



Accord Early Learning Fund

June Quarter 2022

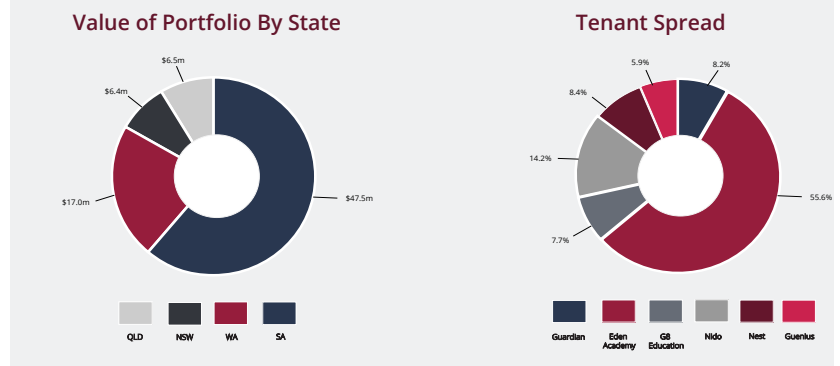
Fund	Accord Early Learning Fund
NTA	\$1.00 per unit
Distribution Yield	6.0% p.a
Number of Assets	3 Completed 10 in Development
Gearing	40%
WALE	17.1 yrs
Portfolio Cap Rate	5.61%
Total Portfolio Value	\$77.4m

Portfolio Update:

The June 2022 quarter was another active one for the Accord Early Learning Fund (**Fund**). The Fund successfully closed its latest capital raise, which was strongly supported by new and existing investors. Total funds raised of \$20 million during the quarter will be used to settle upcoming land acquisitions and fund the development pipeline. This will bring the total number of assets in the fund to 13.

Despite the significant headwinds and challenges presented by increasing levels of inflation, particularly felt in the price of building materials, coupled with supply issues, the Fund's development projects to date haven't experienced any significant delays in expected completion times. The Fund continues to manage and monitor all relevant cost and supply issues and continues to work closely with its third-party developers to assist if needed, noting also that all development risk is passed onto third parties. Accord has significant development experience and is well positioned to provide support should it be required.

Given the current macro environment and the uncertainty of impact that it may have on market transactions, the Fund remains patient and disciplined with its approach to acquisitions and is well placed to be opportunistic as and when acquisition opportunities arise that represent strong value for investors, including assets that are already operating.



Sector Update:

It was a significant quarter for the continued strength of the Early Learning / Childcare sector. The quarter presented investors with numerous challenges

- 1 – a change in Federal Government; and
- 2 – soaring inflation, leading to higher prices in everyday items from the price of a lettuce to petrol, prompting strong action from central banks globally and sharp increases in the RBA cash rate; just to name a few.

Typically, in the lead up to a Federal Election there is a level of uncertainty with regards to policy changes from a potential changing of government; however the policy that the now Labor Federal Government took to the polls in March further strengthened and underpinned the secular tailwinds for the Childcare industry. The Labor Government have increased the Childcare Subsidy (CCS) to a maximum of 90% for families earning up to \$530,000 per annum. This translates to childcare that is more affordable and accessible to more families. The further strengthening of this policy demonstrates the importance of providing affordable care to children, whilst also helping to increase female workforce participation and to assist to close the gender pay-gap. Accord continues to see the benefits of these policies in driving demand for Early Learning facilities which in turn will underpin the value attributed to them.

ABOUT ACCORD

Accord is an integrated, privately owned developer and fund manager, originating and managing a high-quality real estate and development fund portfolios on behalf of institutional and wholesale clients. Established in 2015, and with offices in Adelaide, Perth, Melbourne and Brisbane, Accord has delivered over \$500m in completed developments on a national scale. Accord operates its fund management and property development activities across the early learning, large format and convenience retail, student accommodation, medical and industrial sectors.

Accord Early Learning Fund ABN: 88 978 552 101

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