

180  
YEARS

Australian  
Unity   
Real Wellbeing

# Australian Unity Healthcare Property Trust

**Wholesale Units**  
Product Disclosure Statement  
**9 June 2021**

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Herston Quarter - STARS, Herston, QLD

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

## Important information

Wholesale Units issued under the Constitution and in this Product Disclosure Statement dated 9 June 2021 ('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 may be offered to new investors ('Excess 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](http://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](http://australianunity.com.au/wealth/hpt).

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

### 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.

### 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](http://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.

### 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 the glossary section on page 35.

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### **Obtaining other information before making a decision**

Visit our website [australianunity.com.au/wealth/hpt](http://australianunity.com.au/wealth/hpt) for further information about the Trust, including:

- 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.

## The Rights Issue Offer summary

Rights Issue of Wholesale Units									
The Rights Issue Offer	The Trust is seeking to raise approximately \$120 million through a non-renounceable rights issue to existing investors in the Trust registered at 5.00pm on 4 June 2021 (Record Date) who have a registered address in Australia or New Zealand.								
Your Entitlement	<p>For every \$18.9193 of investment in the Trust held as at 5.00pm on the Record Date, an Existing Investor is entitled to purchase \$1 of Wholesale Units plus an additional \$2,500 of Wholesale Units. Your specific Entitlement will be set out in your Rights Issue Offer Application Form.</p> <p>This Rights Issue Offer is being made to existing investors in the Trust as at the Record Date with a registered address in Australia or New Zealand who hold:</p> <ul style="list-style-type: none"> <li>• Retail Units</li> <li>• Wholesale Units; or</li> <li>• Class A Units.</li> </ul> <p>Retail Unit and Class A Unit investors should note that if they choose to take up their Entitlement that they will be issued Wholesale Units.</p>								
Purpose of the Rights Issue Offer	<p>The purpose of the Rights Issue Offer is to fund property acquisitions and the development project pipeline over the short to mid-term.</p> <p>We regularly post announcements on the Trust's website <a href="http://australianunity.com.au/wealth/hpt">australianunity.com.au/wealth/hpt</a> to provide investors with updates in respect of the Trust and recent transactions.</p>								
Key dates <sup>1</sup>	<table border="1"> <tbody> <tr> <td><b>Record Date</b></td> <td>4 June 2021</td> </tr> <tr> <td><b>Opening Date</b></td> <td>9 June 2021</td> </tr> <tr> <td><b>Closing Date</b></td> <td>5:00pm 12 July 2021</td> </tr> <tr> <td><b>Issue Date</b></td> <td>12 July 2021</td> </tr> </tbody> </table>	<b>Record Date</b>	4 June 2021	<b>Opening Date</b>	9 June 2021	<b>Closing Date</b>	5:00pm 12 July 2021	<b>Issue Date</b>	12 July 2021
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<b>Issue Date</b>	12 July 2021								
Rights Issue Offer Application form <sup>1</sup>	<p>The online Rights Issue Offer Application Form will be made available on 9 June 2021 on our website at <a href="http://australianunity.com.au/wealth/hpt">australianunity.com.au/wealth/hpt</a>.</p> <p>Due to the limited period for which the Rights Issue Offer will be open we encourage you to submit your application online to avoid disappointment.</p> <p>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.</p>								
Application payment	<p>There are two methods of payment for your application:</p> <ol style="list-style-type: none"> <li>1. BPAY®; or</li> <li>2. Electronic Funds Transfer (EFT).</li> </ol> <p>Your BPAY® and EFT payment details will be included in your Rights Issue Offer Application Form.</p> <p>If your application monies are not received as cleared funds by 5:00pm on 12 July 2021 your application will not be accepted.</p> <p>® Registered to BPAY Pty Ltd ABN 69 079 137 518</p>								
Expected issue price	<p>The expected issue price of Wholesale Units is the Wholesale Unit application price as at the Issue Date calculated in accordance with the Constitution and including the buy spread.</p> <p>If the Issue Date changes we will notify Existing Investors on our website at <a href="http://australianunity.com.au/wealth/hpt">australianunity.com.au/wealth/hpt</a>.</p>								
Conditions of the Rights Issue Offer	<p><b>Payment of application monies</b></p> <p>If your application monies are not received as cleared funds by 5:00pm on 12 July 2021 your application <b>will not be accepted</b>.</p> <p><b>Maximum Limit</b></p> <p>The acceptance of your application is subject to the Maximum Limit, which is set out on page 23. If being issued Wholesale Units equal to your 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 as 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 Entitlement in the Rights Issue Offer Application Form.</p> <p><b>Premium Cash Offer</b></p> <p>Australian Unity Strategic Holdings Pty Limited (AUSH) (ABN 39 006 803 050), a wholly owned subsidiary of AUL, has made an offer to investors in the Trust with a registered address in Australia to purchase their units (Retail Units, Wholesale Units and Class A Units) in the Trust held as at 4 June 2021 (Premium Cash Offer).</p> <p>Refer to 'An important update on the Trust' on page 3 for further information regarding the Premium Cash Offer and the Premium Cash Offer Request Booklet is available from our website <a href="http://australianunity.com.au/pco">australianunity.com.au/pco</a>.</p> <p><b>Important Notice</b> - If you participate in the Rights Issue Offer of Wholesale Units under this PDS <b>you are not eligible to participate in the Premium Cash Offer</b>.</p> <p><b>Australian and New Zealand residency</b></p> <p>Only investors with a registered address in Australia or New Zealand are entitled to participate in the Rights Issue Offer.</p>								

1. All times and dates in this document refer to the date and time in Melbourne. Please note, the key dates above are correct at the time of issue, 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. Existing Investors are encouraged to submit the Rights Issue Offer Application Form as early as possible after the Rights Issue Offer opens. Please note that the offer to investors with a registered address in New Zealand is expected to open on 10 June 2021. The Closing Date for investors with a registered address in New Zealand is the same as the Closing Date for investors with a registered address in Australia.

## An important update on the Trust

### Dexus investment into the Trust

On 9 June 2021 Dexus purchased \$180 million of Wholesale Units at an issue price of \$2.60 per Wholesale Unit which is a 16.16% premium to the Wholesale Unit price calculated under the Constitution before the buy spread or sell spread is applied, as at 4 June 2021.

The proceeds of this investment are expected to be used to strengthen the Trust's balance sheet for near, medium, and long-term growth, and provide funding to accelerate the execution of the Trust's significant development pipeline and acquisition opportunities.

Dexus is a highly credentialed, Australian domiciled real estate group.

The inclusion of Dexus on the register also provides the Trust and Dexus with a mutually beneficial relationship via access to Australian Unity's specialist healthcare property platform and Dexus' high quality diversified real estate platform which, together, is expected to provide benefits to both the Trust's unitholders and Dexus's securityholders.

### Australian Unity investment into the Trust

On 9 June 2021 Australian Unity Strategic Holdings Pty Ltd, a wholly owned subsidiary of AUL, purchased \$20 million of Wholesale Units at an issue price of \$2.60 per Wholesale Unit which is a 16.16% premium to the Wholesale Unit price, calculated under the Constitution before the buy spread or sell spread is applied, as at 4 June 2021. This is the same issue price for Wholesale Units as paid by Dexus for its Wholesale Units.

That subscription, and the Premium Cash Offer (detailed below), demonstrate the Australian Unity Group's ongoing commitment to the Trust and further enhance its alignment with the Trust's unitholders.

The Australian Unity Group remains committed to the Trust's portfolio of unique healthcare and medical infrastructure assets that are necessary to support Australia's future healthcare needs.

