SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

8 April 2016

Australian Unity

Australian Unity Healthcare Property Trust – ARSN 092 755 318

Important Notice

This is a Supplementary Product Disclosure Statement (Third SPDS) to the Australian Unity Healthcare Property Trust (Trust) Product Disclosure Statement (PDS) dated 30 September 2014 as amended by the first Supplementary PDS (First SPDS) dated 28 January 2015 and by the second Supplementary PDS (Second SPDS) dated 15 June 2015. You should read this SPDS together with the PDS, the First SPDS and the Second SPDS. The information in this document updates the PDS, the First SPDS and Second SPDS.

This Third SPDS is issued by Australian Unity Funds Management Limited, ABN 60 071 497 115, AFS Licence No. 234454, as the Responsible Entity for the Australian Unity Healthcare Property Trust, ARSN 092 755 318.

Change to the PDS

Withdrawal of the Second SPDS

Effective 3:00pm, AEST, 8 April 2016, the Second SPDS is withdrawn. Refer to the information regarding the suspension of applications below.

Temporary suspension of applications

Effective 3:00pm, AEST, 8 April 2016, and until further notice, new investor applications and additional applications from existing investors into the Trust's Wholesale units and Class A units are temporarily suspended.

No new distribution reinvestment plans (DRP)

No new DRP may commence from the date of this SPDS. Existing DRPs may remain in place.

No new regular savings plans (RSP) and limits to variation of existing RSPs

No new RSP may commence from the date of this Third SPDS.

The amount invested and the frequency of investments may not increase under an investor's existing RSP until further notice. Investors may cancel or reduce the amount being invested and the frequency of investments under their existing RSPs.

Monitoring suspension of applications

The decision to temporarily suspend applications from new investors, and additional applications from existing investors, will be reviewed on an ongoing basis as we progress the Trust's development and acquisition program.

We will notify investors on our website australianunityinvestments.com.au if there is any change to the temporary suspension of applications.

Discretion to accept or reject applications

We may, in our absolute discretion accept, or reject, in whole or in part, any application.

Contact Details

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Email
investments@australianunity.com.au

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Adviser Services
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SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

15 June 2015

Australian Unity

Australian Unity Healthcare Property Trust

Important Notice

This is a Supplementary Product Disclosure Statement (SPDS) to the Australian Unity Healthcare Property Trust (Trust), Product Disclosure Statement (PDS) dated 30 September 2014 as amended by the first Supplementary PDS (First SPDS) dated 28 January 2015. You should read this SPDS together with the PDS and the First SPDS. The information in this document updates the PDS and the First SPDS.

This SPDS is issued by Australian Unity Funds Management Limited, ABN 60 071 497 115, AFS Licence No. 234454, as the Responsible Entity for the Australian Unity Healthcare Property Trust, ARSN 092 755 318.

Change to the PDS

Temporary suspension of applications for new investors into Wholesale Units

Effective 15 June 2015, applications from new investors into the Trust's Wholesale Units are temporarily suspended.

References and information relating to applications from new investors for Wholesale Units in the First SPDS, dated 28 January 2015, and the PDS, dated 30 September 2014, are no longer applicable.

Existing Wholesale Unit investors can continue to:

- make additional one-off investments;
- make regular investments through a Regular Savings Plan; and
- participate in the Distribution Reinvestment Plan.

Applications to the Healthcare Property Trust Class A Units remain open to all investors.

The Responsible Entity reserves the right to reopen applications for the Wholesale Units to new investors at its discretion.

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AUIP0057-201506

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

28 January 2015

Australian Unity

Australian Unity Healthcare Property Trust

Important Notice

This is a Supplementary Product Disclosure Statement (SPDS) to the Australian Unity Healthcare Property Trust (Trust) Product Disclosure Statement (PDS) dated 30 September 2014. You should read this SPDS together with the PDS dated 30 September 2014.

This SPDS is issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454, as the Responsible Entity for the Australian Unity Healthcare Property Trust ARSN 092 755 318.

Changes to the PDS

Increase to the buy spread

Effective 28 January 2015, the buy spread for the Wholesale Units will increase from 0.50% to 3.00% and for the Class A Units from 0.40% to 2.40%.

The buy spread section in the table on page 3 of the PDS for Wholesale Units and Class A Units is replaced with 3.00% and 2.40% respectively. The table under the 'Buy/Sell spread' section on page 23 of the PDS is also replaced with the table below:

	Wholesale Units	Class A Units
Buy spread	3.00%	2.40%
Sell spread	0.50%	0.40%

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Australian Unity

PRODUCT DISCLOSURE STATEMENT

30 September 2014

Australian Unity
Healthcare Property Trust

Issued by: Australian Unity
Funds Management Limited
ABN 60 071 497 115
AFS Licence No.234454

Important information

The Wholesale Units and Class A Units in the Australian Unity Healthcare Property Trust ARSN 092 755 318 ('Healthcare Property Trust' or, 'Trust') offered under this Product Disclosure Statement ('PDS') are issued by **Australian Unity Funds Management Limited** ('AUFM') ABN 60 071 497 115, AFS Licence No. 234454 in its capacity as Responsible Entity.

AUFM 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.

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

This document contains important information but does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this document, you should read it carefully in its entirety, and consider consulting with a financial adviser or tax adviser.

In this document, the description, 'we', 'us' or 'our' refers to AUFM.

A reference to 'Australian Unity Investments' is a business name, which includes those entities within the Australian Unity Group undertaking investment activities.

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 we are 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.

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

AUFM has authorised the use of this PDS for investors considering placing an investment through a masterfund, wrap or similar product (which are collectively known and referred to as 'investor directed portfolio service' or 'IDPS' in this document). In this PDS, the operator of that IDPS product will be referred to as your IDPS operator. Information for IDPS investors can be found on page 27.

In this document, 'business day' refers to a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday.

Units are issued on the terms and conditions contained in the Trust's Constitution and this PDS. We reserve the right to change those terms and conditions.

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 Trust is entitled to claim.

This PDS is available in electronic format, including access via our website. If you receive it electronically, please ensure that you have received the entire PDS and Application Form. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge.

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Obtaining other information before making a decision

Visit our website australianunityinvestments.com.au/hpt for further information about the Trust, including:

- Unit prices and performance;
- Fund Updates;
- Continuous Disclosure Notices; and
- Announcements.

We recommend that you obtain and review such information before you invest. Alternatively, you can call us on 13 29 39 and we will send you the requested information free of charge.

A snapshot of the Trust

Key features	Description	Further information
Investment manager	Australian Unity Funds Management Limited ('AUFM')	Page 13
Investment options	The Trust currently has two classes of units open for investment: ▪ Wholesale Units; and ▪ Class A Units. Class A Units differ to Wholesale Units in a number of ways. Class A Units have a higher exposure to cash (circa 20% of net assets attributable to Class A Units) through a special cash reserve exclusively available to Class A Units. These units also have different withdrawal arrangements as a result of the additional cash reserve. Class A Units are specifically designed to meet the requirements of public offer superannuation fund trustees and masterfunds who require a higher liquidity threshold. This increased liquidity means that the exposure to property assets is reduced for Class A Units and this is reflected in the performance of Class A Units.	Page 4
Property portfolio diversification	The Trust predominantly invests in a diversified portfolio of healthcare property and related assets including direct property, managed funds (such as unlisted and listed property trusts and property syndicates) or companies that predominately hold healthcare property.	Page 4
Gearing ratio[1]	21.35% as at 30 June 2014.	Page 5
Interest cover[1,2]	4.35 times for the twelve months to 30 June 2014.	Page 6
Borrowings	$117.06 million as at 30 June 2014.	Page 6
Property valuations	Generally conducted annually by qualified independent valuers.	Page 10
Distribution payments	Generally, the standard practice is to source distributions from net income and net realised gains only. The distribution policy will be aligned to the ongoing earning capacity of the Trust. Although it is not our intention to source future distribution payments from sources other than net income and net realised capital gains, we may do so if we consider it to be in the interests of investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is expected to be sustainable given the circumstances. We would notify investors if this occurred.	Page 11
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions and on an arm's length basis.	Page 11
Key risks	▪ Tenant default ▪ Reduction in property values and Listed Real Estate Investment Trust ('Listed REIT') prices ▪ Breach of borrowing conditions ▪ A withdrawal offer may not be made available or you may not receive the full amount requested within your investment time frame	Page 19

Key features	Description		Further information
	Wholesale Units	Class A Units	
Withdrawals	In normal operating conditions a quarterly withdrawal facility (up to a maximum of 2.5% of the net asset value of Wholesale Units on issue each quarter) is available to Wholesale Unit holders, which will normally be paid within five business days of the end of the quarter. In times of abnormal operating or market conditions, or periods of higher withdrawals, the Trust may suspend withdrawals or it may delay payment of withdrawals.	In normal operating conditions a monthly withdrawal facility is available to Class A Unit holders. Class A monthly withdrawals will be met from the cash reserves held specifically for Class A Units and will normally be paid within five business days of the end of the month. In abnormal operating or market conditions the demand for withdrawals may exceed the amount of cash reserve held for Class A Units. Where this occurs, withdrawals will instead be met on a quarterly basis and will be subject to a quarterly cap of 2.5% of the net asset value of Class A Units on issue. The Trust may suspend quarterly withdrawals or it may delay payment of withdrawals.	Page 16
Contribution fee	Nil	Nil	Page 21
Management costs	0.9793% p.a. of gross asset value relating to Wholesale Units of the Trust. Includes base management fee of 0.6793%[3] p.a. plus an estimated 0.30% p.a. for recoverable expenses.	0.9793% p.a. of gross asset value relating to Class A Units of the Trust. Includes base management fee of 0.6793%[3] p.a. plus an estimated 0.30% p.a. for recoverable expenses.	
Buy spread	0.50%	0.40%	
Sell spread	0.50%	0.40%	
APIR Code	AUS0112AU	AUS0037AU	

1 As defined by ASIC Regulatory Guide 46: Unlisted property schemes - Improving disclosure for retail investors. See page 5.

