



## Evolving appetites for Asia

One of my clearest memories as a young kid was the rare and special treat of a lunch order - Auburn South primary School in March 1985 (and yes - that's a difficult number to type!). Pie and sauce and chocolate Big M (in the little square box shaped like a small house). 25 cents in a laundry basket. Gold.

Going through the same exercise recently with my kids who are filling out their lunch order with Tupperware labels ('Need to win the war on waste dad') and happily going for avocado sushi. Avocado sushi. I'm tipping the sushi roll suggestion would have gone over the 1985 tuckshop strategy day like a lead balloon.

Things have changed, and the occasional sushi roll would have to be one of the minor victories in our household and our running junk food skirmishes. Certainly didn't happen overnight but 'try it, you might just like it' has certainly delivered some converts.

At times, it feels like our Asian REIT Fund is sushi in 1985. Perhaps (we hope!) a bit ahead of its time and waiting to be discovered. The word seems to be spreading though. Much like eating seaweed, there's more to the story of investing in Asia's commercial real estate than first impressions may have you believe.

Investors are often surprised that our Fund invests principally in the developed gateway markets of Singapore, Hong Kong and Japan and it's delivered over 13.5%<sup>1</sup> per year since it started seven years ago (including monthly distributions of over 6%<sup>2</sup>). They're also surprised about the world class quality of the assets across retail, office and industrial and the rules for property trusts there - such as maximum borrowing and limits on undertaking riskier activities like property development (rather than rent generation). The sector is also seeing strong and consistent growth with new property trusts coming to the market, not to mention Asia's ongoing population growth and the tailwind this provides for commercial property. All of this is coupled with APN's focus on income and risk management and the availability of daily liquidity.

Once they've tried it the word seems to be spreading with the fund having recently moved through \$32 million at a healthy rate of knots.

Much like the discovery of the now ubiquitous seaweed and rice and rolls, curious investors I'm sure will be pleasantly surprised with what's on offer with the APN Asian REIT Fund. We'd be pleased to take you through it if you'd like to learn more.

Tim Slattery is CEO of APN Property Group and has an investment in the APN Asian REIT Fund.

1. 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.
2. 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.

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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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