appendix 1 of this Second Supplementary IER.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Opinion

In our opinion, we consider **the Scheme continues to be in the best interests of IOF Unitholders in the absence of a superior proposal. This opinion is based on our assessment that the Scheme is fair and reasonable and, in accordance with RG 111, in the best interests of IOF Unitholders.**

We note that as a consequence of Increased Price, in our opinion, the Scheme is now fair whereas previously we considered the Scheme to be not fair. It is fair as the Increased Price that is available to IOF Unitholders should they vote in favour of the Scheme on or before 17 September 2018 exceeds our assessed value range of an IOF Unit.

Our analysis is consistent with that in our IER and considers:

- fairness, by comparing the Increased Price to our assessed value of an IOF Unit on a controlling interest basis, and
- reasonableness, by assessing the implications of the Scheme for IOF Unitholders, the alternatives to the Proposal which are available to IOF and the consequences for IOF Unitholders of not approving the Scheme.

KPMG Corporate Finance has considered whether there are any matters arising since completion of our Supplementary IER on 27 August 2018 that would cause us to change our opinion in relation to the Scheme. In particular, we have considered:

- the Increased Price
- whether the 31 May 2018 property valuations remain appropriate, taking into account changes in the following since 27 August 2018:
 - any changes in industry conditions (e.g. vacancy rates, rental growth)
 - any changes in IOF's property portfolio (e.g. re-letting)
 - any recent property sales that suggest different valuation metrics are appropriate
- impact of the passage of time (arising from a change in the implementation date) on retained earnings and distributions
- whether there are any other changes to balance sheet items (e.g. derivatives) since 27 August 2018
- the premium that the Increased Price represents relative to trading in IOF Units prior to the announcement of the Proposal



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- changes in the distribution yields, FFO⁶ multiples and premiums/(discounts) to NTA at which comparable A-REITs are trading
- whether there are any new transactions since 27 August 2018 involving A-REITs that suggest that different multiples or premiums/(discounts) to NTA are appropriate
- consequences of not accepting the Increased Price and any change in the likelihood of a superior alternative proposal (including the impact of the increase in the break fee), and
- consequences of the Scheme Meeting not occurring on or before 17 September 2018.

We have assessed the value of an IOF Unit to be in the range of \$5.44 to \$5.47. This range is 1 to 2 cents⁷ (0.2% to 0.4%) greater than the range of values assessed in the Supplementary IER of \$5.42 to \$5.46. This increase is a result of the extension of the implementation date for the Proposal from 20 September 2018 to 2 October 2018 (and the inclusion of the expected earnings that would be generated over this period) and an increase in the mark-to-market balance of the derivatives and US dollar debt.

As the Increased Price of \$5.52 exceeds our assessed value range for an IOF Unit, we consider the Scheme is **fair**. In accordance with RG 111, an offer is reasonable if it is fair. **As we have assessed the Scheme to be fair, this means that the Scheme is reasonable.**

Our analysis of the fairness of the Scheme is detailed further in Section 2.1 and Appendix 2 below and our analysis of those factors where changes have occurred in relation to the reasonableness of the Scheme is detailed further in Section 2.2 below.

2.1 *The Scheme is fair*

In our Supplementary IER, we assessed an adjusted NTA for IOF in the range of \$5.42 to \$5.46 per IOF Unit. We have considered whether there are any matters arising since our Supplementary IER dated 27 August 2018 that would cause us to change our opinion in relation to the assessed value of an IOF Unit. The following adjustments have been made to derive an adjusted NTA of \$5.44 to \$5.47 per IOF Unit as at a current date as set out in the following table.

Table 1: Valuation of IOF Units

	Adjusted NTA (\$ million)		Adjusted NTA per IOF Unit (\$)¹	
	Low	High	Low	High
Adjusted NTA per Supplementary IER	3,246.0	3,266.4	\$5.424	\$5.458
Estimated earnings from 21 September 2018 to 2 October 2018	4.3	4.3	\$0.007	\$0.007
Increase in transaction costs	(0.4)	(0.4)	\$(0.001)	\$(0.001)
Estimated movement in MTM of derivatives and US\$ debt from 22 August 2018 to 31 August 2018	5.6	5.6	\$0.009	\$0.009
Adjusted NTA per Second Supplementary IER	3,255.5	3,275.9	\$5.440	\$5.474

Source: KPMG Corporate Finance analysis

Note: Table may not add due to rounding

1. Calculated based on 598,418,985 IOF Units on issue

⁶ Property Council FFO consistent with funds from operations presented using principles of Property Council of Australia White Paper released in December 2017.

