

APN | Funds Management

23 February 2009

Distributions for the 2008/09 Financial Year

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

Dear Investor

As communicated to you in August 2008, the turbulent economic conditions we have experienced over the past twelve months have significantly impacted the Australian Real Estate Investment Trust (AREIT) sector.

The AREIT sector has continued to feel the impact of the deepening global financial crisis. The scarcity and rising cost of debt, combined with rapidly deteriorating economic conditions, has caused many AREITs to reduce payout ratios and apply excess cash flow to the repayment of debt.

We have previously highlighted the market pressures that have caused us to reduce distributions. These pressures have continued and, as a result, the Fund's monthly distribution rate will reduce from 1.0000 cent per calendar month to 0.8333 cents per calendar month, for distributions payable from February 2009.

We acknowledge it is disappointing to reduce distributions even by a small margin; however, we regard this decision as the most prudent approach in today's market environment which supports our philosophy of protecting and growing investors' income and capital over the long term. Indeed, we believe that the AREIT sector is taking a pragmatic approach to a global crisis and will emerge as a stronger, lower risk and attractive sector once the cycle is complete.

Thank you for your continued support whilst we work through these difficult and challenging times.

If you have any queries regarding distributions or wish to discuss any other matter regarding your APN FM investment further, please contact Investor Services on 1800 996 456 or email us at apnfm@apngroup.com.au.

Yours sincerely

APN FUNDS MANAGEMENT LIMITED



Howard Brenchley
Chief Investment Officer and Executive Director