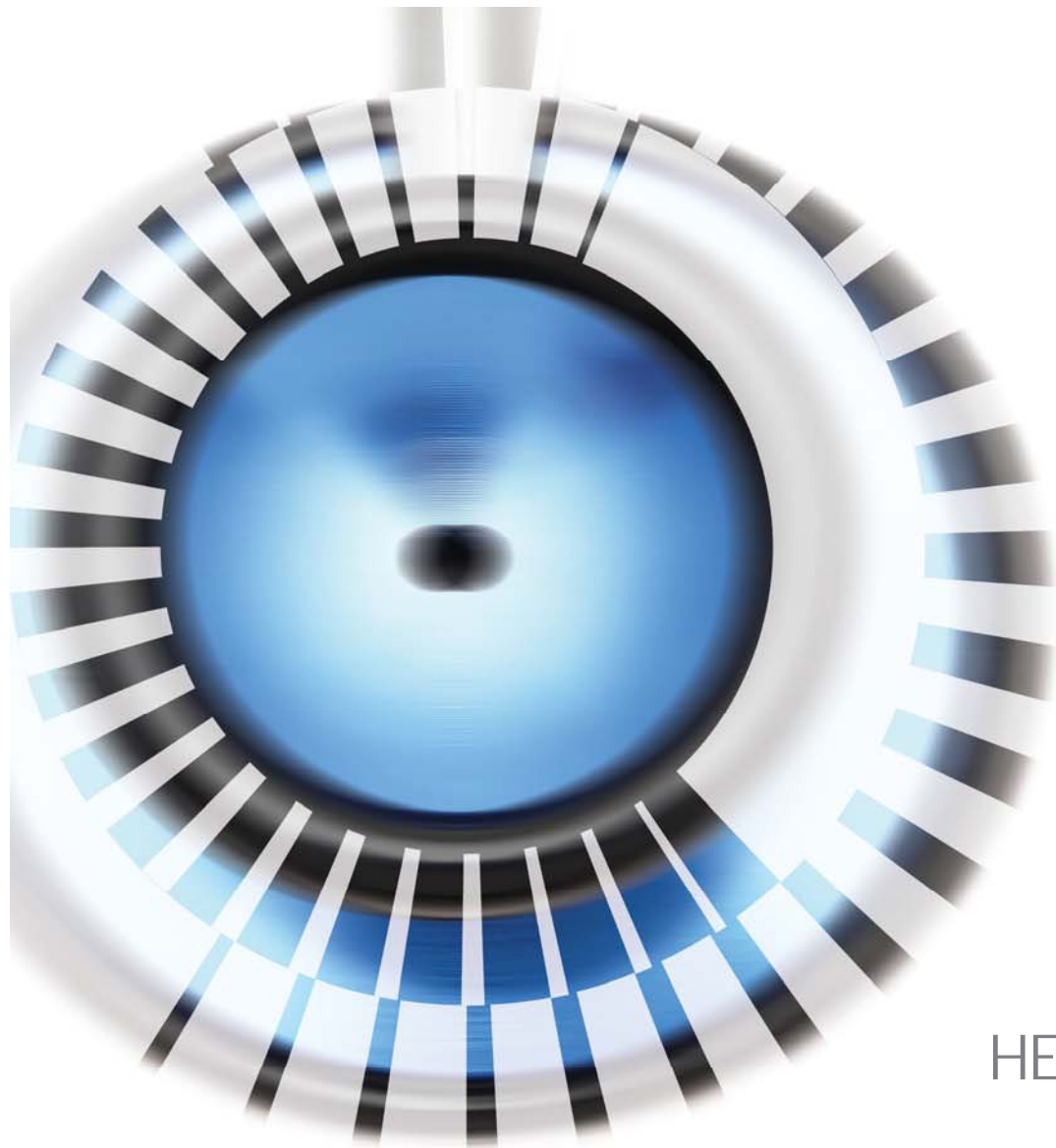


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ACQUISITION OF
INVESTMENT MANAGER BY
NORTHWEST
HEALTHCARE PROPERTIES REIT