### Premium Cash Offer

On 9 June 2021 Australian Unity Strategic Holdings Pty Ltd made an offer to investors in the Trust with a registered address in Australia to purchase their units held (Retail, Wholesale and Class A) as at 4 June 2021 (the Premium Cash Offer).

The value of units that may be acquired by Australian Unity Strategic Holdings Pty Ltd under the Premium Cash Offer is \$80 million or such higher amount as Australian Unity Strategic Holdings Pty Ltd determines. The total units acquired may be subject to a scale back.

Refer to the Premium Cash Offer and the Premium Cash Offer Request Booklet available from our website [australianunity.com.au/pco](http://australianunity.com.au/pco).

If you have any questions about the Premium Cash Offer, please call the Unitholder Information Line, which can be reached at 1300 038 212 (Domestic) or +61 2 9066 4082 (International).

The price and amount offered by Australian Unity Strategic Holdings Pty Limited for each of the Trust's unit classes is:

Unit class	Mid price <sup>1</sup> as at 4 June 2021	Premium offered	Purchase price offered	Value
Retail	\$2.2941	16.16%	\$2.6648	\$80 million less the value of any Class A Units purchased
Wholesale	\$2.2383	16.16%	\$2.6000	
Class A	\$1.4009	16.16%	\$1.6273	The lesser of 15% of the value purchased of Retail and Wholesale Units and \$12 million

**Important Notice** - If you participate in the Rights Issue Offer of Wholesale Units under this PDS **you are not eligible to participate in the Premium Cash Offer.**

### Australian Unity Group holding in the Trust

Following acquiring \$20 million of Wholesale Units at an issue price of \$2.60 per Wholesale Unit on 9 June 2021, the Australian Unity Group had an interest in the Trust of approximately 1.88%.

The Australian Unity Group may acquire an approximate additional 3.14% in the Trust as a consequence of acquiring units under the Premium Cash Offer if \$80 million of units are acquired under that offer.

Assuming that the Rights Issue Offer is fully subscribed, the Australian Unity Group is expected to have an approximate 5.02% interest in the Trust following the completion of the Rights Issue Offer.

### NorthWest proposal

As previously announced on the Trust's website, the Responsible Entity has received unsolicited proposals from NorthWest Healthcare Australia RE Limited and NorthWest Healthcare Properties Real Estate Investment Trust (**NorthWest**) to acquire 100% of the units in the Trust.

NorthWest has recently acquired a 5.1% interest in the Trust (and has indicated it has a put and call option agreement over a further 11.1% interest in the Trust) and has convened a meeting of the Trust's unitholders on 1 July 2021 to vote on a proposal to amend the Trust's constitution, the effect of which (if completed) would be that NorthWest would acquire all the units in the Trust. The price offered by NorthWest is \$2.55 per Wholesale Unit, \$2.61 per Retail Unit and \$1.62 per Class A Unit.

The current NorthWest proposal is subject to conditions requiring the approval of Trust unitholders and no "Adverse Event" occurring (which covers equity issues by the Trust, and certain other similar events). As a result of the Rights Issue Offer, the issue of Wholesale Units to Dexus and AUSH referred to above, and certain other matters, the no Adverse Event condition has been breached. This means that NorthWest is not obliged to proceed with its proposal.

The Board of AUFM has determined that the current NorthWest proposal is not in the interest of Trust unitholders.

For current information regarding the NorthWest proposal refer to our website [australianunity.com.au/wealth/northwest-proposal](http://australianunity.com.au/wealth/northwest-proposal)

1. The mid price is the unit price calculated under the Constitution before the application of buy spread or sell spread.

## 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.	From page 12
Gross assets	\$2,552.64 million as at 30 April 2021.	From page 12
Number of direct property assets	67 as at 30 April 2021.	From page 12
WALE by income	15.72 years as at 30 April 2021.	From page 12
Occupancy rate by income	98.27% as at 30 April 2021.	From page 12
Gearing ratio <sup>1</sup>	25.99% as at 30 April 2021.	Page 10
Interest cover <sup>1</sup>	6.72 times for the twelve months to 30 April 2021.	Page 10
Borrowings	\$663.40 million as at 30 April 2021.	Page 11
Hedging (% of debt hedged)	61.50% as at 30 April 2021.	Page 11
Property valuations	Generally conducted annually by qualified independent valuers.	Page 17
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions and on an arm's length basis.	Page 18
Features and risks		
Features of the Trust	<ul style="list-style-type: none"> <li>• Distribution of income paid quarterly and sourced primarily from tenants with contracted leases.</li> <li>• Managed by a specialist investment manager with skilled employees who have extensive experience in the property industry.</li> <li>• 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.</li> <li>• Potential for tax deferred income.</li> </ul>	-
Key risks of the Trust	<ul style="list-style-type: none"> <li>• Reduction in property values.</li> <li>• Breach of borrowing conditions.</li> <li>• Gearing increases risk, magnifying gains and losses.</li> <li>• Tenant default.</li> <li>• Property development risk.</li> </ul>	Page 26

<sup>1</sup>As defined by ASIC Regulatory Guide 46: Unlisted property schemes - Improving disclosure for retail investors. See page 10.

Summary of the Wholesale Units features		
Responsible Entity	Australian Unity Funds Management Limited	Page 21
Investment Manager	Australian Unity Funds Management Limited	Page 21
Unit class offered	Wholesale Units	-
APIR code	AUS0112AU	-
Distribution reinvestment plan	Available	Page 25
Unit pricing	<b>Daily</b> Unit prices are generally calculated each business day.	Page 25
Distribution payments	<b>Quarterly</b> 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).	Page 25
Withdrawals	<b>Quarterly</b> 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.	Page 19 and 24
Summary of the Wholesale Units fees and costs		
Tiered base management fee	The base management fee is 0.65% pa of the gross asset value (GAV) of the Wholesale Units' share of the Trust's GAV under \$2 billion.  The base management fee is 0.50% pa of the GAV of the Wholesale Units' share of the Trust's GAV above \$2 billion.	From page 28
Recoverable expenses <sup>1</sup>	Estimated to be 0.19% p.a. of the average gross asset value relating to Wholesale Units of the Trust based on the financial year ending 30 June 2020.	
Indirect Costs	Estimated to be 0.00% of the average gross asset value of the Wholesale Units of the Trust.	
Buy/sell spread	Buy: 1.50% Sell: 0.50%	

1. We estimate the Trust's recoverable expenses for the year to 30 June 2021 will be 0.15% p.a. of the average gross asset value relating to Wholesale Units of the Trust.

## The Rights Issue Offer questions and answers

### Why are we making the Rights Issue Offer?

The purpose of the Rights Issue Offer is to fund property acquisitions and the development project pipeline over the short to mid-term.

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

Refer to page 17 for more information regarding the development pipeline.

### What is the Rights Issue Offer?

The Trust is seeking to raise approximately \$120 million through a non-renounceable rights issue to Existing Investors in the Trust as at the close of business on the Record Date.

### How do I know if I am entitled to participate in the Rights Issue Offer?

The Rights Issue Offer is being made to existing investors in the Trust registered on the Record Date who have a registered address in Australia or New Zealand and who hold:

- Retail Units
- Wholesale Units
- Class A Units.

### How is my Entitlement calculated?

For every \$18.9193 of investment in the Trust held as at 5:00pm on the Record Date, an Existing Investor is entitled to purchase \$1 of Wholesale Units plus an additional \$2,500 of Wholesale Units. Your specific Entitlement will be set out in your Rights Issue Offer Application Form.

