



SQM Research Media Release

February 8, 2017

SQM Research has upgraded its Rating on the Australian Unity Health Care Property Trust to FIVE Stars

For Immediate Release

SQM Research has upgraded its rating on the Australian Unity Health Care Property Fund from a rating of 4.75 stars to 5.00 stars – the first such time that SQM Research has issued a five star fund in its ten year ratings history.

The fund has continued to deliver outperformance relative to benchmark and peers for a number of years now and has proven to be a good defensive play during periods of economic uncertainty.

The team continues to be lead by Chris Smith who has successfully acquired and managed some of the country's best institutional quality health care real estate in Australia. Over the course of 2016, acquisitions have assisted in further diversifying the Fund at the geographical level and management has been able to renew debt instruments at increasingly favourable terms for the Fund's investors.

Further, SQM believes that the health care property sector will continue to deliver solid results for property owners due to the unique specialist nature of the real estate and the ongoing growing underlying demand for hospitals, day centres and clinics in Australia, keeping in mind periods where capitalisation rates still rise and fall.

Louis Christopher, Managing Director of SQM Research, said "This is the first time we have issued a five star rating to any fund – a remarkable achievement for Chris Smith, his immediate investment team and Australia Unity. The reality is this is SQM's highest rated fund across all major asset classes. The upgrade reflects our confidence that the fund will continue to outperform for the foreseeable future."



For further information please subscribe to sqmratings.com.au or contact:

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SQM Research Pty Ltd is an independent investment ratings and forecasting research house covering all asset classes. SQM Research also supplies residential property data and property related reports and guidance to financial institutions, government departments, property developers and investors.

For more information please visit www.sqmresearch.com.au

Research Methodology

In general, the assessment approach adopted by SQM Research incorporates a combination of qualitative and quantitative research techniques to assess property investment products.

Information generated is passed through the SQM Research assessment model at the completion of the assessment process. The assessment model generates a product score, which correlates to a specific star rating (out of a maximum of five stars). Each star rating covers a scoring range, allowing products to be ranked within quarter star increments.

Following are descriptions for each of the star ratings, which have been developed as a guide for dealer group research teams and investment committees:

4.5 stars and above – Outstanding. Highly suitable for inclusion on APLs.

4 stars to 4.25 stars – Superior. Suitable for inclusion on most APLs.

3.75 stars – Favourable. Consider for APL inclusion.

3.5 stars – Acceptable. Consider for APL inclusion, subject to advice restrictions.

3.25 stars – Caution required. Not suitable for most APLs.

3 stars – Strong caution required. Not suitable for most APLs.



Below 3 stars – Avoid or redeem. Unapproved.

Hold – The rating is currently suspended until SQM Research receives further information. A rating is typically put on hold for a period of 2 days to 4 weeks.

Withdrawn – The rating is no longer applicable.

Significant issues have arisen, and investors should avoid or redeem units in the fund.

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