

5 August 2010

Austock Childcare Fund – Unitholder Update

The Austock Childcare Fund (ACF) provides the following update:

ACF's New Debt Facility

Management is pleased to advise it has successfully negotiated a new debt facility for ACF with the Commonwealth Bank of Australia for a period of 3 years. The following terms apply to ACF's debt funding arrangements effective immediately:

- 3 year debt facility to 30 July 2013;
- Facility for \$10.7 million, currently drawn amount of \$10.3 million;
- Interest Cover Ratio > 1.7x (previously >2.0x);
- Loan Value Ratio <55% (previously <60%); and
- Interest margin of 3.0% (previously 1.55%).

Management is entering into new hedging arrangements shortly to protect ACF against adverse interest rate movements. These changes are a further de-risking of the fund and should, subject to tenant performance, provide a stable future for Unitholders.

Distributions

As advised in ACF's announcement dated 30 June 2010, two distributions will be paid to Unitholders for the year to 30 June 2010. The first of these payments was made on 12 July 2010 with the second payment to be made no later than 30 September 2010. An announcement will be made regarding the second distribution payment later this month upon completion of year end accounting and the audit of financial accounts. It is expected that the second distribution payment in addition to the 2.0 cents per unit paid in July 2010, subject to finalisation, will be in the range of 1.5 cents to 2.5 cents per unit, bringing the total 2010 distribution to a maximum of 4.5 cents per unit.

Quarterly distributions will now begin for the 2011 year, commencing in September 2010.

Payment of Distributions

Unitholders who received cheque payments in the past have been advised that upon review of the normal postage and bank fees, with a view to reducing costs, ACF will make all future distribution payments via Electronic Funds Transfer ("EFT"). Unitholders are urged to provide their banking details to ACF's registry provider, Registries Limited as soon as possible as your future distribution payment may be withheld until EFT instructions have been received. If no EFT instructions are received, the monies will be sent to the State Revenue Office Victoria upon the 12 month expiry term as per the Unclaimed Money Act 2008 (Victoria). An EFT form can be sourced from Registries website at: <http://www.registries.com.au/Forms.html>. Please ensure Registries have your details in order to ensure prompt payment.



Annual Tax Statements

Annual Tax and Distribution Statements will be mailed to Unitholders in September 2010 upon completion of ACF's annual audited accounts.

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Austock Childcare Fund

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