

Industrial Property Investment Trust

Fund Fact Sheet – 22 June 2010



APIR Code	YOC0005AU
Inception date	15 September 1999
Applications	Closed to applications
Withdrawals	By offer only
Income distributions	Quarterly

Overview of changes since last update

This Fund Fact Sheet has been updated as at 22 June 2010 (from its previous issue on 30 September 2009) to reflect an update to the Australian Unity Industrial Property Investment Trust's (Fund) underlying investments.

About the Fund

The Fund is an open-ended unlisted property fund that gains its property exposure by investing solely in the Australian Unity Industrial Property Trust (the Underlying Fund).

The Underlying Fund is an unlisted property fund that invests in industrial property and related assets. Through the return achieved on its investments, we aim to provide investors with regular income, plus the opportunity for long-term capital growth.

The Fund aims to have a diversified tenant base to provide stability of income through periods of economic change and in any individual property.

The Fund has been operating since September 1999.

What does the Fund invest in?

The Fund acquires units in the Underlying Fund. Details of the Underlying Fund are provided on page 4.

Structure of the Australian Unity Industrial Property Investment Trust

Investor applications are pooled together to purchase units in the Underlying Fund.

Interest earned on cash holdings and distributions from the Fund's holdings in the Underlying Fund provide income for the Fund. We may also retain some income as a provision for future expenses. Once these costs and provisions are met, the remaining income is distributed to investors.

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

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 expected to be sustainable given the circumstances. We would notify investors if this occurred.

Withdrawals

Withdrawals are by offer only. The Fund's assets are generally illiquid and as such redemptions are only made available at times when the Fund 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.

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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 A\$10.4 billion in funds under management (as at 31 May 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 \$1.1 billion (as at 31 May 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 &
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.

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.



Tim Kemp-Bishop
Asset Manager – Industrial Property
Australian Unity Investments

Mr Kemp-Bishop joined Australian Unity Investments in 2008. As Asset Manager – Industrial Property, Mr Kemp-Bishop is responsible for the day to day management of the Australian Unity Industrial Property Trust as well as the Australian Unity Industrial Property Syndicates.

Mr Kemp-Bishop has over 10 years property experience. Prior to joining Australian Unity Investments he was an asset manager with ANZ, responsible for freehold and leasehold property interests in Victoria, NSW, ACT and WA.

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

Policies and procedures 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.

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

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Investments in related parties as at 31 May 2010

In accordance with its investment approach the Fund has a 29.31% interest (\$5.41m) in the Australian Unity Industrial Property Trust.

The Underlying Fund (Australian Unity Industrial Property Trust)

Important note - the following information is related to the Underlying Fund that the Industrial Property Investment Trust invests into. Investors should also refer to the Industrial Property Trust's Fund Fact Sheet for further information. The Fund Fact sheet is available on our website australianunityinvestments.com.au.

About the Underlying Fund

The Australian Unity Industrial Property Trust is an open unlisted direct property trust.

It aims to provide investors with regular income and the opportunity for long-term capital growth through investment in a portfolio of industrial property and related assets.

What does the Underlying Fund invest in?

The Underlying Fund invests in industrial property and related assets. The portfolio comprises industrial properties located in New South Wales, Victoria and Queensland. The Underlying Fund may also sell properties as appropriate to optimise performance, manage risk and to meet its obligations.

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

The Underlying Fund may invest in other managed funds, property syndicates or listed Australian Real Estate Investment Trusts, (Australian REITs) that hold industrial property and related assets, including those managed by members of the Australian Unity Group.

The Underlying Fund typically holds between 70% and 100% of its assets in direct industrial property and unlisted direct property investments. The Australian REIT exposure will typically be small and may range between 0% - 20% of the Underlying Fund's assets. The balance of the assets is held in cash and similar investments

Derivatives

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

What is the Underlying Fund's investment Strategy?

In managing the Underlying Fund, our key priorities are acquiring industrial property and related assets 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 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 seek to 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.

New property developments may be considered, with a view to retaining ownership in the medium term. Speculative development is not part of the Underlying Fund's strategy.

