



## JWP ICAV FUND QUARTERLY REPORT

# JWP ICAV Fund Quarterly Report – Q4 2021

## 1. DEAL SOURCING

During the fourth quarter of 2021, JWP Enterprise Fund (the sub-fund of JWP ICAV Fund) (hereinafter referred to as ‘the Fund’) has reviewed 3 investment opportunities in the nursing home sector.

JWP ICAV基金本季度考察4个养老院投资项目。

Locations: 2 in Leinster, 1 in Munster, 0 in Ulster, and 0 in Connacht.

Progress: 1 is in the early stage of preliminary contact. 1 prospective transaction is still in the negotiation stage between the investment advisor of the Fund and the vendor. Our proposal to another 1 opportunity has been turned down by the sellers after the open tender.

目前进度：1个项目在早期接触阶段。1个预期交易正处于双方协商阶段。。



## 2. INVESTMENTS

There was one transaction completed during the fourth quarter.

第四季度完成了一家养老院的收购。

Completed Project: Middletown House Nursing Home and Retirement Village comprise a 51-bed HIQA registered Nursing Home and 20 (one and two-bedroom) Independent Living Units (ILUs), which are situated on a five and a half acre site near Gorey, Co Wexford.

The Nursing Home is a building consisting of resident accommodation in 31 single bedrooms (30 fully en suite and 1 partial) and 10 twin bedrooms (all of which are en suite). The retirement village consists of 20 older care independent living units built on the grounds of the Home in 2006. The deal was completed at the end of December 2021. The Fund is now running 10 nursing homes across the state, with a head office for the centralized management.

## 3. POST-ACQUISITION OPERATION (10 UNITS)

### 3.1. Incident

(1) Are there any new litigation issues or risks?

Nil.

(2) Are there any new tax issues or risks?

Nil.

(3) Are there any new regulatory issues or risks (with HIQA for example)?

Nil.

(4) Any other incidents?

Nil.

### 3.2 Q4 Profit & Loss by Unit (Brief)

The chart below shows the Profit & Loss during the twelve months of 2021 for the 10 units held by JWP ICAV, as well as the total figure.

Description	Dunboyne	Cooley	Raheny	Greystones	Varna	Mullinahinch	Teach Altra	Borris	Oakdale	Middletown	Total
Total Revenue	3,213,970	2,029,253	2,208,949	2,684,655	1,300,967	1,940,884	1,706,499	1,281,239	982,737	259,501	17,608,654
Direct Expenses	1,866,934	1,407,955	1,533,144	1,780,272	1,090,941	782,686	1,301,564	908,548	694,761	188,195	11,555,001
<b>Gross Porfit</b>	<b>1,347,035</b>	<b>621,298</b>	<b>675,804</b>	<b>904,383</b>	<b>210,025</b>	<b>1,158,197</b>	<b>404,936</b>	<b>372,691</b>	<b>287,976</b>	<b>71,306</b>	<b>6,053,653</b>
<b>Gross Porfit %</b>	<b>42%</b>	<b>31%</b>	<b>31%</b>	<b>34%</b>	<b>16%</b>	<b>60%</b>	<b>24%</b>	<b>29%</b>	<b>29%</b>	<b>27%</b>	<b>34%</b>
Facilities	146,756	139,671	109,977	150,161	106,173	125,146	115,753	69,000	43,092	5,315	1,011,046
Repairs & Maintenance	102,195	117,688	99,887	116,669	56,025	87,799	94,076	44,527	46,315	22,974	788,156
Subscriptions	10,874	8,468	8,618	11,677	6,334	8,787	8,134	2,743	3,233	100	68,968
Marketing	4,375	543	654	2,434	2,380	1,288	2,663	2,238	2,975	1,000	20,549
Administration	36,255	35,468	32,277	31,418	28,075	33,258	33,200	18,964	12,691	9,364	270,970
Covid	-24,780	16,302	-30,616	-1,596	-11,838	-7,337	-51,024	1	358	-	-110,530
<b>Total Overheads</b>	<b>275,675</b>	<b>318,139</b>	<b>220,798</b>	<b>310,763</b>	<b>187,150</b>	<b>248,942</b>	<b>202,801</b>	<b>137,473</b>	<b>108,663</b>	<b>38,754</b>	<b>2,049,159</b>
<b>As % of Revenue</b>	<b>9%</b>	<b>16%</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>15%</b>	<b>12%</b>
<b>EBITDARM</b>	<b>1,071,360</b>	<b>303,159</b>	<b>455,007</b>	<b>593,620</b>	<b>22,875</b>	<b>909,255</b>	<b>202,134</b>	<b>235,218</b>	<b>179,313</b>	<b>32,553</b>	<b>4,004,494</b>
<b>EBITDARM Margin</b>	<b>33%</b>	<b>15%</b>	<b>21%</b>	<b>22%</b>	<b>2%</b>	<b>47%</b>	<b>12%</b>	<b>18%</b>	<b>18%</b>	<b>13%</b>	<b>23%</b>

