



APN | Euro Property Fund

ARSN 123 172 930

Product Disclosure Statement

APN Funds Management Limited

ABN 60 080 674 479

AFSL N° 237500

Issue Date: 8 January 2008

Important Notices & Disclaimers

Product Disclosure Statement

This Product Disclosure Statement ("PDS") has been prepared by APN Funds Management Limited ABN 60 080 674 479 (also referred to in this PDS as "APN FM", "the Responsible Entity", "we", "us" and "our") as the responsible entity of the APN Euro Property Fund ARSN 123 172 930 ("Fund"). APN FM is the holder of Australian Financial Services Licence Number 237500. APN FM is the issuer of this PDS and of units in the Fund ("Units"). This PDS is not required to be, and has not been, lodged with the Australian Securities and Investments Commission.

This PDS is dated 8 January 2008. You should read this PDS in its entirety before making a decision about whether to invest in the Fund.

Disclaimer

An investment in the Fund is subject to investment and other risks, including loss of income and capital invested. None of APN FM nor any of its subsidiaries or affiliates, nor any other person, gives any guarantee or assurance as to the repayment of capital invested in, or the investment performance of, the Fund. An investment in the Fund does not represent a deposit with or liability of APN FM or APN Property Group Limited or any of their associates.

In preparing this PDS, APN FM has not taken into account the investment objectives, financial situation or particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Fund having regard to their objectives, financial situation and needs. Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this document or as to the reasonableness of any assumption contained in this document. By receiving this document and to the extent permitted by law, you release APN FM and its officers, employees, agents and associates from any liability (including, without limitation, in respect of direct, indirect or consequential loss or damage or any loss or damage arising from negligence) arising as a result of the reliance by you or any other person on anything contained in or omitted from this document.

Any forward looking statements included in this document involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, APN FM and its officers, employees, agents or associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

No person is authorised to give any information or to make any representation in connection with the Fund which is not contained in this PDS. Any information or representation not so contained in this PDS may not be relied on as having been authorised by APN FM in connection with the Fund.

In particular, in considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in Section 9. APN FM recommends that before making a decision to invest in the Fund, you consult your financial adviser, accountant or other professional adviser.

Past performance

There are references to past performance in this PDS. Past performance is no guarantee of future performance.

No cooling off

No cooling off rights apply to an application for Units. This means that you cannot withdraw your application once it has been made.

APN interests

APN FM and its related entities may, subject to the law and acting as an investor on its own account or in another capacity, take up Units and in that capacity may apply for, retain, purchase or sell on its own account the Units and any other securities of the Fund or related investments, and may offer or sell such Units or other investments otherwise than in connection with the offer under this PDS. Accordingly, references in this PDS to the Units being offered or allocated should be read as including any offering or allocation of Units to APN FM and any of its related entities acting in such capacity.

Selling restrictions

This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units or the Offer or otherwise to permit a public offering of the Units in any jurisdiction outside Australia. Accordingly, the distribution of this PDS in jurisdictions outside Australia is limited and may be restricted by law. Persons holding copies of this PDS who are not in Australia should familiarise themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law.

Units may be offered to professional and sophisticated investors in certain jurisdictions outside Australia if that offer is made in accordance with the laws of that jurisdiction.

Privacy

APN FM respects your privacy and is bound by the National Privacy Principles in the Privacy Act 1988 (Cth) ("Privacy Act"). APN FM may collect, hold and use personal information for the purposes of managing the Fund and the Unitholders' interests in it. Access to the information may be provided to APN FM's agents and service providers (including its related bodies corporate) on the basis that they deal with such information in accordance with APN FM's privacy policy. APN FM uses a variety of physical and electronic security measures, including restricting physical access to its offices and firewalls and secure databases, to keep personal information secure from misuse, loss or unauthorised use or disclosure.

APN FM also uses such information to forward to you, from time to time (including by e-mail), details of other investment opportunities available from APN FM or any member of the APN Property Group. However, if you request, no information of that nature will be sent to you.

You have a right to access any personal information that APN FM holds about you. Please contact APN FM to request access to such information or if you have a complaint concerning your information privacy. APN FM may deny your request in some circumstances and, if it does, will tell you why. If you would like more information about APN FM's approach to privacy please contact APN FM.

Definitions and abbreviations

Defined terms and abbreviations used in this PDS have the meanings detailed in the Glossary in Section 12.

Time and currency

Unless otherwise stated, all references to time in this PDS are to Melbourne time and all amounts are expressed in Australian currency. Throughout this PDS, the exchange rate used between Euros and Australian dollars is €0.60 to A\$1.00, unless otherwise stated.

Photographs

The assets depicted in photographs in this PDS, other than some of those on the cover, are, or will be, assets in which the Fund has or will have a direct or interest, unless otherwise stated.

Up-to-date information

Information relating to the Fund may need to be updated from time to time. Any updated information that is not materially adverse may be made available on APN FM's website at www.apnfm.com.au. APN FM will provide a paper copy of such updated information upon request without charge. If there is a change to information contained in, or an omission from, this PDS that is materially adverse to Unitholders, a new or supplementary PDS will be issued in accordance with APN FM's obligations under the Corporations Act.

PDS availability

A paper copy of this PDS is available without charge to any person in Australia by contacting APN FM. An electronic version of this PDS may be viewed and downloaded from APN FM's website. The electronic version of the PDS is only available online to persons resident in Australia. Persons who access this PDS electronically must ensure that they download and read the complete PDS and Application Form. If you are unsure whether the electronic document is complete, you should contact APN FM.

Unless otherwise determined by APN FM, Units will only be issued on receipt of an Application Form attached to or derived from this PDS.

The offer of Units under this PDS is only available to persons receiving a printed or electronic copy of this PDS in Australia.

Investing through an IDPS or IDPS-like service (such as a master trust or wrap account).

APN FM proposes to make investments in the Fund available to clients and prospective clients of an IDPS, IDPS-like service such as a master trust or wrap account or a nominee or custody service.

If you invest in the Funds through an IDPS, IDPS-like service or nominee or custody service, you should note that the operator or custodian of the service will be recorded in the register as the Unitholder in the Fund and will have the rights attaching to Units. APN FM is not responsible for the operation of any of these services through which you invest. Therefore, certain rights of Unitholders in the Fund will not apply to you if you are investing through any of these services, such as the right to receive reports and statements from APN FM, the right to attend meetings, and the right to make a complaint to APN FM.

If you invest through an IDPS, IDPS-like service or nominee or custody service, you should also take into account the fees and charges of the operator of the service.

1 Introduction

1.1 The Fund

APN Funds Management Limited (“APN FM”) is pleased to invite you to invest in the APN Euro Property Fund (“Fund”), an unlisted fund that invests in a diversified range of property funds with underlying investments in European commercial property.

The Fund’s investment objective is to provide consistent, relatively high income distributions and some capital growth, through a strategy of investing in a diversified portfolio of property funds that invest in European commercial property including retail, office and industrial property.

1.2 Fund investments

The Fund currently has investments in the APN/UKA Vienna Retail Fund and the APN/UKA Poland Retail Fund. The purpose of this PDS is to raise capital to fund additional investments on behalf of the Fund, the first of which will be a proposed A\$15 million investment in the APN Champion Retail Fund (“Champion Fund”) pursuant to an allotment of Units is intended to occur on or around 1 March 2008 (“Champion Allotment”).

On successful completion of the Champion Allotment, it is expected that the Fund will have underlying investments in 18 retail properties spread across Greece, Poland and Austria. Funds raised subsequent to the Champion Allotment are intended to be used to:

- redeem Subscriber Units held in the Fund by APN Property Group Limited; and
- add new investments to the Fund’s portfolio and/or increase the Fund’s interests in its existing investments.



Shopping Centre Nord,
Vienna, Austria

1.3 Responsible Entity

The responsible entity of the Fund is APN FM, a specialist international property funds manager with 14 funds currently under management comprising total assets of A\$4.9 billion as at 30 September 2007. APN FM has primarily concentrated on creating and managing innovative income focused funds for a wide range of investors. These now include four property funds which are invested in European retail property assets. APN FM has offices in Australia and Europe. In Europe, APN has established a property and asset management team of over 30 people operating across eight countries.

This PDS contains detailed information about the Fund. APN FM encourages you to read it carefully before making an investment decision.

Supermarket in
Champion Portfolio, Greece



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Shopping Centre Nord,
Vienna, Austria



Manhattan Shopping Centre,
Gdansk, Poland

2 Key Features

Key Feature	Outline	Reference
The Fund	<p>The Fund is an open-ended managed investment scheme registered with ASIC. The Fund was established to invest in a diversified portfolio of property funds that invest in European commercial property including retail, office and industrial property. An allocation may also be made to listed property securities.</p> <p>APN FM is the responsible entity of the Fund and is responsible for the operation and management of the Fund.</p>	Section 3.1
Investment objective and benchmark	<p>The investment objective of the Fund is to provide consistent, relatively high income distributions and some capital growth, through investment in a diversified portfolio of property funds that invest in European commercial property in the retail, office and industrial property sectors.</p> <p>The Fund's benchmark is to make a minimum distribution of eight cents per Unit per annum, indexed annually to CPI. APN FM will seek to invest on behalf of the Fund in underlying investments which offer tax deferred returns.</p>	Section 3.2
Investment strategy and criteria	<p>It is proposed that investments in property funds be made where the fund's underlying assets meet the following criteria:</p> <ul style="list-style-type: none"> • the properties must be located in Europe and be commercial in nature; and • there must be minimal currency and interest rate risk associated with the investment. <p>It is intended that consideration also be given to other factors including the following:</p> <ul style="list-style-type: none"> • high quality material tenancy covenants; • lease duration, rent review structures and the diversity of each; • market rents and associated rental reversions; and • security, sustainability and growth potential of rental returns. 	Section 3.3



Manhattan Shopping Centre,
Gdansk, Poland

Key Feature	Outline	Reference
Allotment of Units under this PDS	<p>Units will be issued under this PDS as follows:</p> <ul style="list-style-type: none"> • It is proposed that there be an allotment of Units on or around 1 March 2008 (“Champion Allotment”). Funds raised under the Champion Allotment will be used to make a proposed A\$15 million investment in the Champion Fund. • Following the Champion Allotment, Applications will continue to be accepted, and Units allotted, on a monthly basis. <p>Funds raised under this PDS will also be used to redeem Subscriber Units in the Fund held by APN Property Group Limited and to add new investments to the Fund’s portfolio and/or increase the Fund’s interests in existing investments.</p> <p>APN FM may suspend Applications at any time or cease accepting Applications altogether.</p>	Section 4.1
APD investment	<p>APN Property Group Limited (“APD”) as at the date of this PDS holds 7,874,845 Subscriber Units in the Fund. It is proposed that APD’s Subscriber Units be redeemed pursuant to a Subscriber Unit Withdrawal Offer made by APN FM in respect of the Subscriber Units. Investors under this PDS should note that the Subscriber Unit Withdrawal Offer only relates to Subscriber Units and that they will not be able to have their Units redeemed under the Subscriber Unit Withdrawal Offer.</p>	Section 3.6
Limited Liquidity Facility	<p>Unitholders will be able to transfer their Units under a limited liquidity facility arranged by the Responsible Entity whereby APN FM will acquire Units (or nominate a third party to do so), subject to certain conditions.</p>	Section 4.3
Tax summary	<p>Unitholders will be subject to Australian income tax on their share of the distribution of net income from the Fund.</p> <p>Before deciding to invest in Units, investors should consult their own taxation adviser for advice relating to their particular circumstances.</p>	Section 10
Distributions	<p>It is intended that distributions from the Fund be made on a half yearly basis, payable within 2 months of the end of each distribution period.</p> <p>Unitholders may reinvest their distributions in additional Units by making the relevant election on the Application Form.</p>	Section 4.5

Key Feature	Outline	Reference
Key benefits	<p>The potential benefits of an investment in the Fund include the following:</p> <ul style="list-style-type: none"> • Distributions: the Fund's benchmark is to make a minimum distribution of eight cents per Unit per annum, indexed annually to CPI. • Tax deferred: distributions are anticipated to have a significant after tax deferred component. • Quality portfolio: Following the Champion Allotment, an underlying investment in a wide range of retail properties (18) and exposure to the property markets of three European economies. Exposure to a significant range of retail tenants (288), including Carrefour Marinopoulos, a subsidiary Carrefour SA, the largest retailer in Europe and second largest retailer worldwide. • Limited liquidity: Unitholders will be able to access a limited liquidity facility to be arranged by the Responsible Entity. • Diversification: it is intended that the Fund's investments will be further diversified in the future providing additional sector, property, tenant and country diversification. • Risk mitigation of currency exposure: APN FM will enter into appropriate hedging arrangements on behalf of the Fund to minimise any foreign exchange risk to which the Fund may be exposed and will seek to invest in funds where foreign exchange risk is significantly mitigated. • Risk mitigation of borrowings: APN FM intends to enter into appropriate hedging arrangements on behalf of the Fund to minimise any interest rate risk to which the Fund may be exposed and will seek to invest in funds where interest rate risk is significantly mitigated. • Experienced responsible entity: APN FM is an experienced specialist international property funds manager. 	Sections 8



Supermarket in
Champion Portfolio,
Greece

Key Feature	Outline	Reference
Key risks	<p>Some of the potential risks associated with an investment in the Fund are set out in Section 9. These include the following:</p> <ul style="list-style-type: none"> • Political, market and economic conditions in Australia and Europe may affect the value of Units and returns to investors. • Changes in Government legislation in Australia and Europe may adversely affect the value of Units and returns to investors. • The performance and value of the Fund's investments could fall as well as rise as a result of property market conditions in Europe. In particular, changes in European property markets may affect the performance of the Fund. • Changes in Australian and European tax laws, or their interpretation, may affect the manner in which the Fund is taxed (e.g. on a 'flow-through' basis) and the market for property trusts generally. • The Limited Liquidity Facility will be subject to certain limits and conditions and may be suspended or terminated at any time without notice to Unitholders. • The Responsible Entity will actively seek new investments for the Fund however it cannot forecast with any certainty the timing of any future acquisitions. Further, future acquisitions may be dependent on raising additional equity and/or borrowings to fund such acquisitions. • Declines in occupancy levels and rents may result in a reduction in the income and market value of the Fund's investments. • Direct property funds may be exposed to a number of risks including tenant risk, foreign exchange risk, interest rate risk and counterparty risk. 	Section 9
Fees and costs	<p>The management costs of the Fund are estimated to be approximately 1.12% per annum of the Fund's average gross assets. This is based on the estimated management costs of the Underlying Funds, as well as the expense recoveries of the Fund.</p> <p>The Responsible Entity is entitled to a management fee of 1% per annum of the Fund's Gross Asset Value, which it will not charge while the only funds in which the Fund invests are funds managed by APN FM. If and when the Fund does invest in funds not managed by APN FM, the Responsible Entity intends to charge a management fee in proportion to the Fund's allocation to those investments, up to a maximum of 1%.</p>	Section 7
Minimum investment and Applications	<p>The minimum investment in the Fund is \$10,000. Thereafter, investments may be made in multiples of \$1,000. Minimum investment thresholds may be varied or waived at the Responsible Entity's discretion and do not apply to the reinvestment of distributions.</p> <p>Investors wishing to apply for Units must do so by completing the Application Form attached to this PDS.</p>	Sections 4.6 and 4.7

3 The Fund

3.1 Fund structure

The Fund is an open-ended unlisted managed investment scheme which was registered with ASIC as a registered managed investment scheme on 19 December 2006. APN FM is the responsible entity of the Fund.

