

Property Syndicate Footscray

Fund Fact Sheet – 30 September 2009



Inception date	11 March 1998
Applications	Closed to applications
Withdrawals	On termination only
Income distributions	Quarterly

Overview of changes since last update

This Fund Fact Sheet has been updated on 30 September 2009 (from its previous issue on 31 March 2009) to reflect an update to the Syndicate's property valuation and borrowings position.

About the Syndicate

The Australian Unity Property Syndicate - Footscray ('Syndicate') is a direct property investment. The Syndicate is a fixed term investment scheduled to expire on 30 June 2010.

The Syndicate's sole property is the Footscray Plaza Shopping Centre, a major shopping centre located in inner western Melbourne, Victoria. Footscray Plaza occupies a large island site in the middle of the Footscray Business District.

The property comprises two major tenants, twelve specialty stores and two office tenancies occupying a Net Lettable Area of 13,965 square metres. The major tenants; Coles and K-Mart represent 84% of this area. These leases are secured to August 2013.

The property also features a multi-level deck car park with room for 600 cars.

What is the Syndicate's investment strategy?

The Syndicate acquired the property at commencement. The Syndicate's property is managed to maximise rental income and some capital expenditure may be undertaken to enhance its value.

Structure of the Australian Unity Property Syndicate Footscray

Investor applications (investor capital including investor borrowings) are pooled together to purchase the direct property asset. Cash is used to meet the Syndicate's day to day operating needs.

Rent from the Syndicate's property and interest earned on cash holdings, generate income for the Syndicate. This income is used to meet management fees and ongoing Syndicate expenses. The Syndicate may also retain income as a provision for future expenses, capital expenditure or to reduce borrowings. Once these costs and provisions are met, the remaining income is distributed to investors. The interest expense on borrowings is deducted from distributions prior to paying the net amount to investors.

The capital growth (or loss) on your investment is largely attributed to movements in the value of the Syndicate's property and the level of borrowings relating to your investment.

Borrowings

The Syndicate does not borrow directly. Borrowings have been taken out in the names of investors (under a power of attorney by the Responsible Entity).

Interest costs relating to the borrowings will be met from the gross distributions of the Syndicate prior to the payment of the net distributions to investors.

The lender's rights to recover the total due under the loan, and then the rights of any creditors of the Syndicate, will rank ahead of all investors. Importantly the lender does not have any recourse to investors.

Distributions

Distributions are currently met from net realised income and are paid quarterly.

It is not our intention to source distribution payments from sources other than net realised income, although we may do so if we consider it to be in the interests of our investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is sustainable. We would notify investors if this occurred.

Withdrawals

The Syndicate is a fixed term investment. Withdrawals are not provided for. Investors will receive proceeds of their investment after the termination date and the sale of the property, unless investors decide to extend the Syndicate.

Who are the people managing your investment

Australian Unity Property Limited is the investment manager. We are careful, sensible and successful property managers and our property team is one of the most experienced in the market.

We have a long track record in managing property in all the major sectors and understand the markets and environment they operate in. We have delivered strong investment performance for our investors over an extended period of time.

These key people are responsible for managing the Syndicate:



David Bryant
Head of Australian Unity Investments

Mr Bryant is the Group Executive - Investments and Chief Investment Officer of Australian Unity Investments, which has more than A\$7.6 billion in funds under management (as at 31 August 2009). Australian Unity Investments manages money on behalf of both institutional and retail investors in the areas of Australian and international equities, property, fixed interest and cash securities, and mortgages.

Mr Bryant joined Australian Unity Investments in 2004 and is a director of all of its major operating companies, their investment subsidiaries and is a member of their respective investment committees. He is responsible for the commercial development and profitability of the business, including investment and lending decisions, and all related support services such as business development, marketing, distribution, product development, compliance, administration and treasury.

Mr Bryant is a member of the Investment & Financial Services Association Investment Board Committee, and has over 25 years experience in investment and financial services with organisations such as Westpac, State Street Bank, Perpetual and Intech.



Martin Hession
Head of Property
Australian Unity Investments

Mr Hession joined Australian Unity in 2002 and has responsibility for Australian Unity Investments' property portfolio, valued in excess of \$1.1 billion (as at 31 August 2009). His experience in property includes portfolio

management, commercial and land development, and real estate agency management over 30 years.

Prior to joining Australian Unity Investments, Mr Hession was General Manager - Property at AXA Australia. Earlier roles include Managing Director of LJ Hooker (Victoria); Managing Director of Baillieu Knight Frank (SA); and Chief Executive of Hillier Parker (Victoria).



