

Geared Property Income Fund

Continuous Disclosure Notice – 11 October 2011

The Australian Securities and Investments Commission (ASIC) 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 Geared Property Income Fund, (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 latest Product Disclosure Statement ("PDS") and Annual Report which are available from our website www.austrailanunityinvestments.com.au/gpif

Alternatively, you can call us on 13 29 39 for a copy. Copies will be provided free of charge.

This document has been updated as at 11 October 2011 (with financial information as at 30 June 2011), from its previous issue on 28 February 2011 to reflect an update to the Fund's portfolio information.

The financial information is extracted from the Fund's accounting and property management records.

Disclosure Principle 1 – Gearing ratio

The gearing ratio of the Fund, calculated as total interest bearing liabilities divided by total assets was 44.13%, as at 30 June 2011 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 may have a negative impact on the cash distributions and the value of the Fund.

Disclosure Principle 2 – Interest cover

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

$$\text{Interest cover} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

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

Based on ASIC's disclosure guidelines, the Fund's interest cover ratio as at 30 June 2011 was 1.45 times 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.

Based on the Fund's debt facility agreement, the Fund's interest cover ratio as at 30 June 2011 was 1.66 times. The Fund is in compliance with its interest cover borrowing covenant.

Disclosure Principle 3 – Fund borrowing

The Fund's borrowing information as at 30 June 2011 is summarised in the table below:

Borrowing details	
Borrowing facility drawn amount	\$40 million
Borrowing facility limit	\$40 million
Borrowing facility maturity	September 2012
% of borrowings hedged	80.00%
Weighted hedge expiry	2.9 years

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 Fund invests primarily in the Underlying Fund. Further details of the investment strategy of the Fund can be found the relevant current PDS for the Fund.

Asset allocation	(\$M)	%
Underlying Fund	88.94	99.62
Cash & cash equivalents	0.29	0.32
Other	0.06	0.06
Total	89.29	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

Australian Unity Property Limited ('AUPL') is the Responsible Entity of the Fund.

AUPL may appoint related parties from time to time to provide services to the Fund on arm's length commercial terms. At the date of this document, there are no services being provided by related parties.

Monitoring of related party transaction and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Australian Unity has policies and guidelines 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 governance policies and guidelines. Decisions in relation to conflict of interest and related party transactions are documented.

Updates to related party transactions and further information

As appropriate, we will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through updates to this Continuous Disclosure Notice.

The value of related party payments are reported yearly as part of the Fund's audited annual accounts. The latest Continuous Disclosure Notice and annual audited accounts can be found on our website

australianunityinvestments.com.au. Alternatively we can send you a copy free of charge by calling us on 13 29 39.

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 in the withdrawal section of the relevant 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	www.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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Alternatively, you can call us on 13 29 39 for a copy. Copies will be provided free of charge.

This document has been updated as at 11 October 2011 (with financial information as at 30 June 2011), from its

previous issue on 28 February 2011 to reflect an update to the Fund's portfolio information.

The financial information is extracted from the Fund's accounting and property management records.

The Fund's composition and diversity will change over time as assets are acquired or disposed and tenancies re-let.

Disclosure Principle 1 – Gearing ratio

The Fund has no direct borrowings. The gearing ratio disclosure principle does not apply.

Disclosure Principle 2 – Interest cover

The Fund has no direct borrowings. The interest cover ratio disclosure principle does not apply.

Disclosure Principle 3 – Fund borrowing

The Fund has no direct borrowings. The borrowing disclosure principle does not apply.

Disclosure Principle 4 – Portfolio diversification

Details of the Fund's investment strategy can be found in the Fund's current PDS.

Significant direct property holdings

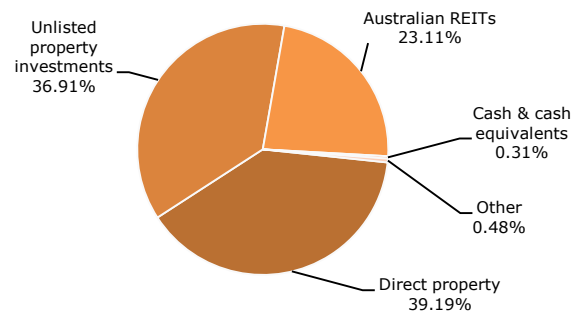
Property	Sector	Independent valuation			Book value (\$m)	% of direct portfolio
		Date	(\$m)	Cap rate %		
40 Allara Street Canberra, ACT ¹	Office	Dec 2010	18.00	9.00	18.08	35.83
98 Ingleston Road Wakerley, QLD	Industrial	Dec 2010	7.30	9.50	7.32	14.50
Salisbury Cinema Complex, Salisbury, SA	Retail	Dec 2010	6.75	11.00	6.75	13.38
15 Telford Place Arundel, QLD ¹	Industrial	Jun 2011	Refer below	11.00	5.55	11.00
11 Dansu Court, Hallam, VIC	Industrial	Mar 2011	5.00	8.00	5.00	9.91

¹ This property was independently valued in August 2011 to \$20.00m.

