

Geared Property Income Fund

Continuous Disclosure Notice – 25 November 2010

The Australian Securities and Investments Commission requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing eight disclosure principles. These eight principles are contained in Regulatory Guide 46: Unlisted property schemes – Improving disclosure for investors.

This document has been prepared by Australian Unity Property Limited ("AUPL") as the responsible entity of the Fund to update investors on the information relevant to the disclosure principles. This document should be read in conjunction with the attached Continuous Disclosure Notice for the Australian Unity Property Income Fund (Underlying Fund), the Product Disclosure Statement dated 12 October 2010 ("PDS") and the 30 June 2010 Annual Report which are available from our website australianunityinvestments.com.au/gpif

This document has been updated as at 25 November 2010 (with financial information as at 30 September 2010), from its previous issue on 26 March 2010 to reflect an update to the Fund's portfolio information.

Disclosure Principle 1 – Gearing ratio

The gearing ratio of the Fund, calculated as total interest bearing liabilities divided by total assets was 45.11%, as at 30 September 2010 and is based on unaudited accounts. (46.38% as at 30 June 2010 based on audited accounts).

The gearing ratio calculates the extent to which the Fund's total assets are funded by interest bearing liabilities. It gives an indication of the potential risks investors face in terms of external liabilities that rank ahead of them. If the Fund's gearing ratio under its debt facilities increases, the Fund will have a higher reliance on external liabilities to Fund assets and a greater exposure to funding costs if interest rates rise. This will have a negative impact on the cash distributions and the value of the Fund.

Disclosure Principle 2 – Interest cover

The Syndicate's interest cover is calculated by using the following formula:

$$\text{Interest cover} = \frac{\text{(EBITDA – unrealised gains + unrealised losses)}}{\text{Interest expense}}$$

Where:

EBITDA = earnings before interest, tax, depreciation and amortisation

Interest expense = Interest expense on debt facilities, net of hedging arrangements and interest income, adjusted for various AIFRS treatments including property

The Fund's interest cover ratio as at 30 September 2010 was 2.77 times. (2.75 times as at 30 June 2010 based on audited accounts).

Interest cover indicates the ability of the Fund to meet interest payments from operating cash. It is an indicator of the Fund's financial health and is a key to assessing the sustainability of, and risks associated with, the Fund's level of borrowing. If the Fund's interest cover decreases then the risk of the Fund not being able to meet interest payments will increase.

The Fund is in compliance with its interest cover borrowing covenant.

Disclosure Principle 3 – Fund borrowing

Borrowing details as at 30 September 2010

Gearing ratio	45.11%
% of borrowings hedged	62.50%
Borrowing facility limit	\$40 million
Borrowing facility drawn amount	\$40 million
Borrowing facility maturity	October 2010 ¹
Hedge facility expiry	June 2013

¹ The borrowing facility maturity date shown was as at 30 September 2010. We have subsequently refinanced the borrowings. The new maturity date is September 2012.

To the best of AUPL's knowledge, there have been no breaches of loan covenants as at the date of this document.

All amounts owed to lenders and other creditors will rank before each investor's interest in the Fund. The Fund's ability to repay principal and interest and meet all loan covenants under its borrowing facilities is material to its performance and ongoing viability.

Disclosure Principle 4 – Portfolio diversification

The information in the table below is taken from the values as at 30 September 2010 and is not based on audited financial records. The Fund's composition will change over time.

The Fund invests primarily in the Underlying Fund. Further details of the investment strategy of the Fund can be found on pages 3 and 4 of the Fund's PDS.

Asset allocation	(\$M)	%
Underlying Fund	88.61	99.94
Cash & cash equivalents	0.05	0.06
Total	88.66	100.00

Disclosure Principle 5 – Valuation policy

The Fund has no direct property investments, please refer to the attached information regarding the Underlying Fund for further detail.

Disclosure Principle 6 – Related party transactions

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

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

Policies and guidelines are in place to manage 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 governance 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 related party transactions are outlined on page 19 of the Fund's PDS and section 14 of the 30 June 2010 Annual Report for the Fund.

Disclosure Principle 7 – Distribution practices

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

It is not our intention to source distribution payments from sources other than net income and net realised capital gains, 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.

Disclosure Principle 8 – Withdrawal rights

Information about the Fund's withdrawal arrangements is contained on page 10 of the PDS.

For further enquiries

Please contact us either by telephone, email or mail as shown below:

Address	114 Albert Road South Melbourne, VIC 3205
Investor Services	13 29 39
Adviser Services	1800 649 033
Website	australianunityinvestments.com.au
Email	investments@australianunity.com.au

Important information

This investment product is issued by Australian Unity Property Limited ABN 58 079 538 499, AFS Licence No. 234455 in its capacity as Responsible Entity. This information is intended only to provide a broad summary of this financial product. Investment decisions should not be made upon the basis of its past performance or distribution rate, since future returns will vary. You should refer to the current Product Disclosure Statement if you wish to know more about this product. A copy can be obtained by telephoning 13 29 39, or from our website www.australianunityinvestments.com.au. The information provided here was current at the time of publication only, and we recommend that you access our website for further information.

Property Income Fund

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Disclosure Principle 1 – Gearing ratio

The Fund has no direct borrowings, as such a gearing ratio does not apply.

Disclosure Principle 2 – Interest cover

The Fund has no direct borrowings, as such the interest cover ratio does not apply.

Disclosure Principle 3 – Fund borrowing

The Fund has no direct borrowings

Disclosure Principle 4 – Portfolio diversification

The information in the graphs and tables below is taken from the values as at 30 September 2010 (unless stated otherwise) and is not based on audited financial records. The Fund's composition and diversification will change over time as properties are acquired or disposed and tenancies are re-let.

