



abacus property group
securityholder review 2016



abacus property group

At 30 June 2016, Abacus Property Group comprised Abacus Trust, Abacus Income Trust, Abacus Storage Property Trust, Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited.

AGHL has been identified as the parent entity of the Group. The financial reports of the Group for the year ended 30 June 2016 comprise the consolidated financial reports of AGHL and its controlled entities, AT and its controlled entities, AGPL and its controlled entities, AIT and its controlled entities, ASOL and its controlled entities, ASPT and its controlled entities, Abacus Hospitality Fund and its controlled entities, Abacus Diversified Income Fund II and its controlled entities and Abacus Wodonga Land Fund.

glossary

Abacus	Abacus Funds Management Limited, the responsible entity of the trusts
AGHL	Abacus Group Holdings Limited
AGPL	Abacus Group Projects Limited
AIT	Abacus Income Trust
APG	Abacus Property Group
ASOL	Abacus Storage Operations Limited
ASPT	Abacus Storage Property Trust
AT	Abacus Trust
Group	Abacus Property Group

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about abacus

Abacus Property Group is a leading diversified Australian real estate investment trust that invests in real estate opportunities across Australia and New Zealand. Abacus was established in 1996. We listed on the ASX in 2002 and are included in the S&P/ASX 200 index.

Abacus's overarching strategy is to invest our capital in core plus properties. We take advantage of value adding opportunities to drive long term total returns and maximise securityholder value.

We have a successful track record of acquiring property based assets and actively managing those assets to enhance income and capital growth. Our core plus presence and track record has facilitated joint ventures with a number of sophisticated global third party capital providers. We look for assets and projects in major centres, typically on the Eastern seaboard of Australia, that are mispriced by the market and which we believe have the potential for income and capital growth. Where appropriate, we realise mature assets and redeploy capital into the next generation of higher growth opportunities.

Our experience has shown that strict adherence to our fundamental investment criteria enables us to buy assets well and provide opportunities for outperformance while minimising downside risk to equity.

Abacus has three integrated property businesses built on our core expertise in accessing properties and projects and actively managing them to realise their full value. Our flat corporate structure and business model supports strong synergies across our businesses and contributes to the overall success of the businesses and the Group.

Property investment

Abacus Property Group owns a diversified investment portfolio of office, self-storage, industrial and retail properties. Rental income from these properties is the largest contributor to the earnings of the Group. Abacus' disciplined property selection process maintains a firm focus on fundamental real estate value.

Abacus seeks out mispriced assets with short term imperfections in fundamentals, such as temporary flaws in leasing, management or capital structures. Abacus pursues transformational events that will drive an asset's value.

As at 30 June 2016, Abacus Property Group had a total of \$1.6 billion in property assets on the balance sheet. This total comprises the commercial portfolio (\$994 million) and the self-storage portfolio (\$574 million). \$395 million of investment portfolio assets are held in third party joint ventures with global investment firms and other third party capital providers.

Property ventures

Abacus Property Group provides a range of property development and finance solutions. We actively engage in commercial, retail, industrial and residential development opportunities in metropolitan eastern seaboard locations.

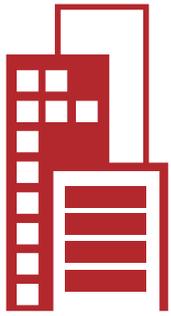
Abacus participates in projects directly or with experienced joint venture partners through the combination of our capital and property expertise with the regional or sector-specific expertise of our joint venture partners. We provide finance solutions for real estate development, typically with participation in project upside.

As at 30 June 2016, Abacus Property Group had a total of \$500 million in development and financing projects on our balance sheet.

Funds management

Abacus has historically offered a wide range of investment opportunities designed to meet the needs of different groups of retail investors. Since 2009 the Group has redirected its focus towards wholesale third party capital and has invested in over \$1.4 billion of assets with global investment firms and other third party capital providers. Following a number of asset sales, this portfolio is currently valued at over \$800 million, of which Abacus' ownership is circa \$395 million.

highlights



**\$2.3
BILLION**
OF TOTAL
ASSETS



6%
PA COMPOUND
GROWTH IN UNDERLYING
EPS TO 22.4 CENTS
SINCE FY13



13.7%
RETURN ON EQUITY
FOR 12 MONTHS TO
30 JUNE 2016*

* Return on equity is calculated as the growth in NTA per security plus the distribution paid/ payable per security divided by the opening NTA per security)



\$1.6b
OF INVESTMENT
PROPERTIES



39.2%
GROWTH IN CONSOLIDATED
STATUTORY PROFIT



25.8%
GEARING



94
PROPERTIES



87%
OCCUPANCY ACROSS THE
SELF-STORAGE PORTFOLIO



6.8%
NET TANGIBLE
ASSET GROWTH
TO \$2.66



\$124m
UNDERLYING PROFIT



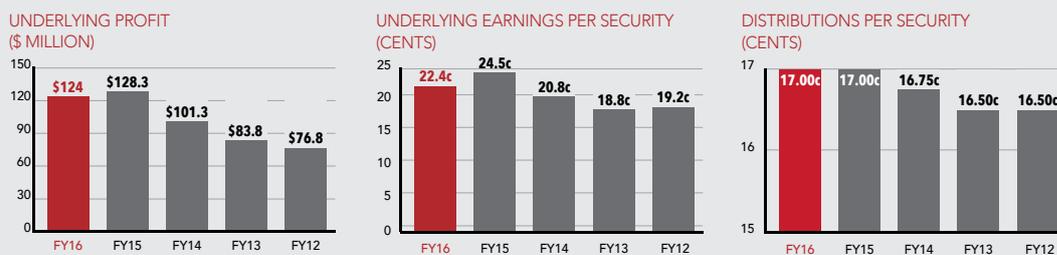
\$800m
OF ASSETS MANAGED
ON BEHALF OF
INVESTMENT PARTNERS



91.2%
OCCUPANCY ACROSS
THE COMMERCIAL
PORTFOLIO



4.3 years
WEIGHTED AVERAGE
LEASE EXPIRY (WALE)
ACROSS THE COMMERCIAL
PORTFOLIO



financial highlights

	2016	2015	2014	2013
Consolidated statutory net profit ¹	\$185.9m	\$133.5m	\$108.3m	\$61.1m
Underlying profit ²	\$124.0m	\$128.3m	\$101.3m	\$83.8m
Cashflow from operations	\$91.5m	\$119.3m	\$90.3m	\$105.7m
Underlying profit per security	22.4c	24.5c	20.8c	18.8c
Distributions per security ³	17.00c	17.00c	16.75c	16.50c
Interest cover ratio ⁴	4.2x	5.1x	4.8x	3.3x

balance sheet metrics

	2016	2015	2014	2013
Total assets	\$2.3bn	\$2.0bn	\$1.9bn	\$1.8bn
Net tangible assets ⁵	\$1.5bn	\$1.4bn	\$1.2bn	\$1.0bn
NTA per security	\$2.66	\$2.49	\$2.38	\$2.32
Gearing ⁶	25.8%	18.2%	23.4%	28.4%
Covenant gearing ⁷	29.5%	22.8%	28.6%	36.6%
Total debt drawn	\$629m	\$388m	\$500m	\$565m
Debt term to maturity	3.5yrs	4.3yrs	4.6yrs	2.1yrs
Average cost of debt ⁸	5.4%	6.1%	5.4%	6.1%

1 Excludes non controlling interests.

2 Calculated in accordance with the AICD/Finsia principles for reporting underlying profit.

3 Includes distributions declared post period end (1 July 2016, 1 July 2015, 1 July 2014 and 1 July 2013).

4 Calculated as underlying EBITDA divided by interest expense.

5 Excludes external non-controlling interests of \$43.3 million (2015: \$31.0 million, 2014: \$36.8 million, 2013: \$43.8 million).

6 Bank debt minus cash divided by total assets minus cash.

7 Total liabilities (net of cash) divided by Total Tangible Assets (net of cash).

8 Weighted average base rate plus margin on drawn amount plus facility line fees.

abacus strategy

Our investment objective is to provide our investors with reliable and increasing returns. We look for property assets that are capable of providing growth in:

- rental income; and
- asset value

as a result of our diligent active management. We do this through the acquisition, development and management of property assets by:

- taking advantage of our specialised knowledge and market position as the only listed core plus investor in the ASX 200 index;
- investing in core plus property investments that are expected to yield 12-15% per annum equity total returns over time; and
- driving value through the Group's active management philosophy.

