

APN's Asian REIT Fund upgraded to 4 stars

JUNE 2018

Bill Gates once said that, "We all need people who will give us feedback. That's how we improve".

As a fund manager, we rely on feedback from staff, clients, peers, partners and independent specialists to ensure we stay focused on what's important to us and our investors; an attractive, regular income stream, security and some capital growth.

Whilst criticism is an essential part of improvement, we also like to celebrate small victories, one of which comes from SQM Research, which upgraded the APN Asian REIT Fund from 3.75 to 4 stars.

A quarter of a star might not seem like much but it makes quite a difference, nudging the Fund into the "superior" category, which is defined as:

The fund outperforms (or is likely to) its peers and benchmark the majority of the time. The fund most of the time has been operating within its mandate and PDS. There are very little to no corporate governance concerns. Management is of a very high calibre.

We're delighted with the upgrade, which supports our belief in the opportunity for investors to gain exposure to some of the highest quality commercial property assets in Asia's most globalized cities – Hong Kong, Singapore and Tokyo.

The experience and stability of our investment team, together with a track record of superior performance and risk management is reflected in SQM's rating. A full copy of the report (available to advisers only) can be found here.

Currently delivering an attractive distribution yield of more than 6%, to date the APN Asian REIT Fund has produced a total return since launch in 2011 of 13.75% per annum (to the end of May 2018)¹.

This is what APN's Asian REIT Fund is all about; a steady and reliable monthly distribution, generated from high quality commercial properties that are located in cities at the front door to the greatest industrialisation the world has ever seen.

That pertinent fact should not escape the minds of Australian investors who, after 27 recession-free years, have become reliant on the health of the Australian economy, its sharemarket and residential property sector.

The APN Asian REIT Fund is a great way for Australian investors to diversify their portfolio into a region of enormous opportunity.

We've been firm believers in the Fund and it's gratifying to know that others feel the same.

For more details about APN's Asian REIT Fund, its performance or to apply, visit [www.http://apngroup.com.au/fund/asian-reit/](http://apngroup.com.au/fund/asian-reit/).

1 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. Returns are as at 31 May 2018. Returns shown are net of fees and expenses and are annualised for periods greater than one year. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Past performance is not an indicator of future performance.

The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 for the APN Asian REIT Fund as at June 2018. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

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APN Property Group

A specialist real estate investment manager

We actively invest in, develop and manage real estate and real estate securities on behalf of institutional and retail investors. APN's approach to real estate investment is based on a 'property for income' philosophy.

Established in 1996, APN's listed on the ASX and manages \$2.8 billion (as at 31 December 2018) of real estate and real estate securities. APN trades on the ASX under the code 'APD'.

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