Australian Unity
Healthcare Property Trust

Wholesale Units

Product Disclosure Statement 5 December 2024

Surgical, Treatment and Rehabilitation Service, Herston, QLD

Issued by: Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454

Health | Wealth | Living

Important information

Wholesale Units issued under the Constitution and in this Product Disclosure Statement dated 5 December 2024 ('PDS') in the Australian Unity Healthcare Property Trust ARSN 092 755 318 ('Trust') are the only units offered under this PDS and will be issued by Australian Unity Funds Management Limited ('AUFM') ABN 60 071 497 115, AFS Licence No. 234454 in its capacity as Responsible Entity of the Trust. The Wholesale Units of the Trust are currently open to new subscriptions subject to any distribution conditions noted within the Target Market Determination.

References to us

In this document, the description, 'we', 'us' or 'our' refers to AUFM. AUFM is a wholly owned subsidiary of Australian Unity Limited ('AUL') ABN 23 087 648 888. AUL, together with its subsidiaries including AUFM, form the group of companies referred to as the 'Australian Unity Group'.

A reference to 'Australian Unity Wealth & Capital Markets' is a reference to a business division within the Australian Unity Group, which includes those entities undertaking investment activities.

Applications

Applications for Wholesale Units are currently being accepted under this PDS subject to any distribution conditions noted within the Target Market Determination. Applications for investment in the Trust can only be made using the Application Form which forms part of this PDS or which is otherwise provided by AUFM.

If you receive this PDS electronically, please ensure that you have received the entire PDS. If you are unsure whether the electronic document is complete, please call us on 1300 997 774 or +61 3 9616 8687. This PDS is available on our website or a free paper copy is available by calling us on 1300 997 774 or +61 3 9616 8687.

No investments will be accepted on the basis of this PDS once it is replaced with a later PDS.

Target Market Determination (TMD)

A copy of the current TMD is available at Target Market Determinations (australianunity.com.au).

Continuous Disclosure

In accordance with existing regulations, we meet our continuous disclosure requirements by way of website disclosure. All disclosures required under the continuous disclosure obligations are available on our website. You can obtain a free paper copy by calling us on 1300 997 774 or +61 3 9616 8687.

No guarantee

An investment in the Trust is not guaranteed or otherwise supported by AUFM, AUL, or any member of the Australian Unity Group. You should consider this when assessing the suitability of the investment and particular aspects of risk.

No reliance

This document contains important information but does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this document, you should read it carefully in its entirety, and consult with a financial adviser or tax adviser.

Jurisdictions outside of Australia

This PDS has been prepared to comply with the requirements of the laws of Australia. No units are being offered to any person whose registered address is outside of Australia unless we are satisfied that it would be lawful to make such an offer. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This PDS may only be used by investors receiving it (electronically or otherwise) in Australia.

Indirect investments

AUFM has authorised the use of this PDS for investors considering placing an investment through a masterfund, wrap or similar 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.

Business day

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.

Terms and conditions

Units are issued on the terms and conditions contained in the Trust's Constitution and this PDS. We reserve the right to change those terms and conditions.

Goods and services tax

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of goods and services tax ('GST') less input tax credits (including approximate reduced input tax credits) that the Trust is entitled to claim.

Currency

All dollar amounts referred to in this PDS are in reference to the Australian currency.

Updates to this PDS

Information in this PDS which is not materially adverse information that is subject to change from time to time, may be updated via our website and can be found at australianunity.com.au/wealth/hpt. A paper copy of updated information is available free of charge by contacting us on 1300 997 774 or +61 3 9616 8687.

Cover of this PDS

The asset appearing in the photograph on the front cover of this PDS is an asset of the Trust.

Glossary

A list of defined terms used within this PDS can be found in Section 11.

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Obtaining other information before making a decision

Visit our website australianunity.com.au/wealth/hpt for further information about the Trust, including:

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- Unit prices and performance
- Fund Updates
- Continuous Disclosure Notices
- Announcements.

You should obtain and review such information before you invest.

Alternatively, you can call us on 1300 997 774 or +61 3 9616 8687 and we will send you the requested information free of charge.

Section 1: Summary of the Trust

Summary of the Trust's portfolio		
Investment overview	The Trust primarily invests in a diversified portfolio of healthcare property and related assets including direct property, unlisted managed funds, listed REITs, property syndicates or companies that mainly hold healthcare property and may, from time to time, invest in loans, for example to assist with funding the fitting out of the Trust's properties.	Section 2 & the CDN
Gross assets	$3,586 million as at 30 June 2024.	CDN
Number of direct property assets	96 as at 30 June 2024.	CDN
WALE by income	15.1 years as at 30 June 2024.	CDN
Occupancy rate by income	94.91% as at 30 June 2024.	CDN
Gearing ratio[1]	36.74% as at 30 June 2024.	Section 9 & CDN
Interest cover[1]	2.69 times for the twelve months to 30 June 2024.	Section 9 & CDN
Borrowings	$1,325 million as at 30 June 2024.	Section 2 & CDN
Hedging (% of debt hedged)	75.66% as at 30 June 2024.	Section 3 & CDN
Property valuations	Generally conducted annually by qualified independent valuers.	Section 10 & CDN
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions and on an arm's length basis.	Section 10 & CDN
Features and risks		
Features of the Trust	• Distribution of income paid quarterly and sourced primarily from tenants with contracted leases. • Managed by a specialist investment manager with skilled employees who have extensive experience in the property industry. • Access to a diversified portfolio of healthcare property and related assets, including some strategic assets with the ability to further enhance income and the potential for capital growth over the medium to long-term. • Potential for tax deferred income.	-
Key risks of the Trust	• Sector (healthcare) concentration risk. • Reduction in property values. • Breach of borrowing conditions. • Gearing increases risk, magnifying gains and losses. • Tenant default. • Property development risk. • Liquidity risk.	Section 7

1. As defined by ASIC Regulatory Guide 46: Unlisted property schemes - Improving disclosure for retail investors. See Section 3 and the latest CDN.

Summary of the Wholesale Units features		
Responsible Entity	Australian Unity Funds Management Limited	-
Investment Manager	Australian Unity Funds Management Limited	-
Unit class	Wholesale Units	-
APIR code	AUS0112AU	-
Distribution reinvestment plan	Available	Section 6
Regular Savings Plan	Available	Section 4
Unit pricing	**Daily** Unit prices are generally calculated each business day.	Section 6
Distribution payments	**Quarterly** Distributions are generally paid quarterly and are generally sourced from funds from operations and net realised capital gains only. The distribution policy is aligned to the ongoing earning capacity of the Trust. Although it is not our intention to pay distributions from other sources, we may do so if we consider it to be in the interests of our investors (for example if rental income is reduced unexpectedly).	Section 6
Withdrawals	**Quarterly** In normal operating conditions, a quarterly withdrawal facility (up to maximum of 2.5% of the net asset value of Wholesale Units on issue each quarter) is available to Wholesale Unit holders, which will normally be paid within five business days of the end of the quarter. If requested withdrawal amounts exceed 2.5% of the net asset value of Wholesale Units on issue, withdrawals may be met on a pro-rata basis.	Sections 5

Summary of the Wholesale Units fees and costs		
Tiered base management fee	The base management fee is: • 0.65% pa of the average Gross Asset Value (GAV) of the Trust's under $2 billion. • 0.50% pa of the average GAV of the of the Trust's above $2 billion to $4 billion. • 0.40% pa of the average GAV of the Trust's above $4 billion.	Section 8
Recoverable expenses	Estimated to be 0.17% p.a. of the average GAV of the Wholesale Units of the Trust based on the financial year ending 30 June 2024.	
Indirect Costs	Estimated to be 0.00% of the average GAV of the Wholesale Units of the Trust for the year to 30 June 2024.	
Transaction costs	Estimated to be 0.14% p.a. of the average GAV of the Wholesale Unit of the Trust for the year to 30 June 2024.	
Buy-sell spread	Buy: 0.50% Sell: 0.50%	

Section 2: About the Trust

The Australian Unity Healthcare Property Trust is an unlisted property trust that primarily invests in a diversified portfolio of healthcare property and related assets, including direct property, unlisted managed funds, listed REITs, property syndicates or companies that mainly hold healthcare property. From time to time, the Trust may invest in loans, for example to fund the fitting out of the Trust's properties. It has a primary focus on delivering regular income to its investors, but with a longer-term opportunity for capital growth. The Trust has a diversified tenant base, with a focus on hospital, medical and aged care operators.

