

# Centuria

Fund Update  
March 2022

## Centuria Healthcare Aged Care Property Fund No. 1

(ARSN 602 267 514 APIR HTH0015AU)

### Key points

- The Fund's portfolio is 100% occupied with a 12.7-year Weighted Average Lease Expiry (WALE) by income.
- The NAB per unit increased from \$0.5358 as at 30 June 2021 to \$0.6137 as at 31 December 2021, as a result of valuation uplift by +\$3.3 million. This NAV is in addition to the previous capital return paid totalling \$0.51 per unit.
- The March 2022 quarter distribution of 0.95 CPU is in line with the FY22 guidance.
- GHA St Ives development successfully completed in August 2021. The GHA Hunter's Hill (Blaxland) development reached practical completion in March 2022.

### Fund summary

The **Centuria Healthcare Aged Care Property Fund No.1** (Fund) distribution for the March 2022 quarter is 0.95 CPU, equating to 3.8 CPU annualised, which is in line with the FY22 distribution guidance. Following the previous return of capital, the distribution rate on the residual NAB of \$0.6137 per unit reflects a distribution rate of approximately 7.1% (annualised). The corresponding distribution statement for the Fund is enclosed with this report and can also be accessed from our online investor portal at [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au).

We are pleased to report that strong investment sentiment across the healthcare sector has resulted in an improvement to several of the Fund's investment properties during the December 2021 valuation cycle. Independent or internal valuations were undertaken for all properties. We are pleased to confirm a valuation uplift of 7.5% (\$3.3 million) across the portfolio (excluding developments).

The Manager confirms successful completion of the GHA St Ives and Hunter's Hill (Blaxland) developments reaching practical completion in September 2021 and March 2022 respectively. The developments add quality assets to the Fund's portfolio, with the income stream underpinned by a quality operator on a long-term lease.



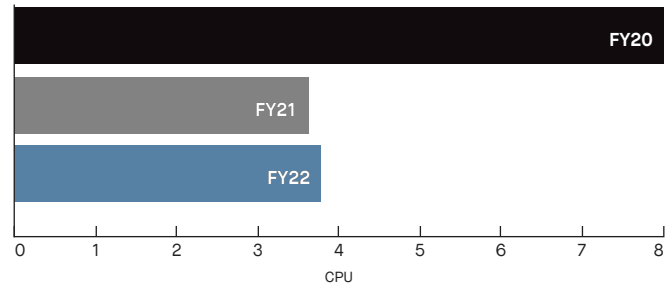
### Financial snapshot

<b>Fund commencement date</b>	15 October 2015
<b>Net asset value (NAV)</b>	\$0.6137 <sup>1</sup>
<b>Distribution rate (cents per unit)</b>	3.80 <sup>2</sup>
<b>Weighted average lease expiry (WALE) (years)</b>	12.7 <sup>3</sup>
<b>Next investor vote on term of Fund</b>	October 2023

1. Based on the audited 31 December 2021 financial accounts. Excluding the marked-to-market, the NAV would be \$0.6152.
2. March 2022 quarter annualised.
3. As at 31 March 2022.

### Distribution details

#### ANNUALISED DISTRIBUTION



A distribution of 0.95 CPU will be paid on or around 11 April 2022 in relation to the March 2022 distribution. This is in line with the guidance provided to the investors.

(1) As at 31 March 2022.

## Portfolio statistics

	INITIAL <sup>1</sup>	JUN-21	MAR-22
Net asset backing	\$0.9400	\$0.5358 <sup>2</sup>	\$0.6137 <sup>3</sup>
Portfolio occupancy rate	100%	100%	100%
Weighted average lease expiry (WALE) (years)	20.0	14.1	12.7

1. Based on the Product Disclosure Statement dated 26 November 2015.

2. \$0.51 per unit capital returned to unitholders in September 2020 following the disposal of five properties.

