

# Announcement

2 June 2020

## Australian Unity Diversified Property Fund (Fund) – ARSN 106 724 038

### May 2020 Property Revaluations

As part of our active management approach and in response to recent property market uncertainty resulting from the COVID-19 pandemic, we have independently valued 82% (by total book value) of the Fund's properties in May 2020. As a result, 100% of the Fund's direct property assets have been subject to a full independent valuation since 31 March 2020. Any changes to valuations were reflected in the unit price for the Fund's withdrawal facility paid in May 2020.

As ever, our focus is to act in the best interest of investors. We will continue to monitor the impacts of the COVID-19 pandemic and further valuations may be undertaken from time to time if we believe it is appropriate to do so.

The Fund's properties that were independently valued in May 2020 showed a net increase of \$9.81 million or 2.64% from the properties' previous valuation. Compared to the pre-valuation book values, the independent valuations resulted in a 0.21% net decrease.

The material valuations included:

**278 Orchard Road, Richlands QLD** – The independent value of the property increased by \$1.09 million or 1.81% from the property's previous book value prior to valuation. The increase is due to improved leasing arrangements offset by a reduction in leasing and down time allowances.

**Woodvale Boulevard Shopping Centre, WA** – The independent value of the property increased by \$540,476 or 1.69% from the property's previous book value prior to valuation. This increase is due to better than expected leasing outcomes.

**Busselton Shopping Centre, WA** – The independent value of the property decreased by \$2.8 million, or 5.81% from the property's previous book value prior to valuation. The decrease is primarily due to changed assumptions in letting up and downtime leasing allowances as a result of market uncertainty resulting from COVID-19, and capital costs associated with early works for the Centres Stage 3 development.

### Valuation details:

Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
Caltex Twin Service Centres, Wyong NSW	\$99,000,000	\$97,849,817	\$99,000,000	6.50%	6.50%	\$1,150,183	1.18%
278 Orchard Road, Richlands QLD	\$59,000,000	\$60,406,989	\$61,500,000	7.25%	7.25%	\$1,093,011	1.81%
North Blackburn Shopping Centre, VIC	\$58,000,000	\$60,807,051	\$61,000,000	6.00%	6.00%	\$192,949	0.32%
Dog Swamp Shopping Centre, WA	\$49,500,000	\$51,162,643	\$50,500,000	6.00%	6.50%	(\$662,643)	(1.30%)
Busselton Shopping Centre, WA <sup>1</sup>	\$42,450,000	\$48,202,819	\$45,400,000	6.75%	6.25%	(\$2,802,819)	(5.81%)
Woodvale Boulevard Shopping Centre, WA	\$31,800,000	\$31,959,524	\$32,500,000	6.25%	6.50%	\$540,476	1.69%

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Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
19 Corporate Avenue, Rowville VIC	\$17,500,000	\$17,500,637	\$17,500,000	6.75%	6.75%	(\$637)	0.00%
6-8 Geddes St, Balcatta WA	\$12,250,000	\$12,220,000	\$12,000,000	7.00%	6.25%	(\$220,000)	(1.80%)
5 Kenhelm St, Balcatta WA	\$1,950,000	\$1,950,000	\$1,860,000	n/a	n/a	(\$90,000)	(4.62%)
<b>Total</b>	<b>\$371,450,000</b>	<b>\$382,059,480</b>	<b>\$381,260,000</b>	<b>n/a</b>	<b>n/a</b>	<b>(\$799,480)</b>	<b>(0.21%)</b>

Note:

<sup>1</sup> Includes Busselton Target, Busselton Rivers and vacant land in Kent Street/Prince Street Busselton settled in March 2020 in WA. Cap rate is only representative of Busselton Central, expansion parcels are excluded.

As at 21 May 2020, the Fund's gearing ratio was 40.58% and the gross assets stood at \$518.55 million with total borrowings of \$210.43 million

### More information

We regularly provide up to date information about the Fund, including quarterly Fund Updates and continuous disclosure information. These contain current information about the Fund's gearing, interest cover, borrowings, Fund diversification, valuation policy, related party transactions, distribution practices and withdrawal rights.

Please refer to the 'Fund Information' section of this website or contact Investor Services on 13 29 39 for copies of the Fund Update.