The Group's philosophy centres around three guiding principles that are at the core of what we do:

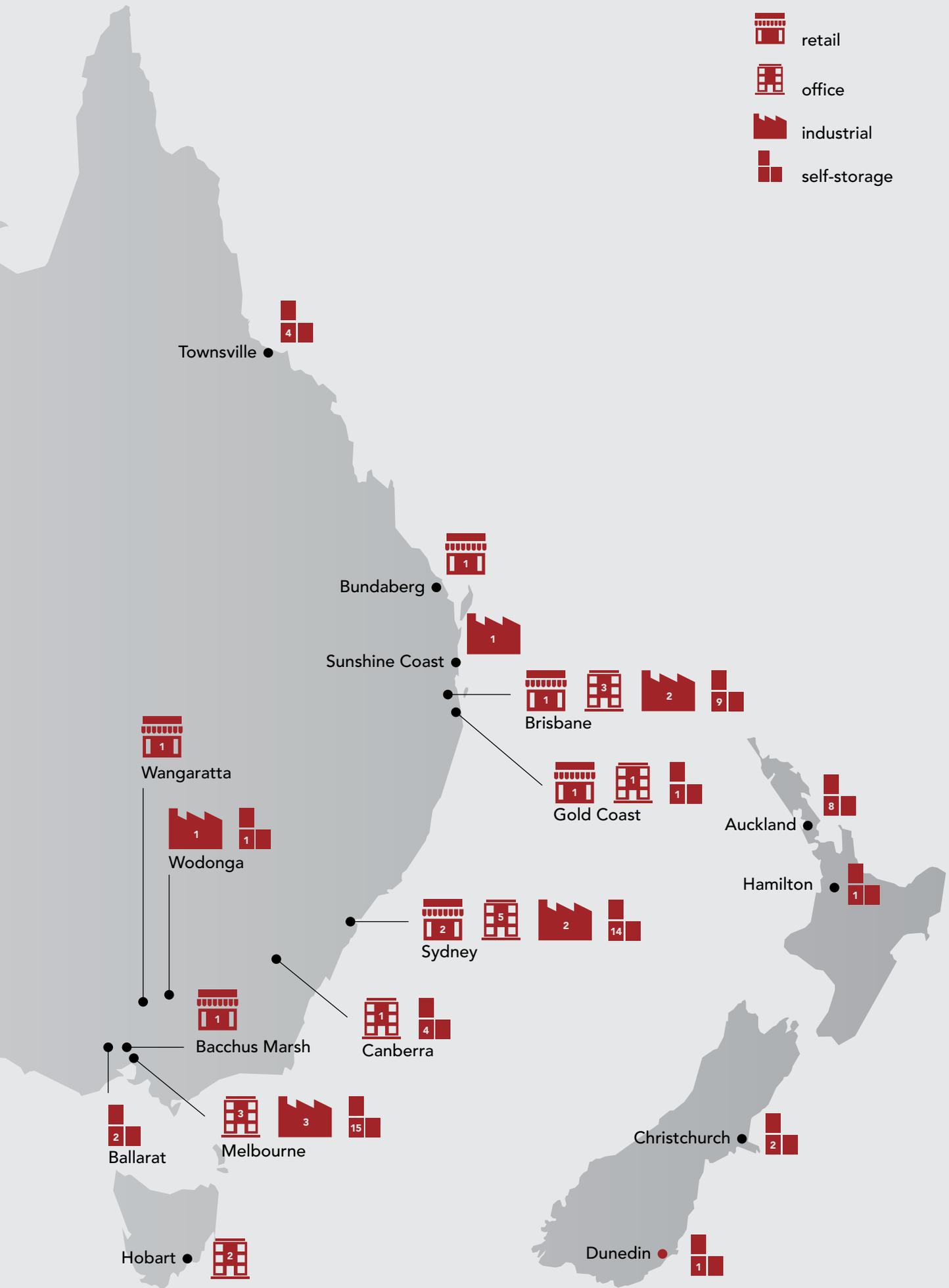
- **Property Acquisition:** Underpinned by strong and consistent investment analysis. What is important is finding properties that have realistic prospects for increased capital growth through active management.
- **Active Asset Management:** Each asset we acquire has a very specific core plus strategy that is developed at the time of acquisition. We have the track record and the experience in asset management to drive transformational events.
- **Investment Realisation:** Where appropriate, we return mature assets to the market and redeploy realised capital into the next generation of higher growth opportunities.

In total Abacus has over \$2.3 billion of assets under management.



Adelaide ●

-  retail
-  office
-  industrial
-  self-storage



chairman and managing director's report

RIGHT: John Thame,
Chairman
LEFT: Frank Wolf,
Managing Director



Dear securityholders

It gives us great pleasure to present the 2016 Securityholder Review for Abacus Property Group.

The Group's financial performance during the year under review delivered a solid result with strong growth across our platform. We delivered growth of 39% in consolidated statutory profit to \$185.9 million. This translated into underlying profit of \$124 million. This compares favourably to the prior year underlying profit of \$128 million which included the gain of \$20.8 million from the sale of Birkenhead Point Shopping Centre in FY15. The Group has achieved a compound 14% per annum growth in underlying earnings since FY13.

We delivered underlying earnings per security of 22.4c for the year. The Group has achieved over 6% per annum compound growth in underlying earnings per security to securityholders since FY13. These strong results underwrote our distribution of 17.0 cents to securityholders, a payout ratio of 76%.

Distributions are typically paid out of recurring earnings, which includes revenue from recurring and passive activities like rental income from our commercial and self-storage properties, funds management fees and interest income from our loans. We continuously seek to grow the revenue from these activities so that distributions remain underpinned by recurring earnings. The Group's recurring earnings per security during FY16 was 18.0 cents.

Surplus earnings are re-invested into new opportunities to grow our recurring earnings to support growth in distributions to securityholders in the future.

Abacus' balance sheet continues to maintain prudent levels of liquidity and gearing. Gearing remains low at 25%, well within our target gearing limit of up to 35%. Capital management initiatives throughout the year allow Abacus to maintain sufficient liquidity and acquisition capacity to take advantage of opportunities throughout FY17 as they arise.

We always seek to improve and reweight the balance sheet to larger, higher quality assets with a focus on disciplined capital management strategies.

Abacus securities delivered another strong return during the year with a 13.7% total return for the 12 months to 30 June 2016. Pleasingly, Abacus also experienced strong growth in its balance sheet assets during the year, driving net tangible assets (NTA) per security growth of 6.8% from \$2.49 to \$2.66 at 30 June 2016. This contributed to a return on equity for securityholders for the 12 months to 30 June 2016 of 13.7%.

The Group's annual financial report includes our operating and financial review (OFR). The objectives of the OFR are to provide our securityholders with a narrative and analysis to supplement the financial report and assist in understanding our operations, financial position, business strategies and prospects. It contains information you need to make an informed assessment of the Group. We encourage you to read the OFR.

Sustainability

Abacus is constantly improving and expanding our progress across our sustainability activities. We are pleased to report that we took another step forward on our sustainability reporting journey by engaging a specialist to begin our Global Reporting Initiative (GRI) G4 gap analysis and materiality assessment. We will deliver a GRI G4 core sustainability report in FY17 which will be prepared in accordance with the Global Reporting Initiative's G4 reporting guidelines 'core' requirements which have become the global framework for sustainability reporting. We have started this process and are well on our way. We are continually evolving our processes, enabling us to better benchmark the sustainability of the Group.

We are very proud of our sustainability protocol and strategies throughout the year. This report illustrates the environmental footprint from the Group's operations, and management and key performance indicators over time, to help us manage and reduce our consumption of natural resources. We encourage you to read this report.

Abacus is an active core plus manager. We acquire assets that we believe are mispriced by the market and fix that mispricing through active management. This strategy may result in mature assets that have been transformed being returned to the market. We believe this strategy has a positive impact on the environment as we extend and rejuvenate the life cycle of assets that may be on their way to becoming obsolete and ultimately end in demolition and rebuilding. This causes a negative impact on the environment and the use of additional natural resources. (Unfortunately, any asset that has benefited from these sustainability initiatives and has been sold is not captured in our metrics.)

We continue to improve the environmental sustainability of our property portfolio through active ongoing property management to incorporate more efficient plant and equipment. The environmentally focused management of our buildings contributes to capital appreciation of these assets over time.

