

Montreux Healthcare Fund Plc(イギリス医療介護施設について)



主なポイント

1

管理会社
沿革

- Montreux Capital Management(UK)は英国の医療・社会保障分野に特化した投資を行う専門性の高いアセットアドバイザーとして2010年に設立。高度な知識と経験を有してヘルスケア分野の専門企業にアドバイスを提供。
- 同社のヘルスケア・ファンドの運用資産規模は550億円、急成長を続ける英国最大規模の医療介護施設に投資。

2

投資戦略

- 医療・介護施設のM&Aにて資産価値の増大と収益増加。
- 医療介護費用は公的機関と保険から支えられているためキャッシュフローは安定的であり、レバレッジを利用してエクイティリターンを高めることが可能。
- 約125億ポンド(円換算 2兆円)の市場に対して、景気に左右されない投資戦略。

3

目標リターン

- 昨年まで4年間の累積リターン90%、運用開始以来の年平均利回り17%。
- 運用開始以来、年間でのマイナスなし。

4

ESG効果

- 本ファンドによる経済活動は社会に具体的な効果を与えており、特にESG投資家にとって魅力的。

Share Class D USD Factsheet July 2022

The Montreux Healthcare Fund Plc



Share Information

NAV performance per share as of 31/07/2022:

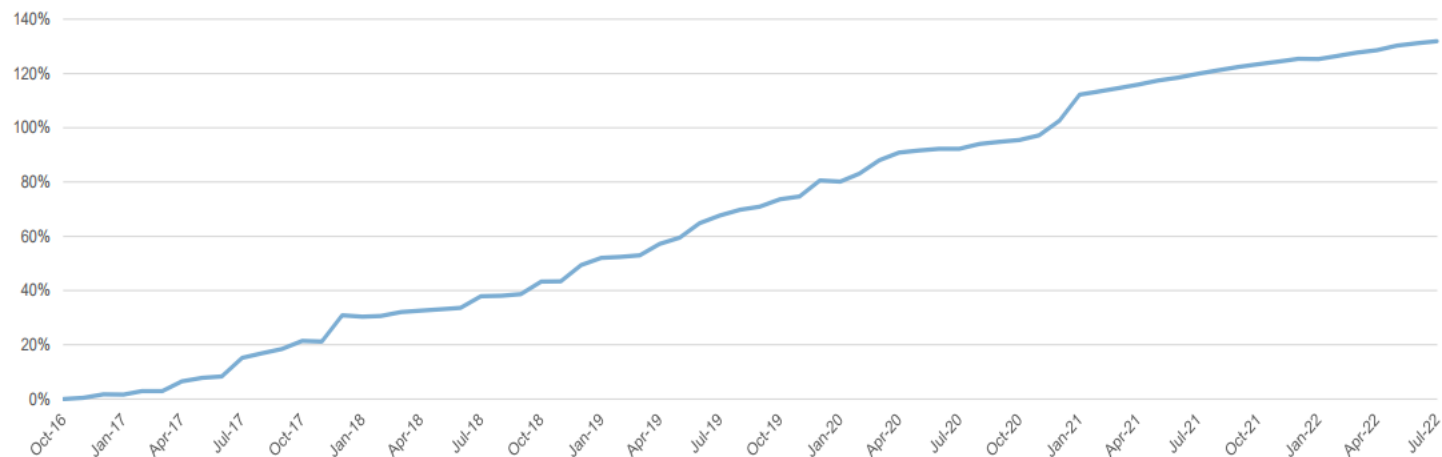
	Price	Class	Currency	NAV	1 Mth	3 Mths	Inception
\$	1,523.21	IM00BQQ3RY74	USD	1,523.21	0.32%	1.47%	131.93%

D \$

	2016	2017	2018	2019	2020	2021	2022
RTN	-	-0.04%	-0.37%	1.77%	-0.25%	4.72%	-0.05%
Jan	Jan16	Jan17	Jan18	Jan19	Jan20	Jan21	Jan22
Feb	Feb16	Feb17	Feb18	Feb19	Feb20	Feb21	Feb22
Mar	Mar16	Mar17	Mar18	Mar19	Mar20	Mar21	Mar22
Apr	Apr16	Apr17	Apr18	Apr19	Apr20	Apr21	Apr22
May	May16	May17	May18	May19	May20	May21	May22
Jun	Jun16	Jun17	Jun18	Jun19	Jun20	Jun21	Jun22
Jul	Jul16	Jul17	Jul18	Jul19	Jul20	Jul21	Jul22
Aug	Aug16	Aug17	Aug18	Aug19	Aug20	Aug21	Aug22
Sep	Sep16	Sep17	Sep18	Sep19	Sep20	Sep21	Sep22
Oct	Oct16	Oct17	Oct18	Oct19	Oct20	Oct21	Oct22
Nov	Nov16	Nov17	Nov18	Nov19	Nov20	Nov21	Nov22
Dec	Dec16	Dec17	Dec18	Dec19	Dec20	Dec21	Dec22
YTD	1.69%	28.71%	14.14%	20.87%	12.21%	11.24%	2.89%

Source: Montreux Capital Management NAV Calculation.

Class D



Source: Montreux Capital Management NAV Calculation.

専門介護産業の対象について



介護対象

専門で複雑な在宅介護サービスが必要な19-65歳の成人

多様な投資ポートフォリオ
住宅、複合施設、居住介護施設
不動産に投資

メンタルヘルス障害 (MHD)

メンタルヘルス障害にはいくつかの病気が含まれており、他の ABI、SCI、および LD と併存することがよくある。本ファンドには、高度な介護専門家投資する専門知識がある。

脊髄損傷 (SCI)

脊髄損傷は、脊柱への外傷と、全身に広がること多い麻痺を伴う。リハビリテーションにより、身体機能が改善される可能性がある。

後天性脳損傷 (ABI)

後天性脳損傷は、多くの場合、頭頸部への外傷から生じ、脳機能の喪失を引き起こし、学習障害や精神障害につながる可能性がある。

学習障害 (LD)

学習障害を持つ患者の大半は、生まれつき障害を持っている。Montreuxの配下企業は、これらの患者に住宅および支援付き生活サービスを提供している。





財務概況

- 年間売上高 2 億 4,000 万ポンドを超える
- 有名資産運用会社であるBlackRock から1 億 8800 万ポンドの借入資金
- EBITDA マージン16% ランレート
- スタッフが4,700人以上
- 現時点約1,162人サービス利用者 (うち住宅772人、在宅ケア390人)

本資料はMontreux Capital Managementの資料に基づいてSAMURAI証券が作成したものであり、本頁までの内容は当社の著作物であり、著作権法、著作権に関する条約、およびその他の法律により保護されています。本資料は、情報提供のみを目的としており、いかなるファンド、有価証券、または金融商品の取得や売却、またはその他の取引に関する勧誘、推奨、もしくはいかなる性質の助言を構成するものではなく、そう解釈されるべきではありません。本資料に掲載されている情報は、信頼できると判断した情報源を基に作成し、可能な限り、かかる情報の正確性を精査するように努めていますが、当社は、掲載される情報または意見の正確性や信頼性、鮮度、完全性について、これを保証するものではありません。本資料の正確性を確保するために、あらゆる合理的な努力を尽くしていますが、当社は、本資料内の誤りや脱落、あるいは本資料の利用により生じた損害に対して、いかなる責任も負いません。



MONTREUX
Capital Management

Montreux Healthcare Fund

英語版
(オリジナル)



- I. Montreux Overview**
- II. UK Specialist Healthcare Sector**
- III. Performance & Investment Strategy**
- IV. Portfolio Update**



I. Montreux Overview

The Montreux Healthcare Fund

A Leading UK Healthcare Investor



Key Facts

1

Manager

- Advised by Montreux Capital Management (UK), The Montreux Healthcare Fund is an open-ended investment fund, focusing on the UK Specialist Healthcare sector

