



A Christmas note from APN CEO, Tim Slattery

The short version (if you're either running on empty from a year of reading email or running to complete your Christmas shopping): thank you and have a fantastic break from all of us at APN!

At this point it seems as though 2018 has flown past but it's still one of my favourite times of the year. With good measures of exhaustion, anticipation, celebration and chaos it's always a time to pause and reflect but also to look forward to the year ahead. It always seems like 'it's been a big year' at this point!

This year in some ways feels like we have a bit less to show for our efforts than previously although I can assure you our team has worked as hard as ever. We have delivered a very solid set of risk adjusted investment returns – and I certainly think the 'risk adjusted' part is relevant for how we are investing on behalf of our clients. Not all of our actions are always identifiable outside the business, but I've got a sense of accomplishment in that we have remained disciplined and true to label as income focused property investors over the year. I appreciate this may sound easy, but it does involve some challenges and discipline particularly when market activity levels are high and there is an abundance of optimism out there in certain parts of the market.

That said, I'm also really looking forward to 2019. No doubt it will bring some challenges, but we are increasingly bullish on the further opportunities we think it will bring for patient property investors. A large part of the reason for this optimism is that APN (and by extension our team, clients and shareholders) are exceptionally well placed to capitalise. We have an outstanding team with strong and aligned values, strong balance sheet positions across our funds and our management company has a substantial cash balance available to accelerate our growth as opportunities are identified.

Without ignoring the challenges ahead for Australia or the fact that there are loads of people battling away (as well as some very dark days for parts of the wealth management

industry exposed recently), I still can't help feeling incredibly fortunate. We live in an outstanding country and personally I think the times we live in are too – for those in love with the good ol' days 'surgery without analgesia' was a recent and succinct summary I came across for this perspective. When I saw a newspaper article suggesting as a nation we should alter the phrase 'bringing home the bacon' to the more vegan friendly 'bringing home the bagels' it was hard not to think that we have an excellent living standard!

I am really grateful for all of you who've helped make the year successful for APN – our investors, tenants, suppliers, partners, team members and board members, the support and contributions are genuinely appreciated and we're looking forward to the year ahead together.

As a very small 'thanks' I thought I'd share a few things with you as far as a holiday reading list. There's a bit of diversity here so I hope there is at least something you find enjoyable!

- Future Crunch: 99 Good News Stories you Haven't Heard Of.
- Cuffelinks Howard Marks note on risk
- Tim Ferriss / Nick Kokonas: How to Apply World-Class Creativity to Business, Art, and Life podcast
- Van Hoisington: latest economic overview
- Some of my older, favourite articles from our team: How sweet home bias can turn sour and Owning the landlord instead of the tenant

For our plans, I'm looking forward to doing some of my own reading on the Spirit of Tasmania as part of a family holiday for a couple of weeks. While I thought the novelty of a giant car ferry may be a front runner, the clear leader in the excitement stakes in our household from the younger members in the countdown to Christmas is that the house we have just moved into has not one but two chimneys which surely means...

On behalf of all of us at APN thanks again have a great break and we look forward to seeing you in 2019.

Yours sincerely

Tim Slattery, CEO

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