

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>RAUTH WILLIAM R III</u> (Last) (First) (Middle) <u>C/O IGSB, INC.</u> <u>1485 E. VALLEY ROAD, SUITE H</u> (Street) <u>SANTA BARBARA CA 93108</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>APPFOLIO INC [APPF]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/15/2020</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A Common Stock	01/15/2020		c ⁽¹⁾		20,000 ⁽¹⁾	A	\$0.00 ⁽¹⁾⁽²⁾⁽³⁾	20,000	D	
Class A Common Stock	01/15/2020		s ⁽⁴⁾		10,112	D	\$122.247	9,888	D	
Class A Common Stock	01/16/2020		s ⁽⁴⁾		9,888	D	\$123.0092	0	D	
Class A Common Stock								13,072	I	By IGSB IVP III, LLC ⁽⁵⁾

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Class B Common Stock	\$0.00	01/15/2020		c ⁽¹⁾			20,000	(2)(3)	(2)(3)	Class A Common Stock	20,000	\$0.00 ⁽¹⁾⁽²⁾⁽³⁾	252,859	D	
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		3,855,275	I	By IGSB IVP III, LLC ⁽⁶⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		993,627	I	By IGSB Internal Venture Fund III, LLC ⁽⁷⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,129	I	See Footnote ⁽⁸⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,129	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,119	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,119	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,119	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,119	I	See Footnote ⁽⁹⁾

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,119	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		15,119	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		13,725	I	See Footnote ⁽⁹⁾
Class B Common Stock	\$0.00							(2)(3)	(2)(3)	Class A Common Stock	(2)(3)		1,407	I	See Footnote ⁽⁹⁾

Explanation of Responses:

- The Reporting Person acquired these 20,000 shares of AppFolio Class A Common Stock ("Class A Shares") on his conversion of 20,000 shares of AppFolio Class B Common Stock ("Class B Shares") that were owned by the Reporting Person.
- Each Class B Share is convertible, at any time at the option of the holder, into one Class A Share. In addition, Class B Shares that are sold or otherwise transferred will convert automatically, on a one share-for-one share basis, into Class A Shares, except for (i) any transfer by a partnership or limited liability company that was a registered holder of Class B Shares prior to June 30, 2015 that is made to anyone who was a partner or member of any such partnership or limited liability company prior to June 30, 2015, and (ii) any transfer to a "qualified recipient" (as defined in AppFolio's Amended and Restated Certificate of Incorporation).
- (Continued from Footnote 2). AppFolio's Class B Shares do not have an expiration date. However, all of the outstanding Class B Shares will convert automatically into Class A Shares, on a one share-for-one share basis, on the date when the number of the Company's outstanding Class B Shares represents less than 10% of the sum of AppFolio's outstanding Class A and Class B Shares.
- Sales made pursuant to a 10(b)5-1 Plan previously adopted by the Reporting Person.
- These Class A Shares are owned by IGSB IVP III LLC, a private investment fund, which is managed by Investment Group of Santa Barbara LLC ("IGSB"). The Reporting Person is one of the members of IGSB and may be deemed to share voting and dispositive power with IGSB and its other members over these Class A Shares. However, the Reporting Person disclaims beneficial ownership of these Class A Shares, except to the extent of any pecuniary interest he may have therein.
- These Class B Shares are also owned by IGSB IVP III LLC, which is managed by IGSB. The Reporting Person is one of the members of IGSB and may be deemed to share voting and dispositive power with IGSB and its other members over these Class B Shares. However, the Reporting Person disclaims beneficial ownership of these Class B Shares, except to the extent of any pecuniary interest he may have therein.
- These Class B Shares are owned by IGSB Internal Venture Fund III LLC, a private investment fund that is managed by IGSB. The Reporting Person is one of the members of IGSB and may be deemed to share voting and dispositive power over these Class B Shares with IGSB and its other members. However, the Reporting Person disclaims beneficial ownership of these Class B Shares, except to the extent of any pecuniary interest he may have therein.
- These Class B Shares are owned by an irrevocable trust established for one of the Reporting Person's grandchildren. The Reporting Person is the trustee of the trust and, therefore, may be deemed to possess sole voting and dispositive power over the Class B Shares owned by it. However, the Reporting Person disclaims any pecuniary interest in these Class B Shares.
- These Class B Shares are owned by an irrevocable trust established for another of the Reporting Person's grandchildren. The Reporting Person is the trustee of the trust and, therefore, may be deemed to possess sole voting and dispositive power over the Class B Shares owned by it. However, he disclaims any pecuniary interest in these Class B Shares.

Remarks:

William R. Rauth, III, By: /s/
KIMBERLY SHEA, Attorney-
in-Fact for William R. Rauth, 01/16/2020
III

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.