



Refer to glossary for definition of the rating

### Product Review

#### About this Product

Investment manager	Centuria Property Funds Limited
Benchmark	RBA Cash Rate
Product structure	Direct Asset
LVR Limit	55%
Liquidity	limited quarterly
Product Size	\$513.4m
Inception date	Sep 2020
Asset class	Property and Infrastructure
Sector	Direct Assets
Peer group	Healthcare
Rated peers	2

#### Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Medium
Key Person Risk	Medium
Tenure of Decision Makers	Low
Complex (RG240)	No
Strategy Remaining Capacity	Not relevant
ESG Approach	Risk or Value
Peer Relative Fees and Costs	Above median

#### Annual Fees and Costs (% p.a.)

Management fees & costs	1.05
Performance fee costs	0.20
Net Transaction Costs	0.54
Buy/Sell Spread	0.00/0.00
Annual fees and costs	1.79

Source: FE fundinfo, PDS Date: 22/Jan/2024

#### Strengths

- Good quality management team with significant experience in healthcare properties in excess of 10 years.
- Co-investment in the Fund of 14% from the Manager provides strong alignment with investors.
- Well diversified portfolio within the healthcare property sector.
- Specialised healthcare asset and property management teams with deep experience in managing healthcare real estate.

#### Weaknesses

- The Fund is reasonably well diversified, though lacks the scale and flexibility of some peers.
- Some metrics including gearing and valuations have reduced since Lonsec's last review of the Fund.
- Recent high levels of redemption requests have been scaled back, in line with some peers. However, the Fund continues to facilitate redemptions.

### Product Opinion

Lonsec has assigned a **Recommended** rating to the Centuria Healthcare Property Fund ('CHPF' or 'the Fund') following the latest review. Since the Fund's inception in September 2020, the Manager has acquired interests in properties across Australia, with a diverse portfolio including short stay/day hospitals; medical/specialist centres; mental health and specialist health facilities. Recent performance has been disappointing on the back of valuation downgrades.

#### Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	—
Fees	●●●	—
Performance	●●●	—

#### Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

#### Return Profile

Income		
Capital		
	Defensive	Growth

### Key Facts

#### Key Objectives

Investment objective	The Fund's objective is to provide Investors with stable income returns and the potential for capital growth by investing in properties in the healthcare sector underpinned by leases to a range of reputable healthcare operators.
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#### Product Distribution Profile

Frequency	Monthly
Last Missed Distribution	N/A
Number of Missed Distributions in the last 5 years	0
AMIT Election	Yes
TOFA Election	No
Income/ Growth return 1 yr	
Income/ Growth return p.a. 3 yr	

#### Rating History

10-May-2024	Recommended
14-Nov-2023	Recommended
17-Nov-2022	Recommended

#### Performance Analysis - annualised after fees at 31/12/2024

	1 Year	2 Year	3 Year	5 Year
Performance (% p.a)	-15.77	-14.64	-7.85	-
Standard deviation	8.48	8.52	7.99	-
Excess return (% p.a)	-20.12	-18.75	-11.00	-
Tracking error (% p.a)	8.47	8.54	8.17	-
Worst drawdown (%)	-15.49	-27.57	-27.57	-
Time to recovery (mths)	NR	NR	NR	-

**Lonsec Peer Group:** Property and Infrastructure - Direct Assets - Healthcare

**Product Benchmark:** RBA Cash Rate

**Time to recovery:** NR - Not recovered, dash - No drawdown during period

#### Portfolio Analysis at 30/11/2024

	Previous Review	This Review
Total Assets	\$602.0m	\$513.4m
No. of Properties	20	15
WALE Direct (by inc)	10.1years	7.5 years
Sectors	100% healthcare	100% healthcare
Occupancy	94.4%	94%
Income yield	5.92%	4.22%
Capitalisation Rate	5.25%	5.74%
Debt	\$275.7m	\$249.0m
Gearing LVR	46.4%	48.7%
Interest Cover	2.3x	2.0x

#### Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

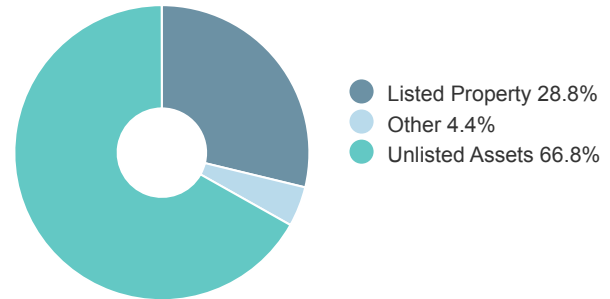
Business data is as at 30 June 2024

### Business ●●●

#### Facts

Investment Manager	Centuria Property Funds Limited
Ultimate Parent Company	Listed ASX stock
Headquarters	Sydney Australia
Inception Date	Jun 2000
% Staff Ownership	10-20%

#### AUM



#### Governance

% Independent board members	71
% Female board members	29
Independent chair	Yes
CEO as Chair	No
Separate Audit Committee	Yes

#### Metrics

Total AUM	\$21bn
Investment Management Headcount	420
Investment Professionals	90
Sales & Service	20
Distributor	Self

#### Who is the Manager?

Centuria Capital Group was established in 1998 and is an ASX listed company (code: CNI) with a current market capitalisation of \$1.3b. As at 30 June 2024, the Group managed \$21.1b of assets. Centuria's property funds under management consists of \$14.1b unlisted property funds as well as \$6.4b in listed property trusts (ASX: Centuria Office REIT; Centuria Industrial Fund; NZSX: Asset Plus Ltd). The group has expanded its unlisted fund offering into the Healthcare and Agriculture sectors. Centuria operates a 'vertically integrated property business', across both property funds management and property services. The group employs 400+ staff and manage asset acquisition/disposal, leasing and tenant relationships in-house.

### Lonsec Opinion

#### Profitability

Centuria is currently well-capitalised and profitable, with low gearing at the group level. The group reported operating net profit after tax (NPAT) of \$94.7 million as of 30 June 2024.

#### Business Track record

Centuria Capital Group (ASX: CNI) has built a strong 25-year track record marked by steady growth in assets under management (AUM), managing capital for Australia's top superannuation funds, major international pension and sovereign wealth funds, high-net-worth individuals, and retail investors. The group maintains a strategic focus on both listed and unlisted real estate sectors.

#### Business Ownership

Centuria Capital Group (ASX: CNI) is an ASX top 200 company established in 1998 and listed on the Australian Securities Exchange in 2000 as a stapled security under the ASX code CNI. The Investment Manager is a wholly-owned subsidiary.

#### Business Governance

The CPFL Board is composed entirely of external directors, with the Compliance Committee made up of three non-executive board members, ensuring effective management of conflicts of interest. Related party transactions are handled in line with industry best practices.

### Team ●●●

#### Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Rod Owen-Jones	Portfolio management	Yes	2019	28/5	25
Stuart Wilton	Portfolio management	No	2021	17/3	15
Samuel Yee	Portfolio management	Yes	2023	1/1	0

#### KDM Change\*

	Function	Change	Type	Tenure (yrs)	Date of change
Vijitha Yogavaran	Portfolio Management	Departed	Exit	10	Dec 2024

\* Last 3 years

#### Profile

Size	11
Structure	Centralised
Turnover	Medium

#### Alignment

KDM equity held in manager	No
KDM co-investment in strategy	No
Performance-Based bonus	No
Long Term investment plan	No

#### Resources

	Number	Average Years Experience
Key decision makers	3	13.33
Portfolio Managers	1	25
Hybrid portfolio manager/analysts	1	15
Dedicated analysts	2	5
ESG/Sustainability	1	5
Macro		

#### Resources - Asset Operations

	Number	Average Years Experience
Leasing Team		
Development Team		
Maintenance		

#### Who is the Team?

The Fund is managed by a seasoned team with deep expertise across healthcare, and real estate investment. Rod Owen-Jones, who took over as Fund Manager in January 2025 from Vijitha Yogavaran, brings 28 years of experience in property and infrastructure, including asset management and capital transactions. He is supported by Stuart Wilton, Co-Head of Unlisted Funds at Centuria, with over \$8 billion in assets under management and 15 years of fund management experience, and Andrew Hemming, General Manager – Healthcare, who brings two decades of commercial real estate expertise and leads strategic growth and deal origination within Centuria's healthcare platform. The team is further supported by an analyst, Samuel Yee, who joined the team in 2023.