We will look to sell assets where we believe it is appropriate for the Underlying Fund and investors. We consider a range of factors including but not limited to:

- the potential for future capital appreciation of existing properties relative to other properties available on the market;
- the impact of new competition, changes in local economic conditions and demographic changes;
- the overall portfolio composition and any requirements to rebalance the portfolio; and
- the Underlying Fund's liquidity and debt positions.

Underlying Fund Borrowings

The Underlying 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 Underlying Fund to do so.

Under the Underlying Fund's constitution and law, it has the power to:

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

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Who are the people managing the Underlying Fund

The same key people that manage the Fund also manage the Underlying Fund. Their details are provided on page 2.

Portfolio details of the Underlying Fund

The Underlying 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 information in the graphs and tables below is taken from the Underlying Fund's values recorded as at 31 May 2010, and is not based on audited financial records unless otherwise stated.

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

Underlying Fund asset allocation as at 31 May 2010

Direct Property	92.01%
Unlisted Property Investments	0.00%
Listed Australian REITS	0.00%
Cash & cash equivalents	7.99%
Total	100.00%

Underlying Fund borrowing details as at 31 May 2010

Total Fund size (Gross Assets)	\$41.29m
Effective gearing ratio ⁽¹⁾	53.09%
Effective Interest cover ratio ⁽²⁾	2.15 times
% of borrowings hedged	92.64%
Borrowing facility limit	\$23.50m
Borrowing facility drawn amount	\$21.92m
Borrowing facility maturity ⁽³⁾	31 August 2010
Hedge facility expiry	
June 2011	\$1.56m
June 2012	\$9.37m
June 2013	\$9.37m

⁽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.

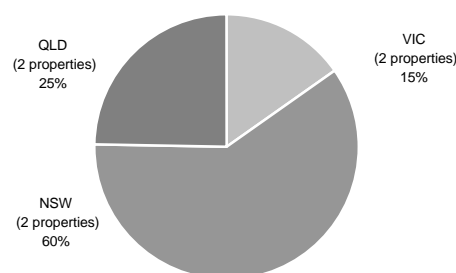
⁽²⁾ The Interest Cover Ratio measures the ability of the Fund to service the interest on borrowing from net earnings. This calculation shows that the Underlying Fund generates income after fees of 2.15 times the level of interest payments due.

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

Underlying Fund direct property portfolio as at 31 May 2010

	Independent valuation			Book value
	Date	(\$m)	Cap rate %	(\$m)
Property 1	May 2009	17.75	9.50	17.77
Property 2	June 2009	6.00	8.75	6.00
Property 3	May 2009	5.00	9.50	5.02
Property 4	May 2009	4.10	9.00	4.10
Property 5	May 2009	3.35	9.25	3.35
Property 6	May 2009	1.75	8.50	1.75

Underlying Fund property geographic allocation by value as at 31 May 2010



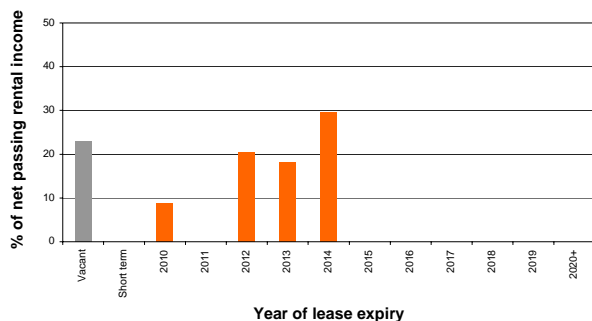
Underlying Fund direct property occupancy and lease details as at 31 May 2010

Occupancy rate by area	79.20%	
Weighted average lease expiry by income (excluding vacancies)	3.00 years	
Major tenants and % of net base rental income	Yates a Div of Orica Aust P/L	48.54%
	Cameron Transport	14.75%
	Alchemia Ltd	12.06%
	Ausenco Ltd	11.44%
	Ancon Building Products Ltd	7.84%

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Underlying Fund direct property lease expiry profile as at 31 May 2010



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Valuation of properties for the Underlying Fund

Regular valuation of underlying property assets is an important aspect of managing the Fund and the Underlying 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.

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.