



11 January 2010

Quarterly distribution statement

APN AREIT Fund | ARSN 134 361 229

Dear Investor,

We are pleased to enclose the distribution statement for your investment in the APN AREIT Fund for the quarter ended 31 December 2009.

A total distribution of 2.6082 cents per unit (CPU) was paid over the quarter. By annualising the December 2009 monthly distribution of 0.8694 CPU, this reflects an annualised yield of 8.50% after all fees and expenses based on the 31 December redemption price of \$1.2268.

The distribution was deposited into your nominated bank account on 11 January 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), 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.

APN AREIT Fund performance update

The APN AREIT Fund provided a total return for the quarter of negative 0.22% which was a strong outperformance of 4.79% compared to the S&P/ASX 200 Property Accumulation Index (AREIT Index).

Since inception (January 2009), the Fund has delivered a total return of 34.58%, out-performing the AREIT Index by 18.03%.

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'.

Please turn over

Market update

The AREIT Index was up 3.38% in December 2009, slightly underperforming the broader market S&P/ASX 200 Accumulation Index by 0.36%. Office and Industrial Real Estate Investment Trusts (REITs) were the standout performers over the quarter as sentiment towards commercial property continued to improve and investor risk appetite increased.

The AREIT Index fell 37.80% in the first quarter to its March 2009 low, before rallying 73.60% by year end as investors took advantage of the oversold AREIT sector. Never before have investors seen such volatility in the sector which was brought about by the Global Financial Crisis. A key contributor to the AREIT market's recovery was the raising of \$12.6 billion of capital over the past 12 months which served to repair balance sheets making AREITs more attractive to risk averse investors.

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 deliver a solid investment with a steady income stream to help you achieve your investment objectives.

Yours sincerely

APN Funds Management Limited



Howard Brenchley
Executive Director and Chief Investment Officer

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Distribution Statements via email?**

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

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