



Investments  
Limited

## URB INVESTMENTS LIMITED

ACN 615 320 262

# PROSPECTUS

**AN OFFER BY URB INVESTMENTS LIMITED  
ACN 615 320 262 OF AN ISSUE OF FULLY-PAID  
ORDINARY SHARES AND OPTIONS TO RAISE  
UP TO \$300 MILLION**

**LAST DATE FOR ACCEPTANCE  
AND PAYMENT 30 MARCH 2017**

### IMPORTANT NOTICE

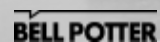
This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional advisor without delay.

INVESTMENT MANAGER

CORPORATE ADVISOR

LEGAL ADVISOR

JOINT LEAD MANAGERS



# PROSPECTUS

## IMPORTANT NOTICES

### Offer

The Offer contained in this Prospectus is an invitation for you to apply for fully paid ordinary shares (**Shares**) together with one Option to acquire one Share for every one Share issued (**Options**) (the Shares and Options together, **Securities**) in URB Investments Limited ACN 615 320 262, an Australian public company currently registered in Victoria, (**URB** or the **Company**). The Options are issued at nil consideration and are exercisable at \$1.10 each at any time on or before 7 April 2018.

The Company reserves the right to accept subscriptions of Securities to raise an amount up to an aggregate of \$300 million. No Securities will be issued until the Minimum Subscription amount of \$75 million has been received.

### Lodgement and Listing

This Prospectus is issued by the Company. This Prospectus is dated 2 March 2017 and was lodged with ASIC on that date. This is a replacement prospectus which replaces the prospectus dated 23 February 2017 (**Original Prospectus**) which was lodged with ASIC on that date (**Prospectus Date**). The Company applied to ASX within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of its Securities on ASX (**Listing**) with the ASX Code "URB" for Shares and "URBO" for Options. Neither ASIC nor ASX nor their respective officers take any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

This Prospectus differs from the Original Prospectus. This replacement Prospectus has been issued to:

- clarify the potential use of debt at the property level to fund property acquisitions and/or developments;
- clarify the property value for the purposes of calculating the asset management fee in respect of a passive asset;
- remove a performance chart;
- clarify differences between investment management services provided by the Investment Manager in relation to BKI and the Company (including that BKI's past performance is not indicative of URB's future performance); and
- clarify risks in relation to debt and interest repayments associated with an investment by the Company in Direct Property Assets (by way of any debt incurred at the property level).

In addition, the lodgement of this replacement Prospectus has also required certain references to the 'Prospectus' to be amended to refer to the 'Original Prospectus' and to reflect the fact that application has been made to ASX for admission and for quotation of the Securities.

### Expiry Date

No Securities will be issued or transferred on the basis of the Original Prospectus after the Expiry Date, being 13 months after 23 February 2017.

### Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from an independent and appropriately licensed or authorised professional advisor before deciding whether to invest in the Securities. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your specific personal circumstances.

### Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for, or acquire, Securities under this Prospectus (**Applications**) in the seven day period after lodgement of the Original Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made available to Australian and NZ residents, without the Application Forms, at the Company's website, [www.urbinvest.com.au](http://www.urbinvest.com.au).

### Photographs and Diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in the Prospectus are illustrative only and may not be drawn to scale.

## Independent Property Valuations

This Prospectus contains information regarding the independent valuations of the Direct Property Seed Assets outlined in Section 10 by independent valuers, Knight Frank Valuations, in each case as of 22 February 2017. Valuations are an estimate of market value and prediction of price, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgements and are subject to a number of assumptions and conditions, that, even if logical and appropriate, may differ from those made by a purchaser or another valuer. Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuation were to change. Periods of high market volatility may lead to fluctuations in values over a short period of time. It is encouraged that you read the Independent Property Valuation Report contained in Section 10 in its entirety prior to making your investment decision with respect to the Offer.

## Disclaimer and Forward Looking Statements

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Company's Directors, the Investment Manager, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither the Company nor the Joint Lead Managers, nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

This Prospectus contains forward looking statements which are statements that may be identified by words such as "may", "could", "believes", "considers", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, may take place.

The Company has no intention to update or revise the forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors of the Company, and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

This Prospectus uses market data, industry forecasts and projections. The Company has based some of this information on market research prepared by third parties. There is no assurance that any of the forecasts contained in the information or in the reports, surveys and research of such third parties that are referred to in this Prospectus will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including the risk factors in Section 5.

## Statements of Past Performance

This Prospectus includes information regarding the past performance of the Company and other entities in connection with the offer. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

## Information about the Investment Manager

This Prospectus contains certain information about the Investment Manager, its Directors, senior executives and business. It also contains details of its investment approach, strategy and philosophy. To the extent that the Prospectus includes statements by the Investment Manager or

includes statements based on any statement of, or information provided by the Investment Manager, the Investment Manager consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

## Authorised Intermediary

The issuer of this Prospectus is the Company. The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act. Accordingly, offers of Securities under this Prospectus will be made under an arrangement between the Company and Morgans Financial Limited ACN 010 669 726 (**Morgans**)(**Authorised Intermediary**), as a holder of an AFSL, under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of Securities under this Prospectus and the Company will only issue the Securities in accordance with those offers and no others.

## Joint Lead Managers

Commonwealth Securities Limited ABN 60 067 254 399, Bell Potter ACN 006 390 772 and Morgans Financial Limited ACN 010 669 726 (each a **Joint Lead Manager** and together, the **Joint Lead Managers**) have acted as Joint Lead Managers to the Offer. The Joint Lead Managers and the Authorised Intermediary have not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, the Joint Lead Managers and the Authorised Intermediary and their affiliates, officers, employees and advisors expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

## Electronic Prospectus

This Prospectus is available in electronic form to Australian and New Zealand residents on the Company's website, [www.urbinvest.com.au](http://www.urbinvest.com.au). Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The Offer made under this Prospectus is only available to persons receiving this Prospectus in electronic form in Australia and New Zealand.

Applications for Securities may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form, or in its electronic form which must be downloaded in its entirety from [www.urbinvest.com.au](http://www.urbinvest.com.au), together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. Refer to Sections 2.3, 2.4 and 2.5 for further information.

Cooling off rights do not apply to an investment in Securities pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

## No Offering Where Illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Securities or the Offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus (including in electronic form) outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For details of selling restrictions that apply to Securities in certain jurisdictions outside Australia and New Zealand, refer to Section 11.14.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. The Securities to be offered under the Offer have not been, and will not be, registered under the U.S.



Securities Act or the securities laws of any state or other jurisdiction in the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of, a U.S. Person.

## Information for New Zealand Investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law compared to New Zealand law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## Privacy

By completing an Application Form, you are providing personal information to the Company through the Company's service provider, Link Market Services (**Share Registry**), which is contracted by the Company to manage Applications. The Company and the Share Registry on their behalf, may collect, hold and use that personal information to process your Application, service your needs as a Securityholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Securityholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Securities you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Company's Share and Option registers will be accessible by members of the public. The information must continue to be included on the Share and Option register if you cease to be a Securityholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Share Registry for ongoing administration of the Share and Option register;
- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Company's Securityholder base; and
- legal and accounting firms, auditors, management consultants and other advisors for the purpose of administering, and advising on, the Securities and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry or the Company.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

To the extent of any inconsistency between the foregoing and the Company's privacy policy, accessible at [www.urbinvest.com.au](http://www.urbinvest.com.au), the foregoing will apply. In all other respects, personal information collected by the Company in connection with your Application will be handled in accordance with the privacy policy. Any queries, concerns or complaints about the Company's privacy practices can be directed to its privacy contact officer as stipulated in the privacy policy.

## Financial Services Guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 7

## Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred to in the sources contained in this Prospectus, are incorporated in this Prospectus by reference.

## Defined Terms and Abbreviations

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the Glossary.

Unless otherwise stated or implied:

- References to times in this Prospectus are to the time in AEST;
- References to dates or years are calendar year references; and
- References to currency are to Australian dollars.

## Questions

If you have any questions in relation to the Offer, contact the URB Offer Information Line on 1300 420 406 (within Australia) or +61 1300 420 406 (outside Australia) between 8.30am and 5.30pm (AEST), Monday to Friday. A paper copy of this Prospectus is available free of charge to any person in Australia or New Zealand by calling the URB Offer Information Line.

This document is important and should be read in its entirety.



# KEY DATES & OFFER STATISTICS

## KEY DATES

Original Prospectus lodged with ASIC	<b>23rd February 2017</b>
Lodgement of this Prospectus with ASIC	<b>2nd March 2017</b>
Offer Opening Date	<b>3rd March 2017</b>
Broker Firm Offer Closing Date	<b>5:00 pm 27th March 2017</b>
Offer Closing Date and latest time for receipt of Application	<b>5:00 pm 30th March 2017</b>
Issue of Securities	<b>4th April 2017</b>
Expected completion of dispatch of holding statements	<b>4th April 2017</b>
Securities expected to commence trading on ASX	<b>7th April 2017</b>

These dates are subject to change and are indicative only. URB reserves the right to amend this indicative timetable. ASIC may extend the Opening Date for a period of up to seven days. In particular, URB reserves the right, subject to the Corporations Act after consultation with the Joint Lead Managers, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of the Securities.

## KEY OFFER STATISTICS

Proposed ASX Code - Shares	URB
Proposed ASX Code - Options	URBO
Issue Price of Shares	\$1.10
Exercise Price of Options	\$1.10
Minimum number of Shares (and Options) available under the Offer	68,181,818
Maximum number of Shares (and Options) available under the Offer	272,727,273
Minimum Gross Proceeds from the Offer	\$75,000,000
Maximum Gross Proceeds from the Offer	\$300,000,000
Maximum number of Shares on issue following the Offer	272,727,373
Maximum number of Options on issue following the Offer	272,727,273
Pro forma net asset value backing per Share based on the Minimum Subscription (based on the unaudited statements of financial position set out in Section 6.2)	\$1.065
Pro forma net asset value backing per Share based on the Maximum Subscription (based on the unaudited statements of financial position set out in Section 6.2)	\$1.069

## HOW TO INVEST

Applications for Securities can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Securities are set out in sections 2.3, 2.4 and 2.5 and on the back of the Application Form.



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# MESSAGE FROM THE CHAIRMAN

23 February 2017

Dear Investor,

On behalf of my fellow Directors, it is my pleasure to invite you to invest in the initial public offering of URB Investments Limited (**URB** or the **Company**), a new investment company proposed to be listed on the ASX.

URB will seek to capture long-term value by investing in Equity Assets and Direct Property Assets with exposure to urban renewal and regeneration.

## What is urban renewal and regeneration?

Urban renewal and regeneration is the transformation of existing urban areas to accommodate much denser and generally mixed used environments. Urban renewal and regeneration is characterised by the unlocking of under-utilised areas for jobs, investment and housing. It typically involves rezoning land whilst investing in hard and soft infrastructure required to cater for the desired new future of an area. Overall, urban renewal and regeneration enables the use and development of an area to better align with the current and future needs of a growing city<sup>1</sup>. It can generate a number of benefits including new infrastructure, better use of existing infrastructure, increased productivity, additional expenditure and new employment opportunities.

URB will seek to benefit from urban renewal and regeneration by investing in assets that have exposure to population growth, population density, major infrastructure investment, housing growth, new employment, revitalisation of town centres, re-zoning and use of land changes, education services, healthcare services and tourism growth.

URB considers that urban renewal and regeneration presents an immediate and attractive investment opportunity in Australia and that an investment in URB will suit investors seeking exposure to alternative asset classes.

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<sup>1</sup> As noted in the Urbis Report.

## What will the Investment Portfolio look like?

The Company's investment strategy is to develop an Investment Portfolio that combines Equity Assets and Direct Property Assets, with the Equity Portfolio to comprise at least 50% of the Investment Portfolio.

The equity component of the Investment Portfolio will comprise a diversified collection of Equity Assets that seek to capitalise on exposure to urban renewal and regeneration.

URB's Equity Portfolio will seek to complement more mainstream equity portfolios as URB does not intend to hold banking or resource stocks. URB will have a flexible investment mandate, across various industries and will seek to offer investors exposure to quality companies that are thought to benefit from urban renewal and regeneration.

With respect to Direct Property Assets, URB will target assets that are set to benefit from changes in use such as rezoning, gentrification and the maximisation of available floor space to enhance returns. Targeted Direct Property Assets will be undervalued properties which require: a short term repositioning for income; capital for restructuring; or have an underlying opportunity for capital revaluation through a change in use. Investment will be made as close to the point of change as possible and, should there be a delay in such change, the objective will be for the asset to be underpinned by a sustainable income stream.

URB's strategy in relation to Direct Property Assets is to provide an opportunity for investors to gain exposure to assets traditionally only available to a select few. Investments in Direct Property Assets are expected to be made alongside Washington H Soul Pattinson and Company Limited (**Soul Pattinson**) (ASX:SOL), one of Australia's oldest and respected investment houses.

Through a Co-Investment Agreement, URB will have the right to invest, on an equal basis with Soul Pattinson, in all urban renewal and regeneration property opportunities originated by Pitt Street Real Estate Partners (**PSRE**) that are presented to Soul Pattinson. PSRE is the real estate advisory division of Soul Pattinson that has experience identifying and securing direct property assets for Soul Pattinson over the last seven years.

If the Offer is successful, URB will acquire a 49.9% interest in three Direct Property Seed Assets as detailed in Section 3.8. Soul Pattinson will be the 50.1% co-owner of all three Direct Property Seed Assets.

## Dividend Policy

URB's objective is to capture and add value through both capital and income growth from an actively managed portfolio of Equity Assets and Direct Property Assets.

URB's aim is to pay out between 50% and 70% of Net Operating Profits as ordinary fully franked dividends. In circumstances where URB accumulates sufficient Special Investment Revenue, the Board will consider declaring special fully franked dividends to Securityholders. URB's long term target is to offer Securityholders sustainable and growing fully franked dividends and a yield that is competitive within the listed investment company industry.



## Who will manage the Investment Portfolio?

The Company's Investment Portfolio will be managed by Contact Asset Management Pty Limited (**Contact** or the **Investment Manager**). Contact is currently the manager of BKL Investment Company Limited (ASX:BKL) (**BKL**), a listed investment company with a market capitalisation of over \$1 billion as at 31 January 2017.

Contact will manage the Investment Portfolio, utilising its own specialist equities experience and benefitting from the specialist property expertise of PSRE.

## What is the Offer?

URB is seeking to raise between \$75 million and \$300 million under the Offer. The issue price is \$1.10 per Share. For every one Share under the Offer, investors will receive one Option. The Option is exercisable at \$1.10 at any time before 7 April 2018. The Offer is open to new investors with a Priority Offer available for Soul Pattinson and BKL shareholders with a registered address in Australia or New Zealand as at the Record Date.

Soul Pattinson has committed to subscribe for a minimum of 10% of the Securities under the Offer.

This Prospectus contains important information about URB, URB's Investment Strategy and the Investment Manager. Please refer to Section 5 of the Prospectus for more details of the risks of investing in URB. I encourage you to read this Prospectus in its entirety before making your investment decision.

If you have any questions, you should consult your accountant, stockbroker, lawyer or other professional advisor prior to making a decision.

On behalf of the Directors, I look forward to welcoming you as a shareholder of URB.

Yours sincerely



**WARWICK NEGUS**  
CHAIRMAN



# SECTION 1

## OFFER SUMMARY

### 1.1 INTRODUCTION AND OVERVIEW OF THE COMPANY'S BUSINESS AND THE INVESTMENT PORTFOLIO

TOPIC	SUMMARY	REFER TO
<b>What is the business of the Company?</b>	<p>The Company was incorporated on 13 October 2016 for the purposes of the Offer and has not otherwise conducted any business as at the Prospectus Date.</p> <p>Following Completion of the Offer, and subject to obtaining the requisite approval from ASX, the Company will be listed on the ASX as an investment entity.</p> <p>URB's Investment Portfolio will comprise of:</p> <ul style="list-style-type: none"> <li>Equities listed on ASX (including unlisted securities on the condition that they are proposed to be listed on ASX within 12 months of acquisition) (each an <b>Equity Asset</b>, together the <b>Equity Portfolio</b>);</li> <li>Direct Australian properties (each a <b>Direct Property Asset</b>, together the <b>Property Portfolio</b>); and</li> <li>Cash and cash equivalents awaiting investment.</li> </ul>	Section 3.1
<b>What are the Company's Investment Objectives?</b>	<p>The Company's Investment Objective is to:</p> <ul style="list-style-type: none"> <li>capture long-term value by investing in a diversified portfolio of Equity Assets and Direct Property Assets with exposure to urban renewal and regeneration; and</li> <li>to maximise total Securityholder return through a combination of capital and income growth, with the aim of allowing fully franked dividends to be paid to Securityholders when possible and to the extent permitted by the Corporations Act and the Income Tax Assessment Act.</li> </ul>	Section 3.3



TOPIC	SUMMARY	REFER TO
<b>What is urban renewal and regeneration?</b>	<p>Urban renewal and regeneration is the transformation of existing urban areas to accommodate much denser and mixed used environments<sup>2</sup>. It can generate a number of benefits including new infrastructure, better use of existing infrastructure, increased productivity, additional expenditure and new employment opportunities.</p> <p>URB will seek to benefit from urban renewal and regeneration by investing in assets that have exposure to population growth, population density, major infrastructure investment, housing growth, new employment, revitalisation of town centres, re-zoning and use of land changes, education services, healthcare services and tourism growth.</p>	Section 3.2
<b>What is URB's Investment Strategy?</b>	<p>The Equity Portfolio will comprise a diversified collection of Equity Assets that seek to capitalise on exposure to urban renewal and regeneration. The Equity Portfolio will seek to complement more mainstream equity portfolios as URB does not intend to hold banking or resource stocks. URB will have a flexible investment mandate, across various industries and will seek to offer investors exposure to quality companies that are thought to benefit from urban renewal and regeneration.</p> <p>In relation to the Property Portfolio, URB will target Direct Property Assets that are set to benefit from changes in use, such as rezoning, gentrification and the maximisation of available floor space in order to enhance returns. Targeted properties will be undervalued assets which:</p> <ul style="list-style-type: none"> <li>■ require a short term repositioning for income; or</li> <li>■ require capital for restructuring; or</li> <li>■ have an underlying opportunity for capital revaluation through changes in use.</li> </ul> <p>Investment will be made as close to the point of change as possible and, should there be a delay in such changes, the objective will be that the asset is underpinned by a sustainable and often growing income stream.</p> <p>Via the Co-investment Agreement, investments in Direct Property Assets are expected to be made alongside Soul Pattinson, one of Australia's oldest and respected investment houses.</p>	Section 3.4
<b>Who are the Company's Directors?</b>	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> <li>■ Mr. Warwick Negus;</li> <li>■ Ms. Victoria Weekes;</li> <li>■ Mr. Tony McDonald; and</li> <li>■ Mr. Bruce Dungey.</li> </ul> <p>See Sections 8.1 and 8.8 for further details regarding the background and remuneration of our directors.</p>	Section 8.1
<b>What is the financial position of the Company?</b>	<p>The Company is yet to commence trading. Unaudited pro forma statements of its financial position as at the date of this Prospectus are set out in Section 6.2.</p>	Section 6

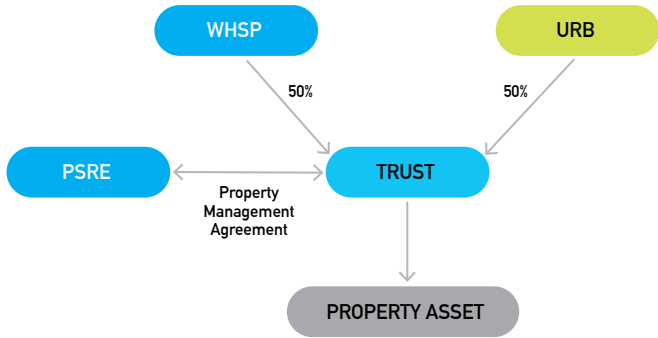
<sup>2</sup> As noted in the Urbis Report.

