

Warning statement for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Additional warning statement: currency exchange risk

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Additional warning statement: dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.



PRODUCT DISCLOSURE STATEMENT

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Important notice

This Product Disclosure Statement ('PDS') is dated 1 January 2015 and has been prepared by APN Funds Management Ltd ACN 080 674 479, (also referred to in this PDS as 'APN FM', 'the Responsible Entity', 'we' and 'our') as the responsible entity of the APN AREIT Fund ARSN 134 361 229 ('Fund') and relates to the offer ('Offer'). This PDS relates to the offer of ordinary units in the Fund (Units).

This PDS is a summary of significant information you need to make a decision about the Fund. It includes references to other important information contained in the Product Guide that is taken to form part of this PDS. These references are marked in red like this ! You should also consider the information in the Product Guide before making your decision whether to invest.

The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances before making a decision to invest in the Fund.

APN FM does not guarantee the success of the Fund, the repayment of capital invested, or any particular rate of return on an investment in the Fund. Any investment in the Fund is subject to risk. The significant risk factors affecting the Fund are summarised in Section 4 of this PDS.

The Offer under the PDS may only be accepted in Australia and New Zealand. The Offer does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

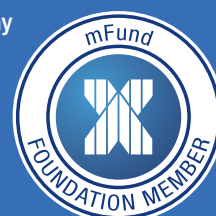
Where can I find more information on the Fund?

You can find out more information relating to the Fund by contacting APN FM on:

Investor Services: 1800 996 456 (toll free)
 Adviser Services: 1300 027 636
 Facsimile: (03) 8656 1010
 Website: www.apngroup.com.au

You may also request a copy of this PDS and any written information that is applied, adopted or incorporated by the Product Guide into the PDS by contacting APN FM. Information relating to the Fund may change from time to time.

Information which is not materially adverse may be updated and made available by contacting APN FM or visiting www.apngroup.com.au. Paper copies of any updated information will be available upon request without charge.



1 About APN Funds Management Limited

APN FM is a specialist real estate investment manager, providing real estate investment products and services since 1998. Delivering superior investment performance and outstanding service is the backbone of our philosophy.

We actively invest in, develop and manage real estate and real estate securities on behalf of institutions, superannuation funds and individual investors. As an active manager focussed exclusively on real estate, we are not distracted by investing in other asset classes.

A deep understanding of commercial real estate together with a highly disciplined investment approach is what sets us apart from other fund managers. Our team of highly experienced investment professionals is able to make astute investment decisions supported by extensive research and valuation processes that have been developed over more than a decade.

APN FM's role is to manage the Fund in the best interests of investors and in accordance with the constitution of the Fund ('Constitution') and the Corporations Act. This includes, amongst other things, investing the assets of the Fund in accordance with the investment strategy and objectives of the Fund; ensuring the safekeeping of the Fund's assets; valuing the Fund's assets on a regular basis; paying distributions, withdrawal proceeds and expenses from the Fund's assets; and processing applications for and withdrawals and transfers from the Fund.

For further information on our management team, investment philosophy and track record, please visit www.apngroup.com.au.

2 How the APN AREIT Fund works

The Fund will invest in Australian Securities Exchange ('ASX') listed Australian Real Estate Investment Trusts ('AREITs') and cash/fixed interest.

The Fund will not invest in direct property. We will continually review and if appropriate, reweight the Fund's investments with the objective of optimising the Fund's distributable income.

The Fund is registered as a managed investment scheme under the Corporations Act and is structured as a trust. When you invest in the Fund, you will be issued Units. Each unit gives you an entitlement to a share of the capital and income of the Fund. However, you are not entitled to any specific assets of the Fund. Generally, the value of your Units may rise or fall depending on the market value of the assets held by the Fund. APN FM does not guarantee the return of any capital you invested in the Fund or any specific level of return on your investments.

APN FM is a Foundation Member of the mFund Settlement Service. Where and while the Fund is admitted as an mFund product under the ASX Operating Rules, investors will be able to buy and sell Units through the mFund Settlement Service. The service uses CHESS, ASX's electronic settlement system, allowing automated issuing and withdrawing of Units through your ASX broker. Through CHESS, your Units are held electronically and can be linked to the same Holder Identification Number (HIN) used to hold any other investments and securities you may hold through ASX. You will receive a consolidated report from ASX summarising all your holdings in listed securities as well as your Units.

The minimum initial investment, additional investment, account balance and withdrawal limits are set out in the following table. All minimum and additional investment amounts are subject to variation at our discretion.

Minimum initial investment	\$1,000
Minimum additional investment	\$500 or \$100 per month under the regular savings plan
Minimum account balance	\$1,000
Minimum withdrawal	\$1,000

Applications

You may apply for Units by sending us an application form and your application money.

Applications for Units received and accepted by us by 4 p.m. Melbourne time on a Melbourne business day ('Business Day') will be processed at the issue price effective for that day. Applications for Units received after 4 p.m. Melbourne time on a Business Day or on a weekend or a public holiday will be processed at the issue price effective for the next Business Day. The issue price is an amount equal to the net asset value ('Net Asset Value') per unit (calculated as at that Business Day), plus any transaction costs.

Alternatively, while the Fund is admitted as an mFund Product, you can also apply for Units by placing a 'buy order' for Units and your application money with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Your broker will direct the application request to us through CHESS. Applications for Units received and accepted by us will be forwarded by CHESS to your broker for your payment to be passed through the CHESS daily batch settlement process. We will price and allot new Units to your CHESS HIN. CHESS will notify your broker of the unit price and Units allotted. ASX will also issue a monthly CHESS statement confirming any changes in the number of Units you hold in the Fund. If, while the Fund is admitted as an mFund Product, you apply by your broker submitting an order through CHESS, the order must be received and confirmed by us by 10:15am Melbourne time on a Melbourne business day ('Business Day') for you to be issued Units at the issue price effective for that Business Day. Applications for Units received after this time or on a weekend or a public holiday will be processed at the issue price effective for the next Business Day.

In addition to making an initial investment, you can also make additional investments in the Fund, make regular contributions to the Fund through the regular savings plan or reinvest your distributions into the Fund. Please refer to section 8 "How to Apply" of this PDS and section 1 "How the APN AREIT Fund Works" of the Product Guide for further information on additional investments, the regular savings plan and distribution reinvestment.

Withdrawals

You may request to withdraw your Units by sending APN FM a withdrawal request.

If we receive your withdrawal request before 4 p.m. Melbourne time on a Business Day you will receive the withdrawal price effective for that day. If we receive your withdrawal request after 4 p.m. Melbourne time on a Business Day or on a weekend or public holiday, you will receive the withdrawal price effective for the next Business Day. The withdrawal price is an amount equal to the Net Asset Value per unit (calculated as at the next Business Day), less any transaction costs.

Alternatively, while the Fund is admitted as an mFund Product, you can withdraw your investment in the Fund (minimum \$1,000) by lodging a request to withdraw Units with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Your broker will direct the withdrawal request to us through CHESS. Applications for withdrawals received and accepted by us will be forwarded by CHESS to your broker with the withdrawal payment date and the withdrawal unit price as notified by us. When your withdrawal payment is passed through the CHESS daily batch settlement process, the Units will be cancelled and your HIN will be updated. If, while the Fund is admitted as an mFund Product, you apply for a withdrawal by your broker submitting a withdrawal request through CHESS, the request must be received and confirmed by us by 10:15am Melbourne time on a Business Day for you to receive the withdrawal price effective for that Business Day. If we receive your withdrawal request after this time or on a weekend or public holiday, you will receive the withdrawal price effective for the next Business Day.

The Fund will only invest in liquid assets (i.e. AREITs, cash and fixed interest). Under the Constitution, APN FM may honour withdrawal requests at its absolute discretion. We may, at our discretion, suspend withdrawals from the Fund if we believe that it is in the best interests of investors to do so. This is permitted under the Fund's Constitution. In certain circumstances, such as where there is a voluntary suspension of withdrawals or where the illiquid assets of the Fund exceed the limits prescribed under the Corporations Act, investors may not be able to withdraw their funds within the usual period upon request.

Please refer to section 1 "How the APN AREIT Fund Works" of the Product Guide for further information on withdrawals.

Unit pricing

The unit price for the Fund is calculated as at the close of business every Business Day. The unit price is an amount equal to the Net Asset Value (calculated as at that Business Day) of the Fund referable to Units divided by the total number of Units on issue. The issue price and the withdrawal price effective for a Business Day are determined on the basis of the Net Asset Value calculated as at that business day and are adjusted to take account of transaction costs.

All unit prices are set by APN FM. The mFund Settlement Service is not a trading facility and investors will not trade Units with other investors on the market. While the fund is admitted as an mFund product, you will be able to view the current price of Units at any time at www.mfund.com.au. Please also consult with your ASX broker who may also make pricing information available through their portfolio management systems.

Information on unit prices (including issue prices and withdrawal prices) is also available by calling us on 1800 996 456, or by visiting www.apngroup.com.au. For a copy of our unit pricing policy please refer to our website.

Please refer to section 1 "How the APN AREIT Fund Works" of the Product Guide for further information on unit pricing.

Distributions

The Fund will pay distributions to investors on a monthly basis. You will receive your distribution payment within 10 Business Days following the end of the relevant month. In each financial year, an amount at least equal to the taxable income of the Fund must be distributed to investors. The amount of distribution paid to each investor is calculated by dividing the total amount to be distributed in respect of Units, which is determined by us, by the total number of Units on issue at the distribution date and multiplying the result by the number of Units held by the relevant investor on that distribution date. APN reserves the right to suspend monthly distributions at any time.

You may elect to have your distributions from the Fund paid by electronic funds transfer into your nominated account, reinvested in additional Units or a combination of both. If you do not make a choice, or if a direct credit rejection occurs, then your distributions are automatically reinvested in the Fund.

Please refer to section 1 "How the APN AREIT Fund Works" of the Product Guide for further information on distributions.

Investing via a master trust or wrap account

If you invest in the Fund via an investor directed portfolio service ('IDPS') or an IDPS-like service (such as a master trust or wrap account or nominee or custody service), then you don't directly hold Units, but instead, the IDPS holds Units on your behalf. This means that investing through an IDPS may result in different conditions applying to those referred to in this PDS including in relation to additional investments, regular savings plans, switching to other funds operated by APN FM, minimum balance requirements, fees and other costs, cooling-off rights, how to transact on your investment, timing of processing of transactions and payment of distributions and withdrawals and provision of statements and other information. Please contact your financial adviser, IDPS operator or refer to the IDPS disclosure document for further information.

Use of the mFund Settlement Service

While the Fund is admitted as an mFund Product, investors will be able to make use of the mFund Settlement Service. The mFund Settlement Service introduces a range of significant benefits for investors who use ASX to access investment options. These centre on efficiency, convenience, transparency and speed.

Transfers

Investors may transfer Units held in the Fund. The purchaser of the Units must otherwise be eligible to invest in the Fund. APN FM may decline to register a transfer of Units at its sole discretion.

! You should read the important information about the acquisition and disposal of Units and distributions before making a decision. Go to section 1 of the Product Guide "How the APN AREIT Fund Works" at: www.apngroup.com.au/pds/areit/productguide. The material relating to acquisition and disposal of Units and distributions may change between the time when you read this PDS and the day when you acquire the product.

3 Benefits of investing in the APN AREIT Fund

By choosing to invest in the APN AREIT Fund, you are investing with a specialist real estate fund manager. APN FM has an investment track record going back to 1998. The Fund has delivered superior absolute and risk adjusted returns since inception in 2009 (compared with the S&P/ASX 300 AREIT Index return)*.

The key benefits and features of investing in the Fund are summarised below. Other benefits and features of investing in the Fund are discussed in section 2 "Benefits of investing in the APN AREIT Fund" of the Product Guide.

*Past performance is not a reliable indicator of future performance.

Active management

APN FM is an active investment manager and constructs portfolios independent of index weightings. By evaluating the potential risks and rewards of the underlying AREIT stocks and actively investing in stocks outside of the S&P/AREIT 300 Index, the Fund aims to provide greater diversification benefits than the market.

