

ASX Announcement

04.09.18

Investa Office Fund (ASX:IOF)

Acquisition Proposal from Oxford Properties Group

Investa Listed Funds Management Limited (**ILFML**) as responsible entity of the Investa Office Fund (**IOF**) announces that it has received the attached unsolicited, non-binding, indicative and conditional proposal from Oxford Properties Group to acquire 100% of IOF for a cash price of \$5.50 per unit (less any distributions declared or paid on or after today) (**Oxford Proposal**).

ILFML recommends that unitholders take no action at this point. The ILFML Directors continue to unanimously recommend the Blackstone proposal in the absence of a superior proposal.

The Board of ILFML is considering the Oxford Proposal and will update unitholders in due course.

End

For further information please contact:

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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.



Oxford Properties Group

Deutsche Bank Place | Level 19, Suite 19.02, 126 Phillip St | Sydney,
NSW 2000 | Australia

4 September 2018

Mr Richard Longes
Independent Chairman
Investa Listed Funds Management Limited
as responsible entity of Investa Office Fund
Level 6
126 Phillip Street
Sydney NSW 2000

Dear Richard,

PROPOSAL TO ACQUIRE ALL OF THE UNITS IN INVESTA OFFICE FUND FOR CASH CONSIDERATION OF \$5.50 PER IOF UNIT (15.15 CENTS HIGHER PER IOF UNIT THAN THE BLACKSTONE PROPOSAL)

On behalf of Oxford Properties Group (**Oxford**), the real estate arm of the Ontario Municipal Employees Retirement System (**OMERS**), we are pleased to submit this indicative and non-binding proposal to acquire, for cash, all of the units in the Investa Office Fund (**IOF**) that we do not own at the time the proposal is implemented (**IOF Units**), on the terms described in this letter (the **Proposal**).

Oxford proposes to acquire all of the IOF Units by trust scheme for 100% cash consideration of \$5.50 per IOF Unit.¹ Under the Oxford Proposal, IOF Unitholders will therefore receive 15.15 cents per IOF Unit more than the \$5.3485 they will receive under the Blackstone proposal.

Oxford has conducted commercial due diligence based on public information prior to submitting this indicative offer. The Proposal is therefore subject to satisfactory completion of confirmatory due diligence together with other limited conditions set out in this letter.

In order to facilitate Oxford completing confirmatory due diligence and submitting a binding offer, Oxford requests that the IOF Unitholder meeting to consider the Blackstone proposal be adjourned.

About Oxford

Oxford is a leading international property developer, investor and manager, owned by the OMERS Canadian pension fund. OMERS is one of Canada's largest pension plans with net assets of approximately C\$100 billion. Oxford is a long-term real estate investor that is committed to building a sizeable commercial real estate portfolio in Australia. Further information on OMERS and Oxford is contained below.

The Proposal

The indicative offer price under the Proposal represents compelling value and an attractive premium for IOF Unitholders:

- 2.8% premium to the consideration offered under the Blackstone proposal (\$5.3485);

¹ This assumes that no further distributions are declared or paid in respect of IOF Units given that Oxford expects to be able to complete the Proposal in calendar year 2018. The Proposal price of \$5.50 per IOF Unit will therefore be reduced by any distribution declared or paid by IOF on or after the date of this letter.



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- 20.9% premium to IOF's ex-distribution price per IOF Unit of \$4.55 as at 25 May 2018 (pre-Blackstone proposal);
- 3.4% premium to IOF's closing price of \$5.32 per IOF Unit as at 3 September 2018; and
- 6.2% premium to IOF's 3-month VWAP of \$5.18 per IOF Unit as at 3 September 2018.

Oxford is committed to prompt execution, enabling IOF Unitholders to receive cash consideration at the earliest possible opportunity. As such, Oxford anticipates that it will be able to enter into a binding implementation agreement within four weeks of receiving access to and commencing confirmatory due diligence.

This indicative and non-binding offer letter has the full support of the CIO of OMERS and Oxford's senior executive team. Oxford's commitment to this proposal is further demonstrated by Oxford's binding commitment to acquire a 9.9999% interest in IOF for a cash consideration of \$314 million, in accordance with the Securities Sale Deed (signed 20 August 2018).

Due diligence process

Oxford has conducted commercial due diligence on IOF and its assets based on public information and requires a four-week period to complete confirmatory due diligence on non-public information.

Confirmatory due diligence investigations will utilize the existing dataroom prepared for the Blackstone proposal and focus on a small number of key areas including commercial, property, tax, legal and structuring matters. A list of key due diligence documents Oxford anticipates focusing on is set out in Appendix A attached to this letter. Furthermore, Oxford has already selected advisors to assist in these due diligence workstreams. Oxford will commit significant resources to ensure that this process is completed in a timely and efficient manner.