2 The interest cover above includes interest rate swap break costs and profit/loss on sale of properties during the period. These items are excluded when calculating the borrowing facility interest cover covenant. The interest cover ratio as defined under the borrowing facility covenant was 4.35 times at 30 June 2014.

3 The base management fee (before GST) is 0.65% p.a.

About the Trust

The Trust is an unlisted property trust that invests predominately in healthcare related property assets with a primary focus on delivering regular income, plus the opportunity for long-term capital growth. The Trust has a diversified tenant base with a focus on hospital, medical and aged care operators.

The Trust brings together the Australian Unity Group's understanding of the healthcare sector as well as the investment management expertise and experience of our property team. Australian Unity provides healthcare, financial planning, investment, and retirement living services to more than half a million Australians. Australian Unity's history as a trusted mutual organisation dates back almost 175 years. This combination means that we are uniquely qualified to manage healthcare property investments.

Healthcare property investment includes the ownership of the physical infrastructure supporting the healthcare system, including the land, bricks and mortar of hospitals, medical clinics, nursing homes, day surgeries, consulting rooms, rehabilitation units, radiology and pathology centres.

According to the Australian Government's Productivity Commission, "Australia's population will both grow strongly and become older".*

In fact, Australia's population is projected to rise to around 38 million by 2060, or around 15 million more than the population in 2012. The population aged 75 or more years is expected to rise by 4 million from 2012 to 2060, increasing from about 6.4 to 14.4 per cent of the population. *

Irrespective of economic cycles, as the Australian population ages, it will require additional healthcare facilities and services.

Collectively, it is projected that Australian governments will face additional pressures on their budgets equivalent to around six per cent of national GDP by 2060, principally reflecting the growth of expenditure on health, aged care and the Age Pension. *

It is for these reasons that we believe that while other property sectors experience the volatility of economic cycles, the demand for healthcare assets will remain relatively steady. As such, the Trust is an investment in a sector that has historically been relatively immune to the impact of economic downturns.

Under this PDS the Trust offers two classes of units for investment:

- Wholesale Units; and
- Class A Units

Class A Units provide enhanced withdrawal opportunities to investors compared to Wholesale Units. This is achieved through a separate reserving of cash or other liquid investments (typically around 20%) from Class A Unit applications received. The Trust has been operating since June 1998.

* 'An Ageing Australia: Preparing for the Future', Productivity Commission Research Paper, November 2013.

How the Trust works

The funds available from investor applications are pooled together with borrowings from lenders to purchase healthcare property and related assets for the Trust.

Rent from the Trust's properties and income earned on the Trust's other assets generate income. This income is used to meet the interest expenses on borrowings, management fees, property related expenses and ongoing Trust expenses. We may also retain some income as a provision for items such as future expenses or capital requirements. Once these costs and provisions are met, the remaining income is distributed to investors.

The capital growth (or loss) on your investment is largely attributed to revaluations of the Trust's properties, changes in value of other assets and the level of borrowings the Trust has.

Who should invest in the Trust?

This Trust is typically suited to investors who:

- seek regular income payments;
- want exposure to a diverse property portfolio; and
- have at least a five-year investment outlook and do not require immediate liquidity.

How we invest your money

The Trust invests predominantly in a diversified portfolio of healthcare property and related assets, including direct property, unlisted managed funds, Listed REITs, property syndicates or companies that mainly hold healthcare property.

The Trust may also invest in similar international healthcare related assets in countries with healthcare systems and property markets with key attributes similar to Australia.

The Trust typically holds 75-90% of its assets in direct property and may hold up to 20% in listed or unlisted property investments. The balance of the Trust's assets is held in cash and similar investments.

In respect of Class A Units, typically 20% of the value of Class A Units is held separately in a special liquidity reserve. This level may fluctuate from time to time, depending on cash flows.

The liquidity reserve can be up to 30% of the Class A Units value. The liquidity reserve may also be invested in Listed REITs of up to 15% of net asset value of Class A Units.

Derivatives

It is not the Trust's current policy to use derivatives for gearing purposes or for speculative activities. The investment manager may use derivatives for asset allocation purposes, implementation of interest rate risk strategies and management of the Trust's interest rate exposures.

Investment process

In acquiring and managing the property assets of the Trust our objective is to ensure the Trust takes advantage of trends in the healthcare sector both locally and internationally.

Our decisions to invest in healthcare property and related assets are premised on the assets' ability to deliver attractive returns, increase the Trust's diversification and the asset's relative liquidity. We aim to achieve this by:

- acquiring healthcare or healthcare related properties that are leaders in their particular geographical area
- selectively developing suitable long-term expansion and/or improvement strategies for the properties
- ensuring the Trust maintains adequate and multiple levels of diversification including by geographic location, property type and the type of healthcare services provided by each tenant
- building strong, secure relationships with tenants that have relevant experience and expertise in the healthcare sector
- where practical, putting in place carefully structured, long-term leases, with the aim of achieving stable and predictable rental income as well as growth in rental income over the long- term, and
- maintaining an exposure to Listed REITs for diversification and liquidity.

Borrowings

The Trust borrows to finance new and existing assets, to develop and maintain those assets, and to provide liquidity for operating purpose and managing the capital position of the Trust.

It generally operates within a gearing ratio range of up to 50% but may operate outside of this range if we believe it is in the interest of investors to do so. Under the Trust's Constitution and law, the Trust has the power to:

- borrow and raise money for the purposes of the Trust and to grant security over the Trust's assets, and
- incur all types of obligations and liabilities.

Generally, interest costs relating to the borrowings will be met from the gross income of the Trust prior to the payment of income to investors.

The lenders' rights to recover the total due under loans, and the rights of any creditors of the Trust, will rank ahead of all investors. The lenders to the Trust do not have any recourse to investors.

Disclosure principles and benchmarks

The Australian Securities & Investments Commission ('ASIC') requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing six benchmarks and eight disclosure principles. These benchmarks and disclosure principles are contained in Regulatory Guide 46: Unlisted property schemes – Improving disclosure for investors. The information below should be read in conjunction with the Trust's Annual Report, available from our website: australianunityinvestments.com.au. Alternatively you can call us on 13 29 39 for a copy. Copies will be provided free of charge.

The financial information in this document is extracted from the Trust's accounting and property management records as at 30 June 2014 and is based on unaudited financial records unless stated otherwise.

The Trust's composition and diversity will change over time as assets are acquired or disposed and tenancies are re-let.

Gearing ratio and policy

Disclosure principle 1 – Gearing ratio

The gearing ratio of the Trust, calculated as total interest bearing liabilities divided by total assets, was 21.35% as at 30 June 2014 (28.02% as at 31 December 2013).

It shows the extent to which the Trust's total assets are funded by interest bearing liabilities and gives an indication of the potential risks investors face in terms of external liabilities that rank ahead of them.

Gearing magnifies the effect of gains and losses on an investment. A higher gearing ratio means greater magnification of gains and losses and generally greater volatility compared to a lower gearing ratio.

The gearing ratio above is calculated in accordance with the ASIC disclosure principles formula and is at a trust level. The loan to valuation ratio (which is a measure of the borrowing facility amount drawn as a proportion of the value of assets under the borrowing facility security arrangement) is shown under the heading '*Trust borrowing*'.

Benchmark 1 – Gearing policy

The Responsible Entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility (borrowing facility) level.

The Trust meets this benchmark. AUFM monitors and manages the Trust's borrowings at an individual borrowing facility level on an ongoing basis in accordance with its Gearing and Interest Cover Policy. The Policy outlines record keeping, monitoring and reporting requirements.

The Trust has a single borrowing facility and generally operates within a gearing ratio range up to 50%. The maximum gearing ratio for the Trust under the Policy is 65%. These parameters may change from time to time.