Income returns

A significant focus for the management of the Fund is on generating sustainable and regular income returns. This typically means that the Fund targets those investments it believes can deliver relatively high and sustainable income returns.

Monthly distributions

Consistent with the focus on income returns for investors, the Fund makes monthly distributions which provides investors with a regular income.

Non index weightings

Unlike many property securities funds which invest significantly on the basis of the weighting of a particular property security investment in an index, the Fund will invest on the basis of APN FM's determination of the relative value and attractiveness of the property security investment.

Limiting exposure to higher risk earnings

APN FM limits the Fund's exposure to earnings derived from international assets and active business activities, such as development or funds management type activities, which are generally considered riskier earnings. This strategy aims to deliver a lower risk compared to the risk of investing in the AREIT Index.

! You should read the important information about the other features and benefits of investing in the Fund before making a decision. Go to section 2 of the Product Guide "Benefits of investing in the APN AREIT Fund" at: www.apngroup.com.au/pds/areit/productguide. The material relating to the features and benefits of investing in the Fund in the Product Guide may change between the time when you read this PDS and the day when you acquire the product..

4 Risks of managed investment schemes

Investors should note that all investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Investors should also be aware that the value of the underlying investments of the Fund may vary. Further, the level of returns from the Fund may vary and future returns may differ from past returns. Returns from the Fund are not guaranteed and investors may lose some or all of their money. The level of risk acceptable to a particular investor will differ depending on various factors including their age, investment time frame, where other parts of their wealth are invested and their risk tolerance. Laws affecting registered managed investment schemes may change in the future.

The following is a summary of what APN FM considers to be the significant risks of investing in the Fund and its underlying investments. Investors should carefully consider the following significant risk factors that may affect the performance of the Fund before making an investment in the Fund. Please refer to section 3 of the Product Guide "Risks of managed investment schemes" for a summary of the measures implemented by APN FM to manage these significant risks.

Fund specific risks

- **Fund risk**
These are risks specific to funds. These risks include that the Fund could terminate, the fees and expenses of the Fund could change, APN FM may be replaced as responsible entity and manager and APN FM's investment team may change. There is also a risk that investing in the Fund may lead to a different result than investing in the market personally because of income or capital gains accrued in the Fund and the consequences of investment by and withdrawal of other investors. If any of these risks are realised, the returns an investor receives from the Fund may be reduced.
- **Key person risk**
This is the risk that key individuals are no longer able to fulfill their obligations in respect of the investment or administration of the Fund. The performance of the Fund may be dependent on the management skill of one or more individuals. If key personnel are no longer able to fulfill their obligations there is a risk that APN FM may not be able to find suitably qualified replacement personnel and the performance of the Fund may suffer as a result.
- **Regulatory risk**
This is the risk that domestic or international laws or regulations are changed adversely in respect of the Fund or that regulatory supervision of transactions and reporting is performed by managers and their custodians at less than an appropriate standard. APN FM cannot predict what the outcome of any of these risks occurring may be. However, an outcome could be that the performance of the Fund is negatively impacted.
- **Derivative risk**
Derivatives can be used to reduce risk. Risks associated with investing in derivatives may include the value of the derivative failing to move in line with an underlying investment; potential illiquidity of the derivative; the Fund not being able to meet payment obligations as they arise; and counterparty risk (where the counterparty to the derivative contract cannot meet its obligations under the contract).
- **Administration risk**
This is the risk that instructions in relation to your investments in the Fund have not been accurately relayed or processed or that fraudulent instructions are acted upon. For example, we will generally process any instructions we receive by electronic communication if it bears your investor identity and appears to have been provided by you (e.g. communications bearing a signature which is apparently yours or that of your authorised signatory or is from an email address which is apparently yours). We are not liable for any loss resulting from accepting fraudulent instructions in these circumstances. Please take care. Risks may also arise in relation to transactions processed via the mFund settlement service if ASX settlement procedures have not been accurately relayed or processed.
- **Liquidity risk**
Liquidity risk is the risk that the Fund's assets will not be able to be sold readily or for their market value. This risk will be more significant if the Fund invests in a large portion of small cap AREITs which are not frequently traded. If 20% or more of the Fund's assets consist of illiquid assets, the Fund can only withdraw an investor's investment in the Fund pursuant to a withdrawal offer made under the Corporations Act. APN FM is not obliged to make withdrawal offers.

Underlying investment risks

■ Re-financing risk

APN FM does not borrow directly to invest. However the AREITs in which the Fund invests may borrow. AREITs typically use financing facilities with periodic maturity dates, which require re-financing at regular intervals. In times of poor market liquidity, AREITs (as is the case with all borrowers) may find it difficult to re-finance.

The value of the Fund's investments will be negatively impacted if an underlying investment is unable to re-finance or if it can only re-finance on unfavourable terms.

■ Investment risk

The underlying investments of the Fund may fall in value for many reasons, such as changes in an investee entity's internal operations or management, or in the business environment in which the investee entity operates. If underlying investments fall in value, the value of an investment in the Fund will also fall in value.

■ Market risk

Economic, technological, political or legal conditions and market sentiment can, and do, change. These changes can lead to volatility in the value of property investments and the overall level of liquidity in the market. This can affect the value of the Fund's investments and APN FM's ability to realise the Fund's investments.

■ Interest rate risk

Changes in interest rates can have a positive or negative impact directly or indirectly on the Fund's investment values or returns. For example, as a result of interest rate changes, the cost of the borrowings of the investee entities in which the Fund invests can decrease or increase, or the income return on a fixed interest security can become more or less favourable.

■ Currency risk

The Fund may invest in AREITs which hold underlying investments in countries other than Australia. If the value of overseas currencies changes relative to the Australian dollar, the value of the investments of the Fund may change.

■ Asset risk

Asset risk is risk related to market changes or poor investment performance of an asset.

■ Derivative risk

The use of derivatives by the underlying AREITs in which the Fund is invested may cause those securities to lose money which they would not have otherwise lost had they not used derivatives. If this occurs the value of an investment in the Fund may be reduced.

■ Information risk

Information risk is the risk of local investors not being fully informed of pertinent, price sensitive information about offshore investments or markets. Information risk can relate to political, town planning, business or even cultural issues. Information risk is particularly relevant for AREITs with non-Australian assets. If any of the underlying investments in which the Fund invests do not have all of the necessary local information, the returns that an investor receives from the Fund and the value of their investment in the Fund may be reduced.

■ Regulatory risk

This is the risk that, in respect of the Fund's underlying investments, domestic or international laws or regulations are changed adversely or that regulatory supervision of transactions and reporting is performed by managers and their custodians at less than an appropriate standard.

■ Key personnel risk

This is the risk that key individuals responsible for the operation of underlying investments in which the Fund invests are no longer able to fulfill their obligations. The performance of the underlying investments in which the Fund invests may be dependent on the management skill of one or more particular individuals. If key personnel are no longer able to fulfill their obligations there is a risk that underlying investments in which the Fund may invest may not be able to find suitably qualified replacement personnel and the performance of the Fund may suffer as a result.

! You should read the important information in the Product Guide about the risks of investing in the Fund before making a decision. Go to section 3 of the Product Guide "Risks of managed investment schemes" at: www.apngroup.com.au/pds/areit/productguide. The material relating to the risk of investing in the Fund in the Product Guide may change between the time when you read this PDS and the day when you acquire the product.

5 How we invest your money

This section summarises how the Fund invests its money.

Investment return objective:	<p>To provide investors with a consistent, relatively high level of income combined with some capital growth, sourced primarily from AREITs listed on the ASX.</p> <p>The Fund aims to:</p> <ul style="list-style-type: none"> have a gross annual income yield (before management fees and expenses) that equates to at least 110% of the average yield of the S&P/ASX 200 AREIT dividend yield; have a tax advantaged income component of distributed income; provide investors with a level of capital growth which at least matches increases in the Consumer Price Index (CPI) over a 5 - 7 year time horizon; and provide lower than market volatility. 		
Investment strategy:	<p>The Fund will invest in AREITs and cash/fixed interest. The Fund will not invest in direct property. We will continually review and, if appropriate, reweight the Fund's investments with the objective of optimising the Fund's distributable income.</p> <p>The Constitution allows us to borrow on behalf of the Fund. It is our current intention that the Fund will not undertake direct borrowing. The entities in which the Fund will invest may borrow.</p> <p>It is our current policy not to use derivatives for leverage purposes within the Fund. The Fund may use derivatives for risk management purposes. We will inform you if this policy changes. The entities in which the Fund will invest may use derivatives.</p>		
Target asset allocations:	Assets	Long term asset allocation ranges	Indicative asset allocation
	Units or shares in AREITs	90-100%	98%
	Cash/Fixed interest	0-10%	2%
Performance benchmark:	S&P/ASX 200 AREIT dividend yield		
Minimum suggested investment timeframe:	5-7 years		
Type of investor to whom this investment is suited:	Medium to long term investors who are looking for an income focussed investment and the potential for some long term capital growth.		
Risk rating:	The Fund is medium risk according to the Standard Risk Measure developed by the Association of Superannuation Funds of Australia and the Financial Services Council. The Standard Risk Measure is available to download from www.apngroup.com.au . The risks associated with this investment are set out in section 4 of this PDS.		
Changes to the Fund:	APN FM reserves the right to terminate the Fund or change the Fund's investment objectives (including the benchmark, asset allocation, investment objectives and investment style and approach) without providing prior notice to investors in some cases. We will inform investors of any material changes to the Fund in accordance with the law.		

Warning: When making a decision whether to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe.

6 Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (i.e. reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

You can use the information contained in the following template to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your account or be deducted from investment returns.

Warning: Fees to a financial adviser may be payable if a financial adviser is consulted. Please refer to the statement of advice provided by your financial adviser and section 4 of the Product Guide for further details. Additional fees may also be payable directly to your ASX broker (or your financial adviser who uses a stockbroking service on your behalf) for using the mFund Settlement Service and investors should consider the financial services guide provided by your broker (or adviser).

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund	Nil
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
Management costs	
The fees for managing your investment	Up to 0.85% p.a. of the Net Asset Value of the Fund. ¹ <ul style="list-style-type: none"> The management costs comprise the investment management fees and expense recoveries and are capped at 0.85% of the Net Asset Value of the Fund.

¹ The amount of this fee can be negotiated for wholesale clients as defined under the Corporations Act.

Worked example of annual fees and costs

Example - APN AREIT Fund		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0 Contribution fee.
PLUS Management Costs	0.85%	AND, for every \$50,000 you have in the Fund, you will be charged \$425 each year.
EQUALS Cost of Fund		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of:</p> <p>\$425 to \$467.50*</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate with your financial adviser.</p>

* The amount of management costs will depend on when the additional \$5,000 was contributed to the Fund.

Changes to fees and charges

The above fees and charges are current at the date of this PDS. We may increase fees up to the maximum amounts permitted under the Constitution of the Fund or by amending the Constitution of the Fund (subject to investor approval) to increase the current permitted maximums. However, we will provide investors with at least 30 days notice of any increases in fees before they take effect, to allow investors to make other arrangements if they wish (where possible).

Fee calculator

The Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator. You can use the fee calculator to calculate the effect of fees and costs on your account balances.

! You should read the important information about Fees and Costs before making a decision. Go to section 4 of the Product Guide "Fees and Costs" at: www.apngroup.com.au/pds/areit/productguide. The material relating to Fees and Costs in the Product Guide may change between the time when you read this PDS and the day when you acquire the product.

7 How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme is likely to have taxation consequences. Before investing in the Fund, you are strongly advised to seek professional tax advice.

Registered managed investment schemes do not ordinarily pay tax on behalf of their investors. Investors are generally assessed on any income and capital gains generated by the registered managed investment scheme.

! You should read the important information about taxation of the Fund before making a decision. Go to section 3 of the Product Guide "How managed investment schemes are taxed" at: www.apngroup.com.au/pds/areit/productguide. The material relating to taxation of the Fund in the Product Guide may change between the time when you read this PDS and the day when you sign the application form or instruct your broker to submit your order through CHESS (as applicable).

