



## Fund overview

The APN Coburg North Retail Fund is a single asset, fixed-term, unlisted property fund established in February 2015. The property (153-157 Elizabeth Street, Coburg North, Victoria) was brand new when the Fund launched. The Fund aims to provide a stable income profile while achieving moderate capital growth.

## Manager's report

The centre is anchored by ASX-listed Woolworths Limited who have 14.3 years remaining on their lease and continue to perform well with stable sales/turnover growth since inception. For the 12-month period to 31 December 2019, Woolworths sales increased by 5.0%.

Jett's Fitness, who are situated on level 1 of the centre, provided notification they're exercising their 5-year option which extends their lease expiry though to April 2025. The extended 5-year lease term is subject to a market rent review and is currently being negotiated with the tenant. Pleasingly, Jett's is the third tenant within the past 12 months, alongside the Pharmacy and Dental Clinic, to have exercised an option to extend their respective lease terms.

The Dental Clinic, who's extended lease term is also subject to a market rent review.

Vacancy in the centre is low with only a single tenancy of 118 sqm being vacant (2.7% of lettable area). A number of leasing agents continue to assist with the leasing of the premises, and whilst enquiry remains strong with several offers presented to prospective tenants, they're generally reluctant to commit given the sentiment associated with the retail market. We continue to work with our leasing partners to find a suitable outcome for the premises and achieve full occupancy.

As previously highlighted, the centre's Land Tax assessment rose by approximately 48% between 2018 and 2019. We subsequently lodged an objection with the State Revenue Office (SRO) who appointed an independent valuer to assess the site value and determine whether the value was reasonable. Following negotiations, we are pleased to announce the independent valuer has reduced the site value assessment by \$875,000 which will reduce the land tax cost to the asset by approximately \$20,000 per annum.

An internal directors' valuation was completed as at 31 December 2019 and saw the value of the centre remain consistent with the most recent independent valuation at \$20.5 million. The Fund's NAV per unit at 31 December 2019 has therefore remained stable at \$0.99 per unit.

The gearing of the Fund remains at 46.3% with all debt hedged at a fixed interest rate below that assumed within the Product Disclosure Statement.

Towards the end of 2019, APN received a number of unsolicited approaches to purchase the asset. Given the level of interest, and with the Fund maturing in December 2021, we consider it to be in the best interest of investors to explore the potential sale of the property.



## AT A GLANCE as at 31 December 2019

NAV	\$0.9898 per unit
Unit price revaluation	Changes to Net Asset Value per unit are advised following the completion of the audited Annual and Half-Yearly financial reports
Property value	\$20.5 million
Borrowings (loan to value ratio)	46.3%
Weighted Average Lease Expiry (WALE)	9.9 years (by income)
Occupancy	97.3%
Fund commenced	6 February 2015
Fund maturity	22 December 2021
Annual distribution	7.00 cents per unit
Distribution yield (to NAV)	7.07%
Distribution payments	Monthly
Sector allocation (by value)	Retail: 100%
Geographic allocation (by value)	Victoria: 100%

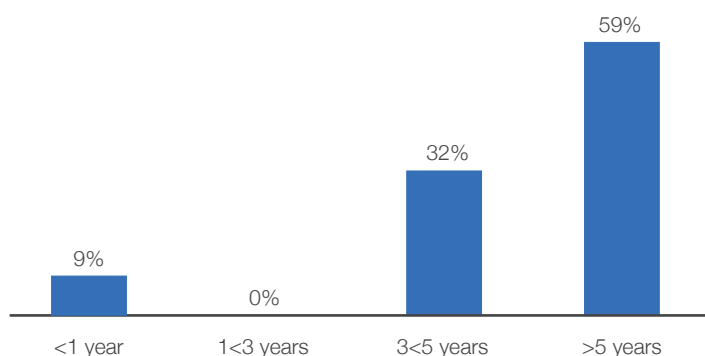


## Historical unit values

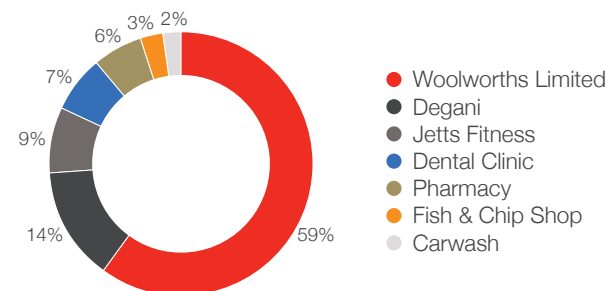
There is no defined unit price for the Fund. For your reference we have provided the historical NAV per unit.

Date	Net Asset Value (NAV) per unit
31 December 2019	\$0.99
30 September 2019	\$0.99
30 June 2019	\$0.99
31 March 2019	\$1.00
31 December 2018	\$1.00
30 September 2018	\$1.00
30 June 2018	\$1.00
31 December 2017	\$0.92
30 September 2017	\$0.92
30 June 2017	\$0.92
31 March 2017	\$0.89
31 December 2016	\$0.89
30 September 2016	\$0.89
30 June 2016	\$0.89
31 March 2016	\$0.89
31 December 2015	\$0.90
30 September 2015	\$0.88

## Expiry Profile by income



## Income split by tenant



## 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

APN Funds Management Limited (APN FM) is a wholly owned subsidiary of APN Property Group Limited, an ASX listed company (ASX code: APD) that manages approximately \$2.9 billion (as at 30 June 2019) of real estate and real estate securities on behalf of institutional and retail investors. APN is an active investment manager with a concentrated focus on income, and has been investing on behalf of its clients in commercial real estate since 1996.

## Investment team members

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

## CONTACT US

1300 027 636  
[apnpg@apngroup.com.au](mailto:apnpg@apngroup.com.au)  
[apngroup.com.au](http://apngroup.com.au)

[apngroup.blog](http://apngroup.blog)

[APN Property Group Limited](https://www.linkedin.com/company/apn-property-group-limited)

[@apngroup](https://twitter.com/apngroup)

[apnpropertygroup](https://www.facebook.com/apnpropertygroup)

[apnpropertygroup](https://www.instagram.com/apnpropertygroup)

This summary has been prepared by APN Funds Management Limited (APNFM) (ABN 60 080 674 479, AFSL No 237500) for general information purposes only and whilst every care has been taken in relation to its accuracy, no warranty is given or implied. APNFM is a wholly owned subsidiary of APN Property Group Limited ACN 109 845 068. APNFM is the responsible entity and issuer of the APN Property Group products. The information provided in this material does not constitute financial product advice and does not purport to contain all relevant information necessary for making an investment decision. It is provided on the basis that the recipient will be responsible for making their own assessment of financial needs and will seek further independent advice about the investments as is considered appropriate. Past performance is not necessarily an indication of future performance. Returns shown are for retail investors, net of fees and costs and are annualised. Returns and values may rise and fall from one period to another. Investors' tax rates are not taken into account when calculating returns. General risks apply to an investment in APN funds and must be considered before making an investment. We recommend that a person obtain financial, legal and taxation advice before making any financial investment decision. Further information is available from APN Funds Management Limited, at Level 30, 101 Collins Street, Melbourne 3000 or by visiting [www.apngroup.com.au](http://www.apngroup.com.au).