Outlook

Abacus has once again delivered a strong financial result. We are particularly pleased to have generated positive returns across our business segments. The benefits of our multi-business model have been validated. Strong contributions from our self-storage and property ventures businesses offset reductions in income from our commercial portfolio (resulting from recent asset sales). We have successfully invested across our self-storage and residential development platform, selectively adding strong assets in sectors offering the best risk-adjusted returns at this time in the cycle.

Our focus in FY17 is the completion of a number of our residential development projects in our property ventures business. We anticipate almost \$125 million of realisations from residential developments over the next year, which will reduce our exposure to residential by 30%. We expect to reinvest this additional capital in our core business to grow our recurring earnings through investments into the commercial portfolio and self-storage facilities. This will provide scope to grow distributions to securityholders in the future.

The business remains strong with a conservative balance sheet and capacity for future opportunities. We have a suite of assets and projects that we believe can deliver strong income and capital growth. We continue to remain active in the market despite the tight asset pricing and challenges across leasing markets and we remain confident that our residential development opportunities, which are 73% exposed to the strong Sydney market, should deliver strong risk adjusted returns over the next two years.

Finally we and the other members of our Board would like to thank you, our investors and our other stakeholders, for your continuing support. We are pleased with what we have been able to achieve and we are confident that we are positioning Abacus to be able to continue to deliver strong long term total returns. This would not be possible without the dedication and hard work of everyone at Abacus. Therefore, on behalf of the Board, we would like to thank our executive team and all our staff.



John Thame,
Chairman



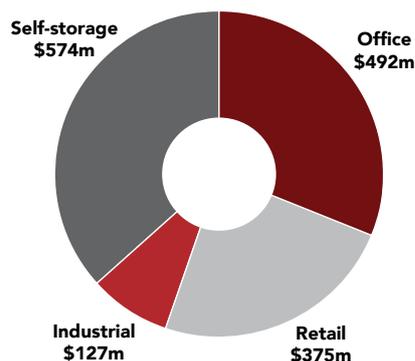
Frank Wolf,
Managing Director



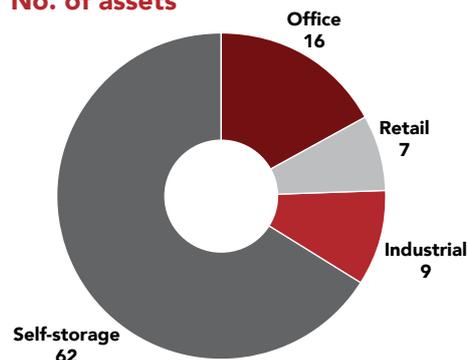
710 collins street
melbourne vic

group performance

Portfolio value



No. of assets



FY16 financial results

We have delivered a strong result across all of the Group's main financial and capital metrics. Abacus' total assets increased to almost \$2.3 billion, with net assets growing to \$1.5 billion, at year end. The Group's net tangible asset backing per security improved by 6.8% reflected the improvement in the Group's self-storage portfolio and the retail portfolio, in particular Ashfield Mall and Bacchus Marsh Village Shopping Centre following significant redevelopment works.

The Abacus balance sheet was in a robust capital position at balance date with gearing of 25% as a result of an increase in acquisition activity during the year into self-storage and residential development opportunities.

There are no debt expiries in 2017 and our average debt term to maturity is over 3.5 years. We anticipate Abacus' weighted average interest rate will remain relatively stable as current capacity is utilised and anticipate it should be no greater than 5.75% over FY17.

The Group's business is focused on driving recurring earnings while producing strong capital returns to re-invest in assets that will over time add to the Group's recurring earnings. This will underpin the delivery of distribution growth to securityholders.

Overview of our operating divisions

Investment portfolio

The Group has \$1.6 billion of investment properties spread across our commercial and self-storage portfolios. This includes \$395 million invested alongside our investment partners in over \$800 million of office and retail assets under management through our third party capital platform. Abacus' third party joint ventures remain an integral strategic investment platform for the Group. We are focused on growing our third party platform as we continue to expand our investment relationships and product offerings to meet the needs of our investment partners. We recently entered into our first management only mandate to manage the Red Cross Building in Sydney on behalf of a new client.

We continue to remix the portfolio out of smaller retail and industrial assets at this point in the cycle to larger office and retail assets while continuing to grow our self-storage portfolio.

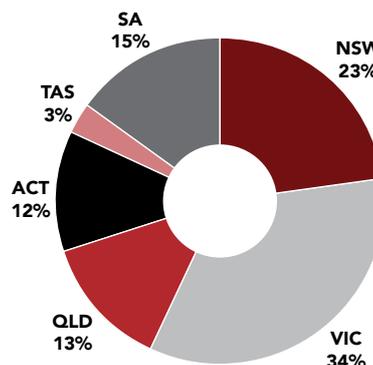
Our investment portfolio delivered \$95.7 million EBITDA for the financial year. This result, pleasingly maintained the contribution to earnings from rental and storage income on FY15 despite the sale of a number of assets in the portfolio. Profits from the sale of investment assets was down on the prior year as only \$64 million of assets were sold during FY16.

group performance – office

Our office portfolio grew 12% through the year to a \$492 million portfolio.

Portfolio metrics	Jun 16
Portfolio (\$m)	492
No. of assets	16
Lettable area (sqm) ¹	89,004
WACR (%)	7.33
Occupancy ¹ (% by area)	91.8
Average rent (\$ per sqm)	460
WALE ¹ (yrs by income)	4.1
Rental growth ^{1,2} (%)	2.5

¹ Excludes development assets
² Like for like rent growth



Our office portfolio grew 12% through the year to a \$492 million portfolio. This followed a decline in the number of assets in the portfolio over the last few years as we took advantage of the strong interest in CBD office assets in Melbourne and Sydney and sold a number of smaller assets.

While the investment strategy differs for each individual asset based on multiple factors including location, sub market environment, floor plate configuration, existing tenancies etc our general core plus strategy within our office portfolio has consistently demonstrated our long track record of achieving the re-rating of individual assets and delivering strong capital returns to securityholders.

The office portfolio saw the addition of half of 201 Pacific Highway, St Leonards to the portfolio at the beginning of the year. This asset was acquired in August 2015 for \$115 million in a 50/50 joint venture with Goldman Sachs. The asset is an A grade commercial office block in the Forum complex, a master planned development completed in the early 2000s. It is located at the foot of the St Leonards railway station providing excellent amenity and proximity for tenants.

The property comprises 13,841m² of office, 2,688m² of retail and 262 car spaces. The retail comprises 20 tenancies, anchored by a Coles

supermarket in the Forum plaza adjoining the railway station. We are exploring a stratum subdivision of the retail and office to enable the sale of individual strata retail shops to retail investors. We expect them to trade at substantially reduced cap rates to the original acquisition cap rate.

The existing portfolio delivered robust metrics for the period. Despite occupancy dropping slightly to 91.8% we were able to deliver strong like for like rental income growth of 2.5%.

We completed a number of small redevelopment projects across our 14 Martin Place asset (50% interest), located in the financial centre of the Sydney CBD. The asset is close to finalising a number of new tenancies located with the buildings retail tenancies across the lower ground and ground floors. The new tenancies to high quality food and beverage providers including world renowned, award winning Australian chef, David Thompson have improved the quality and mix of retailers in the building.

The office leasing market continues to show signs of improvement particularly across the eastern seaboard office markets where demand for office space has seen an increase in absorption while significant levels of secondary stock have been withdrawn further reducing vacancy levels across important CBD markets.

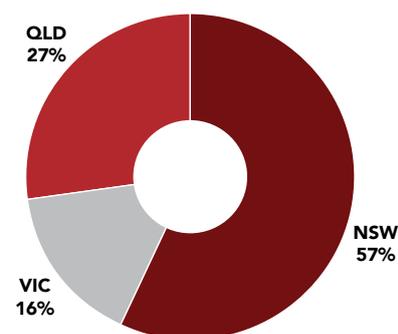
group performance – retail

Like for like rental growth increased 7.6% during the year.

