

How the Withdrawal Offer works

APN Funds Management Limited (**APN FM**) is pleased to be able to make a quarterly withdrawal offer (**Withdrawal Offer**) to investors in the APN Property for Income Fund (**Fund**) on the terms set out below.

Investors can apply to withdraw their investment in the Fund by completing the attached withdrawal application form (**Withdrawal Form**). Withdrawal Forms will be processed in the relevant quarterly acceptance period (**Acceptance Period**). The first Acceptance Period for withdrawals commences on 12 June 2012 and closes at 12 noon on 31 August 2012. The withdrawal proceeds for the first Acceptance Period will be paid on or before 21 September 2012. Thereafter, the Acceptance Periods while the Fund is illiquid will be:

Open	Close ¹	Withdrawal price calculated ²	Allotment of APN UPF Units	Withdrawal proceeds paid on or before ³
1 September	12 noon on 30 November	30 November	1 December	21 December
1 December	12 noon on 28 (or 29) February	28 (or 29) February	1 March	21 March
1 March	12 noon on 31 May	31 May	1 June	21 June
1 June	12 noon on 31 August	31 August	1 September	21 September

1 If an Acceptance Period is due to close on a day that is not a business day, then that Acceptance Period closes at 12 noon on the immediately preceding business day.

2 The withdrawal price will be determined on the day that the relevant Acceptance Period closes. If an Acceptance Period is due to close on a day that is not a business day, then that Acceptance Period closes at 12 noon on the immediately preceding business day.

3 Withdrawal proceeds will be paid to you within 21 days of the close of the relevant Acceptance Period, which if not a business day, will be paid on the next business day.

Withdrawal requests received and accepted by APN FM before 12 noon on the day the relevant Acceptance Period closes will be processed at the withdrawal price to be determined on that day.

The withdrawal price will be an amount equal to the Net Asset Value per unit, less any transaction costs. The withdrawal proceeds payable under the Withdrawal Offer will be satisfied by:

- the payment of a cash amount equal in value to the percentage of liquid assets in the Fund multiplied by the withdrawal price on the day the Acceptance Period closes; and
- a transfer of units in the APN Unlisted Property Fund (**APN UPF**) (ARSN 156 183 872) equal in value to the percentage of illiquid assets in the Fund multiplied by the withdrawal price on the day the Acceptance Period closes. APN FM has obtained relief from the Australian Securities and Investments Commission (**ASIC**) in order to be able to transfer units in the APN Unlisted Property Fund to investors in partial satisfaction of the withdrawal proceeds.

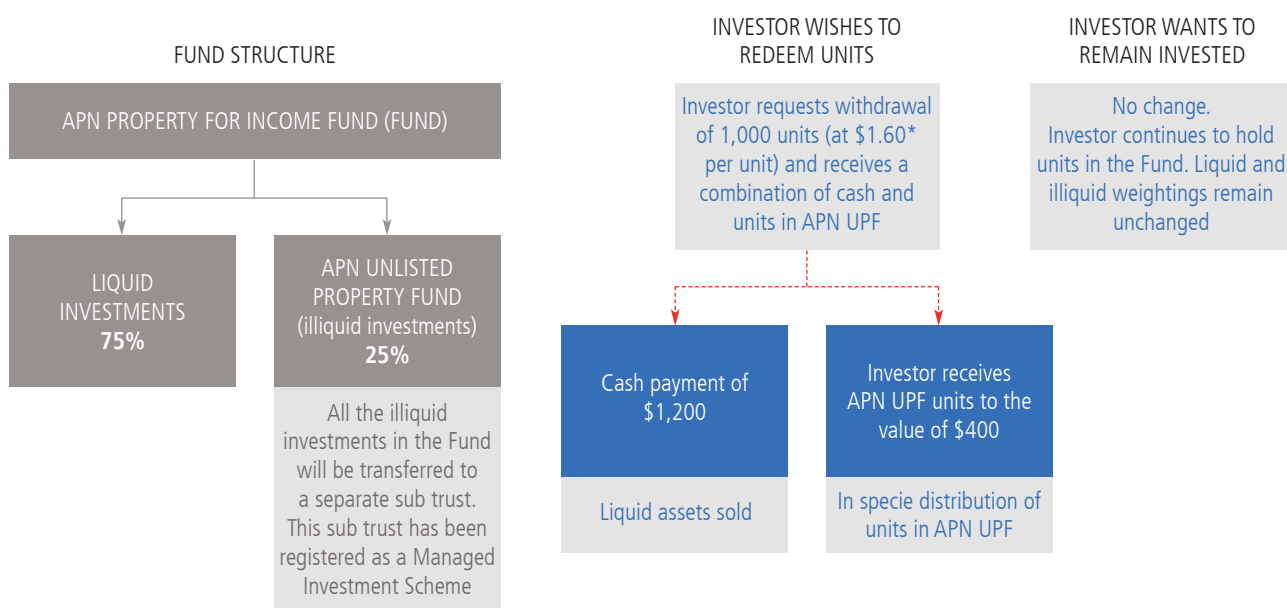
The cash component will be satisfied by the sale of the Fund's liquid assets. As there is no limit on the amount that can be withdrawn from the Fund, all of the Fund's assets will be available to satisfy the Withdrawal Offer. Investors should note that if they withdraw from the Fund pursuant to the Withdrawal Offer they will receive units in the APN Unlisted Property Fund as part payment of their withdrawal proceeds. The APN Unlisted Property Fund is an illiquid fund that holds only illiquid assets. APN FM cannot give any assurance as to if or when investors may be able to withdraw from the APN Unlisted Property Fund. Investors should read the APN Unlisted Property Fund PDS for more information (available to download at www.apngroup.com.au).