3.2 Investment objectives and benchmark

The Fund's investment objective is to provide consistent, relatively high income distributions and some capital growth to investors. The Responsible Entity intends to achieve this objective through building a diversified portfolio of investments in European commercial property funds with investments in the retail, office and industrial property sectors. An allocation may also be made to listed property securities.

The Fund will provide underlying property, country, sector and tenant diversification, thereby enhancing property investment diversification for investors who have traditionally focussed on only Australian direct property, Australian property securities or global listed property securities.

The Fund's benchmark is to make a minimum distribution of eight cents per Unit per annum, indexed annually to CPI. The Responsible Entity will seek to invest on behalf of the Fund in underlying investments which offer tax advantaged returns.

3.3 Investment strategy and criteria

The Fund's investment strategy is to invest in a diversified portfolio of specialist European property funds that invest in European commercial property.

As at the date of this PDS, it is intended that the Fund only invest in funds where the fund's underlying assets meet the following criteria:

- the properties must be located in Europe and be commercial in nature; and
- there must be minimal currency and interest rate risk associated with the investment.

It is intended that consideration also be given to the following criteria:

- high quality material tenancy covenants;
- lease duration, rent review structures and diversity of each;
- market rents and associated rental reversions;
- security, sustainability and growth potential of rental returns;
- relative value within its sector;
- potential to add further value to individual assets;
- development, re-development or refurbishment opportunities;
- potential for population and economic growth;
- where the investment is not managed by APN FM, an experienced management team with a proven track record in property;
- capital expenditure requirements;
- nature of the property;
- highest and best use and potential for alternative uses;
- location of the property; and
- potential for population and economic growth.

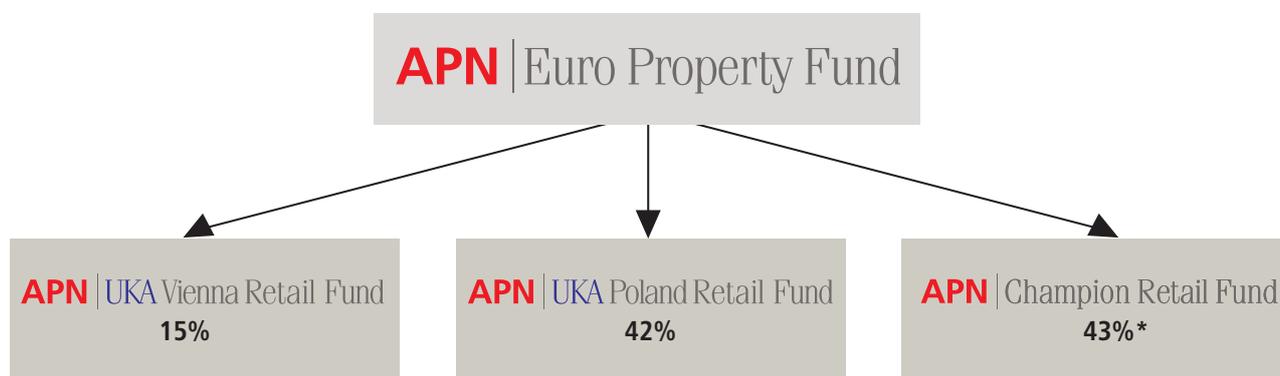


Manhattan Shopping Centre,
Gdansk, Poland

3.4 Investments of the Fund

Following the Champion Allotment, the Fund will acquire an investment in the Champion Fund. The Champion Fund will be invested in a portfolio of 16 supermarkets located throughout Greece and leased to Carrefour Marinopoulos S.A (“Champion Portfolio”).

The following is the anticipated asset allocation for the Fund following the Champion Allotment.



Shopping Centre Nord,
Vienna, Austria



Manhattan Shopping Centre,
Gdansk, Poland



Champion Portfolio,
Greece

**The Fund’s allocation to the Champion Fund will depend upon the amount raised under the Champion Allotment. The Responsible Entity will target an approximate A\$15 million investment in the Champion Fund, which would equate to a 43% allocation to the Champion Fund. All information contained in this PDS assumes that the Fund will make an approximate A\$15 million investment in the Champion Fund, unless expressly stated otherwise.*

Please refer to Section 5 for specific information about the Champion Fund, Poland Fund and Vienna Fund.



3.5 Portfolio Overview

The tables below outline the key portfolio statistics for, and the top 5 tenants of the Fund, based on the existing underlying investments of the Fund and the proposed investment in the Champion Fund.

Table 1 Key Portfolio statistics

Number of European countries	3
Number of properties	18
Total value of properties ¹	€257.68m (A\$429.5m)
Number of tenants ¹	288
Weighted average lease expiry ²	8.2 years
Gearing (LVR) ²	56%
Occupancy ²	97.2%

¹ Reflects an assumed 100% interest in the underlying properties.

² Reflects interest weighted by the proposed level of ownership in the Underlying Funds (see Section 3.4).

Table 2 Top 5 tenant exposures

Tenant	Industry	Percentage of portfolio ¹
Carrefour	Supermarket	46.0%
H&M	Fashion	2.3%
Albert	Supermarket	2.2%
Reserveddd	Fashion	1.5%
Intersport	Sport and Leisure	0.9%

¹ Reflects interest weighted by level of proposed ownership in Underlying Funds (see Section 3.4)

It is intended that additional Authorised Investments be added to the Fund's portfolio over time. These investments may include investments in other funds managed by APN FM or by external fund managers. In any case, the Fund will only invest in other funds that are consistent with the Fund's investment criteria and objectives.

3.6 Investment by APD

APN Property Group Limited (“APD”), as the date of this PDS, holds 7,874,845 Subscriber Units in the Fund, which are a different class of units to Units that will be issued to investors under this PDS. It is proposed that APD’s Subscriber Units be redeemed pursuant to a withdrawal offer (“Subscriber Unit Withdrawal Offer”) made by the Responsible Entity in respect of the Subscriber Units. As part of the Subscriber Unit Withdrawal Offer, Subscriber Units will be redeemed at a discount of at least 2.5%. Investors under this PDS should note that the Subscriber Unit Withdrawal Offer only relates to Subscriber Units and that they will not be able to have their Units redeemed under the Subscriber Unit Withdrawal Offer.

The Responsible Entity may make Subscriber Unit Withdrawal Offers from time to time to allow the redemption of Subscriber Units.

3.7 Long term asset allocation

Over time, the assets of the Fund are intended to be allocated based on what the Responsible Entity considers will provide a well diversified asset allocation. This allocation will be reviewed regularly. The Responsible Entity currently intends that the long term asset allocation ranges of the Fund be as follows:

Table 3 Asset allocations

Asset class	Long term asset allocation range
Property funds with European property investments (closed and open ended)	80% – 100%
Australian and international listed property securities, cash and bonds	0% – 20%
Sector	Long term asset allocation range
Retail	50% – 80%
Office / industrial /other	20% – 50%

The Responsible Entity aims to achieve this strategic asset allocation within three years from the commencement of the Fund¹. The actual asset allocation for the Fund may be adjusted within the long term asset allocation ranges in accordance with APN FM’s view of the market outlook.

The performance of the Fund will depend on the performance of the Underlying Funds and, accordingly, the value of investments in the Fund may rise or fall depending on the value of the Fund’s underlying investments.

¹ The Fund was registered with ASIC on 19 December 2006 and commenced operation in September 2007.

3.8 Borrowing policy

The Fund’s Constitution allows APN FM to borrow on behalf of the Fund. The Fund does not currently have any direct borrowings. The Fund, may in the future, borrow (directly or indirectly) for a number of purposes, including to fund investments in whole or in part or to fund working capital requirements of the Fund. The Underlying Funds may also borrow (directly or indirectly).



Shopping Centre Nord, Vienna, Austria

4 Investing in the Fund

4.1 Issue of Units

An initial allotment of Units occurred in September 2007 pursuant to a product disclosure statement dated 2 August 2007. Funds raised under that product disclosure statement were, in part, used to fund investments by the Fund in the Poland Fund and Vienna Fund.

The purpose of this PDS is to raise funds to acquire additional Authorised Investments for the Fund, the first of which will be an investment in the Champion Fund.

Units will be issued under this PDS as follows:

- It is proposed that there will be an allotment of Units on or around 1 March 2008 (“Champion Allotment”). Funds raised under the Champion Allotment will be used to make a proposed A\$15 million investment in the Champion Fund. Investors who wish to apply for Units under the Champion Allotment must submit their Application to the Responsible Entity by 29 February 2008. The Responsible Entity reserves its right to cease accepting Applications prior to this date in its sole discretion.
- Following the Champion Allotment, Applications will continue to be accepted, and Units allotted, on a monthly basis. Funds raised following the Champion Allotment will be used to redeem Subscriber Units and to add further Authorised Investments to the Fund’s portfolio and/or increase its interest in its existing investments in line with the Fund’s investment strategy and criteria.

All Units issued under this PDS will be issued at an issue price based on the then current net asset value of the Fund, determined in accordance with the Fund’s Constitution and APN FM’s Unit Pricing Policy. The issue price will be calculated monthly and will be available on APN FM’s website at www.apnfm.com.au or by contacting APN FM.

The Responsible Entity reserves the right to suspend Applications for a period of time or cease accepting Applications altogether in its sole discretion at any time, and will notify investors via the APN FM website if it does so.

4.2 Redemption and transfer of Units

It is anticipated that the Fund will not be “liquid” for the purposes of the Corporations Act, and accordingly, Unitholders will only be able to have their Units redeemed if the Responsible Entity makes a withdrawal offer in accordance with the Constitution and the Corporations Act. The Responsible Entity does not intend to make any withdrawal offers during the term of the Fund other than Subscriber Unit Withdrawal Offers.

Although Unitholders will not have the right to have their Units redeemed, a Limited Liquidity Facility has been arranged by the Responsible Entity to enable Unitholders to transfer their Units subject to certain limitations. This is outlined in further detail below.

Unitholders will also be able to transfer their Units to a third party in accordance with the Constitution. Transfers will not be effective until registered by the Responsible Entity. The Responsible Entity may refuse to register any transfer of Units.

An investment in the Fund should be considered a medium to long-term investment.

4.3 Limited Liquidity Facility

The Responsible Entity has entered into an agreement with APN FM (“Liquidity Facility Provider”) whereby the Liquidity Facility Provider agrees to provide a Limited Liquidity Facility in respect of the Fund. The Limited Liquidity Facility is only available to the holders of ordinary Units and not to APD as the holder of Subscriber Units.

The Limited Liquidity Facility is intended to allow Unitholders wishing to dispose of their Units to do so by transferring those Units to APN FM or a third party nominated by APN FM (“Liquidity Facility Provider”). It is important to note that the total number of Units that may be transferred to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement is limited to 2.5% of the issued Units per quarter or 10% of the issued Units per annum (“Obligation Amount”).

The Limited Liquidity Facility will operate on a quarterly basis. In order to be eligible to transfer Units through the Limited Liquidity Facility, Unitholders will be required to provide an eligible application (the relevant form is available on the APN FM website at www.apnfm.com.au) to the Responsible Entity within the period beginning on the first Business Day of the quarter and the fifth Business Day prior to the end of the quarter ("Application Period"). Eligible applications received by the Responsible Entity will be considered as an irrevocable offer by the Unitholder and will not be able to be withdrawn. Eligible applications will be considered in the order of receipt.

In the event of oversubscription in any quarter, any eligible applications that are received by the Responsible Entity after the Application Period or that caused the number of Units to be transferred for the quarter to exceed the Obligation Amount will be treated as being received in the next quarter. Accordingly, the excess eligible applications will be included in the applications for transfer in the following quarter in the order they were received, as if they were among the first applications to be received in that quarter.

The Responsible Entity will then process the successful eligible applications and provide the Liquidity Facility Provider with a notice, which sets out the number of Units to be transferred for the quarter and the consideration payable for these Units ("Transfer Notice"). The Responsible Entity will provide the Liquidity Facility Provider with the Transfer Notice no later than 10 Business Days after the end of each quarter (or 20 Business Days in the case of a quarter ending on 30 June).

The Liquidity Facility Provider will be required to pay the consideration to the Responsible Entity in accordance with the Liquidity Facility Agreement within 10 Business Days of receiving the Transfer Notice. The consideration per Unit payable by the Liquidity Facility Provider ("Sale Price") will be based on the redemption price for Units under the Constitution and APN FM's Unit Pricing Policy, as at the last business day of the relevant quarter, adjusted to include any accrued income in respect of that Unit at the end of that quarter. The Liquidity Facility Provider is entitled to deduct from the Sale Price an amount equal to 2.5% of the aggregate Sale Price. The amount of the discount is at the discretion of the Liquidity Facility Provider (subject to a maximum of 2.5%).

The Responsible Entity will pay the successful Unitholders the consideration for their Units transferred under the Limited Liquidity Facility within 5 Business Days after receiving it from the Liquidity Facility Provider.

By lodging an eligible application, a Unitholder will be taken to have agreed to be bound by the terms of the Limited Liquidity Facility.

The Responsible Entity will not be liable to Unitholders for any failure by the Liquidity Facility Provider to meet its obligations under the Liquidity Facility Agreement. Investors should note that APN FM has entered into the Liquidity Facility Agreement in its personal capacity and may acquire Units under the facility on behalf of one or more other trusts which it manages.

