

# Octopus Healthcare Fund

## INVESTMENT POLICY AND OBJECTIVES

The Fund's strategy is focussed on two components of the UK healthcare real estate investment market: Elderly Care Homes; and Specialist Hc. Both components target the following: primarily purpose built real estate; held as either freehold or long leasehold tenure; minimum unexpired years; fixed or index-linked rental uplifts (subject to caps and collars); rental levels which shall be affordable over the term of the lease.

## INVESTOR CONSTITUENCY

Europe

### Fund details

<b>Type of fund</b>	
<b>Residence</b>	
Launch date	
<b>Open/closed-ended</b>	
Earliest date of winding up	
Year-end	
<b>NAV (GBPm)</b>	

\* The Total net assets Value includes Other Net assets / liabilities

### Management/professional advisors

Manager	Octo
Investment Advisor	
Property Fund Manager	Octo
Depository	IQ EQ Dep
Auditors	

### Fund level total return, %

	Octopus Healthcare Fund	MSCI/AREF UK Quarterly Property Fund Index *	
		Other Balanced Open-Ended Funds	All balanced open-ended funds
3 months	-	1.2	1.1
Year-to-date	-	1.7	1.7
12 months	-	-0.4	0.1
3 years+	-	0.4	0.6
5 years+	-	1.4	1.5
10 years+	-	5.1	4.8

Note: \* Weighted average returns + Annualised

Source: MSCI/AREF UK Quarterly Property Fund Index

### Fund Restraints

<b>Property investment restrictions</b>	
Maximum development exposure	40% of Gross Asset Value while NAV is <£250m, 30% of Gross Asset
Maximum speculative development exposure	
Maximum lot-size holding as a standing investment	
Maximum lot-size holding permitted at purchase	
Maximum exposure to limited partnerships	
Maximum exposure to joint ventures	
Maximum exposure to closed and open-ended property unit trusts	
<b>Restrictions on holdings of cash/borrowings</b>	
Maximum total gearing permitted	The Borrowing Ce
for investment purposes	
for liquidity purposes	
Cash holdings (maximum)	10% of Gross acquisitions, di expenditure
Cash holdings (minimum)	

Source:

### Portfolio distribution %

MSCI/AREF UK Quarterly Property F

	Octopus Healthcare Fund	Other Balanced Open-Ended Funds	All balanced open-ended funds
Standard retail – South East	0.0	4.2	3.7
Standard retail – Rest of UK	0.0	1.1	1.1
Supermarkets	0.0	0.7	1.1
Shopping centres	0.0	0.6	0.9
Retail warehouses	0.0	12.3	12.0
<b>All UK retail</b>	<b>0.0</b>	<b>19.0</b>	<b>18.8</b>
City offices	0.0	3.0	3.1
West End offices	0.0	7.5	6.6
Rest of South East offices	0.0	6.3	6.3
Rest of UK offices	0.0	4.6	4.0
<b>All UK offices</b>	<b>0.0</b>	<b>21.4</b>	<b>20.0</b>
South East industrial	0.0	19.2	20.1
Rest of UK industrial	0.0	7.7	7.2
South East Distribution Warehouse	0.0	5.1	5.4
Rest of UK Distribution Warehouse	0.0	6.4	6.3
<b>All UK industrial</b>	<b>0.0</b>	<b>38.3</b>	<b>39.1</b>
Residential excl Student Accomodation	0.0	0.5	1.3
Student Accomodation	0.0	2.8	3.3
Hotel	0.0	3.7	3.2
Leisure	0.0	1.8	2.2
Healthcare	97.9	1.8	1.3
Other UK properties	0.0	3.8	3.2
Cash***	2.1	6.8	7.7
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*\* MSCI/AREF UK Quarterly Property Fund Index

^ Includes Investment in Indirects

#### Property ownership structure

	Number of assets	Valuation (GBPm)
Direct holdings	103	1,463.3
Joint and indirect holdings	0	0.0
Listed investments	0	0
<b>Total</b>	<b>103</b>	<b>1,463.3</b>

Source:

#### Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)
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\*Octopus Healthcare Fund has declined to provide this data on the grounds of its commercial sensitivity

#### 10 largest investments as % of portfolio

Source:

#### Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)
0 -2.5	1	1.6
2.5 - 5	2	9.6
5-10	14	108.3
10-25	85	1314.8
25 - 50	1	29.0
50 - 100	0	0.0
Over 100	0	0.0
<b>Total</b>	<b>103</b>	<b>1463.3</b>

