

APN | Real Estate Securities

14 April 2022

Lonsec rating update

APN AREIT Fund - ARSN: 134 361 229

Dear Investor,

We wish to advise that the APN AREIT Fund ('Fund') has been rerated by Lonsec to 'Investment Grade', from a previous 'Recommended' rating.

The revised rating from Lonsec is reflective of the Fund's income-oriented and lower risk strategy which has seen the Fund's total return underperform relative to the index. Whilst we acknowledge the importance of delivering a competitive total return, it's important to note that the Fund is managed with a differentiated strategy which is focused on delivering higher income and lower risk than the index. The Fund has continued to deliver on its objectives over all periods, since inception (January 2009).


As at the end of March 2022, the Fund has delivered a total return of **17.69%**¹ for the year, and a competitive **11.41%**¹ p.a. since inception, underpinned by an average distribution yield which has exceeded the index by more than **30%**². With a current running yield of **5.25%**³ (compared to the index yield of **3.94%**), the Fund delivers relatively high and stable income which is paid monthly. Importantly, the Fund is also managed with less risk than the index, as we concentrate on pure rental income, higher yielding REITs and limiting riskier earnings (eg. offshore and corporate/development earnings).

We remain fully committed to managing the Fund and delivering attractive returns to our investors, supported by an experienced team of property investors and broader support from the Dexus platform.

The Fund has a 'Recommended' rating from Zenith and a 'Superior' 4.25 star rating from SQM Research.

For any queries please contact Simone Newman, Senior Manager Retail Distribution, at simone.newman@dexus.com or on 0416 166 033.

Yours sincerely



Pete Morrissey
Head of APN Real Estate Securities

¹ Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Returns and values may rise and fall from one period to another. Past performance is not an indicator of future performance. Fund's inception date: 19 January 2009.

² Source: Dexus Asset Management Limited.

³ Current running yield as at 31 March 2022 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.