The operation and management of the Trust 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. This combination means that we are uniquely qualified to identify, and to manage, healthcare property investments.

Healthcare property investment includes the ownership of the physical infrastructure supporting the healthcare system, including the land, bricks and buildings associated with hospitals, medical clinics, aged care accommodation, day surgeries, consulting rooms, rehabilitation units, radiology and pathology centres.

Australian Unity's ambition is to serve and enhance the wellbeing of members, customers and community. Australian Unity Wealth & Capital Markets brings together the Investments, Property, Life and Trustee Services arms of the Australian Unity Group. The fundamental purpose of Australian Unity Wealth & Capital Markets is to link valuable efforts in helping Australians secure their financial wellbeing with the social, capital and infrastructure needs of our communities.

2.01 The Trust's investment process

In acquiring and managing the property assets of the Trust our objective is to ensure the Trust 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 the Trust's diversification and the asset's 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 Trust maintains adequate 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
- maintaining an exposure to listed REITs for liquidity management.

The Trust utilises a combination of equity provided by investors, and borrowings from lenders, to acquire healthcare property and related assets for the Trust and to fund development, refurbishment or improvement activities.

The Trust may also invest in similar international healthcare related assets in countries with healthcare systems and property markets with key attributes similar to Australia.

The Trust typically holds 75-90% of its assets in direct property and may hold up to 10% in listed property investments and up to 10% in unlisted property investments. From time to time, the Trust may invest in loans, for example to fund the fitting out of the Trust's properties. These loans are made on an arm's length basis. The balance of the Trust's assets are held in cash and cash equivalents.

2.02 Trust income

Rent from the Trust's properties and income earned from the Trust's other assets generate income for the Trust. This income is first used to meet the interest expenses on borrowings, management fees, property-related expenses and ongoing Trust 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 attributed and distributed to investors.

2.03 Trust capital value

The capital growth (or loss) on exposure to the Trust's assets will largely be attributed to revaluations of the Trust's properties, changes in value of other assets and/or liabilities including the mark-to-market value of interest rate swaps, investments in listed REITs and the level of borrowings which the Trust carries.

2.04 Borrowing and lending

Under the Trust's Constitution and Australian law, the Trust has the power to:

- borrow and raise money for the purposes of the Trust and to grant security over the Trust's assets; and
- incur all types of obligations and liabilities.

2.04.01 Borrowing

The Trust 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 of the Trust.

The Trust generally aims to operate within a gearing ratio range between 25%-35% but may operate outside of this range if we believe it is in the interest of investors to do so.

Generally, 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 lenders' rights to recover the total due under loans, and the rights of any creditors of the Trust, will rank ahead of all investors. The lenders to the Trust do not have any legal recourse from investors in the Trust.

Details on the Trust's borrowings can be found in the Trust's latest CDN.

2.04.02 Lending

From time to time, the Trust may advance loans, for example to assist with funding the fitting out of the Trust's properties. These loans are on a commercial and on an arm's length basis.

2.05 Derivatives

It is not the Trust's current policy to use derivatives for speculative activities.

The investment manager may use derivatives for implementation of interest rate risk management strategies.

2.06 Current structure of the Trust

As at the date of this document the classes of units issued in the Trust are:

- Retail Units.
- Wholesale Units.
- Class A Units.

Wholesale Units are typically suited to investors who:

- Want exposure to a diverse healthcare property portfolio.
- Are seeking capital growth and/or regular distribution income payments.
- Are using the Wholesale Units as a satellite component of their portfolio.
- Have a medium or long term investment timeframe of least a five-years.
- Have a high risk/return profile.
- Acknowledges that access to capital is limited to the specific terms and frequency as determined by the issuer.

2.07 Portfolio diversification

The Trust primarily invests in a diversified portfolio of healthcare property and related assets, including direct property, unlisted managed funds, listed REITs, property syndicates, companies that mainly hold healthcare property and may, from time to time, invest in loans, for example to assist with funding the fitting out of the Trust's properties.

The Trust may also invest in similar international healthcare related assets in countries with healthcare systems and property markets with key attributes similar to Australia.

Section 3: Disclosure principles and benchmarks

The Australian Securities and Investments Commission (ASIC) requires responsible entities of unlisted property schemes in which retail investors invest, to provide a statement addressing six benchmarks and eight disclosure principles.

These benchmarks and disclosure principles are outlined in ASIC Regulatory Guide 46: Unlisted property schemes – Improving Disclosure for Retail Investors (RG46). The Property Council of Australia and the Property Funds Association have issued their supplement RG46 Voluntary Practice Note.

We are committed to ensuring our disclosure to you adheresto industry best practice and ASIC guidelines. The below table confirms whether we comply with each of ASIC's RG46 benchmark and disclosure principles and indicates where theyhave been addressed in the PDS and the Trust's Continuous Disclosure Notice (CDN).

This PDS incorporates by reference the Trust's CDN which addresses ASIC's RG46 benchmarks and principles and provides up to date disclosure information about the Trust.

You should read a copy of the Trust's most recent CDN available at australianunity.com.au/wealth/hpt/cdn and latestAnnual report available at australianunity.com.au/wealth/hpt together with this PDS. Free paper copies of these documents are available by calling us on 1300 997 774 or +61 3 9616 8687 if calling from overseas.

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

ASIC benchmark	Does the Trust meet the benchmark?	Further information
1 Gearing policy	Yes	Section 9 and the Trust's latest CDN
2 Interest cover policy	Yes	Section 9 and the Trust's latest CDN
3 Interest capitalisation	No	Section 9 and the Trust's latest CDN
4 Valuation policy	Yes	Section 10 and the Trust's latest CDN
5 Related party transactions	Yes	Section 10 and the Trust's latest CDN
6 Distribution practices	No	Section 6 and the Trust's latest CDN

ASIC Disclosure principles	Further information
1 Gearing ratio	Section 9 and the Trust's latest CDN
2 Interest cover ratio	Section 9 and the Trust's latest CDN
3 Scheme borrowing	Section 2 and the Trust's latest CDN
4 Portfolio diversification	Section 2 and the Trust's latest CDN
5 Related party transactions	Section 10 and the Trust's latest CDN
6 Distribution practices	Section 6 and the Trust's latest CDN
7 Withdrawal arrangements	Section 5 and the Trust's latest CDN
8 Net tangible assets	The Trust's latest CDN

Section 4: Making an investment

4.01 Handling of applications

The Trust is open for subscriptions, applications must be received by 3:00pm at our Melbourne office on a business day to be assessed for acceptance. We are unable to accept your application until all required information and/or supporting documentation is received. Your application will be processed at the relevant unit price date after your application has been accepted, which may occur after the relevant distribution period. We encourage you to include a phone number where we can contact you during business hours if further information is required to assess your application for acceptance. This process may lead to a delay between the submission of your application and the date in which we accept the application. We will notify you of the effective application price and allotment date when you receive your Confirmation of Investment statement.

Pending the issue of units to an investor, the application amount will be held in a trust account that complies with the Corporations Act.

No interest will be paid on application amounts for the period from receipt until the issue of units occurs. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned by us unfilled. Any interest earned on the application amount during this period will be retained by the Trust and form part of its income for the benefit of investors.

4.02 Minimum investment amounts

The minimum initial investment amount for Wholesale Units is $5,000.

The minimum additional investment amount for Wholesale Units of $1,000.

These minimums may be waived for Existing Investors at the discretion of the Responsible Entity.

4.03 Rejection and cancellation of applications

We may, in our absolute discretion, accept or reject in whole or in part any application. We do not need to give any reasons for accepting or rejecting in whole or in part any application.

If we are unable to wholly or partially accept your application for any reason we may cancel your application.

AUFM retains the discretion to reject an application if an investor’s responses to the questions within the Application Form suggest a mismatch with the Trust’s target market. Investors will receive notification of this decision.

