



# URB INVESTMENTS LIMITED

## NTA AND MONTHLY REPORT - July 2017

### URB: TOP 20 INVESTMENTS

Stock / Property	% of Total Portfolio
1 Purv No 5: Prestons	16.5%
2 Purv No 4: Penrith	16.5%
3 Purv No 3: Kingsgrove	11.3%
4 Sydney Airport	5.0%
5 Transurban Group	4.6%
6 Stockland	3.2%
7 CSR Limited	3.1%
8 The GPT Group	2.8%
9 BWT Trust	2.1%
10 Harvey Norman	2.0%
11 Mirvac Group	1.7%
12 National Storage REIT	1.7%
13 Goodman Group	1.6%
14 AP Eagers Limited	1.3%
15 Wesfarmers Limited	1.1%
16 Blackwall Limited	1.1%
17 CIMIC Group Limited	1.0%
18 Abacus Property Group	0.9%
19 Woolworths Limited	0.7%
20 Seymour White Limited	0.7%
Cash and cash equivalents	17.7%
<b>Total of Top 20 Investments plus cash and cash equivalents</b>	<b>96.6%</b>

*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.

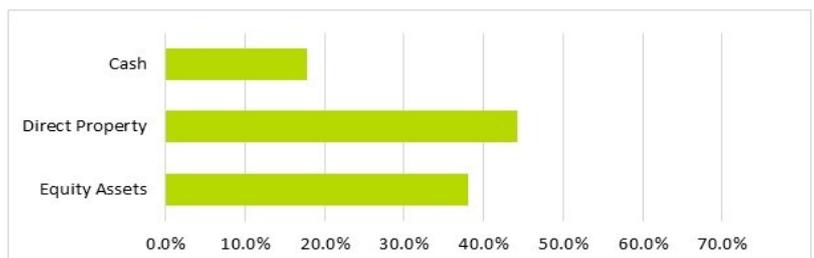
Managed by Contact Asset Management (**Contact**), an investment in URB gives shareholders access to the benefits of urban renewal through a portfolio of Equity Assets as well as access to Direct Property through a co-invest agreement with Washington H Soul Pattinson and Company Ltd.

#### Net Tangible Asset Backing

The consolidated unaudited pre-tax net asset backing at 31 July 2017 was **\$1.02** per share. URB is a long term investor and does not intend to dispose of its total portfolio. If estimated tax at 27.5% on unrealised losses in the investment portfolio were to be recognised, net asset backing post-tax would increase to **\$1.03** per share because of the deferred tax asset on these unrealised losses.

#### 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

During July 2017, Stockland (SGP.ASX) presented their 3rd Quarter 2017 Operational Update to the market. SGP's Retail Division (owner, developer and manager of 40 retail centres across Australia with a book value of \$7.4bn) produced flat sales growth year on year. Despite some headwinds from Easter trading and some variable impacts from Queensland weather events, SGP stated that they will continue to focus on their strategy of providing an experience to the shopper with particular focus on Entertainment, Leisure (Gyms), Dining & Fast-Food, Health & Services and Designers.

In the Logistics, Business Parks & Office Division (27 properties with a gross book value of \$2.2bn) SGP confirmed their \$400m development pipeline in logistics and business parks as well as a 92% occupancy rate in the office portfolio.

Year to date 2017 in the Residential Communities Division, SGP has received \$5.9bn deposits for new homes compared to last years \$4.8bn. Western Australia was weaker as expected, down 5.5%, however there has been solid growth in Victoria, up 7.8% and significant growth in Queensland, up 25.3%, and 81.5% growth in NSW.

Automotive retail and real estate company, A.P. Eagers (APE.ASX) said that they now expect to announce a record First Half Profit of \$68.1m. May and June sales numbers were up 6.4% and 4.4% respectively which was a positive turnaround as the company had experienced weaker new cars sales for the year to April which was expected to impact profits by 9%. APE has paid a dividend to shareholders every year since listing in 1957, and a record dividend in 15 of the past 16 years.

Goodman Group (GMG.ASX) issued shareholders with their July 2017 Quarterly Report with the key take away simply being the title of the document, which read... "URBANISATION DRIVING BUSINESS".

On the 2nd August BWP Trust (BWP.ASX) released their FY2017 results. BWP is a large geographically diverse portfolio of Bunnings Warehouse properties leased to Wesfarmers Limited subsidiary, Bunnings Group Limited. The result was sound with expenses falling from \$6.2m to \$5.9m, distributions increasing from 16.79cps to 17.51cps, total asset values increasing from \$2.2bn to \$2.3bn, NTA of \$2.74 verses \$2.56 and gearing of 20.4%, down from 21.5%. The Portfolio WALE is 5.0 Years and leased to 99.9% occupancy.

## 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](http://www.urbinvest.com.au)

E-Mail [info@urbinvest.com.au](mailto: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](http://www.contactam.com.au)

Tel +61 2 9238 0522

## Company Overview

As at 31 July 2017

<u>Mandate</u>	<u>Urban Renewal</u>
Market capitalisation	\$76.9m
Equity portfolio	\$28.1m
Direct property portfolio	\$32.8m
Cash & cash equivalents	\$13.2m
Total portfolio including cash	\$74.1m
Debt	\$0m
Pre Tax NTA	\$1.02
Post Tax NTA	\$1.03
<b>URB Share Price</b>	<b>\$1.055</b>
<b>URBO Option Price</b>	<b>\$0.030</b>

### 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.

[www.urbinvest.com.au](http://www.urbinvest.com.au)

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