

Aspen Parks Property Fund



Investor Update December 2011

Strong Performing Aspen Parks Tops Rankings

Welcome to the Aspen Parks Property Fund investor update for December 2011.

Since our last communication with investors in August, the Aspen Parks Property Fund has continued to deliver excellent returns, through our quality portfolio of holiday and accommodation parks.

This solid performance has further cemented the Fund's position as a top performer in the unlisted property sector. Aspen Parks has ranked as the top performing fund over the last five years in Morningstar's Unlisted and Direct Property Universe, outperforming competitors with a combination of attractive income yields and solid capital growth.

This performance has been recognised by our investor base and the continued support of investors and advisers has seen the Fund record high levels of inflows over the past few months. As well as improving investor liquidity, these have been used to lower debt levels to a conservative position well within the Fund's long term target gearing range.

Over the past few months, Aspen Funds Management, as Responsible Entity for the Fund, has also worked hard to deliver investors new administrative capabilities in the Fund in conjunction with the Fund's seventh anniversary and release of the new Offer Document. The new Offer Document introduces investors to new features such as distribution reinvestment and direct debit, as well as a reduced fee structure.

In addition to these changes, an amendment to the Withdrawal Offer policy has been adopted by the Board, providing improved frequency and certainty around future liquidity events.

The outlook for the 2012 financial year remains positive, with operating results ahead of budget in the first few months of the year. Further strong operational performance is expected to benefit from potential new mining projects as well as the increased tourist traffic over the upcoming Christmas period.

Management remain committed to continuing the delivery of robust, stable returns to investors and wish everyone a safe and happy holiday period.

Lino Brolese
CEO, Aspen Parks



Financial Update

The Fund continues to perform well, driven by strong performance in the Mining Accommodation and Tourism sectors.

Mining accommodation has continued to perform strongly over recent months, with high occupancies and tariffs continuing to drive performance. Closure of BHP Billiton's Olympic Dam mine in Roxby Downs for routine maintenance has seen an increase in demand for accommodation at the Fund's Myall Grove property, resulting in increased occupancy and improved operating profit. Cooke Point in Northern Western Australia has also continued to perform well with higher tariffs increasing profitability of the property.

Good rains over the winter months helped produce the best Wildflower season in over 50 years in the Mid West of Western Australia. The abundance of colour saw an increase of tourist traffic into the area and directly increased the revenue in our Exmouth Cape and Ningaloo Reef Resort properties, contributing to strong returns in our tourism sector.

As a result of holding the Withdrawal Offer, in which three months of equity inflows were allocated to fund outflows, the Fund was unable to make any substantial debt reductions in the first quarter of the 2012 financial year. However, strong operating profit and increased flows into the Fund in October has meant the Fund has been able to decrease its gearing level down to 43% and comfortably within the Fund's target gearing range of 40-50%. The Fund is committed to maintaining a long term gearing level in this range whilst still looking at attractive acquisition and development opportunities for the Fund going forward.



Twofold Bay Beach Resort, NSW.

New Withdrawal Offer Policy

The Withdrawal Offer policy, as agreed by members of the Fund on 28 January 2010, stated that the Fund will make a Withdrawal Offer at least once every three years, funded out of three months of capital inflows.

As a result of general feedback around more frequent liquidity, the Board of Aspen Funds Management, as Responsible Entity for the Aspen Parks Property Fund, has approved a new Withdrawal Offer policy. The new policy will provide members with an annual Withdrawal Offer funded by 10% of the annual capital inflows to the Fund in the previous calendar year.

Commencing 1 January 2012, the Fund will allow for 10% of the capital inflows received over the course of the calendar year to create a pool to satisfy withdrawal requests. This amount will be available to fund the Withdrawal Offer in the first quarter of the following year with more information regarding the timing of this offer period communicated to investors in due course.

We believe this new policy of offering more frequency and certainty of timing will be a benefit to investors. As such, the next withdrawal offer will be in the first quarter of 2013.

Valuations Update

As part of the quarterly valuation cycle the Fund undertook three valuations in the September quarter.

Location	Latest Valuation (\$m)
Geelong Riverview Tourist Park, Vic	\$2.4m
Port August Holiday Park, SA	\$6.0m
Twofold Bay Beach Resort, NSW	\$7.2m

Overall the result of the re-valuations was a \$150,000 uplift in the valuation of Fund properties, which resulted in a 0.8% increase in the property value of the Fund. The loan to value ratio (LVR) of the Fund now stands at 44.4% (as at 31 October 2011), well below the banking covenant limit of 55%.

Port Augusta and Twofold Bay both saw modest improvements in their valuations as a result of strong trading in the past 12 months. Geelong Riverview experienced some decline in value as a result of the gradually eroding lease terms, which now stand at just over 15 years, however this erosion is not seen as an impediment to the continued operating success of the property.

The Fund has now re-valued 79% of the portfolio since March 09, with the remaining seven properties to be re-valued in the coming months as part of our continued commitment to rolling valuations in the Fund.

Myall Grove Holiday Park, Roxby Downs



The township of Roxby Downs, situated 550 kilometres north of Adelaide and 250 kilometres north of Port Augusta in South Australia, was built in the 1980s to support the nearby Olympic Dam Mine (one of the world's largest mines producing gold, silver, copper and uranium oxide). Roxby Down's town site provides a welcoming detour off the Stuart Highway and pleasant stop-off on the drive north to the Oodnadatta Track. The mine, nine kilometres north of Roxby Downs, is perhaps the greatest attraction. Nine million tonnes of ore are mined annually, producing 350,000 tonnes of copper, 4,000 tonnes of uranium oxides, 80,000 ounces of gold and about one million ounces of silver.

