

# Centuria

## Fund Update September 2022 Nexus Property Unit Trust

(ARSN 602 267 514 APiR HTH0015AU)

### Key points

- Income underpinned by 99.4% portfolio occupancy with a 7.8-year Weighted Average Lease Expiry (WALE) by income.<sup>1</sup>
- Unit price as at 30 June 22 is \$1.3034 per unit, an increase of 9% compared to 31 December 2021, underpinned by portfolio valuation increases.
- The rent reviews provide a natural hedge to inflation with 81% of rent reviews linked to CPI.<sup>2</sup>
- The Manager increased the existing loan facility with NAB by \$1 million to \$9.5 million to increase the Fund's liquidity and extended the maturity to 20 March 2027.
- The September monthly distribution is 0.4000 cents per unit, which is in line with the FY23 target distribution rate of 4.80 CPU<sup>3</sup>

### Fund summary

The **Nexus Property Unit Trust** (Fund) distribution for the September 2022 quarter is 0.4000 CPU per month, which is in line with the FY23 target distribution rate of 4.80 CPU (annualised). The September 2022 distribution will be paid on or around 11 October 2022. The corresponding distribution statement for the Fund is enclosed with this update and can also be accessed from our online investor portal at [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au).

The Manager secured a 5-year lease extension to 14 July 2027 at Vermont South with the existing tenant Clinical Laboratories for 138m<sup>2</sup>. This leasing improvement increased the property WALE from 8.6 years to 9.0 years.

The unit price as at 30 June 2022 is \$1.3034 compared to unit price as at 31 December 2021 of \$1.1918, reflecting an increase of 9.4% primarily driven by the independent valuations undertaken for the properties as at 30 June 2022. The valuations for the properties have increased by 7% (\$1.5 million) across the portfolio. Notably Vermont South Medical Centre's valuation increased by \$0.5 million (+7%) to \$10.4 million and Bloomfield Medical Centre increased by \$0.8 million (+8%) to \$10.1 million as at 30 June 2022. The increase in the valuations was a result of leasing activity driven by Centuria, and an appetite for quality healthcare assets underpinned by creditworthy tenants.

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).

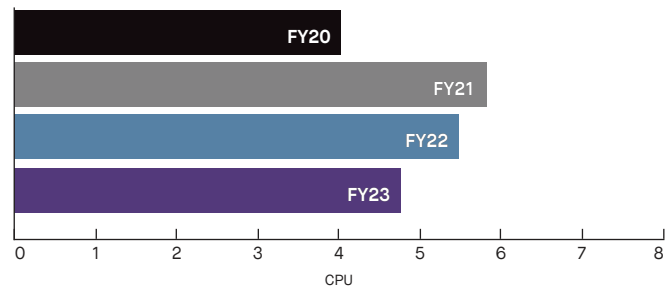


### Financial snapshot

<b>Fund commencement date</b>	December 2019
<b>Unit price</b>	\$1.3034 <sup>4</sup>
<b>Distribution rate (cents per unit)</b>	4.80 <sup>5</sup>
<b>Weighted average lease expiry (WALE) (years)</b>	7.8 <sup>6</sup>

### Distribution details

#### ANNUALISED DISTRIBUTION



1. Past performance is not a reliable indicator of future performance.

2. 6.90 annualised

3. Based on the annualised monthly distribution from 1 July 2022 to 30 September 2022 of 4.80 CPU.

1. As at 30 September 2022. Includes rental guarantees.

2. Includes CPI reviews with fixed 2.50% and 3.00% minimums.

3. Calculation based on monthly distribution of 0.4000 multiplied by 12. The monthly distribution rate is updated each month and is not a forecast. Past performance is not a reliable indicator of future performance.

4. Based on the full year audited results as at 30 June 2022.

5. Based on the annualised monthly distribution from 1 July 2022 to 30 September 2022 of 4.80 CPU.

6. As at 30 September 2022.

## Portfolio statistics

	INITIAL <sup>1</sup>	JUN-20	JUN-21	JUN-22
Net asset value	\$0.8231	\$0.8114	\$0.9457	\$1.1590 <sup>2</sup>
Portfolio occupancy rate	100%	100%	100%	99.4% <sup>3</sup>
Weighted average lease expiry (WALE) (years)	4.5	3.8	3.9	7.8 <sup>3</sup>

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

Nexus Hospitals	60%
Vermont Medical Management	7%
Healius	5%
Vacant - Rental Guarantee	3%
Other	25%

Occupancy is 99.4% with a 7.8-year WALE (by income) as at 30 September 2022.

## Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit (\$m)	8.2 <sup>5</sup>	
Undrawn amount (\$m)	1.3 <sup>6</sup>	
Loan expiry	20-Mar-27	
% of debt hedged	46.0%	
Loan to value ratio (LVR)	34.5% <sup>7</sup>	55.0%
Interest cover ratio (ICR)	5.80 <sup>8</sup>	2.0

The interest cover ratio (ICR) determines the Fund's ability to pay interest expense on outstanding debt. A higher ICR indicates the Fund has more funds available to pay its interest costs. The Fund's lender requires a minimum ICR covenant of 2.00 times and the Fund's forward ICR is 5.80 times.

The loan to value ratio (LVR) calculates the amount of debt against the value of the Fund's properties. The LVR covenant for the Fund is 55% and the Fund's actual LVR is 34.48%.

## 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](https://www.centuriainvestor.com.au).

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

1. Based on 31 December 2019 financial accounts.

2. Based on audited 30 June 2022 financials.

3. Includes rental guarantees. As at 30 September 2022.

4. Includes the tenancy at Bloomfield Medical Centre where the hospital is owned by Orange Private Hospital Pty Ltd but operated by Nexus Hospitals under a management agreement.

5. As at 30 September 2022.

6. As at 30 June 2022.

7. The LVR is based on the most recent independent valuations as defined under the debt facility agreement as at 30 June 2022.

8. The stated ICR figures are based on 30 June 2022 full-year audited results.

## Portfolio details

PROPERTY ADDRESS	PREVIOUS VALUATION	PREVIOUS CAP RATE	CURRENT VALUATION	CAP RATE	WALE <sup>1</sup>	OCCUPANCY <sup>1</sup>
8-10 Warneford Street, Hobart TAS	\$870,000	6.75%	\$870,000	6.50%	8.8	100%
645-647 Burwood Highway, Vermont South VIC	\$9,802,500	5.00%	\$10,350,000	4.75%	9.0 <sup>2</sup>	99% <sup>2</sup>
Bloomfield Medical Centre, 1521 Forest Road, Orange NSW	\$9,300,000	5.25%	\$10,050,000	5.00%	6.5	100%
24 Sundew Rise, Joondalup WA	\$2,130,000	5.25%	\$2,370,000	5.00%	7.4	100%
<b>TOTAL</b>	<b>\$22,102,500</b>	<b>5.20%</b>	<b>\$23,640,000</b>	<b>4.95%</b>		

Independent valuations were undertaken as at 30 June 2022 for the portfolio. We are pleased to confirm a valuation uplift of 7% (\$1.5 million) across the portfolio, notably Vermont South Medical Centre's valuation increased by \$0.5 million (+7%) to \$10.4 million and Bloomfield Medical Centre increased by \$0.8 million (+8%) to \$10.1 million as at 30 June 2022.

**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.

1. Nicholas Houghton:  
As at 30 September 2022.
2. Includes rental guarantees.

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