### Lonsec Opinion

#### Team Size

The Fund is managed by a dedicated team of three experienced healthcare investors with support from Centuria's broader asset origination, operations, leasing, and asset management teams

#### Skill

The Fund is backed by a leadership team with a strong blend of institutional investment expertise and hands-on operational capability across healthcare and real estate. The team offers deep experience in fund management, capital transactions, asset and property management, strategic development, and investor relations with over 13 years' experience.

#### Track Record/Co-Tenure

While the recent departure of long-standing Fund Manager Vijitha Yogovaran in January 2025 has reduced overall co-tenure among the senior team, incoming Fund Manager Rod Owen-Jones brings nearly 30 years of relevant investment and asset management experience. Stuart Wilton and Andrew Hemming have worked together within Centuria for over 15 years and 10 years respectively, supporting continuity and a well-established working dynamic. This mix of legacy knowledge and fresh leadership ensures a balanced and capable team focused on long-term value creation.

#### Key Person Risk

The small size of the core investment team coupled with the departure of prior Fund Manager increases key person risk (KPR). That said, the team is currently recruiting for a Portfolio Manager.

#### Alignment

Centuria has co-invested \$775 million across its funds, demonstrating strong alignment with investors, holds no priority position in the redemption queue, and has a performance-based bonus structure that further aligns the interests of the investment team with investor outcomes.

#### What is the Investment Process?

The Fund invests in a diversified healthcare real estate portfolio underpinned by Australia's growing and ageing population and strong tenant covenants backed by experienced healthcare operators.

Centuria historically focused on 'Core Plus' and 'Value Add' investment opportunities in the office sector. However, in more recent times they have expanded into 'alternative' property sub-sectors like healthcare and agriculture. The Manager seeks to add value via their active management approach, including: proactive leasing campaigns, upgrading of building services and reducing occupancy costs, refurbishment and redevelopment projects, re-zoning and development application strategies. Centuria's in-house, end-to-end property capability enables them to take on a wide range of investments and leverage these resources to add value. The team seeks to target mis-priced opportunities or properties that are likely to benefit from infrastructure investment or urban renewal projects.

### Lonsec Opinion & Supporting Facts

#### Philosophy and Universe

Investment Sector	Direct Property
Investment Strategy	Healthcare assets
Location	Australia

Centuria Healthcare Property Fund invests in healthcare properties, including hospitals, medical centres and aged care facilities. The Fund can also invest up to 10% in liquid assets, namely A-REITs and cash.

The Fund's objective is to provide investors with stable income returns and the potential for capital growth by investing in properties in the healthcare sector underpinned by leases to a range of reputable healthcare operators.

According to the Intergenerational Report 2023, Commonwealth of Australia, within the coming 40 years, the over-65 population is expected to double, while the over-80 population is projected to triple. This demographic shift is also coupled with a significant rise in chronic conditions where an estimated 80% of Australians aged 65 and over are expected to have one or more chronic diseases. This is expected to continue to drive and increase in demand for primary healthcare services and also the need for new innovative healthcare facilities.

#### Research Process

Valuation Approach	N/A
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Centuria generally does not outsource its property management to real estate agents, The overall property management is undertaken by Centuria, including liaising with the major tenants.

The day-to-day asset management and maintenance tasks are managed by the in-house asset management team. This is a key competency of the company. Centuria will also liaise closely with the on-site facility manager to ensure efficiencies are being realised.

### Process (continued) ●●●

#### Portfolio Construction

Number of Holdings	15
Typical Property Numbers	16-20
Typical WALE	7.5 years

The Manager continues to evaluate further potential acquisitions of direct properties, with consideration given to the overall portfolio WALE, gearing, geographic and sector diversification. These will be balanced against the risks and opportunities presented by the proposed acquisitions. Current portfolio characteristics include medical centres which contain a number of medical services including GP, pharmacy, pathology and allied health, hospitals which contain Inpatient and outpatient facilities that provide surgical and other prescribed treatments, specialist centres which include properties dedicated to providing healthcare administration, support or allied health services, life Science Real estate supporting application of biology and technology to the study of health improvement.

The Fund may consider funding greenfield and brownfield development opportunities that have been substantially 'de-risked'. Lonsec observes that development exposure within the Fund is currently minor, with the Fund preferring to outsource development risk to a developer and receive coupon income over the construction period. Lonsec expects a similar approach to development over time.