2

Investment Strategy

- The fund seeks to consolidate the highly fragmented Specialist Care Market through Mergers & Acquisitions
- Stable cash flows provide the opportunity to utilize leverage to enhance equity returns

3

Target Returns

- The fund targets 12-15%⁽¹⁾ with little correlation to wider markets (**since launch, Sept 2014, average annual growth rate of 17% +**)

4

ESG Impact

- The fund's activities have a tangible social impact, especially attractive to Environmental & Social Governance investors

Share Class D USD Factsheet July 2022

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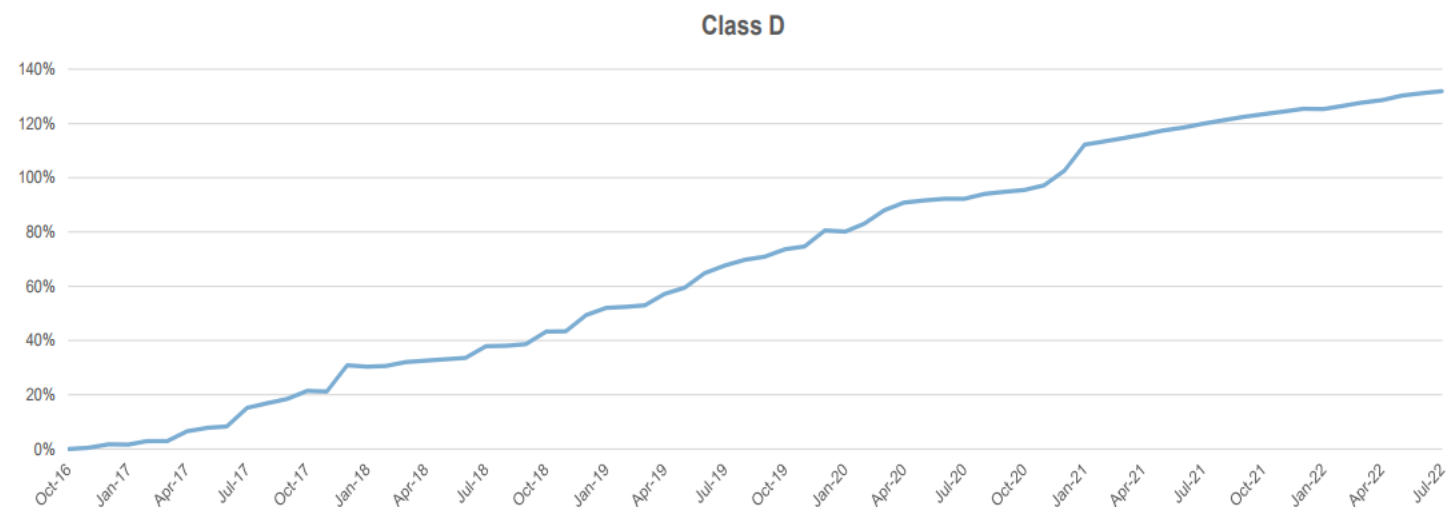
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D \$

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	Jan16	Feb16	Mar16	Apr16	May16	Jun16	Jul16	Aug16	Sep16	Oct16	Nov16	Dec16	YTD
RTN	-	-	-	-	-	-	-	-	-	-	0.45%	1.23%	1.69%
2017	Jan17	Feb17	Mar17	Apr17	May17	Jun17	Jul17	Aug17	Sep17	Oct17	Nov17	Dec17	YTD
RTN	-0.04%	1.23%	0.01%	3.55%	1.20%	0.48%	6.34%	1.48%	1.27%	2.59%	-0.25%	8.02%	28.71%
2018	Jan18	Feb18	Mar18	Apr18	May18	Jun18	Jul18	Aug18	Sep18	Oct18	Nov18	Dec18	YTD
RTN	-0.37%	0.17%	1.14%	0.37%	0.35%	0.41%	3.18%	0.14%	0.42%	3.39%	0.05%	4.17%	14.14%
2019	Jan19	Feb19	Mar19	Apr19	May19	Jun19	Jul19	Aug19	Sep19	Oct19	Nov19	Dec19	YTD
RTN	1.77%	0.22%	0.39%	2.76%	1.48%	3.31%	1.75%	1.25%	0.66%	1.61%	0.62%	3.35%	20.87%
2020	Jan20	Feb20	Mar20	Apr20	May20	Jun20	Jul20	Aug20	Sep20	Oct20	Nov20	Dec20	YTD
RTN	-0.25%	1.66%	2.67%	1.52%	0.43%	0.28%	0.00%	0.95%	0.40%	0.38%	0.85%	2.76%	12.21%
2021	Jan21	Feb21	Mar21	Apr21	May21	Jun21	Jul21	Aug21	Sep21	Oct21	Nov21	Dec21	YTD
RTN	4.72%	0.49%	0.64%	0.63%	0.69%	0.48%	0.67%	0.59%	0.53%	0.45%	0.44%	0.44%	11.24%
2022	Jan22	Feb22	Mar22	Apr22	May22	Jun22	Jul22	Aug22	Sep22	Oct22	Nov22	Dec22	YTD
RTN	-0.05%	0.51%	0.56%	0.36%	0.76%	0.39%	0.32%						2.89%

Source: Montreux Capital Management NAV Calculation.



Source: Montreux Capital Management NAV Calculation.

Senior Leadership Team



Montreux Senior Executives Have Decades Worth of Experience Investing in the UK Healthcare Sector



Oliver Harris

Managing Partner

Oliver Harris is the Managing Partner of Montreux Capital Management (UK). Oliver graduated from the University of Surrey with a degree in Finance and Economics before beginning an expansive career, working with some of the world's most respected financial institutions. He previously worked in the city for the investment advisory wing of a large investment Bank before moving to Switzerland to work for a private wealth manager. Oliver has pursued a number of successful entrepreneurial ventures throughout his career. With deep familial ties in the care sector, Oliver has garnered a profound understanding of the industry from a very young age.



Piers Sword

Partner

Piers is an English Literature graduate and student of the Chartered Institute of Financial Analysts (UK) whose role calls upon his multifarious background in Fund Operations, Corporate Finance, and Investor Relations. In the past he has sat on the Board of companies within the Care Industry and currently sits on the Board of the Advisor to the Healthcare Fund. Piers inputs on corporate structuring, financial modelling, and deal execution, manages retained PR firms, as well as dealing with professional investors at a senior level.



Paul Nelson

Chief Financial Officer

Paul graduated from Royal Holloway with a degree in Economics before gaining his Chartered Accountancy qualification with BDO LLP. He spent 8 years there, going on to attain a senior management role, before joining Syngenta UK, the global Swiss agribusiness. At Syngenta, Paul worked in international reporting, revenue deal structuring, and M&A. Prior to joining Montreux, Paul spent 3 years at Nuffield Health where he was responsible for the Group's cash flow management, reporting, and forecasting.



Duncan Moffett

Head of Financial Analysis

Duncan graduated from Durham University before gaining his ICAS Chartered Accountancy qualification with Ernst and Young LLP. He subsequently worked within Merrill Lynch's Financial Control function before joining the Royal Bank of Scotland's finance business partnering, financial planning, and analysis teams. Duncan is currently the Trustee of the Twin and Multiple Birth Association (TAMBA).



Montreux Healthcare Advisory Board



Prof. Barry Carpenter OBE

Member of MHAB

Barry Carpenter was appointed in 2017 to the UK's first Professorship in Mental Health Education, at Oxford Brookes University. He is Honorary Professor at universities in Ireland, Germany and Australia. He has been a Fellow of the University of Oxford. He has been awarded an OBE and CBE for services to children with Special Needs and Disabilities. In a career spanning more than 40 years, Barry has held the leadership positions of Headteacher, Principal, Academic Director, Chief Executive, Inspector of Schools and Director of the Centre for Special Education at Westminster College, Oxford. In 2009, he was appointed by the Secretary of State for Education as National Director for the Children with Complex Learning Difficulties and Disabilities Research Project. He is the co-founder of the National Forum for Neuroscience in Special Education. For the Mental Health Foundation, he chaired the National Inquiry into the Mental Health of Young People with Learning Disabilities. He has been the Founding Chair of the Montreux Healthcare Advisory Board since its inception in 2013. He is also Chair of the Clinical Governance Group.



