

# Healthcare Property Trust – Wholesale Units

Fund Update  
31 March 2021



Our Medical Ashmore, Ashmore, QLD

## Fund Facts as at 31 March 2021

March Quarter Distribution	Unit Price	Gross Asset Value	Gearing Ratio
2.5050 cents per unit (CPU) (2.4140 CPU December 2020 quarter)	\$2.1290 exit price (cum distribution)	\$2,477.76 m (\$2,365.98m at 31 December 2020)	26.04% (27.31% at 31 December 2020)
Portfolio Occupancy	Weighted Average Lease Expiry (WALE)	Number of Tenants	
98.3% leased by income	15.7 years by base rental income	173	

## Ratings / Awards



## Performance as at 31 March 2021

	3 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	7 yrs % p.a.	10 yrs % p.a.	Since inception % p.a.
Distribution return	1.27	5.58	5.33	6.02	6.42	6.91	8.12
Growth return	7.39	16.02	7.19	7.99	6.81	4.48	3.96
<b>Total return</b>	<b>8.66</b>	<b>21.60</b>	<b>12.52</b>	<b>14.01</b>	<b>13.23</b>	<b>11.39</b>	<b>12.08</b>

Inception date for performance calculations is 28 February 2002.

Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

## Contribution summary as at 31 March 2021

The relative contribution of major variables on growth returns over the last quarter and year.

Contributor	3 mths %	1 yr %
Property revaluations	6.76	13.41
Interest Rate Swaps (realised and unrealised marked to market movements)	0.15	0.07
Unrealised gains/(losses) on investments in listed/unlisted trusts	0.41	2.32
Other	0.07	0.22
<b>Growth return</b>	<b>7.39</b>	<b>16.02</b>

Return calculations are based on actual distributions reinvested, which may vary slightly to the performance table illustrated above. Past performance is not a reliable indicator of future performance. Property revaluations are calculated in accordance with accounting standards and includes capital expenditure, lease incentives and/or commissions (both of which are amortised). Represents the increase/decrease from the property book value immediately prior to valuation. 'Other' may include: retained earnings during the period, swap break costs, estimated gains distributed, realised gains/losses on property, distributions from prior period retained earnings, realised gains/losses from unlisted property trusts and non-material movements.

## Key direct property statistics as at 31 March 2021

### Geographical allocation (by value)

State	No. assets	%
QLD	19	41.24
VIC	22	33.67
NSW	21	20.09
WA	2	2.58
SA	2	2.42
<b>Total</b>	<b>66</b>	<b>100.00</b>

### Sector allocation (by value)

Sector	No. assets	%
Hospital	15	60.41
Medical Centre or Medical Office	22	29.69
Aged Care	7	7.51
Development Site	2	2.39
<b>Total</b>	<b>66</b>	<b>100.00</b>

### Top 5 tenants (by income)

Tenant	%
MNHHS	19.70
Ramsay Health	17.20
Healthcare	15.32
Infinite Care	7.97
Queensland Government	5.93
<b>Total</b>	<b>66.12</b>

### Property data

Number of properties	66
Total number of tenants	173
WALE (by income) <sup>#</sup>	15.7 yrs
Occupancy rate (by income)	98.3%

<sup>#</sup> Excludes assets under development.

### Financials

	\$m
Gross assets	2,477.76
Total debt	645.09
Other liabilities <sup>^</sup>	35.84
<b>Net assets</b>	<b>1,796.83</b>

<sup>^</sup> Other liabilities include a provision for the distribution.

### Debt

Gearing (RG 46 ASIC definition)	26.04%
Loan-to-Value Ratio (LVR) (Financier's definition)	31.12%
Interest Cover Ratio (ICR) (RG ASIC definition)	6.93 times
Hedging (% of debt hedged)	63.25%

### Valuations

Valuations during the quarter	37
Change in total direct property book value*	5.65%
Change in book value of the properties revalued*	8.89%

\* Change in book value over the quarter includes revaluation impacts along with capital expenditure and other minor variations but excludes acquisitions and disposals.

