

FUND SUMMARY

BARWON HEALTHCARE PROPERTY FUND

The Barwon Healthcare Property Fund (Fund) is an open-ended fund for investors seeking returns from properties in the healthcare sector located in Australia.

The Fund currently owns, or has contracted to acquire, 23 properties and aims to provide investors with distributions of approximately 6.5% p.a., with the potential for capital growth.

Why Invest?



Growth

Australia's growing and aging population underpins growth prospects for healthcare services. Demand is largely unaffected by the economic cycle.



Returns

Healthcare real estate has offered one of the best total returns of all property asset classes in Australia over the last 10 years. (MSCI, to December 2017)



Favourable risk profile

Properties typically offer long lease terms of 5-7+ years. High quality tenants due to sound sector fundamentals and significant government funding.



Income

Relatively stable property yields with capital growth prospects. Fixed 3-4% or CPI-linked rent increases are common in the sector supporting Fund distribution growth.

Investment Strategy

The Fund seeks to acquire a portfolio of properties that meet the following investment guidelines:

Investments	Healthcare properties including: <ul style="list-style-type: none"> • Hospitals • Private specialist facilities • Day surgeries & medical centres • Public health facilities • Diagnostic and laboratory facilities • Ancillary healthcare assets
Locations	Australia, predominantly metropolitan and major regional locations
Tenant Profile	Fully let or substantially fully let to creditworthy tenants
WALEs	Over 5 years on acquisition
Return Target	Target total return of 8%-10% per annum

Key Fund Facts

Fund Type	Unlisted, unregistered, open-ended unit trust
Fund Manager	Barwon Investment Partners
Fund Start Date	October 2014
Investors	Wholesale investors only, as defined under Section 761G of the Corporations Act
Minimum Investment	\$100,000 unless otherwise agreed
Investments	Equity investments in properties in the healthcare sector located in Australia
Borrowing	The Fund will borrow to fund acquisitions and capital expenditure to target Loan-to-value ratio (LVR) of <45%
Unit Pricing	Monthly
Applications	Contact Barwon Investment Partners for a copy of the IM

Redemptions	<ul style="list-style-type: none"> Redemption window offered in October 2019. Investors can seek to redeem some or all of their units Fund must satisfy all redemption requests within a two-year window or terminate Redemptions outside window at Manager's discretion
Distributions	Quarterly in respect of the March, June, September and December quarters
Management Fees	Contact Barwon Investment Partners or refer to the IM
Staged closings	Fund will open periodically to raise capital as new acquisitions are secured.

Fund Manager



Barwon is a Sydney-based investment firm established in 2006 to provide alternative investments to wholesale investors.



Barwon is an independent fund manager owned by the senior partners of the firm.



The firm has an experienced team of investment professionals focused on property and private equity investment strategies.

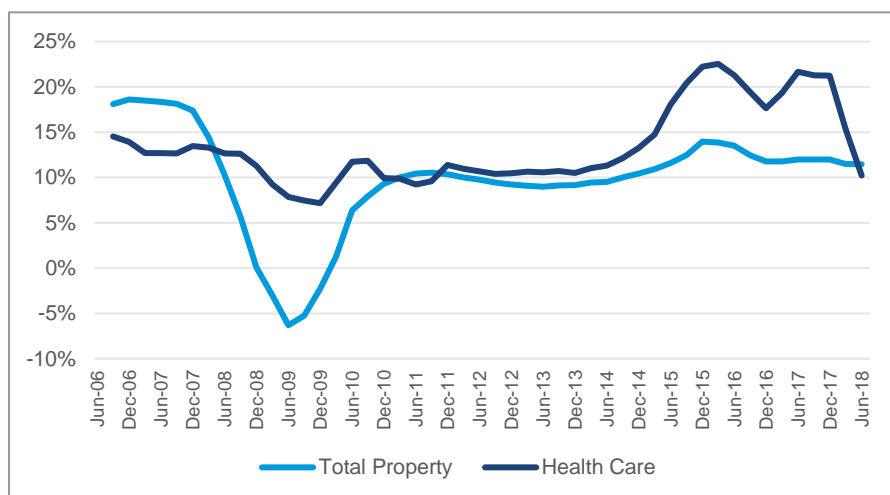


Further details can be found at www.barwon.net.au

Healthcare Sector: Relatively Stable Returns

The healthcare sector has demonstrated stable returns relative to other property sectors, even during the depressed economic period of the GFC and has outperformed other property sectors with lower risk and higher returns over the 12 years to 2018.

Source: IPD Research, June 2018



Fund Performance to 30 December 2018

Since inception (October 2014) the Fund has returned an annualized 8.7%.

The 12-month return to December 2018 was 3.99% with the income return comprising 7.05% and capital return -3.06%* (net of fees and expenses, but pre-tax).

	Income Return	Capital Return	Total Return
6 months	3.45%	-2.12%	1.33%
12 months	7.05%	-3.06%	3.99%
ITD¹ p.a.	7.45%	1.29%	8.74%

¹ ITD since 14 October 2014, annualised.

*The -3.06% 12-month capital return was principally driven by i) amortization of acquisition costs (stamp duty, legal costs and other due diligence expenses); ii) revaluation of Vass Medical Centre, WA, in Dec 2018 and iii) the revaluation of the Croydon Medical Centre, Vic, in Aug 2018 following the prepayment of rent and associated restructuring of lease terms.

Portfolio Highlights

The Fund currently owns, or has contracted to acquire, 23 assets. The Portfolio is 97.5% leased, has a 6.9-year weighted-average lease expiry (WALE) and a portfolio value of ~\$214 million.