Portfolio metrics	Jun 16
Portfolio (\$m)	375
No. of assets	7
Lettable area (sqm) ¹	83,106
WACR (%)	6.74
Occupancy ¹ (% by area)	85.7
Average rent (\$ per sqm)	446
WALE ¹ (yrs by income)	4.9
Rental growth ^{1,2} (%)	7.6

1 Excludes development assets

2 Like for like rent growth



Our retail portfolio grew substantially from \$275m to \$375 million portfolio, a 36% increase through the year. While the number of retail assets remained stable at 7, we replaced a small IGA shopping centre with a much larger neighbourhood shopping centre in line with our stated strategy to invest in larger higher quality assets.

Abacus' retail portfolio is focused on properties that are the dominant convenience shopping centres in their primary trade area. They are heavily centred on non-discretionary convenience based shopping. Our retail acquisition strategy is to acquire assets that have strong turnaround prospects to take advantage of the positive outlook for the convenience based retail sector. As a result, currently half the retail assets we own are in some stage of repositioning or redevelopment. This has impacted the portfolio's operating metrics as development projects and re-leasing strategies are initiated and progressed during the year.

We added Lutwyche City Shopping Centre, a large format four-level enclosed neighbourhood shopping centre in Lutwyche, 5km north of the Brisbane CBD, in October 2015. The centre is the dominant convenience centre servicing local residents and is well located with exposure to major transport corridors and the local public transport hub. This asset was acquired for \$65 million in a 75/25 joint venture with an investment

partner in our third party capital platform. The centre has strong repositioning opportunities and is currently undergoing refurbishment and redevelopment projects in line with our strategic plans for dominating the primary trade area for the convenience shopper.

We have also largely completed a significant redevelopment and refurbishment program at our Bacchus Marsh Village Shopping Centre, in Bacchus Marsh in regional Victoria, 50km from the Melbourne CBD. This centre has undergone a complete refurbishment and expansion of the major tenancies. The Coles and ALDI supermarkets have upgraded formats and new lease deals. We have also added extra car parking and also converted surplus vacant land into a new service station leased to Coles Express for 12 years.

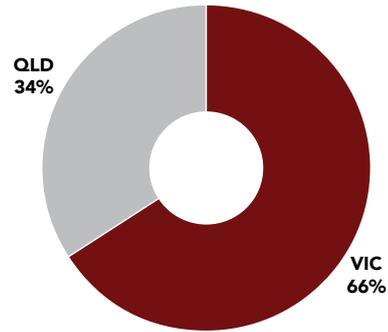
As a result of our retail strategy, the portfolio's occupancy was reduced to 85.7% as we either vacated tenancies to allow for development works or commenced re-leasing newly redeveloped space. While our occupancy is low for a stabilised portfolio, we expect occupancy to improve significantly as new space is leased. This should continue to drive like for like rental growth across the portfolio, which achieved 7.6% growth in FY16 across the portfolio.

group performance – industrial

Portfolio w	Jun 16
Portfolio (\$m)	127
No. of assets	9
Lettable area (sqm) ¹	130,778
WACR (%)	8.39
Occupancy ¹ (% by area)	94.4
Average rent (\$ per sqm)	82
WALE ¹ (yrs by income)	3.5
Rental growth ^{1,2} (%)	(7.4)

1 Excludes development assets

2 Like for like rent growth



pmp, browns rd
clayton vic

Our industrial portfolio remained fairly stable over the year with \$127 million invested across the portfolio, despite the sale of a number of small industrial assets. The investment market has remained very strong for industrial assets over the last year and we were pleased to take advantage of the strong prices being paid, in line with our stated strategy to recycle out of smaller assets.

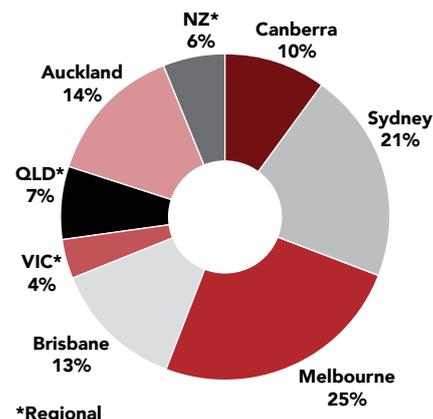
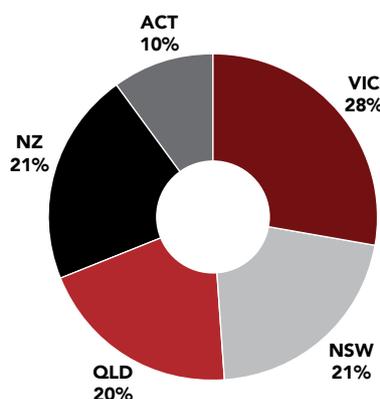
Our industrial portfolio is largely focused on assets with strong yields on sites that offer strategic value through alternative use or expansion strategies.

Our asset in Browns Road is a 6.1 ha site leased to PMP Limited for the remaining 7 years on a triple net lease. The site was acquired for \$19.6 million in 2013. After year-end we negotiated a sale with a delayed settlement for the site for \$51.5 million to a local developer. This transaction should deliver an equity IRR of over 35% to the Group.

group performance – self-storage

Portfolio metrics	Jun 16
Portfolio (\$m)	574
No. of assets	62
Lettable area (sqm)	290,000
WACR (%)	7.98
Occupancy ¹ (% by area)	87.4
Average rent ¹ (A\$ per sqm)	259
RevPAM ¹ (A\$ per available sqm)	227

¹ Average over last 12 months (by area) of all stabilised assets



Portfolio performance during the year grew RevPAM by 3.2%

Our self-storage portfolio has grown into a core holding within the investment portfolio. We continued to grow our investment in the self-storage sector with a further 25.6% growth in the portfolio value to \$574 million across 62 assets. This growth was achieved through a combination of the acquisition of 7 new assets and strong revaluation gains across the existing portfolio. We remain committed to growing our self-storage portfolio to at least \$1 billion over the next 3 to 4 years.

Self-storage trading across the portfolio improved, delivering EBITDA growth of 15.5% for the 12 months to 30 June 2016 over the prior corresponding period. This increase was driven by margin improvements, new facilities and strong growth in occupancy and rental rate over the portfolio. The established portfolio's operating metrics continue to improve year on year with further increases to occupancy and rental rate levels of 87.4% and \$259pm² increases of 1.4% and 1.2% respectively. These combined to drive RevPAM (revenue per available square metre) growth of 3.2%.

The acquisitions through the year had a good mix of stabilised facilities and assets acquired for conversion to self-storage. As the market matures and becomes more institutionally recognised as a stabilised asset class, we are experiencing a strong re-rating of established self-storage facilities with pricing expectations above what we consider to be sound value. As a result we have focused our attention on the conversion of obsolete, vacant industrial sheds in to self-storage facilities. We target assets that will contribute to improving the portfolio metrics, particularly focusing on conversion

opportunities in metropolitan areas, with limited barriers to entry, on Australia's eastern seaboard that will deliver higher average rental rates than the current portfolio average.

We have had success with our conversion strategy with a number of facilities open and trading over the last few years. These facilities are typically trading at occupancy levels averaging 67% during FY16 after an average of 18 months of operation. These facilities will deliver us strong IRRs in line with our investment requirements.

Our self-storage asset at St Peter's, Sydney NSW was converted in February 2015 from a vacant factory goods outlet store. The site was located in a high yield catchment area with close proximity to neighbouring high density residential precincts providing good demand drivers for self-storage in the area. We converted the asset into a 3,300m² facility adding extra NLA through the expansion of the site by adding a mezzanine floor. Occupancy is now 85%, exceeding expectations since opening, with strong prospects of significant rental rate expansion.

We recently acquired another site for conversion in South Oakleigh in Melbourne VIC. The warehouse offers good clearance levels that will accommodate a new mezzanine floor to increase the available NLA, plus surplus land to the rear allowing for future expansion once occupancy has stabilised to an appropriate level, and external drop down units in the meantime. The asset will provide c.4,500m² of NLA once completed. Average rental rate should be in line with portfolio average rate of \$260pm².

group performance – property ventures & funds management

Property ventures

The Property Ventures business invests in projects and provides finance solutions that focus on select residential and commercial development opportunities in core locations directly and with experienced local joint venture partners. We look to invest capital in development projects that either offer simple construction with experienced partners or projects of significant size and density that require a rezoning of the land to residential. We look to crystallise the value uplift through a sale of the site following a significant re-rating of the land once rezoned.



The division generated a strong EBITDA result of \$57.0 million for the year, an increase of 1.1 times on the previous year, attributable to an increase in Interest income and fee income from new and existing projects and profit realisations. We have invested a further \$123 million in new and existing projects providing total assets of \$500 million in property venture investments. Abacus controls over 9,000 units or land lots which equates to a c\$55,000 cost base per unit/land lot.

