



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, 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 continues to perform in line with the FY16 forecast.

Woolworths continues to experience steady sales, recording growth of 2.9% in the 12 month period ending 31 December 2016. This growth is supported by the ongoing completion of the housing estate and subsequent population growth immediately surrounding the shopping centre.

The centre remains 97.3% occupied. Management are exploring all leasing options for the centre's sole vacancy in order to ensure the right tenancy mix is delivered.

The centre's weighted average lease expiry (WALE) is currently a healthy 12 years, which is driven by the Woolworths lease which has 17.3 years to expiry.

The annual distribution rate for FY17 has been set at 7.60 cents per unit, which reflects a yield of 8.5% on the net asset value and 7.6% on the original \$1.00 of equity invested.

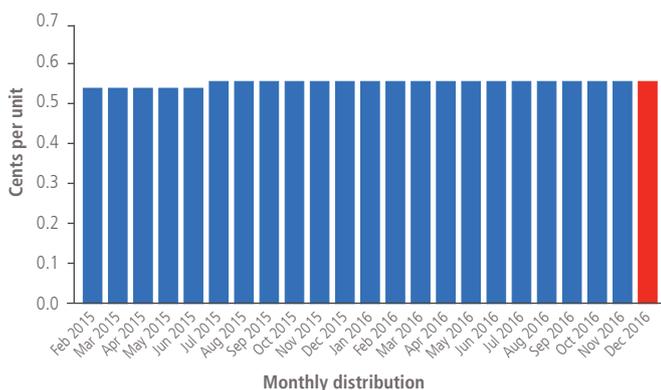
The property was independently valued as at 31 December 2016 resulting in the valuation being maintained at \$19.3 million. The capitalisation rate firmed from 7.00% as at 30 June 2016 to 6.75% as at 31 December 2016, however this gain was offset by a decrease in the net property income as a result of the adoption of a lower market rent on the centre's sole vacancy.



AT A GLANCE as at 31 December 2016

NAV	\$0.89
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	\$19.3 million
Borrowings (loan to value ratio)	49.0%
Weighted Average Lease Expiry (WALE)	12.2 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	7.60 cpu
Distribution yield	8.5%
Distribution payments	Monthly
Distribution reinvestment	Not available
Sector allocation by value	100% Retail
Geographic allocation (by value)	Victoria: 100%

Monthly distribution history



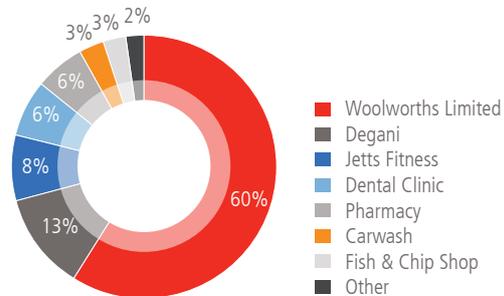


Historical unit values

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
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 June 2015	\$0.88

Income split by tenant



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 \$2.4 billion (as at 31 December 2016) 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
Chris Brockett | Head of Direct Property and Fund Manager

Adviser Services Hotline
1300 027 636

apnpg@apngroup.com.au

apngroup.com.au

@apngroup
APN Property Group Limited
apnpropertygroup

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