

# Accord Early Learning Fund



**\$1.03**

NTA

**11**

NUMBER OF ASSETS  
(+2 UNDER  
DEVELOPMENT)

**\$67.9m**

PORTFOLIO  
VALUE

**5.39%**

WEIGHTED  
AVERAGE CAP  
RATE

**18.1 yrs**

WALE

**5.25%**

TARGET FY23  
DISTRIBUTION  
YIELD

**37.9%**

GEARING

## Portfolio Update

The September 2023 quarter has been a productive period for the Accord Early Learning Fund. The fund is making significant progress on the two properties currently under development which are expected to be completed by June 2024.

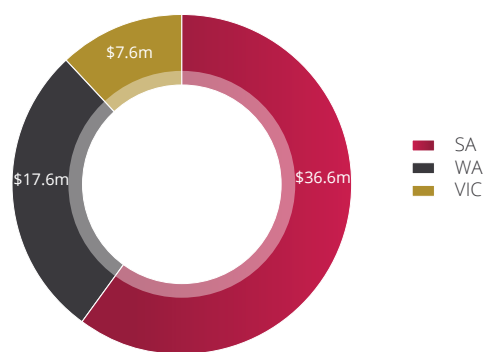
Once these final two properties are completed, the Accord Early Learning Fund will have a total of 13 completed investment properties. It is important to note that Accord's primary focus remains on responsibly expanding the portfolio, through strategic acquisitions and utilising Accord's internal development capabilities. As mentioned in previous reports, management are observing opportunities to acquire properties at more favourable valuations. Management however, the fund acknowledges that there might still be some uncertainty to navigate, particularly amongst the current interest rate climate, and as such the fund is diligently monitoring the market to make well-timed acquisitions.

## Capital Raise

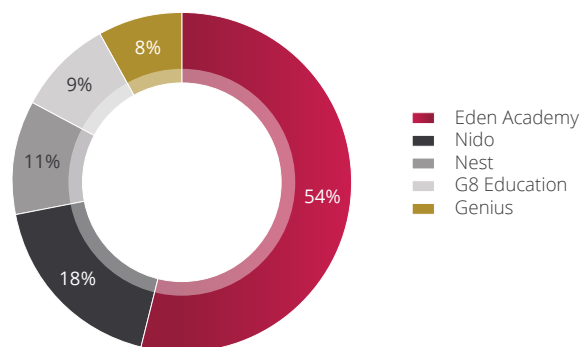
The fund intends to undertake an equity raising to raise approximately \$17.8m to fund the acquisition of 3 childcare development projects in Western Australia.

The acquisitions are being purchased on a Fund Through basis and reflect a 6.6% initial yield. The completed value of the assets will provide investors with immediate capital upside, and given

## Value of Portfolio by State



## Tenant Spread



the long WALE of 18.7 years and annual rental increases of a minimum 3% continue to provide a secure and sustainable long term income play.

Including the impact of the Acquisitions and the issuance of new Units under this capital raise, and subject to current market conditions and no unforeseen events, the Fund reaffirms FY24 distribution guidance of 5.25 cents per Unit. The impact of the acquisitions is expected to be accretive to the funds FY25 earnings, with the funds pro-forma NTA expected to be \$1.04.

Further information will be circulated in the coming weeks, with closure of the capital raise expected to be 8th December 2023.

If you would like more information please send an email to [info@accord.property](mailto:info@accord.property).

## Sector Update

The risk of a recession in Australia remains elevated with the Bloomberg Consensus recession probability in the next 12 months currently standing at 50%. As such asset classes with resistance to macroeconomic downturns such as Childcare continue to attract strong investment interest, driven by its defensive income characteristics with strong secular tailwinds, bi partisan government support and the essential nature of its services.

Population levels and female workforce participation rates are continuing to increase, strengthening the ongoing demand for quality early learning and childcare services; this coupled with government support has continued to contribute to the sector's stability and growth. Management anticipates this trend to continue throughout FY24 despite overarching economic uncertainty amongst the broader market.

Looking forward, the Accord Early Learning Fund remains committed to its growth strategy, seeking opportunities to acquire and develop additional properties where management sees value for the Fund. The fund anticipates an increasing availability of potential opportunistic acquisitions in the near future which the fund is well positioned to capitalise on.

The September 2023 quarter has been marked by significant achievements for the Accord Early Learning Fund. With 11 completed properties and two properties under development (due for completion mid-2024), the fund's portfolio continues to grow steadily. The fund remains focused on delivering strong financial performance, generating sustainable income, and maximising value for investors.

## Distributions and Tax Statements

At the conclusion of the funds FY23 audit, the fund is pleased to reaffirm FY24 guidance of 5.25 cents per unit.

Unitholders will have received their respective **September** quarter distribution statements and FY23 Tax statements via email and as always are available through their online portal – we encourage all investors to access these and provide any further feedback.

As always please feel free to call or email if you have any questions.

### Fund at a Glance

Manager	Accord Property Funds Management AFSL 481749
APIR Code	AIF8777AU
Registry and Fund Administration	Automic Group
Distribution Frequency	Quarterly
Fund Type	Wholesale Unit Trust
Access	Direct via Accord or the following Platforms: <ul style="list-style-type: none"><li>› Xplore Wealth</li><li>› Hub24</li><li>› Powerwrap</li></ul>

## ABOUT ACCORD

Accord is a national property development and funds management company. We provide development and investment solutions across a range of sectors, including commercial, retail, childcare, healthcare and industrial. We focus on providing outstanding results for our investors and tenant partners, which has resulted in ongoing long-term relationships.

Accord Early Learning Fund ABN: 88 978 552 101



**Chris Brockett**  
Head of Funds Management

**m:** 0423 702 932  
**e:** [cbrockett@accord.property](mailto:cbrockett@accord.property)  
**w:** [accord.property](http://accord.property)



**Nicholas Allen**  
Head of Capital

**m:** 0437 194 171  
**e:** [nallen@accord.property](mailto:nallen@accord.property)  
**w:** [accord.property](http://accord.property)

### Adelaide

301/89 Pirie Street  
ADELAIDE SA 5000

### Melbourne

15/627 Chapel Street  
SOUTH YARRA VIC 3141

### Brisbane

Suite 801, 200 Mary Street  
BRISBANE QLD 4000

### Perth

19/22 Railway Road  
SUBIACO WA 6008

**Funds Management Disclaimer:** Any information provided in this email is purely factual in nature and does not take into account your personal objectives, situation or needs. The information is objectively ascertainable and is not intended to imply any recommendation or opinion about a financial product. This does not constitute financial product advice under the Corporations Act 2001 (Cth). It is recommended that you obtain financial product advice before making any decision on a financial product.