

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Commonwealth Property Office Fund

ACN/ARSN 086 029 736

1. Details of substantial holder (1)

Name This notice is given by DEXUS Funds Management Limited ("DXFM"), as responsible entity of the DEXUS Office Trust, on behalf of itself and each of its controlled bodies corporate ("DEXUS Subsidiaries") that are held by DXFM as an asset of DEXUS Office Trust

ACN/ARSN (if applicable) ACN 060 920 783

The holder became a substantial holder on 25/7/13

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid units	350,000,000	350,000,000	14.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
DXFM	<p>The holder is not the owner of the units. However, under section 608(8) of the Corporations Act, it may be taken to have a relevant interest in the Units by reason of an arrangement between DXFM and Deutsche Bank AG, as described in the document of 10 pages which accompanies this notice and is marked A ("Annexure A").</p> <p>The holder does not know whether Deutsche Bank AG holds an interest in all or any of the fully paid units which are the subject of the arrangement described in Annexure A.</p>	350,000,000 fully paid units

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
DXFM	Unknown	Unknown. However, Deutsche Bank AG may hold interests in fully paid units from time to time which are the subject of the arrangement described in Annexure A.	Unknown

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
DXFM	25/7/13	\$1.1334		350,000,000 fully paid units

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Each of the DEXUS Subsidiaries.	Bodies corporate controlled by DXFM.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
DXFM	Level 25, Australia Square, 264 - 278 George Street, Sydney, 2000

Signature

print name John Easy

Capacity Company Secretary

sign here

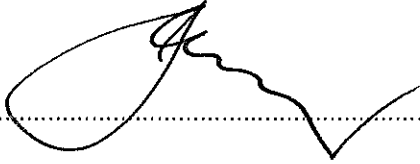


date 25/7/13

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Annexure A

This is Annexure A of 10 pages referred to in form 603 Notice of initial substantial holder by DEXUS Funds Management Limited (ACN 086 029 736) in its capacity as responsible entity of the DEXUS Office Trust.



Name: John Easy
Capacity: Company Secretary
Date: 25/7/13

Details of arrangement between DEXUS Funds Management Limited ("DXFM"), in its capacity as responsible entity of the DEXUS Office Trust, and Deutsche Bank AG for the purpose of section 671B(4)

The arrangement that contributed to DXFM needing to provide the information in this notice is a physically settled forward ("**Forward**") between DXFM and Deutsche Bank AG ("**DB**") entered into on 25/7/13.

DXFM and DB entered into an ISDA Master Agreement (a copy of the form is available at <http://isda.org/publications/isdamasteragrmnt.aspx>) ("**Master Terms**") as of 9 September 2010. The form of confirmation in respect of the Forward is attached.

DXFM has also entered into a cash-settled collar with DB in respect of 350,000,000 fully paid units in the Commonwealth Property Office Fund. That collar hedges DXFM's exposure to the securities referenced in the Forward.



25 July 2013

DEXUS Funds Management Limited
(ABN 24 060 920 783)
(in its capacity as responsible entity of
DEXUS Office Trust (ARSN 090 768 531))
Level 25, Australia Square
264-278 George Street
Sydney NSW 2000

Deutsche Bank AG
Australia & New Zealand
ABN 13 064 165 162
Deutsche Bank Place
Level 16
Cnr of Hunter & Phillip Streets
Sydney NSW 2000 Australia
GPO Box 7033
Sydney NSW 2001
Tel: 61 2 8258 1234

Attention: Craig Mitchell

Dear Sir

Share Forward Transaction – Reference Number:

The purpose of this letter agreement is to set forth the terms and conditions of the Transaction entered into between Deutsche Bank AG, Sydney branch (ABN 13 064 165 162) ("**Party A**") and DEXUS Funds Management Limited (ABN 24 060 920 783) (in its capacity as responsible entity of DEXUS Office Trust (ARSN 090 768 531)) ("**Party B**") on the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "**Confirmation**" as referred to in the Agreement specified below.