#### Capacity Management

Capacity guidance	N/A
Strategy AUM	\$513.4m
Portfolio liquidity (1 week)	1.00%
Strategy previously closed	Hard closed since Q3 2023

The current FUM level does not present a material inhibitor to future performance of the Fund. That said, the Fund was hard closed in third quarter of 2023 to focus on development and maintenance of current properties in the portfolio.

#### Investment Risk Management

Monitoring external to investment team	No
Sector Limits (Min./Max.)	No Limit Type: 0-0%
Cash Allocation (Typical, Max.)	0%, 0%

Manager is in talks with few banks to increase the LVR covenant to 60% and reduce ICR covenant to 1.5x. At current values, more than 20% fall in property prices will lead to breach of covenants.

The Fund has a weighted average lease expiry (WALE) of 9.5 years. Leases generally have built-in fixed rental increases (average 3.6% p.a.), with 64% of income CPI linked. Generally, there are provisions for market reviews upon expiry for leases with options to extend. Tenant lease expiries are reasonably low over the next five years, with around 65% FY30+.

Occupancy is high at 95%, supporting the major tenants are specialist smaller tenants, the vast majority of whom provide medical services. Examples include pathology, medical imaging, pharmacy, and psychology.

#### Treasury

Lenders	NAB, ANZ, BOC, BOQ
Facility Limit \$m	\$285.0m
Drawn Down \$m	\$249.0
LVR / Covenant	48.7%/55.0%
ICR / Covenant	2.0x/2.0x

The Manager has combined debt facilities of \$285m with four banks (three Australian and one foreign). As at 30 Dec 2024, \$24.7m was undrawn, providing room to fund current development expenditure. The Fund has entered into a swap to fix the interest rate of 54% of its debt exposure with a weighted average of 1.7 years. The Loan to Value Ratio (LVR) is 49.9%, within the target range and below the 55% covenant, however this has increased since Lonsec's last review. The interest cover ratio of 2.0x is lower than the 2.3x at last review, but at same level as ICR covenant of 2.0x.

The Manager continues to execute the debt strategy following the recent facility limit reduction and term extension. Verbal agreement received from all lenders to amend loan covenants for LVR to 60% and ICR to 1.5x. Documentation currently being finalised.

### Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	General Sustainability or Impact
Non-financial objective	None

### What is the Manager's ESG approach for this product?

The Manager has indicated that their Responsible Investment style is "ESG Integration" and as such that they take Environmental, Social and Governance factors into consideration when assessing investment opportunities. With a primary ESG style of "Risk or Value" Managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result this approach may mean that lower quality ESG companies may be included if the return potential is sufficient and this may conflict with some clients perception of what a strong ESG process would deliver.

## Lonsec Opinion & Supporting Facts

### Overview

ESG Process Score	ModLow
Responsible Investment strategy risk: Clarity, measurability & reporting	N/A

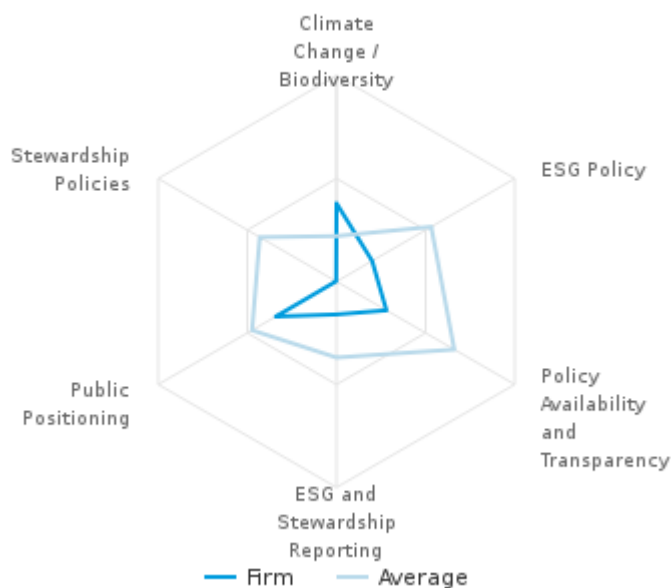
### Product Level Approach

Lonsec is currently exploring appropriate assessment methodologies for reviewing products that predominately hold direct assets, as traditional ESG review processes are not appropriate. This will be available for the next round of reviews.

### Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such Lonsec does not apply its alignment review to the product and thus scores its risk of misalignment as not applicable.

