

Australian Unity Healthcare Property Trust

Wholesale Units

Product Disclosure Statement

6 March 2023



Surgical, Treatment and Rehabilitation Service, Herston, QLD

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

Important information

Wholesale Units issued under the Constitution and in this Product Disclosure Statement dated 6 March 2023 ('PDS') in the Australian Unity Healthcare Property Trust ARSN 092 755 318 ('Trust') are the only units offered in the Trust PDS and are issued by Australian Unity Funds Management Limited ('AUFM') ABN 60 071 497 115, AFS Licence No. 234454 in its capacity as Responsible Entity of the Trust.

References to us

In this document, the description, 'we', 'us' or 'our' refers to AUFM. AUFM is a wholly owned subsidiary of Australian Unity Limited ('AUL') ABN 23 087 648 888. AUL, together with its subsidiaries including AUFM, form the group of companies referred to as the 'Australian Unity Group'.

A reference to 'Australian Unity Wealth & Capital Markets' is a reference to a business division within the Australian Unity Group, which includes those entities undertaking investment activities.

Discretion to reserve allocations of Wholesale Units

Subject to the Maximum Limit, any amount not subscribed for by Existing Investors under the Rights Issue Offer or Excess Offer may be offered primarily to new investors under the General Offer.

Applications

Applications for investment in Wholesale Units can only be made using either the online Application Form or paper Application Form. If you receive this PDS electronically, please ensure that you have received the entire PDS and Application Form. If you are unsure whether the electronic document is complete, please call us on 1300 997 774 or +61 3 9616 8687. This PDS is available on our website australianunity.com.au/wealth/hpt/pds or a free paper copy is available by calling us on 1300 997 774 or +61 3 9616 8687.

No application for investments will be accepted on the basis of this PDS once it is replaced with a later PDS.

We may suspend applications for Wholesale Units at any time. Any suspension of applications will be announced on our website. We will notify investors on our website australianunity.com.au/wealth/hpt.

Target Market Determination (TMD)

TMD is a set of criteria that we, in our capacity as the product issuer, issue for each of our products (including their investment options). It describes who our products are likely to be appropriate for. It also contains details around distribution conditions, eligibility criteria, information reporting requirements, and a set of internal review triggers. For more information on whether this product may be suitable for your investment needs, please refer to the TMD at australianunity.com.au/wealth/target-market-determinations.

Continuous Disclosure

In accordance with existing regulations, we meet our continuous disclosure requirements by way of website disclosure. All disclosures required under the continuous disclosure obligations are available on our website. You can obtain a free paper copy by calling us on 1300 997 774 or +61 3 9616 8687.

No guarantee

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

No reliance

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.

Jurisdictions outside of Australia

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 a Permitted Jurisdiction.

Important Information for New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

Important Information for Investors resident in Singapore

The Trust is not registered as an authorised or recognised fund with the Monetary Authority of Singapore ('MAS'). The offers of Wholesale Units the subject of this PDS are not allowed to be made to the retail public in Singapore. This PDS has not been registered as a prospectus with the MAS and is not a prospectus as defined in the Securities and Futures Act 2001 of Singapore ('SFA'). The MAS assumes no responsibility for the contents of this PDS or any such document. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

The offers of Wholesale Units the subject of this PDS are only allowed to be made pursuant to certain exemptions from prospectus requirements under Section 304 of the SFA and under no circumstances to the retail public. Accordingly, the Wholesale Units may not be offered or sold, nor may the Wholesale Units be the subject of an invitation for subscription or purchase, nor may this PDS or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Wholesale Units be circulated or distributed, whether directly or indirectly, to any person in Singapore other than under exemptions provided in the SFA for offers made:

- a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA, or
- b) otherwise pursuant to, and in accordance with, the conditions of any other applicable provision of the SFA provided that all such persons to whom any such offer or sale, or invitation for subscription or purchase of the Wholesale Units is made are institutional investors.

Subject to all other restrictions on transferability imposed by the Responsible Entity, where Wholesale Units are initially acquired pursuant to an offer made in reliance on an exemption under Section 304 of the SFA by an institutional investor, subsequent sales of those Wholesale Units in the Trust will only be made to another institutional investor.

Investors should ensure that their own transfer arrangements comply with the restrictions. Investors should seek legal advice to ensure compliance with the above.

Indirect investments

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.

Business day

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.

Terms and conditions

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.

Goods and services tax

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.

Currency

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

Updates to this PDS

Information in this PDS which is not materially adverse information that is subject to change from time to time, may be updated via our website and can be found at australianunity.com.au/wealth/hpt. A paper copy of updated information is available free of charge by contacting us on 1300 997 774 or +61 3 9616 8687.

No investments will be accepted on the basis of this PDS once it is replaced with a later PDS.

Cover of this PDS

The asset appearing in the photograph on the front cover of this PDS is an asset of the Trust.

Glossary

A list of defined terms used within this PDS can be found in section 16.

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Obtaining other information before making a decision

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

- Target Market Determination
- Unit prices and performance
- Fund Updates
- Continuous Disclosure Notices
- Announcements.

We recommend that you obtain and review such information before you invest.

Alternatively, you can call us on 1300 997 774 or +61 3 9616 8687 and we will send you the requested information free of charge.

Section 1: Offer of Wholesale Units

Offer of Wholesale Units

The Trust is seeking to raise approximately \$350 million through an offer of Wholesale Units to investors who have a registered address in Australia, New Zealand, Singapore (limited to Singapore Institutional Investors) or any other jurisdiction as determined by the Responsible Entity (**Permitted Jurisdictions**).

This offer will comprise:

- A \$150 million Rights Issue Offer
- A non-renounceable rights issue to Existing Investors in the Trust registered as at 5:00pm on 3 March 2023 (Record Date).
- An Excess Offer
- The amount (if any) not taken up under the Rights Issue Offer will be offered under the Excess Offer to Existing Investors who have:
 - taken up their entire Entitlement under the Rights Issue Offer; and
 - have elected to participate in the Excess Offer in the Rights Issue Offer Application Form and who meet the conditions to participate in the Excess Offer described below.
- A \$200 million General Offer
- A limited issue of Wholesale Units in the Trust targeted primarily at new investors.

The aim of this offer of Wholesale Units is to:

- Provide funding for upcoming acquisitions and developments.
- Strengthen the balance sheet by reducing gearing. The Trust has acquired over \$300 million in properties in November 2022 and December 2022 and has increased gearing to above the mid-point of the target gearing range of 25% to 35%.

The structure of this offer of Wholesale Units seeks to:

- Provide Existing Investors the opportunity to maintain their percentage ownership of the Trust as at the Record Date (assuming a sufficient amount is available through the Excess Offer).
- Diversify and broaden the investor base of the Trust.

Section 2: The Rights Issue Offer summary

Rights Issue of Wholesale Units							
The Rights Issue Offer	The Trust is seeking to raise approximately \$150 million through a non-renounceable rights issue to Existing Investors in the Trust registered as at the Record Date who have a registered address in a Permitted Jurisdiction.						
Your Rights Issue Offer Entitlement	For every \$22.8290 of investment in the Trust held on the Record Date, an Existing Investor is entitled to purchase \$1 of Wholesale Units plus an additional \$5,000¹ of Wholesale Units. Your specific Rights Issue Offer Entitlement will be set out in your Rights Issue Offer Application Form. This Rights Issue Offer is being made to Existing investors in the Trust as at the Record Date who hold: • Retail Units; • Wholesale Units; or • Class A Units. Retail Unit and Class A Unit investors should note that if they choose to take up their Rights Issue Offer Entitlement that they will be issued Wholesale Units.						
Key dates ¹	<table> <tr> <td>Record Date</td><td>5:00pm 3 March 2023</td></tr> <tr> <td>Rights Issue Offer Open Date</td><td>9:00am 6 March 2023</td></tr> <tr> <td>Rights Issue Offer Close Date</td><td>5:00pm 31 March 2023</td></tr> </table>	Record Date	5:00pm 3 March 2023	Rights Issue Offer Open Date	9:00am 6 March 2023	Rights Issue Offer Close Date	5:00pm 31 March 2023
Record Date	5:00pm 3 March 2023						
Rights Issue Offer Open Date	9:00am 6 March 2023						
Rights Issue Offer Close Date	5:00pm 31 March 2023						
Rights Issue Offer Application Form ¹²	The online Rights Issue Offer Application Form will be made available on 6 March 2023 on our website at australianunity.com.au/wealth/hpt. Due to the limited period for which the Rights Issue Offer will be open we encourage you to submit your application online. If you require a paper copy of the Rights Issue Offer Application Form please contact us on 1300 997 774 or +61 3 9616 8687.						
Application payment	The two primary methods of payment for your application are: 1. BPAY®; or 2. Direct Debit. Your BPAY® and Direct Debit payment details will be included in your Rights Issue Offer Application Form. We may accept payment by Electronic Funds Transfer (EFT) in exceptional circumstances. Please contact us on 1300 997 774 or +61 3 9616 8687 for more information. If your application monies are not received as cleared funds by 5:00pm on 31 March 2023, your application may not be accepted. ® Registered to BPAY Pty Ltd ABN 69 079 137 518						
Issue price increase/decrease example	The issue price of Wholesale Units is the Wholesale Unit application price as at the date an application is accepted and will be calculated in accordance with the Constitution and including the buy spread. Refer to section 6.15 for more information regarding the effect of changes in the price of a Wholesale Unit on the number of Wholesale Units you may receive under the Rights Issue Offer.						
Conditions of the Rights Issue Offer	Rights Issue Offer Application Form and payment of application monies If your completed Rights Issue Offer Application Form and application monies are not received as cleared funds by the Rights Issue Offer Close Date, 5:00pm on 31 March 2023, your application may not be accepted. Maximum Limit The acceptance of your application is subject to the Maximum Limit, which is set out in section 10.04. If being issued Wholesale Units equal to your Rights Issue Offer Entitlement would result in you or an Associated Investor exceeding the Maximum Limit your application may be rejected or only accepted for such lesser amount (determined by the Responsible Entity) that would not result in you or an Associated Investor exceeding the Maximum Limit. You may choose to apply for a lesser amount than your Rights Issue Offer Entitlement in the Rights Issue Offer Application Form. Residency Only investors with a registered address in a Permitted Jurisdiction and who are otherwise Existing Investors are entitled to participate in the Rights Issue Offer.						

¹ \$5,000 is available only to direct investors of the Trust and is not available to indirect investors via IDPS or platform/wrap accounts.

² All times and dates in this document refer to the date and time in Melbourne, Australia. Please note, the key dates above are correct at the date of this document, however they may change. We may vary the dates and times and may close the Rights Issue Offer early, extend or cancel the Rights Issue Offer without prior notice, and accept late applications either generally or in particular cases. Existing Investors are encouraged to submit the Rights Issue Offer Application Form as early as possible after the Rights Issue Offer opens. The Close Date for Existing Investors with a registered address in New Zealand is the same as the Close Date for Existing Investors with a registered address in Australia.