Property Yield*	Voids as % of ERV*
Net initial yield	Investments
Nominal equivalent yield	Developments
True equivalent yield	Total
Net reversionary yield	

\*Octopus Healthcare Fund has declined to provide the data in the above table on the grounds of its commercial sensitivity

#### Rental income & ERV by type of property\*

	Rental income %
Standard retail	0.0
Retail warehousing	0.0
Shopping centres	0.0
Central London offices	0.0
Other offices	0.0
Industrial	0.0
Other	100.0
<b>Overall</b>	<b>100.0</b>

Source:

#### Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented, % Rent Passing	Reversionary potential, % Rent Passing	Reversionary potential Net of Over renting, % Rent Passing
Standard retail	-	-	-	-	-	-	-
Retail warehousing	-	-	-	-	-	-	-
Shopping centres	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-
Other offices	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-
Other	78.5	-	-	-	-6.1	-3.3	-9.4
<b>Overall</b>	<b>78.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6.1</b>	<b>-3.3</b>	<b>-9.4</b>

\*Comprising the ERV of developments in progress or contracted which have not been pre-let

#### Listed Investments

	% of Issue held	Valuation (GBPm)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

#### The unexpired term of leases % of rent passing

Years	Including breaks	Ex
20 years or greater	97.3	
15 years or greater, but less than 20	2.7	
10 years or greater, but less than 15	0.0	
5 years or greater, but less than 10	0.0	
Less than 5 years	0.0	

#### Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Source:

#### Debt analysis\*

Fixed rate borrowings	Variable rate borrowings

Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above Risk Free Rates (incl expenses) (%)
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\*Octopus Healthcare Fund has declined to provide this data on the grounds of its commercial sensitivity

#### Development exposure\*

	Capital value of developments		
	Not yet started	In progress+	All developments
GBPm	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%

\* Includes joint ventures in which the Fund has an interest of 50% or more

#### Valuations/performance monitors/affiliations

Frequency of valuation

Valuers

Knight Frank L

Portfolio performance monitored by MSCI

Constituent of MSCI/AREF UK Quarterly Property Fund Index

Member of the Association of Real Estate Funds

#### The contribution of major tenants to rental income

Tenant

\*Octopus Healthcare Fund has declined to provide this data on the grounds of its commercial sensitivity

Three largest tenants' contribution to rental income

Five largest tenants' contribution to rental income

Ten largest tenants' contribution to rental income

#### Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments
Balance sheet (GBPm)				
Properties at valuation	1463.3	0.0	0.0	0.0
Listed investments	0.0	0.0	0.0	0.0
Debt	-171.2	0.0	0.0	0.0
Cash	32.1	0.0	0.0	0.0
Other net assets/liabilities	10.6	0.0	0.0	0.0
Total net assets	1334.9	0.0	0.0	0.0
Gearing (%)				
Net debt (cash)/properties	9.5	-	-	-
Net debt (cash)/equity	10.4	-	-	-

\* The Total net assets Value includes Other Net assets / liabilities

#### Quarterly data per unit

As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24
Bid (GBP)	*	*	*	*	*
Offer (GBP)	*	*	*	*	*
Mid (GBP)	*	*	*	*	*
Bid/offer spread	*	*	*	*	*
Net asset value (GBP)	*	*	*	*	*
Quarterly distribution (GBP)	*	*	*	*	*
Yield	-	-	-	-	-

Source:

\*Octopus Healthcare Fund has declined to provide this data on the grounds of its commercial sensitivity

## Unit pricing

The Fund's Net Asset Value and Net Asset Value per Unit are calculated as at each calendar quarter end date. The bid/offer price applied to the Net Asset Value and applied by the Trustee as at the issue date of new Units.

## Distributions

Distributions are calculated and declared on a quarterly basis, with cash paid within 20 business days of the respective quarter end date.

## Minimum investment/disinvestment

- The Fund may accept Commitments having a total value of at least £1,000,000, with Trustee discretion over smaller amounts.
- Redemption dates on 30 June and 31 December.

## Creation, transfer and realisation of units

Commitments are drawn down by the Trustee in exchange for Units, in respect of Commitments dated in a quarter which is first in time before and in each quarter pro rata to the aggregate outstanding Commitments made in such quarter.

