

The **APN** Asian REIT Fund is an income focused property securities fund that invests in a portfolio of listed Asian Real Estate Investment Trusts (REITs).

Current running yield

APN Asian REIT Fund

5.91% pa¹

Asia REIT Index⁴

4.47% 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 Asian REIT Fund Income ²	0.54%	1.58%	3.25%	6.85%	7.11%	6.92%	7.12%	6.56%	
APN Asian REIT Fund Total return ³	5.07%	4.15%	8.17%	14.54%	10.55%	11.85%	16.36%	13.87%	9.01%
Asia REIT Index ⁴	5.47%	4.73%	9.34%	19.72%	10.76%	12.10%	16.06%	13.33%	9.90%
Over performance/ (Under performance)	(0.40%)	(0.58%)	(1.17%)	(5.18%)	(0.21%)	(0.25%)	0.30%	0.54%	

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 shown are net of fees and expenses and are annualised for periods greater than one year. 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. Bloomberg Asia REIT Index. 5. Returns calculated since 19 July 2011 (when the Fund commenced).

Investment objectives

The primary investment objectives of the Fund are to:

- provide investors with a consistent and relatively high level of income compared to the Benchmark⁴, combined with some capital growth, derived predominantly from investing in Asian REITs;
- deliver a gross annual income yield (before management fees, expenses and taxes) that equates to at least 110% of the average yield of the Benchmark⁴;
- provide investors with some capital growth 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 Asia.
- 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 Asian REITs.
- Medium to long term investors.

AT A GLANCE

Type of fund	Property securities fund
Commencement date	19 July 2011
Fund size	\$30.86m as at 31 December 2018
Investment timeframe	5 - 7 years
Minimum investment amount	\$1,000
Income distribution	Monthly
Unit pricing	Daily
Withdrawals	Daily
Distribution reinvestment plan	Available
Fund borrowing	Nil
Hedging strategy	Unhedged
Management costs	0.98% pa
Buy/sell spread	0.30% buy and 0.30% sell

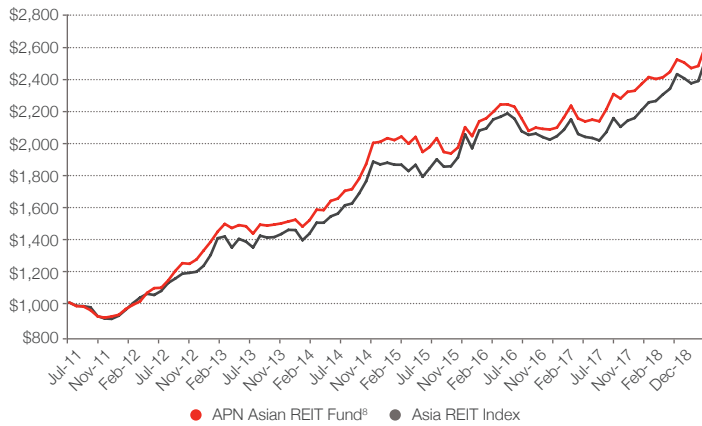
Research ratings

- Lonsec⁶ - Investment Grade (July 2018)
- SQM Research⁷ - 'Superior' 4 Star rating (June 2018)





APN Asian REIT Fund vs Bloomberg Asia REIT Index (Asia REIT Index) total return since inception



Source: APN FM, Bloomberg Asia REIT Index

8. Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns.

Note: \$1,000 invested since commencement in July 2011.

Sector allocation 31 December 2018

Retail REITs	33.4%	Residential REITs	2.4%
Office REITs	32.8%	Other	13.2%
Industrial REITs	18.1%		

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

Geographical allocation 31 December 2018

Japan	39.3%	Australia	3.9%
Singapore	27.5%	New Zealand	2.6%
Hong Kong	16.7%	Malaysia	0.8%
China	5.9%	Other	3.2%

Platform availability

ASX mFund, netwealth, Macquarie Wrap, IOOF Employer Super, IOOF Pursuit, Linear Wrap, OneVue, Powerwrap, uXchange

Top 5 Asian REIT holdings 31 December 2018

Stock	Sector	% of APN Asian REIT Fund	% of Asia REIT Index ⁹
Ascendas Real Estate Inv Trust	Industrial	4.73%	2.46%
Link REIT	Retail	4.60%	9.55%
Gip J-REIT	Industrial	4.19%	1.50%
Japan Retail Fund Investment	Retail	3.97%	2.23%
Keppel Dc REIT	Other	3.93%	0.59%

9. Bloomberg Asia REIT 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

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6. The Lonsec Rating (assigned July 2018 for the APN Asian REIT Fund) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating 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). 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 Property Group 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.lonsecresearch.com.au/research-solutions/our-ratings>.

7. The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 for the APN Asian REIT Fund as at June 2018. 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.