8 How to apply

Initial investment

If you seek to invest by submitting an Application Form, the Application Form and the initial amount must be received at our registered office by 4 p.m. Melbourne time on a Business Day for you to be issued Units at the issue price effective for that day. If, while the Fund is admitted as an mFund Product, you apply by your broker submitting an order through CHESS, the order together with the initial amount must be received and confirmed by us by 10:15am Melbourne time on a Business Day for you to be issued Units at the issue price effective for that day. If the Application Form or order and initial amount are received after the cut off times or on a weekend or a public holiday, you will be issued Units at the issue price effective for the next Business Day.

Additional investments

You can make additional investments in the Fund by instructing us in writing (including by facsimile and email), making a payment to the Fund via BPay®, under the regular savings plan or by completing a direct debit request form. Additional investments must be for the minimum amount set out in the table in section 2 "How the APN AREIT Fund Works" of this PDS. For more information on additional investments, please refer to section 1 "How the APN AREIT Fund Works" of the Product Guide.

Investing through mFund Settlement Service while the Fund is an mFund product

You can apply for Units or withdraw Units directly through your broker who will place an order through CHESS. CHESS will confirm the order with your broker once received and accepted by the Fund's registrar. Any application or withdrawal payment will be passed through the CHESS daily batch settlement process. For more information, please refer to section 1 "How the APN AREIT Fund works" of the Product Guide.

Investing through an IDPS

To invest in the Fund through an IDPS or IDPS-like service, simply complete the documents which the IDPS operator requires. Any enquiries regarding investing in the Fund should be directed to your IDPS operator.

Regular savings plan

To make regular investments in the Fund, you must elect to participate in the regular savings plan by completing the direct debit request form accompanying this PDS and nominate the amount to be invested under the plan and the account from which funds will be deducted. The minimum regular savings amounts are set out in the table in section 2 "How the APN AREIT Fund Works" of this PDS. For more information on the regular savings plan, please refer to section 1 "How the APN AREIT Fund Works" of the Product Guide.

Distribution reinvestment

You can choose to automatically reinvest your distributions for Units by instructing us in writing (including by facsimile and email).

Units issued for reinvested distributions will be issued at the issue price calculated at the end of the relevant distribution period. For more information on the regular savings plan, please refer to section 1 "How the APN AREIT Fund Works" of the Product Guide.

Cooling off

If you invest directly in the Fund, you will be entitled to a 14 day cooling off period commencing from the earlier of:

- the date you receive confirmation of your investment; or
- 5 days after the issue of Units to you as per your application.

If, during this 14-day period, you decide that you no longer wish to invest in the Fund, you should notify us in writing (by letter, including your signature).

The amount returned to you will be adjusted to account for any increase or decrease in the unit price from the time APN FM issued the units to you to the time APN FM receives your request to cancel the investment as well as any relevant tax or administrative costs in relation to the cancellation of your investment. If you invest in the Fund through an IDPS, you should refer to the relevant guide or offer document provided by the operator of that service for details of your rights to a cooling off period.

Dispute resolution

If you have a complaint, you may write to us (including name, address and investor number) or call us. We are required to acknowledge receipt of a complaint as soon as practicable. We must give proper consideration to the complaint and must act in good faith to deal with a complaint. The determination relating to the complaint, the remedies (if any) available to you and information regarding any further avenue for complaint must be communicated within 45 days of receipt of the complaint.

We are a member of the Financial Ombudsman Service Limited ("FOSL"). FOSL is authorised to deal with complaints that cannot be resolved with us. You can contact FOSL on 1300 780 808, or PO Box 3, Melbourne, Victoria, 3001. If you are investing through an IDPS, then enquires and complaints should be directed to the operator of that service, not APN FM.

9 Other important information

Related party transactions

The Fund may transact with or invest in other funds managed by us and/or members of the APN Property Group (including APN FM in its own right).

APN FM has a conflict of interest and related party transactions policy which ensures that all transactions engaged in by APN FM are assessed for any conflict of interest and to ensure they are reasonable "arms length" transactions based on appropriate commercial terms.

Privacy

Please refer to the "Privacy" section of the Product Guide for information on how we collect, handle and disclose your personal information.

New Zealand investors

The Fund is available for investment by New Zealand investors. Please refer to "Investing by New Zealand investors" section of the Product Guide for further information.

! You should read the important information about investment by New Zealand investors before making a decision. Go to section 7 of the Product Guide "Investing by New Zealand Investors" at: www.apngroup.com.au/pds/areit/productguide. The material relating to investment by New Zealand investors in the Product Guide may change between the time when you read this PDS and the day when you acquire the product.

IMPORTANT NOTICE FOR NEW ZEALAND INVESTORS

GENERAL

The offer of units (offer) in the APN AREIT Fund ARSN 134 361 229 (Fund) is made by APN Funds Management Limited ACN 080 674 479 AFSL 237500 (APN FM) to New Zealand investors. New Zealand investors should note the following:

- (a) This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008.
- (b) This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.
- (c) There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.
- (e) Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian securities is not the same as for New Zealand securities.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

CURRENCY EXCHANGE

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

DISPUTE RESOLUTION

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

The above warning statement is required pursuant to the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

APN | AREIT Fund



APN Property Group Limited

Level 30, 101 Collins Street,
Melbourne, Victoria 3000

Investor Services 1800 996 456
Adviser Services 1300 027 636

Email apnpg@apngroup.com.au
Website apngroup.com.au



Application Form

This Application Form relates to the application for Units in APN AREIT Fund (ARSN 134 361 229) (Fund) under the PDS dated 1 January 2015 issued by APN Funds Management Ltd (ABN 60 080 674 479, AFSL 237500), as the responsible entity of the APN AREIT Fund. This form must be accompanied by the PDS when provided to any person. Unless otherwise defined, capitalised terms in this Application Form have the meaning given to them in the PDS.

Please mail this completed Application Form and relevant form(s) to: APN Funds Management Limited, PO Box 18011, Melbourne Collins Street East, VIC 8003

1 Contact details

Please provide your contact details. If you have a financial adviser, we may contact your adviser first before contacting you about your application.

Title	Given name(s)	
Surname		
Phone		
Email		
Postal address		
Suburb	State	Postcode

We will upload relevant information, updates, disclosure documents, forms and reports to our website www.apngroup.com.au and/or send to your email address nominated above. Should you wish to opt out of our electronic disclosure, please contact us at apnpg@apngroup.com.au.

You consent to us using your contact details outlined above and other relevant personal information we collect from you to open and maintain an APN Online account for you. If you have an existing APN Online account, your current username and password will provide you access.

We will also send you marketing information in relation to this fund or other funds and opportunities that we may have to offer you in the future from time to time. Should you wish to opt out of receiving such communications, please contact us at apnpg@apngroup.com.au

Please also refer to our Privacy Policy which can be seen on our website www.apngroup.com.au

2 Existing investors

Existing investors (do not complete Section 4 or the Identification Form)

If you are an existing investor in an APN Fund and your investor details have not changed since the last time you invested with us you do not need to complete section 4 of this Application Form. However, you must provide us with your investor code and tick the declaration.

Please provide your investor code:

☐ I confirm that I am an existing investor with APN Funds Management and my investor details including beneficial ownership details have not changed since the last time I invested in an APN product.

New investors and existing investors who have changed their investor details. Please complete section 4 and the Identification Form.

3 Investment details

Minimum application is \$1,000 and thereafter multiples of \$500
Payment details are outlined in section 6 of this Application Form.

Initial investment amount	\$
Ongoing additional monthly investment amount	\$

4 Investor details

What type of investor are you? Complete section:

<input type="checkbox"/> Individual / joint holding	AB
<input type="checkbox"/> Proprietary Company	CE
<input type="checkbox"/> Public Company	C
<input type="checkbox"/> Unregulated trust with corporate trustee	CDE
<input type="checkbox"/> Unregulated trust ¹ with individual trustee	ADE
<input type="checkbox"/> Regulated trust ¹ with corporate trustee	CD
<input type="checkbox"/> Regulated trust ¹ with individual trustee	AD
<input type="checkbox"/> Other (e.g. foreign companies and partnerships) Please complete all sections of the Application Form other than section 4 and contact us.	

A Individual investor or individual trustee

Title	Given name(s)	
Surname		
Date of birth	/	/
Email		
Residential address		
Suburb	State	Postcode
Are you an Australian resident for tax purposes?		
<input type="checkbox"/> Yes <input type="checkbox"/> No, if no specify country		
TFN or exemption code (provide to ensure tax is not deducted)		
Australian Driver's Licence No.		
Are you a Politically Exposed Person? ² <input type="checkbox"/> Yes <input type="checkbox"/> No		

B Joint investor

Title	Given name(s)	
Surname		
Date of birth	/	/
Email		
Residential address	<input type="checkbox"/> Same as A, or specify below	
Suburb		
State	Postcode	
Are you an Australian resident for tax purposes?		
<input type="checkbox"/> Yes <input type="checkbox"/> No , if no specify country		
TFN or exemption code <small>(provide to ensure tax is not deducted)</small>		
Australian Driver's Licence No.		
Are you a Politically Exposed Person? ² <input type="checkbox"/> Yes <input type="checkbox"/> No		

C Company or corporate trustee

Full company name/ corporate trustee name/ sole trader business name		
ABN or TFN or TFN exemption		
ACN		
Registered office address (not a PO Box)		
Suburb		
State	Postcode	
Principal place of business address (if different)		
Suburb		
State	Postcode	
Business activities		
If the company is listed, please provide the details of the relevant market and details of its listing		
Is the company/corporate trustee a proprietary or public company?		
<input type="checkbox"/> Proprietary <input type="checkbox"/> Public		
If you are proprietary company, provide the full name of each director		
Director 1 name		
Director 2 name		
Director 3 name		
Director 4 name		

D Trusts

Trustee No. 1 Name		
Trustee No. 1 Address		
Suburb		
State	Postcode	

Trustee No. 2 Name		
Trustee No. 2 Address		
Suburb		
State	Postcode	
Are there additional trustees?		
<input type="checkbox"/> Yes Please attach a separate page to this application form with the details.		
<input type="checkbox"/> No		
Trust name		
ABN, TFN or TFN exemption		
Type of trust		
Country in which trust was established		
Nature of activities or purpose of the trust		

Only complete the following part of section D if the trust is not a SMSF, registered managed investment scheme, wholesale unregistered managed investment scheme which does not accept retail investors, government superannuation fund or trusts registered and subject to statutory oversight.

Do the terms of the trust identify the beneficiaries by reference to membership of a class?		
<input type="checkbox"/> Yes , what are the terms?		
OR		
<input type="checkbox"/> No , please provide the full name of each beneficiary		
Beneficiary 1		
Beneficiary 2		
Beneficiary 3		
Are there additional beneficiaries?		
<input type="checkbox"/> Yes . Please attach a separate page to this application form with the details.		
<input type="checkbox"/> No		
Full name of settlor of trust? ³		

E Beneficial Ownership

Beneficial Owner 1 Name		
Beneficial Owner 1 Date of birth		
Beneficial Owner 1 Residential address		
Suburb		
State	Postcode	
Are you a Politically Exposed Person? ² <input type="checkbox"/> Yes <input type="checkbox"/> No		
Beneficial Owner 2 Name		
Beneficial Owner 2 Date of birth		
Beneficial Owner 2 Residential address		
Suburb		
State	Postcode	
Are you a Politically Exposed Person? ² <input type="checkbox"/> Yes <input type="checkbox"/> No		
Beneficial Owner 3 Name		
Beneficial Owner 3 Date of birth		

Beneficial Owner 3 Residential address

Suburb State Postcode

Are you a Politically Exposed Person?² ☐ Yes ☐ No

Beneficial Owner 4 Name

Beneficial Owner 4 Date of birth / /

Beneficial Owner 4 Residential address

Suburb State Postcode

Are you a Politically Exposed Person?² ☐ Yes ☐ No

If you do not complete Beneficial Owner information, you are confirming that there are no Beneficial Owners. If you do not have Beneficial Owners, APN FM will contact you to collect additional information about your company or trust.

You are a Beneficial Owner if you are an individual who directly or indirectly owns 25% or more of the company or trust or ultimately controls the company or trust, including through determining the financial or operating policies of the company or trust.