Dame Philippa Russel DBE

Member of the MHAB

Dame Philippa Russell DBE chaired the Government's Standing Commission on Carers for six years. She is Vice-President of Carers UK and a member of the Ministerial Oversight Group for delivering the Government's Action Plan for Carers. She is a member of a range of national advisory bodies on health and social care, including the ADASS Carers Policy Network, and is a Board member of the Think Local Act Personal Partnership. As a Topic Adviser to the National Institute for Excellence in Health and Social Care, she has worked on several guidelines, including support for adult carers and older people with learning disabilities and their families. She is a member of the Programme Advisory Group for the new UK Centre for Evidence proposed Centre for Evidence Implementation in Adult Social Care. She was formerly a Commissioner with the UK Government's Disability Rights Commission (DRC) and Director of the Council for Disabled Children, she led the DRC formal Investigation into health inequalities for people with learning disabilities and mental health problems. She is an Honorary Fellow of the Royal College of Paediatrics and Child Health.



David Braybook

Member of the MHAB

David works as an independent strategic and operational partner in SEND work 0-25 years in the public, private and voluntary sectors. He has over 35 years' experience gained in front line work and in inspection, regulatory and consultancy roles. David's background is a teacher of deaf children, a specialist teacher trainer and Head of a large residential special school. David works in a wide range of special schools, sits on a number of advisory boards, undertakes non-executive work and is also Vice-Chair of the Board of Trustees of the Family Fund, a national UK-wide grant-making charity. He has also been an external examiner in higher education, a registered Ofsted Inspector (SEN), an Ofsted Contractor (SEN) and Ofsted Accredited Trainer (SEN), an Independent Care Standards Visitor and a Director of Education and Chief Executive of two national educational charities. He served as an expert member on the SEND Tribunal, the Care Standards Tribunals, and the Upper Appeals Tribunal and was also a lay member of the Nursing and Midwifery Council Fitness to Practise Panels, the Metropolitan Police Misconduct Panels and the Bar Standards Board.



Prof. Michael Brown

Member of the MHAB

Michael is a Professor at the Faculty of Medicine, Health and Life Sciences, Queen's University Belfast. He has over thirty years clinical experience in a range of nursing, academic and policy posts in hospitals, community settings, in practice development, education, and research. Prior to this he held a joint clinical academic role, with NHS Lothian and Edinburgh Napier University. He has serviced on a range of policy, practice and education committees in relation to the care and support of people with learning disabilities. An active researcher he has published extensively in the literature on a range of issues, including, diabetes, healthcare access, trauma and people with learning disabilities and the role of Mental Health Tribunals. He is the Consultant Editor for the journal Learning Disability Practice and is Associate Editor of the Journal of Policy and Practice in Intellectual Disabilities.



Montreux Healthcare Advisory Board



Jo Egerton

Member of the MHAB

Jo Egerton is a Schools Research Consultant and writer. She previously worked as lead research coach for SSATs (The School's Network) Research Charter Mark Award with mainstream and special schools, as well as on a number of Department for Education and Teaching Agency funded research and writing projects, including the Complex Learning Difficulties and Disabilities Research Project, the Fetal Alcohol Spectrum Disorders in Education (FAS-eD) Research Project, and the online Training Materials for Teachers of Pupils with Severe, Profound and Complex Learning Difficulties. Jo has co-authored and co-edited several books and articles. Jo also co-authored a book on educating children with complex learning difficulties and disabilities. Jo has worked with young people with learning disabilities in education, residential care, and leisure capacities. She has a Primary PGCE, and an M.Sc. in Learning Disability Studies.



Darryl Morgan

Member of the MHAB

Darryl qualified to teach in primary mainstream and to all ages of children with special needs in 1986. During his career, Darryl has specialised in the education of pupils with the most profound and complex needs as well as with children with autism and challenging behaviour and regularly provides training in Autism and Behaviour Management. In 2005 Darryl took on the headship of The Ridgeway School in Farnham Surrey, a Special School for children aged between 2 and 19 years with severe and profound learning difficulties. Darryl has developed and implemented a new approach to the delivery of education for pupils with profound complex needs and coupled with an ongoing investment and focus on the development of all staff. In 2013, Darryl became a Local Leader of Education and Professional Partner, supporting colleagues new to headship and providing support for those talking on schools in need of potential support. In the same year he was approached to become an NPOH Ambassador. In 2014 The Ridgeway School achieved Teaching School Status which included Darryl being recognised as a National Leader of Education. He has supported several schools in his role as an NLE and in 2017 received the NASEN Award for Inspirational Leadership.



Dr Barry Coughlan

Member of the MHAB

Dr Barry Coughlan is Director of the Clinical Psychology Doctoral Programme at the University of Limerick, Ireland. Barry qualified as a Clinical Psychologist in 2003 and has worked clinically in a number of health services across the Mid-West region of Ireland. Barry holds an honours degree in Applied Psychology from University College Cork, a PhD from University College Cork and a Doctorate in Clinical Psychology, from University College Dublin. His clinical and research focus includes mental health & emotional wellbeing in intellectual disability, Complex Learning Difficulties & Disabilities, Special Educational Needs, Autism Spectrum Disorder, Foetal Alcohol Spectrum Disorder, Ageing and Disability, Deinstitutionalisation & Community integration. He has supervised over 60 PhD's to completion, covering a wide range of applied clinical topics. He is currently external examiner on a number of undergraduate and doctoral clinical programmes in Ireland, the UK and New Zealand. He holds an international publications profile and is in regular demand for international workshops and symposia in his field, most recently in Australia, New Zealand, Romania & the UK.



Prof. Anthony Schwartz

Member of the MHAB

Anthony has worked for over thirty years within the National Health Service and is registered as both a Clinical Psychologist and a Health Psychologist. Within the field of Occupational Health Psychology, he offers consultancy, training and one-to-one input focusing on performance and wellbeing at work. His input spans health, independent and commercial sectors. He works alongside colleagues on projects such as concentration and focus in safety critical and developing standards of care for health professionals. Dr Schwartz is passionate about personal growth and development, focusing on self-care. He runs Retreat Centres in the Netherlands and Italy for professionals and executives coping with challenges, stress and burnout symptoms. This encompasses physical, psychological and nutritional interventions, to help people reconnect, rediscover and recover capacity for living more fully and to develop greater resilience. As such he encourages people to make meaningful and informed choices, recognizing that insight without behaviour change is unhelpful. Publications include journal articles, chapters and books on self-care, managing stress and the application of mindfulness in executive coaching.



