



# APN | Regional Property Fund

ARSN 110 488 821

## Fund overview

The APN Regional Property Fund (Fund) is a direct real estate fund listed on the National Stock Exchange (NSX code: APR). The Fund is invested in a portfolio of retail and office properties located in regional New South Wales.

## Manager's report

The Fund comprises one retail asset and two A-grade office buildings located in regional New South Wales. Major tenants include various Government departments, Coles, Target, Noble Resources, Sparke Helmore Lawyers and PricewaterhouseCoopers.

APN is pleased to report on a number of important achievements for the Fund over the period, which has enabled an increase in distributions to investors and has driven strong growth in the Fund's Net Asset Value (NAV) per unit and total return over the period.

The Fund had a number of highlights during the half year to 31 December 2013, including the following:

- A new six year lease was signed with Noble Resources (a multinational company listed on the Singapore Stock Exchange with a multi-billion dollar market capitalisation) which replaces PricewaterhouseCoopers on level 7 at 26 Honeysuckle Drive;
- As a result of leasing activity in the period, the weighted average lease expiry (WALE) for the portfolio has been increased to 3.9 years as at 31 December 2013;
- Occupancy has been brought up to 96% as at, due to the successful leasing activity;
- Arrears remained minimal with 0.6% of gross annual income outstanding as at 31 December 2013; and
- The Fund successfully sold its Grafton Mall asset in NSW for \$10.55 million.

The disposal of Grafton Mall in November was a significant step forward for the Fund. The asset was disposed at a 13.4% premium to 30 June 2013 book value and the proceeds were used to reduce debt. As a result of this transaction, the interest rate margin on the Fund's loan reduced by 0.20% and the Fund has increased its distributions to investors.

The Fund's NAV per unit also increased to \$0.8322 from \$0.7279 at 30 June 2013 (a 14.3% increase).

With the increase in distributions, based on the six months to 31 December 2013 the annualised distribution yield to the Fund based on its NAV per unit is 7.39%.

The Fund's total return over the year to 31 December 2013 was 20.47%.

On a like for like basis (excluding Grafton), the Fund's portfolio was valued at \$47.1 million as at 31 December 2013 compared to \$45.1 million as at 30 June 2013.

## At a glance as at 31 December 2013

Fund size (total assets)	\$48.3 million
Borrowings (loan to value ratio)	43.7%
Weighted Average Lease Expiry (WALE)	3.9 years
Fund commenced	1 November 2004 (listed on the National Stock Exchange (NSX))
Minimum investment	No minimum. This Fund is available to new investment by investing via the NSX
Redemption facility	Investors wishing to sell their investment in the Fund may seek to sell their units via the NSX
Distributions	Paid quarterly
Unit price revaluation	There is no daily unit price as the underlying assets are valued periodically. The units are listed on the NSX. Please refer over page to view historical unit prices
Distribution reinvestment	Not available
Sector allocation by value	Office: 78% Retail: 22%
Geographic allocation by value	New South Wales: 100%

## Performance

The Fund made a distribution of 3.0758 cents per unit for the half year ending 31 December 2013.

The data below represents performance to 31 December 2013.

	Income	Growth	Total Return <sup>1</sup>
6 months	3.08%	14.32%	17.40%
1 year	4.89%	15.58%	20.47%
3 years pa <sup>2</sup>	3.81%	5.93%	9.75%
Since inception pa <sup>2</sup>	5.53%	-1.98%	3.55%

1 Performance is based on units purchased 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.



## Historical distributions

Date	Distribution cents per unit APR (fully paid units)	Distribution cents per unit APRCA (partly paid units)	Tax deferred
6 months to 31 Dec 13	3.0758	N/A	N/A <sup>3</sup>
12 months to 30 June 13	3.6300	N/A	100.00%
12 months to 30 June 12	3.2500	N/A	100.00%
12 months to 30 June 11	3.0000	N/A	69.86%
12 months to 30 June 10	1.5000	N/A	100.00%
12 months to 30 June 09	4.2500	N/A	100.00%
12 months to 30 June 08	8.8500	N/A	100.00%
12 months to 30 June 07	8.8300	N/A	100.00%
12 months to 30 June 06	8.8000	N/A	100.00%
12 months to 30 June 05 <sup>4</sup>	5.6000	4.704	100.00%

3 Tax deferred component calculated at 30 June 2014.

4 Part year.

## 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, unless that day is a non-business day which will then revert to the following business day.

