



GENERATION **HEALTHCARE** REIT  
(ASX CODE: GHC)

# FY2015 FULL YEAR RESULTS PRESENTATION

24 AUGUST 2015



GENERATION  
**HEALTHCARE** REIT

[generationreit.com.au](http://generationreit.com.au)

# AGENDA➤

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# GENERATION HEALTHCARE REIT OVERVIEW ►

# GENERATION HEALTHCARE REIT – OVERVIEW ►

## Only dedicated healthcare property entity listed on the ASX

- Fund established in 2006
- Healthcare property pure play
- Defensive sector given unique and growing demand profile
- High quality portfolio of 17<sup>1</sup> properties including hospitals, medical centres, aged care, laboratories and other purpose-built healthcare facilities
- Quality tenants, high occupancy and long weighted average lease term
- Strong total return outperformance
- Attractive organic growth profile
- Management with long dated sector specific experience

### QUEENSLAND

ARCBS, Kelvin Grove  
Pacific Private Clinic  
Spring Hill  
RSL Care Baycrest  
RSL Care Tantula Rise

### NEW SOUTH WALES

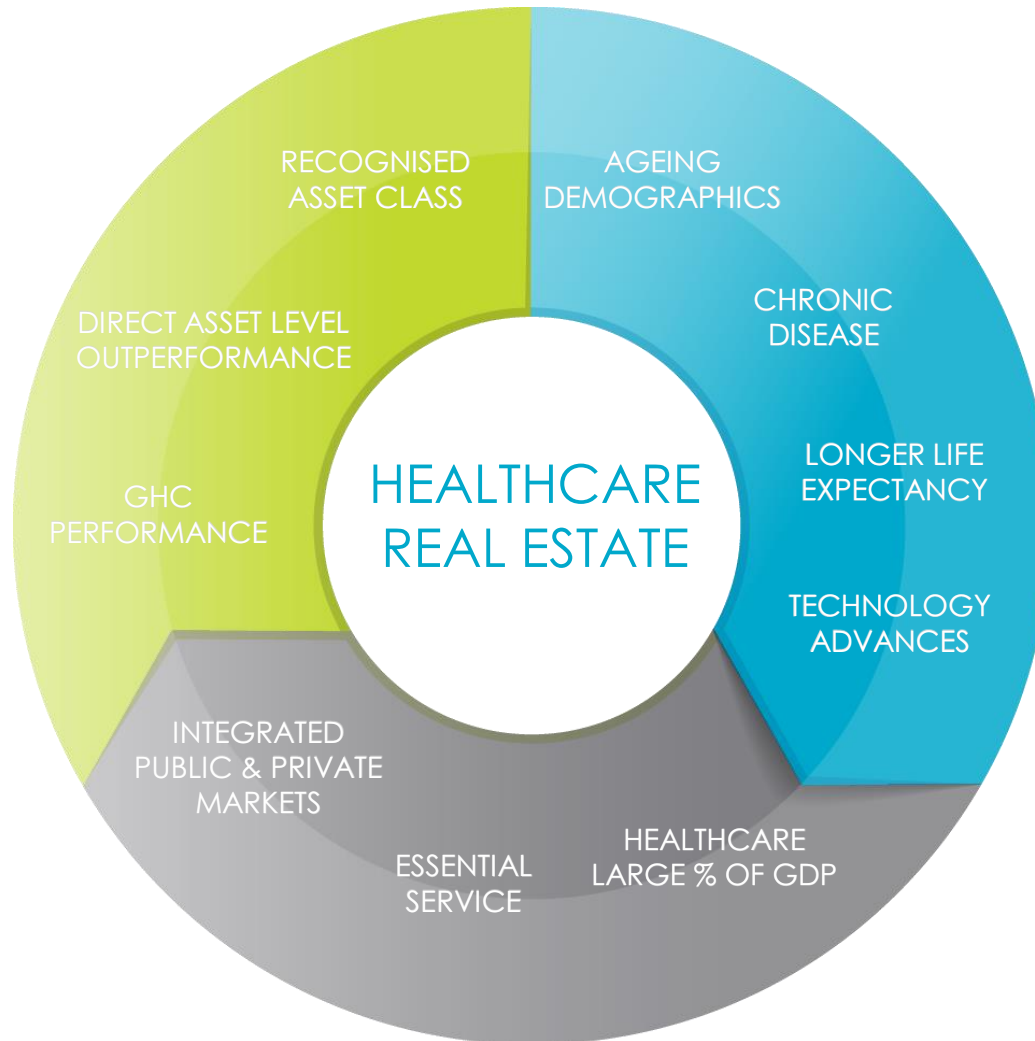
Westmead Rehabilitation  
RSL Care Darlington  
Waratah Private Hospital (debt)

### VICTORIA

Epworth Freemasons Victoria Pde  
Epworth Freemasons Clarendon St  
Frankston Private  
Frankston Specialist Centre  
Frankston Development Land  
Harvester Centre  
Leading Healthcare Bendigo  
Casey Specialist Centre  
Casey Development Land

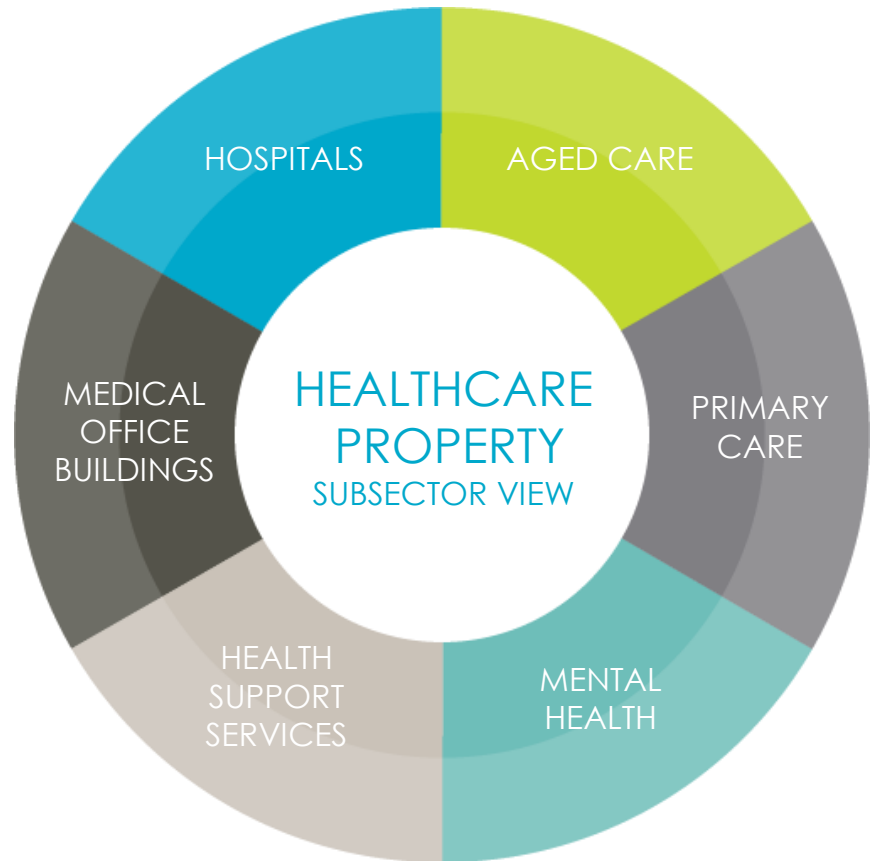
1. Includes debt interest in Waratah Private Hospital

# HEALTHCARE REAL ESTATE RATIONALE ➤



# GHC MANDATE AND INVESTMENT UNIVERSE➤

To invest into high  
quality healthcare  
property to derive  
attractive risk  
adjusted returns  
for our investors





# GHC – A SNAPSHOT➤

TOTAL ASSETS  
**\$407 million**

NTA PER UNIT  
**\$1.22**

NET DEBT AS % OF  
TOTAL ASSETS  
**26.6%**

NUMBER OF PROPERTIES<sup>1</sup>  
**17**

OCCUPANCY<sup>1</sup>  
**97.8%**

WALTE<sup>1</sup>  
**12.7 years**

FY16 FORECAST UNOI  
**9.90 cpu**

FY16 FORECAST DPU  
**8.84 cpu**  
(89% payout)

FY16 FORECAST  
INCOME YIELD<sup>2</sup>  
**5.4%**

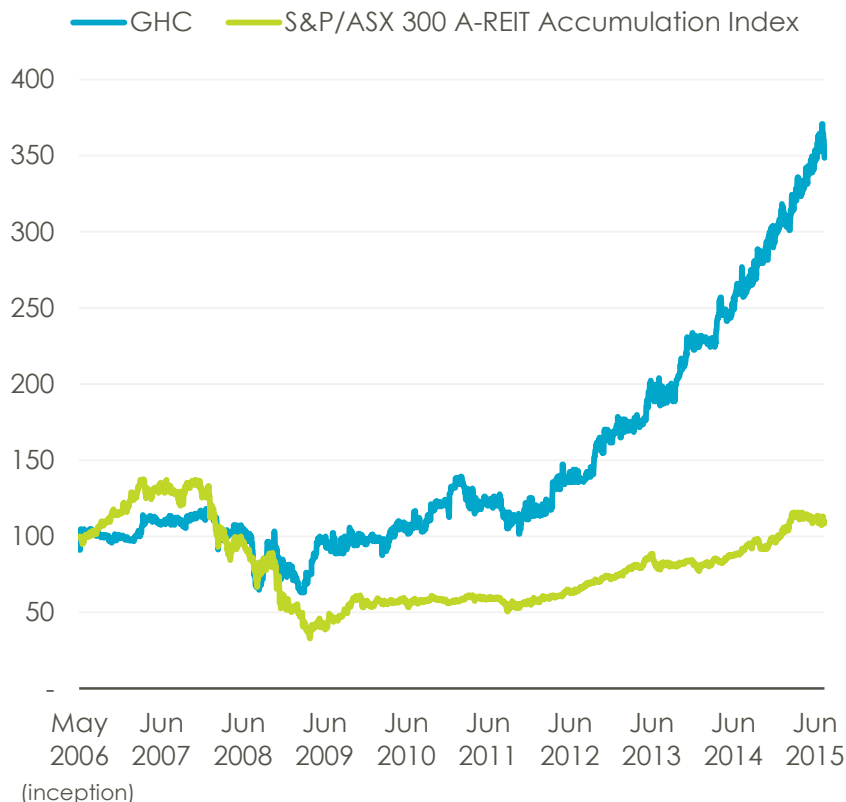
1. Pro-forma values includes acquisition of RSL Care aged care assets and debt investment in Waratah Private Hospital

