

Australian Unity Property Income Fund

ARSN 094 220 498

Supplementary Product Disclosure Statement 17 May 2021

Important Notice

This is a Supplementary Product Disclosure Statement ('SPDS') to the Australian Unity Property Income Fund Product Disclosure Statement ('PDS') dated 9 October 2020.

The information in this document updates the PDS. You should read this SPDS and the PDS dated 9 October 2020 before making a decision to invest. Except to the extent amended by this SPDS, the PDS remains in full force.

Changes to the PDS

Contact details

Effective 17 May 2021, our contact details are as follows:

Client Services (Investors and Advisers)

Phone

Within Australia: 1300 997 774
International: +(61) 3 9616 8687

Email enquiries: australianunitywealth@unitregistry.com.au

Email a form: australianunitywealth_transactions@unitregistry.com.au

Post: Australian Unity
GPO Box 804
Melbourne VIC 3001

The above contact details replace the contact details provided within the PDS.

Investing

In addition to the methods outlined on page 20 of the PDS, you may make your initial application via an online application, which you can access at australianunity.com.au/wealth/pif.

180
YEARS

Australian
Unity 
Real Wellbeing

Australian Unity Property Income Fund

Product Disclosure Statement
9 October 2020



Important information

The wholesale class of securities ('Wholesale Securities' or 'Wholesale Security') in the Australian Unity Property Income Fund ARSN 094 220 498, APIR YOCO 100AU (referred to as Property Income Fund or the Fund) offered under this Product Disclosure Statement (PDS) are issued by Australian Unity Property Limited (AUPL) ABN 58 079 538 499, AFS Licence No. 234455 in its capacity as Responsible Entity.

AUPL is a wholly-owned subsidiary of Australian Unity Limited ABN 23 087 648 888 and is a member of the Australian Unity Group of companies, undertaking investment activities at Australian Unity, generally known as Australian Unity Wealth & Capital Markets.

In this PDS, the description 'we', 'us' or 'our' refers to AUPL and business day refers to a Melbourne business day.

Applications

An investment in the Fund, including through the Units offered under this PDS, is not guaranteed or otherwise supported by AUPL, Australian Unity Limited, or any member of the Australian Unity Group. Investors should consider this when assessing the suitability of the investment and particular aspects of risk.

Applications for investment in the Fund can only be made using the Application Form which forms part of this PDS or otherwise provided by AUPL.

This PDS is available in electronic format via australianunity.com.au/wealth. If a copy has been received via email, please ensure that the entire PDS and Application Form have been received. If unsure whether the electronic document is complete, please call 13 29 39. A paper copy of this PDS is available free of charge

by contacting your financial adviser or Australian Unity's Investor Services Team on 13 29 39.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. No investments will be accepted on the basis of this document once it is replaced with a later PDS.

AUPL has authorised the use of this PDS for investors considering placing an investment through a master trust, wrap or similar platform product (which are collectively known and referred to as Investor Directed Portfolio Service or IDPS). In this PDS, the operator of that IDPS product will be referred to as IDPS operator. Information for IDPS investors can be found on page 22.

This PDS has been prepared to comply with the requirements of the laws of Australia. No Units are being offered to any person whose registered address is outside of Australia unless AUPL is satisfied that it would be lawful to make such an offer. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Currency

All dollar amounts referred to in this PDS are in reference to the Australian currency.

Seeking financial advice

This PDS contains important information but does not take into account individual

investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this PDS, investors should read it carefully in its entirety and consider consulting with a financial adviser or tax adviser.

Fees and charges

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of Goods and Services Tax (GST) less input tax credits (including approximate reduced input tax credits) that the Fund is entitled to claim.

Glossary

A list of defined terms used within this PDS can be found in the glossary section on page 33.

Obtaining other information before making a decision

Visit australianunity.com.au/wealth for further information about this Fund, including:

- Unit prices and performance
- Fund updates
- Continuous disclosure notices
- Announcements and
- Annual report.

It's recommended that investors obtain and review such information before investing in a fund. Alternatively, investors can call the Investor Services Team on 13 29 39 who will send the requested information free of charge.

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Benefits of the Fund



Income paid quarterly



The potential for capital growth over the medium to long term



Access to property investments without the obligations of direct property ownership



Daily liquidity offering greater flexibility compared to many direct property investment funds



Opportunity to invest in properties which may not otherwise be available to individuals



Potential for tax deferred income

There are risks associated with every investment and it is important that investors consider the risks of investing and take into account their own personal investment goals and financial situation. Risks of managed investment schemes are explained on page 24.

A snapshot of the Fund

Key features	Description	Further information
Responsible Entity	Australian Unity Property Limited (AUPL), ABN 58 079 538 499, AFS Licence No. 234455	
Investment Manager	AUPL is the investment manager of the Fund.	
Unit class offered	Wholesale Units are offered under this PDS.	
APIR code	YOC0100AU	
Benefits of the Fund	<ul style="list-style-type: none"> Income paid quarterly The potential for capital growth over the medium to long term Access to a diversified property portfolio without all the obligations of direct property ownership. 	Page 1
Key risks	<ul style="list-style-type: none"> Tenant default Reduction in property values and Australian REIT prices Withdrawals may be limited, or investors may not receive the full amount requested, within investors' investment timeframe 	Page 24
Fund features		
Property portfolio diversification	The Fund holds direct property assets, unlisted property funds and listed Australian Real Estate Investment Trusts (Australian REITs) with diversification across property sectors, geographic locations, tenants and lease terms.	Page 9
Gearing ratio	As the Fund does not have borrowings there is no applicable gearing ratio. The Fund's underlying investments may borrow.	Page 10
Interest cover ratio	As the Fund does not have borrowings there is no applicable interest cover ratio. The Fund's underlying investments may borrow.	Page 10
Withdrawals	<p>The Fund is open for daily withdrawals, which will normally be paid within five business days. A written request must be received by 3pm at AUPL's Melbourne office on a business day to receive the withdrawal price effective for that day. In times of abnormal operating or market conditions, or periods of excessive withdrawals, the Fund may take up to 180 days to pay withdrawals. During these times AUPL may offer alternative withdrawal arrangements if these are deemed to be in the best interest of investors.</p> <p>Should the Fund cease to be liquid, as defined in the Corporations Act (which investors will be notified of as soon as is practicable), daily withdrawals will cease. In that case, withdrawal from the Fund will be available in response to a withdrawal offer made to all investors from time to time, in accordance with the Corporations Act.</p>	Page 21
Distribution payments	The Fund expects to pay distributions from Funds from Operations (FFO). FFO is the main method used for calculating and deciding on the level of distribution to pay investors. To do this AUPL reconciles net profit to FFO and the Fund's distribution. If required AUPL may make adjustments to the net profit (for instance if economic performance is weak or there's a decline in the value of the stock market) to ensure distribution is covered by the FFO.	Page 23

Key features	Description	Further information
Other Fund information		
Borrowings	Nil.	Page 10
Property valuations	Generally conducted annually by qualified independent valuers.	Page 18
Related party information	All transactions, including those with related parties, are conducted on commercial terms and on an arm's length basis.	Page 18
Minimum investment amounts¹		
Initial investment	\$5,000	Page 20
Additional investment amount	\$1,000 (or \$100 per month for Regular Savings Plan)	Page 20
Minimum withdrawal amount	\$1,000	Page 20
Minimum balance	\$5,000	Page 20
Fees and costs of the Fund		
Base management fee	0.94% p.a. of the net asset value of the Fund.	Page 26
Recoverable expenses	In addition to the base management fee, the Fund is entitled to recover all expenses properly incurred in the performance of duties up to 0.05% p.a. of the average net asset value of the Wholesale Units for the 12 months to 30 June 2020.	Page 26
Indirect Costs	Estimated to be 0.21% of the average net asset value of the Fund for the 12 months to 30 June 2020.	Page 26
Buy/Sell spread	Buy spread: 0.80% Sell spread: 0.20%	Page 29

1. AUPL reserves the right to vary minimum investment amounts and to accept or reject any investment (in whole or in part) at the Fund's discretion without explanation. If investing through a master trust or investor directed portfolio service (IDPS), the minimums detailed above may not apply. Refer to the master trust or IDPS operator's offer document. See page 20 'Making investments and withdrawals' for more information.

Disclosure principles and benchmarks

The Australian Securities and Investments Commission (ASIC) requires responsible entities of unlisted property schemes in which non-professional investors invest, to provide a statement addressing six benchmarks and eight disclosure principles.

These benchmarks and principles have been addressed in this PDS. The benchmarks and disclosure principles are contained in ASIC Regulatory Guide 46: Unlisted property schemes – Improving Disclosure for Retail Investors.

The Property Council of Australia and the Property Funds Association have issued their supplement to this Regulatory Guide 46 in the form of their RG46 Voluntary Practice Note.

The information in this PDS should be read in conjunction with the Fund's latest Annual Report which is available at australianunity.com.au/wealth or by calling 13 29 39.

Benchmark	Does the Fund meet the benchmark?	Further information
1 Gearing policy	The Fund doesn't have borrowings therefore there is no applicable gearing ratio	Page 10
2 Interest cover policy	The Fund doesn't have borrowings therefore there is no applicable interest cover ratio	Page 10
3 Interest capitalisation	The Fund doesn't have borrowings therefore there is no applicable interest capitalisation	Page 10
4 Valuation policy	Yes	Page 18
5 Related party transactions	Yes	Page 18
6 Distribution practices	The Fund does not meet the distribution practice of paying distributions from cash generated from operations. The Fund expects to pay distributions from Funds from Operations (FFO).	Page 23

Disclosure principles	Does the Fund meet the Disclosure principles?	Further information
1 Gearing ratio	The Fund doesn't have borrowings therefore there is no applicable gearing ratio	Page 10
2 Interest cover ratio	The Fund doesn't have borrowings therefore there is no applicable interest cover ratio	Page 10
3 Scheme borrowing	Yes	Page 10
4 Portfolio diversification	Yes	Page 10
5 Related party transactions	Yes	Page 18
6 Distribution practices	Yes	Page 23
7 Withdrawal arrangements	Yes	Page 21
8 Net tangible assets	Yes	Page 19

Managing your investment

Australian Unity's ambition is to serve and enhance the wellbeing of members, customers and community.

