



ASPEN DIVERSIFIED PROPERTY FUND
ARSN 113 493 039

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

Introduction

This Supplementary Product Disclosure Statement is dated 16 September 2009. It has been issued to update the information in the Product Disclosure Statement dated 5 June 2009 ("PDS") in relation to the offer of Preference Units ("Offer") and is to be read together with the PDS. Any terms defined in the PDS have the same meaning in this Supplementary PDS.

Since the PDS was issued, the Manager has achieved a Successful Outcome for the Fund, which was defined to be the raising of a minimum \$33.1 million in net proceeds from a combination of the Offer and the sale and settlement of two of the Fund's lower yielding properties.

Net proceeds of the Offer and the asset sales have been used to repay debt and the Fund is now able to meet obligations under its senior finance facility with National Australia Bank with respect to facility limit reductions.

On 24 August 2009, Aspen Funds Management Limited ("AFM") as responsible entity for the Fund entered into an agreement with an external investor ("Underwriter") to underwrite up to \$5.428 million of the Offer in order to achieve the Minimum Cash Subscription of \$15 million. The shortfall was determined by the Manager on 15 September 2009, and the Underwriter subscribed for and was allotted 97.8 million Preference Units on 16 September 2009 pursuant to the Underwriting Agreement.

The Manager has determined that it will keep the Offer open to raise additional funds to both repay the amount subscribed by the Underwriter and provide additional headroom under its senior debt facility covenants.

The Manager has decided to amend the following key terms of the Offer which are described in more detail in this Supplementary PDS, but summarised as follows:

- The Offer will now close on 31 December 2009 (or earlier at the Manager's discretion);
- Maximum Cash Subscription of \$25 million has been reduced to \$20 million;
- Investors will, at the discretion of the Responsible Entity, be either issued new Preference Units or transferred existing Preference Units owned by the Underwriter. It is the Manger's current intention that Applications received on or after 16 September 2009 will be satisfied initially by the transfer of Preference Units held by the Underwriter until the Underwriter's holding of 97.8 million Preference Units is reduced to nil. Thereafter, new applications will be satisfied through the issue of new Preference Units and proceeds will be applied to reduce debt.

More details of the Underwriting and the changes to the Offer are given below.

I. Details of Underwriting Agreement

On 24 August 2009, Aspen Funds Management Limited ("AFM") as responsible entity for the Fund entered into an agreement with the Underwriter to underwrite up to \$5.428 million of the Offer in order to achieve the Minimum Cash Subscription of \$15 million.

The shortfall was determined by the Manager on 15 September 2009 which required the Underwriter to subscribe for 97.8 million Preference Units for an amount of \$5.1 million, pursuant to the Underwriting Agreement. Settlement occurred on 16 September 2009. This resulted in the Fund achieving its Minimum Cash Subscription of \$15 million.

I.1 The Underwriter

The Underwriter is an external party associated with a high net worth individual and is not a related party of Aspen Group.

I.2 Terms of the Underwriting Agreement

The Underwriting Agreement was entered into on the 24 August 2009 and its obligations extinguished upon settlement of the shortfall by the Underwriter on 16 September 2009.

The Underwriter received a 5% fee of \$271,400 on its underwritten commitment paid by the Fund. The fee represents a cost of raising equity and as such will not impact forecasts for earnings and distributions outlined in the PDS. The fee was funded through the issue of additional Preference Units, and not operating cashflows or additional drawings under the Fund's bank facilities.

As a requirement to entering into the Underwriting Agreement the Underwriter required a mechanism by which its holding could be reduced over time and eventually reduced to nil. Aspen Group Limited ("Aspen") agreed to provide this mechanism by granting the Underwriter with an option to sell any Preference Units held by the Underwriter in the Fund to Aspen on 4 October 2011 ("Expiry").

As a condition for providing the Option, Aspen requires that any equity raised by the Fund in the future (i.e. post-settlement of the shortfall by the Underwriter on 16 September 2009) is firstly applied to reduce the Underwriter's unitholding before further Preference Units are issued.

2. Reduced Maximum Cash Subscription

The Offer initially sought to achieve Cash Subscriptions of up to a maximum of \$25 million, with proceeds above the Minimum Cash Subscription being used to repay debt and give the Fund additional headroom under the covenants of its senior debt facility with National Australia Bank.

The Manager has exercised its discretion to reduce the Maximum Cash Subscription under the Offer to \$20 million. This will still give the Fund significant headroom under the covenants of the senior debt facility but will reduce the maximum number of Preference Units issued under the Offer and thereby reduce the dilution of the Offer on Ordinary Unitholders.

3. Closing Date Extension

To allow the Fund more time to raise the new Maximum Cash Subscription of \$20 million, the Manager has exercised its discretion to extend the closing date for the Offer until 31 December 2009.

4. Allotment of Units

As described in Section 2.6 of the PDS, Units were to be issued under the Offer dependent on the achievement of the Minimum Cash Subscription of \$15 million. This has now been achieved and, at the date of this document, Units for applications received up to 15 September have been allotted.

From the date of this document, Investors will be either issued new Preference Units or transferred existing Preference Units owned by the Underwriter as part of subscribing for the shortfall under the Underwriting Agreement. This decision will not impact upon the Investor.

It is the intention of the Manager that applications received under this Supplementary PDS will be satisfied initially by the transfer of Preference Units held by the Underwriter until the Underwriter's holding of 97.8 million Preference Units is reduced to nil. Thereafter, new applications will be satisfied through the issue of new Preference Units.

Applications received during any month will be held and processed on the first day of each month following the receipt of the application. Investors will usually receive confirmation of receipt of application monies within five days of receipt, and receive a holding statement within five days of the application being processed and Units allotted.

5. Use of Fund's raised

As described in Section 2.2 of the PDS, proceeds from the Offer were used to repay bank debt and costs associated with the Offer. The \$5.1 million raised from the Underwriter was used for this purpose.

As outlined in Section 4 above, new applications received pursuant to this Supplementary PDS may be used to purchase Preference Units from the Underwriter (and reduce the size of the Underwriter's unitholding) or to repay debt.

It is the Manager's intention that the first \$5.1 million of equity raised from the date of this document will be used to acquire Preference Units held by the Underwriter. Thereafter, equity raised will be used to repay debt.

6. Distributions

As described in Section 4 above, Preference Units will be transferred or allotted to Investors on the first day of the month following the receipt of an application.

Investors will be entitled to receive distributions from the date of allotment of Preference Units. Distributions are paid by the Fund monthly in arrears.

7. Changes to Financial Information

7.1 Update of Forecast Financial Information Assumptions

The Manager has undertaken a review of the material assumptions underlying the forecast financial information included in the PDS. While there have been revisions to various assumptions, the net effect of all changes is not expected to have a material impact on the forecast financial information as disclosed in the PDS.

7.2 Changes to Senior Debt Facility

Since the issuance of the PDS there has been a revised outlook for interest rates with expectations of interest rate increases over the next one to two years. The bank has agreed to amend the Fund's Interest Cover Ratio ("ICR") covenant to provide additional headroom to allow for increased interest costs should interest rates rise over the forecast period.

The bank now requires that the quarterly ICR must not be less than 1.5 times for each quarter from 31 December 2009 to 30 September 2010 and thereafter it must not be less than 1.2 times for the remaining life of the facility.

All other material terms of the loan facility remain unchanged.

8. How to Apply

Investors wishing to apply for Preference Units under the Offer should do so using the application form attached to this Supplementary PDS.

Responsible Entity

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ASPEN
GROUP

Aspen Diversified Property Fund

ARSN 113 493 039

Product Disclosure Statement

For a pro-rata Issue of Preference Units
Offered to Existing Unitholders (Priority Offer)
and New Investors (External Offer)

5 June 2009

Issuer: Aspen Funds Management Limited ABN 48 104 322 278 AFSL 227933

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Timetable

| | |
|--|-----------------|
| Record Date for determining Entitlements under Priority Offer | 23 April 2009 |
| Priority Offer opens to Existing Unitholders | 5 June 2009 |
| Dispatch of PDS to Investors | 5 June 2009 |
| Presentations to Investors and Advisers* | 11-26 June 2009 |
| Closing date for acceptance of applications under Priority Offer | 24 July 2009 |
| External Offer opens for Shortfall | 25 July 2009 |
| Closing date for acceptance of applications under External Offer | 28 August 2009 |

* Unitholders and their advisers will be invited to attend presentations of the Offer. The dates and locations of these presentations will be advised by Aspen Group representatives or your state Business Development Manager. Alternatively please contact Aspen's Investor Services team on freecall 1800 220 840.

Fund Summary

| Feature | Details | Section Reference |
|---------------------|--|------------------------|
| The Offer | <p>This offer has two components, the "Priority Offer" and the "External Offer". Collectively, these will be referred to as the "Offer".</p> <ul style="list-style-type: none"> • Priority Offer – A pro-rata Entitlement offer to Existing Unitholders to subscribe for 19 Preference Units for every Ordinary Unit held at 23 April 2009 ("Record Date"). • External Offer – If the Priority Offer is not fully subscribed, the Shortfall will be offered to New Investors, and to Existing Unitholders who wish to subscribe for more than their respective Entitlement under the Priority Offer. | 2.1 |
| Preference Units | <p>The Preference Units are a new class of Units in the Fund which will rank equally in all aspects with Ordinary Units, including sharing equally in all income distributions made by the Fund, but will rank ahead of Ordinary Units upon the winding up of the Fund and the return of capital to Unitholders.</p> | 7.6 |
| Amount to be raised | <p>The Fund will seek to raise a Minimum Cash Subscription of \$15.0 million with a Maximum Cash Subscription of \$25.0 million.</p> <p>If the Manager receives applications under the Priority Offer which exceed the Maximum Cash Subscription, the Manager will make a pro-rata reduction in the Entitlement and return Subscription Monies in excess of the Maximum Cash Subscription to each applicant in proportion to the Subscription Monies it paid.</p> <p>If the Manager receives applications under the Priority Offer which equal or exceed the Maximum Cash Subscription, the Manager will not proceed with the External Offer.</p> <p>If the Manager does not receive applications under the Priority Offer which exceed the Maximum Cash Subscription, the Manager will proceed with the External Offer, without reducing the Entitlements under the Priority Offer.</p> <p>The External Offer will close before the closing date for applications set out in the timetable on page 1 if either:</p> <ul style="list-style-type: none"> • the total Subscription Monies under the Offer equals the Maximum Cash Subscription; or • the Manager decides to close the External Offer early. <p>Subscription Monies received from applicants under the External Offer in excess of the Maximum Cash Subscription will be returned to the applicant with interest.</p> | – |
| Aspen Participation | <p>Aspen has committed to maintaining its current proportional equity interest in the Fund by subscribing for Preference Units in the same proportion to the overall percentage take-up of the Offer. Aspen will convert \$8.5 million of its outstanding loans to the Fund into Preference Units if the Fund achieves the Minimum Cash Subscription. At the Maximum Cash Subscription, this will increase to \$14.2 million.</p> | 1.3 |
| Offer Price | <p>Preference Units under both the Priority Offer and External Offer will be issued at a Unit Price of \$0.05256.</p> | 2.8 |
| Use of Proceeds | <p>The proceeds of the Offer are to be used to repay bank debt.</p> | 2.2 |
| Distributions | <p>Preference Units will be eligible to receive income distributions from the date of allotment. Distributions are paid monthly in arrears.</p> <p>The forecast distribution yield on Preference Units pursuant to the Offer at the Minimum Cash Subscription is an average of 9.08% p.a. over the 22 month period to 30 June 2011.</p> <p>The Manager has made certain assumptions in making this distribution projection. Please refer to Section 5 for details of these assumptions and Section 6 for the Investigating Accountant's Report on prospective financial information on this PDS.</p> | 2.9 1.4.2 5.1, 6 |

| Feature | Details | Section Reference |
|-------------------------------|--|--------------------------|
| Eligible Investors | <p>The Priority Offer is open only to Existing Unitholders in the Fund.</p> <p>The External Offer is open to both Existing Unitholders and New Investors, including individual investors, self managed superannuation funds, corporate superannuation funds and institutional investors.</p> | 2.1 |
| Key Dates | <p>Priority Offer</p> <p>The Record Date for Entitlements under the Priority Offer is 23 April 2009.</p> <p>The Priority Offer is open for applications from the date of this PDS and will close on 24 July 2009.</p> <p>External Offer</p> <p>The External Offer is open for applications from the date of this PDS, however, applications will only be processed if a Shortfall exists upon the closure of the Priority Offer on 24 July 2009.</p> <p>The External Offer will close on 28 August 2009.</p> <p>The Manager reserves the right to extend these dates, or close the Offer early, if it believes it is in the best interests of the Unitholders.</p> | 2.4 |
| Minimum Investment | <p>There is no minimum application for Existing Unitholders under the Priority Offer. Similarly, there is no minimum application for Existing Unitholders who wish to apply for additional Preference Units under the External Offer.</p> <p>The minimum application for New Investors under the External Offer is \$10,000.</p> | 2.3 |
| Subscription Monies | <p>Subscription Monies are payable in full upon application and will be held in an interest bearing deposit account for the benefit of Investors pending allotment of Preference Units.</p> | 2.7 |
| Allotment of Preference Units | <p>Under the Priority Offer, Preference Units will be allotted on the closing date of the Priority Offer or, if the Priority Offer does not achieve the Minimum Cash Subscription, on the date when the Minimum Cash Subscription is achieved through the External Offer.</p> <p>Preference Units will be allotted under the External Offer upon receipt provided this is on or after the opening date of the External Offer and the Minimum Cash Subscription has been achieved.</p> <p>Holding statements will be dispatched within five business days of allotment.</p> | 2.6 |
| Risks | <p>There are risks associated with an investment in the Fund which should be considered by Investors prior to submitting an application.</p> <p>Risks include, but are not limited to, loan financing risk, the risk of falling asset valuations and the risk that the Fund does not achieve the projected distributions. Should any of these risks eventuate, there may be negative impacts on both distributions to Investors and the value of Units in the Fund.</p> <p>The information given in this PDS is general in nature and does not take into account the individual circumstances of any particular Investor or group of Investors.</p> | 1.7, 4 |
| Withdrawals | <p>The Fund is an unlisted investment and is not currently considered liquid. The Manager has therefore exercised its discretion to suspend withdrawals from the Fund.</p> <p>Should the Fund become liquid again at some point in the future, the Manager may consider re-introducing some form of liquidity or withdrawal facility.</p> | 2.11 |
| Cooling-off | <p>While the Fund is not considered liquid, there are no "cooling-off" rights in relation to the Offer.</p> | 2.12 |

Section 1

Investment Overview

1.1 Background

The investment climate has changed significantly over the past 12 months as the global financial crisis has adversely impacted almost all facets of the economy, including the Australian property sector.

The effect has been significant, with a negative impact on most forms of investment including the Australian share market, which has fallen 35% over the past 12 months to the end of April 2009, with the listed property sector having fallen 60% over the same period.

One of the key drivers behind the dramatic decline in listed property trust values has been the fear that asset prices would fall significantly. Over the last six months this fear has been realised largely through:

- the inability of property buyers to obtain adequate debt funding to make acquisitions; and
- a number of investors being forced to sell assets in order to repay debt following loan covenant breaches.

Subsequently these factors have had a negative impact on all forms of property investment including unlisted trusts and direct property.