There is no change for investors wishing to remain invested in the Fund.

Example

The following diagram represents an example of an investor withdrawing their investment in the Fund under the terms of the Withdrawal Offer. This example assumes that the Fund has an asset allocation of 75% liquid assets and 25% illiquid assets. In this example, an investor wishing to withdraw 1,000 units from the Fund based on a withdrawal price of \$1.60* would receive a cash payment of \$1,200 and units in the APN Unlisted Property Fund to the value of \$400.

Please note that the extent to which the withdrawal proceeds will be satisfied by cash and units in the APN Unlisted Property Fund respectively will depend on the withdrawal price and the value of liquid and illiquid investments in the Fund as at the date of closing of the relevant Acceptance Period.



*Please note this is an example only. Unit prices fluctuate daily.

Current asset allocations

As of 30 April 2012, the proportion of liquid assets in the Fund stands at approximately 75%. This allocation varies from day-to-day according to movements in the listed Australian Real Estate Investment Trust market and also as a result of changes to the value of the APN Unlisted Property Fund's securities. Please refer to our website at www.apngroup.com.au for up to date information on asset allocations.

APN Unlisted Property Fund

By 31 August 2012 (the date the first Acceptance Period closes), APN FM will have transferred all of the Fund's illiquid investments into a separate sub-trust. This sub-trust has been registered as a managed investment scheme called the **APN Unlisted Property Fund**. The effect of this is that from 31 August 2012, the Fund's assets will comprise liquid investments (approximately 75%, based on figures as at 30 April 2012) and units in the APN Unlisted Property Fund (approximately 25%, based on figures as at 30 April 2012).

The APN Unlisted Property Fund is *not a liquid fund*. This means that investors will not be able to withdraw from the APN Unlisted Property Fund unless APN FM makes a withdrawal offer. APN FM's primary objective for the APN Unlisted Property Fund is to achieve an orderly realisation of the assets, within 5 years from commencement, in order to provide investors with progressive liquidity. Notwithstanding this objective, APN FM cannot provide any assurance as to if or when investors may be able to withdraw from the APN Unlisted Property Fund.

APN FM's secondary objective for the APN Unlisted Property Fund is to manage the existing investments to achieve consistent income combined with some capital growth. APN FM will also aim to maximise income and growth returns by managing the existing portfolio of assets to the extent that this is consistent with the primary objective to realise the APN Unlisted Property Fund's assets. APN FM as responsible entity of the APN Unlisted Property Fund will not invest in any new unlisted property trusts.

As a condition of the relief obtained from ASIC, APN FM as responsible entity of the APN Unlisted Property Fund is not permitted to invest additional capital into existing investments, except via reinvestment of distributions.

The APN Unlisted Property Fund PDS is available to download from www.apngroup.com.au or a hard copy can be obtained by calling APN Investor Services on 1800 996 456.

How to make a withdrawal request

Step 1: You must read and consider the APN Unlisted Property Fund PDS. The APN Unlisted Property Fund PDS is available to download from www.apngroup.com.au. Alternatively, you can request a copy by contacting APN Investor Services on 1800 996 456. By completing the Withdrawal Form, you are deemed to have read and considered the APN Unlisted Property Fund PDS.