This low average price provides evidence that the property ventures business has prospects for strong returns.

Abacus has a number of joint ventures that own land sites in Metropolitan Sydney areas undergoing residential rezoning. We continue to work with all stakeholders to ensure the expeditious delivery of rezoning approvals, including the projects in Camellia and Campsie both in Sydney NSW. It is anticipated that these sites will either be sold to developers or built with our joint venture partners. The recent council amalgamations and subsequent court actions have however created headwinds for developers seeking development approvals.

One project in Alderley which comprises office and warehouse buildings located in an established inner city residential suburb, 5km north of the Brisbane CBD, provides an exciting rezoning opportunity. This asset was acquired in September 2007, and has been a strong income producing property over this period. We are currently in the process of community consultation to finalise a development proposal for a rezoning of the site to residential for circa 350 residential products including town houses, apartments and houses designed for the local home owner and investor.

We anticipate c\$125 million of realisations through FY17 as a result of a number of residential construction projects reaching completion and settlement.

Funds management

In line with a reduction in assets under management, our funds management business generated an underlying EBITDA result of \$10.7 million for the period. Abacus has \$146 million of funds invested across the platform. Abacus continues to manage these unlisted funds to try to optimise the returns with selective sales of assets where opportunities and market conditions allow. In line with this strategy, Abacus Diversified Income Fund II and Abacus Hospitality Fund are expected to sell their remaining assets during FY17.



25 bouquet street
brisbane qld

sustainability report

131-141 church street
hawthorn vic



Introduction

For Abacus, sustainability means considering environmental, social and governance risks and opportunities in our business operations. This covers our investment decision-making process to our asset management and development activities and any asset realisations.

The environment

This is Abacus' third year of providing data on the Group's environmental footprint from its operations and management and the second year where we have some comparable data. The data comparing our key performance indicators over time has helped and will help us manage and hopefully reduce our consumption of natural resources.

Abacus is well positioned to improve the environmental sustainability of our buildings through efficient property management and development and upgrade of buildings which incorporate more efficient plant and equipment. The responsible management of our buildings will also contribute to capital appreciation of those buildings over time.

When reading and utilising the information contained in this report, it is important to remember Abacus's investment philosophy that is the cornerstone for every investment decision we make. Abacus is an active core plus manager of its assets. We like to acquire unloved assets and transform them into attractive core properties. We are very proud of our strategy as we believe we are extending and rejuvenating the life cycle of assets that may be on their way to becoming obsolete and ultimately ending in demolition and rebuilding, causing an adverse impact on the environment and the use of additional natural resources. Our strategy can

lead to a fluid portfolio of properties where mature assets that have been transformed may be returned to the market. An unfortunate side effect can be that strong assets that have benefited from the good work achieved by our sustainability initiatives are not captured in our metrics as assets may be sold before they improve our sustainability metrics.

Typically when a new property is acquired a full assessment of the property is completed that may entail both functional upgrades and cosmetic changes. When we invest in energy projects we seek to balance the short term and long term interest of our building strategies such as financial, environmental and potential impact on the community. We will often upgrade mechanical services before lifecycle replacement (including control systems, air conditioning chillers, boilers, pumps, cooling towers etc.) in order to improve environmental and financial outcomes. These strategies help enhance the properties' NABERS ratings and evidence of this can be seen on page 19.

Our key performance indicators for environmental sustainability are set out in the next table. Total energy use is a measure of electricity, gas and diesel consumed in the management of our properties. Energy intensity identifies the energy use for each square metre of gross lettable area. We have similarly measured our water usage and water intensity at our managed properties. Carbon emissions combine direct emissions from gas and diesel consumed for base building services (scope 1), indirect emissions from electricity consumed (scope 2) and indirect greenhouse gas emissions other than scope 2 emissions that are generated in the wider economy (scope 3).

Key Performance Indicators – Whole Portfolio

Environmental Measure	Key Performance Indicator	Year ended 30 June 2016	Year ended 30 June 2015
Total Energy Use	Energy use from electricity, gas and diesel (GJ)	154,951 GJ	129,553 GJ
Energy Intensity	Energy use per square metre of gross lettable area (MJ/m ²)	455 MJ/m ²	382 MJ/m ²
Total Water Use	Water consumption (KL)	261,298 KL	245,868 KL
Water intensity	Water use per square metre of gross lettable area (KL/m ²)	0.77 KL/m ²	0.73 KL/m ²
Carbon Emissions	Carbon emissions (scope 1 and scope 2) associated with energy consumed (Tonnes CO ₂ e)	28,634 tCO ₂ e	27,770 tCO ₂ e
Carbon Emissions	Carbon emissions (scope 1,2 and 3) associated with energy consumed (Tonnes CO ₂ e)	32,761 tCO ₂ e	31,768 tCO ₂ e

Our key performance indicators highlight an increase across the portfolio in the amount of energy and water consumption in total and also per square metre of gross lettable area. We have also recorded an increase in the carbon emissions produced by our managed properties.

The increases across the portfolio reflect the increase of Group assets on FY15 and the full year contribution of a number of large scale assets that we acquired in FY15. These include the World Trade Centre building and 710 Collins Street, both in Melbourne's Docklands area. Victorian electricity has the highest emission factor in Australia when calculating carbon emissions from energy usage. This year also includes a full 12 months of data for Oasis Shopping Centre, Gold Coast QLD that we acquired in March 2015. The increases also relate to the inclusion of a number of large assets that have substantial common areas that are energy intensive and only partly rechargeable to tenants. The assets acquired in FY16 include 201 Pacific Highway, St Leonards NSW and Lutwyche City Shopping Centre, Brisbane QLD, are assets with higher than average energy intensity. These assets give us an opportunity to enhance their sustainability characteristics and to reduce their energy intensity and carbon emission footprint.

Despite the addition of new properties impacting the overall performance, we continued to deliver on our strategic objectives with our existing portfolio of properties which entails the following energy performance enhancing initiatives as properties are undergoing refurbishment:

- Optimisation of building management systems and strategies for the start/stop of the air conditioning systems to avoid running plant when not required;
- Optimisation of the domestic water temperature when possible;
- Replacement of fire stairs and carpark lighting with Chameleon LED lighting systems;
- Replacement of lighting for all refurbished floors from T8 to T5 or LED when possible; and
- Replacement of obsolete air conditioning chillers with state of the art powerpax chillers.

We are also very proud that for the past five years Abacus continued to support the global movement to combat climate change by taking part in Earth Hour. We joined millions around the world by turning off the lights in our properties for an hour and taking collective action against global warming. We also, when possible, engage with our tenants to also participate by switching off their lights and ensuring ongoing light management in the evenings.

Key Performance Indicators – Like for like properties
(properties owned for the 12 months of FY15 and FY16)

Environmental Measure	Key Performance Indicator	Year ended 30 June 2016	Year ended 30 June 2015
Total Energy Use	Energy use from electricity, gas and diesel (GJ)	75,329 GJ	76,064 GJ
Energy Intensity	Energy use per square metre of Gross lettable area (MJ/m ²)	394 MJ/m ²	398 MJ/m ²
Total Water Use	Water consumption (KL)	109,803 KL	124,302 KL
Water intensity	Water use per square metre of Gross lettable area (KL/m ²)	0.57 KL/m ²	0.65 KL/m ²
Carbon Emissions	Carbon emissions (scope 1 and scope 2) associated with energy consumed (Tonnes CO ₂ e)	13,417 tCO ₂ e	14,273 tCO ₂ e
Carbon Emissions	Carbon emissions (scope 1,2 and 3) associated with energy consumed (Tonnes CO ₂ e)	15,507 tCO ₂ e	16,441 tCO ₂ e

To illustrate the achievements we have delivered across our existing portfolio we have extracted the key performance indicators on a like for like basis, capturing data on assets we have owned for a full two year period. The results illustrate that when we focus on the stabilised portfolio we have achieved strong reductions in water consumption and water intensity. While energy use and energy intensity fell slightly over the two year period, pleasingly we were able to reduce the level of carbon emissions across scopes 1, 2 and 3, delivering improvements of over 6% across all levels. The initiatives we mentioned above have assisted across the like for like portfolio and particularly instigated a decline in the electricity usage at properties like 14 Martin Place, Sydney NSW and Liverpool Plaza, Liverpool NSW. The fitting of energy efficient lights in common areas and new air conditioning chillers delivered a drop in energy consumption by 29% and 10% respectively on FY15 usages. The drop in consumption contributed to a total fall in all emissions across these two properties of 21% and 13% respectively.