3. As at 31 December 2021

## Top five tenants by net lettable area (NLA)

Group Homes Australia	52.8%
Hall & Prior	47.2%

Occupancy is 100% with a 12.7-year WALE by income as at 31 March 2022. All tenants continue to pay their rent in a timely manner. The Fund has not received or granted any COVID-19 rent relief requests and as a result the Manager has continued to pay the distribution in line with the guidance provided to investors.

## Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit	21.49 <sup>1</sup>	
Undrawn amount	1.374 <sup>2</sup>	
Loan expiry	31-Oct-23	
% of debt hedged	- <sup>2</sup>	
Loan to value ratio (LVR)	35.67% <sup>3</sup>	50.0%
Interest cover ratio (ICR)	5.28 <sup>4</sup>	2.50

1. As at 31 December 2021.

2. The Fund's hedging expired in February 2022. The Manager is currently assessing the Fund's hedging requirements through to fund term expiry in October 2023.

3. As at 31 December 2021. The LVR is based on the most recent independent valuations as defined under the debt facility agreement.

4. The stated ICR figures are based on the most recent audited financial statement as at 31 December 2021.

## Centuria investor website

The corresponding distribution statement for the Fund is enclosed with this report and can also be accessed from our online investor portal at [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au).

The audited financial report for the 2022 financial half-year is currently being prepared and is anticipated to be available to download from [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au) at the end of March 2022. The updated Net Asset Value (NAV) will be posted on [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au) when the financial report is finalised.

You can access all information relating to your Centuria investments at [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au).

## Contact details

If you require assistance with your Centuria Investor account or have any questions regarding your investment in the Fund, please contact Centuria Investor Services on 1800 182 257 (within Australia); +61 2 9290 9689 (outside Australia) or by email on [Property.Enquiry@CenturiaInvestor.com.au](mailto:Property.Enquiry@CenturiaInvestor.com.au).

## Portfolio details

PROPERTY ADDRESS	PREVIOUS VALUATION	PREVIOUS CAP RATE	CURRENT VALUATION	CAP RATE	VALUER
98 Alameda Way, Warriewood NSW	\$2,400,000	5.75%	\$2,600,000	5.00%	CBRE
46 Carrington Road, Waverley NSW	\$5,300,000	5.75%	\$6,000,000	5.00%	CBRE
81 Fairlawn Avenue, Turrumurra NSW	\$3,900,000	5.75%	\$4,500,000	5.00%	CBRE
29 Earl Street, Hunters Hill NSW	\$4,550,000	5.75%	\$5,100,000	5.00%	CBRE
28 Irrubel Road, Caringbah NSW	\$3,500,000	5.75%	\$4,000,000	5.00%	CBRE
Midland WA	\$12,350,000	6.75%	\$12,350,000	6.75%	CBRE
107 Carrington Avenue, Hurstville NSW	\$7,400,000	7.25%	\$7,530,000	7.25%	Colliers
42 Clissold Road, Wahroonga NSW	\$4,300,000	5.75%	\$4,900,000	5.00%	CBRE
30 Kenthurst Road, St Ives NSW	\$4,097,189	6.25% <sup>1</sup>	\$5,300,000	5.00%	CBRE
32 Blaxland Road, Hunters Hill NSW	\$3,460,250	6.25% <sup>1</sup>	\$4,250,000	5.00% <sup>1</sup>	CBRE
<b>TOTAL</b>	<b>\$51,257,439</b>	<b>6.28%<sup>2</sup></b>	<b>\$56,530,000</b>	<b>5.68%<sup>2</sup></b>	

1. Capitalisation rate of the property once development is completed.

2. Weighted average capitalisation rate includes properties under development.

An internal or independent valuation was undertaken for all the properties for financial reporting purposes as at 31 December 2021. This has resulted in a total portfolio valuation uplift of 7.5% (\$3.3 million, excluding developments) and the capitalisation rate reducing to 5.68% from 6.28%.

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**Note:** The latest RG46 Statement for the Fund is available at [CenturiaInvestor.com.au](https://www.centuriainvestor.com.au). It includes gearing ratio, calculated using ASIC methodology, gearing covenant sensitivities, details of the related party transactions in the period and further information on the source of distributions.

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