



A WORLD OF PROPERTY FOR INCOME

APN GLOBAL REIT INCOME FUND

NOVEMBER 2020

APN | Property Group

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APN Global REIT Income Fund – a world of opportunity for income

1

Global commercial property: reliable and growing source of income

- Contracted rental income streams: relatively low risk cash flow from high quality global real estate portfolios
- Global listed property total return 14.1% pa over last 11 calendar years, lower risk than general equities¹
- Income growth opportunity: continuing urbanisation trend globally underpinning long term rental growth

2

International investment exposure and excellent diversification

- Gain exposure to North American, Asia Pacific, European property markets
- Broad range of commercial property sectors including mobile towers, data centres and healthcare
- REITs in developed global markets offer high quality, diversified portfolios
- Only 12% of global commercial property is owned by REITs – continuing future growth of REITs globally

3

Defensive: real assets investment underpins value and provides inflation hedge

- Opportunities to invest at less than net asset backing
- Physical assets provide inflation hedge – enabling security of real income
- Investment is 100% liquid via leading international stock markets



Notes: APN FM; GPR 250 REIT Index (AU) std. dev. 11% versus MSCI global developed equities index std. dev. 15%

APN Global REIT Income Fund – a world of opportunity for income

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APN Global REIT Income Fund aims to provide regular income and lower than market volatility while maintaining the real value of underlying investments

- Implements an established investment philosophy built on “property for income”
- Will hold a global portfolio of predominately REIT securities diversified across geographies and sectors
- Mandated focus on achieving relatively high income with lower relative risk and monthly distributions

5

APN Property Group (ASX: APD) is a specialist manager with 23-year track record

- Over \$2.7 billion under management including approximately \$1.2 billion in listed real estate securities
- With a successful track record in managing real estate securities across Asia-Pacific region since 1998, this global fund is a natural extension
- Portfolio management team of four has 75 years of collective experience, supported by four analysts
- Team includes David Kruth (Columbia University, New York), an experienced REIT investor (ex Goldman Sachs and AllianceBernstein)
- Manager co-investment



Why we're launching the Global REIT Income Fund now?

Current market conditions suit our active, income focused approach and present an attractive opportunity for long term investors

Accelerating Global Trends

- Currently a range of opportunities to invest into select global real estate sectors likely to benefit from accelerating structural trends
- Global universe includes specialised REITs with exposure to data centres, telecommunications towers, life sciences and acute healthcare

Defensive Opportunities

- Ability of the Fund to invest into the Preferred Securities issued by REITs is anticipated to help maximised the Fund's defensive income attributes, while minimising return volatility

High, Quality Income Yields

- Global REITs currently offer a relatively high income compared to other potential sources of international investment yields
- COVID-19 has highlighted select sources of high quality yield underpinned by tenants with strengthening market positions

Attractive Valuations

- The Fund will have the opportunity to access select global real estate securities currently trading at discounts to fair value, providing opportunities for long-term capital growth

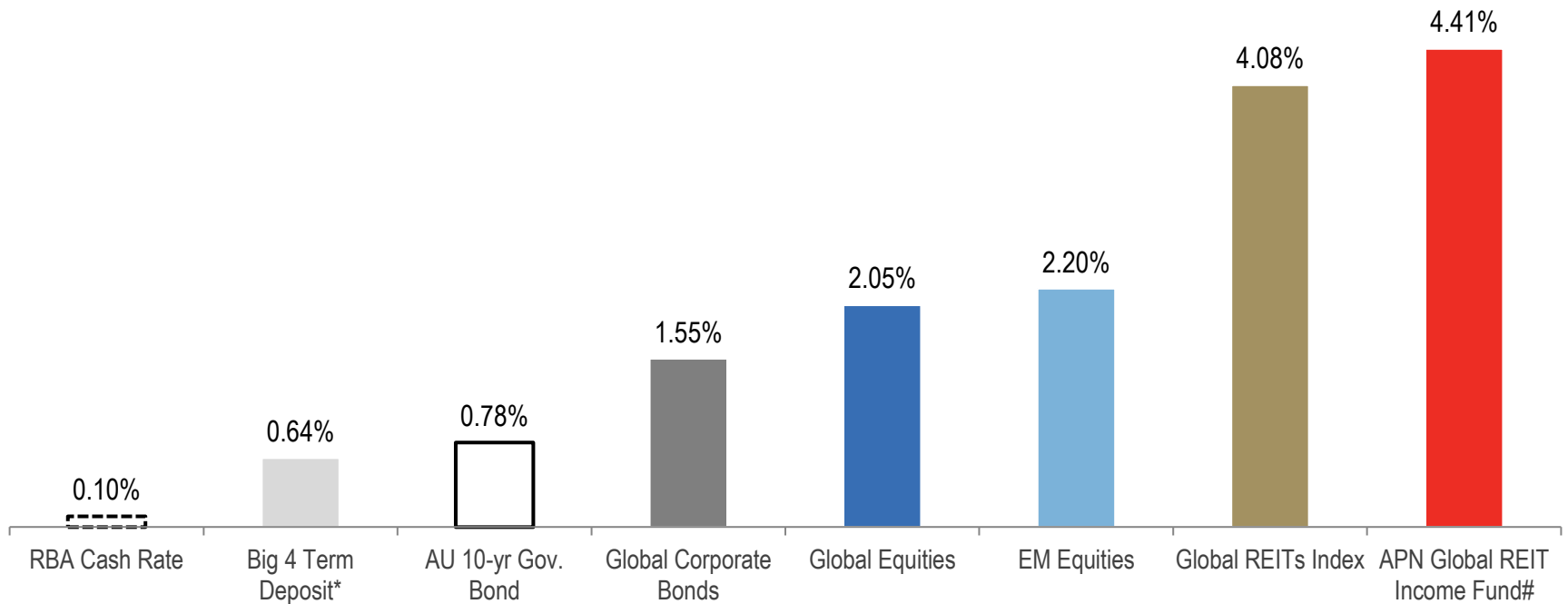
Source: UBS Research, APN

AN INCOME INVESTOR'S CASE FOR GLOBAL COMMERCIAL PROPERTY

A cityscape at sunset, featuring a prominent digital globe overlay with a grid of white dots and lines. The globe is positioned in the foreground, partially obscuring the city buildings. The background shows a dense urban skyline with various skyscrapers and construction cranes under a warm, orange-hued sky.

High relative annual income yield as at 9th November

Investment Yield Comparison



#Current running yield is calculated daily by dividing the current annualised distribution rate by the entry unit price.

*Average of CBA, ANZ, NAB and ANZ 1yr term deposit rate

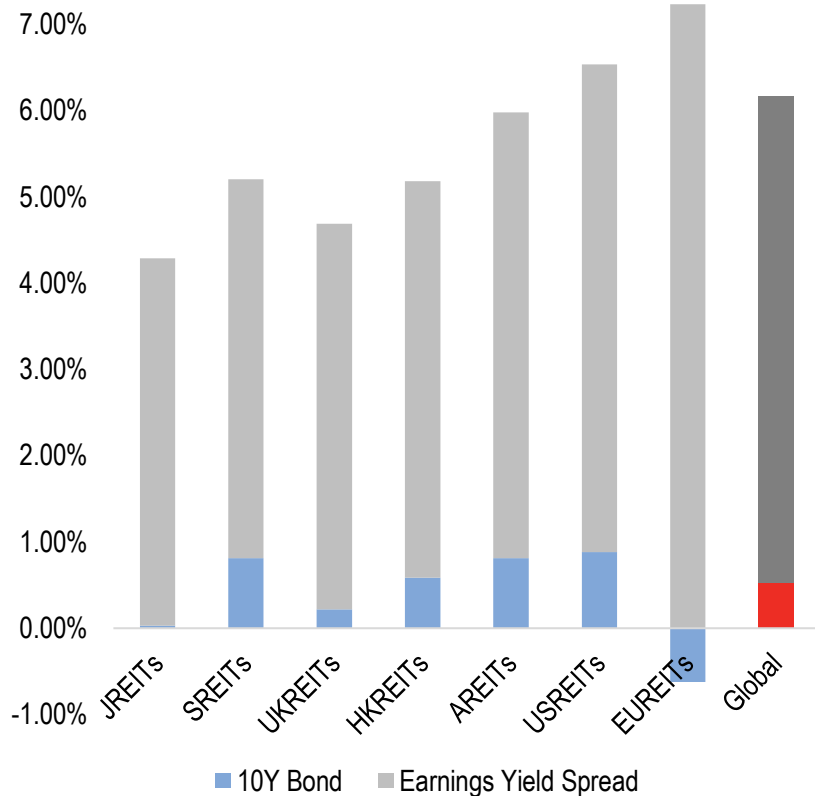
Global REITs Index is the GPR 250 REITs Index (AU)

Source: Bloomberg, Canstar, APN Funds Management. 09 November 2020

An investment in an APN fund should not be regarded as an alternative or substitute to a deposit with a bank or deposit-taking institution. There is a different return profile and additional risks associated with investing in an APN fund compared to such a deposit.

