



URB INVESTMENTS LIMITED

NTA AND MONTHLY REPORT - April 2017

URB: TOP 20 INVESTMENTS

Stock	% of Total Portfolio
1 PURT4 – Penrith Property	16.6%
2 PURT3 – Kingsgrove Property	11.4%
3 TRANSURBAN GROUP	1.0%
4 SYDNEY AIRPORT	1.0%
5 STOCKLAND	0.6%
6 CSR LIMITED	0.4%
7 ADELAIDE BRIGHTON	0.4%
8 LEND LEASE	0.4%
9 HARVEY NORMAN	0.4%
10 GPT GROUP	0.4%
11 WESFARMERS	0.4%
12 CIMIC GROUP	0.4%
13 WOOLWORTHS LTD	0.4%
14 QUBE HOLDINGS	0.3%
15 SEYMOUR WHYTE	0.3%
16 MIRVAC GROUP	0.3%
17 NATIONAL STORAGE REIT	0.3%
18 GOODMAN GROUP	0.3%
19 BWT TRUST	0.3%
20 REGIS HEALTHCARE	0.3%
Cash and cash equivalents	62.5%
Total of Top Investments plus cash and cash equivalents	98.4%

URB's aim is to maximise total Shareholder returns through a combination of capital and income growth through a Portfolio of unlisted property assets and Australian listed equities exposed to the urban renewal thematic.

Business Overview

URB is a research driven investment company listed on the Australian Stock Exchange (URB.ASX). The URB Portfolio complements more mainstream equity portfolios as URB combines direct property with equities and doesn't invest in banking or resource stocks. Rather, we are focused on capturing long-term value by investing across various direct property and equity sectors that we believe will benefit from urban renewal.

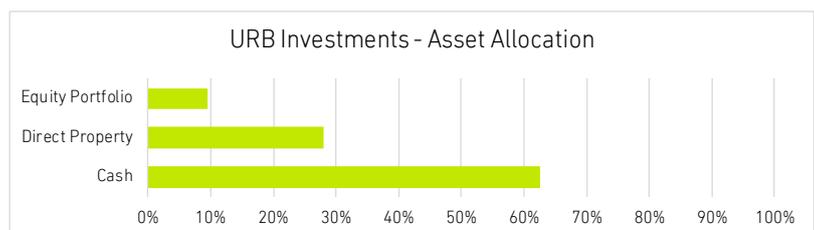
Managed by Contact Asset Management (Contact), an investment in URB Investments gives shareholders access to the benefits of urban renewal through a portfolio of Equity Assets as well as access to Direct Property through a co-invest agreement with Washington H Soul Pattinson and Company Ltd.

Net Tangible Asset Backing

The consolidated unaudited pre-tax net asset backing at 30 April 2017 was **\$1.05** per share. The company is a long term investor and does not intend to dispose of its total portfolio. If estimated tax at 30% on unrealised portfolio gains were to be recognised, net asset backing post-tax would be **\$1.05** per share.

Asset Allocation

The Company structure allows URB to be opportunistic through effective asset allocation between equities and property. Liquid capital from Cash and the Equity Portfolio enables Contact to manage the asset allocation so we can move quickly to take advantage of Direct Property opportunities.



The URB Equity Portfolio is a concentrated portfolio that is typically made up of 30 stocks. While it is focused on Urban Renewal, the Equity Portfolio is well diversified across many sectors of the market including Real Estate, Healthcare, Consumer, Utilities, Building Materials and Industrials.

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Monthly Update

During the month of April, URB Investments settled on the properties PURT3 - Kingsgrove and PURT4 - Penrith.

PURT5 - Prestons is due to settle on 1 June 2017 and has recently entered into a conditional agreement for lease in respect of this asset. The lease will commence on completion of the development of the logistics warehouse and distribution centre in 2018 and expires in May 2029 with a tenant option to renew for four further terms of three years. Development of the logistics warehouse and distribution centre is conditional upon obtaining development approval. We have noted the significant strength in transactions for neighbouring properties at Prestons and are excited at the potential for our own investment in this developing precinct.

Sydney Airports (SYD) released Monthly Traffic Performance for March 2017. Domestic passenger numbers grew 1.4% for the month, while International numbers grew 2.3%. For the 1st Quarter 2017 SYD's International passenger numbers grew 5.7%. SYD has announced that MD/CEO Kerrie Mather will retire from the company. Ms Mather has delivered significant shareholder wealth during her time at SYD and we believe she has left the company in a very strong position. SYD also refinanced \$1.8bn of bank debt, reducing refinancing risk and spreading their debt maturity profile.

Transurban Group (TCL) released their March Quarter 2017 update showing Average Daily Traffic growth of 5.3% and proportional toll revenue growth of 10.2%. They also announced an in-principle agreement to deliver the \$60m Brisbane Inner City Bypass Upgrade project. TCL was also named in the CPB Contractors JV as the preferred constructor for the design and construct of Melbourne's West Gate Tunnel Project.

Also over the last month, Seymour Whyte (SWL) announced that it had received an indicative and non-binding and conditional proposal from French company VINCI Construction International Network. The proposed price range under the SWL offer is \$1.36 to \$1.43, a ~40% premium to the last close prior to the offer. The possible take over underpins our investment case for the company and the broader urban renewal theme.

Dividend Policy

URB's long term target is to offer shareholders sustainable and growing fully franked dividends and a yield that is competitive within the listed investment company industry. The Board & the Portfolio Managers are shareholders in URB and are aligned in delivering these outcomes for all shareholders.

URB Corporate Directory

Non-Executive Directors

Mr Warwick Negus	Chairman
Ms Victoria Weekes	Independent Director
Mr Bruce Dungey	Independent Director
Mr Tony McDonald	Independent Director

Company Secretary

Jaime Pinto

Registered Office

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Investment Manager

Contact Asset Management

URB's Portfolio is managed by Contact Asset Management Pty Limited, utilising its own specialist equities experience and benefitting from the specialist property expertise of Pitt Street Real Estate.

Portfolio Managers

Tom Millner Director/Portfolio Manager
Will Culbert Director/Portfolio Manager

Registered Office

Level 1, 160 Pitt Street Mall,
Sydney NSW 2000

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Company Overview

Mandate	Urban Renewal
Market Capitalisation	\$78.7m
Equity Portfolio	\$7.3m
Direct Property Portfolio	\$21.4m
Cash & Cash Equivalents	\$47.9m
Total Portfolio Including Cash	\$76.5m
Debt	\$0m

Pre Tax NTA	\$1.05
Post Tax NTA	\$1.05
URB Share Price	\$1.080
URBO Option Price	\$0.061

Management Fee

The Management Fee will be 0.50% of the Total Assets of URB Investments Limited.

Performance Fee

The Performance Fee will be 15% of the out-performance over a Pre-Tax NTA 12 month return of 8.0%. This 8% return will be calculated after the payment of any ordinary dividends to URB investors.

www.urbinvest.com.au

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