



GPT Metro Office Fund

Annual Review

2015

# ABOUT THIS REPORT

The GPT Metro Office Fund (GMF or the Fund) Annual Review includes financial summaries derived from the 2015 Annual Financial Report and 2015 Annual Result announcement, which was released on Tuesday, 11 August 2015. The GMF 2015 Annual Financial Report is available on the Fund's website ([www.gptmetroofficefund.com.au](http://www.gptmetroofficefund.com.au)) or on request from the GMF Unitholder Centre on 1800 336 109 (freecall within Australia).



Building a better  
working world

GPT has engaged Ernst & Young to undertake limited assurance procedures over a number of non-financial key performance indicators that the company deems material to its operations. Ernst & Young's assurance statement is available on GPT's website at [www.gpt.com.au](http://www.gpt.com.au).

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## AGM Information

The Fund's Annual General Meeting (AGM) will be held at The GPT Group office, located on Level 51, MLC Centre, 19 Martin Place in Sydney, New South Wales on Monday, 9 November 2015, commencing at 2.00pm (Sydney time).

GMF encourages unitholders to attend the AGM. The AGM will be webcast via the Fund's website ([www.gptmetroofficefund.com.au](http://www.gptmetroofficefund.com.au)) for those investors who are unable to attend in person. Additionally, the Chairman's address will be immediately announced to the ASX on the day.

## Investor Calendar

11 August 2015	2015 Annual Result Announcement
21 August 2015	Distribution Payment and Annual Tax Statement
9 November 2015	Annual General Meeting
22 December 2015	December 2015 Half Year Distribution Announcement
February 2016	2016 Interim Result Announcement
March 2016	December 2015 Half Year Distribution Payment



# THE GPT METRO OFFICE FUND

The GPT Metro Office Fund is a recently established Australian real estate investment trust which offers investors an exposure to a quality portfolio of six A-grade metropolitan and business park office properties located across Sydney, Melbourne and Brisbane.

The Fund's portfolio has been independently valued at \$402 million.

The GPT Metro Office Fund is an externally managed, ASX-listed real estate investment trust with its Responsible Entity having a majority independent Board. The Fund benefits from The GPT Group's significant resources and proven expertise in real estate and funds management.



# QLD



**1.** Optus Centre  
Fortitude Valley

# NSW



**2.** Quad 2  
Sydney Olympic Park



**3.** Quad 3  
Sydney Olympic Park



**4.** 3 Murray Rose  
Sydney Olympic Park



**5.** 5 Murray Rose  
Sydney Olympic Park

# VIC



**6.** Vantage  
Hawthorn



# CHAIRMAN'S REPORT



## John Atkin CHAIRMAN

In October 2014, the GPT Metro Office Fund (GMF or the Fund) was launched to retail and institutional investors with the intention of creating a Fund that represented a return to an 'old style plain vanilla' property trust. Through an Initial Public Offering (IPO), GMF offered investors the benefits of investment in commercial property with exposure to Australian metropolitan and business park office markets.

Since listing on the Australian Securities Exchange (ASX), the Fund's strategy has remained the same. GMF provides its unitholders access to a quality property investment, with a relatively high yield and built-in structured rental growth, that is managed by the well-regarded GPT Group with a majority independent Board, and offers immediate liquidity through its ASX listing.

The Fund's main investment objectives are to:

- own quality Australian metropolitan and business park office properties;
- own properties that have a stable income profile, underpinned by leases to a range of reputable tenants with structured rental growth;
- control a portfolio diversified by tenants, building types and geographical markets;
- offer an attractive forecast distribution yield, with a focus on sustainable income returns; and
- maintain a conservative capital structure with target gearing of between 25 per cent to 40 per cent.

I'm pleased to report that GMF's portfolio of six A-grade metropolitan and business park office assets, located across Sydney, Melbourne and Brisbane, continue to deliver on the Fund's stated investment objectives with the focus on creating sustainable, long term value for unitholders.

In March 2015, the Fund grew with the development completion of GMF's newest asset at 3 Murray Rose Avenue in Sydney Olympic Park. This development was completed ahead of schedule and is fully leased to Samsung Electronics Australia. The GMF team also continued to focus on active property management and achieved strong leasing outcomes over the period at Vantage in Hawthorn and the Quads at Sydney Olympic Park.

At the Fund's first financial result in August 2015, GMF reported earnings ahead of Public Disclosure Statement (PDS) forecasts and experienced an increase in the value of its asset portfolio to \$401.8 million. Disciplined capital management is a feature of this Fund and as at 30 June 2015, GMF announced that its level of gearing had reduced to 28.9 per cent.

