



# APN Coburg North Retail Fund

ARSN 601 833 363

## Fund overview

The APN Coburg North Retail Fund is a single asset, fixed-term, unlisted property fund that was established in February 2015. The property (153-157 Elizabeth Street, Coburg North, Victoria) was brand new when the fund launched. The Fund aims to provide a stable income profile while achieving moderate capital growth through the Fund's 7 year expected life.

## Manager's report

The property performed in line with the FY18 budget.

Woolworths continues to experience solid increases in their sales, recording growth of approximately 10% in the 12-month period ending 30 June 2018.

Overall the centre continues to perform well with occupancy since inception increasing from 95.7% to 97.3% and fixed annual rental increases from sitting tenants contributing to the rental growth from the centre. Management are continuing discussions with a number of retail operators regarding the centre's sole vacancy to achieve 100% occupancy. Whilst the retail leasing market continues to provide challenges, conversations with our leasing agent leave us optimistic of securing a tenant over the coming 12-month period.

In January 2018, a casual mall leasing operator installed two advertising screens that provided an increase to the centre's net operating income whilst improving customer amenity.

The centre's weighted average lease expiry (WALE) is currently a healthy 10.5 years, which is driven by the Woolworths lease which has 15.8 years to expiry.

The property was independently valued as at 30 June 2018, with an increase in value of \$900,000 from the 31 December 2017 valuation. The property was valued at \$20.5 million due to a reduction in the capitalisation rate from 6.75% to 6.5%. This has resulted in a reduction in the gearing of the Fund from 48.5% to 46.3%.

The increased valuation of the property has also seen the Net Tangible Asset (NTA) per unit increase from \$0.92 to \$1.00 per unit for the first time since Fund inception.

The annual distribution rate for FY19 has been set at 7.00 cents per unit, which reflects a yield of 7.0% on net asset value per unit.

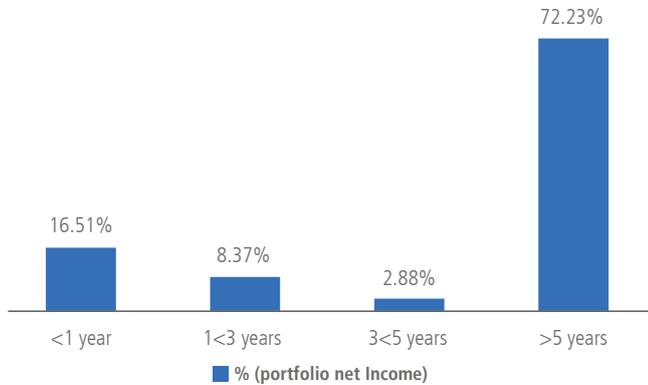


## AT A GLANCE as at 30 June 2018

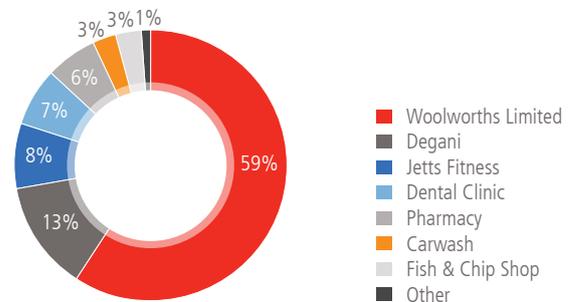
NAV	\$1.00
Unit price revaluation	Changes to Net Asset Value per unit are advised following the completion of the audited Annual and Half-Yearly financial reports.
Property value	\$20.5 million
Borrowings (loan to value ratio)	46.3%
Weighted Average Lease Expiry (WALE)	10.5 years (by income)
Occupancy	97.3%
Fund commenced	6 February 2015
Fund maturity	22 December 2021
Minimum investment	This Fund is currently closed to new investment.
Redemption facility	Not available
Annual distribution	7.00 cpu
Distribution yield	7.0%
Distribution payments	Monthly
Distribution reinvestment	Not available
Sector allocation by value	100% Retail
Geographic allocation (by value)	Victoria: 100%



### Expiry Profile by income



### Income split by tenant



### Historical unit values

There is no defined unit price for the Fund. For your reference we have provided the historical Net Asset Value (NAV) per unit.

Date	Net Asset Value (NAV) per unit
30 June 2018	\$1.00
31 December 2017	\$0.92
30 September 2017	\$0.92
30 June 2017	\$0.92
31 March 2017	\$0.89
31 December 2016	\$0.89
30 September 2016	\$0.89
30 June 2016	\$0.89
31 March 2016	\$0.89
31 December 2015	\$0.90
30 September 2015	\$0.88
30 June 2015	\$0.88

### Important distribution details / dates

Distribution payment	Accruing at the end of each month. Payment is made on the 10th day following month's end, unless that day is a non-business day in which case the distribution will be paid on the following business day.
Distribution statement	Dispatched at the time of payment above.
Tax statement	Dispatched annually (by end of August).

### APN Property Group

APN Funds Management Limited (APN FM) is a wholly owned subsidiary of APN Property Group Limited, an ASX listed company (ASX code: APD) that manages approximately \$2.8 billion (as at 30 June 2018) of real estate and real estate securities on behalf of institutional and retail investors. APN is an active investment manager with a concentrated focus on income, and has been investing on behalf of its clients in commercial real estate since 1996.

### Investment team members

Tim Slattery | Chief Executive Officer  
 Tom Forrest | Head of Direct Property

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