

The **APN AREIT Fund** is an income focused, award winning property securities fund that invests in a portfolio of listed Australian Real Estate Investment Trusts (AREITs).

Performance 31 August 2020

	1 month	3 months	6 months	1 year	3 years pa	5 years pa	7 years pa	10 years pa	Since inception ¹ pa
APN AREIT Fund Income ²	0.59%	1.72%	2.81%	4.84%	6.06%	6.23%	6.77%	7.58%	7.95%
APN AREIT Fund Total return ³	6.66%	5.50%	(21.41%)	(23.07%)	(0.69%)	3.01%	6.59%	8.58%	10.44%

1. Fund inception 19 January 2009. 2. Distributions may include a capital gains component. 3. Returns after all fees and expenses. 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 objectives

The primary investment return objectives of the Fund are to:

- provide a gross annual income yield (before management fees and expenses) that equates to at least 110% of the average yield of the S&P/ASX 200 AREIT Index Dividend Yield;
- provide a level of capital growth which at least matches increases in CPI over a 5-7 year time horizon; and
- provide lower than market volatility⁴.

Benefits

- Focus on generating sustainable, regular and relatively high income returns through investing in listed property securities.
- Access to an underlying diversified portfolio of thousands of quality commercial real estate assets predominantly located in Australia.
- Monthly distributions.
- Actively managed (non-index aware) portfolio, applying a highly disciplined and proven strategy designed to deliver on the Fund's income and risk objectives.
- 100% liquid – daily applications and withdrawals.

This Fund is suited to:

- Investors seeking consistent and relatively high levels of income.
- SMSFs - investors managing their own retirement.
- Investors wanting access to a diversified portfolio of quality AREITs.
- Medium to long term investors.

Current running yield

6.29%
pa*

APN AREIT Fund

4.25%
pa

AREIT Index⁶



Note: See footnotes 5, 6 and 7 over page.

AT A GLANCE	
Type of fund	Income focused AREIT fund
mFund	APF01
Commencement date	19 January 2009
Fund size	\$917.07m as at 31 August 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
Unit pricing	Daily
Withdrawals	Daily
Distribution reinvestment plan	Available
Management costs	0.85% pa
Buy/sell spread	0.25% buy and 0.25% sell

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

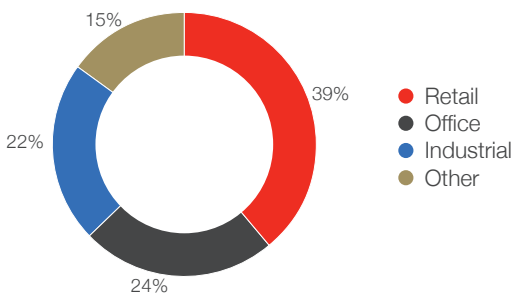
APN AREIT Fund performance versus Fund objective

Financial Year Ending ⁷	APN AREIT Fund Yield ⁸	110% of Benchmark Yield ⁹	Outperformance
Jun 2020	6.38%	5.60%	0.78%
Jun 2019	6.18%	4.97%	1.21%
Jun 2018	6.35%	5.42%	0.92%
Jun 2017	6.00%	5.12%	0.87%
Jun 2016	6.38%	5.18%	1.20%
Jun 2015	6.84%	4.85%	1.99%
Jun 2014	7.73%	6.03%	1.70%

7. Yield is expressed as the annualised distribution divided by the average ex-application price for the financial year.
 8. Average distributions after management fees and expenses. Distributions may include a capital gains component. Past performance is not an indicator of future performance.
 9. AREIT 200 average dividend yield for period.



Underlying property sector allocation 31 August 2020



Top 5 AREIT holdings 31 August 2020

Stock	Sector	% of APN AREIT Fund
Goodman Group	Industrial	10%
Scentre Group	Retail	8%
Stockland	Diversified	7%
Charter Hall Retail REIT	Retail	7%
Dexus Property Group	Office	6%

Asset class allocation 31 August 2020

AREITs 98% Cash 2%

Note: Cash includes accrued income and accrued expenses. Asset allocations may change depending on market conditions and in accordance with the Fund's mandate.

Research ratings

- Zenith¹⁰ - Recommended rating (June 2020)
- Lonsec¹¹ - Recommended rating (April 2020)
- Morningstar¹² Analyst Rating™ - Bronze (31 July 2020)
- High Morningstar Sustainability Rating¹² - (31 December 2019)
- SQM Research¹³ - 4.25 Star Superior rating (September 2019)

Platform availability

ANZ Grow Wrap, Asgard eWrap, Asgard Infinity, ASX mFund, BT Panorama, BT Wrap, CFS FirstChoice, CFS FirstWrap, Emerald Wrap, Freedom of Choice, Hub24, IOOF Pursuit, Lifeplan, Linear Wrap, Macquarie Wrap, MLC Wrap, Navigator, Netwealth, OneVue, Powerwrap, Praemium, uXchange

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
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- The APN AREIT Fund aims to provide than lower market volatility compared with the S&P/ASX 300 AREIT Index over a 5-7 year time horizon.
- As at 31 August 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.
- S&P/ASX 200 Property Trust Accumulation Index.
- The Zenith Investment Partners ("Zenith") ABN 60 322 047 314 rating (assigned June 2020 for the APN AREIT Fund) referred to in this document is limited to "General Advice" (as defined by section 766B of the Corporations Act 2001) and based solely on the assessment of the investment merits of the financial product on this basis. It is not a specific recommendation to purchase, sell or hold the relevant product(s), and Zenith advises that individual investors should seek their own independent financial advice before investing in this product. The rating is subject to change without notice and Zenith has no obligation to update this document following publication. Zenith usually receives a fee for rating the fund manager and product against accepted criteria considered comprehensive and objective.
- The Lonsec Rating (assigned April 2020) 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>.
- APN AREIT Fund received Morningstar Analyst Rating™ of 'Bronze' as on 31/07/2020. APN AREIT Fund received High Morningstar Sustainability Rating™ Out of 24 Real Estate Sector Equity funds as of 31/12/2019. Based on 96.16 of AUM. Data is based on long positions only. Historical Sustainability Score as of 31/12/2019. Sustainability Rating as of 31/12/2019. Sustainability provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score. ©2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.
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