### ESG Snapshot



### Manager Level Approach

The Manager's overall ESG policy framework and disclosure lag significantly behind their peers. There is no firm-wide ESG policy in place. The proxy voting policy is publicly available, but the framework is behind that of peers. Engagement is mentioned in their Principles of internal governance and asset stewardship but is considered weak.

### Product ●●●

#### Service Providers

Responsible entity	Centuria Property Funds No.2 Limited
Investment manager	Centuria Property Funds Limited
Custodian	Perpetual
Administrator	Boardroom
Fund Auditor	KPMG
Change in Key Providers? (Over last 12 months )	No

#### Product Details

Product size	\$514.00m
Fund 12-month net flows	Negative
Buy/sell spreads	0.00%/0.00%
Investment structure	Direct
Product type	Registered Managed Investment Scheme (Unitised)
Use of derivatives	YES
Valuation externally audited	

#### What is the Product Structure?

The Fund is a registered managed investment scheme under the Corporations Act.

### Lonsec Opinion

#### Service Providers

The Manager employs high quality service providers as Custodian and valuers.

Lonsec notes the Fund uses Centuria Property Funds Ltd as a related-party Responsible Entity ('RE') which may lead to potential conflicts of interest. While the use of external REs is Lonsec's preferred operating model, Lonsec notes the RE has built experience in operating and managing a number of registered managed investment schemes over an extended period and is expected to have a structured governance framework in place.

#### Valuation Policy

All properties are subject to a minimum requirement to complete an independent valuation once every two years.

Retail schemes are in practice valued twice a year, usually one independent valuation.

Wholesale schemes are valued annually, or by requirement.

External Valuers will be rotated so that a property is not externally valued by the same valuation firm for three consecutive years. All properties were independently valued as at 31 December 2024 and 30 June 2023.

#### Operational 'Red Flags'

There are no operational red flags.

#### Wind-up Risks

The Fund currently manages approximately \$513.4 million in FUM and appears committed to further growth and expansion within the healthcare sector.

#### Liquidity

The Fund has a full Liquidity Event for all unitholders every five years, with the first scheduled in August 2025. Under the Fund's Constitution, Centuria is allowed up to 365 days to accept a withdrawal request.

The Manager also offers a regular liquidity facility on a quarterly basis. The amount available for redemptions will be at a minimum 2.5% of the Fund's net assets (equivalent to \$10m per year). If the amount required to meet withdrawal requests in any one quarter exceeds the amount Centuria determines to be available, then withdrawal requests will carry forward and be met on a prorata basis. Lonsec notes this is currently the case.

Notwithstanding the above, withdrawals may be suspended in certain circumstances. Lonsec stresses to investors that the liquidity facility is limited and the acceptance of redemption requests is ultimately at the discretion of the R.E.

### Fees ●●●

#### Annual Fees and Costs (% p.a.)

Management fees & costs	1.05
Performance fee costs	0.20
Net Transaction Costs	0.54
Buy/Sell Spread	0.00/0.00
Annual fees and costs	1.79