2. FY16 forecast DPU of 8.84 cpu divided by the closing unit price on 30 June 2015 of \$1.635

# GHC PERFORMANCE ➤

## Significant outperformance over the short, medium and longer term

Returns Per Annum	GHC <sup>1</sup>	Benchmark	Over / (Under) Performance
<b>6 months</b> <sup>2</sup>	11.6%	6.7%	4.9%
<b>1 year</b>	32.5%	20.2%	12.3%
<b>3 years</b>	36.4%	18.3%	18.1%
<b>5 years</b>	26.3%	14.2%	12.0%
<b>Since Inception (May 2006)</b>	15.3%	0.9%	14.3%



Source: Bloomberg as at 30 June 2015 close

1. Capital appreciation of GHC units during the year, assuming reinvestment of distributions paid

2. Six month return is for the 6 month period, not annualised



# WHY HEALTHCARE PROPERTY ►

- Healthcare industry stands to benefit from long-term industry demand drivers
- Healthcare is largely a mandatory spend rather than discretionary
- Healthcare real estate assets are well placed to capture long term growth and value creation taking place within the broader healthcare industry
  - Relatively low levels of institutional ownership of healthcare property provides opportunity
  - Property sector-leading historical risk-adjusted returns (as measured by independent research house MSCI) since the inclusion of health property in the indices from 2007
  - High barriers to entry
  - Stable regulatory environment and politically sensitive to material changes
  - Largely purpose built facilities



# HEALTH SECTOR IN AUSTRALIA - SNAPSHOT➤

## Scale and Growth of the Health Sector

### Scale

- Expenditure on healthcare in Australia was estimated to be \$147.4 billion in 2012-13<sup>1</sup>:
  - up from \$90.0 billion in 2002-03<sup>1</sup>
- Expenditure on healthcare was 9.7% of GDP in 2012-13<sup>1</sup>:
  - up from 9.4% in 2010-11 <sup>1</sup>; and
  - up from 8.6% in 2002-03 <sup>1</sup>
- Health is the largest sector employer in Australia<sup>2</sup>

### Demand

- Rapidly ageing and growing population
- Advances in technology generating more health solutions
- Increase in non-age related diseases (e.g. obesity and diabetes)
- 47% of Australians currently hold Private Health Insurance hospital cover<sup>3</sup>

### Growth

- Expenditure growing at 5.8%<sup>1</sup> per annum in real terms driven by unique demand drivers
- Private sector taking an enhanced role in Australian healthcare delivery

**Increasing demand for services = increased demand for infrastructure**

1. Australian Institute of Health and Welfare – “Health Expenditure in Australia 2012-2013”

2. Australian Bureau of Statistics, Labour Force, Quarterly, May 2015

3. Private Health Insurance Administration Council, Private Health Insurance Australia, Quarterly Statistics, March 2015

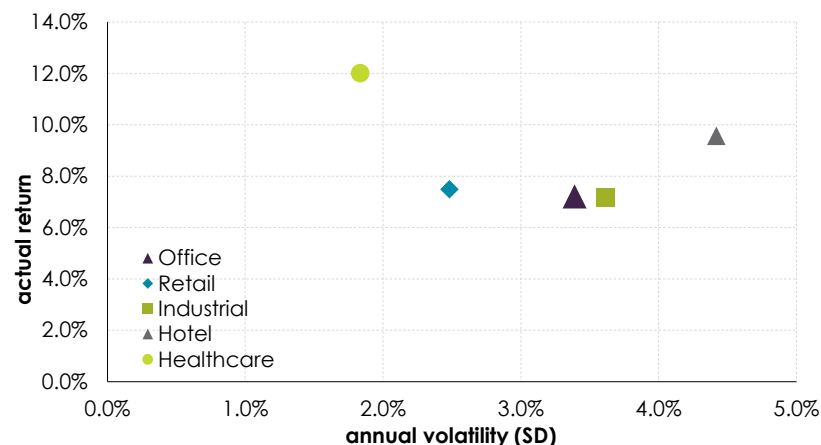
# AUSTRALIAN HEALTHCARE PROPERTY PERFORMANCE ➤

- Independent research house MSCI launched a healthcare property index in March 2012
- 5 participants, circa \$1.5 billion of property over an 8 year duration
- **Healthcare property sector delivered:**
  - the highest return
  - highest risk adjusted return
  - lowest risk
  - lowest downside risk
- The healthcare property sector has the **lowest correlation with other property sectors** making it a desirable addition to a diversified property portfolio

## Property Sector Annualised Observations<sup>1</sup>

Sector	Annual return	Return volatility	Sharpe ratio	Downside risk
<b>Healthcare</b>	<b>12.0%</b>	<b>1.8%</b>	<b>4.6</b>	<b>0.1%</b>
<b>Office</b>	7.2%	3.4%	1.1	2.2%
<b>Retail</b>	7.5%	2.5%	1.6	1.4%
<b>Industrial</b>	7.2%	3.6%	1.0	2.3%
<b>Hotel</b>	9.6%	4.4%	1.3	2.6%

## Risk-reward trade-off for property sectors<sup>1</sup>



1. Source: MSCI for the 8 years ended June 2015



# FY15 HIGHLIGHTS▶

# FULL YEAR HIGHLIGHTS➤

## Fund highlights during FY15

Measure	Highlight
UNOI	➤ Underlying Net Operating Income (UNOI) was \$17.2 million <sup>1</sup> up 66% on the prior year
Distributions	➤ 8.58 cpu up 7.25% on FY14 (an 88% payout ratio to UNOI)
Rent & Leases	<ul style="list-style-type: none"> <li>➤ Like-for-like rental growth of 3.3% on pcp</li> <li>➤ Strong leasing outcomes: <ul style="list-style-type: none"> <li>- Portfolio's largest FY16 and FY17 expiries representing 1.6% and 5.6% of income respectively now resolved via early renewal and lease extension at Harvester and new lease at ARCBS</li> <li>- Also significant new leases / renewals at Spring Hill and Pacific Private, representing 4.5% and 1.0% of income respectively</li> <li>- Material leasing activity at development projects, Leading Healthcare Bendigo and Casey Specialist Centre</li> </ul> </li> <li>➤ Healthscope acquired two tenants at Frankston Private being 49% of the property's rent roll, extending leases to 20 years</li> </ul>
Valuations	<ul style="list-style-type: none"> <li>➤ Property revaluation uplift of \$22.2 million on pcp</li> <li>➤ Overall weighted average cap rate of the portfolio firmed 42 bps to 7.82%</li> </ul>
Acquisitions	➤ A portfolio of three high quality aged care facilities acquired for \$45.8 million <sup>2</sup> on 20 year leases to RSL Care and entered into a collaboration agreement

1. UNOI excludes: property revaluations, Manager's performance fees and movements in derivatives – refer Appendix A

2. Settled 22 June 2015, remains subject to an interim structure prior to subdivision of the land

# FULL YEAR HIGHLIGHTS➤

## Fund highlights during FY15 (continued)

Measure	Highlight
Organic Growth	<ul style="list-style-type: none"><li>➤ Healthscope commits to \$45m expansion at Frankston Private, Council has issued a Notice to Grant a permit. Construction tender pending</li><li>➤ Commercial terms and legal documentation nearing completion with St John of God Health Care for new \$120 million co-owned private hospital in Casey, Victoria. Council has issued a planning permit and construction tender in progress</li><li>➤ Epworth Freemasons Cancer Centre project restructured to include a major underground car park and additional hospital services. \$62 million project now to be a 50/50 JV with Epworth</li></ul>
Capital Management	<ul style="list-style-type: none"><li>➤ Equity - \$52.0 million equity raising in May 2015 at \$1.50 per unit</li><li>➤ Debt - Bank of Melbourne \$41.2 million debt facility extended by two years and pricing reduced by 0.39%. NAB Head Trust facility term extended by 1 year for 50% of the limit and pricing reduced by 0.51% for entire limit</li></ul>
GHC Performance	<ul style="list-style-type: none"><li>➤ Total return (change in unit price + distributions) of 32.5%, significantly outperforming the S&amp;P/ASX300 A-REIT Accumulation Index by 12.3%</li></ul>





# FINANCIAL RESULTS ►



# FINANCIAL RESULTS➤

## Strong operating result

- Underlying net operating income up 66% for the 12 months to 30 June 2015
  - Rental income increased by 33%<sup>1</sup> as a result of full year contributions from the Spring Hill acquisition and further investment in Epworth Freemasons Clarendon Street, completion of Casey Specialist Centre during the period, along with underlying rental growth within the portfolio
  - Lower gearing and lower finance costs from lower hedged interest rates, lower floating rates and lower line and margin fees negotiated
- Statutory profit materially higher principally due to an increase in underlying net operating income and a net gain on change in fair value of investment properties (\$13.7 million), partially offset by a net loss on change in fair value of derivatives (-\$0.2 million) and a net change in loan impairment (-\$1.4 million)
- An increase in NTA per unit of \$0.15 (14%) principally due to the increase in property values and equity raised at a price premium to NTA; partially reduced by the issue of units to the manager for performance fees

