

Home Consortium

ASX RELEASE

5 October 2021

PRESENTATION – MORGANS CONFERENCE 2021

Home Consortium (ASX: HMC) provides the attached presentation which will be delivered to the Morgans Conference 2021 today.

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Authorised for release by the Home Consortium Board

About HomeCo

HomeCo is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions and super funds. HomeCo is well capitalised and resourced to internally fund its strategy to grow FUM to \$5bn+ in the medium term by leveraging its 'Own, Develop and Manage' model.

HomeCo is the manager of HomeCo Daily Needs REIT (HDN) which listed in November 2020 and owns approximately \$1.6bn of assets. HomeCo's second ASX-listed externally managed vehicle, HealthCo Healthcare and Wellness REIT (HCW) listed in September 2021. HomeCo is also targeting the establishment of an unlisted fund focused on health and wellness sectors (HealthCo) by 2H21.

MORGANS CONFERENCE

5 October 2021

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ACKNOWLEDGEMENT OF COUNTRY

A large flock of birds, possibly terns, is captured in flight over a vast expanse of blue water. The birds are scattered across the upper and middle portions of the frame, their dark silhouettes contrasting against the lighter blue sky and water. The water's surface is textured with gentle ripples, and the overall scene conveys a sense of natural harmony and movement.

Home Consortium acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today

AGENDA

1. Investment Strategy

2. Funds Management

3. Outlook and Guidance



David Di Pilla
Managing Director
and CEO

85%



ASX: HMC



ASX: HDN



ASX: HCW



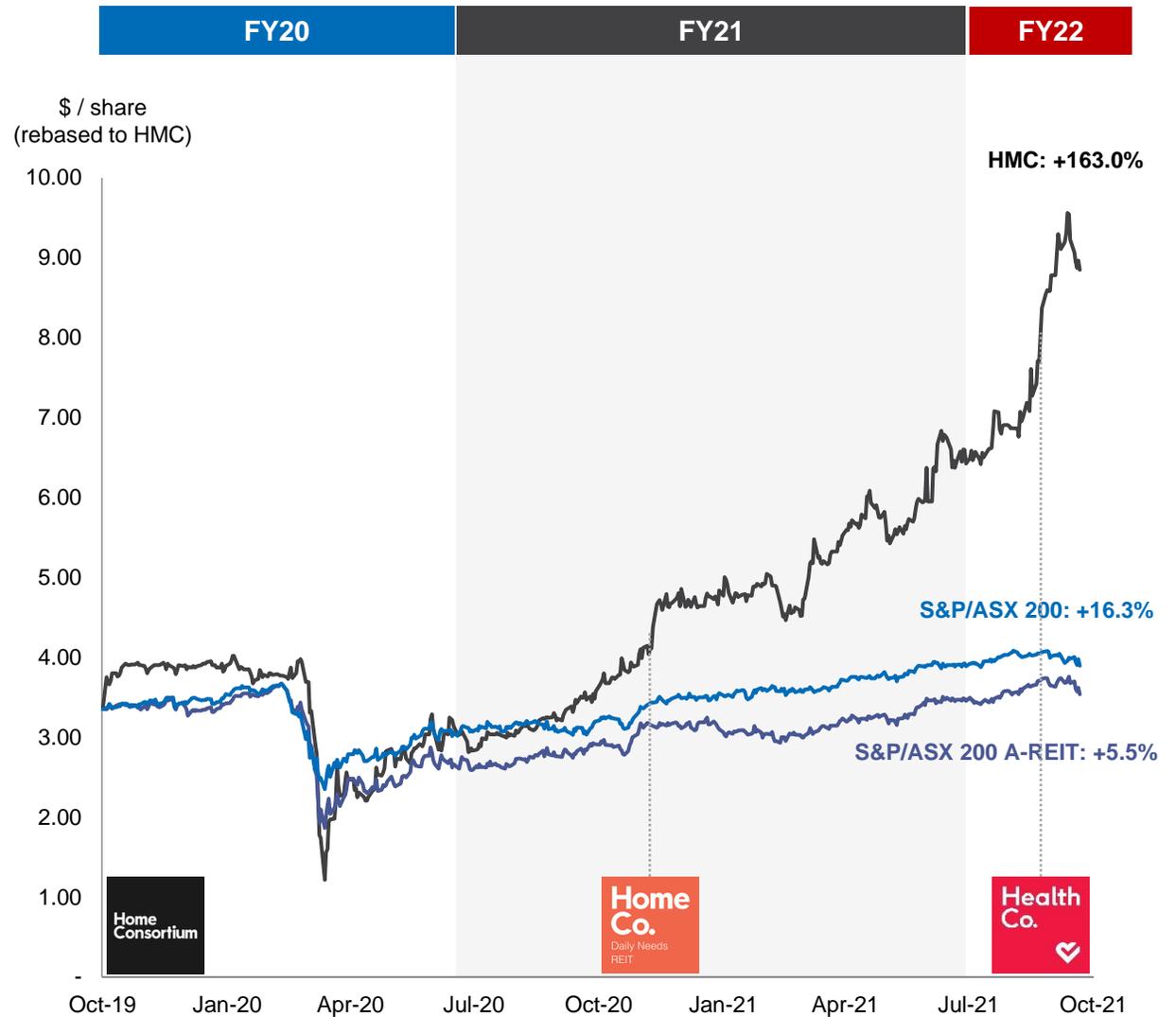
Investment Strategy

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Performance track record

HMC has significantly outperformed the S&P/ASX 200 Index and the A-REIT Index since listing^{1,2}