Like many forms of investment, the Fund has not been immune to the above factors. In particular, the following factors have had a material impact on the Fund's recent performance:

Valuations

The outlook for property valuations has worsened significantly since November 2008. A large amount of sales evidence emerged in December 2008, based on what some might consider "forced or fire sales". Regardless of the circumstances of these sales, this evidence is then reflected in new valuations going forward. This is the major contributing factor to the recent falls in the value of the Fund's assets.

Bank requirement to update all valuations / Breach of Loan to Valuation (LVR) Covenant

Under most debt facility agreements, assets are required to be regularly revalued in a rolling cycle; however banks commonly have the right to call for independent revaluation of assets at any time, although in general this is rarely exercised on the entire portfolio at once and only if exceptional market circumstances are experienced.

In January 2009 National Australia Bank ("NAB"), the Fund's senior debt provider, exercised this right bringing forward what was a future potential LVR breach to a current breach, which occurred in early March 2009. The decision to bring forward the Fund's valuation timetable meant that there was insufficient time to exercise a limited asset sale strategy, which would most likely have been able to rectify this breach.

This breach has also resulted in a repricing of the debt facility and put in place a more stringent covenant regime.

Increasing cost of credit

Interest rates have continued to fall with total reductions in the RBA cash rate now equal to 4.25% since September 2008. This had the potential to have a significant positive effect on the earnings of the Fund. Unfortunately the cost of funds provided by lending institutions has increased significantly as these institutions seek to pass on their increased funding costs. This is particularly acute where customers have breached their agreed LVR covenants. Therefore the positive impact of lower base interest rates is often reduced or even completely negated by increases in bank margins and facility fees.

The situation in which the Fund finds itself is serious and in order to remedy this situation the Manager believes there are only two realistic options.

- To undertake the wholesale disposal of properties, using the proceeds to repay debt. This option is likely to see the majority of the Fund's assets sold into what is considered a weak market with the likely result that the majority, if not all of the Unitholders' equity would be permanently lost. It is also highly unlikely that the Fund would be able to resume paying income distributions; or
- To raise additional equity through a capital raising coupled with limited sales of lower yielding assets in order to reduce bank debt. This will have the effect of securing the financial position of the Fund while allowing the Fund to resume paying distributions and enabling the Fund to retain the majority of its property assets through the property cycle with a view to participating in the recovery of asset values over time.

In the Manager's opinion, the latter option is in the best interests of the Fund as a whole as it avoids the realisation of assets in what is considered a weak market which could result in the permanent loss of Existing Unitholders' equity. The Manager therefore approached NAB in order to negotiate a new bank facility which would allow the Fund to raise new capital, and which would have a sufficiently long maturity to give Investors more certainty as to the long term viability of the Fund. The result was an improved facility, with better than market pricing and more importantly very flexible covenants, which will allow the Fund to de-risk its position significantly, as long as the required capital is raised.

The resulting Offer presents Existing Unitholders with the opportunity to avoid the loss of their original investment while also offering both Existing Unitholders and New Investors an projected yield of 8.0% - 9.0% p.a. on new investments. It also presents an opportunity for New Investors, and Existing Unitholders who wish to increase their holding in the Fund, to buy into a property portfolio which has been devalued by 17% since its peak in June 2008 and may represent good long term value.

1.2 Fund Strategy

Following the recent economic downturn and reductions in the valuations of commercial property described above, the Manager has changed the objective of the Fund to ensure that it continues to be in the best interests of Unitholders given the changed circumstances facing the Fund. The new principal objective of the Fund is to protect and grow Unitholders' equity while managing the assets of the Fund to provide Unitholders with regular, tax-advantaged income distributions. The Fund's strategy and ability to achieve this objective depends on the outcome of the Offer.

Successful Outcome

A Successful Outcome, which will reduce bank debt and ensure that the Fund can achieve the NAB facility limit repayment obligations, will require the Manager to raise \$33.1 million net proceeds from the Offer and by selling two of the Fund's lower yielding properties. The Property Sales will account for net proceeds of \$18.4 million therefore the Manager has set the Minimum Cash Subscription at \$15 million which, after transaction costs of \$0.25 million, will achieve the required capital raising of \$33.1 million.

If the Manager sells additional or alternative assets to the Property Sales, the Manager may still be able to raise sufficient capital in conjunction with the Offer, however the number of Preference Units issued in order to achieve a Successful Outcome may increase or decrease.

A Successful Outcome will allow the Fund to achieve its objective by holding the majority of the existing property portfolio through the current period of poor economic conditions until investment conditions normalise, valuations improve and the ability to sell assets at valuation returns.

Unsuccessful Outcome

In the event that the Fund does not achieve a Successful Outcome, the Manager's strategy for the Fund would be to sell selected properties in order to reduce bank debt. Given the poor state of the property market at present, the Manager believes that eight of the Fund's assets representing almost 70% of the investment property value would need to be sold in order to achieve the repayment obligations under the NAB facility. This would be likely to result in the permanent loss of the majority, if not all, of Unitholders' equity in the Fund.

1.3 Fund Manager Co-investment

The Manager and Responsible Entity of ADPF is Aspen Funds Management Limited (“AFM”). AFM is a wholly owned subsidiary of Aspen Group, a property investment and management group listed on the Australian Securities Exchange with assets under management in excess of \$1.3 billion.

Aspen Group co-invests in the Fund to align its interests with those of Investors. Aspen has a target long term equity holding of 20%.

Aspen has committed to maintain its current proportional equity interest in the Fund by subscribing for Preference Units in the same proportion to the overall percentage take-up of the Offer. This will be achieved through the conversion of part of the outstanding balance of the Aspen Asset Purchase Facility into Preference Units in the Fund at the Application Price under this Offer. This will assist in reducing gearing in the Fund as borrowings are converted into equity.

The conversion of a portion of the loan balance into equity re-affirms Aspen’s commitment to the long term viability of the Fund as an investment.

The conversion of the loan into equity will occur on the closing date of the Priority Offer, assuming the Fund has achieved the Minimum Cash Subscription. Otherwise, the debt conversion will occur on the closing date of the External Offer assuming the Minimum Cash Subscription is achieved by that date. The Manager reserves the right to convert debt at an earlier date at its discretion.

Further details on AFM and Aspen Group are provided in Sections 4 and 8 of the PDS No.3 and are incorporated in this document by reference.

1.4 Financial Impact of the Offer

1.4.1 Number of Preference Units Issued

The table below shows the number of Preference Units to be issued at a Unit Price of \$0.05256 under the Offer at the Minimum Cash Subscription and Maximum Cash Subscription levels. As this table shows, the significant number of Preference Units to be issued will severely dilute the interests of Existing Investors who do not take up their Entitlement under the Offer. See Section 1.4.5.

| | Minimum (\$15.0m) | | Maximum (\$25.0m) | |
|--|-------------------|--------|-------------------|--------|
| | No. Units | %Total | No. Units | %Total |
| Ordinary Units on Issue | 62,704,149 | 12% | 62,704,149 | 8% |
| New Preference Units to be issued under this Offer | 447,591,189 | 88% | 745,985,315 | 92% |
| Total Equity | 510,295,338 | 100% | 808,689,464 | 100% |

If the Manager sells additional or alternative assets to the Property Sales, the Manager may still be able to raise sufficient capital in conjunction with the Offer, however the number of Preference Units issued in order to achieve a Successful Outcome may increase or decrease.

1.4.2 Distribution Impact

The Offer will have the impact of reducing the debt level of the Fund, which will result in a reduction in interest costs. The issue of Preference Units will, however, have a dilutive effect on earnings per Unit.

The table over the page provides an estimated distribution rate post Offer under various scenarios based on the assumptions set out in Section 5 and supported by the Investigating Accountant’s Report in Section 6.

| Cash Subscription | Additional Preference Units issued | Annualised Distribution Rate over 22 months to 30 June 2011 (cents per Unit) | Distribution yield based on Application Price under this Offer (per annum) |
|--------------------------|---|---|---|
| Minimum (\$15.0m) | 447,591,189 | 0.4774 | 9.08% |
| Maximum (\$25.0m) | 745,985,315 | 0.4237 | 8.06% |

Distribution payments are projected to be fully funded from the underlying earnings of the Fund.

1.4.3 LVR Covenant Impact

The purpose of the Offer is to reduce bank debt and ensure the Fund can achieve the facility limit repayment obligations under the Fund's senior debt facility.

The table below shows the effect on the bank LVR ratio of the Fund under various scenarios. Assuming the Fund achieves the Minimum Cash Subscription of \$15 million under the Offer, NAB has agreed to raise the facility LVR ratio covenant to 70% until the maturity of the facility.

| | Current (31 March 2009) | NAB LVR Covenant* | Minimum Cash Subscription** (\$15.0m) | Maximum Cash Subscription** (\$25.0m) |
|----------|-----------------------------------|--------------------------|---|---|
| Bank LVR | 69.6% | 70.0% | 56.3% | 49.1% |

* Assumes the Minimum Cash Subscription of \$15 million is achieved.

** Assumes the successful sale of two properties as described in Section 7.7.

As the above table shows, following a Successful Outcome the Fund will have some flexibility under the LVR covenant, allowing it to better withstand any potential further softening in the property market, should it occur.

1.4.4 Impact of non participation on Existing Unitholders

Sections 1.4.1 to 1.4.3 show the projected financial impact of the Offer at the Minimum Cash Subscription and the Maximum Cash Subscription. It is important for Existing Unitholders to note that failure on their part to participate in the Offer will result in a severe reduction in their distribution rate going forwards (relative to previous distributions from the Fund) to a level of between 0.4237 cents and 0.4774 cents per annum, representing a distribution yield (on an initial application price of \$1) of between 0.4237% and 0.4774% p.a.

Another consequence of non participation will be a reduction in the Existing Unitholders' interest in the Fund. For example, an Existing Unitholder who owned 5% of the Fund before the Offer is likely to own between 0.5% and 0.6% of the Fund post the Offer. As a result, a non participating Existing Unitholder is extremely unlikely to recover a significant portion of their initial investment when the Fund is eventually wound-up and capital returned to Unitholders.

1.5 Fund Borrowings

At the date of this document, the Fund had the following debt facilities available. All loans are non recourse to Unitholders.

| Facility name | Maturity Date | Drawn Amount (\$m) | Undrawn Amount (\$m) |
|-------------------------------|----------------------|---------------------------|-----------------------------|
| National Australia Bank Loan | October 2011 | 111.0 | Nil |
| Aspen Asset Purchase Facility | July 2009 | 29.7 | Nil |
| Total Borrowings | | 140.7 | Nil |

1.5.1 National Australia Bank – Senior Debt Facility

Investors should note that NAB have a first ranking mortgage over the assets of the Fund, and that the interests of the bank rank in priority over the Aspen Asset Purchase Facility and the Unitholders' interests, in that order.

Both the LVR covenant and the facility limits under the NAB facility reduce over time in accordance with an agreed schedule. The repayments required by these limit reductions are to be met from both the proceeds of the Offer and the sale of assets, as described in Section 7.7.

Assuming the Fund is successful in raising the Minimum Cash Subscription of \$15 million, the Fund will benefit from the following changes in the NAB facility:

- a reduction in the facility margin; and
- the Fund's LVR will be fixed at 70% until the maturity of the facility in October 2011, reducing the risk of future LVR breaches should asset values fall further.

More details of the terms and covenants under the new NAB facility are provided in Section 7.1.

1.5.2 Aspen Asset Purchase Facility

Details of the Aspen Asset Purchase Facility are provided in Section 7.4. It is the intention of Aspen Group to participate in the Offer through the conversion of a portion of this debt into Preference Units in the Fund.

The level of debt Aspen will convert will vary depending on the overall percentage subscription by the other Investors in the Fund. If the Offer achieves the Minimum Cash Subscription, the Aspen debt will be reduced to \$21.2 million (from the current \$29.7 million) through the subscription for 162.2 million Preference Units.

1.6 Tax Advantaged Distributions

ADPF is established as a unit trust, which results in all income and additional tax benefits flowing directly through to Unitholders. Therefore the income tax payable on distributions will be determined by the Unitholder's own marginal taxation rate, which for many, including superannuation funds and retirees, may be lower than company tax rates.

Tax benefits arise through the availability of allowances for costs relating to the raising of equity funds and construction costs of buildings, fixtures and fittings, and plant and equipment.

Details of the actual tax benefits are to be provided to Unitholders in an annual taxation statement.

Further details on taxation matters are provided for Investors in Section 6.6 of PDS No.3. This section is incorporated into this document by reference.

The table below illustrates the potential magnitude of the tax benefits to Investors under the Offer:

| Equivalent Non Tax-Advantaged Returns ¹ | | | | |
|--|--------|--------|--------|--------|
| Marginal Tax Rate | 15.0% | 30.0% | 40.0% | 45.0% |
| Distribution Yield p.a.* | 9.08% | 9.08% | 9.08% | 9.08% |
| Tax-Advantaged** | 100.0% | 100.0% | 100.0% | 100.0% |
| Equivalent Pre-Tax Distribution Yield p.a. (without tax advantages) | 10.7% | 13.0% | 15.1% | 16.5% |

* Based on the Fund achieving the Minimum Cash Subscription under this Offer. See Section 1.4 for details.

** The tax deferred components represent the average historical amount over the last three financial years and may vary in subsequent years.

1. Tax deferred amounts reduce the cost base of Units in ADPF and may increase capital gains tax in the future when Unitholders dispose of their Units at a price above the cost base of the Unit.

1.7 Risks

As with any investment there are risks associated with an investment in ADPF. There are also risks specific to the property sector.

Please refer to Section 4 for a full list of the specific and general risks associated with an investment in the Fund.

1.8 ASIC Disclosure Principles

In September 2008, the Australian Securities and Investment Commission (“ASIC”) issued Regulatory Guide 46 “Unlisted Property Schemes – improving disclosure for retail investors (“RG46”).

RG46 sets out eight disclosure principles which, if followed, ASIC believes will help investors understand, compare and assess unlisted property schemes such as the Fund.

Set out in the table below is each disclosure principle and where the information meeting that principle is included in this document. Aspen Group believes the disclosure principles have been met to the extent that they are relevant to the Fund.

| | Disclosure Principle | Section Reference |
|----|--|---------------------------|
| 1. | Gearing Ratio – this indicates the extent to which the Fund’s assets are funded by interest bearing liabilities. | Section 7.3 |
| 2. | Interest Cover – this indicates the Fund’s ability to meet its interest payments from its earnings. | Section 7.2 |
| 3. | Scheme Borrowings – this disclosure enables investors to understand the financing risks associated with the Fund. | Sections 1.5, 7.1 and 7.4 |
| 4. | Portfolio Diversification – this gives further information on the composition of the Fund’s property investments and how diversified it is. | Section 3 |
| 5. | Valuation Policy – this will explain how the Fund will value its property investments and how investors can assess the reasonableness of those valuations. | Section 7.9 |
| 6. | Related Party Transactions – this will explain the approach the Manager takes to transactions between the Fund and its related parties. | Section 7.10 |
| 7. | Distribution Practices – this will explain how the Fund will meet its distributions and enable investors to assess whether distributions are sustainable. | Sections 2.9.3 and 5.1 |
| 8. | Withdrawal Arrangements – this will explain the withdrawal arrangements relating to the Fund. | Sections 2.11 and 2.12 |



Section 2

Offer Details

2.1 The Offer

This PDS provides Existing Unitholders and New Investors the opportunity to apply for Preference Units in ADPF, a new class of Units which provides Preference Unitholders a priority security ranking relative to Ordinary Unitholders upon a return of capital but which share equally in the distributions of the Fund (See Section 7.6).