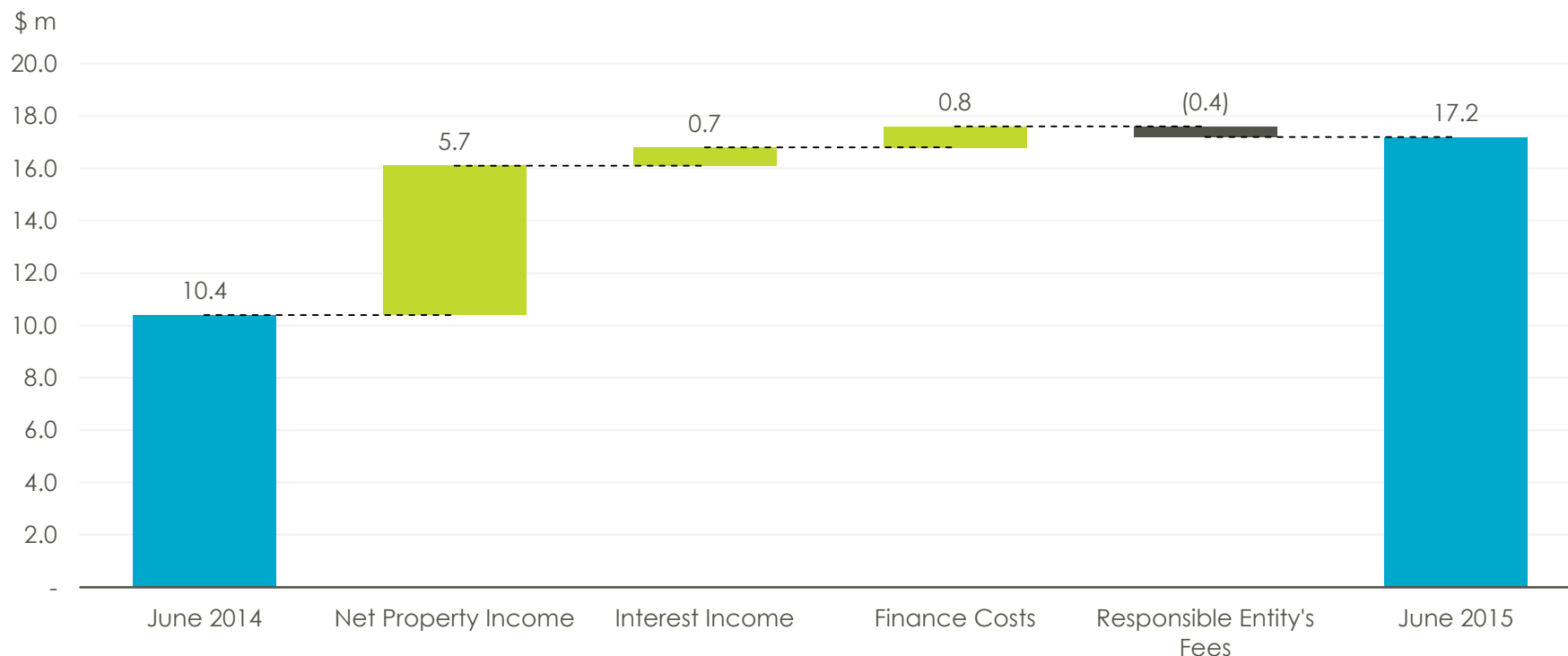
## Results Summary – Financial Metrics

	30 June 2015	30 June 2014	Change
Underlying net operating income <sup>1</sup>	\$17.2 m	\$10.4 m	66% ▲
Underlying net operating income per unit	9.57 cents	9.18 cents	4.3% ▲
Statutory profit	\$31.3 m	\$11.9 m	164% ▲
Debt to total gross assets	26.6%	31.3%	4.7% ▼
Net tangible assets per unit (NTA)	\$1.22	\$1.07	\$0.15 ▲

1. Excludes straight lining rent adjustments

# FINANCIAL RESULTS➤

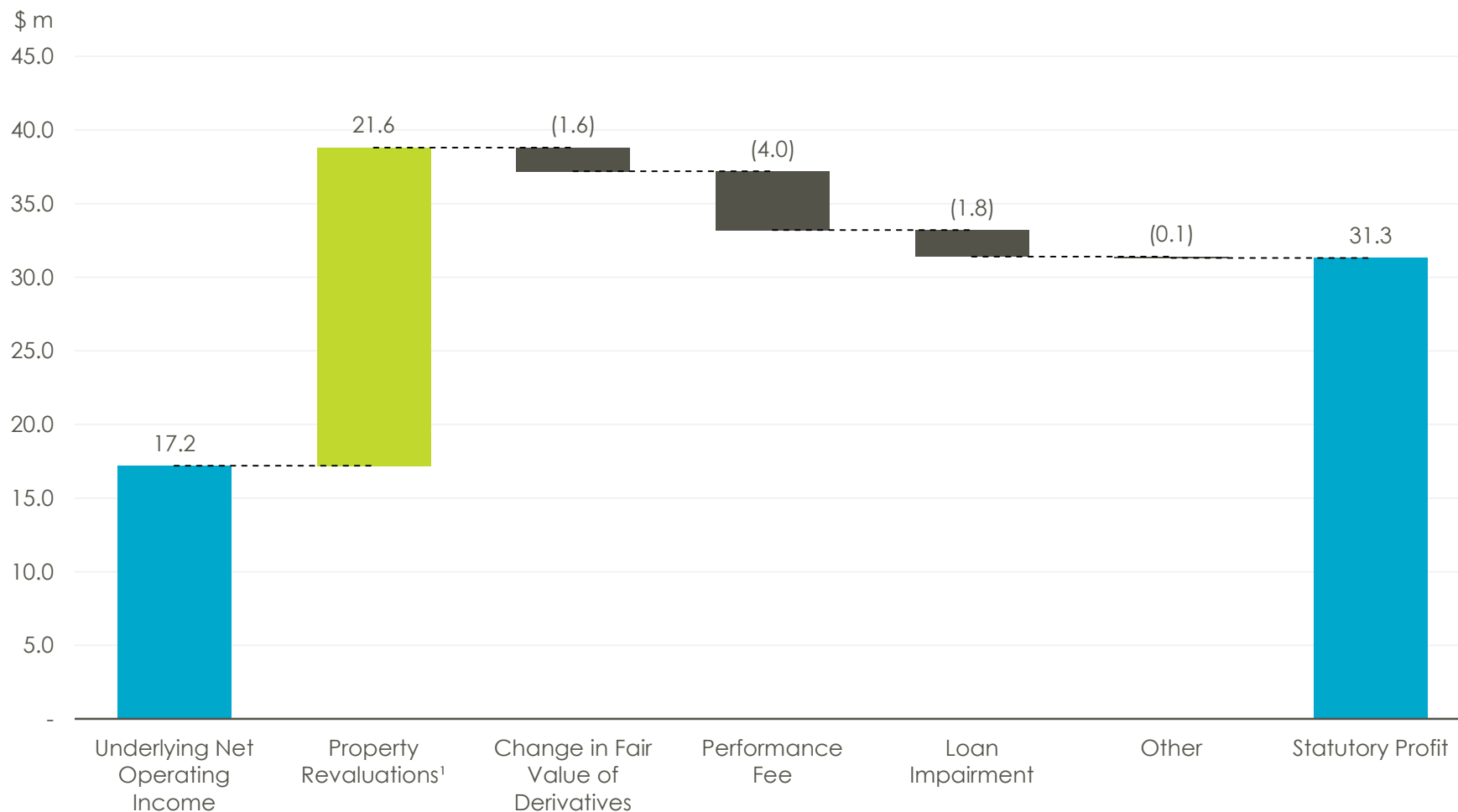
## Underlying net operating income comparison to prior year



- Net property income higher due to CPI, fixed and market rent reviews, full year rent contribution from Spring Hill and additional investment at Epworth Freemasons Clarendon St, and part year contribution from Casey Specialist Centre
- Interest income is primarily from the secured debt investment associated with Waratah Private Hospital and a small contribution from the deposit on the RSL Care properties in June 2015
- Lower finance costs from negotiated reductions in bank margin / line fees, lower hedged interest rates and lower floating interest rates

# FINANCIAL RESULTS ►

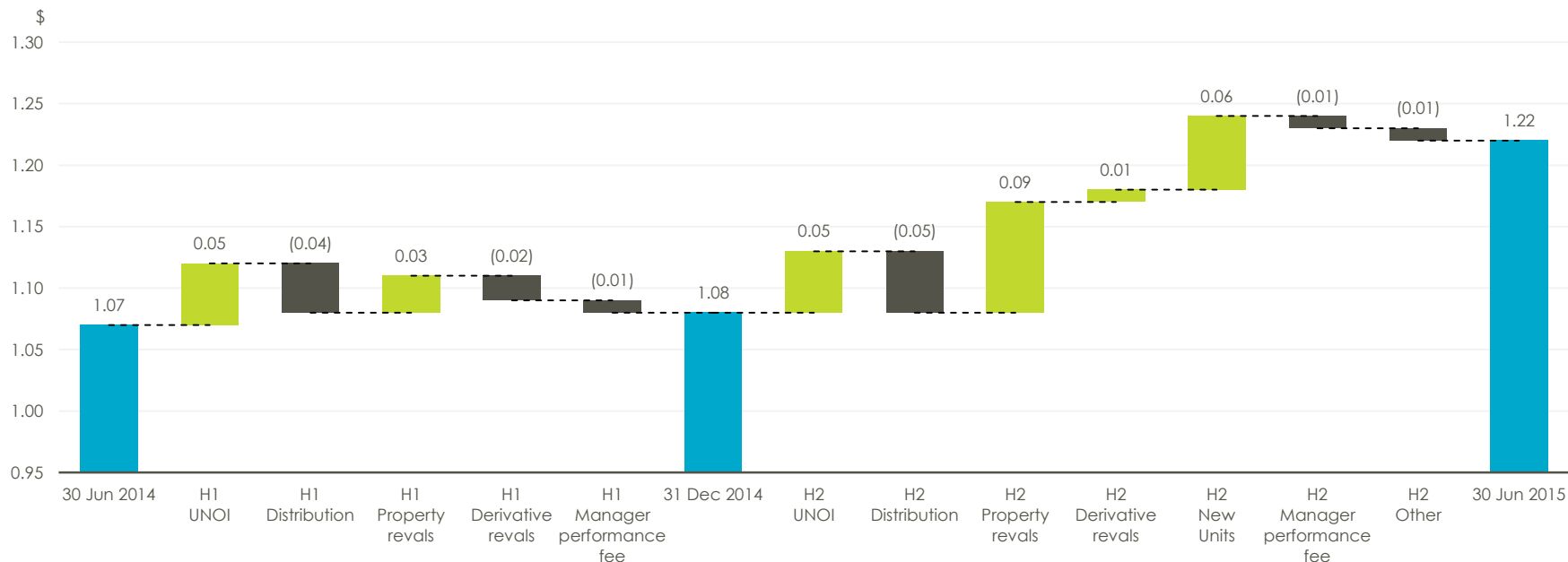
## Underlying net operating income versus statutory profit



1. Includes straight line lease revenue recognition

# FINANCIAL RESULTS ➤

## Movement in NTA per unit



- UNOI and Distribution - \$0.10 and (\$0.09) per unit, respectively
  - Distribution payout ratio (to underlying net operating income) of 88%
- Property revaluations - \$0.12 per unit
- Mark to market on interest rate swaps – (\$0.01) per unit
- Placement and entitlement - units issued at a premium to NTA, \$0.06 per unit
- Manager performance fees – (\$0.02) per unit; this is a non cash item and is settled by way of an issue of units

Other - includes the impairment of loan at amortised cost



# PORTFOLIO UPDATE▶

# PORTFOLIO OVERVIEW ►

**Portfolio demonstrates the defensive nature of the health sector with long lease terms, high tenant retention and steady income growth**

	2015	2014
Net property income	\$24.3m	\$18.6m
Occupancy (by income) <sup>1</sup>	97.8%	99.5%
Tenant retention (by expiring income)	81.5%	89.1%
Weighted average lease expiry <sup>1</sup>	12.7 yrs	11.3 yrs
Like-for-like rental growth	3.3%	2.7%
Number of properties <sup>2</sup>	17	12
Number of tenancies <sup>1</sup>	111	101



RSL Care Darlington, NSW

- Rental growth on like-for-like basis of 3.3%
- Net property income for FY15 31% higher due to acquisitions and projects completed during the period along with underlying rental growth
- Continued strong occupancy (97.8%), marginally lower due to the completion of Casey Specialist Centre (84% leased) and vacancy at Spring Hill (predominantly leased post 30 June)
- Weighted average lease term of 12.7 years up from 11.3 years due to significant leasing results and acquisition of RSL Care aged care assets

