

Announcement

20 September 2021

Australian Unity Diversified Property Fund (DPF) – ARSN 106 724 038

DPF continues discussions with AOF

On 7 July 2021, Australian Unity Property Limited (AUPL) as responsible entity of DPF announced that it had received an unsolicited, non-binding, indicative merger proposal from the responsible entity of Australian Unity Office Fund (AOF) to merge AOF and DPF (**Merger Proposal**).

The Merger Proposal contemplated a merger ratio with reference to the respective net tangible assets (NTA) of the two funds and was subject to a number of conditions including mutual due diligence, financing requirements and consents, execution of a binding implementation agreement, final board approvals and recommendations from AUIREL and AUPL as well as unitholder approval.

AUPL wishes to advise that DPF and AOF have developed an indicative merger framework whereby DPF and AOF unitholders will own ~46% and ~54% of the merged entity, respectively. Further details regarding the potential merger are attached to this announcement.

Both DPF and AOF are progressing discussions regarding the potential transaction, and AUPL anticipates that it will be able to provide a further update to DPF unitholders by mid-October 2021. These discussions are non-binding and AUPL Board endorsement for the merger remains subject to review of final merger terms. Should a transaction ultimately be agreed, it will be subject to approval by both DPF and AOF unitholders.

AUPL will continue to keep DPF unitholders updated with respect to the potential transactions and intends to engage directly with unitholders to further discuss the potential transaction and rationale.

AUPL remains focused on delivering income and distribution growth for unitholders and will continue to review and pursue opportunities that are beneficial to unitholders, including the progression of development and pipeline opportunities.

A copy of the AOF announcement can be found on the AOF website ([News and Announcements \(australianunityofficefund.com.au\)](https://australianunityofficefund.com.au))

More information

We regularly provide up to date information about DPF, 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 'Fund Information' section of this website or contact Investor Services on 1300 997 774 or +61 3 9616 8687 for copies of the Fund Update.

Do we have your most up-to-date contact details?

Keeping your contact details up-to-date like your email address and mobile phone number, helps us make sure we're talking to the right person whenever you contact us. When your details are correct, it gives your account multiple layers of protection and helps us confirm your identity to keep your account safe and allows us to communicate fund information to you in a timely and more efficient way.

The easiest way to update your details is to log in to your account via australianunity.com.au/wealth/login, click on the Property & Managed Funds tab and then click the Investor Portal Login button. It's quick and easy to set up an online account if you don't have one. You'll need your account number, which can be found on your statement.

Alternatively, you can download and fill out a change of details form via australianunity.com.au/wealth/forms-and-downloads from the tab Property & Managed Funds – administered by Iress and post it to the address on the form.

If you have any questions, please call us on 1300 997 774 or +61 3 9616 8687 or email australianunitywealth@unitregistry.com.au



Busselton Central Shopping Centre, Busselton

Australian Unity Diversified Property Fund (DPF)

September 2021

Proposed merger to create Australian Unity Property Fund (AUPF)



DPF update

DPF has had a successful FY21 – however, in the absence of a merger with AOF, additional funding will be required to achieve the fund’s growth strategy

Key FY21 statistics and achievements

- 19.58%** 1-year total return¹ to 30 June 2021
- \$103.1m** of highly strategic asset acquisitions at Williamstown, Newcastle (NSW) and Osborne (SA)
- \$85.0m** asset divestment at Richlands (QLD), representing a substantial premium to book value
- Two** key development opportunities progressed at Busselton (WA) & North Blackburn (VIC)
- 39.7%²** gearing ratio (up 2.5% vs. FY20)
- 46.3%** LVR³ vs. covenant of 55%



Commentary

- DPF has had a successful FY21, with 1-year total return significantly exceeding benchmark⁴, and successful completion of various asset transactions
- DPF currently has two key development opportunities (Busselton and North Blackburn with capital requirement of \$85m to complete), and continues to identify and pursue additional development and value-add opportunities (c.\$60m p.a.)
- As a consequence of DPF’s gearing uptick over the past year and with further capital required to fund the development pipeline, DPF will require additional funding in the near term to achieve its strategic objectives
- In the absence of a potential merger with AOF, available funding options include:
 - Raising additional equity
 - Asset sales (will be dilutive to earnings and distributions)
 - Delaying potential growth opportunities (will also be dilutive)

1. Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance
2. Gearing calculated as (borrowings less cash) / (total assets less cash)
3. LVR means Loan-to-Value ratio (Financier’s definition).
4. Benchmark is defined as the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index

Summary of proposed merger

The proposed merger of DPF and AOF presents a unique and financially compelling opportunity with strong strategic rationale

- Australian Unity Diversified Property Fund (**DPF**) and Australian Unity Office Fund (**AOF**) are in advanced discussions regarding the opportunity to merge and create Australian Unity Property Fund (**AUPF**)¹
 - The proposed merger is consistent with DPF's strategy of owning a diverse portfolio of Australian assets and delivering long-term income growth to unitholders
- DPF and AOF have reached in principle agreement on a merger ratio whereby DPF unitholders will own ~46% of AUPF and AOF unitholders will own ~54% of AUPF
 - DPF and AOF have established separate internal teams and appointed separate financial and legal advisers, to assist with the assessment and progression of the proposed merger
 - DPF and AOF will continue to engage with unitholders regarding implementation of the proposed merger

The proposed merger with AOF to create AUPF provides DPF unitholders with a superior investment proposition and enhanced sustainability of income returns relative to DPF on a standalone basis

1. All references to Australian Unity Property Fund / AUPF assumes the proposed merger of AOF and DPF proceeds.

Strategic rationale for DPF unitholders¹

Key merger benefits for DPF unitholders:

- **Larger, more diversified portfolio** – 19 assets with a c.\$1.2bn² valuation across office, convenience retail and industrial sectors
- **Increased distributions and enhanced growth outlook** – FY22 DPU forecast of 6.4cpu³ reflecting 9% accretion compared to DPF standalone, with cashflows from a diverse and defensive tenant base and a lease profile that provides sustainability of income with potential upside
- **Greater liquidity** – scope to include initial liquidity facility in addition to ongoing liquidity through ASX listing is superior to DPF's existing arrangements
- **Reduced gearing** – improved capital structure flowing from a larger, more diversified portfolio with greater access to incremental capital sources
- **Value add opportunity** – exposure to value-add opportunities in both AOF and DPF portfolios (including 2 Valentine Avenue, Parramatta and 30 Pirie Street, Adelaide in AOF and Busselton Shopping Centre and North Blackburn Shopping Centre in DPF); enlarged portfolio and balance sheet should facilitate development funding on more attractive terms
- **Potential to benefit from improvement in AOF trading** given enhanced prospects and outlook for the merged entity – ~\$735 million market capitalisation⁴ and a broad unitholder base presenting the opportunity for future index inclusion including the ASX/S&P 300 Index and FTSE EPRA Nareit Global Developed Index
- **Reduced fees** – lower base management fee, no performance fee, no acquisition fees
- **Expected lower cost of debt funding**
- **Increased availability to capital sources which can be used to fund development and value add opportunities**
- **Managed by Australian Unity** – familiarity with and track record of managing existing AOF portfolio

The creation of Australian Unity Property Fund through the merger of DPF and AOF creates an investment opportunity with a quality property portfolio diversified nationally, accessible by affordable accommodation and superior amenity

