

## APN | Property Group

11 February 2020

### Grandfathered trail commissions

APN Property for Income Fund | ARSN 090 467 208  
APN Property for Income Fund No. 2 | ARSN 113 296 110

Dear Commissions Department

In July 2018, we wrote to all advisers and dealer groups who were receiving grandfathered trail commissions (**Commissions**) in relation to APN funds. We informed you that APN had made a decision to cease paying Commissions effective for the quarter ending 30 September 2018. We are writing to you now as, in response to that letter, you elected to continue to receive Commissions.

As you may know, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Royal Commission**) identified a number of problems with the operation of the Future of Financial Advice (FOFA) reforms. The Royal Commission's final report concluded that grandfathered trail commissions had outlived their validity and recommended that grandfathering provisions be removed as soon as possible.

In response to the Royal Commission's recommendation, legislation to end grandfathered remuneration (the *Treasury Laws Amendment (Ending Grandfathered Conflicted Remuneration) Act 2019*) was enacted and became law on 28 October 2019. The legislation removes grandfathering arrangements for conflicted remuneration and other banned remuneration effective from 1 January 2021.

Due to the passing of the legislation, APN will be prohibited from paying you the Commission from 1 January 2021. However, APN is engaging with you with a view to ending such arrangements well before this date.

The last Commission payment will be made in respect of the quarter ending 31 March 2020 (which will be paid in early June 2020), after which time no further Commission payments will be made.

Please note that you do not need to do anything in response to this letter.

If you wish to discuss further, please contact Investor Services, on [apnpg@apngroup.com.au](mailto:apnpg@apngroup.com.au) or on 1300 027 636.

Thank you for your co-operation.

Yours sincerely



**Tim Slattery**  
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