2021 Milestones	
22-Mar	HMC added S&P / ASX 300 Index
13-Apr	HealthCo establishment update and appointment of specialist Advisory Panel
19-Apr	HDN announces \$322m of acquisitions and \$265m ANREO
17-May	HMC acquires \$133m of HealthCo seed assets and announces \$45m of non-core sales
5-Jul	HDN acquires Victoria Point for \$160m and undertakes \$70m Institutional Placement
12-Jul	HMC acquires HealthCo seeds assets - \$110m GenesisCare and enters Acurio Camden JV
2-Aug	HealthCo (ASX: HCW) IPO upsized to \$650m
6-Sep	HCW lists on the ASX at \$2.00 and closes at \$2.32 (+16%) on first day of trading
13-Sep	HDN acquires \$222m portfolio and undertakes \$88m Institutional Placement
17-Sep	HDN enters S&P/ASX 300 index and HDN & HMC enter FTSE EPRA NAREIT index

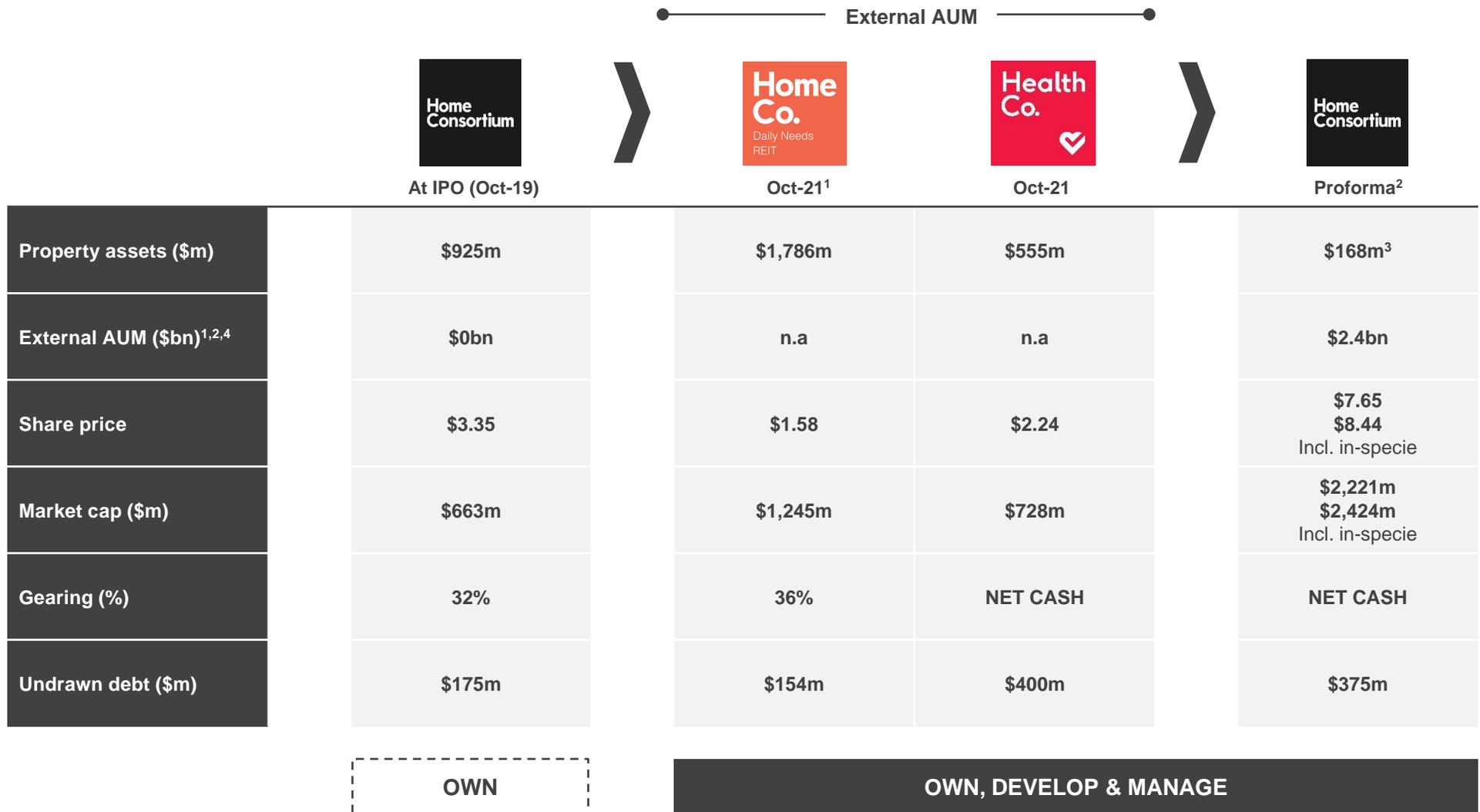


Source: IRESS (1 October 2021)

Notes: 1. Assumes dividends reinvested on ex dividend date and in-specie distribution received on IPO date (23-Nov-20). 2. Period from HMC IPO (Oct-19) to 1 October 2021.