1. AUPF portfolio is subject to the merger proceeding

2. Based on 30 June 2021 book values and portfolio metrics, adjusted for acquisition of 96 York Street, Beenleigh and proposed divestment of 32 Phillip Street, Parramatta

3. DPF first half FY22 distribution per unit (DPU) of 3.0c plus forecast second half FY22 AUPF DPU of 3.5c (calculated as half of DPF-equivalent annualised AUPF FY22 forecast). Totals may not add up due to rounding. This forecast is subject to no material change in current market conditions and no unforeseen events

4. Implied based on midpoint of AUPF pro forma Net Tangible Asset (NTA) range, refer to pro forma balance sheet in appendix

Strategic rationale

The proposed merger is expected to provide potential benefits to both DPF and AOF unitholders

DPF	AOF
✓ Distribution accretion	✓ Enhanced medium term income and growth prospects
✓ Greater liquidity from ASX listing	✓ Larger, more diversified portfolio
✓ Reduced gearing and increased availability of capital sources	✓ Distribution accretion and increased sustainability
✓ Opportunity to continue to deliver value-add opportunities	✓ Scale, relevance and liquidity with potential index inclusion
✓ Lower base fees and no performance or acquisition fees	✓ Mandate flexibility to drive income and value-add opportunities
✓ Expected lower cost of debt funding	✓ Opportunity to diversify debt facilities
✓ Independent Board, Australian Unity managed, stable team, delivering continuity of asset management and tenant relationships	

AUPF Pro Forma Outlook¹

Distribution yield of 6.0%²

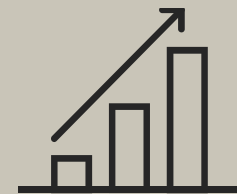
Reduced base management fees for AUPF	-0.05%	5bps reduction in base management fee compared to DPF standalone along with no acquisition or performance fees payable in AUPF
FY22 Distribution Per Unit ³	6.4cpu	+9% accretion in FY22 compared to DPF standalone, with second half FY22 distribution of 3.5cpu
Gearing ⁴	34.3%	5.4% decrease compared to DPF standalone at 30 June 2021 with a strategy to maintain conservative gearing
NTA Per Unit ⁵	\$2.56-2.59 (equivalent to \$1.165 - \$1.178 for DPF unitholders)	NTA dependent on final transaction costs, including stamp duty
Market Capitalisation ⁶	~\$735m	Scale, relevance and liquidity presenting opportunity for future index inclusion

1. Assumes merger proceeds with implementation by 31 December 2021 and subject to no material change in current market conditions and no unforeseen events
2. Based on midpoint of AUPF pro forma NTA range and assuming a distribution in FY22 of 15.5cpu. Assumes merger proceeds and no material change in current market conditions and no unforeseen events
3. DPF first half FY22 distribution per unit (DPU) of 3.0c plus forecast second half FY22 AUPF DPU of 3.5c (calculated as half of DPF-equivalent annualised AUPF FY22 forecast). Totals may not add up due to rounding. This forecast is subject to no material change in current market conditions and no unforeseen events
4. Pro forma 30 June 2021 assuming the sale of 32 Phillip Street, Parramatta at book value, see pro forma balance sheet in appendix for gearing range, with gearing dependent on actual transaction costs. DPF-equivalent AUPF NTA of \$1.165 - \$1.178
5. NTA 30 June 2021 pro forma for the acquisition of 96 York Street, Beenleigh and proposed divestment of 32 Phillip Street, Parramatta. A range has been provided with actual NTA dependent on transaction costs, refer to pro forma balance sheet in appendix
6. Implied based on midpoint of AUPF pro forma NTA range, refer to pro forma balance sheet in appendix

Merger highlights¹

The merger, if implemented, is expected to deliver on key strategic objectives for both funds

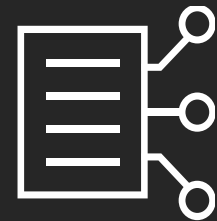
1



\$1.2bn portfolio

Introduction of high quality tenants including Telstra and NSW State Government

2



5.7% portfolio capitalisation rate

Diversified portfolio of 19 properties²

3



5.0-year WALE³

Lower WALE mitigated by larger portfolio along with increased diversity geographically and across tenants

4



FY22 DPU 6.4c⁴

+9% accretion compared to DPF standalone

5



~\$735 million market cap⁵

Presenting opportunity for future index inclusion

1. Subject to the merger proceeding and based on 30 June 2021 book values and portfolio metrics, adjusted for acquisition of 96 York Street, Beenleigh and proposed divestment of 32 Phillip Street, Parramatta
2. Certain DPF properties consolidated for reporting purposes
3. WALE means weighted average lease expiry in years by gross property income, as at 30 June 2021, adjusted for subsequent executed leases and signed heads of agreements
4. DPF first half FY22 distribution per unit (DPU) of 3.0c plus forecast second half FY22 AUPF DPU of 3.5c (calculated as half of DPF-equivalent annualised AUPF FY22 forecast). Totals may not add up due to rounding. This forecast is subject to no material change in current market conditions and no unforeseen events
5. Implied based on midpoint of AUPF pro forma Net Tangible Asset (NTA) range, refer to pro forma balance sheet in appendix

AUPF portfolio – overview¹

Increasing portfolio and sustainability of income

68% of the portfolio weighted to office and multi-use (office/industrial) assets

29% of the portfolio weighted towards convenience and infrastructure retail assets

3% of the portfolio weighted towards industrial assets

97% occupancy by net lettable area (NLA)

5.0yr weighted average lease expiry²

Value add opportunities across multiple assets, including:

- 2 and 10 Valentine Avenue, Parramatta (proposed)
- 30 Pirie Street, Adelaide (proposed)
- North Blackburn Shopping Centre, Victoria (underway)
- Busselton Central Shopping Centre, Western Australia (underway)
- 620 Mersey Road, Osborne South Australia (proposed)

Portfolio Metrics	AOF	DPF	AUPF
Number of properties	8	11 ³	19 ³
Occupancy (by NLA)	95.6%	98.7%	97.0%
Portfolio value (\$m)	609.6	566.2	1,175.8
Weighted average cap rate (%)	5.9%	5.6%	5.7%
WALE (years) ²	2.9	8.1	5.0
Capital Value/lettable area (\$/sqm)	6,352	7,128	6,703

1. Based on 30 June 2021 book values and portfolio metrics, adjusted for acquisition of AOF asset 96 York St, Beenleigh and proposed disposal of AOF asset 32 Phillip St, Parramatta

2. WALE means weighted average lease expiry in years, by gross property income as at 30 June 2021, and adjusted for subsequent executed leases and signed heads of agreements

3. Certain properties consolidated for reporting purposes, refer to appendix

AOF portfolio – overview¹

Sustainability of income from a strong portfolio of office assets with value-add opportunities

Sustainable income underpinned by Telstra, NSW State Government, Boeing Defence Australia and GE Capital Finance

47% of the portfolio located in NSW (by book value)

39% of the portfolio with lease expiry profile in FY24 or beyond (by net lettable area)

67% of gross property income attributed to top 4 tenants

2.9yr weighted average lease expiry²

A quality, diversified metropolitan and CBD portfolio offering affordable accommodation with excellent amenity and accessibility