This Confirmation supplements, forms part of and is subject to the 2002 ISDA Master Agreement between Party A and Party B dated as of 9 September 2010, as amended and supplemented from time to time ("**ISDA Agreement**"). The parties agree that for the purposes of this Transaction the Additional Termination Event specified in Part 1(h)(i)(a) of the Schedule will not apply to this Transaction and the definition of "Affected Transaction" shall be taken to be amended accordingly.

The definitions and provisions contained in the 2006 ISDA Definitions (the "**2006 Definitions**") and in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**", and together with the 2006 Definitions, the "**ISDA Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between the ISDA Definitions and this Confirmation, this Confirmation will govern.

In the event of any inconsistency between the terms of this Confirmation and the terms of the ISDA Agreement, this Confirmation will prevail for the purpose of this Transaction.

The terms of the particular Transaction to which this Confirmation relates are as follows:

Strictly Confidential

Management Board: Josef Ackermann (Chairman), Hugo Banziger, Michael Cohrs, Jürgen Fitschen, Anshuman Jain, Stefan Krause, Herman-Josef Lambertl, Rainer Neske
Deutsche Bank Aktiengesellschaft domiciled in Frankfurt am Main; HRB No 30 000, Frankfurt am Main, Local Court; www.db.com

1. General Terms in relation to the Transaction:

Transaction Type:	Share Forward Transaction.
Trade Date:	25 July 2013.
Buyer:	Party B.
Seller:	Party A.
Effective Date:	Trade Date.
Shares:	Fully paid ordinary units of Commonwealth Property Office Fund (ARSN 086 029 736) (the " Issuer ") (CPA.ASX).
Number of Shares:	350,000,000.
Forward Price:	\$1.1334, subject (without limiting any other adjustment provisions but subject to the precedence provisions set out in the Dividend Adjustment Provisions) to adjustment in accordance with the Dividend Adjustment Provisions.
Prepayment:	Not Applicable.
Variable Obligation:	Not Applicable.
Exchange(s):	Australian Securities Exchange.
Related Exchange(s):	All Exchanges.
Clearance System(s):	Clearing House Electronic Subregister System (" CHESS ").
Knock-in Event:	Not Applicable.
Knock-out Event:	Not Applicable.
Calculation Agent:	Party A.
Valuation:	
Valuation Time:	The Equity Definitions apply.
Valuation Date:	(a) subject to paragraph (b) below, eighteen (18) calendar months from Trade Date; or (b) provided that no Event of Default in respect of Party B and no Termination Event in respect of which Party B is the sole Affected Party is subsisting and Party B has not elected that Cash Settlement is to apply to this Transaction, Party B may, by no less than such period of notice to Party A as has been separately agreed between the parties, designate an Exchange Business Day earlier than the date specified in paragraph (a) above to be the Valuation Date (the " New Valuation Date "). Any such notice is irrevocable.

If Party B effectively designates a New Valuation Date under paragraph (b) above, the New Valuation Date shall be deemed to be the Valuation Date hereunder and, without limiting any other provisions, Party B shall pay to Party A on the Settlement Date Party A's Break Costs in respect of the Floating Amount which Party A would have received for the period from (and including) the final Payment Date (as adjusted pursuant to the designation of the New Valuation

Date) to (but excluding) the last day of the Calculation Period in which Party B designates the New Valuation Date, as determined by Party A and notified by Party A to Party B on or prior to the Settlement Date.

Break Costs:

The amount (if any) by which:

(a) the Floating Amount which Party A would have received for the period from (and including) the final Payment Date (as adjusted pursuant to the designation of the New Valuation Date) to (but excluding) the last day of the Calculation Period in which Party B designates the New Valuation Date;

exceeds:

(b) the Calculation Agent's determination of the amount of interest which Party A would have received by placing an amount equal to the Notional Amount on deposit with a leading bank in the Australian interbank market or acquiring a bill of exchange accepted by a leading bank for a period starting on (and including) the final Payment Date (as adjusted pursuant to the designation of the New Valuation Date) (or, if the final Payment Date is not a Currency Business Day, the next succeeding Currency Business Day) to (but excluding) the last day of the Calculation Period in which Party B designates the New Valuation Date.