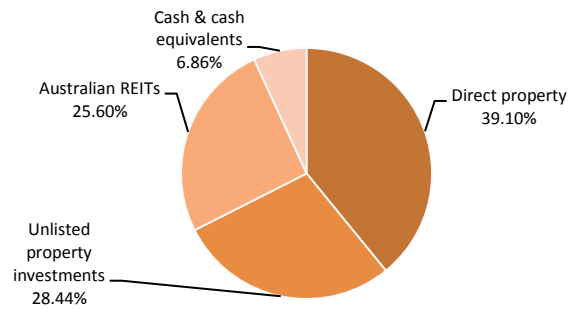
Details of the Fund's investment strategy can be found on page 3 and 4 of the Fund's PDS.

Direct property portfolio

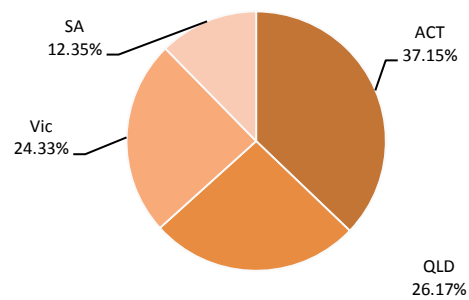
Property	Independent valuation			Book value (\$m)	% of portfolio
	Date	(\$m)	Cap rate %		
40 Allara Street Canberra, ACT	Dec 2009	19.85	8.25	19.85	37.15
65 Beverage Drive Tullamarine, VIC	Jan 2010	4.90	9.00	4.92	9.21
11 Dansu Court Hallam, VIC	March 2010	4.80	9.00	4.80	4.80
7-9 Siddons Way Hallam, VIC	March 2010	3.28	9.00	3.28	6.14
98 Ingleston Road Wakerley, QLD	Dec 2009	7.50	9.50	7.58	14.19
15 Telford Place Arundel, QLD	March 2010	6.40	10.00	6.40	11.98
Salisbury Cinema Complex, Salisbury, SA	Nov 2009	6.60	10.00	6.60	12.35

Asset allocation

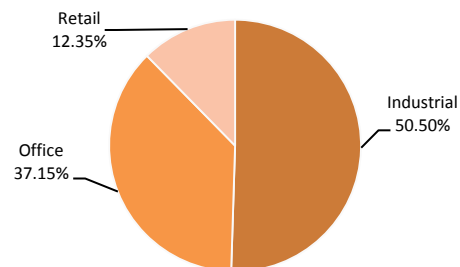
Asset class	%
Direct property	39.10
Unlisted property investments	28.44
Australian REITs	25.60
Cash & cash equivalents	6.86
Total	100.00

**Direct property geographic allocation**

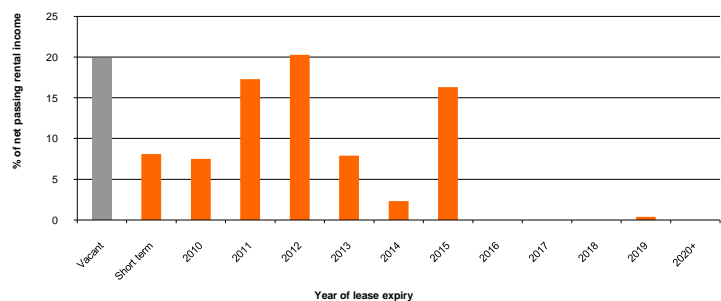
Location	% of portfolio	\$M
ACT	37.15	19.85
QLD	26.17	13.98
VIC	24.33	13.00
SA	12.35	6.60
Total	100.00	53.43

**Direct non-development property by sector**

Sector	% of portfolio	\$M
Industrial	50.50	26.98
Office	37.15	19.85
Retail	12.35	6.60
Total	100.00	53.43

**Direct property occupancy and lease details**

Occupancy rate by area	91.20%	
Weighted average lease expiry by income	2.07 years	
Major tenants and % of base rental income	Vodafone	15.34%
	Consolidated Paper Industries	15.30%
	Hoyts	9.83%
	Kings Transport	9.82%
	Commonwealth Govt. Australia	9.78%

Direct property lease expiry profile**Property development**

There were no development projects in the Fund as at 30 September 2010.

Unlisted and listed portfolio

Investment Name	Amount (\$m)
Australian Unity Industrial Property Trust	1.87
Australian Unity Property Syndicate No.2	1.88
Australian Unity Property Syndicate No.1	1.42
Becton Retail Property Trust	0.38
Becton Industrial Property Trust	1.93
Investa Second Industrial Property Trust	1.22
MAB Diversified Property Trust	2.24
Australian Unity Property Securities Fund	34.99
Australian Unity Office Property Trust	6.29
Australian Unity Retail Property Fund	17.82
Orchard Childcare Property Trust	1.75
Australian Social Infrastructure Fund	0.99
CorVal Industry House	1.08

Disclosure Principle 5 – Valuation policy

Regular valuation of underlying property assets is an important aspect of managing the Trust 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.

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The Fund recently accepted an offer from the Australian Unity Office Property Trust on the property at 172-186 Moreland Road, Brunswick, Victoria for a sale price of \$12.5 million.

As part of the transaction, \$5.3 million of the net sale proceeds were invested into the Australian Unity Office Property Trust.

Details of related party transactions are outlined on page 19 of the Fund's PDS and section 16 of the 30 June 2010 Annual Report for the Fund.

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