

19 December 2018

Australian Unity Property Income Fund - ARSN 094 220 498

December 2018 property revaluations

Two of the Fund's properties were independently valued during December 2018. The combined properties saw a net increase of \$1.96 million or 7.66% from the properties' book value immediately prior to valuation.

40 Allara Street, Canberra, ACT

The independent valuation of 40 Allara Street, Canberra, ACT resulted in slight increase in value by \$447,000 or 2.47% from the property's book value immediately prior to valuation. This is reflective of the significant potential let up costs (vacancy, leasing fees and incentives) given the pending lease expiry of the property's major tenants in June 2020.

296 St Vincent Street, Port Adelaide, SA

The independent valuation of 296 St Vincent Street, Port Adelaide, SA, resulted in an increase in value by \$1.51 million or 20.16% from the property's book value immediately prior to valuation. The valuation is reflective of the incentive costs associated with the recent 10 year lease renewal to the property's major tenant. This increased the property Weighted Average Lease Expiry (WALE), by income, from 1.2 years as at October 2017 to 7.5 years in December 2018 and resulted in the tightening of the capitalisation rate from the previous 9% to 7.25%.

Valuation details:

Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
40 Allara Street, Canberra, ACT	\$18,000,000	\$18,053,370	\$18,500,000	8.75%	8.25%	\$446,630	2.47%
296 St Vincent Street, Port Adelaide, SA	\$7,200,000	\$7,490,158	\$9,000,000	9.00%	7.25%	\$1,509,842	20.16%
Total	\$25,200,000	\$25,543,528	\$27,500,000			\$1,956,472	7.66%

More information

We regularly provide up to date information about the Fund, including quarterly Fund Updates and continuous disclosure information. These contain current information about the Fund's diversification, valuation policy, related party transactions, distribution practises and withdrawal rights.

Please refer to the 'Fund Information' section of the Fund's website or contact Investor Services on 13 29 39 for copies of these documents.

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Applicable to

Australian Unity Property Income Fund – Retail Units YOC0001AU
Australian Unity Property Income Fund – Wholesale Units YOC0100AU