Earnings yield spread to government bonds is elevated

Current Spread by Market



10Yr. Time Series



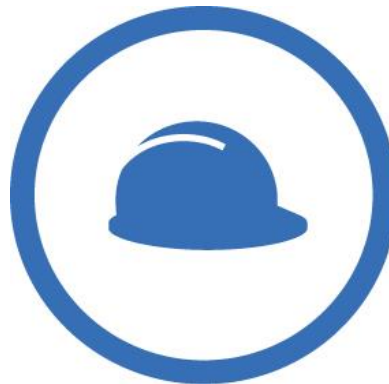
Source: UBS Research, APN Funds Management. October 2020

Maintaining purchasing power

Income: commercial property leases are usually indexed annually to CPI or a fixed %

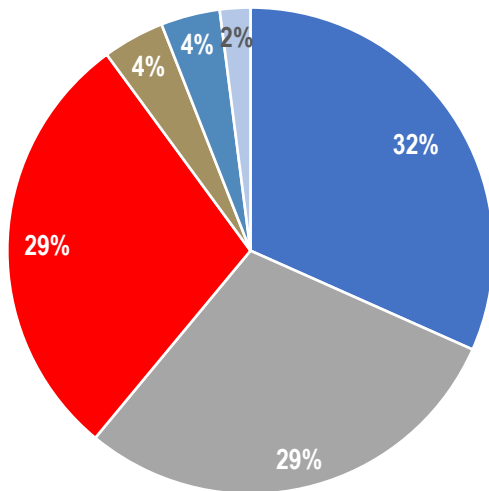
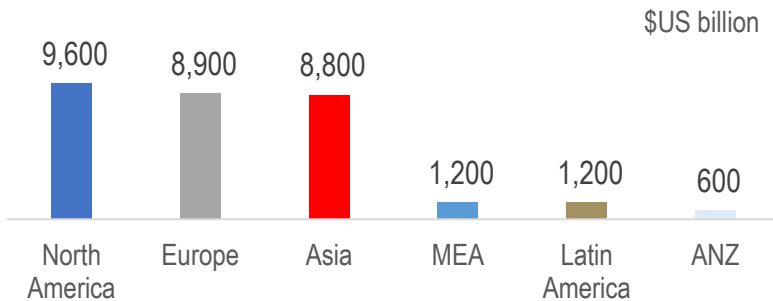
Capital: asset replacement cost moves with materials and labour, anchoring value

= Land and Buildings are real assets which can provide an inflation hedge



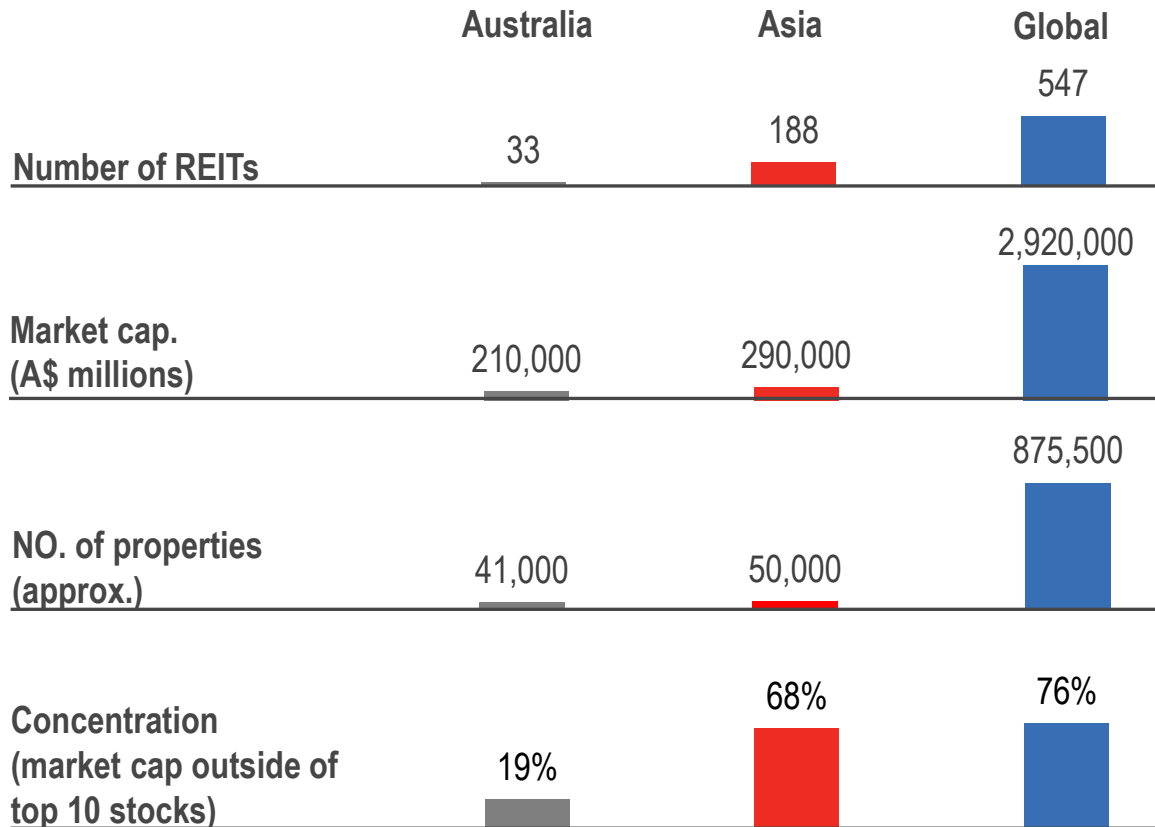
Extensive global commercial property universe

The global commercial property investible universe is **US\$30.3 trillion**



Source: Prudential Real Estate Investors "A Bird's-Eye View of Global Real Estate Markets", UBS Research September 2020, APN FM

