

The **APN** Property for Income Fund No. 2 is an income focused hybrid property securities fund that invests in a portfolio of listed Australian Real Estate Investment Trusts (AREITs) and unlisted property securities.

Current
running yield

4.99%
pa¹

Performance 31 January 2020

	1 month	3 months	6 months	1 year	3 years pa	5 years pa	10 years pa	Since inception ² pa	Standard deviation since inception pa
APN PFIF2 Income ³	0.45%	1.30%	2.62%	5.87%	5.91%	5.99%	7.13%	7.20%	
APN PFIF2 Total return ⁴	4.05%	3.14%	4.59%	15.63%	10.79%	9.94%	11.64%	4.32%	13.01%

1. As at 31 January 2020. 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. Fund inception 6 June 2005. 3. Distributions may include a capital gains component. 4. Retail returns after all fees and expenses. Wholesale returns are slightly higher. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Past performance is not an indicator of future performance.

Investment objective

- The primary investment objectives of the Fund are to:
- provide a high level of distributable income by achieving a gross annual income yield that is equivalent to at least 110% of the average of the S&P/ASX 200 AREIT Dividend Yield;
- maintain the tax advantaged income component of distributed income; and
- Provide a level of capital growth which at least matches increases in CPI over a 5-7 year time horizon.

Benefits

- Income focused.
- Distributions paid monthly.
- Access to a diversified portfolio of quality listed and unlisted property securities which offer relatively high yields.
- Actively managed portfolio whereby underlying securities are valued and re-weighted.
- Lower than market volatility compared with the S&P/ASX 200 AREIT Index over a 5-7 year time horizon.
- Nil entry and exit fees.
- Tax advantaged income component.

This Fund is suited to:

- Investors seeking relatively high levels of income.
- Investors seeking tax effective income.
- SMSF - Ideal for investors managing their own retirement.
- Investors wanting access to a diversified portfolio of listed and unlisted Australian property securities.
- Medium to long term investment.

AT A GLANCE

Type of fund	Property securities fund
Commencement date	6 June 2005
Fund size	\$38.39m as at 31 January 2020
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 - payable 10 days after the end of the month
Unit pricing	Daily
Distribution reinvestment plan	Available
Management costs	1.08% pa (max)
Buy/sell spread	0.25% buy and 0.25% sell

Note: Fund has no entry or exit fees. Fund has no borrowing.

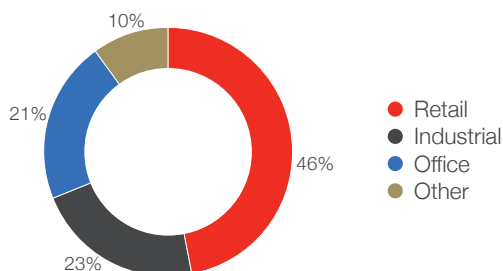
Research ratings

- SQM Research⁵ - Favourable rating (September 2019)
- Lonsec⁶ - Investment Grade (April 2019)

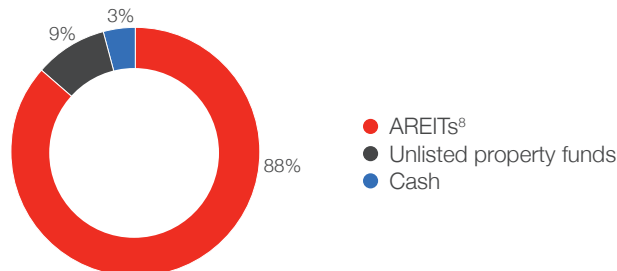


Note: See footnotes 5 and 6 over page.

Underlying property sector allocation 31 January 2020



Asset allocation 31 January 2020



8. 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.

Top 5 listed property securities holdings 31 January 2020

Stock	Sector	% of APN PFIF2 Fund
Scentre Group	Retail	16%
Stockland	Diversified	8%
Mirvac Group	Diversified	6%
Vicinity Centres	Retail	5%
Goodman Group	Industrial	5%

Unlisted property securities holding 31 January 2020

Stock	Sector	% of APN PFIF2 Fund ⁷
Goodman Australia	Industrial	9%

7. Unlisted property trusts are on a look through basis.

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 FM has a strong record of delivering a range of property based investment solutions for institutional and retail clients since 1998.

Investment team

Pete Morrissey Chief Executive Officer, Real Estate Securities
Michael Doble Chief Investment Officer, Real Estate Securities
Mark Mazzarella Portfolio Manager Real Estate Securities
Steven Tjia Fund Analyst, Real Estate Securities

CONTACT US

1300 027 636
 apnpg@apngroup.com.au
 apngroup.com.au

apngroup.blog

APN Property Group Limited

@apngroup

apnpropertygroup

apnpropertygroup

This summary has been prepared by APN Funds Management Limited (APNFM) (ACN 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 as to the fairness, accuracy or completeness or correctness of the information. APNFM is a wholly owned subsidiary of APN Property Group (ASX:APD) comprising APN Property Group Limited (ACN 109 846 068) and APN RE Limited (ACN 627 612 202, AFSL No. 510685) as responsible entity for APD Trust (ARSN 629 330 007). 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 for periods greater than one year. 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 APNFM's funds and must be considered before making an investment. In deciding whether to invest or continue to hold an investment in a particular fund, a person should read the relevant Product Disclosure Statement (PDS) for the fund in its entirety. APNFM recommends that a person obtain financial, legal and taxation advice before making any financial investment decision. Allotments or issues of securities will be made only on receipt of an application form attached to a copy of the relevant PDS. A copy of the PDS is available from APN Funds Management Limited, Level 30, 101 Collins Street, Melbourne, Victoria 3000 or by visiting www.apngroup.com.au.

5. The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 for the APN Property for Income Fund No. 2 as at September 2019. 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.

6. The Lonsec Rating (assigned April 2019) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421445. The Rating is a "class service" (as defined in the Financial Advisers Act 2008 (NZ)) or 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). In New Zealand it must only be provided to "wholesale clients" (as defined in the Financial Advisers Act 2008 (NZ)). 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 or APNFM 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.beyond.lonsec.com.au/intelligence/lonsec-ratings>.