Value-add opportunities, including:

- 2 and 10 Valentine Avenue, Parramatta (proposed)
- 30 Pirie Street, Adelaide (proposed)

Portfolio Metrics	AOF
Number of properties	8
Occupancy (by NLA)	95.6%
Portfolio value (\$m)	609.6
Weighted average cap rate (%)	5.9%
WALE (years) ²	2.9
Capital Value/lettable area (\$/sqm)	6,352

1. Based on 30 June 2021 book values and portfolio metrics

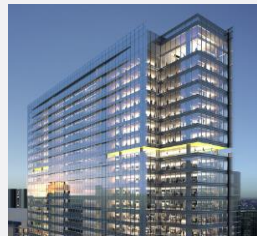
2. WALE means weighted average lease expiry in years, by gross property income as at 30 June 2021, and adjusted for subsequent executed leases and signed heads of agreements

AOF portfolio¹



10 Valentine Ave, Parramatta NSW

- 16,020sqm A grade office property comprising 14 levels of office space, located approximately 100 metres from the Parramatta Bus and Railway Interchange and Westfield Parramatta
- Predominantly leased to the NSW State Government (PNSW) who have occupied the property since construction in 1987



2 Valentine Ave, Parramatta NSW²

- Adjacent to 10 Valentine, Avenue, a development approved office tower which will provide approximately 28,000 sqm of A grade accommodation over 24 office levels with two outdoor terraces
- A further development approval application has been lodged to provide an opportunity to join 2 and 10 Valentine Avenue together into a campus style office accommodation, providing further flexibility



32 Phillip Street, Parramatta NSW

- 6,759sqm B-grade office building, comprising 8 levels of office accommodation and 104 car parking bays on levels 1–4, located within the northern portion of the Parramatta commercial precinct in close proximity to the Church Street retail strip
- GE has sublet the ground floor and levels 5–10 to various tenants (representing approximately 77% of the NLA)



5 Eden Park Drive, Macquarie Park NSW

- 11,556sqm A-grade modern office and warehouse property comprising three levels of office accommodation and a hi-tech production and warehouse area
- In close proximity to the Macquarie Park railway station on the Sydney Metro Northwest railway link

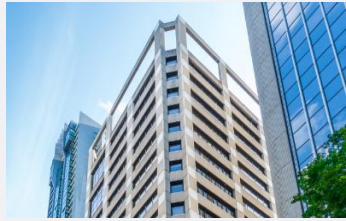


2 Eden Park Drive, Macquarie Park NSW

- 10,346sqm Industrial complex comprising 16 attached office and warehouse units. The three level office areas are at the front of the property with the warehouse at the rear, split over two levels
- The unique nature of the property, being predominantly small quality offices attached to high clearance warehouse, has meant the property has sustained a relatively high level of occupancy since construction

1. Based on 30 June 2021 book values and portfolio metrics
2. Image is an artist's impression and subject to change

AOF portfolio¹



150 Charlotte Street, Brisbane QLD

- 11,081sqm A-grade office building centrally located in Brisbane's CBD, with 16 levels of office space and the midtown precinct location with construction of a new train station 200 metres from the asset
- Boeing has recently installed new services in their premises with an integrated security system and enhancements have been completed in the stair corridors to create better connectivity within the Boeing tenancies



30 Pirie Street, Adelaide SA

- 24,665sqm A-grade office property that is centrally located in Adelaide's CBD, comprising 23 levels of office space
- Building predominantly leased to Telstra, who have occupied the property since its construction in 1987



468 St Kilda Road, Melbourne VIC

- 11,211sqm B-grade office building comprising 13 levels, with refurbishments carried out progressively since 2010
- Longer term, the asset will benefit from the Government's metro rail project, due in 2025, with ANZAC station located close by



64 Northbourne Avenue, Canberra ACT

- 6,429sqm B-grade property comprising six levels of office accommodation
- Located on a prominent corner in the Canberra CBD within close proximity of the prime retail precinct, the City Bus Interchange and the main station of the Canberra Light Rail Network
- The façade has been repainted to improve the assets appearance



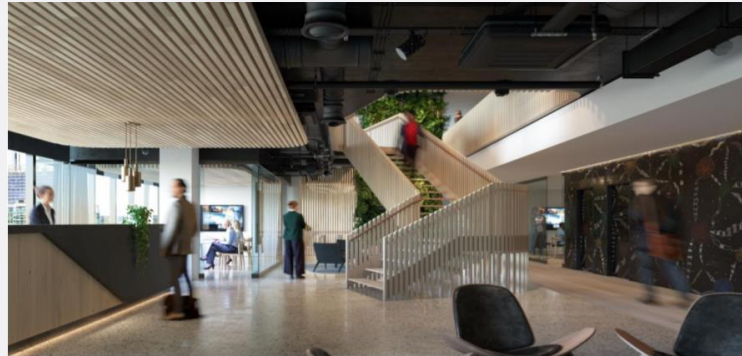
96 York Street, Beenleigh QLD

- 4,661sqm modern newly constructed A-grade office property, with sustainability initiatives including solar panels and rainwater harvesting
- Located in a central government hub in Beenleigh, within 550 meters of the train station and easy connections to Brisbane and the Gold Coast
- Comprises seven floors of office accommodation, 4,009sqm leased to the Logan City Council for 10-years with two 5-year options

1. Based on 30 June 2021 book values and portfolio metrics

AOE – current value-add development opportunities

Repositioning strategies underway for 10 Valentine Avenue and 30 Pirie Street



2 and 10 Valentine Avenue, Parramatta (artists impression)

Focus on base building refurbishment, delivered with sustainability initiatives, offering A Grade office accommodation with superior tenant amenity:

- **A+** - State of the art energy efficient air conditioning
- **Zero Touch, Sensor** – taps & soap dispensers for optimal hygiene
- **Smart Lift** – with mobile enabling call functionality
- **End of Trip** – Best in class, with bike racks for visitors and tenants exceeding local planning requirements



30 Pirie Street, Adelaide

Creating an activated vibrant forecourt and ground floor lobby introducing a concierge and hub style meeting rooms with state-of-the-art touchless end-of-trip facilities and amenity, base building and typical floor designed to maximise the occupancy experience and wellness

AOF – recent active management initiatives

Value-add leasing and acquisition activity



5 Eden Park Drive, Macquarie Park

Significant leasing of ~7,300sqm, ~63% of the property, driving a 3.5% increase in occupancy to 96.3%, longer WALE and valuation growth.



468 St Kilda Road, Melbourne

Leasing over ~3,800sqm, ~34% of the property, increasing the WALE by 1.2 years to 3.9 years.

A further 900sqm of additional leasing is under a signed heads of agreement.



96 York Street, Beenleigh (artists impression)

Acquired July 2021 for \$33.52 million, settlement expected December 2021.

Beenleigh is in the heart of Logan, an affordable southeast location in Queensland with significant growth opportunity and improved transportation, benefiting from a fast-growing residential market.

Offers 4,009sqm A Grade Office accommodation leased to the Logan City Council, and occupied by the Department of Water, for 10-years with two 5-years options; providing sustainable consistent income.

