



Centuria Metropolitan REIT
Centuria Property Funds Limited
(ABN 11 086 553 639 AFSL 231149)
as responsible entity of
Centuria Metropolitan REIT
(ARSN 124 364 718)

Centuria Metropolitan REIT

RETAIL ENTITLEMENT OFFER

Details of a 1 for 8.65 accelerated non-renounceable entitlement offer at an Issue Price of \$2.39 per New Security in CMA (New Security)

Retail Entitlement Offer closes at 5.00pm, 20 December 2017

Centuria Property Funds Limited (ABN 11 086 553 639 AFSL 231149)
as responsible entity of **Centuria Metropolitan REIT** (ARSN 124 364 718)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This document and the personalised Entitlement and Acceptance Form that accompanies it contains important information and requires your immediate attention. You should read both documents carefully and in their entirety. This document is not a product disclosure statement under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (ASIC). If you have any queries please call your stockbroker, accountant or other professional adviser or the Offer Information Line on 1300 090 791 (from within Australia) or +61 3 9415 4319 (from outside Australia) between 9.00am and 5.00pm (Sydney Time), Monday to Friday during the Retail Offer Period (11 December 2017 to 20 December 2017) or visit our website at www.cmaoffer.com.au.

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Important Notices

This Retail Offer Booklet is dated 11 December 2017. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

This Retail Offer Booklet is issued by Centuria Property Funds Limited ABN 11 086 553 639 AFSL 231149 (**CPFL**) as the responsible entity of Centuria Metropolitan REIT ARSN 124 364 718 (**CMA** or the **REIT**).

This Retail Entitlement Offer is being made pursuant to section 1012DAA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be offered without a product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on the REIT and the Entitlement Offer (for example, the information available on CMA's website www.centuria.com.au or on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Securities.

The Investor Presentation, which is included in Annexure B, details important factors and risks that could affect the financial and operating performance of the REIT. Please refer to the "Key Risks" section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

Investments in CMA are subject to investment risk, including delays in repayment and loss of income and capital invested. Neither CPFL nor the Underwriters guarantee any return or any particular rate of return on the New Securities offered under the Retail Entitlement Offer or the performance of the REIT, nor do they guarantee the repayment of capital from the REIT or any particular tax treatment.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Securities through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet, the accompanying Entitlement and Acceptance Form or any accompanying ASX announcement, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Securityholders.

This Retail Offer Booklet is not to be distributed in, and no offer of New Securities is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Securities is subject to all requisite authorities and clearances being obtained for CMA to lawfully receive your Application Monies.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Securityholders of CMA with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States - NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Securities have been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Securities may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Securities in the Retail Entitlement Offer will be offered and sold only in "offshore

transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Definitions and currency

Defined terms used in this Retail Offer Booklet are contained in the Glossary. All currency amounts in this Retail Offer Booklet are in Australian dollars unless otherwise stated.

Times and dates

All dates and times in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be posted on CMA's website at www.centuria.com.au. Refer to the Key Dates section for more details.

Not investment advice

Securityholders must note that the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Securityholder may require in order to determine whether or not to subscribe for New Securities. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

Past Performance

Investors should note that CMA's past performance, including past security price performance and historical information in ASX announcements, cannot be relied upon as an indicator of (and provides no guidance as to) CMA's future performance including CMA's future financial position or security price performance. The pro forma historical information is not represented as being indicative of CMA's views on its future financial condition or performance.

Forward looking statements

This Retail Offer Booklet contains certain “forward looking statements” including, without limitation, projections and guidance on the performance of CMA and the outcome of the Entitlement Offer. Forward looking statements can generally be identified by use of forward looking words such as “anticipate”, “expect”, “likely”, “intend”, “should”, “could”, “may”, “propose”, “predict”, “plan”, “potential”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the future performance of CMA and the outcome and effects of the Entitlement Offer and use of proceeds. No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, CMA, the Underwriters, their respective affiliates and related bodies corporate, and each of their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or

revisions to the information to reflect any change in expectations or assumptions.

Risks

Refer to the “Key Risks” section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect CMA.

Trading New Stapled Securities

CMA, the Underwriters and their respective affiliates and related bodies corporate will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by CMA or the Registry or otherwise, or who otherwise trade or purport to trade New Securities in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional advisers.

Chairman's Letter

Centuria Metropolitan REIT – Retail Entitlement Offer

Dear Securityholder,

On behalf of the directors of Centuria Property Funds Limited (**CPFL**), as the responsible entity of the Centuria Metropolitan REIT (**ASX: CMA**) (**CMA** or the **REIT**), I am pleased to invite you to participate in CMA's recently announced underwritten 1 for 8.65 accelerated non-renounceable entitlement offer (**Entitlement Offer**) of New Securities in CMA (**New Securities**) at an issue price of \$2.39 per New Security (**Issue Price**).

Entitlement Offer

On 5 December 2017, CMA announced its intention to raise approximately \$60 million by way of an accelerated non-renounceable entitlement offer to Eligible Institutional Securityholders (**Institutional Entitlement Offer**) and a non-renounceable entitlement offer to Eligible Retail Securityholders (**Retail Entitlement Offer**).

The Institutional Entitlement Offer received strong support with commitments of approximately \$26 million. The Entitlement Offer is underwritten by Moelis Australia Advisory Pty Ltd and UBS AG, Australia Branch (**Underwriters**), subject to the terms of the Underwriting Agreement (see section 4.11 for more details).

Use of proceeds

The proceeds of the Entitlement Offer will be used to fund the following potential acquisitions and the associated transaction costs:

- a) the acquisition of a 50% freehold interest in the building at 201 Pacific Highway, St Leonards, NSW 2065 - an A Grade building with 13,841 square metres of office space, 2,688 square metres of retail space and 262 car spaces (\$85.8 million); and
- b) the acquisition of a 100% freehold interest in the building at 77 Market Street, Wollongong, NSW 2500 - an A Grade office building with over 2,185 square metres of office space and 68 car spaces (\$33.3 million)

(together the **Acquisitions**).

The Board is pleased to provide Eligible Retail Securityholders with an opportunity to increase their investment in CMA and to support the ongoing execution of its growth strategy.

Retail Entitlement Offer

This letter relates to the Retail Entitlement Offer, which will raise approximately \$34 million. Under the Retail Entitlement Offer, Eligible Retail Securityholders can subscribe for 1 New Security for every 8.65 Securities held as at the Record Date at an Issue Price of \$2.39 per New Security. The Issue Price represents a discount of 2.4% to the \$2.45 closing price of Securities on 4 December 2017.

Eligible Retail Securityholders who take up their Entitlement in full may also apply for Additional New Securities in excess of their Entitlement (to the extent other Securityholders do not take up their full Entitlement) up to 50% of their full Entitlement. In the event of oversubscriptions, the allocation of Additional New Securities will be subject to scale back on a pro-rata basis. There is no guarantee that you will be allocated any Additional Securities.

The New Securities issued under the Entitlement Offer will rank equally with existing Securities and will be entitled to all future distributions of CMA, including the distribution for the December 2017 quarter.

Chairman's Letter

The number of New Securities for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Security holders on 11 December 2017. Eligible Retail Securityholders who take up their full Entitlement may also apply for Additional New Securities in excess of their Entitlement up to 50% of their full Entitlement (to the extent available), at the Issue Price. In the event of oversubscriptions, the allocation of Additional New Securities will be subject to scale back on a pro-rata basis.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferrable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you decide to take this opportunity to increase your investment in CMA please ensure that, before 5.00pm (Sydney time) on 20 December 2017, you have paid your Application Monies preferably via BPAY pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Registry. If you apply and pay your Application Monies before 5.00pm (Sydney time) on 15 December 2017 (**Early Retail Acceptance Due Date**) via BPAY, your New Securities will be allotted to you on 19 December 2017, which is the same date applicable to Eligible Institutional Securityholders .

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 20 December 2017.

The Board advises you to carefully read this Retail Offer Booklet in its entirety and to seek appropriate professional advice before making any investment decision. In particular, you should refer to the "Key Risks" section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect CMA and the Entitlement Offer.

If you have any questions about the Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 090 791 (from within Australia) or +61 3 9415 4319 (from outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

On behalf of the Directors of CMA, I invite you to consider this investment and participate in the exciting next stage of CMA's growth.

Yours faithfully,

Peter Done
Chairman

Centuria Property Funds Limited
as responsible entity of the Centuria Metropolitan REIT

Key Dates

Business day	Key event	Date
1	Announcement of the Entitlement Offer	5 December 2017
2	Record date for Retail Entitlement Offer	7pm, 7 December 2017
4	Letter to ineligible shareholders despatched	11 December 2017
4	Retail Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	11 December 2017
4	Retail Entitlement Offer opens	9am, 11 December 2017
8	Early Retail Offer acceptance due date	5pm, 15 December 2017
10	Allotment of New Securities issued under the Institutional Entitlement Offer & Early Retail Entitlement Offer New Securities issued under the Institutional Entitlement Offer & Early Retail Entitlement Offer commence trading on ASX on a normal settlement basis Despatch of holding statements for New Securities issued under the Institutional Offer and Early Retail Offer	19 December 2017
11	Retail Entitlement Offer Closes	5pm, 20 December 2017
16	Settlement of the Retail Entitlement Offer	27 December 2017
17	Allotment of New Securities issued under the Retail Entitlement Offer	28 December 2017
18	New Securities issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	29 December 2017
20	Despatch holding statements for New Securities issued under the Retail Entitlement Offer	2 January 2018

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney Time. CPFL reserves the right to amend any or all of these dates and times, with the consent of the Underwriters, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, CPFL reserves the right to extend the Retail Closing Date and to accept late Applications under the Retail Entitlement Offer without prior notice. Any extension of the Retail Closing Date will have a consequential effect on the allotment date for New Securities under the Retail Entitlement Offer. Any changes to the timetable will be posted on CMA's website at www.centuria.com.au.

Subject to the consent of the Underwriters, CPFL also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Securities under the Retail Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

The commencement of quotation of New Securities is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Securities. You cannot withdraw your application once it has been accepted. Eligible Retail Securityholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens to ensure their application is received by the CMA Share Registry in time.

What Should You Do?

1. Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. The Retail Offer Booklet can also be viewed at www.cmaoffer.com.au.

This Retail Entitlement Offer is not being made under a product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on the REIT and the Entitlement Offer (for example, the information available on CMA's website www.centuria.com.au or on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Securities.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Securities is subject to both known and unknown risks, some of which are beyond the control of CPFL. These risks include the possible loss of income and principal invested. CPFL does not guarantee any return or any particular rate of return or the performance on the New Securities offered under the Retail Entitlement Offer or the performance of CMA, nor does it guarantee the repayment of capital from CMA. In considering an investment in New Securities, investors should have regard to (amongst other things) the "Key risks" section in the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

3. Decide what you want to do

If you are an Eligible Retail Securityholder, you have three options available to you in relation to the Retail Entitlement Offer:

1. take up all of your Entitlement (refer to Section 2.2);
2. take up all of your Entitlement and apply for Additional New Securities in excess of your Entitlement (refer to Section 2.2);
3. take up part of your Entitlement (refer to Section 2.2); or
4. do nothing and allow your Entitlement to lapse (refer to Section 2.3).

Eligible Retail Securityholders who take up their Entitlement in full may also apply for Additional New Securities in excess of their Entitlement (to the extent other Securityholders do not take up their full Entitlement) up to 50% of their full Entitlement. In the event of oversubscriptions, the allocation of Additional New Securities will be subject to scale back on a pro-rata basis. There is no guarantee that you will be allocated any Additional Securities.

What Should You Do?

3. Decide what you want to do (continued)

Ineligible Securityholders

All Securityholders who do not satisfy the criteria to be Eligible Retail Securityholders or Eligible Institutional Securityholders, are Ineligible Securityholders.

Ineligible Securityholders may not take up any of their Entitlements.

CPFL has appointed Moelis Australia Securities Pty Ltd (**Nominee**) in accordance with section 615 of the Corporations Act, as nominee for the Ineligible Securityholders, to arrange for the sale of the New Securities in CMA which otherwise would have been available to be issued to those Ineligible Securityholders had they been entitled to participate in the Entitlement Offer (**Ineligible Securities**). The Nominee will arrange for proceeds being the difference between the sale price and Issue Price (if any), net of expenses, to be sent proportionally to each Ineligible Securityholder. The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Ineligible Securities may be sold and the manner of any sale. If the sale price of the Ineligible Securities is no greater than the Issue Price then Ineligible Securityholders will not receive any value as a result of the issue of any of those Ineligible Securities they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer. Neither CPFL nor the Nominee will be subject to any liability for the failure to sell the Ineligible Securities or to sell them at a particular price.

If, in the reasonable opinion of the Nominee, there is not a viable market for the Ineligible Securities that would have been offered to the Ineligible Securityholders or a surplus over the expenses of sale cannot be obtained for those Ineligible Securities, then the Ineligible Securities will be allowed to lapse and they will form part of the shortfall.

Given that the Issue Price represents a modest discount to Net Tangible Assets per Security, the Nominee may not make any return on the sale of the Ineligible Securities and, in those circumstances, no proceeds will be paid to the Ineligible Securityholders.