Source: FE fundinfo, PDS Date: 22/Jan/2024

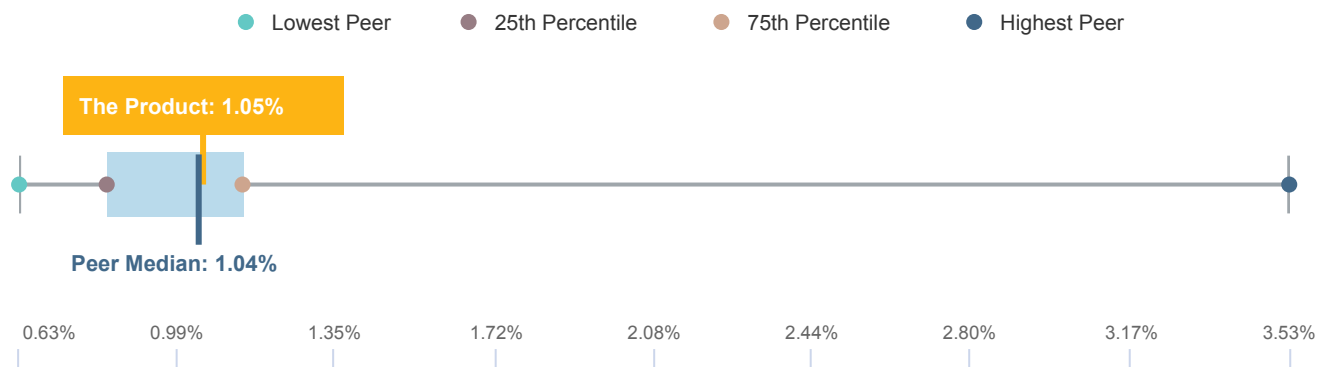
#### Performance Fees

Applicable	Yes
Hurdle type	Absolute
Hurdle	8%
Rate	20%
Fee capping	No
High watermark	Yes
Above high watermark	No
Reset Allowed	No

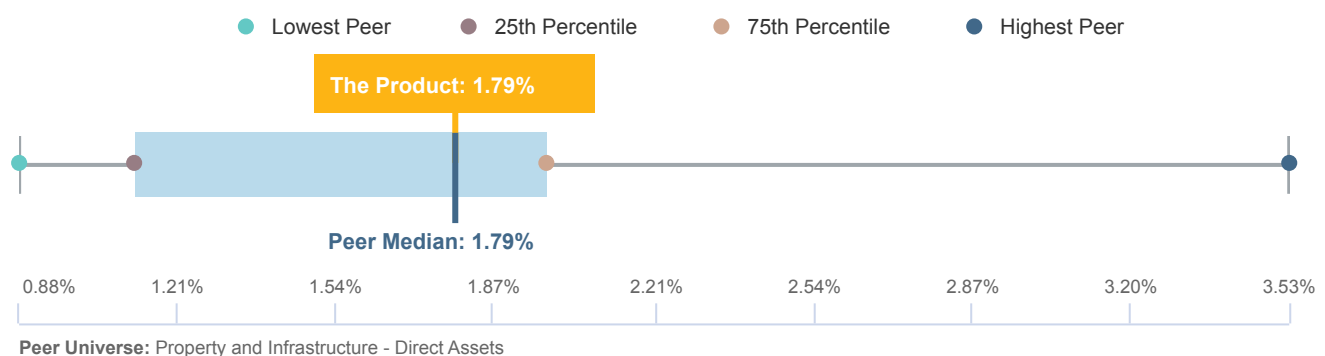
#### Fees Explained

Annual management cost comprises management fee of 0.80% p.a. of the Fund's gross asset value. Expenses (excluding Abnormal Expenses) are capped at 0.35% p.a. of the Fund's GAV and includes compliance costs, audit, accounting, and legal fees. Transaction Costs for FY 2023 were 0.54% of the Fund's GAV. A performance fee of 20% the share of excess total return above 8% p.a. (pretax, net of fees) is payable. The fee is charged on a high-watermark basis, with any prior underperformance having to be recovered prior to an amount being paid.

#### Management Fees and Costs Peer Comparison



#### Annual Fees and Costs Peer Comparison



## Lonsec Opinion

#### Annual Fees and Costs

The Fund's total fee load (including the transaction cost) is at the higher end of an average for open-end funds, primarily due to net transaction costs, which will vary considerably depending on the amount and timing of property being acquired. It includes property-related costs such as stamp duty which can vary from state to state within Australia.

#### Fairness

The Management Fee and costs are priced higher versus peers. The performance fee is in line with the hurdle rate of 8-9% p.a. of other funds in the peer group and no reset feature of the performance fee is viewed as fair for investors.

Performance data is as at 31 December 2024

### Performance ●●●

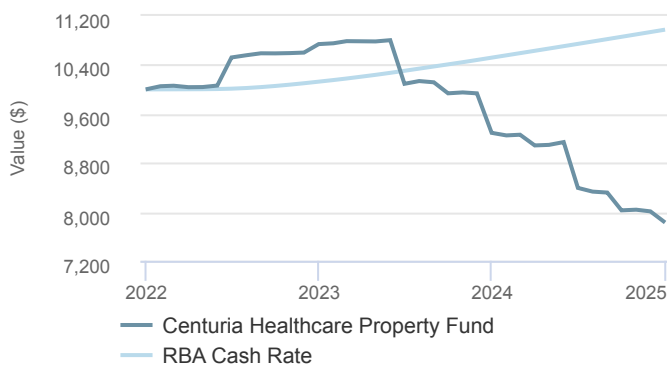
#### Performance Summary

PDS return objective	The Fund's objective is to provide Investors with stable income returns and the potential for capital growth by investing in properties in the healthcare sector underpinned by leases to a range of reputable healthcare operators.
Internal return objective	Grow and preserve income streams to support distribution and provide capital growth for investors.
Internal risk objective	N/A
Product benchmark	RBA Cash Rate
Lonsec peer group	Healthcare

