



URB INVESTMENTS LIMITED

NTA AND MONTHLY REPORT - June 2017

URB: TOP 20 INVESTMENTS

Stock / Property	% of Total Portfolio
1 PURT4 – Penrith Property	16.7%
2 PURT5 – Prestons Property	15.8%
3 PURT3 – Kingsgrove Property	11.5%
4 Sydney Airport	5.1%
5 Transurban Group	4.7%
6 CSR Limited	3.3%
7 Stockland	3.2%
8 GPT Group	2.7%
9 BWP Trust	2.1%
10 Harvey Norman Holdings	1.7%
11 National Storage REIT	1.7%
12 Mirvac Group	1.7%
13 Goodman Group	1.6%
14 AP Eagers Ltd	1.2%
15 Wesfarmers Ltd	1.1%
16 Blackwall Ltd	1.1%
17 Abacus Property Group	1.0%
18 CIMIC Group Ltd	0.9%
19 Seymour Whyte Ltd	0.7%
20 Woolworths Ltd	0.7%
Cash and cash equivalents	18.3%
Total of Top 20 Investments plus cash and cash equivalents	96.8%

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.

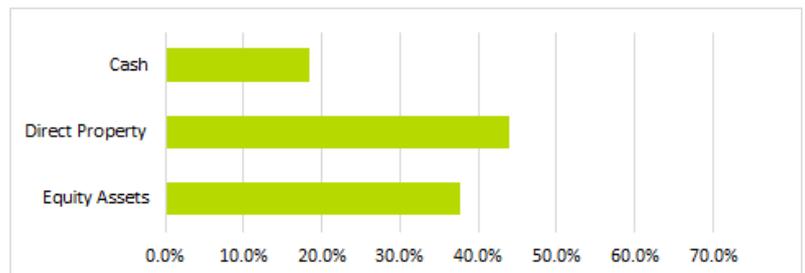
Managed by Contact Asset Management (Contact), an investment in URB gives shareholders access to the benefits of urban renewal through a portfolio of Equity Assets as well as access to Direct Property through a co-invest agreement with Washington H Soul Pattinson and Company Ltd.

Net Tangible Asset Backing

The consolidated unaudited pre-tax net asset backing at 30 June 2017 was **\$1.04** 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 remain at **\$1.04** 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 Equity Assets enables Contact to manage the asset allocation so we can move quickly to take advantage of Direct Property opportunities.



URB's Equity Assets typically consist of 30 stocks. While it is focused on urban renewal, the 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

On June 1 2017, URB Investments and Soul Pattinson settled on Seed Asset 3 (the Prestons Property as stated in the URB Prospectus) for a purchase price of \$20.0m. URB has acquired a 49.9% interest in the Trust that will own the property. Soul Pattinson owns the remaining 50.1% of the Trust.

The Prestons Property is a 69,422m² undeveloped block of land, zoned for industrial use and located in Prestons, NSW, in very close proximity to the junction of the M5 and M7 motorways.

As disclosed in the URB Prospectus, an AFL (agreement for lease) has been executed with a logistics tenant and it is the Trust's intention, subject to the granting of development approval, to construct a logistics warehouse and distribution centre. Construction of the facility is expected to complete in the second half of 2018. Pitt Street Real Estate (PSRE) will manage the development and will seek to reduce development risk through a fixed price construction contract.

URB considers that the Prestons Property has the potential to benefit from:

- Sustainable income via the long term lease agreement (11yrs);
- Proximity to infrastructure; and
- Re-valuation upon completion of the facility.

In URB's equity portfolio, GPT Group (GPT) announced the divestment of a 32,740m² site to Garda Capital Limited at the Metroplex Westgate Wacol Industrial Business Park for \$35.25m. The property has a 10yr pre-commitment from Volvo Group Australia and will include a service facility, showroom and delivery centre as well as A-grade office space.

National Storage (NSR) has entered into arrangements to acquire a portfolio of three freehold storage centres in the Northern suburbs of Brisbane, Brendale, Lawnton and Rothwell for \$28m (combination of cash and scrip).

Sydney Airports (SYD) total passenger numbers for the month of May showed growth of 4.5%. 33% of this capacity now comes from quieter, more fuel efficient next generation aircraft such as the Boeing B787 and the Airbus A380.

Further funds were deployed into the equity market, taking advantage of some attractive Final Distributions on offer. Investments included Transurban Group (distribution up 15%), Sydney Airports (distribution up 10%), Goodman Group (distribution up 9%), GPT Group (distribution up 7%), Stockland (distribution up 5%), National Storage REIT (distribution up 5%) and Mirvac (distribution up 6%).

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 URB Board and Contact's 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

Level 2, 160 Pitt Street Mall,
Sydney NSW 2000

Website www.urbinvest.com.au

E-Mail info@urbinvest.com.au

Tel +61 2 9210 7000

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 (PSRE).

Portfolio Managers

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

Registered Office

Level 1, 160 Pitt Street Mall,
Sydney NSW 2000

Website www.contactam.com.au

Tel +61 2 9238 0522

Company Overview

As at 30 June 2017

<u>Mandate</u>	Urban Renewal
<u>Market capitalisation</u>	\$77.5m
<u>Equity portfolio</u>	\$28.5m
<u>Direct property portfolio</u>	\$33.4m
<u>Cash & cash equivalents</u>	\$13.9m
<u>Total portfolio including cash</u>	\$75.8m
<u>Debt</u>	\$0m

Pre Tax NTA \$1.04

Post Tax NTA \$1.04

URB Share Price \$1.065

URBO Option Price \$0.030

Management Fee

The Management Fee is 0.50% of URB's Total Assets.

Performance Fee

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

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