

Quick facts

Overview

Launch Date	March 2013
ISIN	JE00B95CGW71
Registered number	112287
Expected quarterly dividend	Nov/Feb/May/Aug
Financial year end	June
Currency	Sterling
Website	www.targethealthcarereit.co.uk

Ordinary Share Class

Shares in issue	142,298,226
Share price (21/08/2015)	110.8 pence
Market cap (21/08/2015)	158 million
Share price premium to NAV (21/08/2015)	13.1%

Key ratios and financials

Investment properties	£143.7m
Drawn debt	£31.5m
EPRA NAV	£139.5m
EPRA NAV per share	98.0 pence
EPRA NAV growth	3.5%
EPRA earnings per share	5.60 pence
Dividend per share	6.12 pence
Dividend yield (21/08/2015)	5.5%
LTV	21.9%
Management fee rate	0.9% of NAV
Performance fee	10% of portfolio outperformance of Index; capped at 0.35% of NAV; rolling, cumulative 3 year period; subject to claw-back.
WAULT	29.5 years

Summary Balance Sheet

Unaudited	2015 £m	2014 £m
Investment properties	143.7	83.2
Cash	29.2	17.1
Net current assets / (liabilities)	(1.9)	2.1
Bank loan	(31.5)	(12.3)
Net assets	139.5	90.2
EPRA NAV per share	98.0	94.7

Ignores the effect of fixed/guaranteed rent reviews

Group at a glance

Overview

THRL aims to provide ordinary shareholders with an attractive level of income with the potential for capital and income growth from investing in best-in-class, care home assets with attractive financial characteristics. The Group buys modern, purpose-built properties in locations underpinned by favourable dynamics (population demographics and social grade, supply / demand) with quality tenants demonstrating excellent operational capabilities and care ethos and leased at sustainable rental levels and strong rental covers over the long-term.

Recent news

Deals to acquire eleven assets have completed during the year, an investment of £57.3 million inclusive of acquisition costs. This brings the portfolio to twenty-eight care homes, valued at £143.7m. This continues the growth demonstrated since launch. The new properties are high quality, modern, and purpose-built, with the majority being less than four years old. The acquisitions have allowed the Group to further diversify its tenant base by adding three new tenants to the portfolio, whilst three of the homes have extended the portfolio's geography to South & East England.

Pipeline

A pipeline of near-term opportunities worth approximately £60m is currently being evaluated, of which opportunities worth approximately £16m have agreed heads of terms in place.

Performance

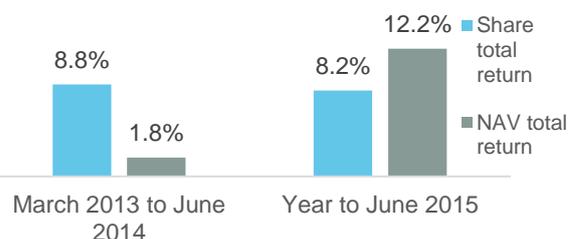
The Group's disciplined investment appraisal and portfolio management activities have contributed to a growth in EPRA NAV per share of 3.5%. Asset valuation growth (6.0% on assets held for the full year) has contributed 4.5 pence per share to this growth of 3.3 pence.

The portfolio has generated rental income contributing to group EPRA EPS of 5.6 pence per share.

Market Commentary

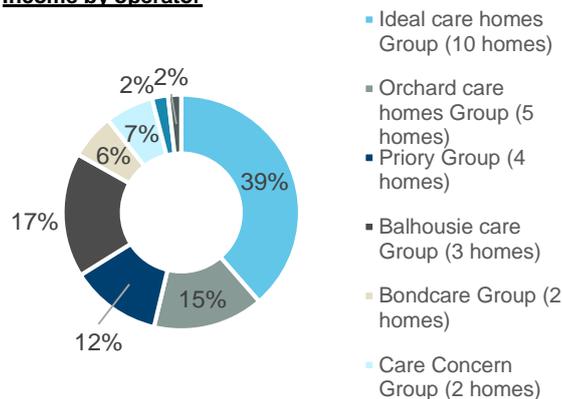
The underlying fundamentals of an ageing population and paucity of quality care home stock continue to support strong levels of investment activity across the UK's elderly care sector resulting in some investment yield compression. The competitive landscape remains particularly congested for transactions offering scale and / or access to specific geographic locations such as the South East of England. In the Group's core regional mid-market, however, we continue to source a variety of single and multi-asset investment opportunities as evidenced by the Company's pipeline. The market is facing a degree of uncertainty as a result of two recent announcements: firstly, the delay, or possible cancellation, of the social care cap which was to be introduced in 2016; and secondly, the introduction of the National Living Wage from April 2016 which will see care costs for operators rise.

Performance



Portfolio summary

Income by operator



Notes: income % calculated by reference to passing rents as at 30 June 2015

Portfolio value by region



Ten largest investments by income

<u>Asset</u>	<u>Acquired</u>	<u>Location</u>	<u>Operator</u>
Bromford Lane Care Centre	June 2014	West Midlands	Bondcare
Hastings Court	December 2014	South East	Hastings Court
St. Helen's all and Lodge	October 2013	North West	Orchard care homes
The Ashton care home	July 2014	East Midlands	Orchard care homes
Blair House care home	July 2014	Northern Ireland	Priory
Bohill house care home	July 2014	Northern Ireland	Priory
Brinnington Hall	May 2014	North West	Ideal care homes
Coppice Lodge	March 2013	East Midlands	Ideal care homes
St. Ronan's Care home	March 2013	Scotland	Balhousie care
Rastrick Hall & Grange	October 2014	Yorkshire & North East	Orchard care homes

Directors

Malcom Naish (Chairman)
 Professor June Andrews
 Gordon Coull
 Thomas J Hutchinson III
 Graeme Ross
 Hilary Jones

Investment Manager

Target Advisers LLP
 Kenneth MacKenzie
 +44 (0) 1786 845 915
 kenneth@targetadvisers.co.uk

Advisers

Administrator R&H Fund Services Limited
 Depository Augentius Depository Group Ltd
 Broker Stifel Securities Limited
 UK Legal Dickson Minto W.S.
 Auditors Ernst & Young LLP

This Report is intended solely for the information of the person to whom it is provided by the Group, the Investment Manager or the Administrator. This Report is not intended as an offer or solicitation for the purchase of shares in the Group and should not be relied on by any person for the purpose of accounting, legal or tax advice or for making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Group. Any forecast, projection or target is indicative only and not guaranteed in any way, and any opinions expressed in this Report are not statements of fact and are subject to change, and neither the Group nor the Investment Manager is under any obligation to update such opinions. Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated, the sources for all information contained in this report are the Investment Manager and the Administrator. Information contained in this Report is believed to be accurate at the date of publication, but none of the Group, the Investment Adviser and the Administrator gives any representation or warranty as to the Report's accuracy or completeness. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. None of the Group, the Adviser and the Administrator accepts any liability whatsoever for any loss (whether direct or indirect) arising from any use of this Report or its contents.

Target Healthcare REIT Limited, registered in Jersey (Registered Number: 112287). Registered Office: Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW. Regulated by the Jersey Financial Services Commission.