⁷ Calculated using values per IOF Unit that are rounded to the nearest cent.

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Investment Properties

Less than two weeks has elapsed since our Supplementary IER (dated 27 August 2018) was prepared and, notwithstanding the nature of the assets being valued (i.e. passive investments in office property assets for which there is no liquid market), we have considered whether there is likely to have been any material change in the market value of these assets. In this regard:

- we are not aware of any new industry reports published that indicate a change in industry conditions and IOF management has confirmed that market conditions remain unchanged, and
- we are not aware of any new property transactions since 27 August 2018 that would impact the property valuations.

We have also considered whether IOF has undertaken any material leasing activity which would cause the property valuers to arrive at a different valuation. IOF management has advised that since 27 August 2018, it is close to signing one leasing transaction in respect to an area of more than 5,000 square metres, however, in isolation, the lease will not have a material impact on the value of that asset and importantly, the property portfolio as a whole.

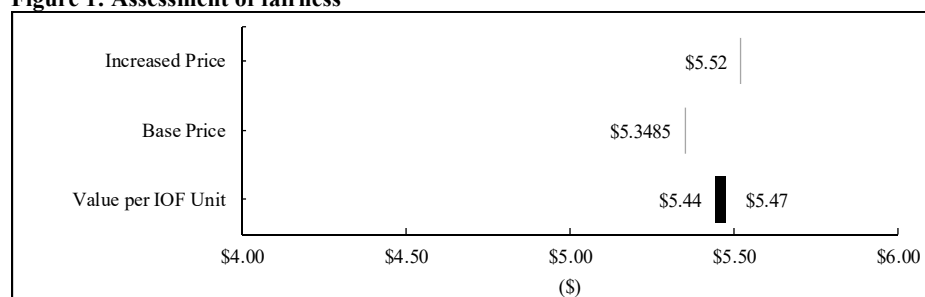
Updates to adjusted NTA since our Supplementary IER

KPMG Corporate Finance has made the following updates to adjusted NTA since our Supplementary IER (dated 27 August 2018) was prepared:

- added estimated earnings from 20 September 2018 (the implementation date of the revised Proposal) until 2 October 2018 (the implementation date of the second revised Proposal) of \$4.3 million (0.7 cents per IOF Unit)
- deducted the increase in estimated transaction costs until implementation date of the Proposal of \$0.4 million (0.1 cents per IOF Unit), and
- added the increase in the estimated mark-to-market value of derivatives and the US dollar loan between 22 August 2018 (the latest available date in our Supplementary IER) and 31 August 2018 (the latest balance sheet close) of \$5.6 million (0.9 cents per IOF Unit).

A comparison of our assessed value per IOF Unit on a control basis to the Increased Price is illustrated as follows.

Figure 1: Assessment of fairness



Source: KPMG Corporate Finance analysis

As the Increased Price of \$5.52 per IOF Unit exceeds our assessed value range for an IOF Unit of \$5.44 to \$5.47, we consider that the Scheme is fair.



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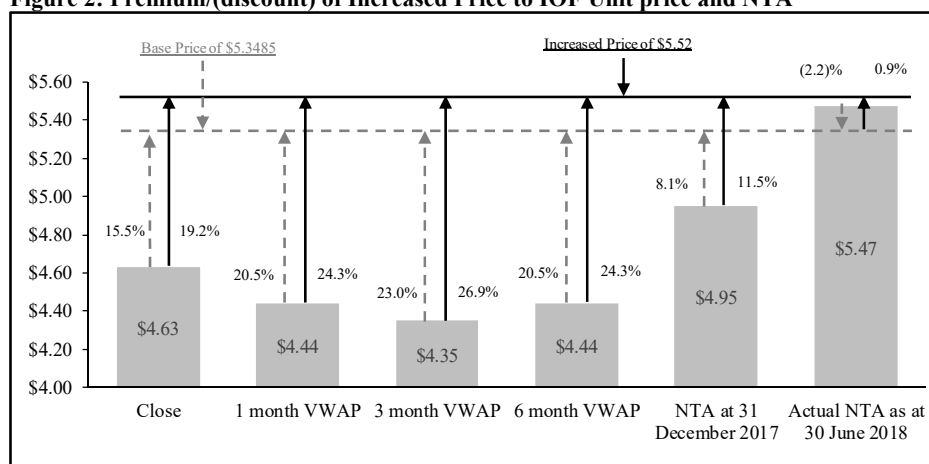
2.2 The Scheme continues to be reasonable