The Offer has two components, the “Priority Offer” and the “External Offer”. Collectively, these will be referred to as the “Offer”.

Priority Offer – A pro-rata Entitlement offer to Existing Unitholders to subscribe for 19 Preference Units for every Ordinary Unit held at the Record Date. Existing Unitholders may also subscribe for less than their respective Entitlement.

External Offer - If the Priority Offer does not achieve the Maximum Cash Subscription, the Shortfall will be offered to New Investors and Existing Unitholders who wish to subscribe for more than their Entitlement under the Priority Offer.

The Application Price under the Offer is \$0.05256 per Preference Unit.

The Minimum Cash Subscription is \$15 million and the Maximum Cash Subscription is \$25 million.

If the Manager receives applications under the Priority Offer which exceed the Maximum Cash Subscription, the Manager will make a pro-rata reduction in the Entitlement and return Subscription Monies in excess of the Maximum Cash Subscription to each applicant in proportion to the Subscription Monies it paid.

If the Manager receives applications under the Priority Offer which equal or exceed the Maximum Cash Subscription, the Manager will not proceed with the External Offer.

If the Manager does not receive applications under the Priority Offer which exceed the Maximum Cash Subscription, the Manager will proceed with the External Offer, without reducing the Entitlements under the Priority Offer.

The External Offer will close before the closing date for applications set out in the timetable on page 1, if either:

- the total Subscription Monies under the Offer equal the Maximum Cash Subscription; or
- the Manager decides to close the External Offer early.

Subscription Monies received from applicants under the External Offer in excess of the Maximum Cash Subscription will be returned to the applicant with interest.

In the event that the Minimum Cash Subscription is not achieved, Subscription Monies will be returned to Investors with interest for the period for which they were held. Interest on Subscription Monies will be converted into additional Preference Units should an application be accepted.

The Manager reserves the right to accept oversubscriptions above the Maximum Cash Subscription to allow interest accrued on application monies to be converted into Preference Units in the Fund. Oversubscriptions will not be allowed for any other reason.

2.2 Source and Application of Funds

The proceeds of the offer will be used to repay bank debt and pay issue costs.

| | Minimum Cash Subscription \$'000 | Maximum Cash Subscription \$'000 |
|-----------------------------|--|--|
| Source of Funds | | |
| Cash Proceeds of Offer | 15,000 | 25,000 |
| | 15,000 | 25,000 |
| Application of Funds | | |
| Repayment of Bank Debt | 14,750 | 24,750 |
| Issue costs | 250 | 250 |
| | 15,000 | 25,000 |

In addition, Aspen Group will subscribe for Preference Units in the Fund via the conversion of part of the Aspen Group Asset Purchase Facility. At the Minimum Cash Subscription, Aspen will convert debt of \$8.5 million and at the Maximum Cash Subscription Aspen will convert \$14.2 million.

2.3 Minimum Investment

Existing Unitholders are invited to subscribe for their Entitlement under the Priority Offer, but may apply for less. Existing Unitholders may also wish to subscribe for additional Preference Units via the External Offer.

There is no minimum application for Existing Unitholders under this Offer.

Applications from New Investors under the External Offer should be for a minimum amount of \$10,000.

All Subscription Monies are payable in full on application.

2.4 Opening and Closing Dates

Priority Offer

The Record Date for Entitlements under the Priority Offer is 23 April 2009.

The Priority Offer is open for applications from the date of this PDS and will close on 24 July 2009.

External Offer

The External Offer is open for applications from the date of this PDS, however applications will only be processed if a Shortfall exists upon the closure of the Priority Offer on 24 July 2009. The External Offer will close on 28 August 2009 or earlier if the Maximum Cash Subscription has been achieved.

The Manager reserves the right to extend these dates, or close the External Offer early, if it believes it is in the best interests of the Fund.

2.5 How to Apply

For Existing Unitholders to subscribe for Preference Units, the Entitlement form accompanying this PDS should be completed and returned to Aspen together with a cheque for the Subscription Amount. The Entitlement form should be pre-completed with your SRN and entitlement under the Priority Issue. If this is not the case please contact Aspen's Customer Service Team on 1800 220 840.

For External Investors, an application for Preference Units in ADPF must be made on the application form accompanying this PDS, or printed from the electronic version of the form. A cheque for the application amount should accompany your application.

2.6 Allotment of Preference Units

Under the Priority Offer, Preference Units will be allotted on the closing date of the Priority Offer or, if the Priority Offer does not achieve the Minimum Cash Subscription, on the date when the Minimum Cash Subscription is achieved through the External Offer.

Preference Units will be allotted under the External Offer upon receipt provided this is on or after the opening date of the External Offer and the Minimum Cash Subscription has been achieved.

Preference Units will not be allotted if at the time of allotment, in the opinion of the Manager, there is an existing or forecast breach of any covenant under the Fund's senior debt facility. Further detail of the Fund's senior debt facility can be found in Section 7.1.

Holding statements will be dispatched within five business days of allotment.

2.7 Subscription Monies

Subscription Monies are payable in full upon application and will be held in an interest bearing deposit account for the benefit of Investors pending processing of the application.

In the event that an application is accepted, any interest earned on the related Subscription Monies will be converted into additional Preference Units for the account of the Investor. In the event that the Offer is fully subscribed, the Manager will allow an oversubscription to take account of the accrued interest amount.

In the event that an application is rejected, or that the Fund does not achieve the Minimum Cash Subscription under the Offer, or that an application under the Offer is partly processed, any unused Subscription Monies will be returned to Investors, together with interest from the date of receipt, within ten business days of the closing date of the External Offer.

2.8 Unit Pricing

Preference Units under both the Priority Offer and External Offer will be issued at \$0.05256 per Preference Unit which represents a discount of 91% to the Underlying Application Price for Ordinary Units in the Fund of \$0.6033 in April 2009 before the previous offer closed for applications.

The Manager has exercised its discretion to fix the Unit price for Preference Units during the period of the Offer on the basis that the Manager does not expect there to be any substantial change in the value of the Fund's assets or the circumstances of the Fund during this period. Should there be a substantial change in the circumstances of the Fund over the period of the Offer, the Unit price will be updated and Investors will be informed in writing. The Manager may also issue a Supplementary Product Disclosure Statement to explain the changes. Investors will then be given the opportunity to withdraw or amend the amount of their application under the Offer.

The Application Price under the Offer has been determined by the Manager in accordance with the Constitution and the Fund's Unit Pricing Policy. The Manager is required to exercise its discretion in determining the price of Preference Units. The Unit Pricing Policy outlines how we determine matters that may influence the price of Preference Units. A copy is available free of charge by calling 1800 220 840 or from Aspen's website.

2.9 Distribution Payments

2.9.1 Preference Units

Preference Units will be eligible to receive distributions from the date of allotment and distribution payments are expected to resume from the closing date of the External Offer. Distributions are paid monthly in arrears.

2.9.2 Ordinary Units

Distributions on Ordinary Units are suspended pending a Successful Outcome and are expected to resume at the same rate as the Preference Units from the closing date of the External Offer.

Assuming the Offer meets the Minimum Cash Subscription of \$15 million, the annualised distribution rate of the Fund is projected to be 0.4774 cents per Unit per annum over the 22 months to 30 June 2011.

See Section 5.1 for the assumptions that this projection is based on. Further details on the impact of the Offer can be found in Section 1.4.

2.9.3 Fund Distribution Policy

It is the Manager's policy to pay distributions out of underlying earnings. This excludes unrealised gains and losses on the revaluation of the property portfolio.

Under exceptional circumstances, the Manager may consider paying distributions which include an element of unrealised gains on investment property but only where:

- the property is being actively marketed for sale; and
- the Manager believes there is a strong likelihood that the gain will be realised through the disposal of the property in the immediate future.

2.10 Term of Investment

ADPF has been established as an open-ended investment and as such has no fixed term. However it is the Manager's intention to consider alternatives for the Fund by 30 June 2012, being seven years from the commencement date of the Fund.

Prior to 30 June 2012 the Manager intends to convene a meeting of Unitholders to consider resolutions relating to the continuation of ADPF. Such resolutions may relate to:

- applying for ADPF to be listed on the ASX;
- continuation of the Fund for a further period; or
- sale of the individual assets and termination of ADPF.

2.11 Withdrawals

Under the Constitution, the Manager is allowed up to 365 days in which to meet any withdrawal request. However, given the current poor economic conditions, the large number of commercial properties on the market and scarcity of credit, the Manager does not believe it would be able to sell 80% of the Fund's assets at market value within 365 days. The Fund is therefore not currently considered liquid under the Corporations Act or the Constitution.

As the Fund is not considered liquid, the Manager has exercised its discretion to suspend withdrawals under the Limited Monthly Withdrawal Facility. Refer to Section 2.7 of PDS No.3 for more details of this facility. This Section is incorporated into this PDS by reference.

If at some point in the future the Fund is considered to be liquid, the Manager may consider re-introducing some form of liquidity or withdrawal facility.

2.12 Cooling-off Period

While the Fund is considered illiquid, there are no cooling-off rights in relation to Preference Units issued under the Offer.

Section 3

Property Portfolio

The ADPF portfolio is diversified in terms of property type and geographic location as shown in the charts in this section. The portfolio comprises assets within the office, retail and industrial sectors, and across geographically diverse locations. The portfolio has a range of tenancy profiles which incorporate both large anchor tenants and multiple smaller tenants in order to reduce investment risk.

The cash flows of ADPF are supported by almost 100 tenants across the portfolio with a wide range of lease expiry dates. This reduces the risk of reliance on any one tenant and results in more stable cash inflows for the Fund, which can be used to provide a consistent distribution to investors.

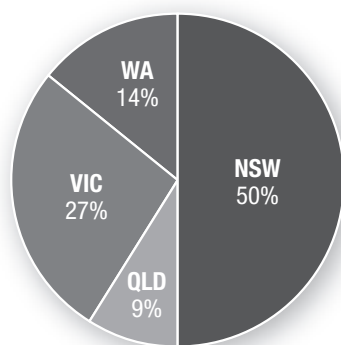
There are also a number of key tenancies which are supported by the financial strength of substantial ASX listed companies, providing additional security to the Fund's income. These companies include Coles Supermarkets, Optus Networks, ANZ Bank, Cardno BSD and TAB. Other major regional and national brand names include Bing Lee Electronics and Ray's Outdoors.

3.1 Property Portfolio

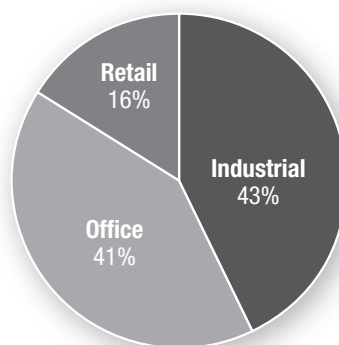
| Property | Location | Use | Acquisition Date | Occupancy Rate | Independent Valuation Date | Capitalisation Rate | Independent Valuation | Book Value* |
|--|-------------------|----------------|------------------|----------------|----------------------------|---------------------|-----------------------|-----------------|
| 5 Burra Place | Shellharbour, NSW | Office/ Retail | Dec 2007 | 93% | Jan 2009 | 9.25% | \$7.8m | \$7.8m |
| 2 & 3 Apollo Place | Lane Cove, NSW | Office | Dec 2007 | 100% | Jan 2009 | 8.50% | \$16.1m | \$16.1m |
| 60 Grindle Rd | Wacol, QLD | Industrial | Dec 2007 | 100% | Feb 2009 | 9.00% | \$12.0m | \$12.0m |
| 677 Springvale Road | Mulgrave, VIC | Industrial | Jun 2007 | 76% | Feb 2009 | 9.75% | \$16.5m | \$16.5m |
| Homemaker City | Castle Hill, NSW | Retail | Feb 2006 | 69% | Jan 2009 | 9.50% | \$14.0m | \$14.0m |
| Holeproof Complex | Nunawading, VIC | Industrial | Dec 2005 | 100% | Jan 2009 | 9.25% | \$22.0m | \$20.0m |
| Trailcraft Industrial Complex | Henderson, WA | Industrial | Aug 2005 | 32% | Feb 2009 | 8.50% | \$12.5m | \$10.1m |
| Mount St Building | North Sydney, NSW | Office | Dec 2005 | 88% | Jan 2009 | 8.00% | \$30.0m | \$30.0m |
| Cardno BSD Centre | Subiaco, WA | Office | Jun 2005 | 100% | Jan 2009 | 10.50% | \$8.7m | \$8.7m |
| Sub Total | | | | | | | \$139.6m | \$135.2m |
| Properties under contract of sale | | | | | | | | |
| Champion Drive Shopping Centre | Armadaale, WA | Retail | Jul 2005 | 100% | Feb 2009 | 8.00% | \$11.2m | \$11.0m |
| Riseley Corporate Centre | Booragoon, WA | Office | Jun 2005 | 85% | Jan 2009 | 9.00% | \$8.6m | \$8.0m |
| Grand Total | | | | | | | \$159.4m | \$154.2m |

* Book value for the Holeproof and Henderson properties represent Directors' valuations performed in April 2009 and have reduced relative to the Independent Valuation in December 2008 due to issues with the tenants in the properties, as disclosed in Section 3.4.

Geographic Diversification *



Sector Diversification *



*Excluding properties under contract of sale (see previous table).

3.2 Tenant Information

3.2.1 Top Five Tenants

| Tenant | Percentage of portfolio by income | Expiry (Financial Year) |
|---|-----------------------------------|-------------------------|
| Pacific Brands (trading as Holeproof, refer Section 3.4.1) | 19.4% | 2011 |
| Cook Freeze | 7.0% | 2023 |
| HRL Limited | 5.8% | 2016 |
| Freedom Furniture | 4.5% | 2013 |
| Coles Supermarkets | 3.5% | 2023 |

3.2.2 New Tenants

Despite the current financial environment the Manager has been successful in leasing some key tenancies within the portfolio.

At Homemaker City three major new leases are in the process of being finalised. Sydney's Baby Kingdom has signed a lease over 800 sq.m and has commenced trading. Terms have also been agreed with an ASX listed bulky goods retailer (subject to finalisation of lease and development approval) to re-anchor the centre in 1,600 sq.m of space that was formerly occupied by Beach House Gymnasium, as well as 540 sq.m for another concept that will further enhance the specialty retail mix within the centre.

At 677 Springvale Road the Manager has leased 1,110 sq.m to Mizuno Australia, adding further to the asset's quality tenant mix which includes Optus and HRL.

At Champion Drive Shopping Centre the Manager has extended the Coles tenancy area by 660 sq.m to 3,150 sq.m and extended the lease for a further 15 years. We have also renewed the Liquorland lease in new extended premises for a further 10 years.

3.3 Lease Expiry Profile

The Fund's weighted average lease expiry as at 30 April 2009 was 3.80 years. The chart below shows the lease expiry profile of the Fund's current tenants.



3.4 Specific Property Information

Sections 5.3 to 5.14 (excluding Section 5.12) of PDS No.3 give detailed information about each of the Fund's properties. The following information in PDS No.3 is incorporated by reference from these sections:

- Property address details
- General property description
- Site area
- Building area

However, the valuation information given in Sections 5.3 to 5.14 in PDS No.3 is now out of date. Please refer to Section 3.1 of this PDS for updated valuations.

Please also note the following further changes to the specific property information.

