

Australian Unity Property Limited

ABN 58 079 538 499

271 Spring Street

Melbourne VIC 3000 Australia

Tel: 1300 997 774



Notice to Unitholders and Explanatory Memorandum

**Proposal to change the Responsible Entity of the Australian Unity
Property Income Fund (ARSN 094 220 498) ('Fund')**

Issued date:

1 May 2024

Issued by:

**Australian Unity Property Limited ABN 58 079 538 499, AFSL 234455 ('AUPL') of
271 Spring Street, Melbourne VIC 3000 in its capacity as Responsible Entity of the Fund.**

Notice to Unitholders

Proposal to replace the Responsible Entity of the Fund

Notice is given by AUPL that it intends to retire as Responsible Entity of the Fund and appoint its related entity, Australian Unity Investments Limited ABN 18 658 761 561 ('AUIL') as the replacement Responsible Entity of the Fund (the 'Proposal').

The Proposal is conditional upon AUIL obtaining an Australian financial services ('AFS') licence authorising it to operate the Fund. AUIL submitted its application for an Australian financial services licence to the Australian Securities and Investments Commission ('ASIC') on 22 December 2023. The Proposal will only proceed upon ASIC granting an AFS licence to AUIL.

Both AUPL and AUIL are wholly owned subsidiaries of Australian Unity Limited ABN 23 087 648 888 ('Australian Unity'). AUPL has assessed the benefits and consequences of retiring and appointing AUIL, and considers that it is in the best interests of Unitholders in the Fund for AUIL to replace AUPL as the Responsible Entity of the Fund for the reasons set out in this Notice to Unitholders and Explanatory Memorandum.

The purpose of this Notice to Unitholders and Explanatory Memorandum is to:

- set out the reasons why AUPL proposes to retire and appoint AUIL as the replacement Responsible Entity of the Fund;
- provide you with information to assist you in forming a view as to the choice of proposed replacement Responsible Entity;
- provide information about the proposed timing of the replacement of the Responsible Entity and the manner in which it will occur, as well as how to access current information regarding the Proposal on Australian Unity's website; and
- provide you with an opportunity to consider the Proposal and request a vote on the proposal to appoint AUIL as the replacement Responsible Entity of the Fund.

What do you need to do?

1. **Read this Notice to Unitholders**, including the Explanatory Memorandum and attached form.
2. **If you are comfortable with the Proposal to replace AUPL as the Responsible Entity of the Fund with AUIL and consent to the Proposal, you do not need to do anything.**
3. **If you believe that a Unitholder meeting (or postal vote) should be held to vote on this Proposal, you will need to complete and sign the attached Request for a Unitholder Vote Form** and return it by 5.00pm (Australian Eastern Standard Time) on 24 May 2024.

Unitholders may request a vote on the Proposal

If Unitholders who together hold at least 5% of the total value of the Units held by Unitholders, or 100 Unitholders, who would be entitled to vote on the Proposal, ask for a vote on the choice of the Responsible Entity, then AUPL will arrange a postal vote (or convene a meeting) of Unitholders in the Fund to vote on a resolution for the proposed change of Responsible Entity for the Fund.

Explanatory Memorandum

1. AUPL's reasons for wanting to retire

AUPL is currently the responsible entity (or trustee) of a number of registered and unregistered managed investment schemes. AUPL believes it would be in the best interests of Unitholders of the Fund for AUIL to be the responsible entity of the Fund.

Australian Unity Limited ('AUL') has entered into a share sale and purchase agreement in respect of AUPL for the transfer of the management rights in the Australian Unity Diversified Property Fund (DPF) to a purchaser outside of the Australian Unity group of companies (the 'Transaction'). Further information on the Transaction was set out in the Announcement section of DPF's webpage at:

australianunity.com.au/wealth/dpf.

As the Transaction does not relate to the Fund, AUPL must retire as the responsible entity of the Fund and AUIL be appointed so that the Fund can continue to be managed by Australian Unity with minimal (if any) disruption to members.