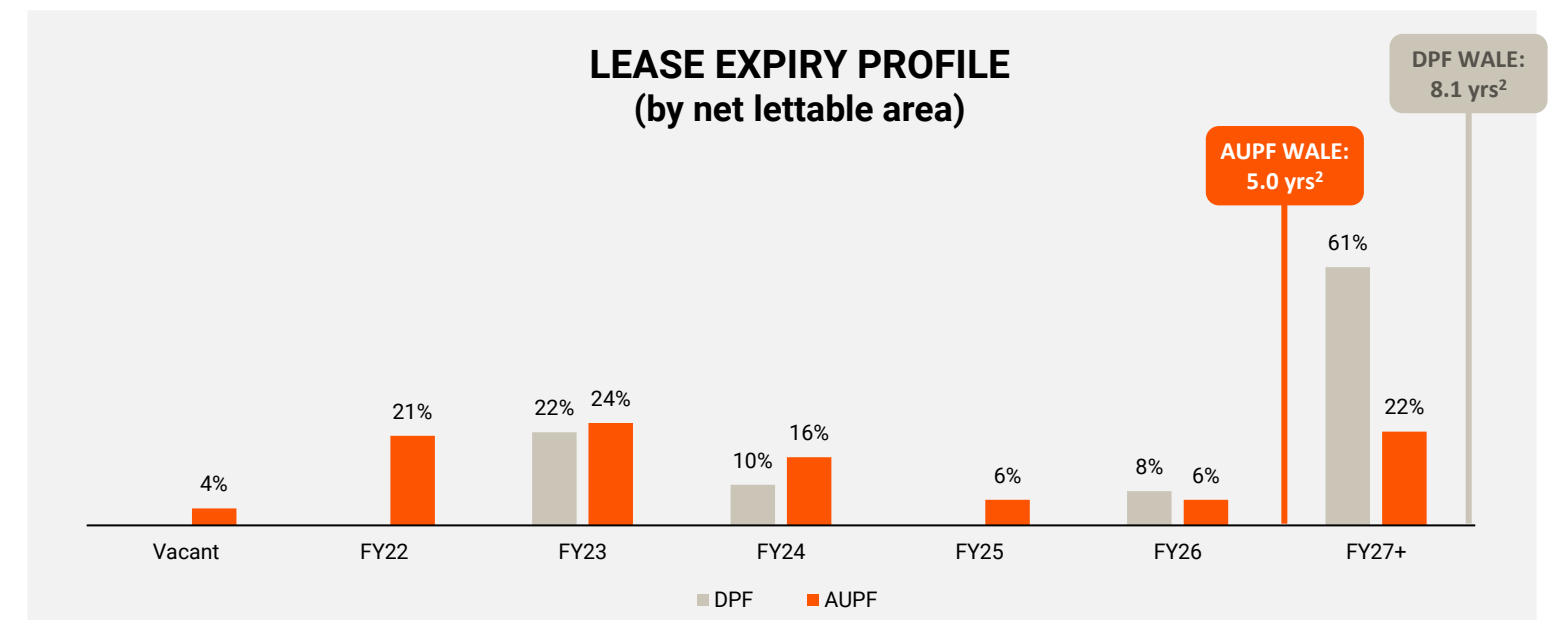
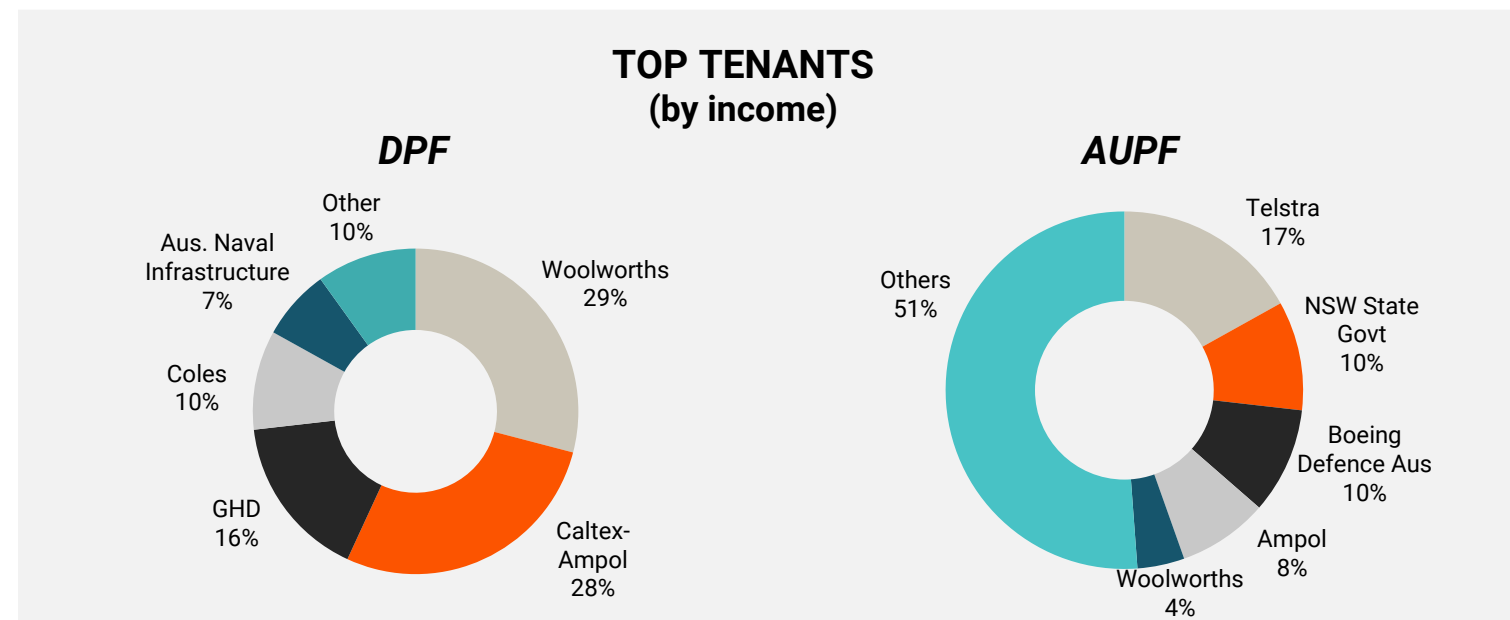
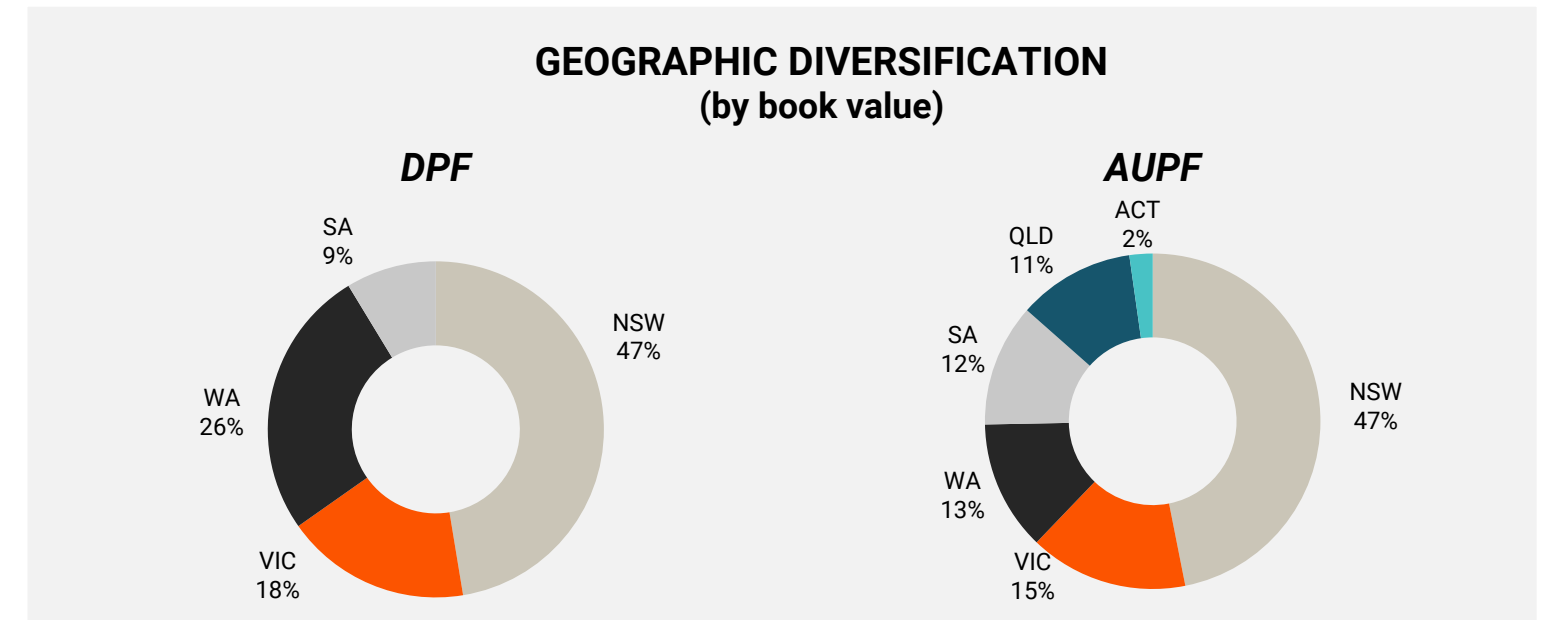
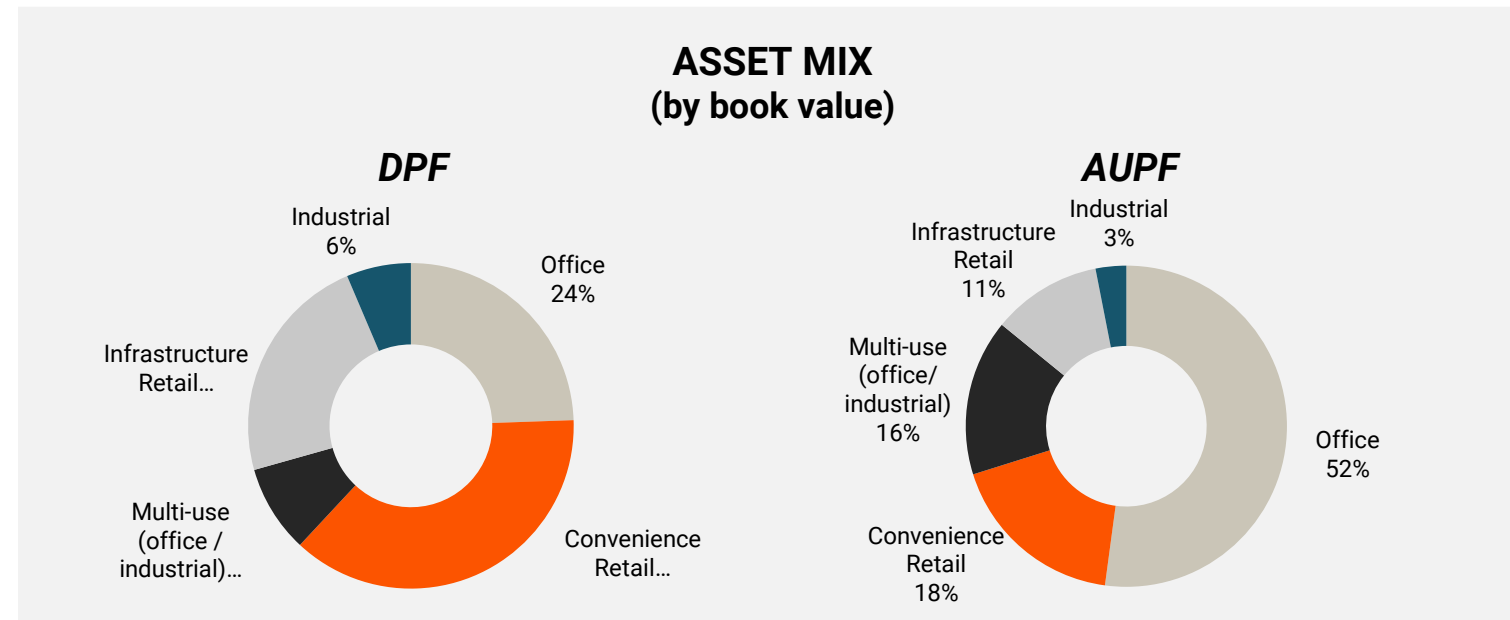
652sqm of additional ground floor retail and flexible office space, covered by a 2-years rental guarantee.

