

Healthcare Property Trust

Fund Fact Sheet – March 2009



	Retail Units	Wholesale Units	Class A Units
APIR Code	AUS0102AU	AUS0112AU	AUS0037AU
Inception date	30 June 1999	28 February 2002	27 February 2009
Minimum initial investment	\$500	\$25,000	Not Applicable*
Minimum additional investment	\$1,000	\$5,000	Not Applicable*
Minimum regular savings plan	\$100 per month	\$500 per month	Not Applicable*
Entry/Contribution fee	Up to 4.10%	Nil	Nil
Minimum withdrawal amount	\$1,000	\$5,000	Not Applicable*
Exit/Withdrawal fee	Nil	Nil	Nil
Management costs	1.35% p.a. of gross assets	0.95% p.a. of gross assets	0.95% p.a. of gross assets
Buy spread	2.75%	2.75%	2.20%
Sell spread	Nil	Nil	Nil
Income distributions	Quarterly	Quarterly	Quarterly

* Class A units are only available via masterfunds and investor directed portfolio services. Please refer to the operator of the masterfund or investor directed portfolio service for details on their minimum investment requirements.

About the Fund

The Australian Unity Healthcare Property Trust ('Fund') brings together the Australian Unity Group's understanding of the healthcare sector as well as the investment management expertise and experience of our property team. This powerful combination means that we are uniquely qualified to manage healthcare property investments.

The Fund is a property fund with a primary focus on delivering regular income, plus the opportunity for long-term capital growth.

The Fund combines investor contributions and borrowed money to invest in a diversified portfolio of primarily Australian healthcare related property assets.

We aim to cover the cost of borrowings from the income earned from the additional investments. Through this process, the Fund aims to enhance the level of return. The level of borrowings will generally range between 40% - 60% of the Fund's gross assets.

The Fund offers three classes of units:

- Retail Units
- Wholesale Units
- Class A Units

Class A Units provide enhanced withdrawal opportunities to investors compared to Retail and Wholesale Units. This is achieved through a separate reserving of cash or similar investments (typically around 20%) from Class A Unit applications received.

The Fund was the first of its kind in the market and has been operating since June 1998.

What does the Fund invest in?

The Fund primarily invests in a diversified portfolio of healthcare property and related assets including direct property, managed funds (such as unlisted and listed property trusts and property syndicates) or companies that predominantly hold healthcare property.

The Fund may also invest in similar international healthcare related assets in countries with healthcare systems and property markets with attributes similar to Australia.

In respect of Retail and Wholesale Units, the Fund typically holds 75-100% of its assets in direct property and up to 15% in listed or unlisted property investments. The balance is held in cash and similar investments.

In respect of Class A Units, the Fund typically holds 20% of the Class A Units net asset value separately in a special cash reserve. This level may fluctuate from time to time depending on cash flows and movements in asset values. Of the balance of assets remaining in respect of Class A Units, the Fund typically holds 75-100% of the assets in direct property, up to 15% in listed or unlisted property investments and the remainder in cash and similar investments.

Derivatives

It is not our current policy to use derivatives for gearing purposes or for speculative activities for this Fund. We may use derivatives in the Fund for implementation of interest rate risk strategies and management of the Funds' interest rate exposures.

The Fund may fully or partially hedge the income stream and capital value of any foreign investments from the foreign currency back to Australian dollars to manage exchange rate risk.

What is the Fund's investment strategy?

In acquiring and managing the property assets of the Fund our objective is to ensure the Fund takes advantage of trends in the healthcare sector both locally and internationally.

Our decisions to invest in healthcare property and related assets are premised on the asset's ability to deliver attractive returns, increase diversification and relative liquidity. We aim to achieve this by:

- Acquiring healthcare or healthcare-related properties that are leaders in their particular geographical area;
- Selectively developing suitable long-term expansion and/or improvement strategies for the properties;
- Ensuring the Fund maintains adequate and multiple levels of diversification including by geographic location, property type and the type of healthcare services provided by each tenant;
- Building strong, secure relationships with tenants that have relevant experience and expertise in the healthcare sector;
- Where practical, putting in place carefully structured, long-term leases, with the aim of achieving stable and predictable rental income as well as growth in rental income over the long-term; and
- Working closely with asset consultants to identify quality healthcare related assets both locally and internationally.