TOPIC	SUMMARY	REFER TO
<b>Will the Company pay dividends?</b>	<p>As noted above, part of the Company's Investment Objective is to maximise total Securityholder return through a combination of capital and income growth, with the aim of allowing fully franked dividends to be paid to Securityholders when possible and to the extent permitted by the Corporations Act and the Income Tax Assessment Act.</p> <p>The amount of any dividend paid by the Company will be determined at the discretion of the Board. The Board will only exercise this discretion if the Company has sufficient reserves and it is within prudent business practice to do so.</p> <p>URB's aim is to pay out between 50% and 70% of Net Operating Profits as ordinary fully franked dividends. In circumstances where URB accumulates sufficient Special Investment Revenue, the Board will consider declaring special fully franked dividends to Securityholders. URB's long term target is to offer Securityholders a sustainable and growing fully franked dividend and a yield that is competitive within the listed investment company market.</p>	Section 3.12
<b>Who will manage the Investment Portfolio?</b>	<p>The Company's Investment Portfolio will be managed by Contact. Contact is currently the manager of BKI, a listed investment company with a market capitalisation of over \$1 billion as at 31 January 2017.</p> <p>Contact will manage the Investment Portfolio, utilising its own specialist equities experience and benefitting from the specialist property expertise of PSRE with respect to the Property Portfolio. PSRE is the real estate advisory division of Soul Pattinson and has experience identifying and securing direct property assets for Soul Pattinson over the last seven years.</p> <p>The Contact Management Team is comprised of Tom Millner and Will Culbert as joint portfolio managers. The joint portfolio managers will have primary responsibility for the investment decisions of the Investment Manager in accordance with URB's Investment Strategy.</p>	Section 4
<b>How will the Investment Portfolio be constructed?</b>	<p>The Investment Manager is responsible for the construction of the Investment Portfolio in accordance with the Investment Strategy and any investment guidelines agreed between Contact and the Company in accordance with the terms of the Investment Management Agreement.</p> <p>In terms of the composition of the Investment Portfolio:</p> <ul style="list-style-type: none"> <li>at least 50% of the Investment Portfolio will be invested in the Equity Portfolio;</li> <li>30%–49.9% of the Investment Portfolio will be invested in the Property Portfolio;</li> <li>it is currently expected that the Equity Portfolio will comprise of 20–40 Equity Assets listed on ASX;</li> <li>there is no minimum limit on the equity value of any Equity Asset or Direct Property Asset;</li> <li>the Investment Portfolio may include cash (and cash equivalents such as investment grade interest bearing debt securities and corporate bonds) from time to time pending such cash being invested in the Equity Portfolio or the Property Portfolio;</li> <li>there is no limit to the level of cash in the Investment Portfolio; and</li> <li>there are no limits on the investments that may be made by the Investment Manager based on industry sectors, provided the investment is within the Investment Strategy</li> </ul> <p>The Investment Strategy does not include:</p> <ul style="list-style-type: none"> <li>the Company engaging in short selling;</li> <li>borrowing at the Company level (however, as detailed in Section 3.4, debt may be used at the property level to fund acquisitions of Direct Property Assets or developments of Direct Property Assets); or</li> <li>investing in exchange traded and over the counter derivatives.</li> </ul>	Section 3.6

TOPIC	SUMMARY	REFER TO
<b>Does the Board approve investments?</b>	<p>Board approval is not required for investments undertaken by the Investment Manager in Equity Assets that are listed and in compliance with the Investment Strategy.</p> <p>Board approval is required for investments undertaken by the Investment Manager in:</p> <ul style="list-style-type: none"> <li>any unlisted Australian equities that are proposed to be listed on the ASX within 12 months in relation to the Equity Portfolio;</li> <li>any Direct Property Asset;</li> <li>investments that are not within the Investment Strategy;</li> <li>an Equity Asset that would account for more than 15% of the Investment Portfolio's net asset value at the time of acquisition; or</li> <li>corporate bonds which would result in the value of all corporate bonds held by the company accounting for more than 1% of the Investment Portfolio.</li> </ul>	Section 3.5
<b>What is the time frame for Portfolio construction?</b>	The Investment Manager estimates it may take approximately 1-4 months to fully construct the Equity Portfolio. It is likely that, due to the fact that Direct Property Assets are by nature less liquid than Equity Assets, a longer period is required to complete the construction of the Property Portfolio.	Section 3.11
<b>What is the Company's valuation policy?</b>	<p><b>Equity Portfolio</b></p> <p>The Investment Manager will arrange for the calculation of the Equity Portfolio value at least monthly and provide such calculations to the Board of the Company as soon as practicable after such calculations are made. IRESS, Bloomberg, FactSet or other similar financial information services will be used as the price source for listed Equity Assets. Unlisted Equity Assets will be re-valued on a monthly basis using methods that, in the opinion of the Investment Manager, best approximates fair value.</p> <p><b>Property Portfolio</b></p> <p>The fair value of the Property Portfolio will be reviewed by the Board at each reporting date. To assist in the assessment of fair value, the Board will periodically engage an independent valuer to provide a valuation of each Direct Property Asset, at least once every two years. Valuations may occur more frequently if there is reason to believe that the fair value of a Direct Property Asset has materially changed from its book value (for example, as a result of changes in market conditions, leasing activity in relation to the Direct Property Asset or increased capital expenditure).</p>	Section 3.9
<b>What is the investment term?</b>	<p>As noted above, the Company's primary objective is to create long-term value for Securityholders.</p> <p>In line with this, investors are strongly advised to regard any investment in the Company as a long term proposition (7 years or more).</p>	Section 3.3
<b>What are the key terms of the Investment Management Agreement?</b>	<p>The Investment Management Agreement will commence on the date of Listing and will have a 10-year initial term unless otherwise terminated earlier in accordance with the terms of the Investment Management Agreement. At the end of the initial 10-year term, the agreement will be automatically extended until terminated by either party on the delivery of 3 months' notice.</p> <p>Under the Investment Management Agreement, Contact will be responsible for managing the Investment Portfolio in accordance with the Investment Strategy set out in Section 3.4.</p>	Section 9.1



TOPIC	SUMMARY	REFER TO
<b>What fees are payable to the Investment Manager?</b>	<p><b>Base Fee</b></p> <p>The Investment Manager will be entitled to a monthly Base Fee equal to one-twelfth of 0.50% of the Total Assets of URB (exclusive of GST), to be paid at the end of the preceding month.</p> <p><b>Performance Fee</b></p> <p>In addition to the Base Fee, the Investment Manager will be entitled to a Performance Fee equal to 15% of the out-performance above a 12 month pre-Tax net tangible asset per Share return of 8.0%.</p> <p>For the purposes of determining whether the return performance hurdle has been satisfied, the calculation of the pre-tax net tangible asset per Share:</p> <ul style="list-style-type: none"> <li>(a) must exclude any accrued Performance Fee; and</li> <li>(b) unless otherwise agreed by the Investment Manager, will be adjusted for the impact of payment of any Special Dividend, issuance of Shares, capital reduction or Share buy-back.</li> </ul> <p>Payment of ordinary dividends to Securityholders will not be adjusted for when calculating the Performance Fee.</p> <p>Please see sections 9.1(k) and 9.1(l) for a full explanation of the calculation of these fees and worked examples of both the Base Fee and the Performance Fee.</p>	Section 9.1
<b>Key highlights of the Investment Manager</b>	<p>The Contact Management Team is experienced in managing Listed Investment Companies (<b>LICs</b>) for the benefit of shareholders. Key highlights of the Investment Manager include:</p> <ul style="list-style-type: none"> <li>■ Contact is fully owned by Tom Millner (40%), Will Culbert (40%) and Soul Pattinson (20%);</li> <li>■ Tom Millner and Will Culbert have an average of 16 years of experience in investment markets;</li> <li>■ The Contact Management Team has a proven track record managing BKI during which time, BKI has demonstrated FUM growth and significant Total Shareholder Returns over the long term;</li> <li>■ URB considers that the Investment Manager's fees are low when compared with the broader market, with performance incentives in place to drive alignment between the Investment Manager and Securityholders;</li> <li>■ The Investment Managers' Performance Fee return hurdle will not adjust for the payment of ordinary dividends by the Company; and</li> <li>■ Contact's shareholders (being Tom Millner, Will Culbert and Soul Pattinson) intend to hold Securities in URB and as a result their interests will be aligned with all Securityholders.</li> </ul>	Sections 4.1 and 4.2
<b>What is the Co-Investment Agreement?</b>	<p>Contact, URB, Soul Pattinson and PSRE have entered into a Co-Investment Agreement under which URB will have the right to invest on an equal basis with Soul Pattinson in Direct Property Assets originated by PSRE and presented to Soul Pattinson as an investment opportunity.</p> <p>URB's interest in a Direct Property Asset sourced by PSRE under the Co-Investment Agreement will usually be held via a trust that owns the relevant Direct Property Asset. URB, Soul Pattinson and any other third party investors in the Direct Property Asset will hold units in that trust in proportion to their interest.</p>	Section 9.3

TOPIC	SUMMARY	REFER TO
<p><b>What is the typical structure for a Direct Property Asset acquired pursuant to the Co-Investment Agreement?</b></p>	 <pre> graph TD     WHSP[WHSP] -- 50% --&gt; TRUST[TRUST]     URB[URB] -- 50% --&gt; TRUST     PSRE[PSRE] &lt;--&gt;  Property Management Agreement  TRUST     TRUST --&gt; PA[PROPERTY ASSET] </pre>	<p>Section 9.3(f)</p>
<p><b>What fees are payable to PSRE if PSRE sources a Direct Property Asset?</b></p>	<p>Where a Direct Property Asset is sourced by PSRE pursuant to the Co-Investment Agreement, PSRE will be entitled to act as property manager on the terms set out in Section 9.4.</p> <p>Fees payable to PSRE in connection with the management or development of a Direct Property Asset will be paid at the unit trust level by the trustee of the relevant trust. This effectively means the fees are shared between URB and any other co-owners of the trust.</p> <p>No fees of any kind (including due diligence costs) will be payable to PSRE in relation to the identification of potential assets for the Property Portfolio under the Co-Investment Agreement.</p> <p>PSRE will be entitled to the following fees payable by the trust for Passive Assets:</p> <ul style="list-style-type: none"> <li>an asset management fee of 0.75% per annum of the Direct Property Asset value (such value to be the purchase price for the first two years after acquisition and for all years subsequent, the latest independent valuation), payable monthly; and</li> <li>a performance fee referable to the pre-tax annual rate of return achieved by the trust that owns the property upon disposal of the property, the 5 year anniversary of the acquisition of the property or upon termination of the manager (other than for cause). The performance fee will be 20% of the outperformance of the trust over a pre-tax annual return hurdle of 8%.</li> </ul> <p>PSRE will be entitled to the following fees payable by the trust for Development Assets:</p> <ul style="list-style-type: none"> <li>a project management fee equal to 5% of the development costs of the project, payable monthly; and</li> <li>a performance fee referable to the pre-tax annual rate of return achieved by the trust that owns the property upon practical completion of the development or upon a sale of the property if this occurs before practical completion. The performance fee will be 30% of the outperformance of the trust over a pre-tax annual return hurdle of 8% and 50% of the outperformance of the trust over a pre-tax annual return hurdle of 14%.</li> </ul> <p>PSRE will be entitled to the following fees payable by the trust for all Direct Property Assets (whether a Passive Asset or a Development Asset):</p> <ul style="list-style-type: none"> <li>a structuring fee of 0.75% of the net purchase price of the Direct Property Asset;</li> <li>a leasing fee payable whenever a new tenant is secured; and</li> <li>where relevant, a debt advisory fee of 0.45% of the total debt raised.</li> </ul>	<p>Sections 9.3 and 9.4</p>

TOPIC	SUMMARY	REFER TO
<b>Can URB source Direct Property Assets other than from PSRE?</b>	<p>Yes, URB can source Direct Property Assets itself or through Contact or a third party. However, if a Direct Property Asset is identified by such a party, URB must offer Soul Pattinson the opportunity to invest in that property in the same proportion and on the same terms as URB.</p> <p>In these circumstances, PSRE has no right to be appointed property manager and URB may engage another manager to provide property management and development services with respect to that particular property.</p>	Section 9.3(h)
<b>What are the Direct Property Seed Assets?</b>	The Direct Property Seed Assets are the Kingsgrove Property, the Penrith Property and the Prestons Property as described in Section 3.8. Pursuant to call options granted by Soul Pattinson to URB, if the Offer is successful, URB will acquire a 49.9% interest in each of these Direct Property Seed Assets.	Section 3.8
<b>Will any related party have a significant interest in the Company or the Offer?</b>	<p>Each Director is a related party of the Company. Each Director will be remunerated for their services. See Section 8.8 for a summary of their remuneration.</p> <p>In addition to their annual remuneration, each of the Directors will be entitled to be reimbursed for certain costs and expenses. Full details of Director remuneration are set out in Section 8.8.</p> <p>The Directors, and entities associated with them, are permitted to participate in the Offer. The Directors and their associates have not determined their exact participation in the Offer at the date of this Prospectus. At Completion of the Offer, the Directors are expected to have relevant interest in the following numbers of Securities:</p> <ul style="list-style-type: none"> <li>(a) Warwick Negus: 100,000 Securities;</li> <li>(b) Victoria Weekes: 15,000 Securities;</li> <li>(c) Tony McDonald: 100,000 Securities; and</li> <li>(d) Bruce Dungey: 68,182 Securities.</li> </ul> <p>Full details of the expected participation by Directors is set out in Section 8.6.</p> <p>As at the date of this Prospectus, the Investment Manager is the sole Securityholder of the Company and is therefore a related party of the Company. The Company and the Investment Manager have entered into the Investment Management Agreement pursuant to which the Investment Manager is entitled to be paid certain fees by the Company. Further details of the Investment Management Agreement are set out above and in Section 9.1.</p> <p>Other than as set out above and in this Prospectus, there are no existing or proposed arrangements between the Company and its related parties.</p>	Sections 8.6, 8.7, 8.8 and 8.11

## 1.2 KEY HIGHLIGHTS AND RISKS OF AN INVESTMENT IN THE COMPANY

TOPIC	SUMMARY	REFER TO
What are the highlights of the Offer?	<p>URB will provide Securityholders with access to:</p> <ul style="list-style-type: none"> <li>■ <b>Investments exposed to urban renewal and regeneration</b> – URB is the only listed investment company in Australia investing solely in Equity Assets and Direct Property Assets exposed to urban renewal and regeneration;</li> <li>■ <b>Alternative asset class</b> – URB's unique focus on urban renewal and regeneration investments provides an opportunity for diversification and growth of an investor's portfolio;</li> <li>■ <b>Equity investments</b> – access to investments within the Urban Renewal Universe<sup>3</sup> which is made up of 89 stocks from ASX All Ordinaries Index of 500 stocks and has a combined market capitalisation of almost \$350 billion. URB's Equity Portfolio will seek to complement more mainstream equity portfolios as URB does not intend to hold banking or resource stocks;</li> <li>■ <b>Direct Property Seed Assets</b> – URB will have a 49.9% interest in the Direct Property Seed Assets which have a value of approximately \$59 million. The Direct Property Seed Assets are located in New South Wales in Kingsgrove, Prestons and Penrith. URB considers that all Direct Property Seed Assets have potential for valuation uplift through income and capital growth; and</li> <li>■ <b>Co-Investment Agreement</b> – through the Co-Investment Agreement, URB will have the right to co-invest, on an equal basis with Soul Pattinson, in all Direct Property Assets originated by PSRE that are presented to Soul Pattinson. Direct property investments will therefore be made alongside Soul Pattinson, one of Australia's oldest and respected investment houses.</li> </ul>	Section 3.4, 3.4(c)(ii) and 9.3
What are the key risks associated with the business model and the Offer?	<p>The Company's investment activities will expose Securityholders to a variety of risks including those specific to an investment in Direct Property Assets. A non-exhaustive summary of some key risks identified by the Company is set out below.</p> <ul style="list-style-type: none"> <li>■ <b>No operating or performance history of the company:</b> whilst the Directors of the Company and the Investment Manager have significant experience in managing securities and in the financial and related advisory industries, URB is a new entity with no financial, operating or performance history and no track record which can be used by investors to make any form of assessment of the ability of the Company and/or the Investment Manager to achieve the objectives set out in this Prospectus;</li> <li>■ <b>Direct property investment risk:</b> the value of the Investment Portfolio may be adversely affected by a number of factors outside the control of URB, including supply and demand for the Direct Property Assets, general property market conditions, the availability of credit, the ability to attract and implement economically viable rental arrangements, re-leasing or subdivision of properties, capitalisation rates and general economic factors such as the level of inflation and interest rates;</li> </ul>	Section 5

<sup>3</sup> The Urban Renewal Universe is not an official index but rather is a universe of ASX listed equities that the Investment Manager considers to have exposure to urban renewal and regeneration and that falls within the Company's Investment Strategy. Please see Section 3.4 for further details.



