The Fund’s forecast distribution range for the year to 30 September 2020 is 6.1%-6.5%, based on the ex-distribution application price as at 30 September 2019.

This distribution return range forecast is made on the basis of a number of assumptions and estimates, which are detailed below.

The forecast distribution return ranges are not guaranteed and are provided only to indicate current distribution projections for the Fund. We emphasise that investment decisions should not be based on forecast returns, past performance, distribution rate, or the ratings given by a ratings agency for the Fund, since these can vary, and are current only to the date of publication (30 October 2019).

Forecast assumptions
A range of assumptions have been used when calculating the distribution forecasts. Where possible, assumptions have been based on information contained in unaudited management accounts or on existing contracts and agreements. Investors should be aware that actual results may vary significantly from those forecast, as future events may not occur in accordance with the assumptions detailed below.


For information on the risks of investing and the risks associated with the Fund, refer to the Product Disclosure Statement (dated 18 September 2019) and Supplementary Product Disclosure Statement (dated 23 September 2019).

The merger with the Australian Unity Retail Property Fund was implemented on 24 October 2019

- **Consumer Price Index (CPI)** – Inflation assumed as per the Deloitte Access Economics national CPI forecast at 181% for 12 months.

- **Average forecast interest rates on borrowed funds** – Uses existing average cost of borrowing which has been agreed with our financiers and assumes the facilities are renewed at expiry on existing terms, and that there are no material changes in market interest rates, hedging policy or arrangements.

- **Changes to competitive or regulatory environment** - No changes assumed.

- **Property sales and acquisitions** – Through active asset management, a program of asset acquisitions and disposals is constantly reviewed by the manager. There are no assumed transactions in the forecast.

- **Fees** – No changes assumed. Management fees assumed in accordance with existing investor disclosure and the Fund’s Constitution at 0.65% (before GST) of gross asset value depending on the class of assets (effective 24 October 2019).

- **Expenses** – Growth in property related expenses have been assumed to increase by CPI and included in net property income.

- **Income** – The projected rental income and outgoings recoveries have been based on existing rental agreements and management forecasts for existing vacancies and future lease expiries.

Assumptions regarding potential vacancies, leasing renewals and fees have been calculated on a lease-by-lease basis, taking into account expected market conditions at the time of expiry.

- **Capital expenditure** – Capital expenditure during the forecast period has been taken into account based on latest available information.

- **Applications** – A moderate level of applications have been assumed for the forecast 12-month period.

- **Redemptions** – Assumed level of redemptions are based on withdrawals of approximately 2.5% of the forecast net assets of the Fund every quarter.

To assist in assessing the significance of key assumptions used in forecast distributions, the sensitivity to changes in some key assumptions are detailed below. This sensitivity analysis is a forecast only and variations in the actual performance may exceed the ranges shown.

- **Increase in interest rates by 0.50%** - A change in interest rates of 0.50% would not vary forecast distributions for the 12-month period, particularly given the current and forecast interest rate hedge ratios.

- **Development of property** – Timing of potential developments will not have a material adverse impact on the forecast distribution range over the 12-month period.

- **Sale of property** – The Fund is not contemplating any sale of properties over the next 12 months.

- **Acquisition of a new property** – Any acquisition will generally be a neutral or accretive to distributions.

- **Change in level of applications** – An increase or decline in applications will be unlikely to have a material impact on forecast distribution levels over the 12-month period.

- **Change in level of redemptions** – A decline in the level of redemptions from the Fund would have no material impact upon the forecast distribution.
Important Information
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