

## Viento Diversified Property Fund Convertible Preference Unit Offer

### 1. IMPORTANT NOTICES

This Supplementary Product Disclosure Statement (“**SPDS**”) supplements the Product Disclosure Statement (“**PDS**”) for the offer of 7,000,000 Convertible Preference Units (“**CPU**”) at an Issue Price of \$1.00 each to raise \$7.0 million, dated 10 May 2010 issued by **Viento Property Limited**, ABN 51 095 920 648, AFSL 224663, the responsible entity for the Viento Diversified Property Fund (ARSN 096 494 576). The date of this SPDS is 25 June 2010. This SPDS forms part of the PDS and is to be read in conjunction with the PDS and any other SPDS that may be issued from time to time. A term with a defined meaning in the PDS has the same meaning in this SPDS, unless otherwise specifically noted. Page references are to pages in the PDS, unless otherwise specifically noted.

### 2. OFFER PERIOD

The offer period has been extended to 31 August 2010.

### 3. ADDITIONAL INFORMATION

#### 3.1 UNIT CLASS COMPARISON

The constitution for the Fund provides that all unit holders are members of the Fund. The constitution allows Viento to create different classes of units and attach different rights to the units.

The following table supplements section 11 on pages 26 and 27 of the PDS. The table notes the rights attaching to all units and specifies where there is a difference between the rights attaching to ordinary units and the rights attaching to the CPUs. As ordinary unit holders and CPU holders are all members they have the same rights under the constitution and the Corporations Act, including the right to vote at unit holder meetings (see clause 16 of the Fund constitution), except for the following differences.

Rights attaching to Ordinary Units	Rights attaching to CPUs
<p>The application price for units must be calculated in accordance with this formula:</p> $\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{Number of Units on Issue}}$ <p>(clause 5.1 of the constitution)</p>	<p>The application price for CPUs is set at:</p> <p>\$1.00 per unit with an entitlement to apply for 1 CPU for every 11 ordinary units held for existing unit holders and \$1.00 per unit for all new investors.</p>
<p>The redemption price for units must be calculated in accordance with this formula:</p> $\frac{\text{Net Asset Value} - \text{Transaction Costs}}{\text{Number of Units on Issue}}$	<p>The redemption rights available to CPU holders:</p> <p>Viento may return capital to CPU holders at the end of Year 2; <u>or</u> at the end of Year 3 give the CPU holders the option to:</p> <ol style="list-style-type: none"> <li>have their capital returned; or</li> <li>have their CPUs converted to non redeemable ordinary units in the Fund at a 40% discount to the Fund's net asset value on 30 June 2013.</li> </ol> <p>The non redeemable ordinary units will convert to ordinary units 12 months after issue. Non redeemable ordinary unit holders will not be able to redeem their units for a period of 12 months after 30 June 2013 unless otherwise determined by Viento.</p>

Rights attaching to Ordinary Units	Rights attaching to CPUs
<p>Unit holders may request that some or all of their units may be redeemed in a manner approved by Viento and:</p> <p>while the Fund is liquid Viento must give effect to the request in accordance with clause 8.3 (within 90 days); and</p> <p>while the Fund is not liquid only give effect to the request in accordance with clause 8.5 (if Viento makes a withdrawal offer because it is satisfied that the offer will be in the best interests of members as a whole).</p>	<p>See above.</p>
<p>Unit holders will be entitled to an income entitlement based on the following formula (see clause 10 of the constitution):</p> $\frac{IE = IDP \times (WU + FU)}{NU}$ <p>IE – the unit holder's income entitlement for the accrual period</p> <p>IDP – the distributable income for the accrual period</p> <p>WU – the number of whole units registered in the name of the unit holder at the end of the last day of the accrual period</p> <p>FU – the fraction, if any, which the amount contributed by the unit holder for the fractional unit, if any, registered in the name of the unit holder at the end of the last day of the accrual period represented to the application price of a whole unit at the time the fractional unit was issued or created within 60 days of the termination of the accrual period</p> <p>NU – total number of ordinary units on issue on the last day of the accrual period</p>	<p>CPU holders will receive a 9% preferred distribution for years 1, 2 and 3.</p>

**Note:**

Ordinary unit holders and CPU holders rank behind creditors of the Fund in the event of a winding up. The Fund's main creditors are its financiers.

### 3.2 DEBT POSITION

The following supplements the Current Debt Arrangements information on page 11 of the PDS.

The table below shows the Fund's debt position for the next three years. It includes the sale proceeds from Elermore Shopping Centre being applied to reduce the loans and proceeds from Nightowl Village, Underwood being applied if Viento sells that property (or another property as noted on page 13 of the PDS).

