
ASX Announcement

28 September 2017

New Acquisitions from Asset Recycling Program

Elanor Retail Property Fund ("ERF" or "Fund") is pleased to announce that it has today exchanged contracts to acquire Moranbah Fair Shopping Centre ("Moranbah Fair") in Moranbah, Queensland, for \$25.0 million. Settlement is expected to occur in December 2017.

This acquisition will be funded by the divestment of the non-core Auburn Central strata-titled podium lots and existing debt facilities. To date, ERF has exchanged contracts or has agreed terms on approximately 50% of the strata-titled podium lots at a weighted average capitalisation rate of 6.1%, reflecting a 15% premium on book value. ERF is in advanced negotiations for the sale of the remaining podium lots.

Furthermore, ERF is in exclusive due diligence on a high investment quality metropolitan neighbourhood shopping centre which is expected to be funded by the proceeds of the divestment of Glenorchy Plaza, a non-core asset. CBRE has been appointed to conduct a sale campaign with completion also expected to be in December 2017.

Moranbah Fair

Moranbah Fair is located within the regional township of Moranbah, Queensland. Situated on a 16,770 square metre site and approximately 194 kilometres south west of Mackay, the centre provides the only full-line supermarket offering to a stable, permanent resident population of approximately 10,000 people. The region's economy is strongly supported by the mining, construction and manufacturing industries; the centre is well positioned to benefit from any increased investment in the region.

The centre is anchored by a strongly performing 3,921 square metre Coles supermarket leased to 2028 with further renewal options. The centre is supported by one mini-major and, 23 specialty tenancies dominated by national retailers. The centre provides convenient on-grade parking for 195 vehicles.

The key metrics of Moranbah Fair are summarised below:

Purchase Price	\$25.0 million
Passing Yield	8.0%
Occupancy	94.6%
WALE¹	7.1 years
Total Gross Lettable Area	7,054 square metres

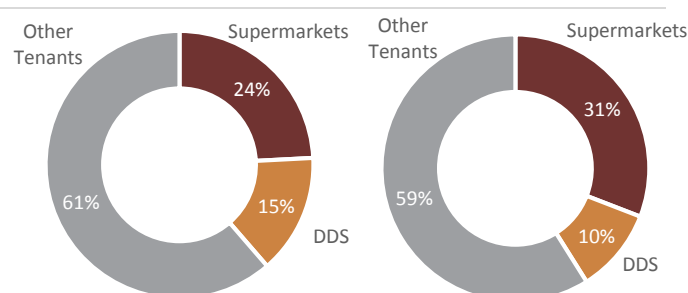
1) By Base Rent as at 1 September 2017

Benefits to ERF

On completion of the Fund's asset recycling program outlined above, ERF security holders will benefit from:

- improved Portfolio quality, increasing the supermarket income from 24% to 31% whilst reducing DDS income from 15% to 10%¹; and
- an increased annualised Distributable Earnings Yield by approximately 2% to 7.9%.

ERF's Fund Manager, Michael Baliva, said: "Recycling non-core, lower yielding retail assets into higher investment quality, non-discretionary cash flow focused shopping centres is a key strategic objective of the Fund. The reweighting of the Fund's income to strong supermarket retailers is a direct result of our active Portfolio management to deliver increased, low-risk distributions to ERF's security holders."

	ERF (current)	ERF post-Asset Recycling ²
Number of shopping centres	6	7
Portfolio Value	\$292 million	\$300 million
Weighted Average Capitalisation Rate	7.2%	7.3%
Tenant Exposure¹		
Portfolio WALE¹	4.7 years	4.7 years
Occupancy³	99.1%	99.6%
Annualised Forecast Distribution Yield⁴	7.7%	7.9%
Gearing	36.6%	39.7%

For further information regarding this announcement please contact:

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

1) By Base Rent as at 1 September 2017
2) On completion of the Fund's asset recycling program expected in December 2017
3) By Gross Lettable Area and including Rental Guarantees. Occupancy excluding Rental Guarantees for ERF (current) and ERF post-Asset Recycling is 96.4% and 96.3% respectively
4) Based on closing price of \$1.35 per ERF Stapled Security on 27 September 2017