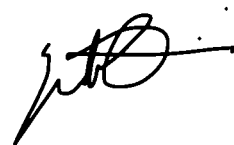
Post the end of the period, the Fund paid its inaugural distribution to investors. This distribution represented a 7.6 per cent annualised yield based on the IPO Offer Price of \$2.00, which was ahead of PDS forecasts.

Sustainability is embedded in The GPT Group platform and likewise the Fund also has a strong focus on sustainability. GMF's asset portfolio has been recognised for excellent environmental performance with an overall 5.0 star NABERS Energy Rating and a 5.6 star NABERS Water Rating and the Fund entered the Global Real Estate Sustainability Benchmark (GRESB) Survey for the first time in 2015.

The Fund is externally managed by The GPT Group (GPT or the Group) and as a result, GMF benefits from the significant resources and proven expertise of the Group. GPT is an ASX-listed owner and manager with \$18.7 billion in assets under management across a quality portfolio of office, retail and logistics properties and GPT has a co-investment stake in the Fund of 12.5 per cent as at 30 June 2015, which provides further alignment with GMF unitholder interests.

The GMF Board maintains its strong focus on corporate governance best practice with an Independent Chairman and a majority independent Board, comprising myself, Justine Hickey and Paul Say as Independent Non-Executive Directors, and Nicholas Harris, Head of Funds Management and James Coyne, General Counsel, as Executive Directors. The GMF Board provides oversight of the management of the Fund to ensure that independent judgement is applied in all decisions of the Board. In particular, the three independent directors are responsible for considering and approving all related party contracts or transactions with GPT and we bring an independent perspective to GPT's management of the Fund and our reporting to unitholders.

At the end of the first eight months of the Fund, I would like to thank investors for their support over the time since listing on the ASX. I would also like to acknowledge and thank Chris Blackmore, our GPT appointed Fund Manager, for his leadership of the management of the Fund during that period. GMF's strategy remains committed to providing investors the benefits of investment in quality commercial property with exposure to Australian metropolitan and business park office markets through a conservatively geared listed Fund managed by GPT which generates an attractive yield and has the attraction of immediate liquidity through its ASX listing.



**John Atkin**  
Chairman



# FUND MANAGER'S REPORT



## Chris Blackmore FUND MANAGER

I am delighted to report that the GPT Metro Office Fund (GMF or the Fund) has had a successful start since its initial Public Offering (IPO) on 29 October 2014.

On 11 August 2015, we reported our inaugural financial results for the period from the IPO/Allotment date to 30 June 2015. We presented a strong set of results with both our earnings and declared distribution higher than forecast in the Product Disclosure Statement (PDS).

Furthermore, the Fund's net tangible assets increased and gearing was lower than forecast. We also revised our guidance for the whole PDS forecast period (Allotment to 31 December 2015), to reflect an overall three per cent increase in earnings and two per cent increase in distributions.

Management of the Fund is undertaken with a strategic focus in mind. The Fund's strategy is to own a high quality portfolio of Australian metropolitan office buildings that attract tenants and offer a stable income stream. In this way, we seek to appeal to investors looking for high relative income returns with liquidity, secure capital, and demonstrating best in class governance, capital management and asset management. We take a research-led approach to investing in markets and assets that meet the needs of tenants and we seek to build enduring relationships with them, by solving their property needs with our superior service offering.

From an investment perspective, our strategy enables us to differentiate the Fund in the following ways:

- **QUALITY PROPERTY INVESTMENT**  
We focus on A-grade assets and those at the upper end of the quality grade spectrum. Our portfolio of properties has a long weighted average lease expiry of 6.3 years and are relatively recently built, with an average age of 4.1 years. This means that compared to older buildings on shorter leases, our income is relatively secure and we expect lower levels of maintenance expenditure.
- **ATTRACTIVE YIELD WITH STRUCTURED RENTAL GROWTH**  
We delivered a 7.4 per cent distribution yield for the reporting period, based on our 30 June 2015 closing price of \$2.05. We have structured rental growth built into the Fund's leases, with 81 per cent of income subject to a fixed rent review at an average annual increase of 3.6 per cent.
- **BEST IN CLASS MANAGEMENT AND CORPORATE GOVERNANCE**  
The GPT platform offers the Fund best in class property and asset management overseen by a majority independent Board committed to strong corporate governance practices.
- **LIQUIDITY**  
Listing on the ASX provides investors with liquidity and therefore ready access to their investment. This was boosted in March 2015 with the Fund's inclusion in the Standard & Poor's (S&P)/ASX 300 Index.