Australian Unity's Wealth & Capital Markets platform brings together the Investments, Property, Life & Superannuation, Financial Planning and Trustee Services arms of the Australian Unity Group. The fundamental purpose of Australian Unity Wealth & Capital Markets is to link valuable efforts in helping Australians secure their financial wellbeing with the social, capital and infrastructure needs of our communities.



Investment philosophy

It's AUPL's philosophy that the market price for properties doesn't always reflect the underlying value. This may present an opportunity to generate value by buying and selling properties at the most optimal time. Value can also be achieved and investment risk mitigated by skillful property and tenant management carried out by Australian Unity.

Properties purchased are carefully selected after assessing the price, value, considering inherent risks, and the ability to mitigate those risks.

The selection process also takes into account:

- Location attributes such as demographic profile, road and services infrastructure and the level of competition; and
- Property specific criteria such as the quality of buildings, tenant and lease profile, opportunities to enhance or redevelop the property to protect and/or grow future income potential and capital value.

To optimise investor's return the portfolio and property assets are actively managed.

The team managing the Fund

The property investment managers within AUPL are among the most experienced in Australia. They have a successful track record in managing diversified property funds.



Esther Kerr-Smith

*Chief Executive Officer,
Wealth & Capital Markets*

Esther joined Australian Unity in September 2017. Esther is Chief Executive Officer for Wealth & Capital Markets for the Australian Unity Group. Esther is responsible for all of Australian Unity's financial services and investment activities, spanning investment management, advice, trustee services, life and superannuation, as well as the Group's property, development and capital management activities. Esther is also a board member of many of its operating entities.

Prior to joining Australian Unity in 2017, Esther's previous experience covers financial services, infrastructure and human services design and delivery. Esther was a senior executive with the National Disability Insurance Agency—leading the market stewardship and commissioning functions and has held senior roles at strategy consulting firm Boston Consulting Group and within Macquarie Group's infrastructure division.



Mark Pratt

*Executive General Manager
Property Australian Unity*

Mark joined Australian Unity in 2004. As Executive General Manager Property, he is responsible for the commercial management and growth of Australian Unity's real estate investment management and development businesses.

Mark and his team actively manage more than \$4.2 billion in commercial property assets; including the listed Australian Unity Office Fund, unlisted funds in healthcare and commercial property, as well as commercial and development debt funding. Australian Unity is the Master Developer of the \$1.1 billion redevelopment of the Herston Quarter healthcare precinct in Brisbane. This project is set to provide Queenslanders with access to state-of-the-art health, hospital and aged care services, as well as creating international standard research and educational facilities.

Prior to his current role, Mark was Chief Operating Officer for Australian Unity Wealth & Capital Markets. Mark is on the Committee of the Property Funds Association, and the Melbourne Racing Club and is a former member of the Victorian Division Council of the Property Council of Australia. He holds a Bachelor of Commerce – Accounting from the University of NSW.



Mark Lumby

*General Manager Commercial –
Investments, Australian Unity*

Mark joined Australian Unity in 2011 and has over 20 years' experience in the property and funds management industry. Mark has also held roles with Investa Property Group, Stockland and Trafalgar Corporate.

Mark is responsible for ensuring the business delivers on its commercial and strategic potential, while creating a high degree of accountability across the Investments business teams, and overseeing the delivery of risk, compliance, and governance obligations.

Mark holds a Bachelor of Business from the University of Technology, Sydney. He is also an Associate of the Institute of Chartered Accountants in Australia and is a former Chairman of the Property Council of Australia's Wholesale and Retail Fund Managers Forum.



Peter Lambden

*Head of Advisory and Valuations
Australian Unity*

Peter is responsible for tactical and strategic property advice, management of our valuation function and risk review within our mortgage and property portfolios.

Peter has 47 years' experience in property portfolio and management, spending the majority of his early career in senior roles with National Mutual (now AXA/AMP) and Local Government.

Peter has a Diploma in Agricultural Science and a Diploma in Business Studies – Valuations from RMIT. He has held a number of senior positions with industry bodies, including president of the Australian Property Institute and executive member of the Property Council of Australia.

He is a fellow of the Australian Property Institute and a member of the Property Council of Australia



Damian Diamantopoulos

*Portfolio Manager & Head of Research
Property Australian Unity*

Damian joined Australian Unity in 2016 as Portfolio Manager and Head of Research Property. He is the Portfolio Manager of the Property Income Fund. He has over 17 years' experience in investment management and research of both listed and unlisted property securities as well as direct property. Prior to joining Australian Unity, Damian managed various property securities funds during his time at Karara Capital and 360 Capital Group. Damian also has experience in managing several A-REIT and direct property funds having concluded an extensive 12-year career at APN Property Group. Damian graduated with a bachelor's degree in Commerce from Monash University, has completed the FINSIA Graduate Diploma in Applied Finance and Investment and holds a Diploma in Property Investment and Finance from the Property Council of Australia.



Tim Kemp-Bishop

*Property Portfolio Manager
Australian Unity*

Tim joined Australian Unity in 2008 and is responsible for the day-to-day direct property management of the Fund.

Prior to joining Australian Unity, Tim was employed in a variety of property and asset management roles with ANZ and AMP Capital Investors.

Tim holds a Bachelor of Communications from Canberra University and Diplomas in Commercial Property Asset Management and Property Investment Finance from the Property Council of Australia. Tim is a licenced real estate agent and is the Officer in Effective Control of Australian Unity Property Management Pty Ltd.

**More than anything else, Australian Unity
exists to help people thrive.**

About the Fund

The Fund focuses on delivering sustainable and consistent income to investors across a range of property asset types.

This includes investing in direct property assets, units in unlisted property investments and listed Australian REITs. These investment structures have varying performance, risk and liquidity characteristics providing portfolio diversification.

Through investing in a range of different property assets and cash, the Fund aims to maintain a sound level of liquidity, generally enabling investors to request withdrawals when they choose.

The Fund has been operating since December 1998.



Who should invest in the Fund?

This Fund is typically suited to investors who:

- Seek regular stable income payments.
- Want some direct property exposure but may need to access all or part of their investment at relatively short notice.
- Want to invest in a diversified property portfolio.
- Have at least a five-year investment outlook.
- Want daily Unit pricing.
- Want a property investment with no direct gearing.

Australian Unity has a track record of helping Australians to thrive by building wealth through quality investments.

How the Fund works

Investors' investments are pooled together to purchase direct property assets, units in unlisted property funds and listed Australian REITs. By investing in (or holding) A-REITs and cash, the Fund generally has sufficient liquidity to meet day-to-day operating expenses, to make asset purchases and to provide liquidity (withdrawals) for investors.

Rent from the Fund's properties, interest earned on cash holdings and distributions from the Fund's unlisted and listed assets generate income for the Fund. This income is used to meet management fees, property related expenses and ongoing Fund expenses. Once these costs and provisions are met, the remaining income is distributed to investors.

The capital growth (or loss) on investment is attributed to the value of the Fund's properties and changes in the valuation of other assets held by the Fund, such as unlisted property funds and listed Australian REITs.

Investment process

The Fund uses a top-down investment approach, which incorporates an analysis of the broad economic trends impacting the various property markets in which the Fund operates. A bottom-up view is used to identify undervalued investment opportunities across various property sectors, investment structures and geographic locations. Using this approach, and separate yield analysis, a preferred allocation between direct property, unlisted property funds and the listed Australian REIT sector is achieved.

The Fund uses the above information in assessing and investing in direct property assets and unlisted property funds.

Direct property

The direct property portfolio is diversified by sector (commercial, retail, industrial and other property sectors), tenant profile and geographic location. The Australian Unity Property team builds strong relationships with tenants and where appropriate they develop suitable long-term expansion and/or improvement strategies for the Fund's direct properties to maximise growth. As part of managing these properties the team seeks to put in place carefully structured leases, with the aim of achieving predictable, annual and growing rental income and capital growth over the medium-to-long term.

Unlisted property

The Fund invests in a number of unlisted property funds including those managed by Australian Unity. These investments provide potential exposure to a more diversified portfolio of real estate assets than would be possible by solely investing directly with the objective to enhance the overall portfolio diversification.

The Fund primarily invests in the following types of investments:



Direct Property assets and Unlisted property funds

40–70% of the Fund's assets are invested in direct property and unlisted property funds.

Unlisted property funds predominantly invest in direct property and are not listed on the stock exchange.

The properties held include (but are not limited to):

- Commercial (e.g. office buildings)
- Retail (e.g. shopping centres)
- Healthcare (e.g. hospitals or medical centres)
- Industrial (e.g. warehouses)

The Fund's property portfolio is diversified by geographic locations and sectors, which helps to reduce specific property risk.



Listed Australian REITs

These are trusts listed on the Australian Securities Exchange. The Fund invests 20–50% in the listed Australian REIT sector.



Cash

The balance of the Fund is held in cash and similar investments.

Listed Australian REITs

The Fund predominantly invests in the Australian Unity A-REIT Fund to gain exposure to the listed Australian REIT sector. The Australian Unity A-REIT Fund at the date of this PDS is managed by the Australian Unity Real Estate Investment Trust team, led by Damian Diamantopoulos. The Fund may invest in ASX listed property stocks directly. Exposure to listed Australian REITs provides a different return profile than other property investments, as well as providing enhanced liquidity.

Cash

A component of the Fund is held in cash and similar investments primarily for liquidity purposes.

Derivatives

The Fund's current policy is not to use derivatives for gearing or speculative purposes. The investment manager is permitted to use derivatives for asset allocation purposes and to manage risks within the portfolio. The Fund does not use gearing, however from time to time some underlying investments may use gearing.

Borrowings

Under the Fund's Constitution, AUPL has the power to:

- Borrow and raise money for the purposes of the Fund and to grant security over the Fund's assets, and
- Incur all types of obligations and liabilities.

The Fund does not currently have any direct borrowings or direct borrowing costs. The Fund does not currently intend to enter into any future direct borrowing arrangements. However, the Fund currently has exposure to investments that have borrowed funds and associated borrowing costs. Please refer to page 29 for further information about borrowing costs of the Fund. Any borrowing costs borne by the Fund are indirect and arise from the borrowing costs of the Fund's underlying investments.