3.4.1 Holeproof Complex, Nunawading (Section 5.8 in PDS No.3)

In February 2009, Holeproof (Pacific Brands) announced that they will cease manufacturing in Australia. This has led to a confirmation that they will leave their Nunawading premises at the end of the current lease term in August 2010. However, since that time the Manager has been in discussion with Holeproof with a view to retaining them as the property's tenant by altering the premises to be suitable as their major distribution warehouse. If successful this would be a significant positive outcome for the Fund. The distribution projections included in this PDS do not include the benefit of this potential new lease or the capital expenditure required to secure the lease.

3.4.2 Trailcraft Industrial Complex, Henderson (Section 5.10 in PDS No.3)

Trailcraft Marine have been placed in administration and then liquidation which has resulted in the lease being terminated. The Manager has commenced legal action against the guarantors to compensate the Fund for the damages incurred by this action. It is unclear to what extent we will be successful in recovering lost funds. The Manager is actively attempting to re-lease the premises and has received significant interest. The Manager has also received an offer to buy the property which we are currently considering. This property is located in a special marine district south of Perth and still enjoys relatively strong tenant demand.

Section 4

Investment Considerations and Risks

All investments involve some degree of risk. An investment in ADFP will involve all the usual risks of property ownership as well as risks particular to this investment structure. Many risks cannot be controlled by the Manager, and may affect the future performance of the Fund. Other risks can be mitigated and the Manager will implement safeguards and controls to reduce risk where possible.

Some of the factors that Investors should consider before making a decision whether or not to invest in ADFP are described below.

4.1 Specific Property Risks

Tenant defaults

- Rental income can be adversely affected by tenants not making rental payments in a timely fashion or defaulting under their leases. This can have a negative impact on the income of the Fund, the Fund's weighted average lease expiry and the level of distributions it can pay to Investors. While the Manager makes best endeavours to satisfy itself as to the financial strength of tenants at the time of commencing a lease, the financial situation of tenants is subject to change at any time.

Vacancy levels

Increasing vacancy levels can reduce the income of the Fund, the distribution level of the Fund and the valuation of the properties, having a corresponding impact on the value of Units in the Fund.

- Vacant space exists in certain properties from time to time, generally resulting from the inability of the property manager to attract tenants due to reduced economic conditions, competition from surrounding properties, or financial difficulties of existing tenants.
- Where vacancies occur due to tenants not renewing their lease, or defaulting on their lease, it will be necessary to re-let such vacant areas. This may well result in a time lag between the change over to a new tenant or tenants together with a requirement for capital expenditure, and therefore create a period during which no rent is received. The period of time taken to re-let vacant space will depend on a variety of factors at that time, including but not limited to, competing property supply and rental values, general economic circumstances, and overall demand requirements from potential tenants.
- Commissions will be payable to agents who introduce tenants and incentives may be required to be paid to attract tenants. These costs may vary, depending upon the level of letting activity required for a property. Such costs are charged against rental income.
- Vacancy levels can have a direct impact on the value of each of the properties at any point in time, most notably at the point that any one of the properties might be sold or at the point that financing facilities are due for renewal. Should vacancy levels have increased from current levels to the point of any such sale, the value of any of the properties being sold is likely to be adversely affected.

Physical works

- In the event that any of the properties require structural repairs or major works which are not of a capital nature, additional charges may have to be made against the rental income from the respective properties. While allowances are made for repairs it is impossible to predict the exact repair costs ahead of time and additional costs may reduce the income of the Fund, and hence the distributions to Investors.
- The Manager has conducted due diligence on every property considered for purchase and engages experts to report on specific aspects of each of the properties. In some cases it may not be possible to

obtain an unqualified report from these experts. It is therefore not possible for the Manager to guarantee that potential monetary risks do not exist in these areas. In addition, potential liability claims against experts may be contractually limited.

4.2 Specific Financial Risks

Interest rates

- The Fund borrows money to part finance the purchase of properties. Should interest rates move upward this may increase the overall interest costs to ADPF, similarly where interest rates move down, interest costs may reduce. AFM has fixed the interest rate on a portion of the borrowings to reduce the impact of interest rate movements.

Loan finance

- Should there be insufficient income to meet the interest payments on the Fund's debt facilities, the financiers may wish to enforce their security over the properties, and sell the properties. This would be likely to result in the permanent loss of Existing Investors' equity in the Fund.
- The debt facilities mature in October 2011. Refer Section 7.1 for details on loan facilities. Financiers are not obliged to rollover or extend loans upon their expiry. Hence, there can be no certainty that loans can be refinanced at their expiry. A financier may enforce its security and, amongst other actions, require the sale of the properties over which it has security, with a resulting loss of Investors' existing equity.
- As disclosed in Section 5.1, the Fund's senior debt facility with NAB includes a Facility Limit and an LVR Covenant, both of which reduce over time according to pre agreed schedules. To meet these repayment obligations the Fund will need to successfully raise the Minimum Cash Subscription under this offer and make a number of asset sales as discussed in Section 1.2. Should the Fund be unsuccessful in either of these endeavours it is likely that the Fund will fall into breach of its Senior Debt Facility and this may result in NAB enforcing its security over the assets of the Fund, with a resulting loss of Investors' existing equity.

Asset Valuations

- While the Manager has been prudent by externally revaluing the Fund's entire property portfolio in December 2008, given the current economic climate there is no guarantee that these valuations will not fall further over coming months or years. Should this occur, there is a risk that the Fund will breach the LVR covenants of its senior debt facility with NAB and this may result in a further requirement to raise equity, or ultimately in NAB enforcing its security over the assets of the Fund, with a resulting loss of Investors' existing equity in the Fund.

Gearing

- By using debt to part finance the purchase of the properties, any capital gains will be magnified, i.e. increased. However the reverse is also true, and any capital losses will be increased. The Constitution allows the Manager to borrow for the purposes of the Fund without imposing a maximum gearing level, but it is the Manager's intention to target a long term gearing level, excluding Aspen debt, of 50%.

Distributions

- Unitholders in ADPF are entitled to participate in distributions of income but the amount of future distributions or whether a distribution will be paid in any given month is not guaranteed by the Manager.

Liquidity

- The Fund is an unlisted fund and the Manager has exercised its discretion to close the withdrawal facility previously offered by the Fund. These liquidity restrictions have been established to protect the interests of all Unitholders in the Fund.

- There is no fixed termination date for the Fund and the Manager expects Unitholders will be asked to vote on termination or continuation of the Fund prior to June 2012, see Section 2.10. Such a vote is carried by a majority of Unitholders which may differ to your wishes as an individual Unitholder.

Forecast Information

- While the Manager has made every effort to ensure the projected financial information in this PDS is accurate, there are economic and other factors outside the control of the Manager which may result in the Fund not achieving these projections. The Manager has commissioned PKF to prepare an Investigating Accountant's report on the projected financial information in this PDS. See Section 6.

4.3 General/Economic Risks

Property Performance

- Investment in property should be viewed as a longer-term investment. The impact of property performance (both in terms of properties acquired by the Fund or the general property market) on the value of the Fund's Unit Price cannot be clearly assessed at this or any future stage.
- Changing local or global economic conditions may affect the potential resale value of the properties, as well as the Manager's ability to actually achieve such a sale of the properties. Adverse market and economic conditions could lead to any such potential future sale resulting in a capital loss of the properties' values.

Operation and Regulator Risks

- The Manager is required to operate the Fund in accordance with the Corporations Act and the conditions of its Australian Financial Services Licence. If the Manager fails to comply with these requirements it may be forced to retire as Responsible Entity of ADPF which may cause disruption to the operation of the Fund.
- A majority of the Unitholders may pass a resolution requiring the Manager to retire in which case a replacement responsible entity would need to be appointed.

Market Conditions

- A number of factors outside the Manager's control may have a significant impact on ADPF, its performance and the price of its Units. These factors include economic conditions in Australia and internationally, including the global financial crisis, changes in fiscal, monetary and regulatory policies such as inflation and interest rates, and attitudes to property as an investment class. Investors should recognise that the financial performance of ADPF could be negatively affected by any of the above factors, or any other factors not so noted, which in turn may affect the value of the Fund's Units.

Stamp Duty and other Taxes

- In certain circumstances, stamp duty may be payable on the issue or transfer of Units. However, at present, the Fund currently meets the criteria to be recognised for stamp duty purposes as a widely held unit trust in all states and stamp duty will therefore not usually apply. The Manager expects the Fund will continue to qualify. If for any reason the fund ceases to qualify, stamp duty will be applicable on the issue and transfer of Units in the Fund.
- Changes to federal and state taxation laws, in particular stamp duty can impact on the general supply and demand for properties and purchase and sale prices of properties to be acquired and/or sold by ADPF.
- The Fund is not deemed to be a trading trust for income tax purposes. If the Fund commences carrying on a trading business as defined by the Income Tax Assessment Act, the Fund may be taxed as if were a company not a trust.

Section 5

Financial Information

5.1 Forecast Distributions - Assumptions

The table below provides an estimated distribution rate post Offer under various scenarios based on the assumptions set out in Section 5 and supported by the Investigating Accountant's Report in Section 6.

| Cash Subscription | Additional Units issued | Annualised Distribution Rate over 22 months to 30 June 2011* (cents per Unit) | Adjusted yield based on Application Price under this Offer (%) |
|-------------------|-------------------------|---|--|
| Minimum (\$15.0m) | 447,591,189 | 0.4774 | 9.08% |
| Maximum (\$25.0m) | 745,985,315 | 0.4237 | 8.06% |

*This period represents the time from the closing date of the Offer to the end of the 2011 financial year.

Distribution payments are projected to be fully funded from the underlying earnings of the Fund.

These forecasts are based on the assumptions set out below:

5.1.1 Offer Assumptions

For the purposes of the distribution projections, various assumption have been made regarding the Cash Subscription under the Offer, as shown in the relevant Sections of this PDS.

5.1.2 Net Property Income

The net property income for the Fund for the 22 months to 30 June 2011 has been based on the current tenancy schedules for each of the properties allowing for normal leasing assumptions which the Manager believes represent the current leasing market. No material changes were assumed in tenancy profiles other than those noted below:

- **Champion Drive Shopping Centre:** Property to be sold on 31 August 2009 for \$11.0 million as agreed under the conditional contract of sale.
- **Riseley Corporate Centre:** Property to be sold on 30 June 2009 for \$8.025 million.
- **Trailcraft Industrial Complex:** No rental income from Trailcraft, who have entered administration and liquidation. Limited rental income until 28 February 2010 from sub-tenant. Re-leased to new tenant at \$72,000 per month from 1 March 2010.
- **80 Mount Street, North Sydney:** Multi tenant building. Main income assumptions include:
 - New leases over level 14 (whole floor) and part level 12 (266 sq.m) in November and October 2009 respectively;
 - Part of level 7 (172 sq.m) will be vacant until Feb 2010.
 - Other general leasing assumptions on office space are for a 60% re-leasing probability on expiries. Where tenants leave, the Manager has assumed the space will remain vacant for six to eight months and the new tenant will negotiate a six month rent free incentive.

- **Homemaker City:** Main assumptions include:

- Two new leases, including a new anchor tenant, to commence in October 2009 with a six weeks rent free period.
- Other general leasing assumptions are for a 75% re-leasing probability on expiries. Where tenants leave, the Manager has assumed the space will remain vacant for six to nine months and the new tenant will negotiate a five month rent free incentive.

- **Holeproof Complex:** Holeproof to vacate on expiry of lease on 31 August 2010 with premises to remain vacant/rent free for balance of the 2011 financial year.

5.1.3 Interest on Borrowings

Bank base rates have been assumed to be 3.43% until May 2009, falling 25 basis points to 3.18% until August 2009 and then falling to 2.93% for the remainder of the forecast period. The margin on the NAB Facility has been fixed at 250 basis points for the period of the forecast in accordance with loan agreements and assuming a Successful Outcome.

Interest on the Aspen Group Asset Purchase Facility has been set at 8.75% for the period of the forecast in accordance with the loan agreement. See Section 7 for more details on these facilities.

5.1.4 Amortisation of borrowing costs

The loan costs include loan arrangement fees which are expensed in the 2009 financial year and do not impact on the forecast.

5.1.5 Issue Costs

Issue costs of \$250,000 relating to the Offer are set off against the cost of equity in accordance with the applicable accounting standards.

5.1.6 Distribution payments

Distributions on Ordinary Units are suspended pending the successful conclusion of the Offer.

Distributions on both Ordinary and Preference Units are assumed to commence from September 2009.

5.1.7 Management Fees

The Fund will commence paying cash management fees to the Manager monthly from September 2009.

Previous deferred management fees will remain deferred throughout the period of the forecast.

Previously deferred management fees totalled \$2.04 million at 31 March 2009 and are expected to increase to \$2.6 million by the closing date of the Offer.

In the event that the Fund achieves a Cash Subscription above \$20.9 million, the Manager has agreed to defer the amount of management fees necessary to maintain a distribution yield under the Offer of at least 8.0% p.a. Assuming the Offer raises the Maximum Cash Subscription of \$25 million, the Manager will be deferring total management fees of \$0.39 million over the 22 month period of the projections.



5.2 Balance Sheet

This information is taken from the unaudited management accounts of the Fund at 31 March 2009.

For illustrative purposes, pro forma information together with notes has also been provided which represents the financial position of the Fund as at 31 March 2009, adjusted to show the effect of the Offer achieving the Minimum Cash Subscription, the conversion of \$8.5 million of Aspen debt into Preference Units and the sale of the assets as discussed in Section 7.7.

Aspen's participation in the Priority Offer will be made through the conversion of existing Aspen loans to the Fund into equity in the Fund. This will not have any impact on bank debt in the Fund, but will reduce the Fund's overall gearing as a result of a reduction in the amount payable under the Aspen loan.

