

## Retirement Village Retirement Village Investment Notes

### Retirement Investment Village Investment Notes (Notes)

#### - Series 1 (issued under Prospectus 4) 5 Year Notes (5 Year Notes)

These Notes will be extended for a further term upon maturity on 30 November 2016. After 30 November 2016, the Notes will be renamed as Series 1 (Prospectus 4) 2 Year Notes (2 Year Notes).

#### New terms of Series 1, Prospectus 4, 2 Year Notes

<b>Interest rate</b>	5.15% per annum
<b>Term</b>	2 years (from 1 December 2016 to 30 November 2018). We are permitted to write to investors at any time to repurchase the Notes, and make an early repayment in full before the Notes' maturity.
<b>Maturity date</b>	30 November 2018

The 2 Year Notes will otherwise have similar terms and conditions as stated in the Prospectus for the issue of the 5 Year Notes.

[Click here to view prospectus for the 5 Year Notes.](#)

Noteholders can refer to the following documents for more information about the Notes and an overview of the financial position of the issuer and its related companies.

- **Continuous Disclosure Notice**

The Continuous Disclosure Notice (CDN) provides information on how the Notes measure against a set of benchmarks issued by the Australian Securities and Investments Commission (ASIC) under Regulatory Guide 69: Debentures and notes: Improving disclosure for retail investors.

[Click here to view latest CDN.](#)

- **Financial information**

The financial information provide *Summary balance sheets* and *Statements of comprehensive income* of Australian Unity Finance Limited (the issuer) and its related companies – Australian Unity Retirement Living Investments Limited and Australian Unity Retirement Living Services Limited.

[Click here to view financial information as at 30 June 2016.](#)

#### More information

We regularly provide up to date information about the Notes, including the CDN and Quarterly Report on our website. Please refer to this website for more information.

#### Disclaimer

This notice is issued by Australian Unity Finance Limited ABN 35 114 646 070 ('Australian Unity Finance', 'issuer', 'we', 'us', 'our'), as authorised by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454 (upon an intermediary authorisation for the purposes of Section 911A(2)(b) of the Corporations Act 2001 (Cth)). Retirement Village Investment Notes – Series 1 ('Series 1 Notes'), Retirement Village Investment Notes – Series 2 ('Series 2 Notes'), Retirement Village Investment Notes – Series 3 ('Series 3 Notes') and Retirement Village Investment Notes – Series 4 ('Series 4 Notes') are issued by Australian Unity Finance. A reference to 'Australian Unity Retirement Living Investments' in this document is a reference to Australian Unity Retirement Living Investments Limited (ABN 27 114 646 098). A reference to 'Australian Unity Retirement Living Services' in this document is a reference to Australian Unity Retirement Living Services Limited (ABN 17 085 317 595). Australian Unity Property Limited (ABN 58 079 538 499, AFS Licence No. 234455) ('Australian Unity Property') is the Trustee of the Australian Unity Retirement Village Trust #1 and Australian Unity Retirement Village Trust #2. All amounts in this document are in Australian dollars (\$AUD). This information is intended only to provide a general update on the investment particulars of Series 1, Series 2, Series 3 and Series 4 Retirement Village Investment Notes. The information in this document is not based on the objectives, financial situation or needs of a particular investor. You should refer to the Retirement Village Investment Notes Prospectus relevant to your Note holding(s). If you wish to know more about this product a copy of the Prospectus is available from Australian Unity by contacting the Investor Services team on 13 29 39 or [investments@australianunity.com.au](mailto:investments@australianunity.com.au). The information provided here was current at the time of publication unless otherwise stated.