Floating Amounts:

The Floating Amount Payer shall pay to the Floating Amount Receiver the Floating Amount on the Payment Date in accordance with Section 6.1 of the 2006 Definitions.

Floating Amount Payer:

Party B.

Floating Amount Receiver:

Party A.

Termination Date:

Settlement Date.

Payment Date:

The last Business Day of each calendar quarter commencing on (and including) the Trade Date ("**Calendar Quarter**"), with the final Floating Amount payable on the Settlement Date.

Business Days:

Sydney.

Notional Amount:

An amount equal to the product of the Number of Shares and the Forward Price.

Floating Rate Option:

AUD-BBR-BBSW.

Designated Maturity:

Three months.

Reset Dates:

The first Business Day of each Calendar Quarter.

Spread:

Means the applicable per annum rate that has been separately agreed between the parties.

Floating Rate Day Count Fraction:

Actual/365 (Fixed).

Compounding:

Not Applicable.

Settlement Terms:

Physical Settlement:	Applicable.
Settlement Currency:	AUD.
Settlement Price:	<p>The amount determined by the Calculation Agent to be the arithmetic average of the volume-weighted average price (“VWAP”) on each Exchange Business Day during the VWAP Period, subject to such adjustments as the Calculation Agent may determine to be appropriate if a Record Date or other corporate action occurs during the VWAP Period.</p> <p>For these purposes, each relevant VWAP is to be determined as the Bloomberg VWAP as listed on Bloomberg Page CPA AU EQUITY VWAP for each period between 10:00am and 4:15pm (or such later time as the Exchange may set for the closing rotation for the Shares) on the relevant Exchange Business Day.</p>
VWAP Period:	Means the period that has been separately agreed between the parties.
Electing Party:	Party B.
Settlement Method Election:	<p>If:</p> <ul style="list-style-type: none"> (a) paragraph (a) in the definition of “Valuation Date” applies, Applicable; and (b) paragraph (b) in the definition of “Valuation Date” applies, Not Applicable.
Settlement Method Election Date:	Ten (10) Exchange Business Days prior to the first day of the VWAP Period.
Default Settlement Method:	Physical Settlement.
Settlement Date:	Three (3) Exchange Business Days (the last one of which must also be a Currency Business Day) following the Valuation Date.
FIRB approval:	<p>Despite any other term of this Transaction, Party B will notify Party A before the Settlement Method Election Date (or such other date as is agreed between the parties) if:</p> <ul style="list-style-type: none"> (a) either: <ul style="list-style-type: none"> (i) Party B has not received from the Treasurer of the Commonwealth of Australia (or his delegate) (the “Treasurer”) written advice (with or without conditions) that there are no objections under Australia’s foreign investment policy to the proposed acquisition of at least 20% of the Shares (on a fully diluted basis) by Party B (either directly or indirectly through related entities); or (ii) following notice of the proposed acquisition being given by Party B to the Treasurer under the Foreign Acquisitions and Takeovers Act (1975) (Cth) (“FATA”), the Treasurer ceases to be empowered to make any order under Part II of FATA because of lapse of time; and (b) as a result of Physical Settlement of this Transaction, Party B’s aggregate voting interest within the meaning of

FATA in the Issuer on the Settlement Date (including any interest in the Shares other than pursuant to this Transaction) ("**Aggregate Interest**") would constitute 15% or more of the Shares (the "**Threshold**").

The notice will also specify the maximum Number of Shares which could be delivered by Seller to Buyer on the Settlement Date that would not result in the Aggregate Interest exceeding the Threshold ("**Maximum Number of Shares**").

Following such notice to the extent that Physical Settlement applies:

- (a) Physical Settlement will apply as if the Number of Shares was an amount equal to the Maximum Number of Shares; and
- (b) Cash Settlement will apply as if the Number of Shares was an amount equal to the Number of Shares that would apply but for the effect of this provision minus the Maximum Number of Shares.

