

Healthcare Property Trust – Class A Units

Supplementary Product Disclosure Statement – 28 October 2011

Important notice

This is a Supplementary Product Disclosure Statement (SPDS) to the Australian Unity Healthcare Property Trust – Class A Units Product Disclosure Statement (PDS) dated 25 June 2010. You should read this SPDS together with the PDS.

This SPDS is issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454 as the Responsible Entity for the Australian Unity Healthcare Property Trust ARSN 092 755 318.

Discounted rights offer to existing investors only

The Responsible Entity has announced its intention to conduct a discounted rights issue (the Offer) to eligible unit holders in the Trust at 12 October 2011 (the Record Date). The Offer aims to raise up to \$50 million to fund the proposed expansions of three of its existing hospitals. The Offer is expected to open on 31 October 2011 and is scheduled to close on 20 December 2011.

Temporary deferral of issue of new units

During the period of the Offer the Responsible Entity will continue to receive applications for new units; however the issue of new units will be temporarily deferred until 21 December 2011⁽¹⁾ (the day following the close date of the Offer).

Investors wishing to apply for an investment in the Trust during this period may:

- **If paying by direct debit** – send your completed application form to us at anytime between 31 October 2011 and 20 December 2011, and subject to meeting the usual acceptance requirements, we will draw your application money from your bank account on 21 December 2011 and issue units in the Trust at the application price effective for 21 December 2011.
- **If paying by cheque** – send your completed application form and cheque to us at after 20 November 2011 and before 20 December 2011, and subject to meeting the usual acceptance requirements, we will issue units in the Trust at the application price effective for 21 December 2011.

Changes to the PDS

The information above amends page 5 of the PDS, under the heading 'Applications' to reflect that new applications received during the Offer period will receive the application price effective 21 December 2011 (the day after the Rights Offer Close Date). After that time, the issue of new units will resume as normal.

⁽¹⁾ Please note, the key dates and details of the Discounted Rights Offer are correct at the time of issue, however they may change. A change to the Discounted Rights Offer Close Date will change the application price effective date referred to above.

Contact us

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

Healthcare Property Trust - Class A Units

Product Disclosure Statement – 25 June 2010



The Fund offered under this Product Disclosure Statement ('PDS') is issued by **Australian Unity Funds Management Limited** (Australian Unity Funds Management) ABN 60 071 497 115, holding AFS Licence No. 234454 in its capacity as Responsible Entity.

Australian Unity Funds Management is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

The Fund offered under this PDS is the Australian Unity Healthcare Property Trust ARSN 092 755 318 – Class A Units ('Healthcare Property Trust').

The product offered under this PDS is not guaranteed or otherwise supported by Australian Unity Funds Management, Australian Unity Limited, or any member of the Australian Unity Group. You should consider this when assessing the suitability of the investment, and particular aspects of risk.

In this document, the description 'we', 'us' or 'our' refers to Australian Unity Funds Management.

A reference to 'Australian Unity Investments' is a general description, which includes those entities within the Australian Unity Group undertaking investment activities.

This document can only be used by investors receiving it (electronically or otherwise) in Australia. No investments will be accepted on the basis of this document once it is replaced with a later PDS.

Australian Unity Funds Management has authorised the use of this PDS only for investors considering placing an investment through a masterfund, wrap or similar platform product (which are collectively known and referred to as 'investor directed portfolio service' or 'IDPS') in this document.

In this PDS, the operator of that IDPS product will be referred to as your IDPS operator.

In this document, 'business day' refers to a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday.

This PDS is available in electronic format, including access via our website. If you receive it electronically, please ensure that you have received the entire PDS. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge.

Important information about withdrawals

The Fund primarily invests in direct property which is generally less liquid than many other forms of investment.

Class A Units combine the benefits of direct property with a moderate exposure to cash or cash like investments. The mix of direct property and cash for this class of unit aims to provide enhanced liquidity facilitating monthly withdrawals in normal operating conditions for investors.