TOPIC	SUMMARY	REFER TO
<p><b>What are the key risks associated with the business model and the Offer?</b> continued</p>	<ul style="list-style-type: none"> <li>■ <b>Investment Manager and PSRE performance risk:</b> there is a risk that the Investment Manager may not effectively manage the Investment Portfolio or may advise the Investment Portfolio in a manner that does not consistently meet the Investment Objective over time. Similarly, in relation to the Direct Property Assets, URB will rely upon, among other things the advice and recommendations of PSRE. It is possible that PSRE is unable to identify suitable new acquisitions or that notwithstanding the Co-Investment Agreement with Soul Pattinson and PSRE, URB is unable to secure Direct Property Assets acquisitions. The past performance of portfolios managed by the Investment Manager (and persons associated with the Investment Manager) and the historic ability of PSRE to identify and acquire properties, are not necessarily a guide to future performance of the Company. Regardless of the Investment Manager's performance, the Company cannot terminate the Investment Management Agreement during the initial 10 year term (other than for cause and specified termination events);</li> <li>■ <b>Property Liquidity:</b> given the relatively illiquid nature of property investments, URB may not be able to dispose of a Direct Property Asset in a timely manner or at a sale price that matches the carrying value of the Direct Property Asset. This may affect URB's net asset value or trading price per Security;</li> <li>■ <b>Valuation risk:</b> valuations ascribed to each Direct Property Asset will be influenced by a number of factors and assumptions made by the valuer. There is a risk that if the assumptions underpinning the valuations are not correct, the value of the Direct Property Asset may turn out to be materially lower than that shown in the valuation;</li> <li>■ <b>Performance Fees:</b> the Investment Manager may receive compensation based on URB's performance. Performance Fee arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than would be the case in the absence of such a fee;</li> <li>■ <b>Investment risk:</b> there is a risk that the Equity Assets and the Direct Property Assets, and therefore the Investment Portfolio, will fall in value over the short or long term or may experience sustained periods of poor investment performance;</li> <li>■ <b>Securities risk:</b> as with any investment in listed securities, there is a risk that the market price of URB's Shares or Options or the Equity Assets that URB invests in are adversely affected by changing circumstances or events;</li> <li>■ <b>Liquidity risk:</b> there can be no guarantee that an active and liquid market for URB's Shares and Options will develop or be maintained;</li> <li>■ <b>Reliance on key personnel:</b> the loss or departure of one or more key personnel (including the Directors or key executives of the Investment Manager or PSRE) and/or the inability to hire effective replacements may have a material adverse effect on the Company's performance or ability to grow;</li> <li>■ <b>Development risks for Direct Property Assets:</b> URB does not intend to take on high density residential development risk. However, URB may re-organise assets in a controlled way to enhance the returns from that asset. This may include development for industrial and commercial property but only on a basis where development risk is substantially mitigated. Despite the mitigation arrangements, URB may suffer loss where completion of construction works are delayed. Where a development is under a fixed price contract, there is a risk that an increase in costs to a level materially greater than the expected development costs may not be able to be funded by the developer and the development may not complete (or URB and other co-owners may agree to bear the excess costs in order to complete the development);</li> </ul>	<p>Section 5</p>

TOPIC	SUMMARY	REFER TO
<b>What are the key risks associated with the business model and the Offer?</b> continued	<ul style="list-style-type: none"> <li>■ <b>Potential conflicts of interest:</b> while the Investment Manager has implemented policies and procedures to identify and mitigate conflicts of interest that may arise due to its engagement with other funds and accounts, it is possible that potential conflicts of interest may not be managed effectively and may be detrimental to the Company and its Securityholders;</li> <li>■ <b>Dividend risk:</b> no guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Investment Portfolio or the return on an investment made by the Company and therefore its ability to pay dividends or make other distributions;</li> <li>■ <b>Additional Direct Property Asset risks:</b> there are additional risks associated with URB's investments in Direct Property Assets, these include: <ul style="list-style-type: none"> <li>■ any negative impact on rental income has the potential to adversely affect the financial performance of the Investment Portfolio and the value of the Securities;</li> <li>■ there is a risk that Direct Property Assets may not be favourably re-zoned in which case the value of the Direct Property Assets may not increase as expected; and</li> <li>■ the value of the Direct Property Assets could be adversely affected by any discovery of an environmental contaminant or breach of environmental law. With respect to the Kingsgrove Property there are particular contamination risks as described in Section 5.3 "Environmental Risks" 3.8(b).</li> </ul> </li> </ul>	Section 5

## 1.3 KEY INFORMATION ABOUT THE OFFER

TOPIC	SUMMARY	REFER TO
<b>What is the Offer?</b>	This Prospectus relates to an invitation to apply for a minimum of 68,181,818 and up to 272,727,273 fully paid ordinary Shares in the Company at an Offer Price of \$1.10 per Share (and for each Share, one Option to acquire a Share) (the Shares and Options together, the <b>Securities</b> ) (the <b>Offer</b> ).	Section 2.1
<b>What is the minimum application size?</b>	The minimum application size is for the value of \$2,200 (2,000 Shares and Options).	Section 2.7
<b>Who can participate in the Offer?</b>	There are three Offers available that are open to: (a) <b>the Broker Firm Offer</b> – open to Applicants who have received a firm allocation from their Broker and: (i) are Retail Applicants who have a registered address in Australia or New Zealand; or (ii) are Institutional Applicants who have a registered address in Australia, New Zealand, Hong Kong or Singapore; (b) <b>the Priority Offer</b> – Priority Participants (being shareholders of Soul Pattinson and BKI at the Record Date who are residents in Australia or New Zealand); and (c) <b>the General Offer</b> – all Applicants with a registered address in Australia or New Zealand.	Section 2.2
<b>How do I apply for Securities under the Offer?</b>	To participate in the relevant Offer: (a) <b>the Broker Firm Offer</b> – your Application Form must be received by your Broker by 5:00pm (AEST) on the Broker Firm Offer Closing Date; (b) <b>the Priority Offer</b> – your Application Form and Application Monies must be submitted to the Registry or your Broker by 5:00pm (AEST) on the Closing Date; and (c) <b>the General Offer</b> – your Application Form and Application Monies must be submitted to the Registry or your Broker by 5:00pm (AEST) on the Closing Date.  Early lodgement of your Application is recommended, as the Directors may close the Offer at any time after the expiry of the Exposure Period without prior notice.	Section 2.3(b), 2.4(b) and 2.5(b)
<b>What are the Option terms?</b>	For each Share issued to an Applicant, the Company will issue to that Applicant one Option. Applicants do not have to pay to subscribe for Options under the Offer.  Each Option is exercisable into one fully paid ordinary share at \$1.10 until 5:00pm (Sydney time) on 7 April 2018.	Section 2.1 and 11.4

TOPIC	SUMMARY	REFER TO
<b>Who are the Joint Lead Managers to the Offer?</b>	Commonwealth Securities Limited ABN 60 067 254 399, Bell Potter Securities Limited ACN 006 390 772 and Morgans Financial Limited ACN 010 669 726 (each a <b>Joint Lead Manager</b> and together, the <b>Joint Lead Managers</b> ) will act as joint lead managers to the Offer.	Section 9.2
<b>Is the Offer underwritten?</b>	No, the offer is not underwritten.	Section 2.8
<b>Who is the Authorised Intermediary?</b>	Morgans Financial Limited ACN 010 669 726 is the Authorised Intermediary of the Offer.	Section 2.19 and 9.5
<b>Will the Securities be listed?</b>	Yes. All Shares and Options issued under the offer will be listed on the Australian Securities Exchange under the ticker code URB and URBO respectively.	Section 2.15
<b>What fees are payable to the Brokers?</b>	The Company will pay Brokers (including the Joint Lead Managers) a selling fee of 1.5% (exclusive of GST) of the amount equal to the total number of Securities in respect of which the relevant Broker has received or procured valid Applications under the Broker Firm Offer, the Priority Offer or the General Offer, multiplied by the Issue Price. Payment of the selling fee is subject to a valid claim being made by the Broker as outlined in Section 2.18.	Section 2.18(a)
<b>Other fees payable to the Joint Lead Managers</b>	The Company must also pay the Joint Lead Managers in their respective proportions a management fee of 1.2% (exclusive of GST) of the total proceeds raised under the Offer (excluding any amounts raised under the Chairman's List which includes any amounts subscribed for by Soul Pattinson).	Section 2.18(b) and 9.2
<b>What are the fees and costs of the Offer?</b>	<p>The costs of the Offer, net of tax and GST, include the costs of the Joint Lead Managers, Financial Advisor, legal, accounting, marketing and other costs associated with the preparation of the Prospectus and the issue of Securities.</p> <p>These costs are estimated to be:</p> <p>(a) \$2,415,788 (net of tax) assuming the Minimum Subscription is reached; and</p> <p>(b) \$8,433,702 (net of tax) assuming the Maximum Subscription is reached.</p>	Sections 6.6 and 11.12
<b>What are the tax implications of investing in Shares?</b>	<p>The taxation consequences of any investment in the Securities will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. Applicants are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax advisor.</p> <p>A general overview of the Australian and New Zealand taxation implications of investing in the Company is set out in Section 11.9 and is based on current tax law and Australian Tax Office (ATO) tax rulings. The information in Section 11.9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. We recommend you seek independent tax advice.</p>	Section 11.9
<b>Will the Company qualify as a LIC under Australian taxation laws?</b>	The Company will not qualify as a LIC under Australian taxation laws as the permitted investments will be less than 90% of the portfolio value. Consequently, the Company will not be able to distribute LIC capital gains to Securityholders.	Section 3.13



TOPIC	SUMMARY	REFER TO
<p><b>How can I obtain further information?</b></p>	<p>If you have any questions in relation to the Offer, contact the URB Offer Information Line between 8.30am and 5.30pm (AEST), from Monday to Friday on:</p> <ul style="list-style-type: none"> <li>■ 1300 420 406 (within Australia);</li> <li>■ +61 1300 420 406 (outside Australia); or</li> <li>■ via email at <a href="mailto:capitalmarkets@linkmarketservices.com.au">capitalmarkets@linkmarketservices.com.au</a>.</li> </ul> <p>If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial advisor, accountant, lawyer or other professional advisor.</p>	



## SECTION 2

# DETAILS OF THE OFFER

This is a summary only. This Prospectus should be read in full before making any decision to apply for Securities.

### 2.1 THE OFFER

This Prospectus relates to an invitation to apply for a minimum of 68,181,818 and up to 272,727,373 fully paid ordinary Shares in the Company at an Offer Price of \$1.10 per Share (and for each Share, one Option to acquire a Share) (the Shares and Options together, the **Securities**) (the **Offer**). Each Option under the Offer is issued for nil consideration and is exercisable at \$1.10 until 5.00pm (AEST) on 7 April 2018.

The Offer will raise a minimum of \$75,000,000 (the **Minimum Subscription**) and a maximum of \$300,000,000 (the **Maximum Subscription**).

If 272,727,273 Options are issued under the Offer and are subsequently exercised before the Exercise Date, the Company will have raised a further \$300,000,000.

A summary of the terms of the Shares and Options is set out in Section 11.3 and Section 11.4 respectively.

### 2.2 STRUCTURE OF THE OFFER

The Offer is comprised of:

- (i) **the Broker Firm Offer** – open to Applicants who have received a firm allocation from their Broker and:
  - (A) are Retail Applicants who have a registered address in Australia or New Zealand; or
  - (B) are Institutional Applicants who have a registered address in Australia, New Zealand, Hong Kong or Singapore;
- (ii) **the Priority Offer** – open to Priority Participants (being shareholders of Soul Pattinson and BKL at the Record Date who are residents in Australia or New Zealand); and
- (iii) **the General Offer** – open to all Applicants with a registered address in Australia or New Zealand.

Early lodgement of your Application is recommended, as the Directors may close the Offer at any time after the expiry of the Exposure Period without prior notice. The Directors may extend the Offer in accordance with the Corporations Act. The Directors reserve the right to terminate the Offer at any time.

### 2.3 BROKER FIRM OFFER

#### (a) Who may apply

The Broker Firm Offer is open to Applicants who have received a firm allocation from their Broker and:

- are Retail Applicants who have a registered address in Australia or New Zealand; or
- are Institutional Applicants who have a registered address in Australia, New Zealand, Hong Kong or Singapore;

Applicants that have been offered a firm allocation by a Broker will be treated as Applicants under the Broker Firm Offer in respect of that allocation.

Applicants should contact their Broker to determine whether they may be allocated Shares and Options under the Broker Firm Offer.

**(b) How to apply**

To participate in the Broker Firm Offer, your Application Form must be received by your Broker by 5:00pm (AEST) on the Broker Firm Offer Closing Date.

Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with a Broker Firm Application Form. **The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a copy of this Prospectus.**

Applicants under the Broker Firm Offer must complete their Broker Firm Application Form and pay their Application Monies to their Brokers in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms to the Company or Registry.

The allocation of Shares and Options to Brokers will be determined by the Company and the Joint Lead Manager. Securities that are allocated to Brokers for allocation to their Australian and New Zealand resident clients will be issued to the successful Applicants that have received a valid allocation of Securities from those Brokers.

It will be a matter for the Brokers to allocate Securities among their clients and they (and not the Company) will be responsible for ensuring that clients, who have received an allocation from them, receive the relevant Securities. Please see Section 2.10 for information on the allocation policy under the Broker Firm Offer.

The Company and the Share Registry take no responsibility for any acts or omissions by your Broker in connection with your Application, Broker Firm Application Form and Application Monies (including, without limitation, failure to submit Broker Firm Application Forms by the close of the Broker Firm Offer).

**2.4 THE PRIORITY OFFER****(a) Who may apply**

Up to 75,000,000 Shares and Options have been set aside for the Priority Offer to be made to Priority Participants. Priority Participants are shareholders in Soul Pattinson or BKL with registered addresses in Australia or New Zealand as at the Record Date being 7:00pm on 28 February 2017.

The Priority Offer will be restricted to the Priority Participants and allocated at the discretion of the Company.

**(b) How to apply**

Priority Participants should use the Priority Offer Application Form. To participate in the Priority Offer, your Application Form and Application Monies must be submitted to the Registry or your Broker by 5:00pm (AEST) on the Closing Date.

Early lodgement of your Application is recommended, as the Offer may be closed early at the Directors' discretion.

If the Company receives Applications from Priority Participants for more than 75,000,000 Shares and Options, it intends to treat such additional Applications as being made under the General Offer on a General Offer Application Form.

Shares and Options offered under the Priority Offer that are not taken up will be allocated by the Company under the General Offer or Broker Firm Offer.

Please see Section 2.6 below for further details on how to apply for the Priority Offer.

**2.5 GENERAL OFFER****(a) Who may apply**

The General Offer is open to all Applicants with a registered address in Australia or New Zealand. Employees of the Investment Manager and Directors of the Company are able to participate in the General Offer. Please see Section 8.6 for details of the Directors' participation.

Early lodgement of your Application is recommended as the Offer may be closed early at the Directors' discretion.

**(b) How to apply**

To participate in the General Offer, your Application Form and Application Monies must be submitted to the Registry or your Broker by 5:00pm (AEST) on the Closing Date.

Please see Section 2.6 below for further details on how to apply for the General Offer.



## 2.6 HOW TO APPLY UNDER THE PRIORITY OFFER OR THE GENERAL OFFER

### (a) Application Forms

Applications under the Priority Offer and General Offer must be made and will only be accepted on the applicable Application Form that accompanies this Prospectus.

The Application Form marked "Priority Offer" must be completed by Priority Participants who are not participating in the Broker Firm Offer or the General Offer.

The Application Form marked "General Offer" must be completed by Applicants who are not participating in the Broker Firm Offer or the Priority Offer.

"Priority Offer Application Forms" and "General Offer Application Forms" will be accepted at any time after the Opening Date and prior to 5:00pm (AEST) on the Closing Date (expected to be 30 March 2017).

An Application Form must be completed in accordance with the instructions on the form (if using a paper Application Form, the instructions are on the reverse side of the Application Form or, if using an electronic Application Form, follow the prompts).