Investors should note that there is no guarantee that the Limited Liquidity Facility will continue. The Limited Liquidity Facility may be terminated by either party at any time by giving 6 months' notice, or immediately in the case of the default of the other party. The Limited Liquidity Facility may also be suspended at any time without prior notice to Unitholders.

The Responsible Entity will notify Unitholders if the Limited Liquidity Facility is suspended or terminated via the APN FM website and in the next communication sent to Unitholders following suspension or termination. If the Limited Liquidity Facility is terminated, the Responsible Entity may (but is not obliged to) call a Unitholders' meeting and make a recommendation to Unitholders regarding alternative exit mechanisms in relation to the Fund.

4.4 Valuation and Unit pricing

The Fund's Unit price will be calculated on a monthly basis. APN FM will use the following valuation methodology in determining the value of the Fund's assets, and therefore the Unit price:

- listed securities will be marked to market monthly;
- unlisted property securities and other non cash assets will be valued monthly, by determining their 'fair value'. Fair value is determined by reference to the latest financial information supplemented by APN FM's interpretation as to the value of the asset; and
- purchased assets will be initially recorded at cost.

All values determined under this valuation methodology must be able to be independently verifiable. Differences between the revalued amount and cost will be posted to the Fund's income statement (profit and loss account) in accordance with generally accepted accounting principles.

APN FM has adopted a Unit Pricing Policy that sets out the principles that APN FM will adhere to when exercising discretions provided under the Fund's Constitution in relation to calculating the price of Units in the Fund. Unitholders may, upon request without charge, obtain copies of the following:

- APN FM's Unit Pricing Policy (also available at www.apnfm.com.au); and
- any records of instances in which the Responsible Entity has exercised unit pricing discretions in relation to which there is no documented policy at the time of exercise or in a way which involved a departure from its policy.

4.5 Distributions and reinvestment

The Responsible Entity will distribute the whole of the Fund's net taxable income, determined on a consolidated basis.

In some periods, the Responsible Entity may determine that it is appropriate to withhold the payment of some of the Fund's net accounting income for later distributions.

In accordance with the Constitution, distributions may include a return of capital.

The Responsible Entity intends to make distributions for the six months ending 30 June and 31 December each year within two months of the relevant distribution date. The first distribution in respect of Units issued under this PDS will relate to the period from the relevant issue date of Units to 30 June 2008. The Constitution permits the Responsible Entity to determine distribution entitlements based on the number of days in a relevant period for which a Unit has been on issue.

Unitholders may have their distributions reinvested in additional Units by making the relevant election on the Application Form. Units issued pursuant to a reinvestment of distributions will be issued at an issue price that is current as at the commencement of the next distribution period following the distribution period to which the relevant distribution is made.

4.6 Minimum investment

The minimum investment in the Fund is \$10,000. Thereafter, investments may be made in multiples of \$1,000.

The Responsible Entity reserves the right to vary or waive minimum investment thresholds at its discretion. Minimum investment thresholds do not apply to a reinvestment of distributions.

4.7 How to apply

Investors must complete the Application Form which accompanies this PDS in accordance with the instructions set out on the reverse side of the form.

Investors who wish to apply for Units under the Champion Allotment must submit a completed Application Form to APN FM no later than 5 pm on 29 February 2008. It is expected that Units will be issued under the Champion Allotment on or about 1 March 2008. The Responsible Entity reserves the right to cease accepting Applications prior to this date in its sole discretion.

Following the Champion Allotment, Applications will be accepted on a monthly basis. Application Forms must be submitted to the Responsible Entity no later than 5 pm on the last Business Day of the relevant month. It is expected that Units will be issued within 5 Business Days following the end of the relevant month. The Responsible Entity reserves the right to suspend Applications for a period of time or cease accepting Applications altogether in its sole discretion at any time.

Investors must attach to the Application Form a cheque or bank draft for an amount calculated by multiplying the number of Units applied for by the issue price. You may obtain the current issue price by contacting APN FM or by visiting APN FM's website. Alternatively, if you wish to invest by way of direct debit from a nominated bank account you should complete a direct debit request form accompanying this PDS.

Payment will only be accepted in Australian currency and cheques must be drawn on or be payable at an Australian bank. Cheques and bank drafts should be made payable to "APN FM Registry Euro" and crossed "NOT NEGOTIABLE". Please do not send cash or money orders. Receipts for payment will not be issued.

5 Investments of the Fund

Following the Champion Allotment, the Fund will hold investments in the following funds:

- APN Champion Retail Fund;
- APN/UKA Poland Retail Fund; and
- APN/UKA Vienna Retail Fund.

A brief profile of these funds and their underlying assets is provided below.

5.1 APN Champion Retail Fund

5.1.1 Champion Fund Overview

The Champion Fund was established in October 2007 as an unlisted managed investment scheme for the purpose of providing exposure to the Greek retail property market, through the acquisition of an interest in a portfolio of supermarkets in Greece leased to Carrefour ("Champion Portfolio"). The Champion Fund is proposed to be operated for a period of approximately 6 years from its commencement (ie to approximately October 2013).

5.1.2 Champion Fund facts and description

The Champion Portfolio is fully leased to Carrefour Marinopoulos, which is the largest retail chain in Greece and the Greek subsidiary of the international Carrefour Group. Carrefour Marinopoulos has leased the Champion Portfolio until 2022.

Carrefour is the largest retailer in Europe and the second largest retailer worldwide. Carrefour operates across 30 countries with nearly half a million employees and has a market capitalisation of €35 billion. Carrefour is rated A/A-1 by Standard & Poor's and A2 by Moody's.

The Champion Portfolio will be acquired by the Champion Fund based on a purchase price of €78.5 million (A\$127.6 million) (based on a 100% interest), which is in line with an independent valuation undertaken in respect of the portfolio. Champion Fund will hold a targeted 80% interest in the Champion Portfolio, with the balance held by AEZ.



Property type	16 supermarkets
Location	Located across Greece
Ownership	Freehold
Purchase price ¹	€78.55m (A\$130.9 m)
Independent valuation	€78.55m (A\$130.9 m) as at 18 December 2007
Total gross lettable area (GLA)	51,946 (square metres (sqm))
Occupancy	100%
Tenant	Carrefour Marinopoulos S.A. (Champion)
Lease term	15 years to 2022
Rent review structure	Annual to CPI with 2% minimum and 5% maximum

¹ Reflects 100% interest. The Champion Fund will hold a targeted 80% interest in the Champion Portfolio.

The Champion Portfolio comprises 16 individual properties totaling 51,946 sqm, operating as supermarkets under the brand name 'Champion Marinopoulos'. All of the properties in the Champion Portfolio are leased to Carrefour Marinopoulos S.A., the Greek subsidiary of the Carrefour Group, for a 15 year remaining lease term.

Seven of the properties (approximately 55% by income) are located in and around Athens, the capital city of Greece. Six properties are located in north, west and central Greece (Thessaloniki, Xanthi, Veroia, Trikala, and Agtinio), while the remaining three properties are located on the Islands of Crete, Rhodes and Kos.

Carrefour Marinopoulos S.A. occupies 100% of the Champion Portfolio.

The material lease terms are the same for each property in the Champion Portfolio and include the following:

- lease starting date: December 2002;
- lease expiry date: December 2022;
- rent review: on an annual basis every December;
- review mechanism: annual 3% until December 2007 and thereafter based on CPI (with a minimum increase of 2.0% and a maximum of 5.0%) until the leases end; and
- Carrefour right to terminate: Carrefour has the right to terminate leases representing 50% of the portfolio, 15 years after the commencement of the leases (ie in 2017), by giving 12 months notice.

Carrefour Marinopoulos has a right of first refusal in the event of a proposed sale of 50% or more of the shares in Zenon Real Estate S.A (the entity that directly owns the Champion Portfolio) or the sale of the properties in the Champion Portfolio.



Range of supermarkets within Champion Portfolio, Greece

5.2 APN/UKA Poland Retail Fund

5.2.1 Poland Fund overview

The Poland Fund was established in November 2006 as an unlisted managed investment scheme for the purpose of providing exposure to the Polish retail property market through the acquisition of a 100% interest in the Manhattan shopping centre, located in Gdansk, Poland. The Poland Fund is proposed to be operated for a period of approximately 5 years from its commencement (ie to approximately December 2011).

5.2.2 Manhattan Shopping Centre facts and description



Property type	Retail
Location	Gdansk, Poland
Ownership	Freehold
Completion date	2004
Independent valuation ¹	€68.2m (A\$113.6 m) as at June 2007
Current capitalisation rate	6.75%
Total GLA	22,250 (17,650 sqm retail, 4,600 sqm office)
No. of retail stores	180
Occupancy	95.7%
Number of car spaces	515
Major tenants	Albert Supermarket, H&M, Rossmann
Rent review structure	Annual to CPI

¹ Reflects 100% interest.

The Manhattan Shopping Centre ("Manhattan") represents one of the most prestigious centres within the greater urban area in Gdansk. It opened in March 2004 and comprises a shopping centre of 17,650 sq m, as well as 4,600 sq m of office accommodation and 515 car parking spaces.

Manhattan is currently let to 180 tenants and is anchored by Albert supermarket (now owned by Carrefour) on a lease extending to December 2013, which amounts to approximately 5% of the property by income. Other major tenants include Kama and H&M, both of which are fashion retailers.

Approximately 4% of Manhattan is currently vacant, which is below the average for modern centres in the area. As potential lease expiries fall due, it is expected that there will be the opportunity to improve the property's tenant mix and the quality of leases, ultimately improving the quality of the centre.

5.3 APN/UKA Vienna Retail Fund

5.3.1 Vienna Fund Overview

The Vienna Fund was established in June 2006 as an unlisted managed investment scheme for the purpose of providing exposure to the Austrian retail property market through the acquisition of an approximate 80% interest in the Shopping Centre Nord, located in Vienna, Austria. The Vienna Fund is proposed to be operated for a period of approximately 7 years from its commencement (ie to approximately September 2013).

5.3.2 Shopping Centre Nord facts and description



Property type	Retail
Location	Vienna, Austria
Ownership	Freehold
Completion date	1989/1999
Independent valuation ¹	€110.9m (A\$184.8 m) as at June 2007
Current capitalisation rate	5.75%
Total GLA	32,358 sq m
No. of tenants	107
Occupancy	100% ²
Number of car spaces	1,500
Major tenants	Merkur, H&M, Intersport
Rent review structure	Annual to CPI

¹ Reflects 100% interest.

² 100% income guarantee over any vacant space for 3 years from acquisition.

The Shopping Centre Nord has a total area of 32,358 sq m and was constructed in two phases in 1989 and 1999.

The Shopping Centre Nord has a diversified tenant mix, with 107 tenancies including a number of food shops, restaurants and food courts and clothing stores. Approximately 78% of the centre is retail (including restaurants, cafes and bars), with a further 18% being a cinema accommodation and a 4% office component.

The Shopping Centre Nord is considered the major retail destination serving the surrounding area. It is easily accessible by car and a shuttle-bus is operated by the centre, providing access directly from the Vienna city centre.

The Shopping Centre Nord is within close proximity to the main airport of Vienna. It benefits from being close to a number of major highways and is considered to have good access and egress for vehicular and pedestrian traffic. A new motorway was completed in September 2006 which has further improved access to the centre.

5.4 Terms of the Underlying Funds

As at the date of this PDS, it is intended that:

- the Champion Fund dispose of its interest in the Champion Portfolio and that the Champion Fund be terminated approximately 6 years after the commencement of the fund (i.e. approximately October 2013).
- the Poland Fund dispose of its interest in Manhattan Shopping Centre and that the Poland Fund be terminated 5 years after the commencement of the fund (i.e. approximately November 2011); and
- the Vienna Fund dispose of its interest in the Shopping Centre Nord and that the Vienna Fund be terminated 7 years after the commencement of the fund (i.e. approximately July 2013).

In each case, the net proceeds from the disposal are proposed to be distributed to the unitholders in each fund.

Under the product disclosure statement of each Underlying Fund, the responsible entity of each fund has reserved the right to (but is not obliged to) call a meeting of unitholders of each fund to determine the future of each fund, which may result in the continuation of the relevant fund.

As an investor in the Underlying Funds, the Fund does not have the right to have its investments in those funds redeemed. If it is decided, in the case of any of the funds, that the relevant fund continue to be operated beyond its proposed term, this would mean the Fund would have limited opportunity to realise its investments in those funds and, accordingly, this may affect the liquidity of the Fund. If a meeting of members of any of the Underlying Fund is called, the Responsible Entity will exercise its vote on behalf of the Fund in accordance with what the Responsible Entity considers to be in the best interests of Unitholders in the Fund.



6 Fund and Asset Management

6.1 APN Funds Management Limited

APN Funds Management Limited (“APN FM”) is the responsible entity of the Fund. APN FM is a wholly owned subsidiary of APN Property Group Limited (“APD”), which is listed on the ASX (ASX code: APD) and has a market capitalisation of around \$313 million (as at 31 December 2007) APN FM has offices in Australia and Europe and is a specialist international property funds manager which commenced operations in 1998.

APN FM’s approach to property funds management is to create innovative and differentiated property funds for a wide range of clients and advisers in the investment platform, direct retail, institutional and wholesale markets.

APN FM’s first fund was launched in August 1998. APN FM currently manages 14 funds with total assets under management as at 30 September 2007 of \$4.9 billion.