Global REITs offer a deep and diverse opportunity set



CapitaGreen, Singapore

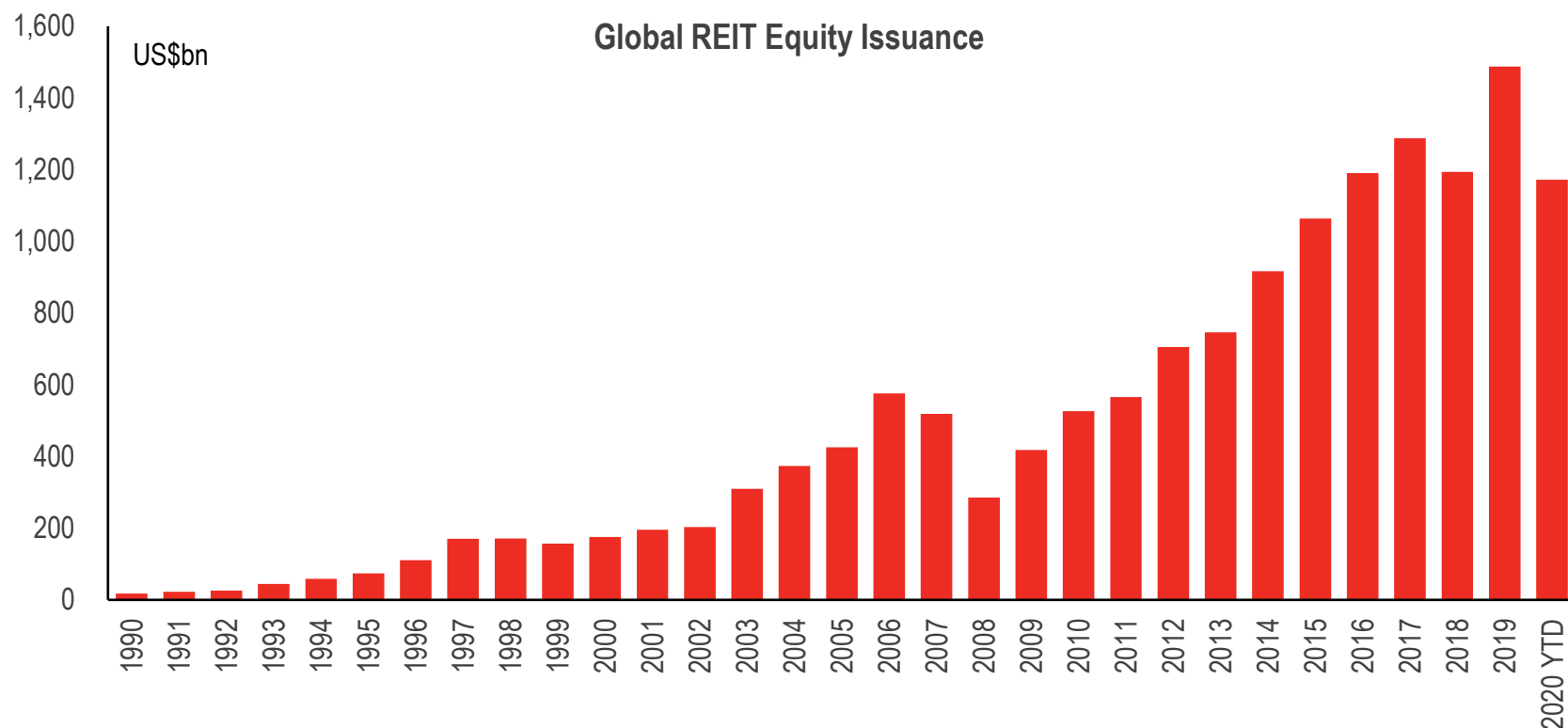


Prologis iPort, New Jersey

Source: ASX300 AREIT Index and Bloomberg Asia REIT Index, Capital IQ/SNL Global REITs universe. September 2020

Global REITs provide growing access to commercial property

Over the last 10 years, growth of the REIT model has been strong and is likely to continue



Source: UBS Research, APN FM. In US\$ billion. July 2020

Access to high quality real estate with specialist managers

North America

Digital Realty Trust

Data Centre Mkt. Cap. \$A57.0



Alexandria Real Estate Equities

Office / Life Sciences \$A38.3b



Crown Castle International Corp.

Mobile Tower \$A95.4b



Europe

Supermarket Income REIT

Non-discretionary \$A0.9b



Tritax Big Box REIT

Logistics \$A4.9b



Gecina

Office/Residential \$A14.5b



Source: Company Information, APN FM, August 2020

Access to high quality real estate with specialist managers

Asia

Keppel DC REIT

Data Centre \$A4.7b



Ascendas REIT

Logistics/Business \$A12.0b



Mapletree Logistics Trust

Logistics \$A7.9b



ANZ

Waypoint REIT

Fuel/Convenience \$A2.1b



Charter Hall Retail REIT

Non-discretionary \$A1.9b



Centuria Industrial REIT

Industrial/Logistics \$A1.6b



Source: Company Information, APN FM, July 2020

Transparent regulatory frameworks

REITs in:	Payout requirement	Gearing limits	Development limits
United States	>90% of taxable income	Nil	Nil
Canada	100% of net income	Nil	Prohibited
France	>95% tax-exempt profits	Nil	<20% gross book value
United Kingdom	>90% rental profits	>1.25x interest cover	Develop to own
Belgium	>80% of net profit	Nil	Nil
Singapore	>90% of taxable income	45%	Up to 10% of total assets
Hong Kong	>90% of net income after tax	45%	Up to 10% of total assets
Japan	>90% of taxable income	Nil	Prohibited
Australia	None*	Nil	Nil

*No requirement to payout distributions for those entities which have adopted the AMIT taxation regime, which is the majority of AREITs

