

APN | Property Group

15 October 2012

APN Unlisted Property Fund Update (APN UPF)

ARSN | 156 183 872

Dear Business Partner

Withdrawals not permitted for APN UPF

We have been asked about the possibility of investors being able to redeem their investments in APN UPF.

As the APN UPF is an illiquid fund, any withdrawals will be subject to the terms and conditions of any withdrawal offers made by APN Funds Management Limited (APN FM). Wraps and Platforms will therefore be unable to collate and process withdrawal requests for this fund.

The primary objective of APN UPF is to achieve an orderly realisation of the fund's assets within five years of the fund's commencement (May 2012) in order to provide investors with progressive liquidity. Investors are therefore not required to take any action and APN will progressively return capital to investors as and when assets are sold.

Hardship Withdrawals

Please be advised that APN FM has not received relief from the Australian Securities and Investments Commission (ASIC) to facilitate hardship withdrawals for APN UPF investors.

ASIC hardship relief is still available for investors in the APN Property for Income Fund and APN Property for Income Fund No 2. Investors who meet ASIC's criteria for hardship should remain invested in the APN Property for Income funds, notify APN and apply for a hardship withdrawal.

Those investors who meet the ASIC hardship criteria but have already participated in the withdrawal offer will have received approximately 75% of their investment in cash. The remaining balance has been transferred as new units in the APN UPF and capital will be progressively returned to investors.

If you need further information, please contact APN Investor Services on 1800 996 456.

Yours sincerely

APN Funds Management Limited



Howard Brenchley
Executive Director and Chief Investment Officer