JUNE 2016

generationreit.com.au

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TRANSACTION SUMMARY >

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NorthWest Healthcare Properties REIT has acquired Generation Healthcare Management and increased its interest in Generation Healthcare REIT to 19.9%

- Generation Healthcare Management Pty Limited (GHM), the Investment Manager of Generation Healthcare REIT (GHC) has been acquired by Canadian listed NorthWest Healthcare Properties Real Estate Investment Trust (NorthWest) (TSX: NWH.UN)
 - NorthWest has purchased 100% of the shares in GHM from APN Property Group Limited (APN) and interests associated with Miles Wentworth (CEO of GHC) and Chris Adams (Director GHM)
 - NorthWest has also entered into a put and call option agreement over 27.1 million GHC securities held by GHM, APN, Miles Wentworth, Chris Adams and entities associated with these parties
 - Upon exercise of this option NorthWest will hold a 19.9% interest in GHC, continuing the strong alignment between investors and the manager of GHC
 - APNFM will remain as the responsible entity of GHC and any future change of responsible entity would require the approval of GHC unitholders
 - APN has agreed to provide certain services to NorthWest for a transition period of up to 2 years to ensure a successful transition
 - Miles Wentworth and Chris Adams will continue in their existing roles managing GHC, with NorthWest agreeing to extend their employment term for up to 2 years
 - All other GHM staff have been made offers to continue in their current roles
 - Ensures a 'business as usual' approach to the operation of GHC
 - Also ensures continuity for existing relationships with tenants, investors, financiers and other key stakeholders in GHC, including in respect of current major development projects
 - GHC's strategy will remain unchanged and it will continue to be a healthcare real estate specialist fund with a focus on active portfolio management to maximise rental growth and occupancy supplemented by the pursuit of value-enhancing acquisition and development opportunities
 - The Transaction will not trigger any material change of control events under GHC's debt facilities or other agreement
-

TRANSACTION SUMMARY >

NorthWest to be a cornerstone investor with a long-term investment horizon providing capital and other support as required

- > The Transaction provides GHC investors with access to the resources of NorthWest's significant, global healthcare real estate management and investment platform which has operations and investments in Australia and New Zealand as well as in Canada, Germany and Brazil
- > NorthWest is the manager of, and has an interest of approximately 24% in, the New Zealand Stock Exchange listed Vital Healthcare Property Trust (Vital) (NZX:VHP) which has significant healthcare real estate investments in Australia
 - > NorthWest has advised that it intends to continue to manage and operate GHC and Vital as independent funds
 - > NorthWest has committed to ensure existing governance arrangements including information barriers are maintained and implemented where appropriate to ensure GHC continues to be managed independently of its other healthcare real estate interests as discussed on the following page
 - > Retaining APNFM as an independent responsible entity and the current management team is a key aspect of these arrangements
- > No impact on the financial performance or position of GHC
 - > No changes have been made to the fee structure payable to the Responsible Entity or the Investment Manager under the Investment Management Agreement
 - > No changes have been made to distribution policy

GOVERNANCE

GHC and Vital Healthcare will continue to be managed and operate independently, with independent boards

- > NorthWest has policies and procedures in place to ensure separation between GHC and Vital
- > Any potential conflicts of interest will be managed through NorthWest’s business conduct and conflict of interest policies

Information sharing protocols	<ul style="list-style-type: none"> > There are no overlapping members of GHC and Vital management: <ul style="list-style-type: none"> > No non-public or commercially sensitive GHC information is available to any person with management responsibility in relation to Vital > No non-public or commercially sensitive Vital information is available to any person with management responsibility in relation to GHC > Competing strategic objectives (e.g. asset acquisitions etc.) can be assessed on their merits to the relevant fund without prejudice by the broader objectives of NorthWest
Investment decision making	<ul style="list-style-type: none"> > GHC investment decisions would be reviewed by the APNFM Board following recommendation by the Investment Management committee (“IMC”) > The IMC would meet periodically and comprise MW, CA and representative(s) of NorthWest who are not involved with approvals for Vital > NorthWest intends to nominate an observer to the APNFM Board regarding matters relating to GHC