It is important to note that the Nominee will be acting for and providing services to CMA in this process and will not be acting for or providing services to shareholders or any other investor. The Nominee may also hold interests in the securities of CMA or earn brokerage, fees or other benefits from CMA. The engagement of the Nominee by CMA is not intended to create any agency, fiduciary or other relationship between the Nominee and the Ineligible Securityholders or any other investor.

Eligible Securityholders

Eligible Retail Securityholders who take up their Entitlement in full may also apply for Additional New Securities in excess of their Entitlement up to 50% of their full Entitlement (to the extent available). In the event of oversubscription, the allocation of Additional New Securities will be subject to scale back on a pro-rata basis.

Eligible Retail Securityholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their full Entitlement will have their percentage holding in the REIT reduced. Eligible Retail Securityholders who participate in the Retail Entitlement Offer will see their percentage holding in the REIT reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and the Additional New Securities applied for and allocated to them, at the discretion of the Board and the Underwriters.

What Should You Do?

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

4. Apply for New Securities

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Application Monies for New Securities, or make a payment by BPAY, so that it is received by 5.00pm (Sydney Time) on 20 December 2017 pursuant to the instructions set out on the Entitlement and Acceptance Form. See Section 2 - for more information.

If you take no action, your Entitlement under the Retail Entitlement Offer will lapse.

5. Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 090 791 (from within Australia) or +61 3 9415 4319 (from outside Australia) between 9.00am and 5.00pm (Sydney Time), Monday to Friday during the Retail Offer Period.

Section 1

Overview of the Offer

1.1 Overview

CPFL intends to raise approximately \$60 million through the underwritten Entitlement Offer, which comprises the Institutional Entitlement Offer and the Retail Entitlement Offer. Under the Entitlement Offer, CPFL is offering Eligible Retail Securityholders the opportunity to subscribe for 1 New Security for every 8.65 Securities held on the Record Date. The Issue Price per New Security is \$2.39.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcement and the Investor Presentation annexed to this Retail Offer Booklet for information on the rationale of the Entitlement Offer, the use of the proceeds of the Entitlement Offer, and for further information on the REIT and its strategy.

1.2 Institutional Entitlement Offer

On 5 December 2017, Eligible Institutional Securityholders were given the opportunity to take up all or part of their Entitlement under the Institutional Entitlement Offer.

New Securities equivalent to the number not taken up by Eligible Institutional Securityholders under the Institutional Entitlement Offer were offered to Eligible Institutional Securityholders who applied for New Securities in excess of their Entitlement, as well as to certain other eligible Institutional Investors.

CMA received strong support under the Institutional Entitlement Offer with commitments of approximately \$26 million, at an Issue Price of \$2.39 per New Security. The New Securities are expected to be allotted under the Institutional Entitlement Offer on 19 December 2017 and the New Securities are expected to be allotted under the Retail Entitlement Offer on 28 December 2017.

1.3 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Securityholders are being invited to subscribe for all or part of their Entitlement and are being sent this Retail Offer Booklet with a personalised Entitlement and Acceptance Form. Eligible Retail Securityholders are also able to view the Retail Offer Booklet and participate in the Retail Entitlement Offer using the offer website at www.cmaoffer.com.au.

CMA is also offering Eligible Retail Securityholders the opportunity to apply for Additional New Securities in excess of their Entitlement up to 50% of their full Entitlement. If the Retail Entitlement Offer is over-subscribed, the allocation of Additional New Securities will be subject to scale back on a pro-rata basis. Allotment of Additional New Securities (if any) will take place along with allotment of New Securities offered under the Retail Entitlement Offer on 28 December 2017.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Securityholders, being Securityholders on the Record Date who have a registered address in Australia or New Zealand and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer. A person in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds Securities for the account or benefit of such person in the United States) or an Institutional Securityholders (other than a nominee to the extent that the nominee holds Securities on behalf of an Eligible Retail Securityholders) is not entitled to participate in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is by reference to a number of matters, including legal requirements and the discretion of CMA and the Underwriters. CMA, the Underwriters and their respective affiliates and related bodies corporate disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Retail Entitlement Offer closes at 5.00pm (Sydney Time) on 20 December 2017, with New Securities to be allotted on 28 December 2017.

The Retail Entitlement Offer is fully underwritten, and seeks to raise approximately \$34 million. The Issue Price under the Retail Entitlement Offer is the same as the Issue Price under the Institutional Entitlement Offer.

1.4 Use of Proceeds

The proceeds of the Entitlement Offer will be used to fund the following potential acquisitions and associated transaction costs:

- a) the acquisition of a 50% freehold interest in the building at 201 Pacific Highway, St Leonards, NSW 2065 - an A Grade building with 13,841 square metres of office space, 2,688 square metres of retail space and 262 car spaces (\$85.8 million); and
- b) the acquisition of a 100% freehold interest in the building at 77 Market Street, Wollongong, NSW 2500 - an A Grade office building with over 2,185 square metres of office space and 68 car spaces (\$33.3 million)

(together the **Acquisitions**).

The following tables provide an overview of the equity raising:

Sources of funds	\$m
Entitlement Offer proceeds	60.0
Drawn debt	68.0
Total sources	128.0
Uses of funds	\$m
Acquisitions	119.1
Stamp duty	6.6
Other transaction costs	2.3
Total uses	128.0

1.5 Ranking of New Securities

New Securities will rank equally with existing Securities.

1.6 Reconciliation and fractional entitlements

In any entitlement offer, investors may believe that they own more or fewer existing Securities on the Record Date than they ultimately do. This could potentially result in the requirement for reconciliation to ensure all Eligible Retail Securityholder have the opportunity to receive their full Entitlement. If this is required, it is possible that CPFL may need to issue a small quantity of additional New Securities to ensure all Eligible Institutional Securityholders and Eligible Retail Securityholders have the opportunity to receive their full Entitlement. The price at which these Securities will be issued will be the same as the Issue Price. CPFL also reserves the right to reduce the number of New Securities allocated to Eligible Securityholders or persons claiming to be Eligible Securityholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Securityholders.

To the extent that the application of the offer ratio of 1 New Security for every 8.65 existing Securities held on the Record Date results in a fractional entitlement to New Securities for a Securityholder, that Securityholder's Entitlement shall be rounded up to the next higher whole number of New Securities.

1.7 Quotation and trading

CPFL will apply to ASX for the official quotation of the New Securities in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that normal trading of New Securities:

- allotted under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date will commence on 19 December 2017; and
- allotted under the Retail Entitlement Offer (including any Additional New Securities) will commence on 28 December 2017.

1.8 Holding statements

Holding statements are expected to be despatched to Eligible Securityholders:

- on 19 December 2017 in respect of New Securities allotted under the Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date; and
- on 2 January 2018 in respect of New Securities allotted under the Retail Entitlement Offer.

It is the responsibility of each applicant to confirm their holding before trading in New Securities. Any applicant who sells New Securities before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. CPFL, the Underwriters and their respective affiliates and related bodies corporate, disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Securities before receiving their holding statements, whether on the basis of confirmation of the allocation provided by CPFL, the Registry or the Underwriters.

1.9 Withdrawal of the Entitlement Offer

Subject to the consent of the Underwriters, CPFL reserves the right to withdraw the Entitlement Offer at any time, in which case CPFL will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

Section 2

How to Apply – Eligible Retail Securityholder

2.1 Choices available to Eligible Retail Securityholder

Eligible Retail Securityholders may do any one of the following:

1. take up all of their Entitlement (refer to Section 2.2);
2. take up part of their Entitlement (refer to Section 2.2); or
3. do nothing and allow their Entitlement to lapse (refer to Section 2.3).

CMA is also offering Eligible Retail Securityholders who take up all of their Entitlement the opportunity to apply for Additional New Securities in excess of their Entitlement up to 50% of their full Entitlement (refer to Section 2.2).

The Retail Entitlement Offer is a pro rata offer to Eligible Retail Securityholders only.

2.2 Take up all or part of your Entitlement, or take up all of your Entitlement and apply for Additional New Securities in excess of your Entitlement

If you wish to take up your Entitlement in full or in part, or in full and apply for Additional New Securities in excess of your Entitlement, there are two different ways you can submit your Application and Application Monies.

2.2.1 Payment via BPAY

For payment by BPAY, please follow the instructions set out on the personalised Entitlement and Acceptance Form or online at www.cmaoffer.com.au. You can only make payment by BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

If you are paying by BPAY, please ensure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) found on your personalised

Entitlement and Acceptance Form or accessed online at www.cmaoffer.com.au. If you have multiple holdings and receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding, your Application will not be recognised as valid and may be rejected.

You can be allotted New Securities the subject of your Entitlement at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer being, 19 December 2017. To do this you must make payment of the Application Monies via BPAY in time to ensure that cleared funds are received no later than 5.00pm (Sydney Time) on 15 December 2017. If your payment of the Application Monies is received in cleared funds after this time, but before the Retail Closing Date, New Securities will be allotted to you on 28 December 2017.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

To apply and pay via BPAY, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety (also available online at www.cmaoffer.com.au) and seek appropriate professional advice if necessary;
- make your payment in respect of the full Application Monies via BPAY for the number of New Securities you wish to subscribe for (being the Issue Price of \$2.39 per New Security multiplied by the number of New Securities (including your Entitlement and any Additional New Securities) you are applying for so that it is received by no later than the Retail Closing Date, being 5.00pm (Sydney Time) on 20 December 2017.

If you choose to pay via BPAY you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in Section 2.4 (Implications of making an Application), including the Eligible Retail Securityholder declarations referred to in the Entitlement and Acceptance Form.

If you take up all or part of your Entitlement (or all of your Entitlement and apply for Additional New Securities) and your payment of the Application Monies is received in cleared funds by the Retail Closing Date, being 5.00pm (Sydney Time) on 20 December 2017, New Securities (and Additional New Securities) are expected to be allotted to you on the Allotment Date being 28 December 2017. Your payment of the Application Monies will not be accepted after the Retail Closing Date, being 5.00pm (Sydney Time) on 20 December 2017, and no New Securities (or Additional New Securities) will be issued to you in respect of such late Application.

If the amount of Application Monies is insufficient to pay in full for the number of New Securities you applied for, you will be taken to have applied for such whole number of New Securities which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If you apply for Additional New Securities in excess of your Entitlement and you are not allocated all or some of the Additional New Securities applied for, the relevant Application Monies will be refunded to you after the Allotment Date in accordance with the Corporations Act, without interest being payable. The allotment of Additional New Securities will be subject to scale back on a pro-rata basis.

2.2.2 Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies

To apply and pay by cheque, bank draft or money order, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- complete the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Securities you wish to subscribe for; and

- return the completed Entitlement and Acceptance Form to the Registry (address details below) together with a cheque, bank draft or money order which must be:

- in respect of the full Application Monies (being \$2.39 multiplied by the number of New Securities (including your Entitlement and any Additional New Securities) you wish to subscribe for);
- in Australian currency drawn on an Australian bank; and
- made payable to 'Centuria Metropolitan REIT' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the full Application Monies as your cheque will be processed on the day of receipt.

Cash payments will not be accepted. Receipts for payment will not be issued.

If you wish to be allotted New Securities the subject of your Entitlement at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer, being 19 December 2017, you must make payment of the Application Monies via BPAY (refer to section 2.2.1 above).

If you apply and pay by cheque, bank draft or money order, your Entitlement and Acceptance Form and your Application Monies in cleared funds must be received by the Registry by no later than 5.00pm (Sydney time) on 20 December 2017 and New Securities (and Additional New Securities) will be allotted to you on the Allotment Date being 28 December 2017. Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Retail Closing Date, being 5.00pm (Sydney time) on 20 December 2017 and no New Securities (or Additional New Securities) will be issued to you in respect of such late Application.

If the amount of Application Monies is insufficient to pay in full for the number of New Securities you applied for, you will be taken to have applied for such whole number of New Securities which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If you apply for Additional New Securities in excess of your Entitlement and you are not allocated all or some of the Additional New Securities applied for, the relevant Application Monies will be refunded to you after the Allotment Date in accordance with the Corporations

Act, without interest being payable. The allotment of Additional New Securities will be subject to scale back on a pro-rata basis.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order in respect of the full Application Monies reaches the Registry in sufficient time so that they are received by no later than 5.00pm (Sydney Time) on the Retail Closing Date being 20 December 2017 at the following address:

Postal Address

Mail to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at CPFL's registered or corporate offices.

For the convenience of Eligible Retail Securityholders, an Australian reply paid envelope addressed to the Registry has been enclosed with this Retail Offer Booklet.

Note that if you have more than one holding of Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

2.2.3 Refund of Application Monies

Any Application Monies received for more than your final allocation of New Securities and Additional New Securities will be refunded as soon as practicable after allotment. No interest will be paid to applicants on any Application Monies received or refunded.

2.3 Take no action and allow all of your Entitlement to lapse

If you are an Eligible Retail Securityholder and you do nothing, the Entitlements in respect of your Securities will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Securityholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in CMA will be diluted to the extent that New Securities are issued to other Securityholders and Institutional Investors.