We have based the calculation of your 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 Entitlement were:

Unit class	Mid-price as at 4 June 2021
Retail	\$2.2941
Wholesale	\$2.2383
Class A	\$1.4009

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

$$\frac{50,000 \times 2.2383}{18.9193} + \$2,500 = \$8,415.39$$

### How can I take up my Entitlement?

Existing Investors can take up their Entitlement by completing the Rights Issue Offer Application Form. The Application Form and cleared funds for payment of application monies must be received by 5:00pm on 12 July 2021. Rights Issue Offer Applications and/or cleared funds received after 5:00pm on 12 July 2021 will not be accepted.

#### *Rights Issue Offer Online Application Form*

Existing Investors are encouraged to submit their application online. The online Rights Issue Offer Application Form will be made available on our website at [australianunity.com.au/wealth/hpt](http://australianunity.com.au/wealth/hpt).

#### *Rights Issue Offer Paper Application Form*

Due to the limited period for which the Rights Issue Offer will be available we encourage investors to apply online to avoid disappointment.

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

### How do I pay for my Entitlement?

There are two methods of payment for your application:

1. BPAY®
2. EFT.

BPAY® and EFT payment details will be included in your Rights Issue Offer application form.

If your application monies are not received as cleared funds by 5:00pm 12 July 2021 your application will not be accepted.

### What happens if the full amount is not raised?

If we do not raise the full amount from Existing Investors taking up their Entitlement under the Rights Issue Offer we may offer the remaining amount to new investors.

### What is the issue price for Wholesale Units issued under the Rights Issue Offer?

The expected issue price of Wholesale Units will be the application price as at 12 July 2021 calculated in accordance with the Constitution and including the buy spread.

If this date changes we will notify Existing Investors on our website at [australianunity.com.au/wealth/hpt](http://australianunity.com.au/wealth/hpt).

### What happens if I do nothing?

If you decide not to take up any of your 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 Entitlement then that part of your Entitlement cannot be transferred and will lapse.

If you do not take up your Entitlement your interest in the Trust will be diluted to the extent that Wholesale Units are issued under the Rights Issue Offer and to the extent that Wholesale Units are issued to new investors where the full amount of the Rights Issue Offer is not raised from Existing Investors.

We may offer the amount offered to Existing Investors under the Rights Issue Offer and not taken up by them to new investors (Excess Offer).

### Are there any tax implications of participating in the Rights Issue Offer?

The acquisition of Wholesale Units under the Rights Issue Offer should be treated in the same manner as any acquisition. Refer to the taxation section from page 32 for the Australian taxation implications of investing in the Trust. That tax section does not address New Zealand 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.

### Will the Rights Issue Offer be underwritten?

The Rights Issue Offer will not be underwritten.



## **What are the conditions of participating in the Rights Issue Offer?**

The following conditions apply to the Rights Issue Offer.

### **1. Payment for your application must be received by 12 July 2021.**

If your application monies are not received by 12 July 2021 your application will not be accepted.

### **2. Maximum Limit**

The acceptance of your application is subject to the Maximum Limit which is set out on page 23. If you being issued Wholesale Units equal to your 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 as 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 Entitlement in the Rights Issue Offer Application Form.

### **3. Premium Cash Offer**

Australian Unity Strategic Holdings Pty Limited (ABN 39 006 803 050), a wholly owned subsidiary of Australian Unity Limited, has made an offer to investors in the Trust with a registered address in Australia to purchase their units (Retail Units, Wholesale Units and Class A Units) in the Trust held at 4 June 2021 (Premium Cash Offer).

Refer to 'An important update on the Trust' on page 4 for further information regarding the Premium Cash Offer and the Premium Cash Offer Request Booklet is available from our website [australianunity.com.au/pco](http://australianunity.com.au/pco).

**Important Notice** - If you participate in the Rights Issue Offer of Wholesale Units under this PDS you are not eligible to participate in the Premium Cash Offer.

### **4. Australian and New Zealand residency**

Only investors with a registered address in Australia or New Zealand are entitled to participate in the Rights Issue Offer.

## 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.

### 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.

### 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.

### 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.

### 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
- incur all types of obligations and liabilities.

### 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 30-45% 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.

### 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.

## **Derivatives**

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

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

## **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 are:**

- seeking regular distribution income payments
- want exposure to a diverse healthcare property portfolio
- have at least a five-year investment outlook.

The Rights Issue Offer is only of Wholesale Units.

## 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](http://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 30 April 2021 and is based on unaudited financial records unless stated otherwise.

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

### Gearing ratio and policy

#### *Disclosure principle 1 – Gearing ratio*

The gearing ratio of the Trust, calculated as total interest bearing liabilities divided by total assets, was 25.99% as at 30 April 2021 (27.31% as at 31 December 2020 based on the Trust's reviewed financial statements).

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 facility. Refer to the borrowings note in the audited financial statements and the details set out in Disclosure Principle 3 – Scheme (Trust) Borrowings on page 11.

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. The loan to valuation ratio (which is a measure of the borrowing facility amount drawn as a proportion of the value of assets under the borrowing facility security arrangement) is shown under the heading 'Trust borrowing'.

#### *Benchmark 1 – Gearing policy*

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

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

The Trust has a single borrowing facility and generally operates within a gearing ratio range between 30-45%. The maximum gearing ratio for the Trust under the Gearing and Interest Cover Policy is 60%. These parameters may change from time to time.

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

### Interest cover ratio and policy

#### *Disclosure principle 2 – Interest cover*

The Trust's interest cover ratio for the 12 months ended 30 April 2021 was 6.72 times (7.44 times for the 12 months to 31 December 2020 based on the Trust's reviewed financial statements).

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 Gearing and Interest Cover Policy. The Gearing and Interest Cover Policy outlines record keeping, monitoring and reporting requirements.

The minimum interest cover ratio for the Trust under the Gearing and Interest Cover Policy is 1.25 times (calculated as the EBITDA of the Trust from ordinary operations divided by the net interest<sup>1</sup> expense) which is different to the minimum interest rate cover ratio covenant under the borrowing facility of the agreement (which is 1.75 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 AUFM's Gearing and Interest Cover Policy. For further information or to obtain a copy of the Gearing and Interest Cover Policy please contact us.

#### **Trust borrowing**

##### **Disclosure Principle 3 – Scheme (Trust) borrowing**

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

Generally, interest 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 one borrowing facility that is secured by a number of the Trust's assets and is summarised in the following table:

<b>Borrowing details as at 30 April 2021</b>	
Borrowing facility drawn amount	\$663.40m
Borrowing facility limit (\$m)	\$852.00m
Borrowing facility maturity	
Tranche A, A2, B and C (\$752m)	Jan 2023
Tranche D (\$100m)	Jan 2025
Borrowing facility Loan to Valuation Ratio covenant limit	50.00%
Trust Loan to Valuation Ratio calculated in accordance with borrowing facility definition	30.93%
Amount by which value of assets must decrease before a borrowing facility covenant is breached	38.13%
Borrowing facility Interest Cover Ratio <sup>2</sup> covenant limit	1.75 times
Trust Interest Cover Ratio <sup>2</sup> calculated in accordance with borrowing facility definition	6.73 times
Amount by which the operating cash flow must decrease before a borrowing facility covenant is breached	73.99%
Borrowing facility interest rate (inclusive of borrowing margin, line fees and interest rate hedges)	2.40% p.a.
% of borrowings hedged	61.50%
Weighted hedge expiry	1.95 years

The Trust is required to refinance \$752 million of its \$852 million facility by January 2023, with the remainder by January 2025. The Trust is compliant with the lenders' covenant and facility limit requirements and, as such, management is confident that the borrowing facility will be refinanced prior to maturity. With most refinancing activity there is a risk that the lenders may choose not to refinance the facility.

If this occurred, the Trust would need to find 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.

<sup>1</sup> Net interest means interest expense less interest income.