Step 2: Complete the Withdrawal Form which accompanies this document. By completing the Withdrawal Form, you appoint APN FM as your attorney to take any reasonable steps necessary, including the execution of documents, to complete the transfer of units in the APN Unlisted Property Fund to you.

Resumption of daily withdrawals

Subject to the Fund's constitution and the Corporations Act, it is proposed that daily withdrawals will resume and Withdrawal Offers will be cancelled once the Fund becomes liquid. If the Fund becomes illiquid again, the Withdrawal Offer will recommence (provided that ASIC does not revoke the relief granted to APN FM necessary to make the Withdrawal Offer).

Withdrawal proceeds will normally be paid to a nominated bank account. APN FM reserves the right to pay withdrawal proceeds to investors by cheque.

Taxation consequences of withdrawal request

The following is a general discussion of taxation issues relevant to a withdrawal by you from the Fund. Tax payable by you will depend upon your particular circumstances. You should seek your own professional tax advice.

Your ownership interest in the Fund will be cancelled when your withdrawal request is accepted. The ending of your interest in the Fund is a capital gains tax (CGT) event. A capital gain will arise where the withdrawal price you receive for the ending of your interest in the Fund exceeds your cost base.

A part of the distribution may be income of the Fund in which case you will include the income in your assessable income. The capital proceeds will be reduced by any amount included in your assessable income under other non-CGT provisions.

You will make a capital loss if and to the extent the reduced cost base of the units in the Fund that comes to an end exceeds the withdrawal proceeds you receive.

The withdrawal proceeds you receive will include the issue price of units in the APN Unlisted Property Fund, even though this is a non-cash payment which may remain illiquid for up to 5 years.

Units you receive in the APN Unlisted Property Fund are CGT assets. The cost base of these units will be their market value, plus any incidental costs of acquiring them (i.e. it will not include the cash you receive). You should retain records about the cost base of your units in the APN Unlisted Property Fund for at least 7 years after they are disposed.

Cancellation of a Withdrawal Offer

In accordance with the Corporations Act, APN FM must cancel a Withdrawal Offer before it closes if it is in the best interests of Unitholders to do so.

Hardship requests will continue to be accepted

Hardship withdrawal requests will still be considered in accordance with the ASIC relief granted to APN FM, on a case by case basis. For further information regarding hardship withdrawals, please refer to www.apngroup.com.au.

Please complete this form using BLACK INK and write clearly within the boxes in CAPITAL LETTERS. Mark appropriate answer boxes with a cross as indicated.

Unitholder details

This Withdrawal Application Form relates to an application for the redemption of units from the APN Property for Income Fund (**Fund**) pursuant to a withdrawal offer made by APN Funds Management Limited (**APN FM**) dated 23 May 2012 (**Withdrawal Offer**).

You should read the following documents in their entirety before making your application:

- Withdrawal Offer; and
- APN Unlisted Property Fund ARSN 156 183 872 (**UPF**) product disclosure statement dated 23 May 2012 (**PDS**) (available to download from www.apngroup.com.au or you can order a hard copy by calling APN Investor Services on 1800 996 456).

Unitholder number

Unitholder(s) name | Trust name | Company registered name | Partnership name

Contact name

Email address | for electronic correspondence

Home number

 ()

Work number

 ()

Fax number

 ()

Mobile number

 ()

Redemption instructions

I/we would like to redeem units or the full amount of my/our units in the Fund.

I/we understand that the withdrawal proceeds will be paid to me in cash and units in the UPF

Please electronically deposit the proceeds of this withdrawal:

Into my existing nominated bank account or Into the following bank account.

Name of financial institution

Account name

Branch number (BSB)

 -

Account number

Note: Payment can only be made to an account held in the name of the investor(s). If you don't have a nominated bank account, a cheque will be sent to the address we have on our records.