5 How we make payments to you

Do you want us to reinvest your income distributions (if permitted) back into the fund? ☐ Yes ☐ No

If no, please complete your bank account details below. Please note the account must be held in the name of the Applicant. All payments are calculated and paid in Australian dollars.

☐ Direct all payments to the bank account nominated for my existing APN fund investments (if you are an existing investor in another APN fund), or;

☐ Direct all payments to the bank account nominated for below.

Name of financial institution

Account name

BSB Account number

6 How to pay application money to us

Payment details

These details are required so your payment can be matched to your Application Form. Please indicate which payment method you have used.

I am paying by (please choose one method only)

☐ Electronic funds transfer

Please transfer funds electronically to the following account and send your completed application form to the Investor Registry team.

Account name: APN FM Registry AREIT

BSB: 063-012 Account number: 1039 5759

Reference (Name of Applicant)

It is important to include your **name as reference**. If we are unable to match your application to a payment your application may be delayed.

☐ Direct debit

Please complete and sign the Direct Debit Request Form for us to debit your nominated account for your Application Amount (within three Business Days of receipt of your forms).

☐ Cheque

Made payable to "APN FM Application Monies Trust Account" and crossed "not negotiable".

7 Adviser details (to be completed by your financial adviser)

If you use a financial adviser and/or your financial adviser is providing us with your identification documents, please have them complete, sign and stamp this section to confirm they hold a current AFS License and are authorised to deal in or advise on managed investment products.

Adviser name

Adviser company

Assistant name

Adviser email

Adviser phone

AFSL name

AFSL number

Authorised representative number

Adviser signature and stamp

8 Adviser professional fee

If you have negotiated a professional fee for service with your financial adviser you need to complete this section.

I/we request that APN FM deducts a professional fee for service from my Application Amount as set out below. I acknowledge that this fee will be paid to my financial adviser as specified in section 7 of this Application Form and that the balance of my Application Amount will be invested in the Fund.

Upfront professional fee for service

Either a percentage of your Application Amount or a fixed amount

% or \$

I / We nominate the Adviser as my/our nominated representative to act for me/us in relation to my/our investment(s) described in Section 3 of this Application Form, including (without limitation) investing and withdrawing from a Fund.

☐ Yes ☐ No

Signature 1

Signature 2

Name

Name

Date

/ /

Date

/ /

9 Electronic Verification

Electronic Verification

APN FM may use the personal information collected about investors for any purpose stated in our Privacy Policy as well as for the purposes of verifying their identity in accordance with APN FM's obligations under Anti-Money Laundering Laws.

When conducting customer identification using electronic means:

- APN FM may disclose personal information about individuals to a credit reporting agency for the purposes of providing an assessment as to whether the personal information matches (in whole or part) personal information contained in a credit information file in the possession or control of the credit reporting agency.
- The credit reporting agency may provide APN FM with the assessment.
- The credit reporting agency may use the personal information about the individual, and the names, residential addresses and dates of birth contained in credit information files of other individuals, for the purpose of preparing the assessment. Other uses of your personal information by the credit reporting agency are restricted under Privacy laws.

You may consent to APN FM providing your personal information to a credit reporting agency for electronic verification purposes by signing the declaration below.

Please note, if this consent is not signed, you will need to provide APN FM with a certified copy of documents so that we can verify your identity manually.

I/we consent to APN FM providing my/our personal information to a credit reporting agency for the purposes of conducting customer identification.

Individual Investor / Director name / Trustee and signature

Individual Investor / Director name / Trustee and signature

Individual Investor / Director name / Trustee and signature

Beneficial Owner 1 Name and signature

Beneficial Owner 2 Name and signature

Beneficial Owner 3 Name and signature

Beneficial Owner 4 Name and signature

10 Foreign Account Tax Compliance Act (FATCA) declaration (mandatory)

Individuals or joint investors **MUST** complete this section.

Are you a United States (US) citizen or resident for tax purposes?

☐ **No** go to next question

☐ **Yes** you **MUST** complete this section for each Applicant

US TIN (First person, company or trust)

US TIN (Second person)

Australian companies and trustees of Australian trusts (except managed superannuation funds or a regulated super fund) **MUST** complete this section.

Is the company or trust exempt for US purposes? ☐ **Yes**

Are you a financial institution, or trust with a trustee that is a financial institution?

☐ **Yes** Please quote your Global Intermediary Identification Number (GIIN):

☐ **No** If you are an Australian company, please complete for each shareholder and beneficial owner who is a US citizen or resident for tax purposes.

If you are an Australian trust please complete for each trustee, shareholder of the trustee, beneficial owner of the trustee, beneficiary and settlor that is a US citizen or resident of the US for tax purposes.

If required, provide additional details on a separate sheet.

Full given name(s)

Surname

US TIN

Residential address (PO Box is not acceptable)

Suburb

State

Postcode

For any other Applicants, we will contact you for further FATCA verification.

Important notes

1. A **Regulated trust** includes a SMSF, registered retail managed investment scheme and a wholesale managed investment scheme that doesn't make small scale offerings. Other trusts are **Unregulated Trusts**.
2. A **Politically Exposed Person** includes a head of state or government, government minister or senior politician, senior government official, judge, governor of a central bank or any other person who holds a position of influence with a reserve bank, senior foreign representative, high ranking member of the armed forces or board chair or senior executive of a state owned enterprise or the immediate family member or associate of any such persons.
3. You do not need to provide the name of the settlor if you are an SMSF or if settlor of the trust is now deceased or if the settlor contributed to the trust at the time of its establishment a material asset contribution of less than \$10,000.

11 Declaration

Please read the PDS before signing the Application Form. Note that company Applicants usually require two signatures.

I/We declare and agree that:

- I/We have read the PDS dated 1 January 2015 for the APN AREIT Fund (ARSN 134 361 229) to which this application applies and have received and accepted the offer in it, in Australia.
- My/Our application is true and correct.
- I/We am/are bound by the provisions of the constitution of the Fund as amended from time to time and this Application Form.
- I/We have legal power to invest.
- I/We authorise APN FM to give information relating to my/our account and investment in that account to my/our adviser.
- If I/we have received the PDS from the internet or other electronic means that I/we received it personally or a printout of it, accompanied by or attached to this Application Form.
- If this is a joint application, each of us agrees, unless otherwise indicated on this application, that our investment is as joint tenants.
- Each of us who is able to operate the account will bind the other(s) to any transaction including investments, switches or redemptions by any available method.
- This application is not resultant of an unsolicited meeting with or telephone call from another person.
- Future investments will be made in line with the most recent investment or transfer transaction (excluding regular investment plan unless I/we instruct you otherwise).
- If investing as trustee on behalf of a superannuation fund or trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- I/We acknowledge that an investment in the Fund does not represent an investment in or a deposit or other liability of APN Funds Management Limited, APN Property Group Limited or any member of the APN Property Group.
- I/We acknowledge that none of APN FM, APD, any member of the APN Property Group or any of their officers, advisers, agents or associates in any way guarantee the performance of any of the Funds nor any return of capital.
- I/We acknowledge that APN FM and its related bodies corporate may disclose and use personal information as contemplated in this application form, APN FM's Privacy Policy available at www.apngroup.com.au and the Privacy Statement in the PDS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material and product disclosure statements) approved by a member of the APN Property Group in addition to general corporate communications. You may elect not to receive marketing material by contacting APN FM using the details contained in the PDS or via our website at www.apngroup.com.au.
- I/We acknowledge and agree that electronic instructions will be treated as contemplated in section 1 of the Product Guide or PDS under the heading "Electronic Instructions".
- I/We will provide to APN FM or its nominee any information that APN FM reasonably requires in order to enable APN FM to comply with all its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and its associated rules and regulations (in force from time to time).
- I/We acknowledge that investments in the Fund are subject to the risks outlined in section 4 of the PDS under the heading "Risks of managed investment schemes".
- I/We acknowledge that an APN Online account will be created and that I/we have read and agree to be bound by the terms and conditions set out at www.apngroup.com.au/investors/about-apn-online/.
- I/We acknowledge that the information collected by APN FM (including in this application form) may be used for identification purposes, including via a third party verification service, to enable APN FM to comply with all its customer identification obligations under the Act and associated rules and regulations referred to above.
- I/We will provide APN FM or its nominee any information that APN FM reasonably requires in order to enable APN FM to meet all of its compliance, reporting and other obligations under the United States of America Foreign Account Tax Compliance Act (FATCA) and all associated rules and regulations from time to time (including, without limitation, the Inter-Governmental Agreement (IGA) entered into between the governments of the US and Australia). I/We understand that APN FM may disclose such information to the Australian Taxation Office (ATO) who may in turn disclose the information to the US Internal Revenue Service (IRS).
- I/We understand that where I/we have provided APN FM or its nominee with information about my status or designation under or for the purposes of FATCA (including, but without limitation, US residency or citizenship status and FATCA status as a particular entity type) and all associated rules and regulations, APN FM will treat that information as true and correct without any additional validation or confirmation being undertaken by APN FM except where it is under a legal obligation to do so.

If the application is signed by more than one person, who will operate the account:

☐ Any to sign ☐ All to sign together

Signature 1

Signature 2

Name

Name

Date / /

Date / /

Title

Title

If a company officer or trustee, you **MUST** specify your title

If a company officer or trustee, you **MUST** specify your title

☐ Director ☐ Sole director and company secretary ☐ Trustee ☐ Other (please specify)

☐ Director ☐ Company secretary ☐ Trustee ☐ Other (please specify)

**Please mail this completed Application Form and other relevant form(s) to:
APN Property Group, PO Box 18011, Melbourne Collins Street East, VIC 8003**

This page has intentionally been left blank.

Identification Form

If you have previously completed identification verification details for another APN fund investment in the same name, you do not need to complete this form. If you have a financial adviser, you can complete this section or your adviser can complete section 7 of the Application Form. Otherwise, it is mandatory to complete this form and provide original certified copies of identification documentation for each Applicant.

1. Sections A, B and E - Verification details

To be completed by all individuals listed in sections A, B and E of section 4 'Investor details'. You do not need to complete this section if electronic verification permission has been given under section 9 "Electronic Verification" for all investors and beneficial owners.

OPTION 1

Provide **ONE** original certified copy of one primary identification document.

- ☐ **Valid Australian state or territory driver's licence** containing a photograph of the person
- ☐ **Australian passport** (a passport expired within the preceding two years is acceptable)
- ☐ **Card issued by a state or territory** for the purposes of providing a person's age containing a photograph of the person
- ☐ **Valid foreign passport** or similar travel document containing a photograph and the signature of the person (and if applicable, an English translation by an accredited translator)

OPTION 2

Provide **TWO** original certified copies of secondary identification documents.

One from **A** and one from **B**

Category A

- ☐ Australian birth certificate
- ☐ Australian citizenship certificate
- ☐ Foreign citizenship certificate
- ☐ Pension card issued by Centrelink
- ☐ Health card issued by Centrelink
- ☐ Valid Medicare card

Category B

- ☐ **A document issued by the Commonwealth** or a state or territory within the preceding 12 months that records the provision of financial benefits
- ☐ **A document issued by the ATO** within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or the Commonwealth to the individual), which contains the individual's name and residential address (block out any TFN references)
- ☐ **A document issued by a local government body or utilities provider** within the preceding three months which records the provision of services to that address or to that person (must contain the individual's name and residential address)
- ☐ **Australian marriage certificate**

2. Section C - Verification details

To be completed by all entities who completed subsection C of section 4 'Investor details'.

By signing and/or providing us with a valid instruction in respect to your Provide a copy of one identification document.

- ☐ A current and historical company information Company Extract from the ASIC Connect website
- ☐ An original certified copy of a certificate of registration or a current annual company statement issued by ASIC

3. Section D - Verification details

To be completed by all entities who completed subsection D.

To be completed by ALL trustee Applicants — individual trustee also completes the individuals verification details, and corporate trustee also complete the corporate verification details.

For registered managed investment schemes or government superannuation funds, please contact us for verification requirements.

OPTION 1 - Regulated Trusts

Provide a copy of one identification document.

- ☐ A search extract from the ASIC, ATO or relevant regulator's website (e.g. 'Super Fund Lookup' at superfundlookup.gov.au)
- ☐ An original certified copy or extract of the trust deed

OPTION 2 - Unregulated Trusts

Provide an original certified copy of one identification document.