Proforma Balance Sheet at Minimum Cash Subscription

| | 31 March 2009 | Asset Sales | Post Asset Sales | Capital Raising | Post Capital Raising and Asset Sales |
|---|------------------|--------------------------|---------------------|--------------------------|--|
| | \$'000 | (Refer Note 1) \$'000 | \$'000 | (Refer Note 2) \$'000 | \$'000 |
| | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) |
| Investment properties available for sale | 19,025 | (19,025) | – | | – |
| Cash and cash equivalents | 535 | | 535 | | 535 |
| Trade and other receivables | 714 | | 714 | | 714 |
| Prepayments | 396 | | 396 | | 396 |
| Other current assets | 562 | | 562 | | 562 |
| Current Assets | 21,232 | (19,025) | 2,207 | | 2,207 |
| Investment properties | 135,227 | | 135,227 | | 135,227 |
| Other | 2,253 | | 2,253 | | 2,253 |
| Non-Current Assets | 137,480 | | 137,480 | | 137,480 |
| Total Assets | 158,712 | (19,025) | 139,687 | | 139,687 |
| Interest bearing liabilities - Bank borrowings | 28,255 | (18,365) | 9,890 | (9,890) | – |
| Trade and other payables | 848 | | 848 | | 848 |
| Derivative financial liability | 570 | | 570 | | 570 |
| Other | 488 | | 488 | | 488 |
| Current Liabilities | 30,161 | (18,365) | 11,796 | (9,890) | 1,906 |
| Interest bearing liabilities - Bank borrowings | 82,000 | | 82,000 | (4,860) | 77,140 |
| Interest bearing liabilities - Aspen Group Loan | 29,722 | | 29,722 | (8,526) | 21,196 |
| Non-Current Liabilities | 111,722 | | 111,722 | (13,386) | 98,336 |
| Total Liabilities | 141,883 | (18,365) | 123,518 | (23,276) | 100,242 |
| Net Assets | 16,829 | (660) | 16,169 | 23,276 | 39,445 |
| Equity | | | | | |
| Contributed equity | 56,407 | | 56,407 | 23,276 | 79,683 |
| Accumulated loss | (39,578) | (660) | (40,238) | | (40,238) |
| Total Equity | 16,829 | (660) | 16,169 | 23,276 | 39,445 |

Notes to Proforma Balance Sheet

1. Asset Sales

The adjustments to the balance sheet to reflect asset sales represent the impact of the following asset sales:

| Asset Name | Location | Date of Sale | Status of Sale | Book Value at Date of Offer | Assumed Sales Value |
|--------------------------------------|---------------|--------------|------------------------------|-----------------------------|---------------------|
| Champion Drive Shopping Centre | Armadale, WA | August 09 | Under conditional contract | \$11.0m | \$11.0m |
| Riseley Corporate Centre | Booragoon, WA | July 09 | Under unconditional contract | \$8.03m | \$8.03m |
| | | | | \$19.03m | \$19.03m |
| <i>less</i> Agents Fees | | | | | \$(0.29)m |
| <i>less</i> Aspen Asset Disposal Fee | | | | | \$(0.38)m |
| Net Proceeds of sale | | | | | \$18.36m |

2. Pro-rata Offer

The balance sheet has been adjusted to reflect the Minimum Cash Subscription of \$15 million dollars. Details of the adjustments made are:

| Variable | Assumption |
|--|---|
| Percentage take-up of Offer | 38% |
| Gross Cash Subscription amount | \$15 million |
| Amount of Aspen debt converted into Preference Units | Aspen will convert sufficient debt into equity to maintain its holding in the Fund. At the assumed take-up of 38% this represents \$8.5 million of debt |
| Issue Costs | \$250,000 to cover the costs of the Offer, investors workshops and professional fees associated with the Offer |

3. Contingencies

As at 31 March 2009, Aspen Funds Management has deferred charging approximately \$2.05 million of its management fee to the Fund, to enable forecast distributions to be met. The Fund Manager has agreed that this amount will remain deferred until at least 1 July 2011. Additional management fees earned from September 2009 onwards will be paid to the Manager monthly in advance.

4. Going Concern

The 31 March 2009 historical and pro-forma balance sheets have been prepared on a going concern basis, which assumes continuity of operations for the foreseeable future and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Fund's continuity as a going concern is primarily dependent upon its ability to reduce its bank debt to the agreed limits. The key terms of the bank facility are noted in Section 7.1 of the PDS.

The key strategies of the Manager to maintain the Fund's going concern status include:

- planned asset sales of selected properties within the short term to raise approximately \$19 - \$30 million; and
- issue of Preference Units to Existing Unitholders and New Investors to raise a minimum of \$15 million by 15 September 2009 under the PDS.

Should the Fund be unable to meet its asset sales target, raise the Minimum Cash Subscription from the Offer, or be faced with continued decline in property values, then the Fund could be in breach of its debt covenants, necessitating forced asset sales generally realising lesser than the fair value.

5.3 Subsequent Events

There were no material subsequent events.

5.4 Significant Accounting Policies

A summary of the significant accounting policies used in the preparation of the financial statements above are given in Section 6.4 of the Fund's PDS No.3. The information in Section 6.4 of PDS No.3 is incorporated in this document by reference.



Section 6

Investigating Accountant's Report



4 June 2009

The Directors
Aspen Funds Management Limited
Level 8
256 Adelaide Terrace
Perth Western Australia 6000

Dear Sirs

INVESTIGATING ACCOUNTANTS REPORT

1 INTRODUCTION

The Directors of Aspen Funds Management Limited ("**AFM**" or "**the Company**") have requested PKF Corporate Advisory Services (WA) Pty Ltd ("**PKFCA**") to prepare an Investigating Accountant's Report ("**Report**") for inclusion in a Product Disclosure Statement ("**PDS**") to be dated on or around 5 June 2009 ("**PDS**"), relating to the offer of up to 475,646,880 preference units (or 745,985,315 preference units including those preference units to be taken up Aspen Group Limited ("**AGL**") in Aspen Diversified Property Fund ("**ADPF**" or "**the Fund**") at an issue price of \$0.05256 each ("**Preference Units**"), to raise up to a maximum of \$25 million. The minimum subscription is \$15 million ("**the Offer**"). The Offer is not underwritten.

The Offer will be made in two stages as follows:

- a) Priority Offer – existing unitholders are offered a priority allocation to subscribe for 19 Preference Units for every one unit held at 23 April 2009; and
- b) External Offer – If the Offer is not fully subscribed by existing unitholders, the shortfall will be offered to new investors and existing unitholders who wish to subscribe for more than their respective amounts under the Priority Offer.

In the event that subscriptions are received in excess of \$25 million under the Priority Offer, AFM will exercise its discretion to reduce pro-rata entitlement to below 19 Preference Units for each Ordinary Unit held at the Record Date.

In the event that subscriptions are received in excess of \$25 million under the External Offer, AFM will exercise its discretion by accepting only subscriptions up to the maximum offer.

All the terms used in this Report have the same meaning as the terms used and defined in the PDS unless otherwise defined in this Report.

PKF is a national association of independent chartered accounting and consulting firms, each trading as PKF. PKF Australia Ltd is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Tel: 61 8 9278 2222 | Fax: 61 8 9278 2200 | www.pkf.com.au
PKF Corporate Advisory Services (WA) Pty Ltd | Australian Financial Services Licence 240566 | ABN 68 009 423 152
Level 7, BGC Centre 28 The Esplanade | Perth | Western Australia 6000 | Australia
PO Box Z5066 | St Georges Terrace | Perth Western Australia 6831



2 BACKGROUND

ADPF is an unlisted property trust managed by AFM, which is a subsidiary of AGL, a property investment and management group located in Perth, Western Australia. AGL is listed on the Australian Securities Exchange.

The Fund was established in June 2005 to invest in a range of commercial properties covering key sectors of office, retail and industrial in a target range of between \$5 million and \$30 million. At present the Fund owns 11 commercial properties located across 4 Australian states.

The Directors of AFM obtained independent valuation of the Fund's property portfolio during January and February 2009 and recognised an impairment loss of \$25.9 million at 31 December 2008. A further impairment loss of \$5.1 million was recognised in March 2009 based on updated information obtained by the Directors of AFM on four of the Fund's properties.

Details of the property portfolio at independent valuation are set out in Section 3.1 of this PDS.

At 31 March 2009, ADPF had fully drawn borrowings of \$140 million. Of this, \$29.7 million is owed to AGL and depending on the subscription level of the Offer, a proportion of the AGL loan will be converted to Preference Units as part of this Offer.

The purpose of the Offer is to repay borrowings to the National Australia Bank ("NAB") in line with service debt facility covenants and step down requirements.

3 FINANCIAL INFORMATION

3.1 Historical Financial Information - Balance Sheets

The balance sheets include the reviewed historical balance sheet of ADPF as at 31 March 2009 ("**Historical Balance Sheet**") and the reviewed pro-forma balance sheet as at 31 March 2009 assuming the proposed pro-forma transactions and assumptions, as detailed in Section 3.2 below, were completed as at 31 March 2009 ("**Historical Pro Forma Balance Sheet**").

The Historical Balance Sheet is set out in Section 5.2 of the PDS under the heading '31 March 2009'.

The Historical Pro Forma Balance Sheet is set out in Section 5.2 of the PDS under the heading 'Post Capital Raising and Asset Sales'.

3.2 Pro Forma Transactions and Assumptions - Historical Pro Forma Balance Sheet

The Historical Pro Forma Balance Sheet has been prepared by AFM assuming the following transactions and events were completed at 31 March 2009;

- a) The Champion Drive Shopping Centre is sold for an assumed sales value of \$11 million;
- b) The Riseley Corporate Centre is sold for an assumed sales value of \$8.025 million;
- c) Proceeds from the sale of Champion Drive and Riseley Corporate Centre totalling \$18.365 million (net of costs) are applied to repay bank borrowings;
- d) Selling costs of \$660,000 are incurred in relation to the sale of Champion Drive and Riseley Corporate Centre and expensed to the income statement accordingly;
- e) The minimum subscription amount of capital of \$15 million is raised pursuant to the PDS and the net proceeds of \$14.75 million, after capital raising costs of \$250,000 are applied to repayment of bank borrowings;
- f) Of the amount outstanding of the AGL loan, \$8.525 million is converted to contributed equity; and

- g) Capital raising costs of \$250,000 are incurred and offset against contributed equity.

3.3 Directors Forecast Distribution

The forecast financial information includes the annualised forecast distribution rate over the 22 months to 30 June 2011 and the distribution yield based on the issue price under the Offer ("**Directors' Forecast Distribution**") as disclosed in Section 1.4.2 of the PDS. The best estimate assumptions underlying the Directors' Forecast Distribution adopted by the Directors are set out in Section 5 of the PDS.

4 SCOPE

4.1 Historical Balance Sheet

We have performed a review of the Historical Balance Sheet of ADPF, the preparation of which is the responsibility of the Directors of AFM.

Our review was conducted in accordance with ASRE 2405 Review of Historical Financial Information Other Than a Financial Report ("**ASRE 2405**"). Our review was limited to enquiries with the Directors and management of AFM and ADPF, analytical procedures applied to the financial data, the performance of limited verification procedures, and comparison for consistency in application of accounting standards and policies.

These review procedures do not provide all the evidence that would be required in an audit thus the level of assurance provided is less than given in an audit. We have not performed an audit on the Historical Balance Sheet and accordingly we do not express an audit opinion.

4.2 Historical Pro Forma Balance Sheet

We have performed a review of the Historical Pro Forma Balance Sheet of ADPF, the preparation of which is the responsibility of the Directors of AFM.

The purpose of the Historical Pro Forma Balance Sheet is to demonstrate the financial effect on ADPF of the Pro Forma Transactions and Assumptions set out in 3.2 above, assuming they had taken place at 31 March 2009.

Our review was conducted in accordance with ASRE 2405. Our review was limited to enquiries with the Directors and management of AFM and ADPF, the performance of limited verification procedures, and comparison for consistency in application of accounting standards and policies.

These review procedures do not provide all the evidence that would be required in an audit thus the level of assurance provided is less than given in an audit. We have not performed an audit on the Historical Pro Forma Balance Sheet and accordingly we do not express an audit opinion.

4.3 Review of Directors' Forecast Distribution

We have performed a review of the Directors' Forecast Distribution as set out in Section 1.4.2 of the PDS, including the best estimate assumptions underlying the Directors' Forecast Distribution detailed in Section 5 of the PDS.



Our review was performed in accordance with Australian Auditing Standard ASAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and Australian Securities and Investments Commission ("ASIC") Regulatory Guide RG 170 "Prospective Financial Information". Our review procedures consisted primarily of enquiry into the process and basis of preparation, review of material contracts and analytical review procedures we considered necessary. These procedures included discussions with Directors and management and have been completed to form an opinion on whether anything has come to our attention which causes us to believe that:

- the best estimate assumptions do not provide a reasonable basis for the preparation of the Directors' Forecast Distribution; and
- whether in all material respects, the Directors' Forecast Distribution is not properly prepared on the basis of the best estimate assumptions.

The Directors' Forecast Distribution has been prepared by the Directors of AFM to provide investors with a guide to the Fund's potential future financial performance based on the achievement of certain economic, operating and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur.

There is a considerable amount of subjective judgement involved in the preparation of the Directors' Forecast Distribution and actual results may differ materially from the Directors' Forecast Distribution and may be positive or negative. Accordingly, investors should have regard to the risk factors detailed in Section 4 of the PDS and the Going Concern disclosures made by the Directors of AFM in Section 5.2 of the PDS.

The scope of our review of the Directors' Forecast Distribution, which is based on the Directors' best estimate assumptions, is substantially less than an audit conducted in accordance with the Australian Auditing Standards and as such a review of this nature provides less assurance than an audit. Accordingly, we do not express assurance on either the Directors' Forecast Distribution or the supporting assumptions adopted by the Directors in the PDS or whether they will be achieved.

The Directors of the Company are responsible for the preparation and presentation of the historical and forecast financial information, including the best estimate assumptions upon which the Directors' Forecast Distribution is based. This financial information has been prepared for inclusion in the PDS. We disclaim any responsibility for any reliance on this Report or the financial information to which it relates for any purpose other than for which it was prepared.

4.4 Review of Issue Price Discount

The Company has requested that PKFCA undertake a limited scope review of the rationale applied by the Directors in their determination of the discount applied to the Preference Units. The purpose of this limited scope review is to consider whether, on the basis of the limited procedures performed as described below, anything has come to our attention to indicate that the rationale for the discount applied by the Directors has not been determined on a reasonable basis. Our procedures for the review within this Section 4.4 were limited to:

- Review of Directors' position paper outlining the rationale applied in arriving at the discounted issue price of the Preference Units;
- Review of independent legal advice sought by the Directors confirming that AFM is permitted to exercise discretion in setting the issue price of the Preference Units and that transaction costs can be set to zero; and
- Review of clerical accuracy of the issue price calculation.

Our review was limited to the above stated procedures to consider the reasonableness of the rationale used by AFM in arriving at a discount to the issue price. We have not considered the reasonableness of the underlying forced sale values of the properties or other balance sheet items which were used to arrive at the issue price, and as such we disclaim any responsibility for their accuracy.

4.5 Review of LVR

The Company has requested that we review the loan to value ratio ("LVR") calculations prepared by the Directors. The purpose of this review is to consider whether, on the basis of our review of the Directors' Forecast Distribution, best estimate assumptions and LVR calculations, anything has come to our attention to indicate that ADPF will not be able to operate within its LVR for the period from September 2009 (being the date that NAB requires the capital raising to be completed) to 30 June 2011, being the end of the forecast period, based on the assumptions set out in Section 5 of the PDS.

This review was performed within the scope and limitations described in Section 4.3.

5 STATEMENTS

5.1 Historical Balance Sheet – Review Conclusion

Based on the scope of our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Balance Sheet of ADPF as at 31 March 2009 as set out in Section 5 of the PDS, does not present fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, as referred to in Section 5.4 of the PDS.

5.2 Historical Pro Forma Balance Sheet – Review Conclusion

Based on the scope of our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Pro-Forma Balance Sheet of ADPF as at 31 March 2009 as set out in Section 5 of the PDS, assuming the Pro Forma Transactions and Assumptions set out in Section 3.2 above had taken place on 31 March 2009, does not present fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, as referred to in Section 5.4 of the PDS.

5.3 Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to our review conclusions in Sections 5.1 and 5.2 above, we draw attention to note 4 of Section 5.2 of the PDS which indicates that ADPF's continuity as a going concern is dependent upon (i) the success of the planned sales of selected properties; and (ii) the ability to raise the minimum subscription of \$15 million under this PDS by 15 September 2009.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Fund's ability to continue as a going concern.

The Directors of AFM have prepared the Historical Balance Sheet and the Historical Pro forma Balance Sheet on a going concern basis which assumes the ability of ADPF to continue to be able to pay its debts as and when they fall due, and to continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

Should the planned property sales and/or the minimum capital raising under the Offer not eventuate, then in order to comply with its banking LVR covenants and step down requirements, ADPF may be required



to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the Historical Balance Sheet and the Historical Pro forma Balance Sheet.

The Historical Balance Sheet and Historical Pro forma Balance Sheet do not include any adjustments relating to the recoverability and classification of recorded asset amounts or classification of liability and appropriate disclosures that may be necessary should the going concern basis not be appropriate.