## 2015 HIGHLIGHTS

Exceeding PDS guidance  
Allotment to 30 Jun 15

**11.28c**

Earnings per unit

**10.15c**

Distribution per unit

Solid capital management

**\$2.09**

NTA per unit

**28.9%**

Net gearing

Quality portfolio of 100% A-grade office assets

**\$401.8m**

Asset portfolio  
representing a \$24.0m  
net revaluation uplift

**95.5%**

Office occupancy<sup>1</sup>

Revised Guidance<sup>2</sup>  
from Allotment to 31 Dec 15

**19.12c**

Earnings per unit  
3% above PDS

**17.80c**

Distribution per unit  
2% above PDS

1. Including rental guarantees.

2. Earnings per unit for the eight months to 30 June 2015 of 11.28 cents plus the six months to 31 December 2015 of 7.84 cents. Distribution per unit for the eight months to 30 June 2015 of 10.15 cents plus the six months to 31 December 2015 of 7.65 cents.

## FINANCIAL PERFORMANCE



Key financial highlights for the period to 30 June 2015 include:



Earnings per  
unit of

**11.28cents**

exceeding PDS guidance  
of 10.33 cents



Cash distribution of  
**10.15cents**  
per unit

↑ 3.5% PDS forecast  
representing a yield of 7.4%<sup>3</sup>



Total borrowings



than PDS forecast by

**\$15.2m**



↑ Net tangible  
assets per unit

to **\$2.09**

exceeding the IPO issue  
price of \$2.00



Revised earnings  
forecast

for the PDS period  
(Allotment to 31 December 2015)

**19.12cents**

per unit

↑ 3% PDS forecast



Revised forecast  
for distributions for the  
same period ↑ 2% to

**17.80cents**

per unit

3. Based on the period end price of \$2.05

Allotment to 30 June	Actual	PDS	Change
<b>Net Profit After Tax</b>	<b>\$35.7m</b>	<b>13.7m</b>	<b>▲ 160.9%</b>
Valuation increases	(\$24.0m)	\$0.0m	
Financial instruments marked to market	\$3.5m	\$0.0m	
Other items <sup>1</sup>	(\$0.8m)	\$0.5m	
<b>Funds from Operations (FFO) / distributable earnings</b>	<b>\$14.4m</b>	<b>\$13.2m</b>	<b>▲ 9.1%</b>
Earnings per unit	11.28 cents	10.33 cents	▲ 9.2%
Distribution per unit	10.15 cents	9.81 cents	▲ 3.5%

As at	30 Jun 2015	Allotment	Change
Total assets	\$406.5m	\$377.9m <sup>2</sup>	▲ 7.6%
Total borrowings	\$119.5m	\$134.7m	▼ 11.3%
Net tangible assets per unit	\$2.09	\$1.91	▲ 9.4%
Net gearing	28.9%	35.3%	▼ 640bps

1. Other items includes 3 Murray Rose Avenue site access rent, rental guarantees, straight lining of leases and amortisation of lease incentives.

2. Pro forma for completion of the Murray Rose Avenue Development

The 10.15 cents per unit distribution declared in August 2015 represents a 90 per cent payout ratio and is in line with the Fund's distribution policy to payout between 90 per cent to 100 per cent of earnings.

Statutory net profit after tax was \$35.7 million, materially exceeding the PDS forecast. This was driven in part by \$1.2 million in higher earnings, resulting from a combination of savings in IPO transaction costs, interest savings, three days of additional trading ahead of the PDS assumption and tenant surrender payments. The other driver of the strong result is asset revaluations of \$24.0 million across the portfolio, offset in part by \$3.5 million in unrealised mark to market losses on fixed interest rate hedges.

Disciplined capital management is a key focus for us. The Fund is in a strong capital position, with conservative gearing of 28.9 per cent being toward the lower end of the target 25 per cent to 40 per cent range. The weighted average term to maturity of borrowings is 3.6 years and going forward the Fund will be, on average, 71 per cent fixed over the hedged term. There have been net financing cost savings resulting from a lower interest rate of 4.8 per cent compared to the PDS forecast of 4.9 per cent, due to lower floating interest rates and bank margins.

Further, the Distribution Reinvestment Plan (DRP) was switched on for the June 2015 distribution, allowing investors to reinvest their distribution payment into additional units in the Fund.



## OPERATIONAL PERFORMANCE



Key operational highlights for the period to 30 June 2015 include:



**Portfolio net income of**

**\$16.6m**

↑ 7.1% on PDS forecast



**\$24.0m**

**asset valuation uplift**



**3 Murray Rose Avenue**

**development completion**



**95.5%**

**portfolio occupancy**



**Leasing Activity**

**at Vantage in Hawthorn and the Quads at Sydney Olympic Park**

We had all our assets valued at 30 June 2015 and saw the portfolio value lift by \$24.0 million. This reflected both rent increases and lower capitalisation rates, as observed in the prices paid for comparable metropolitan properties. The portfolio's weighted average capitalisation rate has moved from 7.70 per cent to 7.26 per cent and we see this upward pressure on valuations continuing. Supporting the performance of the portfolio is the structured rental growth increases we have in place, with 81 per cent of income subject to fixed rent reviews at an average annual increase of 3.6 per cent. The weighted average lease expiry has remained at 6.3 years and the portfolio is showing occupancy at 95.5 per cent due to lease surrenders, primarily at our Vantage asset in Hawthorn.

