

## Fund overview

The APN Nowra Property Fund is a single asset, fixed-term, unlisted property fund established in November 2018. The property is located at 198 Princes Highway, South Nowra, New South Wales and comprises a large format retail building constructed in 2016. The Fund aims to provide a stable income profile whilst achieving moderate capital growth through the Fund's 5 year expected life.

## Manager's report

The Fund has performed in line with expectations, providing an annual distribution of 7.80 cents per unit during FY19. Distributions for FY20 will be increased to 8.00 cents per unit as forecasted in the Information Memorandum.

Home Consortium Group (the building's tenant) entered into a sub-lease agreement with Bunnings Warehouse on a two year term whilst Bunnings undertake a refurbishment of their existing store in Nowra. Bunnings have now completed their fitout works, and the store commenced trading in May 2019. The Bunnings occupancy of the centre will not have a direct impact on the Fund's income, given it is a sub-lease agreement, and there's a reinstatement/makegood obligation on Home Consortium at the end of their lease term.

Home Consortium's lease term has 12.1 years until expiry with the rental income being guaranteed by Woolworths Limited until expiry.

The most recent Directors' valuation of \$24.2 million was completed as at 31 December 2018. The Fund's gearing remains at 43.5%, comfortably below the covenant of 60%. The debt is 100% hedged until March 2023 (when the Fund's current debt facility is due to expire) at an interest rate ahead of that assumed within the Funds Information Memorandum.

## Expiry Profile (by income)



## AT A GLANCE as at 30 June 2019

NAV*	\$1.05 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	\$24.2 million
Borrowings (loan to value ratio)	43.5%
Weighted Average Lease Expiry (WALE)	12.1 years (by income)
Occupancy	100%
Fund commenced	8 November 2018
Fund maturity	7 November 2023
Annual distribution	7.80 cpu in FY19 increasing to 8.00 cpu distribution for FY20
Distribution yield (to NAV-\$1.05)*	7.42%
Distribution payments	Monthly
Sector allocation by value	Large Format Retail: 100%
Geographic allocation (by value)	New South Wales: 100%

\*Based on the 31 March 2019 NAV given the annual audited financial statements are not yet finalised.

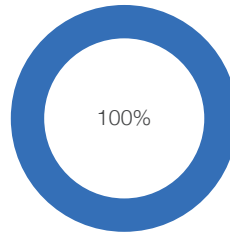


### Historical unit values

There is no defined unit price for the Fund. For your reference we have provided the historical Net Asset Value (NAV) per unit.

Date	Net Asset Value (NAV) per unit
30 June 2019	TBA
31 March 2019	\$1.05
31 December 2018	\$1.05
8 November 2018	\$1.05

### Tenant Profile (by income)



- Home Consortium Group (rent guaranteed by Woolworths Ltd)



### 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 \$2.8 billion (as at 31 December 2018) of real estate and real estate securities on behalf of institutional and retail investors. APN FM 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
- Scott Johnston** Analyst

### CONTACT US

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