5.4 Directors' Forecast Distribution

Based on the scope of our review, which is not an audit, and our investigation of the reasonableness of the Directors' best estimate assumptions used in preparing the Directors' Forecast Distribution, nothing has come to our attention that causes us to believe that:

- the best estimate assumptions as detailed in Section 5 of the PDS do not provide a reasonable basis for the preparation of the Directors' Forecast Distribution; and
- in all material respects, the Directors' Forecast Distribution is not properly prepared on the basis of the best estimate assumptions.

The Directors' Forecast Distribution have been prepared by the Directors using a set of assumptions, which reflect their judgement based on present circumstances as to both the more probable set of operating and economic conditions and the course of action the Fund is likely to take. These assumptions are subject to uncertainty and the outcome may be outside the control of the Directors of the Company. While evidence may be available to support the assumptions on which the Directors' Forecast Distribution is based, such evidence is generally future orientated and therefore embody a significant level of uncertainty. Accordingly, actual results may vary materially from the Directors' Forecast Distribution, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated. In addition, even if the events or circumstances do occur, the actual results may vary from those forecasts.

Accordingly, we are not in a position to, and do not express an opinion as to whether the actual distribution of the Fund will approximate the Directors' Forecast Distribution because assumptions regarding future events by their nature are not capable of independent substantiation. Investors should have regard to the risk factors detailed in Section 4 of the PDS.

5.5 Review of Issue Price Discount

On the basis of the scope of our review, which is not an audit, nothing has come to our attention to indicate that the rationale used by the Directors of AFM in arriving at a discount to the issue price of the Preference Units has not been applied on a reasonable basis.

5.6 Review of LVR

On the basis of the scope of our review, which is not an audit, nothing has come to our attention to indicate that ADPF will not be able to operate within its LVR for the forecast period from September 2009 to 30 June 2011 based on the assumptions set out in Section 5 of the PDS.

For the purposes of the Directors' forecast LVR calculation, the Directors' of AFM have applied the independent property valuations referred to in Section 3 of the PDS for the 22 month forecast period to 30 June 2011. However, the LVR is sensitive to a change in the value of the properties and a change in the outstanding NAB loan balance. We note that the LVR is forecast to be only marginally below the 70%

LVR set by National Australia Bank if the value of the properties were set to equal ADPF's assessment of the forced sale prices based on recent offers, or agents opinions, received on its properties.

The Directors' forecast LVR calculations have been prepared by the Directors of AFM using a set of assumptions, which reflect their judgement based on present circumstances as to both the more probable set of operating and economic conditions and the course of action the Fund is likely to take. These assumptions are subject to uncertainty and the outcome may be outside the control of the Directors of the Company. While evidence may be available to support the assumptions on which the Directors' forecast LVR calculations are based, such evidence is generally future orientated and therefore embody a significant level of uncertainty. Accordingly, actual results may vary materially from the Directors' forecast LVR calculations, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated. In addition, even if the events or circumstances do occur, the actual results may vary from those forecasts.

Accordingly, we are not in a position to, and do not express an opinion as to whether ADPF will operate within its LVR covenants during the forecast period. Investors should have regard to the risk factors detailed in Section 4 of the PDS.

6 SUBSEQUENT EVENTS

To the best of our knowledge and belief, and based on the work we have performed in relation to the scope of work set out in Section 4 of this Report, there have been no material transactions or events, other than those included in the PDS, which would require a comment on, or adjustment to, the financial information referred to in our Report or that would cause the financial information included in the PDS as defined in Sections 3.1, 3.2 and 3.3 above to be misleading.

7 DECLARATION

PKF Corporate Advisory Services (WA) Pty Ltd is responsible for this Report. The historical and forecast financial information presented in Section 1.4.2 and Section 5 of the PDS has been prepared by the Company and is the responsibility of the Directors of the Company. This Report is strictly limited to the matters contained herein and is not to be read as extending by implication or otherwise to any other matter.

Other than the arms length, commercial services provided by PKF to ADPF as its auditor, PKF Corporate Advisory Services (WA) Pty Ltd does not have any interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to this matter.

Except for fees relating to this Report, which are based on normal commercial terms, PKF Corporate Advisory Services (WA) Pty Ltd does not have any interest in the Company nor in the outcome of the Offer.

PKF Corporate Advisory Services (WA) Pty Ltd has not made, and will not make, any recommendation through the issue of the Report to potential investors of the Company as to the merits of the investment.

The nature of this Report is such that it should be given by an entity which holds an Australian Financial Services Licence under the Financial Services Reform Act 2001. PKF Corporate Advisory Services (WA) Pty Ltd holds an appropriate Australian Financial Services Licence. Appendix 1 contains our Financial Services Guide.

Consent for the inclusion of this Report in the PDS in the form and context in which it appears has been given. At the date of this Report, this consent has not been withdrawn.



Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Smith', written in a cursive style.

Neil Smith
Director

Appendix 1 – Financial Services Guide

Issue date: 4 June 2009

Financial Services Guide

What is a Financial Services Guide?

The purpose of the Financial Services Guide ("FSG") is to assist you in deciding whether to use any of the general financial product advice provided by PKF Corporate Advisory Services (WA) Pty Ltd ("PKFCA") (ABN 68 009 423 152). PKFCA is a holder of an Australian Financial Services Licence ("AFSL") No. 240566. The contents of this FSG include:

- who PKFCA is and how we can be contacted;
- what services PKFCA is authorised to provide under our AFSL;
- how PKFCA (and any other relevant parties) is remunerated in relation to any general financial product advice PKFCA may provide;
- details of any potential conflicts of interest; and
- details of PKFCA's internal and external dispute resolution systems and how you can access them.

Information About Us

We have been engaged by the Directors of Aspen Funds Management Limited ("AFM") to give general financial product advice in the form of a report to be provided to you in connection with an investigating accountant's report. A copy of this report is included in the PDS prepared by the Company. You are not the party or parties who engaged PKFCA to prepare the report.

PKFCA is a corporate advisory company owned by partners of the Western Australian partnership of PKF Chartered Accountants and Business Advisers ("PKF"). The directors of PKFCA may also be partners in the Western Australian partnership of PKF.

The Western Australian partnership of PKF and its related entities provide services primarily in the areas of external audit, internal audit, tax, consulting and through PKFCA, corporate advisory services.

The financial product advice in our report is provided by PKFCA and not by the West Australian partnership of PKF or its related entities.

We do not have any formal associations or relationships with any other entities that are issuers or sellers of financial products, other than PKF Financial Services Pty Ltd. However, you should note that PKFCA and the West Australian partnership of PKF (and its related bodies corporate) may from time to time provide professional services to financial product issuers or sellers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL that we hold authorises us to provide financial product advice in respect of securities only in the capacity of providing reports, for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues.

**Information about the general financial product advice we provide**

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued or sold by another party, we recommend you obtain and read carefully the relevant offer document provided by the issuer or seller of the financial product. The purpose of the offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out of pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us, and we confirm our remuneration in a written letter of engagement to the party or parties who engage us.

Neither PKFCA nor its Directors and officers, nor any related bodies corporate or associates and their Directors and officers, receives any commissions or other benefits, except for the fees for the services rendered to the party or parties who engage us. Our fee is expected to be approximately \$40,000. You have a right to request further information with regards to remuneration received by PKFCA or its representatives.

All of our employees receive a salary. Our employees are eligible for annual salary increases and bonuses based on overall performance but do not receive any commissions or other benefits arising directly from services provided by you. The remuneration paid to our Directors reflects their individual contribution to the company and covers all aspects of performance. Our Directors do not receive any commissions or other benefits in connection with our advice.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Responsibility

The liability of PKFCA is limited to the contents of this FSG and the report referred to in this FSG.

Distribution

PKFCA authorises the distribution of this FSG.

What should you do if you have a complaint?

If you have any concerns regarding this report, you may wish to advise us. Our internal complaints handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Complaints Officer
PO Box Z5066 St George's Terrace
PERTH WA 6831

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 (03) 9613 6399

If your complaint relates to the professional conduct of a person who is a Chartered Accountant, you may wish to lodge a complaint in writing with the Institute of Chartered Accountants in Australia ("ICAA"). The ICAA is the professional body responsible for setting and upholding the professional, ethical and technical standards of Chartered Accountants and can be contacted at:

The Institute of Chartered Accountants
GPO Box Z5385 St Georges Terrace
PERTH WA 6831
Telephone (08) 9420 0400
Fax (08) 9321 5141

Specific contact details for lodging a complaint with the ICAA can be obtained from their website at:

<http://www.icaa.org.au/about/index.cfm>

The Australian Securities and Investment Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info Line: 1300 300 630
Email: infoline@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

Section 7

Additional Information

7.1 Bank Borrowings

On 27 March 2009, the Fund agreed to amend its facility agreement with the National Australia Bank. The amendments were necessary to secure the bank's ongoing support of the Fund, and reflect an undertaking to reduce bank borrowings whilst maintaining its maturity of 31 October 2011.

A summary of the key terms are as follows:

| | |
|------------------------|---|
| Facility Limit: | <p>The facility has a limit of \$111 million.</p> <p>Assuming the Offer has been successful in raising \$15 million, the limit reduces as follows:</p> <ul style="list-style-type: none">• \$104 million by 1 August 2009• \$85 million by 1 October 2009• \$82 million by 1 November 2009 <p>Note: The Fund will achieve these repayment obligations through the proceeds of the Offer and through the sale of two properties as described in Section 1.2.</p> <p>If the Offer is unsuccessful, the limit reduces as follows:</p> <ul style="list-style-type: none">• \$104 million by 1 August 2009• \$94 million by 1 October 2009• \$80 million by 1 December 2009 <p>Note: If the Offer is unsuccessful, these repayment obligations will be met through the sale of further assets.</p> |
| Maturity Date: | 31 October 2011 |
| Security: | The facilities are secured via a first mortgage over each property owned by the Fund and a deed of charge over the Responsible Entity in relation to its role for ADPF. |
| Undertakings: | <p>LVR:</p> <p>Assuming the Offer has been successful in raising \$15 million, the Fund must ensure at all times that the LVR does not exceed 70%.</p> <p>If the Offer is unsuccessful, the Fund must ensure at all times that the LVR does not exceed:</p> <ul style="list-style-type: none">• 70% until 31 December 2009• 60% from 1 January 2010 to 30 June 2010• 55% from 1 July 2010 to the Maturity Date <p>As at 31 March 2009, the LVR was 69.6%.</p> <p>Net Interest Cover Ratio:</p> <p>The Fund must ensure at all times that the net interest coverage ratio (being earnings before interest, tax, depreciation and amortisation of the secured properties divided by interest expense payable under the NAB facilities), which is calculated quarterly, does not fall below specified thresholds</p> |

detailed in the facility agreement. These thresholds change from quarter to quarter and depend on whether the Offer has been successful in raising the minimum amount of \$15 million.

- If the Offer is successful in achieving the minimum capital raising of \$15 million, the quarterly ICR must not be less than 1.3 times until 30 September 2009, and thereafter it must not be less than 1.75 times.
- If the Offer has not been successful in raising the minimum capital raising of \$15 million, the threshold levels range from 1.2 times to 1.5 times over the term of the facility.

For the nine months ended 31 March 2009 the Fund had an ICR of 1.9 times on its NAB facility.

Weighted Lease Duration:

The Fund must ensure that the weighted average lease duration across its portfolio does not fall below 2.5 years. As at 30 April 2009 the weighted average lease duration of the Fund was 3.38 years based on NAB's adjusted methodology, which assumes market rental rates on vacant space.

Hedging

As at the date of this PDS, 86% of the Fund's bank borrowings have been hedged through interest rate swaps at a weighted average rate of 5.77% (excluding margins) for a weighted average duration of 0.98 years.

7.2 Interest Cover Ratio

Interest Cover Ratio (ICR) is a key indicator of a scheme's financial health as it is a measure of how many times an entity's earnings exceed the entity's net interest expense. Interest cover is calculated by dividing EBITDA (earnings before interest, tax, depreciation and amortisation) minus unrealised gains plus unrealised losses with interest expense.

The higher the ICR, the easier it is for the entity to service its debt. The lower the ICR, the higher the risk that the entity may be unable to adequately service its debt. An ICR of below 1 indicates that an entity does not have sufficient earnings capacity to pay the interest on its finance facilities.

For the nine months ended 31 March 2009, the Fund had an ICR of 1.38 times including interest payable under the Aspen loan facility.

The Manager has negotiated ICR covenants with the NAB which provide adequate headroom above the Manager's income forecasts for the Fund. Further details of the specific ICR covenants are outlined in Section 7.1.

7.3 Gearing

Gearing is a measure of the level of debt funding used by an entity. The gearing ratio is calculated by dividing total interest bearing liabilities by total assets.

A ratio of 0% indicates zero debt funding and a ratio of 100% indicates that an entity is entirely debt funded. The gearing ratio gives an indication of the potential risks faced by the Fund as a result of its borrowing due to, for example, an increase in interest rates or a decrease in property values.

The table below shows the impact of the Offer on the gearing of the Fund under various scenarios.

| | Current (31 March 2009) | Minimum Cash Subscription (\$15.0m) | Maximum Cash Subscription (\$25.0m) |
|--------------------------------|-----------------------------------|---|---|
| Gearing | 88.1% | 70.3% | 59.2% |
| Gearing Excl Aspen Debt | 69.4% | 55.4% | 48.3% |

7.4 Aspen Asset Purchase Facility

AFM (on behalf of the Fund) negotiated an Asset Purchase Facility with Aspen Group under which Aspen Group agreed to provide sufficient funds to facilitate certain acquisitions prior to the required capital being raised by the Fund. The terms of this facility can be found in Section 10.1.2 of PDS No.3 and are incorporated in this document by reference.

Aspen Group is paid an amount of 2% of the drawings made under this facility. For example, if the Fund were to draw \$10 million under the facility, a fee of \$200,000 would be payable by the Fund to Aspen Group.

Aspen Group is also entitled to be paid interest on the outstanding balance at the greater of 8.75% per annum or the 90 day bank bill rate plus 2.5% per annum.

As at the date of this PDS, drawings under this facility were \$29.7 million and the facility expires in July 2009.

If the Fund is successful in raising the Minimum Cash Subscription of \$15 million, Aspen Group has committed to extend the term of the facility to at least match the NAB senior debt facility (31 October 2011).

7.5 Aspen Withdrawal Loan Facility

This loan was provided by Aspen Group to help fund withdrawal requests. Details of this loan facility can be found in Sections 10.1.2 of the PDS No.3 and are incorporated into this document by reference.

Given that the Fund is currently considered illiquid under the Corporations Act and the Constitution, and that the Limited Monthly Withdrawal Facility is currently suspended, it is not Aspen's intention to forward funds under this facility.

7.6 Rights of Preference Units

The Preference Units will rank equally in all respects with Ordinary Units, including sharing in income distributions made by the Fund, but will rank ahead of Ordinary Units upon the return of capital to investors.

7.7 Material Contracts

Sale of Riseley Corporate Centre

On 11 May 2009, the Manager, acting on behalf of the Fund, entered into a contract to sell the Riseley Street Corporate Centre. The agreed sale price under this contract is \$8.025 million and settlement on this sale is expected on or before 24 July 2009.

Sale of Champion Drive Shopping Centre

On 30 April 2009, the Manager, acting on behalf of the Fund, entered into a conditional contract to sell the Champion Drive Shopping Centre. The agreed sale price under this contract is \$11.0 million and at the date of this PDS, following the successful completion of the due diligence process, the contract is only conditional upon the purchaser obtaining finance to make the acquisition. Settlement on this sale is expected on 1 July 2009.

