

28 September 2017

Dear Investor

Residential Property Fund

Please find attached the Financial Statements for the year ending 30 June 2017.

There was no distribution for last financial year as the expenses exceeded the income generated.

As there was no income to distribute you will not be sent a tax statement.

During the year we attempted to sell both the property in Darwin as well as the property in Brisbane.

Darwin Property

In relation to the property in Darwin, Raine & Horne was appointed to sell the property in February 2017. Since then there has been minimal interest in the property as a result of the current glut of apartments for sale in the complex.

The Darwin property is currently leased until 19th December 2017.

The property was revalued on 13 January 2017 by Opteon Property Group at \$340,000, a reduction of \$35,000 on the previous valuation.

Brisbane Property

The property at Coorparoo was put on the market for sale with Ray White in July 2016. Unfortunately there was little interest in the property and as a result of the oversupply of the apartments in the area the property was withdrawn from the market.

The property is currently under lease until 18th April 2019.

The property was revalued on 30 June 2017 by SLR Valuations at \$290,000, a reduction of \$29,000 on the previous valuation.

Future Strategy

The intention remains to sell both properties and to payout those investors seeking to redeem their investment. Unfortunately both properties have proven exceptionally difficult to sell in weak local markets.

If you require any further information in relation to your investment you should contact the Fund Administration Manager, Vasco on 03 8352 7120.

Up-to-date information is also accessible via our website at www.vascofm.com

Yours faithfully



Craig Dunstan
Managing Director