

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).

Current running yield

APN AREIT Fund
6.41% pa¹

AREIT Index⁴
5.53% pa¹

Performance 31 December 2018

	1 month	3 months	6 months	1 year	3 years pa	5 years pa	7 years pa	Since inception ⁵ pa	Standard deviation since inception pa
APN AREIT Fund Income ²	0.54%	1.54%	3.01%	6.19%	6.36%	7.07%	7.77%	8.37%	
APN AREIT Fund Total return ³	1.29%	(1.89%)	(1.50%)	1.52%	6.40%	11.30%	13.56%	13.43%	11.90%
AREIT Index ⁴	1.73%	(1.71%)	0.24%	3.27%	7.55%	12.53%	14.44%	11.57%	13.96%
Over performance/ (Under performance)	(0.44%)	(0.18%)	(1.74%)	(1.75%)	(1.15%)	(1.23%)	(0.88%)	1.86%	

1. As at 31 December 2018. 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. 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. 4. S&P/ASX 300 Property Trust Accumulation Index. 5. Fund inception 19 January 2009.

Investment objectives

The primary investment objectives of the Fund are to:

- deliver a high level of distributable income by achieving a gross annual income yield (before management fees and expenses) that is equivalent to at least 110% of the average yield of the S&P/ASX 200 AREIT Dividend Yield;
- endeavour to deliver a tax advantaged income component of distributed income;
- 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 volatility.

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 with tax advantaged income.
- 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.
- Investors seeking tax effective income.
- SMSFs - investors managing their own retirement.
- Investors wanting access to a diversified portfolio of quality AREITs.
- Medium to long term investors.

Research ratings

- SQM Research⁶ - 4.25 Star Superior rating (September 2018)
- Zenith⁷ - Recommended rating (July 2018)
- Morningstar⁸ Analyst Rating™ - Silver (June 2018)
- Lonsec⁹ - Recommended rating (April 2018)

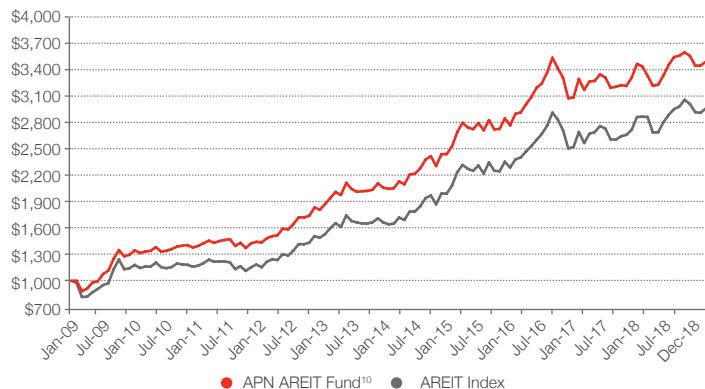
AT A GLANCE

Type of fund	Property securities fund
Commencement date	19 January 2009
Fund size	\$1,215.73m as at 31 December 2018
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
Fund borrowing	Nil
Entry and exit fees	Nil
Management costs	0.85% pa
Buy/sell spread	0.25% buy and 0.25% sell

2018 NZX FundSource Australasian Fund Manager of the Year – APN AREIT Fund



APN AREIT Fund vs S&P/ASX 300 Property Trust Accumulation Index (AREIT Index) total return since inception



Asset class allocation 31 December 2018

AREITs ¹¹	98%	Cash	2%
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11. 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.

Underlying property sector allocation 31 December 2018

Retail	61%	Office	20%
Industrial	13%	Other	6%

Platform availability

AMP North, AMP Personalised Portfolio Platform, 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

Top 5 AREIT holdings 31 December 2018

Stock	Sector	% of APN AREIT Fund	% of AREIT Index ¹²
Scentre Group	Retail	22%	18%
Stockland	Diversified	10%	8%
Vicinity Centres	Retail	8%	7%
GPT Group	Diversified	6%	9%
Dexus Property Group	Office	6%	10%

12. S&P/ASX 300 Property Trust Accumulation Index.

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 has a strong record of delivering a range of property based investment solutions for institutional and retail clients since 1996.

Investment team

Michael Doble Chief Investment Officer, Real Estate Securities
Pete Morrissey Chief Executive Officer, Real Estate Securities
Mark Mazzarella Assistant Fund Manager, Real Estate Securities
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