

Media Release

8 October, 2020

Australian Unity's Diversified Property Fund taps market for \$50 million

Australian Unity's \$526¹ million Diversified Property Fund (Fund) will seek approximately \$50 million from the market to fund its current circa. \$100 million development pipeline and acquire new direct property assets.

The Fund's existing portfolio includes nine properties ranging from industrial warehouses, to neighborhood retail and convenience centres, and a metropolitan office property. The Fund has continued to deliver stable and consistent returns despite current volatility, buoyed by an emphasis on defensive tenants providing essential services including supermarkets, pharmacies, food retailing, e-commerce and refrigerated warehousing.

Nikki Panagopoulos, Fund Manager, said the Fund's strong performance in recent months can, in part, be attributed to its longer-term strategy and the resilience of its portfolio driven by neighbourhood shopping centres.

"The COVID-19 pandemic has seen Australia's economy face its biggest contraction in almost a century, exposing the property sector to a range of unforeseen risks," Ms Panagopoulos said.

"The Fund owns defensive income producing assets, many of which have been expanded and improved over the last five years in line with community demand, which has been an effective way to help to maintain consistent returns for investors.

As an example, neighborhood retail shopping centres anchored by supermarkets – to which the Fund is exposed – have proven to be a lifeline for the communities they serve, particularly since March this year."

The capital raised will be used for the Fund's well-progressed \$60 million redevelopment of North Blackburn Shopping Centre in Melbourne's eastern suburbs and the final stage of its expansion at Busselton Central Shopping Centre in Western Australia's Margaret River region. It will also support the Fund's ability to make opportunistic acquisitions, and reduce gearing across the existing portfolio.

¹ Gross asset value at 30 June 2020

“One of the biggest challenges investors currently face is the scarcity of investment opportunities that can consistently deliver solid returns relative to the risk involved. Unlisted property investments that give investors access to a stable income stream, such as those cemented by defensive essential services and consumer staples, make a lot of sense,” Ms Panagopoulos said.

“Current market uncertainty and disruption is also presenting a number of compelling acquisition opportunities for the Fund and we are looking at well-located industrial or office property with strong defensive covenants and long lease terms to further diversify the portfolio.

Subject to satisfying certain conditions, investors participating in the capital raise will be eligible for a 30 per cent discount on the Fund’s base management fee² for a limited period, to be paid as two cash payments over a minimum 24 month investment period³.

DPF’s forecast distribution yield for the year to 30 June 2021 is 6.0 cents per unit based on its current unit price which represents an income yield of circa 5.8%. It has delivered a total return of 12.28% over 12 months, 12.79% pa over three years, 15.05% pa over five years and 11.57%pa over the decade to 30 June 2020.

ENDS

Further information:

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Disclaimer

The information provided in this media release is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider the current product disclosure statement (PDS) of the Australian Unity Diversified Property Fund and assess whether it is appropriate given your objectives, financial situation or needs. If you require advice that takes into account your personal circumstances, you should consult a licensed or authorised financial adviser. Past performance information is for illustrative purposes

² The Diversified Property Fund’s base management fee is 0.65 per cent per annum of the gross asset value of the Fund

³ To be eligible for the payment of the base management fee discount, all the conditions set out in the Fund’s PDS must be met. Refer to the PDS dated 8 October 2020 for more information.

only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold the Fund, and you should seek independent financial advice before making an investment decision.

About Australian Unity

Established in 1840, Australian Unity is a member-owned wellbeing company with 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.