

Media release

16 July 2021

Australian Unity Healthcare Property Trust investors vote against NorthWest/GIC proposal

Australian Unity Funds Management Limited as Responsible Entity of the Australian Unity Healthcare Property Trust (AUHPT) announces that NorthWest Healthcare Properties Real Estate Investment Trust and Singaporean sovereign wealth fund, GIC Private Limited, (together NorthWest/GIC) has withdrawn its proposal to acquire 100% of units in the AUHPT.

In addition, during a hearing at the NSW Supreme Court, NorthWest advised that the meeting it had convened would be cancelled, following an overwhelming AUHPT unitholder turnout and vote against its proposal.

As at 14 July 2021, a total of 3,102 AUHPT unitholders, representing 40% of total unitholders, had cast their votes via AUFM's proxy forms. Of the 3,102 unitholders that had voted, 99%, or 3,068 unitholders had voted 'Against' the NorthWest/GIC proposal and 12 unitholders, or 0.4%, had voted 'For' the NorthWest/GIC proposal. More than 28% of AUHPT's total units had already been voted 'Against' the proposal via AUFM proxy forms. These voting numbers exclude NorthWest and Hume interests as well as Australian Unity related entities and Dexu interests.

Mr Rohan Mead, Chair of Australian Unity Funds Management Limited said that he was pleased that the matter was resolved for AUHPT's smaller, self-directed investors who voted overwhelmingly against the NorthWest/GIC proposal.

"The outcome speaks to three key elements that fundamentally matter for AUHPT investors: due process, good governance, and consistent performance."

"Investors have sent a clear message that they support the Board of AUFM to continue to act in their best interests. For more than 21 years' investors have put their trust in the team to manage these critical healthcare assets on their behalf."

"At no point were AUHPT unitholders by-standers in this process. It has been clear to us during our thousands of discussions over many years and more recently, that investors care passionately about the assets in the AUHPT and how they are managed — not only for the income they produce, but because of the role they play in the delivery

of critical healthcare services for Australians”, he said.

Mr. Mark Pratt, Executive General Manager, Property, Australian Unity said the outcome is also a humbling endorsement of AUHPT’s management and its approach to generating value and delivering long-term sustainable income for investors.

“Throughout this process, investors kept giving us the same feedback: a preference for income and desire for long term returns, concerns about negative tax implications of a potential cash sale of investors’ AUHPT units, and the lack of alternatives to re-invest proceeds with a similar risk and return profile.”

“To have over 3,000 unitholders turn out, with the overwhelming majority (>99%) voting against this proposed resolution speaks volumes for the long-term prospects for AUHPT and the trust which unitholders have placed in management to deliver. We do not take that support lightly and will continue to work hard to deliver strong income and enhance returns for unitholders.”

“The strength of AUHPT’s \$1 billion development pipeline, Australian ownership of unique healthcare and medical infrastructure, and the very attractive current market conditions for the healthcare real estate sector are also front of mind for many of AUHPT’s unitholders”, Mr Pratt said.

“For months now, thousands of AUHPT investors have waded through an inordinate amount of material related to the proposal. This was an unprecedented, unsolicited proposal from foreign entities to take over an Australian unlisted property trust comprising thousands of mum and dad investors. Unitholders have had their say and they couldn’t have been clearer”, he said.

ENDS

Timeline of key activity

December 2020: NorthWest/GIC commenced its takeover bid for AUHPT by entering into put/call arrangements with Hume Partners over 16.2% of units in AUHPT which it agreed to pay at least \$50 million.¹

Soon after NorthWest/GIC made an offer of a \$58 million facilitation fee to achieve the retirement of AUFM as RE of the AUHPT.

¹ NorthWest made agreements to pay the Hume interests a substantial payment which would appear to be in addition to the amount the Hume interests would receive in connection with the NorthWest/GIC proposal. We understand from NorthWest’s disclosures on this point that NorthWest has already paid the Hume interests approximately \$50 million in consideration for the option agreements, which is non-refundable.

17 February 2021: AUFM received the first proposal from NorthWest/GIC at approx. \$2.20 per AUHPT wholesale unit.

12 March 2021: AUFM received a second proposal from NorthWest/GIC at \$2.35 per AUHPT wholesale unit.

24 May 2021: AUFM received a third proposal from NorthWest/GIC at \$2.55 per AUHPT wholesale unit.

9 June 2021: Australian Unity announced an equity raise of approximately \$320 million to fund the AUHPT's \$1 billion development pipeline, including a rights issue to unitholders and a premium cash offer from Australian Unity to provide liquidity to unitholders at a premium to NorthWest/GIC's offer at that time. Concurrently, AUFM commenced legal proceedings in the Supreme Court of NSW to seek judicial advice in relation to matters associated with the proposal from NorthWest/GIC.

15 June 2021: AUFM received fourth 'best and final' offer from NorthWest/GIC at \$2.70 per AUHPT wholesale unit.

17 June 2021: NSW Supreme Court ordered the adjournment of the meeting convened by NorthWest/GIC from 1 July 2021 to 19 July 2021.

14 July 2021: NorthWest/GIC withdrew the proposed resolution.

About AUHPT

AUHPT's portfolio consists of unique healthcare and medical infrastructure assets that are necessary to support Australia's future healthcare needs. It is the last remaining scale portfolio of hospital and healthcare assets in the Australian market that remains Australian owned. AUHPT's management team continue to deliver on its objective to provide investors consistent and sustainable income returns, together with long-term capital growth. As at 30 April 2021, AUHPT total unitholder returns over the preceding 12-month period were 25.09% and five year total unitholder returns were 14.89% per annum.²

About Australian Unity

Established in 1840, Australian Unity was Australia's first member-owned wellbeing company and has 260,000 members and more than 700,000 customers. Our range of health, wealth and care products and services provides member, customer and community value that is supportive of personal and community wellbeing.
www.australianunity.com.au

² As at 30 April 2021. Based on AUHPT wholesale units, returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

Important information

Units in the Australian Unity Healthcare Property Trust (AUHPT) are issued by Australian Unity Funds Management Limited (AUFM) ABN 60 071 497 115 AFS Licence number 234454. AUFM is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

In deciding whether or not to acquire, hold or dispose of the product, investors should obtain a copy of the Product Disclosure Statement (PDS) and consider whether the product is appropriate to their particular circumstances and objectives. A copy of the relevant PDS is available at australianunity.com.au/wealth or by calling our Investor Services team on 1300 899 760. Prior to investing in any financial product, an investor should consult with a financial and/or tax adviser. Past performance is not a reliable indicator of future performance.

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