4.04 Maximum Limit

We have limited the maximum exposure an investor, or the aggregated exposure of a group of Associated Investors, to 15% of the Trust's net tangible assets ('Maximum Limit'). This means that we may in whole or part reject an application on the basis that the Maximum Limit may be exceeded.

The Maximum Limit is intended to manage the Trust's position, including the preservation of the Trust's:

- current liquidity provisions;
- status as a public unit trust scheme for stamp duty and land tax purposes;
- status as a non-foreign trust for stamp duty and land tax purposes; and
- status as an Attribution Managed Investment Trust (‘AMIT’) for income tax purposes.

The Maximum Limit will apply until further notice.

4.04.01 Associated Investors

We may consider whether an investor is likely to be a member of a group of Associated Investors. An investor may be considered to be an 'associated person' of another investor if we deem the investor to exhibit, or we become aware of one or more of the following attributes with respect to the investor:

- the investor is, either in partnership with or by other arrangement, associated with another person or entity which also has investments in the Trust, (trustee and custodial arrangements may be excluded in this assessment);
- the investor has indicated that it has an arrangement with an AFS Licensee or authorised dealership and/or adviser which also has arrangements with other investors of the Trust;
- the investor is an 'associated person' of one or more existing investors under a Duties Act of a State or Territory.

If an investor is identified as an 'associated person' of another investor under the above tests we may consider the aggregated exposure to the Trust of the Associated Investors. If the limit of 15% of the Trust's net tangible assets is likely to be exceeded, the Maximum Limit will apply to the Associated Investors.

However, we reserve the right, in our absolute discretion, to interpret how the Maximum Limit applies in relation to any particular investor or class or group of investors, including whether two or more investors are Associated Investors.

4.05 Changing your mind

A 14-day cooling off period is available to investors to decide whether to proceed with applications under this PDS. The cooling off period starts on the earlier of:

- the date you receive your initial investment transaction statement; or
- five business days after your units are issued.

Therefore, if you wish to cancel your investment, it is important that you write to us before the expiration of this period.

The amount repaid to you is adjusted to reflect any increase/decrease in the value of the investment due to market movement. We will also deduct any taxes or duties payable and transaction costs. As a result, the amount returned to you may be less than your original investment. If you are a 'sophisticated' or 'professional' investor or otherwise a 'wholesale client' (as defined in the Corporations Act) the cooling off period is not available to you. If you are investing through a masterfund or IDPS the Trust's cooling off rights will not be available to you. You should consult the operator in relation to cooling off rights that may apply to your investment in the masterfund or IDPS (if any).

4.06 Regular Savings Plan

You can make regular investments through a regular savings plan for as little as $100 a month. Ensure that you complete the Regular Savings Plan section in the Application Form. Changes can be made to your Regular Savings Plan contributions, provided you give us five business days to action your request. Your Regular Savings Plan will automatically cease if two consecutive payments are dishonoured. The Application Form must be received five business days before the start of your contributions. Your Regular Savings Plan contributions will be drawn from your bank account on the 15th of the month unless the 15th day of the month is a weekend or public holiday, then it will be on the next business day.

Section 5: Requesting a withdrawal

This table explains what is required to request a withdrawal.

What you need to send to us	Minimum	Cut off times	Important information
A completed withdrawal form requesting the amount you wish to withdraw signed by the account holder or authorised signatories and Your Australian financial institution account details	$1,000	Your written request must be received by 3:00 pm at our Melbourne office on or before the quarter end date (being 28 February, 28 May, 28 August and 28 November or the next business day if the 28th is a non-business day) to receive the withdrawal price as at that cut-off date. We are unable to accept your withdrawal until all required information and/or supporting documentation is received. Otherwise, your withdrawal request will be processed in the following quarter.	Withdrawals are subject to limits while the Trust is liquid (See under 'Additional information about withdrawals') and may be subject to scale back. Withdrawal proceeds will only be paid to a nominated Australian financial institution account. Cheque and third party payments are not available. Incomplete withdrawal requests may not be accepted. We will generally pay withdrawals within five business days, although the Trust's Constitution allows us a longer period to pay a withdrawal. Please refer below for further details. A withdrawal form is available from our website australianunity.com.au/wealth/hpt

5.01 Additional information about withdrawals

Withdrawals are funded using cash reserves held by the Trust. Cash reserves are primarily accumulated from applications and retained earnings. Generally, the Trust does not borrow to fund withdrawals but may do so in appropriate circumstances (for example for a short-term or where it is in the best interests of the Trust to do so).

Retail and Wholesale Units

In normal operating conditions Retail and Wholesale Units withdrawals from the Trust are paid quarterly. The maximum total amount available for withdrawals each quarter is 2.5% of the net asset value of the relevant class of units on issue (although we have the discretion to alter this amount). If this amount is exceeded withdrawals may be met on a pro-rata basis, however we have the discretion to increase the amount available for withdrawal if it is in the interests of the Trust's investors to do so.

Where a pro-rata payment occurs, investors will need to reapply in a subsequent withdrawal period if they wish to withdraw any further amount.

An investor's written request must be received by 3:00pm at our Melbourne office on or before the quarter end date (being 28 February, 28 May, 28 August and 28 November or the next business day if the 28th is a non-business day) to receive the withdrawal price as at the cut-off date. Otherwise, the withdrawal request will be processed in the following quarter.

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.

Northwest litigation settlement withdrawal arrangements

As at 5 December 2024 Northwest (and its affiliate) had 6.1 million Wholesale Units remaining that are gradually reducing with each quarterly withdrawal facility.

5.02 Suspension of withdrawals

While the Trust is liquid, the Trust's Constitution allows up to 365 days to meet withdrawal requests for Retail Units, Wholesale Units or Class A Units.

If we are of the view that we cannot sell property assets within 365 days to meet withdrawal requests, the Trust will become illiquid and withdrawals will be suspended. If this occurs, investors can only withdraw when we make a withdrawal offer available in accordance with the Trust's Constitution and law.

5.03 Substantial investor withdrawal requests

In order to ensure reasonable equity among investors, where any single investor requests withdrawals of a class of units in excess of 5% of the total number of units on issue of that class during a withdrawal period, we may deem those requests to be a single withdrawal request for 5% of the total number of units on issue of that class or such higher amount as we determine at our absolute discretion.

5.04 Minimum balance

If as a result of a withdrawal request your account value falls below the minimum balance, we may treat the request as a request to withdraw in full and close your account. We reserve the right to vary these minimums at any time at our discretion.

The minimum balance amount is $5,000 for Wholesale Units. We reserve the right to vary the minimum balance amount.

5.05 If you invest or withdraw through a masterfund or IDPS

If you are investing into the Trust or withdrawing from the Trust through a masterfund or IDPS (or ‘wrap platform’) in most cases you do not yourself become an investor in the Trust. Instead, as the masterfund/IDPS operator is investing on your behalf, it acquires the rights of an investor and certain features of the Trust may not apply to your investment. Examples are minimums for investments and withdrawals, processing times and, importantly, the cooling off rights (refer to 'Changing your mind'). You should ensure that you receive full details of these from the masterfund/IDPS operator.

Further, some provisions of the Trust’s constitution will not be directly relevant to you. For example, you will generally not be able to attend meetings, or withdraw investments directly. You will receive reports from the masterfund/IDPS operator, not us. Enquiries about the Trust should be directed to your masterfund/IDPS operator.

Usually, in the case for an investment made through a masterfund/IDPS operator the terms and conditions you have agreed with the masterfund/IDPS operator will determine your rights and obligations with respect to that masterfund/IDPS operator. Accordingly, the masterfund/IDPS operator may exercise (or decline to exercise) any of its rights with respect to you in accordance with those terms.

We do not keep personal information about investors who invest in the Trust through a masterfund or IDPS.

Section 6: Unit prices and distribution payments

6.01 Unit prices

For all existing classes of units, unit prices are generally calculated each Business Day, by taking the value of the Trust's assets, and deducting the liabilities. The resulting value is then divided by the total number of units issued by the Trust. Where fees or costs relate to more than one class, the deduction is made for those fees relevant to the respective class of units.

The unit price for each class of units within the Trust is generally calculated in the same manner, taking into consideration only the net asset value and the number of units on issue for that class at the relevant time.

