

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
OMB Number:	3235-0362
Estimated average burden hours per response:	1.0

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

Form 3 Holdings Reported.

Form 4 Transactions Reported.

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

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>12/31/2015</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 <input type="checkbox"/> 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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Class A Common Stock	12/23/2015		C	5,000 ⁽¹⁾	A	\$0.00 ⁽¹⁾	0	D	
Class A Common Stock	12/23/2015		G	5,000	D	\$0.00	0	D	

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)	
					(A)	(D)	Date Exercisable	Expiration Date						Title
Class B Common Stock	(2)(3)	12/23/2015		C		5,000	(2)(3)	(2)(3)	Class A Common Stock	5,000 ⁽¹⁾	\$0.00 ⁽¹⁾	379,012	D	
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	3,855,274		3,855,274	I	See Footnote ⁽⁴⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	993,627		993,627	I	See Footnote ⁽⁵⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,129		15,129	I	See Footnote ⁽⁶⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,129		15,129	I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,119		15,119	I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,119		15,119	I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,119		15,119	I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,119		15,119	I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,119		15,119	I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	15,119		15,119	I	See Footnote ⁽⁷⁾

**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)
					(A)	(D)	Date Exercisable	Expiration Date					
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	13,725		I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	1,407		I	See Footnote ⁽⁷⁾
Class B Common Stock	(2)(3)						(2)(3)	(2)(3)	Class A Common Stock	5,041		I	See Footnote ⁽⁸⁾

Explanation of Responses:

- These 5,000 shares of Class A Common Stock were acquired by the undersigned's conversion of 5,000 shares of Class B Common Stock that had been owned by the undersigned. The terms of the Class B Common Stock provide that each share of Class B Common Stock is convertible, at the option of the holder thereof, into one share of Class A Common Stock, without the payment of any consideration. See Note 2 below.
- The shares of Class B Common Stock do not have an expiration date. Each share of Class B Common Stock is convertible, at any time at the option of the holder, into one share of Class A Common Stock. In addition, shares of Class B Common Stock that are transferred after June 30, 2015 will convert automatically, on a one share-for-one share basis, into shares of Class A Common Stock, except for (i) any transfers by a partnership or limited liability company that was a registered holder of shares of Class B Common Stock prior to June 30, 2015, made to anyone who was a partner or member of any such partnership or limited liability company prior to that date, and (ii) any transfer to a "qualified recipient" as defined in the Issuer's amended and restated certificate of incorporation.
- All outstanding shares of Class B Common Stock will convert automatically into shares of Class A Common Stock, on a one share-for-one share basis, on the date when the number of the Issuer's outstanding shares of Class B Common Stock represents less than 10% of the sum of its outstanding shares of Class A Common Stock and Class B Common Stock.
- These shares of Class B Common Stock are owned by IGSB IVP III, LLC, a private investment fund managed by Investment Group of Santa Barbara LLC (IGSB). Mr. Rauth is one of three members of IGSB and, as a result, Mr. Rauth may be deemed to share voting and dispositive power over these shares with IGSB and its other two members. However, Mr. Rauth disclaims beneficial ownership of these shares (except to the extent of any pecuniary interest he may have therein), because any decision with respect to the voting or disposition of such shares requires the approval or consent of the other two members of IGSB.
- These shares of Class B Common Stock are owned by IGSB Internal Venture Fund III, LLC, a private investment fund managed by Investment Group of Santa Barbara LLC (IGSB). Mr. Rauth is one of three members of IGSB and, as a result, Mr. Rauth may be deemed to share voting and dispositive power over these shares with IGSB and its other two members. However, Mr. Rauth disclaims beneficial ownership of these shares (except to the extent of any pecuniary interest he may have therein), because any decision with respect to the voting or disposition of such shares requires the approval or consent of the other two members of IGSB.
- These Class B Shares are owned by an irrevocable trust established for one of Mr. Rauth's grandchildren. Mr. Rauth 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, Mr. Rauth disclaims any pecuniary interest in these Class B Shares.
- These Class B Shares are owned by an irrevocable trust established for another of Mr. Rauth's grandchildren. Mr. Rauth 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, Mr. Rauth disclaims any pecuniary interest in these Class B Shares.
- These Class B Shares are owned by Ospre-Point Capital, LLC. In his capacity as sole manager of Ospre-Point Capital, the undersigned possesses sole voting and dispositive power with respect to, but disclaims any pecuniary interest in, these Shares.

Remarks:

William R. Rauth, III, By:
Kimberly Shea, as attorney in 02/12/2016
fact for William R. Rauth, 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.