

Aspen Parks Property Fund

Disclosure update – 30 September 2011

Introduction

In accordance with ASIC Regulatory Guide 46: *Unlisted property schemes – improving disclosure for retail investors* (RG46), certain information is required to be disclosed in a Product Disclosure Statement, and updated on a regular basis where that information has materially changed. The information required by RG46 for the Aspen Parks Property Fund (“Fund”) is largely included in Offer Document No.7, the current offer document for new investors.

This disclosure is intended to update investors for any material changes to the current offer document. Unless otherwise mentioned, the information referred to in this document is compiled using the latest audited financial statements of 30 June 2011.

Investors may request hard copies of this document and the documents referred to in the disclosure update below by calling Aspen Group on 1800 220 840.

Disclosure Principle	Summary	Further Explanation
1. Gearing	Gearing ratio = 44.4% (0.444)	<p>The Fund’s gearing ratio = 44.4% (0.444). 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.</p> <p>These figures are based on the latest audited financial statements, as at 30 June 2011. Updates can be found at http://www.aspengroup.com.au/docs/aspen_parks_property_fund/Quarterly_Update.pdf on a monthly basis.</p> <p>A ratio of 0% indicates zero debt funding and a ratio of 100% indicates that an entity is entirely debt funded. Higher gearing levels may indicate a higher risk that the entity will become unable to adequately service its debt facilities as a highly geared scheme has a lower asset buffer to rely upon in times of financial stress. For more detail on what this debt level means, please refer to section 1.11 of Offer Document No 7.</p>
2. Interest Cover	<p>Interest cover ratio = 2.83 times.</p> <p>This means the Fund has 2.83 times more earnings than interest expenses.</p>	<p>Interest Cover 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 ratio, the easier it is for the entity to service its debt. The lower the interest cover ratio, the higher the risk that the entity may be unable to adequately service its debt. For more detail on what interest cover ratio means, please refer to section 1.12 of Offer Document No 7.</p> <p>The minimum interest cover ratio as required by the Fund’s lender is 2.83 times.</p>

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3. Borrowings	<p>Borrowings repayable in less than 5 years is \$127.7m</p> <p>Borrowings repayable in more than 5 years is \$nil</p>	<p>At 30/06/2011, the Fund had the following facilities available:</p> <table border="1" data-bbox="726 261 1850 404"> <thead> <tr> <th data-bbox="726 261 1171 310">Facility name</th> <th data-bbox="1171 261 1394 310">Maturity Date</th> <th data-bbox="1394 261 1612 310">Drawn Amount</th> <th data-bbox="1612 261 1850 310">Undrawn Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="726 310 1171 358">Commercial Bill Facility</td> <td data-bbox="1171 310 1394 358">July 2014</td> <td data-bbox="1394 310 1612 358">\$124.6m</td> <td data-bbox="1612 310 1850 358">\$5.5m</td> </tr> <tr> <td data-bbox="726 358 1171 404">Asset Finance Facility</td> <td data-bbox="1171 358 1394 404">On demand</td> <td data-bbox="1394 358 1612 404">\$3.1m</td> <td data-bbox="1612 358 1850 404">\$2.9m</td> </tr> </tbody> </table> <p>The Fund had hedged 57.2% of their debt as at 30 June 2011.</p> <p>Investors should be aware that they will rank behind the creditors of the Fund. Refer sections 1.11 and 9.4 of Offer Document No.7 for further details on Borrowings.</p> <p>The Fund has repaid in full the Aspen Asset Purchase Facility.</p> <p>As at the date of this document the Fund is not in breach, and has never been in breach, of any covenants or conditions of its debt financing.</p>	Facility name	Maturity Date	Drawn Amount	Undrawn Amount	Commercial Bill Facility	July 2014	\$124.6m	\$5.5m	Asset Finance Facility	On demand	\$3.1m	\$2.9m
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Commercial Bill Facility	July 2014	\$124.6m	\$5.5m											
Asset Finance Facility	On demand	\$3.1m	\$2.9m											
4. Portfolio Diversification	<p>The Fund is diversified geographically, by the type of tourist site it invests in and by different occupant types.</p>	<p>Generally, the more diversified a portfolio is, the lower the risk that an adverse event affecting one part of a portfolio will put the overall portfolio at risk.</p> <p>A detailed analysis of the portfolio's assets, their valuation dates, capitalisation rates, geographic and sector splits can be found on the Aspen Parks Quarterly Update:</p> <p>http://www.aspengroup.com.au/pdf/APPFlyer.pdf</p> <p>Given the nature of the business, the majority of revenue is not generated under lease agreements, hence it is not possible to provide a lease expiry profile. However, approximately 33% of the Fund's sites are occupied by permanent and semi permanent residents in the form of annual leases to tourists, tenants who live in the parks on a permanent basis and leases to mining companies.</p> <p>No one tenant makes up more than 5% of the Fund's rental income.</p> <p>The Fund's investment strategy is detailed in Section 3 of the Offer Document No.7</p>												
5. Valuation Policy	<p>The Fund has a valuation policy which ensures that independent valuations are obtained on a regular basis.</p>	<p>Refer section 9.10 of Offer Document No.7</p> <p>There have been no recent material changes to the valuation policy.</p>												

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6. Related Party Transactions	The Fund has appropriate policies in place to deal with related party transactions.	<p>Refer section 9.5 of Offer Document No.7</p> <p>Aspen Funds Management has a Related Party Policy which can be accessed at: http://www.aspengroup.com.au/docs/forms_policies/Related_Party_Policy.pdf</p> <p>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/docs/forms_policies/aspen_funds_management_conflict_of_interest_policy.pdf</p> <p>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.</p>
7. Distribution Practices	Distributions have been paid out of realised income.	<p>Refer section 1.8 of Offer Document No.7</p> <p>Since the inception of the Fund in 2004, the Manager has maintained a prudent policy of paying distributions entirely out of realised underlying income.</p> <p>The Manager believes that the current distribution policy is sustainable over the coming 12 months, however Investors should note that the Manager has the right to stop or reduce distributions if it considers this to be in the best interests of the Fund and its Investors.</p> <p>Investors can also choose to have distributions reinvested in the Fund. Please refer to section 1.8 of Offer Doc No.7.</p>
8. Withdrawal Arrangements	<p>Annual Withdrawal Offer funded by 10% of annual capital inflows.</p> <p>Limited liquidity facility provided by Aspen Group.</p>	<p>Aspen Parks is an illiquid investment and as such there is no guaranteed redemption of Stapled Securities in the Fund.</p> <p>The Manager intends to make Withdrawal Offers available annually. Commencing 1 January 2012, the Fund will allow for 10% of the capital inflows received over the course of the calendar year (January – December) 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. More information regarding the timing of this offer period will be communicated to investors in due course, and investors must wait until this offer is announced to communicate their interest to participate.</p> <p>Where the amount of withdrawal requests exceed the capital raised then the Manager would satisfy withdrawals on a pro-rata basis. More information can be obtained on our website or by contacting Aspen Investor Services on 1800 220 840.</p> <p>Aspen Group has agreed to provide a limited liquidity facility for security holders. Preferential allocations of this facility will be given to assist members who can prove hardship. Full details of this facility are given in Sections 1.13, 2.6 and 9.1.1 of Offer Document No7. The Hardship Policy may be viewed at: http://www.aspengroup.com.au/docs/forms_policies/aspen_parks_property_fund_liquidity_facility_hardship_form.pdf</p>

Link to Offer Document No.7

http://www.aspengroup.com.au/docs/aspen_parks_property_fund/AspenParksPropertyFundOfferDocNo7.pdf