**Distribution Statements** Dispatched January, April, July and October.

**Tax Statements** Dispatched annually by end of August.

## Investment team members

**Howard Brenchley** | Executive Director and Chief Investment Officer  
**Tim Slattery** | Director, Corporate Development  
**Jufri Abidin** | Assistant Fund Manager

## Historical unit values

The Fund is listed on the National Stock Exchange (NSX code: APR). For your reference we have provided the historical Net Asset Value (NAV) per unit.

Date	Net Asset Value per unit
31/12/13	\$0.8322
30/06/13	\$0.7279
31/12/12	\$0.7200
30/06/12	\$0.7202
30/12/11	\$0.6790
30/06/11	\$0.6947
31/12/10	\$0.6999
30/06/10	\$0.7186
31/12/09	\$0.7356
30/06/09	\$0.7396
31/12/08	\$0.8285
30/06/08	\$1.0698
31/12/07	\$1.1769
30/06/07	\$1.1513
31/12/06	\$1.1900
30/06/06	\$0.9295
31/12/05	\$0.9326 <sup>5</sup>
30/06/05	93% <sup>6</sup>
31/12/04	91% <sup>6,7</sup>


5 Now expressed as a monetary value due to units being fully paid.

6 NAV is unit holders' equity divided by the total number of units on issue (to the paid up amount). In this instance expressed as a percentage due to there being both partly and fully paid units.

7 \$0.84 issue price for partly paid units and \$1.00 issue price for fully paid units (December quarter 2004).

## 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 \$2.0 billion (as at 31 December 2013) of real estate and real estate securities on behalf of institutional and retail investors. Please refer to [www.apngroup.com.au](http://www.apngroup.com.au) or contact us if you would like more information on APN.

 Adviser Services Hotline  
1300 027 636

 [apnpg@apngroup.com.au](mailto:apnpg@apngroup.com.au)

 @apngroup

 [apngroup.com.au](http://apngroup.com.au)

This summary has been prepared by APN Funds Management Limited (APNFM) (ABN 60 080 674 479, AFSL No 237500) for general information purposes only and whilst every care has been taken in relation to its accuracy, no warranty is given or implied. APNFM is a wholly owned subsidiary of APN Property Group Limited ACN 109 845 068. APNFM is the responsible entity and issuer of the APN Property Group products. The information provided in this material does not constitute financial product advice and does not purport to contain all relevant information necessary for making an investment decision. It is provided on the basis that the recipient will be responsible for making their own assessment of financial needs and will seek further independent advice about the investments as is considered appropriate. Past performance is not necessarily an indication of future performance. Returns shown are for retail investors, net of fees and costs and are annualised for periods greater than one year. Returns and values may rise and fall from one period to another. Investors' tax rates are not taken into account when calculating returns. General risks apply to an investment in APN funds and must be considered before making an investment. In deciding whether to invest or continue to hold an investment in the Fund, a person should obtain a copy of the Product Disclosure Statement (PDS) for APN Regional Property Fund, dated 14 September 2004 and consider its content. We recommend that a person obtain financial, legal and taxation advice before making any financial investment decision. Allotments or issues of securities will be made only on receipt of an application form attached to a copy of the PDS for APN Regional Property Fund, dated 14 September 2004. A copy of the PDS is available from APN Funds Management Limited, at Level 30, 101 Collins Street, Melbourne 3000 or by visiting [www.apngroup.com.au](http://www.apngroup.com.au).