

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Generation Health Care REIT (GHC)

ACN/ARSN ARSN 118 712 584

1. Details of substantial holder (1)

Name

- APN Property Group Limited (APD) and its controlled entities;
- APN Funds Management Limited (APNFM) in its capacity as responsible entity for the registered managed investment schemes listed below; and
- APN Funds Management (Asia) Pte. Ltd. in its capacity as the manager of ARA Asian Asset Income Fund

APN Property Group Limited (ABN 109 846 068)

ACN/ARSN (if applicable) APN Funds Management Limited (ACN 080 674 479) as responsible entity for the following managed investment schemes

- APN AREIT Fund (ARSN 134 361 229)
- APN Property For Income Fund (ARSN 090 467 208)
- APN Property For Income Fund No.2 (ARSN 113 296 110)
- Generation Healthcare REIT (ARSN 118 712 584)

There was a change in the interests of the substantial holder on 25 May 2014 - 23 June 2014

The previous notice was given to the company on 5 March 2014

The previous notice was dated 5 March 2014

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Fully Paid Units	22,341,857	18.54%	42,498,580	24.35%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
25 May 2014	persons in item 1	Buy	\$1,753,494.00	All Ord Fully Paid Units 1,461,245	+1.21%
3 June 2014	persons in item 1	Issued capital of GHC increased by 16,666,986 units	Not applicable		-2.40%
20 June 2014	persons in item 1	Buy	\$4,064,322.00	3,386,935	
20 June 2014	persons in item 1	Buy	\$3,596,200.80	2,996,834	
20 June 2014	persons in item 1	Buy	\$274,051.20	228,376	
20 June 2014	persons in item 1	Issued capital of GHC increased by 16,666,986 units	Not applicable		+1.38%
23 June 2014	persons in item 1	Issued capital of GHC increased by 12,083,333 units	Not applicable		

23 June 2014	APN Funds Management Limited as responsible entity of Generation Healthcare REIT (GHC RE)	Pursuant to a Voluntary Escrow Deed entered into between GHC RE and Stourton Property Pty Ltd as trustee for Stourton Properties Unit Trust No. 9, a copy of which is set out at Annexure A.	Pursuant to the Voluntary Escrow Deed set out at Annexure A.	12,083,333	+5.62%
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4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
APN Funds Management Limited as responsible entity of APN Property For Income Fund No.1	RBC Dexia Investor Services Australia Nominees Pty Limited	RBC Dexia Investor Services Australia Nominees Pty Limited	Responsible Entity with power to exercise control over voting rights	1,820,686 Ordinary Fully Paid Units	1,820,686
APN Funds Management Limited as responsible entity of APN Property For Income Fund No.2	RBC Dexia Investor Services Australia Nominees Pty Limited	RBC Dexia Investor Services Australia Nominees Pty Limited	Responsible Entity with power to exercise control over voting rights	1,558,330 Ordinary Fully Paid Units	1,558,330
APN Funds Management Limited as responsible entity of the APN AREIT Fund	RBC Dexia Investor Services Australia Nominees Pty Limited	RBC Dexia Investor Services Australia Nominees Pty Limited	Responsible Entity with power to exercise control over voting rights	5,663,847 Ordinary Fully Paid Units	5,663,847
APN Property Group Limited	APN Property Group Limited (APN PG)	APN Property Group Limited (APN PG)	APN PG has a relevant interest under section 608(1) of the Corporations Act 2001 as registered holder of the units.	619,969 Ordinary Fully Paid Units	619,969
APN Funds Management Limited (a subsidiary of APN Property Group Limited)	APN Funds Management Limited (APN FM)	APN Funds Management Limited (APN FM)	APN FM has a relevant interest under section 608(1) of the Corporations Act 2001 as registered holder of the units.	9,804,853 Ordinary Fully Paid Units	9,804,853
Generation Healthcare Management Pty Ltd (a subsidiary of APN Property Group Limited)	Generation Healthcare Management Pty Ltd (GHM)	Generation Healthcare Management Pty Ltd (GHM)	GHM has a relevant interest under section 608(1) of the Corporations Act 2001 as registered holder of the units.	10,947,562 Ordinary Fully Paid Units	10,947,562
APN Funds Management Limited as responsible entity of Generation Healthcare REIT	Stourton Properties Pty Ltd as trustee for Stourton Properties Unit Trust No. 9	Stourton Properties Pty Ltd as trustee for Stourton Properties Unit Trust No. 9	Pursuant to the Voluntary Escrow Deed set out at Annexure A.	12,083,333 Ordinary Fully Paid Units	12,083,333

