

APN 541 St Kilda Road Fund

ARSN 160 546 529

An opportunity to invest in a well leased, high quality office building in one of Australia's leading non-CBD office markets

- Single asset, closed-end unlisted property fund
- Currently distributing an annual yield of **9.00%**¹pa paid monthly
- Aims to deliver stable income and capital growth
- 6 year fixed investment term
- 97% leased. 94% occupied by SEEK Limited



Annual
distribution
yield of
9.00%¹pa
paid
monthly



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¹ Initial forecast distribution yield calculated for the year ending 30 June 2014. The forecast yield is subject to property, financing and other general risks. Any forecast distributions are not guaranteed.

Please refer to the Product Disclosure Statement for further details. The Product Disclosure Statement can be downloaded from www.apngroup.com.au or a hard copy can be obtained free of charge by contacting us on 1800 996 456.

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St Kilda Road Melbourne

A single asset, closed-end property fund currently distributing an annual yield of **9.00%**⁽¹⁾ pa paid monthly

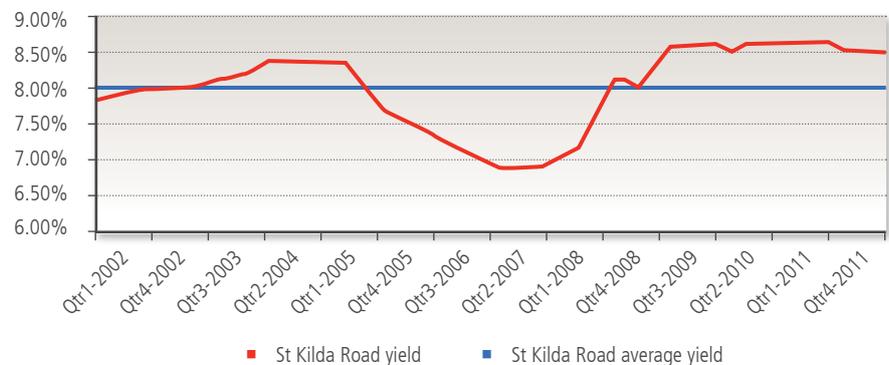
An opportunity to capitalise on historically high yields

Located just 4 kms from the Melbourne CBD, the St Kilda Road precinct is one of Australia's leading non-CBD office markets as evidenced by the net absorption of 20,000m² of office space in the 12 months to September 2012⁽²⁾.

St Kilda Road prime office yields currently average 8.25%⁽³⁾ pa, presenting an attractive yield spread over historical prime Melbourne CBD office yields.

The property has been acquired at an attractive fully leased initial yield of 9.18%⁽⁴⁾ pa, strongly positioning the asset for capital growth as capital values rise in tune with the property cycle.

Yield spread to long term average



Source: Jones Lang LaSalle 1 January 2002 to 30 June 2012

Excellent location

The St Kilda Road precinct is located only minutes from Melbourne's CBD and is an iconic business district offering excellent amenities and transport options.

Large tenants are attracted to St Kilda Road's central location, excellent value for money and a strong corporate presence on an international scale.



(1) Initial forecast distribution yield calculated for the year ending 30 June 2014. The forecast yield is subject to property, financing and other general risks.

Any forecast distributions are not guaranteed.

(2) Based on Jones Lang LaSalle net absorption data.

(3) Based on Jones Lang LaSalle data as at 30 June 2013.

(4) As per CBRE valuation dated 6 September 2012.

Leasing

The property at 541 St Kilda Road is 97% leased. SEEK Limited ("SEEK"), an ASX 100 company and the leading provider of online employment advertising in Australia, occupies 94% of the property.

SEEK is a strong tenant, having first established its global headquarters at 541 St Kilda Road in 2007 and has heavily invested in a customised workspace fit out.

Quality asset

A modern, substantially refurbished eight storey office building located within the heart of St Kilda Road providing a high quality work space.

Sector	Office
Acquisition price	\$28 million (as at 10 May 2013)
Valuation	\$29 million (as at 30 June 2013)
Net lettable area	8,229m ²
Car parking	126 (1 per 65m ²)
Land area	2,858m ²
Weighted average lease expiry	4.25 years (by income as at 30 June 2013)
Major tenant	SEEK Limited (94% of net lettable area)

Fund facts

Investment type	Single asset, closed-end unlisted property fund
Investment objective	Stable income stream and capital growth
Investment term⁽⁵⁾	6 years
Issue price	\$1.00
Minimum investment	\$10,000
Target raising	\$19.15 million
Distribution yield	9.00% ⁽¹⁾ pa for the year to 30 June 2014. Distributions are expected to include a tax deferred component.
Net Tangible Asset (NTA) value	\$0.9210 per unit (as at 30 June 2013)
Distributions	Paid monthly in arrears
Gearing	Initial target 45%, capped to 55%
Exit strategy	Maximise the weighted average lease expiry, sell the asset at an optimal price and distribute net proceeds to investors at the end of the six year investment period.



(5) The term of the Fund may be extended for a further 2 years if approved by a special resolution of investors. The property may be sold earlier and proceeds distributed to investors if APN Funds Management Limited considers it is in the best interest of investors to take advantage of a disposal opportunity.



The Manager

APN Property Group is a specialist real estate investment manager

APN Funds Management is a wholly owned subsidiary of APN Property Group Limited ("APN"), an ASX listed company (code: APD) that manages over \$1.6 billion (as at 30 June 2013) of real estate and real estate securities on behalf of institutions, superannuation funds and retail investors.

Established in 1996, APN has a proven track record in delivering real estate investment solutions that deliver superior risk-adjusted returns.

Focussing exclusively on real estate over many years provides a depth of understanding which enables APN to deliver value to investors. An intimate understanding of commercial real estate together with a highly disciplined investment approach has been the backbone of the firm's performance.



Contact

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Any investment in the APN 541 St Kilda Road Fund is subject to general, property specific and financing risks. Please refer to the Product Disclosure Statement (PDS) for APN 541 St Kilda Road Fund dated 6 February 2013 for further details. Allotments or issues of units in the fund will be made only on receipt of an application form attached to a copy of the PDS for APN 541 St Kilda Road Fund dated 6 February 2013. A copy of the PDS is available at www.apngroup.com.au or by contacting us on 1800 996 456.