Dividends:

Extraordinary Dividends:

The occurrence of any one of the following events as determined by the Calculation Agent:

- (a) the declaration of a cash dividend on, or distribution in respect of, a Share at a time when the Issuer has not previously declared or paid dividends or distributions on such Share for the prior four quarterly periods; or
- (b) any other 'special' cash or non-cash dividend on, or distribution with respect to, a Share which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend or distribution procedures of the Issuer, provided that, in all cases, the related record date occurs during the Dividend Period.

For the avoidance of doubt, the Calculation Agent shall make the relevant adjustment to this Transaction in respect of the occurrence of any Extraordinary Dividend in accordance with Section 11.2(c)(B) of the Equity Definitions.

Dividend Adjustment Provisions:

If, at any time during the Dividend Period, a Record Date occurs with respect to a cash dividend other than an Extraordinary Dividend, the Calculation Agent shall (without double counting), reduce the Forward Price by the Record Amount with effect from (and including) Record Date.

For the avoidance of doubt, these Dividend Adjustment Provisions will take precedence over any adjustments to Share Transactions that would otherwise occur under Section 11.2 of the Equity Definitions.

Record Amount:

An amount equal to 100% of the gross cash dividend per Share declared by the Issuer to holders of record of a Share on the relevant Record Date.

Record Date:

Each date on which the Shares commence trading ex-

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dividend on the Exchange.

Share Adjustments:

Method of Adjustment:

Calculation Agent Adjustment.

For the avoidance of doubt a "Potential Adjustment Event" includes a buy-back or redemption of Shares, howsoever funded, by the Issuer.

Extraordinary Events:

Consequences of Merger Events:

(a) Share-for-Share:

Modified Calculation Agent Adjustment.

(b) Share-for-Other:

Modified Calculation Agent Adjustment.

(c) Share-for-Combined:

Modified Calculation Agent Adjustment.

Determining Party:

Party A.

Tender Offer:

Applicable, provided that Section 12.1(d) of the Equity Definitions is amended by deleting the words "greater than 10% and less than 100%" and replacing them with the words "greater than 80% and less than 100%".

Consequences of Tender Offers:

(a) Share-for-Share:

Modified Calculation Agent Adjustment.

(b) Share-for-Other:

Modified Calculation Agent Adjustment.

(c) Share-for-Combined:

Modified Calculation Agent Adjustment.

Determining Party:

Party A.

Composition of Combined Consideration:

Not Applicable.

Nationalization, Insolvency or De-listing:

Cancellation and Payment.

Determining Party:

Party A.

Additional Disruption Events:

Change in Law:

Applicable.

Failure to Deliver:

Not Applicable.

Insolvency Filing:

Applicable.

Hedging Disruption:

Applicable.

Hedging Party:

Party A.

Increased Cost of Hedging:

Not Applicable.

Loss of Stock Borrow:

Not Applicable.

Increased Cost of Stock Borrow:

Not Applicable.

Determining Party:

Party A.

Representations:

Non-Reliance:

Applicable.

Agreement and Acknowledgments Regarding Hedging Activities: Applicable.

Additional Acknowledgments: Applicable.

2. **Additional Provisions:**

- (a) **Party B Representations:** Party B represents, warrants and acknowledges to Party A on the Effective Date that:
- (i) it will not seek to terminate, amend or otherwise modify the Transaction if that conduct would result in Party B being in breach of Part 7.10, Division 3 of the Corporations Act 2001 (Cth);
 - (ii) it is not prohibited under Part 7.10 of the Corporations Act 2001 (Cth) from dealing in the Shares or from entering into this Transaction; and
 - (iii) Party B is an Offshore Client and the Decision Maker is not located or present in the United States. For purposes hereof "**Offshore Client**" means:
 - (A) an entity not organized or incorporated under the laws of the U.S. and not engaged in a trade or business in the United States for U.S. federal income tax purposes;
 - (B) any natural person who is not a U.S. resident; or
 - (C) any entity not organized or incorporated under the laws of the United States substantially all of the outstanding voting securities of which are beneficially owned by persons described in (A) and (B) immediately above.

