



**Home
Consortium**

Distribution Policy

HomeCo Daily Needs REIT

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1. Overview

Policy

- 1.1 The Group has adopted a distribution policy which is formulated based on a range of factors including:
- (a) general business and financial conditions;
 - (b) the certainty of the Portfolio cash flow having regard to vacancy rates in the portfolio, the average lease duration and the timing of significant lease expiries;
 - (c) medium term capital expenditure requirements of the portfolio;
 - (d) taxation considerations;
 - (e) working capital requirements; and
 - (f) other factors that the Directors of the RE (defined below) consider relevant.

For the purposes of this Policy, the **Group** means HMC Funds Management Limited (**RE**) as responsible entity for the HomeCo Daily Needs REIT (**HDNR**) and any entities owned, either beneficially or legally, by HDNR or the RE.

2. Quarterly Distributions

- 2.1 The Group intends to make Distributions on a quarterly basis. The first Distribution, post IPO, will be made for the period from the Allotment Date to 31 March 2021. Distributions will be determined with reference to the Fund's FFO, with a target range for Distributions of between 90% and 100% of FFO once the Portfolio is fully stabilised.
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3. Monitoring of the Policy

- 3.1 The Directors of the RE will continue to monitor the appropriateness of this policy to ensure that it meets the ongoing objectives of the Group and is in the best interest of Unitholders.

October 2020