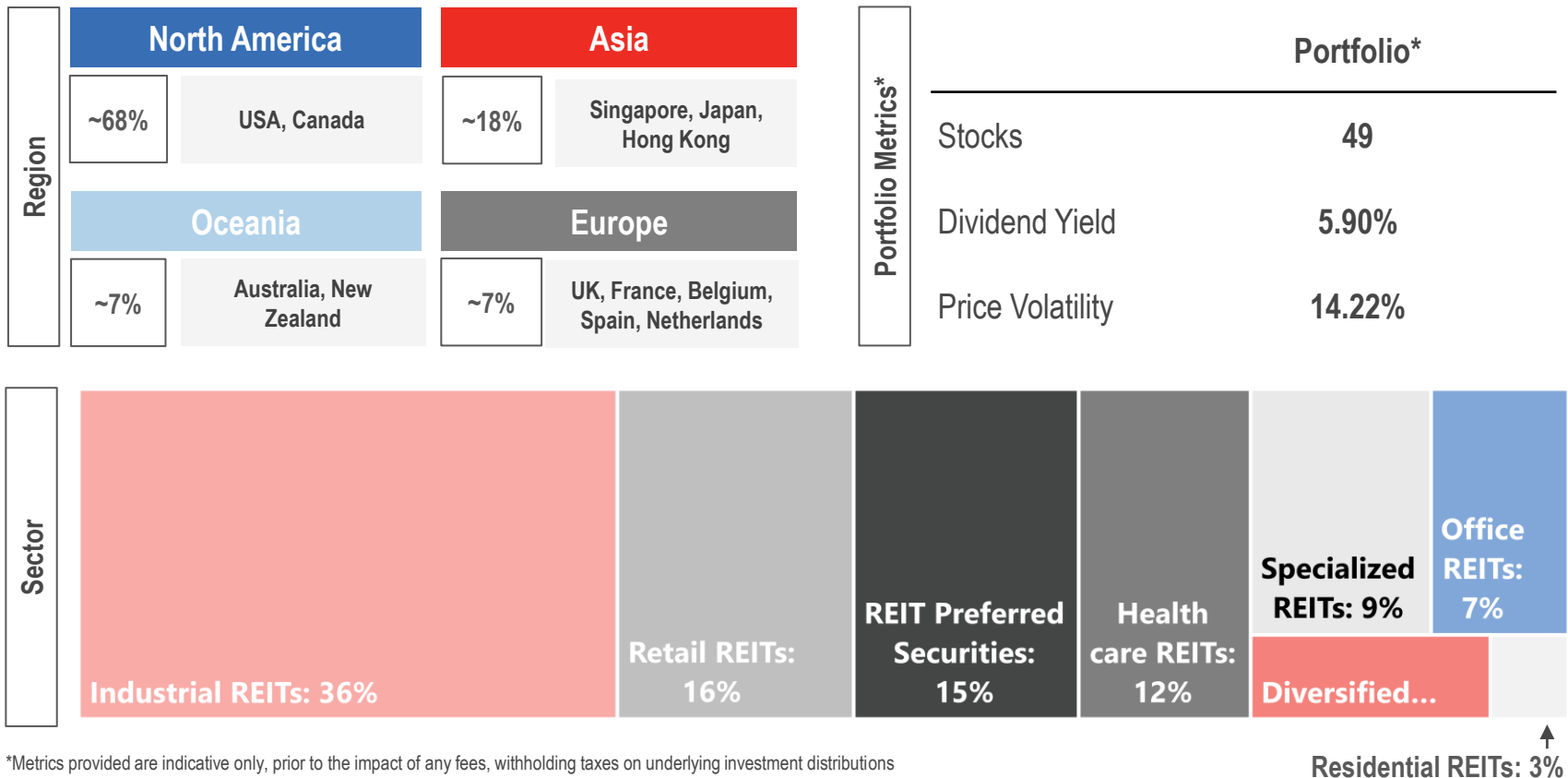
Source: UBS Research, APN FM

Fund Details

Fund Name	APN Global REIT Income Fund
Investment Manager	APN Property Group Limited
Responsible Entity	APN Funds Management Limited (AFSL 237500)
Fund Structure	Open ended, unlisted unit trust, denominated in \$A (unhedged) and established as a Managed Investment Scheme
Investment Mandate and Objective	<p>To provide investors with a consistent and relatively high level of income compared to the performance benchmark, combined with some capital growth, sourced predominantly from investing in REITs across global markets.</p> <p>The Fund aims to:</p> <ul style="list-style-type: none"> ▪ Deliver a gross annual income yield (before management fees, expenses and taxes) in excess of the performance benchmark; ▪ Provide lower than market volatility, compared with the GPR 250 REIT Index (or equivalent Global REIT Index) over a 5 - 7 year time horizon; and ▪ Maintain the real value of investments over a 5 - 7 year time horizon (where real value is measured against the weighted-average CPI for those countries within the GPR 250 REIT Index (AU) series or equivalent). <p>The Fund is benchmark unaware and will be actively managed.</p>
Authorised investments	The Fund will invest primarily in real estate investment entities (including REITs and mortgage REITs) listed on securities exchanges around the world (including Australia) as well as cash and fixed interest investments. The Fund may also invest in preferred, hybrid and/or debt securities in such REITs. The Fund will not invest in direct property. We will continually review and, if appropriate, reweight the Fund's investments with the objective of optimising the Fund's distributable income.
Asset Allocation	<ul style="list-style-type: none"> ▪ Units in the equity securities of GREITs (including Mortgage REIT's) (60-100%) ▪ Units in the preferred, hybrid or debt securities of GREITs (0 -20%) ▪ Cash, fixed interest (0 -20%)
Benchmark	GPR 250 REIT Index Yield in Australian dollars.
Distribution Frequency	Monthly
Fees	0.98% p.a. of the Net Asset Value (NAV), maximum Management Expense Ratio (MER)

Fund attributes

The Fund aims to provide a **high relative income** yield with **lower relative volatility** while **preserving the real value of investment** over the investment period



*Metrics provided are indicative only, prior to the impact of any fees, withholding taxes on underlying investment distributions

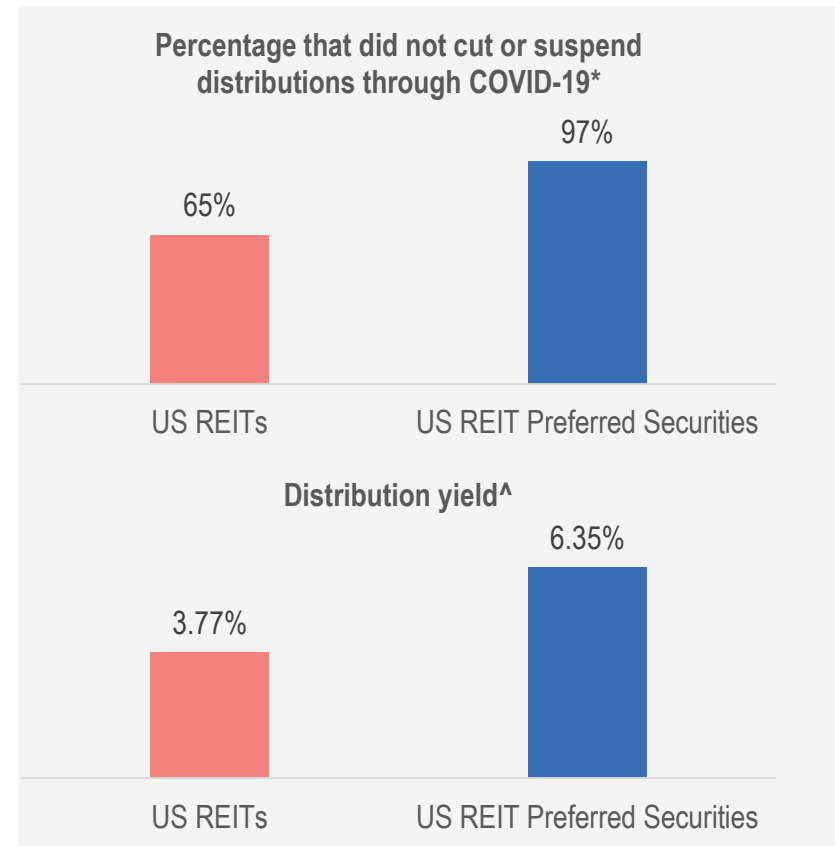
^The GPR 250 REIT Index (AU) or equivalent will be adopted by the Fund

Price Volatility is based on 2 year historical data sourced from Bloomberg. Metrics are current as at 06 November 2020

REIT Preferred Securities – Delivering attractive income

REIT Preferred Securities offer investors a higher level of **income return stability** than common equity dividends, **capital growth potential** and with **priority of claim**

Superior Ranking	<ul style="list-style-type: none">Preferred Securities have a higher ranking than equity, so investors will be paid first
Lower Volatility	<ul style="list-style-type: none">REIT Preferred Securities prices show ~3x less volatility than their corresponding equity prices
Income Stability	<ul style="list-style-type: none">Income from REIT Preferred Securities has exhibited greater stability (see below)
Sector Diversification	<ul style="list-style-type: none">Universe includes issues from a diverse range of REIT sectors~100 issues across ~US\$20 billion market capitalisation



Source: Capital IQ SNL, Bloomberg, BMO Capital Markets, JP Morgan, APN FM

* Percentage by market capitalisation, US REITs universe comprises JP Morgan coverage, US REIT Preferred universe comprises APN coverage

^Weighted average by market capitalisation, US REITs universe comprises APN of US carve-out of GPR 250 REIT Index yield, US REIT Preferred universe comprises APN coverage October 2020

APN APPROACH TO GLOBAL REITS



Established investment philosophy and approach

Philosophy

PROPERTY FOR **INCOME**

- Property as investment in income stream
- Long term leases provide protection
- Predictable and sustainable growth in income streams

Style

Bottom up style – based on fundamental research

- Hands on approach including asset level due diligence and research, markets research and manager assessments
- Regular management engagement
- Benchmark unaware, high conviction
- Assess prospects for growth at a reasonable price