Where fees or costs relate to more than one class, the deduction is made for fees pertinent to the respective class of units.

Both the application and the withdrawal price are calculated taking into account any applicable buy-sell spread, which 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 Trust.

Where the Responsible Entity applies its discretion to unit pricing using its powers under the Trust'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 Trust), it acts in accordance with the Unit Pricing Policy. Investors may inspect a copy of the policy at our registered office at any time between 9:00am and 5:00pm (Melbourne time) on a business day or a copy is available free of charge by calling us on 1300 997 774 or +61 3 9616 8687.

For Unit price updates please visit our website australianunity.com.au/wealth/hpt or call us on 1300 997 774 or +61 3 9616 8687.

6.02 Distributions

The distribution policy of the Trust is aligned to its ongoing earning capacity from assets held. Although it is not our intention to pay distributions from capital, we may do so if we consider it to be in the interests of our investors (for example if rental income is reduced unexpectedly) and where payment from that source is expected to be sustainable given the circumstances.

The amount of distribution income paid is based on the number and class of units held at the end of each distribution period.

Distributions are generally paid on a quarterly basis, being March, June, September and December within 15 business days of the end of each calendar quarter.

There are two payment options available:

1. The distribution reinvestment price is the net asset value per Unit price at the end of the distribution period (without the buy spread) less the amount of distribution payable per Unit and until further notice, at a 5% discount to that price (we reserve the right to change the discount rate applied to the reinvestment price. We will notify you of any change to the discount applied to the reinvestment price on our website). If you wish to reinvest your distributions, please nominate your preference in the Application Form, or for existing investors update your preference using the change of details form available from our website. Only investors with an Australian registered address may reinvest their distributions
2. You can have your distribution paid directly to an account held at an Australian bank or financial institution. If you wish to have the distribution paid to you, complete a change of bank account details form available on our website or call us on 1300 997 774 or +61 3 9616 8687.

Please note if you are investing through a masterfund or IDPS, the operator may pay income at different times.

Section 7: Risks of managed investment schemes

7.01 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.

You should consider the likely investment return, the risk associated with the Trust and your investment timeframe when choosing to invest in the Trust.

All investments come with a degree of risk. You will need to determine how much risk you are able, or willing, to tolerate as the level of risk for each person will vary depending upon a range of factors, including age, investment time frames, your overall investment portfolio, and your individual risk tolerance.

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'). See 'Australian tax reform' in Section 10 for more details; 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.

7.02 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 the Trust's 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.

7.03 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.

7.04 Risks specific to the Trust

7.04.01 Liquidity risk

Liquidity relates to how quickly investors can access their money from an investment. The Trust holds an amount of cash and other liquid assets to give investors limited access to their money.

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

There is a risk that the Trust may have insufficient cash to meet its limited withdrawal obligation in a timely manner.

To provide liquidity in the event that withdrawals exceed amount available each quarter, the Trust may take a number of actions including, but not limited to:

- selling one or more Properties;
- raising new equity for the Trust;
- reconsidering and if deemed necessary adjusting the gearing ratio of the Trust in accordance with section 9; or
- undertake a combination of these or other measures.

If we are of the view that we cannot sell property assets within 365 days to meet withdrawal requests, the Trust will become illiquid and withdrawals will be suspended. If this occurs, investors can only withdraw when we make a withdrawal offer available in accordance with the Trust's Constitution and law.

Additionally, if a withdrawal facility is oversubscribed, a withdrawal request may be met on a pro rata basis. This means that you may receive only part of your requested amount.

7.04.02 Property risk

The value of 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).

Unlisted property funds also rely on intermittent valuations rather than being valued by the market each day, as does the listed market. This means that unlisted valuations may lag and may therefore not fully account for current macroeconomic conditions or market expectations.

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 Trust's gearing ratio and loan covenants and the Trust 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 Trust 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 Trust, 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.

To mitigate some of these risks, the Trust generally obtains independent valuations on Trust direct properties every 12 months, and within an 18-month period for development assets. Additionally, as part of our active management approach, we may otherwise test asset values on market, including but not limited to when there are material changes in macroeconomic conditions or market expectations. This regular and active independent valuation of underlying property assets is an important aspect of managing the Trust in the best interests of investors.

The long term strategy for the Trust 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 Trust may not be able to grow according to the strategy.

7.04.03 Property development risk

A risk of property development is construction risk. Construction projects carry a risk that the costs of the project might be higher than budgeted, the projects may take longer than expected to complete or the project may not be finished.

We endeavour to mitigate construction risks by negotiating a capped arrangement with builders and/or tenants whereby any costs incurred above this amount will be the responsibility of the builder/tenant as the case may be.

7.04.04 Borrowing risk

The Trust 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.

If property values or rental income falls significantly the Trust may be unable to meet its loan covenants and this may result in the sale of assets.

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 Trust may not be able to refinance its borrowings when borrowing facilities mature. If this occurred, the Trust may lose value from selling assets in poor market conditions in order to repay the borrowed amount.

Our approach is to actively manage the Trust's borrowings in conjunction with the lenders to manage this risk.

7.04.05 Lending (default) risk

Occasionally, the Trust lends on an arm's length basis, to support the ownership of direct healthcare property related assets, including fixtures.

If the Trust's borrowers default, there is risk of the loss of the principal on loan (in part or in its entirety), and the interest payable, and a disruption to the Trust's cash flows.

We have processes established to mitigate this risk, including but not limited to:

- making loans only to approved tenants and borrowers who have been assessed for their credit risk;
- setting a suitable framework that is continuously monitored; and
- ensuring appropriate security for any loans.

7.04.06 Derivatives risk

Derivatives are 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 Trust. We may use derivatives in the Trust for implementation of interest rate risk strategies.

Interest rate risk strategies aim to minimise the impact of rising interest rates. For example, if the Trust fully hedges its borrowings (i.e. fixes the interest rate on its borrowings) and the prevailing interest rates rise, then the Trust is protected from having to pay the higher interest rate cost. However, the Trust's unit price may be more volatile if it is fully hedged, reflecting the market value of any change from the interest rate that has been fixed.

7.04.07 Currency risk

Where the Trust invests in international property or 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 Trust.

The Trust currently does not invest in international property or related assets.

7.04.08 Sector concentration risk

Sector concentration of an investment in a fund focused on a single sector has significant risks. The Trust invests exclusively in healthcare assets. Increases in supply or a fall in demand of healthcare assets (or the property market generally) may have significant effects on the value of the Trust's underlying investments.

7.04.09 Unforeseen risks

Unforeseen extraordinary events such as natural phenomena, pandemics, attacks or other like events may affect the Trust's assets or the underlying funds in which the Trust invests.

These are events for which insurance cover is either not available, or the Trust does not have cover. The performance of the Trust may be adversely affected where any unforeseen event results in losses to Trust assets due to uninsurable risks, uninsured risks or under-insured risks, or the cost of the insurance premiums being in excess of those forecasts. Any failure by an insurer or re-insurer may also adversely affect the Trust's ability to make claims under an insurance policy. These occurrences may result in a loss of capital, in turn reducing the price of Units and amounts that may be available for distribution by the Trust. The Trust aims to manage these risks to the extent possible by maintaining appropriate insurance cover and reviewing the cover recurrently.

7.04.10 Market risk

In addition to the above risks, listed property related investments are impacted by broader market factors (such as interest rate changes and share market sentiment), similar to equity investments.

7.04.11 Litigation risk

In addition to the above risks, the Trust may be impacted by litigation. These occurrences may result in a loss of capital, in turn reducing the price of Units and amounts that may be available for distribution by the Trust.

Section: 8: 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 account 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 fees. 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) Moneysmart website (www.moneysmart.gov.au) has a managed funds 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 money, from the returns on your investment or from the assets of the managed investment scheme 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.

Fees and costs summary

Australian Unity Healthcare Property Trust - Wholesale Units		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs[1]		
Management fees and costs The fees and costs for managing your investment	Base management fee[2]: 0.65% p.a. of the average GAV of the Trust under $2 billion 0.50% p.a. of the average GAV of the Trust from $2 billion to $4 billion 0.40% p.a. of the average GAV of the Trust over $4 billion Plus	The base management fee is calculated and accrued daily but paid monthly in arrears from the assets of the Trust. The amount of this fee can be negotiated with wholesale clients.[2]
	Recoverable expenses[3] Estimated to be 0.17% of the average GAV of the Wholesale Units of the of the Trust for the 12 months to 30 June 2024. Plus	Recoverable expenses are accrued as and when incurred by the Trust and therefore the amount recovered each month may vary. Recoverable expenses are paid monthly in arrears from the assets of the Trust.
	Indirect costs[3] Estimated to be 0.00% of the average GAV of the Wholesale Units of the Trust for the 12 months to 30 June 2024.	Payable from the assets of the Trust or the assets of interposed vehicles in which the Trust invests, as and when incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	An estimated performance fee of 0.00% p.a. of the average GAV of the Wholesale Units of the of the Trust based on a 5 year average.	The Trust does not charge a performance fee. Interposed vehicles in which the Trust invests may charge performance fees, which are payable from the assets of the relevant interposed entity where the relevant performance criteria are met.
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.14% p.a. of the average GAV of the Wholesale Units of the Trust for the year to 30 June 2024.	Transaction costs are payable from the assets of the Trust, or the assets of interposed vehicles in which the Trust invests, as and when incurred.

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[4]		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Buy spread: 0.50% Sell spread: 0.50%	These are the amounts recovered by the Trust when you transact. Buy-sell spreads are included in the application and withdrawal prices and effectively increase the amount you pay when you buy units and reduce the amount you receive when you sell units. Buy sell spreads are not applied to the reinvestment of distributions.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

1. The individual components of the management fees and costs are discussed in more detail in under the heading 'Additional explanation of fees and costs'.
2. The base management fee may be negotiated in certain circumstances. For more information see 'Differential fees' under the heading 'Additional explanation of fees and costs'.
3. The recoverable expenses and indirect costs are for the year ending 30 June 2024.
4. Fees may be payable to your financial advisor. Such fees are not included in this table. For more information see "Advisor remuneration" under the heading 'Additional explanation of fees and costs'.

Past costs are not a reliable indicator of future costs.

Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs in the Australian Unity Healthcare Property Trust – Wholesale Units for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Australian Unity Healthcare Property Trust – Wholesale Units[1]		BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR
Contribution Fees[1]	Nil	For every additional $5,000 you put in, you will be charged **$0**.
PLUS Management fees and costs[2]	1.10%[2] p.a.	**And**, for every $50,000 you have in the Australian Unity Healthcare Property Trust - Wholesale Units you will be charged or have deducted from your investment **$550** each year.
PLUS Performance fees[2,3]	Nil	**And**, you will be charged or have deducted from your investment **$0** in performance fees each year
PLUS Transaction costs[2]	0.21% p.a.[4]	**And**, you will be charged or have deducted from your investment **$105** in transaction costs
EQUALS Cost of Australian Unity Healthcare Property Trust - Wholesale Units		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 and costs of **$655*** What it costs you will depend on the investment option you choose and the fees you negotiate.

* Additional fees may apply.

Please note:

1. This example assumes that the contribution of $5,000 is made at the end of the year, and therefore no management fees and costs for the contribution have been included.
2. The management fees and costs, transaction costs and performance fees in the example of annual fees and costs are calculated on a net asset value basis (rather than a gross asset value basis as outlined in the Fees and cost summary above) and incorporate the effect of gearing. What your investment in the Trust costs you will also depend on the fees you negotiate with the Trust (where applicable).
3. The base management fee may be negotiated with investors who are wholesale clients.
4. A buy-sell spread may apply to investments in and out of the Trust ('see transaction costs in the Additional explanation of fees and costs below). The example above is illustrative only.

Additional explanation of fees and costs

Following is a summary of the management fees and cost for Wholesale Units in the Trust.

Estimated management fees and costs calculations

The table below shows the estimated management fees and costs for Wholesale Units in the Trust. The base management fee reflects Trustee's management fee assuming GAV of the Trust is less than $2 billion. The other amounts are for the year ended 30 June 2024.

It provides a summary of the Trust's estimated management fees and costs for Wholesale Units based on the Trust's average gross asset value compared to the estimated management fees and costs calculated on the Trust's average net asset value.

Please note that past costs are not a reliable indicator of future costs.

	Gross asset value p.a.	Net asset value p.a.
Estimated base management fee[1]	0.58%	0.85%
Plus: Estimated indirect cost for 12 months to 30 June 2024[2]	0.00%	0.00%
Plus: Estimated recoverable expenses for 12 months to 30 June 2024	0.17%	0.25%
Total estimated management fees and costs	0.74%	1.10%
Estimated 5-year average performance fee[2,3]	0.00%	0.00%
Estimated transaction costs for 12 months to 30 June 2024[2]	0.14%	0.21%

1. The base management fees presented here is based on a net asset value basis and is an estimate. However, the base management fee calculated on a GAV basis would be the actual amount incurred by an investor, if the Trust's gross asset value is less than $2 billion.
2. Calculated on the of the average value of the Wholesale Units of the of the Trust.
3. The Trust does not charge a performance fee and has not invested in a fund which charges a performance fee for the 5-years to 30 June 2024.

Tiered base management fee

Under the Trust's Constitution, we are entitled to receive up to 1.00% p.a. (before GST) of the gross asset value of the Trust as a base management fee in performing our duties in relation to the Trust.

We have excersised our discretion under the Trust's Constitution to charge a reduced base management fee inclusive of GST less input tax credits (including reduced input tax credits) of:

- 0.65% p.a. of the gross asset value of the Trust under $2 billion.
- 0.50% p.a. of the gross asset value of the Trust from $2 billion to $4 billion.
- 0.40% p.a. of the gross asset value of the Trust over $4 billion.

Subject to legal requirements, we are entitled to change fees with prior notice to you in this section.

Example of the base management fee

The following is an example of how the tiered base management applied over a 12 month period, assuming the Trust's average gross asset value is $4.5 billion and that the Wholesale Units comprised an average of 70% of the Trust for the entire period. This is an example only and is not an estimate or forecast.

	Trust GAV	Wholesale Units GAV	Base management fee rate p.a.	Fee p.a.
Tier 1	$2.0bn	$1.4bn	0.65%	$9.1m
Tier 2	$2.0bn	$1.4bn	0.50%	$7.0m
Tier 3	$0.5bn	$0.35bn	0.40%	$1.4m
Total	**$4.5bn**	**$3.15bn**		**$17.5m**

Based on this example, the base management fee would be 0.56% p.a. of the average GAV of the Wholesale Units of the of the Trust.

Indirect Costs

Indirect costs are generally amounts that we know, or estimate, will reduce the Trust's returns. The costs are paid from the Trust's assets, or the assets of an interposed vehicle in which the Trust may invest from time to time. Typically, an interposed vehicle will be a trust in which the Trust has invested.

Indirect costs of the Trust are the indirect costs of underlying interposed vehicles.

Where the Trust invests in other funds managed by us

The Trust may invest in other funds or investment companies (interposed vehicles) managed or operated 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 Trust fees described above.

For example, if the Trust invested in a fund managed by Australian Unity which charged a management fee of 0.65% p.a., the Trust would reduce its base management fee to zero on that asset, while the Trust's gross asset value is up to and including $2 billion.

Where the Trust invests in other funds managed by an external party

Where the Trust invests in other funds or investment companies (interposed vehicles) managed by third parties not related to us, any management fees charged by those parties will be reflected in the performance of the Trust and our management fee will not be adjusted to reflect the management fees of such interposed vehicles.

Recoverable expenses

We are entitled under the Trust's Constitution to reimbursement for, or have paid by the Trust, all expenses and associated taxes we incur in the proper performance of our duties.

Recoverable expenses are expenses generally incurred in the day-to-day operation of a Trust and include, for example: registry costs, legal services, custodian services, compliance and related administration functions, accounting, printing, audit and asset management related fees, including related party property management services. These costs are shown in the fees and costs summary under 'Fees and other costs' above.

Recoverable Expenses are accrued as and when incurred by a Trust, and therefore the amount recovered each month may vary.

This estimate does not include costs for:

- 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 irregular events such as the cost of running investor meetings; and
- costs of borrowing, including arrangement, establishment and interest costs.

Performance Fees

We do not charge performance fees. However, performance fee arrangements may be charged in underlying funds. At the date of this PDS the Trust has not invested in a fund which charges a performance fee.

When the Trust invests in a fund which has performance fee arrangements with our external managers, these will typically entitle the external managers to receive performance fees where the external manager has met certain performance criteria. In such case you will generally pay more investment fees and costs as a result. Where an external manager does not meet its performance criteria then performance fees will generally not be payable to the external manager.

As the Trust does not charge performance fees, and as at the date of this PDS, does not invest in funds which charge performance fees, it is not possible to predict the amount of performance fees payable.

Transaction costs

In managing the investments of a Trust or a Trust's underlying investments, transaction costs such as brokerage, settlement costs, clearing costs, stamp duty, buy-sell spreads and other government charges may be incurred. These costs are generally paid from the assets of the Trust and are reflected in the Unit Price. Changes in a Trust's investment portfolio (or when new investments into or redemptions out of the Trust are paid) can also incur fees. Transaction costs are an additional cost to investors and are not included in the 'management costs'.

Transaction costs exclude borrowing costs, property operating costs and certain implicit transaction costs or market impact costs.

Transaction costs incurred from changing the Trust's investment portfolio are generally paid out first from amounts retained through the buy-sell spread. The Trust's buy-sell spread is set out below under 'Buy and sell spreads and estimated transaction costs'.

However, if the amount retained through the collection of a Trust's buy-sell spread is not sufficient to offset transaction costs, these costs are instead paid out of a Trust's assets as and when incurred. In this case, this is an additional cost payable by you and all other investors in the Trust.

The table below provides a summary of the estimated transaction costs, of the Trust and its underlying investments, calculated on the average gross asset value of the Wholesale Units of the Trust for the 12 months to 30 June 2024.

Please note that past transaction costs are not a reliable indicator of future transaction costs.

Transaction Costs as a % pa of the of the average GAV of the Wholesale Units of the Trust	
Gross transaction costs	0.18%
Less: Buy and sell spreads recovered	0.04%
Equals: Net transaction costs borne by the Trust	0.14%

Transaction costs may include:

Buy-sell spreads

Buy-sell spreads are incurred when investors apply for or redeem units in a fund. If the Trust were to buy units in an interposed vehicle then the associated buy-sell spread will comprise part of the purchase price. In this case, the costs of the buy-sell spread are paid from the assets of the Trust, and are reflected in the Unit Price.

Brokerage costs

The amount that is paid to a broker when securities are bought and sold. Brokerage costs are paid from the assets of the Trust, and are reflected in the Unit Price.

Property settlement costs

The amount paid to agents and other third parties settling and reconciling transactions when a property is purchased or sold. Property settlement costs are paid from the assets of the Trust, and are reflected in the Unit Price.

Settlement and clearing costs

The amount paid for future trades to a clearing house for settling and reconciling transactions.

Professional fees

When the Trust purchases, sells or values a property, we generally engage consultants to assist with completing due diligence. Consultants are engaged to review the property, tenant(s) and assess market conditions. These consultants will generally include independent valuation firms, research houses, law firms and tax advisers. These professional fees are incurred during each year and are paid from the assets of the Trust as and when incurred, and reflected in the Unit Price

Stamp duty

Stamp duty is a tax imposed by State governments in all Australian States and Territories, which is typically triggered by the sale or transfer of real property. Stamp duty is payable at the time the Trust completes the purchase of a real property. It is paid from the assets of the Trust, and will be reflected in the Unit Price.

The Trust's underlying investments may also incur transaction costs and these amounts are included in the total 'transaction costs' amounts set out above.

Buy-Sell spread

The buy and sell spread reflects some of the Trust's transaction costs, such as buying and selling Trust assets, in order to issue units or pay redemption proceeds to investors. The buy-sell spread aims to ensure that each investor shares the transactional costs associated with their decision to either invest in or exit the Trust.

The amount is:

- in the case of a buy spread, an extra cost charged to enter the Trust and the sell spread is a cost charged to exit the Trust;
- 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 Trust to cover those transaction costs; and
- not applied to the reinvestment of distributions.

If the amount retained through the collection of the Trust's buy-sell spread is insufficient to offset transaction costs, then these costs are instead paid out of a Trust's assets as and when incurred, and reflected in the Unit Price.

The following buy-sell spreads (which may change from time to time without prior notice) currently apply:

Wholesale Units	
Buy Spread	0.50%
Sell Spread	0.50%

If the buy spread and/or sell spread changes, we will notify investors on our website at australianunity.com.au/wealth/hpt.

Based on the buy and sell spreads noted above, an investment of $50,000 would incur a buy spread of $250 and a withdrawal of $50,000 would incur a sell spread of $250.

These are examples only and are not an estimate or forecast.

We reserve the right to wholly or partially waive the buy and/or sell spread and change the buy and/or sell spread without prior notice.

Other fees, charges and costs

You may also incur infrequent costs directly associated with transactions made on your account, such as Government taxes, stamp duty and bank fees. For example, if your direct debit is rejected and the Trust incurs a bank fee.

These costs will be directly deducted from your account by reducing the number of Units you hold within the Trust. We are unable to estimate these costs until they are incurred.

Differential fees

'Wholesale clients' as defined under the Corporations Act 2001 may negotiate with us to pay reduced management fees through the payment of fee rebates. From time to time, we may rebate some of our management fees (or issue Units in the Trust) to employees within the Australian Unity Group so that they pay reduced fees.

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 of any fee increase. If you withdraw within this notice period, the increased fees will not apply to you.

The maximum fees we are allowed to charge the Trust (before GST) is stated in the Trust's Constitution as follows:

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

There is no limit in the Trust's Constitution on the amount that we can recover for expenses incurred in the proper performance of our duties.

Tax

See Section 10 for more information on tax.

Adviser Remuneration

The Corporations Act 2001 contains provisions which regulate, and in some cases prohibit, payments to financial advisers and intermediaries by product issuers. Any arrangement by us to make payments or provide incentives to financial advisers and intermediaries will be entered into in compliance with the legislation.

You may agree with your financial adviser that advice fees will be paid for financial planning services your financial adviser provides for you. These advice fees are additional to the fees shown in the fees and costs summary, and are paid to your financial adviser, not to us.

Section 9: Debt finance

9.01 Gearing ratio and range

Gearing ratio

The gearing ratio shows the extent to which the Trust's total assets are funded by interest-bearing liabilities and gives an indication of the potential risks investors face in terms of external liabilities that rank ahead of them. The only interest-bearing liability of the Trust is the borrowing facilities. Refer to the borrowings note in the audited financial statements and the details set out in Disclosure Principle 3 – Scheme (Trust) Borrowings in the latest CDN.

Gearing magnifies the effect of gains and losses on an investment. A higher gearing ratio means greater magnification of gains and losses and generally greater volatility compared to a lower gearing ratio.

Details on the Trust's gearing ratio can be found in the Trust's latest CDN.

Gearing ratio range

As at 30 June 2024 the Trust had three syndicated borrowing facilities, one bilateral borrowing facility and the Medium Term Notes Programme with a gearing ratio covenant limit of 50%. The Trust generally aims to operate within a gearing ratio range between 25%-35%.

These parameters may change from time to time. Refer to the Trust's latest CDN.

9.02 Interest cover and ratio

Interest cover

Interest cover indicates the ability of the Trust to meet interest payments from earnings. It is an indicator of the Trust's financial health and is a key indicator to assessing the sustainability of, and risks associated with, the Trust's level of borrowing. For example, an interest cover ratio of two times, means that the level of earnings is twice that of interest costs on borrowings, meaning that there are surplus earnings after interest payments which can be used to pay distributions to investors.

An interest cover ratio of one times means that Trust earnings are only sufficient to pay interest on borrowings and any distributions would either need to be funded from investor capital or alternatively suspended.

Generally, the closer the Trust's interest cover ratio is to one, the higher is the risk of the Trust not being able to meet interest payments from earnings. To mitigate some of this risk, the Trust may hedge against rises in interest rates to provide greater certainty for the Trust's interest expenses.