#### Capital Growth

Since inception in September 2020, the CHPF produced a negative 2.44% p.a. total return. Performance has been impacted by a reduction in valuations driven by cap rate softening and cost adjustments relating to a tenant dispute at Weststate Private Hospital. Valuations have also been impacted by the increase in RBA cash rate since May 2022.

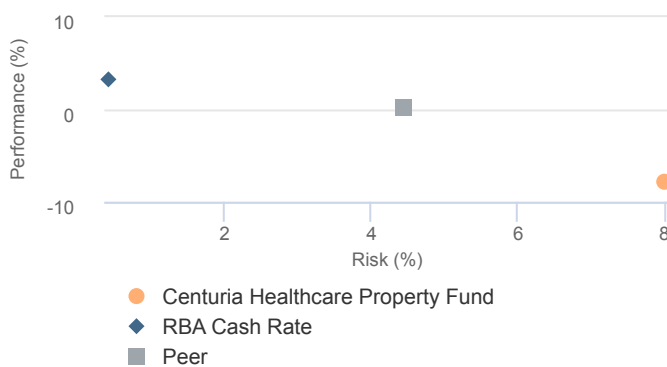
Growth of \$10,000 Over 3 Years



#### Income Delivery

The Manager supports a sustainable distribution policy whereby distributions are sourced from the Trust's cash from operations and net realised capital gains. However, the Manager can pay distributions from other sources if considered to be in the interests of investors and where payment from that source is expected to be sustainable given the circumstances.

3 Year Risk and Return



Performance data is as at 31 December 2024

### Performance (*continued*) ●●●

#### Income Stability

Income generated has been in the 4-5% p.a. range. A Distribution of 3.0 cents per unit as per forecast was delivered in Dec 2024.

#### Peer Relative

Fund performance has lagged that of its closest peer.

## Ratings

**'Highly Recommended'** rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

**'Recommended'** rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

**'Investment Grade'** rating indicates that Lonsec has conviction the product can meet its investment objectives.

**'Approved'** rating indicates that Lonsec believes the product can meet its investment objectives.

**'Not -Approved'** rating indicates that Lonsec does not believe the product can meet its investment objectives.

**'Closed / Wind Up'** status is applied when the product has been closed.

**'Fund Watch'** status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The **'Redeem'** rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The **'Screened Out'** rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

**'Discontinued Review'** status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The **'Ceased Coverage'** status is applied when a rated product is withdrawn from the research process by the product issuer.

## General

**Climate Change / Biodiversity:** the extent to which a manager has a leading climate and biodiversity policies.

**ESG and Stewardship Reporting:** the transparency, accessibility and usefulness of a manager's reporting.

**ESG Policy:** the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

**Excess return:** Return in excess of the benchmark return.

**Information ratio:** Relative reward for relative risk taken (Excess Returns / Tracking Error).

**Key decision maker (KDM):** A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

**Market capture ratio:** A product's performance during either 'up' or 'down' market trends relative to an index.

**Policy Availability / Transparency:** the ease of public access to, and transparency of, a manager's overall ESG policy suite.

**Public Positioning:** the resolve of a manager's commitment to ESG as ascertained by their public positioning.

**Returns consistency:** The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

**Sharpe ratio:** Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

**Standard deviation:** Volatility of monthly Absolute Returns.

**Stewardship Policies:** the strength of a manager's proxy voting and engagement policies with respect to ESG.

**Time to recovery:** The number of months taken to recover the Worst Drawdown.

**Total return:** 'Top line' actual return, after fees.

**Tracking error:** Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

**Worst drawdown:** The worst cumulative loss ('peak to trough') experienced over the period assessed.

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## Lonsec Research FSG Financial Services Guide

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research, we, us, our), holder of Australian Financial Services Licence (AFSL) No. 421445, to assist you in determining whether to use our financial services and products. This is an important document, and you should read it carefully. The contents of this FSG are general information only and does not take into account your personal needs or objectives. Lonsec Research provides no warranty as to the suitability of the services of this FSG for any particular person.