The Trust continues to comply with the Gearing and Interest Cover Policy. For further information or to obtain a copy of the Policy please contact us.

Interest cover ratio and policy

Disclosure principle 2 – Interest cover

The Trust's interest cover ratio for the 12 months to 30 June 2014 was 4.35 times (3.89 times for the 12 months to 31 December 2013).

Interest cover indicates the ability of the Trust to meet interest payments from earnings. It is an indicator of the Trust's financial health and is a key to assessing the sustainability of, and risks associated with, the Trust's level of borrowing. For example, an interest cover ratio of two times, means that the level of earnings is twice that of interest costs on borrowings, meaning that there is surplus earnings after interest payments which can be used to pay distributions to investors. An interest cover ratio of one times means that Trust earnings are only sufficient to pay interest on borrowings and any distributions would either need to be funded from investor capital or alternatively suspended.

Generally, the closer the Trust's interest cover ratio is to one, the higher is the risk of the Trust not being able to meet interest payments from earnings. To mitigate some of this risk, property fund managers may hedge against rises in interest rates to protect the Trust from higher interest costs. In addition, asset management strategies that attract high quality tenants on longer lease terms and tenant diversity aims to ensure that the Trust's level of earnings remains stable and predictable.

The interest cover ratio is calculated in accordance with the ASIC disclosure principles formula and is at a Trust level. The interest cover ratio relevant to the borrowing facility covenant is calculated differently from the ASIC formula and is shown under the heading '*Trust borrowing*'.

Benchmark 2 – Interest cover policy

The Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility (borrowing facility) level.

The Trust meets this benchmark. AUFM monitors and manages the Trust's interest cover at an individual borrowing facility level on an ongoing basis in accordance with its Gearing and Interest Cover Policy. The Policy outlines record keeping, monitoring and reporting requirements.

The minimum interest cover ratio for the Trust under the Policy is 1.25 times (calculated as net income divided by interest expense on borrowings). This calculation measure aligns with the Trust's borrowing facility covenant and is different from the calculation adopted by ASIC in Disclosure Principle 2.

The Trust continues to comply with the Gearing and Interest Cover Policy. For further information or to obtain a copy of the Policy please contact us.

Trust borrowing

Disclosure Principle 3 – Scheme (Trust) borrowing

The Trust borrows to finance new and existing assets, to develop, refurbish and maintain those assets, and to provide liquidity for operating purposes and managing working capital.

Generally, interest costs relating to the borrowings will be met from the earnings of the Trust prior to the payment of distributions to investors.

The Trust has one borrowing facility that is secured by a number of the Trust's assets and is summarised in the table below:

Borrowing details	
Borrowing facility drawn amount	$117.06 million
Borrowing facility limit	$300.00 million
Borrowing facility maturity - tranche 1	$150 million by June 2016
Borrowing facility maturity - tranche 2	$150 million by June 2019
Borrowing facility Loan to Valuation Ratio covenant limit	50.00%
Trust Loan to Valuation Ratio calculated in accordance with borrowing facility definition	24.77%
Amount by which value of assets must decrease before a borrowing facility covenant is breached	50.45%
Borrowing facility Interest Cover Ratio covenant limit	1.75 times
Trust Interest Cover Ratio calculated in accordance with borrowing facility definition	4.35 times
Amount by which the operating cash flow must decrease before a borrowing facility covenant is breached	59.74%
Borrowing facility interest rate (inclusive of borrowing margin, line fees and interest rate hedges)	5.97%
% of borrowings hedged	92.00%
Weighted hedge expiry	2.97 years

The Trust is required to refinance $150 million of its $300 million facility by June 2016, with the remainder by June 2019. We are within the current lenders' covenant and facility limit requirements, and as such, are confident that the borrowing facility will be refinanced prior to maturity. With most refinancing activity there is a risk that the lenders may choose not to refinance the facility.

If this occurred, the Trust would need to find an alternate lender which may be more costly than the existing lenders. In extreme situations if the Trust cannot find alternate lenders, the Trust may lose value from selling assets in poor market conditions in order to repay the borrowed amount.

Our approach is to actively manage the Trust's borrowings in conjunction with the lender(s) to manage this risk.

To the best of AUFM's knowledge, there have been no breaches of loan covenants as at the date of this document.

All amounts owed to lenders and to other creditors will rank before each investor's interest in the Trust. The Trust's ability to pay interest, repay or refinance the amount owed upon maturity; and its ability to meet all loan covenants under its borrowing facility is material to its performance and ongoing viability.

There are no terms within the borrowing facility that may be invoked as a result of investors exercising their rights under the Trust's Constitution.

Interest capitalisation

Benchmark 3 – Interest capitalisation

The interest expense of the Scheme is not capitalised.

The Trust meets this benchmark. The interest expense of the Trust is not capitalised.

Portfolio diversification

Disclosure Principle 4 – Portfolio diversification

The Trust primarily invests in a diversified portfolio of healthcare property and related assets, including direct property, unlisted managed funds, Listed REITs, property syndicates or companies that mainly hold healthcare property.

The Trust may also invest in similar international healthcare related assets in countries with healthcare systems and property markets with key attributes similar to Australia.

The Trust typically holds 75-95% of its assets in direct property and may hold up to 20% in listed or unlisted property investments. The balance of the Trust's assets is held in cash and similar investments.

In respect of Class A Units, typically 20% of the value of Class A Units is held separately in a special liquidity reserve. This level may fluctuate from time to time, depending on cash flows.

The liquidity reserve can be up to 30% of the Class A Units value. The liquidity reserve may also be invested in Listed REITs up to 15% of net asset value of Class A Units.

On 21 July 2014 the Trust acquired the Brisbane Waters Private Hospital on the New South Wales Central Coast. The property was acquired for $16.18 million (excluding transaction costs). The property which is located at 21 Vidler Avenue Woy Woy, NSW is a 78-bed general hospital complex. It was originally constructed in 1978 and comprises a number of ancillary buildings and site improvements. The Trust intends to refurbish and extend the hospital during the early years of ownership.

The property will have an initial 22.5 year lease term to Healthe Care. The property is forecast to deliver a yield of 9.27% in its first year with the potential to add additional value through brownfield development.

Portfolio composition as at 30 June 2014

Property details		Tenancy details				Valuation details[1]			
Address	Lettable area (sqaure metrres)	Major tenant(s)	Number of tenants	Occupancy rate (% by area)	WALE (years)[2]	Current valuation ($m)	Valuation date	Capitalisation rate (%)	Book value ($m)
Direct property									
Peninsula Private Hospital, VIC (including vacant land)	11,053	Ramsay Health	1	100.00	15.12	62.00	Nov 13	8.50	62.05
Calvary Wakefield Hospital, Adelaide, SA	8,846	Calvary Health	1	100.00	5.03	52.60	May 14	9.75	52.60
RPAH Medical Centre, Newtown, NSW	7,208	S & K Car Park	54	97.61	2.89	50.00	Feb 14	9.25	50.14
The Valley Private Hospital, Mulgrave, VIC	8,500	Healthe Care	1	100.00	17.56	49.50	Feb 14	9.00	49.79
Beleura Private Hospital, Mornington, VIC & Beleura Clinic, Moorooduc, VIC[5]	7,599	Ramsay Health	1	100.00	20.12	47.00	Nov 13	8.75	47.04
8 Herbert Street, St Leonards, NSW	10,556	Stryker Australia	4	100.00	5.32	38.50	Oct 13	8.75	41.24
Manningham Medical Centre, Templestowe Lower, VIC[5]	4,986	MMC General Practice	18	100.00	4.04	29.00	Aug 13	8.50	29.10
Brunswick Private Hospital & Brunswick House, Brunswick, VIC	8,000	Healthe Care	1	100.00	15.13	24.25	May 14	9.00	24.29
Calvary Rehabilitation Hospital, Walkerville, SA[5]	3,799	Calvary Health	1	100.00	5.03	15.00	Nov 13	9.25	15.13
Constitution Hill Aged Care, Northmead, NSW	8,668	Australian Unity Care Services	1	100.00	14.49	14.60	May 14	9.25	14.60
Calvary Wakefield Medical Clinic, Adelaide, SA	6,098	Calvary Health	1	100.00	5.03	13.90	May 14	9.75	13.91
Berkeley Vale Private Hospital, Berkeley Vale, NSW	4,132	Ramsay Health	1	100.00	21.33	13.50	Nov 13	9.50	13.56
Hunters Hill Private Hospital, Hunters Hill, NSW	2,678	Ramsay Health	1	100.00	21.33	13.00	Nov 13	8.50	14.46
Figtree Private Hospital, Figtree, NSW[5]	7,277	Ramsay Health	1	100.00	21.33	12.75	Nov 13	8.75	12.75
North Shore Specialist Day Hospital, Greenwich, NSW	2,190	IVF Australia	1	100.00	3.26	11.00	Feb 14	9.00	11.00
Ipswich Medical Centre & Day Surgery, Ipswich, QLD[5]	2,815	Ipswich Day Surgery	12	79.33	2.57	10.75	Nov 13	9.00	10.78
Mackay Medical Centre, North Mackay, QLD[3]	2,458	Queensland Fertility Group	8	100.00	4.17	10.25	Feb 14	9.00	10.26
Eureka Medical Centre, Ballarat, VIC	1,459	Primary Health	1	100.00	1.17	4.00	Feb 14	8.50	4.00
285 Flinders Street, Adelaide, SA	175	Adelaide Respiratory Specialists	1	100.00	-	0.96	May 14	-	0.96
Figtree Consulting Suites, Figtree, NSW[5]	427	Shelley & Sumbut Namcharon	4	100.00	0.54	1.25	Feb 14	-	1.25
12 View Road, Walkerville, SA[4, 5]	217	Eagles & Karger	1	100.00	-	0.78	Nov 13	-	0.78
10 North East Road, Walkerville, SA[5]	166	S.Brien	1	100.00	-	0.62	Nov 13	-	0.62
Listed REITs									
Generation Healthcare REIT									6.77
Cash and other assets									43.00
Class A cash reserve									18.17
Total (T)/ Weighted Average (A)			115 (T)	99.31 (A)	11.27 (A)	475.21 (T)		8.82 (A)	548.25