Borrowing maturity and credit facility expiry profiles can be a significant risk factor of the performance of the Fund's underlying investments, especially credit facilities that are due to expire within a relatively short timeframe, and in periods when credit is more difficult and expensive to obtain. Breach of loan covenants can also be a significant risk factor of the performance of the Fund's underlying investments. This is because the breach of a loan covenant may result in the lender being able to require immediate repayment of a loan or impose a freeze on further draw-downs on the credit facility. If a lender exercises such rights, the underlying investments may be forced to arrange alternative financing or asset sales within a short timeframe. The Fund is not aware of any breaches of loan covenants in connection with the Fund's underlying investments that have borrowed funds.

Gearing ratio, interest cover ratio and interest capitalisation

The gearing ratio/policy, interest cover ratio/policy and interest capitalisation does not apply to this Fund, as the Fund has no direct borrowings, nor does it currently intend to do so in the future.

Portfolio

The financial information provided below is extracted from the Fund's audited financial statements as of 30 June 2020.

Asset allocation at 30 June 2020

Asset class	(\$ million)	(%)
Direct property	120.97	46.33
Listed Australian REITs	80.88	30.98
Unlisted property	35.35	13.54
Cash and cash equivalents	23.91	9.15
Total	261.11	100.00

Exposure to listed Australian REITs	(\$ million)
Australian Unity A-REIT Fund	69.02
Australian Unity Office Fund	7.83
Elanor Retail Property Fund	2.18
Carindale Property Trust	1.85
Total	80.88

Unlisted property portfolio	(\$ million)
Australian Unity Diversified Property Fund	8.68
Australian Unity Specialist Disability Accommodation Fund	6.22
Australian Unity Healthcare Property Trust	7.67
Planum Footscray Fund	9.26
Elanor Waverly Gardens Syndicate	3.52
Total	35.35

Value can also be achieved, and investment risk mitigated by skillful property and tenant management.

Direct property portfolio details

The information below provides details of the diversification of the direct property component of the Fund, as at 30 June 2020. The Fund's portfolio and diversity will change over time as assets are acquired or disposed and tenancies are re-let.



296 St. Vincent Street, Port Adelaide SA

Direct property details¹

Lettable area (m ²)	3,537
Major tenants(s)	Flinders Ports
Number of tenants	3
Occupancy rate (% by income)	95.38
WALE (years by income) ²	6.31

Valuation details³

Current valuation (\$m)	10.50
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.75
Book value (\$m)	10.50

Commentary

The property is a two-level, commercial office building located in a prime commercial precinct of Port Adelaide, South Australia.



10 International Square, Tullamarine VIC

Direct property details¹

Lettable area (m ²)	4,305
Major tenants(s)	Synergy Packaging
Number of tenants	1
Occupancy rate (% by income)	100
WALE (years by income) ²	1.00

Valuation details³

Current valuation (\$m)	4.95
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.50
Book value (\$m)	4.95

Commentary

The property is an industrial warehouse in Tullamarine, Victoria and is ideally located in close proximity to Melbourne Airport, with direct access via Melrose Drive.



65 Beverage Drive, Tullamarine VIC

Direct property details¹

Lettable area (m ²)	6,363
Major tenants(s)	Synergy Packaging
Number of tenants	1
Occupancy rate (% by income)	100
WALE (years by income) ²	1.08

Valuation details³

Current valuation (\$m)	6.70
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.50
Book value (\$m)	6.70

Commentary

The property is an industrial warehouse that is located close to the airport at Tullamarine, Victoria. This location makes it ideal as a transport and logistics facility.

2-10 Bliss Court, Derrimut VIC

Direct property details¹

Lettable area (m ²)	9,804
Major tenants(s)	Specialist Wholesalers
Number of tenants	1
Occupancy rate (% by income)	100
WALE (years by income) ²	2.89

Valuation details³

Current valuation (\$m)	11.20
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.00
Book value (\$m)	11.20

Commentary

The property benefits from a high-profile corner site and is situated in Gilbertson Estate. It has strong connectivity to surrounding road network, including Western Ring Road, Western Freeway, West Gate Freeway, Princes Freeway and Deer Park Bypass.



6/133 South Pine Road, Brendale QLD

Direct property details¹

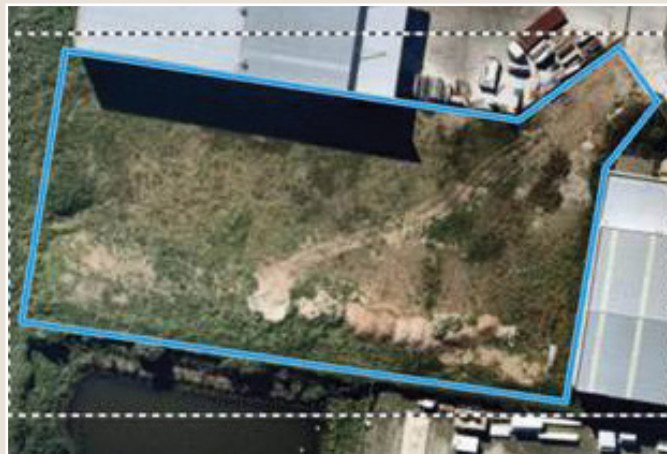
Lettable area (m ²)	3,796
Major tenants(s)	Vacant
Number of tenants	0
Occupancy rate (% by income)	0
WALE (years by income) ²	0

Valuation details³

Current valuation (\$m)	6.30
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.50
Book value (\$m)	6.30

Commentary

The property is a brand-new free-standing warehouse facility in a general industry allotment.



11/133 South Pine Road, Brendale QLD

Direct property details¹

Land area (m ²)	Circa 4,040
Major tenants(s)	0
Number of tenants	0
Occupancy rate (% by income)	0
WALE (years by income) ²	N/A

Valuation details³

Current valuation (\$m)	1.32
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	N/A
Book value (\$m)	1.32

Commentary

Lot 11 comprises of vacant parcel of land of 4,040 square metres. The land has a development approval to construct industrial improvements of approximately 2,200 square metres.



223-227 Governor Road, Braeside, VIC

Direct property details ¹	
Lettable area (m ²)	10,573
Major tenants(s)	Flavour Makers Australia
Number of tenants	1
Occupancy rate (% by income)	100
WALE (years by income) ²	14.25
Valuation details ³	
Current valuation (\$m)	23.20
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	5.50
Book value (\$m)	23.20
Commentary	

The property is located within the established industrial and logistics location of Braeside approximately 25 km south east of Melbourne.

91-97 Woodlands Drive, Braeside, VIC

Direct property details ¹	
Lettable area (m ²)	4,877
Major tenants(s)	Flavour Makers Australia
Number of tenants	1
Occupancy rate (% by income)	100
WALE (years by income) ²	14.24
Valuation details ³	
Current valuation (\$m)	9.75
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	5.50
Book value (\$m)	9.75
Commentary	

The property is situated within the Woodlands Industrial Estate and comprises of two warehouses with office accommodation and constructed in the early 2000s.



40 Scanlon Drive, Epping, VIC

Direct property details¹

Lettable area (m ²)	9,371
Major tenants(s)	Gruma Oceania
Number of tenants	2
Occupancy rate (% by income)	100
WALE (years by income) ²	4.04

Valuation details³

Current valuation (\$m)	13.60
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.00
Book value (\$m)	13.60

Commentary

The property is a single level office warehouse facility and was built around 2007. It is situated in a prominent location in the industrial precinct of Epping.



17 Byres Street, Newstead, QLD

Direct property details¹

Lettable area (m ²)	1,326
Major tenants(s)	Construction Sciences
Number of tenants	3
Occupancy rate (% by income)	100
WALE (years by income) ²	3.31

Valuation details³

Current valuation (\$m)	10.45
Independent valuation date	June 2020
Capitalisation rate (%) ⁴	6.50
Book value (\$m)	10.45

Commentary

Construction Sciences parent company is ASX listed Cardno. The property is a new three level commercial office building with a rooftop entertainment area.



40 Allara Street, Canberra ACT

Direct property details¹

Lettable area (m ²)	5,857
Major tenants(s)	Australian Government Department
Number of tenants	3
Occupancy rate (% by income)	70.78
WALE (years by income) ²	0.06

Valuation details³

Current valuation (\$m)	23.00
Independent valuation date	December 2018
Capitalisation rate (%) ⁴	8.25
Book value (\$m)	23.00

Commentary

This property was exchanged on 19 July 2019 to sell for \$23.00 million (against the external valuation of \$18.50 million). Settlement occurred 16 July 2020.

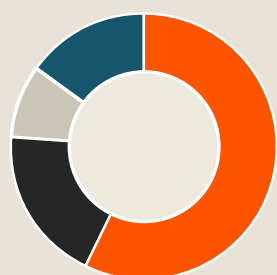
1. The direct property information on this table is current as at 30 June 2020. Please refer to the Fund's announcements page available from our website australianunity.com.au/wealth for full details on any changes to the Fund's direct property portfolio post this date.
2. Weighted Average Lease Expiry by base rental income including net market rent for vacancies.
3. Valuation Policy – Regular valuation of underlying property assets is an important aspect of managing the Fund. Valuations are conducted by qualified independent valuers in accordance with industry standards. We have a policy of generally obtaining independent valuations on Fund direct properties each year. Additionally, as part of our active management approach, we may test asset values on market. At times we may enter arrangements at arm's length with third parties which may impact the value of assets within the portfolio including, but not limited to, put and call options in respect of all or part of an asset within the portfolio. If the value of an asset is impacted in this way, the value may replace the last independent valuation obtained. The direct property information in this table is current as at 30 June 2020. Please refer to the Fund's announcements page available from our website australianunity.com.au/wealth for full details on any changes to the Fund's direct property portfolio post this date.
4. A market capitalisation rate is the rate, expressed as a percentage that reflects the likely yield a property will generate over the medium term. It has regard to a property's unique characteristics and is a measure of the property's risk/return profile with higher rates reflecting higher risk and its function is to convert a property's income into value. The market capitalisation rate is assessed by the independent valuer by dividing the average net property income of the property or a portfolio of properties by the assessed valuation of the property or portfolio, excluding costs of acquisitions and fees.

