

## APN | Property Group

7 April 2010

### Limited Liquidity Offer

APN Property for Income Fund - ARSN: 090 467 208  
APN Property for Income Fund No. 2 - ARSN: 113 296 110  
APN Diversified Property Fund - ARSN: 113 296 263

Dear Investor

We have previously stated it is our intention to offer a Limited Liquidity Offer (LLO) for the APN Property for Income funds and the APN Diversified Property Fund on a quarterly basis while we continue to manage the funds 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 funds 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 funds have therefore not materially increased. Offering an LLO this quarter would only exacerbate the funds' 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 funds. 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 funds. 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 funds redemptions or the LLO should impact investment performance.

If you have any queries please contact your IDPS Operator or APN Investor Services on 1800 996 456 or email us at [apnpg@apngroup.com.au](mailto:apnpg@apngroup.com.au).

Yours sincerely



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