

\$56m
Total portfolio value



88%→94%*
Portfolio occupancy



27%
Loan-to-value ratio (Debt/Property value)



11
Properties



11→12*
Tenants



11.9 yrs
Weighted Average Lease Term (WALT)

[^]Actual gross cash return for the month ending 31 December 2023 (annualised gross distribution in cents per unit expressed as a percentage of the board approved unit price at the end of the quarter). Other metrics are stated as at 31 December 2023. *See below and overleaf for more information.

OVERVIEW

For the quarter ending 31 December 2023, the Fund delivered an average monthly gross distribution return of 4.33 cents per unit (cpu) per annum.

With the 15-year lease to Gulf Harbour Montessori commencing at the Gulf Harbour Property, and associated rental income, the Fund was pleased to increase the distribution level in December to 4.50 cpu per annum from 4.25 cpu per annum.

The Fund successfully acquired a recently built centre in Takinini, Auckland in October, at what we believe is a price around the low point in the current property valuation cycle. With more than 15 years of lease term remaining at this property, in addition to the Gulf Harbour Property lease, the Fund's WALT has increased to 11.9 years.

NOTABLE ACTIVITY

Invercargill Property - In preparation for the commencement of the lease at the centre, the new operator has recently completed an extensive landscaping and playground upgrade. Prospects for the centre's opening look promising with significant interest to date and steady child pre-enrolment numbers.

Tenant Quality & Diversification - The property acquired in Takinini is leased to a highly experienced national operator, improving the resilience of the tenant-mix in the Fund's portfolio.

OUTLOOK

The Fund is expecting the lease at the Invercargill Property to commence during the quarter ending 31 March 2024, on issuance of a Ministry of Education (MOE) license at the centre. On commencement of this lease, the Fund's occupancy will rise to 94%, and a further increase in distributions is currently expected.

The Fund may see further valuation pressures on its commercial property portfolio as it carries out annual valuations over the next quarter, given where we are in the property valuation cycle. However, the outlook for interest rates appears to be improving, with economic commentators indicating that we'll see interest rates dropping in late 2024/early 2025. As interest rate declines materialise, the potential for further increasing distribution levels and property values will improve.

The Fund has a relatively conservative level of borrowings, and therefore has balance sheet capacity to grow diversity by property, location, and tenant through further acquisitions. The Fund will consider further acquisition opportunities in the coming months to further improve income resilience, as the outlook for interest rates improves.



FUND STRATEGY

To hold and grow a portfolio of Early Childhood Education (ECE) properties, diversified by region and tenant, to achieve greater resilience of income with scale.



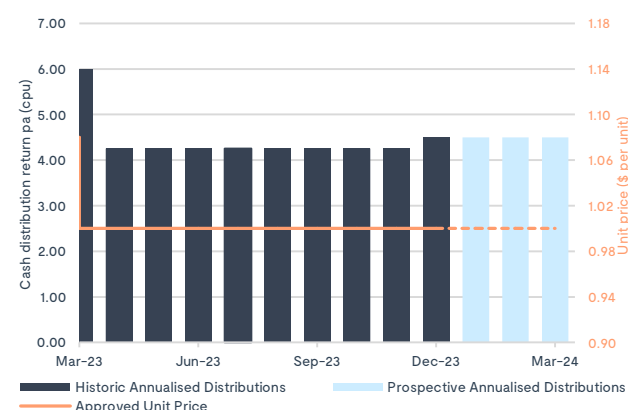
GOAL

To create long-term sustainable value for our investors and the best start for the children in our communities, through the provision of quality, fit-for-purpose ECE centres across New Zealand.

FINANCIAL SNAPSHOT

Fund unit value (last updated as at 31 March 2023)	\$1.00
Cash distribution Oct – Nov 2023 (annualised)	4.25 cpu
Cash distribution Dec 2023 (annualised)	4.50 cpu
Forecast cash distribution Jan – Mar 2024 (annualised)	4.50 cpu
Forecast monthly cash distribution per 100,000 units	\$375.00

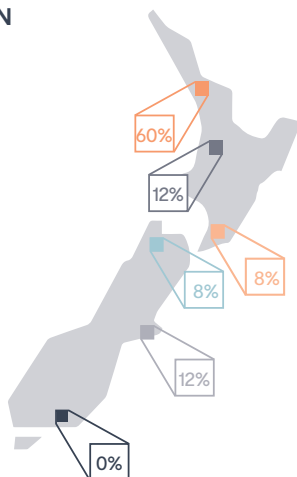
GROSS CASH RETURN AND UNIT PRICE



PORTFOLIO RENTAL INCOME DIVERSIFICATION

BY PROPERTY REGION

Auckland	60%
Hamilton	12%
Wellington	8%
Blenheim	8%
Christchurch	12%
Invercargill	0%*



* Rental income from Invercargill is temporarily reduced due to the vacancy at the Invercargill Property (conditional lease in place).

PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2023

Property	Valuation	Occupancy	Anchor Tenant	Lease Expiry
Flat Bush Property, Auckland	\$7,225,000	70%*	Provincial Education Group	Sep-2034
Dinsdale Property, Hamilton	\$6,500,000	100%	Little Learners (plus gym tenant)	Feb-2032
Glen Innes Property, Auckland	\$6,175,000	100%	Childsteps Early Learning Centre	Oct-2035
Rolleston Property, Christchurch	\$5,750,000	100%	Education Hub	Dec-2033
Upper Hutt Property, Wellington	\$5,000,000	100%	Conscious Education	Jan-2038
Red Beach Property, Auckland	\$4,850,000	100%	Nurture Early Learning	Feb-2034
Gulf Harbour Property, Auckland	\$4,825,000	100%	Gulf Harbour Montessori	Oct-2038
Takanini Property, Auckland	\$4,800,000	100%	BestStart Educare	Jun-2039
Pukekohe Property, Auckland	\$4,200,000	100%	Wild & Love	Aug-2041
Blenheim Property, Auckland	\$3,600,000	100%	Omaka Early Learning Centre	Apr-2034
Invercargill Property, Invercargill	\$2,850,000	0%-100%^	Vacant^ (tenant secured)	N/A^ (TBC)
TOTAL	\$55,775,000	88%→94%^		

^ The Invercargill Property is subject to an Agreement to Lease, commencement date conditional on the issuance of a MOE license for the centre. When this lease is unconditional, the centre will be 100% occupied and the Fund's occupancy will rise to 94%.

*Office space at the Flat Bush Property remains vacant.

Save the date
Outlook 2024

Christchurch
6 March 2024

Wellington
7 March 2024

Auckland
12 March 2024

Tauranga
13 March 2024

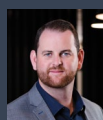
Investor Relationships Team



Matt McHardy
GM Investor Relationships
matt.mchardy@pmgfunds.co.nz
021 193 4550



Rory Diver
Investor Relationships Manager
rory.diver@pmgfunds.co.nz
027 700 6979



Ben Cant
Investor Relationships Manager
ben.cant@pmgfunds.co.nz
027 700 9970



Kay Karl
Investor Relationships Support
kay.karl@pmgfunds.co.nz
07 260 0517