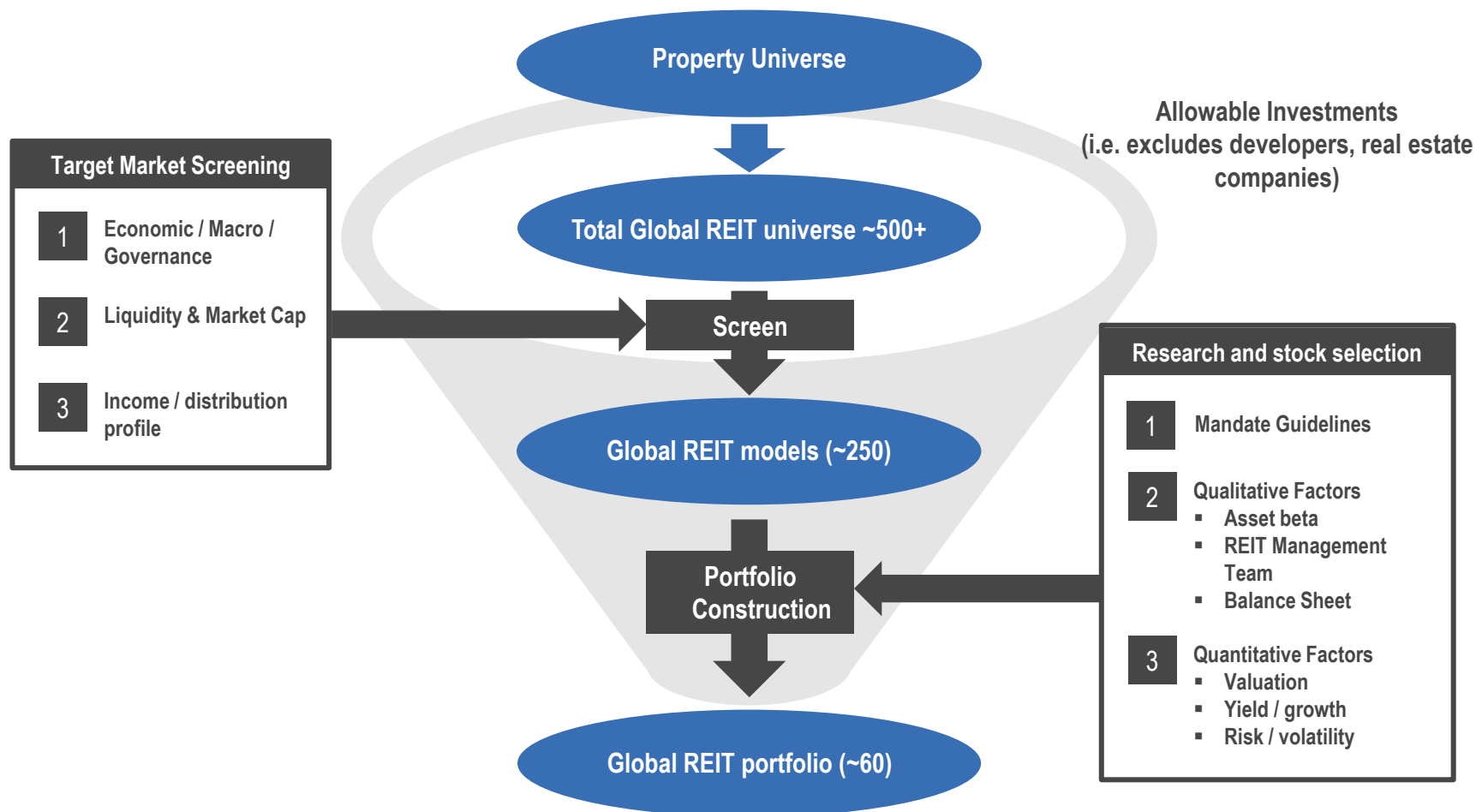
Approach

Highly active approach to portfolio construction and market and stock selection

What we look for in a REIT

Distribution focus	✓	Growth for its own sake	✗
Conservative balance sheets	✓	Over-leveraged	✗
Diversified assets	✓	Highly concentrated	✗
Rental earnings	✓	Operating earnings	✗
Defensive with upside potential	✓	Fixed income ex-growth	✗

Investment Process Manages for Lower Risk



Investment Insights – Global REITs

North America

Industrial Logistics Properties Trust



Owner of industrial and logistics properties located across the U.S. mainland and Hawaii.

What we like:

- High quality portfolio including “built-to-suit” assets fit for tenant use and with a low average age
- Close to fully occupied with a long weighted average lease term, internal rent growth



Aeroplaza Drive, Colorado Springs

Europe

Supermarket Income REIT Plc



Owner of a portfolio of omni-channel, grocery anchored real estate assets located across the U.K.

What we like:

- Long weighted average lease term, strong tenant covenants
- Focus on real income generation with all leases subject to indexed escalation



Sainsbury's, Preston, United Kingdom

Investment Insights – Global REITs

Asia

Keppel DC REIT



Owner of data centres located in ten cities within eight countries across the Asia Pacific and Europe regions.

What we like:

- Specialised portfolio exposed to growing global trends and demand in data storage
- Alignment to established sponsor with demonstrated access to acquisition opportunities



Keppel DC Singapore 5, Jurong, Singapore

ANZ

Waypoint REIT



Owner of Australia's largest portfolio of service station and convenience properties.

What we like:

- Security of income through long-term, Triple Net leases to a high quality tenant.
- Majority metropolitan network with concentration to Australia's eastern seaboard



Source: Company Information, Capital IQ SNL, APN FM

Investment Insights – REIT Preferred Securities

North America

UMH Properties Series D



Preferred securities issued by UMH US Equity.

What we like:

- UMH US Equity is the only US MH REIT preferred securities issuance
- Trades at an attractive level relative to par value, offers a premium yield to common and with priority of claim



Nashville, TN – “Holiday Village”

North America

UMH Properties Inc. (UMH US Equity)

Owner and operator of manufactured housing (MH) communities across the North-Eastern USA

Comments:

- Exposure to the MH sector, which enjoys relatively strong fundamentals and has performed well
- Common equity about to benefit from improved capital management, accretive opportunities



Vineland, NJ – “Fairview Manor”

Source: Capital IQ SNL, BMO Capital Markets, APN FM

High quality, defensive focus on accelerating structural trends

Industrial REITs

- Global e-commerce growth
- Supply chain resilience



REIT Preferred Securities

- Improved position in capital stack
- Asset, earnings coverage
- Management track record



Retail REITs

- Non-discretionary, grocery
- Fuel based hyper convenience



Office REITs

- Non-generic / specialised users
- Limited ability to WFH
- Non-CBD



Specialised REITs

- Increasing demand for digital data
- Mobile communications growth



The APN Global REIT Income Fund will be un-hedged

- Lower associated costs
- Better diversification and lower volatility from multiple currency exposures
- Offers true exposure to respective local economies and returns
- Avoid liquidity risk hedging contracts
- Our focus is on generating long term sustainable returns through stock picking and portfolio management over the long term

Research suggests currencies exhibit significant volatility in the short-term, but **tend to be mean reverting in the longer-term**, posing a risk to investors who base their decisions on short-term currency movements*

*Currency Hedging Programs: The Long Term Perspective, The Brandes Institute. 2007.

An aerial photograph of the Singapore skyline at dusk, featuring the Marina Bay Sands and the Esplanade - Theatres on the Bay. A digital globe with a grid of white dots and lines is overlaid on the left side of the image. The text "PROVEN TRACK RECORD OF DELIVERING STRONG, REGULAR INCOME AND CAPITAL GROWTH" is written in large, white, bold, sans-serif capital letters across the center of the image.

**PROVEN TRACK RECORD OF
DELIVERING STRONG, REGULAR
INCOME AND CAPITAL GROWTH**

APN Property Group

Specialist
commercial **real estate**
investment manager

Listed on the ASX
(code: **'APD'**)