Applications under the General Offer or Priority Offer must comply with the minimum subscription requirements set out in Section 2.7 below.

Please see Section 2.11 for information on the allocation policy under the Broker Firm Offer.

Applications and Application Monies for Shares and Options under the Priority Offer and General Offer received after 5:00pm (AEST) on the Closing Date will not be accepted and will be returned to Applicants.

The Directors may extend the Closing Date. Applications must be accompanied by payment in Australian currency.

### (b) Payment by Cheque or Bank Draft

Cheque(s) or bank draft(s) must be drawn on an Australian branch of a financial institution and made payable to "URB Investments IPO" and crossed "Not Negotiable".

Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. Accordingly, Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s).

If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the number of Securities you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies (and to have specified that amount in your Application Form) or your Application may be rejected.

Completed Application Forms and accompanying cheques may be lodged with:

#### By Mail

##### URB Investments Limited

c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

#### Hand Delivered

##### URB Investments Limited

c/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

(please do not use this address for mailing purposes)

### (c) Payment by BPAY

You may apply for Shares and Options online and pay your Application Monies by BPAY.

Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus, which is available at [www.urbinvest.com.au](http://www.urbinvest.com.au) and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

You do not need to complete and return a paper Application Form, if you pay by BPAY.

You should be aware that you will only be able to make a payment via BPAY, if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5:00pm (AEST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

## 2.7 MINIMUM SUBSCRIPTION

The minimum subscription amount payable by an individual Applicant under the Offer is \$2,200 (i.e. 2,000 Shares and Options). In addition, there is an aggregate Minimum Subscription required of \$75,000,000 for the Offer to proceed.

## 2.8 OFFER NOT UNDERWRITTEN

The Offer is not underwritten.

## 2.9 EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of the Original Prospectus with ASIC (the **Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. Applications received during the Exposure Period will not be processed until after the expiry of that period.

No preference will be conferred on Applications received during the Exposure Period.

## 2.10 ALLOCATION POLICY – BROKER FIRM OFFER

Securities that have been allocated to Brokers for allocation to their clients will be issued to the Applicants nominated by those Brokers. It will be a matter for each Broker as to how they allocate firm Securities among their clients, and they (and not the Company nor the Joint Lead Managers) will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Securities.

## 2.11 ALLOCATION POLICY – PRIORITY OFFER AND GENERAL OFFER

The basis of allocation of Securities within the General Offer and the Priority Offer will be determined by the Joint Lead Managers in consultation with the Company.

Certain Applicants nominated by the Company may be given preference in the allocation of Securities.

The Company reserves the right in its absolute discretion not to issue any Securities to Applicants under the Offer and may reject any Application or allocate a lesser number of Securities than those applied for at its absolute discretion.

## 2.12 APPLICATION MONIES

All Application Monies received by the Company will be held by the Company on trust, in a separate account until the Securities are issued to successful Applicants. The Company will retain any interest earned on the Application Monies held on trust pending the issue of Securities to successful Applicants.

## 2.13 ALLOTMENT

The Company will not allot Shares and Options until the Minimum Subscription has been received and ASX has granted permission for quotation of the Shares and Options unconditionally or on terms acceptable to the Company. The Company is not currently seeking quotation of its Securities on any financial market other than ASX.

Normal settlement trading in the Securities, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants that sell Securities before they receive confirmation of their allotment will do so at their own risk.

It is expected that the issue of Shares and Options under the Offer will take place by 4 April 2017.

An Application constitutes an Offer by the Applicant to subscribe for Shares and Options on the terms and subject to the conditions set out in this Prospectus. A binding contract to issue Shares and Options will only be formed at the time Shares and Options are allotted to Applicants.

Where the number of Shares and Options allotted is fewer than the number applied for or where no allotment is made, the surplus Application Monies will be returned to Applicants (without interest) within the time prescribed by the Corporations Act.

## 2.14 DISCRETION REGARDING THE OFFER

The Company may withdraw the Offer at any time before the issue or transfer of Securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application or allocate to any Applicant fewer Securities than applied for.

## 2.15 APPLICATION TO ASX FOR LISTING OF THE COMPANY AND QUOTATION OF THE SECURITIES

The Company applied for admission to the Official List of ASX and quotation of the Securities on ASX within seven days of the Prospectus Date. The Company's ASX code for the Shares is expected to be URB and URB0 for the Options.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Securities offered for subscription.

If permission is not granted for the official quotation of the Securities on ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

## 2.16 CHESS AND ISSUER SPONSORED HOLDINGS

The Company will apply to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares and Options become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers - an electronic CHESS sub-register or an issuer sponsored sub-register.

Following completion of the Offer, Securityholders will be sent a holding statement that sets out the number of Shares and Options that have been allocated to them. This statement will also provide details of a Securityholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Securityholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Securityholders will receive subsequent statements during the first week of the following month, if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Securityholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

## 2.17 BROKERAGE, COMMISSION AND STAMP DUTY

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares and Options under the Offer.

Please see Sections 9.2 and 2.18 below for more details on the appointment of the Joint Lead Managers, including fees payable by the Company.

## 2.18 FEES

### (a) Selling Fees payable to Brokers and Joint Lead Managers

The Company will pay Brokers (including the Joint Lead Managers) a selling fee of 1.5% (exclusive of GST) of the amount equal to the total number of Securities in respect of which the relevant Broker has received or procured valid Applications under the Broker Firm Offer, the Priority Offer or the General Offer, multiplied by the Issue Price. Payment of the selling fee is subject to a valid claim being made by the Broker (in all cases) (in the case of Applications under the General Offer or Priority Offer) as verified by the Company's share registry.

Brokers may obtain a copy of the claim form by contacting the Joint Lead Managers or the Share Registry on [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au). No fees will be payable by the Company with respect to applications under the Priority Offer or General Offer that are not subject to a valid claim by a Broker.

### (b) Other fees payable to the Joint Lead Managers

The Company must also pay the Joint Lead Managers in their respective proportions a management fee of 1.2% (exclusive of GST) of the total proceeds raised under the Offer (excluding any amounts raised under the Chairman's List which include any amounts subscribed for by Soul Pattinson).

## 2.19 AUTHORISED INTERMEDIARY

The Offer under this Prospectus will be made under an arrangement between the Company and the Authorised Intermediary, under Section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares and Options by the Company under the Prospectus and the Company will only issue Shares and Options in accordance with Applications made under such offers, if they are accepted.

## 2.20 OVERSEAS INVESTORS

The Offer is an offer to Retail Applicants with a registered address in Australia or New Zealand and Institutional Applicants with a registered address in Australia, New Zealand, Hong Kong or Singapore. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

### (a) United States Residents

The Offer is not open to persons in the United States or U.S. Persons. The Securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these Securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these Securities may not be conducted unless in compliance with the US Securities Act.

### (b) Hong Kong

WARNING: This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.



The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### **(c) Singapore**

This document has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the **SFA**) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the Securities are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **(d) Overseas Ownership and Resale Representation**

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

## **2.21 TAX IMPLICATIONS OF INVESTING IN THE COMPANY**

The taxation consequences of any investment in the Securities will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. Applicants are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax advisor.

A general overview of the Australian and New Zealand taxation implications of investing in the Company is set out in Section 11.9 and is based on current tax law and Australian Tax Office (ATO) tax rulings. The information in Section 11.9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. We recommend you seek independent tax advice.

## **2.22 ANTI-MONEY LAUNDERING / COUNTER-TERRORISM**

The Company, Investment Manager or Joint Lead Managers may be required under the Anti-Money Laundering / Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Company reserves the right to reject any Application from an Applicant that fails to provide identification information upon request.

## 2.23 ACKNOWLEDGEMENTS

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) included in or accompanying the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Securities at the Australian Dollar amount shown on the front of the Application Form and applied for the Securities under this Prospectus;
- agreed to be allocated the number of Securities applied for (or a lower number allocated in a way described in this Prospectus), or no Securities at all;
- authorised the Company and the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Securities to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement Prospectus) is not financial product advice or a recommendation that Securities are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs of the Applicant(s);
- declared that the Applicant(s) is either a Retail Applicant with a registered address in Australia or New Zealand or an Institutional Applicant with a registered address in Australia, New Zealand, Hong Kong or Singapore;
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus;
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed;

Each Applicant to whom the Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Securities in the United States.

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## SECTION 3

# ABOUT THE COMPANY

### 3.1 OVERVIEW

URB was incorporated on 13 October 2016 specifically for the purposes of the Offer. Following Completion of the Offer and subject to obtaining the requisite approval from ASX, the Company will be an investment company listed on the ASX.

URB is an Australian investment company created to capitalise on urban renewal and regeneration opportunities with the aim of providing investors with access to:

- an actively managed Investment Portfolio that will comprise of:
  - equities listed on ASX (including unlisted securities on the condition that they are proposed to be listed on ASX within 12 months of acquisition) (each **Equity Asset**, together the **Equity Portfolio**);
  - unlisted direct properties (each a **Direct Property Asset**, together the **Property Portfolio**); and
  - cash and cash equivalents awaiting investment;
- the investment expertise of the Investment Manager; and
- the property expertise of PSRE, the real estate investment management division of Soul Pattinson.

URB's objective is to capture and add value through both capital and income growth from an actively managed portfolio of Equity Assets and Direct Property Assets. URB's long term target is to offer Securityholders a sustainable and growing fully franked dividend and a yield that is competitive within the listed investment company industry.

### 3.2 RATIONALE FOR INVESTING IN URBAN RENEWAL AND REGENERATION

Urban renewal and regeneration is the transformation of existing urban areas to accommodate much denser and generally mixed used environments. Urban renewal and regeneration is characterised by the unlocking of under-utilised areas for jobs, investment and housing. It typically involves rezoning land whilst investing in hard and soft infrastructure required to cater for the desired new future of an area. Overall, urban renewal and regeneration enables the use and development of an area to better align with the current and future needs of a growing city<sup>4</sup>. It can generate a number of benefits including new infrastructure, better use of existing infrastructure, increased productivity, additional expenditure and new employment opportunities.

URB will seek to benefit from urban renewal and regeneration by investing in Equity Assets and Direct Property Assets that have exposure to population growth, population density, major infrastructure investment, housing growth, new employment, revitalisation of town centres, re-zoning and use of land changes, education services, healthcare services and tourism growth.

URB believes that exposure to urban renewal and regeneration in both the Equity Portfolio and the Property Portfolio can deliver attractive long term value and provide diversification benefits for investors' portfolios. Furthermore, URB believes that the vast majority of retail investors rarely get the opportunity to invest alongside institutional investors in Direct Property Assets, particularly those that are well placed to capitalise on urban renewal and regeneration.

URB considers its approach of investing in both Equity Assets and Direct Property Assets to be an efficient way to gain exposure to urban renewal and regeneration upside. By combining a portfolio of Direct Property Assets, which may take years to reach financial maturity, with an income producing Equity Portfolio, URB believes that an attractive mix of capital growth and dividend income could flow to Securityholders.

<sup>4</sup> As noted in the Urbis Report.



### (a) URBIS Pty Ltd Research – Urban Renewal is Shaping the Future of Cities

The extract below is an independent opinion piece prepared by Urbis Pty Ltd (Urbis). Urbis advise developers, property owners, investors, private firms, community groups, industry associations and all levels of government to help shape the cities and communities of Australia for a better future. Urbis design and master plan urban developments; guide development projects through the process of planning approval; assist in the build of new places of work, leisure, entertainment and commerce – from shopping malls to business parks and retirement living, and provide property market and economic analysis.



#### Urban Renewal shaping the future of cities

Australian cities are experiencing profound change.

Global megatrends of unprecedented population growth and urbanisation are propelling cities rapidly to futures vastly different than today. The complexity, speed and scale of change are challenging traditional approaches to planning and developing cities, with large scale urban renewals now superseding traditional organic city growth models.

Urban renewal, redevelopment, and revitalisation projects are crucial to the success of the city as they stimulate the economy, accelerate housing supply, enhance property values, instil a sense of community, reduce crime, assist current businesses and attract new ones.

#### The urban renewal global phenomenon

Urban renewal is the significant transformation of existing urban areas to accommodate much denser, generally mixed use environments. Echoing the journey of many Global Cities, Australian cities are now experiencing rapid transformation through the regeneration of areas to create contemporary, more dense living and work spaces.

Urban renewal is characterised by the unlocking of under-utilised areas for jobs, investment, and housing. It typically involves rezoning land whilst investing in hard and soft infrastructure required to cater for the desired new future of an area. Overall, urban renewal enables the use and development of an area to better align with the current and future needs of a growing city.

Urban renewal is not a new phenomenon – the redevelopment of inner city areas such as Pyrmont in Sydney and Subiaco in Perth from low density industrial to higher density, mixed used areas represent 'first generation' renewal projects. The 'current generation' of renewals are of significantly larger scale, including Docklands in Melbourne, Green Square in Sydney, The Bays Precinct in Sydney, Fortitude Valley in Brisbane and Elizabeth Quay in Perth. 'Next generation' renewals promise to be on a broader and more intense basis, including places in the middle and outer areas of cities.

#### Drivers of renewal

Understanding the forces driving change and renewal in cities provides the basis to identify potential significant future real estate investment and development opportunities.

Urban renewal is the centrepiece of the planning and development of all cities. Governments everywhere are increasingly recognising the critical importance of consolidating and renewing established urban areas for new, higher density development as opposed to allowing a continued low density, outward 'sprawl'.

Sprawl places a burden on governments to build 'new infrastructure' networks such as new roads and services which only exasperate the issue of homes being further away from jobs. Urban renewal areas generate greater patronage to existing infrastructure networks such as rail, metro and bus which in turn reduces traffic and enhances connectivity.

The shift in density from horizontal to vertical planning for the future of cities is driven by many environmental, economic and social factors not least being the increasing desire for residents of cities to live in mixed use areas offering high public transport connectivity to jobs, services and leisure/health facilities.

With the growing interest in environmentally sustainable development, future generations understand that density creates efficiencies over horizontal 'sprawl' such as central sources of heating and cooling, central waste collection, central power reticulation, central online connectivity and reduced traffic generation/dependency. Governments and future generations will demand higher standards of sustainability moving forward which is more easily achieved in urban renewal projects than 'sprawl'.

Metropolitan plans in most Australian cities now clearly emphasise urban consolidation as the dominant focus to satisfy future housing supply over traditional greenfield development, with urban renewal being the focal point for areas requiring the greatest change. Key drivers in the embracing of urban renewal as a dominant metropolitan planning strategy include the following:

- all cities are experiencing unprecedented levels of population growth and demographic change (such as the rapidly ageing of population and the challenge of affordability). This has created an imperative to identify areas capable of accommodating intensive, mixed use urban density.
- large and growing populations demand excellent access to public transport and other non-private vehicle movement modes. In congested and sprawling cities, resident decision making regarding living choices are influenced more than ever by transport other than personal vehicle, the ability to access heavy rail, metro and other regular, high speed public transport facilities offered by inner city locations.
- economic efficiencies and benefits gained from optimising development densities in established urban areas compared to greenfield development.
- environmental constraints to continued outward sprawl are reduced through planning more sustainable, higher density mixed used environments.

Overall urban renewal is recognised to generate significant benefits - better utilisation of existing and proposed infrastructure; increased city productivity from the co-location of more intensive jobs and housing; attracting visitors and additional expenditure; and new employment opportunities. Renewal projects can also offer more sustainable development through lower greenhouse emissions and more affordable housing compared to 'business as usual'.

Government at Federal, State and Local levels need to meet the growing demands of our cities through a range of holistic renewals founded on 'smart planning' initiatives that seek to renew areas while achieving a high standard of liveability, sustainability and productivity. The Australian Federal Government recently reinforced this approach in its 'Smart Cities' national policy, supported by the innovative 'City Deals' funding for a coordinated approach to large scale urban renewals at the three levels of government being Federal, State and Local.

Metropolitan and regional planning across the country include specific directions facilitating major urban renewals as catalysts and enablers to accommodate the demanding city growth targets. The demand for jobs, housing, health care, education and associated amenity in Australia is at an unprecedented level. Traditional planning methods that allow for organic development are failing to achieve such demanding targets and as such the federal and state governments are having to intervene with strategies designed to stimulate large scale urban renewal. City deals and precinct planning being the most relevant examples.

### **The DNA of successful urban renewal**

The shape and form of urban renewal varies depending upon the urban context, however there are definitive elements that characterise successful renewals:

- whilst facilitated primarily by government, urban renewal encapsulates a very broad spectrum of stakeholders including all levels of government; multiple service and infrastructure agencies; existing and desired future residents and workers in the area; and developers and financiers who bring the projects to life. The planning for renewal must engender a 'shared value' outcome for this broad spectrum of stakeholders necessitating lengthy, consultative and collaborative planning processes in order to achieve the collective objectives.
- renewals must adopt long term views. While some short-term opportunities may be crystallised, typical renewals adopt longer horizons and result in substantial uplift in land values.
- high quality built form outcomes are not-negotiable. High density living requires comprehensive masterplanning supported by effective infrastructure and services to be successful. Ideally, urban renewals are designed and planned to embody a distinct local character and avoid imposing built forms inappropriate to the existing area.
- the effective integration of a mix of land use and activities is essential. Contrasting to the land use segregation imposed by traditional (and rapidly outdated) singular land zoning approaches, urban renewals strive to create a complex mixture of activity and use that characterise the most successful cities.
- desired financial outcomes need to be supported by effective value capture strategies. Urban renewal causes significant change in land economics, driving land values and development outcomes to much higher levels. A holistic and clear structure to value capture and developer contribution is essential to underpin the funding of costly infrastructure critical to the success of the renewal.