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

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## Financial information

### Australian Unity Finance Limited

#### Summary balance sheet information from the financial statements

Year ended	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Assets</b>					
Cash and deposits at call	2,457	8,901	18,099	8,444	8,345
Trade and other receivables	133	180	180	191	207
Australian Unity Retirement Living Investments Limited loan	56,323 <sup>1</sup>	70,264	61,800	61,800	61,800
Financial assets at fair value through profit and loss	6,908	-	-	-	-
Other non-current assets	-	-	-	-	-
Deferred Tax Asset	-	3	6	15	6
<b>Total Assets</b>	<b>65,821</b>	<b>79,348</b>	<b>80,085</b>	<b>70,450</b>	<b>70,358</b>
<b>Liabilities</b>					
Trade and other payables	(741)	(1,016)	(1,805)	(994)	(1,170)
Notes on issue	(56,323) <sup>2</sup>	(70,264)	(70,394)	(61,800)	(61,800)
Deferred tax liabilities	(157)	-	-	-	-
<b>Total Liabilities</b>	<b>(57,221)</b>	<b>(71,280)</b>	<b>(72,199)</b>	<b>(62,794)</b>	<b>(62,970)</b>
<b>Net Assets</b>	<b>8,600</b>	<b>8,068</b>	<b>7,886</b>	<b>7,656</b>	<b>7,388</b>
<b>Shareholder's Equity</b>					
Share Capital	6,000	6,000	6,000	6,000	6,000
Retained Earnings	2,600	2,068	1,886	1,656	1,388
<b>Total Shareholder's Equity</b>	<b>8,600</b>	<b>8,068</b>	<b>7,886</b>	<b>7,656</b>	<b>7,388</b>
<b>Asset/Liability Ratio (minimum of 1.1)</b>	<b>1.15</b>	<b>1.11</b>	<b>1.11</b>	<b>1.12</b>	<b>1.12</b>

<sup>1</sup> Consists of interest bearing loans amounting to \$51.912m and non-interest bearing loans amounting to \$4.411m; the non-interest bearing loans were repaid in July 2016.

<sup>2</sup> Consists of interest bearing Notes amounting to \$51.912m and non-interest bearing Notes amounting to \$4.411m; the non-interest bearing Notes were repaid to Note holders in July 2016.

## Australian Unity Finance Limited

### Statements of comprehensive income

Year ended	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue and other income	4,969	5,580	5,287	5,511	5,727
Expenses, excluding finance costs	(114)	(139)	(103)	(103)	(96)
Finance costs	(4,095)	(5,181)	(4,855)	(5,025)	(5,201)
<b>Profit before income tax</b>	<b>760</b>	<b>260</b>	<b>329</b>	<b>383</b>	<b>430</b>
Income tax expense	(228)	(78)	(99)	(115)	(129)
<b>Profit after income tax</b>	<b>532</b>	<b>182</b>	<b>230</b>	<b>268</b>	<b>301</b>
<b>Total comprehensive income for the year</b>	<b>532</b>	<b>182</b>	<b>230</b>	<b>268</b>	<b>301</b>
<b>Profit for the year is attributable to:</b>					
Owners of Australian Unity Finance Limited	532	182	230	268	301
<b>Total comprehensive income for the year is attributable to:</b>					
Owners of Australian Unity Finance Limited	532	182	230	268	301

