

The **APN AREIT Fund** is an income focused, award winning property securities fund that invests in a portfolio of listed Australian Real Estate Investment Trusts (AREITs).

Current running yield

APN AREIT Fund

6.60% pa¹

AREIT Index⁴

5.18% pa¹

Performance 31 March 2018

	1 month	3 months	6 months	1 year	3 years pa	5 years pa	7 years pa	Since inception ⁵ pa	Standard deviation since inception pa
APN AREIT Fund Income ²	0.55%	1.47%	3.10%	5.98%	6.41%	7.25%	8.03%	8.51%	
APN AREIT Fund Total return ³	0.43%	(6.05%)	0.46%	(1.27%)	5.62%	10.36%	12.36%	13.65%	12.22%
AREIT Index ⁴	0.11%	(6.19%)	1.12%	(0.07%)	5.78%	10.79%	12.03%	11.40%	14.35%
Over performance/ (Under performance)	0.32%	0.14%	(0.66%)	(1.20%)	(0.16%)	(0.43%)	0.33%	2.25%	

1. As at 31 March 2018. 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. Distributions are not guaranteed and past performance is not an indicator of future returns. 2. Distributions may include a capital gains component. 3. 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. 4. S&P/ASX 300 Property Trust Accumulation Index. 5. Fund inception 19 January 2009.

Investment objectives

The primary investment objectives of the Fund are to:

- deliver a high level of distributable income by achieving a gross annual income yield (before management fees and expenses) that is equivalent to at least 110% of the average yield of the S&P/ASX 300 AREIT Dividend Yield;
- endeavour to deliver a tax advantaged income component of distributed income;
- provide a level of capital growth which at least matches increases in CPI over a 5-7 year time horizon; and
- provide lower than market volatility.

Benefits

- Focus on generating sustainable, regular and relatively high income returns through investing in listed property securities.
- Access to an underlying diversified portfolio of thousands of quality commercial real estate assets predominantly located in Australia.
- Monthly distributions with tax advantaged income.
- Actively managed (non-index aware) portfolio, applying a highly disciplined and proven strategy designed to deliver on the Fund's income and risk objectives.
- 100% liquid – daily applications and withdrawals.

This Fund is suited to:

- Investors seeking consistent and relatively high levels of income.
- Investors seeking tax effective income.
- SMSFs - investors managing their own retirement.
- Investors wanting access to a diversified portfolio of quality AREITs.
- Medium to long term investors.

Research ratings

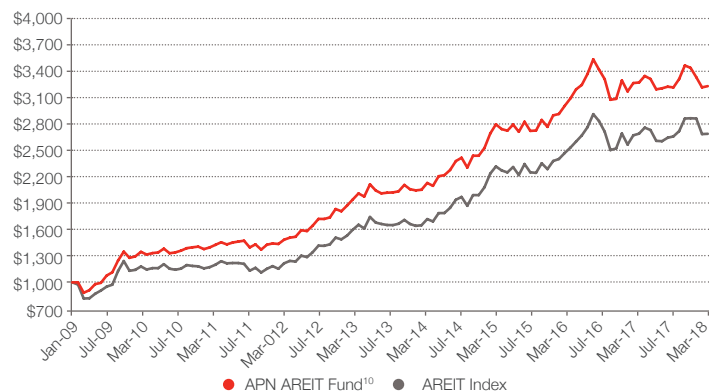
- SQM Research⁶ - 4.25 Star Superior rating (September 2017)
- Zenith⁷ - Recommended rating (July 2017)
- Morningstar⁸ Analyst Rating™ - Silver (July 2017)
- Lonsec⁹ - Recommended rating (May 2017)

AT A GLANCE	
Type of fund	Property securities fund
Commencement date	19 January 2009
Fund size	\$1,184.17m as at 31 March 2018
Investment timeframe	5 - 7 years
Minimum investment amount	\$1,000
Minimum additional amount	\$500 (\$100 per month with regular investment savings plan)
Income distribution	Monthly
Unit pricing	Daily
Withdrawals	Daily
Distribution reinvestment plan	Available
Fund borrowing	Nil
Entry and exit fees	Nil
Management costs	0.85% pa
Buy/sell spread	0.25% buy and 0.25% sell
Significant investment visa	Compliant fund

Money magazine's 2017 Best of the Best award for Best Property Securities Fund – APN AREIT Fund



APN AREIT Fund vs S&P/ASX 300 Property Trust Accumulation Index (AREIT Index) total return since inception



Source: APN FM, Bloomberg

10 Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns.

Note: \$1,000 invested since commencement in January 2009.

Asset class allocation 31 March 2018

AREITs¹¹ 98% Cash 2%

11 Australian Real Estate Investment Trusts.

Note: Cash includes accrued income and accrued expenses. Asset allocations may change depending on market conditions and in accordance with the Fund's mandate.

Underlying property sector allocation 31 March 2018

Retail 60% Office 21%
Industrial 13% Other 6%

Platform availability

AMP North, AMP Personalised Portfolio Platform, ANZ Grow Wrap, Asgard eWrap, Asgard Infinity, ASX mFund, BT Panorama, BT Wrap, CFS FirstChoice, CFS FirstWrap, Emerald Wrap, Freedom of Choice, Hub24, IOOF Pursuit, Macquarie Wrap, MLC Wrap, Navigator, Netwealth, Powerwrap, Praemium, uXchange

Top 5 AREIT holdings 31 March 2018

Stock	Sector	% of APN AREIT Fund	% of AREIT Index ¹²
Scentre Group	Retail	23%	17%
Stockland	Diversified	11%	8%
Vicinity Centres	Retail	9%	7%
GPT Group	Diversified	5%	7%
Dexus Property Group	Office	5%	8%

12 S&P/ASX 300 Property Trust Accumulation Index.

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 Mazzarella Assistant Fund Manager, Real Estate Securities
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6 The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 for the APN AREIT Fund as at September 2017. 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.

7 The Zenith Investment Partners ("Zenith") ABN 60 322 047 314 rating (assigned July 2017 for the APN AREIT Fund) referred to in this document is limited to "General Advice" (as defined by section 766B of Corporations Act 2001) and based solely on the assessment of the investment merits of the financial product on this basis. It is not a specific recommendation to purchase, sell or hold the relevant product(s), and Zenith advises that individual investors should seek their own independent financial advice before investing in this product. The rating is subject to change without notice and Zenith has no obligation to update this document following publication. Zenith usually receives a fee for rating the fund manager and product against accepted criteria considered comprehensive and objective.

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9 The Lonsec Rating (assigned May 2017) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold APN Property Group product(s), and you should seek independent financial advice before investing in this product(s). The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document(s) following publication. Lonsec receives a fee from the Fund Manager for researching the product(s) using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: http://www.lonsecresearch.com.au/research-solutions/our-ratings.