Section 3: The Excess Offer summary

Excess Offer of Wholesale Units					
Excess Offer	The amount of the \$150 million (if any) not taken up under the Rights Issue Offer will be offered under the Excess Offer to Existing Investors who: • have taken up their entire Entitlement under the Rights Issue Offer; and • have elected to participate in the Excess Offer in the Rights Issue Offer Application Form; and • will not exceed their percentage ownership of the Trust as at the Record Date by participating in the Rights Issue Offer, or would not exceed their percentage ownership of the Trust by participating in the Excess Offer.				
Excess Offer Entitlement	Your allocation for the Excess Offer Entitlement will take into consideration: • the amount raised under the Rights Issue Offer; • the amount available under the Excess Offer; • the amount raised under the General Offer; and • your Maximum Excess Offer Entitlement (described below); Your allocation under the Excess Offer will be capped at an amount that: • applies the Maximum Limit, which is set out in section 10.04; and • does not result in your percentage ownership of the Trust following completion of the Offer exceeding that your percentage ownership of the Trust as at the Record Date. This cap is your Maximum Excess Offer Entitlement. Please note: • the amount available for the Excess Offer may not be sufficient to offer an amount that enables Existing Investors to maintain their percentage ownership of the Trust as at the Record Date; and • Excess Offer applications will be processed at the prevailing Wholesale Unit application price.				
Reasons why you may not be able to participate in the Excess Offer	Existing Investors will not be able to participate in the Excess Offer: • If we exercise our discretion to cancel the Excess Offer. • If the Rights Issue Offer is fully taken up. • To the extent that the investor's percentage ownership of the Trust after participating in the Excess Offer, would be more than the investor's percentage ownership of the Trust as at the Record Date.				
Key dates ³	<table> <tr> <td>Excess Offer Open Date</td><td>9:00am 24 April 2023</td></tr> <tr> <td>Excess Offer Close Date</td><td>5:00pm 12 May 2023</td></tr> </table>	Excess Offer Open Date	9:00am 24 April 2023	Excess Offer Close Date	5:00pm 12 May 2023
Excess Offer Open Date	9:00am 24 April 2023				
Excess Offer Close Date	5:00pm 12 May 2023				
Excess Offer Application Form ¹	The online Excess Offer Application Form will be made available on our website at australianunity.com.au/wealth/hpt. Due to the limited period for which the Excess Offer will be open we encourage you to promptly submit your application online. If you require a paper copy of the Excess Offer Application Form please contact us on 1300 997 774 or +61 3 9616 8687.				
Application payment	The two primary methods of payment for your application are: 1. BPAY; or 2. Direct Debit. Your BPAY and Direct Debit payment details will be included in your Excess Offer Application Form. We may accept payment by Electronic Funds Transfer (EFT) in exceptional circumstances. Please contact us on 1300 997 774 or +61 3 9616 8687 for more information. If your application monies are not received as cleared funds by 5:00pm on 12 May 2023, your application may not be accepted.				
Issue price increase/decrease example	The expected issue price of Wholesale Units is the Wholesale Unit application price as at the date an application is accepted and will be calculated in accordance with the Constitution and including the buy spread. Refer to section 6.15 for more information regarding the effect of changes in the price of a Wholesale Unit on the number of Wholesale Units you may receive under the Excess Offer.				
Conditions of the Excess Offer	Excess Offer Application Form and payment of application monies If your completed Excess Offer Application Form and application monies are not received as cleared funds by 5:00pm on 12 May 2023 your application may not be accepted. Maximum Limit The acceptance of your application is subject to the Maximum Limit, which is set out in section 10.04. If being issued Wholesale Units in the Excess Offer would result in you or an Associated Investor exceeding the Maximum Limit your application may be rejected or only accepted for such lesser amount (determined by the Responsible Entity) that would result in you or an Associated Investor not exceeding the Maximum Limit.				

³ All times and dates in this document refer to the date and time in Melbourne, Australia. Please note, the key dates above are correct at the date of this document, however they may change. We may vary the dates and times and may close the Excess Offer early, extend or cancel the Excess Offer without prior notice, and accept late applications either generally or in particular cases. Existing Investors are encouraged to submit the Excess Offer Application Form as early as possible after the Excess Offer opens. The Close Date for Existing Investors with a registered address in New Zealand is the same as the Close Date for Existing Investors with a registered address in Australia.

Residency

Only investors with a registered address in a Permitted Jurisdiction and who are otherwise Existing Investors are entitled to participate in the Excess Offer.

Residual amounts

We reserve the right to allocate any residual amount from the Excess Offer to other investors at our discretion.

Section 4: The General Offer summary

General Offer of Wholesale Units					
General Offer	The Trust is seeking to raise approximately \$200 million through a limited issue of Wholesale Units primarily to new investors. The General Offer is only available to investors with a valid Access Code.				
Key dates ⁴⁴	<table> <tr> <td>General Offer Open Date</td><td>9:00am 6 March 2023</td></tr> <tr> <td>General Offer Close Date</td><td>5:00pm 31 March 2023</td></tr> </table>	General Offer Open Date	9:00am 6 March 2023	General Offer Close Date	5:00pm 31 March 2023
General Offer Open Date	9:00am 6 March 2023				
General Offer Close Date	5:00pm 31 March 2023				
Application payment	The two primary methods of payment for your application are: 1. BPAY®; or 2. Direct Debit. Your BPAY® and Direct Debit payment details will be included in your online General Offer Application Form. We may accept payment by Electronic Funds Transfer (EFT) in exceptional circumstances. Please contact us on 1300 997 774 or +61 3 9616 8687 for more information. If your application monies are not received as cleared funds by 5:00pm on 31 March 2023, your application may not be accepted.				
Issue price increase/decrease example	The expected issue price of Wholesale Units is the Wholesale Unit application price as at the date an application is accepted and calculated in accordance with the Constitution and including the buy spread. Refer to section 6.15 for more information regarding the effect of changes in the price of a Wholesale Unit on the number of Wholesale Units you will receive under the General Offer.				
Conditions of the General Offer	General Offer Access Code You must enter a valid Access Code for your application to be considered. General Offer amount The General Offer is subject to availability. If your application amount exceeds the total amount allocated to your Access Code your application may not be accepted. General Offer Application Form and payment of application monies If your completed General Offer Application Form and application monies are not received as cleared funds by 5:00pm on 31 March 2023 your application may not be accepted. Maximum Limit The acceptance of your application is subject to the Maximum Limit, which is set out in section 10.04. Residency Only investors with a registered address in a Permitted Jurisdiction are entitled to participate in the General Offer.				

⁴⁴ All times and dates in this document refer to the date and time in Melbourne, Australia. Please note, the key dates above are correct at the date of this document, however they may change. We may vary the dates and times and may close the General Offer early, extend or cancel the General Offer without prior notice, and accept late applications either generally or in particular cases. Investors are encouraged to submit the General Offer Application Form as early as possible after the General Offer opens. The Close Date for investors with a registered address in New Zealand is the same as the Close Date for investors with a registered address in Australia.

Section 5: Summary of the Trust

Summary of the Trust's portfolio		
Investment overview	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 and may, from time to time, invest in loans, for example to assist with funding the fitting out of the Trust's properties.	Section 7
Gross assets	\$3,793.30 million as at 31 December 2022.	Section 8
Number of direct property assets	98 as at 31 December 2022.	Section 8
WALE by income	16.4 years as at 31 December 2022.	Section 8
Occupancy rate by income	98.78% as at 31 December 2022.	Section 8
Gearing ratio ¹	30.53% as at 31 December 2022.	Section 8
Interest cover ¹	6.06 times for the twelve months to 31 December 2022.	Section 8
Borrowings	\$1,158.00 million as at 31 December 2022.	Section 8
Hedging (% of debt hedged)	53.54% as at 31 December 2022.	Section 8
Property valuations	Generally conducted annually by qualified independent valuers.	Section 8
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions and on an arm's length basis.	Section 8
Features and risks		
Features of the Trust	• Distribution of income paid quarterly and sourced primarily from tenants with contracted leases. • Managed by a specialist investment manager with skilled employees who have extensive experience in the property industry. • Access to a diversified portfolio of healthcare property and related assets, including some strategic assets with the ability to further enhance income and the potential for capital growth over the medium to long-term. • Potential for tax deferred income.	-
Key risks of the Trust	• Sector (healthcare) concentration risk • Reduction in property values. • Breach of borrowing conditions. • Gearing increases risk, magnifying gains and losses. • Tenant default. • Property development risk.	Section 12

1. As defined by ASIC Regulatory Guide 46: Unlisted property schemes - Improving disclosure for retail investors. See section 8.

Summary of the Wholesale Units features		
Responsible Entity	Australian Unity Funds Management Limited	-
Investment Manager	Australian Unity Funds Management Limited	-
Unit class offered	Wholesale Units	-
APIR code	AUS0112AU	-
Distribution reinvestment plan	Available	Section 11
Unit pricing	Daily Unit prices are generally calculated each business day.	Section 11
Distribution payments	Quarterly Distributions are generally paid quarterly and are generally sourced from funds from operations and net realised capital gains only. The distribution policy is aligned to the ongoing earning capacity of the Trust. Although it is not our intention to pay distributions from other sources, we may do so if we consider it to be in the interests of our investors (for example if rental income is reduced unexpectedly).	Section 11
Withdrawals	Quarterly In normal operating conditions, a quarterly withdrawal facility (up to 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. If requested withdrawal amounts exceed 2.5% of the net asset value of Wholesale Units on issue, withdrawals may be met on a pro-rata basis.	Section 8 and 11
Summary of the Wholesale Units fees and costs		
Tiered base management fee	The base management fee is: 0.65% pa of the average Gross Asset Value (GAV) of the Trust's under \$2 billion. 0.50% pa of the average GAV of the of the Trust's above \$2 billion to \$4 billion. 0.40% pa of the average GAV of the Trust's above \$4 billion.	Section 14
Recoverable expenses	Estimated to be 0.18% p.a. of the average GAV of the Wholesale Units of the Trust based on the financial year ending 30 June 2022.	
Indirect Costs	Estimated to be 0.00% of the average GAV of the Wholesale Units of the Trust for the year to 30 June 2022.	
Transaction costs	Estimated to be 0.84% p.a. of the average GAV of the Wholesale Unit of the Trust for the year to 30 June 2022.	
Buy-sell spread	Buy: 1.00% Sell: 0.50%	

Section 6: Questions and answers

6.01 Why are we making the offer of Wholesale Units under this PDS?

The purpose of the offer of Wholesale Units is to:

- Provide funding for upcoming acquisitions and developments.
- Strengthen the balance sheet by reducing gearing. HPT has acquired over \$300 million in properties in November 2022 and December 2022 and has increased gearing to above the mid-point of the target gearing range of 25% to 35%.

We regularly post announcements on the Trust's website australianunity.com.au/wealth/hpt to provide investors with updates in respect of the Trust and recent transactions.

The structure of this offer of Wholesale Units seeks to:

- provide Existing Investors the opportunity to maintain their current percentage ownership of the Trust; and
- diversify and broaden the investor base of the Trust.

6.02 What is the Rights Issue Offer?

The Trust is seeking to raise approximately \$150 million through a non-renounceable rights issue to Existing Investors in the Trust as at the Record Date.

6.03 How do I know if I am eligible to participate in the Rights Issue Offer?

The Rights Issue Offer is being made to existing investors in the Trust registered as at the Record Date who have a registered address in a Permitted Jurisdiction and who hold:

- Retail Units;
- Wholesale Units; and/or
- Class A Units.

6.04 How is my Rights Issue Offer Entitlement calculated?

For every \$22.8290 of investment in the Trust held as at the Record Date, an Existing Investor is entitled to purchase \$1 of Wholesale Units plus an additional \$5,000 of Wholesale Units.

Your specific Rights Issue Offer Entitlement will be set out in your Rights Issue Offer Application Form.

We have based the calculation of your Rights Issue Offer Entitlement on the value of investment in the Trust at the Record Date on each of the Trust's unit classes respective mid-price. The mid-price is the unit price calculated under the Constitution without the buy or sell spread. The unit prices used to calculate your investment in the Trust and Rights Issue Offer Entitlement were:

Unit class	Mid-price as at 3 March 2023
Retail	\$2.8195
Wholesale	\$2.7509
Class A	\$1.6583

For example, if you held 50,000 Wholesale Units at the Record Date, your Rights Issue Entitlement would be calculated as following:

$$\frac{50,000 \times 2.7509}{22.8290} + \$5,000 = \$11,025.01$$

6.05 When will the Rights Issue Offer Open?

The Rights Issue Offer is expected to open 9:00am 6 March 2023. If this date changes will advise you on our website at australianunity.com.au/wealth/hpt.

6.06 What happens if the full amount offered under the Rights Issue Offer is not taken up?

The amount (if any) not taken up by Existing Investors under the Rights Issue Offer will be offered under the Excess Offer. Existing Investors may participate in the Excess Offer provided they:

- have taken up their entire Entitlement under the Rights Issue Offer; and
- have elected to participate in the Excess Offer in the Rights Issue Offer Application Form; and
- will not exceed their percentage ownership of the Trust as at the Record Date by participating in the Rights Issue Offer, or would not exceed their percentage ownership of the Trust by participating in the Excess Offer.

If the Rights Issue Offer is fully subscribed the Excess Offer will not occur.

6.07 How is my Maximum Excess Offer Entitlement calculated?

Your allocation under the Excess Offer will be capped at an amount that:

- applies the Maximum Limit; and
- does not result in an Existing Investor's percentage ownership of the Trust following completion of the Offer exceeding that Existing Investor's percentage ownership of the Trust as at the Record Date.

This cap is your Maximum Excess Offer Entitlement.

6.08 When will the Excess Offer Open?

The Excess Offer is expected to open 9:00am 24 April 2023. If this date changes will advise you on our website at australianunity.com.au/wealth/hpt.