## Market commentary

The first quarter of 2021 saw the commencement of numerous global mass vaccination programs. Israel leads the world with just over 60% of their population having received one dose of the vaccine whilst the United Kingdom stood at 46% and United States at 31%, Herculean efforts by their respective health systems in just three months. Australia's vaccine rollout recently hit a speed hump, although a plan to rely more on the Pfizer vaccine for people under age 50 is now in play. These developments both domestically and overseas are welcomed, forming the next phase in overcoming the global health crisis.

In Australia, equity market reporting season saw numerous companies announce bumper profits, particularly retailers, which showed that with a little assistance from Government stimulus, Australian's can spend their way out of a (short) recession. As company profits bounced back, the resulting reporting season led to some companies (corporate citizens with a conscience) electing to hand back JobKeeper payments that they had received during the depths of the pandemic. For the 12 months to February 2021, retail sales growth was up a strong 9.1%. In February, the unemployment rate was down to 5.8% after peaking as high as 7.5% in July 2020. Although the headline figures continue to be masked by various Government support measures, the underemployment rate in March of 8.8% has since roughly returned to a pre-pandemic level. All eyes are now on the second quarter of 2021, as the big test for the Australian economy will be the rollback of Government support measures such as JobKeeper. This will determine how well the economy can stand on its own.

The Reserve Bank of Australia (RBA) held interest rates at 0.10%. The RBA board has stated it does not intend to increase interest rates until inflation is sustainably within its target band of 2% to 3%, something that cannot be achieved until wages grow materially higher than current levels and the unemployment rate falls further, which the RBA doesn't expect until 2024 at the earliest. The enduring low interest rate environment is anticipated to remain supportive of the commercial property sector. In addition, economic survey indicators remained strong with February readouts of the NAB Business Conditions and Consumer Confidence indices indicating rises from prior months and stunning turnarounds over the 12 months.

## Portfolio activity for this quarter

### Property Valuations

38 independent valuations were undertaken during the March 2021 quarter resulting in a net increase of \$111.2 million or 8.7% from the properties book value immediately prior to the valuation. The material valuations included:

- **Townsville Private Clinic, Townsville QLD** – The property's value increased by \$2.99 million or 12.04% from the book value prior to valuation. This increase in value is primarily a result of the capitalisation rate firming from 6.00% to 5.50%, reflecting recent transactions across the sector, support of a strong tenant covenant, and long WALE.
- **Greensborough Medical Centre, Greensborough VIC** – the property's value increased by \$3.50 million or 10.00% from the book value prior to valuation. The increase in value is primarily due to the firming of the capitalisation rate from 5.75% to 5.25%, reflecting recent transactions and tightening of yields across the sector.
- **Peninsula Private Hospital, Langwarrin, VIC** – the independent valuation increased by \$23.26 million or 11.28% from the

property's book value immediately prior to valuation. The increase in value is primarily the result of the firming of the capitalization rate from 5.25% to 4.75%, reflecting recent transactions nurturing the tightening of yields across the sector supported by a strong tenant covenant, future development opportunities, and long WALE.

- **Mulgrave Private Hospital, VIC** – the independent value of the property increased by \$18.68 million or 14.09% from the property's book value immediately prior to valuation. The increase in value is attributed to the firming of the capitalisation rate from 5.75% to 5.13%, reflecting recent market transactions.
- **Beleura Private Hospital, VIC** – the independent value of the property increased by \$12.84 million or 12.3% from the property's book value immediately prior to valuation. The increase in value is predominately due to the firming of the cap rate from 5.25% to 5.00%, reflecting recent market transactions.