Structure of the Healthcare Property Trust

Investor applications and borrowings are pooled together to purchase healthcare property and related assets for the Fund.

Rent from the Fund's properties, income from other assets and interest earned on cash holdings, generate income for the Fund. This income is used to meet interest expenses on borrowings, management fees, and ongoing Fund expenses. We may also retain some 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 capital growth (or loss) on your investment is largely attributed to movement in the value of the Fund's properties, changes in value of other assets and the level of borrowings the Fund has.

Borrowings

The Fund borrows to finance and maintain new and existing assets, to develop those assets, as well as to provide liquidity for operating purposes. Under the Fund's constitution and law, the Fund has the power to:

- borrow and raise money for the purposes of the Fund and to grant security over the Fund's assets; and
- to incur all types of obligations and liabilities.

Generally, interest costs relating to the borrowings will be met from the gross income of the Fund prior to the payment of distributions to investors.

The lender's rights to recover the total due under the loan, and then the rights of any creditors of the Fund, 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 net realised capital gains and are paid quarterly.

It is not our intention to source distribution payments from sources other than net realised 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, or unplanned costs are incurred) and where payment from that source is sustainable. We would notify investors if this occurred.

Withdrawals

Withdrawals - Retail & Wholesale Unit investors

In normal operating conditions Retail and Wholesale Unit withdrawals are paid quarterly. The maximum total amount available for withdrawals each quarter is 2.5% of the total net value of units on issue for the relevant class (although we have the discretion to alter this amount). If this amount is exceeded, withdrawals may be met on a pro-rata basis.

Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount.

Withdrawal requests can be made on any day up to 3.00pm on the 28th day of each quarter end date (being 28 February, 28 May, 28 August and 28 November or the next Melbourne business day if the 28th is a non business day) to receive the withdrawal price effective for the 28th of that quarter end date. We will endeavour to make withdrawal payments within five days after the quarter end date.

Withdrawals – Class A Unit investors

In normal operating conditions Class A Unit withdrawals are paid monthly. Monthly withdrawals will be met from the cash reserves held specifically for Class A Units.

Withdrawal request can be made on any day up to 3.00pm on the 28th day of the month to receive the withdrawal price effective for the 28th of that month. We will endeavour to make withdrawal payments within five days after the end of month.

In abnormal operating/market conditions the demand for withdrawals may exceed the amount of cash reserve held for Class A Units. Where this occurs, withdrawals will instead be met on a quarterly basis and will be subject to a quarterly cap of 2.5% of the net assets attributable to Class A Units (although we have the discretion to alter this amount). If this amount is exceeded, withdrawals may be met on a pro-rata basis. Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount. Quarterly withdrawals will be met from the Fund's general cash holding.

Withdrawals – All investors

Where we are required to sell property assets, it may take longer for you to receive your withdrawal proceeds. In extreme cases it could take 12 months or longer for you to receive your money.

While the Fund is liquid, the Fund's constitution allows up to 365 days to meet withdrawal requests.

Suspension of withdrawals

If we cannot sell property assets within 365 days to meet withdrawal requests, the Fund will become illiquid and quarterly withdrawals will be suspended. If this occurs, you can only withdraw when we make a withdrawal offer available, in accordance with the Fund's constitution and law.

Substantial investor withdrawal requests

In order to ensure reasonable equity among investors, where any single investor requests withdrawals in excess of 5% of the total number of units on issue of a relevant class during a withdrawal period, we may deem those requests to be a single withdrawal request for 5% of the total number of units on issue for that class or such higher amount as we determine at our absolute discretion.

Who are the people managing your investment?

Australian Unity Funds Management 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.

These key people are responsible for managing the Fund:



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\$5.2bn in funds under management (as at 28 February 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.

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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 \$1.1bn (as at 28 February 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).



Chris Smith
Portfolio Manager – Healthcare &
Industrial Property

Mr Smith joined Australian Unity Investments in 2001. He has responsibility for the performance and management of Australian Unity Investments' healthcare and industrial property portfolio.

Mr Smith has over 20 years experience in portfolio and property management, gained during his time in senior roles with Jones Lang LaSalle and Coles Myer. Chris recently completed a Post Graduate Certificate of Business Administration, through RMIT University.

Portfolio details

The Fund has diversity in locations, tenants, and lease terms. We believe that, through diversification, consistent income returns and capital growth can be achieved over the long term and through a range of economic cycles (growth and contraction).