## Taxation

The Fund should be treated as fiscally transparent for the purposes of United Kingdom tax on income. Pursuant to Finance Act 2019 (the "FA 2019" legislation), the Fund will also broadly be treated as company for capital gains tax purposes. However, following the expansion of the UK charge to UK residents from direct or indirect investments in UK real estate pursuant to the rules contained in FA 2019, The Fund has made an exemption election. The Fund itself and each of its subsidiary entities in which it holds a 40% or greater interest, will be exempt from UK charge to tax on gains from an disposal of UK real estate investment. Notwithstanding the exemption election, the Trustee intends that the affairs of the Fund should be managed so that it does not become resident in the UK for UK tax purposes.

## Charges

The Fund Manager is entitled to charge a fee each quarter on the Net Asset Value of the Fund, as follows:

- 0.75 per cent. per annum of the Net Asset Value up to £250,000,000 of the Net Asset Value; plus
- 0.65 per cent. per annum of the Net Asset Value between £250,000,001 to £500,000,000 of the Net Asset Value; plus
- 0.55 per cent. per annum of the Net Asset Value in excess of £500,000,000 of the Net Asset Value

Source:

Unit holder analysis	
	Number of unitholders
Less than 1% of units in issue	
1% or greater but less than 2%	
2% or greater but less than 4%	
4% or greater but less than 8%	
Greater than 8.0%	
<b>Total</b>	
Major investors	
Largest holder	
Three largest holders	
Five largest holders	
Ten largest holders	
Internal/external investors	
Internal	
External	

Note: OHF does not wish to provide this data on the grounds of its commercial sensitivity

Liquidity					
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023
<b>Issues and redemptions</b>					
Units in issue as at start of period	193221.3017	322303	571,741	751,789	870,063
Units issued during period	129082	249438.2997	180,048	118,274	172,189
Units redeemed during period	0	0	0	0	-16,317
Units in issue at end of period	322303	571741.2997	751,789	870,063	1,025,935
<b>Unit transfers</b>					
Matched bargains	0	0	0	0	0
Matched bargains %*	0	0	0	0	0

\* as % of units in issue at the end of the period

healthcare.  
and lease term of twenty

<b>Property Unit Trust</b>
<b>Guernsey (Channel Islands)</b>
30 August 2017
Open Ended
n/a
31st December
<b>1334.9</b>

Opus AIF Management Limited
Octopus Investments Limited
Opus AIF Management Limited
Proprietary Company (UK) Limited
BDO LLP

<b>All funds</b>
1.4
1.7
0.0
0.0
0.6
4.0

Net Value while NAV is >£250m
n/a
n/a
15% of Gross Asset Value
Not permitted
Not specified
Not permitted

Cap is 30% of Gross Asset Value
n/a
n/a
Asset Value in respect of disposals or significant capital projects relating to the Investments
n/a

**and Index\*\***

All funds

3.4
1.2
1.7
0.6
7.4
<b>14.4</b>
2.6
4.8
5.2
4.4
<b>17.0</b>
18.0
6.5
4.1
5.3
<b>33.8</b>
2.4
<b>10.7</b>
6.1
4.1
1.4
4.1
6.0
<b>100.0</b>

<b>% of total portfolio</b>
100.0
0.0
0.0
<b>100.0</b>

<b>% of total portfolio</b>
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<b>% of total portfolio</b>
0.1
0.7
7.4
89.9
2.0
0.0
0.0
<b>100.0</b>



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Estimated rental value %
0.0
0.0
0.0
0.0
0.0
0.0
100.0
<b>100.0</b>



Market Value,% Rent Passing
-
-
-
-
-
96.7
<b>96.7</b>



Est. % of total portfolio
-
-
-
-
-
<b>-</b>



Including breaks
97.3
2.7
0.0
0.0
0.0



Est. % of total portfolio
-
-
-
-
-
<b>-</b>



Drawings

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**Off balance sheet debt  
(GBPm)+**

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**Cost to complete  
schemes in progress+**

0

0.00%

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Quarterly

.LP and Cushman & Wakefield

Yes

No

Yes

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%

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-

-

-

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**Total**

1463.3

0.0

-171.2

32.1

10.6

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1334.9

9.5

10.4

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**30-Jun-24**

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e per Unit is calculated

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**Total % held**

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**Year to  
Dec 2024**

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1,025,935

12,213

0

1,038,147

0

0%

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