2.4 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Securities via BPAY will be taken to constitute a representation by the Eligible Retail Securityholder that they:

- have received a copy of this Retail Offer Booklet accompanying the Entitlement and Acceptance Form, and have read them in their entirety;
- make the Eligible Retail Securityholder declarations referred to in the Entitlement and Acceptance Form (and on page 26 of this Retail Offer Booklet); and
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY payment is made in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 Enquiries

This Retail Offer Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. If you:

- have questions in relation to the existing Securities upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Offer Information Line on 1300 090 791 (from within Australia) or +61 3 9415 4319 (from outside Australia) between 9.00am and 5.00pm (Sydney Time), Monday to Friday during the Retail Offer Period. If you have further questions you should contact your professional adviser.

Section 3

Taxation

3.1 General

The section below provides a general summary of the Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Securityholders.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Securities on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Securities as revenue assets or as trading stock (which will generally be the case if you are a bank, insurance/life insurance company or carry on a business of share trading);
- are subject to the 'TOFA provisions' in Division 230 of the *Income Tax Assessment Act 1997* in relation to the Securities; or
- acquired the Securities in respect of which the Entitlement Offer is issued under any employee share scheme or where the New Securities are acquired pursuant to any employee share scheme.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

CPFL and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is necessarily general in nature. It is strongly recommended that each Eligible Retail Securityholder seeks their own independent professional tax advice applicable to their particular circumstances.

The commentary in this report does not constitute financial product advice as defined in the Corporations Act 2001. Potential investors should consider taking advice from a suitably qualified Australian Financial Services license adviser before making any investment decisions.

3.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

3.3 Exercise of Entitlements

Eligible Retail Securityholders who exercise their Entitlements will acquire New Securities. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlements, you will acquire New Securities.

The total cost base (and reduced cost base) of the New Securities should equal the issue price for the New Securities plus certain non-deductible incidental costs incurred in acquiring the New Securities.

The New Securities will be taken to be acquired on the day that the Entitlement in respect of the New Security is exercised.

3.4 Acquiring Additional New Securities

No assessable income or capital gain should arise for you from acquiring Additional New Securities.

The cost base and reduced cost base for the Additional New Securities acquired under the Retail Entitlement Offer should be determined in the same manner as for New Securities acquired on exercise of your Entitlements.

The Additional New Securities will be taken to have been acquired for CGT purposes on the day the Additional New Securities are issued to you.

3.5 Distributions on New Securities

Future distributions made in respect of New Securities and Additional New Securities will be subject to the same income taxation treatment as distributions made on existing Securities held in the same circumstances.

3.6 Disposal of New Securities and Additional New Securities

On disposal of a New Security or an Additional New Security (referred to in this section as a Security), you will make a capital gain if the capital proceeds on disposal exceed the total cost base of the Security. You will make a capital loss if the capital proceeds are less than the total reduced cost base of the Security.

Individuals, complying superannuation entities or trustees that have held Securities for at least 12 months (not including the dates of acquisition and disposal of the Securities) should be entitled to discount the amount of any capital gain resulting from the disposal of the Securities (after the application of any current year or carry forward capital losses).

The CGT discount applicable is currently one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not acting as trustee for another entity. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the Securities, the capital loss can only be used to offset capital gains; the capital loss cannot be used to offset ordinary income. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year, providing (in the case of a corporate investor) certain tests are satisfied.

3.7 Entitlements not taken up

As described in Section 2.3 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Securityholder will not receive any consideration for those Entitlements. In these circumstances, there should not be any tax implications for the Eligible Retail Securityholder.

3.8 Tax file number

If a Securityholder has quoted their Australian business number (ABN), tax file number (TFN) or an exemption from quoting their tax file number in respect of an existing Security, this quotation or exemption will also apply in respect of any New Securities or Additional New Securities acquired by that Securityholder.

Tax may be required to be deducted by CPFL from any distributions at the highest marginal tax rate if an ABN or TFN has not been quoted, or an appropriate TFN exemption has not been provided.

3.9 Other Australian taxes

No Australian GST or stamp duty will be payable by Eligible Retail Securityholders in respect of the issue or exercise of the Entitlements or the acquisition of New Securities pursuant to the Retail Entitlement Offer or Additional New Securities.

Section 4

Important Information for Securityholders

4.1 Retail Offer Booklet availability

Those Eligible Retail Securityholders with a registered address in Australia or New Zealand will receive a copy of this Retail Offer Booklet and their personalised Entitlement and Acceptance Form in the mail. Please read the Retail Offer Booklet and the Entitlement and Acceptance Form together in their entirety.

A copy of this Retail Offer Booklet can be obtained during the Retail Offer Period at the CMA offer website at www.cmaoffer.com.au or by calling the Offer Information Line on 1300 090 791 (from within Australia) or +61 3 9415 4319 (from outside Australia) between 9.00am to 5.00pm (Sydney Time), Monday to Friday during the Retail Offer Period.

If this Retail Offer Booklet is being viewed electronically, please ensure that you download the Retail Offer Booklet in its entirety (including the annexures to this Retail Offer Booklet). Eligible Retail Securityholders can access their BPAY details online when the Retail Entitlement Offer opens on 11 December 2017.

It is important to note that you will only be entitled to accept the Entitlement Offer by completing your personalised Entitlement and Acceptance Form which accompanies this Retail Offer Booklet, or by making a payment of Application Monies via BPAY using the information contained on your personalised Entitlement and Acceptance Form or accessed at www.cmaoffer.com.au (see Section 2.2 for further information). Please carefully read the instructions on the accompanying Entitlement and Acceptance Form.

Securityholders in foreign jurisdictions need to refer to Section 4.8.

4.2 Continuous disclosure requirements

Under the Corporations Act, the REIT is considered a disclosing entity and is subject to ongoing reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Under the ASX Listing Rules, CPFL has an obligation (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its Securities. Such information is available to the public from the ASX at www.asx.com.au.

CPFL is also required to lodge certain documents with ASIC. Such documents can be inspected and obtained from an ASIC office.

4.3 Retail Offer Booklet does not constitute investment advice

Securityholders must note that the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Securityholder may require in order to determine whether or not to subscribe for New Securities. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

4.4 Risks factors

The Investor Presentation details important factors and risks that could affect the financial and operating performance of the REIT. Please refer to the “Key risks” section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

4.5 No authorisation beyond information contained within this Retail Offer Booklet

Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by CPFL in connection with the Entitlement Offer. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Retail Offer Booklet.

4.6 No cooling-off rights

Cooling-off rights do not apply to a subscription for New Securities under the Entitlement Offer. This means that you cannot withdraw your Application once it has been accepted.

4.7 Forward-looking statements

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “predict”, “guidance”, “plan”, “potential” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are normal and to be expected. Past performance is not a reliable

indicator of future performance. Please refer to the “Key risks” section of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet for more information.

4.8 Offer jurisdictions – restrictions and limitations

The Retail Entitlement Offer will not be made to Securityholders with registered addresses outside Australia and New Zealand. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Return of the Entitlement and Acceptance Form or payment by BPAY of Application Monies shall be taken by CPFL to constitute a representation by you that there has been no breach of any such laws.

The New Securities are not being offered to the public within New Zealand other than to existing Securityholders of CMA with registered addresses in New Zealand to whom the offer of these New Securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The distribution of this document outside Australia and New Zealand may be restricted by law. If you come into possession of this document you should observe any such restrictions and should seek your own advice on those restrictions. A failure to comply with such restrictions may contravene applicable securities laws.

4.9 Offer jurisdictions – United States restrictions and limitations

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Neither the Entitlements nor the New Securities have been, nor will be, registered under the U.S. Securities Act or the securities laws of any state or other

jurisdiction of the United States. The Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Securities may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Securities in the Retail Entitlement Offer will be offered and sold only in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act. Because of these legal restrictions, you must not distribute, release or send this Retail Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States.

4.10 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Securityholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Securityholder.

Nominees and custodians who hold Securities as nominees or custodians will have received, or will shortly receive, a letter from CMA in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- a) beneficiaries on whose behalf they hold Securities who would not satisfy the criteria for an Eligible Retail Securityholder;
- b) Eligible Institutional Securityholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- c) Ineligible Securityholders who were ineligible to participate in the Institutional Entitlement Offer; or

- d) Securityholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

CMA is not required, and does not undertake to, determine whether or not any Securityholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Securities or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. CMA is not able to advise on foreign laws. Eligible Retail Securityholders who are nominees or custodians are therefore advised to seek independent advice as to how to proceed.

4.11 Underwriting arrangements and fees

Moelis Australia Advisory Pty Ltd and UBS AG (the **Underwriters**), Australia Branch will be acting as joint lead managers, joint bookrunners and joint underwriters to the Entitlement Offer. CPFL has entered into an Underwriting Agreement with the Underwriters in respect of the Entitlement Offer.

CPFL must pay the Underwriters an underwriting fee of 2% of the proceeds of the Entitlement Offer (other than in respect of securities subscribed for by Centuria Investment Holdings Pty Limited as trustee of Centuria Capital No. 2 Office Fund and Centuria Funds Management Limited as trustee of Centuria Capital No. 2 Fund), and a management fee of 1% of the proceeds of the Entitlement Offer. CPFL must also pay or reimburse the Underwriters for costs they have incurred in respect of the Entitlement Offer, including legal fees (up to an agreed cap), reasonable out of pocket expenses (including travel expenses, bookbuild expenses and stamp duty or similar taxes payable in respect of the Underwriting Agreement). Subject to certain exceptions, CPFL has agreed to indemnify the Underwriters, their affiliates and related bodies corporate, and their respective directors, officers, employees, partners, agents, advisers and representatives (each an Indemnified Party) from and against all losses suffered or incurred by an Indemnified Party, directly or indirectly, arising out of or in connection with the Entitlement Offer or the Underwriting Agreement.

As is customary with these types of arrangements, the Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriters. The Underwriters may, in certain circumstances, terminate their obligations under the Underwriting Agreement on the occurrence of certain termination events (in some circumstances, having regard to the materiality of the relevant event) including, but not limited to, where:

- in the reasonable opinion of the Underwriters, a material statement in this Retail Offer Booklet or other Entitlement Offer documents is or becomes misleading or deceptive or is likely to mislead or deceive in a material respect (including by omission);
- either of the S&P/ASX200 index or the S&P/ASX200 A-REIT index stands at a level that is 90% or less of the level of the relevant index as at the close of trading on the day before the date of the Underwriting Agreement:
 - at any time before the closing date of the Institutional Entitlement Offer;
 - at any time on two consecutive business days prior to the settlement date of the Institutional Entitlement Offer or on the business day immediately prior to that settlement date;
- there are certain delays in the timetable for the Entitlement Offer without the Underwriters' prior written consent;
- CMA or CPFL breaches, or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party, which is not promptly waived by the relevant financier or financiers, and the effect of which has or is likely to have a material adverse affect;
- CMA alters the issued capital of the REIT or disposes or attempts to dispose of a substantial part of the business or property of the REIT, without the prior written consent of the Underwriters;
- in certain circumstances, an Acquisition agreement is:
 - amended or varied without the consent of the Underwriters;
 - is terminated;
 - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal; or
- ceases to have effect, otherwise than in accordance with its terms,
- there is a change in the board of directors or senior management of CPFL;
- ASIC or another government agency issues proceedings or notifies CPFL in writing that it has commenced or intends to commence any investigation, proceedings or hearing in relation to the Entitlement Offer, which is not withdrawn or disposed of to the Underwriters' satisfaction within one business day or by 2.00pm on the next settlement date to occur;
- CMA ceases to be admitted to the official list of ASX or the cease trading or are suspended from official quotation or cease to be quoted on ASX (other than an agreed trading halt or voluntary suspension requested by CMA for the purposes of facilitating the Entitlement Offer);
- ASX makes any official statement to any person, or indicates to the Issuer or the Underwriters that it will not grant permission for the official quotation of the New Securities issued under any component of the Entitlement Offer;
- an adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the REIT;
- a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the CPFL is breached, becomes not true or correct or is not performed;
- information supplied by or on behalf of CMA or CPFL to the Underwriters in respect of the Entitlement Offer, CMA or CPFL is found to be misleading or deceptive, or likely to mislead or deceive (including by omission);
- a general moratorium on commercial banking activities in Australia, the United States and the United Kingdom, is declared by the relevant central banking authority in any of those countries or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
- there is an adverse effect on the financial markets in Australia, the United Kingdom or the United States, or in foreign exchange rates; or

- trading in all securities quoted or listed on the ASX, the London Stock Exchange or the New York Stock Exchange suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading.

If the Underwriters terminates the Underwriting Agreement, the Underwriters will not be obliged to perform any of their obligations which remain to be performed under the Underwriting Agreement.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, agents or advisers (the **Limited Parties**) have authorised or caused the issue of this Retail Offer Booklet and they do not take responsibility for any statements made in this Retail Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, each Limited Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Limited Parties make any representation or warranties as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warranty and agree that you have not relied on any statements made by the Underwriters or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Securities or the Entitlement Offer generally.