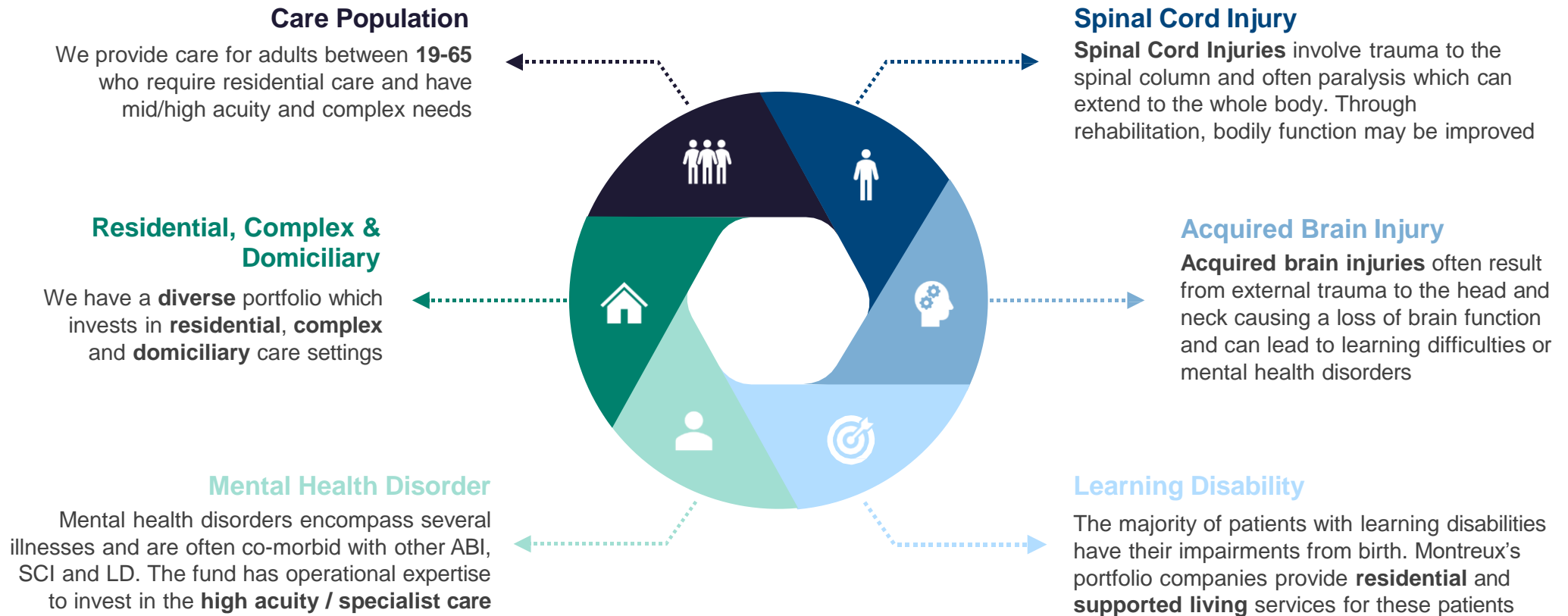


II. UK Specialist Healthcare Sector

UK Specialist Healthcare Overview



Montreux's Portfolio Companies Provide a Vital Service to the Most Vulnerable In Society



UK Healthcare Operating Environment

UK Government Supportive of Industry On All Fronts



UK Regulatory Environment Consistently Supportive of Healthcare Sector



The UK Government recently announced a **1.25% tax increase** to fund Adult Social Care



This increase is targeted to raise **£12bn** in increased revenue to the state



Tax increases are very controversial for the Conservative Party and hence, this increase signals a **serious commitment** to Adult Social Care



This extra funding commitment is coupled with several other **internally funded spending commitments** over recent years

Robust Growth From Every End Market



- Unfortunately, Individuals Requiring Specialist Care is Expected to Increase at a Higher Rate Than GDP
- Montreux's Portfolio Companies Provide Best-In-Class Services Across the Entire Care Pathway to Enhance Patients Lives

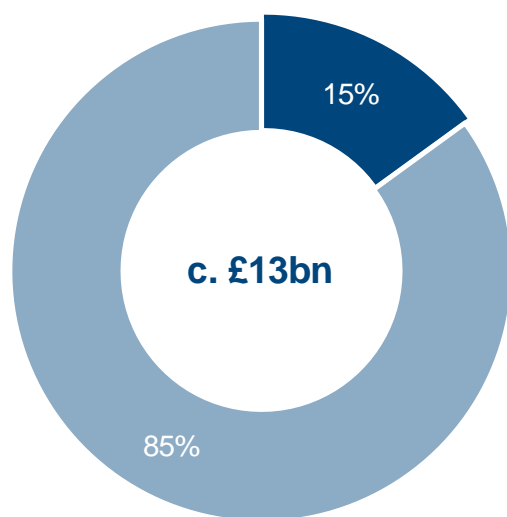
Market	End Market Growth (England) ⁽¹⁾	Comments
ABI	<p>2020-2025E</p> <p>3.4% 4.7% 4.8% 4.3%</p>	<ul style="list-style-type: none"> ▪ Overall ABI market: GDP+ growth ▪ c. 4.3% CAGR (2020-2025E) ▪ Revenue growth enhanced by AWF increases, reflecting ACG's expert level care
	<p>2016-2020</p> <p>3.3% 5.1% 5.1% 4.5%</p>	
SCI	<p>2020-2025E</p> <p>0.8% 3.2% 4.7% 2.5%</p>	<ul style="list-style-type: none"> ▪ Overall SCI market: GDP growth ▪ c. 2.5% CAGR (2020-2025E) ▪ Revenue growth enhanced by AWF increases, reflecting ACG's expert level care
	<p>2016-2020</p> <p>0.6% 3.4% 5.3% 2.4%</p>	
LD	<p>2020-2025E</p> <p>1.1% 6.8% 3.9%</p>	<ul style="list-style-type: none"> ▪ Overall LD market: GDP+ growth ▪ c. 3.9% CAGR (2020-2025E) ▪ LD provides stable revenues for ACG, especially attractive to lenders
	<p>2016-2020</p> <p>0.0% 7.5% 3.2%</p>	

Competitive Landscape



Top 10 providers Still Only Account for c. 15% of the UK Healthcare Market – Consolidation Opportunity Remains Intact

UK Healthcare Sector⁽¹⁾



■ Top 10 Providers ■ Rest of the Market

Attractive Consolidation Play



The Sector remains **highly fragmented**; the **top providers own a relatively small percentage** of the overall market



New macro data on the sector to be published **shortly**



Montreux anticipate a further slowing in **consolidation**



Montreux remain ideally placed as a **highly specialised, sophisticated** actor at the top of the market



Regulation and Barriers to Entry

Ofsted, Care Quality Commission, and Other Barriers to Entry

- Ofsted is an independent organisation which reports to the UK authorities and the public on the quality of education services in the UK. In the Montreux Fixed Yield Fund portfolio, Ofsted will rate SEN Schools.
- The Care Quality Commission (CQC) rates many healthcare services in the UK including hospitals, care homes and dentists. The CQC will rate the residential services in both the Montreux Healthcare Fund & Montreux Fixed Yield Fund portfolios.
- High regulation increases the barriers to entry by deterring those without a solid basis in regulatory and care knowledge.
- High regulatory and financial barriers to entry exacerbate issues with supply meeting demand. This ensures a maintenance of the current fragmented market structure.



A large, light blue decorative graphic consisting of three overlapping, downward-pointing arches that spans across the middle of the slide.