Besides, the second chart is the consolidated Profit & Loss for each month of the fourth quarter as shown below:

Description	OCT	NOV	DEC	Q4 Total
TOTAL REVENUE	1,780,842	1,727,924	2,102,248	5,611,014
DIRECT EXPENSES	1,179,812	1,237,975	1,467,099	3,884,886
<b>GROSS PROFIT</b>	<b>601,030</b>	<b>489,950</b>	<b>635,148</b>	<b>1,726,128</b>
FACILITIES	112,268	119,066	125,819	357,153
FACILITIES as % of sales	6%	7%	6%	6%
REPAIRS & MAINTENANCE	83,894	105,935	107,292	297,121
REPAIRS & MAINTENANCE as % of sales	5%	6%	5%	5%
SUBSCRIPTIONS	641	1,380	824	2,845
SUBSCRIPTIONS as % of sales	0%	0%	0%	0%
MARKETING	0	6,870	4,715	11,586
MARKETING as % of sales	0%	0%	0%	0%
ADMINISTRATION	33,105	29,742	35,504	98,350
ADMINISTRATION as % of sales	2%	2%	2%	2%
COVID	0	-83,873	7,949	-75,923
COVID as % of sales	0%	-5%	0%	-1%
<b>TOTAL OVERHEADS</b>	<b>229,908</b>	<b>179,121</b>	<b>282,103</b>	<b>691,132</b>
<b>TOTAL OVERHEADS as % of sales</b>	<b>13%</b>	<b>10%</b>	<b>13%</b>	<b>12%</b>
<b>EBIDARM</b>	<b>371,122</b>	<b>310,829</b>	<b>353,045</b>	<b>1,034,996</b>
<b>EBIDARM as % of sales</b>	<b>21%</b>	<b>18%</b>	<b>17%</b>	<b>18%</b>

Please note:

- The accounts and data above are unaudited, and there might be adjustments in the year-end account.
- EBITDARM: Earnings Before Interests, Taxes, Depreciation, Amortization, Rent, and Management Charge.
- Both the EBITDARM and EBITDARM margins are relatively high due to the Covid-19 related subsidies.

### 3.3. Anticipated Return and Yield

Deriving from EBITDARM and given that ICAV is exempt from Irish tax on its income and profits, the anticipated Net Profit (consolidated) for the last 3 months of 2021 are as follows:

Description	OCT	NOV	DEC	Q4 Total	Annual Total
Total Net Profit/(Loss)	122,263	54,973	89,220	266,456	1,414,961

According to the Q4 result, the annualized return on investment is projected to be around 8.1%, which performs in line with our expectation (c. 8.0%).

