

# 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

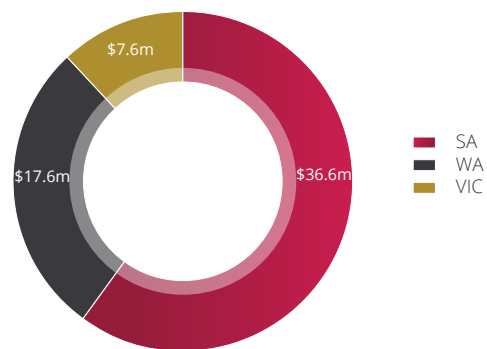
## Portfolio Update

The end of 2023 marked the end of the 2nd full year for the Accord Early Learning Fund. Over the past two years, the Fund has delivered on its key objectives, providing investors with a defensive income yield, and growing a portfolio of brand new, long WALE assets, which management sees as pleasing, given the challenges presented by ongoing market volatility.

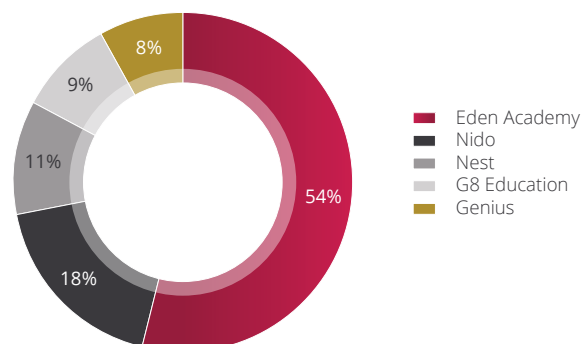
The Fund is making significant progress on two remaining development projects, due to be completed by June 2024 and continues to monitor these closely – particularly in relation to any delays or cost inflation, neither of which are seen as an impediment at this stage.

The Fund continues to operate in a tough investment environment, with the prevailing market sentiment of ‘higher interest rates for longer’ providing investors with more investment options to assist with their passive income requirements. This has seen large inflows into traditional fixed income, term deposits over the past 12 months, and providing investors with less requirement to move up the risk curve to achieve similar outcomes. We understand this change in investor sentiment and remain open-minded in relation to any proposed and upcoming capital strategies for the Fund.

## Value of Portfolio by State



## Tenant Spread



## Update on Capital Raise

In light of changing investor sentiment, and given the opportunity presented late last year to acquire three new childcare development projects in Western Australia we have kept open the proposed \$18m capital raise intended to assist with the acquisition until the end of Q1 2024.

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 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 strategy.

Subject to the successful completion of the acquisitions and equity raise, and subject to current market conditions and no unforeseen events, the Fund can reaffirm FY24 distribution guidance of 5.25 cents per Unit. The impact of the acquisitions is expected to be accretive to the funds FY25 earnings, and the NTA is expected to be increase to \$1.04 per Unit.

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

## Distributions

Distributions for the December 2023 quarter have now been paid and statements issued. As mentioned above, management remain conscious of the environment the Fund is operating in, and in particular the impact of higher interest rates on the Fund's ability to meet its distribution guidance in the short term.

Whilst remaining mindful of the environment throughout FY23, and having met our stated guidance, elevated interest rates continue to place pressure on the Fund's earnings and by extension, FY24 distribution guidance. A review of the distribution rate is underway, with a potential reduction likely for the remainder of FY24. Any change to the distribution rate will be conveyed to investors.

Importantly, the capital raise for the acquisition of the three WA assets outlined above will be accretive to current earnings as well as provide immediate capital upside.

### 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>&gt; Xplore Wealth</li><li>&gt; Hub24</li><li>&gt; 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



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