- ☐ A notice issued by the ATO within the last 12 months (block out any TFN references)
- ☐ A letter from a solicitor or qualified accountant that confirms the name of the trust
- ☐ An original certified copy or extract of the trust deed

What is a certified copy?

Certified copies are true copies of original documents with an original certification from the certifier. A certified copy is a document that has been certified as a true copy of the original document by one of the following persons:

- an officer with, or authorised representative of, a holder of an AFSL, having two or more continuous years of service with one or more licensees;
- an officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declarations Regulations 1993 (Cth));
- a finance company officer with two or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declarations Regulations 1993 (Cth));
- a Justice of the Peace;
- a notary public (for the purposes of the Statutory Declarations Regulations 1993 (Cth));
- an agent of Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- a permanent employee of Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public;
- a member of The Institute of Chartered Accountants in Australia, CPA Australia or the Institute of Public Accountants with two or more years of continuous membership;
- a person who is enrolled on the roll of the Supreme Court of a state or territory, or the High Court of Australia, as a legal practitioner (however described);
- a judge of a court; a magistrate;
- a chief executive officer of a Commonwealth court; a registrar or deputy registrar of a court;
- a police officer; or
- an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955 (Cth)).

What must the certifier do?

The certifier must confirm the copy is certified as a true copy of the original documentation and clearly state their name, category and date of certification. An example of appropriate certification wording is:

"I certify this (and the following pages each of which I have signed/initialled) to be a true copy of the document shown and reported to me as the original."

Please note certification is only accepted if within two years of date of application.

Registrable names

Only legal entities (such as companies and superannuation funds, natural persons etc) are allowed to hold interests in the Fund. The application must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Responsible Entity. For trusts, the name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correctly registrable names shown below.

Authorisation	Correct form of registrable name	Incorrect form of registrable name
Individuals	John Alfred Smith	J A Smith
Companies Use company name, do not use abbreviations	ABC Pty Limited	ABC P/L ABC Co
Trusts Use trustee(s) personal names, do not use name of the trust	Sue Smith ATF <Sue Smith Family Trust>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal names, do not use name of the deceased	John Smith <Est Jane Smith A/c>	Estate of the Late Jane Smith
Clubs/unincorporated bodies/ business names Use office bearer(s) name(s), in addition to name of the club etc	Michael Smith <ABC Tennis Association A/c>	ABC Tennis Association
Superannuation funds Use name of trustee of the fund, do not use name of the fund	Jane Smith Pty Limited ATF <Super Fund A/c>	Jane Smith Pty Limited Superannuation Fund

Direct Debit Form

This form authorises APN Funds Management Limited (ABN 60 080 674 479, AFSL 23750) with User ID Number: 209 615 to arrange through its own financial institution and registrar, a debit to your nominated account any amount nominated by you in this Application Form.

This debit or charge will be made from your account nominated below and will be subject to the terms and conditions of the Direct Debit Service Agreement. Please contact us on 1800 996 456 or apnpg@apngroup.com.au if you require any assistance.

Investor details

APN Fund name (the Fund)

Investor number

Investor name / Trust name / Company name / Partnership name

Authorisation

Please indicate the account from which you would like us to deduct the Application Amount(s) and any Ongoing Investment Amount (if applicable).

Please note your account must be an Australian bank account held in the name of the Applicant, third party direct debits will not be accepted.

☐ I/We authorise APN FM to arrange for funds to be debited from the account nominate below.

Name of financial institution

Account name

BSB

Account number

Payment details

☐ Direct debit to be deducted at the time of application and at the time of any additional investment.

☐ Regular monthly direct debit of \$ on the 21st day of each month. If this Form is received three business days before the 21st of the month, the first direct debit will occur on the 21st of the same month. Otherwise, the first direct debit will occur from the first month following the receipt of this Form.

Direct Debit Acknowledgement

By signing and/or providing us with a valid instruction in respect to your direct debit request, you have understood and agreed to the Direct Debit Service Agreement governing the direct debit service request. You request this arrangement remain in force in compliance with the terms and conditions of the Direct Debit Service Agreement.

Sole signatories signing on behalf of a company confirm that they are signing as a Sole Director and Sole Company Secretary of the company by ticking the relevant box.

Two Directors or a Director and a Company Secretary must sign unless the company has a Sole Director and Sole Secretary.

- ☐ I/We have read and understood the terms of the attached "Direct Debit Service Agreement" overleaf and acknowledge and agree to it.
- ☐ I/We request this agreement remain in force in accordance with instructions provided and in compliance with the terms and conditions of the "Direct Debit Service Agreement".

Direct Debit Acknowledgement *continued...*

- ☐ If this is a joint investment, each of us agrees, unless otherwise indicated on this Form, our investment is as joint tenants. Each of us is able to operate the account and bind the other(s) to any transaction including investments, switches or withdrawal by any available method.
- ☐ I/We will provide to APN FM or its nominee any information that APN FM reasonably requires in order to enable APN FM to comply with all its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and its associated rules and regulations (in force from time to time).
- ☐ If investing as trustee on behalf of a superannuation fund or trust I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- ☐ I/We acknowledge that APN FM and its related bodies corporate may disclose and use personal information as contemplated in this form, APN FM's Privacy Policy available at www.apngroup.com.au and the Privacy Statement in the PDS.
- ☐ I/We will provide APN FM or its nominee any information that APN FM reasonably requires in order to enable APN FM to meet all of its compliance, reporting and other obligations under the United States of America Foreign Account Tax Compliance Act (FATCA) and all associated rules and regulations from time to time (including, without limitation, the Inter-Governmental Agreement (IGA) entered into between the governments of the US and Australia). I/We understand that APN FM may disclose such information to the Australian Taxation Office (ATO) who may in turn disclose the information to the US Internal Revenue Service (IRS).
- ☐ I/We understand that where I/we have provided APN FM or its nominee with information about my status or designation under or for the purposes of FATCA (including, but without limitation, US residency or citizenship status and FATCA status as a particular entity type) and all associated rules and regulations, APN FM will treat that information as true and correct without any additional validation or confirmation being undertaken by APN FM except where it is under a legal obligation to do so.
- ☐ I/We acknowledge and agree that electronic instructions will be treated as contemplated in the current PDS under the heading "Electronic Instructions".
- ☐ If this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney must be submitted with this application unless APN FM have already sighted it).
- ☐ SOLE SIGNATORIES signing on behalf of a company confirm that they are signing as either a director or sole director and sole secretary of the company by ticking the relevant box.

All nominated account holders must sign below to confirm the direct debit request. Please sign in the same way as the account signing instruction held by your financial institution.

Signature of nominated account holder 1

Name (please print)

Date / /

☐ Director ☐ Sole director and company secretary ☐ Trustee ☐ Other (please specify)

Signature of nominated account holder 2

Name (please print)

Date / /

☐ Director ☐ Company secretary ☐ Trustee ☐ Other (please specify)

Note: Please refer over page for Direct Debit Service Agreement.

Direct Debit Service Agreement

This is your Direct Debit Service Agreement with APN Funds Management Limited (ABN 60 080 674 479, AFSL 237500) with User ID Number: 209 615. It explains what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit provider. Please keep a copy of this agreement for future reference. It forms part of the terms and conditions of your Direct Debit request (DDR) and should be read in conjunction with your DDR authorisation. The terms of this Direct Debit Agreement are for the purpose of your application and/or on going investment for units in the nominated APN Fund and us debiting from your account in accordance with your instructions outlined in the Application Form and the Direct Debit Form.

1. APN Funds Management Limited (the "Debit User") will debit the BSB/Account nominated for this Direct Debit request as specified.
2. APN Funds Management Limited will give not less than 14 days written notice to the investor should it propose to vary the arrangements of this Direct Debit request.
3. The investor(s) may request APN Funds Management Limited to defer or alter the payment amount specified in this Direct Debit request. Requests authorising these changes may be made by phoning or providing written advice to APN Funds Management Limited. Investor(s) may change the:
 - Due date of payment;
 - Payment amount; and
 - Frequency of payment.Investor(s) wishing to vary the drawing account details specified in this Direct Debit request must provide signed authority for such changes to be effected.
4. In compliance with the Industry's Direct Debit Claims Process, APN Funds Management Limited will assist investor(s) disputing any payment amount drawn on the nominated BSB/Account in this Direct Debit request. APN Funds Management Limited will endeavour to resolve this matter within the Industry agreed time frames. Investor(s) may visit any branch of their financial institution and complete a "Direct Debit System Claim Request" form to initiate the process.
5. APN Funds Management Limited advises that some Financial Institution accounts do not facilitate direct debits and as such the investor(s) must check with their Financial Institution to ensure the account nominated in this Direct Debit request enables direct debiting.
6. It is the investor(s) responsibility to ensure at all times there is sufficient cleared funds available, at the due date of the debit drawing, to enable payment from the BSB/Account as nominated in this Direct Debit request.
7. APN Funds Management Limited advises that the debit drawing will be made on the agreed due date as nominated in the payment details of this Direct Debit request. When the due date is a closed Melbourne business day, APN Funds Management Limited will initiate the debit drawing on the next open business date. Investor(s) may direct processing inquiries to their Financial Institution. The funds will be processed as an application on the following business day. A closed business day is defined as any calendar day on which the investor(s) financial institution is not open for direct debit processing. That is:
 - Weekends;
 - Public Holiday - State; and
 - Public Holiday - National.
8. Where an unpaid debit item is returned by the investor(s) financial institution, APN Funds Management Limited may apply an outward dishonour fee to the investor(s) account.
9. Investor(s) who wish to cancel this Direct Debit request must notify APN Funds Management Limited in writing not less than 14 days before the next scheduled debit drawing. This request may be directed to APN Funds Management Limited or to an investor(s) financial institution.
10. APN Funds Management Limited requests the investor(s) to direct all inquiries, disputes requests for payment changes or cancellation directly to them.
11. APN Funds Management Limited agrees to keep confidential all investor(s) records and account details contained in this Direct Debit request unless authorised to release such information pursuant to a debit item dispute or similar event where the investor(s) has provided prior consent to do so.

Send us your form

We accept this form returned to us by email, fax or post.
All pages must be present for the forms to be processed.

Email

Please scan and email to: **apnpg@apngroup.com.au**
(You can send up to 10mb of attachments.)

Fax

Please fax the completed form to: **+61 3 8656 1010**

Post

Mail this completed form to: **APN Funds Management Limited,
PO Box 18011, Melbourne Collins Street East, VIC 8003**

Personal Information Collection Statement

When you make an application to invest in the Fund, APN FM will collect personal information from you in the Application Form or otherwise as part of the application process.

APN FM may also collect additional personal information from you by other means in the future, including through forms, through our website and by telephone if you access our Investor Services or Adviser Services. APN FM generally collects your personal information directly from you, but may also collect it from other sources such as from third parties who have hosted events or marketing promotions in which APN FM has been represented and you have expressed an interest in an APN fund or other products. If you have any questions about the personal information collected by APN FM you should contact us (contact details are provided below).

APN FM collects your personal information primarily so APN FM can verify your identity and establish your investment in the Fund. We will also collect and may use and disclose your personal information for the purposes of:

- processing your application for investment in the Fund and administering your investment in the Fund;
- complying with APN FM's obligations under applicable laws and regulations; and
- improving and developing APN FM's products and services.

APN FM may also use your personal information to gain an understanding of you, your needs and your interactions with us so we can identify and notify you (including by email) of other investment opportunities, products and services which may be of use to you, whether from us, any member of the APN Property Group or our partners. This may include providing you with direct marketing information regarding the other funds or products of the APN Property Group. However, if you request, no further material of that nature will be sent to you.

APN FM will take reasonable steps to protect your personal information that APN FM collects and ensure that the information is accurate and up-to-date. Investor information is held on secure servers or in storage in locked and controlled environments. APN FM's employees are required to maintain the confidentiality of any personal information held by APN FM.

If you do not provide APN FM with all the personal information we request, APN FM may be unable to establish your investment in the Fund, process your application and administer your investment, or provide you with any, some, or all of the features of our products or services available to you.