Myall Grove Holiday Park in Roxby Downs has all the facilities a traveller would need to relax, replenish supplies and gather information before 'heading bush' and offers a range of tourist accommodation from Caravan and Camping sites through to Villas and Cabins. Set among rich red sand dunes and native pine, Roxby Downs is fast becoming an ideal place to start the journey of discovery into the 'real' Australian Outback.



\$30 Billion Proposed BHP Olympic Dam Expansion

In September, the Federal Government gave approval to the proposed expansion of BHP Billiton's Olympic Dam mine in South Australia, in what many believe is an economic "game-changer" for the South Australian Economy. The expansion is expected to create more than 13,000 jobs and contribute more than \$45 billion to the South Australian and Australian economies over the next 30 years.

Under the planned \$30 billion expansion, BHP Billiton will have a new open pit mine to increase ore production and infrastructure, including a waste rock storage facility and an expanded tailings storage facility, which will operate in conjunction with the existing underground mine. As a result, BHP Billiton will be required to meet more than 100 strict conditions under the Environment Protection and Biodiversity Act, over the life of the uranium and copper mine and beyond.

The proposed deal is continuing to progress well, with the company signing an agreement with the South Australian government in November, which has set the level of royalties to be paid and clarified other issues, including the level of local ore processing and the environmental considerations. BHP Billiton has also approved the spending of \$1.2 billion for the first phase of the project, which is expected to commence in 2012.

The deal is expected to provide increased opportunities for Aspen Parks to build on existing land and relationships it has in the area.

2011 Annual General Meeting

The Aspen Parks Property Management Ltd's Annual General Meeting was held on 28 November 2011 at the Perth Novotel Hotel. There was a good turnout from investors, with those who attended, and those who returned proxy votes, offering overwhelming support for the re-election of director Gavin Hawkins.

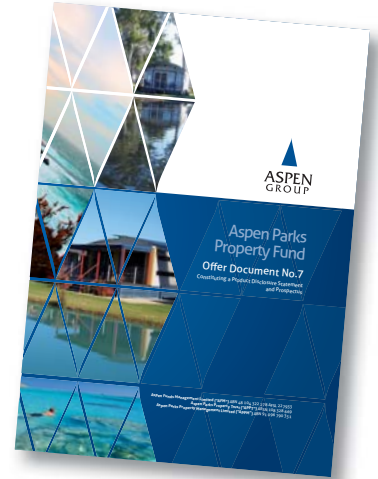
Aspen Parks' CEO, Lino Brolese, and Aspen's Head of Funds Management, Phil Barker, also gave a short presentation on the current status and operations of the Fund, as well as an outlook for the coming year. An audiocast of the presentation, as well as up to date information of Fund specifics can be found on the Fund's website www.aspengroup.com.au/aspenparks

Introduction of Distribution Reinvestment

In September, the seventh offering of the Aspen Parks Property Fund was released, with a suite of changes including the introduction of a Distribution Reinvestment Plan (DRP).

The new plan allows investors to automatically reinvest their distribution back into the Fund at a discount to the current application price, enabling DRP users access to more attractive prices than the rest of the market, and a convenient way to gradually grow your holding in the Fund.

For more information on DRP, or information on how to enrol, please contact Aspen Investor Services on 1800 220 840 or visit the Fund's website www.aspengroup.com.au/aspensparks



Western Australia

Fremantle
Woodman Point Holiday Park PH: 1800 244 133
Coogee Beach Holiday Park PH: 1800 817 016

Swan Valley
Perth Vineyards Holiday Park PH: 1800 679 992

Shark Bay
Monkey Mia Dolphin Resort PH: 1800 653 611

Coral Bay
Ningaloo Reef Resort PH: 1800 795 522

Exmouth
Exmouth Cape Holiday Park PH: 1800 621 101
Blue Reef Backpackers

Karratha
Pilbara Holiday Park PH: 1800 451 855
Balmoral Holiday Park PH: 08 9185 3628

Port Hedland
Cooke Point Holiday Park PH: 1800 459 999

Kununurra
Kununurra Country Club Resort PH: 1800 808 999

South Australia

Port Augusta
Port Augusta BIG4 Holiday Park PH: 1800 833 444

Roxby Downs
Myall Grove Holiday Park PH: 1800 356 103

Queensland

Airlie Beach
Island Gateway Holiday Park PH: 1800 466 528

Victoria

Albury/Wodonga
Boathaven Holiday Park PH: 1800 352 982

Geelong
Geelong Riverview Tourist Park PH: 1800 336 225

Mildura
Golden River Holiday Park PH: 1800 621 262

Echuca/Moama
Yarraby Holiday Park PH: 1800 222 052

Melbourne
Ashley Gardens BIG4 Holiday Village PH: 1800 061 444

New South Wales

Echuca/Moama
Shady River Holiday Park PH: 1800 674 239
Maiden's Inn Holiday Park PH: 1800 356 801
Murray River Holiday Park PH: 1800 357 215
Horseshoe Lagoon Holiday Park PH: 03 5482 2320

Albury/Wodonga
Wymah Valley Holiday Park PH: 1800 776 523

Eden
Twofold Bay Beach Resort PH: 1800 631 006

Forster/Tuncurry
Wallamba River Holiday Park PH: 1800 268 176

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aspengroup.com.au



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