In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair, this means that the Scheme is reasonable. Notwithstanding that the Scheme is fair, KPMG Corporate Finance has considered a range of other factors that IOF Unitholders may also wish to take into account in considering whether to approve the Scheme as summarised below. We have focused on factors that have changed since our Supplementary IER due to either the emergence of further information since the date of our IER or as a result of the Increased Price or higher break fee.

The Increased Price represents a premium to actual NTA as at 30 June 2018 and a substantial premium to the trading price of IOF Units prior to the announcement of the Proposal

The implied premium/(discount) of the Increased Price relative to the IOF Unit price and 30 June 2018 NTA is illustrated in the following chart.

Figure 2: Premium/(discount) of Increased Price to IOF Unit price and NTA



Source: IRESS, KPMG Corporate Finance analysis.

Note: The premiums illustrated above have been calculated based on the volume weighted average price (VWAP) of IOF Units (rounded) up to and including 25 May 2018, the last trading day prior to the announcement of the Proposal.

With regard to our assessment of the premiums implied by the Increased Price, we note:

- the premiums over prices at which IOF Units were traded over one month, three month and six month periods prior to the announcement of the Proposal on 28 May 2018 have increased substantially (from a range of 20.5% to 23.0%, to a range of 24.3% to 26.9%). These premiums are:
 - above the top end of the range of premiums observed in successful control transactions involving A-REITs since 2013 which are in the range of 6% to 23%,⁸ and
 - substantially greater than the 3.6% premium based on the standard consideration under the DEXUS Proposal for IOF in 2015.⁹

⁸ Refer to Appendix 4 of the IER. Does not include Folkestone Limited transaction (announced 22 August 2018) as Folkestone is a property development and funds management business and not an A-REIT.

⁹ Based on the midpoint of the independent expert's assessed value for the Standard Consideration of \$3.995.

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We also note that prior to the announcement of the Proposal, IOF Units had not traded as high as \$5.52 since before the onset of the global financial crisis (which commenced in October 2008).

- the Increased Price represents a 0.9% premium to 30 June 2018 NTA of \$5.47 (previously a discount of 2.2%). This premium is:
 - within the range implied by transactions involving passive, externally managed office A-REITs since 2010 of (3.9%) to 8.2%,¹⁰ noting that the high end of this range (GPT Metro Office Fund and Commonwealth Property Office Fund) involved competitive bidding situations. Excluding those transactions, the range is (3.9%) to 3.1%. In addition, we note that premiums to NTA implied by the two most recent transactions are relatively low ((2.5%) and 0.4%)
 - within the range of premiums/(discounts) to NTA at which listed passive, primarily office A-REITs are trading of (10.0%) to 5.1%,¹¹ however, we note that the low end is represented by Investec Australia Property Group, which is listed on the Johannesburg Stock Exchange and does not have an ASX listing and for which trading is illiquid. Excluding Investec Australia Property Group, the range of premiums to NTA is 0.4% to 5.1%, although these A-REITs are not particularly comparable to IOF
 - above the premium of 0.4% represented in the DEXUS Proposal for IOF in 2015¹², and
 - substantially more favourable than the average 12.4% discount to NTA at 31 December 2017 (\$4.95) at which IOF was trading in the three months prior to the announcement of the Proposal.

As a consequence, we continue to believe the premiums appear reasonable.

The Increased Price offered represents an attractive exit yield

The Increased Price of \$5.52 implies the following FFO multiples and distribution yields.

Table 2: FFO multiples and distribution yield implied by the Increased Price

Implied metrics	Parameter (per IOF Unit)	Implied multiple or yield
Revised Proposal Consideration		\$5.52
FY18 FFO multiple (times) ¹	30.6¢	18.0
FY19 FFO multiple (times) ²	29.2¢	18.9
FY18 distribution yield	20.3¢	3.7%
FY19 distribution yield ²	20.3¢	3.7%

Sources: KPMG Corporate Finance Analysis

Notes:

¹ Actual FY18 FFO

² IOF FY19 guidance

The FFO multiples implied by the Increased Price have increased from 17.5 times FY18 FFO and 18.3 times FY19 FFO, to 18.0 times and 18.9 times, respectively. These FFO multiples are:

¹⁰ Refer to Section 8.6 of the IER.

