

APN | Property Group

11 July 2018

Review of 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

We are writing to all advisers and dealer groups who are currently receiving grandfathered trail commissions ('Commissions') in relation to APN funds. Details of the Commissions that we pay you each quarter, by customer and adviser, is detailed in the attached commission statement.

It's been five years since the Future of Financial Advice (FOFA) reforms were introduced. APN has therefore commenced a review of the Commissions it pays, including seeking to verify the current terms of payment against the original Commission agreement, and confirming that there has been no material change since its establishment.

APN has made the decision to cease paying Commissions, unless required by law, effective for the quarter ending **30 September 2018** (which will be paid in early January 2019).

Could you please review the current list of clients and advisers (refer attached your most current commission statement) on which we are paying a Commission and consider whether you wish to continue this practice.

If you wish to discontinue receiving Commissions you need not do anything.

If you do however, wish to continue to receive Commissions, please provide evidence before 30 September 2018 of the original Commission agreement and written confirmation that no material change to this agreement has occurred subsequently. APN will then review the material you provide and consider its position.

We recognise there may be circumstances where Commissions are rebated to clients, and the cessation of Commissions would adversely impact these clients. If this situation is applicable to you, please provide written confirmation from the adviser and/or dealer group that the Commission paid by APN is fully rebated to clients and we will continue to pay Commissions.

If you wish to discuss further or make a submission for the continuation of Commission payments, please contact Huey Tran, Head of Investor Services, on htran@apngroup.com.au or on (03) 8656 1087.

Thank you for your co-operation.

Yours sincerely



Tim Slattery
Chief Executive Officer
APN Property Group Limited