APN FM may be required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and corporate and taxation legislation to collect your personal information. For certain investors, APN FM may also be required to collect and disclose certain personal information to the Australian Taxation Office in order to comply with the Foreign Account Tax Compliance Act (FATCA).

The types of organisations to which APN FM may disclose the personal information provided by you include:

- with your consent, your adviser and dealer group;
- any third party service provider APN FM may engage to provide custody, administration, technology, auditing, mailing, printing or other services;
- government authorities and regulatory bodies when, and to the extent, required by law; and
- our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

You can request access to or seek correction of your personal information by notifying APN FM in writing at any time (including by facsimile, email, post or by phone using any of the contact details set out below), subject to passing our security checks.

The APN Group Privacy Policy provides information about how you may access and correct the personal information we hold about you. The APN Group Privacy Policy also includes information about how you may complain about a breach by APN FM of the Australian Privacy Principles and how APN FM will deal with such a complaint. A copy of the APN Group Privacy Policy is available on our website at www.apngroup.com.au, or you can request a copy by calling us on 1800 996 456.

Any inquiries, complaints or feedback you may have regarding privacy matters can be directed to our Privacy Compliance Officer at:

Privacy Compliance Officer
APN Property Group Limited
Level 30, 101 Collins Street
MELBOURNE 3000
Phone: +61 3 9654 7655
Fax: +61 3 9654 7685
E-mail: apnpg@apngroup.com.au





APN | AREIT Fund



APN Property Group Limited

Level 30, 101 Collins Street,
Melbourne, Victoria 3000

Investor Services 1800 996 456

Adviser Services 1300 027 636

Email apnpg@apngroup.com.au

Website apngroup.com.au

apngroup.com.au

APN | AREIT Fund

ARSN 134 361 229



PRODUCT GUIDE

This Product Guide ('Guide') provides information additional to the information included in the PDS for the APN AREIT Fund ARSN 134 361 229 dated 1 January 2015. The information in the Guide forms part of that PDS.

The information provided in this Guide is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances before making a decision to invest in the Fund.

Unless otherwise provided, terms used in this Guide have the same definition as in the PDS.

APN Funds Management Limited

ABN 60 080 674 479

AFSL No. 237500

ISSUE DATE: 1 JANUARY 2015



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IMPORTANT NOTICE FOR NEW ZEALAND INVESTORS

GENERAL

The offer of units (offer) in the APN AREIT Fund ARSN 134 361 229 (Fund) is made by APN Funds Management Limited ACN 080 674 479 AFSL 237500 (APN FM) to New Zealand investors. New Zealand investors should note the following:

- (a) This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008.
- (b) This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.
- (c) There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.
- (e) Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian securities is not the same as for New Zealand securities.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

CURRENCY EXCHANGE

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

DISPUTE RESOLUTION

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

The above warning statement is required pursuant to the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

1 How the APN AREIT Fund works

Valuation of the Fund's assets

APN FM may determine valuation methods and policies for each category of asset held by the Fund. Unless APN FM determines otherwise, the value of an asset for the purpose of calculating Net Asset Value will be its market value.

Where APN FM values an asset at other than its market value, or where there is no market value, the valuation methods and policies applied by APN FM will be capable of resulting in a calculation of the issue price or withdrawal price that is independently verifiable by the Fund's auditor in accordance with ASIC policy.

Unit Pricing

The unit price for Units is calculated as at the close of business every Business Day. The unit price is an amount equal to the Net Asset Value of the Fund referable to Units (as at that Business Day) divided by the total number of Units on issue. The issue price and the withdrawal price are adjusted to take account of transaction costs (please see section 4 of this Guide for further details about transaction costs).

■ Issue price

If an application for Units made through an Application Form is received and accepted by us by 4 p.m. Melbourne time on a Business Day, it will be processed at the issue price effective for that Business Day. If, while the Fund is admitted as an mFund Product, you apply by your broker submitting an order through CHESS, the order must be received and confirmed by us by 10:15am Melbourne time on a Business Day for you to be issued Units at the issue price effective for that Business Day. The issue price is an amount equal to the Net Asset Value per Unit (calculated as at that Business Day), plus any transaction costs.

■ Withdrawal price

Withdrawal requests received and accepted by us by 4 p.m. Melbourne time on a Business Day will be processed at the withdrawal price effective for that Business Day. If, while the Fund is admitted as an mFund Product, you apply for a withdrawal by your broker submitting a withdrawal request through CHESS, the request must be received and confirmed by us by 10:15am Melbourne time on a Business Day for you to receive the withdrawal price effective for that Business Day. The withdrawal price is an amount equal to the Net Asset Value per Unit (calculated as at that Business Day), less any transaction costs.

Information on unit prices (including issue prices and withdrawal prices) is also available by calling us on 1800 996 456, or by accessing our website at www.apngroup.com.au.

The unit price for the Fund may vary and may increase or decrease depending on the performance of the Fund. We have adopted a unit pricing policy which sets out how we make certain decisions in calculating the unit price. A copy of the unit pricing policy with any discretions exercised by us in respect of the Fund (and any departures from the policy) is available free of charge on request and is also available on our website.

All unit prices are set by APN FM. The mFund Settlement Service is not a trading facility and investors will not trade Units with other investors on the market. While the Fund is admitted as an mFund Product, you will be able to view the current price of Units at any time at www.mfund.com.au. Please also consult with your ASX broker who may also make pricing information available through their portfolio management systems.

Income distributions

The Fund will earn income from its various investments, which may include dividends and distributions. The Fund may also make gains and incur losses from the sale of its investments. Generally, net income is accrued and distributed at the end of each distribution period. The distribution period is intended to be monthly. Income distributions are usually paid within 10 Business Days following the end of a distribution period.

The amount of distribution paid to each investor is calculated by dividing the total amount to be distributed in respect of Units, which is determined by us, by the total number of Units on issue at the distribution date and multiplying the result by the number of Units held by the relevant investor on that distribution date. In determining the distributable amount per unit our current distribution policy is to maintain, as far as possible, a stable and sustainable level of distributions. Consequently, the distributable amount for a period may be either more or less than the taxable income of the Fund for that period. However, it is our intention to ensure that the total income distributions for a financial year at least equal the taxable income for that financial year.

If you withdraw your investment prior to the distribution date, you will not receive any distribution for the period you held the relevant Units in that period. However, the withdrawal price of your Units should incorporate the distribution entitlement for the period up to the withdrawal date.

The distributions made during each financial year (12 months to 30 June) will include the taxable portion of any capital gains earned by the Fund for that year. The amount of the income distribution attributed to taxable capital gains will be notified to you in your annual taxation statement.

You may elect (see section 5 of the Application Form) to have your income distributions:

- paid by electronic funds transfer into your nominated Australian bank, building society, or credit union account;
- reinvested in additional Units at the issue price current as at the commencement of the next distribution period following the distribution period for which the distribution is made; or
- a combination of the above.

You may change your distribution instructions by notifying us in writing at least 30 days before the end of the relevant distribution period.

Distributions will not be made by cheque. If after three attempts at paying any distribution into your nominated account, the payment, for whatever reason, is not able to be effected, we will reinvest the amount of the distribution in additional Units at the current issue price and credit them to your investment account. If your income entitlement is less than \$50, we may at our discretion decide to reinvest all of your distribution entitlement.

Additional investments

Additional investments in the Fund must be for at least the amount set out in section 2 "How the APN AREIT Fund works" of the PDS. The minimum additional investment amount is subject to variation at our discretion.

Additional investments may be made by either:

- instructing us in writing (including by facsimile and email, see following 'Electronic instructions') at any time;
- making a payment to the Fund via BPAY®;
- making an order through the mFund Settlement Service; or
- investing under the regular savings plan.

You may nominate that the amount of the additional investment be directly debited from your bank account, subject to completion of a direct debit request form.

Additional investments are made on the terms and conditions set out in the PDS current at the time the investment is made.

Regular savings plan

The regular savings plan provides you with the opportunity to regularly invest in the Fund. The minimum regular savings amounts are as set out in section 2 "How the APN AREIT Fund works" of the PDS. The minimum regular savings amount is subject to variation at our discretion.

To make regular investments in the Fund, you must elect to participate in the regular savings plan by completing the direct debit request form accompanying the PDS and nominate the amount to be invested under the plan and the account from which funds will be deducted.

We will arrange for the amount to be automatically drawn from your bank, building society or credit union account, normally on the 21st day of each month (or the next Business Day if the 21st day of the month is a weekend or public holiday). You can make changes to the regular savings amount and your account information at any time by notifying us in writing at least 14 Business Days before the next investment is due.

Normal management costs and transaction costs will apply to investments made through the regular savings plan (see section 4 "Fees and Costs" of this Guide). In addition, bank transaction fees and government charges may apply. We may change or terminate the regular savings plan by providing you with prior written notice. Whilst you invest under the regular savings plan, we will provide you with a copy of any updated PDS for the Fund and any other updates as required by the law.

Confirmation

Confirmation of the number of Units issued to you following your initial investment, additional investment or contribution under the regular savings plan will be forwarded to you as soon as is reasonably practicable, which will usually be within five Business Days of Units being issued.

Electronic instructions

If you instruct us by electronic means, such as facsimile, email or internet, you release us from and indemnify us against all losses and liabilities arising from any payment or action we make based on any instruction (even if not genuine) that we receive by an electronic communication bearing your identity and which appears to indicate to us that the communication has been provided by you (e.g. a signature which is apparently yours or that of an authorised signatory for the investment or an email address which is apparently yours). You also agree that neither you nor anyone claiming through you has any claim against us or the Fund in relation to any such payment or action. There is a risk that a fraudulent withdrawal request can be made by someone who has access to your investor code and a copy of your signature or your email address. Please take care.

Withdrawing from the Fund

You may request to withdraw your Units by sending a written withdrawal request signed by the appropriate signatories (including by facsimile, email and internet - refer to "Electronic Instructions" in section 1 "How the APN AREIT Fund Works" of this Guide) and your bank details.

Alternatively, while the Fund is admitted as an mFund Product, you can withdraw your investment in the Fund by lodging a request to withdraw Units with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Your broker will direct the withdrawal request to us through CHESS. Applications for withdrawals received and accepted by us will be forwarded by CHESS to your broker with the withdrawal payment date and the withdrawal unit price as notified by us. When your withdrawal payment is passed through the CHESS daily batch settlement process, the Units will be cancelled and your HIN will be updated.

The minimum withdrawal amount is \$1,000 (subject to change at our discretion). If a withdrawal request is received which would result in you holding less than the minimum withdrawal amount, we may withdraw your entire investment. Withdrawal proceeds will only be paid to a nominated bank account. Cheque withdrawals are not available to investors.

Withdrawal proceeds will normally be paid within three Business Days of receipt of a withdrawal request. The Constitution permits a 30 day period, which may be extended in certain circumstances such as if, despite taking reasonable steps, we are unable to realise sufficient assets to satisfy a withdrawal request or where we believe that it is in the best interests of unitholders to delay satisfaction of the withdrawal request.

Changes to cut-off times

We may change cut-off times for applications and withdrawals or delay the processing of applications and withdrawals at our discretion, subject to the Corporations Act or the Constitution.

Changes to application and withdrawal cut-off times will be updated on our website www.apngroup.com.au or as otherwise required under the law.

Application of the mFund Settlement Service

APN FM is a Foundation Member of the mFund Settlement Service. Where and while the Fund is admitted as an mFund Product under the ASX Operating Rules, investors will be able to buy and sell Units through the mFund Settlement Service. The service uses CHESS, ASX's electronic settlement system, allowing automated issuing and withdrawing of Units through your ASX broker. Through CHESS, your Units are held electronically and can be linked to the same Holder Identification Number (HIN) used to hold any other investments and securities you may hold through ASX. You will receive a consolidated report from ASX summarising all your holdings in listed securities as well as your Units.