Another example of the projects we activated during the year delivered a 92% saving in energy consumption with the replacement of a variety of old style single and twin T8 fluorescent batten fittings in the fire stairs & undercover carpark. The 92% energy savings in the affected common areas were achieved by replacing fluorescent lighting with no controls operating 24 hours a day for 7 days a week with award winning energy saving lights. The new Chamaeleon III ceiling mount models have an inbuilt microwave motion sensor, which operates on full light

output when a presence is detected in the area, before gradually fading to standby light output, consuming just 4-5 watts.

Our processes for capturing information are constantly being developed and expanded. We are looking into increasing the key performance indicators to include waste management once we are able, but it is challenging to obtain accurate data from our contractors.

Key performance indicators are measured for properties under our operational control as defined in the National Greenhouse and Energy Reporting Act 2007 where Abacus has the authority to introduce and implement any or all of operating policies, health and safety policies or environmental policies for the property.

The NABERS rating is a tool that we use that assists in the identification of properties that could benefit from energy efficiency capital improvements which in turn may improve the prospects for leasing vacant space or renewing leases with tenants who may otherwise have vacated. This is an important metric. It is not, however, appropriate to evaluate Abacus from a sustainability perspective on the basis of NABERS ratings alone. The core plus nature of our business is to acquire and manage properties that may present lower than average ratings specifically to exploit the opportunity to upgrade and enhance assets and ultimately enhance capital values.

NABERS ratings are not required or appropriate for all the managed properties in our portfolio. Our properties that currently have a NABERS energy or NABERS water rating are:

Property	2016 NABERS Energy	2015 NABERS Energy	2014 NABERS Energy	2016 NABERS Water	2015 NABERS Water	2014 NABERS Water
8 Station Street, Wollongong, NSW	Sold	3.5	3.5	Sold	4.0	4.0
32 Walker Street, North Sydney, NSW	3.5	3.5	3.0	1.0	3.0	n/a
14 Martin Place, Sydney, NSW	3.5	3.0	2.5	3.0	2.0	2.0
169 Varsity Parade, Varsity Lakes, QLD	4.0	1.0	2.5	3.5	4.0	n/a
1 Bellvue Drive, Varsity Lakes, QLD	Exempt	Exempt	Exempt	Exempt	Exempt	n/a
35 Boundary Street, Brisbane, QLD	3.0	3.5	2.5	6.0	6.0	6.0
51 Allara Street, Canberra, ACT	5.0	5.0	5.0	4.5	4.5	4.5
91 King William Street, Adelaide, SA	4.0	4.0	4.0	2.5	3.0	n/a
World Trade Centre, Melbourne, VIC	4.0	2.5	-	n/a	n/a	-
710 Collins Street, Melbourne, VIC	Exempt	3.5	-	Exempt	n/a	-
201 Pacific Highway, St Leonards, NSW	3.0	-	-	n/a	-	-
99 Bathurst Street, Hobart, TAS	4.5	-	-	n/a	-	-
33 Queen Street, Brisbane, QLD	0.0	-	-	2.0	-	-

These performance metrics indicate that there have been some strong improvements to our energy and water ratings across a number of our properties during the year. Importantly, we saw improvements across the properties that showed lower than average energy ratings. On a like for like average energy rating we improved the portfolio from a 3.2 star average to a 3.9 star average NABERS energy rating. Energy saving improvements to 14 Martin Place, Sydney were due to the initiatives mentioned earlier in this report while 169 Varsity Parade, Varsity Lakes, QLD improved following a substantial increase in the property's occupancy. World Trade Centre's NABERS energy rating improved from 2.5 stars to 4 stars during the year as a result of the introduction of efficient lockout strategies for the boiler and air conditioning systems combined with optimising our air handling units

and the installation of variable speed drives where possible. We also initiated a program across the property to replace quartz halogen fittings with LED fittings in lights across all public areas.

We did experience a downgrade in energy rating at 35 Boundary Street in Brisbane, QLD as a result of a short term vacancy of 20% during the rating period. 33 Queen Street, Brisbane also experienced significant vacancy of over 40% during the rating period which led to a zero energy rating. 32 Walker Street, Sydney suffered from a faulty water meter which led to a drop from 3 stars water rating to 1 star during the year. Sydney Water has now replaced the water meter and we anticipate the rating will revert to 3 stars or higher in FY17.

sustainability report continued

The workplace

Social issues of potential material implication to Abacus' business encompass a wide range of areas including health and safety, human capital management and human rights. For Abacus, the most material social issues are workplace health and safety.

Health and safety is important for all businesses, and Abacus has a Workplace Health and Safety Policy to ensure we provide a safe environment for all employees and others accessing our owned and managed properties.

Our Board Charter, Code of Conduct, Diversity Policy, Audit and Risk Policy, Risk Management Framework and Employee Handbook demonstrate our commitment to human capital management.

Work health and safety management

Abacus strives, through effective consultation and a process of continuous improvement, to integrate safety and health into all aspects of our activities. We:

- have adopted a health and safety management system to systematically manage health and safety throughout all Abacus work environments
- set objectives and targets aimed at measuring our health and safety performance
- provide our staff and contractors with appropriate supervision and training to make them aware of and accept their responsibility to achieve a safe work environment
- have implemented a system that enables and encourages effective communication and consultation
- maintain procedures and practices that enable a systematic and effective approach to identifying, reporting, assessing and controlling risk
- allocate financial, human and physical resources to meet our commitments

Work health and safety performance

We aim to achieve zero harm in the workplace. Abacus recognises the fundamental right of all workers and those affected by our undertaking to a safe and healthy environment. Through the application of our workplace health and safety principles, we endeavour to provide a safe and healthy working environment for all our employees, contractors, customers and visitors.

Activities and outcomes throughout FY16 have continued to build on the successes achieved during FY15, enabling Abacus to continue on our journey towards our primary goal. Our work during the year has led to positive recognition from the industry.

During FY16 we recorded zero fatalities, disabling injuries, occupational illnesses or other reportable injuries. There were however a number of incidents:

- 16 employee lost time incidents resulting in 24 lost working days. This was an increase of 23% on lost time incidents but a reduction of 20% in lost working days on FY15.
- This is illustrated by a 35% fall in the severity rate from 2.3 to 1.5
- 11 medically treated injuries, a 10% increase on FY15.
- 23 high-potential near misses, an increase of 44% on FY15.

Incident reporting continues to improve and demonstrates a marked decrease in both the frequency and severity of worker incidents. Anecdotal evidence from a significantly greater quantity of incidents requiring only first treatment or no treatment at all, as well as an increase in the number of near hits being reported, support claims of early identification of incident risks by workgroups occurring and the early intervention of workplace incidents when harm occurs, both minimising the occurrence, or exacerbation, of harm.

The above data illustrates the improvements the Group has achieved as the increase in reporting of incidents, and confirms that the strong frameworks and training implemented across the Group has been successful. In FY17 we remain committed to maintain our training and management of risks across the Group and envisage a continuing improvement in our main reporting metrics as a result.

Our people

We have a strong commitment to our people and focus on providing an engaging work environment that creates a foundation that supports their personal and business development. We encourage people to exercise their entrepreneurial spirit within the collaborative culture of Abacus to deliver the

Group's business goals. We actively encourage and support a diverse workforce where gender, age, ethnicity can contribute positively in the workplace. Gender diversity continues to be a key focus and we implement initiatives to maximise opportunities for women across the business and in management, supporting flexible working arrangements and prevent harassment in the workplace.

