

The APN Unlisted Property Fund (UPF) has been established to enable APN Property for Income Fund (APN PFIF) and APN Property for Income Fund No.2 (APN PFIF2) unitholders to withdraw from those funds. The UPF portfolio comprises unlisted property trust assets (i.e. Illiquid assets) that were held by APN PFIF and APN PFIF2.

The UPF is an illiquid fund and is not open for new investment.

Performance 31 October 2016

	1 month	3 months	6 months	1 year	2 years pa	3 years pa	Since inception ² pa
APN UPF Total return ¹	0.03%	(0.24%)	1.59%	11.78%	12.01%	9.64%	7.90%

1 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.

2 Fund inception 23 July 2012.

Fund objective 31 October 2016

The primary objective is to sell down assets as soon as possible and return capital to investors through a highly disciplined and strategic sales programme which ensures value is preserved. The Fund is on target to return investors' capital within the original mandate.

Fund update 31 October 2016

As at 31 October 2016, the Fund delivered -0.24% for the quarter and 11.78% for the 12 month period. The Funds' underlying investments released their semi-annual financial results ending June 2016 with valuation gains that were broadly consistent with assets in the listed property trust sector.

Since inception, the Fund has returned ~80% of its original NTA per unit (notional value of \$1 per unit in July 2012).

As capital is progressively returned to investors, the Fund's Net Tangible Asset (NTA) value per unit will also reduce accordingly.

We are hopeful of completing the wind up of the entity following the sale of the last assets remaining in the Fund by Q1 2017.

Asset allocation 31 October 2016

Investments	97%
Cash	3%

Underlying property sector allocation 31 October 2016

Retail	25%	Office	29%
Industrial	26%	Other	20%

AT A GLANCE

Type of fund	Unlisted property securities fund
Commencement date	23 July 2012
Fund size	\$60.76m ³ as at 31 October 2016
Number of investments (including cash)	6
Look through gearing	34.3%
Investment timeframe	Minimum 3 - 5 years
Income distribution	Semi-annual
Liquidity	The Fund is illiquid and closed to new investment


3 FuM ex 31 October 2016 distribution payment.

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 Mazzearella	Fund Analyst, Real Estate Securities
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