6.09 Do I need to take up my full Rights Issue Offer Entitlement or Excess Offer Entitlement?

We will accept applications in increments of \$100 up to your entitlement amount.

However, to participate in the Excess Offer you must take up your full Rights Issue Offer Entitlement and elect to participate in the Excess Offer in your Rights Issue Offer Application Form.

6.10 What happens if I do not wish to participate in the Rights Issue Offer or Excess Offer?

If you decide not to take up any of your Rights Issue Offer Entitlement no further action is required by you.

The Rights Issue Offer is non-renounceable which means that if you decide not to take up all or some of your Rights Issue Offer Entitlement then that part of your Rights Issue Offer Entitlement cannot be transferred and will lapse.

To participate in the Excess Offer, you must take up your full Rights Issue Offer Entitlement and make an election to participate in the Excess Offer in your Rights Issue Offer Application Form.

6.11 How can I participate in the General Offer?

You must have a valid Access Code to participate in the General Offer.

6.12 How can I apply to participate in the offer of Wholesale Units under this PDS?

There will be both an online and paper based version of the Application Form.

- Participants in the Rights Issue Offer must apply via the Rights Issue Offer Application form.
- Participants in the Excess Offer must apply via the Excess Offer Application form.
- Participants in the General Offer must apply via the General Offer Application form with a valid Access Code.

Due to the limited period the offer of Wholesale Units under this PDS will be available we encourage investors to promptly submit applications by the relevant offer's Close Date.

If you are unable to access the online form, you may request a paper copy of an Application Form by contacting us on 1300 997 774 or +61 3 9616 8687.

6.13 Will my application be accepted?

Acceptance of your application is subject to the terms and conditions set out in this PDS.

Incomplete applications, incorrectly completed applications and applications where the cleared funds have not been received by the relevant offer's Close Date may not be accepted.

6.14 How do I pay for Wholesale Units issued under this PDS?

There are two primary methods of payment for a Rights Issue Offer and Excess Offer application:

1. BPAY.
2. Direct Debit.

BPAY and Direct Debit payment details will be included in your Rights Issue Offer and/or Excess Offer application form. We may accept payment by Electronic Funds Transfer (EFT) in exceptional circumstances. Please contact us on 1300 997 774 or +61 3 9616 8687 for more information.

If your application monies are not received as cleared funds by 5:00pm on the relevant offer Close Dates your application may not be accepted.

If you elect to pay via BPAY you must ensure the amount paid matches the amount you have specified in your application form. If the amount you pay does not match your application form we may not accept your application and return your application proceeds to you.

Applications under the General Offer can generally only be paid via Direct Debit. We may accept payment by Electronic Funds Transfer (EFT) in exceptional circumstances. please contact us on 1300 997 774 or +61 3 9616 8687 for more information.

6.15 What will be the issue price for Wholesale Units?

The expected issue price of Wholesale Units is the Wholesale Unit issue price as at the date an application is accepted. The issue price is calculated in accordance with the Constitution and includes the buy spread.

The Wholesale Unit price may change on a day-to-day basis as the Trust's underlying portfolio value changes. For example, changes to property revaluations, the value of the Trust's interest rate hedging swaps, accruals for management fees and costs and value of listed investments may all have an impact upon the Wholesale Unit price.

If the issue price per Wholesale Unit increases or decreases between the date of this PDS and the date an application is accepted, this will affect the number of Wholesale Units you receive in exchange for your application monies.

The table below sets out an example, showing the number of Wholesale Units you will receive for each \$100 of application monies, assuming a 2.5% increase or decrease in the issue price per Wholesale Unit.

Date	Number of Wholesale Units per \$100 of application monies
Units received as at Record Date	35.99
Application acceptance date, assuming 2.5% increase in Wholesale Unit price	35.11
Application acceptance date, assuming 2.5% decrease in Wholesale Unit price	36.92

6.16 Are there any tax implications of participating in the offer of Wholesale Units under this PDS?

The acquisition of Wholesale Units under the Rights Issue Offer and Excess Offer should be treated in the same manner as any acquisition. Refer to the taxation section from section 15 for the Australian taxation implications of investing in the Trust. That tax section does not address New Zealand or Singapore tax implications of investing in the Trust.

If you are unsure about the taxation implications that apply to your individual circumstances we encourage you to seek professional advice.

6.17 Will the offer of Wholesale Units under this PDS be underwritten?

The Rights Issue Offer or Excess Offer will not be underwritten.

6.18 What are the conditions of participating in the offer of Wholesale Units under this PDS?

The following conditions apply to the offer of Wholesale Units under this PDS.

1. You must not exceed the Maximum Limit

The acceptance of your application is subject to the Maximum Limit which is set out in section 10.04. If you being issued Wholesale Units would result in you or an Associated Investor exceeding the Maximum Limit your application may be rejected or only accepted for such lesser amount as determined by the Responsible Entity that would not result in you or an Associated Investor exceeding the Maximum Limit.

2. Residency

Only investors with a registered address in a Permitted Jurisdiction are entitled to participate.

3. Fully completed application and cleared funds

Incomplete applications, incorrectly completed applications and applications where cleared funds have not been received by the relevant offer's Close Date may not be accepted.

4. Offer Specific Conditions

In addition to the conditions above the following conditions apply to each of the offers under this PDS.

- To participate in the **Rights Issue Offer** you must be an Existing Investor in the Trust registered as at 5:00pm on 3 March 2023.
- To participate in the **Excess Offer** you must;
 - be an Existing Investor in the Trust registered at as 5:00pm on 3 March 2023; and
 - take up your full Rights Issue Offer Entitlement; and
 - make an election to participate in the Excess Offer in your Rights Issue Offer Application Form.
- To participate in the General Offer you must have a valid Access Code.

Section 7: About the Healthcare Property Trust

The Australian Unity Healthcare Property Trust is an unlisted property trust that 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. From time to time, the Trust may invest in loans, for example to fund the fitting out of the Trust's properties. It has a primary focus on delivering regular income to its investors, but with a longer-term opportunity for capital growth. The Trust has a diversified tenant base, with a focus on hospital, medical and aged care operators.

The operation and management of 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. This combination means that we are uniquely qualified to identify, and to manage, healthcare property investments.

Healthcare property investment includes the ownership of the physical infrastructure supporting the healthcare system, including the land, bricks and buildings associated with hospitals, medical clinics, aged care accommodation, day surgeries, consulting rooms, rehabilitation units, radiology and pathology centres.

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

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

7.01 The Trust's 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 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
- maintaining an exposure to listed REITs for liquidity management.

The Trust utilises a combination of equity provided by investors, and borrowings from lenders, to acquire healthcare property and related assets for the Trust and to fund development, refurbishment or improvement activities.

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 10% in listed property investments and up to 10% in unlisted property investments. From time to time, the Trust may invest in loans, for example to fund the fitting out of the Trust's properties. These loans are made on an arm's length basis. The balance of the Trust's assets are held in cash and cash equivalents.

7.02 Trust income

Rent from the Trust's properties and income earned from the Trust's other assets generate income for the Trust. This income is first 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 attributed and distributed to investors.

7.03 Trust capital value

The capital growth (or loss) on exposure to the Trust's assets will largely be attributed to revaluations of the Trust's properties, changes in value of other assets and/or liabilities including the mark-to-market value of interest rate swaps, investments in listed REITs and the level of borrowings which the Trust carries.

7.04 Borrowing and lending

Under the Trust's Constitution and Australian 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.

7.04.01 Borrowing

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 capital position of the Trust.

The Trust generally aims to operate within a gearing ratio range between 25%–35% but may operate outside of this range if we believe it is in the interest of investors to do so. 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 legal recourse from investors in the Trust.

7.04.02 Lending

From time to time, the Trust may advance loans, for example to assist with funding the fitting out of the Trust's properties. These loans are on a commercial and on an arm's length basis.

7.05 Derivatives

It is not the Trust's current policy to use derivatives for speculative activities.

The investment manager may use derivatives for implementation of interest rate risk management strategies.

7.06 Current structure of the Trust

As at the date of this document the classes of units issued in the Trust are:

- Retail Units.
- Wholesale Units.
- Class A Units.

Wholesale Units are typically suited to investors who:

- Want exposure to a diverse healthcare property portfolio.
- Are seeking capital growth and/or regular distribution income payments.
- Are using the Wholesale Units as a satellite or small component of their portfolio
- have a medium or long term investment timeframe of least a five-years.
- Have a high or very high risk/return profile.

Section 8: 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 Property Council of Australia ('PCA') and the Property Funds Association ('PFA') have also issued their supplement to this Regulatory Guide 46 in the form of their *RG46 Voluntary Practice Note*.

The information below should be read in conjunction with the latest Annual Report for the Trust, available from our website: australianunity.com.au/wealth/hpt. Alternatively you can call us on 1300 997 774 or +61 3 9616 8687 for a free copy.

The financial information in this document is extracted from the Trust's accounting and property management records as at 31 December 2022 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.

8.01 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 30.53% as at 31 December 2022 (20.75% as at 30 June 2022 based on the Trust's audited financial accounts).

The gearing ratio 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. The only interest-bearing liability of the Trust is the borrowing facilities. Refer to the borrowings note in the audited financial statements and the details set out in Disclosure Principle 3 – Scheme (Trust) Borrowings in Section 8.03.

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 the Trust level. This calculation differs to the loan to valuation ratio (which is a measure of the amount of debt drawn under the borrowing facility as a proportion of the value of assets under the borrowing facility security arrangement. As at 31 December 2022 the Trust does not have any mortgages over its properties and as such the loan to value ratio is not relevant.

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 Treasury and Financial Risk Management Policy. The Treasury and Financial Risk Management Policy outlines record keeping, monitoring and reporting requirements. The Trust has a two syndicated borrowing facilities and generally operates within a gearing ratio range between 25%–35%.

The Trust continues to comply with the Treasury and Financial Risk Management Policy. For further information or to obtain a copy of the Treasury and Financial Risk Management Policy please contact us.

8.02 Interest cover ratio and policy

Disclosure principle 2 – Interest cover

The Trust's interest cover ratio for the 12 months ended 31 December 2022 was 6.06 times (7.79 times for the 12 months to 30 June 2022 based on the Trust's audited financial accounts).

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 indicator 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 are 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, the Trust may hedge against rises in interest rates to provide greater certainty for the Trust's interest expenses. In addition, asset management strategies that attract high quality tenants on longer lease terms and tenant diversity aim 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 below and is at a Trust level.

$$\text{Interest cover ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

In the audited financial statements EBITDA is equivalent to 'Profit before finance costs attributable to unitholders' adding back borrowing costs, amortisation, unrealised gains/losses including property revaluations, straight-lining of rental income and unrealised gains/losses on derivatives and listed/unlisted property trusts. Interest expense is equivalent to 'Borrowing costs' less amortisation of debt establishment costs.

However, capitalised interest expenses (if any) are excluded from this calculation (see Benchmark 3 – Interest Capitalisation).

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 Treasury and Financial Risk Management Policy. The Treasury and Financial Risk Management Policy outlines record keeping, monitoring and reporting requirements. The minimum interest cover ratio for the Trust under the Trust's borrowing arrangements is 2.00 times. The calculation method for the interest cover ratio under the borrowing facility is different from the calculation method adopted by ASIC in Disclosure Principle 2.

The Trust continues to comply with Treasury and Financial Risk Management Policy. For further information or to obtain a copy of the Treasury and Financial Risk Management Policy please contact us.

8.03 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 expenses relating to the borrowings which are not capitalised (see Benchmark 3 – Interest Capitalisation) will be met from the earnings of the Trust prior to the payment of distributions to investors.

The Trust has syndicated facility agreements and is summarised in the following table:

Borrowing details as at 31 December 2022	
Borrowing facility drawn amount	\$1,158 m
Borrowing facility limit (\$m)	\$1,300 m
Borrowing facility maturity (\$250m)	May 2024
Borrowing facility maturity (\$150m)	Jan 2025
Borrowing facility maturity (\$100m)	Jan 2025
Borrowing facility maturity (\$75m)	Nov 2025
Borrowing facility maturity (\$250m)	Dec 2025
Borrowing facility maturity (\$75m)	Nov 2026
Borrowing facility maturity (\$250m)	Dec 2026
Borrowing facility maturity (\$150m)	Nov 2027
Borrowing facility gearing covenant limit	50.00%
Trust gearing ratio calculated in accordance with borrowing facility definition	30.3%
Borrowing facility unencumbered gearing ratio covenant limit	50.00%
Trust unencumbered gearing ratio calculated in accordance with borrowing facility definition	30.3%
Amount by which value of assets must decrease before a borrowing facility covenant is breached	39.00%
Borrowing facility interest cover ratio covenant limit	2.00 times
Trust interest cover ratio calculated in accordance with borrowing facility definition	5.6 times
Amount by which the operating cash flow must decrease before a borrowing facility covenant is breached	66.00%
Borrowing facility interest rate (inclusive of borrowing margin, line fees and interest rate hedges)	3.8% p.a.
% of borrowings hedged	53.5%
Weighted hedge expiry	2.84 years

The Trust is required to refinance \$250 million of its \$1,300 million facilities by May 2024, with the remainder staggered from January 2025. The Trust is compliant with the lenders' covenant and other requirements and, as such, management is confident that borrowings 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 alternate lenders 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 lenders 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.