Total (T)/ Weighted Average (A)

Number of tenants	16 (T)
Occupancy rate (% by income)	86.38(A)
WALE (years by income) ¹	4.54(A)
Current valuation (\$m)	120.97(T)
Capitalisation rate (%) ²	6.41(A)
Book value (\$m)	120.97(T)

1. Weighted Average Lease Expiry by base rental income including net market rent for vacancies.

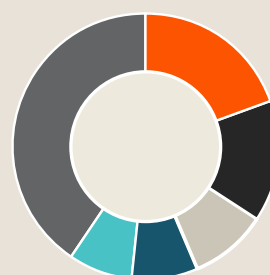
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Key direct property portfolio statistics data at 30 June 2020**Geographic allocation (by value)**

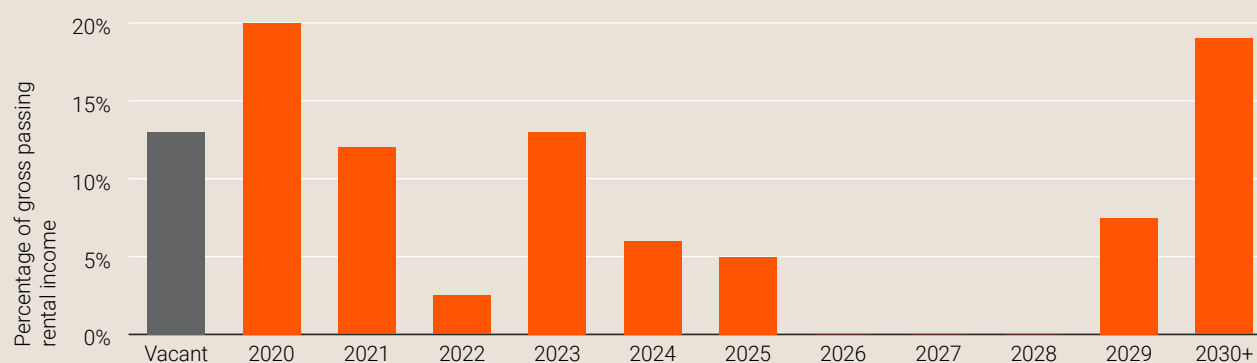
VIC (6 Assets)	57.37%
ACT (1 Asset)	19.01%
SA (1 Asset)	8.68%
QLD (3 Assets)	14.94%

**Property sector (by value)**

Industrial (8 assets)	63.67%
Office (3 assets)	36.33%

**Top 5 tenants (by income)**

Flavour Makers Australia	19.49%
Australian Government Dept	14.87%
Synergy Packaging	9.28%
Specialist Wholesalers	8.07%
Finders Ports	7.90%
Others (including vacancy)	40.39%

Direct property lease expiry profile by income as at 30 June 2020

Property development

AUPL believes the Fund can enhance its existing properties and add further value to investors through selective exposure to property development. Property development means the construction of a new building, significant increases to the lettable area of a building or significant change to the nature or use of the property.

In managing the Fund's property portfolio, AUPL may refurbish or redevelop properties from time to time. Material property developments will typically only be undertaken where, substantial pre- commitments to lease are in place and/or development risk is appropriately mitigated. There are no development projects for the Fund as at 30 June 2020.

Valuation policy

AUPL holds a valuation policy with which this Fund complies. The policy outlines the commitment to engaging with an independent registered or licensed valuer who operates within the same state or territory as the property.

The policy also ensures that:

- All properties purchased are valued no more than three months before the exchange of contracts
- All existing properties are valued at least once in a financial year
- Valuations to be staggered throughout the year, and
- The contracted sale price of the property may be used instead of the independent external valuation.

AUPL takes an active managed approach and may test the asset value of the properties in the portfolio by entering into arrangements at arm's length with third parties. These arrangements could impact the value of the assets. If this is the case the value may replace the last independent valuation.

To obtain a copy of AUPL's valuation policy please call 13 29 39.

Related party transactions

AUPL maintains a written policy regarding the management of conflicts and related party transactions.

All related party transactions pertaining to the Fund must comply with this policy.

All decisions made in relation to conflicts of interest and related party transactions are appropriately documented.

All related party transactions are carried out on an arm's length basis and are reviewed, approved and monitored by senior management within the Australian Unity Group and are in line with the governance policy.

Under the Related Party Policy, by written agreement and on an arm's length basis, the Fund appointed Australian Unity Property Management Pty Limited (AUPM), ABN 76 073 590 600 to provide the following services:

- Strategic advice on and arranging the sale and acquisitions of property
- Facility management
- Debt arranging, structure advice, facility negotiation and management (if applicable)
- Valuation services
- Leasing services
- Property management
- Project supervision
- Development management services

Fees payable to entities within the Australian Unity Group to provide property management services are in line with the related party transaction policy. From 1 July 2019 to 30 June 2020 the Fund paid \$940,690 to AUPM for these services.

Related party transactions carry a risk and could be assessed and reviewed less rigorously than transactions with other parties. AUPL may engage with service providers outside the Australian Unity Group to provide property management services. For updates on service providers visit australianunity.com.au/wealth.

AUPL provides ongoing updates of material service engagements and financial benefits that are paid to related parties through the Fund Update and Continuous Disclosure Notice. The amount of related party payments is reported yearly as part of the Fund's Annual Report. For further information about the Australian Unity Group policies relating to related party transactions or for the latest Fund Updates, Continuous Disclosure Notices, and Annual Report call 13 29 39 or visit australianunity.com.au/wealth.

Both AUPL and AUPM are wholly-owned subsidiaries of Australian Unity Limited, ABN 23 087 648 888.

Related party investments

Details of relevant related party transactions in respect of the Fund are set out in the Fund's annual report.

On 30 June 2020 the Fund's related parties held interests in the Fund to the aggregate value of \$24.821 million (9.59% of the Fund's net assets). The table below outlines the related parties and their level of interest.

Name of related entity	\$ Value (Millions)	% of the Trust's net assets
Lifepan Australia Friendly Society Limited	12.578	4.86%
Pro-D Balanced Fund	3.063	1.18%
Pro-D Growth Fund	1.892	0.73%
Australian Unity Balanced Growth Portfolio	1.483	0.57%
Pro-D High Growth Fund	0.570	0.22%
Australian Unity Health Limited	2.162	0.84%
Australian Unity Trustees Limited	2.567	0.99%
Australian Unity Trustees Charitable Common Fund 3	0.506	0.20%

As of 30 June 2020 the Fund held investments in related parties totaling \$119.315 million.

Name of related entity	\$ Value (Millions)	% of the underlying trust's net assets
Australian Unity A-REIT Fund	69.021	95.65%
Australian Unity Wholesale Cash Fund	19.895	3.61%
Australian Unity Diversified Property Fund	8.682	3.02%
Australian Unity Specialist Disability Accommodation Fund	6.217	15.40%
Australian Unity Healthcare Property Trust	7.669	0.48%
Australian Unity Office Fund	7.831	2.30%

Investor approval is not required for the related party transaction between AUPL, AUPM and Australian Unity Group subsidiaries outlined in this PDS, as they are made on a commercial basis and on an arm's length basis. Updates to related party transactions and financial benefits will be posted via Fund Updates and Continuous Disclosure notices.

For further information about the Australian Unity Group policies relating to related party transactions, Fund updates and Annual Reports visit australianunity.com.au/wealth or contact 13 29 39.

Net tangible assets

The Fund is an open-ended property scheme and as such the net tangible assets disclosure is not applicable. However, the current Unit price for the Fund is available on australianunity.com.au/wealth.

When it comes to creating a quality portfolio of investments, we've got lots of pieces that can help you solve your personal investment puzzle.

Making investments and withdrawals

Investing

The table below explains how to make an investment in the Fund. The Application Form can be found at the end of this PDS.

	What investors need to send	Minimum ¹	Cut-off times	Important information
Initial investment	A completed Application Form and direct debit details.	\$5,000	The Application Form (and cheque if applicable) must be received by 3:00pm at AUPL's Melbourne office on a business day, to receive the application Unit price for that day. If the application is received over the weekend the Unit price for the next business day will be used.	Review the application before signing it. Incomplete applications may not be accepted.
Additional Investments	A completed Application Form and direct debit details.	\$1,000		We may in our absolute discretion wholly or partially accept or reject or otherwise cancel any Application Form without giving any reason for doing so.
Regular investments through a regular savings plan	A completed Application Form including the amount you will regularly invest and direct debit details.	\$100 per month \$300 per quarter \$600 per half year \$1,200 per year	The Application Form must be received five business days before the start of your regular investments. Regular investments will be drawn from your bank account on the 15th of each month unless the 15th is a weekend or public holiday, then it will be on the next business day.	Ensure the relevant sections of the Application Form are completed. Changes can be made to your regular investments, provided you give five business days to action the request. Your Regular Savings Plan will automatically cease if two consecutive payments are dishonored.
Transferring your investment	A Transfer Form completed by both parties and a completed Application Form for the Fund completed by the transferee	\$1,000	The Transfer Form and Application Form must be received by 3:00pm on a business day for the transfer to be completed that day. Otherwise, the transfer will be completed the next business day.	If only part of the investment is transferred a minimum of \$5,000 must be kept in the account.

1. AUPL reserves the right to vary minimum investment amounts at the Fund's discretion without explanation. If investing through a master trust or investor directed portfolio service (IDPS), the minimums detailed above may not apply. Refer to the master trust or IDPS operator's offer document.

Handling of applications

Pending the issue of Units to an investor, the application amount will be held in a trust account that complies with the requirements of the Corporations Act.

If for any reason an application is returned, no interest will be paid to the investor. Any interest earned during this time will be retained by the Fund and form part of the income for the benefits of all investors. AUPL reserves the right at any time to reject whole or in part any application, without reason.

Suspension of further applications

In exceptional circumstances, where it is considered to be in the best interest of investors, the processing of all applications may be suspended. If this occurs, application requests will be processed using the next available Unit price.

Withdrawals

The table below explains what is required to make a withdrawal.