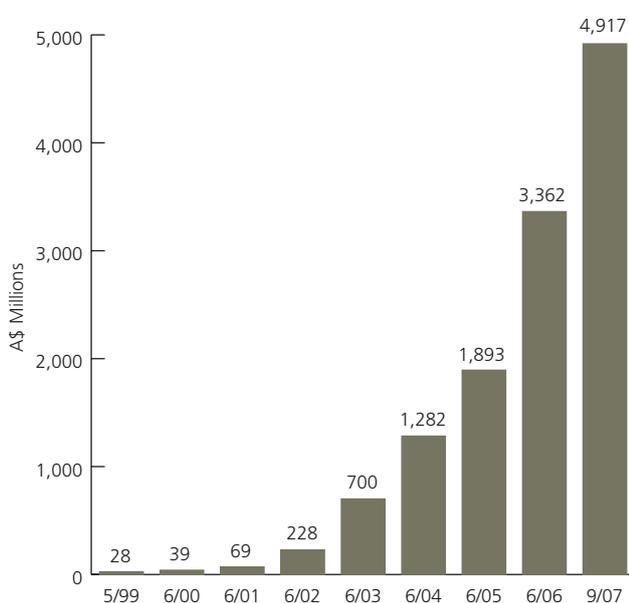
APN FM’s funds are managed for more than 13,000 direct clients (not including clients investing through investment platforms) and for nearly 400 independent adviser groups. In addition, APN FM’s funds are represented on numerous investment platforms. APN FM’s expertise is widely recognised in the property funds management industry, as evidenced by awards such as:

- Investor Web Research Property Securities Fund Manager of the Year for 2002, 2003 and 2004;
- Macquarie Skilled Manager of the Year 2003-2005;
- Property Investment Research – Property Securities Manager of the Year 2005 and 2006; and
- Monitor Money Skilled Manager of the Year 2002-2003.

As responsible entity, APN FM is responsible for the Fund’s operation and must perform this role in accordance with its duties to Unitholders under the Corporations Act, the Constitution and Compliance Plan.

In exercising its powers and duties as the responsible entity, APN FM must act honestly, with care and diligence and in the best interests of Unitholders. Where there is a conflict between Unitholders’ interests and its own, APN FM must give priority to the interests of Unitholders.

Chart 1. APN FM’s funds under management



6.2 APN FM Board of Directors and Management

The directors and management of APN FM have broad experience in property and funds management, including experience gained from the establishment and management of listed and unlisted property funds.

6.2.1 Board of APN FM

The Board of Directors of APN FM as at the date of this PDS comprises the following:



Christopher Aylward
Executive Chairman
A director since 1997.

Chris has been a director of APN FM since its incorporation in 1997 and of APN Property Group companies since 1996.

Chris has been involved in the Australian property and construction industry for over 30 years. He is the founding Chairman of APN Property Group and has overseen its transition from property developer to a specialist international property funds management company since listing in 2005.

Prior to jointly establishing the APN Property Group, Chris was a founding director of, and major shareholder in, Grocon Pty Limited and was responsible for overseeing the construction of commercial and retail properties with a total value of over \$2 billion. These properties included Governor Philip and Governor Macquarie Towers in Sydney and 120 Collins Street and The World Congress Centre in Melbourne.



Clive Appleton
Managing Director
A director since 2004.

Clive has been a director of APN FM since 2004.

Clive joined the APN Property Group as Managing Director in 2004 after a long career in property and property funds management. Prior to joining the APN Property Group, Clive held the positions of Managing Director of the Gandel Group, one of Australia's foremost shopping centre developers and managers, and Managing Director of Centro Properties Limited, a listed property developer, manager and owner.

Clive has considerable experience in property development having been involved with major expansions and refurbishments including the Chadstone Shopping Centre, Melbourne and the Myer Centre, Brisbane.



Howard Brenchley
Executive Director
A director since 1998.

Howard has had a high profile in the property trust industry as an investor, researcher and commentator for over 20 years. Prior to joining the APN Property Group, Howard was co-founder and research director of Property Investment Research Pty Limited, an independent Australian research company specialising in the property trust sector.

Howard was responsible for the origination and development of APN's funds management business and, as Chief Investment Officer of APN FM, continues to oversee all investment management and product development.



Andrew Cruickshank
Non-Executive Director
A director since 1997.

Andrew has been a director of APN FM since its incorporation in 1997 and of APN Property Group companies since 1996.

Andrew has nearly 30 years experience in the Australian, British and Hong Kong property markets and co-founded APN's development business in 1996. Prior to joining the APN Property Group, he was General Manager of Grocon Pty Limited and, in that role, he was extensively involved in the financing and development management of Grocon projects at 120 and 161 Collins Street, the SECV headquarters in Melbourne and the Penrith Taxation Office in Sydney.



Michael Butler
Independent Non-Executive Director
A director since 2005.

Michael has been a director of APN FM since 2005.

Michael has over 20 years experience in the financial services sector, having enjoyed a long career at Bankers Trust Australia, following positions held at AMP Society and Hill Samuel Australia (the predecessor of Macquarie Bank).

Since 1999, Michael has been a professional director. He is currently a Director of AXA Asia Pacific Holdings Limited and Members Equity Bank Pty Limited. During the past three years, he has also served as a Director of Hamilton Island Limited, Ticor Limited, Baxter Group Limited and Verticon Group Limited.

Michael is also Chairman of the APN Property Group Audit & Risk Management Committee.



John Harvey
Independent Non-Executive Director
A director since 2007.

John has been a director of APN FM since April 2007.

John brings considerable business and funds management experience to the APN FM Board. John's early career was in tax law and accounting, including senior management roles with Price Waterhouse from 1989 to 1996 and Country Senior Partner of PricewaterhouseCoopers from 1996 to 1998. From 2001 to 2004, he was Chief Executive of the Mt Eliza Business School.

John is currently an independent director of David Jones Limited, Australian Infrastructure Fund Limited, Templeton Global Growth Fund Limited and Freehills Lawyers.

6.2.2 Australian Management Team

In addition to its directors, as at the date of this PDS the APN FM team includes the following people who will be involved with the management of the Fund:



Charles Raymond
Head of European Funds

Charles joined the APN Property Group in 2004 and was instrumental in the establishment of APN FM's three direct European property funds. Charles has 15 years experience in the property funds management sector which he gained through holding senior finance and management roles at ISPT, Mirvac, GRW Property and VFMC.

Charles will lead the management of the Fund.



Warren Boothman
General Manager, Corporate

Warren joined the APN Property Group in 2004 and is involved with all corporate activities including fund development. He is also responsible for Marketing and Investor Relations. Warren has 17 years experience in the property funds management and financial services sector including previous roles at Deutsche Bank and AXA.



Michael Groth
Accounting Manager, International Operations

Michael joined APN Property Group in 2006. Michael has worked as a Chartered Accountant in various organisations including Abbey plc, OFGEM and KPMG, where he worked for a period of 7 years. Michael is responsible for all accounting and taxation for the Fund.



Heath Mathias
Group Accountant, International Funds

Heath joined the APN Property Group in 2007. Heath is a member of the Institute of Chartered Accountants and, after commencing his career with KPMG, went on to specialise in corporate accounting for 9 years. Heath has worked in a number of organisations including Tabcorp Holdings, Wellcom and News International (UK). Heath is responsible for the accounting of APN's unlisted European property funds.

6.2.3 European Management Team

APN has a team of 31 people across Europe, the key executives of which are listed below



Tim Slattery
Head of APN FM's European Office

Tim joined the APN Property Group in April 2006 and leads its management team in Europe. Tim has particular expertise in the legal and commercial aspects of Australian and international asset acquisitions, divestments, restructures and the arrangement of related structured finance.

Tim is a qualified lawyer and before joining the APN Property Group he spent several years at Freehills, a top tier law firm based in Australia, working on takeovers, equity and debt capital markets, corporate finance, banking, infrastructure and mergers and acquisitions transactions. He has a wide range of legal and commercial experience from working on a large number of significant acquisitions.



Paul Anderson
Head of Asset Management

Paul joined the APN Property Group in April 2006 to head the portfolio and asset management team for APN FM's listed and unlisted European property funds. Formerly a director of CB Richard Ellis' retail management team and head of retail management for Cushman and Wakefield, Paul has over 15 years experience in this sector, focusing on shopping centres. Paul has lived and worked in the Middle East, Central Europe and is currently based in London.



Simon Mesquita
Head of Property Management

Simon has worked in the UK retail and European Shopping Centre industries for over 20 years and started working with APN in July 2006.

Simon is responsible for the property management of APN's European assets and leads the pan-European management team with Paul Anderson.

Formerly Managing Director of Hammerson Management Services, the property management company of Hammerson plc, Simon also founded an independent property management consultancy working with clients across Europe before joining APN.

Simon is a tutor and examiner in Shopping Centre Management and Practices for the College of Estate Management in Reading.

6.3 Management of the Champion Fund, Vienna Fund and Poland Fund

APN FM is the responsible entity of the Champion Fund, Vienna Fund and the Poland Fund.

APN/UKA Management (No 2) Limited is the asset manager in respect of the Manhattan Shopping Centre and the Shopping Centre Nord and has responsibility for overseeing the day-to-day management of these properties. APN FM holds a 50% interest in APN/UKA Management (No 2) Limited.

APN Portfolio Management Limited, a UK based wholly owned subsidiary of the APN/UKA European Retail Property Management Trust, will be responsible for providing asset and property management services in respect of the Champion Portfolio. APN/UKA European Retail Property Management Trust is part of the AEZ Group.

7 Fees and Other Costs

Government regulations require the Responsible Entity to include the following standard consumer advisory warning and to describe the fees and costs applicable to an investment in the Fund in a standardised form. Further explanation of the fees and costs relevant to an investment in the Fund is provided in Section 7.2 below.

CONSUMER ADVISORY WARNING

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.

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your application money, directly from the returns on your investment in the Fund or from the Fund's assets as a whole.

Information on taxation is set out in Section 10 of this PDS.

You should read all of the information about fees and other costs before making a decision to invest in the Fund because it is important to understand their impact on your investment.

The Fund's reporting year is the financial year. References to "per annum" relate to the financial year.

All amounts are GST inclusive less any reduced input tax credits and stamp duty unless otherwise stated.

7.1 Fees and other costs of the Fund

The table below sets out the fees and other costs of the Fund.

Table 4 Fees and other costs

Type of fee or cost	Amount	How and when paid
Fees when your money moves in and out of the Fund		
Establishment fees /costs The fees and costs associated with this PDS	Other costs and expenses associated with this PDS. Estimated to be A\$90,000 – this amount represents costs and expenses associated with making the offer under this PDS.	Payable out of the funds subscribed for Units as and when incurred to third parties including legal and tax advisers.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	Estimated to be 1.12% ² per annum of the Fund's average gross assets ³ . The Fund's management costs are estimated based on the management costs of the Underlying Funds, weighted by the proposed investment allocation of the Fund ² , plus the estimated expense recoveries of the Fund of 0.42% per annum of the Fund's gross asset value.	Management costs will be payable out of the assets of the Underlying Funds as incurred. Expense recoveries in respect of the Fund will be paid out of the Fund.
Service Fees		
Investment switching fee The fee for changing investment options	Not applicable	Not applicable

²Assumes the Fund holds a 43% interest in the Champion Fund, 42% in the Poland Fund and 15% in the Vienna Fund.

³Please note that this does not include the management fee of 1% per annum of the Fund's gross asset value which the Responsible Entity will not charge whilst the only funds in which the Fund invests are managed by APN FM.

Table 5 Example of annual fees and costs

The table below gives an example of how the fees and costs of the Fund can affect your investment over a one year period. You should use this table to compare the Fund with other managed investment products.

Example		Balance of \$50,000 with total contribution of \$5,000 during the year*
Contribution fee	Nil	For every additional \$5,000 you invest in the Fund, you will be charged \$0.
PLUS Management Costs	1.95%*	AND, for every \$50,000 you have in the Fund, you will be charged A\$975 each year**.
EQUALS Cost of Fund	1.95%*	If you had an investment of A\$50,000 at the beginning of the year and you put in an additional A\$5,000 during that year, you would be charged fees of A\$1,073.

* Annualised. This example relates to the period from the Champion Allotment Date to 30 June 2008 and does not include the 1% management fee which will not be charged whilst the only funds in which the Fund invests are managed by APN FM. Further, the example assumes the Fund's equity has been invested in the following proportions: 43% in the Champion Fund, 42% in the Poland Fund and 15% in the Vienna Fund

**The management costs are based on APN FM's calculation of the ICR of the Fund that will apply to the Fund from the Champion Allotment Date to the period ending 30 June 2008. Based on the gross assets of the Fund, this figure is estimated to be 1.12% per annum. Please see Section 7.2.7 for an explanation of the ICR.

Please note that this is an example only. Actual fees and expenses are based on the value of the Fund which fluctuates.

7.2 Additional Explanation of Fees and other Costs

7.2.1 Adviser remuneration

APN FM may pay upfront service fees to advisers in the form of commissions. Commissions will only be paid to advisers holding an Australian Financial Services Licence. An adviser's remuneration is paid by APN FM out of the fees to which it is entitled and not out of the Fund.

An adviser may also charge you an adviser service fee directly (that is, a fee which is not levied through the Fund) for additional advice or other services which the adviser provides to you. Details of such service fees should be outlined in the financial services guide or statement of advice that the adviser must give to you.

7.2.2 Management costs

The management costs of the Fund for the period from the Champion Allotment Date to 30 June 2008 are, as at the date of this PDS, expected to be comprised of the following:

- Management costs of the Champion Fund of 0.42% per annum of average gross assets of the Champion Fund, weighted by the proposed proportionate investment by the Fund

PLUS

- Management costs of the Vienna Fund of 0.06% per annum of average gross assets of the Vienna Fund, weighted by the proportionate investment by the Fund

PLUS

- Management costs of the Poland Fund of 0.23% per annum of average gross assets of the Poland Fund, weighted by the proportionate investment by the Fund

PLUS

- Expense recoveries of the Fund estimated to be 0.42% of the Fund's gross asset value per annum (refer to Section 7.2.5 for further details about expenses relating to the Fund). These include expense recoveries for administering the Fund, custodian fees and other costs and expenses associated with investing the assets of the Fund.

Please note that the management costs outlined above relate to the period ending 30 June 2008. The management costs of the Fund may vary depending on the underlying investments of the Fund and the level of the Fund's investments in underlying funds.

7.2.3 Management fee

Under the Constitution, the Responsible Entity is entitled to a management fee of up to 1% per annum of the gross asset value of the Fund. However, the Responsible Entity will not charge this fee whilst the only funds in which the Fund invests are managed by APN FM.

If and when the Fund does invest in funds that are not managed by APN FM, the Responsible Entity intends to charge a management fee in proportion to the Fund's allocation to those investments, up to a maximum of 1%.

The Responsible Entity will notify Unitholders within 30 days if it decides to charge the management fee as a result of the Fund investing in a fund which is not managed by APN FM.

7.2.4 Differential fees

In line with ASIC policy on differential fee arrangements, the Responsible Entity may individually negotiate fees with wholesale clients (as defined in section 761G of the Corporations Act). The size of the investment and other relevant factors may be taken into consideration in negotiating lower fees with such investors. Individual fee arrangements cannot be negotiated with investors who are not wholesale clients.