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN/ARSN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
APN Property Group Limited	30/ 101 Collins Street, Melbourne
APN Funds Management Limited	30/ 101 Collins Street, Melbourne
RBC Dexia Investor Services	17/ 2 Park Street, Sydney
Trust Company Limited	3/ 35 Clarence Street, Sydney

Signature

print name	John Freemantle	capacity	Company Secretary
sign here		date	25 June 2014

Voluntary Escrow Deed

**APN Funds Management Limited as responsible
entity for Generation Healthcare REIT**

and

**Stourton Properties Pty Ltd ACN 096 949 772 as
trustee under instrument 708528029**

**HWL
EBSWORTH**
LAWYERS

Level 26
530 Collins Street
MELBOURNE VIC 3000
DX 564 MELBOURNE
ABN 37 246 549 189
Tel: (03) 8644 3500

Fax: 1300 365 323
www.hwlebsworth.com.au
Ref: TK:DW:310881

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Voluntary Escrow Deed

Date	23 JUNE 2014
Parties	<p>APN Funds Management Limited ACN 080 674 479 as responsible entity for Generation Healthcare REIT ARSN 118 712 584 of Level 30, 101 Collins Street, Melbourne, Victoria, 3000</p> <p>(GHC)</p> <p>Stourton Properties Pty Ltd ACN 096 949 772 as trustee under instrument 708528029 of Level 2, 9 Queen Street, Melbourne, Victoria, 3000</p> <p>(Security Holder)</p>
Background	<p>A. The Security Holder will be issued the Consideration Units pursuant to the Contract.</p> <p>B. In order to ensure a stable market for the securities in GHC following the issue of the Consideration Units, the Security Holder has agreed to the restrictions contained in this deed and to the other provisions of this deed.</p>

Deed

1. Definitions and interpretation

1.1 Definitions

In this deed, unless the context requires otherwise:

ASX means ASX Limited ACN 008 624 691 or the securities exchange market operated by the ASX, as the context requires;

ASX Listing Rules means the listing rules of the ASX, as amended from time to time;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

CHESS means the Clearing House Electronic Subregister System as defined in the ASX Settlement and Operating Rules;

Completion has the meaning given to it in the Contract;

Completion Date means the date of Completion;

Consideration Units has the meaning given to it in the Contract;

Contract means the contract between GHC and the Security Holder for the sale of the land located at 55 Little Edward Street, Spring Hill, Queensland dated on or about the date of this Deed;

Deal means to:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised, enables or requires a security holder to sell, assign, transfer or otherwise dispose of; or
- (d) create or agree or offer to create or permit to be created any mortgage, charge, pledge, lien or other security interest; and
- (e) do any of the things in paragraphs (a) to (d) in respect of the voting or distribution rights attaching to the relevant security,

and **Dealing** has a corresponding meaning;

Details means the contact details for each party to this deed, as set out in the Schedule;

Escrow Period means the period of 18 months from the Completion Date;

GHC Trust means the trust known as the Generation Healthcare REIT;

Law means any statute, rule, regulation, proclamation, order in council, ordinance, local law or by-law, whether:

- (a) present or future; or
- (b) State, federal or otherwise;

Related Body Corporate has the meaning given to it in the Contract;

Security Interest has the meaning given to it in the Contract;

Subsidiary has the meaning given to that term by section 9 of the Corporations Act;

Taverners Group means Taverners Group Pty Ltd ACN 125 096 835 and any of its Subsidiaries from time to time;

Trust means Stourton Properties Unit Trust No. 9; and

Units means ordinary units in the capital of GHC.