AUIL is being proposed as the replacement responsible entity of the Fund as:

- The appointment of AUIL as the new Responsible Entity provides the Fund with a dedicated Responsible Entity within the Australian Unity group of companies.
- AUIL's operational, compliance and risk frameworks are identical to those of AUPL. This serves to ensure that the Fund will continue to be operated and managed in the manner members currently enjoy.
- AUIL will be appropriately licensed to act as the responsible entity of the Fund. The proposed AFS licence will contain all the necessary authorisations for it to act as responsible entity of the Fund.
- It will enable continuity of investment expertise and executive management; once transferred to AUIL, the Fund will continue to be managed in line with the current investment strategy, supported by the current information technology platform, operational systems, and investment processes.

2. Impact of the proposal

AUPL considers that the following information can reasonably be expected to be material to a Unitholder in forming a view as to the choice of the proposed Responsible Entity.

Overview of the replacement Responsible Entity, AUIL

AUIL is a wholly-owned subsidiary of Australian Unity Limited (ABN 23 087 648 888), which is also currently the sole shareholder of AUPL. It is intended that Australian Unity staff and resources used by AUPL to operate and manage the Fund will support AUIL to operate and manage the Fund in the event that AUIL replaces AUPL as the Responsible Entity of the Fund.

In connection with the Proposal, AUIL has applied to ASIC to obtain an AFS licence to allow AUIL to operate the Fund. As such, the Proposal will be conditional on AUIL's application for an AFS licence being approved by ASIC. The Proposal will only proceed upon ASIC granting an AFS licence to AUIL.

Advantages of the Proposal

AUPL believes that the Proposal is in the best interests of Unitholders for the following reasons:

- The current Responsible Entity, AUPL, is the subject of the Transaction which necessitates the retirement of the current Responsible Entity and appointment of a replacement Responsible Entity for the Fund;
- The appointment of AUIL as the new Responsible Entity provides the Fund with a dedicated Responsible Entity within the Australian Unity group of companies.
- AUIL's operational, compliance and risk frameworks are identical to those of AUPL. This serves to ensure that the Fund will continue to be operated and managed in the manner members currently enjoy.
- AUIL will be appropriately licensed to act as the responsible entity of the Fund. The proposed AFS licence will contain all the necessary authorisations for it to act as responsible entity of the Fund.
- It will enable continuity of investment expertise and executive management; once transferred to AUIL, the Fund will continue to be managed in line with the current investment strategy, supported by the current information technology platform, operational systems, and investment processes.

AUPL believes that the Proposal will not create any adverse impacts to Unitholders in the Fund for the following reasons:

- AUPL (prior to completion of the Transaction) and AUIL are wholly owned subsidiaries of the same corporate group (Australian Unity) and supported by the same registry, systems, and resources.
- Australian Unity has established AUIL's operational, governance, compliance, and risk management frameworks and these are aligned with AUPL's existing frameworks.
- Following the appointment of AUIL as the replacement Responsible Entity, units in the Fund will continue to be offered to investors and an appropriate disclosure document will accompany such continuing offer.
- As a result of this Proposal, there will be no change to fees and costs for the Fund. Similarly, there will be no change to the investment objectives or investment strategies of the Fund.
- Any costs associated with the retirement of AUPL and appointment of AUIL as Responsible Entity of the Fund, including the costs of obtaining ASIC relief (as described below) will be met by Australian Unity.

Disadvantages of the Proposal

AUPL has not identified any material disadvantages or risks in relation to the Proposal.

3. Key dates for the proposal

Key event	Date and time (AEST)
Notice to Unitholders issued including the Request for a Unitholders Vote Form to request a vote on the Proposal	1 May 2024
Due date for requests for vote (AUPL will need to have received the Request for a Unitholder Vote Form by this time. Any requests received after this time will not be processed or counted towards the relevant threshold.)	5.00pm 24 May 2024
Proposal date (intended effective date for the change of the Responsible Entity, subject to a postal vote (or meeting of Unitholders) not being required, AUIL's application for an AFS licence to operate the Fund being approved).	On or around 31 May 2024 ¹
If a sufficient number of Unitholders in the Fund request a vote, then AUPL will arrange a postal vote (or meeting) as soon as possible.	Notice to be sent on or around 27 May 2024 Meeting (if required) on or about 24 June 2024

If the Proposal proceeds, then AUPL will lodge a notice of appointment of the new Responsible Entity with ASIC as soon as reasonably practicable (and in any event within 2 business days), with the appointment expected to be on or around 31 May 2024¹.