7.2.5 Expenses relating to the Fund

The Constitution allows the Responsible Entity to be reimbursed out of the Fund for all expenses and other costs reasonably and properly incurred by it in respect of the Fund. These costs and expenses include the following:

- the preparation of this PDS;
- the administration, management, promotion and valuation of the Fund;
- the engagement of delegates, agents and advisers;
- convening and holding Unitholder meetings;
- complying with the law or requirements of ASIC; and
- the operation of the Compliance Committee.

The Responsible Entity's entitlement to be reimbursed for these expenses is subject to the proper performance of its duties under the Constitution and to the extent not prohibited by the Corporations Act. Upon winding up of the Fund, the Responsible Entity will also be entitled to recover costs and expenses associated (if any) with the winding up of the Fund.

The Responsible Entity's estimate of expense recoveries from the Fund for the period from the Champion Allotment Date to 30 June 2008 is included in the Fund's management costs and set out in Section 7.2.2.

7.2.6 Fee increases and alterations

Fees and charges are current at the date of this PDS.

APN FM will provide Unitholders with a minimum of 30 days notice if there are any changes in the fees to be charged.

7.2.7 Indirect Cost Ratio ("ICR")

The ICR of the Fund is the ratio of the Fund's management costs that are not deducted directly from an investor's investment in the Fund, to the Fund's total average net assets.

The Responsible Entity estimates that the ICR of the Fund for the period from the Champion Allotment Date to 30 June 2008 will be 1.95% per annum.

The ICR was calculated by dividing the total estimated management costs of the Fund from the Champion Allotment Date to 30 June 2008 of A\$1.71 million, by the total estimated average net assets of the Fund for the period ending 30 June 2008 of A\$393 million, weighting this by the proposed proportionate investments in the Underlying Funds and annualising this amount. If the ICR was calculated on the gross assets of the Fund, it would be 1.12% per annum.

Government regulation requires the ICR to be calculated on the net assets of the Fund. APN FM believes that the ICR calculation based on the gross assets of the Fund allows a more meaningful comparison of the management costs of the Fund with that of other managed funds.

Please note that the ICR is an estimate only and the actual management costs of the Fund may vary. In particular, the ICR assumes 43% of the Fund is invested in the Champion Fund, 42% in the Poland Fund and 15% in the Vienna Fund. The actual ICR of the Fund may be different if the level of the Fund's investment in the Underlying Funds differs from these assumptions.

7.2.8 GST

Unless otherwise stated, all fees and expenses referred to in this PDS are expressed inclusive of any goods and services, value added or similar tax payable in any jurisdiction. Where the Fund is entitled to input tax credits under the GST legislation for GST paid in respect of services provided to it, the cost to the Fund of paying GST will be reduced accordingly.

8 Benefits of investing in the Fund

The following are some of the potential benefits associated with investing in the Fund.

- **Specialist international property funds manager:**

The responsible entity and manager of the fund is APN FM – a specialist international property funds manager with total funds under management of \$4.9 billion as at 30 September 2007. APN FM manages 14 property funds, including three European direct property funds and a global property securities fund, demonstrating significant expertise and focus in global property. APN FM also has considerable European property expertise and dedicated resources located in Europe to allow it to effectively manage commercial property. APN FM has established its own property and asset management platform in Europe with a head office for the European operations based out of London.

- **Yield:** The Fund's benchmark is to make a minimum distribution of eight cents per Unit per annum, indexed annually to CPI, with the potential for capital growth.
- **Tax advantaged returns:** Returns are expected to have a significant tax deferred component.
- **Quality portfolio:** It is intended that the Fund build a quality portfolio of investments in funds that invest in European commercial property with a strong tenant mix, with the potential to further enhance the portfolio through future acquisitions.
- **Limited liquidity:** The Responsible Entity has arranged a Limited Liquidity Facility providing Unitholders with the opportunity to exit the Fund, subject to certain conditions and limits.

- **Diversification by country:** Through its investments in the Underlying Funds the Fund provides country diversification.
- **Diversification by sector:** Following the Fund's investments in the Underlying Funds, it is proposed that the Fund make further investments to increase sector diversification over time.
- **Diversification by property fund:** Through its investments in the Underlying Funds the Fund provides fund diversification, and thus property diversification.
- **Diversification by tenant:** Through its investments in the Underlying Funds as at the date of the Champion Allotment, the Fund will provide indirect exposure to over 288 retail tenancies with the intention of further increasing tenant diversification over time.
- **Risk mitigation of currency exposure:** To minimise currency risks, the Responsible Entity will seek to hedge against any foreign currency exposure of the Fund and will seek to invest in funds where currency risks are significantly mitigated.
- **Risk mitigation of borrowings:** To minimise interest rate risks associated with borrowings, the Responsible Entity will seek to hedge against any interest rate risks to which the Fund may be exposed and will seek to invest in funds where these risks are significantly mitigated.

9 Significant risks of investing in the Fund

All investments are subject to risk. Investments may go down as well as up in value and investors can experience investment gains and investment losses. Changes in value can be significant and they can happen quickly. Different types of investments perform differently at different times and have different risk characteristics and volatility. The performance of the Fund and the value of Units will be influenced by a range of factors, many of which are outside the control of the Responsible Entity.

Investors in most market sectors are exposed to a number of risks. It is APN FM's aim to invest in such a way that these normal market risks are minimised, while at the same time endeavouring to achieve the investment objective of the Fund.

The income and potential growth of an investment in the Fund is likely to be subject to fluctuation and as such, the Fund is not considered suitable for those investing for only a short period of time.

Investors should consider the risks involved in investing in property securities and property generally and owning units in the Fund especially. This section outlines the risks that, as at the date of this PDS, APN FM considers the most pertinent. APN FM cannot eliminate all risks and cannot guarantee that the ways it manages them will always be successful. Investors with any doubt, having given due consideration to these matters, should obtain their own independent advice.

9.1 Economic, political and market environments

Among other things, economic, political and market conditions in Australia and Europe, such as interest rates, inflation and inflationary expectations and overall economic conditions, as well as government taxation, political instability and other policy changes, may affect the value of Units and returns to Unitholders, particularly given that the Fund has an indirect investment in an emerging market such as Poland.

9.2 Changes in law or Government policy

Changes in Government legislation in Australia and Europe, particularly in relation to taxation laws, may adversely affect the value of Units and returns to Unitholders.

9.3 Australian and European taxation

Changes in Australian tax laws may affect the manner in which the Fund is taxed (e.g. on a 'flow-through' basis) and the market for property trusts generally.

Changes in the taxation law of the jurisdictions in which the Fund has investment interests and any other jurisdictions that affect the legal structure of the investments of the Fund, may have an impact on the foreign taxation paid. Furthermore, any adverse rulings received from foreign taxation authorities in relation to the interpretation of taxation law in any jurisdiction in which the Fund has investment interests, may also impact on the foreign taxation paid. Any such changes will ultimately impact the amounts available for distribution to Unitholders.

For further details regarding the taxation implications of investing in the Fund, please refer to Section 10.

9.4 Tenancy risk

The Underlying Funds are reliant upon the payment of rent from tenants. The Fund may be adversely affected if occupancy levels in the properties in which the Fund has indirectly invested decline and new tenants are not able to be secured. In addition, the Fund may be affected by an Underlying Fund being involved in disputes with tenants and enforcing the rights in relation to defaults by tenants which may impact upon the value of the Fund's investments and the income derived by the Fund from those investments. These factors may in turn adversely affect the value of Units and returns to Unitholders.

9.5 Property market risk

The value and income returns of the properties held by the Underlying Funds could fall as well as rise. In particular, changes in European property markets may affect the performance of the Fund. It should also be noted that aspects of European law relating to real property and retail leases differ from Australian law which may affect the rights of purchasers and landlords respectively.

Further, as a result of its indirect investment in emerging markets such as Poland the Fund may be exposed to greater than usual market risk given that these countries have less stable governments, economies and political systems. There is generally less regulatory protection in emerging market countries and reduced certainty of title given lower than usual levels of compliance with regulatory and record keeping requirements.

The value of Units and returns to Unitholders may be influenced by changes in rental levels (which will vary according to the supply and demand for shopping centre retail space in the European retail property market), demand for property from investors, expenses in maintaining the properties in which the Underlying Funds have interests, as well as refurbishment and property vacancy levels.

In addition, the supply of competing existing or new assets, which may affect the ability to secure lease renewals or obtain new tenants, may also have an impact on the performance of the Underlying Funds and therefore the Fund. Also, changes in retail spending patterns in Europe could impact on the ability and willingness of retailers to pay rent in respect of the properties in the Underlying Funds.

The supply and demand relationship for shopping centres' retail space in the markets in which the Fund invests is an important factor in determining the future level of income, net asset value and capital growth of the Fund.

9.6 Property securities risk

The Fund primarily invests in property securities. Returns from property securities are affected by the underlying strength of the property assets in the Underlying Funds. In particular, returns from property securities are affected by the supply and demand for investment property and space, vacancies, rental rates, borrowing levels and the level of net income derived from the underlying properties.

9.7 Foreign exchange risk

Substantially all of the assets and income of the Fund's underlying investments are and will be denominated in Euro. Foreign currency movements between the Australian dollar and Euro may impact returns to investors. Further, if any foreign exchange restrictions or controls were to be introduced for transactions with respect to the Australian dollar or Euro, the restriction may adversely affect the Fund.

Where applicable, the Responsible Entity will seek to mitigate foreign exchange risk by entering into currency hedges to insulate against any exposure of the Fund to foreign exchange movements in relation to the income and capital of the Fund. Further, the Responsible Entity will seek to invest in funds where appropriate hedging arrangements have or will be entered into to insulate against any foreign exchange risk.

9.8 Interest rate risk

The Fund may be subject to interest rate risk. However, the Responsible Entity will seek to ensure that any interest rate risk is effectively mitigated by fixing the cost of any borrowings of the Fund. The Responsible Entity will seek to invest in funds where interest rates have been or will be fixed thereby insulating the Fund against interest rate risk.

9.9 No capital or income guarantee

Neither APN FM nor any other person gives any guarantee as to the amount of income or capital return from the Units or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund.

9.10 Liquidity risk

Unitholders do not have the right to have their Units redeemed. Although Unitholders are able to access the Limited Liquidity Facility (see Section 4.3), Unitholders will not have the ability to have their Units redeemed and there is no secondary market for trading of Units in the Fund. If Unitholders were unable to dispose of their Units through the Limited Liquidity Facility, their ability to realise an investment in the Fund could be severely restricted. Investors should note that there is no guarantee that the Limited Liquidity Facility will continue. The Limited Liquidity Facility may be terminated by either party at any time by giving 6 months' notice, or immediately in the case of the default of the other party. The Limited Liquidity Facility may also be suspended at any time without prior notice to Unitholders.

Further, although the Underlying Funds are intended to be operated for fixed terms, the responsible entity of each of those funds has the right to call a meeting of the members of those funds to determine the future of each fund. If this occurs, and the members pass a resolution for the relevant fund to be continued, this would mean the Fund would have limited opportunity to realise its investments in those funds and, accordingly, investors may not be able to rely on this particular liquidity event to occur. If a meeting of members of any Underlying Fund is called, the Responsible Entity will exercise its vote on behalf of the Fund in accordance with what it considers to be in the best interests of Unitholders in the Fund.

9.11 Country risk

The Fund may potentially be impacted by adverse political, economic or social developments in the countries to which the Fund has exposure through its investments. Examples include political instability, recession and war. Exposure to country risk may be higher in light of the Fund's investment in an emerging market such as Poland. These factors may impact upon the value of Units and returns to Unitholders.

9.12 Environmental risk

Unforeseen environmental issues may affect the properties held in the Underlying Funds. These liabilities may be imposed irrespective of whether or not the Fund is responsible for the circumstances to which they relate.

9.13 Underlying investment risk

Changes affecting the underlying assets in which the Fund invests or changes in an Underlying Fund's internal operations or management, or in the business environment in which the Underlying Fund operates, may affect the value of Units and returns to investors. The Responsible Entity will aim to reduce underlying investment risk by undertaking careful analysis, research and due diligence in relation to potential investments by the Fund. Where it is proposed that the Fund invest in a fund which is not managed by APN FM, the Responsible Entity will endeavour to ensure the manager is sufficiently qualified and experienced and will implement regular meetings with the relevant external manager/s to ensure that the underlying investments and investment process remains consistent with the investment objectives of the Fund.

9.14 Fund risk

Fund risks are risks specific to managed funds such as the Fund and the Underlying Funds. These risks include the risk that the Fund or an Underlying Fund could terminate, the fees and expenses of the Fund or an Underlying Fund could change, APN FM may be replaced as responsible entity of the Fund and its investment team may change. There is also a risk that investing in the Fund may lead to a different result than investing in the relevant Underlying Fund or asset directly because of income or capital gains accrued in the Fund and the consequences of investment by and withdrawal of other investors. APN FM aims to keep fund risk to a minimum by monitoring the investments of the Fund at all times and acting in what it believes to be investors' best interests.

9.15 Further acquisitions / diversification

In line with the investment objective of the Fund, the Responsible Entity intends that the Fund provide investors investment in a diversified property portfolio over time. The Responsible Entity will actively seek new investment opportunities to further diversify and grow the Fund, however it cannot guarantee that suitable opportunities will be available and cannot forecast with any certainty the timing of such further investments. Further, the ability of the Fund to undertake future acquisitions may be dependent on raising additional equity and/or debt to fund such acquisitions. However, the Responsible Entity will actively seek new investments for the Fund.

9.16 Key personnel risk

This is the risk that key individuals are no longer able to fulfil their obligations in respect of the investment and administrative process of either the Fund or in other funds in which the Fund may invest. The performance of the Fund may be dependent on the management skill of a particular individual or individuals. The Responsible Entity will aim to ensure that its managers have adequately qualified and capable teams to mitigate individual key personnel risk. The Responsible Entity will ensure that it has sufficient resources to enable the Fund to continue unaffected should any member of its team leave.

