



15 July 2016

Dear Investor,

I am pleased to be able to formally introduce myself to investors and to have been given the opportunity to manage APN's Direct Property Funds. Together with our highly capable management team and independent Board, I look forward to delivering strong, sustainable distribution income and capital growth for investors in all our Direct Property Funds.

APN is a specialist real estate investment manager. Our "property for income" investment philosophy is based on investing in commercial property income streams that are supported by medium to long term lease contracts with secure and stable tenants.

Our Direct Property Funds business currently comprises five property funds totalling \$204 million of commercial property. All funds are currently delivering strong distribution yields for investors.

Our business is well placed as we begin FY17. Distribution rates for all funds have either increased or been maintained from FY16 as our team continues to proactively manage our portfolio to ensure we are maximising returns to investors.

We also understand the importance of keeping you informed about your investment, so we are pleased to advise that we are providing quarterly fund updates going forward. These quarterly fund updates contain information on the fund as well as the underlying property performance and can be found on the individual fund pages on our website at www.apngroup.com.au/funds.

You should also feel free to contact us through your preferred method (including telephone, email or in person) at any time – we are committed to providing you with outstanding service and we are more than happy to discuss your investments or our views on the property market with you.

We are currently working on a range of new investment opportunities which will continue to offer investors commercial property with high levels of sustainable income and reasonable levels of debt – we are very excited about these new projects and we believe that our income focused investment philosophy remains as relevant today as it has been over the company's 20 year history.

Finally, I take this opportunity to thank you for your continued support. If you would like to discuss your investment, or register your interest in new investment opportunities in the future, please contact our Investor Services Hotline on 1800 996 456 or feel free to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'C. Brockett', written in a cursive style.

Chris Brockett
Head of Direct Property and Fund Manager
APN Property Group
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Chris Brockett – Biography

Chris joined APN in March 2016 and is responsible for managing the Direct Property Funds business.

Chris has over 10 years of experience in direct real estate, funds and asset management, predominately in the retail property space.

Prior to joining APN, Chris was with Vicinity Centres for over 10 years, where he held a number of senior roles including Head of their Unlisted Funds Management business (formerly known as Centro MCS Direct Property) where he was responsible for funds under management of \$1.7 billion, comprising 75 properties, across a number of Australian, New Zealand and US unlisted property funds. More recently, he has been responsible for managing Vicinity Centres' key joint venture partnerships.

Chris holds a Bachelor of Business at Swinburne University and is also a Member of the Institute of Chartered Accountants.