根据Q4的财务表现，年化投资回报预期在8.1%左右，超过本基金之前的预期（8.0%）。

### 3.4. COVID-19

As of 31 December 2021, all of the homes are Covid-19 free.

## 4. NEWS UPDATE

### 4.1. JWP ICAV FUND NEWS

In December 2021, the deal of Middletown House Nursing Home and Retirement Village was completed, which comprises a 51-bed registered Nursing Home and 20 Independent Living Units (ILUs), making the total number of beds managed by the Fund has reached up to 518.

2021年12月，完成了对Middletown House养老院和Retirement Village的交易，其中包括51张床位和20个独立生活单元，基金管理的床位总数达到518张。



### 4.2. Irish Nursing Home Market News

#### 4.2.1. Market Overview

As for the financial support by the government, according to CSO.ie (2022), the government has implemented its €72 million COVID-19 Financial Support Scheme for care homes. In Budget 2022, Irish minister Donnelly announced the largest investment in Ireland's health and social care services, at €21 billion. These investment announcements are expected to boost industry performance over the two years through 2022.

As for the investment in the Irish nursing home market, according to the report Outlook2022 from CBRE (2022), the Irish buyers tend to seek acquisition in the nursing home market with potentially 2,000 new nursing home beds offered to meet underlying, and growing demand.

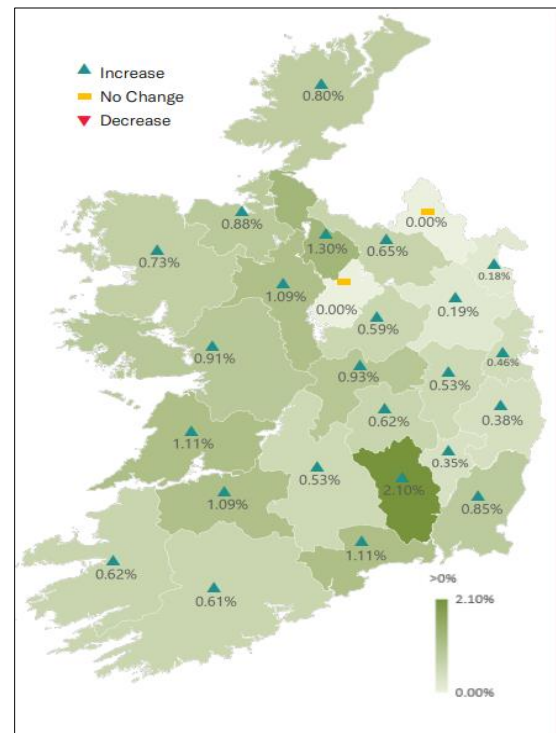
Besides, as CBRE (2022) predicts, considering the levels of pent-up demand, the nursing home sector is projected to be a sellers' market in 2022. With few assets available to purchase, individual nursing homes (particularly those that are fully future-proofed) will become liquid assets and will be highly sought. The investment activity is supposed to be primarily concentrated in areas of high population catchment with particular demand for standing stock and buildings that are under construction.

#### 4.2.2. The NTPF Rate

As for the revenue growth rate, the NTPF is the primary source of income for the sector.

According to "NTPF Weekly Fair Deal Rates: Average Quarterly % Change in Sept. 2021/Dec. 2021 (BDO & NHI)", the weekly Fair Deal Rate (FDR) continues to increase at a monthly average of 0.05% in most areas during the fourth quarter. The country average weekly rate has increased by 0.71% from €1,035.05 in September 2021 to €1,042.42 in December 2021.

As reported by BDO's service, 24 counties showed an increase in the weekly average NTPF rates in December compared to September with the highest rate increase of 2.10% in Kilkenny, where the average rate increased from €982.56 to €1,003.22. The lowest recorded increase of 0.18% was in Louth where the average weekly rate increased from €1,041 in September to €1,042.88 in December.