<sup>2</sup> The borrowing facility Interest Cover Ratio calculation definition excludes capitalised interest in respect of debt relating to the development of the STARS.

Under the terms of the borrowing facility, 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 30 April 2021 the mark-to-market value of interest rate derivatives were \$4.55 million, compared to \$7.06 million as at 31 December 2020 based on the Trust's reviewed financial statements. If held to maturity, the value of the interest rate derivatives in the Trust's balance sheet will reduce to zero.

## **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.

## **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 30 April 2021 the Trust had \$81.82 million (3.21% of the gross assets of the Trust) exposure to a listed REIT.

## Portfolio composition as at 30 April 2021

Property Details			Tenancy Details				Valuation Details			
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)
<b>Direct Properties</b>										
<b>Hospitals</b>										
Herston Quarter - STARS, Herston, QLD	-	32,454	MNH	6	99.57	19.3	526.0	Apr-21	4.50	526.00
Peninsula Private Hospital, Langwarrin, VIC	-	27,886	Ramsay Health	1	100.00	29.3	243.5	Apr-21	4.50	243.50
Mulgrave Private Hospital, Dandenong North, VIC	6	16,605	Healthe Care	1	100.00	26.6	155.3	Apr-21	5.00	155.25
Beleura Private Hospital and Clinic, Mornington, VIC	4	10,055	Ramsay Health	1	100.00	13.2	122.5	Apr-21	4.75	122.50
Brisbane Waters Private Hospital, Woy Woy, NSW	-	8,351	Healthe Care	1	100.00	21.7	59.8	Apr-21	5.13	59.80
Brunswick Private Hospital, Brunswick, VIC	-	8,000	Healthe Care	1	100.00	23.3	45.5	Feb-21	5.00	45.75
Robina Private Hospital, Robina, QLD	-	5,854	Healthe Care	1	100.00	20.4	44.6	Feb-21	5.00	44.58
Western Hospital, Henley Beach, SA	-	9,655	Western Hospital	1	100.00	22.5	43.9	Feb-21	6.00	45.83
Tuggerah Lakes Private Hospital, 645 and 647 Pacific Highway, Kanwal, NSW	-	3,413	Healthe Care	1	100.00	17.8	29.0	Feb-21	5.25	29.01
Townsville Private Clinic, Townsville, QLD	-	4,897	Healthe Care	1	100.00	17.0	27.8	Mar-21	5.50	28.06
Hunters Hill Private Hospital, Hunters Hill, NSW	-	2,678	Ramsay Health	1	100.00	14.5	25.8	Feb-21	5.25	25.93
North Shore Specialist Day Hospital, Greenwich, NSW	-	2,190	IVF Australia	1	100.00	1.4	22.8	May-20	6.38	22.92
Berkeley Vale Private Hospital, Berkeley Vale, NSW	-	4,132	Ramsay Health	1	100.00	14.5	21.0	Feb-21	5.50	21.01
Figtree Private Hospital, Figtree, NSW	-	7,277	Ramsay Health	1	100.00	14.5	18.0	Feb-21	5.75	18.00
<b>Sub total</b>										<b>1,388.14</b>
<b>Medical Centres and Aged Care Facilities</b>										
RPAH Medical Centre, Newtown, NSW	-	7,205	Wilson Parking Australia	59	99.02	3.5	108.0	Feb-21	5.75	108.08
15 Butterfield St, Herston, QLD	-	11,261	Queensland Health	4	100.00	4.3	105.3	Apr-21	5.50	105.54
8 Herbert Street, St Leonards, NSW	-	10,595	Stryker Australia	3	100.00	6.4	77.0	Apr-21	5.25	77.00
103 Victoria Parade, Collingwood, VIC	-	8,975	Sonic Healthcare	1	100.00	6.9	57.5	Apr-21	5.25	57.50
310 Selby Road North, Osborne Park, WA	-	4,997	Clinipath Pathology	1	100.00	11.9	45.5	Mar-21	5.50	45.50
Manningham Medical Centre, Templestowe Lower, VIC	-	4,978	MMC General Practice	16	90.82	4.2	42.9	Mar-21	5.50	42.90
Greensborough Medical Centre, Greensborough, VIC	-	3,529	Healius	1	100.00	11.9	38.5	Mar-21	5.25	38.50
Edge Hill Orchards Aged Care Facility, QLD	-	11,959	Infinite Care	1	100.00	23.6	31.1	May-20	6.50	31.17
Campus Alpha Building, 2 Investigator Drive, Robina QLD	-	4,423	Horizon Housing	5	55.69	0.7	25.5	Nov-20	6.75	25.52
Caravonica Aged Care Facility, QLD	-	8,181	Infinite Care	1	100.00	23.6	24.9	May-20	6.50	24.91
Edmonton Gardens Aged Care Facility, QLD	-	8,687	Infinite Care	1	100.00	23.6	24.9	May-20	6.50	24.91
Mount Lofty Aged Care Facility, QLD	-	8,211	Infinite Care	1	100.00	23.7	23.9	May-20	6.25	23.96
Cornubia Aged Care Facility, QLD	-	8,045	Infinite Care	1	100.00	23.7	23.8	May-20	6.25	23.81
Constitution Hill Aged Care, Northmead, NSW	-	8,668	Australian Unity Care Services	1	100.00	7.7	23.8	Feb-21	6.50	23.80
HIS Diagnostic Imaging Centre, Richmond, VIC	-	1,227	Healius	1	100.00	14.6	21.5	Feb-21	5.25	21.50
Robina Medical Centre, 1 Campus Crescent, Robina, QLD	-	1,553	BGH Capital	1	100.00	12.1	17.8	Feb-21	5.25	17.81
2 Short Street, Southport, QLD	-	2,343	Ramsay Health	8	100.00	2.2	17.4	Mar-21	6.00	17.41
Ipswich Aged Care Facility, QLD	-	4,963	Infinite Care	1	100.00	23.7	17.0	May-20	6.25	17.07
Corrimal Medical Centre, 46-50 Underwood Street, Corrimal, NSW	-	1,496	BGH Capital	1	100.00	10.7	16.7	Feb-21	5.50	16.70
Gosford Private Medical Centre, North Gosford, NSW	-	1,830	Sonic Healthcare	5	76.77	2.9	15.5	Mar-21	6.50	15.50
Ipswich Medical Centre and Day Hospital, QLD	-	2,780	Ipswich Day Surgery	10	91.89	5.0	14.5	May-20	7.00	14.54
566 Olsen Avenue Molendinar, QLD	-	2,647	IPN Medical Centre	1	100.00	14.92	8.6	Feb-21	6.00	13.58