### The investment opportunity

Urban renewal transforms the shape of our cities in response to how people want to engage with the built environment as well as meeting the requirements that growing populous creates. The ability to analyse and interpret the drivers of changes in the urban environments is key to informing decisions to invest in real estate which will experience uplift and value improvement over time.

Urban renewal should be a major focus for investors and developers in real estate, however often overlooked and incorrectly modelled. Enormous opportunities are available to participate in or benefit from renewal projects in Australia and offshore, with the ability to invest in 'core' or 'peripheral' aspects of projects.

Core investment is characterised by involvement as Principal of government released renewal areas and in which firms such as Lend Lease have dominated in Australia through their 'end to end' business model. Peripheral investment is the opportunity to acquire and/or develop real estate that is adjacent or near core renewal areas and which will benefit from the renewal process, typified currently in Sydney by the acquisition of assets around future Metro rail stations.

Mapping opportunities for investment in areas affected by urban renewal is possible through developing a strategic understanding of why, how and when changes in government policy, planning and infrastructure will occur.

### About Urbis

Urbis is Australia's leading specialised city shaping advisory practice – providing independent advice regarding the use, development, design, investment and governance of property and communities. Operating throughout Australia, Asia and the Middle East, Urbis specialises in the areas of:

- statutory and strategic urban planning;
- property economics and market research;
- real estate advisory including property valuations, asset consulting and project facilitation;
- urban design; and
- public policy.

Urbis advises clients on future commercial opportunities based on a holistic and comprehensive understanding of the social, economic, environmental, design and public policy factors driving changes in cities.

## 3.3 INVESTMENT OBJECTIVE

The Company's Investment Objective is to:

- (a) capture long-term value by investing in a diversified portfolio of Equity Assets and Direct Property Assets with exposure to urban renewal and regeneration; and
- (b) to maximise total Securityholder return through a combination of capital and income growth, with the long term target to offer Securityholders sustainable and growing fully franked dividends and a yield that is competitive within the listed investment company industry.

## 3.4 INVESTMENT STRATEGY

### (a) Overview

The Company's Investment Strategy is to create an actively managed portfolio of Equity Assets and Direct Property Assets. These assets will all have exposure to urban renewal and regeneration as described in more detail in Section 3.4(b) for Equity Assets and Sections 3.4(c) and 3.8 for Direct Property Assets.

#### Equity Portfolio

The equity component of the Investment Portfolio will comprise a diversified collection of Equity Assets that seek to capitalise on exposure to urban renewal and regeneration. URB's Equity Portfolio will seek to complement more mainstream equity portfolios as URB does not intend to hold banking or resource stocks. URB will have a flexible investment mandate, across various industries and will seek to offer investors exposure to quality companies that are thought to benefit from urban renewal and regeneration.

#### Property Portfolio

In relation to the Property Portfolio, URB will target Direct Property Assets that are set to benefit from changes in use, such as rezoning, gentrification and the maximisation of available floor space in order to enhance returns. Targeted properties will be undervalued assets which:

- require a short term repositioning for income; or
- require capital for restructuring; or
- have an underlying opportunity for capital revaluation through changes in use.

Investment will be made as close to the point of change as possible and, should there be a delay in such changes, the objective will be that the asset is underpinned by a sustainable and often growing income stream.

URB's strategy in relation to Direct Property Assets is to provide an opportunity for investors to gain exposure to assets traditionally only available to a select few. Investments by URB in Direct Property Assets are expected to be made alongside Soul Pattinson, one of Australia's oldest and respected investment houses.

### (b) Equity Investments

#### (i) Methodology

The Investment Manager's strategy with respect to the Equity Portfolio will be to take a high conviction approach with a flexible investment mandate, offering investors exposure to quality companies that are beneficiaries of urban renewal and regeneration. URB will specifically target Equity Assets set to benefit from significant infrastructure spend, re-zoning and use of land changes as well as capitalising on low-to-high density urban transformation projects. The details of what the Investment Manager considers is the Urban Renewal Universe of the Equity Assets are described in Section 3.4(b)(iii).

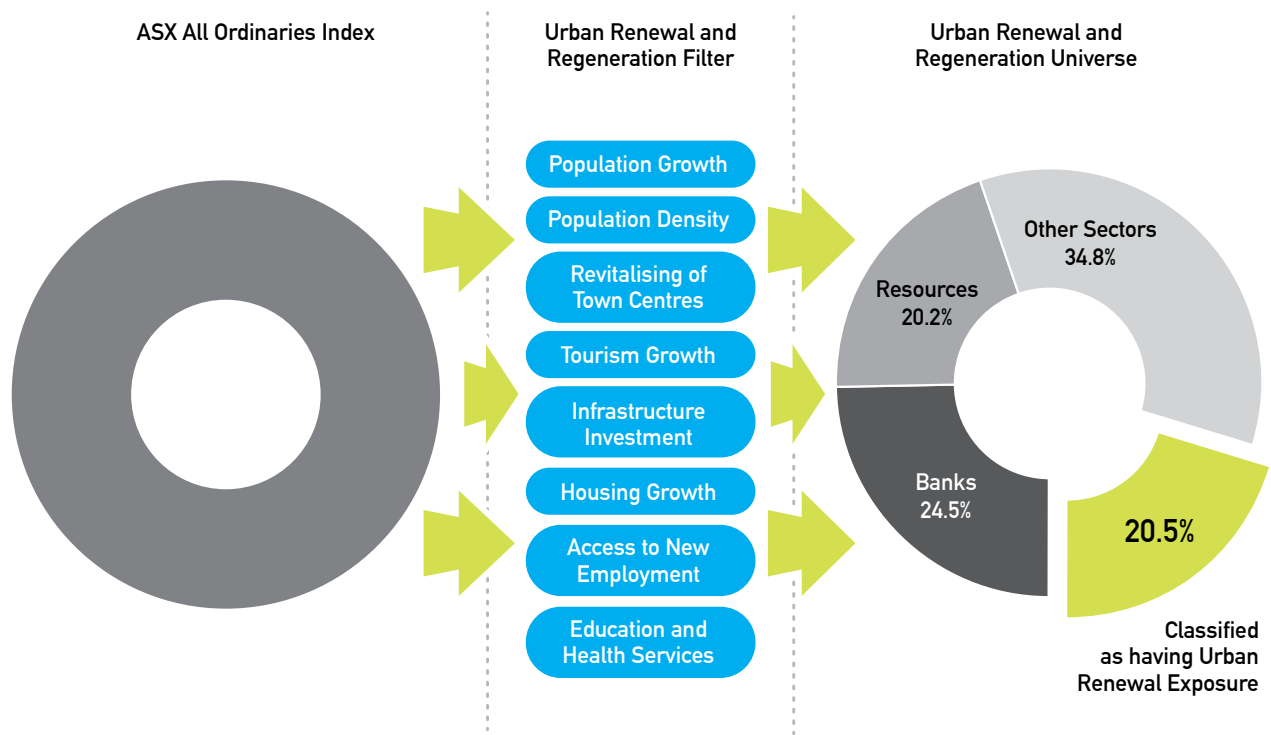
The construction of the Equity Portfolio by Contact will be a focused approach using active portfolio management and targeting fundamental, in-depth, bottom-up research to identify high quality and attractively valued Equity Assets using its disciplined investment process. The criteria outlined below forms the key components of a proprietary investment checklist that has been developed by the Investment Manager. By undertaking detailed company and industry analysis, the Investment Manager believes that it will lead to investments in companies that will generate strong absolute returns.

Key evaluation criteria of Equity Assets include:

- beneficiary of urban renewal and regeneration (see Section 3.4(b)(iii) below for details on determinants for benefitting from urban renewal and regeneration);
- dividend income and dividend sustainability;
- principal activity and competitive advantage;
- appropriately geared balance sheet;
- quality of management; and
- valuation.

(ii) Urban Renewal Universe

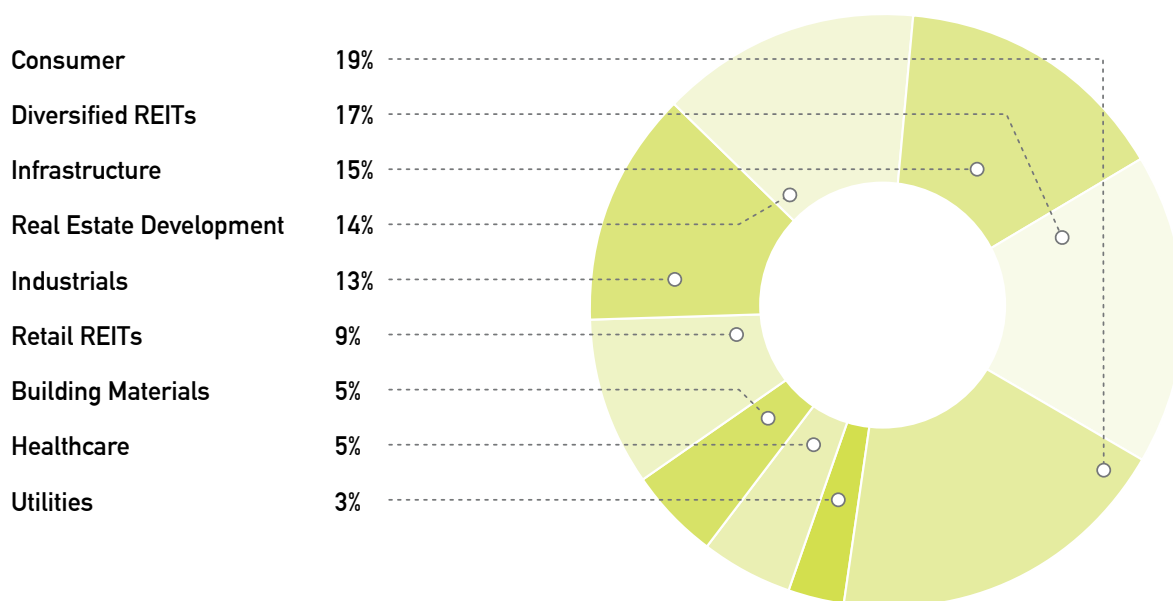
The Investment Manager believes that the Urban Renewal Universe is made up of 89 stocks (from the ASX All Ordinaries Index of 500 stocks as at 31 January 2017) (the **Urban Renewal Universe**). The Urban Renewal Universe is not an official index but is rather a universe of Australian equities that the Investment Manager considers to have exposure to urban renewal and regeneration and that falls within the Company’s Investment Strategy. Equity Assets that the Investment Manager considers comprise the Urban Renewal Universe will vary from time to time. The Urban Renewal Universe, when weighted based on market capitalisation, represents approximately 20.5% of the ASX All Ordinaries Index as at 31 January 2017.





The Urban Renewal Universe can be categorised, as seen below, into clear investment outcomes and industry groups that are directly related to urban renewal and regeneration. Below is an illustrative representation of a potential Equity Portfolio of URB which is made up of 30 stocks and is shown on a sector exposure basis. The Investment Manager believes that this portfolio should have a low correlation to a typical investor portfolio.

#### URB Investment Company – Illustrative sector exposure of the Equity Portfolio



URB does not currently hold any Equity Assets. The above graph is for illustrative purposes only and is not a guarantee of what the Equity Portfolio will comprise.

#### (iii) Unlisted Equity Investment

In addition to Equity Assets that are listed, the Investment Manager may from time to time invest in unlisted Australian equities that are proposed to be listed within 12 months. The investment criteria relating to unlisted Equity Assets will be in line with the Company's criteria for listed Equity Asset selection. Any investment in unlisted Equity Assets is expected to comprise a minor component of the Equity Portfolio and will require prior Board approval.

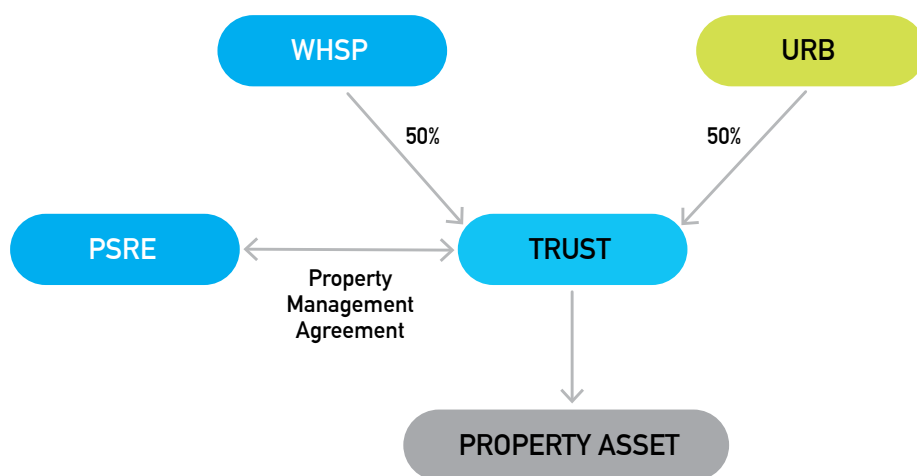
### (c) Direct Property Assets

#### (i) How are Direct Property Asset opportunities sourced?

URB will gain access to Direct Property Assets via the Co-Investment Agreement with Contact, Soul Pattinson and PSRE (as described in Section 9.3). Pursuant to the Co-Investment Agreement, URB will have the right to invest on an equal basis with Soul Pattinson in all urban renewal and regeneration Direct Property Assets originated by PSRE and presented to Soul Pattinson as an investment opportunity.

Where URB and/or Soul Pattinson proceed with the acquisition of a property opportunity that is sourced by PSRE, PSRE will be appointed as property manager pursuant to a Property Management Agreement between the trust that owns the property and PSRE. PSRE will provide property management services in connection with that property on the terms as described in Section 9.4.

Set out below is the typical structure for a property acquired pursuant to the Co-Investment Agreement.



If URB identifies (through itself, Contact or a third party) an opportunity to invest in a Direct Property Asset, URB must also offer Soul Pattinson the opportunity to invest in that property in the same proportion and on the same terms as URB. PSRE will not be entitled, unless agreed by URB, to manage that property opportunity.

### (ii) Target Direct Property Assets

Target Direct Property Assets will have strong underlying investment fundamentals which may include:

- sustainable income;
- location benefits;
- beneficiaries of significant Government infrastructure investment; and
- opportunity for uplift in value from re-zoning and/or increased use and density.

PSRE and Contact will seek to identify high quality and attractively valued property assets to build a diversified portfolio of assets that may include:

- commercial property;
- industrial property;
- infrastructure;
- undeveloped land; and
- residential property.

URB does not intend to take on high density residential development risk. However, it may re-organise assets in a controlled way to enhance the income stream. This may include development for industrial and commercial property (which may include mixed use development). URB will seek to mitigate any development risk through the use of fixed price building contracts and pre-commitments from potential lessees.

URB will seek to capture value in Direct Property Assets by purchasing as close to the point of uplift in use prior to re-valuation.

PSRE and Contact will apply the following investment criteria in relation to the Property Portfolio:

- **Asset selection:**
  - identify under-valued, under-developed and/or under-utilised property assets exposed to urban renewal and regeneration and acquire them at attractive prices; and
  - target assets where there are identifiable drivers of future revaluations coupled with sustainable income.
- **Portfolio construction:**
  - diversification by: geography; income mix and asset class; and
  - invest in sustainable returns across the entire property growth cycle.
- **Maximise asset performance:**
  - active asset/property management to generate superior income outcomes;
  - active engagement to maximise future uses and value uplift (e.g. re-zoning); and
  - value realisation: optimise value realisation to drive returns.

Debt may be used at the property level to fund acquisitions of Direct Property Assets or developments of Direct Property Assets. Borrowings will be limited to the property/trust level with security over the relevant underlying property. It is the Company's intention to conservatively gear the relevant Direct Property Asset. The Company does not intend to take on debt at the parent level.

### 3.5 ALLOWABLE INVESTMENTS

Under the Investment Management Agreement, the Investment Manager may invest in Equity Assets that are ASX listed securities without the prior approval of the Board.

Board approval is required for investments undertaken by the Investment Manager in:

- Unlisted Australian equities that are proposed to be listed within 12 months;
- Direct Property Assets;
- Investments that are not within the Investment Strategy;
- individual Equity Assets that would account for more than 15% of the Investment Portfolio's net asset value at the time of acquisition; or
- Corporate bonds which could result in the value of all corporate bonds held by the Company accounting for more than 1% of the Investment Portfolio.

The specific types of securities included in the Company's investable universe include but are not limited to:

- Ordinary shares (fully paid or contributing), stock, preference shares or stock (whether listed company or exchange traded) of any limited or no liability company listed on ASX and of any market capitalisation; and
- the units of any unit trust or any combined units and share securities (i.e. stapled securities) of any unit trust listed on ASX.

The Company may invest in cash and deposit products including term deposits.

The Equity Assets will be held by the Company with its own Securityholder Reference Numbers (SRN). It is not anticipated that a Custodian will be appointed.

### 3.6 INVESTMENT GUIDELINES AND PARAMETERS

The key investment parameters for the Investment Manager's implementation of the Investment Strategy are summarised below:

- at least 50% of the Investment Portfolio will be invested in the Equity Portfolio;
- 30%–49.9% of the Investment Portfolio will be invested in the Property Portfolio;
- it is currently expected that the Equity Portfolio will comprise of 20–40 Equity Assets listed on ASX;
- there is no minimum limit on the equity value of any Equity Asset or Direct Property Asset;
- the Investment Portfolio may include cash (and cash equivalents such as investment grade interest bearing debt securities) from time to time pending such cash being invested in the Equity Portfolio or the Property Portfolio;
- there is no limit to the level of cash in the Investment Portfolio;
- there are no limits on the investments that may be made by the Investment Manager based on industry sectors, provided the investment is within the Investment Strategy; and
- the Investment Strategy does not include:
  - the Company engaging in short selling;
  - borrowing at the Company level; or
  - investing in exchange traded and over the counter derivatives.