1.2 Interpretation

In this deed, unless the context requires otherwise:

- (a) a reference to this deed or another instrument includes any variation or replacement of either of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements by any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;

- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (f) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (g) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.

2. Escrow restrictions

2.1 No Dealing

The Security Holder must not during the Escrow Period:

- (a) Deal in any part of the Consideration Units;
- (b) Deal in any interest or right in respect of any part of the Consideration Units; or
- (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any part of the Consideration Units,

other than as permitted under this deed.

2.2 Buy-back and redemption

The Security Holder may Deal in the Consideration Units during the Escrow Period if the Units are subject to a buy-back or a redemption to the extent that the Security Holder may only Deal in proportion to the number of Units that are being bought-back or redeemed (as appropriate) by GHC over the total number of Units on issue and that buy-back or redemption is available to all Unit holders.

2.3 Takeover bid

The Security Holder may Deal in any or all of the Consideration Units during the Escrow Period if a takeover bid (as defined in the *Corporations Act 2001* (Cth)) is made and at least 50% of the bid class securities that are not subject to escrow and to which offers under the bid relate, have accepted the bid.

2.4 Merger by way of scheme

The Security Holder may Deal in any or all of the Consideration Units during the Escrow Period to be transferred or cancelled as part of a merger under a trust scheme in relation to GHC.

2.5 Related Body Corporate

The Security Holder may Deal in any or all of the Consideration Units during the Escrow Period where such Dealing is made to a Related Body Corporate of the Security Holder or any member of the Taverners Group, provided that the Related Body Corporate or any member of the Taverners Group enters into a deed agreeing to be bound by the obligations imposed on the Security Holder under this deed.

2.6 Security Interest

The Security Holder may Deal in any or all of the Consideration Units during the Escrow Period where such Dealing involves the grant of a Security Interest in respect of the

Consideration Units under any existing financing arrangements binding on the Security Holder as at the date of this Deed (for example under an existing security arrangement).

2.7 Reinstatement of no Dealing undertaking

If a takeover bid contemplated by clause 2.3 is unsuccessful or a merger by way of a scheme contemplated by clause 2.4 does not take effect, the no Dealing obligations in clause 2.1 regarding the Consideration Units of the Security Holder will be reinstated for the duration of the Escrow Period.

2.8 Contravention of this deed

If the Security Holder contravenes this deed:

- (a) GHC may, in addition to its rights and remedies at common law or in equity, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of the Consideration Units or any part thereof or any interest or right in respect of Consideration Units or any part thereof that are the subject of such contravention; and
- (b) the Security Holder shall cease to be entitled to any voting rights in respect of those Consideration Units for so long as the contravention subsists.

2.9 Entitlement to vote

No provision of this clause 2 or any other provision of this deed shall be taken to restrict the Security Holder from exercising in full the voting entitlements in respect of all Units that comprise the Consideration Units.

3. Holding Lock

- (a) GHC must apply a holding lock to the Consideration Units during the Escrow Period (if the securities are held on an Issuer Operated Subregister) or give notice to ASX Settlement requesting it to apply a holding lock (if the securities are in a CHES holding).
- (b) The Security Holder consents to:
 - (i) GHC entering the Consideration Units on GHC's issuer sponsored subregister; and
 - (ii) the application of a holding lock to the Consideration Units, during the Escrow Period.
- (c) GHC must take all steps necessary to ensure the Consideration Units become fully transferable at the end of the Escrow Period.
- (d) At least 10 Business Days prior to the expiry of the Escrow Period, GHC must apply to remove any holding lock applied to the Consideration Units under clause 3(a) (if the securities are held on an Issuer Operated Subregister) or give notice to ASX Settlement requesting it to remove the holding lock (if the securities are in a CHES holding). The removal of the holding lock is to take effect from the day after the last day of the Escrow Period.