4.5 Star NABERS, 4 Star Green Design.

Funded from the sale proceeds of 241 Adelaide Street, Brisbane.

AUPF – enhanced portfolio metrics¹

AUPF portfolio will deliver strong sustainable income from a diversified asset and tenant base



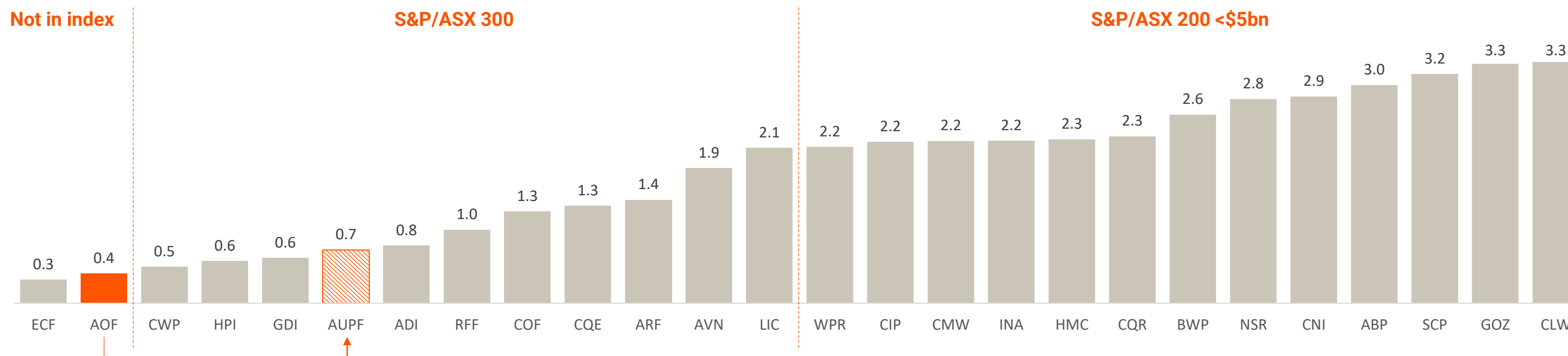
1. AUPF portfolio is subject to the merger proceeding. AOF and DPF portfolio data as at 30 June 2021, adjusted for AOF acquisition of 96 York Street, Beenleigh and AOF proposed divestment of 32 Phillip Street, Parramatta. Totals may not add up due to rounding
 2. WALE means weighted average lease expiry in years, by gross property income as at 30 June 2021, and adjusted for subsequent executed leases and signed heads of agreements