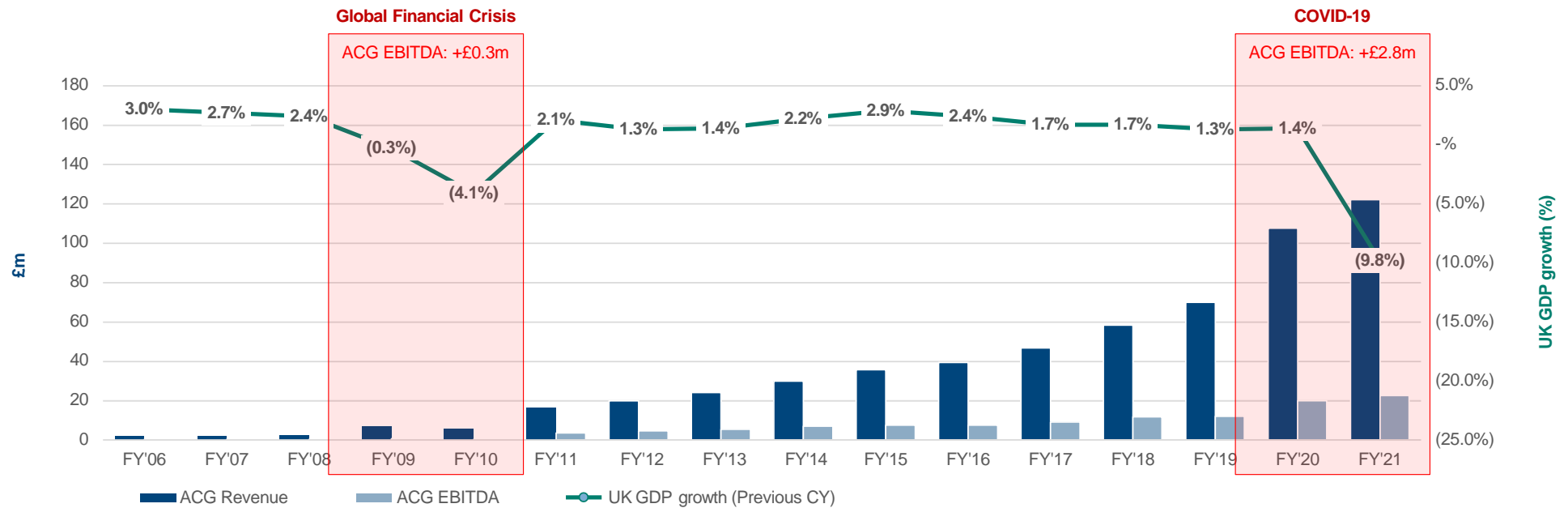
III. Performance & Investment Strategy

UK Healthcare is a Non-Cyclical Asset Class....



Active Care Group (ACG-the Operating Company) Performance FY'06 – FY'21

ACG Consistently Grows Even During UK Recessions (1)



1. **Uncorrelated** growth with steady revenue streams

2. Revenue unaffected by **macroeconomic** trends, necessity to care for vulnerable people

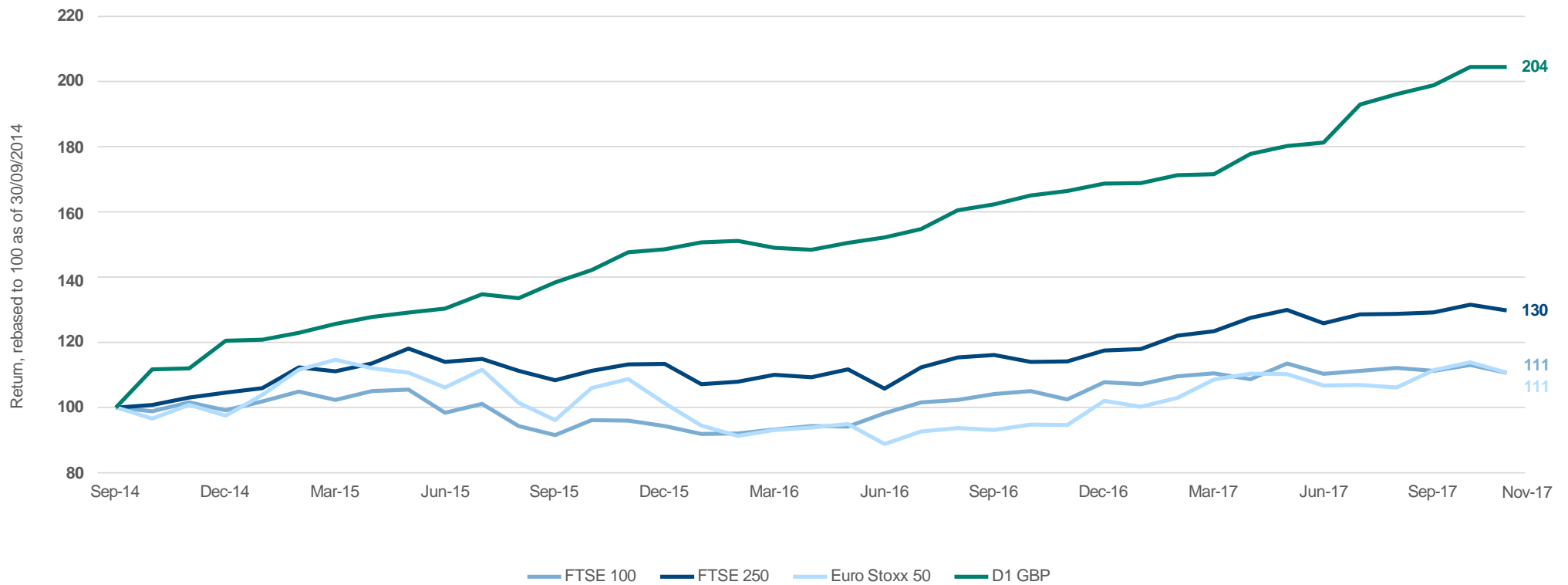
3. **Community based** schemes are less costly to the Government than hospital, typically costing less than 50% of NHS hospital provision

....Which has Historically Generated Superior Investment Returns....



Regard Acquisition Left Major Indices in the Dust +104% vs. +30% (FTSE 250) and +11% (FTSE 100 & Euro Stoxx 50)

Regard NAV Performance vs Major European Indices (Sep 2014 - Nov 2017)⁽¹⁾

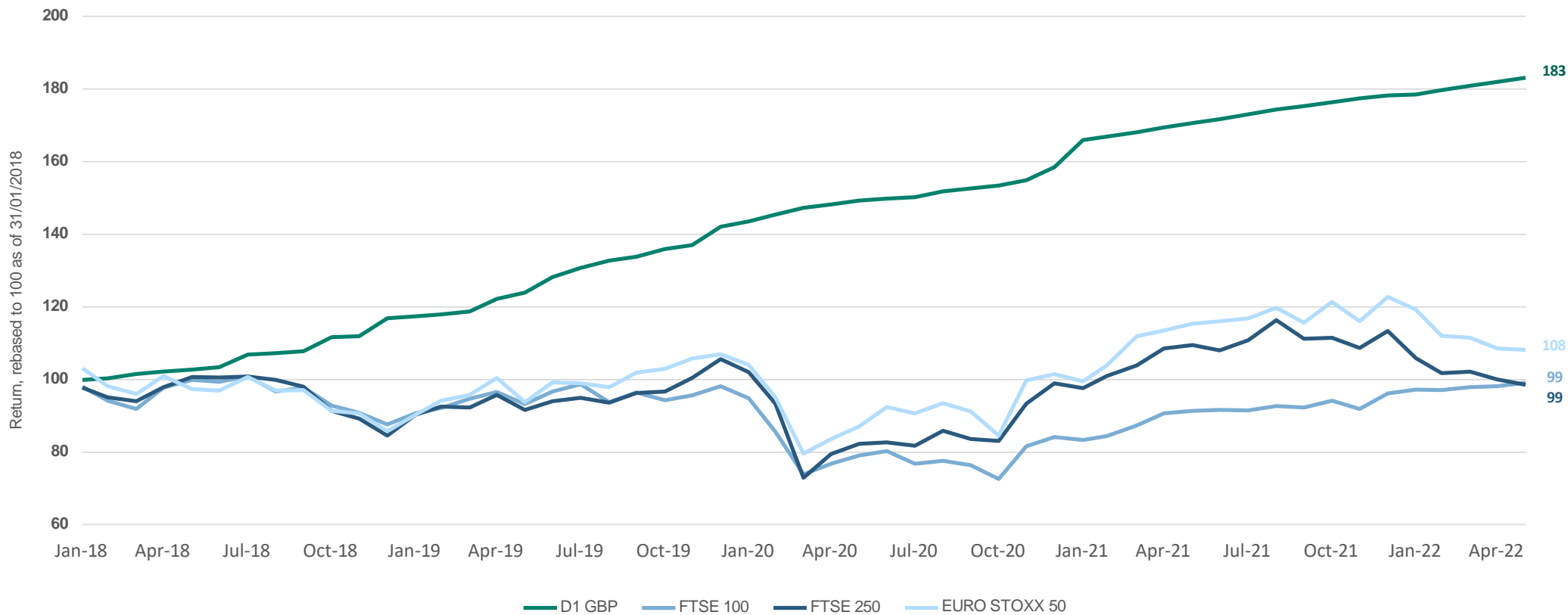


Montreux Healthcare Fund PLC NAV Performance vs



ACG NAV Performance To Date has Outperformed +83% vs. -1% (FTSE 100), -1% (FTSE 250) and +8% (Euro Stoxx 50)