### Acquisitions

During the quarter, the Trust exchanged or settled on the following properties:

- **9 Gillon Court, St Albans VIC** – the Trust settled the acquisition of 9 Gillon Court for \$1.20 million (excluding the acquisition costs) on 27 January 2021. This residential property is earmarked for the future expansion of the adjacent Sunshine Private Hospital.
- **7 Wiowera Road, Kanwal NSW** – the acquisition of 7 Wiowera Road was settled on 21 January 2021 at \$1.20 million (excluding acquisition costs). Sitting on a 1,290 square metre lot, this residential property is reserved for the future expansion of the Tuggerah Lakes Private Hospital.
- **11 Gillion Court, St Albans VIC** – on 22 March 2021, the Trust settled the acquisition of this property for \$1.25 million (plus acquisition costs). The site is earmarked for the future expansion of Sunshine Private Hospital.
- **22 Gillion Court, St Albans VIC** – in early March 2021, the Trust settled the acquisition of the property for \$1.25 million (plus acquisition costs). The property will be used for the future expansion of Sunshine Private Hospital.

### Divestments

- **Beleura Clinic, 1560 Stumpy Gully Road, Moorooduc, VIC** – on 22 February 2021, the Trust settled the divestment of Beleura Clinic situated at 1560 Stumpy Gully Road, Moorooduc VIC for \$1.51 million (excluding GST). The clinic was surrendered from the lease to Ramsay Health Care with its mental health facilities decanting into the expanded hospital facilities located in Beleura Private Hospital at 925 Nepean Highway, Mornington VIC.
- **Mackay Medical Centre & Day Surgery, QLD** – the Trust intends to undertake an on-market sales campaign to divest the Mackay Medical Centre & Day Surgery following successful renewal of key tenants. The multi-tenanted medical centre remains one of the smallest properties within the Trust and the rationale for divestment reflects the Trust's intention to recycle capital where appropriate.

### Property Development

- **Our Medical Ashmore, 566 Olsen Avenue, Molendinar, QLD** – practical completion of the new 2,879 square metre medical centre occurred on 13 April 2021. The property is leased to

Cornerstone Health for a 15-year term. Cornerstone Health expect to commence trading in late April 2021.

- **Beleura Private Hospital, Mornington, VIC** – works remain on track for the \$22.0 million brownfield expansion. The hospitals consulting suite expansion was completed in November 2020. The 28 rehabilitation and 20 mental health beds are nearing completion with carpark surfacing and landscaping yet to be completed. Refurbishment of the existing rehabilitation ward is expected to commence shortly with project reaching final Practical Completion in July 2021.
- **Sunshine Private Hospital & Medical Centre, St Albans, VIC** – construction of the new six-level hospital is expected to commence in late April 2021 following approval of the amended planning permit in late March and Approval in Principle from the Department of Health. The Trust will hold a sod turning ceremony in late April 2021. Leasing pre-commitments are currently being finalised, representing approximately 61% of the property, by income.

Built Pty Ltd has been appointed as builder. A final project cost of \$101.7 million has been approved, reflecting an increase of \$1.39 million to facilitate improvements to the existing medical centre façade, increased hospital fitout and sustainability initiatives including photovoltaic cells, stormwater treatment, electric vehicle charging provision and end of trip facilities.

Development risk associated with this project is mitigated through a guaranteed maximum price (GMP) agreed with the builder. A dedicated Development Manager, Project Leasing Manager, Project Manager and achievement of leasing pre-commitments, mitigate the projects overall development risk.

- **Matilda Private Hospital Nepean, Kingswood, NSW** – early works are expected to commence in late April 2021 for the construction of a new 90-bed private hospital opposite Nepean Hospital. A sod turning ceremony is also scheduled during April. The early works contract has been executed with Red Eye Constructions appointed as builder. The \$39.2 million project is expected to be complete in May 2022 and will be leased to Matilda Health Care for a 30 year term.

This project is structured to ensure the majority of the project delivery risk remains with the tenant. The Trust will contribute up \$36.8 million to fund the development with any increase above this cost being the responsibility of the tenant. In line with all of the Trust's development projects, a project monitor and independent certifier are appointed to oversee technical building aspects of the project and recommend progress payments.

- **Western Hospital, Henley Beach, SA** – stage 2, fourth operating theatre achieved practical completion in early April 2021. The \$8.6 million cardiovascular hybrid theatre is a joint venture between the hospital operator and cardiovascular surgeons. Health architects are currently preparing a master plan to accommodate future expansion plans including a consulting building and carpark.

