

The APN Asian REIT Fund (Fund) is a property securities fund that invests in a quality portfolio of Asian REITs, listed on the securities exchanges of the Asian Region (including, but not limited to, Hong Kong, Singapore, Malaysia, Japan and New Zealand, but excluding Australia), as well as cash and fixed interest investments.

The Fund aims to deliver a competitive yield with lower risk than the market. Underlying stocks are selected based on a highly disciplined investment approach that has been in place since 1996. The Fund provides access to a wide spread of property-based revenue streams that are specifically analysed, selected and weighted with the aim of delivering strong and sustainable income returns.

The Fund is suited to medium to long term investors seeking a relatively high income and some capital growth over the long term.

## Current running yield

APN Asian REIT Fund **6.55% pa<sup>1</sup>**      Asia REIT Index<sup>4</sup> **4.58% pa<sup>1</sup>**

## Performance 31 January 2017

	1 month	3 months	6 months	1 year	3 years pa	Since inception <sup>5</sup> pa	Standard deviation since inception pa
APN Asian REIT Fund Income <sup>2</sup>	0.54%	1.54%	2.83%	6.35%	6.65%	6.44%	
APN Asian REIT Fund Total return <sup>3</sup>	(0.39%)	(3.07%)	(6.85%)	5.97%	11.57%	14.38%	9.57%
Asia REIT Index <sup>4</sup>	(1.07%)	(1.81%)	(5.92%)	6.71%	11.97%	13.86%	10.55%
Over performance / (Under performance)	0.68%	(1.26%)	(0.93%)	(0.74%)	(0.40%)	0.52%	

- As at 31 January 2017. Current running yield is calculated daily by dividing the annualised distribution rate by the latest entry unit price. Distributions may include a capital gains component. Distributions are not guaranteed and past performance is not an indicator of future returns..
- Distributions may include a capital gains component.
- Returns shown are net of fees and expenses and are annualised for periods greater than one year. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Past performance is not an indicator of future performance.
- Bloomberg Asia REIT Index.
- Returns calculated since 19 July 2011 (when the Fund commenced).

## Fund overview

The APN Asian REIT Fund (Fund) is a property securities fund that primarily invests in a quality portfolio of Asian Real Estate Investment Trusts (REITs).

## Investment objectives

The primary investment objectives of the Fund are to:

- Provide investors with a consistent and relatively high level of income compared to the Benchmark<sup>4</sup>, combined with some capital growth, derived predominantly from investing in Asian REITs;
- Have a gross annual income yield (before management fees, expenses and taxes) that equates to at least 110% of the average yield of the Benchmark<sup>4</sup>;
- Provide investors with some capital growth over a 5-7 year time horizon; and
- Provide lower than market volatility.

## Benefits

- Access to a diversified portfolio of underlying Asian commercial real estate.
- Unlike many property securities funds which invest significantly on the basis of index weighting, APN determines the relative value of each property security.
- Disciplined investment strategy designed to reduce both market and specific risk.
- Monthly distributions.
- Limited exposure to higher risk earnings.
- Nil entry and exit fees.

## This Fund is suited to:

- Medium to long term investors.
- Investors seeking consistent and high levels of income and the potential for some long term capital growth.
- Investors seeking tax effective income.
- SMSFs - investors managing their own retirement.
- Investors wanting access to a diversified portfolio of quality Asian REITs.

## AT A GLANCE

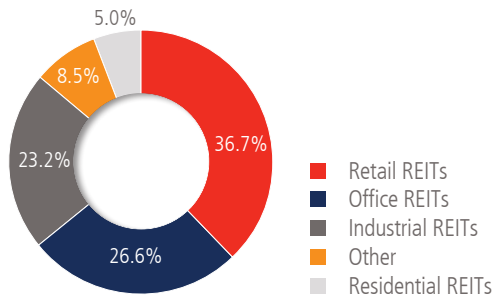
Type of fund	Property securities fund
Commencement date	19 July 2011
Fund size	\$10.19m as at 31 January 2017
Investment timeframe	5 - 7 years
Minimum investment amount	\$1,000
Income distribution	Monthly
Unit pricing	Daily
Withdrawals	Daily
Distribution reinvestment plan	Available
Fund gearing	Nil
Hedging strategy	Unhedged
Management costs	1.20% pa
Buy/sell spread	0.30% buy and 0.30% sell

## Research ratings

- SQM Research<sup>6</sup> - 'Favourable' 3.75 Star rating (June 2016)
- Australian Fund Monitors<sup>7</sup>

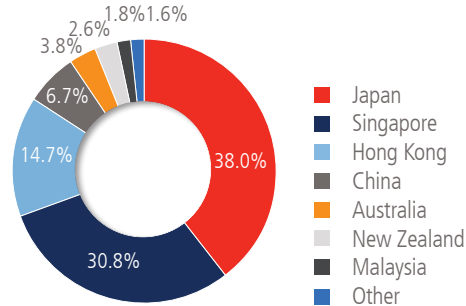


**Sector allocation** 31 January 2017



Note: Asset allocations may change depending on market conditions and in accordance with the Fund's mandate.

**Geographic allocation** 31 January 2017



**Top 5 Asian REIT holdings** 31 January 2017

Stock	Sector	% of APN Asian REIT Fund	% of Asia REIT Index <sup>8</sup>
Ascendas Real Estate Inv Trust	Diversified	5.00%	2.28%
Gip J-REIT	Logistics	4.60%	1.54%
Keppel Dc REIT	Specialised	4.55%	0.35%
Japan Retail Fund Investment	Retail	4.28%	3.10%
Mapletree Commercial Trust	Diversified	3.76%	1.13%

8 Bloomberg Asia REIT Index.

**Availability**

ASX mFund, netwealth, Macquarie Wrap, IOOF Employer Super, IOOF Pursuit

**About the Manager**

APN Funds Management Limited (APN FM) is a wholly owned subsidiary of APN Property Group Limited (ASX code: APD), a specialist real estate investment manager. An active investment manager with a concentrated focus on income, APN has a strong record of delivering a range of property based investment solutions for institutional and retail clients since 1996.

**Investment team**

- Corrine Ng Portfolio Manager, Asian Real Estate Securities
- Anyu Tan Fund Analyst, Asian Real Estate Securities
- Pete Morrissey Fund Manager, Real Estate Securities

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6 The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 for the APN Asian REIT Fund as at June 2016. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

7 Australian Fund Monitors considers the Fund a suitable investment in a diversified portfolio for investors seeking exposure to global/ Asian Real Estate Investment Trust (REIT) companies, in a disciplined, income-focused investment strategy. Australian Fund Monitors Pty Ltd, holds AFS Licence number 324476. The information contained herein is general in its nature only and does not and cannot take into account an investor's financial position or requirements. Investors should therefore seek appropriate advice prior to making any decisions to invest in any product contained herein. Australian Fund Monitors Pty Ltd is not, and will not be held responsible for investment decisions made by investors, and is not responsible for the performance of any investment made by any investor, notwithstanding that it may be providing information and or monitoring services to that investor. This information is collated from a variety of sources and we cannot be held responsible for any errors or omissions. Australian Fund Monitors Pty Ltd, A.C.N. 122 226 724. For full details and disclaimer please see [www.fundmonitors.com](http://www.fundmonitors.com).