2 Benefits of investing in the APN AREIT Fund

Additional benefits of investing in the Fund

In addition to the key benefits outlined in section 3 “Benefits of investing in the APN AREIT Fund” in the PDS, the additional potential benefits of an investment in the Fund include:

- **Investment in a regular income stream**
Investment in commercial property through property securities is predominantly an income investment. We aim to provide a relatively high income stream distributed monthly as well as providing some capital growth over a 5 - 7 year time horizon.
- **Diversification**
Unlike investing in a single investment property, by investing in a property securities fund you enjoy the benefits of a wide spread of properties owned by the underlying funds. This provides you with geographic, sector (e.g. retail, office and industrial) and tenant diversification.
- **Managed funds investment opportunities**
The relatively large amounts of money which may be invested by the Fund allows access to investment opportunities, markets and diversity which may not be available to individual investors. Managed funds can also often invest at a lower cost and are often able to access investment and risk management techniques not available to individual investors.
- **Investment specialists**
The Fund is actively managed by APN FM, a specialist funds manager with significant experience and specialist expertise in property investment markets.
- **Tax deferred income**
Part of the Fund’s income received may be tax deferred. This is a feature of property securities investments and means you don’t pay tax on this portion of income until your holding in the Fund is sold or your cost base has been reduced to zero.
- **Flexibility**
You can withdraw or top up your investment with additional contributions at any time, subject to the respective minimum withdrawal and additional investment amounts.

Investor communications

Unless you invest through an IDPS or IDPS-like service (such as a master trust, wrap account, nominee or custody service), you will receive or have access to the following acknowledgements, statements and reports relating to your investment in the Fund:

Transaction statements	A confirmation statement for each application for Units or withdrawal request made by you. A copy of each transaction statement will be forwarded to the financial adviser whose stamp is affixed to the Application Form (if any).
Distribution statements	A confirmation statement sent quarterly, detailing income distributions paid to you or reinvested in additional Units and the balance of your investment at the end of the distribution period.
Annual taxation statement	An annual statement which confirms distributed income and its components for the last financial year.
Annual report	Yearly report to investors including the Fund’s audited financial statements.
Newsletters	Rooftop investor newsletter and monthly eNewsletter, detailing fund specific and market information.
Fund information	Daily unit pricing, performance history and fund commentary is available from www.apngroup.com.au

If you invest through the mFund Settlement Service while the Fund is admitted as an mFund Product, you will receive or have access to the following information relating to your investment in the Fund:

CHESS statement	A consolidated report issued by ASX at the end of the month whenever there is a change in the number of Units.
Pricing information	The current price of Units at any time is available from www.mfund.com.au

Continuous disclosure

The Fund is currently a disclosing entity under the Corporations Act and is therefore subject to regular reporting and disclosure obligations. Investors (but not indirect investors investing through an IDPS or IDPS-like service) will have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report;
- any half yearly financial report lodged with ASIC after the lodgment of that annual financial report but before the date of the Guide; and
- any continuous disclosure notices lodged with ASIC after that financial report but before the date of this Guide.

These documents can also be obtained from or inspected at an ASIC office.

3 Risks of managed investment schemes

There are a number of risks associated with the Fund and the underlying investments of the Fund. To the extent that it is possible, APN FM intends to implement measures to limit risks associated with the Fund and its underlying investments.

The significant risks of investing in the Fund are set out in section 4 “Risks of managed investment schemes” of the PDS. The following table contains a summary of the measures proposed by APN FM to manage the significant risks identified in the PDS.

Fund specific risks

Description of risk	How APN FM proposes to manage the risk
Fund risk. These are risks specific to funds. These risks include that the Fund could terminate; the fees and expenses of the Fund could change; APN FM may be replaced as responsible entity and manager; APN FM’s investment team may change; or that investing in the Fund may lead to a different result than investing in the market personally.	APN FM aims to keep fund risk to a minimum by monitoring the Fund and the investments of the Fund at all times and acting in investors’ best interests.
Key person risk. This is the risk that key individuals are no longer able to fulfill their obligations in respect of the investment or administration of the Fund.	APN FM aims to ensure that all managers are highly qualified and capable of mitigating individual key personnel risk. APN FM will ensure that it has sufficient resources to enable the Fund to continue unaffected should any member of the APN FM team be unable to fulfill their obligations.
Regulatory risk. This is the risk that domestic or international laws or regulations are changed adversely or that regulatory supervision of transactions and reporting is performed by managers and their custodians at less than an appropriate standard.	Regulatory risk is managed by APN FM by regularly and closely reviewing changes in the law and seeking expert legal advice where necessary.
Derivative risk. Risks associated with investing in derivatives may include the value of the derivative failing to move in line with an underlying investment; potential illiquidity of the derivative; the Fund not being able to meet payment obligations as they arise; and counterparty risk (that is, where the counterparty to the derivative contract cannot meet its obligations under the contract).	APN FM mitigates this risk by only transacting with established and reputable counterparties and not using derivatives for leverage purposes.
Administration risk. This is the risk that instructions in relation to your investments in the Fund have not been accurately relayed or processed or that fraudulent instructions are acted upon.	APN will follow reasonable electronic instructions in good faith. Whilst we cannot always detect fraudulent instructions we will apply best endeavours to mitigate this risk.
Liquidity risk. Liquidity risk is the risk that the Fund’s assets will not be able to be sold readily or for their fair value.	The Fund only invests in AREITs which are listed on the ASX. APN FM will continuously monitor cash levels and the investments of the Fund to ensure that liquidity is preserved.

Underlying investment specific risks

Description of risk	How APN FM proposes to manage the risk
Re-financing risk. This is the risk that, in times of poor market liquidity, AREITs in which the Fund invests may find it difficult to re-finance.	To the extent possible, APN FM aims to reduce this risk by assessing the financial structures and gearing levels of the AREITs in which the Fund may invest, and if deemed appropriate, limiting investment in AREITs with inadequate financing facilities and unacceptable levels of debt.
Investment risk. The underlying investments of the Fund may fall in value.	APN FM aims to reduce investment risk by limiting exposure to any one investment and with careful analysis of and research into the management of the underlying investment prior to investing on behalf of the Fund. APN FM holds regular meetings with investment managers to ensure that the underlying investments and investment process remains consistent with the investment objectives of the Fund.
Market risk. Economic, technological, political or legal conditions and market sentiment can lead to volatility in the value of property investments and the overall level of liquidity in the market.	To the extent possible, APN FM aims to reduce this risk by continuously engaging in research and analysis to form a view of the market.
Interest rate risk. Changes in interest rates can have a positive or negative impact directly or indirectly on the Fund's investment values or returns.	To the extent possible, APN FM aims to reduce this risk by assessing the financial structures and gearing levels of the AREITs in which the Fund may invest, and if deemed appropriate, limiting investment in AREITs with high levels of debt which would result in high levels of interest rate risk.
Currency risk. The Fund may invest in AREITs which hold underlying investments in countries other than Australia. If the value of overseas currencies changes relative to the Australian dollar, the value of the investments of the Fund may change.	APN FM will take into account an investment manager's currency management strategy when selecting investments for the Fund. Refer also to Derivatives risk below.
Asset risk. Asset risk is risk related to market changes or poor investment performance of an asset.	As the Fund invests primarily in AREITs, diversification among various asset classes is generally inconsistent with the Fund's investment objective. The Fund mitigates asset risk by seeking to invest in a portfolio of high quality AREITs diversified by sector, tenant and location. APN FM will continually assess the quality of the Fund's investments.
Derivative risk. The use of derivatives by the underlying investments in which the Fund is invested may cause those AREITs to lose money which they would not have otherwise lost had they not used derivatives.	APN FM will take into account management's use of derivatives when selecting investments for the Fund.
Information risk. Information risk is the risk of investors not being fully informed of pertinent, price sensitive information about offshore investments or markets. Information risk can relate to political, town planning, business or even cultural issues. Information risk is particularly relevant for AREITs with non-Australian assets. If any of the underlying investments in which the Fund invests do not have all of the necessary local information, the returns that an investor receives from the Fund and the value of their investment in the Fund may be reduced.	APN FM will only consider investing in AREITs holding offshore assets where management demonstrates satisfactorily to APN FM their ability to manage information risk. APN FM also maintains direct relationships with independent experts to assist in verifying information where necessary.
Regulatory risk. This is the risk that, in respect of the Fund's underlying investments, domestic or international laws or regulations are changed adversely or that regulatory supervision of transactions and reporting is performed by managers and their custodians at less than an appropriate standard.	These risks are managed by APN FM by regularly and closely reviewing changes in the law and seeking expert legal advice where necessary.
Key personnel risk. This is the risk that key individuals responsible for the operation of underlying investments in which the Fund invests are no longer able to fulfill their obligations in respect of underlying investments in which the Fund may invest.	APN FM will take into account the qualification and capability of managers of investee entities. APN FM will favourably consider investee entities that are able to demonstrate that they have sufficient resources to enable the entity to continue unaffected should any member of the investee entity's team be unable to fulfill their obligations.

4 Fees and costs

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Information about taxes is set out in section 5 of this Guide.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	APN AREIT Fund amount	How and when paid
Fees when your money moves in or out of the Fund¹		
Establishment fee The fee to open your investment	Nil	Not Applicable
Contribution fee The fee on each amount contributed to your investment - either by you or your employer	Nil	Not Applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not Applicable
Exit fee The fee to close your investment	Nil	Not Applicable
Management costs		
The fees and costs for managing your investment ^{2, 3}	Up to 0.85% p.a. of the Net Asset Value of the Fund. ■ The management costs comprise the investment management fees and expense recoveries and are capped at 0.85% of the Net Asset Value of the Fund.	The Investment management fee is payable monthly out of the assets of the Fund. Expense recoveries are payable as incurred and deducted out of the Fund's assets.
Service fees²		
Investment switching fee The fee for changing investment options	Nil	Not Applicable

1 You may also incur a buy-sell spread when your money moves in or out of the Fund. See item 1 in the Additional Explanation of Fees and other Costs section on page 6 and 7 of this Guide for an explanation of the buy/sell spread.

2 This amount can be negotiated by wholesale investors as defined under the Corporations Act. See item 8 in the Additional Explanation of Fees and Costs section on page 7 for further information.

Additional explanation of fees and costs

1. Buy/sell spread and transaction costs

Investments in, and withdrawals from, managed funds such as this Fund are commonly subject to a buy/sell spread, which is a reflection of the transaction costs incurred by us as the responsible entity of the Fund in buying and selling assets when Units are issued or redeemed. These costs are additional costs to the investor.

The application of the buy/sell spread aims to ensure that each investor bears the same proportion of transaction costs associated with their entry to, or exit, from the Fund. The buy/sell spread is charged because entering or exiting the Fund may necessitate the purchase or disposal of assets by the Fund. We will not receive any part of the buy/sell spread.

The amount of the buy/sell spread represents an estimate by us, as the responsible entity, of the transaction costs that are likely to be incurred when buying or selling assets, such as brokerage, government charges,

taxes (including stamp duty), commissions, underlying investments buy/sell spread and like costs. Such costs are incurred in the day-to-day management of the Fund and are paid directly from the Fund.

The expected buy/sell spread of the Fund is set out in the table below. The buy spread will be deducted from application monies on the issue of Units and the sell spread will be deducted from the withdrawal proceeds on the redemption of Units.

APN AREIT Fund	
Buy/Sell Spread	0.50%
Buy Spread	0.25%
Sell Spread	0.25%

Example of buy/sell spread

The following illustrates in dollar terms the amount you are likely to pay by way of buy and sell spreads in respect of your investment. The examples are based on investments in or withdrawal from the Fund valued at \$50,000:

$\$50,000 \times 0.25\% = \125 when you invest in the Fund

$\$50,000 \times 0.25\% = \125 when you withdraw from the Fund

However, APN FM may increase or decrease the buy and sell spreads from time to time to reflect increases or decreases in the costs and expenses associated with the acquisition and disposal of assets by the Fund. All investors will be provided with at least 30 days notice of any changes and updated issue prices and withdrawal prices will be available to be obtained from our website www.apngroup.com.au or by contacting us directly.

2. Adviser remuneration

If a financial adviser is consulted, you may nominate that a portion of your application money be paid to your adviser for financial advice provided by your adviser (i.e. adviser service fee). APN FM will deduct the nominated amount of the adviser service fee from your application monies and invest the balance of the application money in the Fund. You should refer to the Statement of Advice issued by your financial adviser in relation to the details of the fees that may be payable.

