Aspen Parks Property Fund

Merger with Aspen Group

14 September 2015

Merger overview: a compelling proposition for APPF

1. Aspen Parks Property Fund ("APPF") and Aspen Group have entered an agreement to merge
   - APPF established an Independent Board Committee ("APPF IBC") to assess the merits of the Merger for APPF securityholders

2. The APPF IBC considers the Merger proposal a compelling proposition for APPF securityholders:
   - **Value:** consideration of $0.50[(1)] represents an 8.2% premium to current net asset value
   - **Liquidity:** securityholders can elect to retain scrip in ASX-listed Merged Group and / or receive cash under a Cash Option
   - **Increased distribution:** proforma distribution of Merged Group is equivalent to 4.6 cents per APPF security, representing a 16% increase in current annualised distributions

3. Strengthened, fully integrated platform for value creation
   - The enlarged ASX-listed Merged Group is better positioned to execute on the development and acquisition strategy

4. APPF IBC unanimously recommends the Merger in the absence of a superior proposal[(2)]
   - Merger proposal subject to APPF securityholder approval at a meeting expected in November 2015

5. APPF will continue to operate as usual (including payment of monthly distributions) until Merger completion, expected in December 2015

1 Consideration represents the higher of the value received under (i) the Merger ratio (0.386) multiplied by the Aspen Group 10 day VWAP ($1.23 as at 11 September 2015), or (ii) the sum of (a) 50% of capped cash consideration of $0.52 and (b) 50% of the Merger ratio multiplied by Aspen Group 10 day VWAP

2 Subject to an independent expert concluding the Merger is in the best interests of Aspen Group securityholders and APPF securityholders

Merger consideration: significant premium to NAV

Merger consideration

- $0.50 per APPF security held[(1)], an 8.2% premium to APPF NAV ($0.4622 at 30 June 2015)

Form of consideration will be at each APPF securityholder's election

- Scrip Option: 0.386 Merged Group securities for each APPF security
  - Example - if you own 10,000 APPF securities you would receive 3,860 Merged Group securities
  - The Aspen Group 10 day VWAP is $1.23[(2)]
- Cash Option: APPF securityholders (other than Aspen Group) may chose to participate in a buy-back facility at $0.52 per APPF security, subject to an overall cap of $35 million
- APPF securityholders may elect to receive a combination of Scrip and Cash

Cash Option

- Cash Option cap of $35 million represents approximately 50% of total Merger consideration to APPF securityholders (other than Aspen Group)
  - Size of Cash Option takes into account (i) historical liquidity demand from securityholders, and (ii) appropriate level of gearing of the Merged Group
- If total demand for the Cash Option exceeds the $35 million cap:
  - APPF securityholders will retain some Merged Group securities under a pro rata scale back
  - These securityholders will then have the option of either retaining the securities received or selling the securities through a sale facility

1 Consideration represents the higher of the value received under (i) the Merger ratio (0.386) multiplied by the Aspen Group 10 day VWAP ($1.23 as at 11 September 2015), or (ii) the sum of (a) 50% of capped cash consideration of $0.52 and (b) 50% of the Merger ratio multiplied by Aspen Group 10 day VWAP
2 As at 11 September 2015

Election of Merger consideration: Cash v Scrip

- Cash Option of $0.52 is equivalent value to Scrip Option at $1.347 per Merged Group security
  - Value of Scrip Option will change in line with Aspen Group security price up to the date of Merger implementation, expected in December (see table below)
- If no election made, securityholders will retain scrip as Merger consideration
- Consideration of the benefits of maintaining exposure to the Merged Group (see page 6 for details)

Value of Merger consideration based on relevant Aspen Group security price:

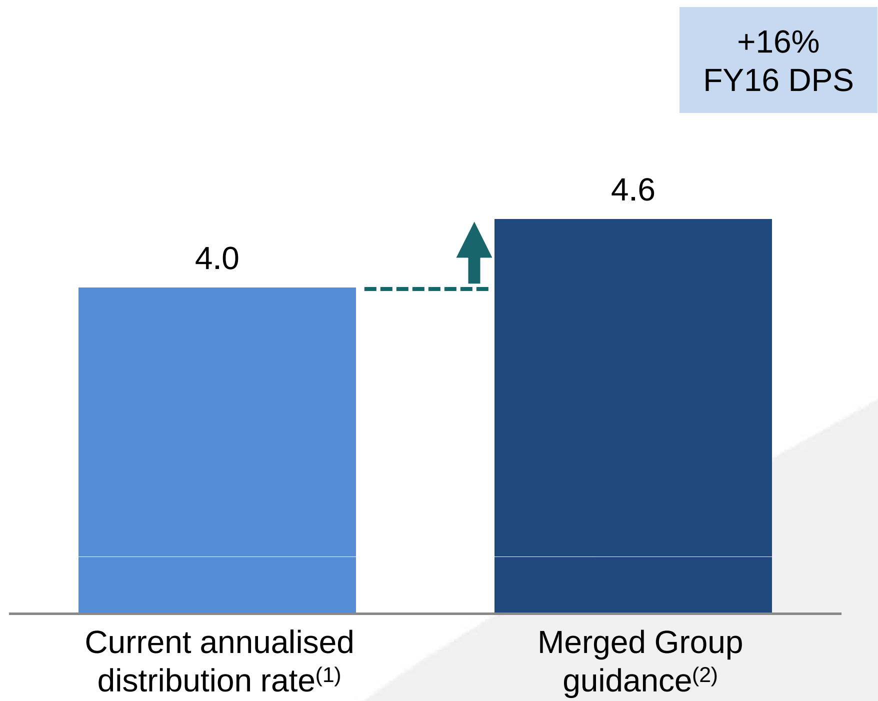
Aspen Group Price ($)	Distribution yield[1]	Value to APPF securityholders ($): 100% Scrip	50% scrip, 50% cash	100% cash
1.15	10.4%	0.44	0.48	0.52
1.20	10.0%	0.46	0.49	0.52
1.25	9.6%	0.48	0.50	0.52
1.30	9.2%	0.50	0.51	0.52
1.35	8.9%	0.52	0.52	0.52
1.40	8.6%	0.54	0.53	0.52
1.45	8.3%	0.56	0.54	0.52
1.50	8.0%	0.58	0.55	0.52

