

Fund Update

For the quarter ended 31 March 2018

- APN Investment Funds Scheme
- APN AREIT PIE Fund

This fund update was first made publicly available on: 30 April 2018

What is the purpose of this update?

This document tells you how the APN AREIT PIE Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Implemented Investment Solutions Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

Objective: to provide investors with a consistent, relatively high level of income combined with some capital growth, sourced primarily from Australian Real Estate Investment Trusts ('AREITs') listed on the ASX.

Strategy: the fund invests in an Australian Unit Trust ('Underlying Fund') managed by APN Funds Management Limited ('APN'). The underlying fund invests in AREIT shares. The fund targets a position of being fully hedged back to the New Zealand dollar.

Total value of the fund	\$NZ 5,201,370
The date the fund started	10 March 2017

What are the risks of investing?

Risk indicator for the APN AREIT PIE Fund.¹

↔	Potentially lower returns				Potentially higher returns	↔		
	1	2	3	4	5	6	7	
↔	Lower risk				Higher risk			↔

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on a combination of actual and market index returns data for the 5 years to 31 March 2018. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

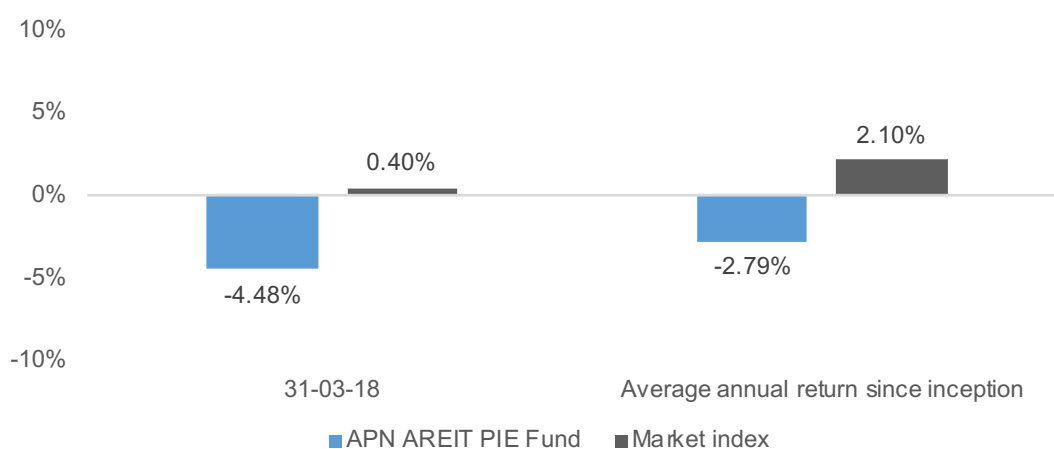
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	-5.15%
Annual return (after deductions for charges but before tax)	-4.48%
Market index annual return (reflects no deduction for charges and tax) ²	0.40%

The market index return is the S&P/ASX 300 AREIT Index - Hedged to \$NZ. Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

Annual Return Graph³



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2018.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the APN AREIT PIE Fund are charged fund charges which are:

	% of net asset value
Total fund charges	1.10%
Which are made up of -	
Total management and administration charges	1.10%
Including -	
Manager's basic fee (excluding GST)	1.10%
Other management and administration charges (excluding GS)	0.00%

The 'other management and administration charges' has been estimated. See Note 4 at the end of this fund update for more information about this estimate.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the APN Investment Funds Scheme on the offer register at www.companiesoffice.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor

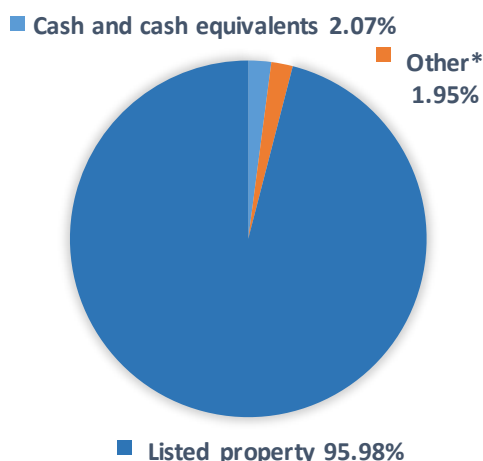
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund when the fund received its first contribution, on 31 March 2017, and did not make any further contributions. At the end of the period to 31 March 2018 Anthony incurred a loss after fund charges were deducted of \$448 (that is -4.48% of his initial \$10,000). This gives Anthony a total loss after tax of \$515 for the period.

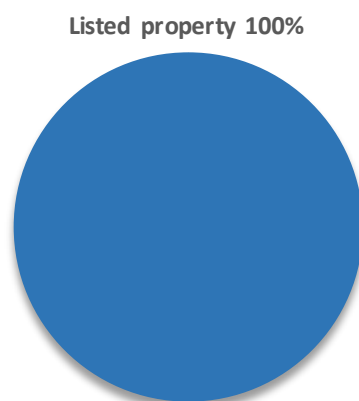
What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix



*The "Other" category contains open forward currency contracts.

Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit Rating (if applicable)
1	Scentre Group	22.19%	Listed property	AU	
2	Stockland	11.25%	Listed property	AU	
3	Vicinity Centres	8.37%	Listed property	AU	
4	GPT Group	5.24%	Listed property	AU	
5	Dexus Property Group	5.15%	Listed property	AU	
6	Mirvac Group	4.24%	Listed property	AU	
7	Charter Hall Retail Reit	3.90%	Listed property	AU	
8	Westfield Group	3.76%	Listed property	AU	
9	Goodman Group	3.57%	Listed property	AU	
10	Aventus	3.47%	Listed property	AU	

The top 10 investments make up 71.14% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Anthony Edmonds	Managing Director, Implemented Investment Solutions Limited	7 years 5 months	Financial Services Consultant	1 years 2 months
Michael Doble	CEO Real Estate Securities, APN Property Group	15 years 1 months	Head of Property, ANZ Funds Management	7 years 0 months
Peter Morrissey	Fund Manager, APN Property Group	11 years 4 months	Senior Analyst, Lonsec	3 years 0 months

Further information

You can also obtain this information, the PDS for the APN Investment Funds Scheme, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

Notes

- ¹ A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility. Market index returns have been used for the period to 10 March 2017.
- ² The market index return is the S&P/ASX 300 AREIT Index - Hedged to \$NZ. Prior to 31 March 2017 Implemented Investment Solutions Limited calculated the adjustment for currency hedging to New Zealand dollars.
- ³ The bar chart shows fund returns after deducting fees and tax. Tax is deducted at the highest Prescribed Investor Rate of 28%. However, the market index returns are shown before deducting fees and tax.
- ⁴ We have assumed there are no extraordinary expenses such as costs of any litigation or unitholder meetings.