AUPF – increased scale, relevance and liquidity¹

AUPF implied market capitalisation of ~\$735 million²

- AUPF is expected to be positioned for S&P/ASX 300 Index inclusion and potentially the FTSE EPRA Nareit Global Developed Index, which may provide increased relevance, liquidity and improved cost of capital

Market capitalisation of S&P/ASX 200 and S&P/ASX 300 A-REIT Index constituents (\$bn)³



- Subject to the merger proceeding
- Implied based on midpoint of AUPF pro forma NTA range, refer to pro forma balance sheet in appendix
- Source: Capital IQ as at 17 September 2021

Indicative implementation path

- DPF and AOF are in advanced discussions regarding the opportunity to merge and create AUPF
- DPF and AOF are considering structuring options available to implement the proposed merger. Options to implement the proposed merger include:
 - a stapling of DPF and AOF
 - the acquisition of units
- Each option has different legal, structural, tax and duty implications and different AOF unitholder approval thresholds (75% / 50%) that are currently being assessed
- DPF and AOF will continue to engage with unitholders regarding implementation of the proposed merger and expect to update the market further by mid-October 2021
- Any transaction relating to the proposed merger for DPF will be subject to the approval of DPF unitholders

Appendices

A photograph of a modern multi-story office building with a glass facade and a large tree in the foreground. An orange graphic overlay is on the left side of the image.

AUPF Pro Forma Balance Sheet¹

(\$m)	AOF 30 Jun-21	96 York St acquisition	AOF pro forma	DPF 30 Jun-21	Merger adjustments ²	AUPF	32 Phillip St sale ³	AUPF pro forma ¹
Assets								
Cash and cash equivalents	9		9	23		31		31
Receivables	2		2	5		6		6
Financial assets	-		-	25	(25)	-		-
Investment properties	639	34	672	570		1,242	(63)	1,179
Total assets	649	34	683	622	(25)	1,280	(63)	1,217
Liabilities								
Distributions payable	6		6	13		19		19
Payables	7		7	12		19		19
Financial liabilities held at fair value	1		1	-		1		1
Borrowings	190	36	226	261	15 – 24	501 – 510	(63)	439 – 448
Total liabilities	205	36	240	285	15 – 24	541 – 550	(63)	478 – 487
Net assets	445	(2)	443	337	(49) – (40)	730 – 739	-	730 – 739
Number of units on issue (m)	164		164	288 ⁴	(10)	286		286
Net Tangible assets per unit (\$)	2.71		2.69	1.17 ⁴		2.56 – 2.59		2.56 – 2.59
Gearing ⁵	28.3%		32.2%	39.7%		37.6% – 38.4%		34.3% – 35.1%

- The AUPF pro forma balance sheet assumes the merger of AOF and DPF occurred on 30 June 2021, adjusted for the acquisition of 96 York St, Beenleigh, the assumed sale of 32 Phillip St, Parramatta and other merger adjustments as described below. The pro forma balance sheet is illustrative only and is not an audited statement of financial position. The pro forma balance sheet is based on assumptions that are subject to no material change and no unforeseen events
- DPF currently holds ~9.7m units in AOF, this ~\$25m investment is included in DPF's 30 June 2021 balance sheet. If the merger proceeds it is assumed these units are cancelled resulting in a ~\$25m reduction in financial assets and a ~9.7m reduction in units on issue. The other merger adjustment is an increase in Borrowings reflecting an estimate of transaction costs, including stamp duty and adviser fees, and write-off of unamortised borrowing costs. The movement in Borrowings has been provided as a range as actual transaction costs are dependent on the implementation structure
- Assumed sale of 32 Phillip St, Parramatta at 30 June 2021 book value
- DPF existing number of units and NTA per unit will be adjusted by the merger ratio of 0.455 AOF units for 1 DPF unit
- Gearing is interest bearing liabilities (excluding unamortised establishment costs) less cash divided by total tangible assets less cash

AUPF Property Portfolio

\$1.2 billion portfolio diversified across office, multi-use, industrial and infrastructure / convenience retail¹

DPF assets

AOF assets

Property	Lettable area (sqm)	Occupancy level (by NLA)	WALE (yrs) ²	Major tenant	Book value (\$m)	Cap rate	Capital Value / lettable area (\$/sqm)
Office							
2-10 Valentine Avenue, Parramatta	16,020	97.3%	1.0	Property NSW	147.8	5.50%	\$9,226
150 Charlotte Street, Brisbane	11,081	97.4%	2.6	Boeing Defence Australia	97.0	6.00%	\$8,754
30 Pirie Street, Adelaide	24,665	96.1%	1.7	Telstra	90.0	7.25%	\$3,649
20 Smith St, Parramatta	7,392	97.3%	2.3	GHD	83.5	5.38%	\$11,296
468 St Kilda Road, Melbourne	11,211	92.7%	4.2	EGA Corporate Advisors	79.0	5.25%	\$7,047
Williamtown Aerospace Centre, Williamtown	7,557	100.0%	3.4	Boeing, Raytheon, Lockheed Martin	54.9	6.00%	\$7,263
96 York Street, Beenleigh	4,661	100.0%	10.0	Logan City Council	33.5	5.63%	\$7,192
64 Northbourne Avenue, Canberra	6,429	80.2%	3.5	Commonwealth of Australia	26.3	7.00%	\$4,091
Multi-use (office/industrial)							
5 Eden Park Drive, Macquarie Park	11,556	96.3%	4.9	Aegros	73.5	5.50%	\$6,360
2 Eden Park Drive, Macquarie Park	10,346	100.0%	3.0	NuSkin Australia	62.5	5.50%	\$6,041
620 Mersey Road, Osborne	8,006	100.0%	9.0	Australian Naval Infrastructure	49.3	5.00%	\$6,152

1. AUPF portfolio is subject to the merger proceeding. AOF and DPF portfolio data as at 30 June 2021 adjusted for AOF acquisition of 96 York St, Beenleigh and AOF disposal of 32 Phillip St, Parramatta. Geddes St Balcatta, consolidated for reporting purposes with Kenhelm St and Busselton Central SC, consolidated for reporting purposes with adjoining 21 Prince St and vacant Lots 121, 122 and 309. Totals may not add up due to rounding.

2. WALE means weighted average lease expiry in years, by gross property income as at 30 June 2021, and adjusted for subsequent executed leases and signed heads of agreements.

