

Property Income Fund

Continuous Disclosure Notice – 28 February 2011

The Australian Securities and Investments Commission requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing eight disclosure principles. These eight principles are contained in Regulatory Guide 46: Unlisted property schemes – Improving disclosure for investors.

This document has been prepared by Australian Unity Property Limited ("AUPL") as the responsible entity of the Property Income Fund, (Fund), to update investors on the information relevant to the disclosure principles. This document should be read in conjunction with the Product Disclosure Statement dated 12 October 2010 ("PDS") and the 30 June 2010 Annual Report, available from our website www.australianunityinvestments.com.au/pif

This document has been updated as at 28 February 2011 (with financial information as at 31 December 2010), from its previous issue on 25 November 2010 to reflect an update to the Fund's portfolio information.

Disclosure Principle 1 – Gearing ratio

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

Disclosure Principle 2 – Interest cover

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

Disclosure Principle 3 – Fund borrowing

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

Disclosure Principle 4 – Portfolio diversification

The information in the graphs and tables below is taken from the values as at 31 December 2010 (unless stated otherwise) and is not based on audited financial records. The Fund's composition and diversification will change over time as properties are acquired or disposed and tenancies are re-let.

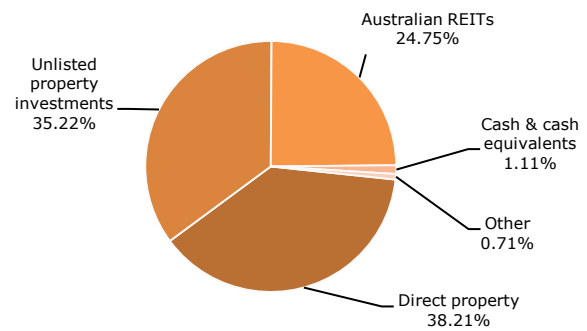
Details of the Fund's investment strategy can be found on page 3 and 4 of the Fund's PDS.

Direct property portfolio

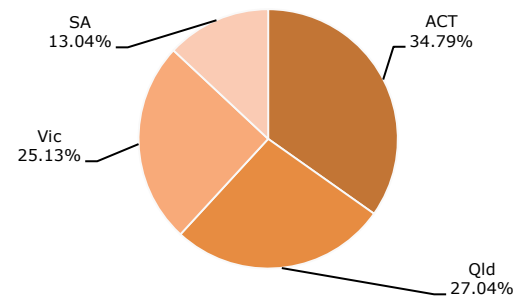
Property	Sector	Independent valuation			Book value (\$m)	% of portfolio
		Date	(\$m)	Cap rate %		
40 Allara Street Canberra, ACT	Office	Dec 2010	18.00	9.00	18.00	34.79
65 Beverage Drive Tullamarine, VIC	Industrial	Jan 2010	4.90	9.00	4.92	9.51
11 Dansu Court Hallam, VIC	Industrial	March 2010	4.80	9.00	4.80	9.28
7-9 Siddons Way Hallam, VIC	Industrial	March 2010	3.28	9.00	3.28	6.34
98 Ingleston Road Wakerley, QLD	Industrial	Dec 2009	7.50	9.50	7.59	14.67
15 Telford Place Arundel, QLD	Industrial	March 2010	6.40	10.00	6.40	12.37
Salisbury Cinema Complex, Salisbury, SA	Retail	Dec 2010	6.75	11.00	6.75	13.05
Total/Weighted average			51.63	9.46	51.74	100.00

Asset allocation

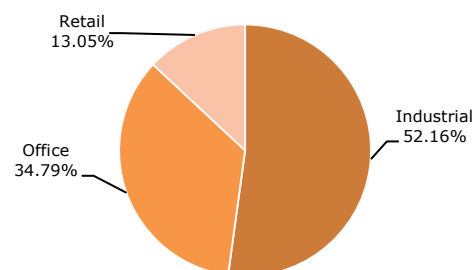
Asset class	% of portfolio	\$M
Direct property	38.21	51.74
Unlisted property investments	35.22	47.69
Australian REITs	24.75	33.52
Cash & cash equivalents	1.11	1.50
Other	0.71	0.96
Total	100.00	135.41

**Direct property geographic allocation**

Location	% of portfolio	\$M
ACT	34.79	18.00
Qld	27.04	13.99
Vic	25.13	13.00
SA	13.04	6.75
Total	100.00	51.74

**Direct property by sector**

Sector	% of portfolio	\$M
Industrial	52.16	26.99
Office	34.79	18.00
Retail	13.05	6.75
Total	100.00	51.74

**Direct property occupancy and lease details**

Occupancy rate by area	87.80%	
Weighted average lease expiry by income	2.04 years	
Major tenants and % of base rental income	Vodafone	17.26%
	Consolidated Paper Industries	16.72%
	Hoyts	11.02%
	Kings Transport	10.73%
	Commonwealth Govt. Australia	10.68%

Direct property lease expiry profile**Property development**

There were no development projects in the Fund as at 31 December 2011.

Unlisted and listed portfolio

Investment Name	Amount (\$m)
Australian Unity Industrial Property Trust	1.89
Australian Unity Property Syndicate No.2	1.89
Australian Unity Property Syndicate No.1	1.52
Becton Retail Property Trust	0.38
Becton Industrial Property Trust	1.97
Investa Second Industrial Property Trust	1.23
MAB Diversified Property Trust	2.24
Australian Unity Property Securities Fund	33.52
Australian Unity Office Property Trust	6.71
Australian Unity Retail Property Fund	19.83
Orchard Childcare Property Trust	1.75
Australian Social Infrastructure Fund	0.99
CorVal Industry House	1.09
Diversified Property Fund	6.20
Total	81.21

Disclosure Principle 5 – Valuation policy

Regular valuation of underlying property assets is an important aspect of managing the Trust in the best interests of all investors. The valuations are conducted by qualified independent valuers in accordance with industry standards.

We have a policy of generally obtaining independent valuations on our properties each year.

Disclosure Principle 6 – Related party transactions

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

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

Policies and guidelines are in place to manage 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 related party transactions are outlined on page 19 of the Fund's PDS and section 16 of the 30 June 2010 Annual Report for the Fund.

Disclosure Principle 7 – Distribution practices

Distributions are currently met from net income and net realised capital gains and are paid quarterly.

It is not our intention to source distribution payments from sources other than net income and net realised capital gains, although we may do so if we consider it to be in the interests of our investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is sustainable. We would notify investors if this occurred.

Disclosure Principle 8 – Withdrawal rights

Information about the Fund's withdrawal arrangements is contained on page 10 of the PDS.

For further enquiries

Please contact us either by telephone, email or mail as shown below:

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

Important information

This investment product is issued by Australian Unity Property Limited ABN 58 079 538 499, AFS Licence No. 234455 in its capacity as Responsible Entity. This information is intended only to provide a broad summary of this financial product. Investment decisions should not be made upon the basis of its past performance or distribution rate, since future returns will vary. You should refer to the current Product Disclosure Statement if you wish to know more about this product. A copy can be obtained by telephoning 13 29 39, or from our website www.australianunityinvestments.com.au. The information provided here was current at the time of publication only, and we recommend that you access our website for further information