



URB INVESTMENTS LIMITED

NTA AND MONTHLY REPORT - January 2018

URB: TOP 20 INVESTMENTS

Stock / Property	% of Total Portfolio
1 Purv No 4: Penrith	18.1%
2 Purv No 5: Prestons	16.1%
3 Purv No 3: Kingsgrove	12.0%
4 Sydney Airport	4.9%
5 Transurban Group	4.7%
6 Wesfarmers Limited	3.1%
7 360 Capital Group	2.7%
8 LendLease Group	2.5%
9 Harvey Norman Holdings	2.3%
10 Woolworths Limited	1.8%
11 Mirvac Group	1.7%
12 Regis Healthcare	1.7%
13 National Storage REIT	1.7%
14 AP Eagers	1.6%
15 BWP Trust	1.4%
16 Qube Holdings	1.4%
17 Stockland	1.2%
18 AVJennings	1.2%
19 Blackwall Limited	1.2%
20 Villa World	1.1%
Cash and cash equivalents	11.3%
Total of Top 20 Investments plus cash and cash equivalents	93.7%

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

Pre-tax net tangible asset (NTA) backing was **\$1.04** per share.

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

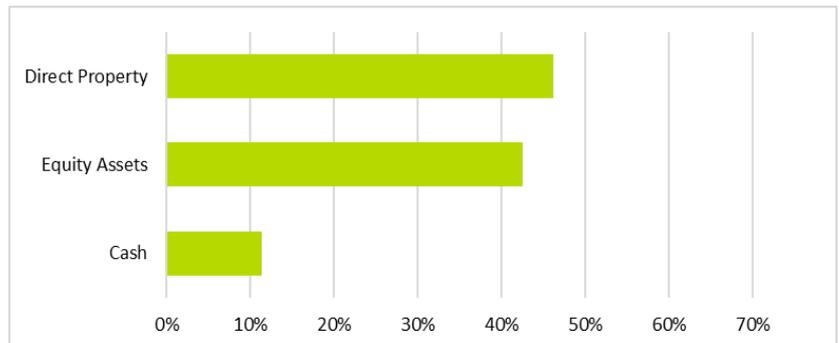
Post-tax net tangible asset (NTA) backing was **\$1.04** per share.

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.

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

Notable developments within the URB Equities portfolio:

- Transurban Group (TCL) completed its \$1.9 billion renounceable entitlement offer. URB did not exercise its entitlements, instead selling them on market.
- Sydney Airports (SYD) announced that 2017 was another record year, facilitating over 43 million passengers. International passengers grew over the year by over 1 million or 7.2%.
- 360 Capital Group (TGP) paid shareholders the 21.01cps Special Dividend, which was automatically reinvested into the 360 Capital Investment Trust. Shareholders also received the benefit of a 7.97cps franking credit.
- National Storage (NSR) offered a Security Purchase Plan (SPP), allowing existing security holders to participate in a \$15 million capital raising. This raising came on the back of the \$50 million placement the company conducted in December to reduce debt and provide flexibility to pursue acquisition opportunities. URB participated fully in the SPP.
- Bingo Industries (BIN) completed the successful purchase of National Recycling Group via a share sale agreement for \$51.1 million, comprising the operating business and two freehold properties in Artarmon NSW and Campbellfield VIC.

Notable developments within the URB Direct Portfolio:

- PURT3: Kingsgrove - The demolition program of the existing industrial building via a Complying Development Certificate is now complete.
- PURT4: Penrith - The Trust has acquired the Tattersalls Hotel lease from the incumbent tenant, and has now appointed a new lessee on improved terms. This additional investment achieves a very attractive yield on cost, and has provided an immediate increase in the Trust's total income. In addition, the new lease terms provide the Trust with significant flexibility over the termination of the lease. This should provide the Trust with much greater control over the timing of potential development opportunities in the future, such as the announced commendation of Frasers Property Australia by Penrith City Council as the preferred proponent for the proposed development of Union Road Car Park, Penrith, which is adjacent to the PURT4: Penrith asset.
- PURT5: Prestons - Having received approval of Stage 1 DA (Commencement of Works), a civil engineer and earthworks contractor has been appointed and has commenced the preliminary civil works program.

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

Investment Manager

Contact Asset Management Pty Limited

URB's portfolio is managed by Contact Asset Management, 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

As at 31 January 2018

Mandate	Urban Renewal
Market capitalisation	\$73m
Equity portfolio	\$32m
Direct Property portfolio	\$35m
Cash & cash equivalents	\$9m
Total Assets	\$78m
Debt	\$0m
Pre Tax NTA	\$1.04
Post Tax NTA	\$1.04
URB Share Price	\$1.005
URBO Option Price	\$0.003

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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