### 3.7 CHANGES TO INVESTMENT STRATEGY

The Investment Strategy outlined in Section 3.4 is expected to be implemented by the Investment Manager upon Listing of the Company on ASX.

While no material changes to the Investment Strategy are presently contemplated, any changes in the future would be made with the approval of the Board, after consultation with the Investment Manager. The Company will notify Securityholders via its website and ASX of any material changes to the Company's Investment Strategy.

### 3.8 DIRECT PROPERTY SEED ASSETS

#### (a) Introduction

The initial Investment Portfolio will include a 49.9% interest in three Direct Seed Property Assets in NSW as described below. These Direct Seed Property Assets will be co-owned by URB with Soul Pattinson who will hold a 50.1% interest in each of the assets.

#### (b) Kingsgrove Property



Purchase price	\$15.85m
URB's proposed ownership interest	49.9%
Co-owner Soul Pattinson	50.1%
Proposed gearing at trust level at settlement	0%
Title	Freehold, Lot M, DP30732
Location	2 The Crescent, Kingsgrove NSW
Type	Logistics/Industrial

The Kingsgrove Property is located in Kingsgrove, NSW, in the inner south-west of Sydney in close proximity to Sydney Airport and Port Botany. The property is 18,480m<sup>2</sup>, with a 11,135m<sup>2</sup> office and warehouse. The property is currently leased to a manufacturing company until August 2017.

URB considers that the Kingsgrove Property has the potential to benefit from:

- following expiry of the current lease, increases in value and income from a possible sub-division of the property into smaller industrial lots subject to necessary approvals from local government and agreement with Soul Pattinson as the co-owner of the property;
- sustainable income;
- proximity to infrastructure (Westconnex Motorway, Kingsgrove railway station, Sydney Airport, Port Botany and Moorebank Intermodal Freight Precinct); and
- a possible re-zoning of the site from industrial to residential.

**(i) Call Option Agreement and Unitholders' Agreement**

Soul Pattinson has entered into an agreement to acquire the Kingsgrove Property for a purchase price of \$15.85 million. The agreement is due to complete on 31 March 2017.

Soul Pattinson has granted URB a call option to acquire a 49.9% interest in the Kingsgrove Property which URB has agreed to exercise if the Offer is successful. The option must be exercised by URB by 1 May 2017. The exercise price payable to Soul Pattinson by URB under the call option is \$7.9 million (plus 49.9% of costs incurred by Soul Pattinson associated with the acquisition of the property). In addition, a 4% option fee is payable to Soul Pattinson on this amount upon exercise of the option. There is no fee payable to Soul Pattinson for the granting of the option.

Upon exercising the call option, URB will acquire a 49.9% interest in a trust that will own the property. Soul Pattinson will own the remaining 50.1% of the trust.

PSRE will be appointed by the trustee of the trust as property manager on the terms described in Section 9.4.

The rights and obligations of URB and Soul Pattinson in relation to the Kingsgrove Property and the trust will be set out in a Unitholders' Agreement, the key terms of which include:

- a pre-emptive right to acquire units being sold by another unitholder;
- the right to acquire pro rata any new units being issued;
- the right of URB to appoint 2 out of 5 Directors to the board of the trustee (Soul Pattinson will be entitled to appoint 3 out of the 5 directors);
- certain reserve matters requiring approval by 75% or 100% of the directors of the trustee. These reserved matters include adopting the business plan and budget, disposing of the property in the first 5 years of investment, issuing new units, incurring debt, undertaking capital expenditure and approving a new lease or tenancy arrangements; and
- the ability of the majority unitholder to force the minority unitholder to sell its units to a third party where the majority unitholder is selling all of its units to that third party.

Under the Unitholders' Agreement, the Kingsgrove Property will be sold after 5 years unless 75% of the directors of the trustee determine otherwise.



**(c) Penrith Property**

Purchase Price	\$23.1m
URB's proposed ownership interest	49.9%
Co-owner Soul Pattinson	50.1%
Proposed gearing at trust level at settlement	40%
Title	Freehold, Lot 1 in DP614190. Lot 2 in DP573145. Lot 1 in DP573145
Location	510-536 High Street, Penrith NSW
Type	Retail / Commercial

The Penrith Property is located in Penrith, NSW, west of Sydney in close proximity to the Badger's Creek Airport and Northern Road upgrade. The property is 6,398m<sup>2</sup> in site area with approximately 6,463.6m<sup>2</sup> of gross lettable area. The property is currently used for office and retail with approximately 22 individual existing leases.

URB believes that Penrith is set to undergo a shift in land use by virtue of infrastructure projects over the next 5 years. Federal, State and Local governments have recently signed the 'City Deals' agreement which aim to focus investment and development in regional city centres like Penrith by collaborating to unlock government owned land or relocate government businesses from the Sydney CBD or surrounds into the regional city centres.

URB considers that the Penrith Property has the potential to benefit from:

- immediate and sustainable income via existing tenancies;
- increased income through more active management of the property and tenancies;
- increases in value and income from a possible change to a mixed use site (residential, retail and commercial) subject to necessary approvals from local government and agreement with Soul Pattinson as the co-owner of the property;
- proximity to infrastructure (Penrith railway station and town centre, M4 motorway and Badger's Creek Airport); and
- 'City Deals' projects (as described above).

**(i) Call Option Agreement and Unitholders' Agreement**

Soul Pattinson has entered into a put and call option agreement with the vendor of the Penrith Property. Soul Pattinson has agreed with URB to exercise the call option by 1 March 2017 in order to acquire the property under a land sale contract to complete on 31 March 2017.

Soul Pattinson has granted URB a call option to acquire a 49.9% interest in the Penrith Property which URB intends to exercise if the Offer is successful. The option must be exercised by URB by 1 May 2017. The exercise price payable to Soul Pattinson by URB under the call option is expected to be \$6.92 million (assuming the trust is geared at 40%) (plus 49.9% of costs incurred by Soul Pattinson associated with the acquisition of the property). In addition, a 4% option fee is payable to Soul Pattinson on this amount upon exercise of the option. The exercise price will increase if the trust does not obtain finance to its intended gearing levels to fund the acquisition. There is no fee payable to Soul Pattinson for the granting of the option.

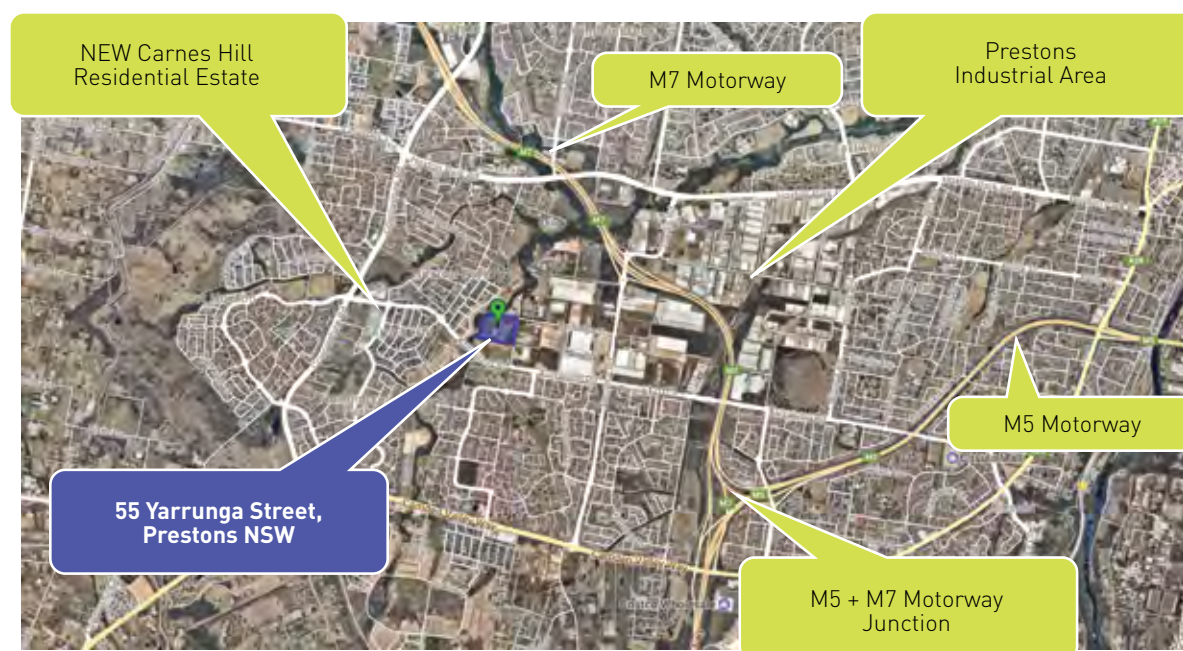
The trust intends to incur debt of approximately 40% of the purchase price to fund the acquisition of the Penrith Property.

Upon exercising the call option, URB will acquire a 49.9% interest in a trust that will own the property. Soul Pattinson will own the remaining 50.1% of the trust. A Unitholders' Agreement will be entered into on substantially the same terms as for the Kingsgrove Property as described above.

PSRE will be appointed by the trustee of the trust as property manager on the terms described in Section 9.4.





**(d) Prestons Property**

Purchase Price	\$20m
URB's proposed ownership interest	49.9%
Co-owner Soul Pattinson	50.1%
Proposed gearing at trust level at settlement	0%
Title	Freehold, Lot 1 in DP119428, Lot B in DP399509, Lot 38 in DP2359
Location	55 Yarrunga Street, Prestons NSW
Type	Agricultural/Industrial

The Prestons Property is located in Prestons, NSW, south-west of Sydney and close to the junction of the M5 and M7 motorways.

The Prestons Property is a 69,422m<sup>2</sup> undeveloped block of land that has been zoned for industrial use. URB believes land is increasingly scarce in this area for industrial purposes. URB and Soul Pattinson intend, subject to the granting of development approval from local government, to construct a logistics warehouse and distribution centre.

Construction of the logistics warehouse and distribution centre is expected to complete in the second half of 2018. PSRE will manage the development and will seek to reduce development risk through a fixed price construction contract.

In addition to funding the purchase price as detailed below, both URB and Soul Pattinson have agreed to provide further equity funding up to \$7.5 million to fund the development. The balance of the development costs is intended to be funded by debt incurred at the trust level.

URB believes Prestons is an attractive logistics, warehouse and distribution location by virtue of its close proximity to the on/off ramp to the M7 Motorway allowing easy access to and from major roads connecting Melbourne, Brisbane and Sydney Airport and Port Botany. The new Badgery's Creek Airport will be approximately 5km west of the Prestons Property and is expected to be operational in 2024-2025.

URB considers that the Prestons Property has the potential to benefit from:

- sustainable income via a potential lease of the logistics warehouse and distribution centre once developed;
- proximity to infrastructure (as described above); and
- re-valuation upon completion of the development of the logistics warehouse and distribution centre.

**(i) Call Option Agreement, Funding Agreement and Unitholders' Agreement**

Soul Pattinson has entered into an agreement to acquire the Prestons Property for a purchase price of \$20 million. The agreement is due to complete on 1 June 2017.

Soul Pattinson has granted URB a call option to acquire a 49.9% interest in the Prestons Property which URB has agreed to exercise if the Offer is successful. The exercise price payable by URB under the call option is \$9.9 million (plus 49.9% of costs incurred by Soul Pattinson associated with the acquisition of the property). In addition, a 4% option fee is payable to Soul Pattinson on this amount upon exercise of the option. There is no fee payable to Soul Pattinson for the granting of the option.

Upon exercising the call option, URB will acquire a 49.9% interest in a trust that will own the property. Soul Pattinson will own the remaining 50.1% of the trust. A Unitholders' Agreement will be entered into on substantially the same terms as for the Kingsgrove Property as described above.

PSRE will be appointed by the trustee of the trust as development and property manager on the terms described in Section 9.4.



### 3.9 INVESTMENT PORTFOLIO VALUATION

#### (a) Equity Investments

The Investment Manager will arrange for the calculation of the Equity Portfolio value at least monthly and provide such calculations to the Board of the Company as soon as practicable after such calculations are made. Listed asset values will be the last bid price. IRESS, Bloomberg, FactSet or another similar financial information service shall be used as the price source for listed securities.

Unlisted Equity Assets will be re-valued on a monthly basis using methods that, in the opinion of the Investment Manager, best approximate their fair value. Semi-annual valuation recommendations will be provided to the Board for review as a part of the half year and full year financial reports and audit. The Board retains the right to require any valuation of an unlisted investment to be independently reviewed.

#### (b) Direct Property Assets

The fair value of the Property Portfolio will be reviewed by the Board at each reporting date. To assist in their assessment of fair value, the Board will periodically engage an independent valuer to assess the fair value of individual properties, at least once every two years. Valuations may occur more frequently if there is reason to believe that the fair value of a property has materially changed from its book value (e.g. as a result of changes in market conditions, leasing activity in relation to the property or commencement or completion of any development activity).

### 3.10 PORTFOLIO WEIGHTING

URB's investment mandate will enable the Investment Manager to actively switch its portfolio weighting between listed investments, unlisted investments and cash with the aim to maximise Securityholder returns.

URB's flexible and liquid Investment Portfolio structure allows the Investment Manager to be opportunistic. Liquid capital from cash and the Equity Portfolio will enable Contact to adjust the asset allocation quickly to take advantage of opportunities to invest in Direct Property Assets.

### 3.11 TIMEFRAME TO BUILD INVESTMENT PORTFOLIO

The Investment Manager estimates it may take approximately 1-4 months to fully construct the Equity Portfolio component of the Investment Portfolio. It is likely to be the case that, due to the nature of Direct Property Assets being less liquid than Equity Assets, a period of time will be required to build the pre-desired scale of the Property Portfolio and desired Direct Property Assets component of the Investment Portfolio in accordance with the Investment Strategy.

### 3.12 POLICIES AND REPORTING

#### (a) Dividend Policy

URB's objective is to capture and add value through capital growth and income from an actively managed portfolio of Equity Assets and Direct Property Assets.

With respect to prudent business practices, and ensuring the business retains sufficient working capital to allow the achievement of the Company's corporate objectives and business strategy, URB's long term aim is to pay out between 50% and 70% of Net Operating Profits after tax for that year to shareholders as fully franked dividends to the extent permitted by the Corporations Act and the Income Tax Assessment Act.

Ordinary dividends will be declared by the Board out of the Company's Net Operating Profits after tax, but before Special Investment Revenue, net gains/losses on financial assets held at fair value through profit and loss and realised profits on disposal of interests in Direct Property Assets.

In circumstances where the Company accumulates sufficient Special Investment Revenue after ensuring the business retains sufficient working capital in accordance with its capital management objectives, the Board will consider declaring special fully franked dividends to the extent permitted by the Corporations Act and the Income Tax Assessment Act.

URB's target is to offer shareholders a sustainable and growing fully franked dividend yield that is competitive within the listed investment company industry.



**(b) Short selling policy**

Under the terms of the Investment Management Agreement, the Investment Manager will not engage in short selling without the prior consent of the Company.

**(c) Derivative Policy**

The Company is not permitted to invest in derivatives.

**(d) Reports to Securityholders**

The Company will be required to report in accordance with the Corporations Act and ASX Listing Rules including the continuous disclosure regime. The Company intends to provide regular, accurate and timely disclosures to the market through releases to the ASX and in accordance with the Listing Rules and posting of such material on the Company's website at [www.urbinvest.com.au](http://www.urbinvest.com.au)

Within 14 days after the end of each month, the Company will release on ASX a statement of the net tangible asset backing of its Securities as at the end of that month. The calculation of the net tangible asset backing of Securities will be made in accordance with the Listing Rules.

The Company will provide to Securityholders on request, free of charge, a copy of statements released to ASX of the net tangible asset backing of Securities from time to time.

The Company will also provide Securityholders with a Quarterly Report to keep Securityholders informed about the current activities of the Company, the performance of the Company's investments and the investment outlook.

The Company currently intends to generally release its top portfolio holdings on a monthly basis.