9.17 Champion Fund key risks

In addition to the risks relevant to the Fund discussed above, the following specific risks may apply to an investment in the Champion Fund and impact the value of the Fund's investment in the Champion Fund:

- APN FM has hedged 100% of the anticipated rental income and initial capital of the Champion Fund for the intended six year term of the fund. Should the Champion Fund continue to be operated beyond its intended six year term, and the Champion Fund's responsible entity does not continue to hedge 100% of the fund's income and capital, the Champion Fund may be exposed to foreign exchange risk. APN FM, as responsible entity of the Champion Fund, will make an assessment of any further foreign exchange hedges to be entered into on behalf of the Champion Fund at the relevant time and will ensure that Unitholders are fully informed of the impact of any future hedging arrangements.
- Market and economic conditions in Greece may impact the value of the Champion Portfolio and the Fund's investment in the Champion Fund.
- The Champion Portfolio currently fully is leased to Champion Marinopoulos, with an average remaining lease duration of 15 years. In the event of insolvency of Carrefour Marinopoulos, the Champion Fund would be exposed to the risk of loss of rental income and the properties becoming vacant. The Carrefour Group has not guaranteed the obligations of Carrefour Marinopoulos under the leases. In 2017, Carrefour Marinopoulos will have the right to terminate 50% of the leases by giving 12 months notice. If the term of the Champion Fund was extended beyond its six year term, and Carrefour Marinopoulos exercised its right to terminate 50% of the leases, this may result in reduced returns to Unitholders.
- Carrefour Marinopoulos has a pre-emptive right in respect of the sale of more than 50% of the shares in Zenon Real Estate S.A (the entity that directly owns the Champion Portfolio) or the sale by Zenon of the properties forming the Champion Portfolio. Accordingly, any future sale of the Champion Portfolio must be in accordance with the pre-emptive right granted to Carrefour Marinopoulos.

9.18 Poland Fund key risks

In addition to the risks relevant to the Fund discussed above, the following specific risks may apply to an investment in the Poland Fund and impact the value of the Fund's investment in the Poland Fund:

- The anticipated rental income and initial capital of the Poland Fund have been 100% hedged for the intended five year term of the fund. Should the Poland Fund continue to be operated beyond its intended five year term, and APN FM, as the responsible entity of the Poland Fund, does not continue to hedge 100% of the fund's income and capital, the Poland Fund may be exposed to foreign exchange risk. APN FM, as responsible entity of the Poland Fund, will make an assessment of any further foreign exchange hedges to be entered into on behalf of the Poland Fund at the relevant time and will ensure that Unitholders are fully informed of the impact of any future hedging arrangements.
- Declines in occupancy levels and turnover may affect a reduction in the income and market value of the Manhattan Shopping Centre.
- Market and economic conditions in Poland, particularly given that Poland is an emerging market, may impact the value of the Manhattan Shopping Centre and the Fund's investment in the Poland Fund.

Please also refer to the tax risks discussed in Section 9.3.

9.19 Vienna Fund key risks

In addition to the risks relevant to the Fund discussed above, the following specific risks may apply to an investment in the Vienna Fund and impact the value of the Fund's investment in the Vienna Fund:

- The anticipated rental income and initial capital of the Vienna Fund have been 100% hedged for the intended seven year term of the fund. Should the Vienna Fund continue to be operated beyond its intended seven year term, and APN FM, as the responsible entity of the Vienna Fund, does not continue to hedge 100% of the fund's income and capital, the Vienna Fund may be exposed to foreign exchange risk. APN FM, as responsible entity of the Vienna Fund, will make an assessment of any further foreign exchange hedges to be entered into on behalf of the Vienna Fund at the relevant time and will ensure that Unitholders are fully informed of the impact of any future hedging arrangements.
- Declines in occupancy levels and turnover may affect a reduction in the income and market value of the Shopping Centre Nord.
- Market and economic conditions in Austria may impact the value of the Shopping Centre Nord and the Fund's investment in the Vienna Fund.

10 Taxation Information

This section provides a general guideline on the Australian taxation implications of investing in the Fund. The comments below are based on current taxation law and practice, which may be subject to change. These comments also assume that Units acquired by the investor are held as a capital investment asset rather than a trading asset and assume that investors are residents of Australia for income tax purposes.

As the tax implications applicable to your circumstances may vary, you should consult your own adviser in relation to the tax implications of making an investment in the Fund.

10.1 Taxation treatment of the Fund

The Fund should generally not be liable to income tax provided that 100% of the Fund's net taxable income is distributed to Unitholders.

10.2 Taxation of Australian resident investors

Your share of the net taxable income of the Fund forms part of your assessable income in the year of entitlement.

Distributions from the Fund will potentially include a number of different components that are subject to different taxation treatments. Distributions from the Fund may include tax assessable income, tax deferred income, non-discounted capital gains, discounted capital gains and the discount amount on discounted capital gains. You will be able to identify the components of distributions from the annual tax statement which will be issued by the Fund at the end of each income year.

A brief outline in relation to each of these components is set out below.

10.2.1 Tax assessable income

Tax assessable income is simply the taxable income component of the income of the Fund to which you are entitled. This amount will be included in your assessable income.

Any tax assessable income that is derived from overseas sources will be separately identified in your annual tax statement, along with details of any foreign tax credits (in respect of overseas tax paid) to which you may be entitled.

10.2.2 Tax deferred income

Tax-deferred distributions can arise from deductions available to the Fund for taxation purposes that are not expenses for accounting purposes, favourable tax timing differences or from distributions of capital.

Tax deferred income will not ordinarily be included in your assessable income. However, the tax-deferred distributions may ultimately have an impact on the capital gain derived or loss incurred by you on the disposal of your Units in the Fund.

For the purposes of determining either the capital gain or capital loss arising on the eventual disposal of your Units, the cost base of your Units will be progressively reduced by the amount of the tax-deferred distributions received by you. If your cost base in the Units of the Fund is reduced to nil, any further receipts of tax-deferred distributions will be assessable to you on receipt as a capital gain.

10.2.3 Capital gains (non-discounted)

If the Fund sells a capital asset which it has not held for at least 12 months, any capital gain arising on disposal will be included in the calculation of the net capital gain of the Fund available for distribution. The net capital gain component of the distribution will be included in your assessable income. Such gains are not eligible for the CGT discount.

10.2.4 Discount capital gains

If the Fund sells a capital asset which it has held for at least 12 months, any capital gain arising on disposal will ordinarily be reduced by 50% for the purposes of calculating the net capital gain of the Fund available for distribution.

The discount capital gain component of a distribution should be grossed up by the amount of the discount (i.e. to the amount of the original capital gain realised by the Fund) for the purposes of calculating your net capital gain. You may then be able to claim a discount in your own right according to your own particular circumstances. The discount rate that can be applied by individuals and trusts is 50% and for complying superannuation entities the discount rate is 33.33%. Companies are not eligible for any CGT discount.

The non-assessable discount component of discount capital gains does not result in a reduction in the cost base of your Units.

10.2.5 Disposal of Units in the Fund

Capital gains may arise if you dispose of Units in the Fund.

Capital gains will generally equal the excess (if any) of the consideration received for disposal of Units over the cost base. As noted above, tax deferred distributions will reduce the cost base of your Units.

If you have held your Units for more than 12 months, the amount of the capital gain to be included in your assessable income may be reduced where CGT discount is available. The discount rate that can be applied by individuals and trusts is 50% and the discount rate that can be applied by complying superannuation entities is 33.33%. Companies are not eligible for any CGT discount.

A capital loss may arise where the cost base of your Units (reduced for tax deferred distributions) exceeds the consideration received upon disposal. These capital losses can be used to offset capital gains only.

10.3 Fund losses

Revenue losses or net capital losses incurred by the Fund cannot be distributed to investors. Net capital losses may, however, be available to offset future capital gains of the Fund. The availability of revenue losses to offset future assessable income of the Fund will depend on the satisfaction of certain statutory tests; in particular, the 50% stake test (effectively a continuity of ownership test).

10.4 Indirect taxes

The acquisition of Units under this PDS should not attract stamp duty or GST.

10.5 Tax file numbers

If you do not provide a tax file number or details of exemption, you may have tax deducted at the highest individual marginal tax rate, plus Medicare levy, from distributions. Such deductions will be indicated on your distribution statement.

10.6 Taxation of investors who are not residents of Australia for tax purposes

Investors who are not residents of Australia will need to obtain their own tax advice concerning the taxation consequences of owning Units in the Fund and receiving distributions from the Fund.

11 Additional Information

11.1 Constitution

The Fund is governed by a Constitution dated 14 December 2006. The following summary outlines some of the key terms of the Constitution.

11.1.1 Unitholders' rights and obligations

The beneficial interest in the Fund is divided into Units. Each Unit confers on the Unitholder a beneficial interest in the Fund as an entirety and does not confer an interest in a particular part of the Fund or the Fund's assets.

11.1.2 Issue of Units

The Responsible Entity may issue Units in accordance with the Constitution. The Responsible Entity may accept or refuse, in whole or in part, any application for Units without being bound to give any reason.

11.1.3 Issue Price of Units

The Constitution contains provisions for calculating the Issue Price of Units.

11.1.4 Income

The Responsible Entity shall, in each year, determine the net income of the Fund in accordance with Australian accounting standards and the extent to which reserves or provisions must be made.

The distributable amount for each distribution period (generally six months) is the net income of the Fund for that period plus any additional amount (including capital) that the Responsible Entity determines is to be distributed. In the last distribution period for a financial year, the distributable amount is the net income of the Fund (as determined in accordance with the Income Tax Assessment Act 1936) for that year less the amount already distributed in that year, plus any additional amount (including capital) that the Responsible Entity determines is to be distributed.

Unitholders on the last day of a distribution period have a vested and indefeasible interest in the distributable amount for that distribution period.

The Responsible Entity must pay to each Unitholder its distribution entitlement on or before the distribution date for that period (defined to mean the day two months after the end of the distribution period).

11.1.5 Redemption and transfer

The Constitution allows the Responsible Entity to redeem Units upon request, in its discretion. The Responsible Entity does not intend to permit the redemption of Units during the term of the Fund.

The Constitution provides that the Responsible Entity must redeem Subscriber Units while the Fund is liquid if requested by a Subscriber Unit holder. Upon the request of a Subscriber Unit holder, the Responsible Entity must either redeem, purchase or arrange another person to purchase (or a combination thereof) that Subscriber Unit holder's Subscriber Units and any tax, bank fees or charges paid out of the Fund in relation to that unitholder and not reimbursed out of the Fund.

11.1.6 Liability of Unitholders

Each Unitholder's liability under the Constitution is limited to the amount (if any) that remains unpaid in relation to the Unitholder's Units and any tax, bank fees or charges paid out of the Fund in relation to that unitholder and not reimbursed out of the Fund.

However, the ultimate liability of unitholders in a unit trust in the event that the liabilities of the Fund exceed its assets has not been finally determined by the courts.

11.1.7 Responsible Entity's powers and duties

The Responsible Entity holds the Fund's assets on trust and may manage the assets as if it were the absolute and beneficial owner of them.

The Responsible Entity may appoint delegates or agents (including custodians) to perform any act or exercise any of its powers, as well as advisers to assist it with its duties and functions.

11.1.8 Successor Scheme

The Responsible Entity has the power, with the approval of a special resolution (i.e.75%) of Unitholders, to:

- transfer assets having a value equal to the value of the Units to another managed investment scheme (“Successor Scheme”) in exchange for the issue to the Unitholders of units in such Successor Scheme with an equivalent total Issue Price; or
- cause the Units of those Unitholders to be transferred to a Successor Scheme in exchange for the issue of units to the Unitholders in such Successor Scheme with an equivalent total Issue Price,

where the Responsible Entity reasonably believes that it is in the best interests of all Unitholders to do so or is not materially adverse to those Unitholders.

The Responsible Entity is authorised to complete any application or other documents necessary to give effect to such arrangement on behalf of a Unitholder.

11.1.9 Valuation of assets

The Responsible Entity may at any time cause the valuation of any asset of the Fund and must do so if and when required by ASIC or under the Corporations Act. The value of an asset will be its market value unless the Responsible Entity determines otherwise.

11.1.10 Responsible Entity’s limitation of liability

The Responsible Entity will not be liable for any loss or damage to any person (including any Unitholder) unless it acted other than in accordance with the Constitution and without a belief held in good faith that it was acting in accordance with the Constitution. In any case, the liability of the Responsible Entity is limited to the assets of the Fund from which the Responsible Entity is indemnified.

11.1.11 Indemnities

The Responsible Entity has a right to be fully indemnified out of the assets of the Fund in respect of all expenses, liabilities, costs and any other matters incurred by it in connection with the Fund and against all actions, proceedings, costs, claims and demands brought against it in its capacity as responsible entity of the Fund except in the case of its own fraud, negligence or wilful default or in respect of overhead expenses of the Responsible Entity.

If any member of a Compliance Committee established by the Responsible Entity in connection with the Fund incurs a liability in that capacity in good faith, the Responsible Entity may indemnify the member out of the Fund property, to the extent permitted by the Corporations Act.

11.1.12 Remuneration and recovery of expenses

The Responsible Entity is entitled to a management fee of up to 1% of the Fund’s Gross Asset Value per annum. However, this fee will not be charged whilst the only funds in which the Fund invests are managed by APN FM. If and when the Fund does invest in funds that are not managed by APN FM, the Responsible Entity intends to charge a management fee in proportion to the Fund’s allocation to those investments, up to a maximum of 1%.

In addition to the above fees and any other right of indemnity under the Constitution or the law, the Responsible Entity is indemnified and entitled to be reimbursed out of the assets of the Fund for all expenses properly incurred in connection with the Fund or in performing its obligations under the Constitution.

The Constitution contains a detailed list of expenses that may be recovered by the Responsible Entity.

11.1.13 Duration of Fund and termination

The Constitution provides that the Fund will terminate on the expiration of 80 years following the commencement of the Fund, unless terminated earlier under the Constitution or by law.

On termination of the Fund, the assets of the Fund will be realised by the Responsible Entity and the net proceeds from realisation will be distributed among the Unitholders in proportion to the number of Units they hold. The Responsible Entity will be entitled to retain from the proceeds of the realisation of assets, expenses incurred or likely to be incurred in connection with the winding up of the Fund.

11.2 Liquidity Facility Agreement

The Responsible Entity and APN FM (“Liquidity Facility Provider”) have entered into an agreement under which the Liquidity Facility Provider agrees to provide the Limited Liquidity Facility through which Unitholders may be able to dispose of all or part of their Units. The Liquidity Facility Provider may acquire Units on behalf of one or more managed investment schemes or trusts of which it is responsible entity or trustee or nominate a third party to acquire Units under the Limited Liquidity Facility in its place.