Under the *Corporations Act 2001*, the change of responsible entity to AUIL occurs when ASIC updates its records to reflect the appointment.

4. ASIC Relief

Under section 601FL of the *Corporations Act 2001*, if a responsible entity of a registered managed investment scheme wishes to retire, it must call a meeting of unitholders to explain its reasons for retirement and enable the unitholders to vote on a resolution to appoint a new responsible entity.

AUPL considers that it would incur unnecessary additional costs and be impractical to call a meeting of Unitholders in the Fund to consider this Proposal. Accordingly, AUPL has obtained relief from ASIC from the requirement to hold a meeting of Unitholders. The relief was granted by ASIC on 26 January 2024. It is a condition of the change in Responsible Entity under the ASIC relief that:

- AUPL issues this Notice to Unitholders of the Fund and provide an opportunity for Unitholders to request a vote on the choice of the proposed Responsible Entity;
- AUIL holds an AFS licence authorising it to operate the Fund before the Proposal may proceed; and
- AUIL has consented in writing to become the Fund's replacement Responsible Entity.

As noted above, AUIL submitted its application for an AFS licence to the ASIC on 22 December 2023, and the Proposal is conditional on AUIL obtaining the AFS licence. If a postal vote or a Unitholder meeting is not requested, then AUPL will proceed to retire and AUIL will be appointed as the Responsible Entity, subject to the AFS licence being granted. There will be no cost to Unitholders for implementing the cost of the replacement of the Responsible Entity.

¹ We will advise investors on our website australianunity.com.au/wealth/pif if there is a change to the proposed date.

5. How Unitholders can request a vote on the proposal

If you have no objection to the Proposal, then you do not need to do anything.

If you would like the choice of the proposed Responsible Entity to be put to a vote of Unitholders, you should **notify AUPL by completing and returning the Request for a Unitholder Vote Form enclosed with this Notice** and sending it to:

To reply-paid address (No stamp is needed if posted in Australia):

The Responsible Entity, AUPL
Reply Paid 91914
Melbourne VIC, 3000

Or by sending your **Request for a Unitholder Vote Form** by email to pif@australianunity.com.au

AUPL must receive your request by **5.00pm** (AEST) on 24 May 2024 in order to be accepted. Any requests received after this time will not be processed or considered. AUPL reserves the right not to process incomplete or invalid instructions.

Each Unitholder has the right to request a vote on the Proposal to appoint AUIL as the proposed Responsible Entity.

If either of the following conditions are met (as set by the terms of the ASIC Relief), AUPL will arrange a postal vote (or a meeting of Unitholders) to vote on the appointment of AUIL.

- at least 100 Unitholders who are entitled to vote on the proposal to appoint AUIL as the proposed Responsible Entity, ask for a vote on the proposal to appoint AUIL as the proposed Responsible Entity: or
- Unitholders who together hold at least 5% of the total value of Units held by all Unitholders who are entitled to vote on the proposal to appoint AUIL as the proposed Responsible Entity, ask for a vote on the proposal to appoint AUIL as the proposed Responsible Entity.

If no vote is required

In the event that the conditions set out by the ASIC Relief for a postal vote (or a meeting of Unitholders) are not met by the due date for requests for vote, then AUPL will lodge a notice with ASIC asking it to alter the record of the Fund's registration to name AUIL as the Responsible Entity, requesting that the appointment be effective on or around 31 May 2024, subject to the AFS licence having been granted to AUIL.

When the record is altered by ASIC, all of the rights, liabilities, and obligations of AUPL in relation to the Fund will become the rights, obligations, and liabilities of AUIL. The business and activities of the Fund will remain the same.

We will notify unitholders of the outcome on the Australian Unity website on the Announcements Section of the Fund's webpage: australianunity.com.au/wealth/pif.

If a vote is required

In the event that the conditions set out by the ASIC Relief for a postal vote (or a meeting of Unitholders) are met by the due date for requests for vote expires, AUPL will consider whether to facilitate the vote via a postal vote or by a Unitholder meeting and will notify Unitholders accordingly by post and on the Australian Unity website on the Announcements Section of the Fund's webpage: australianunity.com.au/wealth/pif.