Under the terms of the borrowing facilities, provided the Trust obtains prior written consent of the lender(s), there are no terms that may be invoked as a result of investors exercising their rights under the Trust's Constitution. If such consent is not obtained, however, there may be terms which are triggered or consequences that follow under the borrowing facility, including possible cancellation of the facility and early repayment of amounts owing under the borrowing facility.

AUFM maintains a hedging policy that governs the level of interest rate hedging for the Trust and seeks to control the risks associated with the use of derivatives. All hedging strategies implemented are also subject to formal approval by the Chief Investment Officer.

AUFM monitors and manages the Trust's hedging position on a mark-to-market basis. Hedging is very complex and is generally done to fix some or all of the interest rate relating to the borrowing facility. While hedging is put in place to reduce the volatility of earnings and therefore distributions, hedging generally has the effect of increasing the volatility of the Trust's unit price given that the pricing of the underlying interest rate derivatives change daily.

As at 31 December 2022 the mark-to-market value of interest rate derivatives were \$31.42 million, compared to \$32.43 million as at 30 June 2022 based on the Trust's audited accounts. If held to maturity, the value of the interest rate derivatives in the Trust's balance sheet will reduce to zero.

8.04 Interest capitalisation

Benchmark 3 – Interest capitalisation

The interest expense of the Scheme is not capitalised.

The Trust does not meet this benchmark. The Trust currently does not capitalise interest expenses but may do so for borrowings relating to some development projects.

Capitalised interest expenses increase the borrowing facility drawn amount, and therefore may increase borrowing risk.

Borrowing risk is managed through maintaining prudent levels of drawn debt, the use of interest rate hedging instruments and active management of the asset portfolio. The estimated amount of interest to be capitalised for any particular project is generally incorporated into the assessment of feasibility of that project.

The Trust is expected to meet its repayment obligation for capitalised interest expenses through its normal operating activities.

8.05 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, companies that mainly hold healthcare property and may, from time to time, may invest in loans, for example to assist with funding the fitting out of the Trust's properties.

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.

As at 31 December 2022 the Trust had \$88.2 million (2.32% of the gross assets of the Trust) exposure to a listed REIT.

Portfolio composition as at 31 December 2022

Property Details			Tenancy Details				Valuation Detail ¹			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
Direct Properties										
Hospital										
Herston Quarter - STARS, Herston, QLD	-	32,323	MNHHS	7	99.7	17.8	605.00	Nov-22	4.00	605.44
Peninsula Private Hospital, Langwarrin, VIC	-	27,886	Ramsay Healthcare	1	100.0	27.9	300.00	Aug-22	4.00	300.64
Mulgrave Private Hospital, Mulgrave, VIC	-	16,605	Healthe Care	1	100.0	25.0	182.50	Nov-22	4.25	182.54
Beleura Private Hospital, Mornington, VIC	4	10,055	Ramsay Healthcare	1	100.0	23.5	179.60	Aug-22	4.00	179.70
Sunshine Day Surgery and Clinic, St Albans, VIC	5	2,412	Fresenius Medical Care	9	100.0	2.7	104.52	Feb-22	4.75	157.96
Brisbane Waters Private Hospital, Woy Woy, NSW	-	8,351	Healthe Care	1	100.0	20.3	71.30	Aug-22	4.50	73.44
Brunswick Private Hospital, Brunswick, VIC	-	8,000	Aurora Healthcare	1	100.0	21.9	57.75	Aug-22	4.25	57.75
Robina Private Hospital, Robina, QLD	-	5,854	Aurora Healthcare	1	100.0	18.9	56.30	Aug-22	4.25	57.05
Western Hospital, Henley Beach, SA	-	9,375	Western Hospital properties Pty Ltd	1	100.0	21.1	54.00	Feb-22	5.25	54.22
39-43 Orth Street, Kingswood, NSW	16	6,187	Matilda Private Hospital Nepean Pty Ltd	1	100.0	30.0	23.00	May-22	4.75	48.08
North Shore Specialist Day Hospital, Greenwich, NSW	-	2,190	IVF Australia	1	100.0	10.0	35.00	Aug-22	4.25	36.54
Tuggerah Lakes Private Hospital, 645 and 647 Pacific Highway, Kanwal, NSW	-	4,751	Healthe Care	1	100.0	16.3	35.00	Nov-22	4.75	35.00
Townsville Private Clinic, Townsville, QLD	-	4,897	Aurora Healthcare	1	100.0	15.6	33.00	Nov-22	4.75	33.00
Hunters Hill Private Hospital, Hunters Hill, NSW	-	2,678	Ramsay Healthcare	1	100.0	13.1	31.50	Feb-22	4.50	31.69
Berkeley Vale Private Hospital, Berkeley Vale, NSW	-	4,132	Ramsay Healthcare	1	100.0	13.1	31.50	Aug-22	4.50	31.50
Figtree Private Hospital, Figtree, NSW	-	7,277	Ramsay Healthcare	1	100.0	13.1	30.50	Aug-22	4.50	30.52
Sub total				30	99.90	20.50	1,830.47		4.17	1,915.07
Medical Centre or Medical Office										
RPAH Medical Centre, Newtown, NSW	-	7,232	Wilson Parking	59	99.1	3.3	133.75	Aug-22	4.75	133.79
15 Butterfield St, Herston, QLD	-	11,261	QLD Government	2	100.0	2.9	123.00	Aug-22	5.00	123.08
8 Herbert Street, St Leonards, NSW	-	10,595	Stryker Australia	2	93.7	6.1	83.50	Aug-22	4.75	83.50
103 Victoria Parade, Collingwood, VIC	-	8,975	Sonic	1	100.0	5.5	65.00	Aug-22	4.50	65.02
310 Selby Road North, Osborne Park, WA	-	4,997	Sonic	1	100.0	10.5	55.00	Aug-22	4.50	55.00
Manningham Medical Centre, Templestowe Lower, VIC	-	5,109	Manningham Day Procedure Ctr	13	90.0	6.4	51.85	Feb-22	4.75	52.36
Greensborough Medical Centre, Greensborough, VIC	-	3,529	Healius	1	100.0	10.5	43.25	May-22	4.50	43.26
Campus Alpha Building, 2 Investigator Drive, Robina QLD	-	4,425	QLD Government	7	65.9	<1	28.00	Feb-22	6.25	28.12
HIS Diagnostic Imaging Centre, Richmond, VIC	-	1,227	Healius	1	100.0	13.2	26.00	May-22	4.25	26.01
Ipswich Medical Centre and Day Hospital, QLD	-	2,883	Ipswich Day Surgery	12	96.1	4.9	23.30	Nov-22	4.75	23.32
Robina Medical Centre, 1 Campus Crescent, Robina, QLD	-	1,553	BGH	1	100.0	10.7	20.75	Feb-22	4.25	20.77
Corrimal Medical Centre, 46-50 Underwood Street, Corrimal, NSW	-	1,496	BGH	1	100.0	9.3	20.00	Nov-22	4.50	20.00
566 Olsen Avenue Molendinar, QLD	-	2,939	Cornerstone Health	1	100.0	13.5	19.60	Nov-22	4.75	19.60
100 Angus Drive, Douglas, Queensland	-	4,987	Goodstart Early Learning	19	86.5	2.6	17.15	Feb-22	8.78	18.19
2 Short Street, Southport, QLD	-	2,349	Ramsay Healthcare	5	90.2	1.4	17.80	Aug-22	5.75	17.81
14 Highfields Circuit, Port Macquarie, NSW	-	1,084	Healius	1	100.0	11.3	15.80	Feb-22	4.50	15.80
Victoria House Medical Centre, WA	-	2,647	Sonic	1	100.0	2.3	13.50	Feb-22	5.75	13.51
Gosford Private Medical Centre, North Gosford, NSW	-	1,830	Sonic	6	79.7	2.3	17.00	Feb-22	5.75	12.05
1 & 3 Addison Road, Pennington, SA	-	1,137	ForHealth	1	100.0	10.6	11.40	Aug-22	4.75	11.40

Property Details			Tenancy Details				Valuation Details ¹			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
Direct Properties										
Medical Centre or Medical Office cont.										
Eureka Medical Centre, Ballarat, VIC	-	1,504	ForHealth	1	100.0	2.9	11.00	Aug-22	5.00	11.00
Corio Medical Clinic, Corio, VIC	-	1,324	Healius	1	100.0	5.2	9.50	Aug-22	4.85	9.50
80-82 Bridge Road and 3 & 5 Rotherwood Street, Richmond, VIC	10	790	Healius	1	49.1	6.5	7.00	May-22	5.00	7.05
151-153 Furlong Road, St Albans, VIC	11	1,074	Capital Radiology Pty Ltd	1	100.0	3.7	6.00	Feb-22	4.25	6.00
7 Vidler Avenue, Woy Woy, NSW	-	387	Luckstar Pty Ltd	1	100.0	3.2	2.60	Aug-22	5.50	2.60
Sub total				140	95.9	5.3	821.75		4.91	818.74

Aged Care										
53-59 Austral Terrace Morphettville, SA	-	10,529	Bolton Clarke	1	100.0	19.9	41.30	Nov-22	5.50	44.23
The Terraces Aged Care Facility, QLD	-	13,360	McKenzie Aged Care Group	1	100.0	24.1	38.00	Nov-22	5.25	38.00
160-176 Walkerville Terrace Walkerville, SA	-	10,352	Bolton Clarke	1	100.0	19.9	36.30	Nov-22	5.00	36.83
Edge Hill Orchards Aged Care Facility, QLD	-	11,959	Infinite Care	1	100.0	22.2	33.85	Feb-22	6.25	33.86
Capella Bay Aged Care Facility, QLD	-	7,446	McKenzie Aged Care Group	1	100.0	24.1	33.80	Nov-22	5.25	33.80
Lot 1, Hazel Grove Ridgehaven, SA	-	8,436	Bolton Clarke	1	100.0	19.9	30.30	Nov-22	5.25	32.45
19 Allunga Avenue, Ashmore, SA	-	10,840	Infinite Care	1	100.0	25.0	29.85	Oct-22	5.75	30.42
Seabrook Aged Care Facility, QLD	-	6,574	McKenzie Aged Care Group	1	100.0	24.1	30.00	Nov-22	5.25	30.00
16-24 Penneys Hill Road Hackham, SA	-	9,034	Bolton Clarke	1	100.0	19.9	27.70	Nov-22	5.75	29.70
53-67 Chamberlain Road, Wyoming, NSW	-	6,110	Infinite Care	1	100.0	24.8	28.20	Aug-22	5.75	28.32
44-46 Chopin Road Somerton Park, SA	-	9,267	Bolton Clarke	1	100.0	19.9	26.30	Nov-22	5.00	28.17
Edmonton Gardens Aged Care Facility, QLD	-	8,687	Infinite Care	1	100.0	22.2	28.15	Feb-22	6.00	28.15
Caravonica Aged Care Facility, QLD	-	8,181	Infinite Care	1	100.0	22.2	28.15	Feb-22	6.00	28.15
3-27 Stott Street, Tweed Heads West, NSW	-	8,326	Infinite Care	1	100.0	25.0	25.94	Oct-22	5.75	27.83
Mount Lofty Aged Care Facility, QLD	-	8,211	Infinite Care	1	100.0	22.3	27.30	Feb-22	5.75	27.31
Cornubia Aged Care Facility, QLD	-	8,045	Infinite Care	1	100.0	22.3	27.10	Feb-22	5.75	27.10
Constitution Hill Aged Care, Northmead, NSW	-	8,668	Australian Unity Care Services	1	100.0	6.2	26.75	Feb-22	5.75	26.97
Southhaven, Padstow Heights, NSW	-	5,542	Infinite Care	1	100.0	24.8	24.50	Aug-22	5.75	24.58
Cnr Wellington Street and Bay Street, Cleveland, QLD	-	8,232	Infinite Care	1	100.0	25.0	21.99	Oct-22	5.75	22.38
110 Strathfield Terrace Largs North, SA	-	7,026	Bolton Clarke	1	100.0	19.9	21.00	Nov-22	6.00	21.43
Ipswich Aged Care Facility, QLD	-	4,963	Infinite Care	1	100.0	22.3	19.30	Feb-22	5.75	19.30
1 Warooka Drive Smithfield, SA	-	6,056	Bolton Clarke	1	100.0	19.9	15.40	Nov-22	6.25	16.64
19-33 Cornhill Road Victor Harbor, SA	-	7,225	Bolton Clarke	1	100.0	19.9	12.00	Nov-22	6.00	13.03
24 - 28 Wayford Street Elizabeth Vale, SA	-	3,101	Bolton Clarke	1	100.0	19.9	9.30	Nov-22	6.00	10.19
28-36 Alma Road, Padstow NSW	-	3,650	Infinite Care	1	100.0	24.8	7.65	Aug-22	6.00	7.70
Sub total				25	100.00	21.3	650.12		5.64	666.54