1 The Merged Group is forecasting an FY16 annualised distribution of 12.0 cents per Merged Group security, based on 2H FY16 distribution forecast of 6.0 cents per Merged Group security and no material change in business conditions. The APPF equivalent of 4.6 cents represents 12.0 cents multiplied by the Merger ratio of 0.386 Merged Group securities for each APPF security

Scrip Merger consideration: increase in distributions

- For those APPF securityholders who retain Merged Group securities, distributions are forecast to be 16% higher than current APPF distributions

Change in APPF distributions



For example

- If you currently own $10,000 (or 21,636[(3)]) of APPF securities:
  - Current annualised distribution: $865
  - New annualised distribution: $1,002[(4)]
  - Yield on current APPF holding value: 10.0%

1. Current distribution is the annualised income distribution rate as outlined in APPF's Full Year Financial Results and Fund Update released on 24 August 2015
2. The Merged Group is forecasting an FY16 annualised distribution of 12.0 cents per Merged Group security, based on 2H FY16 distribution forecast of 6.0 cents per Merged Group security and no material change in business conditions. The APPF equivalent of 4.6 cents represents 12.0 cents multiplied by the Merger ratio of 0.386 Merged Group securities for each APPF security
3. Based on APPF 30 June 2015 NAV of $0.4622
4. Assuming Merged Group securities are retained at the Merger ratio of 0.386 and forecast FY16 annualised distribution of 12.0 cents per Merged Group security

Merger benefits for APPF securityholders

1	**Improved liquidity**	❖ Option of receiving up to 100% consideration in cash (subject to the aggregate $35 million Cash Option cap), or remaining invested in the Merged Group which will be a leading owner and manager of value for money accommodation listed on the ASX ❖ Flexibility to add to or reduce holdings via ASX trading in Merged Group securities
2	**Material 8.2% premium to NAV**	❖ The Merger consideration represents a value of $0.50[(1)], which is an 8.2% premium to APPF's NAV per security of $0.4622 as at 30 June 2015 ❖ 18 of APPF's 21 properties have been independently valued as at 30 June 2015, with the remaining three recently acquired
3	**A forecast 16% increase in distributions**	❖ The Merged Group FY16 pro forma distribution (on a full year basis) is 12.0[(2)] cps ❖ Accretion of 16% increase over current APPF distributions[(3)] ❖ Opportunity to participate in the benefits of a larger combined group with internalised management
4	**Appropriate capital structure**	❖ Pro forma 30 June 2015 gearing of the Merged Group is expected to be approximately 25% - 37% ❖ Capacity to undertake accretive developments and acquisitions
5	**Improved access to capital markets**	❖ Greater access to equity and debt capital markets, consistent with Aspen Group benefits
6	**Clear and consistent investment strategy**	❖ APPF securityholders who retain Merged Group securities will retain exposure to an investment strategy that is consistent with the current strategy of APPF ❖ Low execution risk and little business disruption

1 Consideration represents the higher of the value received under (i) the Merger ratio (0.386) multiplied by the Aspen Group 10 day VWAP ($1.23 as at 11 September 2015), or (ii) the sum of (a) 50% of capped cash consideration of $0.52 and (b) 50% of the Merger ratio multiplied by the Aspen Group 10 day VWAP

2 The Merged Group is forecasting an FY16 annualised distribution of 12.0 cents per Merged Group security, based on 2H FY16 distribution forecast of 6.0 cents per Merged Group security and no material change in business conditions. The APPF equivalent of 4.6 cents represents 12.0 cents multiplied by the Merger ratio of 0.386 Merged Group securities for each APPF security

3 For those APPF securityholders who retain Merged Group securities. Current APPF distribution is the annualised income distribution rate as outlined in APPF's Full Year Financial Results and Fund Update released on 24 August 2015

The Merged Group: creating an integrated platform for future returns in an attractive market sector

Securityholders who retain Merged Group securities have the opportunity to benefit from:

- A clear strategic focus as a leader in the value for money accommodation sector

- Attractive industry fundamentals
  - Positive demographics: growing retirement population, increasing life expectancy
  - Poor housing affordability
  - Public policy support

- Strong yield generation
  - Merged Group FY16 pro forma distribution (on a full year basis) of 12.0 cents per security(1) represents a yield of 9.8% based on Aspen Group's security price of $1.225(2)

- Well positioned to execute on growth through optimising operations, organic development and acquisitions
  - Supported by an appropriate capital structure
  - Improved access to capital markets supports potential growth

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2 As at 11 September 2015

Merger timetable and distribution guidance

	Timing
Announcement of Merger	14 September 2015
First court hearing **Scheme Booklet released to Aspen Group and APPF securityholders**	October 2015
Aspen Group and APPF securityholder meetings	November 2015
Second court hearing **Merger implementation**	December 2015

Note: these dates are indicative only and are subject to change

- Aspen Group and APPF securityholders will be entitled to their respective distributions until Merger completion
  - Final distributions expected to be paid up to Merger completion in December 2015[1]
- Merged Group distribution for 2H FY16 is forecast to be 6.0 cents per security[1],[2]

1 Based on this indicative timetable
2 Assuming no material change in business conditions

Merger background

Background to the Merger

Current APPF structure limits investor liquidity and access to equity funding

APPF background

- Established in 2004 as an open ended, unlisted property fund
  - Approximately 3,000 securityholders - many since inception
- Portfolio growth since inception to over $200 million and 21 properties - but growth has plateaued
- Securityholder value greatly impacted by significant downturn in resources sector since 2013

