

25 March 2019

Australian Unity Diversified Property Fund – ARSN 106 724 038

Property revaluations

Two properties in the Fund's portfolio were independently valued during February 2019. Overall, valuations increased by \$2,578,708 or 2.58% from the properties' book value immediately prior to valuation, as follows:

20 Smith Street, Parramatta, NSW – The independent value of 20 Smith Street, Parramatta, NSW, increased in value by \$7,272,759 or 11.41% from the property's book value immediately prior to valuation. The increase in value is as a result of the capitalisation rate compression from 6.50% to 6.00% due to the buoyant transactional market, and growth in net market income from low vacancy and improved leasing in the Parramatta office market.

Busselton Central Shopping Centre, WA – The independent value of Busselton Central Shopping Centre, WA saw the property decrease in value by \$4,694,051 or 12.95% from the property's book value immediately prior to valuation. As this property is currently under development and there are some open variables, the valuer has incorporated a risk premium which has detracted from the pre-valuation book value.

The valuer has also provided an 'as-if complete' valuation (ie assuming the development has been completed) of \$37.8 million. This 'as if complete' valuation has not been adopted for accounting or unit pricing purposes, but has been disclosed to provide investors with some transparency as to the value of the completed development. Naturally, there are risks associated with any development and the 'as if complete' valuation may not equal the future valuation of the property once the development has been completed.

Valuation details:

Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
20 Smith Street, Parramatta, NSW	\$63,000,000	\$63,727,241	\$71,000,000	6.50%	6.00%	\$7,272,759	11.41%
Busselton Central Shopping Centre, WA	\$29,500,000	\$36,244,051	\$31,550,000	7.00%	6.75%	(\$4,694,051)	(12.95%)
Total	\$92,500,000	\$99,971,292	\$102,550,000			\$2,578,708	2.58%

At 28 February 2019 the Fund's gearing ratio was 41.28% with gross assets at \$366.61 million and total borrowings of \$151.33 million.

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, diversification, valuation policy, related party transactions, distribution practises and withdrawal rights.

Please refer to the 'Fund Information' section of this website or contact Investor Services on 13 29 39 for copies of these documents.

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Applicable to

Australian Unity Diversified Property Fund – Ordinary Units YOC0018AU