In addition to the above developments, the Trust continues to progress design and planning at Peninsula Private Hospital (VIC), Birtinya (QLD), Meadowbrook (QLD) and several other land banking and brownfield opportunities across the portfolio.

Development within HPT is generally structured so that the majority of project delivery risk is transferred or outsourced. In this case the responsible entity (RE) of HPT is typically required to

approve and finance the development activities while the tenant assumes (or outsources) the role of the development manager. The nature of contractual arrangements provides the tenant with control over design and build, however, quality, ongoing progress and payment claims are managed and monitored through the RE's appointment of a Project Monitor and Independent Certifier. Financial risk to the RE is also generally limited as a cost cap and, in the case of HPT, a contractual agreed return is applied to each development.

#### **Australian Unity Healthcare Property Trust – Unsolicited proposals from NorthWest**

During the quarter, unsolicited proposals to acquire 100% of the units of HPT were received from NorthWest Healthcare Australia RE Limited and NorthWest Healthcare Properties Real Estate Investment Trust (NorthWest).

Further information can be found at:  
<https://www.australianunity.com.au/wealth/northwest-proposal>



TP02 Building 3, Mulgrave Private Hospital, Mulgrave, VIC

#### **Outlook**

The healthcare property sector continues to attract strong interest from domestic and foreign investors with the emergence of new healthcare real estate investment trusts over recent years and institutional owners seeking exposure to the thematic of ageing demographics and the healthcare system. This, coupled with long-term leases, low tenant turnover, and a lower interest rate environment, has resulted in strong demand for healthcare real estate.

Whilst 2020 saw a slight pause in the market due to the disruption of the COVID-19 pandemic, transaction activity resumed. Tight supply of stock and a lower for longer interest rate environment has seen yields tighten with potential purchasers submitting higher prices, leading to a tightening of capitalisation rates across the sector. We expect increases in unsolicited offers and tighter capitalisation rates to remain a feature of the healthcare real estate market moving forward. Ongoing reviews of our property valuations will be undertaken to ensure carrying values reflect any transactional activity.

The management team remain committed to progressing and realising the significant development pipeline of the Trust and facilitating the provision of healthcare to Australian communities.