Current APPF structure

- Open ended, unlisted fund structure
  - Restrictive ability to provide liquidity as and when desired by securityholders given the current gearing level
- Ability to raise fresh capital through unlisted markets also restrictive, expensive and cumbersome
  - Inconsistent with APPF objective to generate securityholder value through development and acquisition
- Structure no longer provides the flexibility demanded by investors and investment administration vehicles
  - Long term strategic solution is required

APPF IBC unanimously recommends the Merger

- In May 2015, Aspen Group submitted a confidential, incomplete and non-binding expression of interest to APPF to combine the two groups by way of Merger

- Governance protocols have been adopted, including the establishment of an APPF independent board committee (APPF IBC) to assess the merits of the Merger for APPF securityholders, including:
  - Appointment of independent financial and legal advisers
  - Exchange of information between APPF and Aspen Group to assess the relative impact of the Merger
  - Assessment of the merits of the Merger relative to APPF's strategic alternatives
  - Assessment of the strategic rationale and the ability for the Merged Group to achieve identified cost synergies
  - Independent valuations of the properties

- The final Merger ratio followed negotiations between Aspen Group and APPF and their respective financial advisors, having regard to the relative value and growth contributions of each entity and the sharing of benefits derived from the Merger

- The APPF IBC believes the Merger is a compelling proposition for APPF securityholders:
  - Provides the option of a liquidity event at a material 8.2% premium to NAV, or to benefit from ownership of a larger, ASX listed entity in an improved position to execute the acquisition and development growth strategy
  - Available liquidity significantly exceeds that of any alternative Withdrawal Offer

- The APPF IBC unanimously recommends the Merger in the absence of a superior proposal, subject to the independent expert concluding the Merger is in the best interests of APPF securityholders

Strategic alternatives considered by the IBC

	Options considered	Board assessment
1.	Individual asset sales	❖ Not consistent with broader growth strategy and maintenance of portfolio ❖ Impacts operational efficiencies for assets that remain ❖ Potential to result in lower value outcome due to stamp duty costs
2.	Windup / sale of APPF	❖ Uncertainty of wind up / sale proceeds received, timing of process and returns to securityholders ❖ All securityholders would be forced to sell ❖ Premature given positive sector outlook
3.	ASX listing	❖ Gearing level for ASX listing would need to be significantly lower than APPF's current level ❖ Sub scale and size
4.	Undertake further equity raising	❖ Difficult to re-open fund and raise meaningful levels of equity ❖ Entitlement Offer results indicated little demand from existing investors ❖ Institutional investors historically reluctant to invest through unlisted retail fund structure
5.	Merge with other entities	❖ Generally involves a period of lengthy due diligence with uncertain outcome and execution and approval risk ❖ No other formal offers have been forthcoming

Strategy if the Merger proposal does not proceed

- Continue intensive operational and revenue management to optimise returns from existing assets

- The Fund's open-ended, unlisted structure, dating from 2004, does not meet current market conditions
  - Does not satisfy current securityholder liquidity preferences, thus constraining Withdrawal Offers to securityholders
  - Not a structure that facilitates new equity raising, thus constraining growth opportunities in development and acquisitions

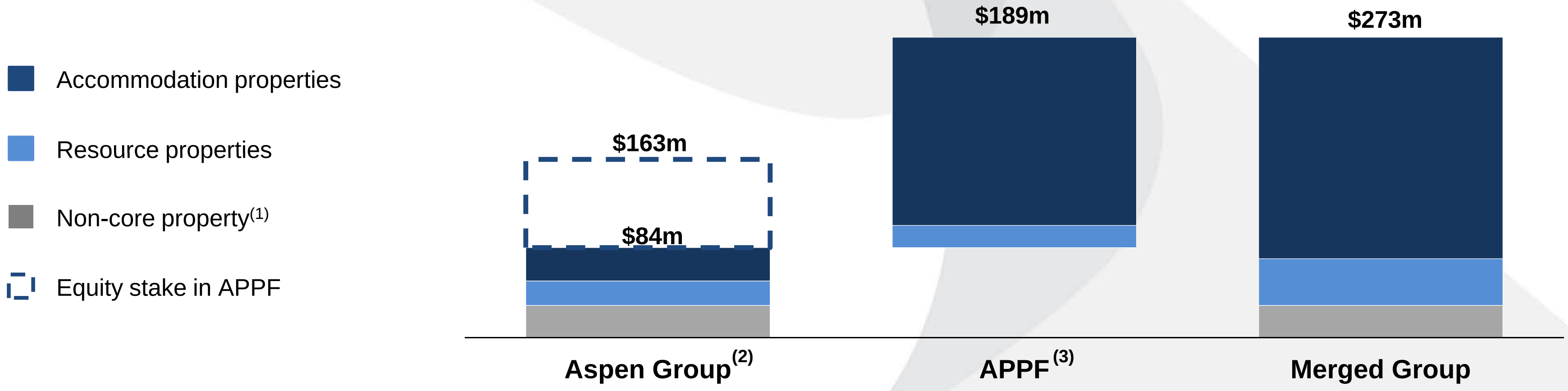
- Therefore, if the Merger does not proceed, there would be a further review of the capital structure of the Fund
  - This review would include an assessment of the amount and timing of any Withdrawal Offer

Profile of the Merged Group

The Merged Group profile

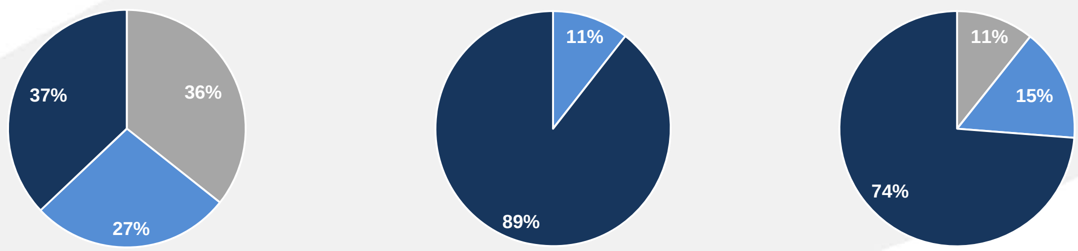
Creating a simplified and integrated platform for further growth