1. Pro-forma values includes acquisition of RSL Care aged care assets which settled 25 June 2015 but remains subject to an interim structure prior to subdivision of the land  
 2. Includes debt investment in Waratah Private Hospital

# SIGNIFICANT LEASING SUCCESS➤

## Significant activity during the year with new leases and renewals totalling \$2.2 million

- 5 leases executed at the recently completed Casey Specialist Centre including pathology, pharmacy, cafe and two medical consulting tenants taking occupancy to 84%
- New leases at Leading Healthcare Bendigo to Injury Treatment (210 sqm) and Australian Homecare Services (104 sqm) have increased occupancy to 86%
- Spring Hill
  - Renewal via a new 7 year lease to Secure Parking on materially improved terms
- Pacific Private
  - 2 new leases and 4 renewals (total 936 sqm) undertaken during FY15 including over expanded radiology area

## In addition to above, a further \$2.3 million of leasing undertaken on leases taking effect post 30 June 2015

- Two major FY16 and FY17 expiries
  - Early renewal (October 2015 expiry) and lease extension (10 years) to Melbourne Health for 1,759 sqm at Harvester Centre
  - Early surrender by Lend Lease at ARCBS (July 2016 expiry) with surrender payment made. One month downtime for new 5 year lease over entire area to RSL Care – 3,358 sqm with a market based face rent and incentive<sup>1</sup>
- Spring Hill - Lease of 344 sqm to Ramsay Healthcare subsidiary New Farm for medical consulting (July 2015)

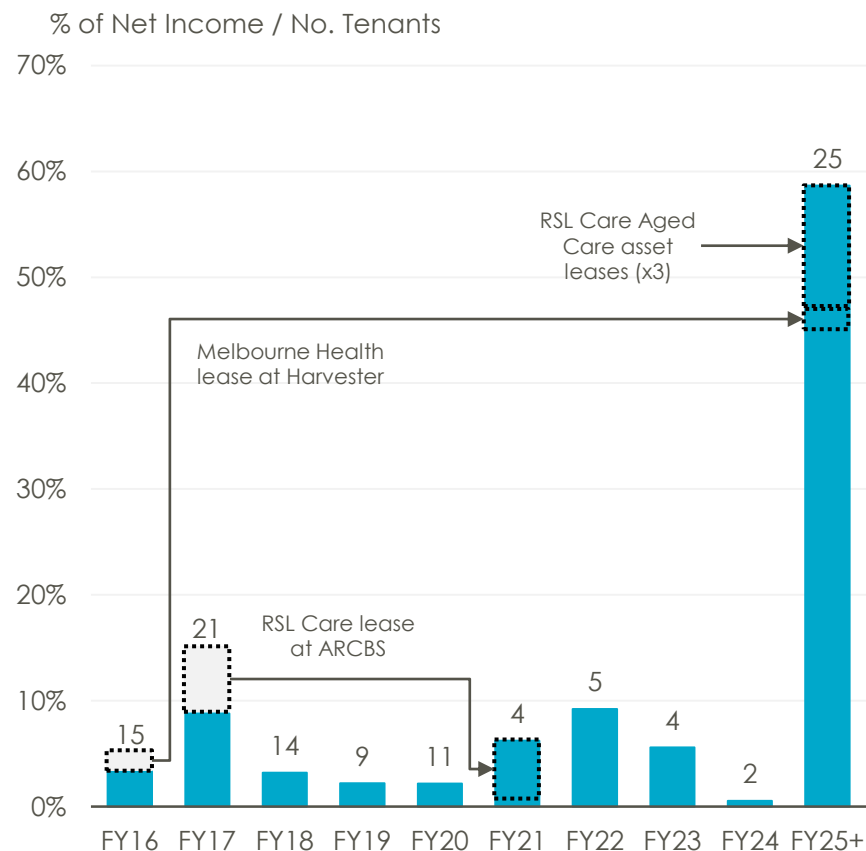
1. Note: Forecast UNOI for FY16 excludes the surrender payment from Lend Lease and the RSL Care rental incentive.



# PORTFOLIO OVERVIEW ►

## Steady long dated lease expiry

- Portfolio WALTE of 12.7 years<sup>1</sup> up from 11.3 years, largely influenced by RSL Care portfolio acquisition (20 year leases), Melbourne Health renewal and new lease to RSL Care at ARCBS
- 3.3%<sup>2</sup> of Fund income is due for renewal in FY16. Of these expiries, 1.2%<sup>2</sup> are forecast to renew (Victoria Parade & Spring Hill), 0.3%<sup>2</sup> has been terminated to allow for the Frankston Development and 1.8%<sup>2</sup> at Pacific Private will be managed actively to ensure maximum retention of tenants
- FY17 expiries, now 8.8%<sup>2</sup> following successful leasing
  - 4%<sup>2</sup> at Harvester Centre, Frankston Private and Victoria Parade to largely long term tenants which we expect to renew
  - 2.45%<sup>2</sup> at Pacific Private whereby certain tenants will relocate to the new Gold Coast Private Hospital
- Circa 60% of all expiries by income are more than 10 years away



1. Pro-forma values includes acquisition of RSL Care aged care assets  
 2. Fund income inclusive of RSL Care aged care assets

# PORTFOLIO OVERVIEW

## Income growth supported by fixed and CPI rent reviews

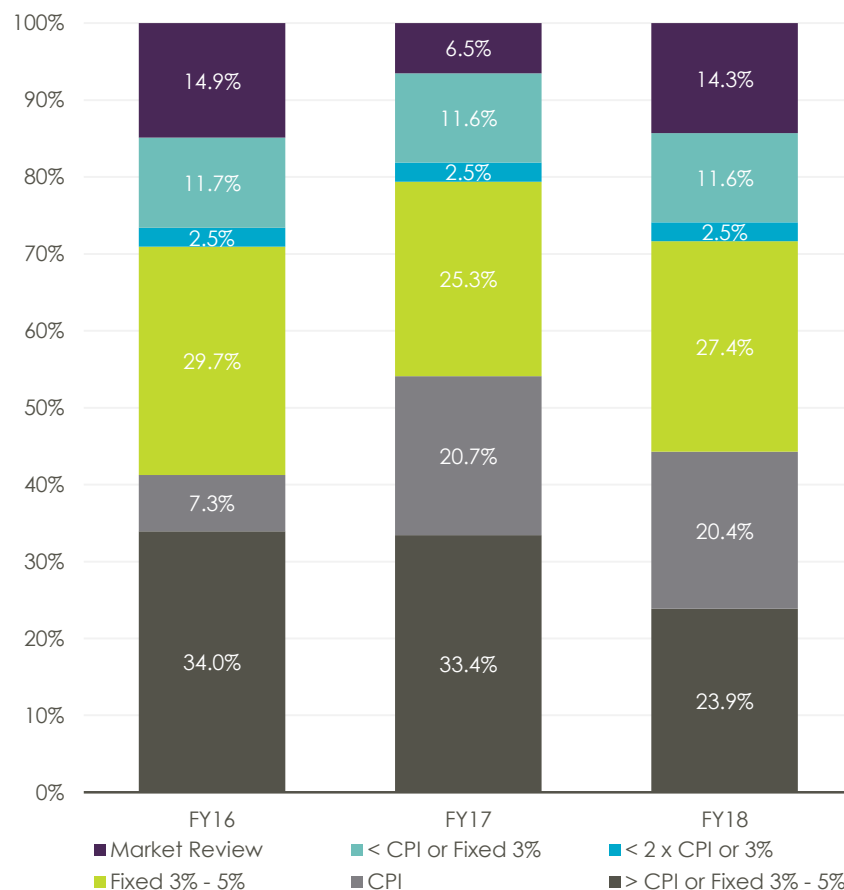
### Rent reviews

- All tenants bar one were subject to a rent review during the past 12 months with the average net increase of 3.3% (on a like-for-like basis)
- In the coming 12 months 108 of 111 tenants are subject to a rent review. Market reviews make up 30 of these reviews, which combined are marginally under-rented

### Lease renewals

- 14 leases were due to expire in FY15 of which 7 leases were renewed (81.5% retention rate by income)
  - Renewals of note included the Secure Parking lease (Spring Hill) and Qscan lease (Pacific Private) being 4.5% and 1.0% of Fund income respectively.
  - 75% of tenants vacating made way for new leases secured for these tenancies
  - Lease renewals had an average increase in net income of 6.7%, largely influenced by the Secure Parking uplift (16%)

### Rent review profile (by Income)



# PORTFOLIO OVERVIEW

## Property valuations up

- Property values increased 5.4%<sup>1</sup> on the book value immediately prior to the year end
- 60.8%<sup>1</sup> of the property portfolio (by value) was independently valued at 30 June 2015. Over the past 12 and 18 months, 88.9%<sup>1</sup> and 100%<sup>1</sup> of the property portfolio (by value) respectively, has been independently valued
- The weighted average capitalisation rate has compressed 42 basis points to 7.82%<sup>2</sup> (compared to 8.24% as at 30 June 2014) reflecting the pending organic growth projects at a number of the properties, a firming of the overall property market and strong interest in healthcare property
- All independent valuations (excluding Spring Hill) undertaken at 30 June 2015 experienced a firming of cap rates between a range of 50bps to 125bps
- Waratah debt investment increased in value from \$8.5 million to \$9.3 million with book write down given effective interest rate accounting and capex incurred during the year