Property Details			Tenancy Details				Valuation Details ¹			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
Direct Properties										
Development Site										
Wyvern, 4A Larool Road, Terrey Hills, NSW	-	14,478	Wyvern Private Hospital	1	100.0	-	22.30	Nov-22	0.00	24.54
9-15 Old Heidelberg Road, Alphington, VIC	-	-	N/A	0	-	-	13.82	Aug-22	0.00	17.20
145 Bunjil Way Knoxfield, VIC	-	-	N/A	1	-	N/A	12.26	Aug-22	0.00	12.66
133-139 Jannali Avenue, Sutherland, NSW	-	5,980	N/A	0	-	-	10.00	Nov-22	0.00	11.45
38 & 40 Orth Street, 1-5 Hargrave Street & 26 Somerset Street, Kingswood, NSW	-	-	N/A	0	-	-	9.60	May-22	0.00	9.83
Herston Private Hospital, Herston, QLD	-	-	N/A	0	-	N/A	8.80	May-22	0.00	8.91
1 President Road, Kellyville, NSW	14	1,573	Cornerstone Health	1	100.0	10.0	4.25	May-22	0.00	7.80
59 East Street, Ipswich, QLD	-	5,933	N/A	0	-	N/A	6.85	Aug-22	0.00	7.06
34 Investigator Drive, Robina, QLD	-	-	N/A	0	-	N/A	4.25	Feb-22	0.00	4.26
Lot 907, Oceanside Health Hub, Birtinya QLD	-	-	N/A	0	-	N/A	3.90	May-22	0.00	4.01
19 Buttercup Close, Meadowbrook QLD	15	-	N/A	1	-	N/A	0.47	Jan-22	0.00	1.62
70 Moreland Road, Brunswick, VIC	13	-	N/A	0	-	N/A	1.43	Aug-22	0.00	1.43
201 St Albans Rd, St Albans, VIC	6	-	Healius	0	-	N/A	1.00	May-22	0.00	1.36
7 Westwood Avenue, Belmore, NSW	-	443	N/A	0	-	N/A	1.20	Feb-22	0.00	1.21
9 Westwood Avenue, Belmore, NSW	-	443	N/A	0	-	N/A	1.20	Feb-22	0.00	1.20
7 Wiowera Road, Kanwal, NSW	8	1,290	N/A	1	-	N/A	1.10	Nov-22	0.00	1.10
93 Davies Street, Brunswick, VIC	13	-	N/A	1	100.0	N/A	1.05	Aug-22	0.00	1.05
24 Gillon Court St Albans, VIC	6	-	N/A	0	-	N/A	1.00	Aug-22	0.00	1.00
101 Herbert Street, Mornington, VIC	7	-	N/A	1	-	N/A	1.00	Aug-22	0.00	1.00
22 Gillon Court, St Albans, VIC	6	-	N/A	0	-	N/A	0.95	Feb-22	0.00	0.95
15 Dwyer Avenue, Woy Woy, NSW	9	-	N/A	1	-	N/A	0.82	Aug-22	0.00	0.82
20 Gillon Court St Albans, VIC	6	-	N/A	0	-	N/A	0.80	Aug-22	0.00	0.81
99 Herbert Street, Mornington, VIC	7	-	N/A	1	-	N/A	0.80	Aug-22	0.00	0.80
105 Herbert Street, Mornington, VIC	7	-	N/A	1	-	N/A	0.80	Aug-22	0.00	0.80
103 Herbert Street, Mornington, VIC	7	-	N/A	1	-	N/A	0.80	Aug-22	0.00	0.80
651 Pacific Highway, Kanwal, NSW	8	873	N/A	0	-	N/A	0.70	Nov-22	0.00	0.70
199 St Albans Rd, St Albans, VIC	6	-	N/A	0	-	N/A	0.69	May-22	0.00	0.69
203 St Albans Rd, St Albans, VIC	6	-	N/A	0	-	N/A	0.69	May-22	0.00	0.69
205 St Albans Rd St Albans, VIC	6	-	N/A	0	-	N/A	0.62	Feb-22	0.00	0.62
17 Buttercup Close, Meadowbrook, QLD	15	-	N/A	1	-	N/A	0.53	Aug-22	0.00	0.53
22 Buttercup Close, Meadowbrook QLD	15	-	N/A	1	-	N/A	0.51	Aug-22	0.00	0.51
3 Wiowera Street, Kanwal, NSW	8	544	N/A	0	-	N/A	0.46	Nov-22	0.00	0.46
1 Wiowera Road, Kanwal, NSW	8	468	N/A	0	-	N/A	0.42	Nov-22	0.00	0.42
Sub total				13			115.06			128.29
Direct Properties Total										3,528.64

Property Details			Tenancy Details				Valuation Details ¹			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
Direct Properties										
Listed property										
Arena REIT										88.16
Cash and cash equivalents										17.29
Class A cash reserve										46.92
Other										31.42
Total Cash and other assets										183.79
Total (T) / Weighted Average (A)				208 (T)	98.78 (A)	16.4 (A)	3,417.4 (T)		4.66 (A)	3,793.30 (T)

Notes

- Valuation Policy - Regular valuation of underlying property assets is an important aspect of managing the Fund. Valuations are conducted by qualified independent valuers in accordance with industry standards. We also have a policy of generally obtaining independent valuations on Fund direct properties each year and, for assets under development, within an 18-month period. 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.
- Weighted Average Lease Expiry (WALE) by base rental income. Vacancies are valued at market income. Assets under development excluded.
- A market capitalisation rate is the rate, expressed as a percentage, that reflects the likely yield a property will generate over the medium term. It has regard to a property's unique characteristics and is a measure of the property's risk/return profile with higher rates reflecting higher risk and its function is to convert a property's income into value. The market capitalisation rate is assessed by the independent valuer by dividing the stabilised net property income of the property or a portfolio of properties by the assessed valuation of the property or portfolio, excluding costs of acquisitions and fees.
- Beleura Hospital now includes additional NLA from the new Mental Health & Rehab buildings pending survey.
- Valued on a project related site value basis. Property now reflects consolidation of land holdings formally referred to as 2, 4 Ginifer Court, St Albans and 9,11,13,15 Gillon Court, St Albans.
- Land held for future expansion of Sunshine Day Surgery and Clinic, St Albans, VIC.
- Properties adjoining Beleura Private Hospital, Mornington, VIC.
- Land held for future expansion of Tuggerah Lakes Private Hospital, NSW.
- Land held for future expansion of Brisbane Waters Private Hospital.
- Previous development site now subject to a lease campaign with respect to the unoccupied space.
- Property adjoining Sunshine Day Surgery and Clinic, St Albans, VIC. This property is earmarked as a future development site.
- Residential property adjacent to Brunswick Private Hospital.
- Land adjacent to Brunswick Private Hospital.
- Medical facility under construction.
- Residential property strategically relevant to future proposed development.
- Capitalisation Rate on completion based off May 2022 valuation.

Lease expiry profile by income as at 31 December 2022



Key Portfolio Statistics as at 31 December 2022

Geographic allocation (by value)

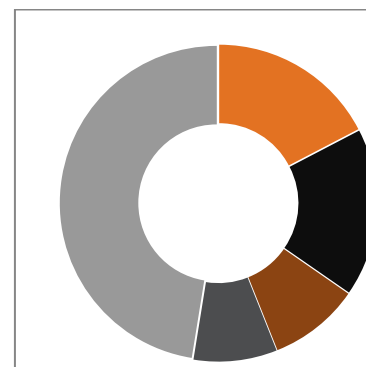
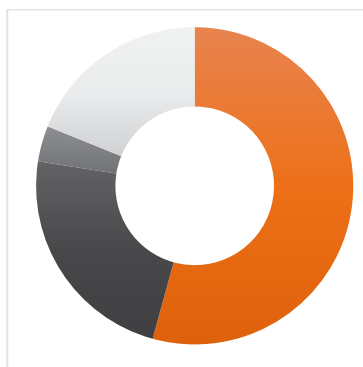
VIC	27 assets	32.29%
QLD	29 assets	36.65%
NSW	29 assets	20.67%
WA	2 assets	1.94%
SA	11 assets	8.45%

Property Sector allocation (by value)

Hospital	16 assets	54.27%
Medical Centre or office	24 assets	23.20%
Development Site	33 assets	3.64%
Aged Care	25 assets	18.89%

Top 5 tenants (by income)

Ramsay Healthcare	15.42%
MNHHS	15.36%
Infinite Care	11.16%
Healthe Care	8.28%
Bolton Clarke	7.63%
Others (excluding vacancy)	42.15%



Property development

The Trust can enhance its existing properties and add further value to investors through selective exposure to property development. Property development may include 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.

One of the risks 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. Some of the more significant developments are detailed below:

Sunshine Private Hospital and Medical Centre, St Albans, VIC

Estimated cost to complete: \$20.5 million

Practical completion for base building was achieved on 23 November 2022, and on 2 December 2022 for the hospital levels. Services and tenancy fit outs for consulting levels will commence in February 2023. The hospital is expected to open in March 2023.

Part Lot 77 Bunjil Way, Knoxfield, VIC

Estimated cost to complete: \$50.4 million

Design development and detailed project costing is progressing in parallel with an early contractor involvement process. Construction commencement is expected to be contingent on a further review and consideration of the feasibility of this project in the current cost environment.

1A President Road Kellyville, NSW

Estimated Cost to Complete: \$6.3 million

In September 2022 works commenced to construct a single storey medical centre with associated services atop a lower ground car park. The Trust is expected to provide \$13.55 million in development funding with practical completion expected in August 2023.

Lot 2, 33 Myoora Road, Terrey Hills, NSW (Wyvern Private Hospital)

Estimated Cost to Complete: \$75.8 million

In March 2022, works commenced to construct an 84-bed private hospital consisting of eight operating theatres, one cath lab, 56 Surgical inpatient beds, 20 rehabilitation beds, eight intensive care unit beds, associated clinical support units including radiology, pathology, pharmacy, consulting rooms and 148 car spaces. The Trust is expected to provide up to \$98 million in development funding with practical completion expected February 2024.

Brisbane Waters Private Hospital, Woy Woy, QLD

Estimated Cost to Complete: \$9.24 million

Early works have commenced on the \$11.2 million brownfield expansion at Brisbane Waters Private Hospital. The expansion provides for refurbishment of existing consulting suites, conversion of double rooms to single rooms and a new 27 bed mental health ward. Practical completion is expected in August 2023.

Peninsula Private Hospital, Langwarrin, VIC

Estimated Cost to Complete: \$23.0 million

Stage 1 works including a new Radiation bunker, Cardiac Cath lab, ancillary services and three additional levels are near to complete. Installation of the lift and other works to the lobbies are expected to be completed in March 2023.

8.06 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
- 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
 - for all other property, on an ‘as is’ basis
 - *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 AUFM’s Valuation Policy. For further information or to obtain a copy of the Valuation 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 over a 12 month period
- where there are multiple properties in a portfolio, the valuations are to be staggered through the year
- 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.

8.07 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 AUFM's 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 within a clearly identified governance policy. 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 quantum of related party payments are reported yearly as part of the Trust's Annual Report.