The Underwriters and their respective affiliates and related bodies corporate may also hold interests in the securities of CMA or earn brokerage, fees or other benefits from CMA. The engagement of the Underwriters by CMA is not intended to create any agency, fiduciary or other relationship between the Underwriters and the Ineligible Securityholders or any other investor.

4.12 Control effect of the Entitlement Offer

The potential effect of the issue of New Securities pursuant to the Entitlement Offer on control of CMA and the consequences of that effect will depend on a number of factors, including the current holdings of CMA Securityholders and the extent to which Eligible Securityholders take up New Securities under the Entitlement Offer. As at the date of this notice, the substantial holdings notified to CMA are as follows:

Substantial holder	Voting power
Centuria Capital Limited	19.9%
Pejr Investments Pty Ltd. and its associates	9.7%
APN Funds Management Limited and its associates	5.0%

The potential effect of the Entitlement Offer on control is summarised below:

- If all Eligible Securityholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of CMA;
- If 50% of Eligible Securityholders take up their entitlements under the Entitlement Offer, then new investors¹ will receive 12.6 million Securities (being 5.2% of Securities on issue in CMA following the Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will be diluted;
- If 25% of Eligible Securityholders take up their entitlements under the Entitlement Offer, then new investors¹ will receive 18.8 million Securities (being 7.8% of Securities on issue in CMA following the Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will be diluted; and
- If no Eligible Securityholders take up their entitlements under the Entitlement Offer, then new investors¹ will receive 25.1 million Securities (being 10.4% of the Securities on issue in CMA following the Entitlement Offer and the interests of all Eligible Securityholders will be diluted.

¹ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Entitlement Offer.

The securities offered under the Entitlement Offer will represent 10.4% of the total number of securities (post raising). Moelis currently have no interest in any securities in CMA and UBS have an interest of less than 1% in securities in CMA².

The Underwriters are seeking sub-underwriting commitments for the Securities to be issued under the Entitlement Offer. However, even if those sub-underwriting commitments do not eventuate or are defaulted on, the maximum percentage of New Securities which:

- Moelis could hold, assuming no other investor or Securityholder take-up of the Securities offered in the Entitlement Offer, would be 5.2% of the Securities on issue in CMA following the Entitlement Offer; and
- the maximum percentage of new Securities which UBS could hold, assuming no other investor or Securityholder take-up of the Securities offered in the Entitlement Offer, would be no more than 5.2% plus the interest of less than 1% disclosed above of the Securities on issue in CMA following the Entitlement Offer.

Ineligible Securityholders are not entitled to participate in the Entitlement Offer and their percentage holding in CMA will be diluted.

4.13 CNI sub-underwriting

Centuria Capital Limited ACN 095 454 336 (**CNI**) (including through Securities held by its associates) has voting power of 19.9% in CMA.

CNI will sub-underwrite part of the Retail Entitlement Offer.

CNI will not sub-underwrite the Institutional Entitlement Offer.

The following table sets out the voting power of CNI in CMA in the following scenarios:

	Retail take-up (%)	Total theoretical voting power held by CNI
Scenario A	0%	21.0%
Scenario B	50%	20.5%
Scenario C	100%	19.9%

The maximum total theoretical percentage interest by which CNI would increase its holding in CMA would be 1.6%.

No person other than CNI will exceed the 20% acquisition limit.

4.14 Consents

Statements included in this Retail Offer Booklet, or any statement on which a statement in this Retail Offer Booklet is based, are not made by the directors, officers, employees, partners, agents and advisers of CPFL, but by CPFL itself.

To the maximum extent permitted by law each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet other than references to its name.

4.15 Governing law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Securityholder who applies for New Securities submits to the jurisdiction of the courts of New South Wales, Australia.

ELIGIBLE RETAIL SECURITYHOLDER DECLARATIONS

In making your application for New Securities as part of the Retail Entitlement Offer, you will be making the declarations to CPFL that you:

- have read and understand the Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, the constitutions of CMA and CPFL;
- acknowledge the statement of risks in the “Key risks” section of the Investor Presentation included in Annexure B of this Retail Offer Booklet, and that investments in the REIT are subject to risks;
- authorise CPFL to register you as the holder of New Securities allotted to you under this Retail Entitlement Offer;
- declare that all details on the Entitlement and Acceptance Form are complete, accurate and up to date;

² To the current knowledge of UBS.

- are over 18 years of age and that you have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- accept that there is no cooling off period under the Retail Entitlement Offer and that once CPFL receives either your personalised Entitlement and Acceptance Form, your payment of Application Monies via BPAY or both, that you may not withdraw or change your Application;
- agree to apply for and be issued with up to the number of New Securities and Additional New Securities (if any) shown on the Entitlement and Acceptance Form, or for which you have submitted payment of Application Monies via BPAY, at the Issue Price of \$2.39 per Security;
- authorise CPFL, the Underwriters, the Registry and their respective related bodies corporate, affiliates, officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- authorise CPFL to correct any errors in your Entitlement and Acceptance Form or other forms provided by you;
- were the registered holder(s) at the Record Date of the Securities indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- represent and warrant (for the benefit of CPFL, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Securityholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form does not constitute investment advice, nor a recommendation that New Securities are suitable for you given your individual investment objectives, financial situation or particular needs;
- understand that this Retail Offer Booklet is not a product disclosure statement, does not contain all of the information that you may require in order to assess an investment in the REIT and is given in the context of the REIT's past and ongoing continuous disclosure obligations under the Corporations Act and the ASX Listing Rules;
- acknowledge that none of CPFL, the Underwriters, nor any of their respective related bodies corporate and affiliates or any of their respective directors, officers, employees, agents, consultants nor advisers, guarantee the performance of the New Securities offered under the Retail Entitlement Offer or the performance of CMA, nor do they guarantee the repayment of capital from the REIT;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of CPFL and/or the Underwriters;
 - each of CPFL and the Underwriters, and each of their respective affiliates and related bodies corporate, and their respective directors, officers, employees, advisers, agents and intermediaries, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- represent and warrant that you are an Eligible Retail Securityholder and the law of any other jurisdiction does not prohibit you from being given the Retail Offer Booklet, the Entitlement and Acceptance Form, nor does it prohibit you from making an Application and you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Securities for the account or benefit of such person in the United States);

- understand and acknowledge that the Entitlements and the New Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia. The Entitlements may not be taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of, a person in the United States. Neither the Entitlements nor the New Securities may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing the Entitlements or the New Securities in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- have not and will not send this Retail Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person;
- make all other representations and warranties set out in the Retail Offer Booklet; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Securities on the Record Date.

Annexure A – ASX Announcement



Australian Securities Exchange – Company Announcements Platform

Centuria Property Funds Limited CENTURIA METROPOLITAN REIT

Revaluations, Strategic Acquisitions and Equity Raising

Sydney, 5 December 2017:

Centuria Property Funds Limited (**CPFL**), as Responsible Entity of Centuria Metropolitan REIT (ASX: **CMA**), is pleased to announce the following:

- Acquisition of two NSW metropolitan office assets for \$119.1 million¹ (**Acquisitions**);
- An underwritten² accelerated entitlement offer to raise approximately \$60 million (**Equity Raising**) at an issue price of \$2.39 per CMA security (**Issue Price**);
- Independent valuations providing an uplift of \$33.8m driven by strong market fundamentals, active asset management and increased investor appetite for non-CBD office assets; and
- Entered into an unconditional contract for the sale of 44 Hampden Road, Artarmon for \$10.3 million, a 14.4% premium to book value generating an 18.4% IRR since acquisition

Acquisitions overview

CPFL has entered into an unconditional agreement to acquire a 50% interest in 201 Pacific Highway, St Leonards along with the acquisition of 77 Market Street, Wollongong with a combined value of \$119.1 million.

The key benefits of the Acquisitions include:

- Highly complementary properties to CMA's existing portfolio and in line with its investment strategy to acquire quality, fit for purpose, metropolitan office assets
- Stable and secure income streams underpinned by 100% occupancy and fixed rental reviews of 3.00% – 4.00% p.a.³
- Exposure to the strongly performing NSW metropolitan office market increases from 23% to 33%
- A consolidated footprint in the core NSW metropolitan submarket of St Leonards, with the acquisition of 201 Pacific Highway adjacent to CMA's existing asset at 203 Pacific Highway

¹ Excludes acquisition costs

² The Equity Raising will be underwritten other than in respect of the commitments received from Centuria Capital Limited. Centuria Capital Limited has also committed to sub-underwrite up to \$10m of the retail component of the entitlement offer (on the same terms as other sub-underwriters)

³ Office tenancies

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Annexure A – ASX Announcement



- Conservative pro forma gearing of 30.4% providing flexibility to debt fund the current commitments or pursue further attractive opportunities

The purchase prices for the Acquisitions are supported by independent valuations and reflect a weighted average capitalisation rate of 6.7% and weighted average lease expiry (WALE) of 3.7 years.

Property ⁴	State	Independent Valuation (\$m)	Cap rate (%)	NLA (sqm)	WALE (years)	Occupancy
201 Pacific Highway, St Leonards (50%)	NSW	85.8	6.50	16,488	3.5	100%
77 Market Street, Wollongong	NSW	33.3	7.25	6,755	4.3	100%
Total / weighted average		119.1	6.71	23,243	3.7	100%

CMA Trust Manager, Mr Nicholas Blake commented: “Metropolitan markets are core to Centuria’s DNA, and these acquisitions increase CMA’s exposure to some of the highest performing submarkets in the nation at attractive pricing.”

“We see significant potential in St Leonards, with Sydney’s North Shore experiencing tightening vacancy rates, limited supply and strengthening rentals. St Leonards benefits from these strong fundamentals but has lagged the neighbouring North Sydney and Chatswood submarkets due to significant stock withdrawal for residential conversion. Accordingly, we expect this market to re-position as the residential development cycle abates.”

“Our investment in the A Grade asset 201 Pacific Highway, St Leonards, which is adjacent to CMA’s existing asset at 203 Pacific Highway consolidates our footprint in this near CBD market. Both assets are well-located above the St Leonards rail station with significant in-place amenity.”

“Similarly, 77 Market Street Wollongong is a high-quality, fit-for-purpose building in a well-defined market, anchored by strong commercial tenants.”

“Both acquisitions are highly complementary to our portfolio, and well positioned to deliver value for our securityholders”.

Equity Raising

The Acquisitions are being funded by a combination of equity and debt. The Equity Raising is an underwritten 1 for 8.65 accelerated non-renounceable entitlement offer to raise approximately \$60 million.

⁴ Yields and prices are off gross basis and purchase prices adjusted for outstanding incentives

Annexure A – ASX Announcement



The Issue Price represents a 2.4% discount to CMA's closing price of \$2.45 on 4 December 2017. At the Issue Price, the new securities are forecast to deliver a 7.8% FY18 distributable earnings yield⁵ and 7.6% FY18 distribution yield⁵.

New securities issued under the Equity Raising will rank equally with existing securities and be entitled to the full distribution for the quarter ending 31 December 2017.

Major securityholder intentions

Centuria Capital Limited (**CCL**) has committed to take up its full entitlement. CCL has also agreed to sub-underwrite⁶ up to \$10 million of the retail component of the Equity Raising.

Valuation overview

CPFL has undertaken independent valuations of the whole CMA portfolio as at 30 November 2017 with these valuations increasing property values by \$33.8 million (4.5% over prior valuations).

	30 Jun 17 ⁷	31 Nov 17 ⁸	Valuation increase	Variance (%)
Office	\$716.3m	\$746.6m	\$30.4m	4.2%
Industrial	\$43.7m	\$47.2m	\$3.5m	8.0%
Total	\$760.0m	\$793.8m	\$33.8m	4.5%

Mr Nicholas Blake commented: "The portfolio's valuation increase is not surprising, with strong demand for quality commercial space in metropolitan markets outstripping supply, resulting in declining vacancy rates and increased investor demand given the attractive yields relative to CBD office assets."

"Centuria has been investing in metropolitan office properties for two decades, and this result further demonstrates our strong track record in securing quality assets and actively managing them to deliver superior returns for investors".

Financial impact of the Acquisitions and Equity Raising

The Acquisitions and Equity Raising are expected to have the following impact on CMA:

- Pro forma gearing increases from 27.4%⁹ to 30.4%, which is within CMA's target gearing range of 25 – 35%
- Neutral to FY18 Distributable Earnings and Distributions

CMA reaffirms FY18 Distributable Earnings guidance of 18.6 cents per security and FY18 Distribution guidance of 18.1 cents per security.

⁵ Based on the closing price of securities on 4 December 2017

⁶ On the same terms as other sub-underwriters.