Home Consortium journey since IPO

HMC primed for next phase of growth strategy following successful transition to capital light manager



Source: IRESS market data as at 1 October 2021. Notes: 1. Jun-21 balance sheet proforma for post balance date acquisitions and capital raise. 2. Pro forma Jun-21 balance sheet following establishment of HCW and the sale of 9 properties to HDN. 3. Includes remaining LFR assets, 28% interest in Camden (3 stages) and 50% interest in Proxima. Excludes assets held for sale to HDN and HCW. 4. Includes investment properties and cash.

Investment Strategy and Vision

HMC will leverage its unique platform and skill set to generate outsized returns

What differentiates HMC to its funds management peers?

**Unique
Platform**

**Scalable
growth
platforms &
strategy**

**Access to
multiple
pools of
capital**

**Ability to
execute
large
complex
transactions**

**Elite
management
team**

**Rigorous
Investment
Process**

**High
conviction,
thematic
investment
approach**

**Bottom-up
Model
Portfolio
construction**

**Downside
protection**

**Strong
alignment &
governance**

HMC is uniquely positioned to generate outsized returns by focusing on high conviction investment opportunities across the entire capital structure

Well positioned to rapidly scale platform post HealthCo establishment

Potential to scale platform to ~\$10bn+ of external AUM with existing capital sources

Capital sources (\$m)

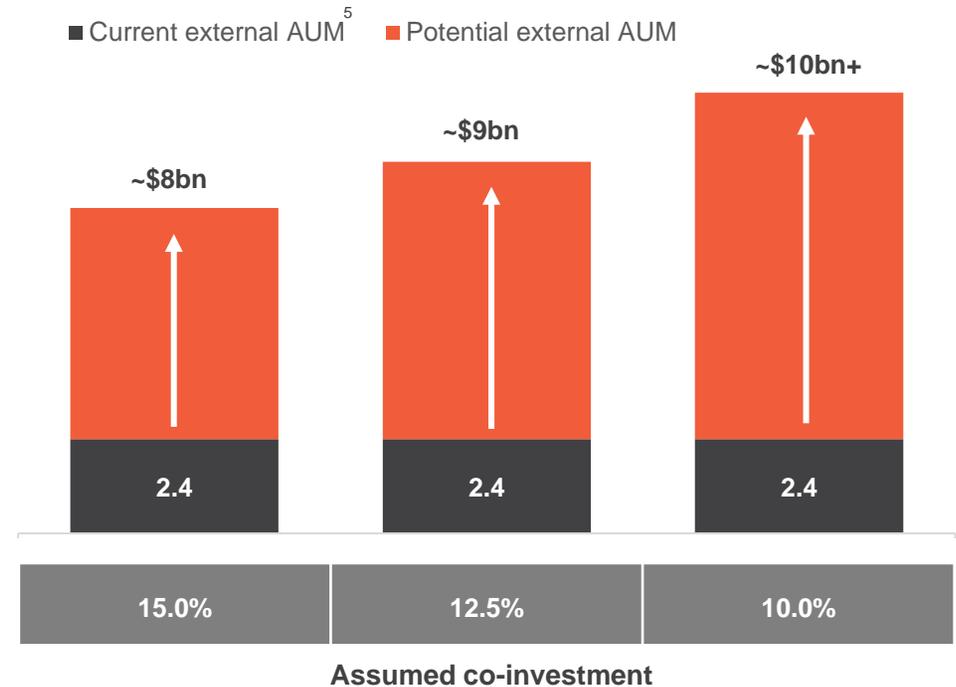
	\$m
Net cash post HealthCo IPO ¹	\$148m
HMC assets on balance sheet ²	\$168m
HDN excess co-investment ³	\$184m
HealthCo excess co-investment ³	\$76m
Total (equity sources)	\$576m
Debt facility (undrawn)	\$375m
Total (incl. debt capacity)	\$951m



