



5 April 2011

## **Progress update on wind-down and termination of the Fund**

APN Diversified Property Fund: ARSN |113 296 263

Dear Investor

Investors will recall the decision to wind-up and terminate the APN Diversified Property Fund (the "Fund") in December 2010 and return the liquid portion of the Fund's assets (around 30%) to investors by the first quarter of calendar year 2011. We are pleased to advise that we have completed this stage of the wind-up of the Fund and the amount of 17.53 cents per unit (CPU) has been paid into your nominated bank account on 5 April 2011. The enclosed Distribution Statement provides full details of this disbursement.

As a result of the reduction in the Fund's investment pool through the partial return of capital, please note that the monthly distribution has been reduced to 0.18 CPU. This will apply from April 2011. The existing monthly rate (of 0.3000) has been paid to the end of March. The March distribution will be paid on 11 April 2011.

We will keep you informed of progress in realising the remaining assets within the Fund. We remain hopeful that we can liquidate around 50% of the Fund's total value by the end of this calendar year. The return of capital however, remains largely dependent upon the Fund's major investment in the APN Direct Property Fund ARSN 113 296 432 (which is concurrently being wound up).

If you have any questions or require further information, please contact APN Investor Services on 1800 996 456 between the hours of 8:30am and 5:30pm (AEST).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Howard Brenchley', with a long horizontal flourish extending to the right.

**Howard Brenchley**  
**Chief Investment Officer and Executive Director**  
APN Funds Management Limited