For further information about the Related Party Policy please contact us. The latest Fund Update, Continuous Disclosure Notice and Annual Report can be found on our website australianunity.com.au/wealth/hpt. Alternatively we can send you a free copy if you call us on 1300 997 774 or +61 3 9616 8687.

Related Party activity

Property management services

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

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
- property management and project supervision.

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

From 1 July 2022 to 31 December 2022 \$1.5 million was paid to AUPM for services provided.

Other related party service providers

AUFM charges the Trust for administration expenses (audit fees inclusive). We estimate these costs to be 0.18% p.a. of the gross asset value of the Trust for the year ending 30 June 2022.

From 1 July 2021 to 30 June 2022, the amount charged to the Trust was \$5.3 million (excluding GST). This is made up of related party and non-related party expenses.

Relationship of related parties

The relationship of each of the related party entities described in this document is summarised as following:

Name of entity	ABN	Wholly owned by
Australian Unity Limited (AUL)	23 087 648 888	-
Australian Unity Funds Management Limited (AUFM)	60 071 497 115	AUL
Australian Unity Property Management Pty Limited (AUPM)	76 073 590 600	AUL
Australian Unity Property Limited (AUPL)	58 079 538 499	AUL
Australian Unity Property Funds Management Limited (AUPFML)	28 085 352 405	AUPL
Australian Unity Investment Management Administration Pty Limited (AUIMA)	76 115 442 969	AUPFML
Australian Unity Strategic Holdings Pty Ltd	39 006 803 050	AUL

These entities form part of the Australian Unity Group.

Investments as at 31 December 2022

AUL and its subsidiaries (related parties) may invest in the Trust and the Trust may invest in related parties from time to time.

As at 31 December 2022 related parties held interests in the Trust of:

Name of related entity	\$ Value (m)	% of the Trust's net assets
Australian Unity Property Income Fund	4.87	0.51
Lifeplan Australia Friendly Society	6.12	0.26
Australian Unity Strategic Holdings Pty Ltd	88.96	3.39
Pro-D Balanced Fund	2.97	0.11
Pro-D Growth Fund	2.01	0.08
Pro-D High Growth Fund	0.64	0.02

As at 31 December 2022 the Trust held investments in related parties of:

Name of entity	\$ Value (m)	The Trust's investment (%) in the underlying fund's net assets
Australian Unity Sustainable Short Term Income Fund	>0.00	>0.00
Australian Unity Wholesale Cash Fund	6.50	1.82

Basis of related party investment terms

Investor approval is not required for the arrangements between the related party entities described in this document, as they have been made on an arm's length basis commercial terms and otherwise in accordance with the Corporations Act.

The related party arrangements described in this document adhere to the Related Party Policy.

8.09 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 ('FFO'). 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.

FFO is a key determinant for the Trust when calculating and deciding the level of distribution to pay. To reconcile statutory profits to FFO and distributions the Trust may make adjustments to net profits for changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation on incentives, rental straight-line adjustments and other unrealised one-off items.

A reconciliation of the statutory profit to FFO and distributions is set out in the table below, in accordance with the PCA and PFA RG46 Voluntary Practice Note, for the twelve months ended 30 June 2022.

	\$ M
Net profit	504.41
Valuation changes ¹	(393.14)
Interest rate derivative changes	(36.05)
Other	16.86
Funds from operations (FFO)	92.08
Distributions declared	92.49

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

2. Other includes interest rate derivatives / swaps break costs paid and other one-off items.

The distributions declared for the year to 30 June 2022 exceeded the available FFO by \$0.41 million or 0.45%. The marginal excess was funded from capital due to a difference between forecast income and actual income the Trust received over the period. We expect FFO and the Trust's distributions to be aligned over the 12 months to 30 June 2023.

Distributions made from Trust capital 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.

8.10 Withdrawal rights

Disclosure Principle 7 – Withdrawal rights

Retail and Wholesale Units

Under normal operating conditions Retail Units and Wholesale Units 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 the Trust's 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

While the Trust is liquid, the Trust's Constitution allows up to 365 days to meet withdrawal requests for Retail Units, Wholesale Units or Class A Units.

If we are of the view that we cannot sell the Trust's 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

Responsible Entities are required to treat investors of a same class equally, therefore where any single investor requests withdrawals from 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.

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.

Section 9: Managing your investment

Established in 1840, Australian Unity is Australia's first member-owned wellbeing company, delivering health, wealth and care services.

We're committed to real wellbeing for all Australians, and for us, real wellbeing means so much more than physical health. It's about your standard of living and feeling safe in your home. It's your personal relationships and being connected to your community. It's about what you want to achieve in life, while having the security to get out and do what makes you happy.

A financially secure future doesn't happen without smart guidance and solid decision making. From tailored financial advice and investments to trustee and banking services, we'll support you to make the most of your income.

Investment philosophy

It's our philosophy that the market price for properties do not always reflect the underlying value. This may present an opportunity to generate value by buying and selling properties at the most optimal time. Value can also be achieved, and investment risk mitigated, by skilful property and tenant management.

The properties we purchase are carefully selected after assessing the value, considering inherent risks, and the ability to mitigate those risks. The selection process also takes into account:

- Location attributes such as demographic profile, road and services infrastructure and the level of competition;
- 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 actively manage the Trust's portfolio and property assets with the aim to optimise the Trust's return.

The team managing your investment

The property investment managers are among the most experienced in Australia.

They have a 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:



Chris Smith

General Manager, Healthcare Property
Australian Unity

Chris joined Australian Unity in 2001. He is responsible for all aspects of management for the Australian Unity Healthcare Property Trust, including strategy, asset management, property management, acquisition and disposals.

Prior to joining Australian Unity, 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 holds a Post Graduate Certificate of Business Administration from RMIT, a Certificate IV in Property Services (Real Estate), and is a licensed Real Estate Agent



Nicole Plant

Assistant Fund Manager
Australian Unity

Nicole joined Australian Unity in November 2014. Nicole leads the healthcare property asset management team and is responsible for the overall direct property portfolio.

Nicole has over 20 years' experience in asset and funds management with experience across all sectors of the property market.

Prior to joining Australian Unity, Nicole was Fund Manager at 360 Capital, responsible for the performance of a suite of unlisted property funds. She has also held fund manager and asset management roles at Stockland, Mirvac/James Fielding Group and Abacus Property Group. She has extensive experience in funds management, strategic asset management, capital management, transactions and fund structuring.

Nicole holds a Bachelor of Commerce (Property Economics) and a Graduate Diploma of Applied Finance and Investment from FINSIA.



Chris Burnell

Portfolio Manager

Australian Unity

Chris joined Australian Unity in April 2019 and is responsible for the capital management of the Trust. This includes equity capital raising, management of debt facilities, hedging strategies, portfolio valuation, financial reporting and performance forecasting.

Chris has over 15 years' experience in accounting and finance related roles. Prior to his current appointment, Chris held finance roles within Vicinity Centres' wholesale funds business and corporate finance function. During this time Chris was responsible for managing all financial aspects of seven wholesale funds/mandates valued at over \$2.6 billion and supporting the delivery of the business strategy through financial modelling and forward looking insight.

Chris is a member of Chartered Accountants Australia and New Zealand.

Section 10: Making an investment

To make an investment please submit a fully completed application form with all relevant identification. Refer to the application form for more information on the types of identification documents you may be required to provide.

10.01 Handling of applications

Applications must be received by 5:00pm at our Melbourne office on a business day to be assessed for acceptance. We will notify you of the effective application price and allotment date you receive in your Confirmation of Investment statement.

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.

10.02 Minimum investment amounts

The minimum initial investment amount for Wholesale Units is \$5,000.

The minimum additional investment amount for Wholesale Units of \$1,000.

These minimums will be waived for Existing Investors for the duration of the Rights Issue Offer and Excess Offer.

10.03 Rejection and cancellation of applications

We may, in our absolute discretion, accept or reject in whole or in part any application. We do not need to give any reasons for accepting or rejecting in whole or in part any application.

If we are unable to wholly or partially accept your application for any reason we may cancel your application.

10.04 Maximum Limit

We have limited the maximum exposure an investor, or the aggregated exposure of a group of Associated Investors, to 15% of the Trust's net tangible assets ('Maximum Limit'). This means that we may in whole or part reject an application on the basis that the Maximum Limit may be exceeded.

The Maximum Limit is intended to manage the Trust's position, including the preservation of the Trust's:

- current liquidity provisions;
- status as a public unit trust scheme for stamp duty and land tax purposes;
- status as a non-foreign trust for stamp duty and land tax purposes; and
- status as an Attribution Managed Investment Trust ('AMIT') for income tax purposes.

The Maximum Limit will apply until further notice.

10.04.01 Associated Investors

We may consider whether an investor is likely to be a member of a group of Associated Investors. An investor may be considered to be an 'associated person' of another investor if we deem the investor to exhibit, or we become aware of one or more of the following attributes with respect to the investor:

- the investor is, either in partnership with or by other arrangement, associated with another person or entity which also has investments in the Trust, (trustee and custodial arrangements may be excluded in this assessment);
- the investor has indicated that it has an arrangement with an AFS Licensee or authorised dealership and/or adviser which also has arrangements with other investors of the Trust;
- the investor is an 'associated person' of one or more existing investors under a Duties Act of a State or Territory.

If an investor is identified as an 'associated person' of another investor under the above tests we may consider the aggregated exposure to the Trust of the Associated Investors. If the limit of 15% of the Trust's net tangible assets is likely to be exceeded, the Maximum Limit will apply to the Associated Investors.

However, we reserve the right, in our absolute discretion, to interpret how the Maximum Limit applies in relation to any particular investor or class or group of investors, including whether two or more investors are Associated Investors.

10.05 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) the cooling off period is not available to you. If you are investing through a masterfund or IDPS the Trust's cooling off rights will not be available to you. You should consult the operator in relation to cooling off rights that may apply to your investment in the masterfund or IDPS (if any).

Section 11: Requesting a withdrawal

This table explains what is required to request a withdrawal.

What you need to send to us	Minimum	Cut off times	Important information
A completed withdrawal form requesting the amount you wish to withdraw signed by the account holder or authorised signatories and Your Australian financial institution account details	\$1,000	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.	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. A withdrawal form is available from our website australianunity.com.au/wealth/hpt

11.01 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).

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, however we have the discretion to increase the amount available for withdrawal if it is in the interests of the Trust's investors to do so.

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

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.

11.02 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.

11.03 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.

11.04 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. We reserve the right to vary the minimum balance amount.

11.05 If you invest or withdraw through a masterfund or IDPS

If you are investing into the Fund or withdrawing from the Fund through a masterfund or IDPS (or 'wrap platform') in most cases you do not yourself become an investor in the Fund. Instead, as the masterfund/IDPS operator is investing on your behalf, it acquires the rights of an investor and certain features of the Fund 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 from the masterfund/IDPS operator.

Further, some provisions of the Fund'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 Fund should be directed to your masterfund/IDPS operator.

Usually, in the case for an investment made through a masterfund/IDPS operator the terms and conditions you have agreed with the masterfund/IDPS operator will determine your rights and obligations with respect to that masterfund/IDPS operator. Accordingly, the masterfund/IDPS operator may exercise (or decline to exercise) any of its rights with respect to you in accordance with those terms.

We do not keep personal information about investors who invest in the Fund through a masterfund or IDPS.

Section 12: Unit prices and distribution payments

12.01 Unit prices

For all existing classes of units, unit prices are generally calculated each Business Day, 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. Where fees or costs relate to more than one class, the deduction is made for those fees relevant to the respective class of units.

The unit price for each class of units within the Trust is generally 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 units.

Both the application and the withdrawal price are calculated taking into account any applicable buy-sell spread, which 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.

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 the policy 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 1300 997 774 or +61 3 9616 8687.

For Unit price updates please visit our website australianunity.com.au/wealth/hpt or call us on 1300 997 774 or +61 3 9616 8687.

12.02 Distributions

The distribution policy of the Trust is aligned to its ongoing earning capacity from assets held. Although it is not our intention to pay distributions from capital, we may do so if we consider it to be in the interests of our investors (for example if rental income is reduced unexpectedly) and where payment from that source is expected to be sustainable given the circumstances.

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

Distributions are generally paid on a quarterly basis, being March, June, September and December within 15 business days of the end of each calendar quarter.