Indicative external AUM growth potential (\$bn)⁴

Based on equity sources of capital only

Additional AUM upside potential from capital partnerships

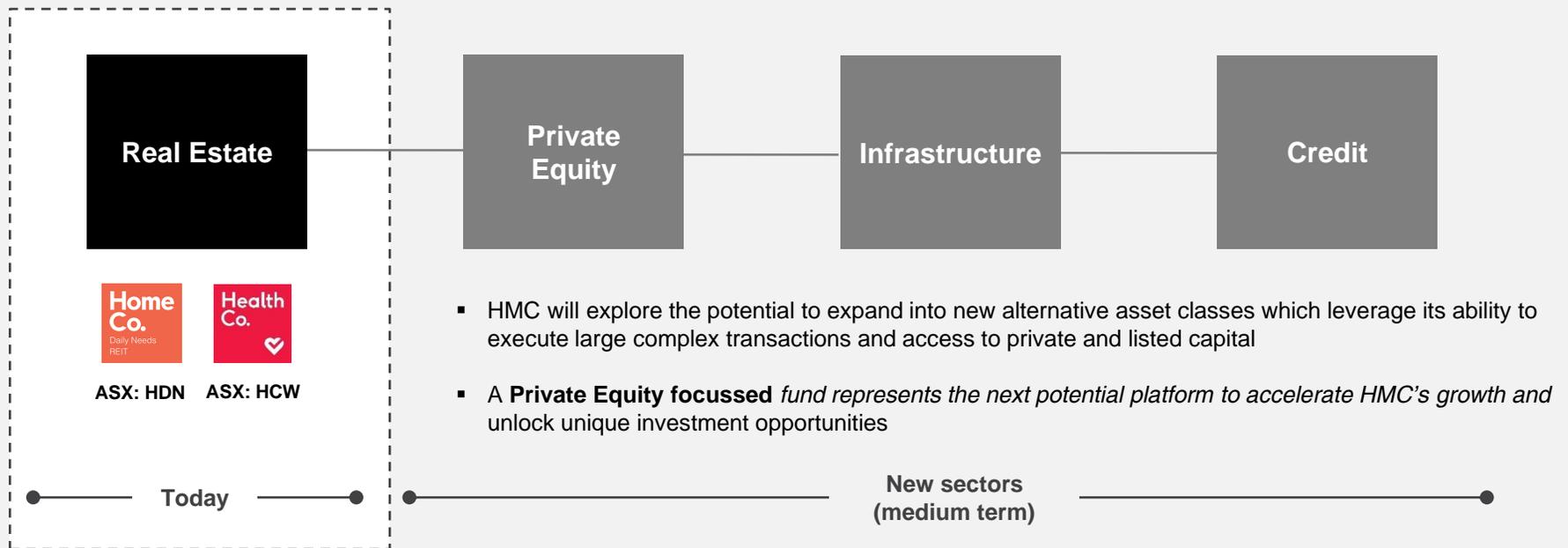


Source: Notes. 1. Pro forma Jun-21 net cash position following establishment of HCW and the sale of 9 properties to HDN. 2. Includes remaining LFR assets, 28% interest in Camden (3 stages) and 50% interest in Proxima. 3. Assumes long term co-investment of 10%. Co-investments marked to market as at 1 October 2021. HDN co-investment based on HMC Jun-21 ownership pro forma for Sep-21 HDN equity raise. 4. Assumes 35% gearing across managed vehicles. 5. Includes investment properties and cash.

Investment Strategy and Vision

Ambition to become Australia's **alternative** asset manager of the future

Which alternative asset classes will we target?



Well positioned to scale platform to \$5bn by end of 2022 and \$10bn by end of 2024

Investment Strategy and Vision

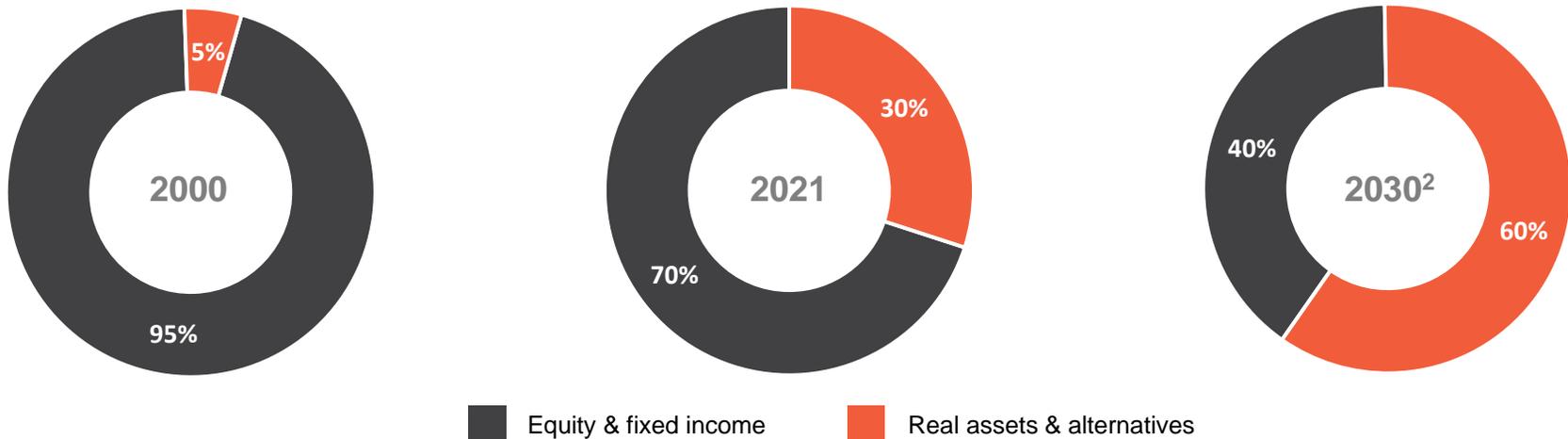
Demand for alternatives is growing exponentially as investors seek greater diversification and exposure to non-correlated assets

Why Alternatives?