Workplace metrics

Gender composition										
	2016 Female		2015 Female		2016 Male		2015 Male		2016 Total	2015 Total
	No.	%	No.	%	No.	%	No.	%	No.	No.
Board	1	17%	1	17%	5	83%	5	83%	6	6
Workforce	26	41%	25	44%	38	59%	32	56%	64	57
Executive	0	0%	1	11%	6	100%	8	88%	6	9
Management	4	27%	3	33%	11	73%	6	67%	15	9

Female salaries as a percentage of male salaries						
	2016			2015		
	Female No.	Male No.	male salary %	Female No.	Male No.	male salary %
Entry	7	2	102%	6	2	101%
Intermediate	4	4	87%	5	2	93%
Experienced	9	5	113%	7	4	108%
Specialist	2	10	130%	3	10	117%
Manager	2	4	98%	2	3	79%
Senior Manager	2	7	97%	1	3	84%
Executive	0	5	N/A	1	7	88%
MD	0	1	N/A	0	1	N/A

Full time / Part time										
	2016 Female		2015 Female		2016 Male		2015 Male		2016 Total	2015 Total
	No.	%	No.	%	No.	%	No.	%	No.	No.
Full time	24	41%	21	41%	35	59%	30	59%	59	51
Part time	2	40%	4	67%	3	60%	2	33%	5	6

Proportion of females by job level										
Entry	7	78%	6	75%	2	22%	2	25%	9	8
Intermediate	4	50%	5	71%	4	50%	2	29%	8	7
Experienced	9	64%	7	64%	5	36%	4	36%	14	11
Specialist	2	17%	3	23%	10	83%	10	77%	12	13
Manager	2	33%	2	40%	4	67%	3	60%	6	5
Senior Manager	2	22%	1	25%	7	78%	3	75%	9	4
Executive	0	0%	1	13%	5	100%	7	87%	5	8
MD	0	0%	0	0%	1	100%	1	100%	1	1

sustainability report continued

Metrics illustrating women's pay as a percentage of male salaries continued to show improvement across 5 out of the 6 brackets in which women are employed. This illustrates the Group's commitment to ensuring equality for all our employees. Further analysis illustrates that the improvements across the five categories where women's pay as a percentage of their male peers pay shows that they are either paid at similar levels or more than their male peers. Each bracket has a number of pay scales that relate to different levels of experience and responsibilities. The movement in the numbers of female employees in the executive and senior manager categories are highlighted in the remuneration report. 41% of our workforce is female.

Providing an encouraging environment that empowers people to grow and develop is critical to the delivery of our business goals. It is Abacus' policy that all staff receive appropriate training for their responsibilities. This includes introductory training for new staff, internal training seminars and suitable external training. The head of each department in Abacus is directly responsible for the training (initial and continuing) of the staff in their department.

On an annual basis, each responsible manager must complete a training plan for the next 12 months which covers the responsible manager's responsibilities in relation to the financial service(s) for which it is responsible. A training register is maintained and updated monthly for all staff.

All staff are subject to an annual appraisal process with the heads of each department. For executive staff this incorporates performance reviews against the achievement of defined key performance indicators. This process delivers transparency and facilitates discussion on an individual's goals and performance.

We recognise that as we expand the business through acquisitions and sales and the delivery of projects our workforce will evolve and can exhibit higher volatility of staff turnover levels. This is typical of our active management business that can deliver a higher turnover in staff as assets and projects are transferred. Pleasingly, in FY16 our total workforce turnover fell to 16% from 24% in FY15. Importantly the average tenure of employed staff is over 5 years, with 51% of staff employed for longer than 5 years.

Community

We also recognise that there is an essential need for community engagement and actively work to give back to the community through our projects, properties and corporate giving and volunteering programs. We strongly believe that a proactive employee program engaged in charitable and community based activities builds a better workforce that can deliver greater benefits to the Group and the communities it serves while fostering a stronger working environment.

As a result, we established a Corporate Philanthropic Committee (CPC) to quantify the level of activities that were already occurring at an individual staff level as well as implementing a more structured review of the Group's charitable activities. Following a group wide philanthropic survey engaging all staff members, the CPC was very pleased to find that, aside from the Group's established donation matching program, many employees were undertaking charitable activities and volunteering in their own time. It was also pleasing to understand that the Group was also already involved in charitable donations at a corporate and property level. It became clear that part of the CPC's role was also to ensure that all employees are made aware of the level of charitable activity already occurring.

One of the community initiatives we support across our property operations is assisting and supporting local charities and community groups. We typically achieve this through the utilisation of vacant space and casual leasing arrangements at Abacus owned properties where we providing free casual mall leasing space to enable local charities to run fundraising and other activities free of charge or at highly discounted rates. We have supported numerous charities through this initiative including the Salvation Army's Red Shield Appeal and Kids with Cancer.

The Group's donation matching continues to be a very popular option for employees with a wide variety of achievements including trekking the Kokoda Trail for Network Kokoda, Oxfam 100 km Sydney Trail Walk, Starlight Foundation's Tour de Kids from Melbourne to Canberra, Vinnies CEO Sleep Out, and Abseil for Angelicare to name a few.

As a Group, donations across all activities for the Group increased over five times on funding raised in FY15, with employees' own donations further increasing these funding levels. The Group is proud of its achievements in FY16.



131-141 church street
hawthorn vic

The CPC's main goal was to expand the existing programme extensively and to set up an active corporate philanthropy programme where all of our staff can participate, if they want to, and be involved in, contributing to the wider community. The CPC's first actions were to investigate all corporate giving and volunteering initiatives available and select the initiatives that could be achievable at this early stage and be actively embraced by our staff. The CPC will be fully involved in implementing and maintaining the programme. From the staff philanthropic survey, it became clear that one of the best ways in which employees wanted to engage with its communities would be through a corporate volunteering program that provides additional support and funding to community initiatives. The CPC is currently assessing a number of suitable initiatives with the goal of initiating the first of many volunteering days to take place before the end of 2016 calendar year.

We are also investigating options for partnership opportunities with a national charity and how Abacus could provide support and resources to further assist in the charity's programme.

Outlook

Abacus takes its reporting responsibilities seriously; we are constantly working towards consistent improvement in our ability to meet best practice reporting expectations for all our stakeholders. We have committed to deliver a more comprehensive sustainability report which will continue to report on many of our existing reporting processes but also align these processes against globally accepted frameworks. As part of this commitment we have set a target to deliver our FY17 sustainability report prepared in accordance with the Global Reporting Initiatives (GRI) G4 'Core' requirements, including a set of robust policy documents to support this reporting. This approach will entail a robust materiality assessment process of key issues in our business and gap analysis between what we currently report and what we should report in the future ensuring the relevance of the information reported. This transition will involve an extensive review across all aspects of the business and will be facilitated by an independent specialist.

board members and senior executive team



TOP - LEFT TO RIGHT
Mr John Thame, Mr William
Bartlett, Mr Malcolm Irving
and Mrs Myra Salkinder

BOTTOM - LEFT TO RIGHT
Mr Peter Spira and
Dr Frank Wolf



John Thame *Chairman*

Mr Thame joined the Board upon listing in 2002. John has over 31 years' experience in the retail financial services industry in senior management positions. His 26-year career with Advance Bank included 10 years as Managing Director until the Bank's merger with St George Bank Limited in 1997. John was Chairman (2004 to 2008) and a director (1997 to 2008) of St. George Bank Limited and St. George Life Limited.

William Bartlett *Non-executive Director*

Mr Bartlett joined the Board in 2007. As a partner at Ernst & Young for 23 years, Bill held the roles of Chairman of Worldwide Insurance Practice, National Director of Australian Financial Services Practice and Chairman of the Client Service Board. Bill is a director of Suncorp Group Limited, GWA Limited, Reinsurance Group of America Inc. and RGA Reinsurance Company of Australia Limited. He is also Chairman of the Cerebral Palsy Foundation of Australia.

Malcolm Irving (AM) *Non-executive Director*

Mr Irving joined the Board upon listing in 2002. Malcolm has over 41 years' experience in company management, including 12 years as Managing Director of CIBC Australia Limited. He is also a director of O'Connell Street Associates Pty Ltd and Macquarie University Hospital.

Myra Salkinder *Non-executive Director*

Mrs Salkinder joined the Board in 2011. Myra is a senior executive of the Kirsh Group. She has been integrally involved over many years with the continued expansion of the Kirsh Group's property and other investments, both in South Africa, Australia and internationally. Myra is a director of various companies associated with the Kirsh Group worldwide.

Peter Spira (AM) *Non-executive Director*

Mr Spira joined the Board in 2015. Peter had significant experience in the Australian real estate sector with Meriton Group, Australia's largest residential apartment developer. Peter was responsible for Meriton Group's development projects. He also led the Meriton team in researching and developing new construction and remediation systems. Peter was a director of Meriton Group from 2005 until he retired in 2015. In 2006 Peter received the Order of Australia (AM) for services to the development industry. Peter is a director of Retire Australia.

