



12 May 2015

Dear Unitholder

**APN Regional Property Fund (ARSN: 110 488 821)
Fund Update and Withdrawal Offer**

This is an important document, we encourage you to read it in full and seek professional advice if appropriate.

Fund update

APN is pleased to enclose an update on the Fund's activities, which is also available on the Fund's website at www.apngroup.com.au.

Withdrawal Offer

APN Funds Management Limited (**APN FM**) is inviting Unitholders in the APN Regional Property Fund (**Fund**) to participate in a withdrawal offer on the terms set out below. Unitholders are under no obligation to participate and need not do anything unless they wish to withdraw their investment in the Fund.

Your options are as follows:

1. Retain your investment in the Fund (in which case you do not need to do anything further); or
2. Request to withdraw all or part of your investment (in which case you need to complete the enclosed form).

If you wish to withdraw all or part of your investment please read the following information carefully. We recommend you seek advice from your financial adviser, accountant or tax adviser on the consequences of withdrawing your investment.

The Withdrawal Offer is being made to provide an additional opportunity for Unitholders to realise their investment in the Fund.

Important Information

The Withdrawal Offer will open on 13 May 2015 and close at 5.00pm Melbourne time on 10 June 2015 (**Closing Time**).

If you wish to participate in the Withdrawal Offer, complete and return the enclosed Withdrawal Request Form.

Withdrawal Request Forms received after the Closing Time will not be accepted.

Withdrawal Request Forms need to be posted, faxed or emailed to:

APN Funds Management Limited
Post: PO Box 18011, Melbourne Collins Street East, VIC 8003
Fax: (03) 8656 1010
Email: apnpg@apngroup.com.au

Withdrawal Price

Unitholders who elect to withdraw are expected to receive a price of \$0.86 per Unit (being the Net Asset Value per Unit less transaction costs which will be equivalent to 3% of the Net Asset Value). Under the Constitution, APN FM is required to calculate the withdrawal price at the Closing Time. The final Withdrawal Price will be posted on our website, www.apngroup.com.au, once it has been calculated. APN FM does not expect the withdrawal price at the withdrawal offer closing date to be different to the expected withdrawal price set out above. APN FM will not proceed with the withdrawal offer should the withdrawal price on the Closing Time be lower than \$0.85 per unit.

APN FM reserves the right to extend the period of the Withdrawal Offer, close the Withdrawal Offer early or accept late withdrawal requests, in its absolute discretion, subject to the Corporations Act and other applicable laws and rules. APN FM also reserves the right to cancel the Withdrawal Offer at any time if it is in the best interests of Unitholders to do so.

Funding of the Withdrawal Offer

The Withdrawal Offer will be funded from the Fund's available cash resources, largely from the proceeds from the sale of the Parkes property which completed in February 2015. \$5.5 million is expected to be available to satisfy withdrawal requests. However, APN FM may change the amount of the Withdrawal Offer, as APN FM considers appropriate.

Depending on the amount of withdrawal requests, this amount may not be sufficient to satisfy all requests. If this is the case, APN FM will be required to scale back each Unitholder request on a pro-rata basis.

Payment of the Withdrawal Offer

Payment of withdrawal proceeds will be made by direct credit to your nominated bank account within 21 days following the Withdrawal Offer closing date.

Confirmation of Withdrawal

On the conclusion of the Withdrawal Offer, Unitholders who participate will be issued with a transaction statement advising of the final amount received and amount of units withdrawn. Unitholders who have fully withdrawn all of their units will have any original unit certificates cancelled. Unitholders who have partially withdrawn their units will have any original unit

certificates cancelled and will also be issued new unit certificates corresponding to their new holdings.

Trading your units via the NSX

In order to maintain an orderly market for units in the Fund and to manage the Withdrawal Offer, units in the Fund will be suspended from trading on the National Stock Exchange of Australia (NSX) during the Withdrawal Offer period.

Please note that as the Fund is listed on the NSX under the APN Regional Property Fund ticker code (APR), you have the ability to buy and sell units in the Fund via the NSX. If you are interested in buying or selling units in the Fund via the NSX, you will need to use the services of one of the 25 NSX approved brokers. The full list of online and full services brokers is available at www.nsx.com.au/investors/find_a_broker.

If you have any queries please contact your financial adviser or APN Investor Services on 1800 996 456 weekdays 8:30am to 5:30pm Melbourne time or email us at apnpg@apngroup.com.au.

Yours sincerely



John Freemantle
Company Secretary