NORTHWEST OVERVIEW



NORTHWEST HEALTHCARE PROPERTIES REIT >

NorthWest is a large, internationally diversified Canadian listed healthcare REIT

- > Established in 2004, NorthWest Healthcare Properties REIT (TSX:NWH.UN) is a TSX listed dedicated healthcare real estate investor with a global mandate
- > NorthWest owns a high quality portfolio of medical office and hospital properties located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand
- > Led by founder Paul Dalla Lana, who is Chairman and CEO and has more than 20 years experience in healthcare real estate, acquisitions, development and finance
- > Investments comprise interests in a C\$3.1 billion diversified portfolio¹
 - > 137 income-producing properties
 - > 8.9 million square feet of gross leasable area
 - > Weighted average cap rate of 7.3%
- > Portfolio comprises medical office buildings, clinics and hospitals with a focus on assets with long term indexed leases and stable occupancy
- > NorthWest REIT employs over 180 professionals across nine offices in five countries

Core healthcare infrastructure in major markets



Key metrics¹

Total assets	C\$3,100m ¹
Properties	137
Market capitalisation	C\$800m
WALE	10.3 years
Occupancy	96.3%

Source: Company reports / disclosure, IRESS as at June 2016

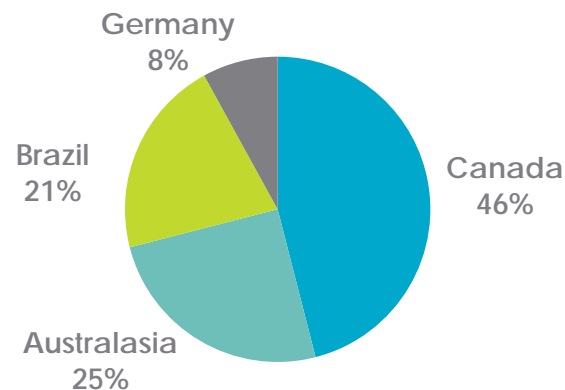
1. Proforma for the Transaction. Vital Trust and GHC shown on a 100% basis
 2. Includes convertible securities

SIGNIFICANT INTERNATIONAL HEALTHCARE EXPOSURE ▶

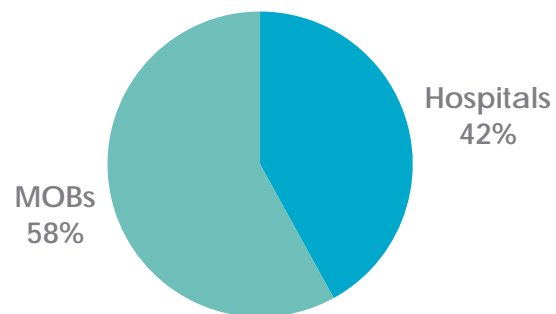
NorthWest brings the benefit of a significant international platform with healthcare assets in North and South America, Europe and Australasia

- ▶ NorthWest is a specialist in owning, managing and developing healthcare real estate
- ▶ In Canada, NorthWest is the largest non-government owner and manager of medical office buildings and healthcare facilities
 - 62 geographically diverse properties including major concentrations in Calgary, Edmonton, Toronto, Montreal, Quebec City and Halifax
- ▶ In its international markets, NorthWest seeks to partner with the region's leading healthcare operators

Geographic diversity by adjusted NOI



Building diversity by adjusted NOI



1. Proforma for the Transaction. NOI diversification is based on 24.5% proportionate ownership of Vital Trust, 19.9% interest in GHC and a 100% interest in GHM

NORTHWEST PORTFOLIO OVERVIEW >

CANADA

LEADING MEDICAL OFFICE BUILDING PLATFORM



- > 62 Medical Office Buildings
- > 1,200 Tenants
- > 91.4% Occupancy
- > 4.6 Year WALE

BRAZIL

STRONG RELATIONSHIPS WITH LEADING OPERATORS



- > 5 Hospitals / ~900 Beds
- > 2 Tenants/Operators
- > 100.0% Occupancy
- > 21.0 Year WALE