- | | | | |
|----------|--|----------|---|
| 1 | Large addressable markets | 4 | Inflation protection |
| 2 | Exposure to powerful megatrends | 5 | Investor demand for alternatives is growing exponentially |
| 3 | Low correlation to traditional asset classes | 6 | Greater potential to add value through active management |

Global Investor demand for alternatives is growing exponentially¹

Global pension fund assets in the 22 largest major markets (US\$53 trillion today)



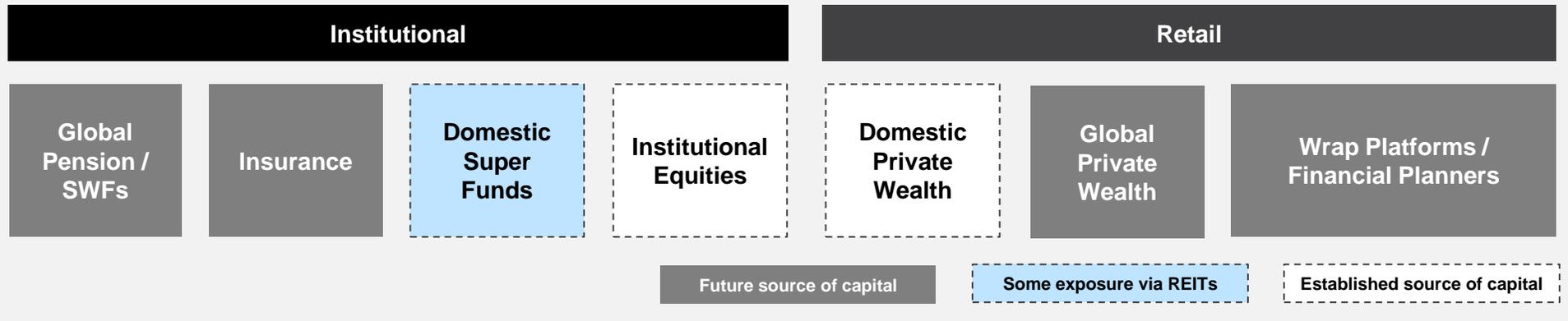
Individual investors currently have limited exposure and opportunity to invest in high quality alternative investments

Notes: 1. Tower Willis Watson – Global Pension Asset Study 2020. 2. Brookfield Asset Management 2021 Investor Day (Brookfield estimate).

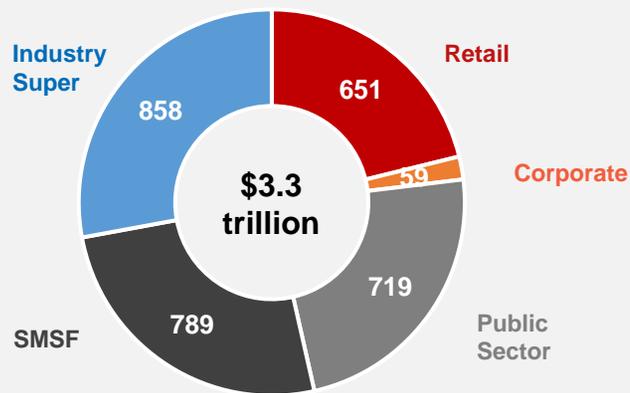
Investment Strategy and Vision

HMC is developing a distribution strategy to broaden its sources of capital in the future

Long term target sources of capital

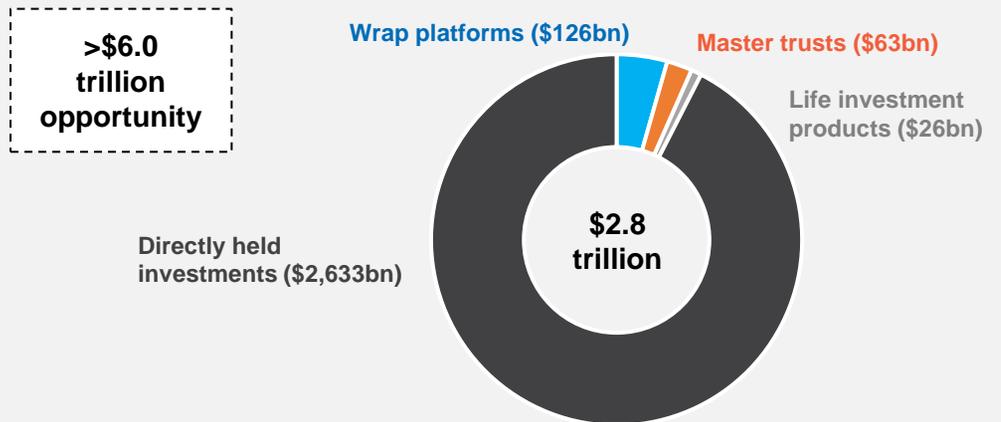


Australian Superannuation Industry (\$bn) – May-21¹



Australia is the 4th largest pension market in the world³ and is projected to grow to ~\$10tn+ by 2038¹ led by SMSF, industry and retail funds