## Fund portfolio as at 31 March 2021

Property Details			Tenancy Details				Valuation Details			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
<b>Direct Properties</b>										
<b>Hospitals</b>										
Herston Quarter - STARS, Herston, QLD	-	32,454	MNHHS	4	99.2	19.4	493.80	Dec-20	4.75	495.85
Peninsula Private Hospital, Langwarrin, VIC	-	27,886	Ramsay Health	1	100.0	29.4	229.50	Feb-21	4.75	229.50
Mulgrave Private Hospital, Dandenong North, VIC	6	16,605	Healthe Care	1	100.0	26.7	151.25	Feb-21	5.13	151.28
Beleura Private Hospital and Clinic, Mornington, VIC	4	10,055	Ramsay Health	1	100.0	13.3	115.35	Feb-21	5.00	115.37
Brisbane Waters Private Hospital, Woy Woy, NSW	-	8,351	Healthe Care	1	100.0	21.8	58.00	Feb-21	5.25	58.00
Brunswick Private Hospital, Brunswick, VIC	-	8,000	Healthe Care	1	100.0	23.4	45.50	Feb-21	5.00	45.61
Western Hospital, Henley Beach, SA	-	9,655	Western Hospital	1	100.0	22.6	43.90	Feb-21	6.00	44.76
Robina Private Hospital, Robina, QLD	-	5,854	Healthe Care	1	100.0	20.5	44.56	Feb-21	5.00	44.57
Sunshine Day Surgery and Clinic, St Albans, VIC	5	2,432	Fresenius Medical Care	10	100.0	3.3	32.50	May-20	6.00	36.11
Tuggerah Lakes Private Hospital, 645 and 647 Pacific Highway, Kanwal, NSW	-	3,413	Healthe Care	1	100.0	17.8	29.00	Feb-21	5.25	29.00
Townsville Private Clinic, Townsville, QLD	-	4,897	Healthe Care	1	100.0	17.1	27.80	Mar-21	5.50	27.80
Hunters Hill Private Hospital, Hunters Hill, NSW	-	2,678	Ramsay Health	1	100.0	14.6	25.75	Feb-21	5.25	25.75
North Shore Specialist Day Hospital, Greenwich, NSW	-	2,190	IVF Australia	1	100.0	1.5	22.75	May-20	6.38	22.92
Berkeley Vale Private Hospital, Berkeley Vale, NSW	-	4,132	Ramsay Health	1	100.0	14.6	21.00	Feb-21	5.50	21.00
Figtree Private Hospital, Figtree, NSW	-	7,277	Ramsay Health	1	100.0	14.6	18.00	Feb-21	5.75	18.00
<b>Sub total</b>										<b>1,365.52</b>
<b>Medical Centres and Aged Care Facilities</b>										
RPAH Medical Centre, Newtown, NSW	-	7,205	Wilson Parking Australia	59	99.0	3.5	108.00	Feb-21	5.75	108.03
15 Butterfield St, Herston, QLD	-	11,261	Queensland Health	4	100.0	4.5	100.50	Feb-21	5.75	100.83
8 Herbert Street, St Leonards, NSW	-	10,595	Stryker Australia	3	100.0	6.5	73.00	Feb-21	5.50	73.01
103 Victoria Parade, Collingwood, VIC	-	8,975	Sonic Healthcare	1	100.0	7.0	54.05	Nov-20	5.25	54.06
310 Selby Road North, Osborne Park, WA	-	4,997	Clinipath Pathology	1	100.0	12.0	45.50	Mar-21	5.50	45.50
Manningham Medical Centre, Templestowe Lower, VIC	-	4,978	MMC General Practice	16	90.8	4.3	42.90	Mar-21	5.50	42.90
Greensborough Medical Centre, Greensborough, VIC	-	3,529	Healius	1	100.0	12.0	38.50	Mar-21	5.25	38.50
Edge Hill Orchards Aged Care Facility, QLD	-	11,959	Infinite Care	1	100.0	23.7	31.10	May-20	6.50	31.17
Campus Alpha Building, 2 Investigator Drive, Robina QLD	-	4,423	Horizon Housing	5	55.5	<1	25.50	Nov-20	6.75	25.52
Caravonica Aged Care Facility, QLD	-	8,181	Infinite Care	1	100.0	23.7	24.85	May-20	6.50	24.91
Edmonton Gardens Aged Care Facility, QLD	-	8,687	Infinite Care	1	100.0	23.7	24.85	May-20	6.50	24.91
Mount Lofty Aged Care Facility, QLD	-	8,211	Infinite Care	1	100.0	23.8	23.90	May-20	6.25	23.96
Cornubia Aged Care Facility, QLD	-	8,045	Infinite Care	1	100.0	23.8	23.75	May-20	6.25	23.81
Constitution Hill Aged Care, Northmead, NSW	-	8,668	Australian Unity Care Services	1	100.0	7.7	23.80	Feb-21	6.50	23.80
HIS Diagnostic Imaging Centre, Richmond, VIC	-	1,227	Healius	1	100.0	14.7	21.50	Feb-21	5.25	21.50
Robina Medical Centre, 1 Campus Crescent, Robina, QLD	-	1,553	BGH Capital	1	100.0	12.2	17.80	Feb-21	5.25	17.80
2 Short Street, Southport, QLD	-	2,343	Ramsay Health	8	100.0	2.0	17.40	Mar-21	6.00	17.40
Ipswich Aged Care Facility, QLD	-	4,963	Infinite Care	1	100.0	23.8	17.00	May-20	6.25	17.07
Corrimal Medical Centre, 46-50 Underwood Street, Corrimal, NSW	-	1,496	BGH Capital	1	100.0	10.8	16.70	Feb-21	5.50	16.70
Gosford Private Medical Centre, North Gosford, NSW	-	1,830	Sonic Healthcare	5	76.8	3.0	15.50	Mar-21	6.50	15.50
Ipswich Medical Centre and Day Hospital, QLD	-	2,780	Ipswich Day Surgery	10	91.9	1.8	14.50	May-20	7.00	14.54

