

Barwon Healthcare Property Fund

Fund Opening Summary

The Barwon Healthcare Property Fund (Fund) is an open-ended unlisted fund, providing exposure to a high quality, diverse portfolio of Australian healthcare properties.

The Fund has 50 healthcare real estate investments which include a variety of primary and secondary healthcare facilities that are occupied by some of Australia’s largest private medical providers and State Government tenants.

The Fund targets acquisitions that provide investors with quarterly distributions of approximately 5.0% - 6.0% p.a. with the potential for capital growth. Since inception the Fund has returned an annualised total return of 7.83% per annum (to 30 June 2023).

The Fund is open for new investment. The capital raise will position the Fund well for further investments at a time when we are seeing improving value and opportunities in the market.

The Fund benefits from a well-diversified portfolio and a strong tenancy mix of quality healthcare tenants. Further, the Fund has an occupancy rate of 98%, an average tenant retention rate of 95% and 31% of its net operating income is linked to CPI growth.

In light of softening of capitalisation rates across the Australian real estate sector, Barwon has undertaken an out of cycle portfolio revaluation with all properties independently revalued by 31 May 2023. This means that investors who invest during the current raise will secure a unit price following a full independent revaluation of the portfolio.

Key Capital Raise Information

Fund Raise Timing	Open now
Applications	Forms available with the Information Memorandum

Existing Portfolio Summary (as at 30 June 2023)

Number of Properties	50
Property Portfolio Value (GAV)	\$503.2 million
Number of Tenants	108
WALE by Income	5.6 years
Portfolio Occupancy	98%
Fund LVR	40%

Some example assets are shown below. Further information on the portfolio is available upon request.



Logan Mental Health Facility Logan QLD



Clinical Labs Pathology Laboratory Adelaide Airport, SA



Oncology Centre Hervey Bay, QLD



Growth

Australia’s growing and aging population underpins the growth outlook for healthcare services. Healthcare demand has a low correlation to the economic cycle.



Returns

Healthcare real estate has offered one of the strongest total returns of all property asset classes in Australia over the last 10 years (MSCI, to December 2022).



Favourable risk profile

Properties typically offer long lease terms of 5 to 7+ years. High quality tenants supported by sound sector fundamentals and significant Government funding.



Income

Fixed and CPI-linked rental reviews support the distribution growth of the Fund.

Fund Strategy

Investments	Healthcare properties including: <ul style="list-style-type: none">HospitalsPrivate specialist facilitiesDay surgeries & medical centresAncillary healthcare assetsDiagnostic and laboratory facilities
Locations	Australia, predominantly metropolitan and major regional locations
Tenant Profile	Fully let or substantially fully let to creditworthy tenants
WALE	Over 5 years on acquisition
Borrowing	The Fund will target a LVR of 35% - 45%
Target Return	Target total return of 8% - 10% per annum

Key Fund Details

Fund Type	Unlisted, unregistered, open-ended unit trust
Investors	Wholesale investors only, as defined under Section 761G of the Corporations Act.
Minimum Investment	\$100,000 unless otherwise agreed
Unit Pricing	Monthly
Distributions	Quarterly in respect of the March, June, September, and December quarters
Platform Availability	Netwealth, Hub24, BT Panorama, Citicorp & Clearstream

Recommendation by Zenith

In December 2022, Zenith Investment Partners concluded its review of BHPF and released its Product Assessment Report, rating the Fund as Recommended. Zenith is a leading investment solutions business that specialises in managed funds research and portfolio consulting services to financial advisors. A copy of the report can be provided upon request.



Next Steps

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