What investors need to send	Minimum ¹	Cut-off times	Important information
A completed Withdrawal Form or letter requesting a withdrawal signed by the account holders or the authorised signatories and Australian financial institution account details.	\$1,000	Written request must be received by 3:00pm at AUPL's Melbourne office on a business day to receive the withdrawal price effective for that day. Otherwise, investors will receive the next business day's price.	<p>Withdrawal proceeds will only be paid to a nominated Australian financial institution account. Cheque and third-party payments are not available. Incomplete withdrawal requests may not be accepted.</p> <p>AUPL will generally pay withdrawals within five business days, although the Fund's Constitution allows for a longer period to make withdrawals. Please refer below for further details.</p>

1. We may vary minimum withdrawal amounts at our discretion. If you are withdrawing from a master trust or investor directed portfolio service (IDPS), the minimums detailed above may not apply. Investors should refer to your master trust or IDPS operator's offer document.

Additional information about withdrawals

Withdrawals are funded using cash reserves held by the Fund, which are primarily accumulated from applications and retained earnings.

AUPL endeavours to meet withdrawal requests within five business days. However, the Corporations Act together with the Fund's Constitution permits up to 180 days for withdrawals to be met. This allows time for assets to be sold to meet the outstanding requests.

Prospective investors must be aware of potential restrictions to withdraw from the Fund. AUPL does not guarantee the liquidity of the Fund and/or the ability of investor to withdraw from the Fund.

Please refer to Page 24 – Risks relevant to the Fund.

Withdrawal thresholds

There may be times when there are limitations on the liquidity that can be provided due to the illiquid nature of certain underlying investments, such as direct and unlisted real property. AUPL may therefore take greater than 5 business days to pay withdrawals for example when any of the following circumstances arise:

- the total number of Units to be withdrawn on a Business Day, net of any applications, exceeds 15% of the aggregate number of all Units on issue in the Fund at the beginning of that Business Day; and/or
- the total number of Units to be withdrawn, net of any applications, within the prior 30 days exceeds 25% of the aggregate number of all Units on issue in the Fund at the beginning of that prior 30 days; and/or
- the total number of Units to be withdrawn, net of any applications, within the prior 90 days exceeds 40% of the aggregate number of all Units on issue in the Fund at the beginning of that prior 90 days.

Please note, these thresholds are indicative only to assist investors with an appropriate level of expectation of withdrawal timeframes under varied circumstances. The timeframe to pay withdrawal requests is subject to the Portfolio Manager's assessment of their ability to maintain asset allocations within targeted ranges, including having given due consideration to expected future withdrawal requests from the Fund and the Portfolio Manager's ability to liquidate assets at that point in time.

These withdrawal thresholds aim to ensure an equitable position between those investors withdrawing from the Fund and those investors who continue with their investment while maintaining the Fund's target asset allocation to direct property and unlisted property funds, listed Australian REITs and cash.

Withdrawal offers when the Fund is illiquid

The Fund's liquidity position will be monitored. If the Fund is not able to meet withdrawal requests in part or in full or if the Fund is declared illiquid, the Responsible Entity will communicate how it plans to meet future withdrawal requests as soon as practicable. This communication may include the steps to be taken over the next 12 months and the expected liquidity position during this time.

This may involve any one or a combination of steps such as raising equity from new investors, using existing cash, selling listed or unlisted property securities, selling direct property, and/or in extraordinary circumstances as a last resort obtaining debt. The Responsible Entity may also provide quarterly updates on the steps that have or are proposed to be taken and the anticipated timeframe to implement such steps, until such time as daily processing of withdrawal requests may resume.

If the Fund becomes illiquid, as defined in the Corporations Act, withdrawals from the Fund will only be available in response to a withdrawal offer made to all investors. During this time, AUPL will provide regular updates to all investors in respect of relevant information.

AUPL may seek to provide quarterly withdrawal offers to investors whereby:

- An amount is made available for investors based on liquid cash that the Fund holds in excess of its operational requirements;
- Withdrawal proceeds are anticipated to be paid to investors within 10 business days of a withdrawal closing date.

Where the withdrawal requests exceed the amount made available under a quarterly withdrawal offer, withdrawal offer requests will be aggregated on the closing date and dealt with proportionately on a pro-rata basis and investors can opt to carry forward their unmet withdrawal request to the next available withdrawal offer.

Alternatively, AUPL reserves the right to offer other withdrawal arrangements if these solutions are deemed to be in the best interests of investors in the Fund.

Minimum balance

If withdrawal requests result in the account value falling below the minimum balance of \$5,000 the Fund may treat the request as a request to withdraw in full and close the account. The Fund reserves the right to vary the minimum amounts at any time.

Investing or withdrawing through a master trust or IDPS

If investing into or withdrawing from the Fund through a master trust or IDPS, certain features of the Fund may not apply. Examples are: minimums for investments and withdrawals, processing times, and importantly, the cooling-off rights (refer to Changing your mind). If investing in the Fund through a master trust or IDPS investors (in most cases) do not become an investor in the Fund. Instead, the master trust or IDPS acquires the rights of an investor. The master trust or IDPS arrangements with their client will set out their client's rights. The Fund does not keep personal information about indirect investors.

The master trust or IDPS can exercise (or decline to exercise) those rights in accordance with the arrangements governing the operation of the master trust or IDPS.

Some provisions of the Fund's Constitution will not be directly relevant to investors investing via a master trust or IDPS. For example, attendance at meetings or withdraw investments directly. Reports will come from the master trust or IDPS, not the Fund and enquiries about the Fund should be directed to the master trust or IDPS.

If investing through the IDPS structure, ensure full details of these differences have been received so a fully informed decision can be made.

Changing your mind

A 14-day cooling-off period is available to investors to decide whether to proceed with the application. The 14-day period starts on either:

- The date you receive your initial investment transaction statement or
- Five business days after Units are issued, whichever is the earliest.

If the decision is made by the investor to cancel the investment it is important AUPL receives written instructions before the expiration of this period.

The amount repaid is adjusted to reflect any increase/decrease in the value of the investment due to market movement. The Fund deducts any taxes or duties payable and transaction costs. This could result the amount returned being less than the amount of the original investment.

The cooling-off period is not applicable to sophisticated, professional investors or wholesale clients (as defined in the Corporations Act 2001).

If investing through a through a master trust or IDPS, the operator should be consulted in relation to cooling-off rights that may apply.

Unit prices and distribution payments

Unit prices

How the Unit prices are calculated

Unit prices are generally calculated daily. In exceptional circumstances, where it is considered to be in the best interests of investors, Unit prices may be calculated less frequently.

The Unit price is calculated by taking the value of the Fund's assets and deducting the liabilities. The resulting value is then divided by the total number of Units issued by the Fund.

If there are multiple classes of Units in the Fund, the Unit price for each class of Unit within the Fund is calculated by taking into consideration the net asset value and the number of Units on issue for that class at the relevant time. Where fees or costs relate to more than one class, the deduction is made for fees relevant to the respective class of Unit.

Both the application and the withdrawal price are calculated taking into account any applicable buy/sell spread. The buy/sell spread is a percentage amount applied to the Unit price. It ensures that there is a fair application of the costs of buying and selling assets to investors entering and exiting the Fund. Refer to page 29 for more information on the buy/sell spread of the Fund.

Under the Fund's Constitution and the Unit Pricing Policy AUPL can apply its judgement to Unit pricing. A copy of the policy can be viewed during business hours at the Melbourne office, or by calling 13 29 39. For daily Unit price updates please visit australianunity.com.au/wealth or call 13 29 39.

Distribution practices

The Fund does not meet the distribution practice of paying distributions from cash generated from operations. This is because the Fund expects to pay distributions from Funds from Operations (FFO) which is the main method used for calculating and deciding on the level of distributions. However, if AUPL considers it's in the investor's best interest (i.e. if rental income is suddenly reduced) to make distribution payments via other avenues (i.e. working capital) then it is permitted to do so. AUPL has not identified any additional risks to the Fund by making distributions from FFO.

FFO is the main method used for calculating and deciding on the level of distribution to pay investors. To do this AUPL reconciles net profit to FFO and the Fund's distribution.

The table to the right outlines the reconciliation of the net profit with the FFO to meet the distribution commitment for the 2020 financial year and highlights that the distributions declared did not exceed the FFO.

	Actual (\$'m)
Net profit	(19.55)
Plus: Valuation changes*	30.80
Plus: Other	14.11
Equals: Funds from operations	25.36
Distributions declared	20.22

* Valuation changes include direct property revaluations, listed/unlisted property trusts unrealised/ realised valuation changes and rental straight-line adjustments.

The distribution policy outlined in this PDS is aligned to the Fund's ongoing capacity to meet distribution commitments over the next 12 months.

Distribution payments

Distributions are paid within 15 days of the end of each calendar quarter (March, June, September and December).

Investors can choose from two available payment options:

1. Reinvestment of distribution

The amount of distribution reinvestment price is the Unit price at the end of each calendar quarter, minus the buy spread (the cost associated with the transaction) and less the amount of the distribution per Unit. Reinvestment of distributions can be done by completing the relevant section of the Application Form or by contacting Australian Unity.

2. Distribution payments made directly into an Australian financial institution (bank) account.

To choose this option, the investor must fill out the relevant section of the Application Form with their bank account details. If the details of an Australian financial institution are not provided, then the distributions will be reinvested.

If investments were made through a master trust or IPDS, they may pay income at times different to those indicated above and not offer a choice of payment options.

For further information about the Fund's withdrawal arrangements see page 21.

Risks of managed investment schemes

What is risk?

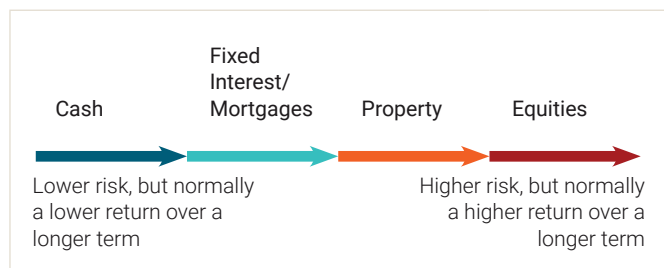
Risk refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments come with a degree of risk. It is the investor's responsibility to decide on the level of investment risk they are comfortable with. The main risks of investing include a decrease in the investment value, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

These risks can arise from various circumstances, including:

- Changes to government policies relating to tax or economics that may have adverse impacts on investment markets or the tax treatment of investment returns (regulatory risk) and
- Changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to market sentiment, that may make certain investments less attractive (market risk).

