



ASX Announcement

26 March 2018

New Funds Management Initiative

Elanor Investors Group (“ENN”) is pleased to announce the establishment of a new managed fund, the “Belconnen Markets Syndicate”. The Syndicate has acquired the Belconnen Markets site for a purchase price of \$43.75 million incorporating the adjacent car park and vacant development land.

The Belconnen Fresh Food Markets first opened in 1978, and was further redeveloped in 1996, 2002, 2007 and 2012.

The property is located in Belconnen, ACT, 9 kilometres from Parliament House, and benefits from significant neighbouring employment, retail amenity (including Bunnings Warehouse and Westfield Belconnen) and high density residential developments. The combined site totals approximately 3.0 hectares, and given its arterial road location, favourable mixed-use zoning and planning controls, the site has strong redevelopment potential.

The acquisition of the Belconnen Fresh Food Markets represents a passing yield of 6.85% per annum. Belconnen Fresh Food Markets comprises 38 non-discretionary focused retailers, including First Choice Liquor, Pet Barn, and a wide range of fresh food purveyors.

ENN CEO, Glenn Willis, said: “We are pleased to have secured the iconic Belconnen Markets site - we believe it represents excellent value for investors in the Belconnen Markets Syndicate. The Belconnen Town Centre Master Plan, endorsed by the ACT Government in September 2016, permits the Belconnen Markets site to be redeveloped into a mixed-use precinct of retail, office and residential accommodation.”

ENN’s Co-Head of Real Estate, Michael Baliva, said: “The Belconnen Fresh Food Markets is a unique retail asset generating stable cash flows by providing convenient access to everyday goods and services for its local trade area. The combined site and strategic location of the Belconnen Markets will provide Belconnen Markets Syndicate investors with a significant opportunity for capital growth from the redevelopment of the site.”

The establishment of Belconnen Markets Syndicate takes ENN’s portfolio of owned and managed assets to over \$1.1 billion.

Settlement of Belconnen Markets is expected to occur in May 2018.

Overview of Belconnen Markets Syndicate

Asset	Belconnen Fresh Food Markets together with adjacent car park and vacant development land, located in Belconnen, ACT
Tenants	First Choice Liquor (leased to July 2019 + 3 x 5 year options) Petbarn (leased to September 2023 + 2 x 5 year options) Toms Superfruits (leased to February 2019 + 10 year option) 35 other tenants including greengrocers, butchers, bakers, chicken and seafood retailers, and other retailers
Investment Size	\$47.80 million (\$43.75m Purchase Price + \$2.18m Stamp Duty + \$1.87m Acquisition Costs)
Borrowings	Up to \$24.0 million (55% of purchase price), initially



Overview of Belconnen Markets Syndicate (continued)

Syndicate Equity	Approximately \$23.8 million, initially
Forecast Distribution Yield	Nil, all available cash flow to be reinvested into the redevelopment project
Forecast IRR	20%+ p.a.
Exit Strategy and Investment Horizon	Sale and redevelopment of the site within 3 years
Manager	Elanor Funds Management Limited AFSL 39 8196 / ACN 125 903 031

ENDS.

For further information regarding this announcement please contact:

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