¹¹ As at 5 September 2018. Refer to Appendix 2 of this Second Supplementary IER. Other than IOF, the only listed passive, primarily office A-REITs are Investec Australia Property Fund, Centuria Metropolitan REIT and Australian Unity Office Fund.

¹² Based on the midpoint of the independent expert's assessed value for the Standard Consideration of \$3.995 and an NTA per IOF Unit (including property valuations at 30 November 2015) of \$3.98.



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- towards the high end of the range of forecast FFO multiples implied by transactions involving passive, externally managed office A-REITs (12.8 to 20.9 times, noting that the high end of the range is represented by GPT Metro Office Fund which involved a competitive bidding situation)¹³
- substantially above the forecast FFO multiples implied by sharemarket evidence for primarily office A-REITs (14.2 to 16.8 times)¹⁴
- substantially above the FFO multiple at which IOF was trading prior to the announcement of the Proposal (15.1 times FY18 FFO and 15.9 times FY19 FFO)¹⁵, and
- substantially above the 14.1 times forecast FFO multiple implied by the DEXUS Proposal.¹⁶

The implied distribution yield has moved slightly from 3.8% to 3.7%. The implied distribution yield of 3.7% continues to be:

- substantially below the low end of distribution yields implied by transactions involving passive, externally managed office A-REITs (5.0% to 8.1%)¹⁷
- substantially below forecast distribution yields implied by sharemarket evidence for primarily office A-REITs (4.4% to 8.0%)¹⁸
- substantially below the distribution yield at which IOF was trading prior to the announcement of the Proposal (4.4% based on both the FY18 distribution and FY19 distribution preliminary guidance¹⁹), and
- substantially below the 4.9% yield implied by the DEXUS Proposal.²⁰

Likelihood of a superior alternative proposal

IOF Unitholders could vote against the Scheme (based on the Increased Price) on or before 17 September 2018 in anticipation that a superior alternative proposal is made. In this respect, we note the following in relation to the likelihood of a superior alternative proposal:

- Oxford Properties Group has made an unsolicited, non-binding, indicative and conditional proposal to acquire 100% of IOF for a cash price of \$5.50 per IOF Unit. We note that this proposal is less than the Increased Price, not capable of acceptance and is subject to a number of conditions
- Blackstone has stated that it will not increase the Increased Price further and accordingly, the proposed increase in price is best and final, in the absence of a superior proposal. Since

¹³ Refer to Section 8.7 of the IER.

¹⁴ As at 5 September 2018. Refer to Appendix 2 of this Second Supplementary IER.

¹⁵ Based on the closing price of IOF Units on 25 May 2018 of \$4.63, the actual FFO for FY18 of 30.6 cents and the FY19 guidance of 29.2 cents.

¹⁶ Based on the midpoint of the independent expert's assessed value of the Standard Consideration of \$3.995 divided by FY16 FFO per Unit guidance of 28.4 cents.

¹⁷ Excluding Brookfield Prime Property Fund for which we consider the yields are distorted by the very low payout ratio and for which a forecast distribution yield is not available. Refer to Section 8.7 of the IER.

¹⁸ As at 5 September 2018. Refer to Appendix 2 of this Second Supplementary IER.

¹⁹ Based on the closing price of IOF Units on 25 May 2018 of \$4.63, the FY18 distribution of 20.3 cents and FY19 preliminary distribution guidance of 20.3 cents.

²⁰ Based on FY16 distribution per unit guidance of 19.6 cents divided by the midpoint of independent expert's assessed value of the Standard Consideration of \$3.995.

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commencement of negotiations, it has increased the offer price from \$5.05 (pre distributions) to \$5.6215 (pre distributions) on 5 September 2018 (an increase of 11.3%)

- the Implementation Agreement has been amended to reflect an increase in the break fee payable by IOF from \$20 million (3 cents per IOF Unit) to \$33 million based on the Increased Price (6 cents per IOF Unit). The higher break fee may act as a greater deterrent to a potential acquirer, and
- the Increased Price of \$5.52 represents a 0.9% premium to actual NTA at 30 June 2018 of \$5.47 (compared with a discount of 2.2% under the Proposal Consideration) and a premium in the range of 0.9% to 1.5% of our assessed NTA and is, accordingly, fair. This reduces the likelihood of a third party offering a price that is above the Increased Price.

