

Investments

**Australian Unity
Funds Management Limited**
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AFS Licence No. 234454

Australian Unity Property Limited
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20 September 2010

Dear Investor,

Change of ownership of the Responsible Entity of Westpac Diversified Property Fund ('WDPF' or 'Fund')

Following the enclosed letter from The Westpac Group, we are pleased to announce the acquisition by Australian Unity Limited (Australian Unity) of the responsible entity of WDPF. Australian Unity provides services to 560,000 Australians and its funds management arm, Australian Unity Investments is responsible for over \$10.4b in funds under management and \$1.3b in property funds. Australian Unity Investments looks forward to welcoming unitholders in the WDPF from 30 September 2010.

From this date, Australian Unity will own the Responsible Entity for the Fund, and all existing unitholders will retain their investment in the Fund, which will be re-named the Australian Unity Diversified Property Fund.

A clear strategy for the Fund

At its core, the proposal from Australian Unity Investments aims to restore a number of significant benefits for unitholders. Our intention is to continue to provide unitholders with consistent income as well as the potential for capital growth and to return a measure of liquidity to the Fund through patient asset and capital management.

As part of our strategy for the Fund, Australian Unity will:

- undertake a \$40m discounted rights offer in the Fund. The offer will initially be made exclusively to existing unitholders and, for a limited time, will allow unitholders to further invest in the Fund at a discount to Net Tangible Assets (NTA);
- acquire Westpac's current unit holding in the Fund and underwrite up to \$10m of the discounted rights offer, aligning our interests with that of unitholders; and
- establish a measure of liquidity for unitholders via a series of three \$10m withdrawal offers during 2010 and 2011.

In addition Australian Unity Investments intends to reduce the level of gearing in the Fund, strengthen its balance sheet, and reduce the financial risk of the Fund by extending the term of its loan facility to September 2013.

Importantly, the Fund will continue to be managed by a strong team of property professionals for whom property funds management is a proven strength.

About Australian Unity Investments

Australian Unity Investments (AUI) is the funds management arm of financial services, health and retirement living services provider Australian Unity.

Australian Unity Investments is widely recognised as one of Australia's leading property investment management businesses and is responsible for a property portfolio currently valued in excess of \$1.3 bn. It has a strong track record managing property assets in the commercial, retail, industrial, healthcare and office sectors.

Combined with the assets of WDPF, Australian Unity Investments will manage a property portfolio of approximately \$1.7bn.

Australian Unity Investments has over 30 years funds management experience and has been a leading property asset manager for more than a decade. We already manage two highly rated property funds of comparable size to the Diversified Property Fund, along with a number of smaller funds and syndicates.

Australian Unity Investments has the people, systems and processes in place to manage and grow your diversified property fund and to provide a range of genuine benefits to unitholders.

More information will be provided after 30 September 2010

After the formal transfer of responsibilities for the Fund on 30 September 2010, Australian Unity Investments will write to unitholders again and provide more information about its strategy and objectives for the Fund.

Following completion of the sale, further details regarding the rights offer will be provided in a product disclosure statement. This is expected to be sent to investors with their entitlement notification and other accompanying material in November 2010.

In the meantime, if you have any questions about the proposed change, please speak to your financial adviser or call a member of our Investor Services Team on **13 29 39**. Alternatively, you can email us at investments@australianunity.com.au.

General information about Australian Unity Investments can be found at our website – www.australianunityinvestments.com.au.

Yours sincerely



David Bryant
Group Executive Investments
Australian Unity