

# APN | Funds Management



12 October 2009

## Quarterly distribution statement

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

Dear Investor,

We are pleased to enclose the distribution statement for your investment in the APN Property for Income Fund No. 2 (the "Fund") for the quarter ended 30 September 2009.

A total distribution of 1.6251 cents per unit (CPU) was paid over the quarter. By annualising the September 2009 monthly distribution of 0.5417 CPU, this reflects an annualised yield of 7.42% after all fees and expenses, based on the 30 September 2009 redemption price of \$0.8764 per unit.

The distribution was deposited into your nominated bank account on 12 October 2009. If you do not receive the amount indicated in the attached distribution statement please contact Investor Services on 1800 996 456. Those investors who chose to have their distributions reinvested will receive their distribution as additional units in the Fund.

If withholding tax has been deducted from your distribution you are either a non-resident investor or you have not supplied us with a Tax File Number (TFN), Australian Business Number (ABN) or you fall within an exemption category. Please provide us with your TFN or ABN if you wish to avoid future deductions of withholding tax.

If you would like to understand the unit pricing process in greater detail, APN Funds Management's Unit Pricing Policy can be viewed on our website at [www.apngroup.com.au](http://www.apngroup.com.au)

### APN Property for Income Fund No. 2 performance update

The APN Property for Income Fund No. 2 provided a total return of 15.27% for the quarter. You can view the latest comprehensive monthly Fund commentary by visiting our website at [www.apngroup.com.au](http://www.apngroup.com.au) and clicking on 'Funds' then 'Monthly commentaries'.

*Please turn over*

### **Market update**

We have previously advised the negative impact that the Global Financial Crisis (GFC) has had on investment markets over the last couple of years. Earnings from Australian Real Estate Investment Trusts (AREITs) and unlisted real estate funds have not been spared. The real estate sector has suffered deteriorating earnings streams which have been caused by higher debt costs, new equity raisings and a reduction in operating income contributing to a further decline in the level of income received by the Fund.

In light of these difficulties, we have previously reduced distributions to a level that we saw as sustainable. We continue to closely monitor the market and our funds in this regard. As reverberations from the GFC continue to be felt through various segments of the economy we maintain a vigilant eye on further potential factors that may impact distributions.

Overall, we see both the general economy and real estate market as improving. Locally, the Australian economy has not suffered to the extent of many other Western economies and our property market has benefitted from this resilience. Looking forward however, we expect to see further volatility as the global economy slowly emerges from the GFC. Unresolved issues in the global economy will continue to see APN approach investment markets with caution over the coming year – high amongst those, the future cost of the stimulatory packages required to drive the global economy out of recession and the continuing impact of the weakening of the financial institutions at the centre of the GFC.

### **APN Online**

The easiest way to track your investment is with APN Online where you can securely and conveniently access and manage your APN investments at anytime. With APN Online you can:

- Access your account details
- View your investment value across all investor accounts
- View transaction history and generate your own transaction statements
- View your statements.

To apply for access, simply complete an application form available at [www.apngroup.com.au](http://www.apngroup.com.au). Your Online access ID will be emailed and your password will be mailed to you.

Thank you for your continued investment and support during these challenging times – we seek every opportunity to provide you a solid investment with a steady income stream to help you achieve your investment objectives.

Yours sincerely

**APN FUNDS MANAGEMENT LIMITED**



Howard Brenchley  
Director and Chief Investment Officer

#### **Prefer to receive your Distribution Statements via email?**

Avoid the cumbersome paper trail and help our environment by electing to receive your statements electronically.

To receive your distribution statements by direct email, simply email us at: [distributionstatements@apngroup.com.au](mailto:distributionstatements@apngroup.com.au)