

APN | Champion Retail Fund

ARSN 127 948 127

Background

The APN Champion Retail Fund (the Fund) was established in 2008 to invest in a portfolio of 16 supermarkets across Greece. The portfolio's single tenant is Carrefour Marinopolous SA, the leading operator in the Greek market and part of the Carrefour Group, one of the world's largest retailers with sales in 2008 of over \$180 billion. The Fund is designed to provide investors with a regular income stream and capital growth from its investment in the Carrefour Marinopolous supermarket portfolio. The fund is scheduled to operate until October 2013.

Fund update

Despite tougher economic conditions the Fund continues to benefit from its exposure to a portfolio of high quality non-discretionary retail assets across Greece. Net operating income from the Carrefour portfolio is steady and the quality of the tenant covenant is expected to continue to support the Fund's income and capital value as investment markets refocus on risk and income returns. The Fund remains well within its debt facility covenant limits (refer over page for details) with interest cover in excess of 3.5 times.

As previously communicated to investors, distributions have been suspended in order to accumulate cash in the Fund to facilitate the resolution of the Fund's currency hedging arrangements which are currently held with the APN European Retail Property Group (a 55% cornerstone investor in the Carrefour portfolio through its investment in the Fund). While this process has been delayed and complicated by the unprecedented events in global capital markets and the movement in the Australian dollar - Euro exchange rate, APN's management team has made good progress on this project. Completion of the assignment of these hedging contracts is expected to put the fund in a position to resume paying distributions (subject to market conditions).

The current underlying operational earnings of the Fund equates to approximately 7.6 cents per unit (annualised).

The Fund's unit price is \$0.9550 (no material change over the quarter).

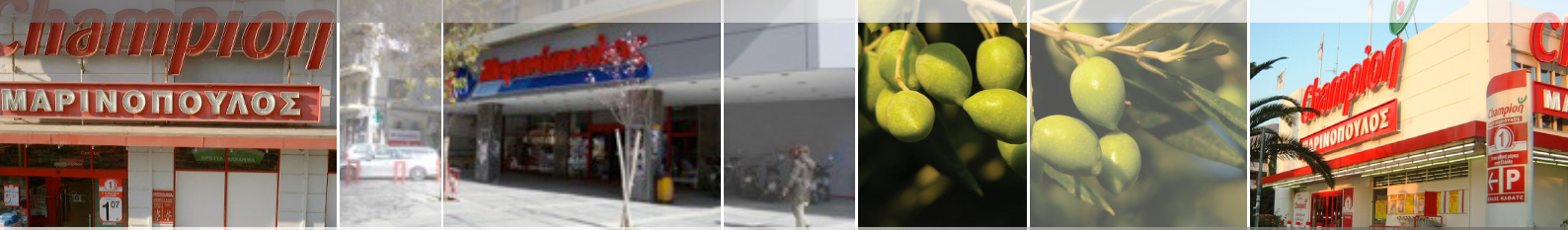


At a glance

Properties	16
Size (Gross lettable area)	52,700 sqm
Tenants	1
Weighted average lease expiry	8.6 years
Occupancy (by income)	100%
Net operating income (pa)	€5.1 million
Property valuation (31 December 2008)	€75.3 million
Property capitalisation rate	8.0%
Average rent	€9.1/sqm/month

Key points

- Property performance (net operating income) remains stable
- Positive defensive characteristics of non-discretionary retail property are evident
- Good progress being made on resolving hedging arrangements
- Distributions remain suspended

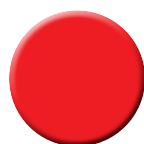


March 2009 Quarter Update

Operational update

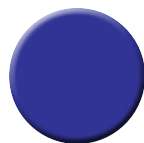
The property portfolio continues to perform strongly with net operating income levels remaining stable at €5.1 million pa. The Carrefour-Marinopolous group's recent rebranding of the stores from 'Champion' to 'Carrefour-Marinopolous', a significantly higher profile brand, is progressing well. The resilience of the portfolio to external market conditions is aided by Carrefour-Marinopolous's market position and revenue streams derived from non-discretionary retail expenditure (supermarket revenue).

This defensive property portfolio, coupled with the rent review structure which guarantees a minimum rental increase of 2% pa (linked to CPI), is expected to continue to deliver solid net operating income despite a more challenging outlook in the short term.



Sector allocation

■ Retail 100%



Asset allocation

■ European real estate 100%

Key financial information

31 March 2009

Fund gross assets	\$160 million
Unit price	A\$0.9550
Senior debt ratios	
Loan to valuation ratio	54% (versus limit of 60%)
Interest cover ratio	3.6 times (versus limit of 2.0 times)

Greek economy

Currency	Euro (€)				
Exchange rate	1€ = 1.9320 A\$				
Target interest rate	1.00% pa				
5 year interest rate	2.88% pa				
Unemployment	9.2%				
Consumer price index	0.5%				
Real GDP growth (Annual % change)	2008	2009	2010	2011	2012
	2.9	-3.6	-1.1	2.0	2.4

Source: ECB, EIU, Bloomberg, WEF

Management team

David Blight	Managing Director
Tim Slattery	Head of Europe
Michael Groth	Deputy Chief Financial Officer
Paul Anderson	Head of Asset Management
Simon Mesquita	Head of Property Management
Nikos Ypsilantis	General Manager, Greece

Contact details for investors

Please contact your financial adviser or alternatively, the **APN Investor Services Hotline** on 1800 996 456.

Contact details for advisers

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Information as at 31 March 2009 or latest available has been used, as appropriate.

Some photos may depict properties that are not assets of the Fund.