

Centuria

INVESTMENT OPPORTUNITY

Centuria NZ Healthcare Property Fund

6.25% p.a.

FY24 after-tax¹ forecast
cash distribution paid
monthly²

23

aged care properties
leased to Heritage
Lifecare

28.7 year

triple net leases with
annual rental growth

\$0.80

per share



Limited number of shares available to purchase from Centuria Platform Investments Pty Limited

The Fund is managed by one of New Zealand's leading and largest property fund managers, Centuria NZ (formerly Augusta) and now part of ASX-200 listed Centuria Capital, who look after over A\$20 billion of assets³ for thousands of investors throughout New Zealand and Australia.

1. Assuming (i) a tax depreciation benefit based on land valuations and purchase price allocation reports received by Centuria NZ Healthcare for the Initial Properties, (ii) that Centuria NZ Healthcare does not sell or acquire any properties during the financial period ending 31 March 2024 and (iii) no change in relevant tax laws. Taxable depreciation recovery income may arise on any future sale of a property which may result in tax payable at that point in time. Taxable loan forgiveness income may arise if specified events occur in the future and part of the underwriting loan provided by Centuria Platform Investments Pty Limited is forgiven.
2. 6.25% p.a. forecast pre-tax and after-tax cash distribution for the financial period ending 31 March 2024. Details of how the forecast cash distribution is calculated and the risks associated with this investment can be found in the Product Disclosure Statement. Forecast after-tax distributions only take into account New Zealand income tax. The pre-tax and after-tax cash distributions are not guaranteed and may change in the future.
3. Assets under management as at 31 December 2022. Includes assets contracted to be settled, cash and other assets.

Key highlights

- **28.7 year triple net leases**, meaning the tenant is responsible for all repairs, maintenance and capital expenditure. The landlord is insulated from all liability in relation to the properties to the maximum extent permitted by law.
- **3 x 20 year rights of renewal**, taking the final expiry through to the year 2112.
- **Annual rental growth built in (increasing the rental for the next 28 years)** linked to CPI, offsetting inflation pressure (minimum 1% and maximum 4%).
- **23 aged care properties** providing geographic diversification and exposure to both metropolitan areas and regional areas catering to local demand where bed shortages are expected to occur.
- **Strong tenant and sector.** Heritage Lifecare, the portfolio's sole tenant, is one of NZ's leading and largest aged care operators in a sector seeing strong and increasing demand with NZ's rapidly ageing population. The sector also has high levels of recurring Government funding (estimated at 53% directly from the Government and an additional approximately 24% funded indirectly via residents' pensions).
- **Portfolio of significant size and scale**, with a total valuation of \$177m as at 31 March 2023.
- **Interest costs are fixed until April 2025**, protecting against further interest rate rises. Note that interest on the Fund's bank debt is a material expense, and interest rates have increased significantly since establishment of the Fund.

Favourable after-tax position

If the 6.25% forecast cash distribution for the financial period ending 31 March 2024 was fully taxable (due to no depreciation deductions and other adjustments) and did not benefit from PIE status, the table below shows the equivalent pre-tax distribution that Centuria NZ Healthcare would need to deliver for investors to receive the same rate of after-tax distributions:

INVESTOR'S MARGINAL TAX RATE	REQUIRED PRE-TAX DISTRIBUTION TO GET 6.25% P.A. AFTER-TAX IF DISTRIBUTION WAS FULLY TAXABLE
0%	6.25%
10.5%	6.98%
17.5%	7.58%
28%	8.68%
30%	8.93%
33%	9.33%
39%	10.25%

For more information on the shares available for purchase please contact the below selling agents.

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Centuria Platform Investments Pty Limited acquired shares in Centuria NZ Healthcare Property Fund Limited pursuant to an offer that has now closed. This communication relates to the on-sale of those shares by Centuria Platform Investments Pty Limited and does not constitute an offer of shares by Centuria NZ Healthcare Property Fund Limited. Nothing in this communication constitutes an offer of shares, securities or financial products to any person, in any country, in which it would be unlawful to do so. To assist in your consideration of the offer, Centuria Platform Investments Pty Limited will make available certain background information for potential investors that was released by Centuria NZ Healthcare Property Fund Limited when the shares were first offered, including the Product Disclosure Statement and video. That information is no longer current and should be read together with the information supplied to you in connection with this opportunity. Before deciding whether to invest, you should obtain independent financial advice that takes account of your personal financial goals and circumstances. Bayleys Real Estate Limited cannot provide you with any such independent financial advice. Important information about the financial advice service provided by Bayleys Real Estate Limited is available at syndications.co.nz.