

URB INVESTMENTS LIMITED

ACN: 615 320 262



NTA AND MONTHLY REPORT

April 2019

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

Business Overview

URB is a research driven, Listed Investment Company, focused on capturing long-term value by investing in a diversified portfolio of assets with exposure to urban renewal and regeneration. Listed on the Australian Stock Exchange (URB.ASX) and managed by Contact Asset Management, an investment in URB provides Shareholders access to a diversified portfolio of ASX Listed Equity Assets and Direct Property Assets exposed to urban renewal and regeneration. For Direct Property opportunities URB has a co-investment agreement with Washington H. Soul Pattinson and Company Limited (SOL.ASX).

Net Tangible Asset (NTA) – as at 30 April 2019

Pre-Tax NTA backing was **\$1.11** per share.

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

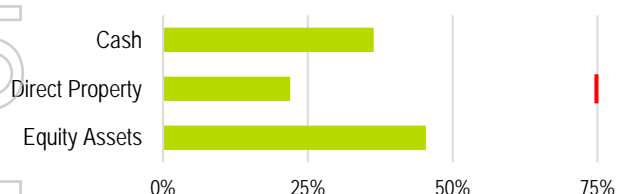
Post-Tax NTA backing was **\$1.11** per share.

This measure reduces pre-tax NTA for the deferred provision for tax on net unrealised 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.

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.

URB's maximum cap on investments in the Direct Property Portfolio is 75% of the Portfolio. This provides flexibility for URB to take advantage of Direct Property Asset opportunities as they arise. Following the sale of PURT5:Prestons and the continual sell down of PURT3:Kingsgrove, Direct Property currently represents 22% of the Portfolio.



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. We do not invest in Banking and Resources stocks.

Company Overview – as at 30 April 2019

ASX Code	URB.ASX
Mandate	Urban Renewal
Market Capitalisation	\$68m
Investment Portfolio	\$55m
Cash & Cash Equivalents	\$30m
Total Portfolio Including Cash	\$85m
Debt	\$0
Rolling 12 Month Dividend ¹	2.75cps
Historical Dividend Yield ^{1,2}	2.97%
Percentage Franked	100%
Grossed Up Yield ³	4.27%
DRP	Active
Share Price	\$0.925

Net Tangible Assets (NTA)

Pre Tax NTA	\$1.11
Post Tax NTA	\$1.11

¹Includes FY2018 Final Dividend of 1cps, FY2019 Interim Dividend of 0.75cps and Special Dividend of 1cps. ²Based on share price as at 30 April 2019. ³Grossed up yield based on a tax rate of 30%.

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.

Monthly Equity Portfolio Update

Woolworths Group (WOW) announced the sale of their Petrol business EG Group, with proceeds to be returned to shareholders via a \$1.7 billion off-market buy-back. WOW also provided an update on their BIG W network review identifying approximately 30 stores or circa 16% of the store network and two distribution centres to be closed over the next three years. The costs of exiting these sites is expected to result in a profit and loss charge of approximately \$270 million and approximately \$100 million of non-cash asset impairments.

Transurban Group (TCL) Investor Day provided an update on the Company's strategy and future outlook and a tour of WestConnex in Sydney. With an aggregate global infrastructure need of \$18 trillion between 2017 and 2035 and urbanisation expected to grow from 55% of the population to 68% by 2050, TCL is well placed to take advantage of this through their existing asset base and new development opportunities. WestConnex is a good example of this, with 40% of Sydney's population expected to live within 5km of the

WestConnex corridor. The company believes that the freight task in Greater Sydney is expected to grow by 48% by 2036.

Vehicle trips expected to use WestConnex¹



The M5 (Stage 2) project will connect to the existing network and includes an 11km motorway, with 9km of twin tunnels. Future opportunities include the provision of a link to the proposed Sydney Gateway and F6 extension that if approved, will provide direct connectivity to Sydney Airport.

Photo below of the M5 (Stage 2) project under construction



Monthly Property Portfolio Update

The PURT 3:Kingsgrove Trust settled on the sale of Lot 7 during April, with a fair value gain of approximately \$700,000 being taken up in this month's accounts in respect of URB's investment in PURT No.3. The remaining Lots, being Lot 5 and Lot 6, are expected to settle in May with all funds to be returned to investors of the Trust during June.

Company / Trust	% of Total Portfolio
1 PURT No 4 – Penrith	9.2%
2 PURT No 3 – Kingsgrove	7.6%
3 Transurban Group	7.2%
4 Sydney Airport	6.1%
5 Home HQ – Artarmon	3.5%
6 Harvey Norman Holdings	3.0%
7 Lendlease Group	2.9%
8 Regis Healthcare	2.6%
9 360 Capital Group	2.3%
10 Stockland	2.2%
11 Boral Limited	2.1%
12 Mirvac Group	2.0%
13 AP Eagers	1.8%
14 Goodman Group	1.8%
15 Cedar Woods	1.5%
16 AV Jennings	1.5%
17 Nick Scali	1.3%
18 Ramsay Healthcare	1.3%
19 Woolworths	1.3%
20 Blackwall Limited	0.9%
Cash and cash equivalents	35.0%
Total of top 20 plus Cash and cash equivalents	97.1%

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

URB Performance 30 April 2019	1 Month	3 Months	6 Months	1 Year	2 Years
URB Portfolio Performance	0.6%	4.7%	6.4%	9.4%	4.4%
URB Total Shareholder Returns (TSR)	0.5%	5.9%	-3.3%	2.9%	-5.9%
URB Total Shareholder Returns – 100% Franked	0.5%	6.8%	-2.6%	4.2%	-5.2%

Source: Contact Asset Management, Bloomberg. Portfolio Performance is measured by change in pre-tax NTA and is after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends. TSR include reinvestment of dividends. TSR including franking credits are based on URB's dividends being fully franked at 30%. Past performance is generally not indicative of future performance.

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