Frank Wolf (OAM) *Managing Director*

Dr Wolf has been a member of the Abacus team from its inception in 1996. Frank was Deputy Chairman upon listing in 2002 and took over as Managing Director in 2006. Frank has over 26 years' experience in the property and financial services industries, including involvement in retail, commercial, industrial and hospitality related assets in Australia, New Zealand and the United States. He has been instrumental in over \$5 billion worth of property related transactions, corporate acquisitions and divestments and has financed specialist property-based assets in the retirement and hospitality sectors. He is also a director of HGL Limited.

SENIOR EXECUTIVE TEAM

Cate Aarons
Head of Strategy

Rob Baulderstone
*Chief Financial
Officer*

Cameron Laird
*Joint Director
Property Ventures*

Gavin Lechem
*Director
Specialised Capital*

John L'Estrange
*Joint Director
Property Ventures*

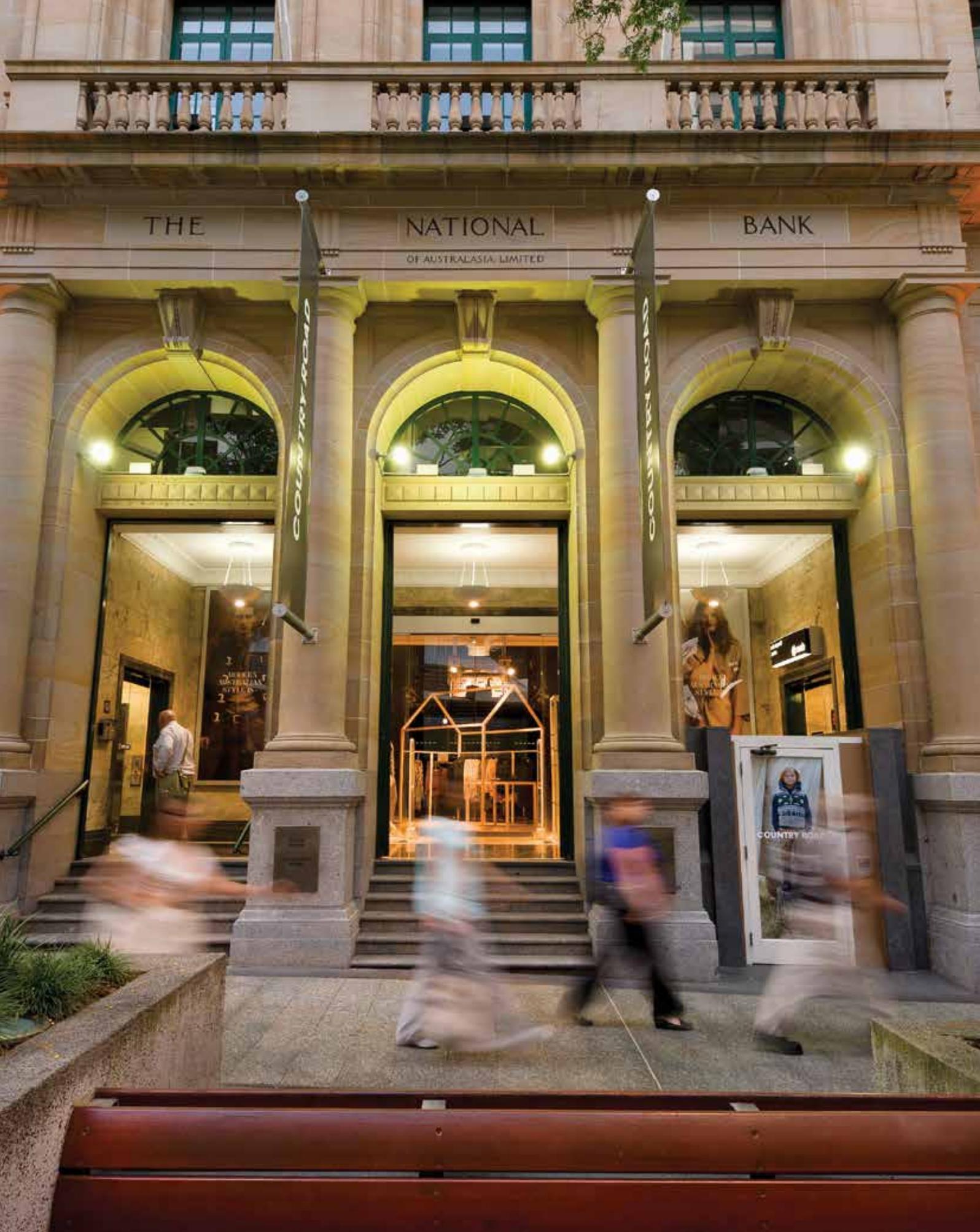
Philip Peterson
*Head of
Self-storage*

Peter Strain
Director Property

Ellis Varejes
*Chief Operating
Officer and
Company
Secretary*



91 king william street
adelaide sa



180 queen street
brisbane qld

investor relations, directory and disclaimers

Investor communications online

Abacus is committed to long term sustainable practices. As part of our sustainability initiatives we offer investor communications via various electronic methods, including the Abacus website at www.abacusproperty.com.au. We encourage securityholders to visit the website to view online versions of our reports including the 2016 Annual Financial Report and this 2016 Securityholder Review. The website also provides a wide range of information, including ASX announcements, investor information and reports including our sustainability reports.

We encourage securityholders to opt to receive securityholder updates and communications electronically. You will benefit from receiving prompt information and have the convenience and security associated with electronic delivery. There are also significant cost savings associated with this method of communication delivery and above all this is a responsible and environmentally friendly option.

To receive your investor communications electronically, including the Annual Report, please go to www.investorserve.com.au and register for online services.

Manage your securityholding online

It is possible to access your investment online via access to the Registry's Investor login facility at www.investorserve.com.au, signing in using your SRN/HIN, Surname and Postcode. Other functions allow you to update your information online, including:

- change of address details;
- update bank account details for direct crediting of your distribution payments;
- provision of tax file numbers;
- Distribution Reinvestment Plan participation;
- Access PDFs of tax and distribution statements;
- or general queries about your security holding

Contact us

If you require any assistance with altering any of your investment details please contact the Abacus Registry on 1300 139 440 (free call) or via online enquiry at abacus@boardroomlimited.com.au. You can also mail correspondence to GPO Box 3993 Sydney NSW 2001.

All other enquiries relating to Abacus Property Group, including any feedback, complaints or suggestions on how we can improve our service, can be directed to Investor Relations:

*Investor Relations
Abacus Property Group
Level 34, Australia Square,
264 - 278 George Street,
Sydney NSW 2000*

enquiries@abacusproperty.com.au

Tel: 1800 253 860 (free call) or
+61 9253 8600 (outside Australia)

fax: +612 9253 8616

investor relations, directory and disclaimers cont.



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sydney nsw

Securities exchange listing

Abacus is listed on the Australian Securities Exchange under the listing code ABP.

Key events

14 November 2016
2016 Annual General Meeting

17 January 2017
FY17 Half year distribution
– Ex-distribution date

18 January 2017
FY17 Half year distribution
– Record date

17 February 2017
HY17 results announcement

28 February 2017
Payment of FY17 half year distribution

6 July 2017
FY17 Full year distribution
– Ex-distribution date

7 July 2017
FY17 Full year distribution
– Record date

18 August 2017
FY17 results announcement

31 August 2017
Payment of FY17 full year distribution

14 November 2017
2017 Annual General Meeting

Directory

Abacus Group Holdings Limited

ABN: 31 080 604 619

Abacus Group Projects Limited

ABN: 11 104 066 104

Abacus Storage Operations Limited

ABN: 37 112 457 075

Abacus Funds Management Limited

ABN: 66 007 415 590

*Abacus Storage Funds
Management Limited*

ABN: 41 109 324 834

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Custodian:

Perpetual Trustee Company Limited Level 12
Angel Place
123 Pitt Street
SYDNEY NSW 2000

Directors of Responsible Entities and Abacus Group Holdings Limited:

John Thame, Chairman
Frank Wolf, Managing Director
William Bartlett
Malcolm Irving
Myra Salkinder
Peter Spira

Company Secretary:

Ellis Varejes

Auditor (Financial and Compliance Plan):

Ernst & Young
200 George Street
SYDNEY NSW 2000

Share Registry:

Boardroom Pty Ltd
Level 12, 225 George St
SYDNEY NSW 2000

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