## Portfolio composition as at 30 April 2021 continued

Property Details			Tenancy Details				Valuation Details			
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)
<b>Direct Properties</b>										
<b>Medical Centres and Aged Care Facilities continued</b>										
Mackay Medical Centre and Day Hospital, Mackay, QLD	8	2,458	Queensland Fertility Group	7	96.30	4.1	13.2	May-20	6.75	13.30
14 Highfields Circuit, Port Macquarie, NSW	-	1,084	Healius	1	100.00	12.7	13.1	Feb-21	5.50	13.10
Victoria House Medical Centre, WA	-	2,647	IPN Medical Centres	1	100.00	3.8	12.9	Feb-21	6.00	12.88
1 & 3 Addison Road, Pennington, SA	-	1,137	BGH Capital	1	100.00	12.0	10.0	Feb-21	5.25	9.95
Eureka Medical Centre, Ballarat, VIC	-	1,504	BGH Capital	1	100.00	4.3	8.0	Feb-21	6.25	8.00
80-82 Bridge Road and 3 & 5 Rotherwood Street, Richmond, VIC	9	726	Healius	1	46.70	6.8	6.9	Nov-20	5.25	6.97
7 Vidler Avenue, Woy Woy NSW	-	387	Luckstar	1	100.00	4.6	2.4	Feb-21	6.00	2.40
<b>Sub total</b>										<b>853.84</b>
<b>Under development</b>										
Sunshine Day Surgery and Clinic, St Albans, VIC		2,432	Fresenius Medical Care	10	100.00	3.20	32.50	May-20	6.00	36.53
39-43 Orth Street, Kingswood, NSW		N/A	N/A	0	-	N/A	4.65	Jun-20	N/A	9.93
<b>Sub total</b>										<b>46.46</b>
<b>Assets Held Pending Development</b>										
38 & 40 Orth Street, 1-5 Hargrave Street & 26 Somerset Street, Kingswood, NSW	18	N/A	Private Tenants	2	33.33	N/A	9.23	Jun-20	N/A	9.96
Herston Private Hospital, Herston, QLD	15	N/A	N/A	0	-	N/A	6.57	Feb-20	N/A	8.29
1, 1A, and 1B President Road, Kellyville, NSW	18	N/A	N/A	1	100.00	10.0	4.05	Jul-20	N/A	4.53
34 Investigator Drive, Robina, QLD	14	N/A	N/A	0	-	N/A	4.24	Nov-20	N/A	4.26
Lot 907, Oceanside Health Hub, Birtinya QLD	17	N/A	N/A	0	-	N/A	3.60	Sep-20	N/A	3.62
70 Moreland Road, Brunswick, VIC	16	N/A	N/A	0	-	N/A	1.40	Feb-21	N/A	1.40
205 St Albans Rd St Albans, VIC	13	N/A	N/A	0	-	N/A	0.48	Sep-20	N/A	1.35
22 Gillon Court, St Albans, VIC	13	N/A	N/A	0	-	N/A	1.25	Mar-21	N/A	1.35
11 Gillon Court, St Albans, VIC	13	N/A	N/A	0	-	N/A	1.25	Mar-21	N/A	1.32
9 Gillon Court St Albans, VIC	13	N/A	N/A	0	-	N/A	1.20	Nov-20	N/A	1.30
7 Westwood Avenue, Belmore NSW		N/A	Private Tenant	1		<1	1.10	Feb-21	N/A	1.15
93 Davies Street, Brunswick, VIC	16	N/A	N/A	0	-	N/A	0.94	Feb-21	N/A	0.88
7 Wiowera Road, Kanwal, NSW	11	N/A	Private Tenant	1	100.00	<1	0.84	Feb-21	N/A	0.85
101 Herbert Street, Mornington, VIC	10	186	Ramsay Health	1	100.00	4.6	0.78	Feb-21	N/A	0.77
24 Gillon Court St Albans, VIC	13	N/A	N/A	0	-	N/A	0.75	May-20	N/A	0.75
99 Herbert Street, Mornington, VIC	10	N/A	Private Tenant	1	100.00	<1	0.68	Feb-21	N/A	0.68
103 Herbert Street, Mornington, VIC	10	N/A	Private Tenant	1	100.00	<1	0.68	Feb-21	N/A	0.68
105 Herbert Street, Mornington, VIC	10	N/A	Private Tenant	1	100.00	<1	0.68	Feb-21	N/A	0.67
15 Dwyer Avenue, Woy Woy, NSW	12	N/A	Private Tenant	1	100.00	<1	0.60	Feb-21	N/A	0.60
651 Pacific Highway, Kanwal, NSW	11	N/A	N/A	0	-	N/A	0.59	Feb-21	N/A	0.59
3 Wiowera Street, Kanwal, NSW	11	N/A	N/A	0	-	N/A	0.38	Feb-21	N/A	0.38
1 Wiowera Road, Kanwal, NSW	11	N/A	N/A	0	-	N/A	0.35	Feb-21	N/A	0.35
<b>Sub total</b>										<b>45.72</b>
<b>Direct Properties Total</b>										<b>2,334.17</b>



## Portfolio composition as at 30 April 2021

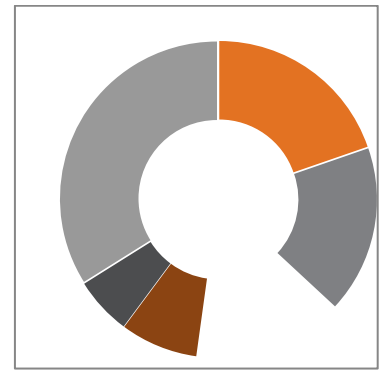
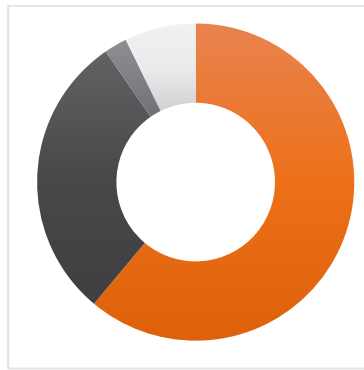
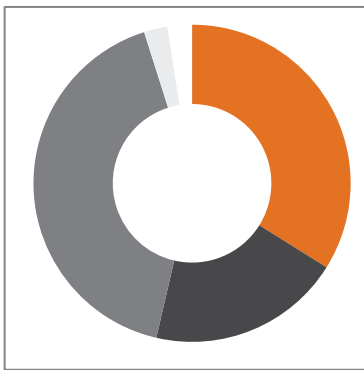
Property Details			Tenancy Details				Valuation Details			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
<b>Listed property, cash and other assets</b>										
Arena REIT										81.82
Loan receivables										65.41
Class A cash reserve										42.89
Other										27.30
Cash and cash equivalents										1.05
<b>Total Cash and other assets</b>										<b>218.47</b>
<b>Total (T) / Weighted Average (A)</b>				<b>164 (T)</b>	<b>98.3 (A)</b>	<b>15.7 (A)</b>			<b>5.18 (A)</b>	<b>2,552.64 (T)</b>

### Notes

- Valuation Policy - Regular valuation of underlying property assets is an important aspect of managing the Trust. Valuations are conducted by qualified independent valuers in accordance with industry standards. We have a policy of generally obtaining independent valuations on Trust direct properties each year 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 property formerly known as 95 Herbert Street following amalgamation of titles for future redevelopment.
- 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 13,15 Gillon Court, St Albans.
- Property formally known as The Valley Private Hospital.
- Development property subject to a pre-commitment from Cornerstone Health.
- Includes a parcel of vacant land, 1/3 Discovery Lane, North Mackay valued at \$0.75 million as at May 2020.
- Previous development site now subject to a lease campaign with respect to the unoccupied space.
- Properties adjoining Beleura Private Hospital, Mornington, VIC.
- Land held for future expansion of Tuggerah Lakes Private Hospital, NSW.
- Property adjoining Brisbane Waters Private Hospital, NSW.
- Property adjoining Sunshine Day Surgery and Clinic, St Albans, VIC. This property is earmarked as future development space.
- Asset held pending development.
- Leasehold site for proposed Herston Private Hospital, QLD.
- Property adjoining Brunswick Private Hospital, VIC.
- Development site earmarked for future Medical facility.
- Asset held pending development.

## Key Portfolio Statistics as at 30 April 2021

Geographic allocation (by value)			Property Sector allocation (by value)			Top 5 tenants (by income)	
VIC	22 assets	33.89%	Hospital	15 assets	61.08%	MNH	19.70%
QLD	19 assets	41.49%	Medical Centre or Medical Office	22 assets	29.31%	Ramsay Health Health Care	17.20%
NSW	22 assets	19.73%	Development Site	22 assets	2.34%	Infinite Care	7.97%
WA	2 assets	2.50%	Aged Care	7 assets	7.27%	Queensland Government	5.93%
SA	2 assets	2.39%				Others (excluding vacancy)	33.91%



Lease expiry profile by income as at 30 April 2021



## 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:

### **Beleura Private Hospital, Beleura, VIC**

**Estimated cost to complete: \$22.0 million**

The brownfield expansion is progressing well with completion of consulting suites occurring in November 2020 and the balance of works due to reach practical completion by on or about July 2021.