Established 1996

\$2.7b
Funds under
management

12
Funds

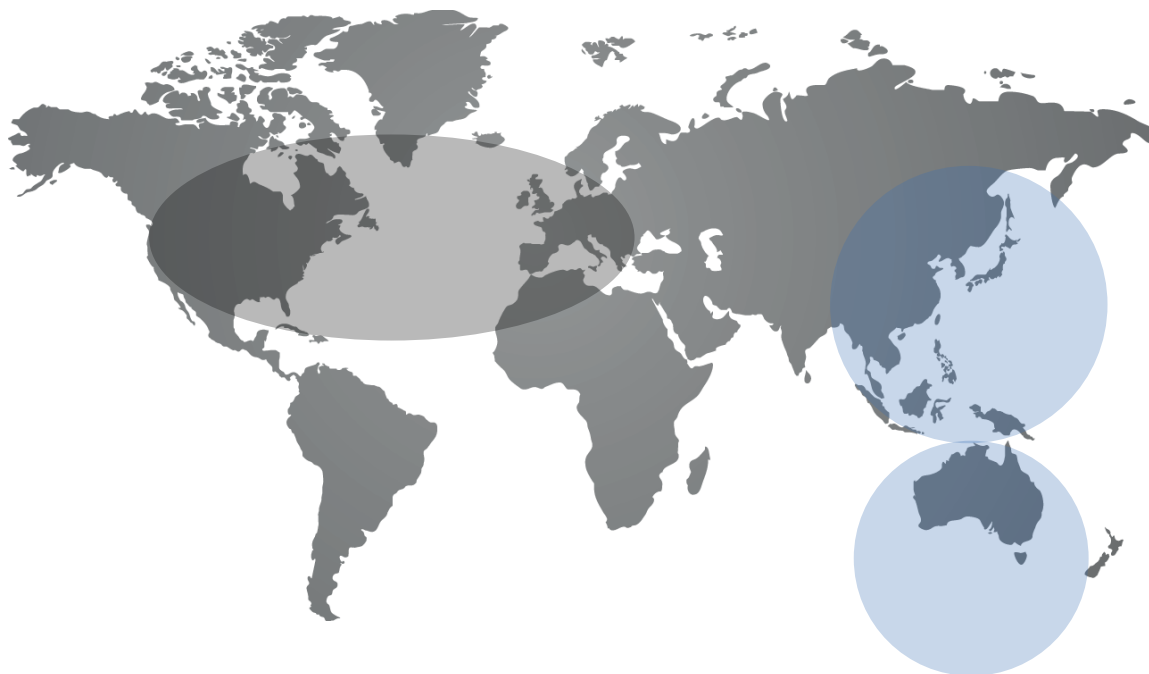
50 staff
Melbourne based

Capital light,
co-investment
model

'Property for income'
investment philosophy

As at 30 June 2020
Past performance is not an indicator of future performance

In-house Experience and Capability in Global Property Securities



Europe and North America

- Regional Adviser David Kruth (30yrs exp.)
- Same income focused investment approach
- Specialist expertise within team

Asia

- Since 2011
- APN Asian REIT Fund (est 2011), total return 11.22% pa¹
- Consistently achieved income objective
- Total FUM exceeds \$50 million

Australia

- Since 1998
- APN AREIT Fund (est 2009), total return 10.44% pa¹
- Consistently achieved income objective
- Total FUM exceeds \$1.2 billion

Source: APN FM, August 2020

APN Global REIT Fund - Leading research house rating



“The Fund’s focus on relatively high income with lower volatility, combined with an active management approach and emphasis on property fundamentals underlies the Fund’s investment philosophy”.

(SQM Research, October 2020)

Further information regarding the ratings is available at www.apngroup.com.au
General and specific risks apply to an investment in APN funds

Defensive, diversified and income focused

Current running yield

4.39% pa¹

As at 30 October 2020

- Income focused
- Monthly distributions
- Lower than market volatility²
- SQM Research 'Superior' 4 Star rating³



1. As at 30 October 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. The APN Global REIT Income Fund aims to provide than lower market volatility compared with the GPR 250 REIT Index (or equivalent Global REITs Index) over a 5 -7 year time horizon.
3. The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. 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.



APN GLOBAL REIT INCOME FUND: A WHOLE WORLD OF PROPERTY FOR INCOME

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APPENDICES

Covid-19 and Global Real Estate

Realities of Lockdown

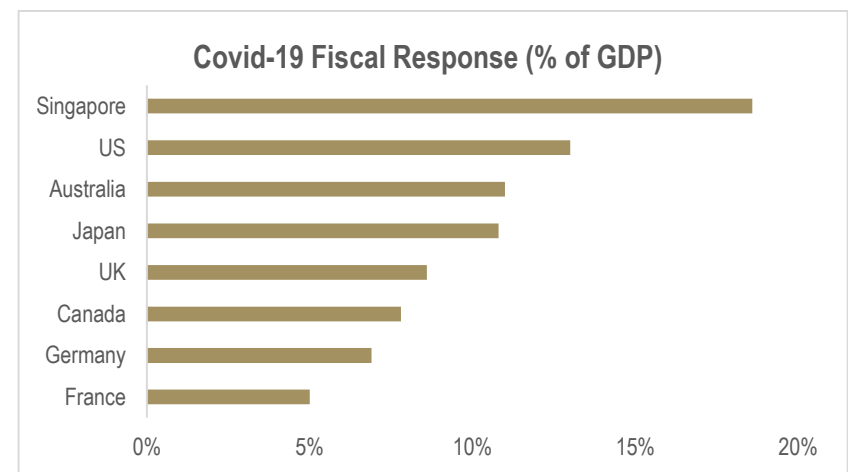
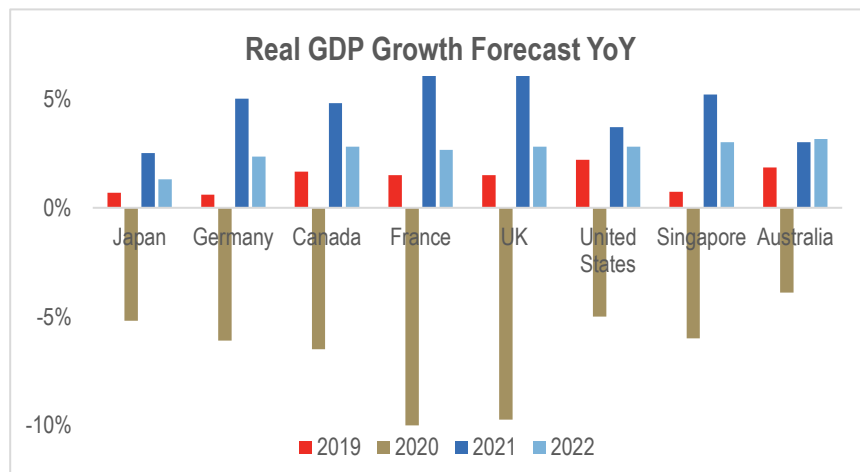
- Societies globally have been progressively subjected to varying degrees of restrictions on physical movement and interaction in response to the COVID-19 health crisis
- Within weeks populations across both developed and emerging markets were faced with the prospect of an enforced hibernation that would present profound, but in many cases initially, uncertain consequences

Economic Impact

- GDP forecasts released by the IMF indicate COVID-19 pandemic may result in an immediate shock, followed by one of the quickest recoveries on record with global contraction of -4.9% in 2020 followed by 5.4% growth in 2021
- In response government around the world have enacted fiscal policy responses of unprecedented magnitude, while central banks have moved to release liquidity

Real Estate Impact

- Commercial real estate returns are inextricably linked to utilisation - so restrictions enforced to keep populations at home, pauses on tenant business and government policies preventing evictions are affecting many landlords
- Landlords with exposure to hospitality, leisure and discretionary retail are faring worst throughout the pandemic, however those operating mobile towers, data centres, logistics facilities and non-discretionary-retail are holding up well
- How populations, consumers and businesses respond to the pandemic will have lasting effects on real estate trends



Source: Bloomberg, IMF, Macquarie, UBS, APN FM. 31 July 2020

Market outlook – North America

Economic outlook

- COVID-19 is forecast to see a significant decline in real GDP growth from the ~2.6% averaged pace achieved over 2018-19 to -8.0% through 2020, before rebounding ~4.5% in 2021
- Existing macro-political risks concerning the imposition of trade restrictions and an upcoming Presidential election will add to social and business sector uncertainty, weighing on investment decisions
- Federal Reserve has shifted to a more dovish position, targeting a federal funds rate of 0%

Industrial

- Logistics space demand is anticipated to remain strong, with COVID-19 accelerating the structural support of e-commerce and the associated requirement for tenant users to improve supply-chain efficiencies
- Strong underlying fundamentals and outlook for future rental growth coupled with high levels of investor demand have created a deep capital transactions market with strong liquidity

Residential

- Favourable secular trends exist within the residential sub-sectors generally with delayed marriage, child-bearing and a preference for renting to maintain financial flexibility and mobility
- Attractive investment opportunities are portfolios providing affordable accommodation options for the “key-worker” tenant segment in locations where economic activity is relatively favourable