Portfolio size and asset type as at 30 June 2015



	Aspen Group[2]	APPF[3]	Merged Group
Total number of accommodation properties	**4**	**21**	**25**
Total number of accommodation sites	596	4,673	5,269
Weighted average capitalisation rate	**11.4%**	**13.1%**	**12.7%**

Asset type



1 Largely comprising Spearwood South industrial property currently held for sale
2 Pro forma for the sale of Spearwood North and the acquisition of Tomago Van Village
3 Pro forma for the announced sale of three WA tourism properties

The Merged Group profile

A simple business owning, managing and developing value for money accommodation properties

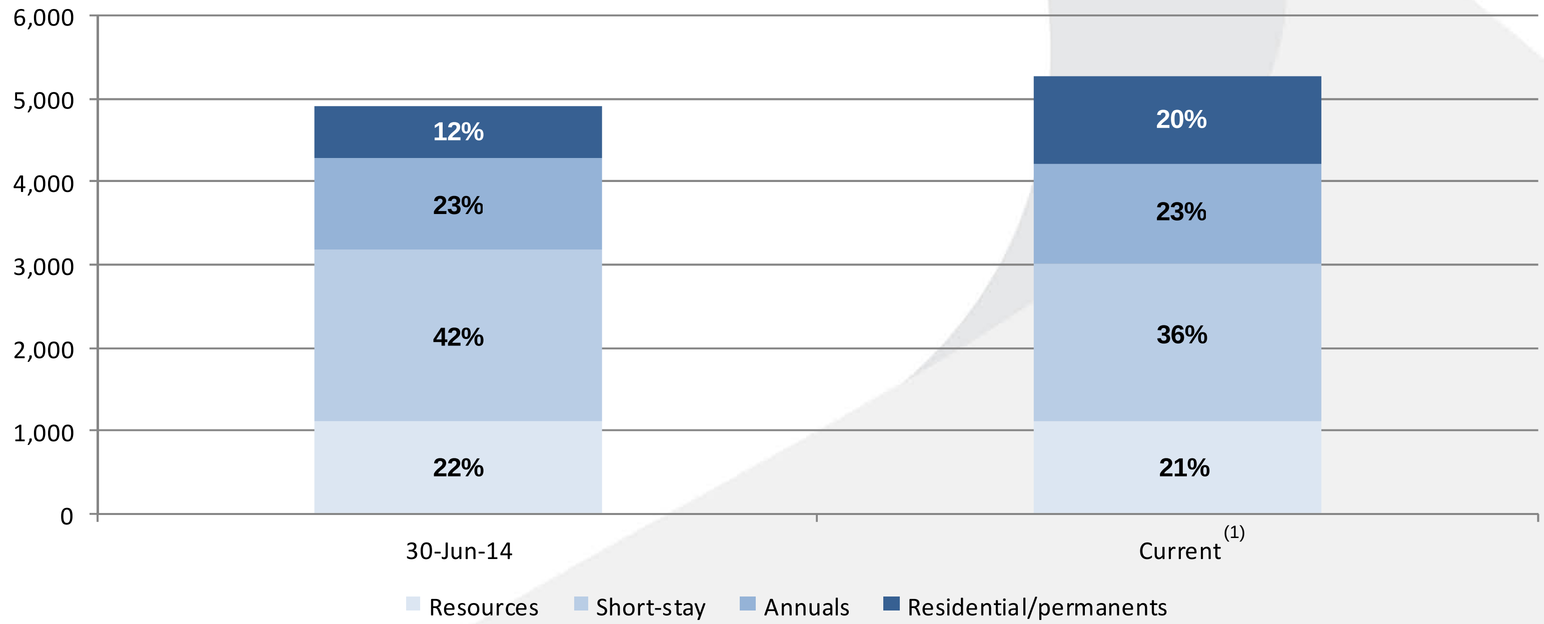
1	**Permanent residents**	❖ Largely retiree customers ❖ Land lease model (customer owns cabin) ❖ Stable, high quality, annuity residential rental cashfows ❖ Development margin on cabin sales
2	**Annual tourists**	❖ Tourist customers ❖ Land lease model (customer owns cabin) ❖ Annual rental streams
3	**Short-stay rentals / tourists**	❖ Tourist and business customers ❖ Lease of cabins and caravan sites ❖ Short stay rentals, typically averaging less than one week
4	**Resource parks**	❖ Business / contractors in resources sector and tourist customers ❖ Lease of cabins (typically business / contractors) and caravan sites (typically tourists) ❖ Typically short stay rentals: up to several months (business / contractors) to less than one week ❖ Long term lease in place at the Karratha worker facility to January 2018

The Merged Group profile

Business focus has been to shift toward residential / permanents

- Acquisitions since 1 July 2014 have been 56% residential / permanents
- Sale of three short stay resort-style assets in north-west WA (expected to close September 2015)