There are two payment options available:

1. The distribution reinvestment price is the net asset value per Unit price at the end of the distribution period (without the buy spread) less the amount of distribution payable per Unit and until further notice, at a 1.5% discount to that price (we reserve the right to change the discount rate applied to the reinvestment price. We will notify you of any change to the discount applied to the reinvestment price on our website). If you wish to reinvest your distributions, please nominate your preference in the Application Form, or for existing investors update your preference using the change of details form available from our website. Only investors with an Australian registered address may reinvest their distributions
2. You can have your distribution paid directly to an account held at an Australian bank or financial institution. If you wish to have the distribution paid to you, complete Section 6 of the Application Form and provide your bank account details. If you do not provide bank account details your distributions will be automatically reinvested.

Please note if you are investing through a masterfund or IDPS, the operator may pay income at different times.

Section 13: Risks of managed investment schemes

13.01 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.

You should consider the likely investment return, the risk associated with the Trust and your investment timeframe when choosing to invest in the Trust.

All investments come with a degree of risk. You will need to determine how much risk you are able, or willing, to tolerate as the level of risk for each person will vary depending upon a range of factors, including age, investment time frames, your overall investment portfolio, and your individual risk tolerance.

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'). See 'Australian tax reform' in section 14 for more details; 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 you 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.

13.02 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.

13.03 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.

13.04 Risks specific to the Trust

13.04.01 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 withdrawal proceeds to be paid.

Additionally, if a withdrawal facility is oversubscribed, a withdrawal request may be met on a pro rata basis. This means that you may receive only part of your requested amount.

13.04.02 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).

Unlisted property funds also rely on intermittent valuations rather than being valued by the market each day, as does the listed market. This means that unlisted valuations may lag and may therefore not fully account for current macroeconomic conditions or market expectations.

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.

To mitigate some of these risks, the Trust generally obtains independent valuations on Trust direct properties every 12 months, and within an 18-month period for development assets. Additionally, as part of our active management approach, we may otherwise test asset values on market, including but not limited to when there are material changes in macroeconomic conditions or market expectations. This regular and active independent valuation of underlying property assets is an important aspect of managing the Trust in the best interests of investors.

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.

13.04.03 Property development risk

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.

13.04.04 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.

13.04.05 Lending (default) risk

Occasionally, the Trust lends on an arm's length basis, to support the ownership of direct healthcare property related assets, including fixtures.

If the Trust's borrowers default, there is risk of the loss of the principal on loan (in part or in its entirety), and the interest payable, and a disruption to the Trust's cash flows.

We have processes established to mitigate this risk, including but not limited to:

- making loans only to approved tenants and borrowers who have been assessed for their credit risk;
- setting a suitable framework that is continuously monitored; and
- ensuring appropriate security for any loans.

13.04.06 Derivatives risk

Derivatives are 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 implementation of interest rate risk strategies.

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.

13.04.07 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.

13.04.08 Sector concentration risk

Sector concentration of an investment in a fund focused on a single sector has significant risks. The Trust invests exclusively in healthcare assets. Increases in supply or a fall in demand of healthcare assets (or the property market generally) may have significant effects on the value of the Trust's underlying investments.

13.04.09 Unforeseen risks

Unforeseen extraordinary events such as natural phenomena, pandemics, attacks or other like events may affect the Fund's assets or the underlying funds in which the Fund invests.

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

13.04.10 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.

Section: 14: Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. 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) Moneysmart website (www.moneysmart.gov.au) has a managed funds 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 money, from the returns on your investment or from the assets of the managed investment scheme 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.

Fees and costs summary

Australian Unity Healthcare Property Trust - Wholesale Units		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs ¹		
Management fees and costs	Base management fee ² :	The base management fee is calculated and accrued daily but paid monthly in arrears from the assets of the Trust. The amount of this fee can be negotiated with wholesale clients. ²
The fees and costs for managing your investment	0.65% p.a. of the average GAV of the Trust under \$2 billion	
	0.50% p.a. of the average GAV of the Trust from \$2 billion to \$4 billion	
	0.40% p.a. of the average GAV of the Trust over \$4 billion Plus	
	Recoverable expenses ³ Estimated to be 0.18% of the average GAV of the Wholesale Units of the Trust for the 12 months to 30 June 2022. Plus	Recoverable expenses are accrued as and when incurred by the Trust and therefore the amount recovered each month may vary. Recoverable expenses are paid monthly in arrears from the assets of the Trust.
	Indirect costs ³ Estimated to be 0.00% of the average GAV of the Wholesale Units of the Trust for the 12 months to 30 June 2022.	Payable from the assets of the Trust or the assets of interposed vehicles in which the Trust invests, as and when incurred.
Performance fees	An estimated performance fee of 0.00% p.a. of the average GAV of the Wholesale Units of the Trust based on a 5 year average.	The Trust does not charge a performance fee. Interposed vehicles in which the Trust invests may charge performance fees, which are payable from the assets of the relevant interposed entity where the relevant performance criteria are met.
Amounts deducted from your investment in relation to the performance of the product		
Transaction costs	Estimated to be 0.84% p.a. of the average GAV of the Wholesale Units of the Trust for the year to 30 June 2022.	Transaction costs are payable from the assets of the Trust, or the assets of interposed vehicles in which the Trust invests, as and when incurred.
The costs incurred by the scheme when buying or selling assets		

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme) ⁴		
Establishment fee	Nil	Not applicable
The fee to open your investment		
Contribution fee	Nil	Not applicable
The fee on each amount contributed to your investment		
Buy-sell spread	Buy spread: 1.00%	These are the amounts recovered by the Trust when you transact. Buy-sell spreads are included in the application and withdrawal prices and effectively increase the amount you pay when you buy units and reduce the amount you receive when you sell units. Buy sell spreads are not applied to the reinvestment of distributions.
An amount deducted from your investment representing costs incurred in transactions by the scheme	Sell spread: 0.50%	
Withdrawal fee	Nil	Not applicable
The fee on each amount you take out of your investment		
Exit fee	Nil	Not applicable
The fee to close your investment		
Switching fee	Nil	Not applicable
The fee for changing investment options		

1. The individual components of the management fees and costs are discussed in more detail in under the heading 'Additional explanation of fees and costs'.

2. The base management fee may be negotiated in certain circumstances. For more information see 'Differential fees' under the heading 'Additional explanation of fees and costs'.

3. The recoverable expenses and indirect costs are for the year ending 30 June 2022.

4. Fees may be payable to your financial advisor. Such fees are not included in this table. For more information see "Advisor remuneration" under the heading 'Additional explanation of fees and costs'.

Past costs are not a reliable indicator of future costs.

Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs in the Australian Unity Healthcare Property Trust – Wholesale Units for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Australian Unity Healthcare Property Trust – Wholesale Units ¹		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution Fees ¹	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs ²	1.02% ² p.a.	And , for every \$50,000 you have in the Australian Unity Healthcare Property Trust – Wholesale Units you will be charged or have deducted from your investment \$510 each year.
PLUS Performance fees ^{2,3}	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs ²	1.04% p.a. ⁴	And , you will be charged or have deducted from your investment \$520 in transaction costs
EQUALS Cost of Australian Unity Healthcare Property Trust - Wholesale Units		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$1030* What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply.

Please note:

1. This example assumes that the contribution of \$5,000 is made at the end of the year, and therefore no management fees and costs for the contribution have been included.
2. The management fees and costs, transaction costs and performance fees in the example of annual fees and costs are calculated on a net asset value basis (rather than a gross asset value basis as outlined in the Fees and cost summary above) and incorporate the effect of gearing. What your investment in the Trust costs you will also depend on the fees you negotiate with the Trust (where applicable).
3. The base management fee may be negotiated with investors who are wholesale clients.
4. A buy-sell spread may apply to investments in and out of the Trust ('see transaction costs in the Additional explanation of fees and costs below).

The example above is illustrative only.

Additional explanation of fees and costs

Following is a summary of the management fees and cost for Wholesale Units in the Trust.

Estimated management fees and costs calculations

The table below shows the estimated management fees and costs for Wholesale Units in the Trust. The base management fee reflects Trustee's management fee assuming GAV of the Trust is less than \$2 billion. The other amounts are for the year ended 30 June 2022.

It provides a summary of the Trust's estimated management fees and costs for Wholesale Units based on the Trust's average gross asset value compared to the estimated management fees and costs calculated on the Trust's average net asset value.

Please note that past costs are not a reliable indicator of future costs.

	Gross asset value p.a.	Net asset value p.a.
Estimated base management fee ¹	0.65%	0.80%
Plus: Estimated indirect cost for 12 months to 30 June 2022 ²	0.00%	0.00%
Plus: Estimated recoverable expenses for 12 months to 30 June 2022	0.18%	0.22%
Total estimated management fees and costs	0.83%	1.02%
Estimated 5-year average performance fee ^{2,3}	0.00%	0.00%
Estimated transaction costs for 12 months to 30 June 2022 ²	0.84%	1.04%

1. The base management fees presented here is based on a net asset value basis and is an estimate. However, the base management fee calculated on a GAV basis would be the actual amount incurred by an investor, if the Trust's gross asset value is less than \$2 billion.
2. Calculated on the of the average value of the Wholesale Units of the of the Trust.
3. The Trust does not charge a performance fee and has not invested in a fund which charges a performance fee for the 5-years to 30 June 2022.

Tiered base 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 of the Trust as a base management fee in performing our duties in relation to the Trust.

We have excersised our discretion under the Trust's Constitution to charge a reduced base management fee inclusive of GST less input tax credits (including reduced input tax credits) of:

- 0.65% p.a. of the gross asset value of the Trust under \$2 billion.
- 0.50% p.a. of the gross asset value of the Trust from \$2 billion to \$4 billion.
- 0.40% p.a. of the gross asset value of the Trust over \$4 billion.

Subject to legal requirements, we are entitled to change fees with prior notice to you in this section.

Example of the base management fee

The following is an example of how the tiered base management applied over a 12 month period, assuming the Trust's average gross asset value is \$4.5 billion and that the Wholesale Units comprised an average of 70% of the Trust for the entire period. This is an example only and is not an estimate or forecast.

	Trust GAV	Wholesale Units GAV	Base management fee rate p.a.	Fee p.a.
Tier 1	\$2.0bn	\$1.4bn	0.65%	\$9.1m
Tier 2	\$2.0bn	\$1.4bn	0.50%	\$7.0m
Tier 3	\$0.5bn	\$0.35bn	0.40%	\$1.4m
Total	\$4.5bn	\$2.24bn		\$17.5m

Based on this example, the base management fee would be 0.56% p.a. of the average GAV of the Wholesale Units of the Trust.

Indirect Costs

Indirect costs are generally amounts that we know, or estimate, will reduce the Trust's returns. The costs are paid from the Trust's assets, or the assets of an interposed vehicle in which the Trust may invest from time to time. Typically, an interposed vehicle will be a trust in which the Trust has invested.

Indirect costs of the Trust are the indirect costs of underlying interposed vehicles.

Where the Trust invests in other funds managed by us

The Trust may invest in other funds or investment companies (interposed vehicles) managed or operated 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.

For example, if the Trust invested in a fund managed by Australian Unity which charged a management fee of 0.65% p.a., the Trust would reduce its base management fee to zero on that asset, while the Trust's gross asset value is up to and including \$2 billion.

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

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

Recoverable expenses

We are entitled under the Trust's Constitution to reimbursement for, or have paid by the Trust, all expenses and associated taxes we incur in the proper performance of our duties.

Recoverable expenses are expenses generally incurred in the day-to-day operation of a Trust and include, for example: registry costs, legal services, custodian services, compliance and related administration functions, accounting, printing, audit and asset management related fees, including related party property management services (see section 8.07). These costs are shown in the fees and costs summary under 'Fees and other costs' above.

Recoverable Expenses are accrued as and when incurred by a Trust, and therefore the amount recovered each month may vary.

This estimate does not include costs for:

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

Performance Fees

We do not charge performance fees. However, performance fee arrangements may be charged in underlying funds. At the date of this PDS the Trust has not invested in a fund which charges a performance fee.

When the Trust invests in a fund which has performance fee arrangements with our external managers, these will typically entitle the external managers to receive performance fees where the external manager has met certain performance criteria. In such case you will generally pay more investment fees and costs as a result. Where an external manager does not meet its performance criteria then performance fees will generally not be payable to the external manager.

As the Trust does not charge performance fees, and as at the date of this PDS, does not invest in funds which charge performance fees, it is not possible to predict the amount of performance fees payable.