In addition, asset management strategies that attract high quality tenants on longer lease terms and tenant diversity aim to ensure that the Trust's level of earnings remains stable and predictable.

Details on the Trust's interest cover ratio can be found in the Trust's latest CDN.

Minimum interest cover ratio

The minimum interest cover ratio for the Trust under the Trust's borrowing arrangements is 2.00 times. The calculation method for the interest cover ratio under the borrowing facility is different from ASIC's RG46 disclosure principles formula.

9.03 Gearing and Interest Cover Policy

We maintain and comply with a written Treasury and Financial Risk Management Policy that governs the:

- level of gearing at an individual credit facility (borrowing facility) level;
- level of interest cover at an individual credit facility (borrowing facility) level.

The Treasury and Financial Risk Management Policy outlines record keeping, monitoring and reporting requirements.

For further information or to obtain a copy of the Treasury and Financial Risk Management Policy please call us on 1300 997 774 or +61 3 9616 8687 if calling from overseas.

9.04 Interest capitalisation

Interest capitalisation

The Trust currently does not capitalise interest expenses but may do so for borrowings relating to some development projects.

Capitalised interest expenses increase the borrowing facility drawn amount, and therefore may increase borrowing risk.

Borrowing risk is managed through maintaining prudent levels of drawn debt, the use of interest rate hedging instruments and active management of the asset portfolio. The estimated amount of interest to be capitalised for any particular project is generally incorporated into the assessment of feasibility of that project.

The Trust is expected to meet its repayment obligation for capitalised interest expenses through its normal operating activities.

Section 10: Other information

10.01 Australian taxation

Certain Australian tax implications of investing in the Trust are explained below. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances. Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in the Trust relevant to your specific circumstances.

The following summary is intended for Australian resident investors and generally applies to investors who hold their investment for the purpose of realising a long-term return (that is, hold their investment on capital account for tax purposes). This summary does not consider the tax implications for those investors who hold their investment in the Trust on revenue account, as an isolated investment made with profit making intent or as trading stock. It is based on our interpretation of the current Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change.

10.01.01 While you hold your interests in the Trust

The Trust elected to be an Attribution Managed Investment Trust (AMIT) for tax purposes from the 2018 income year. The Trust itself should not pay tax on the basis that it will attribute trust components to investors each financial year on a fair and reasonable basis.

You will need to include in your income tax return your share of the Trust's taxable income for each financial year. This applies regardless of whether the distribution is received in cash during that income year or a later year and may include amounts that have been reinvested.

To assist you to complete your tax return, you will receive an AMIT Member Annual (AMMA) statement from us. This statement will provide you with the components to be included in your tax return. The sum of these components may differ to the amount of cash distribution you receive.

Tax losses (if any) generated by the Trust cannot be passed onto investors. However, provided specific requirements are satisfied, the Trust should be able to carry forward tax losses, offsetting them against income generated in a later income year.

10.01.02 Dividends

Where the Trust receives franked distributions in relation to investments in Australian equities, you may receive as part of your distribution franking credits (subject to relevant franking credit integrity measures, such as the 45-day holding period rule). These franking credits will not represent part of your cash receipts but will need to be included in your tax return as part of your taxable income. Depending on your individual circumstances, these may be available to offset your tax liability or be paid as a refund.

10.01.03 Foreign income

Where a Trust derives foreign sourced income, Australian tax resident investors may be able to claim a Foreign Income Tax Offset (FITO) against their Australian income tax liability in respect of their share of any foreign tax paid on that income. FITO's not utilised in the income year in which they are derived will be forfeited and cannot be carried forward to a later year.

10.01.04 Capital gains

Where the Trust derives net capital gains to which you become entitled, you may need to include these amounts in your assessable income. Investors will generally be required to double any discounted capital gains. A capital gains tax (CGT) discount may then be available for some investors, as outlined below.

10.01.05 When you withdraw

When you fully or partially withdraw or redeem your investment in the Trust, you are treated as having disposed of your investment in the Trust. As a result, any net gain derived on disposal may be included in your taxable income under the CGT provisions. This may include where you move between investments or transfer your Units in a particular investment to another investor.

An investor will make a capital gain in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal exceed the investor's cost base. Alternatively, an investor will make a capital loss in respect of the disposal of its investment to the extent that the capital proceeds attributable to the disposal of the investment are less than the CGT reduced cost base in that investment.

In determining the cost base or reduced cost base of your investment in the Trust, you will need to take into account any returns of capital and in circumstances where the amount of cash distribution is more than your share of the Trust's taxable income in an income year, your CGT cost base of the investment in the Trust should decrease by the difference ('AMIT cost base net amount – excess'). These amounts may have the effect of increasing your capital gain or decreasing your capital loss.

In addition, in circumstances where the amount of cash distribution is less than your share of the Trust's taxable income in an income year, your CGT cost base of the investment in the Trust should increase by the difference ('AMIT cost base net amount – shortfall'). This amount may have the effect of decreasing your capital gain or increasing your capital loss upon disposal of your investment.

The AMMA statement you receive from the Trust will state the amounts that the Responsible Entity reasonably estimates to be the 'AMIT cost base net amount – excess' and the 'AMIT cost base net amount – shortfall'.

Any net capital loss resulting from the disposal of your investment may be able to be used to reduce capital gains derived in that or future income years.

Investors that are individuals and trusts may be entitled to a CGT discount that reduces their capital gains by 50% where they have held their investment for more than 12 months. Investors that are complying superannuation funds may be entitled to a 33.33% reduction of their CGT liability. No such discount is available to corporate investors.

10.01.06 Non-residents

This summary does not consider the Australian income tax implications for non-resident investors. However, it is noted that the Australian tax law imposes obligations on the Trust to withhold tax on distributions paid to non-residents for Australian tax purposes.

If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the prescribed rates. The rates may vary according to the components of the distribution and the country in which you reside.

It is recommended that non-resident investors seek their own advice on both the Australian and their home jurisdiction's tax implications of investing in the Trust.

10.01.07 TFN Withholding Tax

If you are an Australian resident, you may choose whether or not to provide a Tax File Number or an Australian Business Number. If neither is quoted and no relevant exemption information is provided, we are required to withhold tax on your income distributions at the highest marginal tax rate plus levies.

10.01.08 Goods and services tax ('GST')

The acquisition, redemption and transfer of units in the Trust should not be subject to GST. Distributions made by the Trust should also not give rise to any GST consequences.

10.01.09 Australian Tax Reform

Australia is in the process of ongoing taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of the reforms. The Responsible Entity for the Trust will continue to monitor the tax reform process and its impact on the Trust. It is an investor's responsibility to monitor tax reform developments that may impact on their investment in the Trust.

10.02 Constitution

The Trust 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.

10.02.01 Classes of Units

The Constitution provides that the Responsible Entity may create and issue units of different classes with such rights, obligations and restrictions attaching to the units of such classes as it determines, in accordance with the Corporations Act. At the date of this PDS, there are three classes of units created under the Constitution:

- Retail Units (closed to new applications);
- Wholesale Units (open to new applications); and
- Class A Units (open to new applications).

10.03 The Responsible Entity

AUFM in its capacity as Responsible Entity is subject to the provisions of the Constitution and the Corporations Act. The Responsible Entity is responsible for administration and management of the Trust 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 Trust's Constitution, which means that it has limited its liability for acting as the Responsible Entity.

10.04 Labour standards, environmental, social and ethical considerations

AUFM has a Direct Property Responsible Investing Policy which sets environmental, labour, social, governance and ethical guidelines to selecting, managing or realising direct property assets.

The Direct Property Responsible Investing Policy guidelines are considered on a property by property basis and may be applied differently within the context of a property's geographical and market attributes.

10.05 Authorised investments

A broad range of investments is permitted in the Trust.

The Trust 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 Trust but will generally not use derivatives for gearing purposes or speculative activities.