Notes

1. Valuation Policy - Regular valuation of underlying property assets is an important aspect of managing the Trust. Valuations are conducted by qualified independent valuers in accordance with industry standards. We have a policy of generally obtaining independent valuations on Trust 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.
2. Weighted Average Lease Expiry ('WALE') by base rental income.
3. Includes a parcel of vacant land, 1-3 Discovery Lane, North Mackay valued at $0.75 million as at February 2014.
4. Property adjoining College Grove Rehabilitation Hospital.
5. These properties were revalued during August 2014. Please refer to the Announcement available from our website australianunityinvestments.com.au/hpt for further detail.

Key portfolio statistics as at 30 June 2014

Geographic Allocation by Value

VIC	8 assets	45.03%
NSW	9 assets	33.26%
SA	5 assets	17.33%
QLD	2 assets	4.38%

Property Sector Diversity by Value

Hospital	9 assets	60.73%
Medical Centre	10 assets	35.74%
Aged Care	1 asset	3.04%
Vacant Land	4 assets	0.49%

Top 5 Tenants by Income

Ramsay Healthcare	30.52%
Calvary Healthcare Adelaide	17.50%
Healthe Care Australia	9.89%
Stryker Australia	5.81%
Australian Unity Care Services	3.59%
Other (excluding vacancy)	32.69%

Lease expiry profile by income as at 30 June 2014

Property development

We believe the Trust 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 changes to the nature or use of the property. In managing the Trust's property portfolio, we may refurbish or redevelop properties from time to time as required. Material property developments will only be undertaken where substantial pre-commitments to lease are in place and development risk is appropriately mitigated.

A risk of property development is construction risk. Construction projects carry a risk that the costs of the project might be higher than budgeted, the project may take longer than expected to complete or the project may not be finished.

We endeavour to mitigate construction risks by negotiating a capped arrangement with builders and/or tenants whereby any costs incurred above this amount will be the responsibility of the builder/tenant as the case may be.

The following development was fully pre-committed with the existing tenants and was funded through a combination of cash and the existing borrowing facility. Please refer to 'Trust borrowing' for further details about the borrowing facility.

The Valley Private Hospital

The Hospital was refurbished and extended in 2013. The next phase of development is for an expansion of the car park and hospital wards which is due to commence in late 2014. The key features of the refurbishment and expansion include:

- a multi-deck car park; and
- two 30 bed wards.

The proposal for stage 1, at a cost of approximately $14.3 million, is progressing through the town planning permit application process. Initial construction works for stage 1 are anticipated to commence in late 2014, subject to receiving the town planning permit. The proposal for the construction of The Valley Private Medical Centre (stage 2) at a cost of approximately $15.6 million is being finalised for town planning submission in the coming months.

Beleura Private Hospital

A planning permit to build a 30 bed rehabilitation ward, gymnasium, hydrotherapy pool, associated administration areas and car park extension at a cost of $10.5 million was issued by Mornington Peninsula Shire Council on 24 June 2014. The detailed design phase is now underway with construction scheduled to commence in the second half of calendar year 2014.

Valuation policy

Benchmark 4 – Valuation policy

The Responsible Entity maintains and complies with a written valuation policy that requires:

- *a valuer to*
  - *be registered or licensed in the relevant state, territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction; and*
  - *be independent.*
- *procedures to be followed for dealing with any conflicts of interest;*
- *rotation and diversity of valuers;*
- *valuations to be obtained in accordance with a set timetable; and*
- *for each property, an independent valuation to be obtained:*
  - *before the property is purchased:*
    - *for a development property, on an 'as is' and 'as if complete' basis; and*
    - *for all other property, on an 'as is' basis; and*
  - *within two months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.*

The Trust meets this benchmark and complies with the Valuation Policy. For further information or to obtain a copy of the Policy please contact us.

Regular valuation of underlying property assets is an important aspect of managing the Trust in the best interests of investors. In addition to the above requirements, the Valuation Policy also requires that:

- independent external valuations for new properties must be completed no more than three months prior to exchange of contracts;
- independent external valuations for existing properties must generally be conducted at least once in a financial year;
- where there are multiple properties in a portfolio, the valuations are to be staggered through the year; and
- where a property has been contracted for sale, the contracted sale price may be adopted instead of the independent external valuation.

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.

Related party transactions

Benchmark 5 and Disclosure Principle 5 – Related party transactions

The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.

The Trust meets this benchmark and complies with the Related Party Policy.

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Australian Unity has policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Unity Group entities are reviewed, approved and monitored by senior management with clearly identified governance policies and guidelines. Decisions in relation to conflicts of interest and related party transactions are documented.

As appropriate, we provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the Fund Update and Continuous Disclosure Notice. The value of related party payments are reported yearly as part of the Trust's Annual Report.

For further information about the Policy please contact us. The latest Fund Update and Annual Report can be found on our website australianunityinvestments.com.au. Alternatively we can send you a free copy if you call us on 13 29 39.

Related party activity

AUFM has appointed Australian Unity Property Management Pty Ltd ABN 76 073 590 600 ('AUPM') to provide some property management services to the Trust. Investor approval is not required for this arrangement and the appointment is made on commercial terms and conditions and on an arm's length basis.

AUFM and AUPM are wholly owned subsidiaries of Australian Unity Limited (AUL) ABN 23 087 648 888 and are members of the Australian Unity Group.

This transaction complies with the Policy.

Australian Unity Property Management

AUPM is a property management business that may, under a written arrangement, provide some of the following services to the Trust as nominated from time to time:

- strategic advice on property acquisitions and sales or arranging the sale or acquisition of property assets;
- management of premises;
- debt arranging, debt structure advice, debt facility negotiation and debt management;
- valuation services;
- leasing services; and
- property management and project supervision.

The appointment of AUPM for these services is not exclusive and AUFM may engage external service providers to undertake these functions.

From 1 July 2013 to 30 June 2014 services to the value of $1,012,156 have been provided by and paid to AUPM.

Other related party service providers

AUFM charges the Trust for administration expenses (audit fees inclusive) as per the relevant Product Disclosure Statement. We estimate these costs to be 0.40% p.a. of the gross asset value of Retail Units and 0.30% p.a. of the gross asset value of Wholesale Units and Class A Units.

For the twelve months to 30 June 2014, the amount charged to the Trust was $1,897,888 (excluding GST). This is made up of related party and non-related party expenses.

Investments

AUL and its subsidiaries (related parties) may invest in the Trust and the Trust may invest in related parties from time to time. Details of related party investments are included in the Trust's Annual Report. Investor approval is not required for these arrangements and the transactions are made on commercial terms and conditions and on an arm's length basis.

As at 30 June 2014 related parties held interests in the Trust of $767,081 (0.18%) based on net assets.

Distribution practices

Benchmark 6 and Disclosure Principle 6 – Distribution practices

The Scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution.

The Trust does not meet this benchmark.

The Trust aims to source and currently sources, all distributions from funds from operations. However, it is permitted to fund distribution payments from other sources, such as capital, if we consider it to be in the interests of investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is expected to be sustainable given the circumstances.

The Distribution Policy is aligned to the ongoing earning capacity of the Trust. We expect the current level of distributions to be sustainable over the next 12 months. Where the Trust makes distributions from capital, this will have the effect of reducing investors' equity. Where this occurs and the Trust has borrowings, the reduction in investor's equity will have the effect of increasing the gearing ratio and gearing related risks. Where a trust is close to its gearing related covenants, the risk of breaching these covenants is increased.