4. Warranties and undertaking

4.1 Warranties

Each party represents and warrants for the benefit of the other party to this deed that the following is true and correct at the date of this deed:

- (a) it has the power to enter into and perform this deed and to perform and observe all of its terms and has obtained all necessary consents to enable it to do so;
- (b) it has duly executed this deed and this deed is a legal, valid and binding obligation enforceable against it in accordance with the terms of this deed;
- (c) the entry into and performance of this deed does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the party or its assets are bound; and
- (d) where the party is a body corporate:
 - (i) it is a body corporate duly incorporated under laws of the jurisdiction of its incorporation; and
 - (ii) it has taken all necessary corporate action to authorise the execution and performance of this deed.

4.2 Undertaking

The Security Holder undertakes to GHC:

- (a) to comply in all respects with this deed; and
- (b) not to seek any waiver or variation of this deed without the prior written consent of GHC.

5. Security Holder is Trustee

5.1 Trustee capacity

The Security Holder enters into this Deed in its capacity as trustee of the Trust and in no other capacity.

5.2 Limitation of liability

- (a) A liability arising under or in connection with this Deed can be enforced against the Security Holder only to the extent to which it can be satisfied out of any property of the Trust from which the Security Holder is actually indemnified for the liability.
- (b) This limitation of the Security Holder's liability applies despite any other provision of this Deed and extends to all liabilities and obligations of the Security Holder in any way connected with any representation, warranty, conduct, omission, agreement or transaction which is collateral to or otherwise related to or connected with this Deed.
- (c) GHC cannot sue the Security Holder personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Security Holder or prove in any liquidation, administration or arrangement of or affecting the Security Holder.

5.3 No application

The provisions of clause 5.2 do not apply to any obligation or liability of the Security Holder to the extent that it is not satisfied because under the trust deed establishing the Trust or by operation of Law there is a reduction in the extent of the Security Holder's indemnification out of the assets of the Trust as a result of the Security Holder's fraud, negligence or breach of trust.

6. Limitation of liability

6.1 Capacity of GHC

Despite any other provision of this Deed, GHC enters into this Deed as trustee of the GHC Trust and in no other capacity.

6.2 Limitation of GHC's liability

(a) Any liability or obligation of GHC arising under or in connection with this Deed:

- (i) is limited; and
- (ii) can be enforced against GHC only,

to the extent to which it can be satisfied out of the property of the GHC Trust out of which GHC is actually indemnified for the liability under the Trust Deed.

(b) The limitation of GHC's liability under this clause 6 applies despite any other provision of this Deed and extends to all liabilities and obligations of GHC in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Deed.

(c) Despite any other provision of this Deed, GHC is not obliged to do, or refrain from doing, anything under this Deed unless GHC's liability is limited in the manner set out in this clause 6.

(d) The Security Holder must not take any action of any kind against GHC in any capacity other than as the trustee of the GHC Trust.

6.3 Exception to limitation

Despite any other provision of this Deed:

- (a) the limitation of GHC's liability under this clause 6 shall, subject to clause 6.3(b), not apply to any obligation or liability of GHC to the extent that GHC is not satisfied because there is a reduction in the extent of GHC's indemnification out of the assets of the GHC Trust as a result of GHC's fraud, negligence or breach of trust; and
- (b) nothing in this clause 6 shall make GHC liable to any claim for an amount greater than the amount which the Security Holder would have been able to claim and recover from the assets of the GHC Trust in relation to the relevant liability if GHC's right of indemnification out of the assets of the GHC Trust had not been prejudiced by fraud, negligence or breach of trust.

7. Confidentiality

The parties agree to keep confidential all information, and to not make press or other announcements or releases, relating to this deed and the transactions contemplated by it

(including the execution of documents) other than as required by law or the ASX Listing Rules.