Portfolio composition – number of accommodation sites



1 Pro forma for the announced sale of three WA tourism properties and the acquisition of Tomago Van Village

The Merged Group profile

Properties across a diversified customer base to reduce risk

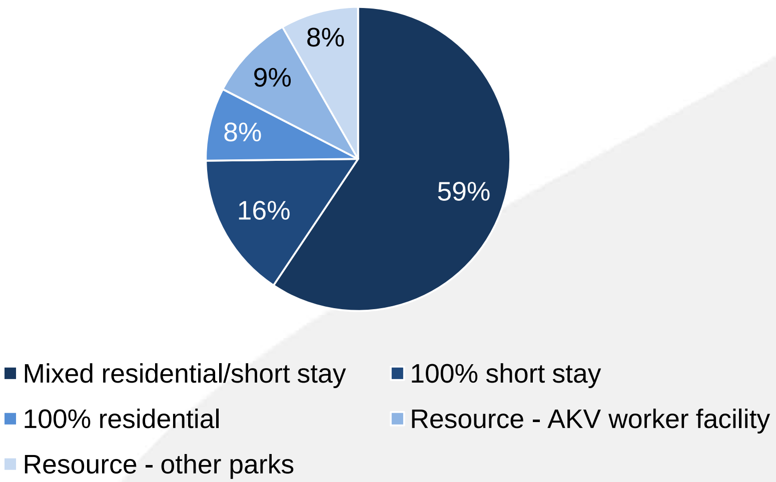
1	**Mix of permanent residents and short-stay (59%)**	❖ Mixed exposure is a frequent regulatory requirement ❖ Greater flexibility to maximise the highest and best use of sites ❖ Ability to cross-sell to customers ❖ Conversion potential ❖ Precincting an important focus of masterplanning to increase product attraction ❖ Competitive advantage to be able to manage mixed use parks and maximise opportunities
2	**Resource parks (17%)**	❖ One worker facility, largely leased to January 2018, underpinning income security ❖ Look to continue to reduce capital exposure by relocating cabins ❖ Focus on maximising operational efficiencies and grey-nomad tourism market
3	**100% short-stay (16%)**	❖ Focus on strong, diversified short-stay customer bases ❖ Most exposure is in metropolitan Melbourne ❖ Optionality of long-term land use
4	**100% permanent residents (8%)**	❖ Two acquisitions ❖ Stable residential yield plus development opportunities

The Merged Group profile

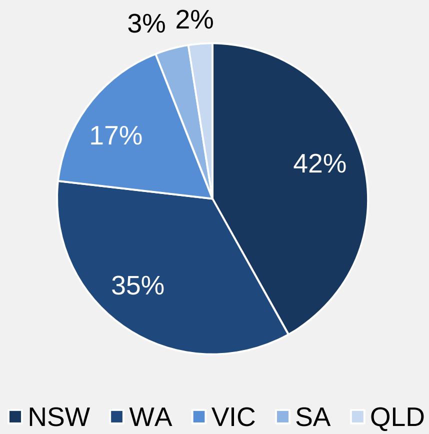
Accommodation portfolio[1]

	Number of properties	Value ($m)	% overall	# of sites
Mixed residential/short stay	15	143	59%	3,459
100% short stay	3	37	16%	447
100% residential	2	19	8%	260
Resource – AKV worker facility	1	22	9%	180
Resource – other parks	4	20	8%	923
Total	**25**	**241**	**100%**	**5,269**

Value split by property type



Value split by state



1 Includes accommodation assets only; pro forma for the announced sale of three WA tourism properties and the acquisition of Tomago Van Village

The Merged Group profile: Operations

A market leading fully integrated internalised operating platform

1	**Scale operations**	❖ 11 year track record, with operations commencing in 2004 ❖ 25 properties, located in every mainland state – 42% in NSW ❖ Over 5,000 sites and more than 400 employees
2	**Strong customer franchise**	❖ Over 200,000 customers on electronic database ➢ Competitive advantage providing a large low cost, proprietary distribution channel ➢ Reflects business scale and time in business ❖ Dedicated sales and marketing team
3	**Integrated digital strategy**	❖ Spanning social media (facebook, twitter, instagram), on-line travel agencies (OTA) and own website ❖ Overall online revenue growth – 10% year on year in the month of August 2015 ❖ Revamped website launch in June 2015 – 15% year on year revenue growth in month of August already achieved
4	**Yield management**	❖ Dynamic pricing to optimise rates and occupancies ❖ Specialist in-house manager, applying hospitality industry techniques and statistical analysis
5	**Operating efficiencies**	❖ Focus on asset clusters ❖ Supplier efficiencies with scale

The Merged Group profile: Development

Progressing expanded development pipeline

1	**In-house team**	❖ Located in both Sydney and Perth ❖ Combine traditional residential, caravan park and manufactured housing experience
2	**Development approach**	❖ Creating high quality annuity rental streams ❖ Market research/demographic driven ❖ Multiple suppliers of manufactured cabins
3	**Maximizing existing asset opportunities**	❖ Expansion of short stay cabins at Dubbo and Ashley Gardens, Melbourne underway ❖ Upgrade or conversion of existing sites, generating development margin and improved overall property underway at 6 properties ❖ Utilising vacant land ➢ Three development applications (DAs) in train to add approximately 200 sites ➢ Expect to start delivery from late FY16 ❖ Significant expansion in manufactured housing delivery, as pipeline ramps up from FY15 start
4	**Continued growth**	❖ Master planning underway at five properties, to continue the multi-year growth momentum ❖ Acquisitions build pipeline – Tomago acquired with an in place DA for 24 sites

The Merged Group profile: Acquisitions

Strong acquisitions track record

1	**Clear criteria**	❖ Locational focus on: metropolitan, existing asset clusters, or major regional population centres (especially east coast) ❖ Attractive income yields and development potential
2	**Adding to development pipeline**	❖ Focus on development/expansion upside ❖ Positive demographics drive volume growth ❖ Very attractive return on capital employed and growth in annuity rental streams
3	**Mixed parks opportunity**	❖ Our existing scale operating platform facilitates acquisition and integration of mixed parks ❖ In turn, such acquisitions enhance and reinforce our scale advantage
4	**Ongoing pipeline**	❖ Continue to see good deal flow, building upon the six acquisitions over the last year ❖ Reflects fragmented industry/high individual ownership ❖ Industry in early stages of consolidation/corporatisation

