Australian Unity Diversified Property Fund

ARSN 106 724 038

Announcement – 8 October 2015

Property revaluations and settlement

Six properties were independently valued during September 2015. Overall, valuations increased by $856,056 or 1.95%, from the properties book value immediately prior to valuation.

The valuation increase of the Busselton Central Shopping Centre, WA was due to a change in the capitalisation rate from 8.00% to 7.75% as a result of the buoyant transactional market.

The valuation increase of 6-12 Geddes Street, Balcatta, WA was due to an increase in property income. The capitalisation rate remained steady at 8.25%.

The valuation increase of the property located at 5 Kenhelm Street, Balcatta, WA was due to an increase in the land value as a result of the prospect of amalgamation with the neighbouring property located at 6-12 Geddes Street, Balcatta, WA.

There were no changes to the property valuations for Busselton Target, WA and Busselton Rivers, WA. The capitalisation rates for these properties remained steady at 7.50%.

Valuation details:

<table>
<thead>
<tr>
<th>Property</th>
<th>Book value (prior to valuation)</th>
<th>New independent valuation</th>
<th>Previous capitalisation rate</th>
<th>New capitalisation rate</th>
<th>Variance to book value</th>
<th>Variance to book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Busselton Central Shopping Centre, WA</td>
<td>$24,486,341</td>
<td>$25,000,000</td>
<td>8.00%</td>
<td>7.75%</td>
<td>$513,659</td>
<td>2.10%</td>
</tr>
<tr>
<td>Lots 34 &amp; 36 Geddes Street, Balcatta, WA</td>
<td>$10,503,560</td>
<td>$10,800,000</td>
<td>8.25%</td>
<td>8.25%</td>
<td>$296,440</td>
<td>2.82%</td>
</tr>
<tr>
<td>Busselton Target, WA</td>
<td>$4,050,000</td>
<td>$4,050,000</td>
<td>7.50%</td>
<td>7.50%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>5 Kenhelm Street, Balcatta, WA</td>
<td>$2,052,363</td>
<td>$2,100,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$47,367</td>
<td>2.32%</td>
</tr>
<tr>
<td>37 &amp; 39 Kent Street, Busselton, WA</td>
<td>$1,461,680</td>
<td>$1,460,000</td>
<td>N/A</td>
<td>N/A</td>
<td>($1,680)</td>
<td>(0.11%)</td>
</tr>
<tr>
<td>Busselton Rivers, WA</td>
<td>$1,450,000</td>
<td>$1,450,000</td>
<td>7.50%</td>
<td>7.50%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$44,003,944</strong></td>
<td><strong>$44,860,000</strong></td>
<td></td>
<td></td>
<td><strong>$856,056</strong></td>
<td><strong>1.95%</strong></td>
</tr>
</tbody>
</table>

At 30 September 2015 the Fund’s gearing ratio was 46.27% with gross assets at $274.73 million and total borrowings of $127.13 million.

Settlement of 19 Corporate Avenue, Rowville, VIC

We are pleased to advise that settlement on the property located at 19 Corporate Avenue, Rowville, VIC occurred on 30 September 2015 at a price of $15.1 million (excluding transaction costs). The acquisition of the industrial property is consistent with the Fund’s strategy to diversify the sector allocation of the portfolio, moving it closer to a neutral allocation for office, retail and industrial assets. The weighted average lease expiry by income for the Fund has improved from 4.40 years in June 2015 to be 4.44 years at 30 September 2015.

For 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 ‘Quick Links’ section of this website or contact Investor Services on 13 29 39 for copies of the documents.

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Notice applicable to:
Australian Unity Diversified Property Fund YOC0018AU