⁷ Pro forma investment property valuations on completion as announced on 13 July 2017

⁸ Metrics include 44 Hampden Road which is unconditionally contracted for sale

⁹ As at 30 June 2017, proforma for the acquisitions and equity raising announced on 13 July 2017

Annexure A – ASX Announcement



Key dates for the Equity Raising

Key event	Date
Trading Halt and announcement of the Equity Raising	Tuesday, 5 December 2017
Institutional Entitlement Offer opens	Tuesday, 5 December 2017
Institutional Entitlement Offer closes	Tuesday, 5 December 2017
Record date for Retail Entitlement Offer	7:00pm, Thursday, 7 December 2017
Retail Entitlement Offer opens	9:00am, Monday, 11 December 2017
Early Retail acceptance due date	5:00pm, Friday, 15 December 2017
Settlement of the Institutional Entitlement Offer & Early Retail Entitlement Offer	Monday, 18 December 2017
Allotment and ASX quotation of Institutional Entitlement Offer & allotment of Early Retail Entitlement Offer	Tuesday, 19 December 2017
Retail Entitlement Offer Closes & ASX quotation of Early Retail Entitlement Offer	5:00pm, Wednesday, 20 December 2017
Final settlement of the Retail Entitlement Offer	Wednesday, 27 December 2017
Allotment of the Retail Entitlement Offer	Thursday, 28 December 2017
ASX quotation of the Retail Entitlement Offer	Friday, 29 December 2017
Despatch of holding statements for Retail Entitlement Offer	Tuesday, 2 January 2017

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT). Any changes to the timetable will be posted on Centuria's website at www.centuria.com.au.

Moelis Australia and UBS AG, Australia Branch are Financial Advisors, Joint Bookrunners and Joint Underwriters on the Equity Raising. Morgans and Shaw & Partners are Co-lead Managers on the Equity Raising and HWL Ebsworth is Legal Advisor to CPFL.

Additional information

Additional information about the Acquisitions and Equity Raising, including key risks, is contained in the CMA investor presentation released to the ASX today. The retail entitlement offer booklet will be released separately and mailed to eligible securityholders. This will also be available on the Listed Property page of Centuria's website at www.centuria.com.au/listed-property/investor-centre/.

– Ends –

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For more information or to arrange an interview, please contact:

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About Centuria Property Funds Limited

Centuria Property Funds Limited (CPFL), a wholly-owned subsidiary of Centuria Capital Group (CNI), is the Responsible Entity for the ASX listed Centuria Metropolitan REIT (CMA).

CPFL, combined with Centuria Property Funds No. 2 Limited (CPF2L), the Responsible Entity for the ASX listed Centuria Industrial REIT (CIP), has \$3.5 billion of funds under management in 16 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with \$4.4 billion in total funds under management.

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Annexure B – Investor Presentation



CENTURIA METROPOLITAN REIT | [Investor presentation](#) | CMA:ASX | 5 December 2017

Centuria Metropolitan REIT

Strategic Acquisitions and \$60m Equity Raising



CENTURIA METROPOLITAN REIT | [Investor presentation](#) | CMA:ASX | 5 December 2017

1

Executive summary

2

Market update

3

The Acquisitions

4

Equity Raising

5

Appendices





Section 1

Executive summary



ACQUISITIONS AND EQUITY RAISING OVERVIEW

Acquisitions	- Centuria Metropolitan REIT (CMA) has: - entered into an agreement to acquire a 50% freehold interest¹ in 201 Pacific Highway, St Leonards, NSW for \$85.8 million - acquired a 100% freehold interest in 77 Market Street, Wollongong, NSW for \$33.3 million being a total of \$119.1 million² and reflecting a weighted average capitalisation rate of 6.7% (the Acquisitions) - The Acquisitions are in line with CMA's strategy to invest in metropolitan office assets which generate income returns and offer the potential for capital growth through active management
Equity Raising	- CMA is undertaking an underwritten³ \$60 million equity raising at \$2.39 per security through a 1 for 8.65 accelerated non-renounceable entitlement offer (Equity Raising) - Centuria Capital Limited (CCL) has committed to take up its full entitlement and has also agreed to sub-underwrite up to \$10 million of the retail component of the Equity Raising
Financial impact	- Pro forma gearing will increase from 27.4%⁴ to 30.4%, which is within CMA's target gearing range of 25% – 35% - The Acquisitions and Equity Raising (Transaction) are forecast to be neutral to FY18 Distributable Earnings and FY18 Distributions - CMA reaffirms FY18 Distributable Earnings guidance of 18.6 cents per security and FY18 Distribution guidance of 18.1 cents per security

1. See Appendix C for further detail on the acquisition arrangements.

2. Prior to transaction costs.

3. The Equity Raising will be underwritten other than in respect of the commitments received from Centuria Capital Limited. Centuria Capital Limited has also committed to sub-underwrite up to \$10m of the retail component of the entitlement offer (on the same terms as other sub-underwriters).

4. As at 30 June 2017, pro forma for the acquisitions and equity raising announced on 13 July 2017.



STRATEGIC RATIONALE

Highly complementary properties to CMA's existing portfolio and in line with its investment strategy to acquire quality, fit for purpose, metropolitan office assets

Stable and secure income streams underpinned by 100% occupancy and fixed rental reviews of 3.00% to 4.00%¹

Exposure to the strongly performing NSW metropolitan office market increases from 23% to 33%

A consolidated footprint in the core NSW metropolitan submarket of St Leonards, with the acquisition of 201 Pacific Highway adjacent to CMA's existing asset at 203 Pacific Highway

Conservative pro forma gearing of 30.4% providing flexibility to debt fund the current commitments or pursue further attractive opportunities

1. For office tenancies, this excludes minor retail tenancies.



Section 2

Market update

Annexure B – Investor Presentation



CENTURIA METROPOLITAN REIT | Investor presentation | CMA:ASX | 5 December 2017

MILESTONES AND ACHIEVEMENTS

Actively managing the portfolio to drive performance and deliver on strategy

- ✓ Inclusion in the S&P ASX300 index as of 18 September 2017, significantly improving the liquidity of CMA securities
- ✓ Independent valuation uplift of CMA portfolio by \$33.8m driven by strong market fundamentals, active asset management and increased investor appetite for metropolitan office assets
- ✓ Rolling 12 month total return of 23.3%, outperforming the S&P ASX300 A-REIT Accumulation Index which has returned 16.3%¹
- ✓ Continued leasing success with portfolio occupancy of 99.0%, de-risking near term expiries and securing future income for CMA securityholders
- ✓ Entered into an unconditional contract for the sale of 44 Hampden Road, Artarmon for \$10.3 million, a 14.4% premium to book value generating an 18.4% IRR since acquisition

1. 12 months ending 1 December 2017 (market trading data sourced from ASX).

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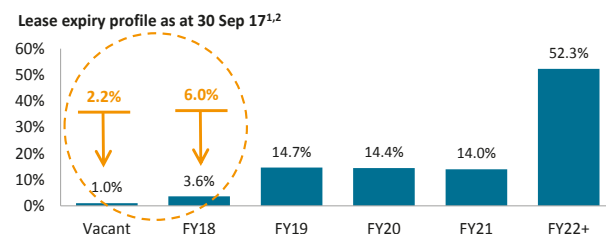


CENTURIA METROPOLITAN REIT | Investor presentation | CMA:ASX | 5 December 2017

OPERATIONAL UPDATE – Q1 FY18

Active management drives performance from multi-tenant assets

Portfolio snapshot	30 Sep 2017 ¹	30 Jun 2017
Occupancy ²	99.0%	97.8%
FY18 expiries ²	3.6%	6.0%
WALE ²	4.3 years	3.9 years



1. Includes Williams Landing, VIC as if complete. Anticipated completion Q1 CY2019.
2. Weighted by gross income.

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4.3 years

Portfolio WALE^{1,2}

3,473 sqm

Portfolio NLA leased in Q1 FY18

99.0%

Occupancy^{1,2}

3.6%

FY18 expiries^{1,2}

Annexure B – Investor Presentation



CENTURIA METROPOLITAN REIT | Investor presentation | CMA:ASX | 5 December 2017

OPERATIONAL UPDATE – Q1 FY18

Focus on leasing to maximise occupancy and income

Property	No. of transactions	NLA leased (sqm)
54 Marcus Clarke Street, Canberra, ACT	3	1,167
60 Marcus Clarke Street, Canberra, ACT	2	861
42-46 Colin Street, West Perth, WA	1	492
154 Melbourne Street, South Brisbane, QLD	1	177
483 Kingsford Smith Drive, Hamilton, QLD	1	139
144 Stirling Street, Perth, WA	1	167
44 Hampden Road, Artarmon, NSW	1	59
9 Help Street, Chatswood, NSW	1	411
555 Coronation Drive, Brisbane, QLD	1	n.a.
Total	12	3,473



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CENTURIA METROPOLITAN REIT | Investor presentation | CMA:ASX | 5 December 2017

MARKET UPDATE – INDEPENDENT VALUATIONS

Centuria Property Funds Limited as responsible entity of CMA (CPFL) has undertaken independent valuations of the full CMA portfolio¹

- CPFL has undertaken independent valuations of the whole CMA portfolio as at 30 November 2017 which show that the value of the CMA portfolio has increased by \$33.8 million (4.5% increase on previous valuations). Highlighted valuation increases include:
 - 203 Pacific Highway, St Leonards, NSW (leasehold interest):** increasing from \$47.5m to \$53.8m (13.2% increase) due to a tightening of the capitalisation rate from 7.00% to 6.75% and progressed leasing negotiations with a major tenant
 - 60 Marcus Clarke Street, Canberra, ACT:** increasing from \$56.0m to \$61.5m (9.8% increase) due to leasing transactions over 861sqm and a tightening of the capitalisation rate from 7.75% to 7.25%
 - 35 Robina Town Centre Drive, Robina, QLD:** increasing from \$51.0m to \$55.0m (7.8% increase) due to a strengthening in market rents and a tightening of the capitalisation rate from 7.25% to 7.13%



	Valuation			Capitalisation rate		
	Pro Forma 30-Jun-17 ²	30-Nov-17	Increase	Pro Forma 30-Jun-17 ²	30-Nov-17	Change (bps)
Office	\$716.3m	\$746.6m	\$30.4m	7.16%	6.94%	(22) bps
Industrial	\$43.7m	\$47.2m	\$3.5m	7.35%	6.71%	(64) bps
Total	\$760.0m	\$793.8m	\$33.8m	7.17%	6.93%	(25) bps

1. Metrics include 44 Hampden Road which is unconditionally contracted for sale.
2. Pro forma investment property valuations on completion as announced on 13 July 2017.

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Section 3

The Acquisitions

ACQUISITIONS OVERVIEW

The Acquisitions are complementary to CMA's portfolio and in line with its investment strategy

- Acquisitions are of two properties off-market from separate vendors for \$119.1 million¹
 - delivering stable and secure income streams, with 100% occupancy and fixed rental reviews of 3.00% to 4.00%²
 - quality, A-grade, fit for purpose metropolitan assets with a weighted average capitalisation rate of 6.7%
 - increased exposure to the high performing NSW metropolitan office markets at attractive pricing
- Raising \$60 million in new equity to partially fund the Acquisitions whilst maintaining a disciplined approach to capital management with conservative gearing of 30.4%

Acquisition summary

Property ³	State	Independent valuation and acquisition price (\$m)	Initial yield	Cap rate	NLA (sqm)	WALE (years)	Occupancy
201 Pacific Highway, St Leonards (50%)	NSW	85.8	6.6%	6.5%	16,488	3.5	100%
77 Market Street, Wollongong	NSW	33.3	7.5%	7.3%	6,755	4.3	100%
Total		119.1	6.9%	6.7%	23,243	3.7	100%

1. Prior to transaction costs.

2. For office tenancies, this excludes minor retail tenancies.

3. Yields and prices are off gross basis and purchase prices are adjusted for outstanding incentives.

Annexure B – Investor Presentation



CENTURIA METROPOLITAN REIT | Investor presentation | CMA:ASX | 5 December 2017

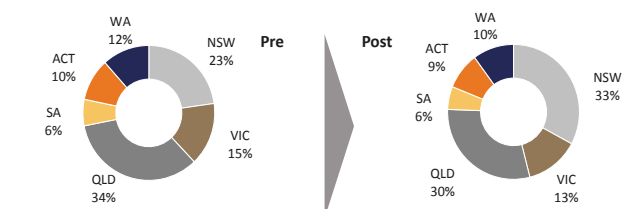
PORTFOLIO IMPACT¹

The Acquisitions increase CMA's portfolio occupancy and weighting to the high performing NSW metro office market

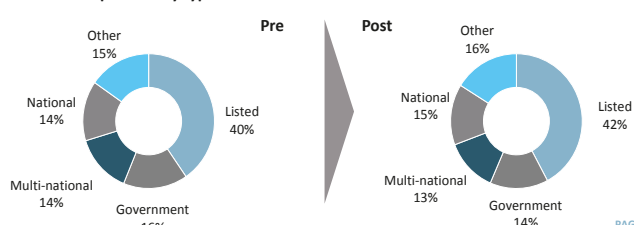
Portfolio ²	Prior to Acquisitions	Post Acquisitions
Number of properties	18	20
Portfolio valuation (\$m) ³	793.8	912.9
Weighted average capitalisation rate ³	6.93%	6.90%
Occupancy ^{4,5}	99.0%	99.1%
WALE (years) ^{4,5}	4.3	4.2
Net Lettable Area (sqm)	163,423	186,666

1. Metrics include 44 Hampden Road which is unconditionally contracted for sale.
2. Calculated based on Williams Landing, VIC, estimated completion value.
3. Adjusted for November 2017 revaluations of \$33.8 million.
4. Per Q1 FY18 update as at 30 September 2017.
5. Based on income.
6. Based on value.

Geographic diversification^{3,6}



Tenant composition by type^{4,5}



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TENANT DIVERSIFICATION

Introduction of NASDAQ listed Cisco Systems Inc. as a tenant¹

Top 10 tenants	% of income
Insurance Australia Group	6.8%
Target Australia	5.6%
Austar Entertainment	5.2%
Bluescope Steel	4.4%
Hatch & Associates	3.6%
Minister for Works (WA Police)	3.5%
GE Capital Finance Australasia	3.3%
Domino's Pizza	3.1%
Cisco Systems Australia ²	3.0%
Minister for Infrastructure	3.0%

1. Tenant is Cisco Systems Australia, a subsidiary of Cisco Systems Inc.
2. Largest tenant in 201 Pacific Highway (adjusted for 50% ownership).



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Annexure B – Investor Presentation



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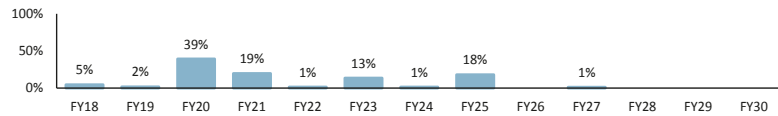
PROPERTY DETAILS: 201 PACIFIC HIGHWAY, ST LEONARDS, NSW (CMA ACQUIRING 50%)



Property details	
Property type	Office
Purchase price	\$85.8m
Capitalisation rate	6.5%
Initial yield	6.6%
Occupancy	100%
WALE (by income)	3.5 years
Site area (sqm)	4,718
Net Lettable Area (sqm)	16,488

- A-grade building with 10 floors of office spanning 13,841sqm of net lettable area and 20 retail tenancies across 2,658sqm of net lettable area and a 3.5 star NABERS rating
- Part of the Forum Complex, a master planned development completed in the early 2000s located above the St Leonards railway station and including significant retail amenity. CMA's asset at 203 Pacific Highway is located adjacent to this asset in The Forum Complex
- Key tenant Cisco Systems has significant infrastructure invested in the asset due to its use as a data centre
- CMA is acquiring a 50% interest in 201 Pacific Highway with the remaining 50% to be acquired by Centuria, or its nominee, prior to 8 June 2018. Additional detail on material contracts is contained in Appendix C

Lease expiry profile (by income)



Summary of major tenants

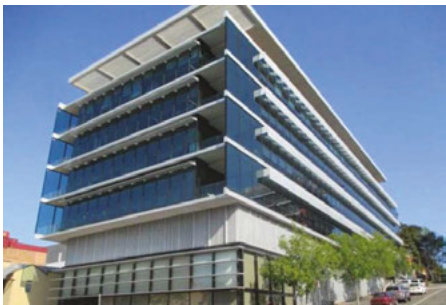
Tenant	Rent review (p.a.)	NLA (sqm)	% of total NLA	Expiry	Net income	Option
Cisco Systems Australia	3.75%	7,090	43%	Jul-19	\$4.2m	2 x 3 years
IMS Health Australia (Quintiles)	3.75%	2,882	17%	Jun-25	\$1.9m	1 x 3 years
Primary Healthcare	3.75%	1,422	9%	Sep-22	\$0.8m	1 x 5 years
National Australia Bank	4.00%	1,247	8%	Jul-20	\$0.7m	Nil

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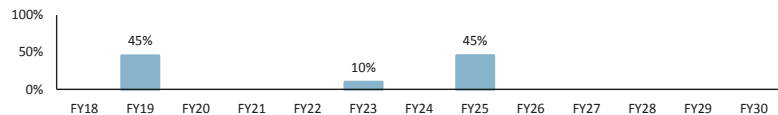
PROPERTY DETAILS: 77 MARKET STREET, WOLLONGONG, NSW



Property details	
Property type	Office
Purchase price	\$33.3m
Capitalisation rate	7.3%
Initial yield	7.5%
Occupancy	100%
WALE (by income)	4.3 years
Site area (sqm)	2,544
Net Lettable Area (sqm)	6,755

- A-grade, modern commercial office building constructed in 2008 with five levels of office spanning, 6,755sqm of net lettable area, 131 car parks and a 4.0 star NABERS rating
- Located in Wollongong's CBD and adjacent to the recently redeveloped Wollongong Central, a 56,600sqm regional shopping centre
- Property acquired in an off-market 'sale and leaseback' transaction from AHM Group (a wholly owned subsidiary of Medibank Private)
- Major tenants include Medibank and Illawarra Retirement Trust in addition to KPMG and NSW Police

Lease expiry profile (by income)



Summary of major tenants

Tenant	Rent review (p.a.)	NLA (sqm)	% of total NLA	Expiry	Net income	Option
AHM Group (Medibank Private)	3.00%	2,220	33%	Oct-24	\$1.0m	1 x 5 years
IRT Group (Illawarra Retirement Trust)	3.00%	2,010	30%	Jan-19	\$0.9m	1 x 5 years

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Section 4

Equity Raising

EQUITY RAISING OVERVIEW

\$60 million underwritten Equity Raising at an Issue Price of \$2.39 per CMA security

- The Equity Raising comprises a 1 for 8.65 accelerated pro-rata non-renounceable entitlement offer
- Equity raised will be used to partially fund the Acquisitions

Sources of funds	\$m
Equity Raising proceeds	60.0
Drawn debt	68.0
Total sources	128.0

Uses of funds	\$m
Acquisitions	119.1
Stamp duty	6.6
Other transaction costs	2.3
Total uses	128.0

Key Offer Information	
Issue Price per CMA security	\$2.39
Discount to last closing price ¹	2.4%
Discount to 5 day VWAP	1.6%
Pro forma market capitalisation post ¹	\$592 million
Forecast FY18 distributable earnings yield ²	7.8%
Forecast FY18 distribution yield ²	7.6%
Pro forma gearing post Transaction	30.4%

1. Based on the last close on 4 December 2017 of \$2.45.

2. Based on the Issue Price of \$2.39.

Annexure B – Investor Presentation



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DETAILS OF THE EQUITY RAISING

Equity Raising	1 for 8.65 accelerated non-renounceable entitlement offer to raise approximately \$60 million - Record date is 7 December 2017 - Equity Raising will comprise an accelerated institutional entitlement offer and a retail entitlement offer - Retail Entitlement Offer opens on 11 December 2017 and closes on 20 December 2017¹
Ranking	Securities issued under the Equity Raising will rank equally with existing CMA securities and be entitled to the full distribution for the quarter ending 31 December 2017
Pricing	- Issue Price of \$2.39 per CMA security 2.4% discount to the last traded price of \$2.45 on 4 December 2017 1.6% discount to the 5 day VWAP of \$2.43 on 4 December 2017 2.2% discount to the theoretical ex-rights price of \$2.44
Underwriters	The Equity Raising is underwritten² by Moelis Australia Advisory Pty Ltd and UBS AG, Australia Branch
Major securityholder intentions	CCL has committed to take up its full entitlement (and sub-underwrite up to \$10 million)²

1. Timetable is subject to change at CMA's discretion with the prior written consent of the Underwriters (subject to the law and ASX listing rules).

2. The Equity Raising will be underwritten other than in respect of the commitments received from Centuria Capital Limited with respect to the Equity Raising. Centuria Capital Limited has also committed to sub-underwrite up to \$10 million of the retail component of the Equity Raising (on the same terms as other sub-underwriters).

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INDICATIVE TIMETABLE

Key event	Date ¹
Trading Halt and announcement of the Acquisitions and Equity Raising	Tuesday, 5 December 2017
Institutional entitlement offer opens and closes	Tuesday, 5 December 2017
Record date for retail entitlement offer	7:00pm, Thursday, 7 December 2017
Retail entitlement offer opens	9:00am, Monday, 11 December 2017
Early retail acceptance due date	5:00pm, Friday, 15 December 2017
Settlement of the institutional entitlement offer & early retail entitlement offer	Monday, 18 December 2017
Allotment and ASX quotation of institutional entitlement offer securities & allotment of early retail entitlement offer	Tuesday, 19 December 2017
Retail entitlement offer closes & ASX quotation of early retail entitlement offer securities	5:00pm, Wednesday, 20 December 2017
Final settlement of the retail entitlement offer	Wednesday, 27 December 2017
Allotment of the retail entitlement offer securities	Thursday, 28 December 2017
ASX quotation of the retail entitlement offer securities	Friday, 29 December 2017
Despatch of holding statements	Tuesday, 2 January 2018

1. All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT). Any changes to the timetable will be posted on Centuria's website at www.centuria.com.au.

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Section 5

Appendix A

Pro forma balance sheet

PRO FORMA BALANCE SHEET

(\$m)	30 June 2017 pro forma July acquisitions and equity raising ¹	Equity Raising	Acquisitions	30 June 2017 pro forma for Transaction	Nov-17 Revaluations	30 June 2017 pro forma for Transaction and Nov-17 revaluations
Assets						
Cash and cash equivalents	8.2	57.7	(57.7)	8.2		8.2
Investment properties	701.7		119.1	820.8	33.8	854.7
Intangibles	6.4	-	-	6.4	-	6.4
Other assets	4.5	-	-	4.5	-	4.5
Total assets	720.8	57.7	61.4	839.9	33.8	873.7
Liabilities						
Borrowings ²	200.2	-	68.0	268.1	-	268.1
Other liabilities	18.8	-	-	18.8	-	18.8
Total liabilities	218.9	-	68.0	286.9	-	286.9
Net assets	501.9	57.7	(6.6)	553.0	33.8	586.8
Net tangible assets	495.5	57.7	(6.6)	546.6	33.8	580.5
Net tangible assets per security (\$)	2.29			2.26		2.40
Gearing ³	27.4%			31.7%		30.4%

1. As at 30 June 2017, pro forma for the acquisitions and equity raising announced on 13 July 2017.

2. Drawn debt net of unamortised borrowing costs.

3. Gearing is defined as drawn debt less cash divided by total tangible assets less cash.



Section 5

Appendix B

CMA property portfolio key features



CMA PROPERTY PORTFOLIO¹

Property	Ownership	Sector	Valuation (\$m) ²	Cap rate ²	NLA (sqm)	WALE (years) ^{3,4}	Occupancy ⁴
9 Help Street, Chatswood, NSW	100%	Office	68.5	6.50%	9,394	3.0	100.0%
203 Pacific Highway St Leonards, NSW ⁵	50%	Office	53.8	6.75%	11,734	4.7	100.0%
3 Carlingford Road, Epping, NSW	100%	Office	28.3	6.25%	4,702	2.4	100.0%
44 Hampden Road, Artarmon, NSW ⁵	100%	Office	10.3	8.00%	2,306	2.0	93.5%
576 Swan Street, Richmond, VIC	100%	Office	62.0	5.88%	8,331	4.4	100.0%
Target Head Office, VIC (completion value)	100%	Office	58.2	6.50%	12,919	10.0	100.0%
154 Melbourne Street, South Brisbane, QLD	100%	Office	76.0	6.75%	11,300	1.6	98.4%
483 Kingsford Smith Drive, Brisbane, QLD	100%	Office	77.0	6.38%	9,322	7.2	98.5%
35 Robina Town, Centre Drive, Robina, QLD	100%	Office	55.0	7.13%	9,814	6.0	100.0%
555 Coronation Drive, Brisbane, QLD	100%	Office	34.7	6.75%	5,591	3.1	87.1%
1 Richmond Road, Keswick, SA	100%	Office	31.0	8.50%	8,100	4.2	92.1%
131-139 Grenfell Street, Adelaide, SA	100%	Office	19.3	8.00%	4,052	2.2	100.0%
60 Marcus Clarke, Canberra, ACT ⁵	100%	Office	61.5	7.25%	12,132	3.1	98.2%
54 Marcus Clarke, Canberra, ACT ⁵	100%	Office	19.3	8.00%	5,169	3.8	90.1%
Hatch Building, Perth, WA	100%	Office	58.3	7.50%	11,042	3.7	100.0%
42-46 Colin Street, West Perth, WA ⁵	100%	Office	33.6	7.50%	8,439	4.9	100.0%
13 Ferndell Street, Granville, NSW	100%	Industrial	19.9	7.00%	15,302	2.5	100.0%
149 Kerry Road, Archerfield, QLD	100%	Industrial	27.3	6.50%	13,774	7.3	100.0%
Total (excluding Acquisitions)			793.8	6.93%	163,423	4.3	99.0%
201 Pacific Highway, St Leonards, NSW	50%	Office	85.8	6.50%	16,488	3.5	100.0%
77 Market Street, Wollongong, NSW	100%	Office	33.3	7.25%	6,755	4.3	100.0%
Total			912.9	6.90%	186,666	4.2	99.1%

1. Metrics include 44 Hampden Road which is unconditionally contracted for sale.
2. As at 30 November 2017.
3. Weighted by income.
4. Per Q1 FY18 update as at 30 September 2017.
5. Leasehold interest.