The below chart outlines the five main types of investments and their relationship to risk and return.



If investment security is the highest concern when selecting investments, investment with lower risk profile might be the most suitable option.

These types of investments may deliver a lower return in the long term.

If the focus is towards achieving higher returns, then an investment option with higher risk may be suitable. However, fluctuations in the investment value could occur, which could result in the initial investment value going down, as well as up.

How the Fund manages risk

AUPL is unable to eliminate all investment risks. AUPL does analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines.

AUPL also spreads the Fund's investment across a diverse range of assets which reduces the reliance upon the performance of any single asset.

This means if one asset is performing poorly, another may perform well. Diversification of assets will generally smooth out the overall return on the portfolio and may reduce short-term volatility.

How Investors can manage risk

- Seek advice from an independent financial adviser to understand how current financial situation and investment objectives affect the selection of investments.
- Consider investment timeframe, investment objectives and tolerance to risk.
- Diversification of investments to help reduce risk and the volatility of investment returns.

Risks relevant to the Fund

Liquidity risk

The Fund holds an amount of cash and other liquid assets which enables investors to access their investment at short notice. However, the Fund also invests in real property assets, unlisted property trusts and listed Australian REITs. Real property assets tend to be less liquid than other forms of investment and, as a result, there is a risk that it could take longer to withdraw money if many investors decide to withdraw money at the same time. If this happens and if the level of withdrawals exceeds the available level of liquid assets there is a risk that the Fund may have insufficient cash to meet withdrawal obligations in a timely manner. This could result in it taking longer for investors to withdraw money or the Fund losing value from selling assets at an inopportune time.

Refer to Withdrawal Risk (below) for more about withdrawals from this Fund.

Withdrawal Risk

In times of abnormal operating or market conditions, or periods of excessive withdrawals, as stipulated under the Fund's Constitution, the Fund may take up to 180 days to satisfy withdrawal requests. During these times we may seek to offer alternative withdrawal solutions if these solutions are deemed to reduce the 180 day withdrawal payment period and deemed to be in the best interest of investors.

Should the Fund cease to be liquid as defined in the Corporations Act (which investors will be notified of as soon as practicable), daily withdrawals will cease. In that case, withdrawal from the Fund may only be available in response to a withdrawal offer made to all investors from time to time, in accordance with the Corporations Act 2001.

Concentration risk

Concentration risk refers to the potential for a loss in value of the Fund which may arise if a major tenant defaults, or a change in liquidity or withdrawal availability which may arise when a significant investor or group of investors divest their investment at the same time or within a short time period.

Market risk

In addition to the above risks, listed Australian REITs are impacted by broader market factors (such as interest rate changes and share market sentiment), similar to equity investments. As they are traded on the stock market, listed Australian REITs are generally subject to higher volatility than direct property given their capital values are not highly correlated.

Borrowing risk

The Fund has no direct borrowings and does not currently intend to borrow in the future. Underlying investments of the Fund may borrow. AUPL considers the borrowings of underlying investments as part of its investment decisions.

Derivatives risk

A derivative is a financial transaction which derives its value from another source, such as a share or bond. The main types of derivatives are futures, options and swaps. Derivatives can expose a fund to other risks which are particular to derivatives, such as pricing risk.

Derivatives are also subject to market risk where there is movement in the underlying security, index or financial obligation.

It is not AUPL's current policy to use derivatives for gearing purposes or for speculative activities for the Fund.

Unforeseen risk and insurance risk

Unforeseen extraordinary events such as natural phenomena, pandemics, attacks or other like events may affect the Fund's assets or the underlying funds in which the Fund invests. These are events for which insurance cover is either not available, or the Fund does not have cover. The performance of the Fund may be adversely affected where any unforeseen event results in losses to Fund assets due to uninsurable risks, uninsured risks or under-insured risks, or the cost of the insurance premiums being in excess of those forecasts. Any failure by an insurer or re-insurer may also adversely affect the Fund's ability to make claims under an insurance policy. These occurrences may result in a loss of capital, in turn reducing the price of Units and amounts that may be available for distribution by the Fund. The Fund aims to manage these risks to the extent possible by maintaining appropriate insurance cover and reviewing the cover recurrently.

Property risk

The value of direct and unlisted property assets is closely linked to rental income, occupancy levels, tenant quality, lease terms, location, supply and demand factors and environmental risks (such as land contamination or the cost of removing potentially hazardous materials). Changes to any of these elements will affect the value of the underlying property and ultimately the value of investments.

The business conditions for tenants may change adversely, which may result in tenants seeking rental assistance, defaulting on rental payments, abandoning leases, or not renewing leases on expiry. A reduction in rental income received by the Fund may impact the level of distributions it can make and may reduce the value of assets.

In the day-to-day operations of the Fund, allowances are made for known capital works and maintenance of the properties. However, unforeseen repairs or capital works may be required, which could reduce the amount of income available for distribution.

The long-term strategy for the Fund is to provide consistent income with capital growth. AUPL grows the portfolio through acquisition of additional direct, unlisted and listed assets and the enhancement of existing properties. These activities may depend on raising additional equity from new or existing investors. If the Fund is not able to raise sufficient capital the Fund may not be able to grow according to its strategy.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Australian Unity Property Income Fund

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment product		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Management costs¹		
The fees and costs for managing your investment	Base management fee² 0.94% p.a. of net asset value of the Fund.	The base management fee is calculated and accrued daily but paid monthly in arrears from the assets of the Fund.
	Recoverable expenses³ 0.05% of the net asset of the Fund.	Recoverable expenses are accrued as and when incurred by the Fund and therefore then amount recovered each month may vary.
	Indirect costs Estimated to be 0.21% of the net asset value of the Fund	Payable from the assets of the underlying fund in which the Fund invests as and when incurred.
Service fees²		
Switching fee The fee for changing investment options	Nil	Not applicable

1. Management costs do not include the Fund's transactional and operational costs some of which are recovered via the buy/sell spreads. For more information about the calculation of buy and sell spreads, see 'Buy/Sell spread' under the heading 'Additional explanation of fees and costs'.

2. The base management fee may be negotiated with investors who are wholesale clients. For more information about the calculation of the base management fee, and about fee rebates to wholesale clients, see 'Base management fee' and 'Wholesale clients' under the heading 'Additional explanation of fees and costs'. The base management fee of 0.94% pa is inclusive of the GST less input tax credits (including reduced input tax credits) relating to the Fund's underlying investments. The actual base management fee was 0.93% p.a. for the financial year ended 30 June 2020.

3. Fund expenses are estimated to be 0.05% p.a. of the net asset value of the Fund for the financial year ended 30 June 2020. For more information about Fund expenses, see 'Recoverable expenses' under the heading 'Additional explanation of fees and costs'.

Example of annual fees and costs

This table gives an example of how the fees and costs in the Property Income Fund for this managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – AUSTRALIAN UNITY PROPERTY INCOME FUND ¹	Amount	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution Fee	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	1.19% p.a. ²	And , for every \$50,000 you have in the Fund you will be charged \$595 each year .
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees of: \$595 ^{1,3,4} What it costs you will depend on the investment option you choose and the fees you negotiate.

1. A buy/sell spread may apply to investments in and out of the Fund (see 'Buy/Sell spread' on page 29 for further details).
2. This is the Indirect Cost Ratio ('ICR') based on the net assets for the period 1 July 2019 to 30 June 2020 and incorporates the Fund's base management fee inclusive of the GST less input tax credits (including reduced input tax credits) relating to the fund's underlying investments, recoverable expenses and indirect costs for the financial year ended 30 June 2020. Refer to page 28 of this PDS for further details about the ICR. What your investment in the Fund costs you will also depend on the fees you negotiate with the Fund (where applicable) or with your financial adviser.
3. Additional fees may apply. See the 'Additional explanation of fees and costs' section below.
4. This example assumes that the contribution of \$5,000 is made at the end of the year and therefore no management costs for the contribution have been included.

Additional explanation of fees and costs

Management cost calculations

The table below provides a summary of the Fund's estimated management costs on the Fund's average net asset value (the Fund's gross asset value less the Fund's liabilities) for the 12 months to 30 June 2020.

Management cost	Net asset value p.a.
Base management fee ¹	0.94%
Plus: Indirect cost	0.21%
Plus: Recoverable expenses	0.05%
Equals: Total management costs	1.20%

1. The base management fee of 0.94% p.a. is inclusive of GST less input tax credits (including reduced input tax credits) relating to the Fund's underlying investments. The actual base management fee was 0.93% p.a. for the financial year ended 30 June 2020.

Base management fee

Under the Fund's Constitution, AUPL is entitled to receive up to 2.00% p.a. (before GST) of the Fund's gross asset value in performing our duties in relation to the Fund. AUPL has exercised its discretion under the Fund's Constitution to charge a reduced base management fee of 0.94% p.a. inclusive of the GST less input tax credits (including reduced input tax credits) of the Fund's net asset value.

Subject to legal requirements, we are entitled to change fees with prior notice to you as described on page 29.

Indirect costs

Indirect costs are amounts that AUPL knows, or estimates, will reduce the Fund's returns. The costs are paid from the Fund's assets, or the assets of an interposed vehicle in which the Fund may invest from time to time. Typically, an interposed vehicle will be a trust in which the Fund has invested.

These indirect costs include performance-related fees, recoverable expenses and indirect costs of underlying interposed vehicles.

Where the Fund invests in other funds managed by us

The Fund may invest in other funds or investment companies (interposed vehicles) managed by us or our associates. Where this occurs, management fees are not taken from each fund. Instead, our management fees will be adjusted to reflect the Fund's Wholesale Units net management fee described on page 27.

Where the Fund invests in other funds managed by an external party

Where the Fund invests in other funds or investment companies (interposed vehicles) managed by third parties not related to us, any management fees charged by those parties will be reflected in the performance of the Fund and our management fee will not be adjusted to reflect the management fees of such interposed vehicles.