The Limited Liquidity Facility has the following features:

- it will operate on a quarterly basis, subject to termination of the agreement.
- the Liquidity Facility Provider must ensure that the Units transferred to it is limited to 2.5% of issued Units per quarter on a non-cumulative basis (unless determined otherwise by the Responsible Entity), up to a maximum of 10% of issued Units per annum;
- the Responsible Entity will provide the Liquidity Facility Provider with a notice, which sets out the number of Units to be transferred for the quarter and the consideration amount for those Units (the “Transfer Notice”);
- the Responsible Entity will provide the Liquidity Facility Provider with the Transfer Notice within 10 Business Days (or 20 Business Days in the case of a quarter ending on 30 June) of the end of each quarter;

- the Liquidity Facility Provider is required to pay the consideration for the Units to the Responsible Entity or an agent of the Responsible Entity within 10 Business Days after receiving the Transfer Notice;
- the consideration payable by the Liquidity Facility Provider to the Unitholder for Units acquired under the facility is the redemption price (determined in accordance with the Constitution and APN FM’s Unit Pricing Policy) as at the last business day of the relevant quarter, adjusted to include any proportion of the redemption price representing an amount that would be distributed to the registered holder of that Unit at the end of that quarter (“Sale Price”). The Liquidity Facility Provider is entitled to deduct from the Sale Price an amount equal to up to 2.5% of the Sale Price; and
- the facility may be terminated at any time and there is no guarantee that it will continue. If the facility is terminated, Unitholders will be notified in the next communication sent to Unitholders following termination.

11.3 Custody arrangements

Trust Company Limited (“Custodian”) has been appointed as custodian of the Fund under the Custody Deed. The Custodian’s role is to hold the Fund’s assets on behalf of the Responsible Entity. The Custodian only acts as instructed to do so by the Responsible Entity.

The Custody Deed is generally in standard form and includes terms incorporating specific ASIC policy relating to custodians.

Limitations on the Custodian’s liability are included in the Custody Deed. The Custodian’s fees are payable by the Responsible Entity and are reimbursable out of the Fund’s assets as an expense of the Fund.

It is not the role of the Custodian to protect the rights and interests of Unitholders.

11.4 Compliance Plan

The Fund has a Compliance Plan that sets out the arrangements and measures that APN FM, as Responsible Entity, applies in operating the Fund to ensure compliance with the Corporations Act and the Constitution. Compliance with the Compliance Plan is overseen by the Compliance Committee and the directors of APN FM.

11.5 Amendment of Constitution or of any contract with Unitholders

The Responsible Entity may amend the Constitution if it considers that the amendment will not adversely affect Unitholders' rights. Otherwise, the Constitution may be amended by way of a special resolution of Unitholders.

To the extent that any contract or obligation arises in connection with the acceptance by the Responsible Entity of an Application or reliance on this PDS by a Unitholder, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by the Responsible Entity with the approval of a special resolution of Unitholders, or without that approval if the Responsible Entity considers the variation or cancellation will not materially and adversely affect Unitholders' rights.

11.6 Compliance Committee

The Responsible Entity has established a Compliance Committee in accordance with the requirements of the Corporations Act. A majority of the members of the Compliance Committee are independent of the Responsible Entity. The Compliance Committee is required to monitor the Responsible Entity's compliance with the Constitution, Compliance Plan and the Corporations Act, to report on its findings and to assess at regular intervals the adequacy of the Compliance Plan.

11.7 Conflicts of interest and related party transactions

The Fund (and any Underlying Fund that is also managed by APN FM) may transact with other funds managed by APN FM and/or other members of the APN Property Group (including APN FM in its personal capacity). Such dealings may include:

- investing in other funds managed by APN FM, e.g. the Poland Fund, the Vienna Fund and the Champion Fund (where the Fund invests in other funds managed or promoted by APN FM, APN FM may receive fees in relation to those funds);
- engaging related parties to provide services in relation to the Fund and/or the investments of the Fund; the related parties will be entitled to receive fees for the provision of such services;
- acquiring and disposing of interests in the Fund from or to another fund managed by APN FM or a member of the APN Property Group;
- voting as a unitholder at unitholder meetings held by funds managed by APN FM in which the Fund invests;
- borrowing from the APN Property Group or other entity in the group;
- provision of accounting and registry operations; and
- other transactions.

In all cases where a related party transaction occurs in respect of the Fund, the transaction will be conducted on commercial terms and at arm's length (that is, on terms and conditions no less favourable than would apply if the parties were not related) or APN FM will obtain the approval of Unitholders. APN FM has a conflicts of interest and related party transactions policy which ensures that all transactions engaged in by APN FM are assessed for any conflict of interest and to ensure they are reasonable "arm's length" transactions based on appropriate commercial terms. Investors should note that this policy does not require APN FM to avoid conflicts of interest. Consistent with the Constitution, the Responsible Entity may deal with any Unitholder, act as trustee or responsible entity of any other trust or managed investment scheme or deal with any entity in which the Responsible Entity holds an investment on behalf of the Fund and in each case it (or an associate) may retain for its own benefit all profits or benefits derived from such activities.

11.8 Complaints

The Constitution contains procedures for the handling of complaints from Unitholders. If a Unitholder has a complaint, the Unitholder may write to APN FM (including name, address and investor number). APN FM is required to acknowledge receipt of a written complaint as soon as practicable and, in any event, within 14 days. APN FM must give proper consideration to the complaint and must act in good faith to deal with a complaint.

The determination relating to the complaint, the remedies (if any) available and information regarding any further avenue for complaint must be communicated within 45 days of receipt of the complaint.

APN FM is a member of the Financial Industry Complaints Service Limited (FICS), an external dispute resolution scheme. Unitholders can contact FICS on 1800 335 405 or write to FICS at PO Box 579 Collins Street West, Melbourne, Victoria, 8007.

11.9 Anti-money laundering regulations

By applying for Units in the Fund you are taken to agree to the following terms:

- you warrant that you comply with all applicable anti-money laundering laws and regulations, including but not limited to the anti-money laundering laws and regulations of Australia (in force from time to time);
- you are not aware and have no reason to suspect that:
 - the money used to fund your investment in the Fund has been or will be derived from or related to any money laundering or other activities deemed illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement (“illegal activities”); or
 - the proceeds of your investment in the Fund will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with all applicable laws and regulations relating to anti-money laundering.

We are required to obtain certain identification and verification information from you under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 before we can issue Units to you. This information is requested in the application form.

11.10 Investment standards

The Responsible Entity does not, as at the date of this PDS, take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments for the Fund.

The Responsible Entity does consider environmental issues when considering potential investments of the Fund.

11.11 Unitholder communications and availability of documents

If there are 100 or more investors in the Fund, the Fund will be a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations under the Corporations Act. The Responsible Entity will be required to prepare and lodge with ASIC both yearly and half-yearly financial statements in respect of the Fund, accompanied by a directors' statement and report, and an audit and review report in relation to the Fund. Unitholders will have the right to obtain from the Responsible Entity copies of the Fund's yearly and half-yearly financial statements and any continuous disclosure notices lodged by the Responsible Entity with ASIC free of charge. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

The Responsible Entity will provide copies of the Constitution and the Compliance Plan free of charge upon request.

These documents do not form part of this PDS but may be obtained by request in writing to APN FM at:

APN Euro Property Fund

Level 30

101 Collins Street

Melbourne Vic 3000

11.12 Consents

Hall & Wilcox and Trust Company Limited have each given, and have not withdrawn as at the date of this PDS, their written consent to be named in this PDS in the form and context in which they are named. Neither of them has authorised or caused the issue of this PDS and takes any responsibility for any part of this PDS (except to the extent required by the Corporations Act). Neither of them makes or purport to make any statement in this PDS, nor is there any statement said to be based on a statement by any of them other than this paragraph.

In respect of the Custodian, neither the Custodian nor any member of the Trust group of companies makes any representations as to the truth or accuracy of the contents of this PDS. The Custodian does not make any representation regarding, or accept any responsibility for any statements or omissions in or from any part of, this PDS. The Custodian has relied upon APN FM for the accuracy of the contents of this PDS. Neither the Custodian nor any member of the Trust group of companies makes any representations as to and does not guarantee the return of any investment, maintenance of capital, any tax deduction availability or the performance of the Units. The information contained in this PDS is not a recommendation by the Custodian that any person acquire Units.

11.13 Electronic instructions

If you provide instructions to APN FM via electronic means, such as facsimile, email or internet, you release APN FM from, and indemnify it against, all losses and liabilities arising from any payment made or action taken by or on behalf of APN FM based on any instruction (even if not genuine) that it receives by an electronic communication bearing your investor code and a signature which is apparently yours and that of an authorised signatory for the investment or an email address that is apparently yours. You also agree that neither you or anyone claiming through you has any claim against APN FM or the Fund in relation to such payments or actions. There is a risk that a fraudulent instruction may be provided by someone who has access to your investor code and a copy of your signature. Please take care.

How to Complete the Application Form

Please complete the Application Form in **BLOCK LETTERS** and sign where indicated.

The following guidelines should be read to assist with completing the Application Form.

1. Investment Details

Existing investors in an APN Funds Management Limited managed investment scheme should provide their investor number and fill in relevant sections.

2. Investor's Details

It is important that the applicant's name is entered correctly, in accordance with the following examples:

Type of Investor	Completing Section 2	Example of Correct Form
Individual	Complete your individual details with full name.	John Peter Smith
Joint	Complete details of both investors as Investor A Investor B	John Peter Smith Mary Jane Smith
Partnership	Provide each partner's name and partnership name	John Peter Smith Mark Stephen Jones A/C Smith & Jones
Corporations	Use full company name and provide the ABN or TFN of Company only	ABC Pty Ltd ABN 11 123 456 789
Trusts	Use name of trustee and name of the trust and provide the TFN for the Trust only	John Peter Smith A/C Smith Family Trust
Superannuation Funds	Use name of trustee and name of the fund and provide the TFN for the Super Fund only	ABC Pty Ltd A/C Drawn Super Fund
Persons under 18 years of age	Use name of Parent/Guardian	Peter John Smith A/C Kylie Jane Smith

Tax File Number

Please provide your tax file number (TFN) or Australian Business Number (ABN) or give the appropriate exemption details. You are not obliged to supply a TFN or ABN but if you do not, tax may be withheld from distribution entitlements at the top marginal rate (including Medicare levy). Collection of TFNs and ABNs are authorised by taxation laws.

3. Contact details

Please ensure that an address for correspondence and a day time telephone number are provided.

4. New account signing authority

Complete this section to nominate your account signing authorities for transactions and payment instructions.

5. Income Distributions

Distributions will not be made by cheque, but by direct transfer into your nominated bank account. You should provide full bank account details along with a copy of a blank deposit slip (if available) to ensure the accuracy of the details provided. You should nominate whether you wish to reinvest distributions or have them paid into your nominated bank account.

6. Annual Financial Report

Please indicate if you would like to receive the annual report.

7. Payment details

Please note the payment instructions and make cheques payable as noted.

8. Investment

The minimum initial investment in the Fund is – \$10,000 with minimum additional investments of \$1,000. Poland Fund unitholders that wish to transfer their units for units in the APN Euro Property Fund should nominate the number of units to be transferred.

9. Nominated representative or agent

If you wish to appoint an agent to act for you in relation to your investment in a Fund, complete this section.

10. Adviser Nomination

APN FM may elect to pay upfront service fees in the form of commissions to the financial adviser whose stamp is affixed to the Application Form or has completed and signed Section 9. An adviser's remuneration is paid by APN FM out of the fees to which it is entitled and not out of the fund. Commissions will only be paid to advisers holding an Australian Financial Services Licence.

11. Declaration

Please read and note the relevant declarations pertaining to acceptance of applications.

12. Signatures

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 your Application

Please complete the Application Form in accordance with the instructions provided in this PDS and forward the Application Form to APN Funds Management Limited, PO Box 18011, Melbourne Collins St East, Victoria, 8003 together with either:

- a cheque made payable to "APN FM – Application Moneys Trust Account" and crossed "Not Negotiable"; or
- your completed direct debit request.

Application Form

If you wish to invest in any of the Funds you should complete an Application Form accompanying this PDS.

Direct Debit Request Form

If you wish to invest by way of direct debit from a nominated bank account you should complete a direct debit request form accompanying this PDS.

Application Form

This Application Form relates to the offer of units in the APN Euro Property Fund (ARSN 123 172 930), made in this PDS dated 8 January 2008. Please complete this form using BLACK INK and write clearly within the boxes in CAPITAL LETTERS. Mark appropriate answer boxes with a cross as indicated. Start at the left of each space and leave a gap between words.

1. Investment Details

Type of investment

New > Go to section 2 and complete all sections. or Additional > Please provide the details of your existing investment below.

APN Fund name Investor number

Investor name

2. Investor Details

Investor A | Individuals, Joint Investors or Trustees

Mr/Mrs/Miss/Ms/Other Surname First name Second name

Male Female Date of birth Country of residence (Only required if you are a foreign resident for tax purposes)

TFN/ABN or Exemption Code

Investor B | Joint Investors or Trustees

Mr/Mrs/Miss/Ms/Other Surname First name Second name

Male Female Date of birth Country of residence (Only required if you are a foreign resident for tax purposes)

TFN/ABN or Exemption Code

Company

Name Contact name

TFN/ABN or Exemption Code Position held

Account Designation (for minors/Trusts/Partnerships/Superannuation Funds, etc)

Trust Partnership Super Fund Account name

TFN/ABN or Exemption Code

3 . Contact Details

Designation (e.g. c/- or property name) Contact name Contact number during business hours

Street address Work number Home number

Suburb/City/Town Fax number Mobile number

State Postcode Email address

Name of Australian contact if overseas Country (if outside Australia)

4. Income Distributions

Option 1 | Reinvested in the Fund

Option 2 | Credited to nominated bank account

Name of financial institution Branch number (BSB) – Account number

Account name

5. Payment Details

- Option 1 | Cheque Please make cheques payable to “APN FM Registry Euro”.
(a fee will be charged at applicable bank rates for dishonoured cheques).
- Option 2 | Direct Credit Branch number (BSB) | 063-012 Account number | 1034 5006
Please provide your account name as a reference.
- Option 3 | Direct Debit Please complete the attached direct debit request form accompanying this PDS.