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Section 5

Appendix C

Material contracts

MATERIAL CONTRACTS

First Component Purchase Contract

CMA is purchasing a 50% interest (**First Component**) in 201 Pacific Highway, St Leonards (**Property**) for \$85.5 million. The 5% deposit is payable on exchange.

CMA will acquire the First Component directly as a tenant in common with the existing owner, who is the vendor of the First Component (**Vendor**).

There are no conditions precedent under the contract for purchase.

The purchase is due to complete on 22 December 2017 but may be brought forward by CMA. There is a 10 business day notice to complete provision to make time for completion of the essence.

The First Component is being purchased subject to the existing leases. From completion CMA will be entitled to 50% of the income and be responsible for 50% of the expenses of the Property.

The GST treatment under the contract is as a going concern and so GST-free.

The purchase price is reduced on completion by the amount equivalent to 50% of any incentives outstanding under leases pre-dating the contract excluding the IMS Health Australia Pty Limited lease. The incentive payable under the IMS Health Australia Pty Limited lease is to be paid from an amount payable on settlement by CMA.

CMA and the Vendor are liable in equal shares for incentives under leases that are post contract date leases.

CMA is to pay on settlement 50% of leasing fees incurred by the Vendor for leases granted post the contract date and prior to completion.

CMA receives a rental support allowance monthly post completion of the contract based on a total amount of \$1.17 million (annualised) to 30 June 2018.

CMA will execute an Assumption Deed becoming a Member under the Plaza Deed for the Forum development at completion of the purchase of the Second Component (as defined below).

The purchase price initially agreed has been reduced in exchange for CMA accepting responsibility for any claims against the Vendor relating to the flammable nature of part of the building cladding. CMA intends to follow its consultant's recommendations in relation to the cladding.

On and from completion CMA is bound by the terms of the Common Ownership Deeds relating to 201 and 203 Pacific Highway and the leases that have allowed the construction of tunnels bringing pedestrians to the Forum precinct (**Tunnel Leases**).

It is a condition subsequent for the debt funding of the purchase that three landlords consent to the assignment of the three Tunnel Leases to CMA and the purchaser of the other 50% of the Property (**Second Component**) under the CCL Put and Call Option Deed (as referred to below). Failure to obtain that consent within 6 months of completion of the Second Component purchase by Centuria Property Funds No. 2 Limited (as trustee of Centuria Unlisted Property Fund No. 1) or its nominee could trigger an obligation to re-pay the debt and other enforcement rights under the security documentation.

The debt financier for CMA in order to register its mortgage must enter in to a deed with the remaining owner of the Second Component and failure to agree on and execute the deed will mean the financier cannot register its mortgage and would likely not provide the funding.

Annexure B – Investor Presentation



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MATERIAL CONTRACTS

CCL Put and Call Option Deed

The CMA board has resolved that CMA should purchase a 50% interest in the Property. As the Vendor was seeking a 100% exit, Centuria Capital Limited (CCL) has agreed that one of its subsidiaries (or a nominee) would enter into a 6 month put and call option deed with the Vendor for the Second Component (**CCL Put and Call Option Deed**).

Under the CCL Put and Call Option Deed if an option is exercised then Centuria Unlisted Property Fund No. 1, or its nominee, must acquire the Second Component. CCL provides a guarantee in favour of the Vendor.

If a nominee of Centuria Unlisted Property Fund No. 1 exercises the option to acquire the Second Component, then CCL and Centuria Unlisted Property Fund No. 1 will guarantee the nominee's performance under the contract for sale of land. CCL and Centuria Unlisted Property Fund No. 1 may look to minimise their exposure as guarantors of any nominee by having their obligations indemnified or security provided by or on behalf of any nominee.

The purchase price for the Second Component is the same as the price for the First Component.

The security amount (being equivalent to a 10% deposit) for the purchase is being provided by CCL under a separate deed with the Vendor and is payable on exchange of the put and call option deed.

The security amount will be forfeited to the Vendor if the contract to purchase the First Component is terminated by the Vendor due to a default by CMA under the First Component contract or the Second Component contract is terminated by the Vendor due to a default by the purchaser under the Second Component contract. In those circumstances CMA will be required to pay an equal amount to CCL under the Costs Recovery Deed. Otherwise the security amount is to be paid back to CCL on settlement of the Second Component contract.

If the Second Component contract is entered into as a result of an exercise under the Put and Call Option Deed of:

- the call option then the Completion Date will be the earliest of 8 June 2018, the date that is 14 days after the date of the Second Completion contract and the Early Completion Date (which must be at least 5 business days after the date of the Early Completion Notice); and
- the put option then the Completion Date will be 7 days after the date of the contract.

There is a 5 business day notice to complete provision which makes time for completion of the essence.

The terms of the Second Component contract are largely similar to the First Component contract.

Vendor Call Option Deed

Under a deed (**Vendor Call Option Deed**) if neither Centuria Unlisted Property Fund No. 1 nor its nominee exercise the call option under the CCL Put and Call Option Deed or the Second Component purchaser fails to complete the purchase of the Second Component then the Vendor (who will still be the owner of the Second Component) can call upon CMA to sell the First Component back to the Vendor.

The call option expires 20 business days after the earlier of (i) any date on which the Second Component contract is terminated due to the default of the Second Component purchaser and (ii) the date on which the put option under the CCL Put and Call Option Deed expires.

The purchase price payable is the same as for the First Component.

If the First Component is transferred back to the Vendor under the Vendor Call Option, CMA may suffer loss in terms of the stamp duty, transaction costs and any increase in value of the First Component. In those circumstances, CCL's agreement to pay to CMA an amount equal to the stamp duty and transaction costs (up to \$200,000) under the Costs Recovery Deed will partially mitigate that risk. CMA may also elect to nominate the purchaser of the Second Component.

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MATERIAL CONTRACTS

Joint Owner Agreement

CMA will enter into a joint owners agreement (**Joint Owner Agreement**) with the Vendor of the First Component which will operate after completion of the purchase of the First Component until the Vendor sells the Second Component. At that time, CMA will need to negotiate a new agreement with the incoming purchaser of the Second Component.

The owners of the Property after completion of the purchase of the First Component will be CMA (in respect of the First Component) and the Vendor of the First Component (who will retain the Second Component, subject to the CCL Put and Call Option Deed (**Owners**)).

The Owners will bear all obligations in relation to the Property and joint ownership arrangements on a 50:50 basis.

CMA has no liability for expenses to the extent that they relate to period prior to the date of the Joint Owner Agreement.

Owners receive income from the Property on a 50:50 basis.

If an Owner fails to fund its 50% of any amount the other Owner may elect to pay it and either treat it as a loan to the non-contributing Owner or treat the non-payment as a material breach of the Joint Owner Agreement.

If a mortgaging Owner defaults on its mortgage then the other Owner may elect to pay out the amount due and treat that payment as a shortfall loan.

A committee will be established with each Owner having 2 representatives. The object of the committee is to provide the Owners with day-to-day control over management and operation of the Property and provide a forum for management matters. All decisions of the committee must be decided by unanimous vote and the property manager has delegated authority to determine defined matters. Reserved matters (as defined) are decisions that will require consent of the Owners.

If the Vendor of the First Component does not exercise its call option under the Vendor Call Option, they may require that the whole Property or the First Component only be offered for public sale. This right only applies for the period of 60 days after the Vendor Call Option expires. If the whole of the Property is sold then the net proceeds are to be split equally between the Owners. If only the First Component is sold then CMA will receive the net proceeds.

If the above public sale right has not been exercised, an Owner cannot dispose of its interest in the Property without offering it to the other Owner first.

If the offeree Owner does not accept the offer, the offeree Owner may still exercise a tag along right to sell its interest to a third party purchaser of the interest of the offeror party.

The offeror Owner has a drag along right and can require the sale of the whole Property if the proposed sale price for the offeree Owner's interest is not less than the current book value of the interest or the market value of the interest determined by an approved valuer appointed by the offeree Owner.

Whether the sale is by way of the exercise of a tag along or drag along right, the Owners are entitled to receive their respective equal entitlements to the net proceeds of the sale.

Any proposed mortgagee in respect of an Owner's interest must enter into a deed with the non-mortgaging Owner acknowledging the rights of the non-mortgaging Owner under the Joint Owner Agreement.

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MATERIAL CONTRACTS

Cost Recovery Deed

CMA will acquire its 50% interest in 201 Pacific Highway, St Leonards directly as a tenant in common.

CCL has entered into a 6 month put and call arrangement to acquire the remaining interest by 8 June 2018.

As noted above the Vendor has required that the documentation relating to the acquisition of 201 Pacific Highway contain, in effect, cross-default provisions in relation to the purchase of the Second Component. If CMA fails to complete its purchase then CCL will forfeit the Security Deposit and if the purchaser of the Second Component fails to complete, CMA can be required to sell the First Component.

To partially mitigate the risk of a cross-default, CMA and CCL have entered into the Costs Recovery Deed which provides:

- If CMA fails to complete its acquisition of the First Component and the Security Amount is paid to the Vendor (rather than being returned to CCL) CMA must pay an amount equal to the Security Amount to CCL.
- If the purchaser of the Second Component fails to complete its purchase, and the Vendor requires CMA to sell the First Component back to the Vendor or to a third party, CCL must pay CMA an amount equal to the stamp duty paid by CMA on the acquisition of the First Component and CMA's transaction costs in relation to the acquisition or sale of the First Component (those costs capped at \$200,000).
- Two months before a default of the obligation to buy the Second Component, CCL must give written notice to CMA and allow CMA to nominate a purchaser of the Second Component.

Underwriting agreement

CPFL as responsible entity of CMA has entered into an underwriting agreement under which the underwriters of the Equity Raising have agreed to underwrite the Equity Raising, other than in respect of the commitments received from Centuria Capital Limited, subject to the terms and conditions of the underwriting agreement between CPFL and the underwriters (**Underwriting Agreement**). The underwriters' obligation to underwrite the Equity Raising is conditional on certain customary matters. Further, if certain events occur, the underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement is likely to have an adverse impact on the amount of proceeds raised under the Equity Raising, and CMA's ability to complete the Acquisitions as currently planned, and could materially adversely affect CMA's business, cash flow, financial performance, financial conditions and security price.

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Section 5

Appendix D

Annexure B – Investor Presentation



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KEY RISKS

Acquisition risks

CMA may suffer losses if:

- CMA fails to complete the acquisition of the First Component, which would result in CMA forfeiting the 5% deposit of \$4.8 million it has already paid (and CMA would also have to pay CCL under the Costs Recovery Deed); or
- the purchaser of the Second Component fails to complete its purchase, in which case the Vendor can require CMA to sell the First Component:
 - back to the Vendor at the same price paid by CMA to acquire the First Component; or
 - to a third party at the then prevailing market value (which might be less than the price paid by CMA for the First Component).

To mitigate some of this risk, CMA and CCL have entered into the Cost Recovery Deed. However, under the Cost Recovery Deed CMA is not indemnified for all losses it may suffer as a result of a default by failing to complete the purchase of the Second Component but rather only for stamp duty and up to \$200,000 for transaction costs. To mitigate this risk CMA has the right to nominate the purchaser of the Second Component (and so to ensure that there is not a default in the purchase of the Second Component).

Coles Supermarkets Australia Pty Ltd has exercised an option to renew its lease of part of 201 Pacific Highway, St Leonards, with the extended lease term expiring September 2020, but has not yet executed the Lease. Coles has registered a caveat on title to protect its interest pending resolution of outstanding issues delaying execution of the Lease. There is the potential for a dispute to develop if the outstanding issues cannot be resolved by mutual agreement.

The IMS Health Australia Pty Limited lease of levels 7 and 8 of 201 Pacific Highway, St Leonards allows the tenant the right to terminate the lease as at 30 June 2023.

It is a condition subsequent for debt finance used for the Acquisitions that the landlords in respect of three pedestrian tunnel leases consent to the assignment of those leases to CMA and the purchaser of the Second Component within 6 months of completion of the sale of the Second Component. If consent cannot be obtained, CMA might need to refinance part of its debt facilities and if public access to the tunnels was restricted this could affect the value of 201 Pacific Highway.

CMA has accepted liability for claims against the vendor in connection with the flammable nature of the façade of 201 Pacific Highway and associated components, in return for a price adjustment. CMA considers that it has reserved adequate funds for any necessary rectification or installation of any mitigating systems.

Maintenance risks

CMA will be responsible for capital repairs in respect of the properties and may incur capital expenditure costs for alterations required due to changes in statutory and compliance requirements (such as changes to environmental, building or safety regulations and standards). There is a risk that this capital expenditure may be higher than anticipated.

General economic conditions

CMA's financial performance, and the market price of CMA securities, is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, exchange rates, commodity prices, ability to access funding, oversupply and demand conditions, government fiscal, monetary and regulatory policy changes in gross domestic product and economic growth, employment levels and consumer spending, consumer and investment sentiment and property market volatility. Prolonged deterioration in any or all of these conditions, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on CMA's financial performance.

Inflation

Higher than expected inflation rates generally or specific to the property sector could be expected to increase operating costs and development costs.