Under the Federal Government's Future of Financial Advice (FOFA) reforms, APN FM may be prohibited or limited from paying certain types of conflicted remuneration to advisers. APN FM will not make payment of adviser service fees agreed between you and your adviser if we are prohibited from doing so under those FOFA reforms.

3. Fees for use of the mFund Settlement Service

Additional fees may also be payable directly to your ASX broker (or your financial adviser who uses a stockbroking service on your behalf) for using the mFund Settlement Service and investors should consider the financial services guide provided by your broker (or adviser).

4. Management costs

The management costs outlined in the fees and other costs table on page 6 include amounts payable for expense recoveries (discussed at item 6) for administering the Fund, custodian fees and investment management fees payable to us. They do not include buy/sell spreads, transaction costs and costs (related to a specific asset or activity to produce income) that an investor would incur if the investor invested directly in the underlying investment.

The benefit of any tax deductions in respect of the management fees will not be passed on to you in the form of a reduced fee or cost.

The management costs set out in the table on page 6 are an estimate only and the actual management costs could vary subject to an overall management costs cap of 0.85% p.a. .

Example of management costs

The following illustrates in dollar terms the amounts you are likely to pay by way of management costs in respect of an investment, per annum, inclusive of GST net of input tax credits, based on an investment in the Fund valued at \$50,000:

$\$50,000 \times 0.85\% \text{ p.a.} = \425 p.a.

5. Winding up fee

Under the Constitution, we are permitted to charge a winding up fee of up to 1% of the net proceeds from the sale of the assets of the Fund upon the winding up of the Fund.

Example of winding up fee

The following illustrates in dollar terms the amounts you are likely to pay by way of a winding up fee upon winding up of the Fund, based on your net realised proceeds on winding up of the Fund being valued at \$50,000.

$\$50,000 \times 1\% = \$500.$

6. Expense recoveries

We are entitled under the Constitution to be reimbursed out of the assets of the Fund for a broad range of costs and expenses properly incurred in relation to the Fund. These expenses typically include costs incurred in connection with the establishment of the Fund, unit registry and custodial services, investor communications, unit pricing, auditors' fees, compliance costs associated with being included on various IDPS lists and PDS preparation. A list of expenses that may be reimbursed to us out of the Fund is set out in the Constitution.

A copy of the Constitution may be obtained from us on request. We are also entitled to be indemnified out of the Fund for any liability properly incurred by us in operating the Fund. An estimate of the expense recoveries in the Fund is included in the management costs set out in the fees and costs table on page 6.

7. GST

All fees stated in the PDS and this Guide are inclusive of GST less any input tax credits, unless otherwise stated. Information in relation to GST is set out in section 5 of this Guide.

8. Different fees for different investors

Subject to the Corporations Act and the Constitution, we may negotiate lower or different fees in certain circumstances, with certain investors, including with respect to wholesale clients as defined in the Corporations Act.

9. Taxes

Information in relation to tax is set out in section 5 of this Guide.

5 How managed investment schemes are taxed

The following is a general discussion of taxation issues as at the date of this Guide relevant to a direct investment by an investor in the Fund who is an Australian tax resident. Tax payable by an investor in respect of their investment in the Fund will depend upon their particular circumstances. Investors should seek their own professional tax advice.

The net taxable income of the Fund for a financial year will generally be distributed to investors each financial year.

We may also distribute certain other amounts not included in the net taxable income of the Fund. Under existing taxation legislation, we will generally not be liable for income tax in respect of the Fund.

The Federal Government has recently changed the law to allow eligible Managed Investment Schemes to make an irrevocable election to treat certain assets, and the gains and losses from these assets on disposal, on capital account. These assets include certain shares and non-share equity interests, Units in unit trusts, and land or interests in land. The Fund has made such an election.

Investors should be aware that tax laws are constantly changing and may impact on how the Fund and investors are taxed. Each investor should consult their tax adviser for any tax advice.

Income tax

An investor must include their share of the Fund's net taxable income for the financial year, including reinvested income, in their assessable income in the year in which their entitlement to the income arises.

Capital gains tax

APN FM as responsible entity will generally distribute the Fund's capital gains that have been realised throughout the financial year. Taxable capital gains that an investor becomes entitled to should be included in their assessable income.

The capital gains distributed to an investor can be offset by capital losses incurred by them from other sources. If the capital gains relate to assets held by the Fund for more than 12 months before the disposal and the investor is an individual, trustee or complying superannuation fund, who has held Units for more than 12 months, they may be entitled to reduce the capital gain by applying the discount capital gains tax concession. APN FM will notify investors in the tax statement of capital gains that arise from investments the Fund has held for more than 12 months.

To the extent that capital gains to which an investor becomes entitled are not assessable as a result of the discount capital gains tax concession, no adjustment to the cost base of their Units will be required.

Disposal of Units

Under the capital gains tax provisions, any taxable capital gain arising from the redemption of an investor's Units may form part of their assessable income. An investor may be eligible for the discount capital gains tax concession if the Units are held for 12 months or more and the investor is an individual, trustee or complying superannuation fund. Investors should consult their tax adviser about the capital gains tax implications of a redemption of Units.

If an investor carries on a business of trading in Units or securities, they may be assessed in relation to dealings in Units as ordinary income rather than under the capital gains tax provisions. In such cases the investor will not be eligible for the discount capital gains tax concession.

Foreign income tax offset

Where the Fund pays foreign tax in respect of income or gains from a foreign investment, an investor may be entitled to receive a foreign income tax offset (FITO). Investors will usually include the foreign income and the FITO in their assessable income and may be eligible for a tax offset for all or part of the FITO. The amount of FITO will be detailed in the tax statement provided to an investor.

The Federal Government has repealed the Foreign Investment Fund (FIF) provisions and has announced it will introduce new specific anti-avoidance rules.

Tax deferred components of income

A portion of the Fund's distributed income may include non-assessable amounts that are derived from the Fund's investment in AREITs. These include, for example, certain distributions in respect of capital allowances and non-assessable capital gains.

Certain non-assessable distributions to an investor will reduce the cost base of the investor's Units. This will be relevant when calculating the capital gain or loss (for capital gains tax purposes) on a subsequent redemption of Units on the withdrawal of the investment. For example, non-assessable distributions of amounts attributed to building allowances will reduce the cost base of an investor's Units.

In addition, if these non-assessable distributions exceed the cost base of an investor's Units, the investor will realise a separate capital gain. The Fund aims to provide a tax advantaged income component (from capital allowances and non-assessable capital gains).

The new tax system for Managed Investment Trusts (MITs) may result in adjustments to the cost base of an investor's Units where the amount distributed to the investor is more or less than the taxable income attributed to them, which will include the above tax deferred components of income.

This information will be detailed in the tax statement sent to investors.

GST

All stated fees are inclusive of GST unless otherwise stated. Where the Fund is entitled to input tax credits under the GST legislation for GST paid in respect of services provided to it (generally limited to either 55% or 75% of the GST paid in respect of certain acquisitions), the cost to the Fund of paying GST will be reduced proportionately.

Tax File Number (TFN) and Australian Business Number (ABN)

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making an investment in the Fund in the course of a business or enterprise carried on by them, the investor may quote an ABN instead of a TFN. Failure by the investor to quote an ABN or TFN or claim an exemption may oblige APN FM to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income) to the investor.

Non-resident investors

Capital gains realised upon the disposal or redemption of Units owned by non-resident investors will only be subject to Australian capital gains tax if the Units are "taxable Australian property". This will generally be the case where the relevant non-resident investor has a "non-portfolio interest" in the Fund (i.e. greater than 10% interest) and more than 50% of the market value of the Fund's assets are attributable to Australian real property.

The Federal Government has announced that non-resident investors who are subject to Australian capital gains tax will not be eligible for the discount capital gains tax concession for gains realised after 7.30 pm (Canberra time, Australia) 8 May 2012.

Appropriate statutory deductions of Australian tax will be made from income distributed to non-resident investors. The amount that is withheld by the Fund will depend on the character of the income and the non-resident's place of payment or address or their country of residence.

The Federal Government has announced it will increase the rate of withholding from certain 'MIT payments' from 7.5% to 15% from 1 July 2012. This change is proposed to be implemented without any transitional arrangements and will apply to all MIT payments to non-resident investors, subject to their jurisdiction, from 1 July 2012 if the enabling legislation is enacted.

In the context of the Fund, a 'MIT payment' typically refers to Australian sourced rents. The rate of withholding from interest and dividend income is determined separately. Non-resident investors with a place of payment or address or residence in a country that has entered into a tax information exchange agreement with Australia, which has been ratified in Australia, will be eligible for the reduced rate of withholding. In all other cases, withholding will be at the rate of 30%.

Also, special rules apply to exempt non-resident investors in Australian resident managed funds from capital gains tax in respect of capital gains realised by the Fund during the financial year. APN FM strongly suggests non-resident investors obtain their own tax advice.

6 Privacy

When you make an application to invest in the Fund, we will collect personal information from you in the Application Form and, in relation to applications issued using the mFund Settlement Service, provided on your behalf by your broker. We may also collect additional personal information from you by other means in the future, including through forms, through our website and by telephone if you access our Investor Services or Adviser Services. We generally collect your personal information directly from you, but may also collect it from other sources such as from third parties who have hosted events or marketing promotions in which APN has been represented and you have expressed an interest in an APN fund. If you have any questions about the personal information collected you should contact us.

We collect your personal information primarily so we can verify your identity and establish your investment in the Fund. We will also collect and may use and disclose your personal information for the purposes of:

- processing your application and administering your investment;
- complying with our obligations under applicable laws and regulations; and
- improving our products and services development.

We may also use your personal information to gain an understanding of you, your needs and your interactions with us so we can identify and notify you (including by email) of other investment opportunities, products and services which may be of use to you, whether from us, any member of the APN Property Group or our partners. However, if you request, no further material of that nature will be sent to you.

We will take reasonable steps to protect your personal information that we collect and ensure that the information is accurate and up-to-date. Investor information is held on secure servers or in storage locked in controlled environments. Our employees are required to maintain the confidentiality of any personal information held by us.

If you do not provide us with all the personal information we request, we may be unable to establish your investment in the Fund, process your application and administer your investment, or provide you with any, some, or all of the features of our products or services available to you.

We may be required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and corporate and taxation legislation to collect your personal information.

The types of organisations to which we may disclose the personal information provided by you include:

- with your consent, your adviser and dealer group;
- any third party service provider we may engage to provide custody, administration, technology, auditing, mailing, printing or other services;
- government authorities when, and to the extent, required by law; and
- our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

You can request access to or seek correction of your personal information by notifying us in writing at any time (including by facsimile, email and internet - see page 2 for more details on electronic instructions) or by phone, subject to passing our security checks.

The APN Group Privacy Policy provides information about how you may access and correct the personal information we hold about you. Our Privacy Policy also includes information about how you may complain about a breach by us of the Australian Privacy Principles and how we will deal with such a complaint. A copy of the APN Group Privacy Policy is available on our website at <http://www.apngroup.com.au/apn/website/privacy.aspx>, or you can request a copy by calling us on 1800 996 456.

7 Investing by New Zealand investors

7.1 General

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities. Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

7.2 Currency exchange

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

7.3 Dispute resolution

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand. The above warning statement is required pursuant to the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

7.4 Distribution reinvestments

Units allocated to your account resulting from a distribution reinvestment will be allotted to you in accordance with the terms and conditions set out in the relevant PDS and the Constitution of the Fund.

You can request copies of the following documents:

- The most recent annual report.
- The most recent financial statement.
- The current PDS.
- The Constitution of the Fund and any applicable amendments. Copies of these documents can be obtained free of charge by contacting

APN Investor Services on +61 (3) 1800 996 456.

A distribution statement will be sent to you within 30 days from the date of the reinvestment of Units, which will include the amount of the distribution and the number of Units that have been allotted to you. If you credit New Zealand dollars to our application account you may incur an unfavourable currency conversion rate and you will also have to pay any applicable fees. You can avoid these fees by only crediting Australian dollars. If you are a New Zealand resident investing in the Fund, any distributions will be paid to you in Australian dollars.

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APN | AREIT Fund



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