ACG NAV performance vs FTSE (Jan 2018 – May 2022)⁽¹⁾

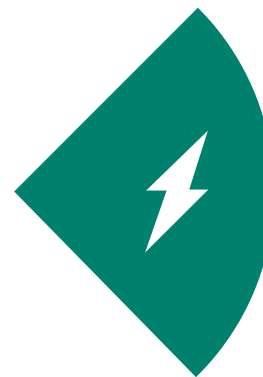




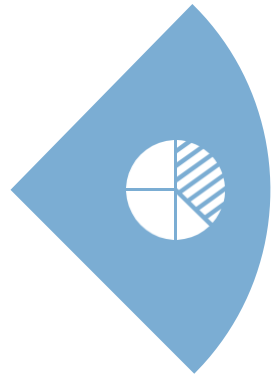
Several Paths to Generate Sustainable EBITDA Growth



Knitted Beds 



Property Development 



Rationalisation 



Consolidation

 Organic Growth



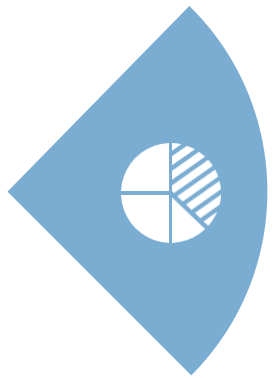
Knitted Beds



- Without equity investment into the fund, we anticipate significant growth in the operating business through reinvestment of existing organic cash flows,
- Knitted beds: beds added to existing properties increasing value
- Lucrative means of expansion, beds cost c.£80k
- Typically much slower than acquisition, **+107 new service users to hit +90% occupancy**



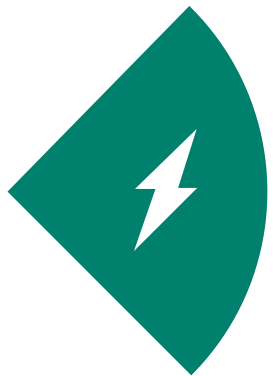
Rationalisation



- The DD process prior to purchasing the businesses usually signals areas for improvement
- Process change is spearheaded from the first moment
- Evaluation and integration of managerial positions is carried out
- Economies of Scale are typically implemented throughout the business
- Scaling the business and adding proper processes typically improves care quality, **new acquisitions increase growth through Rationalisation, continues after acquisition completed**



Property Development



- Properties can be developed from scratch or existing properties can be refurbished to meet the needs of individuals with complex needs **+359 capacity via 36 organic developments, adding significant EBITDA**
- Property development is typically slower, requiring at least 6-8 months for beds to be filled
- Cost per bed is comparable to adding knitted beds to an existing property but can be significantly higher when properties are developed from scratch



Consolidation



- Once these businesses are acquired and bolted onto the Active Care Group platform, their valuation as part of the larger business can be in excess of 10x EBITDA – **5 acquisitions with codes exclusive to MHCF, a further 4 being worked on at interim stage**
- Recent transactions in the market have signaled sustained higher EBITDA multiples for scaled businesses in the sector

Risk Factors

Montreux has Experience Navigating the Risks Encountered when Investing in Healthcare Assets



Brexit

The Fund's price is not intrinsically linked to sentiment toward UK Small/Mid Cap Equities, consequently the Fund's value has so far been uninfluenced by geopolitical events. It is Montreux's view that the assets the Fund is invested in will be largely unaffected by the UK's reestablishment of sovereignty.

Finding Staff

Finding qualified and experienced staff is a priority as changes can be unsettling for those within our care. This is mitigated through investing in our employees and identifying clear career pathways. When acquiring business, we assess the strength of the existing team.

Wage costs

The single largest overhead, representing between 50% and 55% of gross revenues, wage cost inflation must be monitored. Increases in the National Living Wage have an impact and need to be counteracted by increasing fees and capacity.



Exit

The exit could be realised by several different avenues including a private transaction or a public offering. This will be determined by the opportunities available at the time.

Market Valuations

The Fund employs a conservative approach to valuations. The key determinants of asset valuation are EBITDA, and the market multiplier. This multiple is based on transactional activity in the space.

Occupancy

Occupancy levels are driven by supply and demand characteristics and by Care Quality. Generally, an undersupply of facilities relative to demand and the difficulties around rehousing those with profound disabilities means occupancy levels tend to remain high.

IV. Portfolio Update

Active Care Group: Investment Rationale



Transaction Overview



In January 2018, the fund completed on it's new **keystone asset**, Active Care Group



Active Care Group is a leading UK specialist healthcare platform in the UK providing the highest care quality across the **entire care pathway**

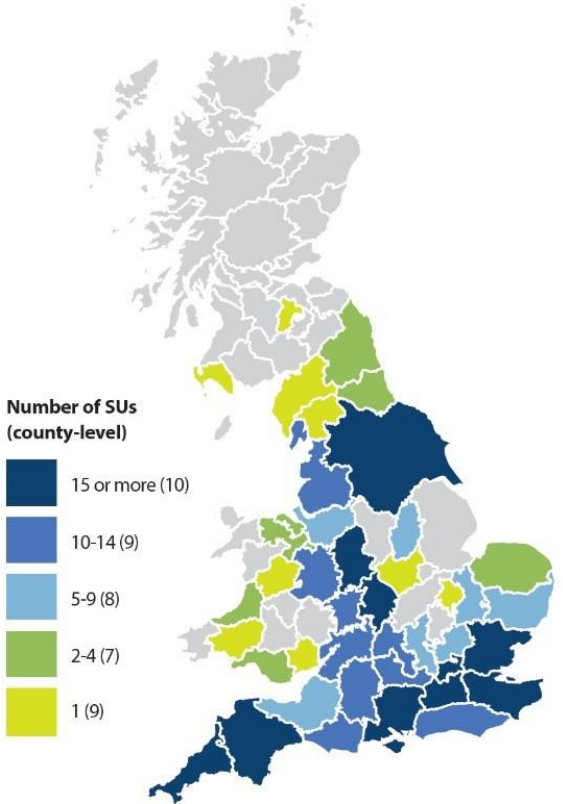


One of only a few **multiregional care providers** in a highly fragmented market



Strong cash flow generation and EBITDA growth across the business cycle allowing leverage to be used to enhance equity returns

Diversified Portfolio of Homes

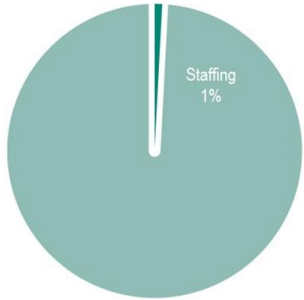




Headline financials

- In excess of GBP£240m annual revenue
- GBP£188m external BlackRock debt
- c.16% Run rate EBITDA margin
- Over 4,700 staff
- c.1162 current service users between residential & Care in the home (772; 390)

% Group EBITDA



Staffing

- Branch set up structure
- North West to South West of England locations
- International branch (operated from UK)
- C. 10,650 average weekly billed hours

Residential sites

- Residential capacity currently 908, with high occupancy
- 50 sites. 48 freehold , 2 leasehold; in excess of £240m of asset value
- Average weekly fee: £2.8k
- South East & Midlands focused
- 136 Beds available, 163 in development