AUPF Property Portfolio

\$1.2 billion portfolio diversified across office, multi-use, industrial and infrastructure / convenience retail¹

DPF assets

AOF assets

Property	Lettable area (sqm)	Occupancy level (by NLA)	WALE (yrs) ²	Major tenant	Book value (\$m)	Cap rate	Capital Value / lettable area (\$/sqm)
Industrial							
19 Corporate Avenue, Rowville	12,398	100.0%	7.0	Regal Beloit Australia	22.0	4.75%	\$1,774
6-8 Geddes Street, Balcatta	9,992	100.0%	2.4	Metcash	14.3	6.00%	\$1,429
Convenience retail							
North Blackburn Square Shopping Centre, North Blackburn ³	6,329	100.0%	8.4	Woolworths	79.0	6.00%	\$12,482
Dog Swamp Shopping Centre, Yokine	8,035	96.5%	8.7	Woolworths	52.8	6.00%	\$6,571
Busselton Central Shopping Centre, Busselton	9,062	96.9%	7.7	Coles	47.0	6.25%	\$5,182
Woodvale Boulevard Shopping Centre, Woodvale	6,378	96.4%	4.5	Woolworths	33.5	6.50%	\$5,254
Infrastructure retail							
Wyong Services Centres, Wyong ⁴	4,286	100.0%	17.0	Caltex-Ampol	130.0	5.00%	\$30,331
Total (T) / Weighted average (W)	(T) 175,405	(W) 97.0%	(W) 5.0		(T) 1,175.8	(W) 5.74%	(T) \$6,703

1. AUPF portfolio is subject to the merger proceeding. AOF and DPF portfolio data as at 30 June 2021 adjusted for AOF acquisition of 96 York St, Beenleigh and AOF disposal of 32 Phillip St, Parramatta. Geddes St Balcatta, consolidated for reporting purposes with Kenhelm St and Busselton Central SC, consolidated for reporting purposes with adjoining 21 Prince St and vacant Lots 121, 122 and 309. Totals may not add up due to rounding.

2. WALE means weighted average lease expiry in years, by gross property income as at 30 June 2021, and adjusted for subsequent executed leases and signed heads of agreements.

3. The North Blackburn shopping centre is under redevelopment.

4. Comprises two separate properties – Wyong Northbound Services Centre and Wyong Southbound Services Centre.

DPF portfolio – Office and Industrial¹



20 Smith Street Parramatta, NSW

- \$83.5m modern eight level office building in Parramatta
- Contains a three level carpark with capacity for 182 vehicles and ground level retail
- \$5m capital invested: NABERS Energy 4.5 stars, end of trip constructed 2015, full lift upgrade 2016, foyer upgrade 2017



1 and 2 Technology Place Williamtown, NSW

- \$54.9m campus-style commercial office park, adjacent to Newcastle Airport and the Williamtown Royal Australian Air Force Base, known as Williamtown Aerospace Centre
- Designed to service as a premier Defence office park precinct
- Acquired 31 May 2021, 100% occupied with a WALE of 3.3 years



620 Mersey Road Osborne, SA

- \$49.3m two level office and industrial warehouse, 330 carparks, located 21 km north-west of the Adelaide CBD
- Leased to Australian Naval Infrastructure (Commonwealth Government) until 2030
- Includes two vacant pad sites earmarked for future development



19 Corporate Avenue Rowville, VIC

- \$22.0m semi-modern industrial office and warehouse facility located in one of Melbourne's premier eastern industrial precincts c.26 km from the Melbourne CBD
- The two level office and adjoining high clearance warehouse is on ~21,000 sqm
- The tenant has occupied the site since 1996, with a new 7-year lease commencing 1 July 2021



6-8 Geddes Street Balcatta, WA²

- \$14.3m industrial warehouse and distribution facility in the City of Stirling ~11 km north of Perth's CBD
- Includes an adjacent parcel of land (5 Kenhelm Street), providing opportunities for expansion of the facility

1. Based on 30 June 2021 book values and portfolio metrics

2. Geddes Street Balcatta consolidated for reporting purposes with Kenhelm Street Balcatta

DPF portfolio – Retail¹



Ampol (Caltex) Twin Service Stations, Wyong NSW

- \$130.0m twin service centres positioned on either side of the M1 Pacific Motorway at Wyong between Sydney and Newcastle
- Caltex has leased the premises since the 1990's with a new 20-year lease agreed in 2018



North Blackburn Shopping Centre, Vic

- \$79.0m convenience-based neighbourhood shopping centre located ~16 km east of the Melbourne CBD
- Anchored by Woolworths with 35 specialties
- In place value-add development opportunity with detail provided on the following slides



Dog Swamp Shopping Centre, WA

- \$52.8m neighbourhood shopping centre in Yokine ~5 km north of Perth CBD anchored by Woolworths and ALDI with 36 specialties
- Recent capital investment of \$9m, addition of new ALDI, food and beverage precinct and end of trip amenities have resulted in an increase in WALE from 3.0 to 8.2 years



Woodvale Boulevard Shopping Centre, WA

- \$33.5m single level shopping centre in Joondalup ~17 km north of Perth CBD
- Anchored by Woolworths with 27 specialties
- Internal mall refurbishment completed in 2015-2016



Busselton Central Shopping Centre, WA²

- \$47.0m neighbourhood centre in Busselton, WA anchored by Coles on a 15-year lease from 2019, with 21 specialties
- In place value-add development opportunity on adjoining vacant land

1. Based on 30 June 2021 book values and portfolio metrics

2. Busselton Central Shopping Centre is consolidated for reporting purposes with adjoining 21 Prince Street Busselton and vacant Lots 121, 122 and 309

DPF – current value add development opportunities

North Blackburn Shopping Centre – convenience centre anchored by Woolworths – Coles and ALDI supermarkets coming



Stage 1 - Before

Convenience based neighbourhood shopping centre located in the suburb of North Blackburn approximately 16 kilometres east of Melbourne CBD.

Repositioning strategy to enhance the centre includes a 2 stage development

Total development cost for stages 1 and 2 ~\$70 million



Stage 1 (artists impression)

Stage 1 commenced in May 2020 comprising a new Coles Supermarket, 11 new specialties with fresh food mini-major, upgraded tenant amenities and re-graded parking facilities.

Practical Completion is February 2022.

Stage 1 is 100% pre-leased (by income), which will provide a substantial uplift to the WALE in February 2022



Stage 2 (artists impression)

Stage 2 will see the remainder of the Centre re-furbished and expanded with additional specialty retailers, childcare, gymnasium and mini-major tenancies to complete the re-positioning of the asset.

70% of the Stage 2 income is pre-committed with 10+ year lease terms to childcare, medical, ALDI and Woolworths supermarkets

Commencing November 2021, estimated completion February 2023

DPF – current value add development opportunities

Busselton Central Shopping Centre – convenience centre anchored by Coles and Best and Less



Stage 1 - Before

Convenience Centre of ~9,000sqm located in the Geographe Bay region, 230kms south west of the Perth CBD

Repositioning strategy commenced in 2018, includes a 4 stage development to enhance future income and capital value

Total development cost for stages 1-3 of c.\$50 million



Stage 1 & 2 - After

Stage 1 & 2 completed February 2020, including Coles, Liquorland, Best and Less mini major, a new link mall and 6 new specialties, includes adjacent land acquisitions to commence Stage 3

Retail Metrics:

- 25% growth to Moving Annual Turnover since stage 2 completed - \$52 million
- Current Valuation \$47.0 million at 6.25% cap rate



Stage 3 – After (artists impression)

Interactive entertainment, food & beverage precinct with unique CBD and community amenity adjoining Mitchell Park.

