

WHOLESALE AUSTRALIAN PROPERTY FUND

The Wholesale Australian Property Fund (Fund) is an unlisted property fund with a diversified exposure to quality office, retail and industrial properties located in major metropolitan markets around Australia. Established in 1985, the Fund has been delivering returns to investors for over 30 years.

Why direct commercial property?

Commercial property includes office towers, shopping centres and industrial facilities. It provides:

- > **Regular income:** The rental income generated by a good quality, commercial property portfolio is derived from corporate and government tenants that generally occupy the property on leases running from 3-10 years. The leases create a legal obligation for the tenant to pay the rent which underpins the security of the income.
- > **Long-term capital growth:** Historically, commercial property values have tended to rise at similar rates to inflation. Assets with these characteristics preserve the 'real' value of an investor's portfolio allowing the income returns they generate to grow at a similar rate to the cost of living.

FUND MANAGER



Christopher Davitt

Christopher is the Fund Manager for the Wholesale Australian Property Fund. He has overarching responsibility for setting the fund's strategy and capital management. Christopher works with AMP Capital's specialist teams to formulate asset plans for each of the Fund's properties, and make acquisitions and divestments. Chris joined AMP Capital in March 2010 having previously held research, transaction and funds management roles in Australia and Europe.

Why invest in the Wholesale Australian Property Fund?

Adding quality commercial property to your portfolio is a great way to diversify and receive regular income. With the Wholesale Australian Property Fund, you can invest in a diversified portfolio of quality Australian office, retail and industrial properties, which have high occupancy rates and stable income streams underpinned by leases to long-term, secure commercial tenants.

- > **Diversification:** The Fund's properties are nationally diversified across the office, retail and industrial sectors with over 225 tenants paying the rent. The portfolio cash flow has allowed the Fund to pay a distribution each and every quarter since 1985.
- > **Accessible:** Large institutional investors have long used commercial property to boost their income returns and at the same time diversify their risk. However lofty price tags involved lock some investors out of the market. The Fund seeks to bridge this gap by providing investors with the opportunity to invest from \$10,000.
- > **Flexibility and access to your money:** Investing in commercial property using a property syndicate often means committing to a lock-in period of 5-10 years. During this time, investors may not have any access to their money. As an open-ended fund, the Fund has been designed with the aim of allowing investors to choose when they invest and when they withdraw their money. There is no fixed lock-in period and currently there is a monthly window to redeem your investment.
- > **Low gearing:** A distinguishing feature of the Fund is that it uses low levels of debt, with a target gearing range of 0-15% and debt limited to 25% gross assets¹. The benefit of low-debt funds is that there is greater income security compared to where higher levels of debt are used.
- > **Cost competitive:** There are no application fees, buy/sell spreads or performance fees.

¹ As of the date of drawdown

What you need to be aware of:

Investment risks can affect your circumstances in a number of ways, including:

- > The amount of any distribution you receive from the Fund may be irregular, which could have an adverse impact if you depend on regular and consistent distributions.
- > Your investment in the Fund may decrease in value.

Property Investments

- > The Fund's return may be affected by investor demand for property, the demand by tenants for commercial space, rental income levels, the tenants' ability to service rental payments, the supply of new commercial space, capital expenditure and ongoing expenses for maintenance.
- > The Fund's direct property investments are generally held over the longer term and considered illiquid, which means that immediate access to your capital investment in the Fund is not guaranteed.

A-REITs

- > The Fund primarily invests in direct property but may hold some listed property securities and cash for returns or liquidity. The value of the Fund's property securities may decrease as a result of adverse movements in share markets.

Gearing and the use of debt

- > Gearing magnifies both gains and losses from the Fund's investments meaning geared funds may experience larger fluctuations in the value of their investments compared with an ungeared portfolio and changes in interest rates may affect the amount of income available for distribution to investors.

Liquidity

- > From time to time the Fund is likely to require cash to fund acquisitions, capital expenditure or withdrawals. This cash may be obtained from applications into the Fund, bank debt, the sale of property securities and direct property sales. If these sources are not available at the time required, the Fund's liquidity level may drop which increases the risk that the Fund may not be able to meet withdrawal requests either in part or in full. Furthermore, quarterly withdrawals will be capped at 5% of the net asset value of the Fund. In addition, if the Fund ceases to be liquid for the purpose of the Corporations Act, the Responsible Entity will not meet withdrawals.

Key Facts

The Fund aims to provide stable returns, made up primarily of income with some long-term capital growth.

	OFF PLATFORM	ON PLATFORM
APIR CODE	NML0001AU	
MINIMUM INVESTMENT	Initial – \$10,000 Additional – \$5,000	Check with your platform provider or speak with your financial adviser.
MANAGEMENT COSTS	1.12% pa of the Fund's net assets <i>Management fee - 0.93%</i> <i>Recoverable expenses - 0.19%</i>	Fees and costs are subject to the arrangements between indirect investors and their financial advisers, master trusts or platform operators.
DISTRIBUTION FREQUENCY	Quarterly	
SUGGESTED MINIMUM INVESTMENT TIMEFRAME	5 years	

SPEAK TO AN EXPERT



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INSIGHTS
IDEAS
RESULTS

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