Declaration and Power of Attorney – Joint applicants must both sign

I/we declare and agree that:

General

- I/we have read the Withdrawal Offer and the UPF PDS to which this Withdrawal Application Form relates and agree to be bound by the terms and conditions of the Withdrawal Offer and the UPF constitution.
- If I/we have retrieved the Withdrawal Offer or the UPF PDS from the internet or other electronic means that I/we received it personally or a printout of it.
- I/we acknowledge that if this correctly completed form is not received by APN FM by 12.00 pm (Melbourne time) on the date that the Acceptance Period (as defined in the Withdrawal Offer) closes, completion of a new Withdrawal Application Form will be required.
- I/we acknowledge that the above details in relation to my/our withdrawal request are true and correct.
- If units are held as trustee on behalf of a superannuation fund or trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- If this withdrawal request is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney must be submitted with this application unless APN FM has already sighted it).
- Sole signatories signing on behalf of a company confirm that they are signing as either a director or sole director and sole secretary of the company by ticking the relevant box.
- I/we understand that the Withdrawal Offer may be cancelled in circumstances where APN FM is obliged to do so.

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Declaration and Power of Attorney – Joint applicants must both sign *continued...*

I/we declare and agree that:

APN Unlisted Property Fund (UPF)

- I/we acknowledge that by making this withdrawal request I/we will receive units in UPF which is an illiquid fund and that I will not be able to withdraw from UPF until APN FM elects to make a withdrawal offer in respect of UPF.
- I/we appoint APN FM (and any person authorised by APN FM) to be my/our attorney to:
 - do everything necessary or expedient to execute under hand or as a deed and deliver (conditionally or unconditionally), in my/our name or on my/our behalf, any document;
 - complete blanks and make any alterations, amendments and additions to any document (whether or not material and whether or not involving changes to the parties), in my/our name or on my/our behalf; and
 - do anything in my/our name or on my/our behalf; which, in the opinion of the attorney is reasonably required to effect the transfer of the units in UPF to me/us as contemplated by the Withdrawal Offer.
- I/we declare that everything done by the attorney on my/our behalf in exercising their powers under this authority is as valid as if it had been done by myself/ourselves and ratifies and confirms whatever the attorney does in exercising powers under this authority.
- I/we agree that the attorney may execute any document or do any thing (and that document or thing will be valid) despite that the attorney is in any way interested in or connected with any person who is a party to or in any way connected with or otherwise interested in that document or thing.
- I/we warrant that I/we has the right and power under the law and any constituent documents to execute this Withdrawal Application Form and declares that I/we and any person, including its successors, permitted transferees and assigns, claiming under me/us is bound by anything the attorney does in exercising powers under this authority.
- I/we agree to indemnify each attorney against liability, loss, costs, charges or expenses arising from the exercise in good faith of powers granted under this authority.
- I/we declare that a person, including a firm, body corporate, unincorporated association or authority, who deals with any Attorney in good faith may accept a written statement signed by that attorney to the effect that this deed poll has not been revoked as conclusive evidence of that fact.
- I/we acknowledge that none of APN Funds Management Limited, APN Property Group, any member of the APN Property Group or any of their officers, advisers, agents or associates in any way guarantee the performance of UPF nor any return of capital.
- I/we acknowledge that an investment in UPF does not represent an investment in or a deposit or other liability of APN Funds Management Limited, APN Property Group Limited or any member of the APN Property Group.
- I/we acknowledge that APN FM and its related bodies corporate may disclose and use personal information as contemplated in section 6.8 of the UPF PDS under the heading "Privacy".
- I/we acknowledge and agree that electronic instructions will be treated as contemplated in section 9.10 of the UPF PDS under the heading "Electronic Instructions".
- I/we will provide to APN FM or its nominee any information that APN FM reasonably requires in order to enable APN FM to comply with all its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and its associated rules and regulations (in force from time to time).
- I/we acknowledge that investments in UPF are subject to the risks outlined in section 5 of the UPF PDS under the heading "Risks".
- I/we acknowledge that the information collected by APN FM (including in this application form) may be used for identification purposes, including via a third party verification service or credit reporting agency to enable APN FM to comply with all its customer identification obligations under the Act and associated rules and regulations referred to above.

Name of Investor A | Trustee | Company Director

Name of Investor B | Trustee | Company Director

Signature of Investor A | Trustee | Company Director

Signature of Investor B | Trustee | Company Director

Date

Date

Company seal (if company or trust)

Please forward this completed Withdrawal Application Form to:

APN Property Group Limited

PO Box 18011, Melbourne Collins Street East, Victoria 8003

Investor Services 1800 996 456

Adviser Services 1300 027 636

Email apnpg@apngroup.com.au

Facsimile (03) 8656 1010

Website www.apngroup.com.au