7.8 Other Information

Details of the following information can be found in PDS No.3 and the relevant sections of PDS No.3 are incorporated into this PDS by reference:

- Summary of Constitution (Section 10.2)

- Investor Protection and Dispute Resolution (Section 10.3)
- Labour, Social, Ethical and Environmental Standards (Section 10.5)
- Disclosing Entity Reporting Requirements (Section 10.7)
- Inspection of Documents(Section 10.8)
- Anti-Money Laundering and Counter Terrorism Legislation (Section 10.9)

7.9 Property Valuation Policy

As the Responsible entity of the Fund, Aspen Funds Management has a valuation policy relating to the assets of the Fund.

The policy states that the Fund's assets will be subject to an external independent valuation in accordance with industry standards by a suitably qualified and registered valuer at least once every three years.

In addition to this, the Directors will review the asset valuations at least once a year on a rolling basis. If any major factor influencing the valuation of a property is judged to have moved significantly, the directors shall consider if the next independent asset valuation should be brought forward, in order for the Board to meet its ongoing disclosure obligations.

Due to the economic downturn and its effect on commercial property values, the directors performed a review of the portfolio's valuations in December 2008. This resulted in the decision to have 100% of the portfolio independently revalued as described in Section 1.1.

There have been no recent material changes to the valuation policy.

7.10 Related Party Transactions

Aspen Group has provided the Fund with an unsecured Asset Purchase Facility under terms disclosed in Section 7.4.

Aspen Group has provided the Fund with an unsecured Withdrawal Loan Facility under terms disclosed in Section 7.5.

Aspen Funds Management has a Conflict of Interest Policy and keeps a register of all potential conflicts of interest. The Conflict of Interest Policy can be accessed at:

<http://www.aspengroup.com.au/pdf/AFMConflictofInterestPolicy.pdf>.

Aspen Group also employs a full time Compliance Manager and has a Compliance Committee made up of two thirds external independent members to monitor and ensure compliance with this policy.

7.11 Disclosure of Interests

The fees AFM may receive (GST exclusive) are shown in Section 8.

The directors of AFM each hold interests in Aspen Group ranging from 0.02% and 4.6% of the Aspen Group's issued capital.

Peak Financial Services Pty Ltd, of which Mr A Del Borrello and Mr G Hawkins are directors, is entitled to receive up to 3% on any capital raised from New Investors directly by Peak Financial Services Pty Ltd under the Offer, and may pay part or all of this to any person who is an Authorised Representative of Peak Financial Services Pty Ltd. An additional 1% may be payable as a marketing fee.

As the Custodian of the Fund, AFM will receive fees as described in Section 8 – "Fees and other costs".

Aspen Group will also receive a fee equal to 2% of any new amounts drawn under the Aspen Group Asset Purchase Facility (see Section 7.4). A leasing fee may be payable to Aspen for providing leasing services to the Fund at commercial rates. A project management fee of 6.5% of the construction costs of any capital improvements on any of the Fund's assets may be payable to Aspen for project management services.

7.12 Consents to be Named

PKF Corporate Advisory Services (WA) Pty Ltd has given and not before the date of this PDS withdrawn its consent to being named in this PDS and to the inclusion of its Investigating Accountant's Report in the form and context in which their name or report have been included. PKF Corporate Advisory Services (WA) Pty Ltd has not caused the issue of or in any way authorised this PDS and takes no responsibility for the issue of this PDS other than its Investigating Accountant's Report.

7.13 Complaints Handling Procedures

The constitution of ADPF contains provisions which govern the procedures for dealing with complaints by Unitholders.

The Responsible Entity has procedures in place to properly consider and deal with any complaints received from Unitholders. Where a Unitholder has a complaint, at first instance, you should contact the Compliance Manager at AFM on (08) 9220 8400 or write to AFM at PO Box 3442, Perth Adelaide Terrace, WA 6832.

The Compliance Manager will acknowledge receipt of the complaint and make every effort to resolve the complaint, and will respond in writing. If the matter is not resolved to your satisfaction, we will provide you with details of an external independent body to which you can refer the complaint.

Section 8

Fees and Other Costs

The following is a general disclosure requirement pursuant to the Corporations Act Amendment Regulations 2005.

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 (for example, 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.fido.asic.gov.au) has a *managed investment fee* calculator to help you check out different fee options.

8.1 Fees and Other Costs

This document 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.

Taxation information is set out in Section 1.6 of this document.

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



Fees and Other Costs (continued)

| Type of Fee or Cost | Amount | How and When Paid |
|--|--|--|
| Fees when your money moves in or out of the fund | | |
| Establishment fee The fee to open your investment | Nil | Not applicable |
| Contribution fee The fee on each amount contributed to your investment | Nil. Refer to Note 1. | Not applicable |
| Withdrawal fee The fee on each amount you take out of your investment | Nil. Refer to Note 1. | Not applicable |
| Termination fee The fee to close your investment | Nil. Refer to Note 1. | Not applicable |
| Management costs The fees and costs for managing your investment. Refer to Note 2. | <p>A base annual management fee of 0.82% of the gross asset value of the fund.</p> <p>Fund expenses estimated to be 0.22% of the gross asset value of the Fund. Transaction costs and direct property costs have been excluded from the estimate of fund expenses.</p> <p>A Performance fee of 20% of the out performance over a total return benchmark of 10%, up to a maximum of 1% of gross assets of the Fund per annum.</p> | <p>Payable monthly in advance on the first day of the month to which they relate.</p> <p>Payable by the Fund when reimbursement is claimed. incurred or when reimbursement is claimed.</p> <p>Payable by the Fund half yearly in arrears within 30 days of the release of the Funds' half yearly audited accounts.</p> |
| Service fees | | |
| Investment switching fee The fee for changing investment options. | Not applicable | Not applicable |

Notes:

- Asset Acquisition Fees, Asset Disposal Fees and transactions costs will apply when the fund buys or sells investments. See Sections 8.2.1, 8.2.2 and 8.2.3. The Asset Acquisition Fee includes an amount payable to an adviser (See 8.2.1).
- These fees include GST and any applicable input tax credits or reduced input tax credits the Fund may claim.

8.2 Additional Explanation of Fees and Costs

8.2.1 Asset Acquisition Fee

An asset acquisition fee of 5% of the acquisition value of all properties, exclusive of acquisition costs, is payable to the Manager at settlement. This fee covers the identification, negotiation and settlement of the Fund's assets, co-ordination of PDS production, marketing and promotion in relation to equity raising and negotiating and arranging borrowing facilities.

The fee is not charged against individual applications.

Dollar Example of Asset Acquisition Fee:

The Fund acquires an asset for \$5 million by issuing 3 million units at an issue price of \$1.00 and borrowing \$2.6 million dollars to cover the balance of the purchase price, stamp duty and all associated fees and expenses. The cost to the Fund of the asset acquisition fee paid to the manager is \$250,000, being \$5 million x 0.05. The amount indirectly charged to a new investor with units totalling \$30,000 would be \$2,500 which is deducted from the Fund's assets as a whole.

Adviser Remuneration

From the Asset Acquisition Fee the Manager may pay an amount of up to 3% (excluding GST) of the application amount to holders of an Australian Financial Services Licence for applications introduced to ADPF. An additional 1% (excluding GST) may be paid as a marketing fee. This fee is payable by the Manager from its Acquisition Fee and is not an additional cost to the Fund.

8.2.2 Asset Disposal Fee

The asset disposal fee of 2% of the net proceeds of disposal or the value of the properties is payable upon either the wind-up of ADPF and distribution of proceeds to Unitholders, or on the disposal of the individual components of the portfolio, or on the value of assets should ADPF become listed on the ASX. The fee is also payable should AFM be removed as Responsible Entity for the Fund.

The asset disposal fee is payable to the Manager one month from the occurrence of any of the above events.

Dollar Example of Asset Disposal Fee:

In 2009 the Manager negotiates the sale of a property for a sale price (net of selling costs) of \$6 million. The cost to the Fund of the asset disposal fee payable to the Manager is \$120,000, being \$6 million x 0.02.

8.2.3 Transaction Costs – Buy-Sell Spread

For the purposes of this Offer there are no transaction costs included in the Application Price. This is because all funds raised are to be used to repay debt, which incurs no transaction costs.

As the Fund is currently closed for withdrawals, it is not relevant to calculate a "buy-sell" spread.

8.2.4 Fund Expenses

Under the Constitution the Manager is entitled to be reimbursed for any costs or expenses incurred in establishing and managing ADPF and performing custody services. These costs, including the custodian's fees and GST have been estimated at 0.22% of the gross asset value of the Fund.

AFM will seek reimbursement for any costs associated with holding Fund assets with total recoveries estimated to be no greater than 0.22% of gross assets of the Fund with a minimum fee of \$15,000 per annum.

The Fund Constitution does not limit the total amount of expenses that may be recovered.

8.2.5 Performance Fee

The Manager is entitled to a performance fee if the Fund's performance in any financial year exceeds a 10% per annum total return benchmark and makes up any shortfalls from any under-performance in previous years. Performance is measured in terms of a total return to an investor, comprising both income distributions (excluding any tax benefits) and capital growth, and is calculated relative to the average issue price (since inception) for the Units in the Fund (determined at the end of the relevant performance period).

The amount of the performance fee will be 20% of the percentage out-performance (i.e. the amount by which the total return of the Fund, after fees and before tax, exceeds the 10% benchmark), multiplied by the gross asset value of the Fund at the end of the relevant Performance Period.

The total return of the Fund in any financial year is calculated by reference to the growth in net asset value (per unit) for the year and total distributions per unit (based on a unit held for the relevant period) relative to the average issue price (calculated in the manner specified above).

Fees and Other Costs (continued)

Performance will be measured on a cumulative basis, so that any under-performance by the Fund against the 10% performance benchmark must be recovered before any future performance fee is payable to the Manager. That is, should the total return of the Fund be less than 10% in any period, no performance fee is payable in that period, and a shortfall amount will be determined and taken into account when future performance fees are calculated.

$$\text{Performance Fee} = 20\% \times \left[\frac{\text{Growth in net assets per Unit} + \text{Distributions per Unit}}{\text{Weighted Average Issue Price of Units}} - 10\% \right] \times \text{Gross Assets} - \text{Shortfall Amount}$$

The amount of the performance fee payable to the Manager for any one year is limited to 1% of the Fund's gross asset value at the end of the relevant year. Any performance fee that exceeds the 1% limit will accrue until it can be paid in a year without exceeding the 1% limit.

The performance fee may be paid in cash or, at the Manager's discretion, in units in the Fund within 30 days of the end of the Performance Period.

An example calculation of the Performance Fee is illustrated below over a two year period, showing the Fund not achieving the benchmark in year one resulting in a shortfall being carried forward, then exceeding the benchmark in year two where the shortfall amount is recouped.

Dollar Example Of Performance Fee*

| | Year 1 | Year 2 |
|--|---------------------|-------------------|
| Total member return for the Fund: | | |
| • Growth in net asset value of the Fund ¹ | 3.0% | 3.5% |
| • Cash distribution yield ¹ | 6.0% | 8.0% |
| Total Member Return | 9.0% | 11.5% |
| Less 10% benchmark | -10.0% | -10.0% |
| Out-performance | -1.0% | 1.5% |
| Manager's out-performance share (20%) | -0.2% | 0.3% |
| Gross asset value (as at end of Performance Period) | \$160 million | \$170 million |
| Notional performance fee/ (shortfall amount) | (\$ 320,000) | \$ 510,000 |
| Shortfall Amount from prior year | - | (\$ 320,000) |
| Performance fee | nil | \$ 190,000 |

¹ These amounts are determined relative to the Weighted Average Issue Price of Units at the end of the Performance Period.

* This is not a forecast of the Fund's future performance but an example for illustrative purposes only.

8.2.6 Deferral of Fees

The Manager may collect a lesser amount of management fees in any given year and will be entitled to recover these fees in later years. The Manager reserves the right to collect any shortfall of management fees up to the amount specified above in subsequent years.

8.2.7 Direct Property Costs

The Fund incurs a range of costs directly associated with owning property including, land tax, rates, insurance, the cost of repairs and improvements and borrowing costs. These costs are not included in the management costs.

As outlined in Section 7.11 some of these costs may be paid to parties related to AFM.

8.2.8 Maximum Fees

Unless otherwise indicated the fees described above are the maximum amount allowed under the Constitution.

8.2.9 GST

The fees shown in this section are inclusive of GST and any applicable input tax credits or reduced input tax credits the Fund may claim.

8.3 Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs in the Aspen Diversified Property Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

| EXAMPLE | BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR | |
|-----------------------|--|---|
| Contribution Fees | Nil | Nil. |
| PLUS Management Costs | 3.38%** | And, for every \$50,000 you have in the Fund you will be charged \$1,690 each year. |
| EQUALS Cost of Fund* | | 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: \$1,690. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser. |

* Additional fees may apply: performance fees may be payable if the Fund's performance exceeds the threshold levels in Section 8.2.5. A buy-sell spread to cover transaction costs (including the 5% Asset Acquisition Fee and the 2% Asset Disposal Fee) also applies.

** This figure represents the Indirect Cost Ratio (ICR) of the Fund, which is the ratio of the annual ongoing management costs of the Fund (that are not deducted directly from the Investor's account) to the total average net assets of the Fund. The ICR replaces a previous industry standard measure, the Management Expense Ratio (MER). The MER was based on gross asset basis whereas the ICR is a measure of the costs against the net assets of the Fund. Therefore, unlike the MER, the ICR increases as the gearing level increases, and will decrease when the gearing level decreases. The ICR reduces to 2.08% based on the Fund's MER of 1.04% assuming the long term gearing target of 50%.



Section 9

Glossary

The definitions of a number of terms used in this PDS are given below.

ADPF means Aspen Diversified Property Fund ARSN 113 493 039

AFM means Aspen Funds Management Limited ABN 48 104 322 278

AFSL means Australian Financial Services Licence

Application Price means the price at which Preference Units would be issued to Investors under the Offer, being \$0.05256

ASIC means the Australian Securities and Investments Commission

Aspen means Aspen Group, AFM and entities managed by AFM

Aspen Group means the stapled listed entity (ASX code: APZ) comprising Aspen Group Ltd (ABN 50 004 160 927) (which includes its wholly owned subsidiary AFM) and Aspen Property Trust (ARSN 104 807 767)

Australian Securities Exchange (“ASX”) means the principal exchange for the trading in shares, bonds, and certain other securities in Australia

Cash Subscription means the Subscription Monies received from Investors under both the Priority Offer and the External Offer excluding the conversion of debt by Aspen Group

Compliance Committee means the committee appointed under the Corporations Act and the Constitution to monitor the Responsible Entity’s adherence with the Compliance Plan and to report any breach by the Responsible Entity of the Corporations Act or the Constitution to ASIC

Compliance Plan means the Compliance Plan of AFM

Constitution means the Constitution of ADPF dated 15 March 2005 or as amended which are lodged with ASIC

Corporations Act means the Corporations Act 2001 (Commonwealth of Australia)

Custodian means AFM

Entitlement means the right of each Existing Unitholder to apply for 19 Preference Units for each Ordinary Unit held at the Record Date.