In the period since listing, the Fund has maintained a strong asset management focus. We negotiated a lease surrender with Fusion Retail Brands at Vantage, providing income cover through to December 2015. Engineering firm McConnell Dowell occupies approximately 4,000 square metres across the top two floors at Vantage and with a March 2016 lease expiry was the Fund's first major renewal. We were proactive and engaged early with them in negotiations, having laid the ground work through lifting the level of service they were used to receiving. They have re-signed to extend their lease by seven years, with the hand back of a small amount of space. We have negotiated early access to this space ahead of the hand back and it is already being marketed for lease.

The Fund has also delivered leasing success in Sydney Olympic Park. At Quads 2 and 3, we have renewed or re-leased five of the

eight tenancies that expired within two years of the IPO, ahead of forecast. Amounting to almost 2,000 square metres, this leaves us with only three tenancies, totalling approximately 1,000 square metres, that expire between now and June 2016.

Our \$83 million development of 3 Murray Rose Avenue at Sydney Olympic Park successfully reached Practical Completion in March 2015, two weeks ahead of schedule. The 13,300 square metre asset is the newest to be delivered across Sydney's metropolitan markets, and is fully leased to Samsung Australia for seven years until March 2022. It is located adjacent to its sister building at 5 Murray Rose Avenue (also owned by GMF), and together they consolidate this business park precinct. The building has achieved a 5 star Green Star Design rating, and is targeting a 5 star Green Star As Built rating and 5 star NABERS Energy and Water ratings. A solar panel system on the roof reduces the base building's peak demand on the electricity network and recycled water is used in the cooling towers, bathrooms and for landscape irrigation.

The Optus Centre in Fortitude Valley has now been fully operational for over 12 months, and we have achieved our targeted 5 star NABERS Energy Rating. This further cements the asset's place as one of Fortitude Valley's leading buildings. Sustainability is a core aspect of the management of GMF's assets, which are recognised for their excellent performance. The Fund's portfolio has an overall 5.0 star NABERS Energy Rating and 5.6 star NABERS Water Rating. (This excludes 3 Murray Rose Avenue as it has not yet been fully operational for 12 months.)





# OUTLOOK

The Australian economy has maintained its modest GDP growth of 2.2 per cent per annum, slightly below the long term trend. Demand for metropolitan space has moderated slightly, however this has been offset by limited supply, with overall vacancy at 11.4 per cent only marginally above the three year average. Supply has remained modest as some office space is withdrawn for residential conversion and developers continue to seek substantial pre-commitments before starting construction. Rents on a face and effective (adjusted for incentives) basis have been improving across the eastern seaboard markets, assisted by plateauing incentives, which in most markets were largely flat in the first half of 2015. The relatively small movements in supply and demand, coupled with positive rental growth, indicate a stable outlook for Australian metropolitan office markets, which is a positive for GMF.

Looking forward we see the best opportunities in the strongest markets of Sydney and Melbourne, where the Fund stands to benefit the most across our portfolio, as we seek to renew and re-lease space. Rental growth is coming through more strongly in Sydney and Melbourne, while the Brisbane Fringe and West Perth markets deal with higher vacancy levels and in West Perth, falling rents. We also expect capitalisation rates to continue to reduce across all markets for the remainder of the year, placing upward pressure on capital values.

The income from tenant surrender payments in the current period represents a shift in the timing of earnings that would have otherwise been received in the six months to 31 December 2015. Notwithstanding this, the revised earnings forecast of 19.12 cents per unit for the whole PDS period, exceeds the original forecast of 18.56 cents per unit. The timing of those earnings is 11.28 cents per unit as reported, for the period Allotment to 30 June 2015, followed by a forecast of 7.84 cents per unit for the six months to 31 December 2015. This compares to the original PDS forecast of 10.33 followed by 8.23 cents per unit for the six months to 31 December 2015. The guidance for the distribution for the six months ending 31 December 2015 is unchanged at 7.65 cents per unit.


We have a high quality portfolio and our priorities will be focused on renewing leases and leasing vacant space. Our focus on quality will continue as we seek to deliver sustainable returns to investors, while maintaining a conservative capital structure. We believe the outlook for metropolitan office markets is favourable.

**Chris Blackmore**  
Fund Manager

# SUSTAINABILITY

GPT and its Funds mutually view sustainability as core to their vision and values.

**OUR PURPOSE** is to maximise the financial potential of Australian property with solutions that fulfil the aspirations of our investors, tenants and communities.

 <p><b>5 star Portfolio NABERS Energy Rating</b></p>	<p>Optus Centre recently certified with a</p>  <p><b>5 star NABERS Energy Rating</b></p>	
<p><b>5 Murray Rose</b> has achieved a <b>6 star Green Star As Built Rating</b></p>		<p>The newly completed <b>3 Murray Rose</b> has achieved a</p>  <p><b>5 star Green Star Design Rating</b> and is targeting a 5 star Green Star As Built Rating and 5 star NABERS Energy and Water Ratings.</p>
 <p><b>5 Murray Rose</b> has received the Best Sustainable Development - New Buildings at the 2014 Property Council of Australia Innovation &amp; Excellence Awards.</p>	 <p><b>5.6 star Portfolio NABERS Water Rating</b></p>	

GPT's integrated sustainability strategy addresses social and environmental aspects that are material to the business. Effective engagement and robust governance practices are central to the Group's approach, which aims to improve the social, environmental and economic capital of the Group's stakeholders and communities.

GPT is consistently ranked as one of the best performing property and real estate companies in international sustainability benchmarks.

In the Dow Jones Sustainability Index (DJSI), in 2015 GPT was ranked overall in the 99th percentile for DJSI in the Real Estate sector and leads the results internationally for the environmental dimension of the report.

For the Global Real Estate Sustainability Benchmark (GRESB), GPT was named the 2015 Regional Sector Leader for Diversified – Retail and Office and achieved the second highest ranking internationally in this category with GMF entering the GRESB Survey for the first time achieving Green Star status.

## Integrated Reporting

GPT's reporting is fully integrated across all communications including comprehensive sustainability data, case studies and information provided throughout GPT's website.

For expanded commentary on GPT's performance and priorities as well as the Group's comprehensive suite of policies covering its commitment to sustainability, visit: [www.gpt.com.au](http://www.gpt.com.au).

## EY Assurance Statement

GPT engaged EY to undertake limited assurance procedures over a number of sustainability key performance indicators that the company deems material to its operations.

This year GPT has applied the Global reporting Initiative (GRI) G4 Comprehensive framework. EY's assurance statement is available on GPT's website at [www.gpt.com.au](http://www.gpt.com.au).

## Our Environment

GPT is committed to reducing its environmental impact, aspiring to be an overall positive contributor to environmental sustainability.



### Climate Change and Energy

GPT is committed to carbon neutrality in areas within its control. The Group is also committed to supporting and encouraging its stakeholders to reduce greenhouse gas emissions and energy use in areas within its influence.

### Biodiversity

GPT is committed to making a positive contribution to biodiversity, in the local environment wherever possible, and also through supporting and encouraging others where it can meaningfully do so.

### Water

GPT aims to use, source, re-use and discharge water efficiently. It recognises water is a constrained but essential resource to the sustainability of its business and more broadly to society and the environment, especially within Australia.

### Waste and Resource Management

GPT recognises that globally resources are being consumed and waste is being generated at unsustainable rates, and the Group understands that businesses face growing pressure to accept the responsibility and bear the costs of their contribution to these impacts.

GPT is committed to a 'closed loop' approach to resource use and minimising waste to landfill in all areas within the control of the Group, and to supporting and encouraging improvements in areas within GPT's influence.



# BOARD OF DIRECTORS

The Board comprises five Directors, three of whom are independent Directors, including an independent Chairman. Members of the Board have significant experience in various fields, including funds management, property investment and development, financial markets, taxation, accounting and law.



**John Atkin**  
Independent Non-Executive Director and Chairman

John is a professional Non-Executive Director with over 30 years' experience in legal, professional and financial services. John is a Non-Executive Director of Aurizon Holdings Limited and IPH Limited. John is also a Director of the Australian Outward Bound Foundation, and the State Library of New South Wales Foundation. In previous executive roles, John was the Chief Executive Officer of The Trust Company Limited from 2009 to 2013, Managing Partner of Blake Dawson (now Ashurst) from 2002 to 2008 and prior to that he had 15 years' experience as a mergers and acquisition and equity capital markets partner at Malleasons Stephen Jaques (now King & Wood Mallesons) from 1987 to 2002. John's qualifications include a Bachelor of Arts (Hons) from the Australian National University, a Bachelor of Laws (Hons) from the University of Sydney and, completion of an Advanced Management Program – INSEAD. John is a Fellow of the Australian Institute of Company Directors.