Transaction costs

In managing the investments of a Trust or a Trust's underlying investments, transaction costs such as brokerage, settlement costs, clearing costs, stamp duty, buy-sell spreads and other government charges may be incurred. These costs are generally paid from the assets of the Trust and are reflected in the Unit Price. Changes in a Trust's investment portfolio (or when new investments into or redemptions out of the Trust are paid) can also incur fees. Transaction costs are an additional cost to investors and are not included in the 'management costs'.

Transaction costs exclude borrowing costs, property operating costs and certain implicit transaction costs or market impact costs.

Transaction costs incurred from changing the Trust's investment portfolio are generally paid out first from amounts retained through the buy-sell spread. The Trust's buy-sell spread is set out below under 'Buy and sell spreads and estimated transaction costs'.

However, if the amount retained through the collection of a Trust's buy-sell spread is not sufficient to offset transaction costs, these costs are instead paid out of a Trust's assets as and when incurred. In this case, this is an additional cost payable by you and all other investors in the Trust.

The table below provides a summary of the estimated transaction costs, of the Trust and its underlying investments, calculated on the average gross asset value of the Wholesale Units of the Trust for the 12 months to 30 June 2022.

Please note that past transaction costs are not a reliable indicator of future transaction costs.

Transaction Costs as a % pa of the average GAV of the Wholesale Units of the Trust	
Gross transaction costs	0.90%
Less: Buy and sell spreads recovered	0.06%
Equals: Net transaction costs borne by the Trust	0.84%

Transaction costs may include:

Buy-sell spreads

Buy-sell spreads are incurred when investors apply for or redeem units in a fund. If the Trust were to buy units in an interposed vehicle then the associated buy-sell spread will comprise part of the purchase price. In this case, the costs of the buy-sell spread are paid from the assets of the Trust, and are reflected in the Unit Price.

Brokerage costs

The amount that is paid to a broker when securities are bought and sold. Brokerage costs are paid from the assets of the Trust, and are reflected in the Unit Price.

Property settlement costs

The amount paid to agents and other third parties settling and reconciling transactions when a property is purchased or sold. Property settlement costs are paid from the assets of the Trust, and are reflected in the Unit Price.

Settlement and clearing costs

The amount paid for future trades to a clearing house for settling and reconciling transactions.

Professional fees

When the Trust purchases, sells or values a property, we generally engage consultants to assist with completing due diligence. Consultants are engaged to review the property, tenant(s) and assess market conditions. These consultants will generally include independent valuation firms, research houses, law firms and tax advisers. These professional fees are incurred during each year and are paid from the assets of the Trust as and when incurred, and reflected in the Unit Price.

Stamp duty

Stamp duty is a tax imposed by State governments in all Australian States and Territories, which is typically triggered by the sale or transfer of real property. Stamp duty is payable at the time the Trust completes the purchase of a real property. It is paid from the assets of the Trust, and will be reflected in the Unit Price.

The Trust's underlying investments may also incur transaction costs and these amounts are included in the total 'transaction costs' amounts set out above.

Buy-Sell spread

The buy and sell spread reflects some of the Trust's transaction costs, such as buying and selling Trust assets, in order to issue units or pay redemption proceeds to investors. The buy-sell spread aims to ensure that each investor shares the transactional costs associated with their decision to either invest in 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 transaction costs; and
- not applied to the reinvestment of distributions.

If the amount retained through the collection of the Trust's buy-sell spread is insufficient to offset transaction costs, then these costs are instead paid out of a Trust's assets as and when incurred, and reflected in the Unit Price.

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

Wholesale Units	
Buy Spread	1.00%
Sell Spread	0.50%

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

Based on the buy and sell spreads noted above, an investment of \$50,000 would incur a buy spread of \$500 and a withdrawal of \$50,000 would incur a sell spread of \$250.

These are examples only and are not an estimate or forecast.

We reserve the right to wholly or partially waive the buy and/or sell spread and change the buy and/or sell spread without prior notice.

Other fees, charges and costs

You may also incur infrequent costs directly associated with transactions made on your account, such as Government taxes, stamp duty and bank fees. For example, if your direct debit is rejected and the Trust incurs a bank fee.

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.

Differential fees

'Wholesale clients' as defined under the Corporations Act 2001 may negotiate with us to pay reduced management fees through the payment of fee rebates. From time to time, we may rebate some of our management fees (or issue Units in the Trust) to employees within the Australian Unity Group so that they pay reduced fees. 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 of any fee increase. 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.

Tax

See Section 14 for more information on tax.

Adviser Remuneration

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

You may agree with your financial adviser that advice fees will be paid for financial planning services your financial adviser provides for you. These advice fees are additional to the fees shown in the fees and costs summary, and are paid to your financial adviser, not to us.

Section 15: Other information

15.01 Australian taxation

Certain Australian 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. 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.

The following tax summary does not address New Zealand or Singapore tax implications of investing in the Trust.

15.01.01 While you hold your interests in the Trust

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

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 AMIT Member Annual (AMMA) statement from us. This statement will provide you with the 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.

15.01.02 Dividends

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

15.01.03 Foreign income

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

15.01.04 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.

15.01.05 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 in the Trust. 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 in circumstances where the amount of cash distribution is more than your share of the Trust's taxable income in an income year, your CGT cost base of the investment in the Trust should decrease by the difference ('AMIT cost base net amount – excess'). These amounts may have the effect of increasing your capital gain or decreasing your capital loss.

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

The AMMA statement you receive from the Trust will state the amounts that the Responsible Entity reasonably estimates to be the 'AMIT cost base net amount – excess' and the 'AMIT cost base net amount – shortfall'.

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

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

15.01.06 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 and the country in which you reside.

It is recommended that non-resident investors seek their own advice on both the Australian and their home jurisdiction's tax implications of investing in the Trust.

15.01.07 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.

15.01.08 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.

15.01.09 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. The Responsible Entity for the Trust 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.

15.02 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.

15.02.01 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. At the date of this PDS, there are three classes of units created under the Constitution:

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

15.03 The Responsible Entity

AUFM in its capacity as Responsible Entity is subject to the provisions of the Constitution and the Corporations Act. 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.

15.04 Labour standards, environmental, social and ethical considerations

AUFM has a Direct Property Responsible Investing Policy which sets environmental, labour, social, governance and ethical guidelines to selecting, managing or realising direct property assets.

The Direct Property Responsible Investing Policy guidelines are considered on a property by property basis and may be applied differently within the context of a property's geographical and market attributes.

15.05 Authorised investments

A broad range of investments is permitted in the Trust.

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.

15.06 Related party transactions

Refer to Related party activity in section 8.07 for information on the Trust's related party transactions.

15.06.01 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 parties that are not related.

Australian Unity has policies and processes 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 processes. Decisions in relation to actual or perceived conflicts of interest and related party transactions are documented.

15.06.02 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 Continuous Disclosure Notices.

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 australianunity.com.au/wealth/hpt. Alternatively, we can send you a copy free of charge by calling us on 1300 997 774 or +61 3 9616 8687.

15.09 Minimum 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.

15.07 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) and redemptions	
Confirmation of your withdrawal	
Distribution statement	Quarterly
Periodic statement	Half yearly
AMMA statement showing taxation details	Annually
Fund update	Quarterly
Annual Reports (These are available from our website. Investors can elect to receive hard copies of the Annual Report – see the Application Form)	Annually, on request

In addition, you can view your account balance, transaction history and your account details via a secure login at our website: australianunity.com.au/investorlogin. 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 australianunity.com.au/wealth/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 if you call us.

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 australianunity.com.au/wealth/hpt; or
- calling us on 1300 997 774 or +61 3 9616 8687 to request a free paper copy of the updated information.

15.08 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 1300 997 774 or +61 3 9616 8687, email us at australianunitywealth@unitregistry.com.au or write to us at the following address:

Manager – Client Services

Australian Unity

GPO Box 804

Melbourne VIC 3001

We will promptly acknowledge your complaint within seven days, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision within 30 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides independent financial services complaints resolution that is free to consumers

Website: www.afca.org.au

Email: info@afc.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Section 16: Glossary

Term	Definition
Access Code	A code which enables an investor to participate in the General Offer. Applications submitted without a valid Access Code will not be accepted.
AFS	Australian Financial Services.
AMIT	Attribution Managed Investment Trust.
Application Form	The application forms for the offer of Wholesale Units under this PDS comprise: • Rights Issue Offer Application Form. • General Offer Application Form. • Excess Offer Application Form.
ASIC	Australian Securities & Investments Commission.
Associated Investors	An investor may be considered to be an 'associated person' of another investor if we deem the investor to exhibit, or we become aware of one or more of the following attributes with respect to the investor: • the investor is, either in partnership with or by other arrangement, associated with another person or entity which also has investments in the Trust, (trustee and custodial arrangements may be excluded in this assessment); • the investor has indicated that it has an arrangement with an AFS Licensee or authorised dealership and/or adviser which also has arrangements with other investors of the Trust; • the investor is an 'associated person' of one or more existing investors under a Duties Act of a State or Territory.
AUPM	Australian Unity Property Management Pty Ltd ABN 76 073 590 600.
Business Day	a Melbourne business day.
CGT	Capital Gains Tax.
Class A Units	units issued under the Constitution of Australian Unity Healthcare Property Trust. Class A Units are distinguishable by the management fees, withdrawal rights and allocation to the Trust's assets.
Constitution	the Constitution of Australian Unity Healthcare Property Trust as amended from time to time.
Excess Offer	an offer to Existing Investors to subscribe for additional Wholesale Units in excess of an Existing Investor's Rights Issue Offer Entitlement, subject to the Maximum Excess Offer Entitlement.
Excess Offer Close Date	expected to be 5:00pm 31 May 2023.
Excess Offer Entitlement	the value of Wholesale Units able to be subscribed for by an Existing Investor under the Excess Offer.
Excess Offer Open Date	expected to be 9:00am 24 April 2023.
Existing Investor	An investor in the Trust who as at 5pm on the Record Date has a registered address in a Permitted Jurisdiction and holds: • Retail Units; • Wholesale Units; and/or • Class A Units.
FFO	funds from operations.
GAV	The Gross Asset Value is the sum of value of property the Trust owns.
General Offer	An offer of Wholesale Units to new investors to the Trust.
General Offer Close Date	expected to be 5:00pm 31 March 2023.
General Offer Open Date	expected to be 9:00am 6 March 2023.
IDPS	Investor Directed Portfolio Service.
Maximum Limit	the maximum exposure an investor, or the aggregated exposure of a group of Associated Investors may have to the Trust's net tangible assets which is set out in section 10.04.
MNHHS	Metro North Health Metro and Health Service.
Offer	the offer of Wholesale Units pursuant to this PDS.
Permitted Jurisdiction	Australia, New Zealand, Singapore (limited to Singapore Institutional Investors) and any other jurisdiction as determined by the Responsible Entity.
PDS	this Product Disclosure Statement dated 6 March 2023.
REIT	Real Estate Investment Trust.
Record Date	3 March 2023.

Responsible Entity	the responsible entity of the Trust which is Australian Unity Funds Management Limited ('AUFM') ABN 60 071 497 115 as at the date of this PDS.
Retail Units	units issued under the Constitution. Retail Units are distinguishable by their inception date and withdrawal rights.
Rights Issue Offer	an offer to Existing Investors contained in this PDS to purchase up to \$1 of Wholesale Units for every \$ held as at 5:00pm on the Record Date, plus an additional \$5,000 of Wholesale Units.
Rights Issue Offer Close Date	expected to be 5:00pm 31 March 2023.
Rights Issue Offer Entitlement	the value of Wholesale Units able to be subscribed for by an Existing Investor under the Rights Issue Offer calculated in accordance with section 6.04.
Rights Issue Offer Open Date	expected to be 9:00am 6 March 2023.
Singapore Institutional Investor	a person in Singapore to whom an offer of Wholesale Units may be made under exemptions provided for in the Securities and Futures Act 2001 of Singapore ('SFA') for offers made: • to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA, or • otherwise pursuant to, and in accordance with, the conditions of any other applicable provision of the SFA provided that all such persons to whom any such offer or sale, or invitation for subscription or purchase of the Wholesale Units is made are institutional investors.
SMSF	a Self-Managed Super Fund.
STARS	Surgical, Treatment and Rehabilitation Service
Trust	Australian Unity Healthcare Property Trust ARSN 092 755 318.
W&CM	Australian Unity Wealth & Capital Markets.
Wholesale Units	the separate class of units issued under the Constitution. Wholesale Units are distinguishable by their inception date and withdrawal rights.

For Real Wellbeing Since 1840

Directory

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