



ASX Announcement

23 November 2015

New Funds Management Initiative

Elanor Investors Group ("ENN") is pleased to announce the establishment of a new managed fund (the "Limestone Street Centre Syndicate") that has agreed to acquire the Limestone Street Centre, a regional commercial property located in Ipswich, approximately 32 km south-west of Brisbane. Ipswich City is Queensland's fastest growing city and its third largest employment hub.

The Limestone Street Centre is a multi-storey commercial building with 7,184 m² of commercial accommodation and 305 car spaces. The centre is located on an 8,064 m² site, with three street frontages. The centre has a strong tenant base, 68% of which are State Government, Federal Government and ASX-listed organisations, and has a Weighted Average Lease Expiry (WALE) of 4.46 years. The site also features a 680 m² area of surplus developable land.

The property is well located in Ipswich and is in close proximity to both Ipswich Hospital and St Andrew's Private Hospital. The Centre has a strong list of medical and health related tenants such as Queensland Health and Queensland Diagnostic Imaging (ASX-listed Primary Health Care Limited).

The Limestone Street Centre will be acquired for a purchase price of \$32 million, reflecting a fully leased initial yield of 9.30% per annum. Settlement is scheduled to occur in December 2015.

ENN CEO, Glenn Willis, said: "We are very pleased to have secured the Limestone Street Centre. We believe the centre represents a quality investment opportunity for Elanor and our capital partners."

ENN's Director, Real Estate, Sebastian Ugarte, added: "The Limestone Street Centre is a quality commercial property with an excellent list of tenants - located in a city with an exceptionally strong growth outlook. This opportunity builds on Elanor's track record of providing investors with assets that generate strong income returns and capital growth."

The acquisition increases ENN's owned and managed assets to approximately \$482 million.

Overview of Limestone Street Centre Syndicate

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| Asset | The Limestone Street Centre, a multi-storey commercial building, with 7,184 m ² of commercial accommodation and 305 car spaces. |
| Anchor Tenants | Queensland Health, Queensland Rail, Primary Health Care, Defence Housing Australia, Department of Communities, Uniting Church |
| Investment Size | \$34.7 million |
| Equity | \$17.1 million |
| Borrowings | \$17.6 million (55% of purchase price + capital expenditure) |
| Forecast Distributions | Year 1 10.05% p.a., average 10.77% p.a. over 5 years |
| Expected Term | 4 – 6 years from settlement |
| Manager | Elanor Funds Management Limited (AFSL 398196 / ACN 125 903 031) |



Funding

Fund establishment, acquisition and transaction costs of \$34.7 million will be funded via debt (\$17.6 million) and Fund equity (\$17.1 million).

Equity investor interest in the new syndicate has been very positive and ENN is in the process of finalising allocations.

Consistent with its strategy of aligning interests with investors, ENN will subscribe for a co-investment of up to 20% of the Fund's initial equity.

Management Fee Arrangements

The management fees payable to ENN as manager of the Fund are:

- Arrangement and acquisition fee: 1.0% of purchase price of the Limestone Street Centre, payable at settlement
- Equity raise fee: 1.0% of value of equity raised, payable at settlement
- Ongoing base management fee: 1.0% of gross asset value per annum, payable monthly
- Performance fee: 25% of Syndicate return (after all fees and expenses) above an IRR hurdle of 11%.

ENDS.

For further information regarding this announcement please contact:

Glenn Willis
Managing Director and Chief Executive Officer
Elanor Investors Group
Phone: (02) 9239 8400
Email: gwillis@elanorinvestors.com