## Australian Unity Retirement Living Investments Limited

### Summary balance sheet information from the audited financial statements

Year ended	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Assets</b>					
Cash and deposits at call	1,326	1,824	1,757	1,757	1,322
Trade and other receivables	2	9,365	5,022	3,876	3,984
Loan receivable from Australian Unity Retirement Living Services Limited	16,394	16,394	770	7,800	7,800
Loan receivable from Australian Unity Limited	6,285	5,385	7,030	-	3,200
Units in Australian Unity Retirement Village Trust #1 at cost	41,863	41,863	39,663	39,663	34,488
Units in Australian Unity Retirement Village Trust #2 at cost	42,339	42,339	42,339	42,339	44,339
Deferred tax assets	1	-	-	-	-
<b>Total Assets</b>	<b>108,210</b>	<b>117,170</b>	<b>96,581</b>	<b>95,435</b>	<b>95,133</b>
<b>Liabilities</b>					
Trade and other payables	(480)	(1,443)	(2,996)	(3,378)	(5,136)
Australian Unity Finance Limited loan	(56,323) <sup>1</sup>	(70,264)	(61,800)	(61,800)	(61,800)
Deferred tax liabilities	-	-	(1)	-	-
<b>Total Liabilities</b>	<b>(56,803)</b>	<b>(71,707)</b>	<b>(64,797)</b>	<b>(65,178)</b>	<b>(66,936)</b>
<b>Net Assets</b>	<b>51,407</b>	<b>45,463</b>	<b>31,784</b>	<b>30,257</b>	<b>28,197</b>
<b>Shareholder's Equity</b>					
Share Capital	46,643	36,892	27,029	28,830	27,172
Retained Earnings	7,764	8,571	4,755	1,427	1,025
<b>Total Shareholder's Equity</b>	<b>51,407</b>	<b>45,463</b>	<b>31,784</b>	<b>30,257</b>	<b>28,197</b>
<b>Net Assets to Loan Ratio</b>					
= Net assets of Australian Unity Retirement Village Trust #1 + Australian Unity Retirement Village Trust #2 (held by Australian Unity Retirement Living Investments Limited)/loan to Australian Unity Finance Limited	<b>2.34<sup>2</sup></b>	<b>1.80</b>	<b>1.90</b>	<b>1.85</b>	<b>1.77</b>
<b>Australian Unity Retirement Village Trust #1 Valuations</b> (Net assets as per accounts)	<b>69,419</b>	<b>66,210</b>	<b>61,366</b>	<b>59,664</b>	<b>55,568</b>
<b>Market value of loan security based on units on issue in Australian Unity Retirement Village Trust #1</b>	<b>48,018</b>	<b>48,018</b>	<b>48,018</b>	<b>42,392</b>	<b>42,392</b>
<b>Australian Unity Retirement Village Trust #2 Valuations</b> (Net assets as per accounts)	<b>62,110</b>	<b>60,275</b>	<b>56,244</b>	<b>54,679</b>	<b>53,593</b>
<b>Market value of loan security based on units on issue in Australian Unity Retirement Village Trust #2</b>	<b>36,274</b>	<b>36,274</b>	<b>45,842</b>	<b>44,339</b>	<b>44,339</b>

<sup>1</sup> Consists of interest bearing loans amounting to \$51.912m and non-interest bearing loans amounting to \$4.411m; the non-interest bearing loans were repaid in July 2016.

<sup>2</sup> This takes into account \$4.411m of loans which were repaid in July 2016.

## Australian Unity Retirement Living Investments Limited

### Statements of comprehensive income

Year ended	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue and other income	8,168	8,509	9,306	6,563	5,297
Expenses, excluding finance costs	(4,870)	(527)	(2,818)	(3,216)	(4,500)
Finance costs	(4,413)	(5,534)	(5,261)	(5,167)	(5,344)
<b>Profit/(Loss) before income tax</b>	<b>(1,115)</b>	<b>2,448</b>	<b>1,227</b>	<b>(1,820)</b>	<b>(4,547)</b>
Income tax benefit	2,316	1,368	2,101	2,222	2,616
<b>Profit/(Loss) after income tax</b>	<b>1,201</b>	<b>3,816</b>	<b>3,328</b>	<b>402</b>	<b>(1,931)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>1,201</b>	<b>3,816</b>	<b>3,328</b>	<b>402</b>	<b>(1,931)</b>
<b>Profit/(Loss) after income tax for the year is attributable to:</b>					
Owners of Australian Unity Retirement Living Investments Limited	1,201	3,816	3,328	402	(1,931)
<b>Total comprehensive income/ (loss) for the year is attributable to:</b>					
Owners of Australian Unity Retirement Living Investments Limited	1,201	3,816	3,328	402	(1,931)