The Merged Group profile

Supportive social trends and positive industry fundamentals

1	**Demographics**	❖ Increasing retiree population ❖ Lengthening life expectancy ➢ Inadequate savings drives requirement for capital release from residential down-sizing ➢ More active, self-reliant lifestyle ❖ Drive stronger volumes over time
2	**Social policy**	❖ Public policy ➢ Government has moved away from direct accommodation provision ➢ Approach is to focus on rental assistance ❖ Social desire for ageing in-place
3	**Market structure**	❖ Housing affordability ➢ Driver of increasing demand ➢ Residential down-sizing releases substantial equity ❖ Land lease model is efficient and easy to understand, driving consumer acceptance ❖ Highly fragmented industry ownership – not highly corporatised
4	**Merged Group positioning**	❖ Builds upon 11 year experience in the sector ❖ Scale business ❖ Clear strategic focus on accommodation sector now in place ❖ Focused and directed management ❖ Already strongly income yield generating business ❖ Significant growth potential supported by appropriate capital structure

Summary and conclusion

- Merger is an important strategic initiative for APPF
  - Resolves limitations of APPF's unlisted fund structure
  - Provides securityholders with a choice of outcomes
- Merged Group will be a more significant integrated owner, manager and developer of accommodation parks with increased portfolio diversity and capacity to grow
- Significant benefits for APPF securityholders
  - Enhanced liquidity – option of receiving cash or ASX-listed securities
  - Increased distribution forecast
  - Material synergy and cost savings at a business level
  - Improved ability to access capital markets for future growth opportunities
- Merger proposal does not preclude an alternate superior proposal from a third party, however current proposal provides certainty to securityholders
- Directors unanimously recommend the Merger, in the absence of a superior proposal and subject to the independent expert concluding the Merger is in the best interests of APPF securityholders

The Merger booklet and notice of meeting are expected to be distributed to securityholders around the end of October. Securityholders are strongly encouraged to:

- **Read all the information that is provided, and seek your own financial, tax or legal advice**
- **Submit their vote on the proposed Merger**
- **Decide whether to elect to receive Merger consideration in cash or to retain Merged Group securities**

Appendix

Additional Information

A Financial information

Pro forma 30 June 2015 Balance Sheet

Pro forma 30 June 2015 ($m)	APPF	Aspen Group[1]	Adj.	Pro forma
Cash	2	7	(1)	6
Assets held for sale	-	37	-	37
Investment property	174	223	1	223
Goodwill	15	12	6	18
Other assets	3	9	-	9
Total assets	**194**	**287**	**6**	**293**
Interest bearing liabilities	73	72	40	112
Other liabilities	13	17	(2)	15
Total liabilities	**86**	**89**	**38**	**127**
Non-controlling interests (APPF)	-	(55)	55	-
Net assets	**108**	**143**	**23**	**166**
Securities on issue (million)	233[2]	113	26	139
NAV ($)	**0.46**	**1.26**		**1.19**
Gearing[3][4]	**37.1%**	**23.3%**		**36.9%**

1 Aspen Group consolidated balance sheet (including APPF)
2 Aspen Group holds 97.6 million APPF securities
3 Calculated as interest bearing liabilities less cash divided by total assets less cash
4 Gearing would be 24.7% with zero take up of the Cash Option
5 The APPF equivalent of 4.6 cents represents 12.0 cents multiplied by the Merger ratio of 0.386 Merged Group securities for each APPF security

Distribution guidance

- The Merged Group is forecasting an FY16 annualised distribution of 12.0 cents per Merged Group security[5], based on 2H FY16 distribution forecast of 6.0 cents per Merged Group security

Assumptions

- Total transaction costs of c.$7.0 million including:
  - c.$3.2 million to reset currently outstanding interest rate swaps
  - c.$0.2 million of stamp duty
  - c. $3.6 million of advisor costs and other restructuring costs
- Estimated synergies of $1.7 million per annum in corporate overheads, and $0.7 per annum in reduced interest expense
- Merged Group securities issued based on a Merger ratio of:
  - 1 Merged Group security for each Aspen Group security
  - 0.386 Merged Group securities for each APPF security
- Full take up of the Cash Option[4]
- Continuation of current business trading environment
- Realisation of certain development profits
- No material change in business conditions

B Implementation of the Merger

Merger considerations

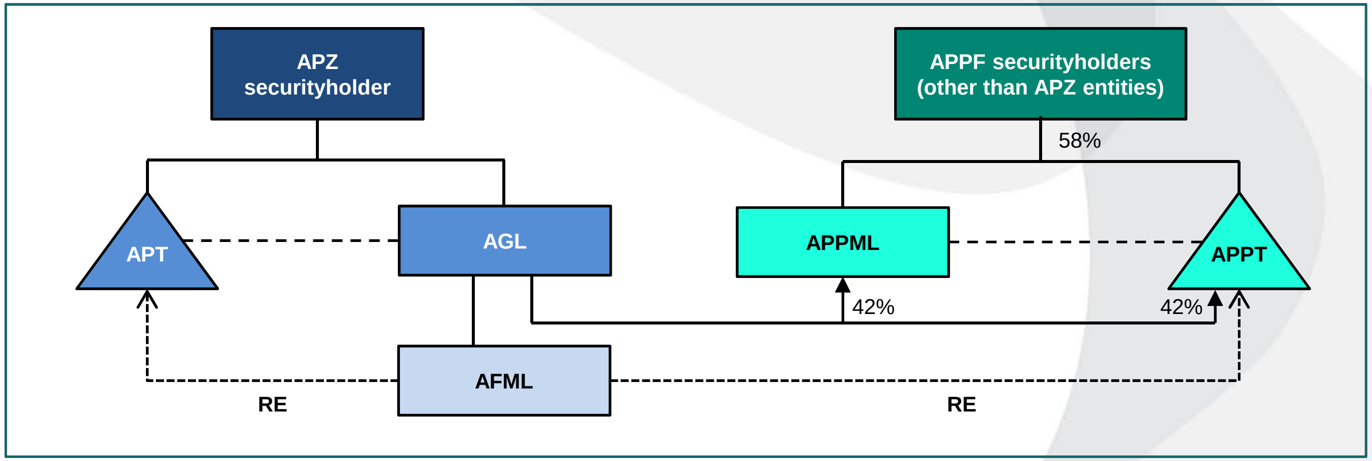
- APPF securityholders will receive 100% Merged Group securities unless they elect the Cash Option