Consequences of the Scheme Meeting not occurring on or before 17 September 2018

If the Scheme Meeting does not occur on or before 17 September 2018, the Increased Price will no longer apply and the Proposal Consideration will revert to the Base Price which is 17.15 cents less than the Increased Price (except where Blackstone has waived the requirement for the vote to occur on or before 17 September 2018). In this event, it is unclear what may happen. Oxford Properties Group may or may not proceed to make a binding offer to acquire all of the IOF Units and Blackstone may or may not increase its offer above the Base Price (i.e. above any higher price offered by Oxford Properties Group).

In this regard, we note that if the Implementation Agreement is validly terminated in accordance with its terms, Blackstone will no longer be subject to the standstill obligations and restrictions on forming a consortium, to which it is currently subject under the Confidentiality Agreement and consequently, it would be open to Blackstone to enter into consortium arrangements to pursue a further transaction in relation to IOF including making an off market takeover or other transaction for IOF. In such circumstances, the IOF Board would need to reassess its options depending on the actions of Blackstone and Oxford Properties Group.

3 Other matters

In forming our opinion, we have considered the interests of IOF Unitholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual IOF Unitholders. It is not practical or possible to assess the implications of the second revised Proposal on individual IOF Unitholders as their financial circumstances are not known. The decision of IOF Unitholders as to whether or not to approve the second revised Proposal is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual IOF Unitholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolutions may be influenced by his or her particular circumstances, we recommend that individual IOF Unitholders including residents of foreign jurisdictions seek their own independent professional advice.

Our report has also been prepared in accordance with the relevant provisions of the Corporations Act 2001 (Cth) (the Act) and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting IOF Unitholders in considering the second revised Proposal. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

All currency amounts in this report are denominated in Australian dollars unless otherwise stated. References to an Australian financial year (i.e. the 12 months to 30 June) have been abbreviated to FY.



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Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Third Supplementary EM to be sent to IOF Unitholders in relation to the second revised Proposal, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears in the Third Supplementary EM.

Our opinion is based solely on information available as at the date of this report. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information section as set out in Section 6.3 of our IER.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Jedlin'.

Ian Jedlin
Authorised Representative

A handwritten signature in black ink, appearing to read 'Joanne Lupton'.

Joanne Lupton
Authorised Representative

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Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Ian Jedlin, Joanne Lupton and Celeste Oakley. Ian is a member of Chartered Accountants Australia and New Zealand, a Senior Fellow of the Financial Securities Institute of Australia and holds a Master of Commerce from the University of New South Wales. He is also a member of the Standards Review Board of the International Valuations Standards Council. Joanne is a member of the Institute of Chartered Accountants in Australia and a Fellow of the Financial Securities Institute Australasia and holds a Bachelor of Commerce degree. Celeste Oakley holds a CFA designation and Bachelors degrees in Economics and Law from the Macquarie University. Each has a significant number of years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Proposal is in the best interests of IOF Unitholders. KPMG Corporate Finance expressly disclaims any liability to any IOF Unitholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Third Supplementary EM or any other document prepared in respect of the Proposal. Accordingly, we take no responsibility for the content of the Third Supplementary EM as a whole or other documents prepared in respect of the Proposal.

Independence

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of IOF for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Third Supplementary EM to be issued to IOF Unitholders. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Declarations

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (APESB). KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.



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Appendix 2 – Valuation Analysis

(i) Adjusted NTA

In our Supplementary IER (dated 27 August 2018), we assessed an adjusted NTA for IOF in the range of \$5.42 to \$5.46 per IOF Unit. We have considered whether there are any matters arising since our Supplementary IER (dated 27 August 2018) was prepared that would cause us to change our opinion in relation to the assessed value of an IOF Unit. The following adjustments have been made to derive an adjusted NTA of \$5.44 to \$5.47 per IOF Unit as at a current date as set out in the following table.