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

The details in the tables below are extracted from the Fund's latest financial statements for the half year ending 31 December 2008 unless stated otherwise.

Information about the individual properties is contained in the 'Direct property portfolio' table at the back of this document.

Asset allocation as at 28 February 2009

	Fund	Effective asset allocation	
		Retail & Wholesale Units	Class A Units
Direct property	93.94%	93.94%	81.82%
Unlisted and Listed Property	2.75%	2.75%	2.39%
Cash	3.31%	3.31%	2.88%
Class A Units Cash Reserve	0.00%	Nil	12.91% ⁽¹⁾
Total	100%	100%	100%

⁽¹⁾ The Class A Cash Reserve above is expressed as a percentage of gross asset value. On a net asset basis this equates to 20.00% of the value of Class A Units.

Borrowing details as at 31 December 2008

Total Fund size (Gross Assets)	\$417.22m
Gearing ratio ⁽¹⁾	40.14%
Interest cover ratio ⁽²⁾	2.54 times
% of borrowings hedged	40.00%
Borrowing facility limit	\$200.00m
Borrowing facility drawn amount	\$167.48m
Borrowing facility maturity ⁽³⁾	31 July 2009
Hedge expiry	31 October 2010

⁽¹⁾ The gearing ratio is calculated as total interest bearing liabilities divided by total assets and indicates the extent to which the Fund's assets are expected to be funded by external liabilities (borrowings). Generally, a higher gearing ratio means that a fund is exposed to a higher level of risk.

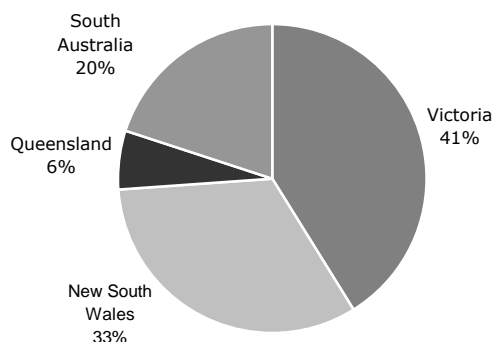
⁽²⁾ The interest cover ratio measures the ability of the Fund to service the interest on borrowing from net earnings. This calculation shows that the Healthcare Property Trust generates income after fees which is 2.54 times the level of interest payments due. This means that the Fund can service interest payments despite reasonable changes to the interest rate and occupancy rate.

⁽³⁾ We are well within the current lender's requirements, and as such, are confident that the borrowing facility will be refinanced prior to maturity.

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.

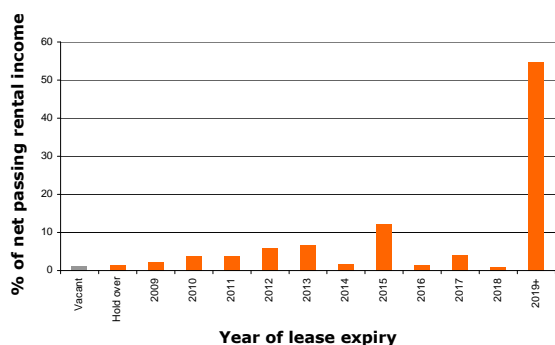
Direct and unlisted property geographic allocation as at 31 December 2008



Direct property occupancy and lease details as at 31 December 2008

Occupancy rate by area	98.99%	
Weighted average lease expiry by income	8.04 years	
Major tenants and % of net passing rental income	Ramsay Health	33.99%
	Calvary Healthcare	22.01%
	Healthcare	5.83%

Direct property lease expiry profile as at 31 December 2008



Property development

We believe the Fund can add further value to investors through exposure to property development. Currently, the Fund is exploring two development opportunities.

1. A development application has been lodged for the building of a private hospital, medical centre and supporting facilities on vacant land at Forest Road, Orange. Although it is currently dependent on a number of factors including planning approvals and pre-lease commitments, the four staged settlements are currently planned to occur from late 2009 through to late 2011.
2. The Figtree properties will be refurbished during 2009 and converted to consulting suites and the premises re-let.

Valuation of properties

Regular valuation of underlying property assets is an important aspect of managing the Fund 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 Fund, including those with related parties, are conducted on commercial terms (i.e. on an arm's length basis).

Related party transactions are managed in accordance with our policy which requires an assessment and senior management approval to ensure the arm's length nature of each transaction. These transactions are then included on a register. The register is subject to regular external audit review.