1. Excludes impact of acquisition of RSL Care assets

2. Pro-forma values includes acquisition of RSL Care aged care assets

# PORTFOLIO OVERVIEW

## Property valuations up

Property	June 2015 Cap rate	June 2015 Book value (\$m) <sup>1</sup>	Revaluation change (\$m)	Comments <sup>3</sup>
Epworth Freemasons Victoria Pde, VIC	7.50%	51.8	6.8	The book value has increased 15.1% (\$6.8m) over the year. The independent valuation undertaken at 30 June 2015 which saw a 75 bps compression to the capitalisation rate. The valuation in part reflects the current under-renting in the facility as well as the fact the acquisition of the freehold is pending and expected to occur later this calendar year
Epworth Freemasons Clarendon St, VIC	6.75%	38.6	3.9	
Frankston Private, VIC	7.25%	20.4	2.0	The book value has increased 11.1% (\$3.9m) during FY15. The independent valuation undertaken at 30 June 2015 saw a 50 bps compression to the capitalisation rate, reflecting the triple net nature of the lease and the expansion opportunities which are currently being pursued by way of the hospital upgrade works and the proposed cancer centre development and major underground car park
Harvester Centre, VIC	8.50%	14.1	0.6	
ARCBS, Kelvin Grove, QLD	7.85%	72.3	(0.4)	The property saw a 10.8% (\$2.0m) uplift over the year and was independently valued as at 30 June 2015. The uplift in value was the result of a firmer capitalisation rate (reduced 75 bps) which recognises the new 20 year leases to Healthscope over the existing Day Surgery and Oncology businesses along with Healthscope's commitment to the Hospital development, and more generally the strengthening investor appetite for Healthcare assets
RSL Care Tantula Rise, QLD	7.65%	17.9	-	
RSL Care Baycrest, QLD	7.65%	14.4	-	Valuation gains of 5.6% (\$2.5m) over the course of the year can be attributed mainly to the enhanced rental terms negotiated for a new 7 year lease to Secure Parking
RSL Care Darlington, NSW	7.65%	13.5	-	
Pacific Private Clinic, QLD	9.75%	28.4	(0.8)	Completed in February 2015, with 30 June 2015 independent valuation this property saw an 8.6% (\$1.8m) increase in value. Recent leasing activity combined with the asset's co-location with the planned Casey Private Hospital and the Casey Public Hospital underpin the firmer valuation metrics (cap rate firmed 125 bps)
Westmead Rehabilitation, NSW	8.10%	23.0	0.8	
Spring Hill, QLD	8.25%	47.2	2.5	Completed in February 2015, with 30 June 2015 independent valuation this property saw an 8.6% (\$1.8m) increase in value. Recent leasing activity combined with the asset's co-location with the planned Casey Private Hospital and the Casey Public Hospital underpin the firmer valuation metrics (cap rate firmed 125 bps)
Casey Specialist Centre, VIC	7.25%	23.1	6.1	
Leading Healthcare, VIC	7.50%	10.0	1.0	Completed in February 2015, with 30 June 2015 independent valuation this property saw an 8.6% (\$1.8m) increase in value. Recent leasing activity combined with the asset's co-location with the planned Casey Private Hospital and the Casey Public Hospital underpin the firmer valuation metrics (cap rate firmed 125 bps)
Frankston Specialist Centre, VIC	7.25%	1.2	(0.4)	
<b>Total / Weighted average</b>	<b>7.82%</b>	<b>375.8</b>	<b>22.2</b>	
Casey Development Site, VIC	-	6.6	-	
Frankton Development Site, VIC	-	2.6	-	
<b>Total</b>	<b>-</b>	<b>9.2</b>	<b>-</b>	
<b>Portfolio Total / Weighted average<sup>2</sup></b>	<b>7.82%</b>	<b>385.0</b>	<b>22.2</b>	

1. Full details in Appendix D
2. Pro-forma values includes acquisition of RSL Care aged care assets
3. Excluding capital expenditure



# FY15 TRANSACTIONS▶

# FY15 TRANSACTION SUMMARY ➤

July 2014

## ➤ Frankston Private Expansion (50% interest)

- Healthscope acquired two principal tenants (day surgery and day oncology representing 49% of the rent roll) at the joint venture owned Frankston Private. Leases extended by 18 years to 20 years
- Entered into an agreement for lease with Healthscope to undertake a circa \$45 million expansion of Frankston Private, on a 20 year head lease at 8.50% return on cost
- Unconditional contract to acquire an adjacent 2,021 m<sup>2</sup> site (settled December 2014) and entered into a 10 year lease over this property for medical consulting to Healthscope. Provides further medium to longer term expansion potential



August 2014

## ➤ Casey Stages 2 and 3 Memorandum of Understanding (MoU) with St John of God Health Care

- Entered into a non-binding MoU to progress Stage 2 concept plans to develop in co-ownership a scale private hospital comprising 190 beds, six operating theatres, six birthing suites, a cardiac/vascular catheter laboratory, two endoscopy theatres, medical consulting suites and associated car parks
- Stage 3 allows for further capacity expansion to include additional operating theatres, beds and consulting space



October /  
December 2014

## ➤ Enhancement of primary debt facility

- Renegotiated pricing (line and margin) with a 51 basis point reduction on 61% of the Fund's debt (based on facility limit) with National Australia Bank
- Extended remaining 3.75 year term of a \$38.9 million tranche out to 4.75 years

## ➤ Extended Divine debt facility and enhanced pricing

- Extended the Divine debt facility by 4 years out to September 2019 and reduced pricing (line and margin) by 35 bps





# FY15 TRANSACTION SUMMARY (CONTINUED) ➤

April / May 2015

## ➤ Aged Care Portfolio Acquisition

- Acquired a portfolio of three high quality aged care facilities (co-located with RSL Care owned retirement villages) from RSL Care Ltd for \$45.8 million on a 20 year sale and leaseback with a purchase yield of 7.65%
- Entered into a collaboration agreement with RSL Care providing the opportunity for GHC to fund the property component of future acquisitions



## ➤ Equity Raising to fund RSL Care transaction

- Fully funded the RSL Care transaction via a \$52 million equity raising at \$1.50 per unit
  - \$5.0 million placement to a member of the Taverners Group<sup>1</sup>
  - \$47.0 million fully underwritten non-renounceable accelerated entitlement offer



## ➤ Casey Stage 2 in-principle terms

- Commercial in-principle terms agreed with St John of God Health Care (SJGHC) to build a new \$120 million private hospital on the Funds site in Casey, Victoria. SJGHC to lease the building for an initial 20 year term with initial rent at 8% on cost and fixed annual rent reviews of 3%



1. Entitlement as contracted as part of the acquisition of Spring Hill in June 2014



# POST BALANCE DATE TRANSACTION SUMMARY▶

August 2015

## ▶ Casey Stage 2 commercial terms and documentation

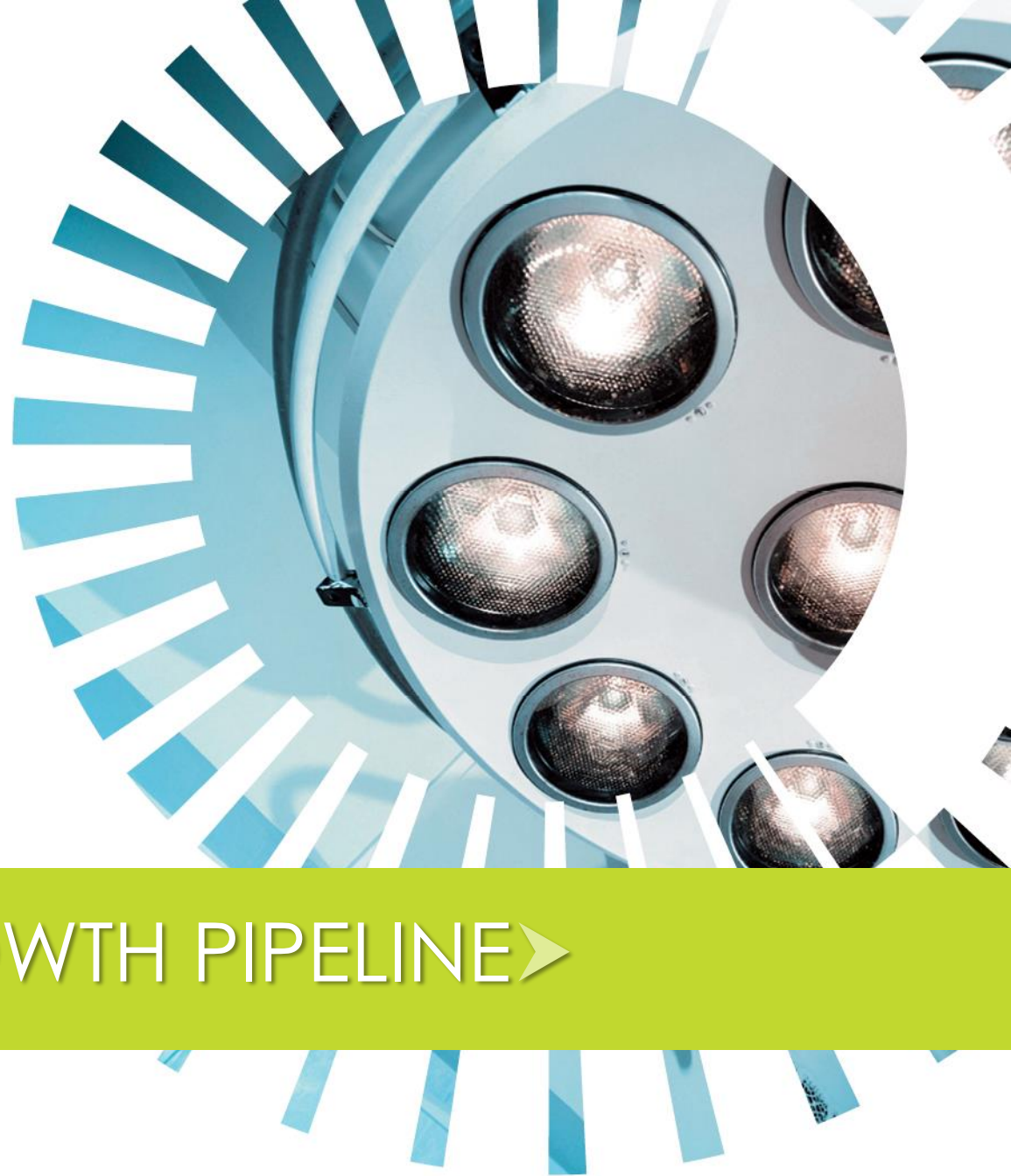
- Commercial terms and legal documentation nearing completion with St John of God Health Care for new \$120 million co-owned private hospital in Casey, Victoria, Council has issued a planning permit, construction tender pending and debt tender shortlist identified following strong interest



## ▶ Epworth Freemasons Cancer Centre

- Epworth Freemasons Cancer Centre project restructured via a conditional Heads of Agreement, now to include a major underground car park and additional hospital services. Estimated project cost of \$62 million to be a 50/50 JV with Epworth Foundation





# ORGANIC GROWTH PIPELINE➤

# ORGANIC GROWTH PIPELINE OVERVIEW

## Building growth in unitholder value

### Return on cost projects in joint venture enhancing alignment

Estimated Start Date	Estimated End Date	Total Project / Purchase Cost	Ownership Share	GHC Share	Income Return
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#### Committed

1	Epworth Freemasons (Victoria Parade) Freehold land acquisition	End Calendar 2015		\$10.7 m	100%	\$10.7 m	-
2	Frankston Private Expansion	End Calendar 2015	Circa 18 month construction	Circa \$45 m	65%	\$29.3 m	8.50% <sup>2</sup>
3	Casey Private Hospital (Stage 2) <sup>3</sup>	End Calendar 2015	Circa 24 month construction	\$120 <sup>4</sup> m	50% base build 90% car park	~\$45.0 m	8.00% <sup>2</sup>
4	Epworth Freemasons Cancer Centre and Albert Street car park <sup>1</sup>	End Calendar 2016	Circa 22 month construction	\$62 m	50%	\$31 m	Car park: 8.25%, Cancer centre: 8.50% <sup>2</sup>
				Circa \$238m		Circa \$116m	