Australian Personal Investments (Non-Super) (\$bn)²



Australia's personal investment market is projected to grow to \$5.4tn by 2035² supported by significant growth from wrap platforms

1. ASFA May 2021. 2. Rice Warner: Personal Investments – land of plenty 14-Apr-21. 3. Willis Towers Watson.

Capital light model provides enhanced equity returns and growth potential

Attractive earnings growth opportunity as incremental AUM is onboarded

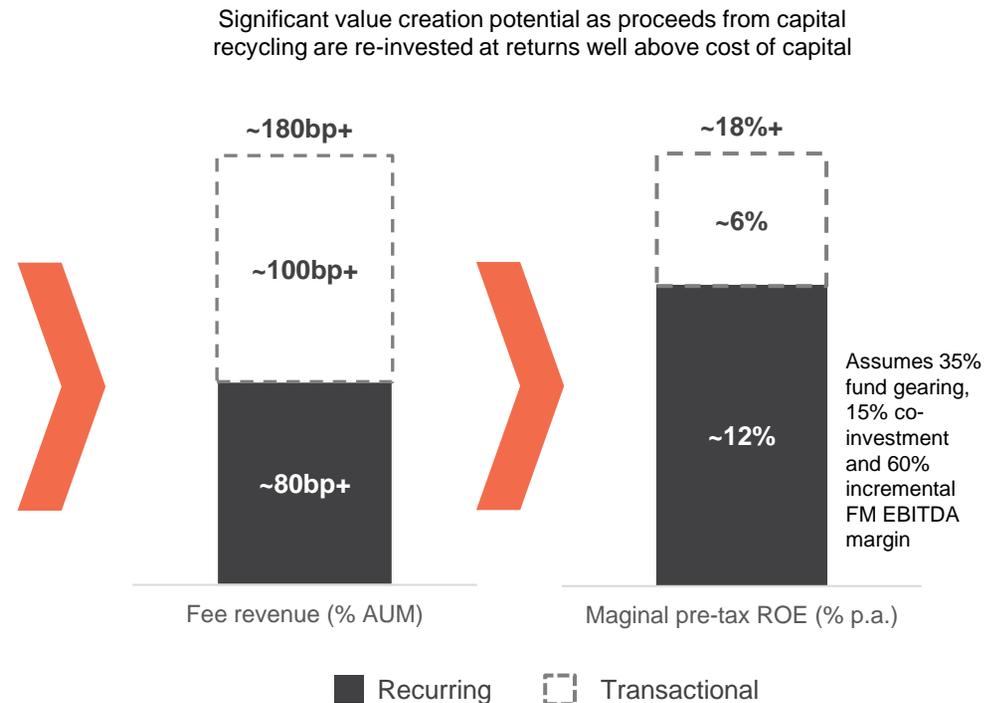
Funds management platform

Highly scalable and positioned for growth



Indicative funds management fee revenue and profitability¹

Illustrative example of profitability of incremental AUM in managed REITs



Potential to generate higher marginal returns on equity in future as HMC expands into less capital intensive & higher fee potential products

Notes: 1. Analysis and assumptions are for illustrative purposes only and does not represent a forecast.



ASX: HMC



ASX: HDN



ASX: HCW



Funds Management

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Exposed to powerful megatrends

HMC is focused on high conviction themes where we can invest at scale

Home Co.
Daily Needs
REIT

LAST MILE LOGISTICS



Health Co.

HEALTH & WELLNESS



- The secular shift to omni-channel retailing is a megatrend which has been significantly accelerated by Covid-19
- Retailers are increasingly leveraging their existing store networks as the optimal solution for both in-store and on-line fulfilment
- Stores in densely populated locations are best positioned to operate as last mile fulfilment centres due to customer proximity
- HDN owns strategically located and underutilised sites which can support logistical infrastructure at competitive rents
 - ✓ 88% metro located portfolio
 - ✓ >7m people within 10km radius of HDN asset
 - ✓ 73% tenants have Click & Collect & 86% offer delivery
- Online grocery penetration in Australia is well below other markets

- Long term demand for healthcare is underpinned by demographic tailwinds, technological advancements and increased consumer focus and expenditure on quality of care and outcomes
 - Australians 65+ are set to grow by 1.3m to 5.6m by 2030²
 - The 85+ aged group is expected to grow by 45% by 2030²
 - In the last 20 years household consumption on health & wellness has increased by 50% as a proportion of total²
- Recurring expenditure across HealthCo's target sectors reached \$194bn in FY19 and is growing at twice the rate of GDP growth²
- The installed asset base across the target sectors is ~\$220bn²
 - Another ~\$87bn+ assets are required over the next 20 yrs²