Withdrawal rights

Disclosure Principle 7 – Withdrawal rights

Retail and Wholesale Units

In normal operating conditions Retail Unit and Wholesale Unit withdrawals from the Trust are paid quarterly. The maximum total amount available for withdrawals each quarter is 2.5% of the net asset value of the relevant class of units on issue (although we have the discretion to alter this amount). If this amount is exceeded, withdrawals may be met on a pro-rata basis.

Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount.

Investors written request must be received by 3:00pm at our Melbourne office on or before the quarter end date (being 28 February, 28 May, 28 August and 28 November or the next business day if the 28th is a non-business day) to receive the withdrawal price as at the cut-off date. Otherwise, the withdrawal request will be processed in the following quarter.

Class A Units

In normal operating conditions Class A Unit withdrawals from the Trust are paid monthly. Monthly withdrawals will be met from the cash reserves held specifically for Class A Units.

In abnormal operating/market conditions the demand for withdrawals may exceed the amount of cash reserve held for Class A Units. Where this occurs, withdrawals will instead be met on a quarterly basis and will be subject to a quarterly cap of 2.5% of the net asset value of Class A Units (although we have the discretion to alter this amount). If this amount is exceeded, withdrawals may be met on a pro-rata basis.

Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount. Quarterly withdrawals will be met from the Trust's general cash holding.

Investors written request must be received by 3:00 pm at our Melbourne office on or before the 28th of the month (or the next business day if the 28th is a non-business day) to receive the withdrawal price as at that cut-off date. Otherwise, the withdrawal request will be processed in the following month.

All unit classes

Where we are required to sell property assets, it may take longer for investors to receive their withdrawal proceeds. In extreme cases it could take 12 months or longer for investors to receive their money.

While the Trust is liquid, the Trust's Constitution allows up to 365 days to meet withdrawal requests.

Suspension of withdrawals

If we are of the view that we cannot sell property assets within 365 days to meet withdrawal requests, the Trust will become illiquid and withdrawals will be suspended. If this occurs, investors can only withdraw when we make a withdrawal offer available in accordance with the Trust's Constitution and law.

Substantial investor withdrawal requests

In order to ensure reasonable equity among investors, where any single investor requests withdrawals of a class of units in excess of 5% of the total number of units on issue of that class during a withdrawal period, we may deem those requests to be a single withdrawal request for 5% of the total number of units on issue of that class or such higher amount as we determine at our absolute discretion.

Net tangible assets

Disclosure Principle 8 – Net tangible assets

The Trust is an open-ended property scheme and as such this disclosure principle is not applicable. However, the current unit price for the Trust is available on our website.

Managing your investment

Our investment philosophy

We believe that market prices for properties do not always reflect their fundamental value and there is opportunity to generate value through buying well and selling well. We also believe that value can be achieved, and investment risk mitigated, by skilful management of each property and its tenants.

We make selective property acquisitions based on our assessment of value, taking into account the risks inherent in the property, and the ability for these risks to be mitigated by experienced management. In particular, we consider:

- 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.

We believe actively managing property assets, and the portfolio assets, as well as focused capital management, is essential to optimising the return investors can receive from their investment in property.

The people managing your investment

AUFM is the investment manager for the Trust. We are careful, sensible and successful property managers and our property team is one of the most experienced in the Australian market.

We have a long and successful track record in managing healthcare related properties and understand the markets and environment they operate in.

These key people are responsible for managing the Trust:

David Bryant

Chief Executive Officer & Chief Investment Officer
Australian Unity Investments

David Bryant is Chief Executive Officer and Chief Investment Officer for Australian Unity Investments. In this role he is responsible for many of Australian Unity's financial services, investment and banking activities in Australia and Hong Kong. He is a board member of many of its operating entities, including its investment and joint venture businesses.

David is a board member of the Financial Services Council, which represents its $2.3 trillion financial services industry, and a Graduate Member of the Australian Institute of Company Directors.

Prior to joining Australian Unity in 2004, David was Chief Operating Officer at Perpetual Personal Financial Services, and has held senior roles in financial services, asset consulting, and banking, for both Australian and international organisations. His various roles have encompassed responsibilities for business across the Asia Pacific region.

David commenced his career in 1982 in what was then Australia's fledgling financial services industry, and has remained involved continuously since that time.

Mark Pratt

General Manager – Australian Unity Real Estate Investment
Australian Unity Investments

Mark Pratt joined Australian Unity Investments in 2004. As General Manager - Australian Unity Real Estate Invesment, he is responsible for the commercial management and growth of Australian Unity's property and mortgages investment management businesses.

Prior to his current role, Mark was Australian Unity Investments' Chief Operating Officer, responsible for supporting the growth of the overall business together with responsibility for finance, client service, IT and operational functions.

Before joining Australian Unity, Mark managed a major change programme at MLC. He has also worked at Plum Financial Services, AMP Financial Services and State Street Australia in a variety of roles.

He holds a Bachelor of Commerce – Accounting from the University of NSW.

Chris Smith

Head of Healthcare and Retirement
Australian Unity Investments

Chris Smith joined Australian Unity Investments in 2001. He has responsibility for the Trust and more recently the development of the Australian Unity Retirement Village Property Fund. He is responsible for all aspects of management for the funds under his care including strategy, asset management, property management, acquisition and disposals.

Prior to Joining Australian Unity Investments, Chris was Regional Asset Manager Victoria for the Jones Lang LaSalle Shopping Centre Division, following a number of years with Jones Lang LaSalle NSW and a successful 16-year career with Coles Myer.

Chris has a Post Graduate Certificate of Business Administration from RMIT, a Certificate IV in Property Services (Real Estate), and is a licensed Real Estate Agent.

Cathy Ciurilino

Property Portfolio Manager
Australian Unity Investments

Cathy Ciurilino joined Australian Unity Investments in September 2013. She is responsible for overseeing the asset management of the portfolio and pursuing and executing development of existing assets.

Cathy has 20 years' experience in the property industry as a fund manager and valuer. Prior to joining Australian Unity, Cathy was the fund manager of unlisted property at Stockland in Sydney, responsible for approximately $350 million funds under management.

She also held the position of fund manager at MacarthurCook, successfully managing the unlisted industrial property fund.

Cathy has a Bachelor of Business in Property from RMIT, having graduated with a Degree with Distinction.

Peter Lambden

Head of Property and Asset Management
Australian Unity Investments

Peter Lambden joined Australian Unity Investments in 2001. He is responsible for providing key input to fund and property strategies, developing consistent and effective asset and property management's processes and overseeing the operation of all property functions.

Peter has 41 years' experience in portfolio and property management, spending the majority of his career in senior roles with National Mutual (now AXA).

Peter joined National Mutual in 1986, where he was manager of new investments and valuations. From 1991 to 1995 he was state manager for National Mutual's Queensland branch, and prior to this he managed a team of 40 responsible for National Mutual's Victorian and Tasmanian property assets, valued in excess of $1 billion at the time.

From 1997 to 2000 Peter managed AXA's New Zealand property operation together with having valuation and research responsibilities for Australia and New Zealand.

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.

Making investments and withdrawals

Investing

This table explains how to make an investment in the Trust.

	What you need to send us	Minimums[1]	Cut off times	Important information
Initial investment	A completed Application Form **and** a cheque or completed direct debit details.	Wholesale Units: $5,000 Class A Units: $5,000	The Application Form and cheque (if applicable) must be received by 3:00pm at our Melbourne office on a business day for you to receive the application price effective for that day. Otherwise, you will receive the application price effective the next business day.	Review your application before you sign it, as incomplete applications may not be accepted.
Additional investment(s)	A completed Application Form **and** a cheque or completed direct debit details.	Wholesale Units: $1,000 Class A Units: $1,000		
Regular investments through a Regular Savings Plan	A completed Application Form including Section 5 to nominate the amount you will regularly invest **and** your 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 contributions. Your regular investments will be drawn from your bank account on the 15th of the month unless the 15th is a weekend or public holiday, then it will be on the next business day.	Ensure that you complete Section 5 of the Application Form from the current PDS. Changes can be made to your regular investments, provided you give us five business days to action your request. Your Regular Savings Plan will automatically cease if two consecutive payments are dishonoured.
Transferring your investment	A transfer form completed by both parties **and** a completed Application Form for the Trust completed by the transferee.	$1,000	Your standard transfer form and the 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 you choose to transfer only part of your investment you will be required to keep a minimum balance in your account. Please refer to the section 'Minimum balance' for further details.

1 We reserve the right to vary minimum investment amounts and to accept or reject any investment (in whole or in part) at our discretion without explanation.

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 Corporations Act.

No interest will be paid on application amounts for the period from receipt until the issue of units occurs. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned by us unfilled. Any interest earned on the application amount during this period will be retained by the Trust and form part of its income for the benefit of investors. We may, in our absolute discretion, reject in whole or in part any application. We do not need to give any reason for rejection.

Suspension of further applications

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

Withdrawing

This table explains what is required to make a withdrawal.