**Justine Hickey**  
Independent Non-Executive Director

Justine is a professional Non-Executive Director with over 20 years' experience in investments, superannuation and corporate governance. Justine is a Director of the Rio Tinto Staff Super Fund and chairs the Advisory Board of fund manager, Dalton Nicol Reid. Previously Justine was a Director of Australian Ethical Investment Ltd and Flagship Investments Ltd. Justine takes an active interest in the not-for-profit sector, chairing RSPCA QLD's Finance and Risk Committee and the YET Foundation. In previous executive roles, Justine was Manager, Equities at Suncorp Investment Management until 2004 and prior to that a Portfolio Manager at Fleming Investment Management (now JP Morgan Chase) in London. Justine has a Bachelor of Commerce from the University of Queensland, is a graduate of the Australian Institute of Company Directors and is a member of the CFA Institute.



**Paul Say**  
Independent Non-Executive Director

Paul has over 30 years' experience in commercial and residential asset management, development, and real estate broking with major multinational institutions. He currently maintains a strong network of relationships with the major REITs, broking firms, and pension/financial groups in Australia, Asia, and North America. Paul is a Non-Executive Director of ALE Property Group. In previous executive roles, Paul held senior management positions at major REITs, including Chief Investment Officer at DEXUS Property Group, Head of Corporate Finance at Lend Lease Corporation and National Director of Investments at Jones Lang LaSalle. Paul is a Fellow of the Royal Institute of Chartered Surveyors and a Fellow of the Australian Property Institute. He is also a licensed real estate agent in NSW, Vic and Qld. Paul's qualifications include a Graduate Diploma in Financial Planning and a Graduate Diploma in Finance and Investment from the Securities Institute of Australia and an Associate Diploma of Real Estate Valuation from the Sydney Technical and Further Education Institute.



**James Coyne**  
Executive Director

James is the General Counsel/Company Secretary of GPT and is responsible for GPT's legal, compliance and governance activities. James joined GPT in 2004. James' 20 year involvement in the real estate industry has spanned the construction, development, infrastructure and the listed and unlisted funds management sectors. In the funds management sector, James has been involved in fund origination, asset management, developments, capital transactions and capital raisings (debt and equity) at GPT and at Lend Lease Corporation. James is a member of GPT's Leadership Team, Investment Committee and Treasury Risk Management Committee. James's qualifications include a Bachelor of Arts and a Bachelor of Laws (Hons) from the University of Sydney. James is a graduate of the Australian Institute of Company Directors.









**Nicholas Harris**  
Executive Director

Nicholas is responsible for GPT's funds management activities including the development of GPT's funds management platform and the creation of new products. Nicholas joined GPT in mid-2006. Nicholas has been involved in the Australian property and property funds management industry for over 25 years, including roles at BT Funds Management Limited and Lend Lease Corporation. During his career, Nicholas' roles have included property and asset management, portfolio management, capital transactions and business development. Nicholas is a Director of GPT Funds Management Limited the responsible entity for the GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund. Nicholas is a member of the Executive Board of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV) and a member of the Property Council of Australia's International and Capital Markets Division Council. He is also a Fellow of the Financial Services Institute of Australasia. Nicholas is a member of GPT's Leadership Team and Investment Committee. Nicholas' qualifications include a Bachelor of Land Economics (University Medal and First Class Honours) from the University of Technology Sydney, a Sydney Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and completion of both the Advanced Management Program and Investment Management Workshop at Harvard Business School.

# MANAGEMENT TEAM

The Fund is supported by a management team with significant experience in funds, asset and property management.

The GMF management team are familiar with the properties of the Fund, having been involved in the acquisition, leasing and/or management of these properties since they were acquired.