10.06 Valuation policy

The Responsible Entity maintains and complies with a written valuation policy that requires:

- a valuer to:
  - *be registered or licensed in the relevant state, territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction; and*
  - *be independent.*
- procedures to be followed for dealing with any conflicts of interest rotation and diversity of valuers
- valuations to be obtained in accordance with a set timetable
- for each property, an independent valuation to be obtained:
  - *before the property is purchased:*
    - for a development property, on an 'as is' and 'as if complete' basis
    - for all other property, on an 'as is' basis
  - *within two months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.*

The Trust complies with AUFM's Valuation Policy. For further information or to obtain a copy of the Valuation Policy please contact us.

Regular valuation of underlying property assets is an important aspect of managing the Trust in the best interests of investors. In addition to the above requirements, the Valuation Policy also requires that:

- independent external valuations for new properties must be completed no more than three months prior to exchange of contracts;
- independent external valuations for existing properties must generally be conducted at least once every 18 months if the property is in construction phase and otherwise, at least once in a financial year unless exceptional circumstances exist;
- where there are multiple properties in a portfolio, the valuations are to be staggered through the year; and
- where a property has been contracted for sale, the contracted sale price may be adopted instead of the independent external valuation.

Additionally, as part of our active management approach, we may test asset values on market. At times, we may enter arrangements at arm's length with third parties which may impact the value of assets within the portfolio including, but not limited to, put and call options in respect of all or part of an asset within the portfolio. If the value of an asset is impacted in this way, the value may replace the last independent valuation obtained.

10.07 Related party transactions

Property management services

AUFM has appointed Australian Unity Property Management Pty Ltd ('AUPM') ABN 76 073 590 600 to provide some property management services to the Trust.

Australian Unity Property Management

AUPM is a property management business that may, under a written arrangement, provide some of the following services to the Trust as nominated from time to time:

- strategic advice on property acquisitions and sales or arranging the sale or acquisition of property assets;
- management of premises;
- debt arranging, debt structure advice, debt facility negotiation and debt management;
- valuation services;
- leasing services; and
- property management and project supervision.

The appointment of AUPM for these services is not exclusive and AUFM may engage other service providers to undertake these functions.

Other related party service providers

AUFM charges the Trust for administration expenses (audit fees inclusive). We estimate these costs to be 0.17% p.a. of the gross asset value of the Trust for the year ending 30 June 2024.

Basis of related party investment terms

Investor approval is not required for the arrangements between the related party entities described in this document, as they have been made on an arm's length basis commercial terms and otherwise in accordance with the Corporations Act.

The related party arrangements described in this document adhere to the AUFM's Conflicts of Interest Policy.

10.07.01 Monitoring of related party transaction and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with parties that are not related.

Australian Unity has policies and processes 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 processes. Decisions in relation to actual or perceived conflicts of interest and related party transactions are documented.

10.07.02 Updates to related party transactions and further information

As appropriate, we will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the Trust's CDN.

The value of related party payments are reported yearly as part of the Trust's audited Annual Report. The latest Fund Update and audited Annual Report can be found on our website australianunity.com.au/wealth/hpt. Alternatively, we can send you a copy free of charge by calling us on 1300 997 774 or +61 3 9616 8687.

10.08 Minimum account balances

If the current value of your account is below the minimum balance required, the Responsible Entity may withdraw your units and pay you the proceeds. The amount payable will be the withdrawal price on the date of the withdrawal multiplied by the number of units you hold.

10.09 Keeping you informed about your investment

To help keep you informed of your investment, we will provide you the following:

Communication	Frequency
Confirmation of your initial application	At the time of the transaction
Confirmation of subsequent applications (excluding those made using a Regular Savings Plan) and redemptions	
Confirmation of your withdrawal	
Distribution statement	Quarterly
Periodic statement	Half yearly
AMMA statement showing taxation details	Annually
Fund update	Quarterly
Annual Reports (These are available from our website. Investors can elect to receive hard copies of the Annual Report – see the Application Form)	Annually, on request

In addition, you can view your account balance, transaction history and your account details via a secure login at our website: australianunity.com.au/investorlogin. You can also update your contact details online if they change.

As a disclosing entity, we are subject to regular reporting and disclosure obligations. We comply with the continuous disclosure obligations required by law by the updating of information contained within this PDS on our website (in accordance with the good practice guidance in ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations).

For more up-to-date information about the performance of the Trust (including returns and asset allocations), and the latest Annual Report, you can visit the Trust's web page australianunity.com.au/wealth/hpt.

We can also provide you with a copy (free of charge) of the Annual Report most recently lodged and any half-yearly financial report lodged after the Annual Report is lodged and before the date of this PDS with ASIC and any continuous disclosure notices given after the Annual Report is lodged and before the date of this PDS if you call us.

As the information in this PDS may change from time to time, you can obtain updated information that is not materially adverse by:

- visiting our website for PDS updates australianunity.com.au/wealth/hpt; or
- calling us on 1300 997 774 or +61 3 9616 8687 to request a free paper copy of the updated information.

10.10 Dispute resolution

We take complaints seriously and aim to resolve them as quickly as possible. If you would like to make a complaint you can call us on 1300 997 774 or +61 3 9616 8687, email us at australianunitywealth@unitregistry.com.au or write to us at the following address:

Manager – Client Services

Australian Unity
GPO Box 804
Melbourne VIC 3001

We will promptly acknowledge your complaint within seven days, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision within 30 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides independent financial services complaints resolution that is free to consumers

Website:	www.afca.org.au
Email:	info@afc.org.au
Telephone:	1800 931 678 (free call)
In writing to:	Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

Section 11: Glossary

Term	Definition
AFS	Australian Financial Services.
AMIT	Attribution Managed Investment Trust.
ASIC	Australian Securities & Investments Commission.
Associated Investors	An investor may be considered to be an 'associated person' of another investor if we deem the investor to exhibit, or we become aware of one or more of the following attributes with respect to the investor: • the investor is, either in partnership with or by other arrangement, associated with another person or entity which also has investments in the Trust, (trustee and custodial arrangements may be excluded in this assessment); • the investor has indicated that it has an arrangement with an AFS Licensee or authorised dealership and/or adviser which also has arrangements with other investors of the Trust; • the investor is an 'associated person' of one or more existing investors under a Duties Act of a State or Territory.
AUPM	Australian Unity Property Management Pty Ltd ABN 76 073 590 600.
Business Day	a Melbourne business day.
CDN	Continuous Disclosure Notice.
CGT	Capital Gains Tax.
Class A Units	units issued under the Constitution of Australian Unity Healthcare Property Trust. Class A Units are distinguishable by the management fees, withdrawal rights and allocation to the Trust's assets.
Constitution	the Constitution of Australian Unity Healthcare Property Trust as amended from time to time.
Existing Investor	an investor in the Trust who has a registered address in Australia and holds: • Retail Units; • Wholesale Units; and/or • Class A Units.
FFO	funds from operations.
GAV	the Gross Asset Value is the sum of value of all the assets the Trust owns.
IDPS	Investor Directed Portfolio Service.
Maximum Limit	the maximum exposure an investor, or the aggregated exposure of a group of Associated Investors may have to the Trust’s net tangible assets which is set out in Section 5.04.
Medium Term Notes Programme	the senior, unsecured six-year fixed rate medium term notes issued by the Trust under the programme established on 20 October 2023.
Northwest	Northwest Healthcare Australia RE Limited (as trustee of NWH Australia Hold Trust No. 2)
Permitted Jurisdiction	Australia and any other jurisdiction as determined by the Responsible Entity.
PDS	this Product Disclosure Statement dated 5 December 2024.
REIT	Real Estate Investment Trust.
Responsible Entity	the responsible entity of the Trust which is Australian Unity Funds Management Limited (‘AUFM’) ABN 60 071 497 115 as at the date of this PDS.
Retail Units	units issued under the Constitution. Retail Units are distinguishable by their inception date and withdrawal rights.
Settlement Deed	the Settlement Deed entered into between, among other parties, AUFM and Northwest on 6 July 2023.
SMSF	a Self-Managed Super Fund.
Trust	Australian Unity Healthcare Property Trust ARSN 092 755 318.
Unit	a Retail Unit, Wholesale Unit or Class A Unit.
W&CM	Australian Unity Wealth & Capital Markets.
Wholesale Units	the separate class of units issued under the Constitution. Wholesale Units are distinguishable by their inception date and withdrawal rights.