

26 September 2019

Australian Unity Diversified Property Fund – ARSN 106 724 038

Proposed merger with the Australian Unity Retail Property Fund

Australian Unity Property Limited (AUPL) as responsible entity of the Australian Unity Diversified Property Fund (Fund) presented a proposal dated 23 September 2019 for the consideration of the unitholders of the Fund. The proposal is to:

- merge the Fund with Australian Unity Retail Property Fund (RPF), whereby the Fund will acquire all securities on issue in RPF, based on the Net Tangible Asset per security of RPF as at the Implementation Date of the merger; and
- subject to the merger proceeding, provide a once-off increase to the Fund's Capped Withdrawal Facility so that it is \$15 million.

For the proposal to proceed:

1. Unitholders in the Fund must approve the Resolutions set out in the Notice of Meeting and Explanatory Memorandum;
2. Securityholders in RPF must approve the resolutions set out in a separate notice of meeting and explanatory memorandum; and
3. the merged Fund refinances its debt facility.

Overall, the responsible entity of the Fund considers that the proposal offers benefits to the Fund investors and recommends investors vote in favour of the proposal.

Investors should read the Fund's Product Disclosure Statement (PDS) dated 18 September 2019, the First Supplementary Product Disclosure Statement (First SPDS) dated 23 September 2019 and the important information incorporated by reference in the Explanatory Memorandum dated 23 September 2019 before making a decision. These documents are currently available on the Fund's website australianunity.com.au/wealth/dpf. For more information about RPF, please go to our website australianunity.com.au/wealth/rpf.

We will provide further updates as the proposed merger progresses.

Change to the base management fee

Included with the issue of the Explanatory Memorandum, was a notice to investors that AUPL intends to simplify the Fund's base management fee. Effective on and from 23 October 2019, the base management fee for the Fund will be 0.65% p.a. of the gross asset value of the Fund. The Fund's base management fee described in the PDS will remain in effect until 22 October 2019.

Other changes to the Fund

Other changes to the Fund, depending on if the proposal proceeds or not, are detailed in First SPDS dated 23 September 2019 and include the following:

- Changes to fees, including the Fund's performance fee and introduction of an acquisition fee and removal/retirement fee;
- Temporary suspension of applications;
- Changes to cooling off rights; and
- Temporary changes to the Fund's Capped Withdrawal Facility.

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, diversification, valuation policy, related party transactions, distribution practises and withdrawal rights.

Please refer to the 'Fund Information' section of this website or contact Investor Services on 13 29 39 (select Option 4) for copies of these documents.

Australian Unity Property Limited, ABN 58 079 538 499, AFS Licence No 234455
Address 271 Spring Street, Melbourne, VIC 3000 Investor Services 13 29 39 Adviser Services 1800 649 033
Website australianunity.com.au/wealth Email investments@australianunity.com.au

Applicable to
Australian Unity Diversified Property Fund – Ordinary Units YOC0018AU