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

The Fund currently has exposure to the Australian Unity Wholesale Cash Fund (ARSN 111 933 361), a registered managed investment scheme operated by us. This underlying fund acts as a centralised cash management vehicle for the Fund. The Wholesale Cash Fund primarily invests in short term fixed interest securities and aims to provide regular income with capital security over the short-term.

As at 31 December 2008, the Fund held a 1.67% interest (\$7.0m) in the Australian Unity Wholesale Cash Fund.

For the six months to 31 December 2008, the Fund paid the following fees to related parties:

- Australian Unity Property Limited - \$367,322 for property management services; and
- Australian Unity Group Services Pty Ltd - \$76,027 for accounting and tax services.

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Direct property portfolio as at 31 December 2008

Property	Independent valuation			Book value	Major tenant	Lease period
	Date	(\$m)	Cap rate %	(\$m)		
New South Wales						
IVF Australia Clinic	Aug 2008	14.61 ⁽⁶⁾	6.75	15.49	IVF Australia	10 years to 2017
Berkeley Vale Private Hospital	Nov 2008	10.25	9.25	10.25	Ramsay Health	15 years to 2015
Constitution Hill Aged Care	Dec 2008	15.10 ⁽⁶⁾	9.10	15.97	Australian Unity Care Services	20 years to 2028
Figtree Consulting Suites ⁽⁵⁾	May 2008	1.50 ⁽⁶⁾	n/a	1.64	Sonic Health	Month to month overhold
Forest Road, Orange ⁽⁵⁾	Jan 2008	7.12 ⁽⁶⁾	n/a	7.76	Development site	n/a
Hunters Hill Private Hospital	Nov 2008	10.50	9.50	10.50	Ramsay Health	15 years to 2015
Illawarra Private Hospital	Nov 2008	18.25	9.50	18.25	Ramsay Health	15 years to 2015
Royal Prince Alfred Medical Centre ⁽¹⁾	Nov 2008	46.00	9.00	46.00	Sydney South West Area Health Services & Secure Parking	Various
Victoria						
Beleura Private Hospital ⁽²⁾	Oct 2008	35.38	9.75	35.38	Ramsay Health	20 years to 2019
Eureka Medical Centre	Sep 2007	4.15	7.00	4.15	Primary Health	10 years to 2015
Manningham Medical Centre	July 2008	35.00 ⁽⁶⁾	7.20	36.84	MMC General Practice	10 years to 2013
Peninsula Private Hospital ⁽³⁾	May 2008	48.60	8.50	50.43	Ramsay Health	20 years to 2019
The Valley Private Hospital	Oct 2008	19.75	9.75	19.70	Healthcare	20 years to 2019
Victoria House Medical Centre	May 2008	18.00	7.50	18.79	Healthscope	10 years to 2010
Queensland						
Ipswich Medical Centre and Day Surgery	May 2008	12.37	7.50	12.79	Medicross Ipswich & Ipswich Day Surgery	5 years to 2010 5 years to 2012
Willetts Road Medical Centre properties ⁽⁴⁾	May 2008	9.90	8.00	9.90	Vision Group	5 years to 2011
South Australia						
College Grove Rehabilitation Hospital	Feb 2008	12.85	9.75	12.85	Calvary Health	15 years to 2019
Wakefield Medical Clinic	Feb 2008	13.90	8.75	13.91	Calvary Health	15 years to 2019
Wakefield Private Hospital	Feb 2008	53.25	9.00	53.29	Calvary Health	15 years to 2019

(1) Leasehold, expires 30 June 2012 with 25+25+24 year options.

(2) Includes a rehabilitation farm at Stumpy Gully Road, Moorooduc.

(3) Includes a parcel of vacant land, not leased to Ramsay Health, adjoining the hospital valued at \$1.0 million as at May 2008.

(4) Includes acquisition costs incidental to the purchase of the properties. Includes a parcel of vacant land located at Willetts Road, Mackay valued at \$0.8 million as at May 2008.

(5) Valuation on an 'as is' basis.

(6) Actual purchase price shown. Independent valuation subsequent to purchase has yet to be obtained.

Unlisted and listed portfolio as at 31 December 2008	Amount (\$m)
Orchard Sydney Healthcare Trust (unlisted)	9.60
ING Healthcare Fund (listed)	1.52

Important information

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