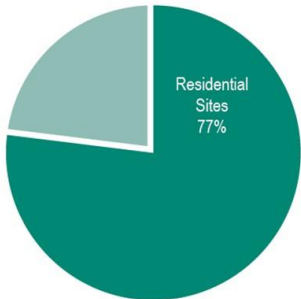
% Group EBITDA



Care Provided

- Spinal Cord Injuries
- Acquired Brain Injuries
- Epilepsy
- Learning Disabilities
- Ventilated

% Group EBITDA



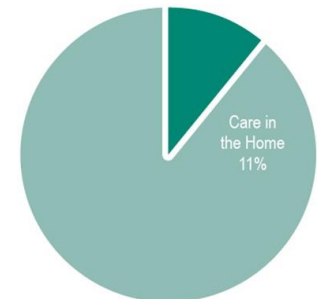
Case Management

- c. 13,300 hours billed per month
- 125 full time fee earning case managers
- 11 separately branded businesses
- Utilisation (billed vs. available time) c.69% with capacity to increase

Care in the Home

- 390 Service Users at end of FY2022
- C. 224,000 hours of care delivered per month

% Group EBITDA



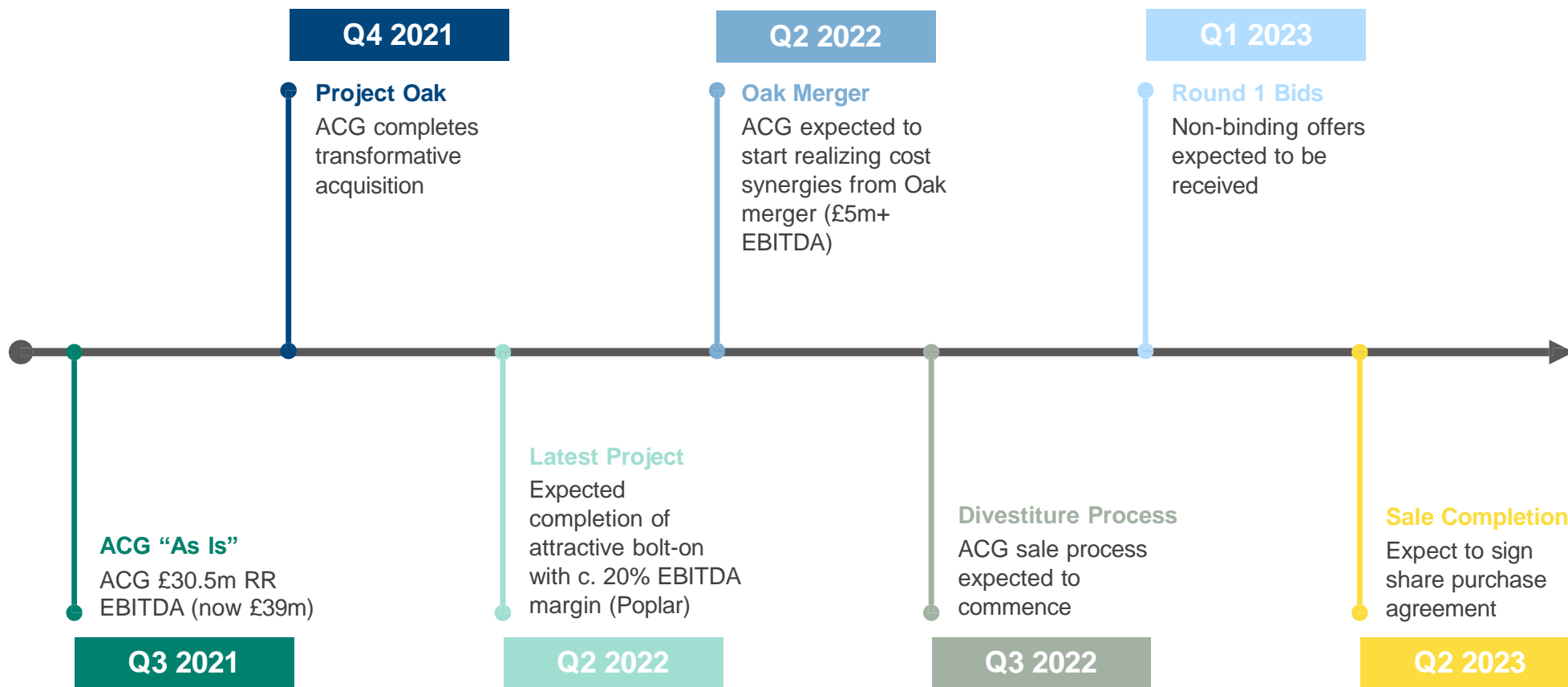


Knitted Beds



- Without equity investment into the fund, we anticipate significant growth in the operating business through reinvestment of existing organic cash flows – **Latest Update 107 service users to hit +90% occupancy**
- Knitted beds: beds added to existing properties increasing value
- Lucrative means of expansion, beds cost c.£80k – **Latest Update Covid costs to recover approx. £2 million to be added to EBITDA during the rest of this year, plus inflation linked increases to all service users contracts at review**
- Typically much slower than acquisition

ACG Divestiture Timetable



Project Poplar – imminent completion



Large specialist care group with opportunity to grow EBITDA by leveraging on management's expertise and increasing existing facilities

Asset Overview	<ul style="list-style-type: none">▪ 14 residential care facilities with capacity for 89 individuals in and around London & Birmingham▪ Provides care to individuals with Learning disabilities and Autism▪ Additional eight supported living registrations▪ 100% freehold
Turnaround Story	<ul style="list-style-type: none">▪ 68% good or outstanding▪ 32% requires improvements (one home yet to be inspected)▪ Team initial assessment of the asset are some simple fixes
Current Financials	<ul style="list-style-type: none">▪ EBITDA £5.3 million, down from £6 million in year 2020 (performance drop due to Covid cost increases)
MCM Growth Plan	<ul style="list-style-type: none">▪ Expand occupancy by to full capacity▪ Make improvements to increase CQC ratings▪ Develop additional beds on sites where opportunities exist▪ Increase EBITDA by simple improvements, cost savings and expansion on existing sites

Project Chestnut – no completion date as yet



Leading West Midlands provider focus on Learning Disabilities & Mental Health disorders

Asset Overview	<ul style="list-style-type: none">▪ 56 service users across 7 sites (both supported living & residential services)▪ Provides care to Learning disabilities & mental health disorders▪ 100% freehold
Turnaround Story	<ul style="list-style-type: none">▪ 56 service user capacity▪ 80% of sites purpose built ensuring future regulatory adherence▪ 98% occupancy entering Q2 2022
Current Financials	<ul style="list-style-type: none">▪ 12.6% EBITDA CAGR for FY17 to FY21▪ Average 51.5% margin throughout▪ Current Average Weekly Fees £2,300▪ Forecast FY22 run rate EBITDA of c.£3.5 million
Acquisition Rationale	<ul style="list-style-type: none">▪ Very strong relationships with several LA's & CCG's within the region▪ 100% Good or Outstanding CQC rating on sites currently registered, with one site being in top percentile for its region▪ Established & developed staff pool resulting in considerably lower agency usage, relative to the market, throughout 2021 & YTD 2022

Project Rowan – completion July/August



Exclusive opportunity to acquire a Residential Rehabilitation treatment provider for addictions with 25 year experience

Asset Overview	<ul style="list-style-type: none">▪ 9 Residential properties & 2 treatment centres, including a dedicated detox facility▪ Residential capacity of 44 with occupancy 88 to 90% throughout FY21 & FY22▪ 100% freehold
Current Financials	<ul style="list-style-type: none">▪ Recent fee increase implemented with demand still exceeding supply▪ Generating a run-rate EBITDA forecast of £1.6m for FY22▪ EBITDA margin c.52%
Acquisition Rationale	<ul style="list-style-type: none">▪ Highly experienced operational leadership team with employment lengths ranging from 10-20 years plus low staff turnover▪ Strong pipeline with SEO driven marketing, developed from industry experience & celebrity endorsement▪ Increased acceptance of addiction & importance of mental health▪ Upfront cash receipt business model – all treatments paid for in advance and typically non-refundable
MCM Growth Plan	<ul style="list-style-type: none">▪ Immediate growth opportunity via local residential expansion, utilising existing treatment centres with minimal increase in central costs▪ Proprietary operating model enables immediate scale with replication in identified areas both national & international▪ Established framework for scalable aftercare programmes, utilising offsite/online platforms with a target c.10% EBITDA contribution▪ Ability to expand into additional addiction treatments and increase customer base