Croydon Family Practice

Melbourne, Victoria

- 1,623 sq.m with an LVR of 41%
- Anchored by Fullerton Health
- 8-year WALE



Eastbrooke Medical Centre

Geelong, Victoria

- 1,146 sq.m with an LVR of 34%
- 100% leased
- 4-year WALE



Newmarket Medical Centre

Newmarket, Queensland

- 1,076 sq.m with an LVR of 40%
- Value-add opportunities
- 3-year WALE



Logan Mental Health Facility

Logan, Queensland

- 3,172 sq.m facility, 5-star NABERS rating
- 100% leased to State Government of Queensland
- 3-year WALE



Benson Radiology Facility

Munno Parra, South Australia

- 1,357 sq.m facility
- 100% leased
- 7-year WALE



Hallet Cove Medical Centre

Hallet Cove, South Australia

- 668 sq.m multi-let facility
- Value-add opportunities
- 5-year WALE



Diagnostic Imaging Facility Modbury, South Australia

- 712 sq.m multi-let facility
- 100% leased
- 4-year WALE



Bendigo Medical Centre Bendigo, Victoria

- 2,378 sq.m purpose-built primary care centre
- 100% leased (subject to a rent guarantee on 200 sq.m)
- 3-year WALE



Parkside Medical Centre Parkside, South Australia

- 2,384 sq.m, collection of 3 single-level fully leased facilities providing GP, radiology and a state government psychiatry practice
- 5-year WALE



Vasse Medical Centre Vasse, Western Australia

- 1,540 sq.m newly-built, multi-let, fully leased facility, providing GP, pharmacist, physio and pediatrician services
- 8-year WALE



Eastbrooke Medical Centre Carlton, New South Wales

- 677 sq.m purpose-built facility providing a range of services principally focussed on general practice
- 10-year WALE



Clinical Labs Adelaide Airport, South Australia

- 2,500 sq.m purpose-built pathology laboratory
- 15-year WALE



Illawarra Radiology Group & Sonic HealthPlus Wollongong, New South Wales

- 1,184 sq.m purpose-built radiology facility, located in Wollongong's health precinct and 100% leased to ASX-listed Sonic Healthcare
- 12-year WALE



Community Mental Health Centre

Adelaide, South Australia

- 2,009sq.m facility majority leased to State Government of South Australia
- 9-year WALE



Melton Medical Centre

Melton, Victoria

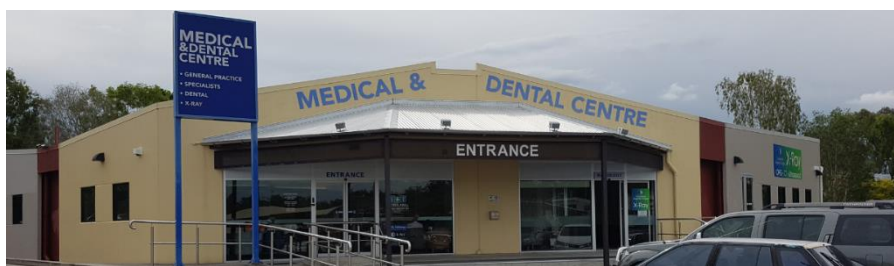
- 2,174sq.m facility leased to Primary Healthcare Ltd
- Includes c. 5,500sq.m adjacent land with value-add opportunities
- 7-year WALE



Springfield Medical & Dental Centre

Springfield, Queensland

- 773 sq.m facility leased to Primary Healthcare Ltd
- 10-year WALE



Cowes Medical Centre

Phillip Island, Victoria

- 1,381 sq.m facility anchored by an established local operator
- 6-year WALE



Oncology Centre

Hervey Bay, Queensland

- 560 sq.m facility lease to GenesisCare
- 10-year WALE



Westwood Healthcare Centre

Adelaide, South Australia

- 2,163 sq.m anchored by SA Health
- 9.4-year WALE



Eastbrooke Medical Centre

Mackay, Queensland

- 2,032 sq.m leased to Eastbrooke Medical Centres
- 10-year WALE
- Contracted, but not yet settled



Eastbrooke Medical Centre

Melbourne, Victoria

- 1,352 sq.m leased to Eastbrooke Medical Centres
- 10-year WALE
- Contracted, but not yet settled



Portfolio Attributes (proforma)**

Key Portfolio Metrics	
Number of Properties	23
Portfolio Value	\$215m
Number of Tenants	49
WALE by Income	6.9 years
Portfolio Occupancy	97.5%

** includes assets contracted and subject to final due diligence

Tenants by Income	
Tenant	% of Portfolio Net Income
Eastbrooke Medical Centres	15%
State Government of Queensland	11%
Sonic Healthcare Ltd	10%
State Government of South Australia	9%
Primary Healthcare Ltd	8%
Other	47%



Contact Us +61 2 9216 9600

Barwon Investment Partners
Level 3, 17 Castlereagh Street
Sydney NSW 2000 Australia

For More Information

Rob Morrison (rob.morrison@barwon.net.au)
Tom Patrick (tom.patrick@barwon.net.au)
www.barwon.net.au

DISCLAIMER While all care has been taken in the preparation of this fact sheet (using sources believed to be reliable and accurate), no person including Barwon Investment Partners ABN 19116012009 / AFSL No 298445 (Barwon), or any other affiliated company, accepts responsibility for any loss suffered by any person arising in reliance on this information other than under law which cannot be excluded. This fact sheet is intended to provide general information only and does not take into account any particular investor's objectives, financial situation or needs. Investors should seek their own financial and taxation advice before making investment decisions or dealing with their investment. An Information Memorandum explaining the Fund is available from Barwon.