Conditions

The Proposal is subject to the following limited conditions:

- Completion of confirmatory due diligence by Oxford to its satisfaction;
- Receipt of final approval of the Proposal being given by the OMERS Investment Committee, which will be undertaken in parallel with confirmatory due diligence;
- Execution of a Scheme Implementation Agreement for the Proposal on terms that are consistent with the Blackstone Scheme Implementation Agreement;
- Confirmation of third party financing prior to signing a binding implementation agreement. Although Oxford has sufficient equity available to it to fully fund the Proposal, it intends to fund the Proposal in part by the utilization of third party financing;
- FIRB approval, which will be required for implementation of the Proposal. Oxford does not anticipate any regulatory impediments or delay to the Proposal. Oxford will immediately submit a FIRB application for the Proposal upon IOF providing Oxford with access to due diligence; and
- The recommendation of the Directors of Investa Listed Funds Management Limited.



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Timetable / Process

Oxford is committed to advancing the Proposal as expeditiously as possible. As noted above, Oxford would like to conduct a focused period of confirmatory due diligence whilst in parallel finalizing the Scheme Implementation Agreement. By the conclusion of the due diligence period, Oxford expects to be able to sign a binding implementation agreement and to be able to make a binding offer to IOF that will be subject to the matching rights that exist under the Scheme Implementation Agreement for the Blackstone proposal.

In addition, Oxford will during this period be able to provide IOF with all relevant information pertaining to Oxford that would need to be included in any Scheme Booklet for the Oxford Proposal. Accordingly, Oxford expects that a Scheme Booklet, including a revised independent expert's report, could be finalized shortly after Oxford enters into a Scheme Implementation Agreement with IOF.

In order to address any concerns about Oxford acquiring 9.9999% of IOF's securities from ICPF pursuant to the Securities Sale Deed dated 20 August 2018 before an adjourned unitholder meeting to consider the Blackstone proposal, Oxford is prepared to agree with ICPF to amend the End Date in the Securities Sale Deed such that ICPF will retain voting rights over the 9.9999% stake at any adjourned meeting to consider the Blackstone proposal. ICPF will need to agree to such amendment.

Conclusion and next steps

Oxford would be pleased to meet with ILFML's Independent Directors and advisors as soon as possible to discuss this Proposal.

Oxford is confident that it can deliver an attractive outcome for IOF Unitholders in a timely and efficient manner with limited execution risk and therefore believes that the Proposal is in the best interests of IOF Unitholders.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Paul Brundage". The signature is stylized and fluid.

Paul Brundage
For and on behalf of Oxford Properties Group



Oxford Properties Group

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Oxford contact details

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About Oxford and OMERS

OMERS

OMERS is one of Canada's largest pension plans with net assets of approximately C\$100 billion. With employees in Toronto and other major cities across North America, the UK, Continental Europe and Asia Pacific, OMERS invests and administers pensions for more than 470,000 members who work for municipalities, school boards, emergency services and local agency employers across Ontario. The cornerstone of OMERS investment strategy is its approach to asset allocation across five strategic asset classes – real estate, platform investments, infrastructure, capital markets and private equity.

In Asia Pacific, OMERS has local investment teams based in Sydney and Singapore focused on growing its exposure to the region. To date, it has invested approximately C\$8 billion across Asia Pacific, which includes the OMERS Infrastructure, GIP and QIC-led consortium acquisition of the Port of Melbourne, being the largest container and multi-cargo port in Australasia. Other notable transactions in the region include Oxford and OMERS Capital Markets' participation in the \$12BN take-private of GLP in Singapore and OMERS Capital Markets' investment in HDFC Bank in India, alongside GIC and KKR.

Oxford

Oxford was founded in 1960 and is a leading global development, real estate investment and management platform. Today, Oxford has global AUM of approximately C\$50 billion, focused on 14 global gateway cities across North America, Europe and Asia Pacific. It has built one of the world's largest and highest-quality real estate portfolios, comprising over 190 assets and totalling almost 61 million sq. ft. of office, retail and industrial space, as well as 7,200 residential units and 2,880 hotel rooms.

Headquartered in Toronto with offices across Canada and in London, Paris, New York, Washington DC, Boston, San Francisco, Berlin, Luxembourg, Singapore and Sydney, Oxford employs over 2,000 real estate professionals worldwide across a fully-integrated platform including development, investment, asset management, finance, tax, legal and corporate support function capabilities. As part of OMERS expansion into Asia Pacific, Oxford and other OMERS entities continue to develop and strengthen the portfolio across the region with a focus on Australia, Singapore, China and Japan.



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Appendix A – Due diligence request list

Commercial information

- Debt documentation (USPP, AMTN, bank facilities)
- Derivative documentation (interest rate hedges, cross currency swaps)
- Board and Committee papers for the prior two years
- Meetings with key management
- Details of transaction costs payable due to the Offer

Property information

- Asset tours and access to IOF properties
- Review of the latest valuation reports and the latest technical due diligence reports
- Review of tenancy schedules, leasing reports and material leases
- Review of the latest property budgets
- Information on any material environmental issues

Tax information

- All relevant tax information including external reports including the last three years of tax returns
- Tax basis estimates for all material assets in the trust

Legal

- Relevant information pertaining to material litigation, disputes or other correspondence with regulators
- AFSL compliance plans
- All material contracts, licenses and insurance policies
- Implications of change in control with regards to debt documentation and joint ventures