6. Investment Allocation

Please specify the amount you wish to invest in the Fund.

Fund name Minimum investment Additional investment Total Investment

APN Euro Property Fund \$10,000 + A\$ = A\$

For unitholders that wish to exchange their units in any of the below funds for Units in the APN Euro Property Fund, please specify the number of units you wish to transfer below.

- APN Champion Retail Fund > 100% of total units or units > enter number of units
- APN/UKA Poland Retail Fund > 100% of total units or units > enter number of units
- APN/UKA Vienna Retail Fund > 100% of total units or units > enter number of units

7. Nominated Representative or Agent (optional). “This may or may not be your financial adviser.”

I / We nominate the following person as my/our nominated representative to act for me/us in relation to my/our investment(s) described in section 7 of this Application Form, including (without limitation) investing and withdrawing from a Fund.

Name of nominated representative	Nominated representative signature	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>
Investor A Company officer name	Signature of Investor A / Company signatory	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>
Investor B Company officer name	Signature of Investor B / Company signatory	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>

8. New Account Signing Authority

Joint (non-corporate) investors only – complete this section of the Application Form to nominate the account signing authority for payment instructions. Please note – if no option is nominated, all instructions will require both investors to sign.

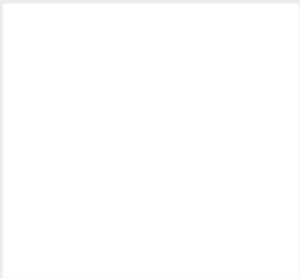
Either Investor/Trustee A or B Investor/Trustee A only Investor/Trustee B only

9. Annual Financial Reports

We are required by law to provide you with a copy of a Fund’s annual financial report unless you indicate otherwise. If you do not wish to receive a paper copy of the report in the mail, an electronic copy is available from www.apnfm.com.au.

Please cross (x) this box if you do not wish to be mailed a copy of a Fund’s annual financial report each year.

10. Adviser Nomination

Licensee name <input type="text"/>	AFSL No. <input type="text"/>	Licensee Stamp 
Adviser company name <input type="text"/>		
Adviser name <input type="text"/>	Phone number (<input type="text"/>) <input type="text"/>	
Signature <input type="text"/>		

If you are a new adviser please also complete the following details and provide a copy of your employee/representative authority:

Adviser company name <input type="text"/>	Work number (<input type="text"/>) <input type="text"/>	Fax number (<input type="text"/>) <input type="text"/>
Street address <input type="text"/>	Mobile number <input type="text"/>	
Suburb/City/Town <input type="text"/>	Email address <input type="text"/>	
State <input type="text"/>	Postcode <input type="text"/>	Website address <input type="text"/>

11. Declaration

I/we declare and agree that:

- I/we have read the PDS dated 8 January 2008 for the APN Euro Property Fund to which this application applies and have received and accepted the offer in it, in Australia.
- My/our application is true and correct.
- I/we am/are bound by any terms and conditions contained in the PDS and the provisions of the Constitution of each of the Funds in which I/we am/are invested as amended from time to time.
- I/we have legal power to invest.
- My/our adviser whose stamp appears on this Application Form will receive the payments detailed in the PDS and this Application Form. I/we authorise APN FM to give information relating to my/our account and investment in that account to my/our adviser.
- If I/we have received the PDS from the internet or other electronic means that I/we received it personally or a printout of it, accompanied by or attached to this Application Form.
- If this is a joint application, each of us agrees, unless otherwise indicated on this application, our investment is as joint tenants. Each of us is able to operate the account and bind the other(s) to any transaction including investments, switches or withdrawals by any available method;
- This application is not because of an unsolicited meeting with or telephone call from another person.
- Future investments will be made in line with the most recent investment or transfer transaction (excluding regular investment plan) unless I instruct you otherwise.
- 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 superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- I/we acknowledge that an investment in a Fund does not represent an investment in or a deposit or other liability of APN Funds Management Limited, APN Property Group Limited or any member of the APN Property Group.
- I/we acknowledge that none of APN FM, APN PG, any member of the APN Property Group or any of their officers, advisers, agents or associates in any way guarantee the performance of any of the Funds nor any return of capital.
- I/we acknowledge that APN FM and its related bodies corporate may disclose and use personal information as contemplated on the inside front cover of the PDS under the heading "Privacy".
- I/we acknowledge and agree that electronic instructions will be treated as contemplated on page 42 of the PDS under the heading "Electronic Instructions".
- I/we will provide to APN FM or it's nominee any information that APN FM reasonably requires in order to enable APN FM to comply with all it's obligations under the Anti-Money Laundering Counter-Terrorism Financing Act 2006 (Cth) and it's associated rules (in force from time to time);
- I/we acknowledge that the information collected by APN FM (including in this application form) may be used for identification purposes, including via a third party verification service, to enable APN FM to comply with all it's customer identification obligations under the Act and associated rules referred to above;

12. Signature(s)

Joint applicants must both sign

- If this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney must be submitted with this application unless we have already sighted it).
- SOLE SIGNATORIES signing on behalf of a company confirm that they are signing as either a director or sole director and sole secretary of the company by ticking the relevant box.

Name of Investor A or Company officer (please print)			Company seal (if company or trust)		
<input type="text"/>					
Signature					
<input type="text"/>					
Director	Sole director and sole secretary	Date			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>			
Name of Investor B or Company officer (please print)			Please forward this completed application form to:		
<input type="text"/>			APN Funds Management Limited		
Signature			PO Box 18011, Melbourne Collins Street East, Victoria 8003		
<input type="text"/>			Website www.apnfm.com.au Email fm@apngroup.com.au		
Director	Sole director and sole secretary	Date	Investor Services 1800 996 456 Facsimile (03) 8656 1010		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>			

Direct Debit Request Form

Financial institution

Name of financial institution

Institution street address

Suburb/City /Town

State

Postcode

(to be completed by customer)

Customer Name(s) giving Direct Debit Request

I/We

Customer residential address

Suburb/City /Town

State

Postcode

authorise APN Funds Management Limited. ABN 60 080 674 479 with User ID Number: 209 615 to arrange for funds to be debited from my/our account, held with the Financial Institution identified above, as described in the Schedule below.

Payment Details

The payment will be deducted at the time of application from your nominated bank account below.

The Schedule

Details of account to be debited:

Name of financial institution

Account held in the name(s) of

Branch number (BSB)

 -

Account number

Please check with your Financial Institution to ensure the account nominated will facilitate direct debiting. See attached Service Agreement Clause 5.

Direct Debit Request Authorisation (this is to be signed by the holder of the bank account debited)

I/We have read and understood the terms and conditions of the attached "Service Agreement" overleaf and acknowledge and agree to it. I/We request this Arrangement remain in force in accordance with the Schedule above and in compliance with the terms and conditions of the "Service Agreement".

Name of Investor A

Name of Investor B

Signature

Signature

Date

 / /

Date

 / /

Direct Debit Request Service Agreement

1. APN Funds Management Limited (the "Debit User") will debit the BSB/Account nominated in the Schedule of this Direct Debit Request as specified.
2. APN Funds Management Limited will give not less than 14 days written notice to the customer should it propose to vary the arrangements of this Direct Debit Request.
3. The customer(s) may request APN Funds Management Limited to defer or alter the payment amount specified in the Schedule of this Direct Debit Request. Requests authorising these changes may be made by phoning or written advice to APN Funds Management Limited. Customer(s) may change the:
 - Due Date of Payment;
 - Payment Amount; and
 - Frequency of Payment.Customer(s) wishing to vary the drawing account details specified in the Schedule of this Direct Debit Request must provide signed authority for such changes to be effected.
4. In compliance with the Industry's Direct Debit Claims Process, APN Funds Management Limited will assist customer(s) disputing any payment amount drawn on the nominated BSB/Account in the Schedule of this Direct Debit Request. APN Funds Management Limited will endeavour to resolve this matter within the Industry agreed time frames. Customer(s) may visit any branch of their financial institution and complete a "Direct Debit System Claim Request" form to initiate the process.
5. APN Funds Management Limited advises that some Financial Institution accounts do not facilitate direct debits and as such the Customer(s) must check with their Financial Institution to ensure the account nominated in the Schedule of this Direct Debit Request enables direct debiting.
6. It is the customer(s) responsibility to ensure at all times there is sufficient cleared funds available, at the due date of the debit drawing, to enable payment from the BSB/Account as nominated in the Schedule of this Direct Debit Request.
7. APN Funds Management Limited advises the debit drawing will be made on the agreed due date as nominated in the Schedule of this Direct Debit Request. When the due date is a closed business day APN Funds Management Limited will initiate the debit drawing on the next open business date. Customer(s) may direct processing inquiries to their Financial Institution. The funds will be processed as an application on the following business day. A closed business day is defined as any calendar day on which the customer(s) financial institution is not open for direct debit processing. That is:
 - Weekends;
 - Public Holiday – State; and
 - Public Holiday – National.
8. Where an unpaid debit item is returned by the customer(s) financial institution, APN Funds Management Limited will, apply an outward dishonour fee to the customer(s) account.
9. Customer(s) who wish to cancel this Direct Debit Request must notify APN Funds Management Limited in writing not less than 7 days before the next scheduled debit drawing. This request may be directed to APN Funds Management Limited or to a customer(s) financial institution.
10. APN Funds Management Limited requests the customer(s) to direct all inquires, disputes requests for payment changes or cancellation directly to them.
11. APN Funds Management Limited agrees to keep confidential all customer(s) records and account details contained in the Schedule of this Direct Debit Request unless authorised to release such information pursuant to a debit item dispute or similar event where the customer(s) has provided prior consent to do so.

Please forward this completed form to:

APN Funds Management Limited

PO Box 18011, Melbourne Collins Street East, Victoria 8003

Website | www.apnfm.com.au Email | fm@apngroup.com.au

Investor Services (Freecall) | 1800 996 456 Facsimile | (03) 8656 1010

Direct Debit Request Service Agreement

12 Glossary

In this PDS, the following terms have the following meanings, unless the context otherwise requires:

Term	Meaning
A\$	Australian dollars
AEZ	APN/UKA European Retail Property Holding Trust ARSN 114 153 641
AEZ Group	The APN/UKA European Retail Property Group, comprising AEZ and the APN/UKA European Retail Property Management Trust ARSN 125 377 424
AFSL	Australian financial services licence
Applicant	Person who submits an Application
Application	An application for Units pursuant to this PDS
Application Monies	Monies received from Applicants in respect of their Applications
APN FM	APN Funds Management Limited ABN 60 080 674 479
APD	APN Property Group Limited ABN 30 109 846 068
APN Property Group	APD and its subsidiaries (including its predecessors)
ASIC	Australian Securities and Investments Commission
Authorised Investments	An investment made in accordance with the Fund's investment strategy referred to in Section 3.3
Board	The board of directors of APN FM
CGT	Capital gains tax
Champion Allotment	The allotment of Units to fund an investment by the Fund in the Champion Fund, to occur on the Champion Allotment Date
Champion Allotment Date	1 March 2008 unless determined otherwise by the Responsible Entity in its discretion
Champion Fund	APN Champion Retail Fund ARSN 127 948 127, including, where the context permits, its controlled entities
Champion Portfolio	The portfolio of 16 supermarkets in Greece in which the Champion Fund holds or will hold an indirect interest
Compliance Committee	The compliance committee of the Fund
Compliance Plan	The compliance plan of the Fund
Constitution	The constitution of the Fund, dated 14 December 2006 (as amended or replaced) and described in Section 11.1
Corporations Act	Corporations Act 2001, as amended
CPI	Consumer Price Index

Term	Meaning
Custodian	Trust Company Limited ABN 59 004 027 749
Director	A director of APN FM
Fund	APN Euro Property Fund ARSN 123 172 930 including, where the context permits, its controlled entities
GLA	Gross lettable area
Gross Asset Value	Gross asset value of the Fund calculated in accordance with the Constitution
GST	Goods and services tax
ICR	Indirect cost ratio
Issue Price	The price at which Units will be issued under this PDS, calculated on the basis of the net asset value of the Fund on the relevant date, determined in accordance with the Constitution and APN FM's Unit Pricing Policy, to be made available on APN FM's website.
Limited Liquidity Facility	The limited liquidity facility available to Unitholders, as described in Section 4.3 and Section 11.2
PDS	This product disclosure statement, dated 1 January 2008
Poland Fund	APN/UKA Poland Retail Fund ARSN 122 452 779
Responsible Entity	The responsible entity of the Fund, being APN FM
Sq m	Square metres
Subscriber Unit	A subscriber unit in the Fund held by APD
Subscriber Unit Withdrawal Offer	Any withdrawal offer made by APN FM in accordance with the Corporations Act and the Constitution in relation to Subscriber Units
Tax advantaged returns	Returns represented as tax deferred distributions. Tax deferred distributions are generally the distributions to Unitholders that are not required to be included in the Unitholder's assessable income. Tax deferred distributions can arise from tax concessions and accounting versus tax differences in relation to income and expenses. In accordance with the Constitution, distributions may include a return of capital.
Underlying Funds	The underlying funds in which the Fund invests and as at the date of this PDS, means the Vienna Fund, Poland Fund and Champion Fund
Unit	An ordinary unit in the Fund
Unit Pricing Policy	APN FM's unit pricing policy, as amended or replaced
Unitholder	The holder of a Unit and where the context permits, the holder of a Subscriber Unit
Vienna Fund	APN/UKA Vienna Retail Fund ARSN 119 990 840

Corporate Directory

Responsible Entity of the Fund

APN Funds Management Limited

Level 30,

101 Collins Street

Melbourne VIC 3000

Telephone: (03) 8656 1000

Facsimile: (03) 8656 1010

www.apnfm.com.au

ABN 60 080 674 479

AFSL No.237500

Directors of the Responsible Entity

Clive Appleton, Executive Director

Christopher Aylward, Executive Chairman

Howard Brenchley, Executive Director

Andrew Cruickshank, Non-Executive Director

Michael Butler, Independent Non-Executive Director

John Harvey, Independent Non-Executive Director

Custodian

Trust Company Limited

Level 4,

35 Clarence Street,

Sydney NSW 2000

Australian Legal Advisers

Hall & Wilcox Lawyers

Level 30, Bourke Place

600 Bourke Street,

Melbourne VIC 3000

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APN | Funds Management Limited

www.apnfm.com.au