Recoverable expenses and other costs

We are entitled under the Fund's constitution to reimbursement for, or have paid by the Fund, all expenses and taxes we incur in the proper performance of our duties. Refer to the 'Other Information' section for further details on taxes incurred.

Recoverable expenses are expenses generally incurred in the day-to-day operation of the Fund and include, for example: registry costs, legal services, custodian services, compliance and related administrative functions, accounting, printing, audit and asset management fees. These costs are shown in the table under the 'Fees and other costs' section. The above estimates are based upon the net asset value relating to a Fund for the financial year ending 30 June 2020. Recoverable expenses are accrued as and when incurred by the Fund, and therefore the amount recovered each month may vary.

This estimate does not include costs for:

- Expenses that would normally be incurred by a direct investor that relate to the buying and selling, maintenance, development and leasing of assets;
- Abnormal operating expenses which are due to abnormal events, such as the cost of running investor meetings; and
- Costs of borrowing (if any) including arrangement, establishment and interest costs.

Refer to 'Transactional and operational costs' below for more information.

Indirect cost ratio (ICR)

The ICR is a useful measure of the ongoing fees and expenses of investing in the Fund. It is expressed as a percentage of the average size of the Fund's net assets over a financial year.

The ICR shows the cost of investing in the Fund compared to investing directly in assets. It is calculated by dividing the total management costs of the Fund by the average size of the Fund's net assets over the period. The ICR does not include transactional and operational costs (such as buy/sell spreads and brokerage), borrowing costs, and costs relating to a specific asset that an investor would incur if they invested directly in an asset (e.g. Government charges).

The ICR for the Wholesale Units of the Fund for the period 1 July 2019 to 30 June 2020 was 1.19% p.a. as a percentage of the average net asset value of the Fund during that period.

Transactional and operational costs and borrowing costs

The table below provides a summary of the estimated transactional and operational costs and borrowing costs of the Fund and its underlying investments, calculated on the Fund's average net asset value, (the Fund's gross asset value less the Fund's liabilities), for the 12 months to 30 June 2020. These costs are borne by the Fund and taken into account when determining distributions to investors.

Transactional and operational costs and borrowing costs	
Total transactional and operational costs (other than borrowing costs) p.a. ¹	3.31%
Less: Buy and sell spreads recovered p.a.	0.04%
Equals: Net transactional and operational costs borne by the Fund p.a.	3.27%
Borrowing costs borne by the Fund p.a. ²	0.18%

1. These costs are shown net of amounts recovered via the Fund's buy/sell spreads.

2. The Fund has no borrowings. Borrowing costs borne by the Fund reflects borrowing costs of the Fund's underlying investments.

Transactional and operational costs

Separate to the day-to-day expenses of operating the Fund, there are expenses associated with the ownership and operation of the Fund's direct property assets which are recoverable by charging a 'buy/sell spread' as explained below.

These costs relate to the activities involved in acquiring, disposing and operating properties as going concerns and form part of the Fund's total 'transactional and operational costs' amounts set out above. Costs incurred on behalf of a tenant of the Fund's property and recovered from the tenant are not a cost which is borne by the Fund and therefore are not included in the transactional and operational costs.

Transactional and operational costs are additional to the management costs set out in the fee table on page 28. Some examples of these expenses include:

- Stamp duty and other Government charges;
- Cost of making an investment, such as spreads or brokerage costs;
- Leasing fees;
- Rental review fees;
- Agency sales and acquisition arranger fees;
- Property management fees; and
- Non-recoverable property expenses.

The Fund's underlying investments may also incur transactional and operational costs.

Since 2000, we've been at the forefront of measuring the happiness and wellbeing of Australians.

Borrowing costs

The Fund currently has no borrowings/debt. However, the Fund's underlying investments may borrow to finance new and existing assets, to develop and maintain those assets, and to provide liquidity for operating purposes and managing the Fund's working capital. The costs involved with Fund's underlying investments' borrowings are recoverable from the Fund's underlying investments.

Such costs may include:

- Interest expense;
- Debt arranger fees;
- Loan establishment fees; and
- Hedging costs (interest rate management).

Buy/Sell spread

The buy and the sell spread aim to ensure that each investor shares the transactional costs associated with their investment decision to either enter or exit the Fund. The amount is:

- In the case of a buy spread, an extra cost charged to enter the Fund and the sell spread is a cost charged to exit the Fund;
- An estimate to cover the costs incurred when buying or selling assets, such as agent fees, legal fees, stamp duty and taxes;
- Not an additional fee paid to AUPL but is retained in the Fund to cover those transactional costs; and
- Not applied to the reinvestment of distributions.

The following buy/sell spreads (which may change from time to time without prior notice) apply:

Buy spread	Sell spread
0.80%	0.20%

If the buy spread and/or sell spread changes, we will notify investors on our website at australianunity.com.au/wealth.

Based on the buy and sell spreads noted above, an investment of \$50,000 would incur a buy spread of \$400, and a withdrawal of \$50,000 would incur a sell spread of \$100. This is an example only; it is not an estimate or forecast.

We reserve the right to waive the buy or sell spreads.

Investor transaction costs

Investors may also incur infrequent costs directly associated with transactions made on their account, such as Government taxes, stamp duty and bank fees. For example, if investor's direct debit is rejected and the Fund incurs a bank fee.

These costs will be directly deducted from your account by reducing the number of Units you hold within the Fund. We are unable to estimate these costs until they are incurred.

Wholesale clients

From time to time, the Fund may rebate some of the fees (or issue Units in the Fund) to 'wholesale clients' as defined under the Corporations Act 2001 or to employees within the Australian Unity Group so that they pay reduced fees. The Fund does not enter into individual fee arrangements with other investors.

Fee changes and maximum fees

Fees may increase or decrease for many reasons, including changes in the competitive, industry and regulatory environments or simply from changes in costs. The Fund can change fees without investor consent but will provide at least 30 days written notice. If you withdraw within this notice period, the increased fees will not apply to your withdrawal.

The maximum fees we are allowed to charge the Fund (before GST) are stated in the Fund's Constitution and are as follows:

- Maximum contribution fee: Nil
- Maximum ongoing management fee: 2.00% p.a. (before GST) of the gross asset value of the Fund excluding derivatives
- Maximum withdrawal fee: Nil.

For actual fees charged, refer to table on page 26.

There are no limits in the Fund's Constitution on the amount that we can recover for expenses incurred in the proper performance of our duties.

Payments to financial advisers and intermediaries

The Corporations Act 2001 contains provisions which regulate, and in some cases prohibit, payments to financial advisers and intermediaries by product issuers. Any arrangement by us to make payments or provide incentives to financial advisers and intermediaries will be entered into in compliance with the legislation.

You may agree with your financial adviser that advice fees will be paid for financial planning services your financial adviser provides for you. These advice fees are additional to the fees shown in the fee table on page 28, and are paid to your financial adviser, not to AUPL.

Payments to your financial adviser

Investors can choose to make payments to their financial adviser through an advice fee from their account.

This payment reflects the investor arrangement with their financial adviser as set out in the Statement of Advice provided by the financial adviser and is calculated and deducted (by way of a withdrawal of interests, which may have taxation consequences) on a monthly basis. The advice fee is not a fee paid to the Fund. Investors must notify the Fund if they change or cancel their arrangement with their financial adviser.

For example, if investor's average monthly account balance is \$50,000 and they nominate an ongoing advice fee of 1.10% p.a., this equates to approximately \$45.83 per month. The dollar amount will vary depending upon the average value of their account each month.

GST

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of GST less input tax credits (including approximate reduced input tax credits) that the Fund may be entitled to claim.

Other information

Australian taxation

Certain tax implications of investing in the Fund are explained below. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account individual circumstances. Accordingly, the Fund strongly recommends that investors seek independent professional taxation advice on the tax implications of investing in the Fund relevant to individual specific circumstances.

The following summary is intended for Australian resident investors and generally applies to investors who hold their investment for the purpose of realising a long-term return (that is, hold their investment on capital account for tax purposes). This summary does not consider the tax implications for those investors who hold their investment in the Fund on revenue account, as an isolated investment made with profit-making intent or as trading stock. It is based on the Fund's interpretation of the current Australian tax laws at the date of publication of this PDS, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change.

While investors hold investments in the Fund

The Fund elected to be an Attribution Managed Investment Trust (AMIT) for tax purposes from the 2018 income year. The Fund itself should not pay tax on the basis that it will attribute trust components to investors each financial year on a fair and reasonable basis.

Investors will need to include in their income tax return the share of the Fund's taxable income for each financial year. This applies regardless of whether the distribution is received in cash during that income year or a later year, and may include amounts that have been reinvested.

Investors will receive an AMIT Member Annual (AMMA) statement from the Fund which will provide investors with the components to be included in their tax return. The sum of these components may differ to the amount of cash distribution received.

Tax losses (if any) generated by the Fund cannot be passed onto investors. However, provided specific requirements are satisfied, the Fund should be able to carry forward tax losses, offsetting them against income generated in a later income year.

Dividends

Where a Fund receives franked distributions in relation to investments in Australian equities, investors may receive as part of their distribution franking credits (subject to relevant franking credit integrity measures, such as the 45-day holding period rule). These franking credits will not represent part of the cash receipts but will need to be included in investor tax return as part of taxable income received. Depending on investor's individual circumstances, these may be available to offset their tax liability or be paid as a refund.

Foreign income

Where a Fund derives foreign sourced income, Australian tax resident investors may be able to claim a Foreign Income Tax Offset ('FITO') against their Australian income tax liability in respect of their share of any foreign tax paid on that income. FITO's not utilised in the income year in which they are derived will be forfeited and cannot be carried forward to a later year.

Capital gains

Where the Fund derives net capital gains to which investors become entitled, investors may need to include these amounts in their assessable income. Investors will generally be required to double any discounted capital gains. A capital gains tax (CGT) discount may then be available for some investors, as outlined below.

When you withdraw

When investors fully or partially withdraw or redeem investment in the Fund, investors are treated as having disposed of their investment in the Fund. As a result, any net gain derived on disposal may be included in taxable income under the CGT provisions. This may include where investors move between investments or transfer Units in a particular investment to another investor.

An investor will make a capital gain in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal exceed the investor's cost base. Alternatively, an investor will make a capital loss in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal of the investment are less than the cost base in that investment.