- After giving careful consideration to the varying objectives of APPF and Aspen Group securityholders, a Cash Option subject to a cap of $35 million has been provided, which represents approximately 50% of the total consideration to APPF securityholders (other than Aspen Group)
  - Historically, APPF has provided securityholders with an annual liquidity mechanism
  - The Cash Option materially exceeds the size of any withdrawal offer that APPF could undertake in the absence of the Merger (most recent withdrawal offer in October 2014 resulted in the buy-back of 4.7% of outstanding APPF securities)
  - The size of the Cash Option is considered appropriate to provide immediate liquidity to those APPF securityholders based on applications under previous withdrawal offers
  - The Cash Option cap also ensures an appropriate level of gearing of the Merged Group on implementation

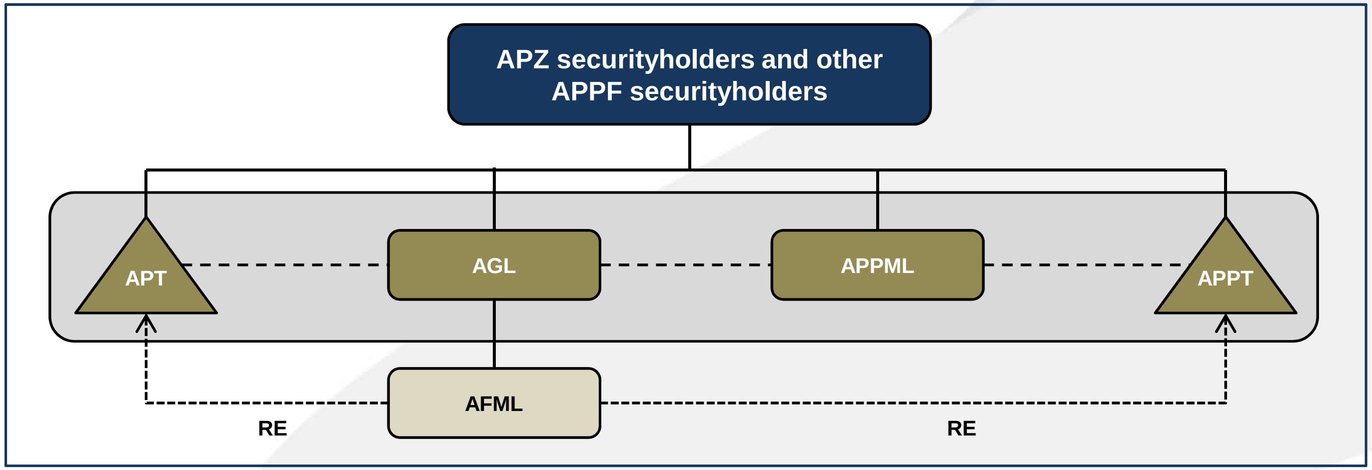
- If aggregate demand for the Cash Option exceeds the $35 million cap:
  - APPF securityholders will retain some Merged Group securities under a pro rata scale back
  - These APPF securityholders will then have the option of either retaining the securities received or selling the securities through a sale facility

B Implementation of the Merger

Current Aspen Group and APPF structure



Proposed structure following Merger



APZ
Aspen Group

APT
Aspen Property Trust

AGL
Aspen Group Limited

AFML
Aspen Funds Management Limited

APPF
Aspen Parks Property Fund

APPML
Aspen Parks Property Management Limited

APPT
Aspen Park Property Trust

- - - - - - **Stapled**

——— **Equity ownership**

- - - - - -> **RE**

C Accommodation portfolio[1]

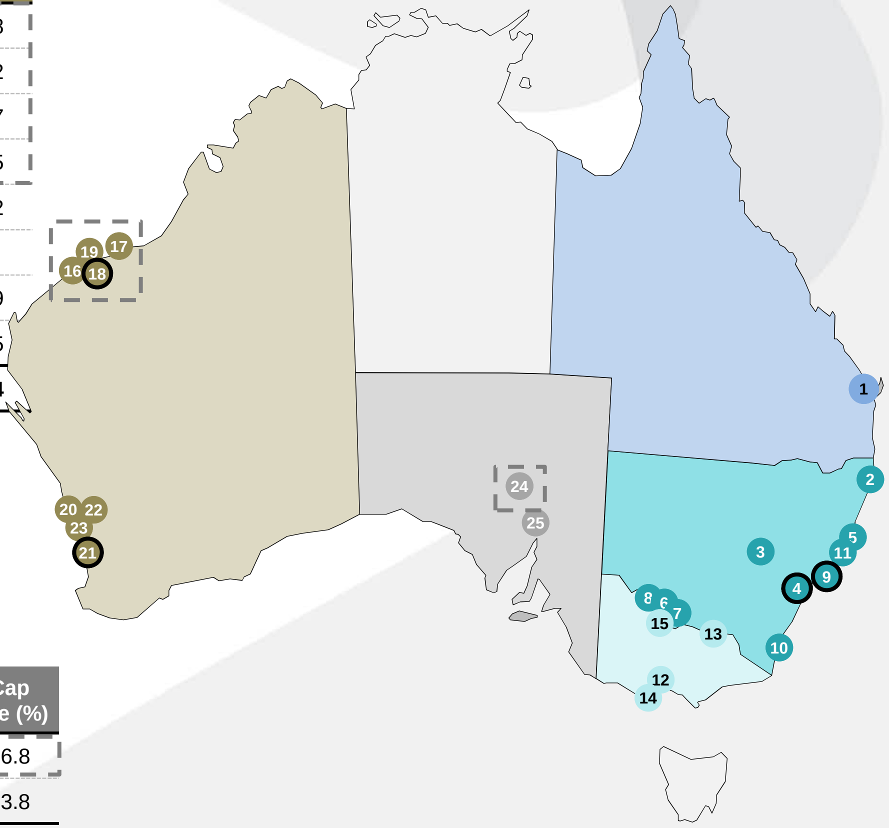
Accommodation portfolio[1] of over 5,000 sites with a national footprint