"The pandemic has rapidly accelerated the digital transformation of retail but as lockdowns come to an end and the economy recovers, many firms are wondering what the future will hold. Customers are unlikely to go back to their old ways of shopping" **Harvard Business Review**¹

"These underlying trends will continue to drive growth as the population ages and demands more healthcare and wellness services from the ecosystem"
L.E.K. Consulting²

HomeCo Daily Needs REIT (ASX: HDN)

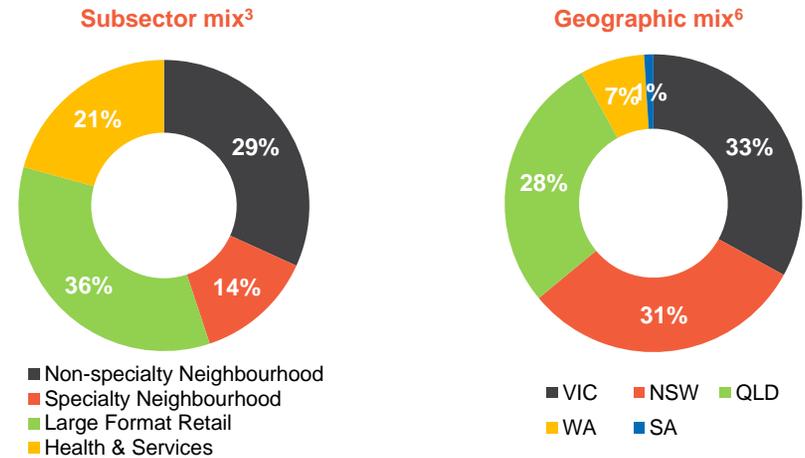
HDN owns strategically located last mile infrastructure focused on daily needs and services



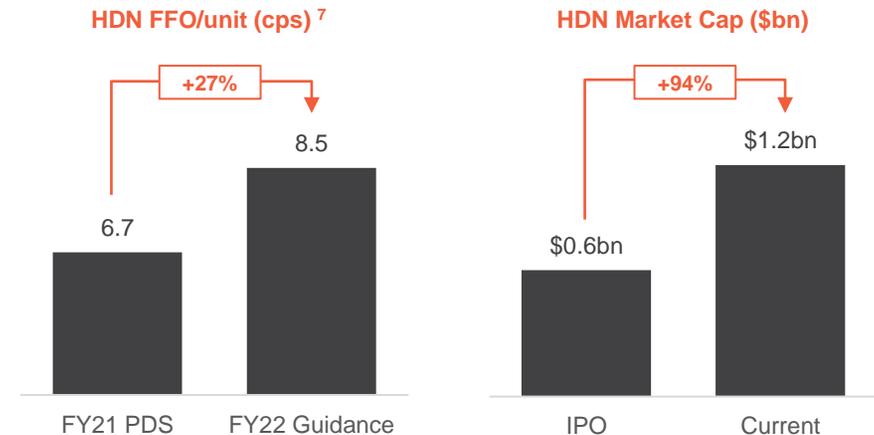
Portfolio statistics¹

Number of properties	34
Fair value	1,786
WACR	5.63%
Occupancy ²	99%
WALE ³	7.5 years
WARR ⁴	3.3%
Rent collection since IPO	99% ⁵
Leasing spreads – new / renewals	4.7% / 2.0%
Development pipeline	~\$130m

HDN Model Portfolio



Significant growth since IPO (Nov-20)



HomeCo Gregory Hills (NSW)

Notes. 1. All metrics are as at 30-Jun-21 pro forma for announced acquisition of 9 assets from HMC, Victoria Point, Pakenham Lifestyle Centre and Woodlea Town Centre. 2. By GLA, includes signed leases and signed MOU's. Excludes Richlands and Ellenbrook and includes rental guarantees. 3. By gross income for signed leases & MoU's. 4. Weighted average rent review relates to 65% of tenants that are contracted under fixed escalation rental agreements. Remaining 35% of leases are CPI (16%) and supermarket turnover (19%). 5. To Jun-21. 6. By fair value. 7. HDN FY22 guidance subject to COVID-19 and general disclaimer contained in ASX 13-Sep-21 release

HealthCo Healthcare & Wellness REIT (ASX: HCW)

Only ASX-listed diversified healthcare REIT



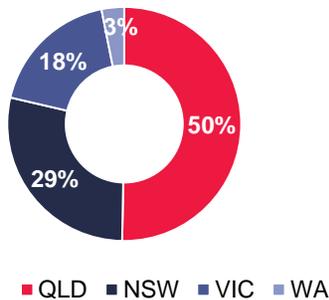
Initial portfolio statistics

Number of properties ¹	27
Fair value ²	\$555m
WACR ³	5.34%
Occupancy ⁴	96%
WALE ⁵	9.4 years
Rent collection ⁶	99%
Market capitalisation	\$728m
Debt facility (fully undrawn)	\$400m