## Australian Unity Retirement Living Services Limited

### Summary balance sheet information from the audited financial statements

Year ended	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Assets – Current Assets</b>					
Cash and cash equivalents	92	118	161	522	267
Trade and other receivables	1,987	4,956	579	2,978	7,794
Inventories	-	-	-	-	3
Loans, advances and receivables	51,874	44,993	22,062	3,900	14,335
<b>Total Current Assets</b>	<b>53,953</b>	<b>50,067</b>	<b>22,802</b>	<b>7,400</b>	<b>22,399</b>
<b>Assets – Non-Current Assets</b>					
Loans, advances and receivables	31,346	31,317	30,653	37,393	37,395
Investments in subsidiaries	142,207	141,096	113,061	145,436	154,933
Property, plant and equipment	2,385	1,594	1,431	4,471	3,722
Investment properties	1,449	432	218	3,334	3,512
Deferred tax assets	2,497	2,412	1,756	1,565	1,313
Intangible assets	2,163	889	447	103	158
Investment in Joint Ventures	7,312	4,500	-	-	-
<b>Total Non-Current Assets</b>	<b>189,359</b>	<b>182,240</b>	<b>147,566</b>	<b>192,302</b>	<b>201,033</b>
<b>Total Assets</b>	<b>243,312</b>	<b>232,307</b>	<b>170,368</b>	<b>199,702</b>	<b>223,432</b>
<b>Liabilities – Current Liabilities</b>					
Trade and other payables	(3,543)	(1,727)	(6,038)	(12,839)	(2,069)
Interest bearing liabilities	(36,000)	(52,030)	(29,092)	(3,085)	(49,146)
Non-interest bearing liabilities	(56,555)	(3,800)	(3,800)	(39,937)	(5,700)
Provisions	(344)	(224)	(78)	(202)	(27)
<b>Total Current Liabilities</b>	<b>(96,442)</b>	<b>(57,781)</b>	<b>(39,008)</b>	<b>(56,063)</b>	<b>(56,942)</b>
<b>Liabilities – Non-Current Liabilities</b>					
Interest bearing liabilities	(16,394)	(16,394)	(770)	(7,800)	(7,800)
<b>Total Non-Current Liabilities</b>	<b>(16,394)</b>	<b>(16,394)</b>	<b>(770)</b>	<b>(7,800)</b>	<b>(7,800)</b>
<b>Total Liabilities</b>	<b>(112,836)</b>	<b>(74,715)</b>	<b>(39,778)</b>	<b>(63,863)</b>	<b>(64,742)</b>
<b>Net Assets</b>	<b>130,476</b>	<b>158,132</b>	<b>130,590</b>	<b>135,839</b>	<b>158,690</b>
<b>Equity</b>					
Contributed equity	158,475	184,873	161,558	162,658	177,819
Accumulated losses	(27,999)	(26,741)	(30,968)	(26,819)	(19,129)
<b>Total Equity</b>	<b>130,476</b>	<b>158,132</b>	<b>130,590</b>	<b>135,839</b>	<b>158,690</b>

## Australian Unity Retirement Living Services Limited

### Statements of comprehensive income

Year ended	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12
	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue and other income	13,124	11,868	1,643	4,311	6,379
Expenses, excluding finance costs	(12,543)	(1,352)	(5,220)	(14,020)	(12,495)
Finance costs	(5,875)	(7,006)	(1,971)	(2,119)	(7,331)
<b>Profit/Loss before income tax</b>	<b>(5,294)</b>	<b>3,510</b>	<b>(5,548)</b>	<b>(11,828)</b>	<b>(13,447)</b>
Income tax benefit	4,036	717	1,399	4,138	4,928
<b>Profit/Loss after income tax</b>	<b>(1,258)</b>	<b>4,227</b>	<b>(4,149)</b>	<b>(7,690)</b>	<b>(8,519)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(1,258)</b>	<b>4,227</b>	<b>(4,149)</b>	<b>(7,690)</b>	<b>(8,519)</b>
<b>Profit/(Loss) after income tax for the year is attributable to:</b>	<b>(1,258)</b>	<b>4,227</b>	<b>(4,149)</b>	<b>(7,690)</b>	<b>(8,519)</b>
Owners of Australian Unity Retirement Living Services Limited					
<b>Total comprehensive income/(loss) for the year is attributable to:</b>	<b>(1,258)</b>	<b>4,227</b>	<b>(4,149)</b>	<b>(7,690)</b>	<b>(8,519)</b>
Owners of Australian Unity Retirement Living Services Limited					

WARNING: Past performance is not a guide to future performance.

A copy of the latest consolidated Annual Report for Australian Unity Limited and the entities it controlled at the end of, or during, the last financial year is available on our website in the 'About Australian Unity' section at [australianunity.com.au](http://australianunity.com.au), or by contacting us on 13 29 39 during business hours.