Western Australia

	Property	Carrying value ($m)	Cap rate (%)
16	Balmoral	1.2	10.8
17	Cooke Point	8.1	36.2
18	Karratha Village	22.0	14.7
19	Pilbara	7.9	16.5
20	Coogee Beach	6.5	19.2
21	Mandurah	10.7	9.3
22	Perth Vineyards	14.7	10.9
23	Woodman Point	13.0	11.5
	Total / Average	**84.1**	**15.4**

South Australia

	Property	Carrying value ($m)	Cap rate (%)
24	Myall Grove	2.7	16.8
25	Port Augusta	5.7	13.8
	Total / Average	**8.4**	**14.7**



Aspen Group asset

Resource property

Queensland

	Property	Carrying value ($m)	Cap rate (%)
1	Australiana	6.0	11.3

New South Wales

	Property	Carrying value ($m)	Cap rate (%)
2	Ballina	17.2	9.0
3	Dubbo	11.3	10.2
4	Four Lanterns	8.0	8.3
5	Harrington	8.3	13.0
6	Horseshoe	8.5	12.8
7	Maiden's Inn	15.0	12.2
8	Shady River	5.8	12.7
9	Tomago	11.2	9.3
10	Twofold Bay	6.5	10.3
11	Wallamba River	9.1	9.9
	Total / Average	**100.9**	**10.6**

Victoria

	Property	Carrying value ($m)	Cap rate (%)
12	Ashley Gardens	20.3	10.3
13	Boathaven	7.8	15.1
14	Geelong	3.2	23.0
15	Yarraby	10.2	11.3
	Total / Average	**41.5**	**12.4**

1 Pro forma for the announced sale of three WA tourism properties

C ACCOMMODATION PORTFOLIO[1]

Property	Location	State	Tenure	Sites	Carrying value ($m)	Cap rate (%)
Ballina	Ballina	NSW	Both (F&L)	223	17.2	9.0%
Dubbo Parklands	Dubbo	NSW	Freehold	127	11.3	10.2%
A Shady River	Echuca-Moama	NSW	Freehold	146	5.8	12.7%
Horseshoe Lagoon	Echuca-Moama	NSW	Freehold	320	8.5	12.8%
Maiden's Inn	Echuca-Moama	NSW	Freehold	427	15.0	12.2%
Yarraby	Echuca-Moama	VIC	Freehold	245	10.2	11.3%
Twofold Bay Beach	Eden	NSW	Freehold	314	6.5	10.3%
Tomago	Newcastle	NSW	Freehold	156	11.2	9.3%
Harrington	North Coast	NSW	Leasehold	322	8.3	13.0%
Wallamba River	North Coast	NSW	Freehold	269	9.1	9.9%
Four Lanterns Estate	Sydney	NSW	Freehold	102	8.0	8.3%
Geelong Riverview	Geelong	VIC	Leasehold	111	3.2	23.0%
Ashley Gardens	Melbourne	VIC	Freehold	166	20.3	10.3%
Boathaven	Wodonga	VIC	Both (F&L)	194	7.8	15.1%
Balmoral	Karratha	WA	Both (F&L)	229	1.2	10.8%
Karratha Village	Karratha	WA	Freehold	180	22.0	14.7%
Pilbara	Karratha	WA	Freehold	219	7.9	16.5%
Mandurah Gardens	Mandurah	WA	Freehold	158	10.7	9.3%
Coogee Beach	Perth	WA	Leasehold	180	6.5	19.2%
Perth Vineyards	Perth	WA	Freehold	200	14.7	10.9%
Woodman Point	Perth	WA	Leasehold	245	13.0	11.5%
Cooke Point	Port Hedland	WA	Leasehold	207	8.1	36.2%
Port Augusta	Port Augusta	SA	Freehold	154	5.7	13.8%
Myall Grove	Roxby Downs	SA	Freehold	268	2.7	16.8%
Australiana	Hervey Bay	QLD	Freehold	107	6.0	11.3%
Total/Average				**5,269**	**240.8**	**12.7%**

1 Pro forma for the announced sale of three WA tourism properties

D Summary of Merger Implementation Deed

Process and conditions

- Aspen Group and APPF have entered into a Merger Implementation Deed to give effect to the Merger

- Conditions precedent include:
  - Customary regulatory approvals (including ASIC and ASX approvals) and court approval of the AGL and APPML schemes of arrangement and the APT and APPT trust schemes
  - Aspen Group and APPF securityholder approval of the AGL and APPML schemes of arrangement, respectively (75% of votes cast; 50% of securityholders approving)
  - No material adverse change in Aspen Group or APPF
  - The representations and warranties of each of Aspen Group and APPF given under the Merger Implementation Deed remaining true and correct
  - Admission of existing APPF entities to listing and approval for quotation of new Merged Group securities, and
  - An independent expert opining that the Merger is in the best interests of Aspen Group securityholders and APPF securityholders respectively

- Deal protection measures for both Aspen Group and APPF during an exclusivity period, including restrictions on each of Aspen Group and APPF:
  - From soliciting an approach in relation to a competing transaction, and
  - From discussing, negotiating or entering into a competing transaction, or providing a person with due diligence access, subject to each Board's fiduciary and statutory obligations

D Summary of Merger Implementation Deed

Process and conditions (continued)

- Customary termination rights including:
  - If any of the resolutions required to implement the Merger are not approved by the requisite majority
  - If an independent expert opines that the Merger is not in the best interests of Aspen Group or APPF securityholders
  - For a change in either the Aspen Group or APPF Board’s recommendation to vote in favour of the relevant Scheme, and
  - For an unremedied breach of the deed (including for a breach of a representation or warranty)

- The Merger Implementation Deed is appended to the transaction announcement that has been released to the ASX and is on the Aspen Group and APPF websites

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