Peter Lambden
Portfolio Manager

Peter Lambden has responsibility for the performance and management of Australian Unity Investments' direct retail and office property investments. Peter joined Australian Unity in 2001 and has over 35 years experience in portfolio and property management gained during his time in senior roles with National Mutual and AXA. In addition, Peter has held senior positions with industry bodies including President of the Australian Property Institute and Executive member of the Property Council of Australia.

Portfolio details

The Syndicate has a sole property located in Melbourne, Victoria.

The figures shown in the tables below are taken from the Syndicate's latest financial statements for the year ending 30 June 2009 unless stated otherwise.

Direct property portfolio as at 30 June 2009

Property	Footscray Plaza Shopping Centre
State	Victoria
Independent Valuation:	
Date	June 2009
Amount	\$19.00m
Capitalisation Rate	9.00%
Book Value	\$19.00m

Asset allocation as at 30 June 2009

Direct Property	98.60%
Cash & cash equivalents	1.40%
Total	100.00%

Borrowing details

The borrowing information below represents the investor borrowings and is provided for comparison purposes only.

Borrowing details as at 30 June 2009	
Total Syndicate size (Gross Assets)	\$19.37m ⁽⁴⁾
Effective gearing ratio ⁽¹⁾	56.99% ⁽⁴⁾
Effective interest cover ratio ⁽²⁾	2.72 times
% of borrowings hedged	0%
Borrowing facility limit	\$11.74m
Borrowing facility drawn amount	\$11.05m
Borrowing facility maturity ⁽³⁾	30 June 2010

⁽¹⁾ Generally, the gearing ratio is calculated as total interest bearing liabilities divided by total assets and indicates the extent to which the Syndicate's assets are expected to be funded by external liabilities (borrowings). Generally, a higher gearing ratio means that a Syndicate is exposed to a higher level of risk. As borrowings are in the name of investors, we have taken the aggregate of the investor borrowings divided by total assets to arrive at the effective gearing ratio.

⁽²⁾ Generally, the interest cover ratio measures the ability of the Syndicate to service the interest on borrowing from net earnings. Assuming the borrowings are in the name of the Syndicate, this calculation shows that the Syndicate generates income after fees of 2.72 times the level of interest payments due. This means that the Syndicate can service interest payments despite reasonable changes to the interest rate and occupancy rate.

⁽³⁾ The loan facility is due to expire in line with the Syndicate's scheduled expiry date.

⁽⁴⁾ These figures represent the amounts used for fund valuation purposes and vary slightly from the annual financial accounts due to adjustments in the annual financial accounts required by the International Financial Reporting Standards.

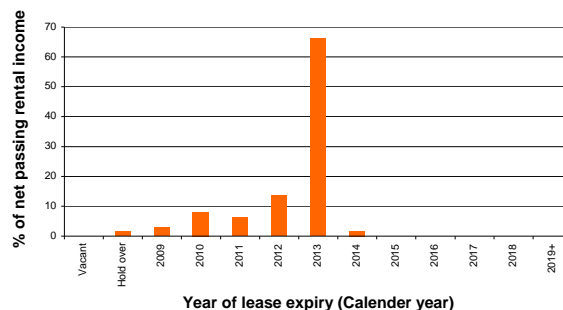
Borrowing covenants

We are within the limits of our borrowing facilities and have no breaches of any financial covenants at the date of this document.

Direct property occupancy and lease details as at 30 June 2009

Occupancy rate by area	100%	
Weighted average lease expiry by income	3.44 years	
Major tenants and % of base rental income	K-Mart	40.10 %
	Coles	22.46%
	Western Healthcare Network	8.42%
	Care park	6.75%

Direct property lease expiry profile as at 30 June 2009



Valuation of properties

Regular valuation of underlying property assets is an important aspect of managing the Syndicate in the best interests of all investors. The valuations are conducted by qualified independent valuers in accordance with industry standards.

We have a policy of generally obtaining independent valuations on our properties each year.

Related party transactions

All transactions we enter into in relation to the Syndicate, including those with related parties, are on arm's length commercial terms.

Entities within the Australian Unity Group provide property management, registry, accounting and tax services to the Syndicate for fees charged at a commercial rate.

Policies and procedures are in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Unity Group entities are reviewed and approved by senior management with clearly identified governed policies and guidelines. All decisions in relation to conflicts of interest and all related party transactions are documented. Policies and guidelines are generally reviewed annually.

Details of material related party transactions are reported yearly as part of the Syndicate's audited annual accounts. The latest annual audited accounts for the Syndicate can be found on our website australianunityinvestments.com.au

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