



# 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 is performing in line with the FY18 budget.

Woolworths continues to experience solid increases in their sales, recording growth of 10.0% in the 12-month period ending 31 December 2017.

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 many retail operators regarding the centre's sole vacancy in order to achieve 100% occupancy. Whilst the retail leasing market continues to be difficult, we remain confident of securing a tenant that will complement the current centre tenancy mix.

Management have recently agreed terms with a casual mall leasing operator to install two advertising TV screens that provides a small increase in the centres income from January 2018 and improve the overall ambience of the internal areas.

The centre's weighted average lease expiry (WALE) is currently a healthy 11.1 years, which is driven by the Woolworths lease which has 16.3 years to expiry.

The annual distribution rate for the remainder of FY18 has been set at 7.00 cents per unit, which reflects a yield of 7.6% on the net asset value and 7.0% on the original \$1.00 of equity invested.

The property was independently valued as at 31 December 2017, with no change from the 30 June 2017 valuation. The value was maintained at \$19.6 million given the capitalisation rate was maintained at 6.75%, and there was no change to the centres income from June 2017 (tenant annual rent reviews take place in the first half of the calendar year).

## Monthly distribution history



## AT A GLANCE as at 31 December 2017

NAV	\$0.92
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	\$19.6 million
Borrowings (loan to value ratio)	48.5%
Weighted Average Lease Expiry (WALE)	11.1 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	7.6%
Distribution payments	Monthly
Distribution reinvestment	Not available
Sector allocation by value	100% Retail
Geographic allocation (by value)	Victoria: 100%



## Historical unit values

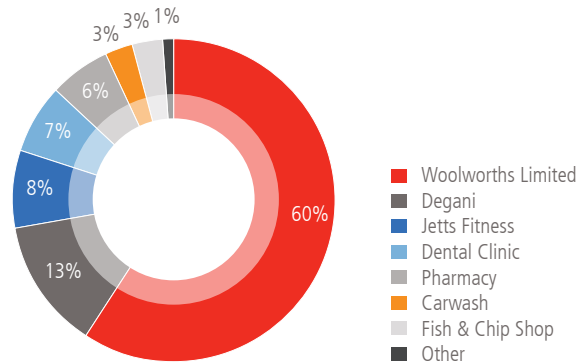
There is no defined unit price for the Fund. For your reference we have provided the historical Net Asset Value (NAV) per unit.

Date	Net Asset Value (NAV) per unit
31 December 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).

## Income split by tenant



## 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 31 December 2017) 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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