

ASX Announcement

16 June 2017

Acquisition of Gladstone Square Shopping Centre

Elanor Retail Property Fund ("ERF") is pleased to announce that it has exchanged contracts to acquire Gladstone Square Shopping Centre ("Gladstone Square") in Gladstone, Queensland, for \$31.5 million reflecting a core capitalisation rate of 7.50%. Settlement is expected to occur on 27 June 2017.

Gladstone Square

Gladstone Square is a recently refurbished, single level neighbourhood shopping centre centrally located in the Gladstone CBD. Located approximately 100 kilometres south-east of Rockhampton and 550 kilometres north of Brisbane, the centre's trade area population is forecast to grow by 1.2% per annum, with potential to be significantly higher pending approval of various planned investment projects in the region.

The centre is anchored by an extensively refurbished and expanded Woolworths supermarket with a new 20 year lease, expiring in May 2036. In addition, the centre has one mini-major, 27 specialty tenancies and two ATMs, and provides convenient on-grade parking for 302 vehicles.

The key metrics of Gladstone Square are summarised below.

Valuation	\$31.5 million
Passing Yield	7.25%
Current Occupancy	91%
Weighted Average Lease Expiry	10.0 years ¹
Centre Moving Annual Turnover	\$46.2 million
Total Gross Lettable Area	6,897 square metres

Benefits to ERF

The acquisition of Gladstone Square will:

- increase ERF's Portfolio to six shopping centres and a value of \$275 million²;
- improve ERF's geographic diversification;
- extend the Portfolio WALE from 4.8 years to 5.3 years¹;
- result in a Portfolio occupancy level of 98.5%;
- be accretive to ERF's Distributable Earnings Yield by approximately 0.20% per annum;
- be wholly funded (including stamp duty and transaction costs) by a new five year finance facility of \$33.9 million, extending ERF's weighted average facility maturity from 2.2 years to 3.0 years; and
- be fully interest rate hedged for five years, extending the weighted average interest rate swap maturity from 3.1 years to 3.7 years.

1) By area

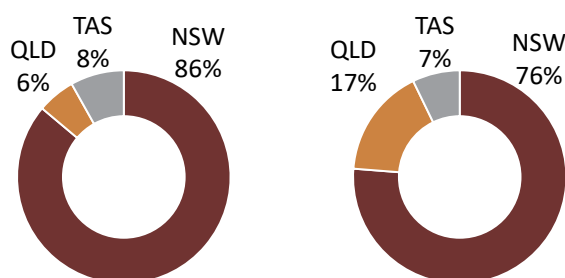
2) Prior to expected Portfolio revaluation as at 30 June 2017

ERF is currently undertaking a revaluation of its Portfolio. Following the acquisition of Gladstone Square and the anticipated revaluation, ERF's gearing is expected to remain within its target range of between 30% and 40%.

ERF's Fund Manager, Michael Baliva, said: "The acquisition of Gladstone Square is in line with ERF's disciplined investment strategy of investing in quality Australian neighbourhood and sub-regional shopping centres. The new 20 year Woolworths lease provides a strong base to allow our active asset management to position the asset as a strong investment for ERF. The acquisition will be accretive to Distributable Earnings, extend the weighted average debt maturity and increase the geographic diversification of the portfolio."

	ERF (current)	ERF + Gladstone Square
Number of assets	5	6
Portfolio Value	\$243 million	\$275 million
Weighted Average Capitalisation Rate	7.7%	7.6%

Geographic Split (by Value)



Portfolio WALE	4.8 years	5.3 years
Annualised Forecast Distribution Yield¹	7.7%	7.9% ²
Weighted Average Facility Maturity	2.2 years	3.0 years
Weighted Average Swap Maturity	3.1 years	3.7 years

ERF confirms its PDS Distributable Earnings forecast for the period from IPO Allotment Date to 30 June 2017.

For further information regarding this announcement please contact:

Glenn Willis
 Managing Director and Chief Executive Officer
 Elanor Investors Group
 Phone: (02) 9239 8400

1) Based on closing price of \$1.32 per ERF Stapled Security on 15 June 2017

2) Following settlement of Gladstone Square