Property Details			Tenancy Details				Valuation Details			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
<b>Direct Properties</b>										
<b>Medical Centres and Aged Care Facilities cont.</b>										
Mackay Medical Centre and Day Hospital, Mackay, QLD	8	2,458	Queensland Fertility Group	7	96.3	2.2	13.15	May-20	6.75	13.30
14 Highfields Circuit, Port Macquarie, NSW	-	1,084	Healius	1	100.0	12.8	13.10	Feb-21	5.50	13.10
Victoria House Medical Centre, WA	-	2,647	IPN Medical Centres	1	100.0	3.8	12.88	Feb-21	6.00	12.88
566 Olsen Avenue Molendinar, QLD	7	2,879	Cornerstone Health	1	100.0	15.0	8.60	Nov-20	5.50	12.63
1 & 3 Addison Road, Pennington, SA	-	1,137	BGH Capital	1	100.0	12.1	9.95	Feb-21	5.25	9.95
Eureka Medical Centre, Ballarat, VIC	-	1,504	BGH Capital	1	100.0	4.4	8.00	Feb-21	6.25	8.00
80-82 Bridge Road and 3 & 5 Rotherwood Street, Richmond, VIC	9	726	Healius	1	46.7	6.9	6.90	Nov-20	5.25	6.97
7 Vidler Avenue, Woy Woy NSW	-	387	Luckstar	1	100.0	4.7	2.40	Feb-21	6.00	2.40
<b>Sub total</b>										<b>840.65</b>
<b>Assets Held Pending Development</b>										
38 & 40 Orth Street, 1-5 Hargrave Street & 26 Somerset Street, Kingswood, NSW	18	N/A	Private Tenants	2	33.3	N/A	9.23	Jun-20	N/A	9.96
39-43 Orth Street, Kingswood, NSW	18	N/A	N/A	0	-	N/A	4.65	Jun-20	N/A	9.58
Herston Private Hospital, Herston, QLD	15	N/A	N/A	0	-	N/A	6.57	Feb-20	N/A	8.29
1, 1A, and 1B President Road, Kellyville, NSW	18	N/A	N/A	1	100.0	10.0	4.05	Jul-20	N/A	4.48
34 Investigator Drive, Robina, QLD	14	N/A	N/A	0	-	N/A	4.24	Nov-20	N/A	4.24
Lot 907, Oceanside Health Hub, Birtinya QLD	17	N/A	N/A	0	-	N/A	3.60	Sep-20	N/A	3.62
70 Moreland Road, Brunswick, VIC	16	N/A	N/A	0	-	N/A	1.40	Nov-20	N/A	1.40
205 St Albans Rd St Albans, VIC	13	N/A	N/A	0	-	N/A	0.48	Sep-20	N/A	1.35
22 Gillon Court, St Albans, VIC	13	N/A	N/A	0	-	N/A	1.25	Mar-21	N/A	1.35
11 Gillon Court, St Albans, VIC	13	N/A	N/A	0	-	N/A	1.25	Mar-21	N/A	1.32
9 Gillon Court St Albans, VIC	13	N/A	N/A	0	-	N/A	1.20	Nov-20	N/A	1.30
93 Davies Street, Brunswick, VIC	16	N/A	N/A	0	-	N/A	0.88	Nov-20	N/A	0.88
7 Wiwera Road, Kanwal, NSW	11	N/A	Private Tenant	1	100.0	<1	0.84	Feb-21	N/A	0.85
101 Herbert Street, Mornington, VIC	10	186	Ramsay Health	1	100.0	4.6	0.78	Feb-21	N/A	0.78
24 Gillon Court St Albans, VIC	13	N/A	N/A	0	-	N/A	0.75	May-20	N/A	0.75
99 Herbert Street, Mornington, VIC	10	N/A	Private Tenant	1	100.0	<1	0.68	Feb-21	N/A	0.68
103 Herbert Street, Mornington, VIC	10	N/A	Private Tenant	1	100.0	<1	0.68	Feb-21	N/A	0.68
105 Herbert Street, Mornington, VIC	10	N/A	Private Tenant	1	100.0	<1	0.68	Feb-21	N/A	0.68
15 Dwyer Avenue, Woy Woy, NSW	12	N/A	Private Tenant	1	100.0	<1	0.60	Feb-21	N/A	0.60
651 Pacific Highway, Kanwal, NSW	11	N/A	N/A	0	-	N/A	0.59	Feb-21	N/A	0.59
3 Wiwera Street, Kanwal, NSW	11	N/A	N/A	0	-	N/A	0.38	Feb-21	N/A	0.38
1 Wiwera Road, Kanwal, NSW	11	N/A	N/A	0	-	N/A	0.35	Feb-21	N/A	0.35
<b>Sub total</b>										<b>54.11</b>
<b>Direct Properties Total</b>										<b>2,260.28</b>