8. Notices

8.1 Form

Unless expressly stated otherwise in this deed, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed must be in writing, signed by the sender or, where the sender is a body corporate, an authorised officer of the sender and marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the last way notified.

8.2 Delivery

Notices must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details
- (d) sent by email to the email address set out or referred into the Details; or
- (e) given in any other way permitted by law.

However, if the intended recipient has notified a changed postal address, changed fax number or changed email address, then the communication must be to that address, number or email address.

8.3 When effective

Notices will take effect from the time they are received unless a later time is specified.

8.4 Receipt - post

If sent by post, notices are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

8.5 Receipt – fax and email

If sent by fax or email, notices are taken to be received at the time shown in the transmission report as the time that the whole fax or email was sent.

9. Miscellaneous

9.1 Exercise of rights

A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or of any other right, power or remedy. Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its exercise.

9.2 Waiver or variation

A provision of or a right created under this deed may not be:

- (a) waived except in writing signed by the party granting the waiver; or
- (b) varied except in writing signed by the parties.

9.3 Approvals and consents

A party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this deed expressly provides otherwise.

9.4 Remedies cumulative

The rights, powers and remedies provided in this deed are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this deed.

9.5 Further assurances

Each party agrees, at its own expense, on the request of the other party, to do everything reasonably necessary before and after Completion to give effect to the transactions contemplated by this deed (including without limitation the execution of documents) and agrees and undertakes to use its best endeavours to procure relevant third parties to do likewise (including, without limitation, by obtaining any consent or approval required with respect to the foregoing).

9.6 Specific performance

The parties agree that irreparable damage would occur if any of the provisions of this deed were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this deed and to enforce specifically the terms and provisions of this deed, this being in addition to any other remedy to which the parties are entitled at law or in equity.

9.7 Assignment

A party may not assign its rights under this deed without the consent of the other party.

9.8 Severability

If the whole or any part of a provision of this deed is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause 9.8 has no effect if the severance alters the basic nature of this deed or is contrary to public policy.

9.9 Governing Law and jurisdiction

- (a) This deed is governed by the Laws of Queensland, Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

9.10 Entire agreement

This deed constitutes the entire agreement of the parties in relation to its content and supersedes all prior discussions, undertakings and agreements.

Schedule

1. GHC

Address: Level 30, 101 Collins Street, Melbourne 3000

Facsimile: (03) 8656 1010

Email: mgroth@apngroup.com.au

Attention: Michael Groth

2. Security Holder

Address: Level 2, 9 Queen Street, Melbourne, Victoria, 3000

Email: benmacauley@benngroup.com.au

Attention: Ben Macauley

Voluntary Escrow Deed

Executed as a Deed


EXECUTED by APN Funds Management)
Limited as responsible entity for)
Generation Healthcare REIT



Signature of director

Howard Brenchley

Name of director (print)



Signature of director / company secretary
(delete as applicable)

John Freemantle
Director / Secretary

Name of director / company secretary (print)

EXECUTED by Stourton Properties Pty)
Ltd ACN 096 949 772 as trustee under)
instrument 708528029

Signature of director

Name of director (print)

Signature of director / company secretary
(delete as applicable)

Name of director / company secretary (print)

Executed as a Deed

**EXECUTED by APN Funds Management)
Limited as responsible entity for)
Generation Healthcare REIT**

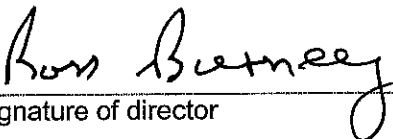
Signature of director

Signature of director / company secretary
(delete as applicable)

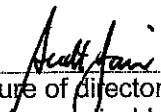
Name of director (print)

Name of director / company secretary (print)

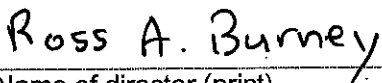
**EXECUTED by Stourton Properties Pty)
Ltd ACN 096 949 772 as trustee under)
instrument 708528029**



Signature of director



Signature of director / company secretary
(delete as applicable)



Name of director (print)



Name of director / company secretary (print)