

ASX Announcement

30 June 2017

Portfolio Valuation – June 2017

Elanor Retail Property Fund (“ERF”) is pleased to announce that 3 of its 5 properties have been independently valued as at 30 June 2017¹, in accordance with the valuation policy as outlined in the PDS, resulting in a \$17.5 million (7.2%) increase in the value of its Portfolio since listing in November 2016. The Portfolio’s weighted average capitalisation rate has strengthened to 7.2% from 7.7% at listing.

ERF’s Fund Manager, Michael Baliva, said: “We are very pleased with the significant 7.2% increase in the value of ERF’s portfolio. This positive outcome is largely a result of the \$9.8 million or 11.5% uplift in the value of Auburn Central, which is now valued at \$95 million. This increase is attributable to ERF’s ongoing active asset management which has seen Auburn Central’s occupancy increase from 93.4% at listing to 99.5%. Furthermore, the successful implementation of the car park management system and its refurbishment is improving the centre’s trading performance. Implementation of the strategies for the other portfolio assets are progressing well.”

The table below provides a summary of the ERF Portfolio at 30 June 2017 compared to the listing in November 2016.

Property	Valuation Nov 2016 (\$m)	Valuation 30 Jun 2017 (\$m)	Valuation Uplift		Capitalisation Rate	
			(\$m)	(%)	Nov 2016 (%)	30 Jun 2017 (%)
Auburn Central	85.2	95.0	9.8	11.5%	7.2%	6.5%
Tweed Mall	81.3	86.5	5.2	6.4%	8.3%	7.8%
Manning Mall	43.0	43.0	-	-	7.3%	7.3%
Glenorchy Plaza	19.8	19.8	-	-	7.6%	7.6%
Northway Plaza	14.0	16.5	2.5	17.9%	8.5%	7.3%
Total / Weighted Average	243.3	260.8	17.5	7.2%	7.7%	7.2%

At 30 June 2017, ERF’s net tangible assets per stapled security (NTA) is estimated to be \$1.38, an increase of 10.9% from \$1.25 at listing, whilst gearing is estimated to be 31.6%, down from 33.9% at listing.¹

On 16 June 2017, ERF announced the acquisition of Gladstone Square in Gladstone, Queensland for \$31.5 million reflecting a core capitalisation rate of 7.5%. Settlement of Gladstone Square is expected to occur in July 2017 following satisfaction of certain conditions precedent.

The acquisition of Gladstone Square will be fully debt funded and will be accretive to ERF’s Distributable Earnings Yield by approximately 0.20% per annum. Following settlement, ERF’s gearing is expected to be 39.8% which is within ERF’s target gearing range.

For further information regarding this announcement please contact:

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

1) Subject to final audit and will be confirmed in ERF’s FY17 full year results to be announced on or around 18 August 2017