Property Details			Tenancy Details				Valuation Details			
Address	Note	Lettable Area (sqm)	Major Tenant	Number of Tenants	Occupancy Rate (% by income)	WALE (years by income)	Current Valuation (\$m)	Valuation Date	Capitalisation Rate (%)	Book Value (\$m)
<b>Listed property</b>										
Arena REIT										79.55
Cash and cash equivalents										5.70
Class A cash reserve										42.70
Other										24.13
Loan receivables										65.40
<b>Total Cash and other assets</b>										<b>217.48</b>
<b>Total (T) / Weighted Average (A)</b>				<b>173 (T)</b>	<b>98.3 (A)</b>	<b>15.7 (A)</b>	<b>2,239.3 (T)</b>		<b>5.32 (A)</b>	<b>2,477.76 (T)</b>

## Notes

- Valuation Policy - Regular valuation of underlying property assets is an important aspect of managing the Fund. Valuations are conducted by qualified independent valuers in accordance with industry standards. We have a policy of generally obtaining independent valuations on Fund direct properties each year and, for assets under development, within an 18-month period. Additionally, as part of our active management approach, we may test asset values on market. At times we may enter arrangements at arm's length with third parties which may impact the value of assets within the portfolio including, but not limited to, put and call options in respect of all or part of an asset within the portfolio. If the value of an asset is impacted in this way, the value may replace the last independent valuation obtained.
- Weighted Average Lease Expiry (WALE) by base rental income. Vacancies are valued at market income. Assets under development excluded.
- A market capitalisation rate is the rate, expressed as a percentage, that reflects the likely yield a property will generate over the medium term. It has regard to a property's unique characteristics and is a measure of the property's risk/return profile with higher rates reflecting higher risk and its function is to convert a property's income into value. The market capitalisation rate is assessed by the independent valuer by dividing the stabilised net property income of the property or a portfolio of properties by the assessed valuation of the property or portfolio, excluding costs of acquisitions and fees.
- Beleura Hospital now includes property formerly known as 95 Herbert Street following amalgamation of titles for future redevelopment. Lettable area includes 1560 Stumpy Gully Rd Moorooduc.
- Valued on a project related site value basis. Property now reflects consolidation of land holdings formally referred to as 2, 4 Giniifer Court, St Albans and 13,15 Gillon Court, St Albans.
- Property formally known as The Valley Private Hospital.
- Development property subject to a pre-commitment from Cornerstone Health.
- Includes a parcel of vacant land, 1/3 Discovery Lane, North Mackay valued at \$0.75 million as at May 2020.
- Previous development site now subject to a lease campaign with respect to the unoccupied space.
- Properties adjoining Beleura Private Hospital, Mornington, VIC.
- Land held for future expansion of Tuggerah Lakes Private Hospital, NSW.
- Property adjoining Brisbane Waters Private Hospital, NSW.
- Property adjoining Sunshine Day Surgery and Clinic, St Albans, VIC. This property is earmarked as future development space.
- Asset held pending development.
- Leasehold site for proposed Herston Private Hospital, QLD.
- Property adjoining Brunswick Private Hospital, VIC.
- Development site earmarked for future Medical facility
- Asset held pending development.

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## Contact us

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