



# URB INVESTMENTS LIMITED

## NTA AND MONTHLY REPORT - December 2017

### URB: TOP 20 INVESTMENTS

Stock / Property	% of Total Portfolio
1 Purv No 4: Penrith	18.0%
2 Purv No 5: Prestons	16.0%
3 Purv No 3: Kingsgrove	11.9%
4 Sydney Airport	5.1%
5 Transurban Group	4.9%
6 Wesfarmers Limited	3.1%
7 360 Capital Group	2.7%
8 Lendlease Group	2.5%
9 Harvey Norman Holdings	2.1%
10 Mirvac Group	1.8%
11 Woolworths Ltd	1.8%
12 National Storage REIT	1.7%
13 AP Eagers Ltd	1.6%
14 Regis Healthcare Limited	1.5%
15 BWP Trust	1.5%
16 Qube Holdings Limited	1.4%
17 Stockland	1.3%
18 Villa World Ltd	1.2%
19 Abacus Property Group	1.2%
20 AV Jennings Ltd	1.2%
Cash and cash equivalents	11.3%
<b>Total of Top 20 Investments plus cash and cash equivalents</b>	<b>93.8%</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 Equities that 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 Limited (WHSP).

#### Net Tangible Asset Backing - As at 31 December 2017

Pre-tax net tangible asset (NTA) backing was **\$1.05** per share.

*URB is a long term investor and does not intend to dispose of its total portfolio.*

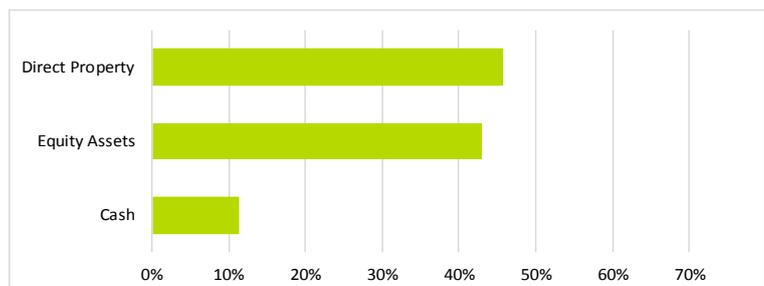
Post-tax net tangible asset (NTA) backing was **\$1.05** per share.

*This measure reduces pre-tax NTA for the deferred provision for tax on net unrealized gains on the Company's investment portfolio as required by current Accounting Standards. As URB does not currently have a net deferred tax provision, pre-tax NTA and post-tax NTA are the same.*

The NTA figures are unaudited and the Direct Property Assets remain valued at cost.

#### 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 portfolio so we can move quickly and 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

2017 was a strong year for the Australian Equities market and the broader Australian economy – as a result, there were many beneficiaries among our Urban Renewal Universe constituents. We remain optimistic that the key drivers of infrastructure spending, population growth and revitalisation of town centres will continue to generate new opportunities and drive growth for URB in 2018.

Notable developments within the URB Equities portfolio in December were:

- Transurban Group announced a \$1.9 billion fully underwritten renounceable entitlement offer mid-way through the month. The proceeds will contribute towards Transurban's funding of the West Gate Tunnel Project in Victoria. This is a significant transport infrastructure project to relieve congestion in Melbourne.
- Listed developer Villa World Ltd and its JV partner booked a massive \$100 million gross profit after selling a 208 hectare land parcel in Donnybrook in Melbourne's northern growth corridor to a Chinese developer. The transaction generates a significant return on its greenfield development.
- 360 Capital Group (TGP) confirmed it has received shareholder approval to undertake a Capital Reallocation. TGP intends to distribute a 21.01 cents per share fully franked Special Dividend by the end of January 2018, but instead of paying this dividend in cash it will be mandatorily reinvested into the 360 Capital Investment Trust on behalf of TGP shareholders.

An investment has been established in waste management company Bingo Industries. Bingo generates revenue through the leasing and collection of skip bins, the collection of waste at their sites and the recycling and redistribution of the recycled material from their facility. It operates in Building and Demolition as well as Commercial and Industrial sectors. We have visited facilities and met with Senior Executives several times and like the fact the Managing Director is aligned with shareholders through the ownership of almost 20% in Bingo. We expect the business to generate strong growth over a number of years.

A number of companies in the portfolio traded ex-dividend late in December including Goodman Group, Mirvac Group, Stockland, Sydney Airport and Transurban. We have been working hard to drive sustainable income streams for URB shareholders.

## 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)

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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

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## Company Overview

As at 31 December 2017

Mandate	Urban Renewal
Market capitalisation	\$76m
Equity portfolio	\$33m
Direct Property portfolio	\$35m
Cash & cash equivalents	\$9m
Total Assets	\$78m
Debt	\$0m

Pre Tax NTA \$1.05

Post Tax NTA \$1.05

**URB Share Price \$1.045**

**URBO Option Price \$0.011**

#### 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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