6. How to access information about the Proposal

Information about the proposed retirement and replacement of the Responsible Entity, the timing of when it will occur and how it will occur will be made available on the Australian Unity website on the Announcements Section of the Fund's webpage: australianunity.com.au/wealth/pif.

If the Proposal is implemented, an announcement, new Product Disclosure Statement, Target Market Determination, and information about any other changes will be available on the Australian Unity website on the Announcements Section of the Fund's webpage: australianunity.com.au/wealth/pif.

All information in this Notice to Unitholders and Explanatory Memorandum is current as at the date of this Explanatory Memorandum, unless otherwise stated.

If AUPL becomes aware of any significant changes to the Proposal or significant new circumstances affecting the Proposal between the date of this Notice and Explanatory Memorandum and the due date for requests to vote, AUPL will notify Unitholders in such a way as it determines is appropriate, which may include (but is not limited to) publishing information on its website, or the issue of a supplementary Notice to Unitholders and Explanatory Memorandum.

If you would like a printed copy of the documents or have questions about the information contained in this Notice or the Proposal, please call Investor Services on 1300 997 774 or +61 3 9616 8687 (if calling from overseas).

7. Contact us

Details	Current Responsible Entity	Proposed Responsible Entity
Name	Australian Unity Property Limited	Australian Unity Investments Limited
Address	271 Spring Street, Melbourne VIC 3000	271 Spring Street, Melbourne VIC 3000
Email	australianunitywealth@unitregistry.com.au	australianunitywealth@unitregistry.com.au
Phone	1300 997 774 or +61 3 9616 8687 (if calling from overseas).	1300 997 774 or +61 3 9616 8687 (if calling from overseas).

8. Other Important information

This document is important and requires your immediate attention. This document has been prepared and issued by Australian Unity Property Limited ABN 58 079 538 499, AFSL 234455 ('AUPL or the 'Responsible Entity') of 271 Spring Street, Melbourne VIC 3000 in its capacity as responsible entity of the Fund. This document will assist Unitholders of the Fund to understand the Proposal and consider whether to request a vote on the choice of the proposed Responsible Entity.

Privacy

The Responsible Entity, its affiliates and service providers acting on behalf of the Fund may collect personal information in the process of implementing the Proposal. Such information may include the name, contact details and holdings of Unitholders. The primary purpose of the collection of personal information is to assist the Responsible Entity to implement the Proposal. Personal information of the type described above may be disclosed to the Responsible Entity, print and mail service providers of the Responsible Entity and other service providers acting on behalf of the Fund. Unitholders have certain rights to access personal information that has been collected.

We may collect and manage your personal information in accordance with the law and the Australian Unity Privacy Policy, which can be accessed from our website - australianunity.com.au/privacy-policy. If you have any concerns or questions about the privacy of your personal information, please contact our Privacy Officer:

Email: investments@australianunity.com.au

Address: GPO Box 4360, Melbourne VIC 3001

If you are not satisfied with how your concern was addressed, you may contact the Privacy Commissioner at:

Address: Office of the Australian Information Commissioner
GPO Box 5218, Sydney NSW 2001

Online: www.oaic.gov.au/privacy/privacy-complaints

Unitholders should contact the Responsible Entity in the first instance if they wish to access their personal information.

No investment advice or representations

Unitholders should rely only on the information in this Notice to Unitholders and Explanatory Memorandum. Any other information may not be relied upon as being authorised by the Responsible Entity. Except as required by law and then only to the extent so required, neither the Responsible Entity nor any associate of the Responsible Entity warrants the future performance of the Fund.

This Notice to Unitholders and Explanatory Memorandum should not be taken to be financial product advice, or an offer, invitation, or recommendation to invest. This document is not investment advice. Unitholders should seek their own professional advice on the matters addressed. In particular, this Notice to Unitholders and Explanatory Memorandum does not take into account the investment objectives, financial situation, or particular needs of any person. You should consider the appropriateness of any investment, taking into account your investment objectives, financial situation, and particular needs before making any investment decision.

References to us

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

Continuous Disclosure

In accordance with existing regulations, we will meet our continuous disclosure requirements by way of website disclosure. All disclosure required under the continuous disclosure obligations is available on our website. You can obtain a free paper copy of such disclosure documents by calling us on **1300 997 774** or **+61 3 9616 8687** (if calling from overseas).