60% of the Stage 3 income is pre-committed which includes a 5 Screen Cinema on level 1, Cotton on Mega, a dining precinct including local operators; Tavern, Café & Restaurants opening onto Mitchell Park

Works anticipated to commence October 2021

Estimated completion November 2022

Proposed AUPF Board will be majority independent¹



Peter Day, Independent Non-Executive Director and Chairman, member of Audit & Risk Committee

Mr Day was appointed as a director and Chairman in October 2015.

Mr Day's professional career includes senior executive roles in finance and general management in the mining, manufacturing, food and financial services industries, at companies including Bonlac Foods, Rio Tinto, CRA and Comalco. He was Chief Financial Officer for Amcor for seven years until 2007.

Mr Day currently holds a number of non-executive director roles including Ansell, and is the non-executive Chairman of Alumina. He is a former non-executive director of Federation Centres, Orbital Corporation, Boart Longyear, SAI Global, former Chairman of the Australian Accounting Standards Board and was Deputy Chairman of the Australian Securities & Investments Commission (ASIC), and has been a member of the Takeovers Panel.

Mr Day holds a Bachelor of Laws LLB (Hons) and a Master of Administration. He is a Chartered Accountant (FCA), a Fellow of CPA Australia (FCPA) and FAICD.

Don Marples Independent Non-Executive Director, Chair of the Audit & Risk Committee

Mr Marples was appointed to the board in October 2015.

Mr Marples is an experienced director in both the public and private sectors, with more than 30 years' experience in senior management positions working in real estate funds management, infrastructure, construction, banking and investment banking.

Mr Marples is currently a non-executive director of several companies including MPC Funding Limited.

Previously, Mr Marples held senior executive positions at Lend Lease Group, Commonwealth Bank and Fortius Funds Management, and was a non-executive director on Murray Irrigation Limited.

Mr Marples is a Fellow of the Australian Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australia (FINSIA). He holds a Masters of Commerce from the University of New South Wales.

Eve Crestani Independent Non-Executive Director, Member of the Audit & Risk Committee

Ms Crestani was appointed to the board in October 2015.

Ms Crestani is a professional director and business consultant with a background in law and management. Her career spans over 35 years with her primary focus being financial services and professional services industries.

Ms Crestani is a non-executive director of booking.com Pty Ltd (Australia & New Zealand), and Soils for Life Ltd, and non-executive chair of Acorn Capital Limited

Previously, Ms Crestani was a non-executive director of Australian Unity Limited (1996 – 29 February 2016), a former Chairman of Mercer Superannuation Australia Limited, and Mercer Outsourcing (Australia) Pty Limited, and Zurich Australia Limited.

Ms Crestani is a member of the ASX Appeal Tribunal, has a Diploma of Law and is a founding fellow of the Australian Institute of Company Directors. She is a business strategist, with 25 years' experience consulting to large organisations on enterprise transformation and strategic change programs. She is highly regarded for her expertise in property strategies and specifically in the future of work and workplace concepts.

Greg Willcock Non-Executive Director

Mr Willcock was appointed to the board in October 2015, and is the director nominated by Australian Unity as a shareholder of AUIREL.

He has been a director of Australian Unity Limited since March 2012 and is a director of a number of Australian Unity Limited subsidiaries and a member of the Risk & Compliance Committee and the Audit Committee.

Mr Willcock has over 33 years' experience in banking and financial services in Australia, United States of America and the United Kingdom including seven years in general management roles at National Bank of Australia in the areas of risk management, strategy and change management.

Mr Willcock was previously a director of the Customer Owned Banking Association (COBA).

Erle Spratt Non-Executive Director

Mr Spratt was appointed to the board in June 2020, and is the director nominated by Keppel Corporation as a shareholder of AUIREL.

Mr Spratt is currently the Australian Head of Keppel Capital, a property and infrastructure manager. Mr Spratt has extensive property development and funds management experience across Australia and Asia including roles with M&G Real Estate and Lend Lease.

Mr Spratt holds a Bachelor of Economics.

1. Assumes the proposed merger of AOF and DPF proceeds

Proposed AUPF management will be the existing AOF and DPF teams¹



Nikki Panagopoulos, Fund Manager

Joined Australian Unity in 2004. Responsible for the strategy growth and commercial management of the Australian Unity Office Fund since 2021.

Nikki has more than 25 years' experience in unlisted and listed property markets with a key focus on investor relations, setting and implementing strategy (including acquisitions, disposals, new and existing lease negotiations), project and development management as well as people leadership. Prior to joining Australian Unity, Nikki was an Investment Analyst for Deutsche Bank's \$1.5 billion listed Deutsche Diversified Trust. Nikki also spent 12 years in Property Funds Management at AXA (formerly National Mutual). Nikki holds a Bachelor of Business (Accounting) from the Royal Melbourne Institute of Technology.

She is also an Associate with a Funds Manager Certification from the Australian Property Institute, holds a Real Estate of Victoria Licence and is a Member of the Australian Institute of Management.

Simon Beake Deputy Fund Manager

Simon joined Australian Unity in 2011 and has over 25 years of funds management, asset management and investment experience in the property and infrastructure sectors. Simon is a Member of the Chartered Institute of Management Accountants (UK) and holds a Masters of Applied Finance and a Bachelor of Arts (Accounting and Finance).

Victoria Padey Senior Asset and Transactions Manager

Victoria joined Australian Unity in 2019 and is a corporate real estate specialist with over 20 years extensive property experience in both the Australian and New Zealand property industries. Victoria has a Bachelor of Business (Property) from RMIT and currently holds a Victorian Real Estate License.

Giovanna Reale Senior Asset Manager

Giovanna joined Australian Unity in 2006, and is responsible for the asset management of the Fund. Giovanna has 20 years' property experience, including in management and leasing gained with leading real estate agencies and owner managers. Giovanna has a Bachelor of Business in Property from RMIT.

Anna Flavell Senior Asset Manager

Anna joined Australian Unity in 2017 and has over 15 years' experience working in the retail sector across operations, property and leasing. Anna holds a Bachelor of Science from La Trobe University, a Masters in Business Management and a certificate in Project Management from Swinburne University.

Michael Carabetta Senior Asset Manager

Michael has over 25 years' experience in asset and property management, focusing on commercial, industrial and mixed-use asset classes in Australia and overseas. Michael holds a Bachelor of Commerce majoring in Land Economics and a Diploma of Facilities Management.

Matthew Mitchell Asset Manager

Matthew has eleven year's experience managing Commercial, Industrial and more particularly Retail Assets. He has a Masters Degree in Property Valuation and Management and qualified as a Member of the Royal Institution of Chartered Surveyors (Commercial Property) in 2011.

Peter Hugh Development Manager

Peter has over 25 years' experience in mixed use development and asset management in Australia and overseas, covering all stages of development. Peter holds an MBA from the AGSM and is a member of the Royal Institution of Chartered Surveyors.

Jonathon Senior Portfolio Manager

Jonathon has over 20 years' experience in property research and investment management. He holds Bachelor of Commerce and Science degrees from the University of Melbourne and has completed the CPA program and a Graduate Certificate of Applied Finance and Investment from FINSIA.

Supported by the broader Australian Unity group including debt capital markets, development management, capital transactions, valuation research and advisory, and wealth & capital markets support services

1. Assumes the proposed merger of AOF and DPF proceeds

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