In determining the cost base of the investor's investment in the Fund, investors will need to take into account any returns of capital and in circumstances where the amount of cash distribution is more than their share of the Fund's taxable income in an income year, their cost base of the investment in the Fund should decrease by the difference (AMIT cost base net amount – excess). These amounts may have the effect of increasing investor's capital gain or decreasing their capital loss.

In addition, in circumstances where the amount of cash distribution is less than the investor's share of the Fund's taxable income in an income year, investor's cost base of the investment in the Fund should increase by the difference ('AMIT cost base net amount – shortfall'). This amount should have the effect of decreasing investor's capital gain or increasing their capital loss upon disposal of their investment.

The AMIT Member Annual (AMMA) statement investors receive from the Fund will state the amounts that AUPL reasonably estimates to be the AMIT cost base net amount – excess and the AMIT cost base net amount – shortfall.

Any net capital loss resulting from the disposal of the investor's investment may be able to be used to reduce capital gains derived in that or future income years.

Investors that are individuals and trusts may be entitled to a CGT discount that reduces their capital gains by 50% where they have held their investment for more than 12 months. Investors that are complying superannuation funds may be entitled to a 33.33% reduction of their CGT liability. No such discount is available to corporate investors.

Non-residents

This summary does not consider the Australian income tax implications for non-resident investors. However, it is noted that the Australian tax law imposes obligations on the Fund to withhold tax on distributions paid to non-residents for Australian tax purposes.

If investors are not an Australian resident for tax purposes, withholding tax will be deducted from their distributions at the prescribed rates. The rates may vary according to the components of the distribution and the country in which the investor reside.

TFN Withholding Tax

If investors are an Australian resident, they may choose whether or not to provide a Tax File Number or an Australian Business Number. If neither is quoted and no relevant exemption information is provided, a Fund is required to withhold tax on your income distributions at the highest marginal tax rate, plus levies.

Goods and Services Tax (GST)

The acquisition, redemption and transfer of Units in the Fund should not be subject to GST. Distributions made by the Fund should also not give rise to any GST consequences.

Australian Tax Reform

Australia is in the process of ongoing taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of the reforms. AUPL will continue to monitor the tax reform process and its impact on the Fund. It is an investor's responsibility to monitor tax reform developments that may impact on their investment in the Fund.

Constitution

The Fund is a registered managed investment scheme and is governed by a Constitution and a Compliance Plan.

The statements in this PDS only provide a summary of some of the provisions of the Constitution. Investors can inspect a copy of the Constitution at the Fund's Melbourne office at any time between 9:00am and 5:00pm on a business day.

Classes of Units

The Constitution provides that AUPL may create and issue Units of different classes with such rights, obligations and restrictions attaching to the Units of such classes as it determines, in accordance with the Corporations Act 2001. At the date of this PDS, there are Wholesale Units available to investors.

The Responsible Entity

AUPL, in its capacity as a Responsible Entity, is subject to the provisions of the Funds Constitution and the Corporations Act 2001. AUPL is responsible for administration and management of the Fund and sets the investment policy and objectives.

Any investment manager appointed by AUPL will be entitled to receive fees for investment management functions.

AUPL is entitled to the benefit of various indemnities under the Fund's Constitution, which means that it has limited its liability for acting as the Responsible Entity.

Labour standards or environmental, social or ethical considerations

AUPL has a Direct Property Responsible Investing Policy which sets guidelines to selecting, managing or realising direct property assets, and specifically covers the following considerations.

Consideration	Objective
Environmental	To minimise the environmental impact from operations and development.
Labour	To ensure equal employment opportunity and the provision of a safe work environment.
Social	To enhance the work environment for occupants and workers.
Governance	To operate under a well-established set of corporate governance policies this ensures compliance and optimises performance.
Ethical	To act with honesty and integrity.

The Direct Property Responsible Investing Policy guidelines are considered on a property by property basis, and may be applied differently within the context of a property's sector, geographical and market attributes. Due to these differences there is no predetermined methodology for the application of the Direct Property Responsible Investing Policy.

For further information or to obtain a copy of the Direct Property Responsible Investing Policy please call 13 29 39.

Authorised investments

A broad range of investments is permitted by the Fund. The typical range of investments for the Fund is set out on page 9.

The Fund may gain exposure to certain assets by investing through other investment vehicles including those managed by a related entity. These investment vehicles may include investment companies, registered managed investments schemes and other unregistered schemes.

The Fund may use derivatives in the management of the Fund, but will generally not use derivatives for gearing purposes or speculative activities.

Automatic Exchange of Information (AEOI)

The Fund intends to meet any requirements imposed on the Fund under Australian legislation designed to give effect to the AEOI regimes.

Australia's obligations under the AEOI regimes include legislation designed to give effect to the Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Co-operation and Development's (OECD) Common Reporting Standard (CRS). As such, the Fund will collect certain information from the investor, report payments made in respect of their investment and retain information to meet record keeping requirements. It is recommended that investors consult with a tax or financial adviser to discuss the impact of these AEOI regimes.

Small account balances

If the current account value is below the minimum balance required, the Fund may withdraw the investor's Units and pay the investor proceeds. The amount payable will be the withdrawal price on the date of the withdrawal multiplied by the number of Units they hold.

Keeping you informed about your investment

To help keep investors informed of your investment, the Fund will provide the following:

Communication	Frequency
Confirmation of initial application	At the time of the transaction
Confirmation of subsequent applications (excluding those made using a Regular Savings Plan)	At the time of the transaction
Fund update	Quarterly
Account statement	Quarterly
Australian tax statement	Annually
Annual Reports (These are available at australianunitycom.au/wealth) Investors can elect to receive a hard copy of the Annual Report – see the relevant section in the Application Form	Annually, on request

In addition, investors can view their account balance, transaction history and account details via a secure login at australianunity.com.au/wealth. Investors can also update their contact details online if they change.

As a disclosing entity the Fund is subject to regular reporting and disclosing obligations. The Fund complies with the continuous disclosure obligations required by law by the updating of information contained within this PDS on Australian Unity's website in accordance with the good practice guidelines in the ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations.

For more up-to-date information about the Fund's performance, gearing and asset allocations the Fund provides quarterly Fund Updates and the latest Annual Report, which can be found at australianunity.com.au/wealth.

AUPL can also provide Investors with a free copy of the Annual Report most recently lodged, any half-yearly financial report and any Continuous Disclosure Notices. The information in this PDS may change from time to time; updated information that is not materially adverse can be obtained by:

- Visiting australianunity.com.au/wealth or
- Calling 13 29 39 to request a free printed copy of the updated information.

Dispute resolution

AUPL takes complaints seriously and aims to resolve them as quickly as possible. A complaint can be made via:

- **Email:** investments@australianunity.com.au
- **Telephone:** 13 29 39
- **Address:** Manager – Investor Services
Australian Unity Wealth
271 Spring Street, Melbourne VIC 3000

AUPL will promptly acknowledge the complaint, investigate it and respond with a decision in a timely manner. AUPL will notify the complainant of the decision within 45 days after receipt of the complaint.

If investors are not satisfied with the response or how the complaint was handled or the resolution, then the complaint can be raised with the external independent body that has been established to provide recourse for consumers, free of charge.

Australian Financial Complaints Authority (AFCA)

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Fax: (03) 9613 6399

Address: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Glossary

Term	Description
ABN	Australian Business Number as defined in the Corporations Act.
AFSL	An Australian Financial Services Licence under s913B of the Corporations Act that authorises a person who carries a financial services business to provide financial services.
AMIT	A trust, for an income year, that is an Attribution Managed Investment Trust for the purposes of section 276-10 of the Income Tax Assessment Act 1997 (Cth).
APIR Code	A standard identifier for responsible entities, trustees and other participants in the financial services industry.
Application Form	The paper application form which forms part of this PDS or the online application form which forms part of the electronic version of this PDS.
Arm's length transactions	Buyers and sellers act independently and in their own self-interest. They are not subject to any pressure or duress. Decisions made without collusion.
ARSN	Australian Registered Scheme Number as defined in the Corporations Act.
Asset allocation	Asset allocation is an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in underlying portfolio according to a Fund's risk tolerance, goals and investment time frame.
Asset class	A broad type of investment.
Australian REIT (A-REIT)	Australian real estate investment trust comprising a portfolio of property assets listed on the Australian Securities Exchange (ASX).
Bottom-up investment approach	Market analysis starting with individual stock's fundamentals and expanding upward to include the global economic view. Opposite to top-down investment approach.
Buy Spread	The estimate of transaction costs associated with buying investments.
Constitution	The rules that govern the operation of the Fund (as amended from time to time).
Corporations Act 2001	The Corporations Act 2001 (Cth) is an act of the Commonwealth Government of Australia that sets out the laws dealing with business entities in Australia at federal and interstate level.

Term	Description
Distribution	Payment of cash (or physical products) to investors.
Effective price	Price at which a commodity is bought or sold.
Gross Asset Value (GAV)	The total assets of the Fund.
GST	Goods and Services Tax. This is a broad-based tax of 10% on most goods, services and various other items sold and consumed within Australia.
ICR	Indirect Cost Ratio.
IDPS Operator	Investor directed portfolio service, also known as a master trust or wrap platform. An IDPS Operator makes investments into financial products on behalf of its clients and provide reporting services to their client.
Indirect investor	Someone who invests in the Fund via a master trust or IDPS and instructs their master trust or IDPS to acquire Units on their behalf.
Investor	Holder of a Unit in the Fund.
Net Asset Value (NAV)	Net assets of the Fund calculated as the Gross Asset Value minus total liabilities of the Fund.
Sell Spread	The estimate of transaction costs associated with selling investments.
Top-down investment approach	Analysis of the market from a big picture all the way down to individual investment approach. Opposite to bottom-up investment approach.
Unit	A unit in the Fund.
Unit price	The price of a Unit in the Fund from time to time as explained on page 23.
WALE	Weighted average lease expiry – used in property reports typically for commercial investment property.
Weighted average	The average of values weighted by a particular reference point like valuations.
Wholesale client	Wholesale clients is a sophisticated investor and professional investor as defined under the Corporations Act 2001.

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For Real Wellbeing Since 1840

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