	What you need to send us	Minimum[1]	Cut off times	Important information
Withdrawals	A completed withdrawal form or letter requesting the amount you wish to withdraw signed by the account holders or the authorised signatories **and** your bank account details.	$1,000	Wholesale Units Your written request must be received by 3:00 pm at our Melbourne office on or before the quarter end date (being 28 February, 28 May, 28 August and 28 November or the next business day if the 28th is a non-business day) to receive the withdrawal price as at that cut-off date. Otherwise, your withdrawal request will be processed in the following quarter. Class A Units Your written request must be received by 3:00 pm at our Melbourne office on or before the 28th of the month (or the next business day if the 28th is a non-business day) to receive the withdrawal price as at that cut-off date. Otherwise, your withdrawal request will be processed in the following month.	Withdrawals are subject to limits while the Trust is liquid (See under 'Additional information about withdrawals'). 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. We will generally pay withdrawals within five business days, although the Trust's Constitution allows us a longer period to pay a withdrawal. Please refer below for further details.

1 Withdrawals are subject to limits. We may vary minimum withdrawal amounts at our discretion.

Additional information about withdrawals

Withdrawals are funded using cash reserves held by the Trust. Cash reserves are primarily accumulated from applications and retained earnings. Generally, the Trust does not borrow to fund withdrawals but may do so in appropriate circumstances (for example for a short-term or where it is in the best interests of the Trust to do so).

Wholesale Units

In normal operating conditions Wholesale Unit withdrawals from the Trust are paid quarterly. The maximum total amount available for withdrawals each quarter is 2.50% of the net asset value of the relevant class of units on issue (although we have the discretion to alter this amount). If this amount is exceeded, withdrawals may be met on a pro-rata basis.

Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount.

Class A Units

In normal operating conditions Class A Unit withdrawals from the Trust are paid monthly. Monthly withdrawals will be met from the cash reserves held specifically for Class A Units.

In abnormal operating/market conditions the demand for withdrawals may exceed the amount of cash reserve held for Class A Units. Where this occurs, withdrawals will instead be met on a quarterly basis and will be subject to a quarterly cap of 2.50% of the net asset value of Class A Units (although we have the discretion to alter this amount). If this amount is exceeded, withdrawals may be met on a pro-rata basis.

Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount. Quarterly withdrawals will be met from the Trust's general cash holding.

All unit classes

Where we are required to sell property assets, it may take longer for you to receive your withdrawal proceeds. In extreme cases it could take 12 months or longer for you to receive your money.

While the Trust is liquid, the Trust's Constitution allows up to 365 days to meet withdrawal requests.

Suspension of withdrawals

If we are of the view that we cannot sell property assets within 365 days to meet withdrawal requests, the Trust will become illiquid and withdrawals will be suspended. If this occurs, investors can only withdraw when we make a withdrawal offer available in accordance with the Trust's Constitution and law.

Substantial investor withdrawal requests

In order to ensure reasonable equity among investors, where any single investor requests withdrawals of a class of units in excess of 5% of the total number of units on issue of that class during a withdrawal period, we may deem those requests to be a single withdrawal request for 5% of the total number of units on issue of that class or such higher amount as we determine at our absolute discretion.

Minimum balance

If as a result of a withdrawal request your account value falls below the minimum balance, we may treat the request as a request to withdraw in full and close your account. We reserve the right to vary these minimums at any time at our discretion.

The minimum balance amount is $5,000 for Wholesale Units and Class A Units. We reserve the right to vary the minimum balance amount.

Changing your mind

A 14-day cooling off period is available to investors to decide whether to proceed with the application under this PDS. The cooling off period starts on the earlier of:

- the date you receive your initial investment transaction statement; or
- five business days after your units are issued.

Therefore, if you wish to cancel your investment, it is important that you write to us before the expiration of this period.

The amount repaid to you is adjusted to reflect any increase/decrease in the value of the investment due to market movement. We will also deduct any taxes or duties payable and transaction costs. As a result, the amount returned to you may be less than your original investment.

If you are a 'sophisticated' or 'professional' investor or otherwise a 'wholesale client' (as defined in the Corporations Act 2001) the cooling off period is not available to you.

If you are investing through a through a masterfund or IDPS, you should consult the operator in relation to cooling off rights that may apply to your investment in the masterfund or IDPS (if any).

Investing or withdrawing through an IDPS

If you are investing into the Trust or withdrawing from the Trust through an IDPS (or 'wrap platform') certain features of the Trust may not apply to your investment. Examples are minimums for investments and withdrawals, processing times and, importantly, the cooling off rights (refer to 'Changing your mind'). You should ensure that you receive full details of these differences before you invest through the IDPS structure.

Unit prices and distribution payments

How we calculate unit prices

Unit prices are generally calculated daily. The unit price is calculated by taking the value of the Trust's assets, and deducting the liabilities. The resulting value is then divided by the total number of units issued by the Trust.

The unit price for each class of unit within the Trust is calculated in the same manner, taking into consideration only 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 pertinent 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 an equitable application of the costs of buying and selling assets to investors entering and exiting the Trust. Refer to page 23 for more information on the buy/sell spread of the Trust.

Where the Responsible Entity applies its discretion to unit pricing using its powers under the Trust's Constitution (e.g. in determining an appropriate level for the buy/sell spread, based on estimates of underlying transaction costs being incurred by the Trust), it acts in accordance with the unit pricing policy. Investors may inspect a copy of these policies at our registered office at any time between 9:00am and 5:00pm (Melbourne time) on a business day or a copy is available free of charge by calling us on 13 29 39.

For daily unit price updates visit our website australianunityinvestments.com.au or call us on 13 29 39.

Distribution payments

The amount of distribution income paid to you is based on the number and class of units you hold at the end of each distribution period.

Distributions are generally paid within 21 business days of the end of each calendar quarter (i.e. March, June, September, and December).

There are two payment options available:

1. You can reinvest your distribution. The distribution reinvestment price is the unit price at the end of the distribution period (without the 'buy' spread) less the amount of distribution per unit payable; and until further notice, at a 2.5% discount to that price. If you wish to reinvest your distributions, you should select "Reinvest" at Section 6 of the Application Form.

2. You can have your distribution paid directly to an account held at an Australian financial institution.

Please note if you are investing through a masterfund or IDPS, the operator may pay income at different times and may not offer you a choice of payment options.

Risks of managed investment schemes

What is risk?

'Risk' generally 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. You will need to determine how much risk you are able, or willing, to tolerate. The main risks of investing include a decrease in the value of your investment, 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').

It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. The spectrum below shows the five main types of investments according to their relationship between risk and return for investors to consider.

If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

How we manage risk?

We are unable to eliminate all investment risks, but we do analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines. We also spread the Trust's investments across a diverse range of assets to reduce the reliance upon the performance of any single asset. If one asset is performing poorly, another may perform well. Diversification will therefore generally smooth out the overall return on the portfolio, and may reduce short-term volatility.

How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation, and your investment objectives, affect the selection of investments that you can make;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns.

Risks relevant to the Trust

Liquidity risk

Liquidity relates to how quickly investors can access their money from an investment. The Trust holds an amount of cash and other liquid assets to give investors limited access to their money.

The Trust may invest directly in real property assets, unlisted property trusts, Listed REITs and cash. With the exception of Listed REITs and cash, property assets tend to be less liquid than other forms of investment.

There is a risk that the Trust may have insufficient cash to meet its limited withdrawal obligation in a timely manner.

If this was to occur and the Trust was required to sell real property assets, it may take up to 12 months or longer for you to receive your withdrawal proceeds. Additionally, if the withdrawal facility is oversubscribed, your request may be met on a pro rata basis. This means that you may receive only part of your requested amount and may have to submit another withdrawal request in a subsequent period for the balance. Further details about withdrawals are contained on page 16.

Property risk

The value of property assets is closely linked to rental income, occupancy levels, tenant quality, lease terms, location and supply and demand factors, and may also be impacted by 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 your investment. A decline in property values may impact the Trust's gearing ratio and loan covenants and the Trust may be required to reduce its borrowings through the sale of assets, additional capital raising (including discounted capital raising) or retaining distributions.

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 Trust may impact the level of distributions it can make and may reduce the value of assets. Investors should note that healthcare property is a specialised class of property and for some assets there may be a smaller pool of potential tenants.

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

The long term strategy for the Trust is to grow the property portfolio through acquisition of new properties and the enhancement of existing properties as appropriate. These activities may depend on raising additional equity from new or existing investors and may be supplemented with borrowings. If we are not able to raise sufficient capital the Trust may not be able to grow according to the strategy.

Property Development

A risk of property development is construction risk. Construction projects carry a risk that the costs of the project might be higher than budgeted, the projects may take longer than expected to complete or the project may not be finished.

We endeavour to mitigate construction risks by negotiating a capped arrangement with builders and/or tenants whereby any costs incurred above this amount will be the responsibility of the builder/tenant as the case may be.