Retail

- Retail assets generally continue to be negatively impacted by COVID-19 lockdown restrictions and existing the over-supply of space relative to incremental tenant demand with increasing competition from the likes of Amazon amplifying this trend
- Highly convenient retail offerings which service non-discretionary consumer needs are likely to remain competitive, especially those which are well managed

Office

- Office market performance had been heavily dependent on localised fundamentals driving employment growth and business expansion, with those leveraged to technology and life-sciences experiencing rental growth
- COVID-19 is likely to result in cyclical trends related to a softening business cycle tempering tenant space demand, along with structural questions influencing the long term need for office space given Work-From-Home trends

Source: Bloomberg, IMF, Macquarie, UBS, APN FM. 30 July 2020

Market outlook – Europe / UK

Economic outlook

- Due to COVID-19 Eurozone real GDP growth is anticipated to decline by -10.2% through 2020 before rebounding by ~6.0% into 2021, illustrating the severe impact on this region
- Eurozone inflation is likely to remain low as a widening output gap and labour market capacity weigh on wages growth and confidence, while the longer-term outlook and pathway to growth remains uncertain
- European Commission announced a EU750 billion recovery package to be implemented across 2021-22

Brexit

- Despite COVID-19, uncertainty associated with the ultimate mechanics to the UK's impending exit from the EU remains. At their most recent summit both sides agreed to further delay the upcoming negotiations program deadline to September
- Against a backdrop of unprecedented economic and business stress, the requirement for UK industry to now appraise the implications of varied trade parameters is likely to weigh heavily

Industrial

- COVID-19 appears to have accelerated the structural trend of e-commerce and associated tenant demand for both infill and big-box logistics premises, each vital to consumption fulfillment efforts
- Existing lack of immediate supply coupled with the scarcity of land for logistics development in key urban locations has resulted in pent-up demand for modern logistics space and tension on rental values in several markets

Retail

- Lockdown restrictions have weighed heavily, placing added pressure on landlords exposed to income derived from retail tenants contending with decreased foot traffic, sales revenue and consumer shifts
- Prior to COVID-19 retail property was facing particular headwinds in the UK with online penetration >2x the broader Eurozone and tenants utilising regulated proceedings to negotiate rent reductions, trends that have further accelerated

Office

- London office markets performed strongly despite Brexit uncertainties, experiencing strong absorption and benefiting from a relative lack of speculative development
- COVID-19 is likely to result in cyclical trends related to a softening business cycle tempering tenant space demand, along with structural questions influencing the long term need for office space given Work-From-Home trends

Source: Bloomberg, IMF, Macquarie, UBS, APN FM. 30 July 2020

Market outlook - Asia

Economic outlook

- BOJ expanded monetary policy in response to the Covid pandemic, including increasing their buying limits of ETFs and JREITs. Substantial economic stimulus in place, including specific package to stimulate domestic travel.
- As Covid-19 starts to put the brakes on global growth, Singapore's highly trade-dependent economy has been impacted. Ministry of Trade and Industry is expecting a contraction of -4% to -7% for Singapore's 2020 GDP. Unprecedented stimulus packages worth to date ~S\$100bn or 19% of GDP.
- Hong Kong government expects real GDP growth to be in the range of -4% to -7% in 2020. Tourism and retail sales have been impacted the most with discretionary retail centres popular with tourists hit hardest

Industrial

- Expansion in the Japanese e-commerce market has been generating strong demand for large, cutting-edge logistics facilities, many of which are owned by the REITs.
- Leasing demand for industrial/warehouse space has been resilient in last few months on the back of national stockpiling efforts, and a surge in online shopping and e-commerce activity due to lockdown measures. Relatively constrained supply pipeline for logistics will lead to rising rents.

Retail

- Japanese Retail REITs have underperformed (similar theme globally) as investors are wary of weak earnings/tenant withdrawals amid e-commerce growth.
- Suburban retail in Singapore (more non-discretionary) should outperform Orchard Road retail that is more impacted by severe falloff in tourist arrivals
- In Hong Kong, the government is handing out cash to boost local consumption around HK\$70bn, or 2.5% of GDP. Retail landlords will likely have to continue to offer concessions to support their tenants.

Office

- In Japan, office vacancy rates for the five central wards of Tokyo remain low at 1.97% at end June 2020, though expected to increase.
- Office demand in Singapore has weakened amid the recession triggered by Covid-19. Colliers forecast a decline of 4% in Grade A CBD rents in 2021, offset by lower vacancy and supply going into this latest crisis.
- Ongoing trade war and political unrest has impacted Hong Kong office landlord's pricing power and lowered overall corporate confidence. Colliers is forecasting overall grade-A office rent to be down 10% YoY in 2020.

Source: Bloomberg, IMF, Macquarie, UBS, APN FM. 30 July 2020

Market outlook – Australia

Economic outlook

- Against a backdrop of COVID-19 the Federal Government anticipate real GDP to contract by ~3.75% in 2020 before rebounding to growth of ~2.50% in 2021
- Although Australia has outperformed most advanced economies on health and economic outcomes, the virus has seen record falls in key indicators of business investment, household consumption, the labour market and trade.
- Central Bank has instituted a severely dovish trajectory in monetary policy with the cash rate at an historic low 0.25%, yield curve control to keep short term rates low has also been instituted
- Fiscal stimulus equating to ~11% of GDP has been enacted, but the support is temporary

Retail

- COVID-19 placed incredible pressure on non-discretionary retail landlords in particular as tenant business activity diminished significantly, rental income receipts declined and balance sheets appeared stressed
- Longer-term structural shifts to online retail trade might potentially be accelerated as a result of COVID-19
- Our preference in retail is for investing in convenience-based assets servicing non-discretionary needs such as hyper-convenience, fuel retailing and grocery/daily needs

Office

- Despite COVID-19 diminishing the physical utilisation of office premises the majority of commercial tenants were able to leverage technology to have staff WFH and carry on normal business, assisting landlord rent collections
- Office markets have entered this cyclical downturn in office market conditions also faced with structural challenges potentially muting longer-term demand given greater instances of remote work practise
- Capital transaction activity remains, with both offshore and local sources transacting throughout the COVID-19 period although some softening in prices has been observed

Industrial

- Demand for warehouse and logistics premises is likely to be supported as COVID-19 drives greater online retail activity and the need to carry higher levels of goods inventory due to greater supply-chain risks emerging
- Low land availability in urbanised, infill areas and tenant demand has supported rental and capital value growth in logistics real estate which is anticipated to continue
- Extensive levels of government infrastructure spend and demand from e-commerce adjacent tenants is likely to drive future need for well-located facilities

Source: Bloomberg, IMF, Macquarie, UBS, APN FM. 30 July 2020

REIT Preferred Securities

- Securities that are generally considered fixed income but which exhibit equity-like characteristics, including potential for capital growth.
- Ranking in the Capital Structure: Preferred securities rank lower than senior debt and higher than common equity.
- Perpetual and Callable: Traditional preferreds are issued as perpetuals, i.e. with no stated maturity, but have call options typically at 5 or 10 years.
- Dividends, Not Coupons: Traditional preferred securities pay dividends rather than coupons and in periods of severe stress the issuer may skip a payment without triggering a default, but must ultimately make this payment.
- U.S. REIT Preferred sector provides access to 40+ entities with ~100 issues and diversification across over a dozen real estate sectors
- Potential to provide investors a high relative income-based return, with lower volatility than equity securities – which is particularly the case for preferred securities who's investors have a priority of claim ahead of equity.