Table 3: Valuation of IOF Units

	Adjusted NTA (\$ million)		Adjusted NTA per IOF Unit (\$)¹	
	Low	High	Low	High
Adjusted NTA per Supplementary IER	3,246.0	3,266.4	\$5.424	\$5.458
Estimated earnings from 21 September 2018 to 2 October 2018	4.3	4.3	\$0.007	\$0.007
Increase in transaction costs	(0.4)	(0.4)	\$(0.001)	\$(0.001)
Estimated movement in MTM of derivatives and US\$ debt from 22 August 2018 to 31 August 2018	5.6	5.6	\$0.009	\$0.009
Adjusted NTA per Second Supplementary IER	3,255.5	3,275.9	\$5.440	\$5.474

Source: KPMG Corporate Finance analysis

Note: Table may not add due to rounding

2. Calculated based on 598,418,985 IOF Units on issue

Investment Properties

Less than two weeks has elapsed since our Supplementary IER (dated 27 August 2018) was prepared and, notwithstanding the nature of the assets being valued (i.e. passive investments in office property assets for which there is no liquid market), we have considered whether there is likely to have been any material change in the market value of these assets. In this regard:

- we are not aware of any new industry reports published that indicate a change in industry conditions and IOF management has confirmed that market conditions remain unchanged, and
- we are not aware of any new property transactions since 27 August 2018 that would impact the property valuations.

We have also considered whether IOF has undertaken any material leasing activity which would cause the property valuers to arrive at a different valuation. IOF management has advised that since 27 August 2018, it is close to signing one leasing transaction in respect to an area of more than 5,000 square metres, however, in isolation, the lease will not have a material impact on the value of that asset and importantly, the property portfolio as a whole

Retained earnings and distributions

In the Supplementary IER (dated 27 August 2018), we included earnings from 1 July 2018 until the implementation date of the revised Proposal (20 September 2018). The implementation date for the Proposal has now been extended from 20 September 2018 until 2 October 2018. The impact of the later implementation date is to increase adjusted NTA by \$4.3 million (0.7 cents per IOF Unit). We note that IOF management has considered whether there are any factors that have occurred since this date that would impact the guidance and have confirmed that the guidance is still appropriate.

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7 September 2018

Transaction costs

In the Supplementary IER (dated 27 August 2018), we deducted estimated transaction costs of \$1.4 million from NTA to arrive at an adjusted NTA. Estimated transaction costs until implementation date of the Proposal are expected to increase by \$0.4 million (0.1 cents per IOF Unit).

Other assets and liabilities

In our Supplementary IER (dated 27 August 2018), we included in the valuation the estimated movement in the mark-to-market balance of derivatives and the US dollar loan from 30 June 2018 to 22 August 2018 (the latest available date), which was estimated to have decreased by \$2.2 million. From 22 August 2018 until 31 August 2018 (the latest available date), the market-to-market balance of derivatives and the US dollar loan is estimated to have increased by \$5.6 million (0.9 cents per IOF Unit).

(ii) Market evidence

Multiples for listed A-REITs with substantial interests in office properties in Australia (over 60% of their portfolio) as at 5 September 2018 are set out in the following table.

Table 4: Market evidence

	Management basis ¹	Market capitalisation (\$ million)	Premium/ (discount) to NTA (%) ²	Distribution yield			FFO multiple		
				FY17	FY18	FY19	FY17	FY18	FY19
Investa Office Fund	E	2,771	(6.5%)	4.4%	4.4%	4.5%	15.6	15.2	15.7
Primarily Office REITs⁴									
DEXUS	I	11,006	12.2%	4.2%	4.4%	4.6%	17.8	16.8	16.7
Growthpoint Properties Australia	I	2,526	17.2%	5.7%	5.9%	6.1%	15.2	15.4	14.6
Cromwell Property Group	I	2,224	16.7%	7.4%	7.4%	7.1%	15.0	14.2	14.5
GDI Property Group	I	682	7.6%	6.1%	6.1%	6.3%	15.0	15.1	n/a
Investec Australia Property Fund	E	555	(10.0%)	8.0%	8.0%	n/a	n/a	n/a	n/a
Centuria Metropolitan REIT	E	607	.4%	7.0%	7.2%	7.2%	n/a	n/a	n/a
Australian Unity Office Fund	E	440	5.1%	5.6%	n/a	n/a	18.3	n/a	n/a
Diversified REITs									
Stockland	I	10,071	(.7%)	6.1%	6.4%	6.7%	12.6	11.7	11.0
GPT Group	I	9,367	(2.3%)	4.7%	4.9%	5.0%	16.9	16.4	15.7
Mirvac Group	I	9,311	8.7%	4.1%	4.4%	4.6%	16.7	15.3	14.9
Charter Hall Group	I	3,349	88.2%	4.2%	5.1%	5.0%	22.3	19.3	19.1
Abacus Property Group	I	2,034	10.4%	5.0%	5.1%	5.3%	n/a	n/a	n/a
Charter Hall Long WALE REIT	E	985	4.7%	3.8%	6.2%	6.3%	25.7	n/a	n/a
Propertylink Group	I	642	2.4%	5.9%	6.7%	6.7%	n/a	n/a	n/a
Industria REIT	E	438	(.4%)	5.9%	6.1%	6.4%	15.7	14.6	14.1