	<b>Chris Blackmore</b> <b>Fund Manager, GPT Metro Office Fund</b>	<p>Chris is responsible for the overall performance of the Fund and has over 20 years' experience in the UK and Australian property markets, with 12 years in Australia. During his career, Chris' experience has covered funds and asset management, capital transactions, leasing, development and valuations.</p> <p>Chris joined GPT in 2004 as Office Investment Manager and has been responsible for the financial performance, asset management and leasing of office investments across Sydney, Melbourne and Brisbane for both GPT and the GPT Wholesale Office Fund (GWOF). Chris has had responsibility for 17 of GPT's 20 premium and A-grade office buildings covering 900,000 sqm, with a total value of \$5.5 billion (as at 31 December 2013). As a Divisional Director he was also responsible for team leadership and management of several property teams. In relation to the Fund, Chris has been responsible for acquiring all of the Fund's assets, with oversight of their management.</p> <p>Prior to joining GPT, Chris worked for companies including Macquarie Bank, Legal &amp; General and DTZ. Chris has a NSW Real Estate Agent's Licence and is a Member of the Royal Institution of Chartered Surveyors. Chris has a Bachelor of Science (Honours) Estate Management from Oxford Brookes University, Oxford, an Investment Management Certificate (UK Financial Conduct Authority) from the Chartered Financial Analyst Society of the UK and is a graduate, Australian Institute of Company Directors.</p>
	<b>Anastasia Clarke</b> <b>Chief Financial Officer, GPT Metro Office Fund and Deputy Chief Financial Officer, The GPT Group</b>	<p>Anastasia is the Deputy Chief Financial Officer of GPT, responsible for accounting, finance, treasury and tax. Anastasia's experience includes 20 years in accounting, finance and treasury roles in the real estate industry. Anastasia joined GPT in September 2009 as Group Treasurer. Her past roles include being Chief Financial Officer of New City Australia and Singapore; Treasurer and then Head of Finance of DEXUS Property Group and corporate treasury and project finance roles at Lend Lease Corporation.</p> <p>Anastasia has a Bachelor of Accounting from the University of Technology, Sydney and she is a Fellow of the Australian Society of Certified Practising Accountants.</p>
	<b>Yasothara Yoganathan</b> <b>Company Secretary</b>	<p>As company secretary, Yasi is responsible for communication with the Board, the coordination of Board and Committee meetings and corporate governance issues. Yasi is also Senior Legal Counsel for GPT and is responsible for all of the Fund's legal requirements. Yasi joined GPT in 2002 and has over 15 years' experience in private practice and in-house legal roles.</p> <p>Yasi has a Bachelor of Laws (Hons) and Diploma in Practical Legal Training from Bond University and a Master of Laws from the University of New South Wales.</p>
	<b>Brett Ward</b> <b>Head of Investor Relations</b>	<p>Brett serves as the Head of Investor Relations at GPT, responsible for developing investor communications and strategy and dealing with key GPT Group stakeholders and investors. Brett has worked in the real estate and funds management industry for the past 18 years.</p> <p>Brett joined GPT in 2014. Prior to joining GPT, Brett worked for Brookfield Investment Management in Chicago, where he served as a Managing Director and Global Portfolio Manager of Global REITs. Brett also worked at AMP Capital Investors Limited in Australia and London, as an Investment Analyst and subsequently becoming Global Head of Real Estate Securities and Global Portfolio Manager. Prior to joining AMP, Brett worked in the property team at BT Funds Management, and was in Research Sales and Sales Trading at Deutsche Bank Property Group. Brett commenced his career as an Accountant at Ernst &amp; Young.</p> <p>Brett's qualifications include a Bachelor of Economics from Macquarie University, Sydney and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.</p>
	<b>Jonathan Johnstone</b> <b>Head of Capital Transactions</b>	<p>Jonathan is the Head of Capital Transactions at GPT and is responsible for the acquisition and disposal of assets consistent with GPT's strategy and building capital relationships to complement the capital available through GPT and its wholesale funds.</p> <p>Jonathan joined GPT in June 2005 and was appointed to his current position in January 2010. He has over 30 years' experience in the property industry both in Europe and Australia with Lend Lease Corporation, Jones Lang LaSalle and DTZ.</p> <p>Jonathan has a Bachelor of Science in Urban Estate Management from The Polytechnic of Central London, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and is a Fellow of The Royal Institution of Chartered Surveyors.</p>
	<b>David Copley</b> <b>Divisional Director, Office, Logistics and Business Parks</b>	<p>David is the Divisional Director of Office, Logistics and Business Parks at GPT and is responsible for the asset management of GPT's Logistics and Business Parks portfolio, which comprises 30 assets across New South Wales, Queensland and Victoria. David has over 14 years' experience in the property and finance sectors, including asset and property management, leasing and business finance.</p> <p>David joined GPT in 2012 in the role of General Manager and was responsible for overseeing the internalisation of the property management platform for the Logistics and Business Parks portfolio. Since joining GPT, David has been responsible for the management and leadership of the property management team across the portfolio. Prior to joining GPT, David gained extensive property and finance experience working for Colliers International and National Australia Bank.</p> <p>David's qualifications include a Masters of Property from Curtin University, Western Australia and a Bachelor of Business from Edith Cowan University, Western Australia.</p>

# FINANCIAL SUMMARY

For the period of Allotment to 30 June 2015	Actual \$m	PDS \$m
Portfolio net income	16.6	15.5
Net financing income	(2.4)	(2.6)
Responsible Entity fee	(1.6)	(1.5)
Management and administrative expenses	(0.5)	(0.7)
Other items <sup>1</sup>	2.3	2.5
<b>Distributable Earnings / Funds from Operations (FFO)</b>	<b>14.4</b>	<b>13.2</b>
FFO per ordinary security (cents)	11.28	10.33
Distribution per ordinary security (cents)	10.15	9.81

