

APN's investment philosophy is focussed on generating consistent income returns by actively managing a portfolio of high yielding, Australian commercial property securities. Established in 2009, the APN AREIT Fund (the Fund) was designed with this specific mandate in mind.

The Fund is focussed on delivering 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 monthly income and some capital growth over the long term.

Current running yield

APN AREIT Fund **6.02% pa¹** | AREIT Index⁴ **4.81% pa¹**

Performance 30 April 2017

	1 month	3 months	6 months	1 year	3 years pa	5 years pa	Since inception ⁵ pa	Standard deviation since inception pa
APN AREIT Fund Income ²	0.52%	1.61%	3.31%	6.06%	7.29%	8.05%	9.01%	
APN AREIT Fund Total return ³	2.27%	5.56%	8.82%	4.76%	14.91%	16.04%	15.76%	12.44%
AREIT Index ⁴	2.56%	7.55%	10.22%	6.11%	15.61%	16.23%	13.09%	14.75%
Over performance/ (Under performance)	(0.29%)	(1.99%)	(1.40%)	(1.35%)	(0.70%)	(0.19%)	2.67%	

- As at 30 April 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 after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Past performance is not an indicator of future performance.
- S&P/ASX 300 Property Trust Accumulation Index.
- Fund inception 19 January 2009.

Fund overview

The APN AREIT Fund ("Fund") is a property securities fund predominantly investing in listed Australian Real Estate Investment Trusts (AREITs).

Investment objectives

The primary investment objectives of the Fund are to:

- provide a high level of distributable income by achieving a gross annual income yield (before management fees and expenses) that is equivalent to at least 110% of the average yield of the S&P/ASX 200 AREIT Dividend Yield;
- endeavour to deliver a tax advantaged income component of distributed income;
- provide a level of capital growth which at least matches increases in CPI over a 5-7 year time horizon; and
- provide lower than market volatility.

Benefits

- Income focussed.
- Distributions paid monthly.
- Access to a diversified portfolio of quality listed property securities which offer relatively high yields.
- Actively managed portfolio whereby underlying securities are valued and re-weighted.
- 100% liquidity.
- Lower than market volatility.
- Nil entry and exit fees.
- Tax advantaged income component.

This Fund is suited to:

- Investors seeking relatively consistent and high levels of income.
- Investors seeking tax effective income.
- SMSFs - investors managing their own retirement.
- Investors wanting access to a diversified portfolio of quality AREITs.
- Medium to long term investment.

AT A GLANCE	
Type of fund	Property securities fund
Commencement date	19 January 2009
Fund size	\$1,262.56m as at 30 April 2017
Investment timeframe	5 - 7 years
Minimum investment amount	\$1,000
Minimum additional amount	\$500 (\$100 per month with regular investment savings plan)
Income distribution	Monthly - payable 10 days after the end of the month
Unit pricing	Daily
Withdrawals	Daily
Distribution reinvestment plan	Available
Borrowing	Nil
Entry and exit fees	Nil
Management costs	0.85% pa
Buy/sell spread	0.25% buy and 0.25% sell

Research ratings

- SQM Research⁶ - 4.25 Star Superior rating (September 2016)
- Zenith⁷ - Recommended rating (July 2016)
- Lonsec⁸ - Recommended rating (May 2016)
- Morningstar⁹ Analyst Rating™ - Silver (May 2016)

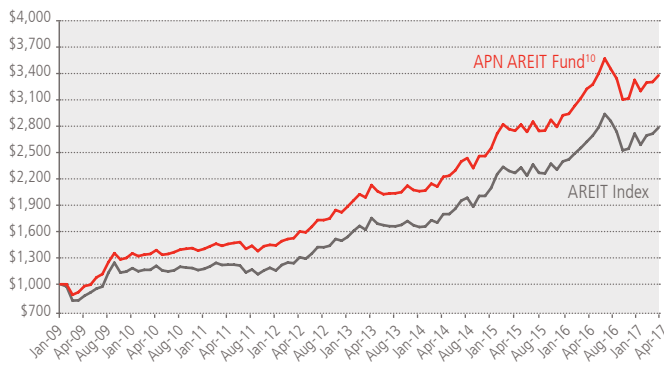


Money magazine's 2017 Best of the Best award for Best Property Securities Fund – APN AREIT Fund

Financial Review Smart Investor Blue Ribbon Awards 2016 – Winner, best Australian listed property fund, APN AREIT Fund



APN AREIT Fund vs S&P/ASX 300 Property Trust Accumulation Index (AREIT Index) total return since inception



Source: APN FM, Bloomberg

¹⁰ Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns.

Note: \$1,000 invested since commencement in January 2009.

Top 5 AREIT holdings 30 April 2017

Stock	Sector	% of APN AREIT Fund	% of AREIT Index ¹¹
Scentre Group	Retail	22%	18%
Stockland	Diversified	11%	9%
Vicinity Centres	Retail	11%	8%
Charter Hall Retail REIT	Retail	5%	1%
Dexus Property Group	Office	5%	8%

¹¹ S&P/ASX 300 Property Trust Accumulation Index.

Asset class allocation 30 April 2017

AREITs ¹²	97%	Cash	3%
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¹² Australian Real Estate Investment Trusts.

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

Underlying property sector allocation 30 April 2017

Retail	60%	Office	20%
Industrial	12%	Other	8%

Availability

AMP Personalised Portfolio Platform, ANZ Grow Wrap, Asgard, Asgard eWrap, Asgard Infinity, ASX mFund, BT Panorama, BT Wrap, CFS FirstChoice, CFS FirstWrap, Emerald Wrap, Freedom of Choice, Hub24, iAccess, IOOF Employer Super, IOOF Pursuit, Linear, Macquarie Wrap, MLC Wrap, MyNorth, Navigator, Netwealth, OnePath Oasis, PortfolioCare eWrap, PortfolioCare, Powerwrap, Praemium

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

Michael Doble	Chief Executive Officer, Real Estate Securities
Pete Morrissey	Fund Manager, Real Estate Securities
Mark Mazzarella	Fund Analyst, Real Estate Securities
Matthew Coleman	Fund Analyst, Real Estate Securities

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