### **Sunshine Private Hospital & Medical Centre, St Albans, VIC**

**Estimated cost to complete: \$97.6 million**

Planning approval has been obtained and the Trust has entered into relevant agreements to enable the redevelopment to proceed. Leasing negotiations and agreements are continuing with executed pre-commitments representing approximately 55% of property income.

### **Western Hospital, Henley Beach, SA**

**Estimated cost to complete: \$1.15 million**

Works for the hospital's \$8.6 million fourth operating theatre (and associated areas) reached practical completion in early April 2021. These works have been rentalised at 7.0%. A \$3.3 million increase to the cost cap for infrastructure works was undertaken simultaneously to the fourth operating theatre. Practical completion of these works is expected in May 2021. The additional infrastructure works will be rentalised at 6.5%.

### **Kingswood Private Hospital, Kingswood, NSW**

**Estimated cost to complete: \$37.1 million**

Works for the construction of a new 90 bed private hospital commenced in April 2021. Upon completion, the private hospital will be leased to Matilda Health Care for 30 years.

## 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.

## 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](http://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 2020 to 30 April 2021 \$1.13 million was paid to AUPM for services provided.

#### Herston Development Company

The Trust has established a sub trust for the purpose of developing, managing and owning the Surgical, Treatment and Rehabilitation Service ('STARS'). The trustee for the sub-trust is Australian Unity Investment Management Administration Pty Limited ('AUIMA').

The Trust, through this sub trust, has entered into a number of agreements with Herston Development Company Pty Ltd ('HDC') to facilitate the redevelopment of a portion of the Herston Quarter, Herston, QLD.

From 1 July 2020 to 30 April 2021, HDC has not been paid any consortium management fees for the development of Herston Quarter by the Trust.

The sub trust has reimbursed HDC for costs associated with the development of STARS. From 1 July 2020 to 30 April 2021 the amount charged to the Trust was \$6.42 million (excluding GST).

#### Loan receivables

The Trust provided loans to Herston Car Park Company Pty Ltd ABN 98 617 138 833 to provide funding for the development of the car park and a portion of the common area associated with the Herston Quarter redevelopment.

The loans are comprised of construction costs and an interest component. The interest is calculated on a compound accrual basis. The repayment of the loan will occur after the relevant authority has issued an occupancy certificate with respect to the entire site subject of the STARS development works.

As at 30 April 2021 the loan balance was \$2.27 million, including interest capitalised from 1 July 2020 to 30 April 2021 of \$0.91 million.

#### Other related party service providers

AUFM charges the Trust for administration expenses (audit fees inclusive). We estimate these costs to be 0.15% p.a. of the gross asset value of the Trust for the year ending 30 June 2021.

From 1 July 2020 to 30 June 2021, the amount charged to the Trust was \$2.89 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
Herston Development Company Pty Ltd (HDC)	53 617 139 009	AUL
Herston Car Park Company Pty Ltd (HCPC)	98 617 138 833	AUL

These entities form part of the Australian Unity Group.

### Investments as at 30 April 2021

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 30 April 2021 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	9.06	0.48%
Lifepan Australia Friendly Society	5.93	0.30%
Pro-D Balanced Fund	3.38	0.17%
Pro-D Growth Fund	2.06	0.10%
Pro-D High Growth Fund	0.77	0.04%

As at 30 April 2021 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 Enhanced Cash Fund	36.02	7.61%
Australian Unity Wholesale Cash Fund	7.06	1.38%

### Investments after 30 April 2021

On 9 June 2021 Australian Unity Strategic Holdings Pty Ltd, a wholly owned subsidiary of Australian Unity Limited purchased \$20 million of Wholesale Units at an issue price of \$2.60 per Wholesale Unit which is a 16.16% premium to the Wholesale Unit price, as at 4 June 2021, calculated under the Constitution before the buy spread or sell spread is applied.

This is the same issue price for a Wholesale Unit as paid by Dexu for its Wholesale Units.

Following acquiring \$20 million of Wholesale Units at an issue price of \$2.60 per Wholesale Unit on 9 June 2021, the Australian Unity Group had an interest in the Trust of approximately 1.88%.

The Australian Unity Group may acquire an additional 3.14% in the Trust as a consequence of the acquiring units under the Premium Cash Offer if \$80 million of units are acquired under that offer.

Assuming that the Rights Issue Offer is fully subscribed, the Australian Unity Group is expected to have an approximate 5.02% interest in the Trust.

### 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.

### 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 2020.

	\$ M
Net profit	97.34
Valuation changes <sup>1</sup>	(43.28)
Interest rate derivative changes	(2.41)
Other	12.65
Funds from operations	64.30
<b>Distributions declared</b>	<b>67.10</b>

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.

The distributions declared at 30 June 2020 exceeded the available FFO. The excess was funded from capital due to the temporary drop in income. The temporary reduction in income was a result of the active development of STARS, Herston not earning any income during the period. The Distribution Policy aligns with the ongoing earning capacity of the Trust. We expect an increase in FFO over the next 12 months, enabling the Trust to sustainably source distributions over this period. Where the Trust makes distributions from capital, this will have the effect of reducing investors' equity. Where this occurs and the Trust has borrowings, the reduction in investor's equity will have the effect of increasing the gearing ratio and gearing related risks. Where a trust is close to its gearing related covenants, the risk of breaching these covenants is increased.

## **Withdrawal rights**

### **Disclosure Principle 7 – Withdrawal rights**

#### ***Retail and Wholesale Units***

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.

## Managing your investment

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.

### Investment philosophy

It's AUFM's philosophy that the market price for properties doesn't always reflect the underlying value. This may present an opportunity to generate value by buying and selling properties at the most optimal time. Value can also be achieved and investment risk mitigated by skilful property and tenant management carried out by Australian Unity. Properties purchased 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; and property specific criteria such as the quality of buildings, tenant and lease profile, opportunities to enhance or redevelop the property to protect and/or grow future income potential and capital value. To optimise investor returns the portfolio and property assets are actively managed.

### The team managing your investment

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

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



#### Esther Kerr-Smith

Chief Executive Officer, Wealth & Capital Markets  
Australian Unity

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

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



#### Mark Pratt

Executive General Manager – Property  
Australian Unity

Mark Pratt joined Australian Unity Investments in 2004. As Executive General Manager – Australian Unity Real Estate Investment, he is responsible for the commercial management and growth of Australian Unity's property funds management and development businesses across Healthcare & Commercial Property, Social Infrastructure and Mortgages. Mark is currently the Vice Chairman of the Melbourne Racing Club and is a director of Acorn Capital Limited.

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

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



**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 19 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.



**Louise Cahill-Mulvogue**

General Manager, Strategy and Support, Property  
Australian Unity

Louise joined Australian Unity in November 2005 and was most recently appointed to the role of Head of Strategy and Support within the Property business. Her responsibilities include supporting the development and execution of the strategic objectives of the business as well as co-ordinating deliverables for debt funding, analytics and reporting and investment research.

Prior to this role, Louise managed both the Actuarial and Business Intelligence functions for Australian Unity Wealth. Across her working career she has looked to apply technical and analytical capability, experience and business acumen to various facets of decision making and capital risk management predominantly for funds management and friendly society businesses.

Louise has worked in financial services for 15 years, both in Ireland and Australia. She is an actuary by training, is an Associate member of the Actuaries Institute and holds an actuary designation.



