

## Fund overview

The APN Nowra Property Fund is a single asset, fixed-term, unlisted property fund established in November 2018. The property is located at 198 Princes Highway, South Nowra, New South Wales and comprises a large format retail building constructed in 2016. The Fund aims to provide a stable income profile whilst achieving moderate capital growth.

## Manager's report

The Fund continues to perform in line with expectations and will deliver an income distribution of 8.00 cents per unit for FY20, paid on a monthly basis.

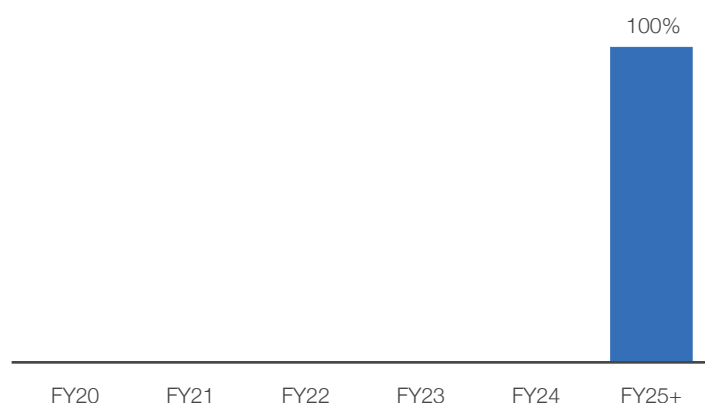
Home Consortium, guaranteed by Woolworth Limited, has 11.6 years of term remaining under the lease.

Bunnings Warehouse are currently occupying 100% of the centre via a sublease agreement with Home Consortium as they develop a new centre nearby. Although the sub-lease has no direct impact on the Fund given Bunnings agreement is with Home Consortium Group, the feedback is that Bunnings continues to trade well and are happy with their occupancy.

The property was independently valued at \$25.5 million as at 31 December 2019, resulting in an uplift in value of \$1.3m (+5.4%). The increase in value was due to the income growth generated from the annual rental review as required under the lease agreement. The capitalisation rate remained consistent with the last independent valuation (June 2018) at 7.0%. As a result of the asset value increase, the Fund's gearing has reduced from 43.5% to 41.3%, below the Loan to Value covenant of 50%.

Following the value uplift, the Net Asset Value (NAV) of the Fund as at 31 December 2019 has increased \$0.11 per unit to \$1.12 which is a 6.66% increase on the initial NAV of \$1.05 per unit. Since the fund inception in November 2018, the total return consisting of income and capital growth (based on valuation) is 18.65%.

## Expiry Profile (by income)



## AT A GLANCE as at 31 December 2019

NAV	\$1.1266 per unit
Unit price revaluation	Changes to Net Asset Value per unit are advised following the completion of the audited Annual and unaudited Half-Yearly financial reports
Property value	\$25.5 million
Borrowings (loan to value ratio)	41.3%
Weighted Average Lease Expiry (WALE)	11.6 years (by income)
Occupancy	100%
Fund commenced	8 November 2018
Fund maturity	7 November 2023 (5-year initial Fund term)
Annual distribution	8.00 cents per unit
Distribution yield to original \$1.00 unit price	8.00%
Distribution yield to NAV	7.12%
Distribution payments	Monthly
Sector allocation (by value)	Large Format Retail: 100%
Geographic allocation (by value)	New South Wales: 100%



### Historical unit values

There is no defined unit price for the Fund. For your reference, historical NAV per unit have been provided below.

Date	Net Asset Value (NAV) per unit
31 December 2019	\$1.12
30 September 2019	\$1.01
30 June 2019	\$1.02
31 March 2019	\$1.05
31 December 2018	\$1.05
8 November 2018	\$1.05

### Tenant Profile (by income)



### 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).



### APN Property Group

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### Investment team members

**Tim Slattery** Chief Executive Officer  
**Tom Forrest** Head of Direct Property  
**Jack Steger** Analyst

### CONTACT US

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