These reports and other information about the Company will be accessible on the Company's website at [www.urbinvest.com.au](http://www.urbinvest.com.au)

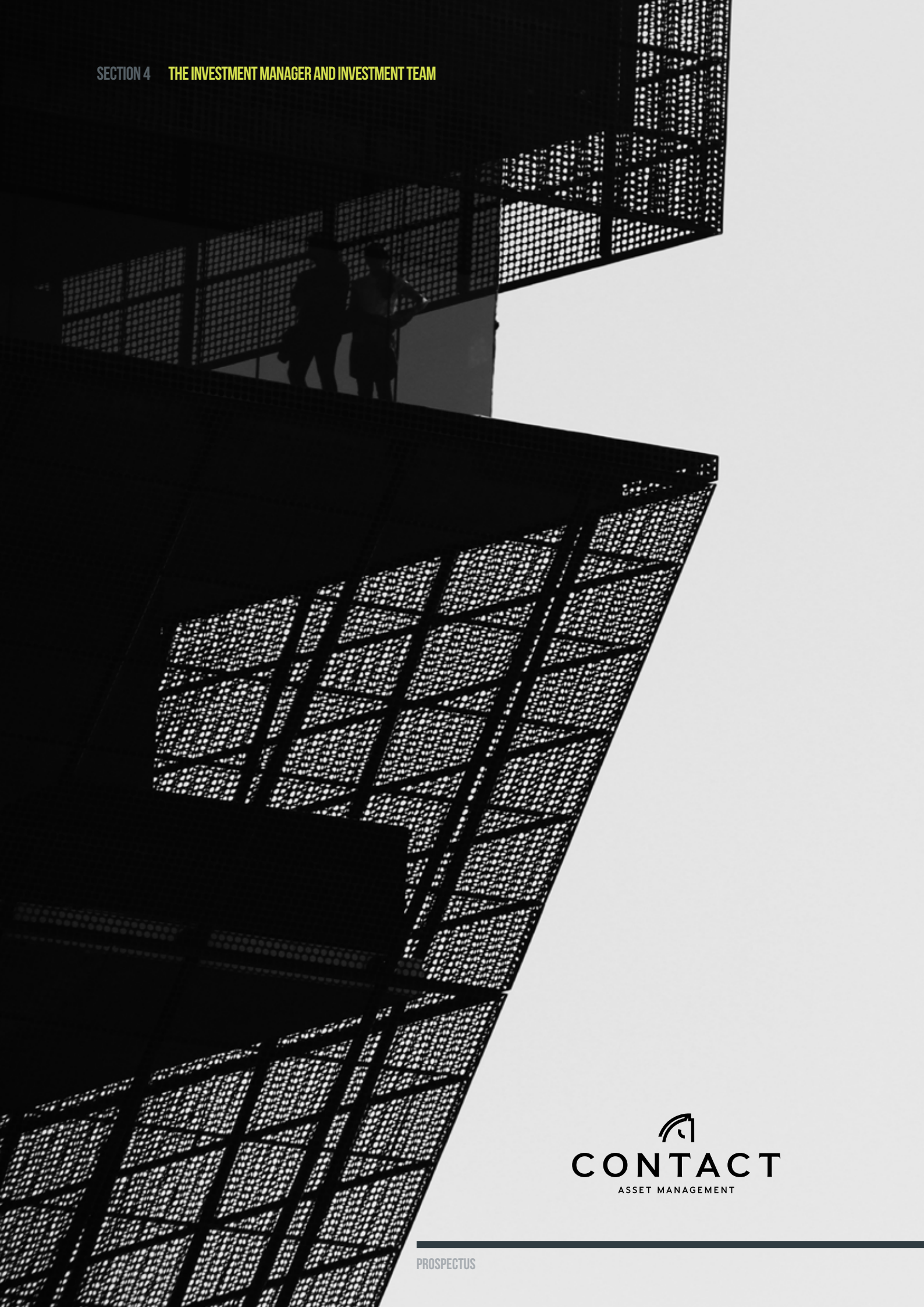
### **3.13 STATUS AS LISTED INVESTMENT COMPANY (LIC) UNDER AUSTRALIAN TAXATION LAWS**

The major requirements the Company must meet to be a LIC are:

- (a) it must be an Australian resident;
- (b) it must be listed for quotation; and
- (c) 90% of the market value of the portfolio must comprise of permitted investments as defined in Section 115 290(4) of the Income Tax Assessment Act.

Permitted investments include shares, options, units (provided the Company does not own more than 10% of the entity in which it holds the permitted investment) financial instruments, derivatives and assets that generate passive income such as interest, rent and royalties.

The Company will not qualify as a LIC under Australian taxation laws, on the basis that the Company's portfolio of permitted investments (as defined in Section 115 290(4) of the Income Tax Assessment Act) is expected to represent less than 90% of the market value of its total portfolio. Refer to Section 3.4 for further details of the Company's Investment Strategy.



  
**CONTACT**  
ASSET MANAGEMENT

## SECTION 4

# THE INVESTMENT MANAGER AND INVESTMENT TEAM

### 4.1 OVERVIEW OF THE INVESTMENT MANAGER

The Company's Investment Strategy will be implemented by the Investment Manager, Contact Asset Management Pty Limited (**Contact**), which is an Authorised Representative of Australian Financial Services Licence 276323 (Pitt Capital Partners Limited). Contact has applied for its own Australian Financial Services Licence.

Contact is an established investment management company, which aims to create shareholder value through the implementation of a set of proven investment principles. Contact is also responsible for the investment management function of BKL, a listed investment company with a market capitalisation of over \$1 billion as at 31 January 2017.

Contact is owned by Mr Tom Millner (40%), Mr Will Culbert (40%) and Soul Pattinson (20%). The owners of Contact have a history of investing alongside shareholders and focus on developing and managing investment products to create long-term value. Each owner of Contact intends to have shareholdings in URB and as a result their interests will be aligned with all Securityholders.

Both Mr Millner and Mr Culbert have proven expertise and experience managing share portfolios and, in particular, LICs. Please see Section 4.2 below for a summary of Mr Millner and Mr Culbert's experience and qualifications.

The other owner of Contact, Soul Pattinson, is an investment house with investments in a diverse portfolio of assets across a range of industries including telecommunications, natural resources, building materials, retail, agriculture, property and financial services. Soul Pattinson has a market capitalisation of approximately \$3.8 billion. Soul Pattinson has been listed on the ASX since 1903.

### 4.2 CONTACT ASSET MANAGEMENT

The directors of Contact have an average of 22 years of experience primarily in the listed investment company sector and have a proven track record in managing BKL, which has demonstrated FUM growth and significant total shareholder returns over the long term.



### Robert Millner

Director

Mr R. Millner has over 35 years experience in the investment industry. Robert's current company directorships include: Washington H Soul Pattinson and Company Limited; TPG Telecom Limited; Brickworks Limited; New Hope Corporation Limited; Australian Pharmaceutical Industries Limited; BKL Investment Company Limited; Milton Corporation Limited and Apex Healthcare Berhad. Mr R. Millner is the chairman of Contact.



### Tom Millner

Director / Portfolio Manager

Mr T. Millner has more than 15 years' experience in investment markets. Prior to the establishment of Contact, Tom was Chief Executive Officer of BKL Investment Company Limited from 2008 to 2016 – a period in which its market capitalisation total grew from ~\$400 million to over \$1 billion. Prior to joining BKL, Tom worked at Souls Funds Management covering research, portfolio management and business development. Prior to this Tom was an investment analyst with Republic Securities Limited, manager of the Investment Portfolio of Pacific Strategic Investments. Tom holds a Bachelor of Design, a Graduate Diploma in Applied Finance and Investment and is a Graduate of the Australian Institute of Company Directors. Tom is currently a Director of Washington H Soul Pattinson and Company Limited; New Hope Corporation Limited; and PM Capital Global Opportunities Fund Limited.



### Will Culbert

Director / Portfolio Manager

Mr Culbert has 17 years' experience in the funds management industry in Australia and the UK. Prior to the establishment of Contact in 2016, Will was Portfolio Manager for BKL Investment Company for 3 years. Will spent 11 years with Invesco Asset Management (formerly Concord Capital Pty Ltd) as an Equity Analyst and Portfolio Manager. He has also worked for the Bank of New York and Challenger Group. Will has a Bachelor of Business, a Graduate Diploma of Applied Finance & Investment and a Masters of Commerce from the University of New South Wales. He is also a Graduate of the Australian Institute of Company Directors.

## (a) Role of the Investment Manager

The Investment Manager will be responsible for the analysis and execution of prospective investments and divestments in accordance with the Company's Investment Strategy pursuant to the Investment Management Agreement. Please see Section 9.1 for a summary of the key terms of the Investment Management Agreement.

The Investment Manager will:

- implement the Company's Investment Strategy, including the active management of both the Equity Portfolio and the Property Portfolio;
- supervise any property manager;
- manage the Company's exposure to changing market conditions as well as providing efficient management of capital;
- respond to Securityholder requests and queries and regularly update Securityholders regarding the performance of the Investment Portfolio, including any material announcements;
- facilitate investments and manage the Investment Portfolio and its day-to-day administration;
- consider exit opportunities for portfolio assets in the context of adding maximum value to Securityholders;
- advise on, and assist with the strategy of, any future capital raisings and financings of URB;
- promote and market URB on an ongoing basis; and
- render investment, consultation, advisory and management services to URB.

In providing these services, the Investment Manager will have the power to deal with the Investment Portfolio and to enter into transactions in the name of URB.

The Investment Manager will have sole responsibility for the management of the Equity Portfolio, including identifying, investigating, researching, analysing, and evaluating all investment opportunities, and facilitating and monitoring the acquisition and disposal of Equity Assets. The Investment Manager will require Board approval before any acquisition or disposal of a Direct Property Assets, a listed Equity Asset representing more than 15% of the Investment/ Equity Portfolio, or unlisted equity which is proposed to be listed in the next 12 months.

The Investment Manager will work closely with PSRE in assessing potential Direct Property Assets.

Please see Section 9.3 for a summary of the Co-Investment Agreement and the role of PSRE in relation to the Investment Portfolio.

### (b) Contact's Investment Philosophy

The Contact Management Team deploys a disciplined and consistent investment process that has been successfully implemented for many years. This process allows the Investment Manager to eliminate investment opportunities that fail to meet its quality criteria.

The Investment Manager believes that urban renewal and regeneration is an area of the market that is growing significantly. In accordance with the Investment Management Agreement, Contact will seek to identify urban renewal and regeneration assets that are undervalued, offer a quality and sustainable income stream and are as close to value uplift as possible.

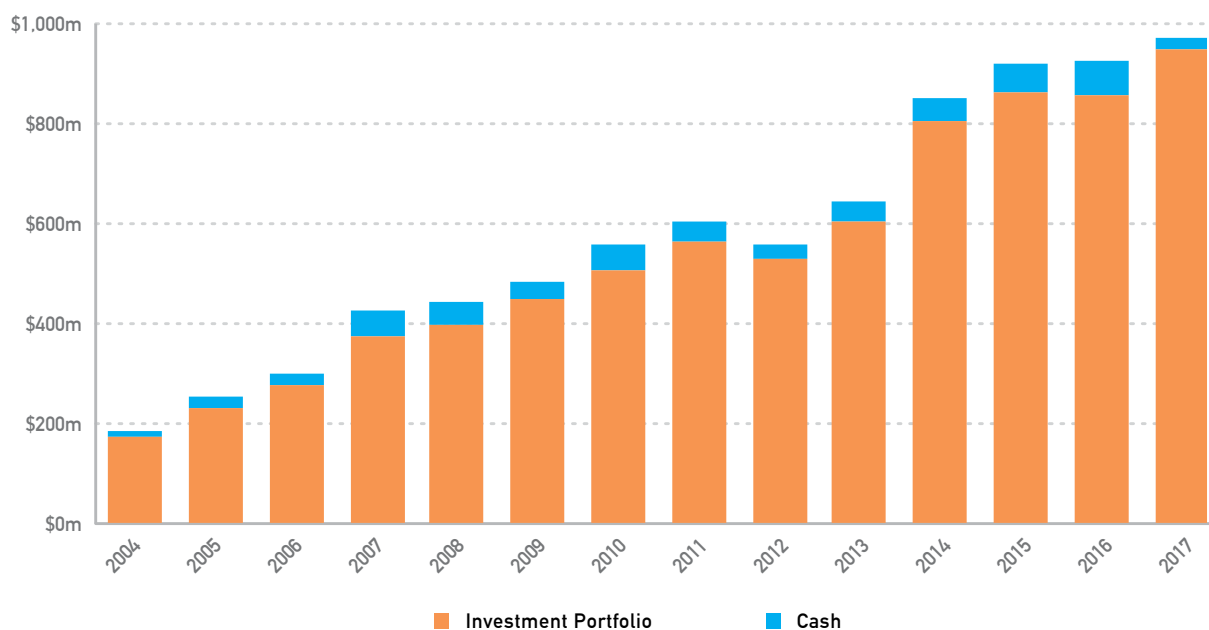
The Investment Manager intends to be opportunistic and actively manage the Investment Portfolio and, in particular, manage the allocation between the Equity Portfolio and the Property Portfolio.

### (c) Other Contact Mandate and Historical Performance

As noted above, on and from 1 November 2016, Contact has acted as investment manager to BKL. BKL was formed on October 17, 2003 and is a publicly owned investment company based in Sydney, Australia.<sup>5</sup>

BKL's investment strategy is focused on research driven, active equities management. BKL invests for the long term in profitable companies, with a history of paying attractive dividend yields. BKL was the winner of the 2011 Listed Investment Company of the Year award and its investors include self-managed super funds, personal investors and fund managers.

BKL has a strong track record of investing in listed equities for over 13 years. As can be seen in the chart below, BKL's assets have grown significantly since listing from \$173 million to approximately \$1 billion as at 31 January 2017.



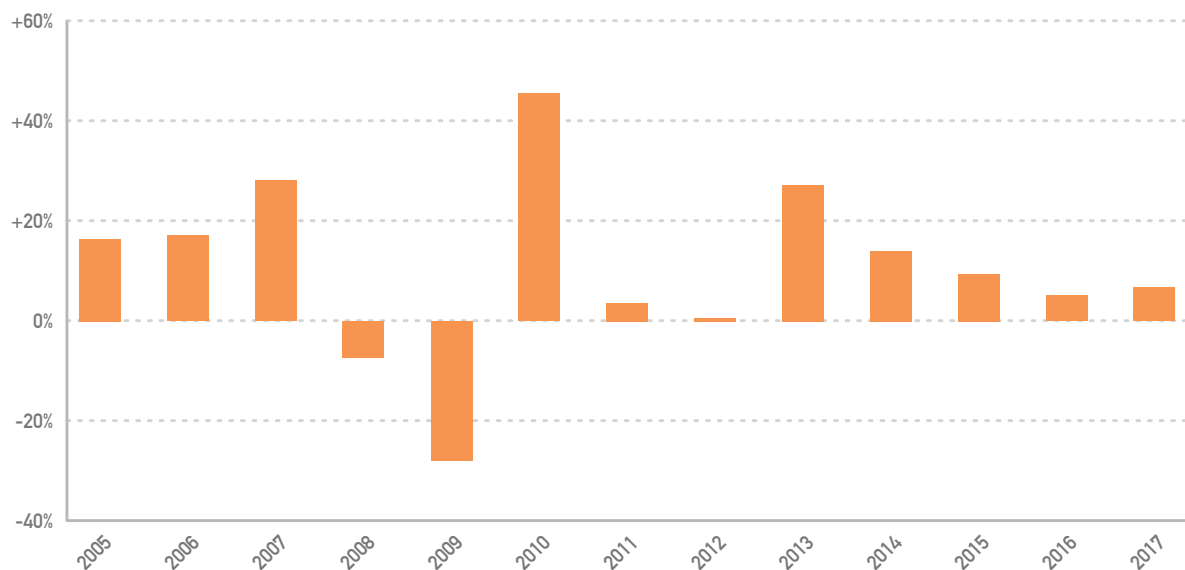
<sup>5</sup> From 1 November 2016, the management of BKL's investment portfolio was externalised to Contact. Contact was established as a new investment management company that is owned by Tom Millner former CEO of BKL (40%), Will Culbert (40%) (formerly Portfolio Manager BKL) and Soul Pattinson (20%). Tom Millner was Chief Executive Officer of BKL from 2008 to 2016 and Will Culbert was Portfolio Manager for BKL Investment Company from 2013 to 2016.

The performance of BKI is not directly relevant to the Company because of differences in investment strategies and mandates. It has been included however, to demonstrate the performance of the Contact Asset Management Team.

The investment returns of BKI described below are historical and do not represent the expected or actual future performance of the Company or its Investment Strategy. Past performance is not indicative of future performance. There can be no certainty that the performance of the Company will be similar to BKI's historical performance. The performance of the Company could be significantly different to BKI's historical performance. Importantly the Investment Strategy of the Company is to invest in Equity Assets and Direct Property Assets with exposure to urban renewal and regeneration. The Company does not intend to invest in banking and resources. BKI's investment strategy and mandate is to invest in a diversified portfolio of ASX listed shares and trusts and interest bearing securities. As a result, the Company's Investment Portfolio and the Company's performance will not be the same as that of BKI.

Similarly, as can be seen in the following chart, BKI has performed strongly over the long term and as at 31 January 2017 returned a 13 year Total Shareholder Return of 11.3% per annum (inclusive of Franking Credits).

**BKI Investment Company**  
**Total Shareholder Return – Year to 31 January**



BKI's Total Shareholder Return inclusive of dividends and Franking Credits passed on to shareholders has grown from \$1.00 at inception to \$3.96 as at 31 January 2017.

**BKI Investment Company**  
**Total Shareholder Return – Since Inception (inclusive of Franking Credits and dividends)**





## 4.3 PSRE

### (a) Introduction

Through the Co-Investment Agreement (see Section 9.3), URB will have access to urban renewal and regeneration property opportunities sourced by PSRE that are presented to Soul Pattinson. PSRE is the real estate investment management division of Soul Pattinson and is an investment management firm focussed on acquiring, developing and holding real estate assets on behalf of investors. PSRE provides capital, development expertise, structuring and risk management services to its clients.

PSRE related transactions over the past seven years have been targeted at undervalued assets that are often in complicated structures. These target assets typically:

- require a short term repositioning for income; or
- require capital for restructuring; or
- have an underlying opportunity for capital revaluation through a change in use.

PSRE has generated returns from such assets through its urban renewal and regeneration strategy and have benefited from changes in use (including rezoning and gentrification of areas) and maximising available floor space to enhance returns.

In relation to the Property Portfolio, PSRE will target Direct Property Assets with urban renewal and regeneration upside with its strategy to capture the value in these assets by purchasing as close to the point of uplift in use prior to re-valuation.

### (b) The PSRE Team



#### **Hugh Williams**

Managing Director  
Pitt Street Real Estate Partners

Mr Williams is the co-founding Managing Director of Pitt Street Real Estate Partners. Hugh's role is to run the business, identify and structure financial assets, liaise with investors and financiers and manage capital raising programs. Hugh has over 15 years' experience in financial markets having previously been an Executive Director at Goldman Sachs, JB Were and Citigroup.