In times of abnormal operating or market conditions, or periods of excessive withdrawals, however, it may take longer for you to withdraw your money. In extreme cases it could take 12 months or longer for you to receive your money.

Please refer to page 5 for more details on withdrawals.

Obtaining other information before making a decision

Visit our website at australianunityinvestments.com.au/hpta for further information about the Fund, including:

- Unit price and performance;
- Fund updates; and
- Fund fact sheets.

We recommend that you obtain and review such information before you invest. Alternatively, you can call us on 13 29 39 and we will send you the requested information free of charge.

About the Fund

The Fund is an unlisted property fund that invests in healthcare related property assets with a primary focus on delivering regular income, plus the opportunity for long-term capital growth. The Fund has a diversified tenant base currently comprising hospital, medical and aged care operators.

The 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. Australian Unity provides health care, financial planning, investment, and retirement living services to more than 400,000 Australians. Australian Unity's history as a trusted mutual organisation dates back more than 165 years. This powerful combination means that we are uniquely qualified to manage healthcare property investments.

Healthcare property investment includes the ownership of the physical infrastructure supporting the healthcare system including the land, bricks and mortar of hospitals, medical clinics, nursing homes, day surgeries, consulting rooms, rehabilitation units, radiology and pathology centres.

With Australians living longer and the baby boomer generation predicted to swell the number of older Australians over the next 20 years, the demand for healthcare is set to increase significantly. In fact, the proportion of the population aged over 65 is projected to increase from 13% in 2004 to 20% by 2024. As hospital use increases after the age of 50, this ageing of the Australian population can be expected to affect both the demand for and provision of hospital services.*

We believe while other property sectors experience the volatility of economic cycles, the demand for healthcare assets is predicted to remain steady. The Fund is an investment in a sector that is relatively immune to the impact of economic downturns.

The Fund offers three classes of units:

- Retail Units
- Wholesale Units
- Class A Units

Class A Units are offered under this PDS. Class A Units provide enhanced withdrawal opportunities to investors. 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 Australian market and has been operating since June 1998. Class A Units were first issued in February 2009.

*Australian Institute of Health and Welfare Australia's Health, 2006; Bulletin 53, Older Australians in hospital, Australian Institute of Health and Welfare, August 2007.

How the Fund operates

Investor applications are pooled together with borrowings from lenders to purchase healthcare property and related assets for the Fund. An amount of cash is retained in the Fund to meet the Fund's day to day operating and liquidity needs.

Rent from the Fund's properties and income earned on the Fund's other assets generate income for the Fund. This income is used to meet the interest expenses on borrowings, management fees, property related expenses and ongoing Fund expenses. We may also retain some income as a provision for items such as future expenses or capital requirements. 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 revaluations of the Fund's properties, changes in value of other assets and the level of borrowings the Fund has.

Who should invest in the Fund?

This Fund is typically suited to investors who:

- seek regular income payments;
- want a high degree of direct property exposure;
- are looking to diversify their existing property portfolio; and
- have a minimum five-year investment outlook.

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 key attributes similar to Australia.

To provide an enhanced level of liquidity, Class A Units typically aim to hold 20% of its value separately in a special cash reserve. This level may fluctuate from time to time depending on cash flows.

Of the balance of assets, the Fund typically holds 75-100% of its 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 the Fund's current policy to use derivatives for gearing purposes or for speculative activities. The Fund may use derivatives for asset allocation purposes, implementation of interest rate risk strategies and management of the Fund's interest rate exposures.

What is the Fund's investment process?

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 assets' ability to deliver attractive returns, increase diversification and their 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.

Borrowings

The Fund borrows to finance new and existing assets, to develop and maintain those assets, and to provide liquidity for operating purposes and managing the capital position.

It generally operates within a gearing ratio range of 40% - 60% but may operate outside of this range if we believe it is in the interest of the Fund to do so.

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 income to investors.

The lenders' rights to recover the total due under the loans, and then the rights of any creditors of the Fund, will rank ahead of all investors. The lenders to the Fund do not have any recourse to investors.