Borrowing risk

The Trust combines investors' money with borrowed money and invests the combined amount in property related assets. This process, known as gearing, magnifies the effect of gains and losses on your investment and is considered more risky than similar investments that are not geared.

If property values or rental income falls significantly the Trust may be unable to meet its loan covenants and this may result in the sale of assets.

In addition to the property risks outlined above, changes to interest rates or lender credit margins may impact borrowing costs and ultimately impact the level of income you receive.

There is also a risk that the Trust may not be able to refinance its borrowings when borrowing facilities mature. If this occurred, the Trust may lose value from selling assets in poor market conditions in order to repay the borrowed amount.

Our approach is to actively manage the Trust's borrowings in conjunction with the lenders to manage this risk.

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 counterparty, credit and pricing risk.

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

It is not our current policy to use derivatives for gearing purposes or for speculative activities for the Trust. We may use derivatives in the Trust for asset allocation purposes, implementation of interest rate risk strategies and management of the Trust's interest rate exposures.

Interest rate risk strategies aim to minimise the impact of rising interest rates. For example, if the Trust fully hedges its borrowings (i.e. fixes the interest rate on its borrowings) and the prevailing interest rates rise, then the Trust is protected from having to pay the higher interest rate cost. However, the Trust's unit price may be more volatile if it is fully hedged, reflecting the market value of any change from the interest rate that has been fixed.

Currency risk

Where the Trust invests in international property or related assets, the asset will generally be exposed to foreign currency risk. Changes in the Australian dollar against foreign currencies may affect the value of your investment in the Trust.

The Trust currently does not invest in international property or related assets.

Market risk

In addition to the above risks, listed property related investments are impacted by broader market factors (such as interest rate changes and share market sentiment), similar to equity investments.

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 fund 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 investment fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, 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.

Type of fee or cost	Amount		How and when paid
	Wholesale Units	Class A Units	
Fees when your money moves in or out of the Trust			
Establishment fee The fee to open your investment	Nil	Nil	We do not apply an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Nil	Nil	We do not apply a contribution fee.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Nil	We do not apply a withdrawal fee.
Exit fee The fee to close your investment	Nil	Nil	We do not apply an exit fee.
Management costs **The fees and costs for managing your investment**			
Management fee	0.6793%[1] p.a. of the gross asset value relating to Wholesale Units of the Trust.	0.6793% [1] p.a. of the gross asset value relating to Class A Units of the Trust.	The management fee is accrued daily and paid monthly from the Trust.
Day-to-day expenses relating to the Trust	Estimated to be 0.30% p.a. of the gross asset value relating to Wholesale Units of the Trust.	Estimated to be 0.30% p.a. of the gross asset value relating to Class A Units of the Trust.	The estimated day-to-day Trust expense does not include expenses relating to the operation of the Trust's assets, borrowing cost or abnormal expenses. Refer to page 22.
Service fees			
Investment switching fee The fee for changing investment options	Nil	Nil	We do not apply a switching fee. A switch is treated as a withdrawal from one fund and an application for another fund.

1 The base management fee (before GST) is 0.65% p.a.

Example of annual fees and costs for the Healthcare Property Trust – Wholesale Units

This table provides an example of how the fees and costs in the Trust can affect your investment over a one-year period. You should use this table to compare these products with other managed investment products.

Example – Wholesale Units	Balance of $50,000 with total contributions of $5,000 during year	
Contribution fees	Nil	For every $5,000 you put in, you will be charged $0.
Plus Management costs	1.37%[2] p.a.	**And**, for every $50,000 you have in the Trust you will be charged $685 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 at the end of that year, you would be charged fees of $685.[1]

1 A buy/sell spread may apply to investments in and out of the Trust (see "Buy/Sell spread" on page 23).
2 This is the Indirect Cost based on the Trust's net assets for the period 1 July 2013 to 30 June 2014 and incorporates the effect of gearing. Refer to page 23 for further details about the Indirect Cost.

Additional explanation of fees and costs

Contribution fee

Under the Trust's Constitution we are entitled to receive up to 5.00% (before GST) in relation to applications. AUFM will not charge a contribution fee in relation to Wholesale Unit or Class A Unit applications.

Management fee

Under the Trust's Constitution, we are entitled to receive up to 1.00% p.a. (before GST) of the gross asset value as a management fee in performing our duties in relation to the Trust. AUFM will charge a reduced management fee of 0.65% p.a. (before GST) for Wholesale Units and Class A Units.

We are entitled to change fees with prior notice to you as described on page 23.

Recoverable expenses

We are entitled to reimbursement for, or have paid by the Trust, all expenses and taxes we incur in the proper performance of our duties. Such recoverable expenses include, but are not limited to, registry costs, legal, accounting, printing, audit, valuation and property/asset management services.

Day-to-day expenses relating to the Trust

Day-to-day expenses include, but are not limited to, registry costs, Trust legal services, accounting, printing and audit.

As these expenses are regular in occurrence, we estimate these costs to be 0.30% p.a. for Wholesale Units and Class A Units.

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, including arrangement, establishment and interest costs.

Expenses relating to the Trust's assets

Separate to the day-to-day expenses of operating the Trust, there are expenses associated with the ownership and operation of the Trust's assets which are recoverable from the Trust. Some examples of these expenses include:

- stamp duty and other Government charges;
- leasing fees;
- rental review fees;
- property management (including property financial management) fees; and
- development management fees.

These fees relate to the activities involved in acquiring, disposing and operating the properties as going concerns. They differ from day-to-day Trust expenses as they would likely be incurred by a direct investor in such assets.

We are unable to estimate the costs as they can be infrequent and asset specific.

Trust borrowing costs

The Trust borrows to finance new and existing assets, to develop and maintain those assets, and to provide liquidity for operating purposes and managing the Trust's capital position. The costs involved with Trust borrowings are recoverable from the Trust. Such costs may include:

- debt arranger fees;
- loan establishment fees;
- interest expenses; and
- hedging (interest rate management) costs.

Investor transaction costs

You may also incur costs directly associated with transactions made on your account, such as Government taxes, stamp duty and bank fees. These costs will be directly deducted from your account by reducing the number of units you hold within the Trust. We are unable to estimate these costs until they are incurred.

Buy/Sell spread

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

- in the case of a buy spread, an extra cost charged to enter the Trust and the sell spread is a cost charged to exit the Trust;
- 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 the Responsible Entity but is retained in the Trust to cover those transactions; and
- not applied to the reinvestment of distributions.

The following buy/sell spreads (which may change from time to time) currently apply:

	Wholesale Units	Class A Units
Buy spread	0.50%	0.40%
Sell spread	0.50%	0.40%

Wholesale clients

From time to time, we may rebate some of our fees (or issue units in the Trust) to what the Corporations Act 2001 calls 'wholesale clients' or to employees within the Australian Unity Group so that they pay reduced fees. We do not enter into individual fee arrangements with other investors.

Indirect Cost

The Indirect Cost is a useful measure of the ongoing fees and expenses of investing in the Trust.

It is expressed as a percentage of the average size of the Trust's net assets over a financial year.

The Indirect Cost shows the cost of investing in the Trust compared to investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the average fund size (based on net assets) over the period. The Indirect Cost does not include transaction costs or buy/sell spreads, brokerage, borrowing costs, day-to-day property management costs and Government charges incurred by the Trust as these costs would generally also be incurred by an investor investing directly.

The Indirect Cost for the period 1 July 2013 to 30 June 2014 was:

- Wholesale Units 1.37%
- Class A Units 1.29%

Where the Trust invests in other funds managed by us

The Trust may invest in other funds or investment companies 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 Trust fees described above.

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

Where the Trust invests in other funds or investment companies managed by third parties not related to us, any management fees charged by those parties will be recovered from and reflected in the performance of the Trust.

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. We can change fees, without your consent, but will provide at least 30 days written notice. If you withdraw within this notice period, the increased fees will not apply to you.

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

- Maximum contribution fee 5.00% of each contribution to the Trust.
- Maximum ongoing management fee: 1.00% p.a. of the gross asset value of the Trust.

There is no limit in the Trust'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 laws commonly known as the Future of Financial Advice ('FoFA legislation') contain 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 FoFA legislation.

Other information

Australian Taxation

Certain tax implications of investing in the Trust 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 your individual circumstances. The taxation law is complex and its application is dependent on your individual circumstances. Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in the Trust relevant to your 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 Trust on revenue account, as an isolated investment made with profit making intent or as trading stock. It is based on our interpretation of the current Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change.

While you hold your investment

The Trust itself should not pay tax on the basis that it will make a full distribution of all taxable income to investors each financial year.

You will need to include in your income tax return your share of the Trust'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.

To assist you to complete your tax return, you will receive an annual tax statement from us. This statement will provide you with details of the distribution components to be included in your tax return. The sum of these components may differ to the amount of cash distribution you receive.