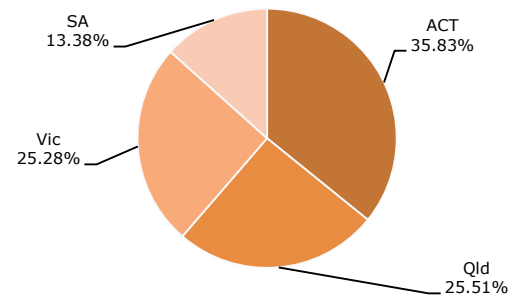
² The property was independently assessed in June 2011 on two separate bases; 1) the tenant Vodafone exercises their first 5-year option, which would extend maturity from 2015 to 2020 and results in a valuation of \$5.9m, or 2) the tenant Vodafone does not exercise their first 5-year option, so they vacate in 2015, resulting in a valuation of \$4.5m.

Asset allocation

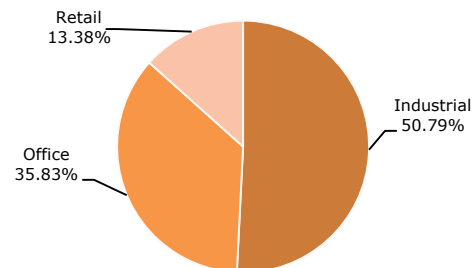
Asset class	% of portfolio	\$M
Direct property	39.20	50.45
Unlisted property investments	36.91	47.50
Australian REITs	23.11	29.75
Cash & cash equivalents	0.31	0.40
Other	0.48	0.61
Total	100.00	128.71

**Direct property geographic allocation**

Location	% of direct portfolio	\$M	Number
ACT	35.83	18.08	1
Qld	25.51	12.87	2
Vic	25.28	12.75	3
SA	13.38	6.75	1
Total	100.00	50.45	7

**Direct property by sector**

Sector	% of direct portfolio	\$M
Industrial	50.79	25.62
Office	35.83	18.08
Retail	13.38	6.75
Total	100.00	50.45

**Direct property occupancy and lease details**

Occupancy rate by area	79.43%	
Weighted average lease expiry by income	3.30 years	
Major tenants and % of base rental income	Vodafone	17.32%
	Consolidated Paper Industries	16.37%
	Hoyts	10.79%
	Kings Transport	10.79%
	Commonwealth Govt. Australia	10.48%

Direct property lease expiry profile**Property development**

There were no development projects in the Fund as at 30 June 2011.

Unlisted and listed portfolio

Investment Name	Amount (\$m)
Australian Unity Diversified Property Fund	6.42
Australian Unity Industrial Property Trust	1.93
Australian Unity Office Property Trust	6.79
Australian Unity Property Syndicate No.1 ¹	1.63
Australian Unity Property Syndicate No.2	1.84
Australian Unity Retail Property Fund	19.48
360 Capital Industrial Property Trust	1.94
360 Capital Retail Property Trust	0.40
CorVal Industry House	1.17
Investa Second Industrial Trust	1.27
MAB Diversified Property Trust	2.12
Orchard Childcare Property Trust	1.85
Australian Unity Property Securities Fund	29.75
Australian Social Infrastructure Fund	0.66
Total	77.25

¹ The Syndicate expired on 29 May 2011 and paid the proceeds to the Fund in July 2011.

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.

Disclosure Principle 6 – Related party transactions

Australian Unity Property Limited ('AUPL') is the Responsible Entity of the Fund.

AUPL has appointed Australian Unity Property Management Pty Ltd ABN 76 073 590 600 ('AUPM') (a related party) to provide some property management services to the Fund. Investor approval has not been sought as the appointment has been made on arm's length commercial terms.

AUPL and AUPM are wholly owned subsidiaries of Australian Unity Limited ABN 23 087 648 888 and are members of the Australian Unity Group.

AUPM

AUPM is a property management business that may, under a written arrangement, provide some of the following services to the Fund as nominated from time to time:

- strategic advice on property acquisitions and sales or arranging the sale or acquisition of property assets;
- management of premises;
- debt arranging, debt structure advice, debt facility negotiation and debt management;
- valuation services;
- leasing services; and
- property management and project supervision.

The appointment of AUPM for these services is not exclusive and AUPL may engage external service providers to undertake these functions.

From 1 July 2011 up to the date of this document leasing services to the value of \$19,000 have been provided by AUPM.

Other related party service providers

AUPL may appoint other related parties from time to time. Please refer to our website www.australianunityinvestments.com.au for updates.

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