

APN | Property Plus Portfolio

ARSN 101 227 614

Performance update

The Fund distributed 11.0 cents per unit for the 12 months ending 30 June 2015. The data below represents performance based on audited financial statements to 30 June 2015.

	6 months	1 year	3 years pa ²	Since inception ³ pa
Total return ¹	7.92%	25.07%	16.76%	12.93%
Income	6.25%	11.00%	10.93%	9.29%
Capital growth	1.67%	14.07%	5.83%	3.65%

1 Performance is based on original fully paid units at \$1.00. Figures may not sum exactly due to rounding. Past performance is not necessarily a guide to future performance.

2 Denotes annualised figures.

3 Fund inception date 30 September 2002.

Fund overview

The APN Property Plus Portfolio (Fund) is an unlisted direct real estate fund that is invested in a geographically diversified portfolio of Woolworths petrol outlets, 7-Eleven petrol outlets and a Shell petrol outlet. The Fund invests in 19 fuel and retail convenience properties located throughout Victoria, New South Wales, Queensland and South Australia. The Fund's properties are all leased to high quality tenants on long term leases.

Manager's report

APN is pleased to report on a number of important achievements for the Fund over the period, which has resulted in strong growth in the Fund's net asset value per unit and total return over the period.

In July 2014 the Responsible Entity re-financed the Fund's current debt facility with its existing lender Commonwealth Bank of Australia for a further three years. The facility expires on 21 July 2017 and the interest rate margin will be 1.65% p.a which is a 70 basis point reduction from the previous margin. The Loan to Value Ratio (LVR) at the time of drawdown was 49% and has since stepped down to 48% as at 30 June 2015.

Between August 2014 and November 2014, the capital works programme entered into with 7-Eleven was completed and post the expenditure of \$2.7 million across the sites, the Fund received four new 15 year leases with the tenant. The execution of the four leases resulted in a valuation increase, in December 2014, of \$660,000 for the four sites (on a like for like comparison excluding capital expenditure).

On 17 June 2015, a unitholder meeting was held for the Fund where unitholders considered and resolved to approve the continued operation of the Fund and to defer termination of the Fund until no later than 30 June 2018. In this time, the Fund will actively progress lease extension discussions with the remaining 15 properties leased to Woolworths and Shell which have a range of expiry dates from FY2017.

The Fund's portfolio was revalued at 30 June 2015, resulting in a tightening of the portfolio's weighted average cap rate from 8.34% to 7.99% and an increase in the portfolio's value (on a like for like basis) of 10.1% to \$75.49 million.

AT A GLANCE as at 30 June 2015

Fund size (total assets)	\$77.37 million
Borrowings (loan to value ratio)	48.0%
Weighted Average Lease Expiry (WALE)	4.7 years
Fund commenced	30 September 2002
Minimum investment	This Fund is currently closed to new investment
Redemption facility	Not available
Distributions	Paid quarterly
Unit price revaluation	Changes to Net Asset Value per unit are advised post audited half-yearly financial reporting. Please refer over page to view historical unit prices
Distribution reinvestment	Not available
Sector allocation by value	Petrol retail outlets: 100%
Geographic allocation	Queensland: 58% New South Wales: 15% Western Australia: 15% Victoria: 12%

The Net Asset Value (NAV) of the Fund as at 30 June 2015 is \$1.58 per unit versus \$1.38 per unit at 30 June 2014 and an annual distribution of 11 cents per unit was paid over the 12 month period. Distributions represent a 7.97% yield on the Fund's \$1.38 NAV price at the start of the period or a 11% yield on original \$1.00 unit price. The Fund's total return since inception in 2002 is approximately 12.9% pa.

Historical distributions

Period ended	Distribution cents per unit	Tax deferred
12 months to 30 June 15	11.00	N/A
12 months to 30 June 14	11.78	0.00%
12 months to 30 June 13	10.00	0.00%
12 months to 30 June 12	10.00	0.00%
12 months to 30 June 11	9.00	100.00%
12 months to 30 June 10	9.00	100.00%
12 months to 30 June 09	7.90	100.00%
12 months to 30 June 08	8.90	70.43%
12 months to 30 June 07	8.90	100.00%
12 months to 30 June 06 ⁴	8.80	100.00%
12 months to 30 June 05	8.70	100.00%
12 months to 30 June 04	8.60	100.00%
9 months to 30 June 03	6.38	100.00%

³ Original units only, new units, issued 30 November 2005 received a pro-rata distribution.

Important distribution details / dates

Distribution payment Accruing at the end of September, December, March and June and payable on the last business day of the month following the end of the quarter. Payment is made on the 25th day of the month following quarter's end, unless that day is a non-business day which will then revert to the following business day.

Distribution statement Dispatched January, April, July and October.

Tax statement Dispatched annually by end of August.

APN Property Group

APN Funds Management Limited (APN FM) is a wholly owned subsidiary of APN Property Group Limited, an ASX listed company (ASX code: APD) that manages \$2.2 billion (as at 30 June 2015) of real estate and real estate securities on behalf of institutional and retail investors. Please refer to www.apngroup.com.au or contact us if you would like more information on APN.

Historical unit values

There is no defined unit price for the Fund. For your reference we have provided the historical Net Asset Value (NAV) per unit.


Date	Net Asset Value per unit
30/06/15	\$1.5795
31/12/14	\$1.5536
30/06/14	\$1.3847
31/12/13	\$1.3567
30/06/13	\$1.3876
31/12/12	\$1.3535
30/06/12	\$1.3326
31/12/11	\$1.2516
30/06/11	\$1.3156
31/12/10	\$1.4073
30/06/10	\$1.5569
31/12/09	\$1.5090
30/06/09	\$1.2373
31/12/08	\$1.2306
30/06/08	\$1.4811
31/12/07	\$1.4595
30/06/07	\$1.3783
31/12/06	\$1.2412
30/06/06	\$0.9785
31/12/05	\$0.9760
30/11/05	\$1.1000 ⁴
30/06/05	\$0.9926
31/12/04	\$1.0010
30/06/04	\$1.0106
31/12/03	\$0.9100
30/06/03	\$0.9100
31/12/02	\$0.9100
30/09/02	\$0.9100 ⁵

⁴ Capital raising issue price.

⁵ Capital raising issue price of \$1.00 per unit.

Investment team members

Tim Slattery | Executive Director
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