Portfolio details

The information in the graphs and tables below is extracted from the values recorded as at 31 March 2010 and are not based upon audited financial records. The Fund's composition and diversity will change over time as assets are acquired or disposed and tenancies re-let.

Asset allocation as at 31 March 2010

	Effective asset allocation		
	Fund	Retail and Wholesale Units	Class A Units
Direct property	96.15%	96.45%	84.84%
Unlisted and Listed Property	1.94%	1.94%	1.72%
Cash	1.60%	1.61%	1.41%
Class A Units Cash Reserve	0.31%	Nil	12.03% ⁽¹⁾
Total	100%	100%	100%

(1) The Class A Units Cash Reserve above is expressed as a percentage of gross asset value of the unit class. As the direct property exposure is magnified by the effects of gearing, on a net asset basis, the Class A Units Cash Reserve equates to 19.57% of the value of Class A Units.

Borrowing details as at 31 March 2010

Total Fund size (Gross Assets)	\$410.66 million
Gearing ratio ⁽²⁾	43.14%
Interest cover ratio ⁽³⁾	1.98 times
% of borrowings hedged	90.00%
Borrowing facility limit	\$220.00 million
Borrowing facility drawn amount	\$176.90 million
Borrowing facility maturity	27 July 2011: \$137.50 million 27 July 2012: \$82.50 million
Hedge expiry ⁽⁴⁾	Oct 2010: \$66.17 million May 2012: \$46.47 million May 2014: \$46.47 million

(2) The gearing ratio is calculated as total interest bearing liabilities divided by total assets. This ratio 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. The gearing ratio based on the last audited financial statements at 30 June 2009 was 39.91%.

(3) The Interest Cover Ratio measures the ability of the Fund to service the interest on borrowing from net earnings. This calculation shows that the Fund generates income after fees which is 1.98 times the level of interest payments due. The interest cover ratio based on the last audited financial statements at 30 June 2009 was 2.75 times.

(4) In determining whether to hedge the borrowings, a number of factors are considered including general economic conditions, expected changes to interest rates and the costs of implementing the hedge. Importantly, we aim to implement hedges where we believe that it will be beneficial for the Fund to do so.

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.

Significant property holdings⁽⁵⁾

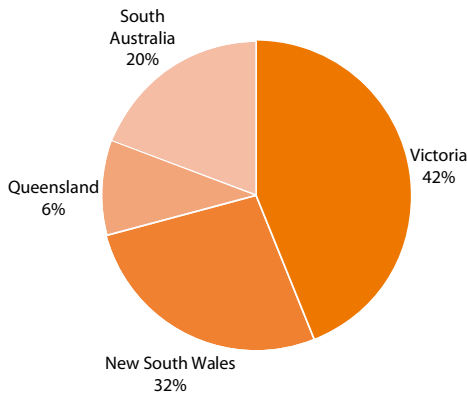
Property	Independent Valuation			Book value
	Date	\$m	Cap Rate %	\$m
Wakefield Private Hospital, SA	Dec 2009	50.00	9.50	50.06
Peninsula Private Hospital, VIC ⁽⁶⁾	Feb 2010	49.50	8.45	49.50
Royal Prince Alfred Medical Centre, NSW	Feb 2010	47.50	9.25	47.50
Beleura Private Hospital, VIC ⁽⁷⁾	Sept 2009	34.35	10.19	34.36
Manningham Medical Centre, VIC	Dec 2009	30.00	8.50	30.00

(5) You can obtain a copy of the Fund Fact Sheet from our website for a complete list of property holdings.

(6) Includes a parcel of vacant land adjoining the hospital valued at \$0.75m as at May 2009.