Sources: KPMG Corporate Finance Analysis

In general, FFO multiples and distribution yields as at 5 September 2018 are similar to those included in our Supplementary IER (which were calculated as at 24 August 2018).²¹

²¹ The Mirvac Group multiples have increased slightly following the announcement on 27 August 2018 that Fitch has assigned an A-stable rating for the first time.



7 September 2018

Dated: 7 September 2018

PART TWO – FINANCIAL SERVICES GUIDE

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**) and Mr Ian Jedlin as an authorised representative of KPMG Corporate Finance, authorised representative number 404177 and Mrs Joanne Lupton as an authorised representative of KPMG Corporate Finance, authorised representative number 449593 (**Authorised Representative**).

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- the services KPMG Corporate Finance and its Authorised Representative are authorised to provide
- how KPMG Corporate Finance and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and the compensation arrangements that KPMG Corporate Finance has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance.

This FSG forms part of a Second Supplementary Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Corporate Finance and the Authorised Representative are authorised to provide

KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged by ILFML (Client) to provide general financial product advice in the form of a Report to be included in the Third Supplementary Explanatory Memorandum (**Document**) prepared by the Client in relation to the proposed acquisition by affiliates of The Blackstone Group L.P. of all the issued IOF Units of IOF (**Proposal**).

You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the

Authorised Representative are acting for any person other than the Client.

KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Proposal.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance \$50,000 for preparing the Report. KPMG Corporate Finance and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any

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engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Corporate Finance nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of advisory services to ILFML and related entities for which professional fees are received. None of those services have related to the transaction or alternatives to the transaction and these fees are not material.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website

www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08

Facsimile: (03) 9613 6399 Email: info@fos.org.au

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:

KPMG Corporate Finance
A division of KPMG Financial Advisory Services (Australia) Pty Ltd
ITS 3, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67
Australia Square
NSW 1213