***A key competitive advantage of the Fund and consistent with our
“property for income” philosophy***

Source: Capital IQ SNL, BMO Capital Markets, APN FM

Boards and Management team

Experienced real estate team, Independent Boards

Board of Directors – APN Property Group Limited



Chris Aylward
Non-Executive
Chairman

- 30+ years experience in property and construction industry
- Founding director of Grocon Pty Limited
- Responsible for construction of commercial properties over \$2 billion



Howard Brenchley
Independent
Director

- 30+ years' experience analysing and investing in the sector
- Founded property research firm PIR
- Established APN's Funds Management business
- Independent Non-Executive Director of National Storage REIT



Clive Appleton
Independent
Director

- 30 + years' experience in property and funds management
- Former MD of the Gandel Group and Centro Properties Ltd
- Deputy Chairman of the Gandel Group, Chairman of Aspen Group and a Director of Perth Airports Pty Ltd and Perth Airport Development Group Pty Ltd



Danielle Carter
Independent
Director

- 25+ years combined real estate and financial services industry experience. Most recently the Chief Investment Officer at Strategic Financial Management.
- Previously worked at BlackRock, SG Hiscock & Company, Ernst & Young's Real Estate Consulting Group in New York and in the UK with Mark & Spencer's property division



Tim Slattery
Chief Executive
Officer

- 14+ years of experience across real estate, funds management, investment banking and law
- Previous roles at Herbert Smith Freehills and Goldman Sachs
- Real estate transactions of over \$2 billion

Independent / Non-Executive Majority

Independent Responsible Entity – APN Funds Management Limited



Geoff Brunsdon
Independent
Chairman

- Chairman since April 2012 and a Director since 2009
- Over 30 years experience in investment banking
- Until June 2009 he was Managing Director and Head of Investment Banking of Merrill Lynch Australia



Michael Johnstone
Independent
Director

- 40+ years' experience global business experience in chief executive and general management roles
- Currently non-executive director of the Responsible Entity of the listed Folkestone Education Trust



Jennifer Horrigan
Independent
Director

- 25+ years' experience across investment banking, financial communications and investor relations
- Formerly Chief Operating Officer in Australia of the independent investment bank Greenhill & Co
- Currently a director of QV Equities



Howard Brenchley
Independent
Director

- 30+ years' experience analysing and investing in the sector
- Founded property research firm PIR
- Established APN's Funds Management business
- Independent Non-Executive Director of National Storage REIT



Joseph De Rango
CFO & Alternate
for Howard
Brenchley

- Chief Financial Officer, APN Property Group
- 13+ years' experience in real estate, corporate advisory and investment banking.
- Previous roles at NAB and PwC.

Independent Majority

Investment team – Real Estate Securities

APN Board and Executive Team

Independent Responsible Entity Board

Real Estate Securities Investment Team

Global REITs
Portfolio Management



Pete Morrissey
CEO RES
18 years experience



Corrine Ng
Portfolio Manager
17 years experience



Mark Mazzearella, CFA
Portfolio Manager
10 years experience



David Kruth, CFA
Regional Adviser
30 years experience



Matthew Coleman
Senior Investment
Analyst
8 years experience



Steven Tjia
Investment Analyst
4 years experience



Erik Borean
Investment Analyst
1 years experience



Vincent Lin
Research Analyst
Post-graduate

Supported by full end-to-end funds management platform

Compliance

Investor Services /
Registry

IT

Finance / Fund
Accounting

Marketing

Distribution

Investment team – Real Estate Securities



Pete Morrissey

Chief Executive Officer, Real Estate Securities

Pete joined APN in 2006 and is responsible for the management of APN's suite of real estate securities funds. Pete is also the dedicated Fund Manager of the APN AREIT Fund and co-manages the Asian REIT strategy.

With more than 18 years financial markets experience, Pete brings a unique knowledge set having completed Masters level academic research papers on both commercial real estate cycles and global property securities.

Prior to joining APN, Pete was a senior analyst at leading research house Lonsec along with managing an internationally focused private investment fund. Pete also spent several years as an analyst in the UK for Nomura, ING Barings and Lloyds Banking Group.



Corrine Ng

Portfolio Manager, Real Estate Securities

Corrine joined APN Property Group in February 2015 and is responsible for managing the Asian REIT Fund. Corrine has over 17 years of experience in property markets and REIT investment in Australia, Asia and the North American markets.

Prior to joining APN Corrine was a key member of the global REIT investment teams at Aviva Investors and Goldman Sachs & Co in New York.

In Australia, in the earlier part of her career, Corrine worked at Challenger Group / HSBC Asset Management as an Analyst covering investment in AREITS, and before that at Urbis / JHD Advisors as a Consultant on retail real estate projects throughout Asia, with specific expertise in the Singapore, Japan and China markets.

Investment team – Real Estate Securities



Mark Mazzarella CFA

Portfolio Manager, Real Estate Securities

Mark joined APN in June 2014 and is responsible for Australian and Global REIT analysis and funds management.

Prior to joining APN, Mark worked for Ernst & Young for four and a half years. As a Senior Consultant, Mark's responsibilities included real estate market research, property valuation, project feasibility studies, options/scenario analysis, financial modelling for real estate investments, transaction due diligence and bespoke advisory engagements. Mark worked across all major real estate sectors including residential, commercial, retail, industrial and social. Mark was accepted into the New Horizons Program which resulted in a six month secondment to the Ernst & Young corporate finance team in Singapore.

Mark holds a Bachelor of Commerce (Finance) and a Bachelor of Property and Construction (Property) at the University of Melbourne. Mark is also an Associate of the Australian Property Institute (AAPI), a Certified Practising Valuer (CPV) and is a CFA charter holder.



David Kruth, CFA

Regional Adviser, Real Estate Securities

David joined APN in 2019 as Regional Adviser and has more than 30 years experience across North American and global real estate markets.

He worked for 15 years as a CIO, Portfolio Manager and Securities Analyst in global real estate securities with both AllianceBernstein (AB), and Goldman Sachs Asset Management. David also worked for 13 years in global private equity real estate with Schroder Real Estate Associates, and the Yarmouth Group (a/k/a Lend Lease Real Estate Investments).

David served as a member of the Board of Directors at Rouse Properties (NYSE:RSE) for five years (2011-2016) and Chaired the Special Committee tasked with the sale of Rouse to Brookfield Asset Management which closed in July, 2016.

He is presently Managing Partner of BQ Properties, Adjunct Assistant Professor at the Columbia University Masters Program in Real Estate Development & Investment and a member of the Investment Advisory Counsel at the Ithaca College School of Business.

David is a CFA charterholder, and member of NAREIT.

Investment team – Real Estate Securities



Matthew Coleman

Senior Investment Analyst, Real Estate Securities

Matthew joined APN in 2016 is responsible for Australian and Asian REIT analysis, market analysis along with fund performance reporting.

Matthew joined APN after working at Jones Lang LaSalle where he was an Analyst in the Consulting team, working closely with Corporate and Government clients. His main responsibilities included portfolio and market analysis, transaction due diligence and scenario testing spanning commercial and industrial markets. Prior to that, Matthew worked at UBS Wealth Management as an Analyst, working closely with Investment Managers and their high net worth clients.

He holds a Bachelor of Business and Commerce (Monash) and is currently undertaking the Chartered Financial Analyst (CFA) programme



Steven Tjia

Investment Analyst, Real Estate Securities

Steven joined APN in 2019 and is responsible for the analysis of AREITs, and actively assist in the reporting of fund performance, compliance as well as market research.

Steven joined APN after working at Duxton Capital, where he was an investment analyst for three years. Duxton Capital is an asset management firm specialising in alternative assets including agricultural assets within Australia and emerging Asian markets. As an investment analyst his responsibilities included financial modelling, analysing potential investments, reporting fund performance and active management of listed and unlisted assets.

Steven holds a Bachelor of Commerce and Laws from the University of Adelaide and is undertaking the Chartered Financial Analyst (CFA) programme.

Investment team – Real Estate Securities



Erik Borean

Investment Analyst, Real Estate Securities

Erik joined the Real Estate Securities team at APN on a part-time basis in 2019 and has recently been appointed as a full-time Investment Analyst. He is responsible for assisting with market and securities analysis across Global REITs, currently focusing on the United Kingdom, Europe and Australia.

Prior to joining APN, Erik completed internships at Macquarie and Deloitte in Germany where his main responsibilities included industry research and corporate valuations in the industrials and infrastructure sector.

Erik hold a Bachelor of Commerce (Finance and Management) from the University of Melbourne and has recently completed a Master of Finance Degree at the Melbourne Business School.

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