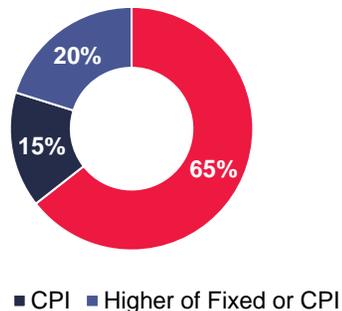
Initial Portfolio subsectors – income split and key tenants⁷



Geographic split (by value)



Rent composition (by income)⁵



Notes: 1. Includes the four contracted acquisitions of Armadale, GenesisCare Bundaberg, GenesisCare Ringwood and GenesisCare Urraween which are expected to settle after completion of the IPO. 2. Based on independent valuations as at 31 August 2021 for all properties in the Portfolio excluding Armadale, Nunawading and the GenesisCare portfolio, which are at purchase price. 3. Based on independent capitalisation rates as at 31 August 2021 for all properties in the Portfolio excluding Armadale, Nunawading and the GenesisCare portfolio, which are at fully leased yields. WACR excludes Camden Stages 1-3. 4. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets. 5. By gross income. Includes signed leases and MoUs across all operating and development assets. 6. For the 6 months to 30 June 2021 across existing leases on operating assets. 7. 9% of portfolio income in 'other' category.

Environmental Social Governance

Integrating ESG into our investment strategy and asset management is a key priority and we remain on track to establish meaningful commitments and actions

KPMG Banarra have completed a Materiality Assessment which will be foundational in building our Sustainability Commitments and actions

Developing our Sustainability Commitments

KPMG Banarra undertook a survey of our key stakeholders including current and prospective investors representing **c\$1.5tn** of AUM, tenants/operating partners, banks and Home Consortium staff and board members to produce a Materiality Assessment.

- The Materiality Assessment and engagement process is designed to identify, understand and prioritise Sustainability topics of most important to our business and to our external stakeholders.

From this assessment **7** impact themes were identified, of which Healthy Communities was prioritised

Impact themes



Environment

Climate Action
Pathway to decarbonisation (Scope 1 & 2) and to set an ambitious target:

Phase 1: Reduction of carbon emissions and intensity

- Base line establishment and optimisation of existing infrastructure to reduce energy consumption, waste and water consumption.
- Trial on EMS upgrades underway at 3 sites.

Phase 2: Adoption of Renewable Energy

- Renewable energy initiatives including installation of solar panels, EV charging ports and Corporate PPAs

Social

Social Impact
Commitments and actions across three impact themes will be established:

Healthy Communities

- Facilitate delivery of quality and culturally appropriate services that reflect diverse and evolving community needs

Access for All

- Establish deep engagement framework with communities to develop understanding of needs in those communities

Respect

- For staff and human rights
- Promotion of responsible business practises

Governance

Governance
Sustainability Committee of the Board established to oversee strategy and actions.

Alignment

- Investment in staff to drive engagement, culture and values
- Remuneration framework to include delivery of sustainability goals
- 50% gender diversity targets established across the entire group

Accountability

- Continue to build robust and transparent governance, processes and reporting
- UN PRI** signatory
- Benchmarking against **GRESB**

Our progress and commitments will be presented in our Sustainability Report to be published in November 2021



ASX: HMC



ASX: HDN



ASX: HCW

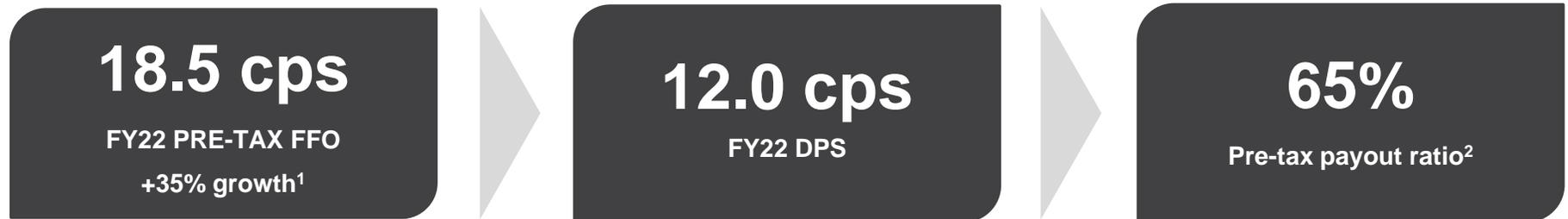


Outlook and Guidance

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Outlook and Guidance

HMC is well positioned to accelerate its growth and scale its capital light funds management model



- HMC pleased to reaffirm FY22 guidance provided at its FY21 result in August 2021:
 - Pre-tax FFO of at least 18.5 cents per security³
 - FY22 DPS guidance of 12.0 cents
- As a fund manager, HMC now has greater re-investment opportunities with the potential to generate returns above its cost of capital
 - HMC will maintain a flexible approach with regard to future distributions as it continually assesses its capital needs
- Outlook statements have been made barring any unforeseen circumstances and on the basis that COVID-19 lockdowns and government-mandated restrictions do not escalate beyond the present circumstances

Further Information

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Disclaimer

This presentation (**Presentation**) has been prepared by Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700)

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