



# Retirement Village Investment Notes - Series 3

## Fact Sheet



Australian Unity Retirement Village Investment Notes Series 3 (Notes) offers investors the potential for a reliable income stream and capital security.

### The rate of offer for these Notes is:

3 year term	5 year term	7 year term
8.00 %pa*	8.25 %pa*	8.50 %pa*

\* The interest rate is fixed for the term of the Note. Neither the interest rate on the Note, nor the repayment of capital is guaranteed.

### About the Notes

The Notes combine Australian Unity's expertise and experience in retirement living, property and investment management, to offer:

- A competitive interest rate
- Regular and reliable income payments
- Capital security by way of an underlying investment in the operation of retirement villages

The Notes are classified as 'unsecured notes' as repayment is not secured over land or tangible (real) property.

### How are funds invested?

The Australian Unity group currently develops and operates retirement villages and aged care facilities in New South Wales and Victoria.

Australian Unity has in place a growth strategy which is underpinned by the rapidly rising demand for retirement villages and aged care facilities across Australia.

In order to support this growth strategy, Australian Unity Finance raises funds through the issue of Notes to loan to Australian Unity Retirement Living Investments.

Australian Unity Retirement Living Investments derives income from the operation of retirement villages and related assets and may participate in any capital growth in the value of the assets. **It is this income that supports interest payments to investors in the Notes.**

The assets of Australian Unity Retirement Living Investments include units in a trust - the Australian Unity Retirement Village Trust #2, which owns the following properties:

#### Constitution Hill Retirement Village

One of the largest retirement communities in New South Wales, Constitution Hill is located in Northmead and consists of 425 independent living units ranging in size from one to three bedrooms. The village offers a range of community facilities for its resident including an indoor swimming pool, spa, cinema, library, snooker tables, hair salon, coffee shop, art and craft rooms and an outdoor bowling green. Constitution Hill village is co-located with a Residential Aged Care facility also operated by Australian Unity.

#### Karagi Court Retirement Village

Karagi Court is located on the Central Coast of New South Wales in Bateau Bay and is made up of 68 independent living units ranging in size from studio to two bedrooms. The village has a central clubhouse offering residents a range of recreational facilities.

#### Kiah Lodge

Kiah Lodge is also situated in the coastal town of Bateau Bay, New South Wales. The village is ideally located near shops, clubs and the beach and consists of 81 independent living units. The units range in size from studio to two bedrooms. On-site facilities include a library and billiards room.

### About Retirement Living Services

Australian Unity's retirement living services group employs over 500 staff and has an enviable track record in the retirement living sector.

Australian Unity is a major provider of accommodation and related services to retirees, operating retirement villages and aged care facilities in 12 locations in New South Wales and in 4 locations in Victoria, offering 1,732 home units, 451 aged care beds and 53 community care places.

Whilst estimates vary, it is considered that retirement village living has penetrated only 5% of the over 65 age group. With the rapidly ageing baby boomer and far-reaching changes in the industry it is expected that retirement villages will see greater occupancy, and at a younger age.

## RVIN snapshot

Key Features	
Applications close	31 December 2009. Offer may be closed earlier than this date.
Minimum investment amount	\$5,000 (5,000 Notes), and thereafter in multiples of \$1,000 (1,000 Notes)
Issue price	\$1.00 per note
Term to maturity	3, 5 and 7 years
Interest calculation and payment	Interest payments will be based on the investment amount. Note holders will receive 4 equal payments of interest per year, over the term of the Note. The first interest payment will be made on 31 March 2010 and will include an additional amount to cover the interest accrued from the effective application date, to the start of the interest period on 31 December 2009.
Interest	Paid quarterly in arrears in equal amounts
Interest calculation date	31 March, 30 June, 30 September, 31 December each year
Reinvestment	No reinvestment of interest is available
Ability to withdraw early	Nil (exceptional circumstances only)
Entry fee / Exit fee	Nil / Nil
Ongoing fee	Nil
Amount to be raised	Australian Unity Finance has raised \$30,000,000 (30,000,000 Notes) under Series 3 Prospectus 1 and Series 3 Prospectus 2. This prospectus seeks to raise an amount up to the maximum required to repurchase Series 3 Notes from various related underwriting parties. As at 12 June 2009, this amount was \$15,610,000.
Purpose	The purpose of this issue of Notes is to raise funds to repurchase Notes from various related underwriting parties who purchased Notes issued by Australian Unity Finance under Series 3 Prospectus 1 and Series 3 Prospectus 2. Funds raised under Series 3 Prospectus 1 and Series 3 Prospectus 2 have been lent by Australian Unity Finance to Australian Unity Retirement Living Investments to finance the acquisition of units in the Australian Unity Retirement Village Trust #2. Australian Unity Finance and Australian Unity Retirement Living Investments are related parties in the Australian Unity group of companies.
Security	These are unsecured notes. A Trustee has been appointed to hold certain security for the benefit of Note holders and to enforce the security of the repayment of the funds invested by Note holders. This security consists of a registered mortgage over: <ul style="list-style-type: none"><li>the loan, made by Australian Unity Finance to Australian Unity Retirement Living Investments;</li><li>the mortgage, granted as security for the loan, over an allotment of units held by Australian Unity Retirement Living Investments in Australian Unity Retirement Village Trust #2; and</li><li>the right to receive money payable in connection with the loan and the mortgage.</li></ul>

## About Australian Unity Investments

Australian Unity Investments (AUI) aims to improve the financial wellbeing of investors by creating investment opportunities that add true value.

Our in house specialist funds include mortgages and property and we have also partnered with boutique investment managers to create products in fixed interest, Australian equities, Australian microcap equities and international equities.

Our expertise in mortgage and property management, plus the talent of our boutique investment partners, offers exceptional benefits. By taking an approach that's different we have seen our funds under management increase significantly and currently manage in excess of \$5.5 billion.

## Important Information

Retirement Village Investment Notes Series 3 ('Notes') are issued by Australian Unity Finance Limited (ABN 35 114 646 070) ('Australian Unity Finance' or 'Issuer'). Australian Unity Finance is the issuer of the prospectus and takes full responsibility for it.

This information has been prepared as general information and for use by financial advisers only. It is not intended to take the place of professional financial advice and should not be taken as such. With every care has been taken in the preparation of this information, we reserve the right to make corrections. The interest rate of this investment note and the repayment of capital are not guaranteed. Applications for Australian Unity Retirement Village Notes may only proceed on an application form attached to the current Prospectus dated 23 June 2009. A copy of the Prospectus may be obtained by contacting us.

This document and the information in it, is current as at July 2009.

## Contact us

Refer to RVIN Series 3 Prospectus #3 for full product details, or contact your local Business Development Manager.

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