



- Partner with highly experienced and successful childcare operators to open and trade-up new childcare centres around Australia.
- Currently 10% per annum for round one investments.*
- Returns are calculated as a margin over the RBA cash rate. As the RBA cash rate moves, so does your return.*
- Cash distributions paid monthly to investors.*
- The Finexia Childcare Income Fund (the “**Fund**”) provides fully secured financing through lending specialist, Creative Capital (**Investment Manager**).
- The funding opportunity fills a gap that the major banks have largely abandoned, providing loans to experienced childcare operators on commercial terms, with appropriate security and collateral.

The Industry provides unique investment fundamentals

- An “Essential Service” underpinned by Federal Government spending commitments.#
- Industry revenue and demand for places is growing strongly.
- Highly fragmented and increasing profitability for medium sized operators driving centre growth.

Successful Operators as your investment partners

- Selected Operators are leaders in the Industry.
- Each Operator has comprehensive experience in opening and operating centres.
- Strong track record of opening centres with quality brands.
- Strong balance sheets and existing cash flows.

Specialist Investment Manager

- The Responsible Entity and Investment Manager are subsidiaries of an ASX listed company.
- The Investment Team have more than 10 years Industry experience.
- Supported by a well capitalised and profitable financial services company.

Investment supported by secured loans originated by an expert team

- Loans are fully secured by registered 1st mortgage over the leasehold childcare business with guarantees from directors.
- Conservative Loan to Value Ratio with Major Bank quality valuations.
- The finance team has more than 20 years of lending experience.
- Rigorous assessment process.
- Loans can be utilised for multiple purposes including the ‘pre-opening’ and operating costs such as all marketing, fit-out, working capital and lease bank guarantees.
- Once a centre has been traded-up, Major Banks will provide alternative loans on good terms.

The Industry provides unique investment fundamentals:

An “Essential Service” underpinned by Federal Government spending commitments

- With universal childcare forming one of the new Federal Labor Government’s election promises, from July 2023 more than 90% of fees will be covered for lower income workers.
- In 2023, the Federal Government are making childcare dramatically cheaper. Childcare subsidy rates will increase and will be made available for families earning up to \$A530,000 pa.
- Around 96% of families will be better off with the new subsidies while the remaining 4% will be no worse off. The aim is to incentivise female labour force participation and remove the disincentive for second income earners to work reduced hours. The cost to the Budget is expected to be \$A4.7bn over four years.
- Across Victoria, kindergarten will be made free through new subsidies set to come into effect in 2023. Children enrolled in eligible sessional kinder services will have access to a \$2,500 subsidy, while children attending a funded kindergarten program in long-day-care settings will be eligible for a fee reduction of \$2,000.
- Kindergarten will also be cheaper for many Queensland families from January 2023. Queensland’s scheme will offer 40,000 families free or cheaper kinder.
- In New South Wales, before- and after-school-care vouchers will be available. Parents with primary school-aged children will have until the end of January to apply for a \$500 voucher to cover the costs of before- and after-school care. This includes children who are starting kindergarten in 2023.

Industry revenue and demand for places is growing strongly

- The Industry is forecast to outgrow the wider economy for the next 10 years.
- The Industry has nearly \$15b in revenue and is growing at >3% pa.
- Demand for places is very strong, with 5% growth pa of long day care attendance (pre COVID-19).

Highly profitable, fragmented industry with increasing growth

- Most of the operators are smaller and have limited access to pools of inexpensive capital. The industry’s largest four players are expected to account for less than 30% of revenue in 2022-23.
- Individual and medium sized operators are projected to increase profitability by targeting premium centres and/or by operating in locations with favourable socio-demographic factors.

Specialist Investment Manager

Listed Public Company

ASX-listed Finexia Financial Group Limited (ACN 106 760 418) (ASX: FNX) is an independent financial services firm specialising in Asset & Funds Management, Equity Capital Markets and Private Credit. Founded on disciplined, independent and innovative thinking, the experienced team at Finexia are committed to servicing the investment and funding needs of individuals, corporates and institutions through its key areas of expertise.

The Company has offices in Sydney, Gold Coast and San Francisco.

Finexia Financial Group Limited (ASX: FNX) has released its annual profit results. The key highlights:

- Net Profit Before Tax (NPBT) of A\$3.84M for the 12-months to 30 June 2022, a 252% increase on the previous year (2021 - A\$1.09M).
- Gross Revenue for the year A\$10.51M growing by 78% from the previous year (2021 – A\$5.91M).
- Net Assets expanded to A\$8.84M a 71% increase from the previous year (2021 – A\$5.16M).

Responsible Entity

Finexia Securities Limited (ACN 608 667 778, AFSL 485760) is a wholly owned subsidiary of Finexia Financial Group Limited and has been engaged as the Responsible Entity of the Finexia Childcare Centre Incubation Fund (ARSN 658 543 625).

Investment Manager

Creative Capital Group Pty Ltd (ACN 623 557 808) is a wholly owned subsidiary of Finexia Financial Group Limited and has been engaged as the Investment Manager of the Finexia Childcare Centre Incubation Fund (ARSN 658 543 625).



For further information:

www.finexia.com.au/asx-announcements/

Item	Description
Forecast Return	Currently 10% per annum. (The investment return is fixed at 5.65% above the prevailing RBA cash rate which is 4.35% at the time of publication.)
Distributions	Cash distributions paid monthly to Investors*
Fund Name	Finexia Childcare Centre Incubation Fund (ARSN 658 543 625)
Responsible Entity	Finexia Securities Limited (ACN 608 667 778, AFSL 485760)
Investment Manager	Creative Capital Group Pty Ltd (ACN 623 557 808)
Custodian	Perpetual Corporate Trust Limited, an independent specialist custodian, provides custody of the Fund's assets.
Investors	Wholesale and Retail
Investment strategy	To offer indirect exposure to the childcare industry by investing in commercial loan facilities provided to the childcare sector.
Fund investment	The Fund will lend to multi-site childcare businesses.
Assets of the Fund	The assets of the Fund held by the Custodian on behalf of investors are summarised as: <ul style="list-style-type: none"> - Bank account and any cash in the bank account. - Loan agreement between the Fund and Childcare centre.

Investment Amounts

Minimum initial investment	\$5,000
Minimum additional investment	\$1,000 increments



* The investment return is fixed at 5.65% above the prevailing RBA cash rate which is 4.35% at time of publication (return of 10%). All investments carry degrees of risk. This product is not appropriate for everyone. You should obtain a copy of the Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') relating to the product and consider them before making any decision to invest in the product. These disclosures can be obtained from registering your contact details on this web page. Forecast returns and distributions are subject to several assumptions that are detailed in the PDS. **Further details on redemptions can be found in the PDS. The PDS and TMD are issued by Finexia Securities Limited (ABN 61 608 667 778, AFSL 485760) under the Finexia Childcare Income Fund (ARSN 658 543 625).