Project Whitebeam – completion Nov/Dec



Opportunity to acquire 2nd largest for Profit Specialist Care business in the Republic of Ireland

Asset Overview	<ul style="list-style-type: none">▪ Leading Provider with multiple sites spanning several eastern counties in the Rep of Ireland▪ Provides care pathway to residential (both adult & children) plus child to adult transfer for LD, MH & ABI▪ Over 90% freehold▪ 52 sites forecast for end 2022, capacity of 240 split 91% residential & 9% outreach
Current Financials	<ul style="list-style-type: none">▪ Current AWF c.Euro 4,400▪ 19.2% EBITDA CAGR for FY17 to FY21, AVERAGE 21.3% margin throughout▪ Margin of 27.2% for FY20 & FY21▪ Current occupancy c.90% with focus on the high equity end
Acquisition Rationale	<ul style="list-style-type: none">▪ Track record of consistent growth through organic development▪ Irish market understood to be c.20 years behind England with growth to be driven organically rather than via M&A▪ Favourable market dynamics with Government focus on supporting service users transitions to high-quality operators
MCM Growth Plan	<ul style="list-style-type: none">▪ Forecast FY22 EBITDA of c.Euros 11.5 million▪ Strong management team with previous experience both HSE & HIQA▪ Highly fragmented market with drive to disinstitutionalise specialist care provision▪ Forecast MHCF will generate a gross 2.3x from this investment with an annual gross fund return in excess of 20%

Project Fir – completion October



Leading provider of specialist education and care in Southwest of England & Wales

Asset Overview	<ul style="list-style-type: none">▪ Service users split 69% education and 31% care across 8 educational services and 27 care services▪ c.90% occupancy for education linked services and c.86% for care linked services▪ Experienced management with long histories in healthcare, ambitious for the next stage of growth▪ Majority freehold/hybrid portfolio
Turnaround Story	<ul style="list-style-type: none">▪ Strong growth pipeline linked to existing sites and local demand supporting capacity expansion▪ Established precedent of service expansions with 11 new service offerings between FY19 to FY21▪ Existing senior management wish to stay to deliver next stage of organic growth
Current Financials	<ul style="list-style-type: none">▪ AUG'22 EBITDA c.£3m with an uptick in run-rate from Sept'22 to c.£5m, following start of a new school year
MCM Growth Plan	<ul style="list-style-type: none">▪ Evidence based therapeutic support and bespoke education environments, with higher staffing ratios relative to mainstream education▪ Over 475 FTE's with continual investment into training and development, support talent development and retention▪ Deliver organic growth plan▪ EBITDA forecast to grow to c.£10.3m in FY26, delivering a 3x money multiple

Further Acquisitions



- **Project Richmond Aug/Sept**

Bournemouth based rehabilitation business

EBITDA £1.9m

Strong brand with national roll out potential

- **Project Sycamore Aug/Sept**

Essex based Learning Disabilities business

EBITDA £2.5m

12 Residential & Supported Living homes

All Freehold, 83% good or outstanding CQC ratings

- **Project Claudius**

West Midlands Specialist care provider

EBITDA £3.5m

7 Residential & Supported Living homes

100% freehold, 100% Good or Outstanding CQC

- **Project Honeycomb**

2 Specialist Care homes, 100% Freehold

St Albans operating site EBITDA £747K

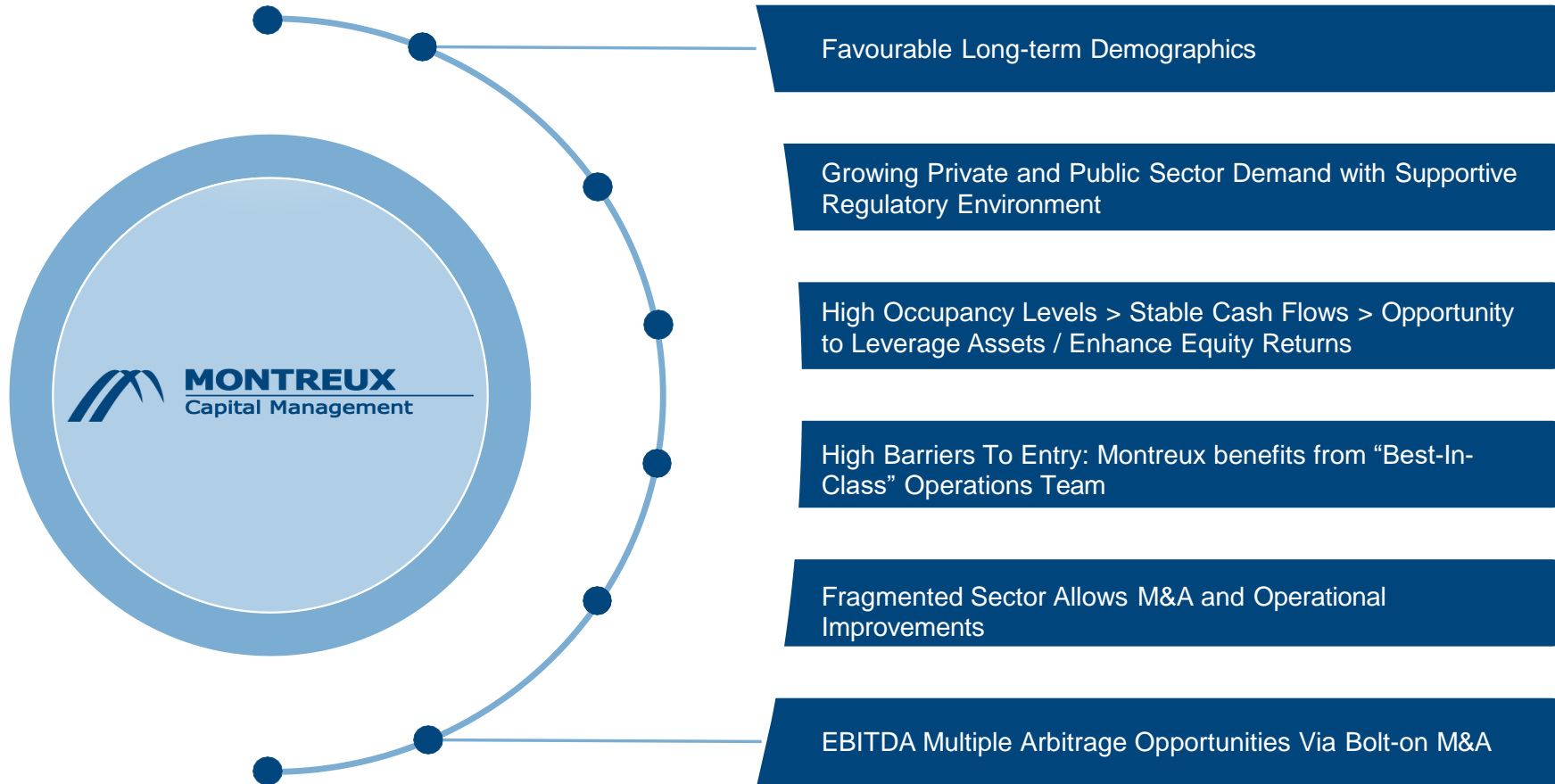
Peterborough empty purpose built 12 bed home

Planned Sycamore, Claudius & Honeycomb will combine to form 1 business for Montreux Fixed Yield Fund



V. Investment Highlights

Key Investment Highlights



Disclaimer

The Montreux Healthcare Fund PLC

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