\$3.1BN International Platform
Canada / Brazil / Germany / Australia & NZ



96.3% Occupancy
10.3 Year WALE
+3.8% SPNOI

1. Proforma for the Transaction

GERMANY

CONSOLIDATION OF MEDICAL OFFICE BUILDINGS



- > 19 Medical Office Buildings
- > 350 Tenants
- > 94.6% Occupancy
- > 4.9 Year WALE



AUSTRALIA & NZ

INVESTMENT IN PUBLICLY LISTED VITAL TRUST



- > 51 Properties
- > 250 Tenants/Operators
- > 99.1% Occupancy
- > 15.5 Year WALE

SIGNIFICANT REAL ESTATE CAPABILITIES >

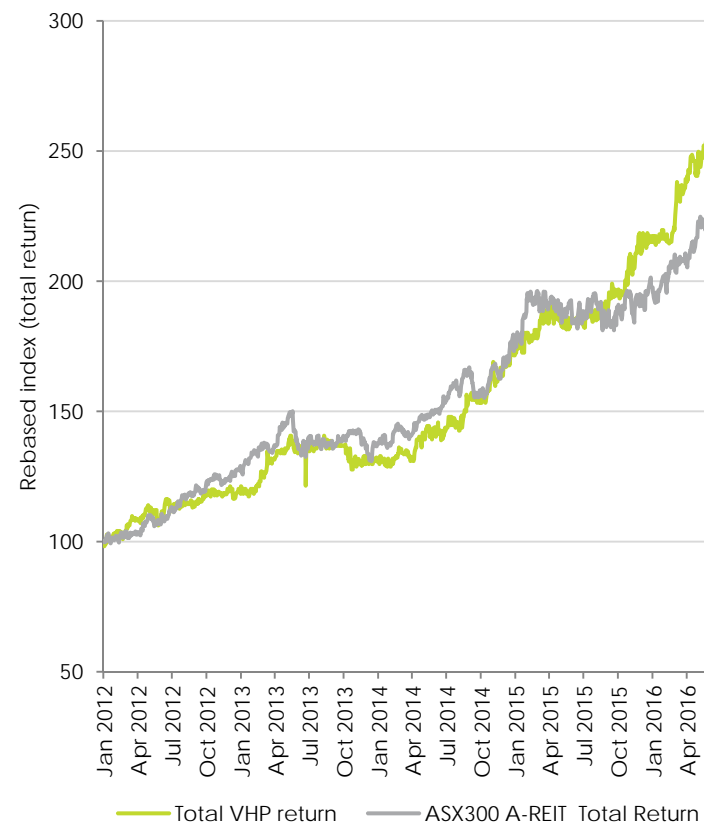
C\$ Millions (Rounded)	PORTFOLIO TRACK RECORD				
	Stabilized Assets	Brownfield		Greenfield	
		Completed	Current	Completed	Current
	\$1,260	\$185	\$295	\$205	\$295
	\$380	N/A	\$100	N/A	\$125
	\$1,240	\$15	\$10	\$140	\$50
	\$160	N/A	N/A	N/A	N/A
TOTAL	C\$3.1BN	\$200M	\$400M	\$350M	\$470M

AUSTRALASIAN PLATFORM

Vital Healthcare Property Trust has performed strongly with NorthWest as manager

- In January 2012, NorthWest acquired the management rights to and a co-investment stake in, Vital Healthcare Property Trust (Vital)
 - Maintained Vital management team and structure
 - NorthWest currently holds ~24% of Vital
- Vital has performed strongly since January 2012, with total return performance exceeding the market
 - 14.2% p.a. 10-year total return to investors
- Paul Dalla Lana (CEO of NorthWest) and Bernard Crotty (NorthWest Trustee) are on the Board of Vital Trust, in addition to three independent directors
- Evolved and grown the business through people, capital, and strategic thinking
 - Support management in acquisitions, asset management, underwriting, due diligence, development and capital allocation
- 62% revenue growth and 10.4% dividend growth over the 2011-2016 period
- Completed A\$150M of brownfield expansions since 2012 with a further A\$87M of brownfield expansions announced
- Supportive capital partner as demonstrated by recent \$160m Vital equity raising

Total return performance (rebased to 100)



Source: Company reports / disclosure, Bloomberg as at June 2016