Telephone: (02) 9335 7000

Facsimile: (02) 9335 7200

Ian Jedlin and Joanne Lupton

C/O KPMG
PO Box H67
Australia Square
NSW 1213

Telephone: (02) 9335 7000

Facsimile: (02) 9335 7200

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Corporate Directory

INVESTA OFFICE FUND

Armstrong Jones Office Fund

ARSN 090 242 229

Prime Credit Property Trust

ARSN 089 849 196

FINANCIAL ADVISER

J.P. Morgan Australia Limited

Level 18, J.P. Morgan House, 85 Castlereagh Street
Sydney NSW 2000 Australia

AUDITOR

PricewaterhouseCoopers

ABN 52 780 433 757

One International Towers Sydney
Watermans Quay, Barangaroo
Sydney NSW 2000

IOF REGISTRY

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000 Australia

Locked Bag A14
Sydney South NSW 1235 Australia

Phone: +61 1300 851 394

Fax (general): (02) 9287 0303

Fax (voting): (02) 9287 0309

Email: investa@linkmarketservices.com.au

RESPONSIBLE ENTITY

Investa Listed Funds Management Limited

ACN 149 175 655

AFSL 401414

LEGAL ADVISER

Allens

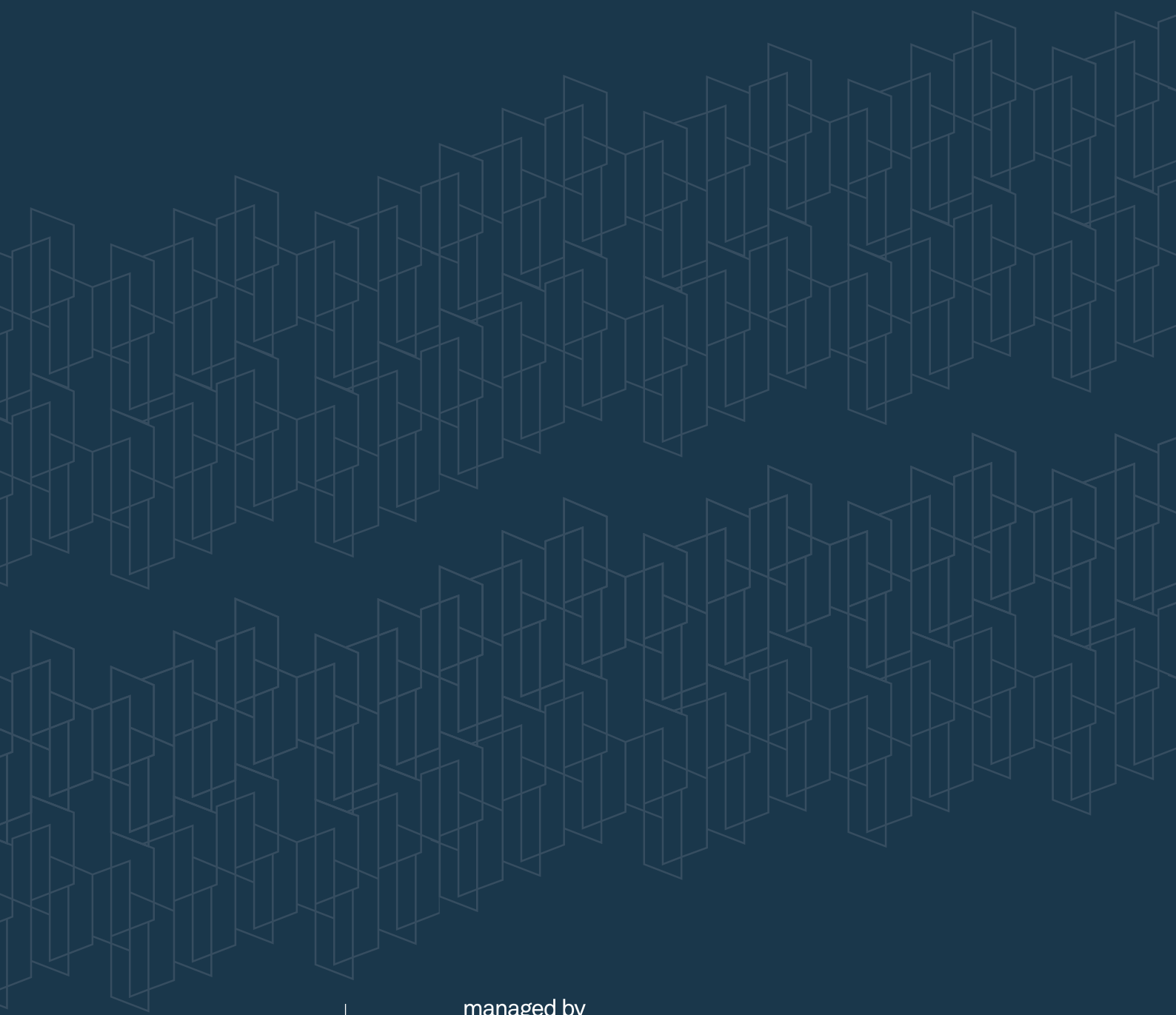
Level 28, 126 Phillip Street
Sydney NSW 2000 Australia

ACCOUNTING ADVISER

PricewaterhouseCoopers Securities Limited

ACN 003 311 617

One International Towers Sydney
Watermans Quay, Barangaroo
Sydney NSW 2000



managed by

investa

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

ACN 149 175 655 AFSL 401414

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Investa Office Fund
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 851 394



X99999999999

THIRD SUPPLEMENTARY PROXY FORM

I/We being a member(s) of Investa Office Fund and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Investa Office Fund (the **Fund**) to be held at **2:00pm Monday, 17 September 2018 at Level 4, Room 5, Hilton Hotel, 488 George Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 AJO Trust Acquisition Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 AJO De-stapling Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 PCP Trust Acquisition Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 PCP De-stapling Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 AJO Trust Constitution Amendment Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 PCP Trust Constitution Amendment Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Fund's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Fund's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Fund's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Saturday, 15 September 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Investa Office Fund
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**