

Aspen Parks Property Fund (comprising Aspen Parks Property Trust (Trust) and Aspen Parks Management Limited (APPM))



Pricing Policy for Stapled Securities

Application Price

The application price on any given day is equal to the underlying application price plus the accrued distribution applicable to the stapled security on that day.

Underlying Application Price

The Constitutions for the Fund set out the pricing mechanism for applications to the Fund. As the Fund issues stapled securities, the underlying application price is split between units and shares as determined by Aspen Funds Management Limited (the **Manager**) on an ongoing basis. A portion of the underlying application price is allocated to the shares in APPM.

The formula for calculating the application price is set out in the Trust constitution as follows:

$$\frac{\text{Net Asset Value} + \text{Transaction Costs} + \text{Aggregated Unpaid Amount}}{\text{Number of units on issue}}$$

Net Asset Value will be the value as shown in the consolidated management accounts for the Trust. For the purposes of calculating the underlying price during any month, the accounts for the previous month will be used.

Transaction costs include the costs of acquiring the assets, being stamp duty, establishment fee, legal costs, and valuation expenses. Transaction costs are estimated as a percentage of the Trust's assets and are currently set at 10.7% of gross assets.

For accounting purposes, some costs such as stamp duty and finance costs are expensed to the P&L while capital raising costs associated with establishing the Fund are deducted from capital raised. These are shown separately in the accounts.

All units and shares are issued as fully paid and there is not expected to be any unpaid amounts on each of the securities.

Accrued Distributions

On any given day the accrued distribution applicable to each security is equal to the daily distribution rate multiplied by the number of days since the last distribution payment. The daily distribution rate is the forecast ongoing annual distribution rate divided by the total number of days in the financial year.

Review

The person responsible for calculating the underlying application price will obtain the Trust accounts from the Accountant responsible for their preparation, complete a manual calculation to determine the price and records the price in a register.

The monthly underlying application price calculations will be reviewed and signed off by the Pricing Committee, which will include the Company Secretary, Chief Financial Officer, Head of Property, Compliance Manager and Corporate Services Manager.

Rounding

The quoted application price (in Australian Dollars) will be rounded to 4 decimal places. The number of stapled securities to be issued to an investor will be calculated using the rounded application price and, in accordance with the Fund constitutions, the number of securities issued will be rounded down to the nearest whole security. Any remaining application monies following this rounding will become the assets of the Fund.

Frequency

Stapled security prices are determined on a daily basis using the most recent monthly management accounts as a basis together with any known changes in asset value since the last management account preparation date.

Redemption Price

As the Fund is currently illiquid there are no redemptions allowed. Should the Fund become liquid in the future, a method for determining the redemption price is set out in the constitutions.

Discretionary Powers of the Manager

The Constitution of the Trust allows the Manager to exercise discretions in determining the unit price for the Trust.

Regulatory Environment

The Australian Securities and Investments Commission (**ASIC**) has determined:

- that the constitution of a registered scheme may provide a formula that is to be used to set the issue price of units; and
- that the responsible entity may have the discretion to decide a matter that affects the value of a factor included in the formula provided that the responsible entity meets certain requirements.

ASIC Class Order 05/26 requires the Manager as responsible entity to have a written Unit Pricing Discretions Policy (This document is the said Policy). Copies of this Policy can be obtained at no charge via our website, www.aspengroup.com.au

Record of exercise of discretion

ASIC Class Order 05/26 also requires the Manager to keep a record of any exercise of any discretion:

- which is not covered by the Unit Pricing Discretions Policy; or
- which involves a departure from the Unit Pricing Discretions Policy

Copies of these records may be obtained from the Manager at no charge.

Exercise of discretions in relation to calculating Net Asset Value

Unless the Manager determines otherwise, the value of an Asset for the purpose of calculating Net Asset Value will be its market value. Where the Manager values an Asset at other than its market value, or where there is no market value, the valuation methods and policies applied by the Manager must be capable of resulting in a calculation of the Application Price or Redemption Price that is independently verifiable.

Exercise of discretions in relation to calculating transaction costs in unit prices

The constitution for the Trust provides that the Manager may make any adjustment for transaction costs in determining unit application prices and withdrawal prices. When investors make an application for securities, or to withdraw from the Trust, the Trust will generally incur costs in purchasing or selling investments. To ensure existing members do not continually bear the costs resulting from future applications and withdrawals an estimate of these costs is applied to each transaction.

