

Childcare Property Fund

A fund focused on stable secure income, capital growth and social impact to the wellbeing of Australians through investment into childcare real estate.

Fund snapshot

December 2021



- 3 properties settled
- \$16.6 million in value



- 15 properties in exclusive due diligence
- \$89.5 million in value¹



- Portfolio occupancy 100%



- WALE 14.9 years



- Forecast dividend yield 5.5 - 6.5%²



- Target portfolio IRR 10.0%²



- High social impact



- Wholesale unlisted
- Quarterly distributions

Fund launched in December 2021

Why invest

Stable & predictable returns through economic cycles with quarterly distributions

Bi-partisan government support of childcare as core social infrastructure

Quality

Diversified geographies and tenant covenants

Long WALE

Lease terms

Strong

Underlying real estate value

Direct investment

Exposure being an unlisted fund

Investor value

Without a listed market premium and

Expected lower volatility

Stable Industry Conditions

Industry revenue of \$14.2 billion growing at 3.4% p.a. 2020-25³

Leverage strategic network and relationships

As a leader in the social infrastructure sector

Social impact investing credentials

Improving early education and development outcomes

1. Value reflects the as if complete valuation of assets

2. Refer to Information Memorandum dated November 2021

3. Refer to Equity Raising Presentation dated November 2021

Childcare Property Fund

Expected next equity raise	
Timing of investment	March to April 2022
Investment type and amount	Wholesale investors \$50,000 minimum investment amount
Funds sought	\$50.0 million

Fund strategy

To provide investors with stable secure income, capital growth and social impact investing credentials through:

- Enhanced income sustainability through leveraging partnerships that share Australian Unity's corporate values.
- Portfolio diversification supported by socio-demographic analysis.
- Targeting ongoing portfolio performance by focussing on assets with the following attributes:
 - Dominant centres with limited competition driving high tenant retention rates
 - Sound lease fundamentals securing stable income
 - Acquiring assets at below market value with potential economic uplift
- Contribution to the quality of Australian childcare centres and early childhood education from:
 - Refurbishment and improvement of centres
 - Strategic partnerships to deliver new contemporary centres
 - Engaging with quality tenants that have high educational standards

Key Fund details	
Purpose	Financial: To provide investors with stable and secure income with capital growth predominantly through direct investment into childcare real estate of established and delivery of new assets Non-financial: To enhance the wellbeing of Australians through contribution to the quality of Australian childcare centres and early childhood education
Type of fund	Registered wholesale unlisted
Target equity distribution	5.5% - 6.5% p.a.
Target return on equity (IRR)	10.0% p.a.
Term	5-year initial term, with the intention to be open ended
Target Gearing	30%–45%
Target fund size (AUM)	\$250 million within 3 years, with no cap on growth
Distributions	Quarterly
Liquidity	Liquidity facility expected to be available at the end of financial year 3 and year 5
Base management fee	0.75% p.a. (excluding GST) of the Funds month end gross asset value
Performance fee	15% (excluding GST) over a benchmark IRR of 10%

Other fees and costs apply. Refer to the Information Memorandum for more information.

Get in touch



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