

Announcement

1 November 2023

Australian Unity Future of Healthcare Fund

Product features change

We are pleased to advise that we have implemented a number of product feature changes for the Australian Unity Future of Healthcare Fund (Fund) which come into effect on 1 November 2023 (these are outlined below). It is important to note that these changes apply to all Unit Classes of the Fund.

Effective 1 November 2023, we have issued an updated Information Memorandum (IM) for the Wholesale Units which remain open for investment. The IM reflects these product feature changes.

Investment strategy change

Following a strategic review of the Fund, management has decided to amend the indicative strategic asset allocation of the Fund. The Fund will no longer invest in direct real estate, nor does it intend to borrow. The Fund does not hold any direct real estate or any borrowings at present. The previous indicative strategic asset allocation ranges and the new indicative strategic asset allocation ranges are detailed below:

Asset class	Previous indicative strategic asset allocation range	New indicative strategic asset allocation range
Venture capital and private equity	0% - 60%	0% - 60%
Listed equities	0% - 100%	15% - 100%
Social infrastructure & health related real estate	0% - 40%	0%
Cash	0% - 25%*	0% - 25%*

* The cash balance may increase above the indicative strategic asset allocation range on a temporary basis to manage the Fund's payment of redemptions and preparing to make an investment.

Target return

We have changed the Fund's target return from achieving pre-fee returns in excess of 12% p.a. over rolling five-year periods to achieving pre-fee returns in excess of the MSCI World Healthcare Index Unhedged in AUD +1.0% p.a. over rolling five-year periods.

Fees and costs

We have updated the IM to broadly align with the revised fee and costs requirements set out in ASIC's Regulatory Guide 97 (Disclosing Fees and Costs in PDSs and Periodic Statements) (RG97), and other changes set out below. We have changed the basis of fees and costs calculations from "Gross Asset Value" to "Net Asset Value" (noting the Fund does not intend to borrow).

We periodically review the expenses incurred as part of the Fund's day-to-day operations. Previously we had capped recoverable expenses within the Fund at 0.25% p.a. (exclusive of GST). However, to enable to the management team and the advisory committee to conduct the required research and due diligence activities related to investments in private equity and venture capital and important thematic opportunities, effective from 1 November 2023 we have removed the cap on the Funds' day-to-day expenses ('recoverable expenses').

Recoverable expenses – Recoverable expenses are estimated to be 0.68% p.a. (inclusive of GST) of the Net Asset Value of the Fund.

Buy and sell spread change – The Fund is introducing buy and sell spreads as follows:

Unit class	Buy spreads	Sell spreads
Class A Units	0.15%	0.15%
Ordinary Units	0.15%	0.15%
Wholesale Units	0.15%	0.15%

Ordinary Units and Class A Units are not presently open for new applications.

Withdrawal arrangements

Management have reviewed the withdrawal arrangements for the Fund and restructured the Semi-Annual Liquidity Facility to be on ‘pro-rata’ basis. Redemptions, in aggregate, remain limited to 25% of the Fund’s Net Asset Value but will be managed on a ‘pro-rata’ basis for all redemptions requests received during the liquidity window (rather than on a ‘queued’ basis). A Semi-Annual Liquidity Facility booklet and withdrawal request form will be made available on or around 18 December 2023 when the initial lock-up period of the Fund ends. No investor withdrawals are currently permitted. Withdrawal requests are only able to be accepted by the Fund from 18 December 2023. Following the initial lock up period, there will be Semi-Annual Liquidity Windows offered in March and September each year.

The Fund is introducing the option to use a ‘Carry forward facility’ under which any unfulfilled part of a pro-rated withdrawal request will be automatically carried forward to the next available Semi-Annual Liquidity Window and treated as a new request for any unfulfilled amounts.

Minimum withdrawal amount

The minimum withdrawal amount for the Fund has been reduced from \$50,000 to \$10,000.

More information

We regularly provide up-to-date information about the Fund on our website, including quarterly Fund Updates. Please refer to the ‘Fund information’ section of this website or contact Investor Services on 1300 997 774 (or overseas +61 3 9616 8687) for copies of the Fund Updates.

Important information

The Australian Unity Future of Healthcare Fund (Fund) comprises stapled security of units in the Australian Unity Future of Healthcare Fund No.1 (Trust No.1) and the Australian Unity Future of Healthcare Fund No. 2 (Trust No.2). Units are issued by Australian Unity Funds Management Limited (AUFM) ABN 60 071 497 115, AFS Licence No. 234454 as Trustee for Trust No.1 and Trust No. 2. The Fund is only available to wholesale investors. The information in this announcement is general information only and is not based on the objectives, financial situation or needs of any particular investor. You should obtain financial and legal advice relevant to your circumstances before making investment decisions and you should obtain the latest Information Memorandum (IM) for the Fund to consider whether the product is appropriate. Copies of the IM are available at australianunity.com.au or by calling Investor Services on 1300 997 774 (or overseas +61 3 9616 8687). Investment decisions should not be made upon the basis of past performance or distribution rates since each of these can vary. Past performance is not a reliable indicator of future performance.