1. Other items includes 3 Murray Rose Avenue and Quads rental guarantee income.

As at	30 June 2015 \$m
<b>Current Assets</b>	
Cash and cash equivalents	2.6
Receivables	2.8
Prepayments	0.3
<b>Total Current Assets</b>	<b>5.7</b>
<b>Non-Current Assets</b>	
Investment properties	394.7
Receivables	6.2
<b>Total Non-Current Assets</b>	<b>400.9</b>
<b>Total Assets</b>	<b>406.5</b>
<b>Current liabilities</b>	<b>17.2</b>
<b>Non-current liabilities</b>	<b>123.0</b>
<b>Total Liabilities</b>	<b>140.2</b>
<b>Net Assets</b>	<b>266.4</b>

This is an extract from the Financial Results contained in the 2015 Annual Financial Report. The 2015 Annual Financial Report is available upon request or online at [www.gptmetroofficefund.com.au](http://www.gptmetroofficefund.com.au).



# UNITHOLDER INFORMATION

For full details of the Fund's recent announcements, activities and Annual Result information, visit the GMF website, [www.gptmetroofficefund.com.au](http://www.gptmetroofficefund.com.au).

To access information about your holding in GMF online, visit GMF's Registry website, <https://investorcentre.linkmarketservices.com.au>.

## Unitholder Services

You can access your investment online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) signing in using your SRN/HIN, Surname and Postcode. Functions available include updating your address details and downloading a PDF of your Annual Tax Statement.

Also online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) are regularly requested forms relating to payment instructions, name corrections and changes and deceased estate packs.

For assistance with altering any of your investment details, please phone the GMF Registry on 1800 336 109 (free call within Australia) or +61 1800 336 109 (outside Australia).

## Receive Your Report Electronically

Sustainability is core to the Fund's vision and values. As part of our sustainability initiatives we would like to offer you the opportunity to receive notification of GMF's investor communications electronically, including the 2015 Annual Financial Report and this Annual Review.

We encourage unitholders to visit [www.gptmetroofficefund.com.au](http://www.gptmetroofficefund.com.au) to view the online versions of these reports.

As an investor opting to receive your unitholder updates electronically, you will benefit by receiving prompt information and have the convenience and security associated with electronic delivery. There are also significant cost savings associated with this method of communication and above all this is a responsible and environmentally friendly option.

To receive your investor communications electronically, please go to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and register for online services.

## Distribution Policy and Payments

GMF has a distribution policy in place that effectively aligns the Fund's capital management framework with its business strategy, which reflects a sustainable distribution level to ensure a prudent approach to managing GMF's gearing through market and economic cycles.

The Fund aims to distribute between 90 per cent and 100 per cent of Funds from Operations (FFO) each year. The Directors will have regard to the amount of cash available in determining the Fund's distribution payout ratio.

For the 2015 Financial Year, the Fund made a distribution payment for the eight months ended 30 June 2015, for the period from listing on the ASX to the Financial Year end. In future, GMF will make distribution payments to unitholders twice a year, for the six months ended 31 December and the six months ended 30 June. GMF declares and pays its distribution in Australian dollars.

## 2015 Annual Financial Report

A copy of GMF's 2015 Annual Financial Report is available to all unitholders upon request.

The report can also be viewed online at [www.gptmetroofficefund.com.au](http://www.gptmetroofficefund.com.au).



## Stock Exchange Listings

The Fund is listed on Australian Securities Exchange (ASX) in Australia under ASX listing code GMF.

# CORPORATE DIRECTORY

## GPT Metro Office Fund

### Responsible Entity

GPT Platform Limited  
ABN 51 164 839 061  
As Responsible Entity of  
GPT Metro Office Fund  
AFSL 442 649

### Registered Office

Level 51  
19 Martin Place  
Sydney NSW 2000  
Phone: + 61 2 8239 3555  
Fax: +61 2 9225 9318

### Directors (at 30 June 2015)

John Atkin  
Justine Hickey  
Paul Say  
James Coyne  
Nicholas Harris

### Secretary (at 30 June 2015)

Anthony Lenehan  
On 17 August 2015, Anthony Lenehan  
resigned as Company Secretary and  
Yasothara Yoganathan was appointed  
to the role.

### Audit and Risk Management Committee (at 30 June 2015)

John Atkin  
Justine Hickey  
Paul Say

### Auditors

KPMG  
10 Shelley Street  
Sydney NSW 2000  
Australia

### Principal Registry

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

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Fax: +61 2 9287 0303  
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Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