**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, 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.



## 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.

### Handling of applications

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

No interest will be paid on application amounts for the period from receipt until the issue of units occurs. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned by us unfilled. Any interest earned on the application amount during this period will be retained by the Trust and form part of its income for the benefit of investors.

### 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.

### Maximum exposure 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 purposes; and
- status as an Attribution Managed Investment Trust ('AMIT') for income tax purposes.

The Maximum Limit will apply until further notice.

## 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 sole 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.

### Excess Offer

We may offer the amount offered to Existing Investors under the Rights Issue Offer and not taken up by them to new investors (Excess Offer).

Applications under the Excess Offer are subject to a minimum investment amount of \$5,000.00.

### 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).

## 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 <a href="http://australianunity.com.au/wealth/hpt">australianunity.com.au/wealth/hpt</a>

### 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.

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.

#### Suspension of withdrawals

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

#### Substantial investor withdrawal requests

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

### Minimum balance

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

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

#### If you invest or withdraw through a masterfund or Investor Directed Portfolio Service ('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.

## Unit prices and distribution payments

### 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](http://australianunity.com.au/wealth/hpt) or call us on 1300 997 774 or +61 3 9616 8687.

### 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. 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.

## Risks of managed investment schemes

### What is risk?

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

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

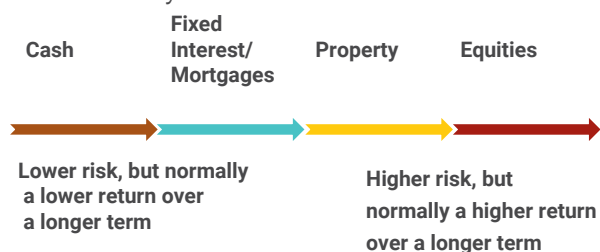
All investments come with a degree of risk. You will need to determine how much risk you are able, or willing, to tolerate as the level of risk for each person will vary depending upon a range of factors, including age, investment time frames, your overall investment portfolio, and your individual risk 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 the 'Other information' section on page 33 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.

### How we manage risk?

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

### How you can manage your risk

In managing your risk, we recommend that you:

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

### Risks specific to the Trust

#### Liquidity risk

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

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

There is a risk that the Trust may have insufficient cash to meet its limited withdrawal obligation in a timely manner. If this was to occur and the Trust was required to sell real property assets, it may take up to 12 months or longer for 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.

#### Property risk

The value of property assets is closely linked to rental income, occupancy levels, tenant quality, lease terms, location and supply and demand factors, and may also be impacted by environmental risks (such as land contamination or the cost of removing potentially hazardous materials).

Changes to any of these elements will affect the value of the underlying property and ultimately the value of your investment. A decline in property values may impact the Trust's gearing ratio and loan covenants and the Trust may be required to reduce its borrowings through the sale of assets, additional capital raising (including discounted capital raising) or retaining distributions.

The business conditions for tenants may change adversely, which may result in tenants seeking rental assistance, defaulting on rental payments, abandoning leases, or not renewing leases on expiry. A reduction in rental income received by the Trust may impact the level of distributions it can make and may reduce the value of assets. Investors should note that healthcare property is a specialised class of property and for some assets there may be a smaller pool of potential tenants.

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

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

#### **Property development 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.

#### **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.

#### **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.

#### **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.

#### **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.

#### **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

#### **Market risk**

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

## Fees and other costs

### DID YOU KNOW?

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

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission ('ASIC') website ([www.moneySMART.gov.au](http://www.moneySMART.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the 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.

#### Australian Unity Healthcare Property Trust - Wholesale Units

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment product</b>		
Establishment fee The fee to open your investment	Nil	We do not apply an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Nil	We do not apply a contribution fee.
Withdrawal fee The fee on each amount you take out of your investment	Nil	We do not apply a withdrawal fee.
Exit fee The fee to close your investment	Nil	We do not apply an exit fee.
<b>Management costs<sup>1</sup></b>		
The fees and costs for managing your investment	<b>Base management fee</b> The base management fee is 0.65% pa of the GAV of the Wholesale Units' share of the Trust's GAV under \$2 billion. The base management fee is 0.50% pa of the gross asset value of the Wholesale Units' share of the Trust's GAV above \$2 billion.	The base management fee is accrued daily and paid monthly from the assets of the Trust.
	<b>Recoverable expenses<sup>2</sup></b> Estimated to be 0.19% p.a. of the average gross asset value relating to Wholesale Units of the Trust.	Recoverable expenses are accrued as and when incurred by the Trust and therefore the amount recovered each month may vary.
	<b>Indirect Costs</b> Estimated to be 0.00% of the average gross asset value of the Wholesale Units of the Trust.	Payable from the assets of the Trust or the underlying fund in which the Trust invests as and when incurred.
<b>Service fees</b>		
Switching fee The fee for changing investment options	Nil	We do not apply a switching fee. A switch is treated as a withdrawal from one fund and an application for another fund.

1. Management costs exclude the Trust's transactional and operational costs, some of which are recovered via buy/sell spreads. For more information about the calculation of buy and sell spreads, see 'Buy/Sell spread' under the heading 'Additional explanation of fees and costs' on page 30.

2. The recoverable expenses are estimated to be 0.19% p.a. of the average gross asset value relating to the Wholesale Units of the Trust for the financial year ended 30 June 2020. We estimate the Trust's recoverable expenses for the year to 30 June 2021 will be 0.15% p.a. of the average gross asset value relating to Wholesale Units of the Trust. For more information about Trust expenses, see 'Recoverable expenses' under the heading 'Additional explanation of fees and costs' on page 29.

## Example of annual fees and costs

This table gives an example of how the fees and costs in the Trust may affect your investment over a 1-year period. You should use this table to compare this product with other similar managed investment products.

EXAMPLE – Australian Unity Healthcare Property Trust <sup>1</sup>		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
Plus Management costs	1.08% <sup>2</sup> p.a.	And, for every \$50,000 you have in the Trust you will be charged \$539.97 each year.
Equals Cost of Trust		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 at the end of that year, you would be charged fees of \$539.97. <sup>1, 3, 4</sup>

1. This example relates to the Australian Unity Healthcare Property Trust - Wholesale Units. A buy/sell spread may apply to investments in and out of the Trust (see "Buy/Sell spread" on page 30 for further details).  
 2. This is the Indirect Cost Ratio (ICR) based on the net asset value relating to Wholesale Units s for the period 1 July 2019 to 30 June 2020 and incorporates the effect of gearing. Refer to page 30 for further details about the ICR. What your investment in the Trust costs you will also depend on the fees you negotiate with the Trust (where applicable) or with your financial adviser.  
 3. Additional fees may apply. Refer to 'investor transaction costs' on page 31.  
 4. It is assumed that the contribution of \$5,000 is made at the end of the year.

## Additional explanation of fees and costs

### Management cost calculations

The table below provides a summary of the Wholesale Unit's estimated management costs calculated on a gross asset value compared with a net asset value basis (which excludes the Trust's liabilities) for the period 1 July 2019 to 30 June 2020.

	Gross asset value p.a.	Net asset value p.a.
Base management fee	0.65%	0.84%
PLUS: Indirect cost	0.00%	0.00%
PLUS: Recoverable expenses	0.19%	0.24%
<b>Total management costs</b>	<b>0.84%</b>	<b>1.08%</b>

### 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 management fee in performing our duties in relation to the Trust.

We have decided to charge a reduced base management fee of 0.65% pa of the GAV of the Wholesale Units' share of the Trust's GAV under \$2 billion and 0.50% pa of the gross asset value of the Wholesale Units' share of the Trust's GAV above \$2 billion.

