



12 April 2010

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 31 March 2010.

A total distribution of 1.6251 cents per unit (CPU) was paid over the quarter. By annualising the March 2010 monthly distribution of 0.5417 CPU, this reflects an annualised yield of 7.85% after all fees and expenses, based on the 31 March 2010 redemption price of \$0.8284 per unit.

The distribution was deposited into your nominated bank account on 12 April 2010.

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) or an Australian Business Number (ABN). 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.

APN Property for Income Fund No. 2 performance update

The APN Property for Income Fund No. 2 provided a total return of negative 1.14% for the quarter which was an outperformance of 0.37% compared to the S&P/ASX 200 Property Accumulation Index (AREIT Index).

You can view the latest comprehensive monthly Fund commentary by visiting our website at www.apngroup.com.au and clicking on 'Funds' then 'Monthly commentaries'.

Limited Liquidity Offer

We have previously stated it is our intention to offer a Limited Liquidity Offer (LLO) for the APN Property for Income Fund No. 2 on a quarterly basis while we continue to manage the Fund back to normal operating levels and a more permanent liquidity solution is delivered. Our ability to make an LLO is dependent on the level of liquidity in the Fund which in turn relies on the proportion of listed (liquid) assets continuing to rise. Over the last calendar year quarter, the Australian Real Estate Investment Trust (AREIT) sector has remained stable and the proportion of liquid assets in the Fund has therefore not materially increased. Offering an LLO this quarter would only exacerbate the Fund's illiquidity and accordingly, the LLO scheduled for May will not be made.

We acknowledge the situation is far from ideal and you can be assured that we are working hard on finding ways in which to improve liquidity of the Fund. We are well progressed in developing a solution which we believe will provide liquidity for those wishing to exit whilst preserving value for those who wish to remain invested in the Fund. We are currently progressing through due diligence (involving regulatory and industry bodies) and aim to have a final solution in place by June 2010. We will keep you well informed of progress.

Importantly, monthly distributions continue to be paid and neither the suspension of the Fund redemptions or the LLO should impact investment performance.

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. 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



Howard Brenchley
Executive Director and Chief Investment Officer
APN Funds Management Limited

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