"**Decision Maker**" means the person making the investment decision and/or placing the order on behalf of Party B.

- (b) **Party B Acknowledgements:** For the avoidance of doubt, if any Shares are held by or for or otherwise controlled by Party A (whether or not as part of any hedge in relation to the Transaction), Party B acknowledges and agrees that it has no right or interest in or to any of those Shares or any power in relation to them including, without limitation, any power to control, or right to be consulted, concerning disposal or trading of those Shares by Party A or any decision by Party A with respect to the exercise by Party A or Party A's nominee of the right to vote attaching to those Shares.
- (c) **Affiliates:** The parties hereto agree to permit Party A to share any or all necessary trade and/or customer data with its Affiliates as may be required in the settlement or risk management of this trade.
- (d) **Insolvency/Insolvency Filing:** The parties acknowledge that the Issuer is a trust that is a registered scheme (as defined in the Corporations Act 2001 (Cth)), agree that the provisions of the Equity Definitions that have specific application to a corporate issuer (including, without limitation, provisions relating to voting shares and corporate actions) shall be taken to be read, to the greatest extent possible, having regard to that fact (including, without limitation, that references to the Issuer shall be read as references to the Issuer and/or the responsible entity of the Issuer (as applicable)) and agree that the Equity Definitions are taken for the purposes of this Transaction to be amended to the extent necessary to give effect to this provision. Without limiting this:
- (i) "Insolvency" shall be deemed to include a termination of the trust that is the Issuer and references in the definition of "Insolvency" to transferring the Shares shall be deemed to include a reference to those Shares being redeemed; and
 - (ii) "Insolvency Filing" shall be deemed to include any filing or application made by the responsible entity of the Issuer (or any one or more directors of that responsible

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entity) or the Australian Securities and Investments Commission and references in the definition of "Insolvency Filing" to:

- (A) bankruptcy or insolvency shall be deemed to include circumstances where there is a deficiency of trust assets from what is needed to meet the claims of trust creditors as and when they fall due;
- (B) winding up or liquidation shall be deemed to include a winding up, termination or dissolution of the trust that is the Issuer; and
- (C) the Issuer consenting to a petition or proceeding shall be deemed to include a consent given by the responsible entity or by a resolution of members and circumstances where a winding up is required by law.

3. **Account Details:**

Payments to Party A: Standard Settlement Instructions.
 Payments to Party B: Standard Settlement Instructions.

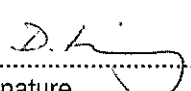
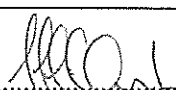
4. **Offices:**

The Office for Party A: Sydney.
 The Office for Party B: Sydney.

Please confirm that the foregoing correctly sets forth the terms of our agreement by sending to us a letter substantially similar to this facsimile, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to those terms. The time of execution of this Transaction will be made available by Party A upon written request.

We are pleased to have concluded this Transaction with you.

Signed for and on behalf of
Deutsche Bank AG, Sydney Branch by:

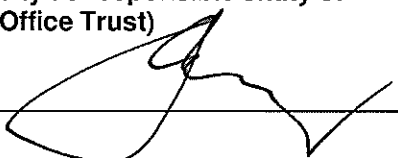
 Signature	 Signature
D. IRVING Name	M. GRUNERT Name
LEGAL COUNSEL Title	DIRECTOR Title


Agreed and acknowledged by:

DEXUS Funds Management Limited (in its capacity as responsible entity of DEXUS Office Trust)

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Agreed and acknowledged by:
**DEXUS Funds Management Limited (in
its capacity as responsible entity of
DEXUS Office Trust)**

Attorney 
JOHN CAMPBELL EASY


Attorney
Brett David Cameron

Date: 25.7.13


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