



31 July 2020

New fund launch

APN Global REIT Income Fund

APN Property Group (ASX:APD, “**APN**”) is pleased to announce the launch of the APN Global REIT Income Fund (the **Fund**).

The Fund will provide investors the opportunity to invest in a diverse portfolio of global listed Real Estate Investment Trusts (REITs), managed by an experienced team of investment managers in Australia and the United States. Reflecting strong demand from advisers and direct investors for consistent income returns underpinned by real property assets, the Fund aims to deliver an attractive distribution yield and lower risk than the market.

Tim Slattery, CEO said: “We’re very excited about the launch of the Fund, which is a natural extension of our domestic and Asian REIT investment capabilities developed over 23 years. While timing the launch for a new fund is often challenging we have seen the APN AREIT Fund grow to over A\$1 billion from starting out in what was a difficult market environment in early 2009. We believe the current market conditions suit our active, income focused approach and present an attractive entry point for long term investors.”

Pete Morrissey, CEO Real Estate Securities said: “The APN Global REIT Income Fund will present a unique offering in the market by focussing on recurring rental income generated from quality real assets across a diverse range of property sectors. These assets include mobile phone towers, warehousing, logistics and healthcare real estate illustrating the breadth and depth of markets overseas which are not readily available to investors in Australia. Adopting our “property for income” philosophy, we are aiming to deliver strong and regular distributions within an initial starting range of 4.00 – 5.00% pa.

The management of the Fund draws on APN’s experience and track record investing in REITs domestically with the APN AREIT Fund (established January 2009), and offshore with the APN Asian REIT Fund (established July 2011). These funds are generating a current running yield¹ of 6.50% and 6.22% respectively, with distributions paid monthly, whilst delivering a total return of 10.13% pa and 12.02% pa respectively since inception to 30 June 2020².

APN’s investment team has significant experience managing through various property cycles and expanded global coverage. Mr Morrissey commented: “We are pleased to have David Kruth join our team as Regional Adviser for North America. David comes with exceptional REIT management experience having built an impressive track record with Goldman Sachs and Alliance Bernstein amongst other leading organisations. David also currently lectures at the Columbia University Masters Program in Real Estate Development & Investment. This appointment expands APN’s REIT coverage across Australia, Asia, United Kingdom, Europe and North America.”

The Fund will be made available to wholesale and retail investors under a Product Disclosure Statement.

Market update

In addition to the launch of the Fund, APN continues to assess a range of options to improve the scale and profitability of the business through its existing funds and the establishment of new funds. From time to time APN considers acquisition opportunities, including for a new unlisted fund which could involve potential

¹ As at 24 July 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. Past performance is not an indicator of future returns.

² Returns 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. Returns calculated since 19 Jan 2009 (when the APN AREIT Fund commenced) and 19 July 2011 (when the APN Asian Fund commenced).

co-investment from APN. Any such acquisitions are subject to further negotiations and there is no certainty they will proceed.

This announcement was authorised to be given to the ASX by Tim Slattery, Chief Executive Officer.

ENDS

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About APN Property Group

APN Property Group (ASX code: APD) is a specialist real estate investment manager. Since 1996, APN has been actively investing in, developing and managing real estate and real estate securities on behalf of institutional and retail investors. APN's focus is on delivering superior investment performance and outstanding service. Performance is underpinned by a highly disciplined investment approach and a deep understanding of commercial real estate.

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