#### Work In Progress

5	Waratah Private Hospital	N/A	N/A	-	-	-	N/A
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1. Subject to town planning approval and finance

2. The income return is the contracted rental yield applied to the total forecast land and building project cost

3. Committed subject to debt and construction tender

4. Includes tenant funded hard fitout that the tenant will fund

# ORGANIC GROWTH PIPELINE➤

## Acquisition of the freehold interest at Epworth Freemasons (Victoria Parade)

### Background

- GHC acquired Epworth Freemasons Hospital and Medical Centre at Victoria Parade in May 2006 on a leasehold basis
  - The contract included an obligation to purchase the freehold land following future subdivision
- Purchase price of \$10.7 million (plus costs and deferred costs on the building totalling \$2.07 million)
- The current annual ground lease rental of \$788,000 (represents 7.40% on the \$10.7 million purchase price) will terminate on settlement

### Update

- The permit for the subdivision of the land has now been issued. Separation works have been tendered and commenced
- Independent valuation assuming the subdivision provides a freehold value of \$62.1 million
- Settlement is expected prior to the end of calendar 2015



# ORGANIC GROWTH PIPELINE➤

## Frankston Private Hospital Expansion project

### Background

- Healthscope, Australia's second largest private healthcare operator, pre-committed, via a head lease, to a major facility expansion to provide inpatient beds, medical consulting and car parking
- Facility expansion via return on cost model at 8.5% on cost. Estimated project cost of circa \$45 million (GHC share 65%)
- Healthscope have determined the focal point of the development to be on the Frankston-Flinders Road fronted site
- Master planning provides for the longer term development
- Ancillary development site leased for 10 years to Healthscope for medical consulting





# ORGANIC GROWTH PIPELINE➤

## Frankston Private Hospital Expansion project

### Update

- Frankston City Council has issued a Notice of Decision to Issue a Permit (subject to one objection)
- For-construction documentation well advanced
- Short term tenancy over the development site terminated to facilitate construction commencement
- Tender pending for construction commencement (expected prior to end of calendar year)
- Debt funding offer received for full project cost, now proceeding to documentation
- Build time of 18 months. 20 year lease to Healthscope to commence from practical completion with 6 month rent free to provide for hospital ramp up
- GHC to have a 65% interest in the expansion which results in an increased commitment to \$29.3 million (from \$17.5 million previously)

### Frankston Private Hospital, Melbourne, VIC (expansion)

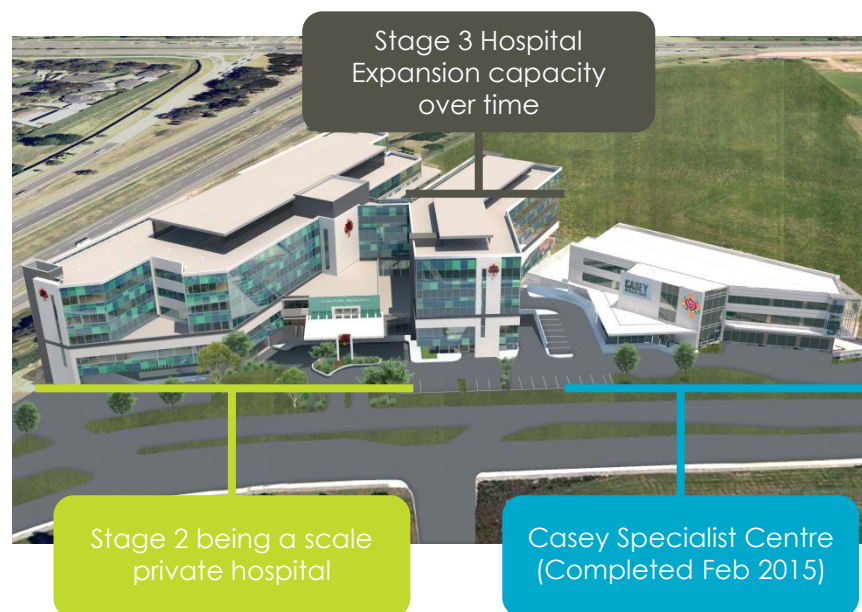
Forecast total project cost (GHC share – 65%)	~\$29m
Forecast return on cost	8.50%
Lease type	Head lease
Annual reviews	Lesser of 2xCPI or 3.0%
Occupancy	100.0%
Major tenant	Healthscope Ltd

# ORGANIC GROWTH PIPELINE➤

## Casey Stage 2

### Background

- Co-ownership with SJGHC with:
  - 50%/50% on base building and 90% (GHC) / 10% for car park
  - SJGHC to fund building hard fit-out
  - SJGHC to have a right to buy GHC's share at independent market value at years 50, 60 and 70
- SJGHC to head lease the hospital for an initial 20 year term and 5 x 15 year options
- GHC to retain 100% ownership of Casey Stage 1 with GHC and SJGHC to co-own the land for Casey Stage 3
  - Casey Stage 3 land provides for hospital expansion including additional beds, theatres and medical consulting
- Total investment for the Fund of ~\$45 million to be funded via project specific debt and equity (via debt at Head Trust using existing balance sheet capacity)





# ORGANIC GROWTH PIPELINE➤

## Casey Stage 2

### Update

- Casey City Council has now issued a permit for the project. Permit for a subdivision from Casey Stage 1 also received (to enable co-ownership structure)
- For construction documentation completed
- Construction tender pending
- Project debt tendered and short list determined
- Construction expected to commence prior to the end of calendar 2015 subject to pre-conditions around construction tender and finance
- Period of 24 months expected for build and commissioning
- Lease and rent commencement following issue of hospital licence and provider number to SJGHC expected within 1 month of practical completion



### Key metrics

Forecast total project cost	\$120 million
GHC share of total project cost <sup>2</sup>	~\$45 million
Initial return (on cost)	8.0%
Annual reviews	3.0% fixed
Lease term	20 years
Options	5x15 years
Lease type	Headlease <sup>1</sup>
Major tenants	St John of God Health Care

1. Head lease over the base building and lease over 188 of the 300 stage 2 and 3 car parks

2. SJGHC to fund the fitout of and be a 50% co-owner of the base building and 10% of the car park

# ORGANIC GROWTH PIPELINE➤

## Epworth Freemasons Clarendon St

### Background

- A new, circa \$25 million, Cancer Centre to be developed on part of the Clarendon Street site (subject to development approval)
- Previously to be owned 100% by GHC with Epworth to have the right but not the obligation to fund any excess greater than \$25 million and have a resulting ownership interest
- Linking existing and proposed cancer services across the Clarendon Street campus including radiotherapy, chemotherapy and consulting
- In addition, major upgrade works of \$59 million to the co-located hospital building continues to progress (with the Fund contribution being \$12.5 million paid in June 2014), reinforcing Epworth's commitment to the site



Epworth Freemasons Cancer Centre – Artists impression

# ORGANIC GROWTH PIPELINE➤

## Epworth Freemasons Clarendon St

### Update

- Heads of Agreement documented with Epworth Foundation in August 2015 to vary existing project documentation
- Project restructured to include a circa 300 bay underground car park and further expansion of hospital services including additional beds. Retention of Cancer Centre project but to include additional operating theatres
- Project now to be a 50/50 joint venture with Epworth Foundation with an estimated total project cost of \$62 million
- Town planning via Master Plan approach including zoning change
- Master Plan expected to be lodged with Melbourne City Council following consultation. Process expected to take approximately 12 months
- Total project to be head leased by Epworth for initial 20 year term<sup>1</sup> at a blended yield on cost of 8.25% for the car park and 8.50% for the Cancer Centre
- Finance pre-condition included given planning timeframe, also to cater for non-recourse finance structure for Epworth share for agreed period including construction

### Epworth Freemasons Clarendon St, Melbourne, VIC (new build)<sup>1</sup>

Forecast total project cost	~\$62 million
GHC share of total project cost	~\$31 million
Forecast return on cost	Blend of 8.25% and 8.50%
Lease type	Head lease
Initial lease term <sup>1</sup>	20.0 years
Annual reviews	Blend of '>CPI and 3%' and '>CPI or 3.5%'
NLA	~6,000 m <sup>2</sup> and ~300 car park bays
Major tenants	Epworth Foundation

1. Lease to commence in line with start date of extended lease on Epworth Freemasons Clarendon Street, which started on June 2014

# ORGANIC GROWTH PIPELINE➤

## Waratah Private Hospital

### Background

- A first ranking secured debt investment over the facility
- Evolution Healthcare contracted as hospital operator and Generation Healthcare Management contracted as property manager
- Longer term growth opportunity for GHC

### Update

- Facility continues to ramp up
- Provision of additional services inclusive of rehabilitation
- Joint venture with GenesisCare, Australia's largest provider of radiotherapy, to provide complete oncology service. Two linear accelerators installed
- Waratah Imaging in partnership with Alfred Medical Imaging to provide comprehensive medical imaging services
- Establishment of 34 additional inpatient beds due for completion in September 2015. On completion facility will have 94 beds





# CAPITAL MANAGEMENT▶



# CAPITAL MANAGEMENT➤

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## Equity

### **\$52 million equity raising undertaken to fund RSL Care portfolio acquisition**

- Completion of institutional placement and non-renounceable accelerated entitlement offer
- Strong demand from existing investors
  - \$5 million placement to a member of the Taverners Group<sup>1</sup> at \$1.50 per unit
  - \$47 million fully underwritten entitlement offer at \$1.50 per unit

### **Distribution Reinvestment Plan (DRP)**

- The DRP raised \$2.9 million in the 2015 financial year

### **Performance Fee**

- Units to the value of \$1.6 million were issued in March 2015 in part<sup>2</sup> payment of the performance fee due to the Manager for the 6 month period ended 31 December 2014

1. Entitlement as contracted as part of the acquisition of Spring Hill in June 2014

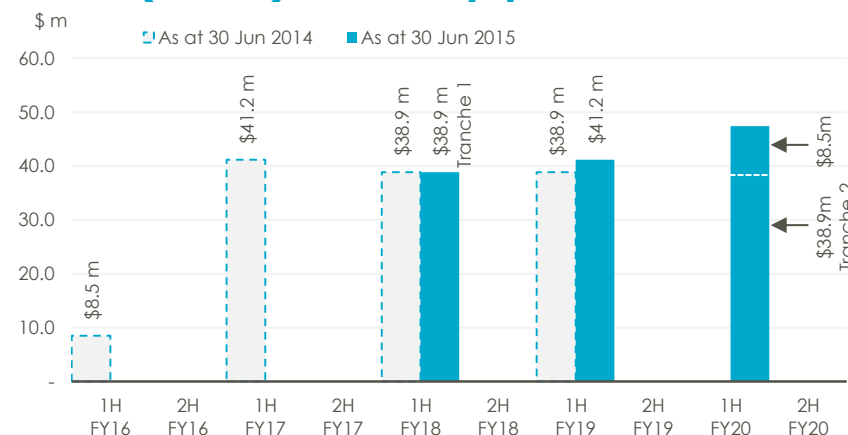
2. The outperformance in the first half of FY15 gave rise to a performance fee entitlement to the Manager. Given the 1.5% total cap, the balance rolls forward into the next assessment period.