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

Capital gains

Where the Trust derives net capital gains to which you become entitled, you may need to include these amounts in your 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 you fully or partially withdraw or redeem your investment in the Trust, you are treated as having disposed of your investment. As a result, any net gain derived on disposal may be included in your taxable income under the CGT provisions. This may include where you move between investments or transfer your 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 CGT reduced cost base in that investment.

In determining the cost base or reduced cost base of your investment in the Trust, you will need to take into account any returns of capital and tax deferred distributions received in respect of your investment. These amounts may have the effect of increasing your capital gain or decreasing your capital loss. Amounts that represent the CGT concession amount will have no impact on the cost base of your investment in the Trust. Investors that are individuals and trusts may be entitled to a CGT discount that reduces their CGT liability 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 Trust to withhold tax on distributions paid to non-residents for Australian tax purposes.

If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the prescribed rates. The rates may vary according to the components of the distribution.

Tax File Number ('TFN') withholding tax

If you are an Australian resident, you 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, we are required to withhold tax on your income distributions at the highest marginal tax rate plus levies.

Foreign Account Tax Compliance Act ('FATCA')

We intend to meet any requirements imposed on the Trust under Australian legislation designed to give effect to the FATCA agreement between Australia and the United States. This may include registering the Trust with the United States authorities, collecting certain information from you, reporting payments made in respect of your investment and retaining information to meet record keeping requirements.

Goods and services tax ('GST')

The acquisition, redemption and transfer of units in the Trust should not be subject to GST. Distributions made by the Trust 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. Current reforms in progress include a new tax regime for Managed Investment Trusts, a review of the taxation of trusts generally and a review of anti-tax deferral regimes (e.g. Foreign Accumulation Fund and the Controlled Foreign Company rules). These reforms may potentially impact the tax position of the Trust and its investors. We will continue to monitor the tax reform process and its impact on the Trust. It is an investor's responsibility to monitor tax reform developments that may impact on their investment in the Trust.

Constitution

The Trust 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. You can inspect a copy of the Constitution at our Melbourne office at any time between 9:00am and 5:00pm on a business day.

Classes of Units

The Constitution provides that the Responsible Entity 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 three classes of units created under the Constitution:

- Retail Units (closed to new applications),
- Wholesale Units, and
- Class A Units.

The Responsible Entity

AUFM in its capacity as Responsible Entity is subject to the provisions of the Constitution and the Corporations Act 2001. The Responsible Entity is responsible for administration and management of the Trust, and sets the investment policy and objectives.

Any investment manager appointed by the Responsible Entity will be entitled to receive fees for investment management functions.

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

Labour standards or environmental, social or ethical considerations

Normally, we do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments in the Trust offered under this PDS.

The Responsible Entity does however have in place the following practices in the day-to-day management of the Trust.

Labour standards

The Responsible Entity requires that:

- properties must be maintained in a safe condition at all times; and
- all work performed on investment properties, either directly or via contractors, must comply with Australian Law.

Environmental considerations

The Responsible Entity requires that for each property, matters of environmental significance be identified and assessed and controls determined.

Authorised investments

A broad range of investments is permitted in the Trust. The typical range of investments for the Trust is set out on page 4.

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

Related party transactions

AUFM has appointed Australian Unity Property Management Pty Ltd ABN 76 073 590 600 ('AUPM') (a related party) to provide some property management and administrative services to the Trust.

Investor approval is not required for these arrangements and the appointments are made on commercial terms and conditions and on an arm's length basis.

AUFM and AUPM are wholly owned subsidiaries of Australian Unity Limited ABN 23 087 648 888 and are members of the Australian Unity Group.

These transactions comply with the Related Party Policy.

Australian Unity Property Management

AUPM is a property management business that may, under a written arrangement, provide some of the following services to the Trust as nominated from time to time:

- strategic advice on property acquisitions and sales or arranging the sale or acquisition of property assets;
- management of premises;
- debt arranging, debt structure advice, debt facility negotiation and debt management;
- valuation services;
- leasing services; and
- property management and project supervision.

The appointment of AUPM for these services is not exclusive and AUFM may engage external service providers to undertake these functions.

From 1 July 2013 up to 30 June 2014 asset management, debt arranging and leasing services to the value of $1,012,156 have been provided by AUPM.

The rates of remuneration for the services will be negotiated on a case-by-case basis, but in any event will always be consistent with those negotiated with other service providers on a commercial arm's length basis. As the rates vary according to the type and level of service, it is not appropriate or feasible to provide in this PDS any specific information about what the value or amount of these arrangements may be from time to time.

Other related party service providers

AUFM may appoint other related parties from time to time. Refer to our website for updates.

Investments

Australian Unity Limited and its subsidiaries (related parties) may invest in the Trust and the Trust may invest in related parties from time to time. Details of related party investments are included in the Trust's Annual Financial Report.

As at 30 June 2014 related parties held interests in the Trust of $767,081 (0.18%) based on net assets.

Monitoring of related party transaction and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Australian Unity has policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Unity Group entities are reviewed and approved by senior management with clearly identified governance policies and guidelines. Decisions in relation to conflicts of interest and related party transactions are documented.

Updates to related party transactions and further information

As appropriate, we will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the Trust's Fund Updates.

The value of related party payments are reported yearly as part of the Trust's audited Annual Report. The latest Fund Update and audited Annual Report can be found on our website. Alternatively we can send you a copy free of charge by calling us on 13 29 39.

Small account balances

If the current value of your account is below the minimum balance required, the Responsible Entity may withdraw your units and pay you the proceeds. The amount payable will be the withdrawal price on the date of the withdrawal multiplied by the number of units you hold.

Keeping you informed about your investment

To help keep you informed of your investment, we will provide you the following:

Communication	Frequency
Confirmation of your initial application	At the time of the transaction
Confirmation of subsequent applications (excluding those made using a Regular Savings Plan)	
Account Statement	Quarterly
Australian Tax Statement showing taxation details	Annually
Annual Report (available on our website. You can elect to receive a hard copy of the Annual Report – see Section 9 on the Application Form)	Annually on request only

In addition, you can view your account balance, transaction history and your account details via a secure login at our website: australianunityinvestments.com.au. You can also update your contact details online if they change.

As a disclosing entity, we are subject to regular reporting and disclosure obligations. We comply with the continuous disclosure obligations required by law by the updating of information contained within this PDS on our website (in accordance with the good practice guidance in ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations).

For more up-to-date information about the performance of the Trust (including returns and asset allocations), and the latest Annual Report, you can visit the Trust's web page australianunityinvestments.com.au/hpt.

We can also provide you with a copy (free of charge) of the Annual Report most recently lodged and any half-yearly financial report lodged after the Annual Report is lodged and before the date of this PDS with ASIC and any continuous disclosure notices given after the Annual Report is lodged and before the date of this PDS.

As the information in this PDS may change from time-to-time, you can obtain updated information that is not materially adverse by:

- visiting our website for PDS updates (australianunityinvestments.com.au); or
- calling us on 13 29 39 to request a free paper copy of the updated information.

If you invest through a masterfund or Investor Directed Portfolio Service ('IDPS')

If you are investing in the Trust through a masterfund or IDPS in most cases you do not yourself become an investor in the Trust. Instead, as the masterfund/IDPS operator is investing on your behalf, it acquires the rights of an investor. In most cases references to 'you' and 'your' in this PDS (for example receiving distribution income, reinvestment of distribution income and redemptions) is a reference to the operator and accordingly their arrangements with you will set out your rights.
We do not keep personal information about indirect investors.

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

Further, some provisions of the Trust's Constitution will not be directly relevant to you. For example, you will generally not be able to attend meetings, or withdraw investments directly. You will receive reports from the masterfund/IDPS operator, not us. Enquiries about the Trust should be directed to your masterfund/IDPS operator.

Dispute Resolution

We take complaints seriously and aim to resolve them as quickly as possible. If you would like to make a complaint you can call us on 13 29 39, email us at investments@australianunity.com.au or write to us at the following address:

Manager – Client Services
Australian Unity Investments
114 Albert Road
South Melbourne VIC 3205

We will promptly acknowledge your complaint within 10 business days, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision within 45 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If you are then not satisfied with our handing of your complaint, you may contact:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Phone: 1300 78 08 08
Fax: (03) 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

This service operates as an independent body for the financial services industry of which we participate, to determine unresolved complaints. There is no cost to you for using this service.

Contact us

The Responsible Entity:

Australian Unity Funds Management Limited
ABN 60 071 497 115, AFS Licence No. 234454
114 Albert Road, South Melbourne VIC 3205

Investor Services

T 13 29 39
F 03 8682 5057

Adviser Services

T 1800 649 033
F 03 8682 5057

Website

australianunityinvestments.com.au

Email

investments@australianunity.com.au

Address for correspondence

Australian Unity Investments
114 Albert Road
South Melbourne VIC 3205

Contact us

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