### 1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;

- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

### 1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

### Contact Details

Lonsec Research Pty Ltd  
Level 39, 25 Martin Place  
Sydney NSW 2000

Tel: 1300 826 395

Email: [info@lonsec.com.au](mailto:info@lonsec.com.au)

[www.lonsec.com.au](http://www.lonsec.com.au)

### 1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
  - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
  - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

### 1.4 Provision of general advice

Any advice that Lonsec Research provides is of a general nature and does not take into account your personal financial situation, objectives or needs. You should, before acting on the information, consider its appropriateness having regard to your own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser.

## Lonsec Research FSG (continued)

Before making a decision regarding any financial product, you should obtain and consider a copy of the relevant Product Disclosure Statement or offer document from the financial product issuer.

### 1.5 How Lonsec Research is paid

Lonsec Research receives fees from Fund Managers and/or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions fees for providing research content to subscribers including financial advisers, fund managers and financial product issuers. Lonsec Research's fees are not linked to the financial rating outcome of a particular financial product. Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Due to the specific nature of its charges, disclosure of Lonsec Research fees may not be ascertainable when you receive this FSG, but you are able to request this information in writing before a financial service is provided to you. The fees received by Lonsec Research do not have an effect on the inclusion (or otherwise) of a financial product in portfolios managed by Lonsec Investment Solutions; or in approved product lists as a result of Lonsec Investment Solutions consulting activities. We do not have any direct employees as all employees are contracted, for employment purposes, with Lonsec Fiscal, a subsidiary of Lonsec Holdings. All employees of Lonsec are paid a salary and may receive a discretionary bonus which is not guaranteed. Sales employees may have a sales commission plan, relevant for sales to Wholesale clients, as offered by Lonsec Research from time to time at its discretion.

### 1.6 How do we manage our compensation arrangements?

Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the Corporations Act 2001.

### 1.7 What should you do if you have a complaint?

Lonsec Research's internal complaints handling process is designed to ensure that your concerns are treated seriously, addressed promptly and fairly. A complaint may be lodged either verbally or in writing and will be dealt with in strict confidence. If you have a complaint relating to Lonsec Research's products, services, its employees, the complaint should be addressed to:

#### Complaints Manager

Level 39, 25 Martin Place

Sydney NSW 2000

Tel: 1300 826 395

Email: [complaints@lonsec.com.au](mailto:complaints@lonsec.com.au)

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:

**Online:** [www.afca.org.au](http://www.afca.org.au)

**Email:** [info@afca.org.au](mailto:info@afca.org.au)

**Phone:** 1800 931 678

**Mail:**

Australian Financial Complaints Authority

GPO Box 3

Melbourne, Victoria, 3001.

### 1.8 Conflicts of Interest

Lonsec Research is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services. There are a comprehensive set of policies, and procedures in place at Lonsec Holdings that apply to its subsidiaries including Lonsec Research. Information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79 are in place to manage either perceived or actual conflicts of interest. Employees of Lonsec also have to abide by Personal Trading and Gifts and Entertainment requirements and are trained on these requirements from time to time.

Lonsec Research review and rate products for Fund and Equity Managers who may from time to time have holdings within Generation Development Group Limited. Lonsec Research manages any potential conflict by disclosing to investors who access the research for these products and by implementing a comprehensive ratings process, information barriers and monitoring program. For further information on how Lonsec manages its conflicts refer to our Conflicts of Interest Statement accessible here <https://www.lonsec.com.au/lonsec-group-conflicts-of-interest-statement/>. For more information refer to Lonsec Research Ratings Methodology available on our platform iRate or by contacting us on 1300 826 395.

Lonsec Holdings has appointed Australian Retirement Trust Pty Ltd ABN 88 010 720 840, AFSL 228975 as the provider of default superannuation services to its Group employees. Lonsec Holdings appointment of Australian Retirement Trust is not an endorsement of, or opinion on, the Fund.

Australian Retirement Trust is a subscriber to our services and pays a fee to us for this subscription service. Australian Retirement Trust rating and report is issued by an analyst who is aware of Australian Retirement Trust's appointment as default superannuation fund provider but who does not have a personal investment in the fund.

This FSG was prepared on 1 August 2024.