Subject to legal requirements, we are entitled to change fees with prior notice to you as described on page 31.

### Example of the base management fee

The following is an example of how the tiered base management fee should be applied over a 12 month period. It assumes the Trust's average gross asset value is \$3.2 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	Fee pa
Tier 1	\$2bn	\$1.4bn	0.65%	\$9.1m
Tier 2	\$1.2bn	\$0.84bn	0.50%	\$4.2m
<b>Total</b>	<b>\$3.2bn</b>	<b>\$2.24bn</b>		<b>\$13.3m</b>

### Indirect Costs

Indirect costs are generally amounts that the Responsible Entity knows, or estimates, 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 an unlisted trust in which the Trust has invested.

Indirect costs may include the management costs (including performance related fees, recoverable expenses and 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 managed by us or our associates. Where this occurs, management fees are not taken from each fund. Instead, our management fees will be adjusted to reflect the Trust fees described above.

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 managed by third parties not related to us, any management fees charged by those parties will be recovered from and reflected in the performance of the Trust.

### Recoverable expenses

Under the Trust's constitution we are entitled to be reimbursed for, or have paid by the Trust, all expenses and taxes we incur in the proper performance of our duties. Refer to the 'Other information' section for further details on taxes incurred.

Recoverable expenses are expenses generally incurred in the day-to-day operation of a fund and include, for example: registry costs, legal, custodian services, compliance and related administration functions, accounting, printing, audit and asset management related fees, including related party property management services described under 'Australian Unity Property Management' on page 18. These costs are shown in the table under 'Fees and other costs'.

These estimates are based upon the net asset value relating to the Wholesale Units of the Trust for the financial year ended 30 June 2020. We estimate the Trust's recoverable expenses for the year to 30 June 2021 will be 0.15% p.a. of the

average gross asset value relating to Wholesale Units of the Trust.

Recoverable expenses are accrued as and when incurred by the Trust or its underlying funds, and therefore the amount recovered each month may vary.

This estimate excludes 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;
- irregular operating expenses which are due to abnormal events such as the cost of running investor meetings; and
- costs of borrowing, including arrangement, establishment and interest costs.

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

### Indirect Cost Ratio ('ICR')

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

The ICR shows the cost of investing in the Wholesale Units compared to investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the Wholesale Unit's average net asset value over the period. The ICR does not include transaction costs or buy/sell spreads, brokerage, borrowing costs, transactional and operational costs and Government charges incurred by the Trust as these costs would generally also be incurred by an investor investing directly.

The ICR for the period 1 July 2019 to 30 June 2020 was 1.08% as a percentage of the average net asset value of the Wholesale Units.

### Transactional and operational costs and borrowing costs

The table below provides a summary of the estimated direct and underlying investments' transactional and operational costs and borrowing costs relating to the Trust's Wholesale Units. It is calculated on the Trust's average gross asset value (which excludes the Trust's liabilities) for the 12 months to 30 June 2020. These costs are borne by the Trust and taken into account when determining distributions to investors.

Transactional and operational costs and borrowing costs	
Transactional and operational costs (other than borrowing costs)	1.36%
LESS: Buy and sell spreads recovered	0.56%
<b>EQUALS: Net transaction and operational costs borne by the Trust</b>	<b>0.80%</b>
Borrowing costs	1.26%

### Transactional and operational costs

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

These costs relate to the activities involved in acquiring, disposing and operating the properties as going concerns. These costs set out in the fee table on page 28.

Some examples of these expenses include:

- stamp duty and other government charges;
- cost of making an investment, such as spreads or brokerage costs;
- leasing fees;
- rental review fees;
- agency sales fees;
- non recoverable property expenses; and
- general property maintenance.

These costs form part of the Trust's total 'transactional and operational costs' amounts set out above.

Costs recovered from the tenants of the Trust's properties are not a cost which is borne by the Trust and therefore are not included in the transactional and operational costs.

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

### Borrowing costs

The Trust borrows to finance new and existing assets, to develop and maintain those assets, and to provide liquidity for operating purposes and managing the Trust's working capital. The costs involved with Trust borrowings are recoverable from the Trust and are additional to the management costs set out in the fee table on page 28.

Such costs may include:

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

The Trust's underlying investments may also incur borrowing costs for these activities.

### Buy/Sell spread

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

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



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

Wholesale Units	
Buy Spread	1.50%
Sell Spread	0.50%

Based on the spreads noted above, an investment of \$50,000 would incur a buy spread of \$750 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.

#### **Investor transaction 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.

#### **Wholesale clients**

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

#### **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.

For actual fees charged, refer to page 28.

#### **GST**

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

#### **Payments to financial advisers and intermediaries**

The Corporations Act 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.

## Other information

### 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 tax implications of investing in the Trust.

#### 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.

#### 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.

### 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.

#### Capital gains

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

#### When you withdraw

When you fully or partially withdraw or redeem your investment in the Trust, you are treated as having disposed of your investment 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.

## 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.

### 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.

### Goods and services tax ('GST')

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

### Australian Tax Reform

Australia is in the process of ongoing taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of the reforms. 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.

### Constitution

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

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

### Classes of Units

The Constitution provides that the Responsible Entity may create and issue units of different classes with such rights, obligations and restrictions attaching to the units of such classes as it determines, in accordance with the Corporations Act. 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).

### 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.

### Labour standards or environmental, social or ethical considerations

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

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

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

For further information or to obtain a copy of the Direct Property Responsible Investing Policy please contact us.

### 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.

### Related party transactions

Refer to Related party activity on page 17 for information on the Trust's related party transactions.

### 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.

### 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](http://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.

### 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.

### 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	
Confirmation of subsequent applications (excluding those made using a Regular Savings Plan) and redemptions	At the time of the transaction
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](http://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](http://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](http://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.

### 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](mailto: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 45 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](http://www.afca.org.au)

Email: [info@afc.org.au](mailto:info@afc.org.au)

Telephone: 1800 931 678 (free call)

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

## Glossary

Term	Definition
AFS	Australian Financial Services.
AMIT	Attribution Managed Investment Trust.
ASIC	Australian Securities & Investments Commission.
Associated Investors	<p>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:</p> <ul style="list-style-type: none"> <li>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);</li> <li>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;</li> <li>the investor is an 'associated person' of one or more existing investors under a Duties Act of a State or Territory.</li> </ul>
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.
Closing Date	expected to be 5:00pm 12 July 2021
Constitution	the Constitution of Australian Unity Healthcare Property Trust as amended from time to time.
EFT	Electronic Funds Transfer
Entitlement	the amount of Wholesale Units able to be subscribed for by an Existing Investor.
Existing Investor	<p>An investor in the Trust who at 5pm on the Record Date has a registered address in Australia or New Zealand and holds:</p> <ul style="list-style-type: none"> <li>Retail Units</li> <li>Wholesale Units; or</li> <li>Class A Units.</li> </ul>
FFO	funds from operations.
GAV	The Gross Asset Value is the sum of value of property the Trust owns.
HDC	Herston Development Company Pty Ltd ABN 53 617 139 009.
Issue Date	Expected to be 12 July 2021
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. The Maximum Limit is 15% of the Trust's net tangible assets.
MNH	Metro North Health.
Offer	the offer of Wholesale Units pursuant to this PDS.
Opening Date	Expected to be 9 June 2021.
Premium Cash Offer	the Premium Cash Offer referred to on page 3 of this PDS.
PDS	this Product Disclosure Statement dated 9 June 2021.
REIT	Real Estate Investment Trust.
Record Date	4 June 2021
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 \$18.9193 held as at 5.00pm on the Record Date, plus an additional \$2,500 of Wholesale Units.
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.