By the end of 2021, the NTPF Rate reported by BDO & NHI is shown as followed:

County	Sept-21	Dec-21		% Change	Dec-20	No. of Nursing Homes Under the FDR Scheme			
						Sept-21	Dec-21	Change	
Carlow	957	960	↑	0.35%	939	6	6	→	-
Cavan	993	999	↑	0.65%	981	7	7	→	-
Clare	935	945	↑	1.11%	910	12	12	→	-
Cork	1,034	1,040	↑	0.61%	1,015	48	48	→	-
Donegal	934	941	↑	0.80%	905	14	14	→	-
Dublin	1,218	1,223	↑	0.46%	1,201	90	90	→	-
Galway	943	951	↑	0.91%	916	36	35	↓	-1
Kerry	942	948	↑	0.62%	916	17	17	→	-
Kildare	1,091	1,097	↑	0.53%	1,075	21	21	→	-
Kilkenny	983	1,003	↑	2.10%	963	9	9	→	-
Laois	1,002	1,008	↑	0.62%	980	4	4	→	-
Leitrim	960	973	↑	1.30%	940	2	2	→	-
Limerick	950	960	↑	1.09%	925	22	22	→	-
Longford	965	965	→	0.00%	947	3	3	→	-
Louth	1,041	1,043	↑	0.18%	1,027	8	8	→	-
Mayo	948	955	↑	0.73%	921	18	18	→	-
Meath	1,055	1,057	↑	0.19%	1,035	18	18	→	-
Monaghan	1,000	1,000	→	0.00%	980	5	5	→	-
Offaly	963	972	↑	0.93%	925	5	5	→	-
Roscommon	937	947	↑	1.09%	910	11	10	↓	-1
Sligo	1,043	1,052	↑	0.88%	1,023	6	6	→	-
Tipperary	943	948	↑	0.53%	921	25	25	→	-
Waterford	997	1,008	↑	1.11%	980	9	9	→	-
Westmeath	937	943	↑	0.59%	916	9	9	→	-
Wexford	953	962	↑	0.85%	929	15	14	↓	-1
Wicklow	1,095	1,099	↑	0.38%	1,076	18	18	→	-
Country Average	1,035	1,042	↑	0.71%	1,013	438	435	↓	-3

The chart below shows the updated data from HSE, to date, the weekly Fair Deal Rate (FDR) in most counties of Ireland reaches over €1,000, the highest NTPF rate was in Co. Dublin, which increased to over €1,224 in January 2022.

NURSING HOMES SUPPORT SCHEME MAXIMUM AGREED PRICES WITH PRIVATE AND VOLUNTARY				As of 18/01/2022
Co. Carlow	Co. Cavan	Co. Clare	Co. Cork	
<b>976</b>	<b>859</b>	<b>948</b>	<b>1017</b>	
Co. Donegal	Co. Dublin	Co. Galway	Co. Kerry	
<b>951</b>	<b>1224</b>	<b>959</b>	<b>955</b>	
Co. Kildare	Co. Kilkenny	Co. Laois	Co. Limerick	
<b>1101</b>	<b>1003</b>	<b>1014</b>	<b>966</b>	
Co. Leitrim	Co. Longford	Co. Louth	Co. Mayo	
<b>973</b>	<b>970</b>	<b>1045</b>	<b>957</b>	
Co. Meath	Co. Monaghan	Co. Offaly	Co. Roscommon	
<b>1060</b>	<b>1000</b>	<b>972</b>	<b>955</b>	
Co. Sligo	Co. Tipperary	Co. Waterford	Co. Westmeath	
<b>1052</b>	<b>955</b>	<b>972</b>	<b>949</b>	
Co. Wexford	Co. Wicklow			
<b>972</b>	<b>1107</b>			

## **5. FUNDRAISING**

During Q4, 8 new investors completed their subscriptions to the Fund, which translates to an additional €8,000,000 before fees. Besides, we anticipate the number of new subscribers will be prospectively 31 in total during the whole year.