# CAPITAL MANAGEMENT - DEBT➤

## Debt position

- Gearing position provides balance sheet capacity to fund organic growth projects
- Diversification of maturity risk profile
- Strong bank support
- Interest rates on debt for organic growth projects to be hedged at financial close
- Negotiated lower line and margin fees across all 3 facilities as well as extending tenor
- Undrawn funding lines at 30 June of \$20m
- Casey Stage 2 to be funded by project level debt and equity portion via debt at Head Trust

## Debt (limits) maturity profile \$m



## Debt profile

	Jun 2015	Jun 2014
Gearing <sup>1</sup>	26.6%	31.3%
Weighted average facility term	3.3 yrs	3.0 yrs
Weighted average hedged term <sup>2</sup>	5.4 yrs	3.5 yrs
Weighted average cost of debt	6.19%	6.99%
% fixed/hedged	83%	75%

1. Excludes the restatement of the ground lease at Australian Red Cross Blood Service as a finance lease liability

2. Excludes forward start hedges



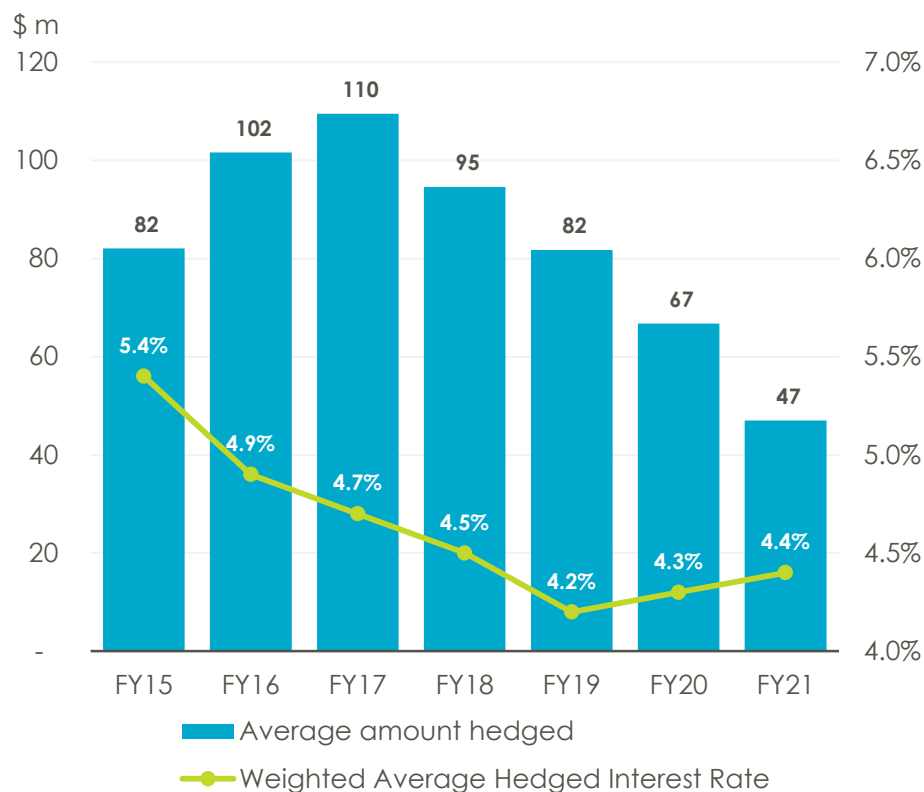
# CAPITAL MANAGEMENT - DEBT➤

## Hedging summary

- Average debt hedged FY15: \$82 million
- Weighted averaged interest rate of hedged debt (excluding line and margin) FY15: 5.4%
- 5.4 years weighted average maturity of hedges at 30 June 2015<sup>1</sup>
- Entered into two new forward start hedges from May 2016 for 4 and 6 years, totalling \$25 million with a weighted average interest rate of 3.4%
- \$55 million of hedges converted to monthly from August 2015 with a lower weighted average interest rate of 4.6% (0.3% reduction)
- Higher hedged rates reflect historical swaps
- Focus on mitigating interest rate risk through the cycle

1. Excluding forward start hedges

## Hedging profile by financial year





# OUTLOOK▶

# OUTLOOK➤

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## Forecast FY16 Underlying Net Operating Income Per Unit

- Full year forecast to 30 June 2016 – of 9.90 cpu<sup>1</sup>

## Forecast FY16 Distribution Per Unit

- Full year forecast of 8.84 cpu, **an increase of 3%** on FY15
- Distribution to be allocated evenly between the first and second half
- Forecast payout ratio of 89%

## Future potential upside to earnings (outside of FY16)

- Equity raised in FY14 and FY15 positioned the balance sheet to fund the organic growth pipeline via debt
- EPU accretive growth projects, generating 8.0% to 8.5% income return to be funded via debt, and are forecast to become income producing in late FY17 onwards

1. Excludes any performance fees to the manager that may become due and payable

# KEY AREAS OF FOCUS FOR THE NEXT 12 MONTHS➤

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1. Continue to grow operational earnings and distributions
2. Continue active management of the portfolio including leasing to drive value
3. Initiate construction for:
  - \$120 million co-owned Casey Stage 2 project (circa \$45 million for GHC)
  - \$45 million Frankston Private expansion project (circa \$29 million for GHC)
4. Achieve required town planning outcome for Epworth Freemasons Clarendon St Master Plan and project specific permits for the new Cancer Centre, car park and hospital expansion
5. Consider growth opportunities that add value to the Fund

# APPENDICES

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# APPENDIX A – DETAILED FINANCIAL STATEMENTS ►

# APPENDIX A – DETAILED FINANCIAL STATEMENTS➤

## Operating Income Statement

	30 June 2015 (\$m)	30 June 2014 (\$m)
<b>Revenue</b>		
Net property income	24.3	18.6
Interest Income	1.4	0.7
	<b>25.7</b>	<b>19.3</b>
<b>Expenses</b>		
Finance costs	(6.3)	(7.1)
Responsible Entity's fees <sup>1</sup>	(1.9)	(1.5)
Other	(0.3)	(0.3)
	<b>(8.5)</b>	<b>(8.9)</b>
<b>Underlying Net Operating Income</b>	<b>17.2</b>	<b>10.4</b>

1. This is the base management fee excluding any performance fee entitlement



# APPENDIX A – DETAILED FINANCIAL STATEMENTS ►

<b>Balance Sheet</b>	<b>30 June 2015 (\$m)</b>	<b>30 June 2014 (\$m)</b>
<b>Current assets</b>		
Current assets	4.7	5.5
	<b>4.7</b>	<b>5.5</b>
<b>Non-current assets</b>		
Trade and other receivables	20.0	19.4
Loans carried at amortised cost	9.3	8.6
Investment properties	303.6	270.8
Deposits on investment properties	45.8	-
Equity accounted investments	24.1	20.6
	<b>402.8</b>	<b>319.4</b>
<b>Total assets</b>	<b>407.5</b>	<b>324.9</b>
<b>Current liabilities</b>		
Payables	14.4	8.4
Borrowings	0.4	0.4
Derivatives	2.7	2.3
Distribution payable	7.8	4.8
	<b>25.3</b>	<b>15.9</b>
<b>Non-current liabilities</b>		
Payables	0.7	7.4
Borrowings	116.1	108.6
Derivatives	6.9	5.6
	<b>123.7</b>	<b>121.6</b>
<b>Total liabilities</b>	<b>149.0</b>	<b>137.5</b>
<b>Net assets</b>	<b>258.5</b>	<b>187.4</b>
<b>Equity attributable to unitholders</b>		
Issued Units	231.1	176.2
Retained earnings	27.4	11.2
<b>Total equity</b>	<b>258.5</b>	<b>187.4</b>
<b>Net tangible assets (NTA) per unit</b>	<b>\$1.22</b>	<b>\$1.07</b>
<b>Property net tangible assets (NTA) per unit<sup>1</sup></b>	<b>\$1.26</b>	<b>\$1.12</b>

1. Excluding the fair value of derivatives

# APPENDIX A – DETAILED FINANCIAL STATEMENTS ►

## Cashflow Statement

	30 June 2015 (\$m)	30 June 2014 (\$m)
<b>Operating</b>		
Rental and other property receipts	31.6	24.3
Property & other payments	(10.1)	(8.6)
Distributions received from equity accounted investment	1.6	1.3
Borrowing costs paid	(7.2)	(7.6)
Interest received	0.4	0.1
	<b>16.3</b>	<b>9.5</b>
<b>Investing</b>		
Purchase of investment properties	(49.1)	(30.5)
Additions to investment properties & properties under construction	(14.2)	(20.4)
Additions to equity accounted investment	(1.9)	(0.1)
Loans advanced	(1.1)	(8.3)
	<b>(66.3)</b>	<b>(59.3)</b>
<b>Financing</b>		
Proceeds from issue of units	52.1	68.3
Unit issue costs	(1.7)	(1.9)
Proceeds from borrowings	63.0	83.3
Repayment of borrowings	(55.7)	(92.8)
Distributions to unitholders	(9.3)	(5.8)
<b>Net cash provided by financing activities</b>	<b>48.4</b>	<b>51.1</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(1.6)</b>	<b>1.3</b>
<b>Cash at beginning of the year</b>	<b>3.2</b>	<b>1.9</b>
<b>Cash at end of the year</b>	<b>1.6</b>	<b>3.2</b>



## APPENDIX B – CAPITAL MANAGEMENT ►

## APPENDIX B – CAPITAL MANAGEMENT➤

### Debt facilities

	Facility 1	Facility 2	Facility 3	Total
Limit (\$m)	77.8	8.5 <sup>1</sup>	41.2	127.5
Amount drawn (\$m)	57.8	8.5 <sup>1</sup>	41.2	107.5
Loan to value ratio (LVR) actual	30.5%	38.8%	57.6%	-
LVR covenant	60.0%	60.0%	65.0%	-
Interest cover ratio (ICR) actual	4.0x	4.0x	2.1x	-
ICR bank covenant	1.5x	1.5x	1.5x	-
% Hedged	87%	100%	74%	83%
Facility expiry	50% in Sept 2017 50% in Sept 2019	Sept 2019	July 2018	
Security pool	Balance of portfolio excluding Spring Hill and RSL Care assets	Frankston Private + Development land	Australian Red Cross Blood Service	