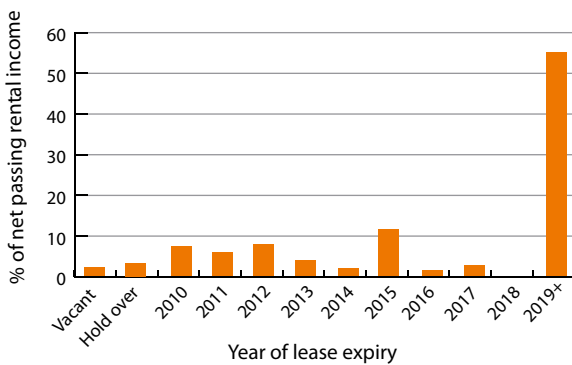
(7) Includes a rehabilitation farm at Stumpy Gully Road, Moorooduc.

Property geographic allocation by value as at 31 March 2010



Direct property occupancy and lease details as at 31 March 2010	
Occupancy rate by area	99.15%
Weighted average lease expiry by income (excluding vacancies)	7.31 years
Major tenants and % of base rental income	Ramsay Health 32.30% Calvary Healthcare 21.00% Health Care 8.60%

Direct property lease expiry profile as at 31 March 2010



Property development

We believe the Fund can enhance existing properties and add further value for investors through selective exposure to property development. In managing the Fund's property portfolio, we may refurbish or redevelop the properties from time to time as required. Material property developments will only be undertaken where substantial pre-commitments to lease are in place and development risk is appropriately mitigated. Currently, the Fund is undertaking the following developments:

Brunswick Private Hospital, Victoria

A \$6.9 million refurbishment of the Brunswick Private Hospital, Victoria. The refurbishment includes updating the front entrance and the facade, improving lighting levels, replacing air-conditioning units, extending the existing car park and existing building structures to allow for an increased number of beds and services.

The approval of plans and specifications for the development are yet to be finalised. However, minor works to refurbish wards have commenced with the first refurbished wards completed in April 2010.

Peninsula Private Hospital, Victoria

We are also planning an expansion of the Peninsula Private Hospital in Langwarrin, Victoria. The proposed expansion, which currently awaits approval from the Frankston City Council, will add a new 30-bed ward as well as additional space for day surgery beds, operating theatres and parking.

Forest Road, Orange, New South Wales

We are assessing a number of options for the development site at Forest Road Orange. The six-hectare site was purchased by the Fund in January 2008 for a development project that includes plans to build a private hospital, medical centre and other supporting facilities.

Future updates about the developments will be on our website at australianunityinvestments.com.au/hpta

Ongoing portfolio information which you should regularly access

The Australian Securities and Investments Commission ("ASIC") requires certain information to be provided to investors in unlisted property funds. This has been addressed in the preceding information. This information may change, and as it is important information you should review it when monitoring your investment. This information is updated via Fund Fact Sheets and Fund Updates, and posted on our website at australianunityinvestments.com.au/hpta.

Alternatively, you can call us on 13 29 39 for a copy or for any other information regarding the Fund. Copies will be provided free of charge.

Benefits of the Fund
<ul style="list-style-type: none"> ■ Solid and reliable income paid quarterly. ■ The potential for capital growth over the medium to long-term. ■ Access to property investments without the obligations of direct property ownership. ■ Access to investment opportunities in healthcare property that may not otherwise be available to individuals. ■ A lower cost of borrowing than that typically available to an individual investor. ■ Ability to obtain tax deferred income. ■ Greater flexibility to access your investment compared to other direct property investment funds. ■ Managed by specialist asset managers with the support of the Australian Unity Group.

It is important that you consider the risks of investing which are explained on pages 6 to 7.

For more information about this Fund including updated portfolio information, visit: australianunityinvestments.com.au/hpta or contact us on 13 29 39.

Who are the people managing your investment?

Australian Unity Funds Management is the investment manager for the Fund. 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 healthcare properties 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\$10.6 billion in funds under management (as at 31 March 2010). 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 related support services such as business development, distribution, product development 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 A\$1.1 billion (as at 31 March 2010). 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 and
Industrial Property
Australian Unity Investments

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 and allocates a substantial portion of his time to the healthcare 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.

Investing with us

When investing in, or withdrawing from the Fund through a masterfund or IDPS certain features of the Fund will not apply to your investment. Examples are minimums for investments and withdrawals and the processing times your masterfund/IDPS operator may specify to you. You should ensure that you understand these differences before you invest.

Applications

Applications for the Fund are generally accepted daily. Your application in the Fund is processed upon instructions from your masterfund or IDPS operator. The product brochure for the masterfund or IDPS will set out how the operator will undertake these for you and the time frames that apply.

Instructions to invest received by us after 3.00pm (Melbourne time) on a business day mean that the unit price effective for the next business day is applied.

Suspension of applications

In exceptional circumstances, where it is considered to be in the best interest of investors, the processing of all applications may be suspended. If this occurs, your application request will be processed using the next available unit price.

Withdrawals

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

Your withdrawal request is processed upon instructions from your masterfund or IDPS operator. The operator can apply for withdrawals 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 (or the next business day if the 28th is a non-business day). The product brochure for the masterfund or IDPS will set out how the operator will undertake these for you and the time frames that apply. 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 value of 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.

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 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 Class A Units on issue during a withdrawal period, we may deem those requests to be a single withdrawal request for 5% of the total number of Class A Units on issue or such higher amount as we determine at our absolute discretion.

Changing your mind

As you are investing through a masterfund or IDPS, you should consult the operator in relation to cooling off rights that may apply to your investment in the masterfund or IDPS (if any).

Unit prices and investment income How we calculate unit prices

Unit prices are generally calculated daily. The unit price is calculated by taking the value of the Fund's assets, and deducting the liabilities. The resulting value is then divided by the total number of units issued by the Fund.

The Fund has multiple classes of units. The unit price for Class A Units is calculated by taking account of its proportion of net assets (including its cash holdings), and deducting the liabilities applicable to that class. The resulting value is then divided by the total number of units held in Class A.

Both the application and the withdrawal price are calculated taking into account any applicable buy/sell spread. The buy/sell spread is a percentage amount applied to the unit price. It ensures that there is an equitable application of the costs of buying and selling assets to investors entering and exiting the Fund. Refer to page 9 for more information on the buy/sell spread of the Fund.

Where the Responsible Entity applies its discretion to unit pricing using its powers under the Fund's Constitution (e.g. in determining an appropriate level for the buy/sell spread, based on estimates of underlying transaction costs being incurred by the Fund), it acts in accordance with its set policies. Investors may inspect a copy of these policies at our registered office at any time between 9:00am and 5:00pm (Melbourne time) on a business day.

For daily unit price updates please visit our website at australianunityinvestments.com.au/hpta or call us on 13 29 39.

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 for direct property are conducted by qualified independent valuers in accordance with industry standards.

We have a policy of generally obtaining independent valuation on our direct properties annually.

The latest valuation for the properties is updated in the Fund Fact Sheet, which you can download from our website: australianunityinvestments.com.au/hpta.

Distributions

Generally, net investment income is paid to your masterfund/IDPS operator after the end of the Fund's distribution period. Distributions are generally paid within 21 Melbourne business days of the end of each calendar quarter (i.e. March, June, September, and December). Any net realised gains earned by the Fund are generally not paid until the end of the financial year.

Distributions to investors are sourced from realised income and any net realised capital gains. It is not our intention to distribute capital reserves for the Fund. If our policy changes we will notify investors.

Understanding the risks of investing

What is risk?

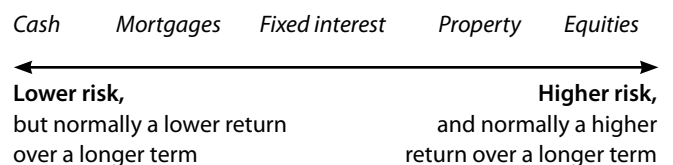
'Risk' generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments come with a degree of risk. You will need to determine how much risk you are able, or willing, to tolerate. The main risks of investing include a decrease in the value of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

These risks can arise from various circumstances, including:

- changes to government policies relating to tax or economics that may have adverse impacts on investment markets or the tax treatment of investment returns ('regulatory risk'); and
- changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to market sentiment, that may make certain investments less attractive ('market risk').

It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. The spectrum below shows the five main types of investments according to their relationship between risk and return for you to consider.



If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

How we manage risk

We are unable to eliminate all investment risks, but we do analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines.

We also spread investments across a diverse range of assets to reduce the reliance upon the performance of any single asset. If one asset is performing poorly, another may perform well. Diversification will therefore generally smooth out the overall return on the portfolio, and may reduce short-term volatility.

How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation, and your investment objectives, affect the selection of investments that you can make;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns.

Risks relevant to the Fund

The Fund may invest directly in real property assets, unlisted property trusts, listed Australian REITs and cash. With the exception of listed Australian REITs and cash, property assets tend to be less liquid than other forms of investment.

There is a risk that the Fund may have insufficient cash to meet its monthly withdrawal obligation in a timely manner. If this was to occur withdrawals will instead be met on a quarterly basis and will be subject to a quarterly cap of 2.5% of the value of 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. This means that you may receive only part of your requested amount and may have to submit another withdrawal request in a subsequent period for the balance. If the Fund is required to sell real property assets, it may take up to 12 months or longer to receive your withdrawal proceeds. Further details about withdrawals are contained on page 5.

The value of direct and unlisted property assets is closely linked to rental income, occupancy levels, tenant quality, lease terms, location and supply and demand factors, and may also be impacted by environmental risks (such as land contamination or the cost of removing potentially hazardous materials). Changes to any of these elements will affect the value of the underlying property and ultimately the value of your investment. A decline in property values may impact the Fund's gearing ratio and loan covenants and the Fund may be required to reduce its borrowings through the sale of assets, additional capital raising (including discounted capital raising) or retaining distributions.

The business conditions for tenants may change adversely, which may result in tenants seeking rental assistance, defaulting on rental payments, abandoning leases, or not renewing leases on expiry. A reduction in rental income received by the Fund may impact the level of distributions it can make and may reduce the value of assets. Investors should note that healthcare property is a specialised class of property and for some assets there may be a smaller pool of potential tenants.

In the day to day operations of the Fund, allowances are made for known capital works and maintenance of the properties. However, unforeseen repairs or capital works may be required, which may reduce the amount of income available for distribution.

The long term strategy for the Fund is to grow the property portfolio through acquisition of new properties and the enhancement of existing properties as appropriate. These activities may depend on raising additional equity from new or existing investors and may be supplemented with borrowings. If we are not able to raise sufficient capital the Fund may not be able to grow according to the strategy.

Borrowing risk

The Fund combines investors' money with borrowed money and invests the combined amount in property related assets. This process, known as gearing, magnifies the effect of gains and losses on your investment and is considered more risky than similar investments that are not geared.

In addition to the property risks outlined above, changes to interest rates or lender credit margins may impact borrowing costs and ultimately impact the level of income you receive.

There is also a risk that the Fund may not be able to refinance its borrowings when borrowing facilities mature. If this occurred, the Fund may lose value from selling assets in poor market conditions in order to repay the borrowed amount.

Derivatives risk

A derivative is a financial transaction which derives its value from another source, such as a share or bond. The main types of derivatives are futures, options and swaps. Derivatives can expose a fund to other risks which are particular to derivatives, such as counterparty, credit and pricing risk.

Derivatives are also subject to market risk where there is movement in the underlying security, index or financial obligation.

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

Currency risk

Where the Fund invests in international property or property related assets, the asset will generally be exposed to foreign currency risk. Changes in the Australian dollar against foreign currencies may affect the value of your investment in the Fund.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, from the returns on your investment or from the fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	We do not apply an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Nil	We do not apply a contribution fee.
Withdrawal fee The fee on each amount you take out of your investment	Nil	We do not apply a withdrawal fee.
Termination fee The fee to close your investment	Nil	We do not apply a termination fee.
Management costs		
The fees and costs for managing your investment	a) Management Fee of 0.65% p.a. of the gross asset value relating to Class A Units of the Fund. b) Estimated recoverable expenses of 0.30% p.a. of the gross asset value relating to the Class A Units of the Fund.	The Management Fee is accrued daily and paid monthly from the Fund.
Service fees		
Investment switching fee The fee for changing investment options	Nil	We do not apply a switching fee. A switch is treated as a withdrawal from one Fund and an application for another Fund.

Example of annual fees and costs for the Healthcare Property Trust – Class A Units

This table provides an example of how the fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare these products with other managed investment products.

Example		
Balance of \$50,000 with total contributions of \$5,000 during year		
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0.
Plus Management Costs	1.45% p.a. ⁽³⁾	And , for every \$50,000 you have in the Fund you will be charged \$725 each year.
Equals Cost of fund	Nil	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$725. ^{(1) (2)}

(1) It is assumed that the contribution of \$5,000 is made at the end of the year.

(2) A buy/sell spread may be applicable to investments in and out of the Fund (see 'Buy/Sell spread' below).

(3) This is the Indirect Cost Ratio based on the Fund's net assets for the period 1 July 2008 to 30 June 2009 and incorporates the effect of gearing. Refer to page 9 for further details about the Indirect Cost Ratio.

Additional explanation of fees and costs

Other expenses and costs

The 'Management costs' detailed above include the usual expenses incurred in the day-to-day operation of the Fund except for the following:

- expenses that would normally be incurred by a direct investor that relate to the buying and selling, maintenance, development and leasing of assets;
- abnormal operating expenses which are due to abnormal events such as the cost of running investor meetings. These expenses are infrequent and are paid out of the Fund; and
- costs of borrowing (if any), including the interest expense.

You may also incur costs directly associated with transactions made on your account, such as Government taxes, stamp duty and bank fees. These costs will be directly deducted from your account by reducing the number of units you hold within the Fund. We are unable to estimate these costs until they are incurred.

Buy/Sell spread

The buy and the sell spread aim to ensure that each investor shares in the transaction costs associated with their investment decision to either enter or exit the Fund. The amount is:

- in the case of a buy spread, an extra cost charged to enter the Fund and the sell spread is a cost charged to exit the Fund;
- an estimate to cover the costs incurred when buying or selling assets, such as agent fees, legal fees, stamp duty and taxes;
- not an additional fee paid to the Responsible Entity but is retained in the Fund to cover those transaction costs; and
- not applied to the reinvestment of distributions.

The following buy/sell spreads (which may change from time to time) currently apply:

Buy Spread	Sell Spread
2.20%	0.40%

Goods and Services Tax

All fees and charges shown are inclusive of the impact of Goods and Services Tax (GST) and any Input Tax Credits (including Reduced Input Tax Credits) available to the Fund and stamp duty (if applicable), unless otherwise stated.

Sophisticated or professional investors

From time to time, we may rebate some of our fees (or issue units in the Fund) to what the Corporations Act 2001 calls 'sophisticated' or 'professional' investors or 'wholesale clients' or to employees of the Responsible Entity and related entities so that they pay reduced fees. We do not enter into individual fee arrangements with other investors.

Indirect Cost Ratio

The Indirect Cost Ratio is a useful measure of the ongoing fees and expenses of investing in the Fund. It is expressed as a percentage of the average size of the Fund's net assets over a financial year.

The Indirect Cost Ratio shows the cost of investing in the Fund compared to investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the average fund size (based on net assets) over the period. The Indirect Cost Ratio does not include transaction costs or buy/sell spreads, brokerage, borrowing costs, day to day property management costs and Government charges incurred by the Fund as these costs would generally also be incurred by an investor investing directly.

The Indirect Cost Ratio for the period 1 July 2008 to 30 June 2009 was 1.45%.

Where the Fund invests in other funds managed by us

The Fund may invest in other funds or investment companies managed by us or our associates. Where this occurs, management fees are not taken from each fund. Instead, our management fees will be adjusted to reflect the Fund fees described above.

For the avoidance of doubt, where the Fund invests in other funds or investment companies managed by third parties, then any management fees charged by those third parties will also be charged.

Fee changes and maximum fees

Fees may increase or decrease for many reasons, including changes in the competitive, industry and regulatory environments or simply from changes in costs. We can change fees, without your consent, but will provide at least 30 days written notice. If you withdraw within this notice period, the increased fees will not apply to you.

The maximum fees we are allowed to charge the Fund (excluding any GST) are stated in the Fund's Constitution and is as follows:

- Maximum Contribution fee: 5.00% of each contribution to the Fund.
- Maximum ongoing management fee: 1.00% p.a. of the gross asset value of the Fund.

There is no limit in the Fund's constitution on the amount that we can charge for expense recoveries. For the actual fees charged, refer to the table on page 8.

Payments to financial advisers and intermediaries

From time to time, we may offer incentives to your financial adviser or other intermediaries, which we determine and pay out of our own money.

Alternative remuneration register

From time to time, we may offer incentives (alternative remuneration) to your financial adviser, which are determined by us and paid out of our own money.

As the Responsible Entity, we maintain an Alternative Remuneration Register in accordance with the IFSA/FPA Industry Code of Practice on alternative forms of remuneration in the wealth management industry. The register outlines alternative forms of remuneration that are paid and received by us. You may inspect a copy of the register at our registered office at any time between 9:00am and 5:00pm on a business day.

Additional information

Australian Taxation

The Fund does not generally incur an income tax liability. The Fund is a resident of Australia for taxation purposes. The Fund's net taxable income is assessable in the hands of Australian investors who receive distributions. Please note, as you are investing through a masterfund or IDPS, you should refer to the taxation information in the operator's product brochure and seek professional taxation advice before making an investment decision.

Constitution

The Fund is a registered managed investment scheme and is governed by a Constitution and a Compliance Plan.

The statements in this PDS only provide a summary of some of the provisions of the Constitution. You can inspect a copy of the Constitution at our Melbourne office at any time between 9:00am and 5:00pm on a business day.

The Responsible Entity

Australian Unity Funds Management in its capacity as Responsible Entity is subject to the provisions of the Constitution and the Corporations Act 2001. The Responsible Entity is responsible for administration and management of the Fund, and sets the investment policy and objectives.

Any investment manager appointed by the Responsible Entity will be entitled to receive fees for investment management functions.

The Responsible Entity is entitled to the benefit of various indemnities under the Fund's Constitution, which means that it has limited its liability for acting as the Responsible Entity.

Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments in the Fund offered under this PDS.

Authorised investments

A broad range of investments is permitted in the Fund. The typical range of investments for the Fund is set out on page 2.

The Fund may gain exposure to certain assets by investing through other investment vehicles including those managed by a related entity. These investment vehicles may include investment companies, registered managed investments schemes and other unregistered schemes.

The investment manager may use derivatives in the management of the Fund, but will generally not use derivatives for gearing purposes or speculative activities.

Related party transactions

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

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

Policies and guidelines 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 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.

The Fund currently has a holding in the Australian Unity Wholesale Cash Fund (ARSN 111 933 361), a registered managed investment scheme operated by us. This investment 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.

As at 31 March 2010, the Fund held a 0.93% interest (\$7.66m) in the Australian Unity Wholesale Cash Fund.

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

Healthcare Property Trust - Class A Units

Product Disclosure Statement – 25 June 2010

Up to date information on your investment

Your masterfund or IDPS operator will provide you with regular reporting on your investment. You can access up to date information about the performance of the Fund and the annual financial report at our website: australianunityinvestments.com.au/hpta.

Dispute resolution

If you have a complaint, this should be directed to your masterfund/IDPS operator.

Contact Us

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