Litigation and disputes

Disputes or litigation may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect financial performance and the value of CMA Securities.

Occupational health and safety

CMA is subject to laws and regulations governing health and safety matters.

Failure to comply with the necessary occupational health and safety requirements across the jurisdictions in which CMA operates could result in fines, penalties and compensation for damages as well as reputational damage.

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KEY RISKS

Market risks

Investors should be aware that the market price of CMA Securities and the future distributions made to CMA Securityholders may be influenced by a number of factors that are common to most listed investments, some of which are beyond CMA's control. At any point in time, these may include:

- the Australian and international economic outlook;
- movements in the general level of prices on international and local equity and credit markets;
- changes in economic conditions including inflation, recessions and interest rates;
- changes in market regulators' policies and practice in relation to regulatory legislation;
- changes in government fiscal, monetary and regulatory policies; and
- the demand for CMA Securities.

The market price of CMA Securities may therefore not reflect the underlying NTA of CMA.

Other factors

Other factors that may affect CMA's performance include changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets including as a result of terrorist attacks or war.

Leasing terms and tenant defaults

The future financial performance of A-REITs will largely depend on their ability to lease properties that become vacant on expiry of leases, on economically favourable terms. Insolvency or financial distress of any of the tenants may reduce the income received from the assets.

Liquidity of property investments

The nature of investments in property assets may make it difficult to generate liquidity in the short term if there is a need to respond to changes in economic or other conditions.

Asset values

Asset values are affected by many factors including prevailing market conditions, risk appetite, volume of sales, the ability to procure tenants, contracted rental returns, operating, maintenance and refurbishment expenses and the funding environment. Asset value declines may increase gearing levels and their proximity to covenant limits.

Counterparty/Credit risk

A-REITs are exposed to the risk that third parties, such as tenants, developers, service providers and counterparties to other contracts may not be willing or able to perform their obligations.

Fixed nature of costs

Many costs associated with the ownership and management of property assets are fixed in nature. The value of assets may reduce if the income from the asset declines and these fixed costs remain unchanged.

Capital expenditure

A-REITs are exposed to the risk of unforeseen capital expenditure requirements in order to maintain the quality of the buildings and tenants.

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Annexure B – Investor Presentation



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KEY RISKS

Insurance

A-REITs purchase insurance, customarily carried by property owners, managers, developers and construction entities, which provides a degree of protection for their assets, liabilities and people. Such policies include material damage of assets, contract works, business interruption, general and professional liability and workers compensation. There are however certain risks that are uninsurable (e.g. nuclear, chemical or biological incidents) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake).

A-REITs also face risk associated with the financial strength of their insurers to meet indemnity obligations when called upon, which could reduce earnings.

Force majeure risk

There are some events that are beyond the control of A-REITs or any other party, including acts of God, fires, floods, earthquakes, wars, strikes and acts of terrorism. Some force majeure risks are effectively uninsurable, and if such events occur they may have materially adverse effects on the A-REIT.

Regulatory issues and changes in law

A-REITs are exposed to the risk that there may be changes in laws that negatively affect financial performance (such as by directly or indirectly reducing income or increasing costs).

Competition

A-REITs face competition from within the A-REIT sector, and also operate with the threat of new competition entering the market. The existence of such competition may have an adverse impact on an A-REIT's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis, or the pricing of construction projects or development opportunities, which in turn may negatively affect an A-REIT's financial performance and returns to its investors.

Environmental

A-REITs are exposed to a range of environmental risks, which may result in project delays or additional expenditure. In such situations, they may be required to undertake remedial works and potentially be exposed to third party liability claims and/or environmental liabilities such as penalties or fines.

Capital expenditure and development risks

CMA is responsible for capital repairs and reinvestment at its properties (including at its properties where it has a leasehold interest). CMA may incur capital expenditure costs for unforeseen structural problems arising from a defect in a property or alterations required due to changes in statutory and compliance requirements (such as changes to environmental, building or safety regulations and standards). Over time, capital expenditure will be required to maintain the properties, and also to improve the properties or to install market-standard equipment, technologies and systems to retain and attract tenants. The risk that capital expenditure could exceed forecast spend may result in increased funding costs, lower Distributions and property valuation write-downs.

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KEY RISKS

Returns from investment

Returns from property investment assets largely depend on the rental income generated from the property and the expenses incurred in the operation of that property, including the management and maintenance of the property as well as the changes in the market value of the property. Factors that may reduce these returns include:

- the overall conditions in the national and local economy, such as changes to growth in gross domestic product, employment, inflation and interest rates;
- local real estate conditions, such as changes in the demand and supply for retail, office, industrial or hotel/tourism assets or rental space;
- the perception of prospective tenants regarding attractiveness and convenience of assets;
- the convenience and quality of properties;
- changes in tenancy laws;
- external factors including war, terrorist or force majeure events;
- unforeseen capital expenditure;
- supply of new properties and other investment assets; and
- investor demand/liquidity in investments.

Underwriting

CPFL as responsible entity of CMA has entered into an underwriting agreement under which the underwriters of the Equity Raising have agreed to underwrite the Equity Raising, other than in respect of the commitments received from Centuria Capital Limited, subject to the terms and conditions of the underwriting agreement between CPFL as responsible entity of CMA and the underwriters ('Underwriting Agreement'). The underwriters' obligation to underwrite the Equity Raising is conditional on certain customary matters. Further, if certain events occur, the underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement is likely to have an adverse impact on the amount of proceeds raised under the Equity Raising, and CMA's ability to complete the Acquisitions as currently planned, and could materially adversely affect CMA's business, cash flow, financial performance, financial conditions and unit price.

Other risks associated with Material Contracts

Failure by Centuria Property Funds No 2. Limited (CPF2L) as trustee of the Centuria Unlisted Property Fund No. 1 (CUPF1) or its nominee to complete the Second Component purchase may result in CMA having to sell the First Component. CMA has agreed to a reduction in the purchase price for the First Component in return for accepting liability for claims against the Vendor in connection with the flammable nature of the façade and associated components.

Conflicts

The trustee of CUPF1 (CPF2L) and the responsible entity of CMA (CPFL) are related bodies corporate and both are subsidiaries of CCL. If CPF2L does not nominate another person to acquire the Second Component and it acquires the Second Component, it would co-own the Property with CPFL. In managing the Property and exercising their rights and powers as co-owners, CPF2L and CPFL would be representing the interests of different investors. The Centuria Group has conflict management policies and procedures in place (including a Conflicts Committee). Nevertheless, if conflict issues are not appropriately managed, CMA unitholders' interests could be adversely affected. It is proposed that CPFL as responsible entity of CMA will enter to a joint owners agreement following the sale of the second component.

If CMA and the purchaser of the Second Component are unable to agree on terms for a joint owners agreement this may ultimately lead to a sale of the Property.

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Section 5

Appendix E



OFFER JURISDICTIONS

This document does not constitute an offer of new securities ("Securities") of CMA in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Securities are not being offered to the public within New Zealand other than to existing securityholders of CMA with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

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Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Annexure B – Investor Presentation



CENTURIA METROPOLITAN REIT | [Investor presentation](#) | CMA:ASX | 5 December 2017

DISCLAIMER

This presentation has been prepared by Centuria Property Funds Limited (ABN 11 086 553 639) (**CPFL** or **Responsible Entity**) as responsible entity of Centuria Metropolitan REIT (ARSN 124 364 718) (**CMA** or **REIT**).

All information and statistics in this presentation are current as at the date of this presentation unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in CMA. It should be read in conjunction with CMA's periodic and continuous disclosure announcements which are available at www.centuria.com.au and with the ASX, which are available at www.asx.com.au. The recipient acknowledges that circumstances may change and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice. CPFL is not obliged to update this presentation.

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All dollar values are in Australian dollars (\$) or A\$ unless stated otherwise.

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DISCLAIMER

An investment in CMA securities is subject to investment and other known and unknown risks, some of which are beyond the control of CPFL. CPFL does not guarantee any particular rate of return on the performance of CMA nor does it guarantee any particular tax treatment. Prospective investors should have regard to the risks outlined in Section 5 of this presentation when making their investment decision and should make their own enquiries and investigations regarding all information in this presentation, including the assumptions, uncertainties and contingencies which may affect future operations of CMA and the impact that different future outcomes may have on CMA.

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Glossary

Defined Term	Meaning
Additional New Securities	New Securities in excess of a Securityholder's Entitlement.
Allotment Date	28 December 2017.
Application	an application for New Securities under the Retail Entitlement Offer.
Application Monies	monies received from an applicant in respect of their Application.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates (i.e., the Australian Securities Exchange).
ASX Announcement	the announcement released to ASX on 5 December 2017 in relation to the Entitlement Offer and annexed as Annexure A to this Retail Offer Booklet.
ASX Listing Rules	the listing rules of ASX.
Board	the board of directors of both Centuria Metropolitan REIT ARSN 124 364 718 and Centuria Property Funds Limited ABN 11 086 553 639 as the responsible entity for the Centuria Metropolitan REIT.
CMA or the REIT	Centuria Metropolitan REIT ARSN 124 364 718.
CNI	Centuria Capital Limited ACN 095 454 336.
Corporations Act	Corporations Act 2001 (Cth).
CPFL	Centuria Property Funds Limited ABN 11 086 553 639.
Early Retail Acceptance Due Date	5.00pm (Sydney Time) 15 December 2017.
Eligible Institutional Securityholder	an Institutional Securityholder which has been invited to participate in the Institutional Entitlement Offer.

Glossary

Defined Term	Meaning
Eligible Retail Securityholder	a Securityholder on the Record Date who: • has a registered address in Australia or New Zealand; • is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Securities for the account or benefit of such person in the United States); • was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Securityholder under the Institutional Entitlement Offer; and • is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.
Eligible Securityholder	an Eligible Institutional Securityholder or an Eligible Retail Securityholder.
Entitlement	the entitlement to subscribe for 1 New Security for every 8.65 Securities held on the Record Date by Eligible Securityholders.
Entitlement and Acceptance Form	the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made.
Entitlement Offer	the offer of New Securities under the Institutional Entitlement Offer and the Retail Entitlement Offer.
Final Retail Closing Date	5.00pm (Sydney Time), 20 December 2017
Ineligible Securityholder	a Securityholder that is neither an Eligible Institutional Securityholder nor an Eligible Retail Securityholder.
Institutional Entitlement Offer	the offer of New Securities to Eligible Institutional Securityholders and Institutional Investors, as described in Section 1.2.
Institutional Investor	a person: 1. in the case of a person with a registered address in Australia, who is an “exempt investor” as defined in ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84; or 2. if outside Australia, to whom offers for issue of Securities may lawfully be made without the need for a lodged product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (other than one with which CPFL is willing, in its absolute discretion, to comply).
Institutional Securityholder	a holder of Securities on the Record Date who is an Institutional Investor.
Investor Presentation	the investor presentation dated 5 December 2017 in relation to the Entitlement Offer and annexed as Annexure B to this Retail Offer Booklet.
Issue Price	the issue price per New Security, being \$2.39 per New Security.

Glossary

Defined Term	Meaning
New Securities	Securities offered under the Entitlement Offer.
Record Date	7.00pm (Sydney Time) on 7 December 2017.
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Retail Closing Date	5.00pm (Sydney Time), 20 December 2017.
Retail Entitlement Offer	the offer of New Securities to Eligible Retail Securityholders, as described in Section 1.3.
Retail Offer Booklet	this booklet dated 5 December 2017, including the ASX Announcement and the Investor Presentation.
Retail Offer Period	the period from the date the Retail Entitlement Offer opens until the Retail Closing Date.
Security	One Security in Centuria Metropolitan REIT ARSN 124 364 718.
Securityholder	the registered holder of a Security.
Settlement Date	22 December 2017.
Sydney Time	Australian Eastern Daylight Time.
Underwriters	Either or both of Moelis Australia Advisory Pty. Ltd. (ABN 72 142 008 446) and UBS AG, Australia Branch (ABN 47 088 129 613).
Underwriting Agreement	the underwriting agreement between CPFL and the Underwriters dated on or around 5 December 2017, as described in section 4.11.
US or United States	United States of America, its territories and possessions, any state of the United States and the District of Columbia.
U.S. Securities Act	the U.S. Securities Act of 1933, as amended.

Notes

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Corporate Directory

Centuria Property Funds Limited (registered office)

Level 39, 100 Miller Street
North Sydney NSW 2060

Offer Information Line

1300 090 791 (toll free within Australia)
+ 61 3 9415 4319 (outside Australia)

Open between 9:00am and 5:00pm (Sydney Time) Monday to Friday during the Retail Offer Period

Underwriters

Moelis Australia Advisory Pty. Ltd.
Level 27, Governor Phillip Tower
One Farrer Place
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Legal Adviser

HWL Ebsworth
Level 14
Australia Square
264-278 George Street
Sydney NSW 2000

Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnson Street
Abbotsford Vic 3067

Centuria®



Centuria Metropolitan REIT

Centuria Property Funds Limited
(ABN 11 086 553 639 AFSL 231149)
as responsible entity of
Centuria Metropolitan REIT
(ARSN 124 364 718)