Loan	31/5/10	30/06/10	30/06/11	30/06/12	30/06/13
NAB	40,000,000	29,500,706	26,600,706	26,600,706	26,600,706
AXA 1 (V3)	35,355,000	34,970,000	34,970,000	34,970,000	34,970,000
AXA 2 (925)	17,767,000	17,767,000	17,767,000	17,767,000	17,767,000
<b>TOTAL</b>	<b>93,122,000</b>	<b>82,237,706</b>	<b>79,337,706</b>	<b>79,337,706</b>	<b>79,337,706</b>

### 3.3 CASH FLOW SUMMARY ASSUMPTIONS

The following supplements the Capital Management information on page 12 of the PDS.

The PDS contains a three year forecast of the cash flows for the Fund. Cash flow projections are based on a review of each lease (approx. 200 leases), a calculation of income for each property taking into account lease income, expenses and loans.

The WALE (weighted average lease expiry) for the Fund is 2.4 years. Where a property has leases that expire within a three year period, Viento has based its cash flow forecasts on assumptions in line with the independent valuations. Generally speaking, this involves considering the history of rentals for that property, current market conditions, re-letting periods, rental rates and incentive assumptions.

For example, at 11 Queens Road where there are vacancies, the independent valuers assume (based on prior experience) that there is a 50% chance existing tenants will renew their leases. The valuers also assume that re-letting a vacancy will take six months and Viento will be required to pay a lease incentive based on the gross value of the lease payments.

In practice, Viento commences working on renewing leases with existing tenants 12 months before the lease expires and aims to re-let the property to the existing tenant or find a new tenant before any vacancy arises.

### 3.4 SCHEDULE OF WORKS

The following supplements the Source & Application of Funds information on page 14 of the PDS.

The table below expands the Capex required (capital expenditure) number in the Application of Funds table on page 14 of the PDS.

Capital Expenditure (\$)	Jun-10 *	Jul-10 to Jun-11	Jul-11 to Jun-12	Jul-12 to Jun-13	TOTAL	Capital expenditure requirements
34-36 Chandos St, St Leonards	(13,750)	(810,096)	(140,000)	(16,390)	<b>(980,236)</b>	fire compliance, hydraulics, electric overhaul, lift upgrade, roof replacement (asbestos) and floor alterations, air conditioning
C-Max Complex, Devonport	–	(7,500)	(14,000)	(16,000)	<b>(37,500)</b>	general building works
Nightowl Village, Underwood	(15,124)	(30,000)	–	–	<b>(45,124)</b>	leasing costs and incentives
11 Queens Rd, Melbourne	(57,000)	(139,125)	(103,992)	(154,099)	<b>(454,216)</b>	mechanical services – boiler, lease incentives including carpet replacement, painting and office reconfiguration, tenant fit out
14 Queens Rd, Melbourne	(77,500)	(356,751)	(241,894)	(230,863)	<b>(907,008)</b>	tenant fit out, upgrade foyers, fire sprinklers
81-85 Flushcombe Rd, Blacktown	(41,553)	(462,160)	(84,850)	(352,500)	<b>(941,063)</b>	lift upgrades, mechanical works, roof repairs and general building works, tenant fit out

Capital Expenditure (\$)	Jun-10 *	Jul-10 to Jun-11	Jul-11 to Jun-12	Jul-12 to Jun-13	TOTAL	Capital expenditure requirements
City Centre Building, Campbelltown	(18,057)	(236,905)	(368,313)	(35,330)	<b>(658,605)</b>	mechanical overhaul, fire compliance and lease incentives
24 Chesterfield Rd, Mirrabooka	–	–	(905,000)	(5,000)	<b>(910,000)</b>	Centrelink Landlord works
Oxley Mall Shopping Centre, Bowral	–	(943,298)	(275,553)	–	<b>(1,218,851)</b>	plant and equipment, electrical, tenant fit out
Parkinson Plaza Shopping Centre, Brisbane	–	(10,000)	(14,000)	(20,000)	<b>(44,000)</b>	roofing leaks, general
<b>Total</b>	<b>(222,984)</b>	<b>(2,995,835)</b>	<b>(2,147,602)</b>	<b>(830,183)</b>	<b>(6,196,604)</b>	

\* Capital expenditure 1 June 2010 to 30 June 2010

For further information about this SPDS or the Convertible Preference Unit offer, please call our Client Services team on 1300 555 505 or visit the Latest Investment Offer page at [www.vientogroup.com](http://www.vientogroup.com).