Transaction costs represent the Manager's estimate of these costs, and is set by reference to the transaction costs anticipated to be incurred by the Fund in the medium to long term. Transaction costs are designed to reduce the impact on existing members of a Fund against transaction costs which the Fund incurs when other members invest or withdraw. Where actual transaction costs vary from the transaction costs charged, the impact will be borne by the Fund. The transaction costs are set by the Manager based on an analysis of the actual and estimated costs incurred when buy and selling the assets of the Fund, and by having regard to industry market practices.

Transaction costs are currently estimated to be 10.7% of gross assets. The Manager has exercised its discretion, as allowed under the Trust constitution, and has determined that half of this amount will be applied in determining the calculation of the Application Price (currently being 10.7% of net assets, assuming gearing of 50%). In making this determination the Manager believes it is common practice for open-ended property funds to recoup a lesser amount of transaction costs on application for units with the balance to be recouped through the appreciation of fund assets over time.

The Manager reviews appropriateness of transaction costs periodically.

In calculating the application price, an allowance for transaction costs for the purchase of investments effectively increases the unit price. In calculating the withdrawal price, the allowance for transaction costs for selling investments effectively decreases the unit price. Note that the Fund is illiquid and currently withdrawals are not possible.

For directly held assets, the Manager determines the estimated costs of buying and selling the Fund assets.

In the Manager's view, the above Transaction Cost policy is reasonable on the following basis:

- Transaction costs are a common feature of the Australian property fund industry, and this policy is set with regard to normal commercial industry practices;
- Transaction costs are designed to reduce the impact on existing investors of a Fund against transaction costs which the Fund incurs when other members invest or withdraw. Therefore they are in the interest of the Funds and investors.
- Transaction costs are waived or reduced only where the Manager considers that the Fund and remaining investors are not disadvantaged by the waiver or reduction.
- Allowance for transaction expenses is recommended in the ASIC Good Practice Guide as a means of retaining equity between investors transacting into/out of the Funds and investors remaining in the Funds.

Exercise of discretions in relation to suspension of unit pricing

There may be times when it is necessary to suspend unit pricing if the Manager believes it is in the best interests of members.

Unit pricing will be suspended if there are conditions, internal or external, where it may be inappropriate to issue a unit price. Unit pricing will not recommence until any deficiencies have been rectified. Applications and withdrawals received during suspension will receive the unit price applicable to the day of the instruction, and will be processed as soon as practically possible.

Manner of exercise of discretion

The Manager must act reasonably in exercising any discretion. However the manner in which any discretion is exercised must as far as practicable be consistent with ordinary commercial practice for valuing assets of the relevant kind.

The Manager has based this Policy on ordinary commercial practice and therefore considers it is reasonable to exercise the discretions documented in accordance with this Policy.

Departures from this Policy

If the Manager exercises a discretion in either of the following circumstances, then it must complete a notice in the form set out in Schedule 1 – Departure Report (or similar):

- The Manager exercises a discretion which is not covered by this Policy or in relation to which there is no documented policy that is current at the time of the exercise;
- The Manager exercises a discretion in a way that involves a departure from this Policy.

Record keeping

The Manager will ensure that the records which it keeps under section 988A of the Corporations Act are kept in such a way as will enable any documented policy that was applied in the exercise or departure from a discretion that relates to the pricing of a unit to be identified.

The Manager will:

- Retain any documents concerning the exercise of a discretion (including this Policy) for seven years after they cease to be current;
- Provide a copy of such policy on request at no charge:

February 2010

Schedule 1: Departure Report Aspen Parks Property Fund

Date of report
____/____/____

Responsible Person making this report _____

Position of person making this report _____

Date discretion was exercised	How was the discretion exercised? Explain how it departed from the Policy and why, or in what way it was covered by the Policy.	Why was it reasonable to exercise the discretion the way it was exercised?	If the discretion was not exercised in a way which is consistent with Scheme assets being valued in accordance with ordinary commercial practice, why was it impracticable to do so?

This form must be completed and submitted to the Compliance Manager as soon as possible following the date the discretion was exercised.

Check by name of person _____

Date Signed _____