

Centuria

Quarterly Fund Update
December 2020

Centuria Healthcare Aged Care Property Fund No.1

(ARSN 606 707 055, APIR HTH0020AU)

Key Points

- 100% occupied with a 14.6-year¹ Weighted Average Lease Expiry (WALE) by income¹.
- The December 2020 quarter distribution is in line with the guidance of 0.9150 CPU, equating to a full financial year distribution of 3.66 CPU.
- There are no aged arrears and the tenants (GHA and Hall & Prior) have not been impacted by COVID-19.

¹ As at 31 December 2020.

Fund Summary

The **Centuria Healthcare Aged Care Property Fund No.1** (Fund) distribution for the December 2020 quarter is 0.9150 CPU, equating to 3.66 CPU annualised, which is in line with the FY21 distribution guidance. 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.

The audited Financial Report for the half year ending 31 December 2020 is being prepared and is expected to be available to download by late March 2021. The updated Net Asset Value (NAV) will be posted on CenturiaInvestor.com.au as soon as the Financial Report is finalised and investors will be advised of the new NAV in the March 2021 Quarterly Update.

Financial Snapshot

Fund Commencement Date	15 October 2015
Net Asset Value (NAV)	\$1.0417 ¹
Distribution Rate (cents per unit)	3.66 ²
Weighted Average Lease Expiry (WALE) (years)	14.6 ³
Next Investor Vote on Term of Fund	October 2023

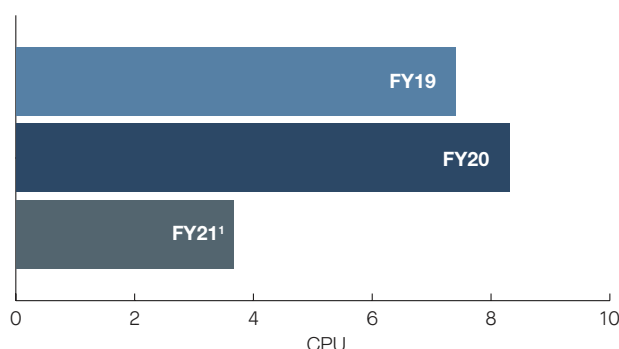
¹ Based on the 30 June 2020 financial accounts. Excluding the marked-to-market, the NAV would be \$1.0551.

² Estimated FY21 full year distribution, consistent with 31 December 2020 quarter distribution of 0.9150 CPU.

³ As at 31 December 2020.



Distribution Details



¹ As at 31 December 2020.

A distribution of 0.9150 CPU will be paid on or around 10 January 2021 in relation to the December 2020 distribution. This is in line with the guidance provided to the investors.

Property Details

Property	Valuation June 2020 (\$)	Cap Rate June 2020	Valuer
Warriewood	2,400,000	5.75%	CBRE
Waverley	5,300,000	5.75%	CBRE
Turramurra	3,850,000	6.00%	Internal
Hunter's Hill	4,400,000	6.25%	Internal
Caringbah	3,400,000	6.25%	Internal
Midland	12,500,000	7.00%	CBRE
Hurstville	7,550,000	7.50%	JLL
Wahroonga	4,100,000	6.25%	CBRE
St Ives (under development)	2,870,824	6.25 ¹	Internal
Blaxland (under development)	2,645,205	6.25% ¹	Internal
Total	49,016,029	6.54%²	

¹ Cap rate of the property once development is completed.

² Weighted cap rate includes properties under development.

An independent valuation will be carried out for two properties and a Directors' valuation will be undertaken for the other properties for financial reporting purposes as at 31 December 2020.

Development Progress

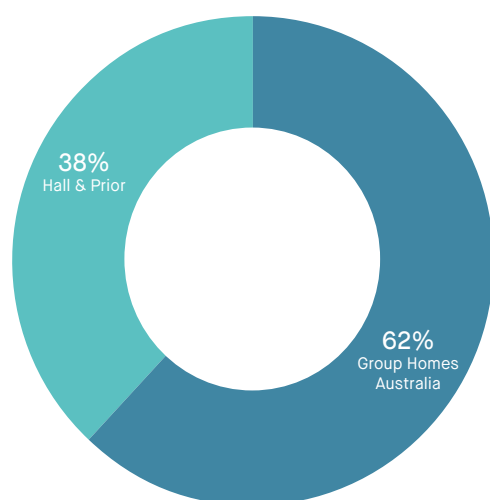
The Fund is progressing with two Sydney-based developments with GHA, located in St Ives and (Blaxland Street) Hunters Hill. GHA will lease both properties on completion. The St Ives development is in early stages of construction, and demolition is completed at Blaxland Street, with documentation underway.

During development, the Fund pays all development costs and GHA will pay a percentage of the full rent on these costs.

Property	St Ives	Hunter's Hill (Blaxland St)
Land Value	\$2.5m	\$2.6m
Total Costs	\$4.2m	\$4.2m
As-if complete Valuation	\$4.2m	\$4.3m
Forecast Completion	June 2021	June 2021
% Rent Payable*	75%	75%

* GHA will pay the Fund a percentage of the full rent whilst development works are being performed.

Top Tenants by Net Lettable Area (NLA)



Occupancy is 100% with a 14.6-year WALE by income as at 31 December 2020. All tenants continue to pay their rent in a timely manner.

Property Statistics

	Initial ¹	Jun 19	Jun 20
Net Asset Value (NAV)	\$0.94	\$1.0114	\$1.0417
Portfolio Occupancy	100%	100%	100%
Weighted Average Lease Expiry (WALE) by income (years)	20.0	16.4	15.2

¹ Based on PDS dated 26 November 2015.

Debt Summary

	Current Period	Loan Covenants
Total Facility Limit	\$20.1m ¹	
Undrawn Amount	\$1.4m ¹	
Loan Expiry	8 February 2022	
% of Debt Hedged	100% ²	
Loan Value Ratio (LVR)	41.4% ³	50.0%
Interest Cover Ratio (ICR)	4.59 ⁴	2.50

¹ As at 31 July 2020.

² The Fund's drawn debt is hedged until February 2022.

³ As at 31 July 2020. 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 30 June 2020.

The Fund's interest rate hedging (SWAP) amounting to \$27,450,000 was reduced to \$20,100,000 post the divestment of the Infinite Care portfolio. The Funds drawn debt is now 100% hedged at 1.8775%.

The interest cover ratio (ICR) determines the Fund's ability to pay the interest expense on outstanding debt. A higher ICR indicates the Fund has more funds available to pay its interest costs. BOQ (the Fund's lender) requires a minimum ICR covenant of 2.50 times and the Fund's ICR as at 30 June 2020 is 4.59 times.

The loan to value ratio (LVR) calculates the amount of debt you have against the value of the Fund's properties. The LVR bank covenant for the Fund is 50% and the Fund's LVR is 41.4%.

RG46 Statements

The latest RG46 Statement for the Fund is available at CenturiaInvestor.com.au. It includes the following key information:

- Gearing ratio, calculated using ASIC methodology.
- Gearing covenant sensitivities.
- Detail of related party transactions in the period.
- Further information on the source of distributions.

Centuria Investor Website

Access all your Centuria Healthcare investments information at: 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** or by email on

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