

# APN | Funds Management

2 July 2009

## Quarterly update, FY2009 distribution guidance and taxable position

APN Champion Retail Fund | ARSN 127 948 127

Dear Investor

As a challenging financial year ends, we are writing to update you on the Fund's distributions, expected taxable income position for the year and the Fund's recent performance.

### Performance commentary

Please find enclosed an update on the Fund and its recent performance.

### FY2009 distribution and capital management

As previously outlined, the Fund's half year distribution was suspended to enable the restructure of the Fund's hedging arrangements (which is a prerequisite for the resumption of distribution payments). Significant progress has been made on this project and an in-principle agreement with Deutsche Bank AG (the hedging provider) has been reached. However, this transaction will likely require a cash payment to terminate some of the Fund's currency hedging contracts.

As a result of this transaction, no distribution will be paid in respect of the 2009 financial year. Whilst this is a disappointing result the transaction will resolve the Fund's hedging position and is expected to enable the recommencement of distributions in financial year 2010 (subject to market conditions).

### Expected taxable income position

Based on preliminary calculations, the Fund is not expected to have material taxable income in the 2009 financial year. We will write to investors in early August 2009 to confirm this position.

APN thanks investors for their patience, understanding and support throughout the year during these challenging times.

Please contact the writer on (03) 8656 1031 or [tim.slattery@apngroup.com.au](mailto:tim.slattery@apngroup.com.au) or Clive Appleton on (03) 8656 1000 or [cappleton@apngroup.com.au](mailto:cappleton@apngroup.com.au) if you have any questions relating to this letter or the Fund generally.

Yours sincerely

**APN FUNDS MANAGEMENT LIMITED**



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