1. GHC's 50% share



## APPENDIX C – PROPERTY BOOK▶





# APPENDIX C – GHC PORTFOLIO ➤

	EPWORTH FREEMASONS PRIVATE HOSPITAL AND MEDICAL CENTRE <sup>1</sup>	EPWORTH FREEMASONS PRIVATE HOSPITAL (CLARENDON STREET)	HARVESTER CENTRE	AUSTRALIAN RED CROSS BLOOD SERVICE FACILITY (ARCBS)
				
Location	Melbourne, VIC	Melbourne, VIC	Melbourne, VIC	Brisbane, QLD
Description	Maternity hospital, day surgery, consulting & ancillary services	Hospital with ancillary diagnostic and cancer services	Medical office building	Blood testing, processing and distribution centre, part of University Medical School
Built	1980s	1935, with extensions 1950s, 60s, 70s, 90s, 2007, 2014 and major upgrade in 2015	Complete building refurbishment and extension 2007	2008
Book value	\$51.8 million	(50% Interest) \$38.6 million	\$14.1 million	\$72.3 million
Major tenant(s)	Epworth Foundation	Epworth Foundation	Melbourne Health (State Government)	ARCBS, RSL Care
WALTE	7.8 years	18.9 years	4.9 years	18.1 years
Site area	4,490 sqm	9,173 sqm	5,021 sqm	6,897 sqm
NLA	8,584 sqm	13,990 sqm	4,413 sqm	20,250 sqm
Occupancy	100%	100%	100%	100%
Rental reviews	Combination of CPI, fixed and market reviews	Annual reviews to be the higher of CPI and 3%	Combination of CPI, fixed and market reviews	Higher of CPI or 3%, fixed reviews between 3.5% and 5%, CPI and market reviews

1. Settlement of the \$10.7 million purchase price (or the land (plus costs) is expected to occur prior to the end of Calendar 2015



## APPENDIX C – GHC PORTFOLIO ➤

	RSL CARE DARLINGTON	RSL CARE BAYCREST	RSL CARE TANTULA RISE	PACIFIC PRIVATE CLINIC
				
Location	Banora Point, NSW	Pialba, QLD	Alexandra Headland, QLD	Gold Coast, QLD
Description	Residential aged care facility	Residential aged care facility	Residential aged care facility	Day surgery and medical office building
Built	2005 and 2007	Mid 1990s; 60 new beds were built in 2006	2005 and 2007	2000
Book value	\$13.5 million	\$14.4 million	\$17.9 million	\$28.4 million
Major tenant(s)	RSL Care	RSL Care	RSL Care	Healthscope Limited
WALTE	20.0 years	20.0 years	20.0 years	3.6 years
Site area	9,500 sqm (subject to sub-division <sup>1</sup> )	15,100 sqm (subject to sub-division <sup>1</sup> )	7,600 sqm (subject to sub-division <sup>1</sup> )	3,723 sqm
NLA	6,289 sqm	6,676 sqm	7,768 sqm	7,955 sqm
Occupancy	100%	100%	100%	95%
Rental reviews	Lesser of 3.0% and CPI, market review mid term and upon exercise of option (+/- 5% cap and collar)	Lesser of 3.0% and CPI, market review mid term and upon exercise of option (+/- 5% cap and collar)	Lesser of 3.0% and CPI, market review mid term and upon exercise of option (+/- 5% cap and collar)	Combination of CPI, fixed and market reviews

1. Pro-forma values includes acquisition of RSL Care aged care assets



# APPENDIX D – GHC PORTFOLIO ➤

	LEADING HEALTHCARE BENDIGO	WESTMEAD REHABILITATION	SPRING HILL	CASEY SPECIALIST CENTRE
				
Location	Bendigo, VIC	Westmead, NSW	Brisbane, QLD	Berwick, VIC
Description	Primary Care Medical Centre	Rehabilitation Hospital	Day surgery and medical office building	Medical office building
Built	2012	2005	1988, with periodic upgrades since	Completed February 2015
Book value	\$10.0 million	\$23.0 million	\$47.2 million	\$23.1 million
Major tenant(s)	IPN, Pacific Smiles, Melbourne Pathology	Pulse Health Ltd	Queensland Eye Hospital Queensland Fertility Group, Secure Parking	St. John of God, GenesisCare, MIA Radiology
WALTE	6.9 years	22.9 years	6.9 years	10.2 years
Site area	2,034 sqm	5,305 sqm	5,771 sqm	4,440 sqm
NLA	2,378 sqm	2,702 sqm	8,296 sqm	3,610 sqm
Occupancy	86%	100%	96% <sup>1</sup>	84%
Rental reviews	Combination of fixed reviews between 3%-4%	Higher of CPI and 2.5%	Combination of fixed 3% to 4.5%, higher of CPI and 3.5% to 3.75% and market reviews	Combination of the greater of CPI and 3.5%, fixed 3% or 3.5%, CPI, CPI plus 0.5%.

1. 999 sqm (8% of net property income on a fully leased basis) is subject to a rental guarantee

## APPENDIX C – GHC PORTFOLIO ➤

	CASEY DEVELOPMENT SITE (STAGE 2 AND 3)	FRANKSTON PRIVATE	FRANKSTON DEVELOPMENT SITE	FRANKSTON SPECIALIST CENTRE	WARATAH PRIVATE HOSPITAL (DEBT INTEREST)
					
Location	Berwick, VIC	Frankston, VIC	Frankston, VIC	Frankston, VIC	Hurstville, NSW
Description	Development site	Day surgery, cancer services, diagnostic and medical office building	Development site <sup>1</sup>	Medical office building	Hospital with ancillary diagnostic and cancer services
Built	NA	2006	NA	1989	2010
Book value	\$6.6 million	(50% Interest) \$20.4 million	(50% interest) \$2.6 million	(50% interest) \$1.2 million	\$9.3 million
Major tenant(s)	NA	Healthscope Ltd, GenesisCare, MIA Radiology	Zaly Pty Ltd (notice to vacate issued, lease to conclude 23 October 2015)	Healthscope Ltd	NA
WALTE	NA	11.9 years	NA	9.4 years	NA
Site area	Circa 7,760 sqm for stages 2 & 3	3,916 sqm	2,775 sqm	2,021 sqm	2,696 sqm
NLA	NA	4,528 sqm	NA	600 sqm	13,497 sqm
Occupancy	NA	100%	NA	100%	NA
Rental reviews	NA	Combination of < 2 x CPI or 3%, CPI, CPI + 0.5% and fixed 4%	NA	Lower of 2x CPI or 3%	NA

1. GHC to fund 65% of the \$45m total project cost (i.e. \$29m)

# APPENDIX C – GHC VALUATION METRICS

As at 30 June 2015	Book Value(\$m)	Last External Valuation	Cap Rate <sup>1</sup>	Discount Rate	Major Tenant	WALTE (yrs)	Lettable Area (sqm)	Occupancy
Epworth Freemasons Victoria Parade	51.8	30 Jun 2015	7.50%	8.25%	Epworth Foundation	7.8	8,584	100.0%
Epworth Freemasons Clarendon Street <sup>2</sup>	38.6	30 Jun 2015	6.75%	8.50%	Epworth Foundation	18.9	13,990	100.0%
Frankston Private <sup>2</sup>	20.4	30 Jun 2015	7.25%	9.00%	Healthscope, GenesisCare, MIA Radiology	11.9	4,528	100.0%
Harvester Centre	14.1	30 Jun 2015	8.50%	8.75%	Melbourne Health	4.9	4,413	100.0%
ARCBS Headquarters	72.3	31 Dec 2014	7.85%	9.50%	ARCBS	18.1	20,250 <sup>4</sup>	100.0%
RSL Care Tantula Rise	17.9	24 Feb 2015	7.65%	9.25%	RSL Care	20.0	7,768	100.0%
RSL Care Baycrest	14.4	25 Feb 2015	7.65%	9.25%	RSL Care	20.0	6,676	100.0%
RSL Care Darlington	13.5	19 Feb 2015	7.65%	9.25%	RSL Care	20.0	6,289	100.0%
Pacific Private Clinic	28.4	31 Dec 2013	9.75%	9.75%	Healthscope Ltd	3.6	7,955	94.9%
Westmead Rehabilitation	23.0	30 Jun 2014	8.10%	9.25%	Pulse Health	22.9	2,702	100.0%
Spring Hill	47.2	30 Jun 2015	8.25%	9.00%	Cura Day Hospitals, Virtus Health, Secure Parking	6.9	8,296	96.0%
Casey Specialist Centre	23.1	30 Jun 2015	7.25%	8.00%	St. John of God, GenesisCare, MIA Radiology	10.2	3,610	84.1%
Leading Healthcare Bendigo	10.0	30 Jun 2015	7.50%	7.75%	Sonic Healthcare Ltd, Pacific Smiles	6.9	2,378	86.4%
Frankston Specialist Centre <sup>2</sup>	1.2	30 Jun 2015	7.25%	9.00%	Healthscope Ltd	9.4	600	100.0%
Casey Development Site	6.6	-	-	-	-	-	-	-
Frankston Development Site	2.6	-	-	-	Zaly Pty Ltd (notice to vacate issued, lease to conclude 23 October 2015)	-	-	-
<b>Total Portfolio</b>	<b>385.0</b>		<b>7.82%</b>	<b>8.94%</b>		<b>12.7</b>	<b>98,038</b>	<b>97.8%</b>

1. Based on market rent not passing rent

2. GHC has a 50% interest in Epworth Freemasons Clarendon St and Frankston Private while lettable area represents 100%

3. Includes 8,231sqm of net exclusive area occupied by QUT under an 80 year lease where rent has been paid in advance



## APPENDIX D – GHC MANAGEMENT ►

# MANAGEMENT BIOGRAPHIES ►

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## **Miles Wentworth**

Chief Executive Officer

With over 20 years experience in financial services, property funds management and health property, Miles has the overall responsibility for the day to day management and performance of Generation Healthcare REIT™. His responsibilities include formulating and implementing the overall strategy for the Fund, capital management and investor relations. Miles holds a Bachelor of Commerce (Accounting) from Otago University, is a Chartered Accountant and a member of the New Zealand Institute of Chartered Accountants.



## **Chris Adams**

Director

Chris has experience in the property industry in Australia, New Zealand and the United Kingdom, with over 20 years experience in the areas of health sector property acquisitions, transaction structuring, large scale hospital developments and portfolio management. Chris's responsibilities include overseeing the property portfolio along with acquisitions and developments undertaken by the Fund. Chris holds a Bachelor of Property from Auckland University.

# CONTACT >

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Chief Executive Officer

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