Existing Unitholders means Unitholders in the Fund who held Ordinary Units on the Record Date

External Offer means an offer of the Shortfall to New Investors following the Priority Offer

Fund means ADPF

Investor means any person who is a Unitholder, or is seeking to become a Unitholder

LVR means Loan to Value Ratio

Manager means AFM

Maximum Cash Subscription means \$25 million

Minimum Cash Subscription means \$15 million

New Investors means any Investor seeking to become a Unitholder in the Fund who did not own Units on the Record Date

Offer means the offer of Preference Units pursuant to this PDS

Ordinary Unit means Units in the Fund issued prior to the Record Date

PDS means this document which offers investors an opportunity to apply for Preference Units in ADPF

PDS No.3 means Product Disclosure Statement No.3 dated 21 December 2007 and available on the Aspen Group website

Preference Units means Units issued under the Offer

Priority Offer means a pro-rata Entitlement Offer for Existing Unitholders to subscribe for 19 Preference Units for each Ordinary Unit held at the Record Date

Property Sales means the sale of Champion Drive Shopping Centre and Riseley Corporate Centre as described in Section 7.7

RBA means the Reserve Bank Of Australia

Record Date means 23 April 2009, being the date used to determine rights under the Priority Offer

Responsible Entity or RE means AFM

Shortfall means the difference between the Cash Subscription and the Maximum Cash Subscription of \$25.0 million

SMSF means self managed superannuation fund

Subscription Monies means the amount of consideration paid by Investors to participate in the Offer.

Successful Outcome means any situation under which the Fund raises a minimum of \$33.1 million net proceeds from a combination of the Offer and the Property Sales. This definition assumes a \$15 million Cash Subscription together with the Property Sales. The Manager may make additional or alternative asset sales if it determines it is in the best interests of the Fund and does not impact on the projected distributions under the Offer, and this may result in a higher or lower Minimum Cash Subscription being required to achieve a Successful Outcome

Unit means a Unit in ADPF representing the Unitholder's proportionate interest in the Fund assets and refers to both Ordinary Units and Preference Units

Unitholder means any person or entity whose application for Units in ADPF is accepted and Units allotted in ADPF

Yield means the return of income received by Investors in ADPF

Section 10

Frequently Asked Questions

| | |
|---|---|
| How do I make an application? | You must complete the application form accompanying this PDS and forward it with your cheque to the address as stated. |
| What am I investing in? | The investment is in ADPF, an open-ended unit trust which owns a number of properties and which must distribute all taxable net income to Unitholders. |
| What is the current offer? | <p>This Offer is an Entitlement Offer under which each Existing Investor may apply for 19 Preference Units for each Ordinary Unit held at the Record Date. If any Entitlements are not taken up, the Shortfall will be offered to New Investors under the External Offer.</p> <p>If the Manager receives applications under the Priority Offer which exceed the Maximum Cash Subscription, the Manager will make a pro-rata reduction in the Entitlement and return Subscription Monies in excess of the Maximum Cash Subscription to each applicant in proportion to the Subscription Monies it paid.</p> <p>If the Manager receives applications under the Priority Offer which equal or exceed the Maximum Cash Subscription, the Manager will not proceed with the External Offer.</p> <p>If the Manager does not receive applications under the Priority Offer which exceed the Maximum Cash Subscription, the Manager will proceed with the External Offer, without reducing the Entitlements under the Priority Offer.</p> |
| What is a Preference Unit? | Preference Units are a new class of units in the Fund which will rank equally in all respects with Ordinary Units, including sharing in all income distributions, but will rank ahead of Ordinary Units upon the winding up the Fund and the return of capital to Unitholders. |
| Who is managing the investment? | The investment manager is Aspen Funds Management, which oversees the operation of the investment. AFM is a subsidiary of the listed Aspen Group which manages property assets of \$1.3 billion. |
| How often will I receive income? | Distributions of income are paid monthly, in arrears. Income distributions are currently suspended pending the completion of a Successful Outcome but are expected to resume once the Offer achieves the Minimum Cash Subscription. |

| | |
|---|---|
| What fees are deducted from my investment? | There are no fees deducted directly from your application money. Fees are paid to a variety of parties as disclosed in Section 8, "Fees and Other Costs", however, these are paid from the combined assets and income of the Fund. |
| Can a self managed superannuation fund invest? | Complying superannuation funds are able to participate in the Fund. ADPF is a widely held investment as defined in Part 8 of the Superannuation Industry (supervision) Act 1993. This allows a Self Managed Superannuation Fund to participate in the investment under investment rules introduced by the Superannuation Legislation Amendment Act (No 4) 1999. |
| Are any commissions being paid to financial advisers? | Appropriately licensed financial advisers will receive a fee of up to 3% of the amount invested by New Investors. There are no commissions payable on investments by Existing Investors taking up their entitlement under the Offer. This fee is payable by the Manager from the acquisition fees. An additional 1% may be paid as a marketing fee. |
| Can I sell my Units once they have been issued? | Whilst there is no public market for the trading of Units, each Unitholder is free to sell Units privately to another person. There are currently no arrangements in place to allow Investors to withdraw an investment from the Fund. |
| How will I know what my investment is worth? | The Manager will from time to time have the assets of ADPF valued by an independent valuer which will assist in determining the value of each Unit. The value of each Unit will be calculated in accordance with the formula as set out in the Fund's Constitution. |
| If I apply for Units when will I receive a holding statement? | Refer to Section 2.6 for an explanation of when Preference Units will be allocated. Holding statements will be dispatched within five business days of allotment. |
| What information will I receive once I have invested? | Unitholders receive a notice of distribution at least half yearly and an annual summary of tax implications for Unitholders to assist with preparation of individual taxation returns. Unitholders also receive a report on the Fund at least annually. |
| Why do I need to provide information to verify the identity of the Investor, and what happens if I choose not to provide that information? | AFM, as Manager, is required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to obtain additional information about the identity of New Investors and to verify that information by inspecting appropriate documents or by you providing certified copies of the documents. Until we receive all information required under the AML Act and are able to verify it we may not be able to issue new Units to New Investors. |

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Aspen Diversified Property Fund – External Offer Application Form – Preference Units

Instructions for Completing the Application Form

Amount Subscribed

Please insert the AMOUNT you wish to subscribe. Your application must be for a minimum of \$10,000.

Investor Details

Please write the FULL NAME you wish to appear on your holding statement in BLOCK LETTERS. This must be either your own name/s or the name of a company. Trustees of a superannuation fund, trust, partnership or minor should also write their name/s in this area and put an account designation at point B. Refer to the table entitled 'Correct Form of Registrable Names' over the page.

Account Designation

Registrations on behalf of a superannuation fund, trust, partnership or minor should indicate an account designation as per the examples in the table entitled 'Correct Forms of Registrable Names' over the page.

Tax File Number/s (TFN), Australian Business Number/s (ABN) or Exemptions

Please enter your TAX FILE NUMBER ("TFN"), AUSTRALIAN BUSINESS NUMBER ("ABN") if a business account or EXEMPTION CODE/S.

Where applicable, please enter the TFN or ABN for each joint applicant. Collection of tax file numbers is authorised by tax law and the Privacy Act 1988. It is not compulsory to provide your TFN. However, if you do not do so, tax will be deducted from your distributions at the top personal rate plus the Medicare levy. For more information about the use of tax file numbers or available exemptions, please read the booklet 'New Tax Rules for Savings and Investments' available from the Australian Taxation Office.

Contact Details

Enter your MAILING ADDRESS for all future correspondence from the Manager in relation to your holding in ADPF. Please provide your TELEPHONE NUMBER/S, CONTACT NAME/S and EMAIL ADDRESS in case we need to contact you in relation to your application.

Payment Details

Cheques must be crossed 'not negotiable' and made payable to "ADPF – Proceeds Account".

Payment must be made in Australian currency. Cheques not properly drawn may be rejected. Please attach your cheque securely to the application form.

Direct Credit for Distributions

Distributions will only be credited directly to the account you nominate with an Australian financial institution. Please provide full details in the spaces provided. Please ensure that your financial institution account details are correct.

Please note distributions cannot be paid in the form of a cheque.

Declaration and Acknowledgment

Please read and note the relevant declaration and acknowledgment section, and sign where indicated.

All applications must be signed by the applicant(s). Joint applications must be signed by all parties, subject to the law, joint applicants are treated as joint tenants. Corporate applications must be signed in accordance with the applicant company's constitution. Applications made by those under the age of 18 must be signed by the parent/guardian under whose name the application is made.

Lodging the Application Form

The completed Application Form and application money should be forwarded to Aspen Funds Management Limited prior to 5.00pm WST on the Offer closing date of 31 December 2009.

Your application should be accompanied by a cheque made payable to “ADPF – Proceeds Account” for the sum of the amount of your application under the Offer. If you would prefer to pay by electronic funds transfer (EFT) please contact Investor Services for bank account information.

Mail to:

PO Box 3442
Perth Adelaide Terrace
WA 6832

Or deliver to:

Level 8, Septimus Roe Square
256 Adelaide Tce
Perth WA 6000

Enquiries:

FreeCall 1800 220 840
Telephone (08) 9220 8400
Facsimile (08) 9220 8401
Email funds@aspengroup.com.au
Web www.aspengroup.com.au/aspens_diversified.html

Correct Form of Registrable Names

Only legal entities are allowed to hold Units in ADPF. Applications must be in the name(s) of natural persons, companies or other entities acceptable to ADPF. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if requested. Use the symbols < > as shown below to indicate an account designation.

| Type of Investor | Application Form Ref. | Correct Form of Application | Incorrect Form of Application |
|--|-----------------------|---|--------------------------------------|
| Individuals Use given names in full, do not use initials | A | Mr John David Smith | J D Smith |
| Companies Use company name, do not use abbreviations | A | ABC Pty Ltd | ABC P/L or ABC Co |
| Trusts Use trustees personal names or corporate names, do not use name of trust | A B | Mrs Joan Susan Smith <Joan Susan Smith Family A/C> | Joan Susan Smith Family Trust |
| Superannuation Funds Use name of trustee of the fund, do not use name of the fund | A A B | Mr John David Smith Mrs Joan Susan Smith <Smith Super Fund A/C> | John and Joan Superannuation Fund |
| Partnerships Use partners full names, do not use the partnership name | A A B | Mr John David Smith Mrs Joan Susan Smith <Smith and Co A/C> | Smith and Co. |
| Minors (persons under 18) Use name of parent or guardian, do not use the name of the minor | A B | Mr John David Smith <John Smith Jnr A/C> | John Smith Jnr |
| Clubs/Incorporated Bodies/ Business Names Use office bearer names, do not use name of club etc | A B | Mr John David Smith <ABC Investors Club A/C> | ABC Investors Club |

Aspen Diversified Property Fund – External Offer

Application Form – Preference Units

This form should be read in conjunction with the Supplementary PDS dated 16 September 2009 and the PDS dated 5 June 2009 which contains important information about Aspen Diversified Property Fund and should not be passed on separately from the PDS.

Please complete all relevant sections within the area indicated in BLOCK LETTERS.

Amount Subscribed

I/We lodge the following application for Preference Units in Aspen Diversified Property Fund.

Total amount applied for \$

Cheques should be crossed "not negotiable" and made payable to "ADPF – Proceeds Account".

Type of Investor

- Individual Joint On behalf of a Superannuation fund
 Company Incorporated Association On behalf of a Partnership On behalf of a Trust/Child
-

Investor Details (A)

Individual 1 / Trustee / Partner

Mr/Mrs/Miss/Ms/other Given Name(s) Surname

Tax File No* Exemption: Do you have a tax exemption? Yes No

Date of Birth (Day/Month/Year) / / Occupation

Individual 2 / Trustee / Partner

Mr/Mrs/Miss/Ms/other Given Name(s) Surname

Tax File No* Exemption: Do you have a tax exemption? Yes No

Date of Birth (Day/Month/Year) / / Occupation

Company/Incorporated Association

Name of Company ABN/ACN/Registration Number

Tax File No* Contact name

Account Designation (B)

- Superannuation Fund Family Trust Partnership Minors

Name of Account*

Tax File No* Contact name(s)

*If you do not supply a Tax File Number or do not have an exemption, tax will be withheld from your distribution at the top marginal rate plus Medicare Levy.

Contact Details

Street address or PO Box

Suburb/town State Postcode

Telephone-(h) Telephone-(w) Facsimile

Mobile Email Address

(Continued overleaf)

Aspen Diversified Property Fund

Application Form (continued)

Details of Bank Account to receive Income Distribution

BSB Number

Account Name

Account Number

Bank Branch

Declaration and Acknowledgment

By completing and lodging this application form, I/we declare that:

- I/we have personally received (or accessed an electronic copy) and read and understood the Supplementary PDS to which this application applies and agree to the Offer contained in it and to be bound by the terms of the Constitution.
- The details inserted on the application form are complete and accurate.
- 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 a superannuation fund, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.

Further, by completing and lodging this application form, I/we acknowledge:

- Aspen Funds Management (AFM) may accept or reject the application in whole or in part, and AFM has absolute discretion to allocate Preference Units as it sees fit.
- Receiving the Privacy Act collection statement printed below.
- I/we have had the opportunity to seek independent professional advice regarding the legal, tax and financial implications of subscribing to the Aspen Diversified Property Fund.
- That authorised investment advisers and stockbrokers are entitled to receive commission. Any commission paid is the responsibility of AFM and is paid by AFM from its own remuneration.
- That once Aspen Group receives this Preference Unit Application Form or my/our payment, I/we may not withdraw it or vary my/our Application.
- That the information contained in the PDS, including any covering letter and this Application Form is not financial advice or a recommendation that the Preference Units are suitable for me/us, given my/our investment objectives, financial situation or particular needs.
- Preference Units may either be, at the sole discretion of the Manager, issued or transferred to me/us pursuant to this Application.

Company seal
(if applicable)

Name of Applicant 1 or Company Officer

Signature

Date

 / /

Name of Applicant 2 or Company Officer

Signature

Date

 / /

Sole director

Sole director and sole secretary

Privacy Statement

AFM is collecting the information in the application form for the primary purpose of issuing Units in ADPF.

The information will also be used to forward to you periodic information relating to your investment in ADPF and from time to time provide to you information of a generic or marketing nature relating to Aspen.

This information will not be made available to any third party, other than as required by law and to service providers for permitted related purposes (for example, auditors, consultants and advisers) for the purpose of administering the investment.

By executing this application form, you provide your consent to AFM to disclose your information to such service providers and to use your information for the purposes referred to above. If you wish to request access to your information or if you have any complaint in relation to the manner in which AFM has handled your information, please contact us. For more information relating to AFM's privacy policy please contact AFM on (08) 9220 8400.

Customer Identification for AML/CTF Requirements

In order to comply with the obligations under the Anti-Money Laundering and Counter terrorism Financing Act 2006 (Cth) (AML/CTF Requirements), providers of certain financial services are required to conduct customer identification. (See Frequently Asked Questions on pages 49 and 50 of the PDS).

If investing directly, complete the Investor Identification Checklist.

An Investor Identification Checklist AML/CTF form can be obtained from Aspen Group's website – http://www.aspengroup.com.au/aspden_forms.html.

*Please provide all relevant documents.

OR

If investing directly, but through the services of a Financial Adviser, the Financial Adviser is to complete the certification below.

AML /CTF client identification has been completed for the Applicant(s)

 Y N

If you tick 'No' please provide "Investor Identification Checklist AML/CTF" form and all supporting documentation.

Forms can be obtained from Aspen Group's website – http://www.aspengroup.com.au/aspden_forms.html.

Financial Adviser/Broker Stamp if applicable:

Adviser comment or notes: