

Industrial Property Trust

Fund Fact Sheet – March



APIR Code	YOC0006AU
Inception date	15 September 1999
Applications	Closed to applications
Withdrawals	By offer only
Income distributions	Quarterly

About the Trust

The Australian Unity Industrial Property Trust (The Trust) is a direct property trust.

The Trust aims to provide investors with regular income and the opportunity for long-term capital growth through investment in a portfolio of industrial properties.

What does the Trust invest in?

The Trust invests in industrial properties. The portfolio comprises nine industrial properties located in New South Wales, Victoria and Queensland. Growth of the portfolio is through acquisitions of similar industrial properties. The Trust may also sell properties as appropriate to optimise the performance of the Trust.

The Trust will generally only hold real property assets in Australian capital cities and major regional centres. The Trust may invest in real property outside of Australia, such as New Zealand, if it is considered beneficial.

The Trust may invest in other managed funds, property syndicates or companies that hold industrial property and related assets, including those managed by members of the Australian Unity Group.

The Trust typically holds between 70% and 100% of its assets in direct industrial property and unlisted direct property investments. The balance of the Trust's assets is held in cash and similar investments

What is the Trust's investment process?

In managing the Trust, our key priorities are acquiring industrial or industrial-related properties that are suitable to the investment objective.

We develop suitable long term expansion and/or improvement strategies for the properties to maximise growth.

We look to diversify the direct property portfolio including by geographic location and tenant profile. We build strong relationships with tenants that have experience and expertise in the industrial sector.

As part of managing the properties we put in place carefully structured, long-term leases, with the aim of achieving stable and predictable rental income and growth in rental income over the long-term.

Structure of the Industrial Property Trust

Investors applications (cash deposits and borrowings) are pooled together to purchase direct property assets. Cash is used to meet the Trust's day to day operating expenses.

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

The capital growth (or loss) on your investment is attributed to movements in the Trust's underlying assets and the level of borrowings relating to your investment.

Borrowings

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

Interest costs relating to the borrowings will be met from the gross income of the Trust prior to the payment of income to investors.

The lender's rights to recover the total due under the loan, and then the rights of any creditors of the Trust, will rank ahead of all investors. Importantly, the lender to the Trust 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) and where payment from that source is sustainable. We would notify investors if this occurred.

Withdrawals

Withdrawals are by offer only. The Trust's assets are illiquid and as such redemptions are only made available at times when the Trust has sufficient liquidity to allow for withdrawals.

We generally review the liquidity position for withdrawal purposes annually.

Who are the people managing your investment

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

We have a long track record in managing property in all the major sectors and understand the markets and environment they operate in.

These key people are responsible for managing the Trust:



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.



Martin Hession
Head of Property
Australian Unity Investments

Mr Hession joined Australian Unity in 2002 and has responsibility for Australian Unity Investments' property portfolio, valued in excess of \$1.1 billion (as at 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 Trust 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 details in the tables below are extracted from the Trust's latest financial statements for the half year ending 31 December 2008.

The Trust's composition and diversity will change over time as properties are acquired or disposed and tenancies are re-let. Information about the individual properties is contained in the 'Direct Property Portfolio' table at the back of this document.

Asset allocation as at 31 December 2008

Direct Property	98.58%
Cash & cash equivalents	1.42%
Total	100.00%

Borrowing details

The Trust itself does not have any borrowings. All current borrowings are held in the names of investors. The borrowing information below represents the investor borrowings and is provided for comparison purposes only.

Borrowing details as at 31 December 2008

Total Trust size (Gross Assets)	\$52.66m
Effective gearing ratio ⁽¹⁾	59.31%
Effective Interest cover ratio ⁽²⁾	1.71 times
% of borrowings hedged	0%
Borrowing facility limit	\$32.82m
Borrowing facility drawn amount	\$31.24m
Borrowing facility maturity	31 August 2010

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

⁽²⁾ Generally, the interest cover ratio measures the ability of the Trust to service the interest on borrowing from net earnings. Assuming the borrowings are in the name of the Trust, this calculation shows that the Trust generates income after fees of 1.71 times the level of interest payments due.

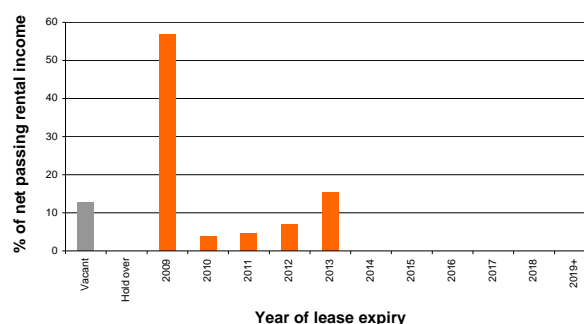
Borrowing covenants

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

Direct property occupancy and lease details as at 31 December 2008

Occupancy rate by area	86.55%	
Weighted average lease expiry by income	1.72 years	
Major tenants and % of net passing rental income	Orica Aust Pty Ltd	35.27%
	1st Fleet Pty Ltd	13.31%
	Licensing Essentials Pty Ltd	12.09%
	Synchronised Software	8.89%

Direct property lease expiry profile as at 31 December 2008



Valuation of properties

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.

Related party transactions

All transactions we enter into in relation to the Trust, 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 external compliance audit review.

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

For the six months to 31 December 2008 the Trust paid \$13,999.98 to Australian Unity Funds Management Limited for registry services.

Contact us

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

Direct property portfolio as at 31 December 2008

Property	Independent valuation			Book value	Major tenant	Lease period
	Date	(\$m)	Cap rate %	(\$m)		
50-52 Redfern St, Wetherill Park, NSW	Mar 2008	7.40	7.50	7.40	N/A	Vacant
114 Kurrajong Ave/9 Coventry PI, Mt Druitt, NSW	Mar 2008	18.88	8.25	18.88	Orica Aust P/L	Various
44 Sparks Ave, Fairfield, VIC	Mar 2008	5.20	7.75	5.23	Licensing Essentials P/L	5 yrs to 2009
104 Woodlands Dr, Braeside, VIC	Mar 2008	1.80	7.50	1.80	PPG Industries	5 yrs to 2013
38-40 Vella Dr, Sunshine, VIC	Mar 2008	4.75	8.00	4.75	1st Fleet P/L	10 yrs to 2009
1 Redland Dr, Mitcham, VIC	Mar 2008	2.70	8.00	2.70	Synchronised Software	10 yrs to 2009
3 Hi Tech Crt, Eight Mile Plains, QLD	Mar 2008	4.00	7.25	4.01	Alchemia Ltd	5 yrs to 2012
23 Hi Tech Crt, Eight Mile Plains, QLD	Mar 2008	5.90	7.50	5.88	Worldsmart Retech P/L	5 yrs 6 mths to 2009
27 Hi Tech Crt, Eight Mile Plains, QLD	Mar 2008	1.25	7.50	1.26	Australian United Retailers Ltd	10 yrs to 2009

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. The information provided here was current at the time of publication only, and we recommend that you access our website for further information.