#### **Mike Hercus**

Portfolio Manager  
Pitt Street Real Estate Partners

Mr Hercus is responsible for locating and negotiating acquisitions, setting and executing asset strategy, engaging with council and other relevant authorities relating to proposed zoning changes, lease negotiation and asset management. Mike previously worked for the Goodman Group for 5 years negotiating large development transactions. This experience combined with a decade abroad is where he developed his strategy and passion for urban renewal.



## SECTION 5

# RISK FACTORS

### 5.1 INTRODUCTION

Applicants should consider the risk factors described below, together with the information contained throughout this Prospectus and should consult their professional advisors before deciding whether or not to apply for Securities.

There are factors, both of a general nature and specific to the Company, which may have a material adverse effect on the future operating and financial performance of the Company and the market price and value of the Securities. Some of these risks may be mitigated by the Company, however many of these factors are outside the control of the Directors and the Investment Manager. The following is not intended to be an exhaustive list of the risk factors to which URB is exposed currently or in the future.

### 5.2 RISKS SPECIFIC TO URB

TYPE OF RISK	DESCRIPTION OF RISK
<b>No operating or performance history of the Company</b>	<p>Whilst the Directors of the Company have significant experience in managing securities, financial and related advisory industries, URB is a new entity with no financial, operating or performance history and no track record which can be used by investors to make any form of assessment of the ability of the Company and/or the Investment Manager to achieve the objectives set out in this Prospectus.</p> <p>The information in this Prospectus about the Investment Objectives of the Company are not forecasts, projections or the result of any simulation of future performance. There is a risk that the Company's Investment Objectives will not be achieved.</p> <p>Similarly, while individual members of the Investment Manager's management team have extensive experience, the Investment Manager has a limited history as an independent funds manager. There is no guarantee that the Investment Manager will be able to successfully increase the value of the Investment Portfolio or meet the intended investment objectives.</p>
<b>Investment Manager and PSRE risk</b>	<p>The success and profitability of the Company depends heavily on the ability of the Investment Manager to construct an Investment Portfolio that increases in value over time and delivers income. The Investment Manager may not effectively manage the Investment Portfolio or may advise the Company in a manner that does not consistently meet the Investment Objectives over time. The past performance of portfolios managed by the Investment Manager, and persons associated with the Investment Manager, are not necessarily a guide to future performance of the Company or the Investment Portfolio. The Investment Management Agreement has an initial term of 10 years. Even if the Company does not perform, it may be difficult to remove the Investment Manager.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Investment Manager and PSRE risk</b> continued	<p>If the Investment Manager, or a key employee of the Investment Manager, ceases to manage the Investment Portfolio and/or the Investment Management Agreement is terminated, the Company will need to identify and engage a suitably qualified and experienced investment manager to ensure that the Investment Portfolio continues to meet its Investment Objectives. A change to the Investment Manager may impact the success and profitability of the Company and the Investment Portfolio.</p> <p>While the Investment Manager will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee the Investment Manager will achieve any particular investment return or yield within the Investment Portfolio.</p> <p>In relation to the Direct Property Assets, URB will rely upon, among other things the advice and recommendations of PSRE. It is possible that PSRE is unable to identify suitable new acquisitions or that notwithstanding the Co-Investment Agreement with Soul Pattinson and PSRE, URB is unable to secure Direct Property Assets acquisitions.</p> <p>It is also possible that due diligence undertaken by PSRE in connection with new acquisitions does not reveal issues that could later have a materially adverse impact on the value of the Investment Portfolio. For example, if due diligence has failed to reveal latent defects in the construction of a Property or necessary capital expenditure, the additional requirements could reduce the value of or future returns on that Property.</p> <p>PSRE may be unable to identify suitable investment opportunities, thereby restricting URB's ability to add properties to its existing Portfolio. This may adversely impact returns to Securityholders.</p>
<b>Direct Property Investment Risk</b>	<p>The value of the Investment Portfolio may be adversely affected by a number of factors outside the control of URB, including supply and demand for the Direct Property Assets, general property market conditions, the availability of credit, the ability to attract and implement economically viable rental arrangements, re-leasing or subdivision of properties, capitalisation rates and general economic factors such as the level of inflation and interest rates.</p> <p>Real property is by its nature an illiquid form of investment and the Direct Property Assets acquired by URB may take a long time to sell. In the event that the Company needs to divest a property, time constraints may impact the ability of URB to achieve an optimal sale price or realise the book value of the property. There is no guarantee that the time the Direct Property Assets will be put on the market will coincide with a favourable time to sell.</p>
<b>Investment risk</b>	<p>There is a risk that the Investment Portfolio (both the Equity Portfolio and/or the Property Portfolio) will fall in value over the short or long term or may experience sustained periods of poor investment performance (absolute, or relative to benchmarks and/or competitors) or failure to meet the Investment Objectives. Individual security prices may fluctuate and under perform other asset classes over time. Investors in the Company are exposed to this risk through both their holding in the Securities and through the Company's investment in the Equity Assets and Direct Property Assets.</p> <p>The Securities may trade on ASX at a discount to the net asset value of the Investment Portfolio on a per Security basis and the performance of the Securities may not be correlated with the performance of the Investment Portfolio.</p>
<b>Compensation fee structure risk</b>	<p>The Investment Manager may receive compensation based on URB's performance. Performance Fee arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than would be the case in the absence of such a fee.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Securities risk</b>	<p>There are risks associated with any investment in listed securities. The market price of listed securities (such as the Securities) is affected by numerous factors including hostilities, tension and acts of terrorism, general investor sentiment and the movement of prices on local and international share markets. As a consequence, the Securities carry no guarantee with respect to the payments of dividends, returns of capital or the market value of those Securities.</p> <p>Share markets tend to move in cycles, and individual share prices may fluctuate and underperform other asset classes over extended periods of time. Securityholders in the Company are exposed to this risk both through their holding in the Securities as well as through the Equity Portfolio.</p>
<b>Concentration Risk</b>	<p>The Investment Strategy involves investment in Equity Assets. As set out in Section 3.6 above, the Equity Portfolio is expected to comprise 20-40 stocks at any one time. There is a risk that, because the Investment Portfolio reflects a concentration of Equity Assets with exposure to urban renewal and regeneration, the performance of the Equity Portfolio may be adversely affected by the performance of those Equity Assets, may be subject to increased price volatility and may be more susceptible to adverse economic, market, social or political conditions or regulatory occurrences affecting urban renewal and regeneration. The performance of the Investment Portfolio may also be more volatile if such investment is concentrated in certain areas, such as New South Wales.</p>
<b>Liquidity risk</b>	<p>Prior to the Offer, no public market has existed for the Securities. Once the Securities are quoted on the ASX, there can be no guarantee that an active and liquid market for the Securities will develop or can be maintained.</p> <p>Following Completion of the Offer, the ability of Securityholders to sell the Securities on the ASX will depend on the turnover or liquidity of the Securities at the time of sale. Liquidity is a function of various factors including the size of a company and the cumulative investment intention of all current and possible investors in the Company at that particular point in time. There may be relatively few, or many buyers or sellers of Securities on ASX at any given time. This may increase the volatility of the market price for the Securities, or affect the prevailing market price at which Securityholders are able to sell their Securities.</p> <p>Given the nature of the Company, and the traditionally lower trading volumes experienced by LICs, depending on the amount raised under the Offer, there may be a low level of liquidity in trading of the Securities. As a result, Securityholders may not be able to sell their Securities at the time and in the volumes or at a price they desire.</p>
<b>Reliance on key personnel</b>	<p>The performance of URB is highly dependent on a number of highly skilled personnel, including the Directors and the Investment Manager (please see Section 4 for more detail on such key personnel). The loss or departure of one or more key personnel and/or the inability to hire new personnel, may have a material adverse effect on the Company's performance or ability to grow.</p>
<b>Potential conflicts of interest</b>	<p>The Investment Manager is also the investment manager to BKI. While the Investment Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible that the Investment Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Company and its Securityholders.</p> <p>The Investment Management Agreement requires that the Investment Manager have adequate arrangements in place to manage any potential conflict of interest and provides that where the Investment Manager has a material interest, conflict of interest or conflict of duty, it must treat URB reasonably, fairly and equitably and otherwise act in good faith.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Compliance with and changes to financial services legislation and regulation</b>	<p>The financial services industry is highly regulated in Australia. The Investment Manager operates under an AFSL as an Authorised Representative of Pitt Capital Partners Limited and is subject to the regulatory regime associated with carrying on business pursuant to that AFSL. If the Investment Manager does not or cannot comply with the necessary laws and regulations it may be exposed to fines, penalties or loss of its AFSL authorisation, which may alone or in combination have a material adverse effect on the Investment Manager's ability to operate as a fund manager and have a material adverse effect on its financial performance and reputation. As a consequence, these factors may have a material adverse effect on the Company's financial performance and future prospects.</p> <p>The financial services industry has undergone significant legislative change in recent years. Legislation or regulation restricting the operations of the Company, or increasing the compliance and reporting obligations of the Company, and therefore increasing its compliance costs and its risk of non-compliance, may have a material adverse effect on the Company's financial performance and future prospects.</p>
<b>Loss of Manager's AFSL authorisation</b>	<p>The ability of the Investment Manager to continue to be able to provide investment management services to the Company is dependent on the Investment Manager obtaining an AFSL or continuing to act as an Authorised Representative of AFSL holder, Pitt Capital Partners Limited (a wholly owned subsidiary of Soul Pattinson).</p>
<b>Political strategy risk</b>	<p>There is a risk that changes in government policy, including changes to proposed infrastructure investment and support of urban renewal and regeneration projects, may adversely impact the value of the Investment Portfolio or impact the ability to execute the Investment Strategy.</p>
<b>Dividend risk</b>	<p>URB's ability to pay franked dividends or make other distributions in the future is contingent on it making taxable profits. No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Investment Portfolio or the return on an investment in the Company. The Investment Manager may make poor investment decisions which result in the return on the Investment Portfolio being inadequate to pay dividends to Securityholders.</p> <p>The value and availability of franking credits to Securityholders will differ depending on each Securityholder's particular tax circumstances. Securityholders should also be aware that the ability to use franking credits, either as an offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Securityholder, and can be affected by future changes in taxation laws and policy.</p>
<b>Future capital requirements of the Company</b>	<p>There can be no assurance that URB will not need to raise additional capital to fully exploit business opportunities available to it. There can be no assurance that the Company will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to invest that capital efficiently.</p> <p>If the Company is unable to obtain or invest such additional capital, the Company may be required to reduce the scope of its investment activities or forgo an investment opportunity which could adversely affect its business, financial condition and results of operation.</p>



### 5.3 ADDITIONAL RISKS RELATING TO AN INVESTMENT BY URB IN DIRECT PROPERTY ASSETS

TYPE OF RISK	DESCRIPTION OF RISK
<b>Revenue and lease default risk</b>	<p>The value of the Direct Property Assets and therefore the Investment Portfolio will, in part, depend upon the amount of rent received from tenants of the Direct Property Assets and those tenants paying rent in accordance with their lease terms.</p> <p>The rental income generated by the Direct Property Assets may be affected by a number of factors including:</p> <ul style="list-style-type: none"> <li>■ overall economic conditions;</li> <li>■ financial condition of tenants (in relation to the risk of default);</li> <li>■ the ability to extend leases or to replace outgoing tenants with new tenants;</li> <li>■ fluctuations in rental arrears and vacancy rates and periods; and</li> <li>■ supply and demand in the property market at any given point in time.</li> </ul> <p>In particular, tenants may default on their lease obligations, resulting in potential capital losses and/or a reduction in income to URB. Any resulting amount of capital loss or loss of income may not be covered in full or at all by bank or personal guarantees.</p> <p>Any negative impact on rental income has the potential to adversely affect the financial performance of the Investment Portfolio and the value of the Securities.</p>
<b>Re-zoning risks</b>	<p>The opportunity for a potential valuation uplift on a Direct Property Assets may be dependent on the re-zoning of such asset. There is an inherent risk that such re-zoning will not occur or not be as intended.</p>
<b>Non-renewal and vacancy risk</b>	<p>There is a risk that a property manager may not be able to negotiate a lease extension with an existing tenant at the end of their lease, or replace a tenant on expiry with leases to new tenants on at least equivalent rental rates and other key terms in either case, within the estimated timeframes or at all.</p> <p>The Direct Property Assets' leases will come up for renewal on a periodic basis and URB may also incur additional costs associated with re-leasing property.</p> <p>This risk and any associated costs may have a negative impact on the value of the Direct Property Assets and the marketability of any given property, resulting in a reduction in the value of the Investment Portfolio.</p>
<b>Property valuation risk</b>	<p>A reduction in the value of any Direct Property Assets may adversely affect the value of the Securities. The ongoing valuation and revaluation of a Direct Property Assets (or a new acquisition) is influenced by factors including: changes in the elements which affect the property market more broadly such as supply and demand, capitalisation rates, occupancy levels, lease expiries, capital expenditure and location; the stage of the broader economic cycle at the point in time the valuation or revaluation is made; and the internal criteria, research and experience of the particular valuer.</p> <p>As changes of valuations of investment properties are recorded in the income statement, any decreases in value will have a negative impact on URB's financial performance.</p> <p>There is no guarantee that the valuation upon which URB purchases a Property can be achieved in a subsequent sale.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Development risks</b>	<p>URB does not intend to take on high density residential development risk. However, URB may re-organise assets in a controlled way to enhance the income stream. This may include development for industrial and commercial property, but only on a basis where development risk is substantially mitigated. URB does not intend to undertake any development on a speculative basis.</p> <p>The risks faced by URB in relation to a development will depend on the terms of the transaction at the time. There is a risk that a developer engaged on any given project is unable to complete the specified works on time or could default on other obligations under its contract. Completion of construction works may be delayed for a number of reasons, including industrial disputes, inclement weather, permitted variations to the works, changes to legislative requirements, delays in authority inspections or approval or a builder experiencing financial difficulties. Even where a development is under a fixed price contract, a developer may default where there is an increase in costs to a level materially greater than the expected development costs which may not be able to be funded by the developer and the development may not complete (or the URB and any other co-owners may agree to bear the excess costs in order to complete the development). Under these circumstances, URB and the other co-owners may not be able to replace the developer with another of similar experience and/or on terms as advantageous to it. In addition, URB may suffer loss of rent in respect of a delay in completion.</p>
<b>Capital expenditure</b>	<p>Additional capital expenditure costs may also be incurred over time to maintain the Direct Property Assets, and also to improve the Direct Property Assets or to install market-standard equipment, technologies and systems necessary to retain and attract tenants. There is a risk that such capital expenditure is greater than anticipated and ultimately results in increased funding costs, lower distributions and property valuation write-downs.</p>
<b>Insurance risk</b>	<p>A particular risk or combination of risks may not be insurable or, even if insured, the insurance policy may not respond in full or at all. There is a risk that any insurance taken out in relation to the Direct Property Assets may only cover direct causation events and no other indirect effects such as loss of rent while a Direct Property Asset is being repaired. Any losses due to uninsured risks may adversely affect the performance of the Investment Portfolio and the value of the Securities.</p>
<b>Environmental risk</b>	<p>The value of the Direct Property Assets could be adversely affected by any discovery of an environmental contaminant and the costs of preserving the Property associated with environmental contamination.</p> <p>This risk may occur whether or not the contamination was accidental, caused by prior owners or third parties. Such contamination may not be readily ascertainable in due diligence on a new acquisition. Remediation costs may be significant, and there may be consequential effects such as loss of rent and costs of relocation of tenants which could adversely affect the value of the Investment Portfolio and the ability to dispose of the Property.</p> <p>In addition, new or more stringent environmental laws or regulations introduced in the future may result in increased compliance costs in holding an interest in the Direct Property Assets.</p> <p>With respect to the Kingsgrove Property (as described in Section 3.8(b)), whilst no contamination has been identified at the site, a phase 1 contamination assessment in 2013 stated that the site appears to have a moderate to high risk potential for contamination to be present in soils or groundwater given the site has been used for commercial/industrial purposes. If the site were to be redeveloped for non-commercial or non-industrial purposes, an investigation would be required to assess whether any actual contamination exists in the soils and groundwater beneath the site. If contamination was found, remediation costs would likely be incurred and may impact the feasibility of a redevelopment. The extent of any such remediation costs are unknown.</p>
<b>Future capital requirements of the Company</b>	<p>There can be no assurance that URB will be able to raise additional capital to take advantage of investment opportunities identified by PSRE. The Company may not be able to raise sufficient capital on favourable terms (or at all).</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Interest Rate and Debt Risk</b>	<p>As noted in section 3.4, debt may be used at the trust or property level to fund acquisitions of Direct Property Assets or developments of Direct Property Assets. In these circumstances interest will be payable on such debt at interest rates secured under the facility for that particular Direct Property Asset. Interest rates are likely to differ between Direct Property Assets depending on their nature, for example whether the property is a stabilised or development asset. The trustee of the relevant trust that owns the Direct Property Asset will be required to meet interest repayments and repay the debt at maturity. The trustee's ability to meet interest payments or repay its debts as they fall due will be impacted by the financial status of the relevant trust, earnings from the underlying property, the value of the relevant properties, and prevailing economic conditions, including interest rates. In circumstances where the trustee is unable to meet interest repayments or repay the debt at maturity, the trustee may need to dispose of a particular Direct Property Asset for less than its book value, raise additional equity from URB and the other unitholders, reduce or suspend distributions or enter into new debt facilities on less favourable terms in order to repay any debt facility or meet associated interest payments. This may impact the financial performance of the Property Portfolio and therefore the value of the Investment Portfolio.</p>

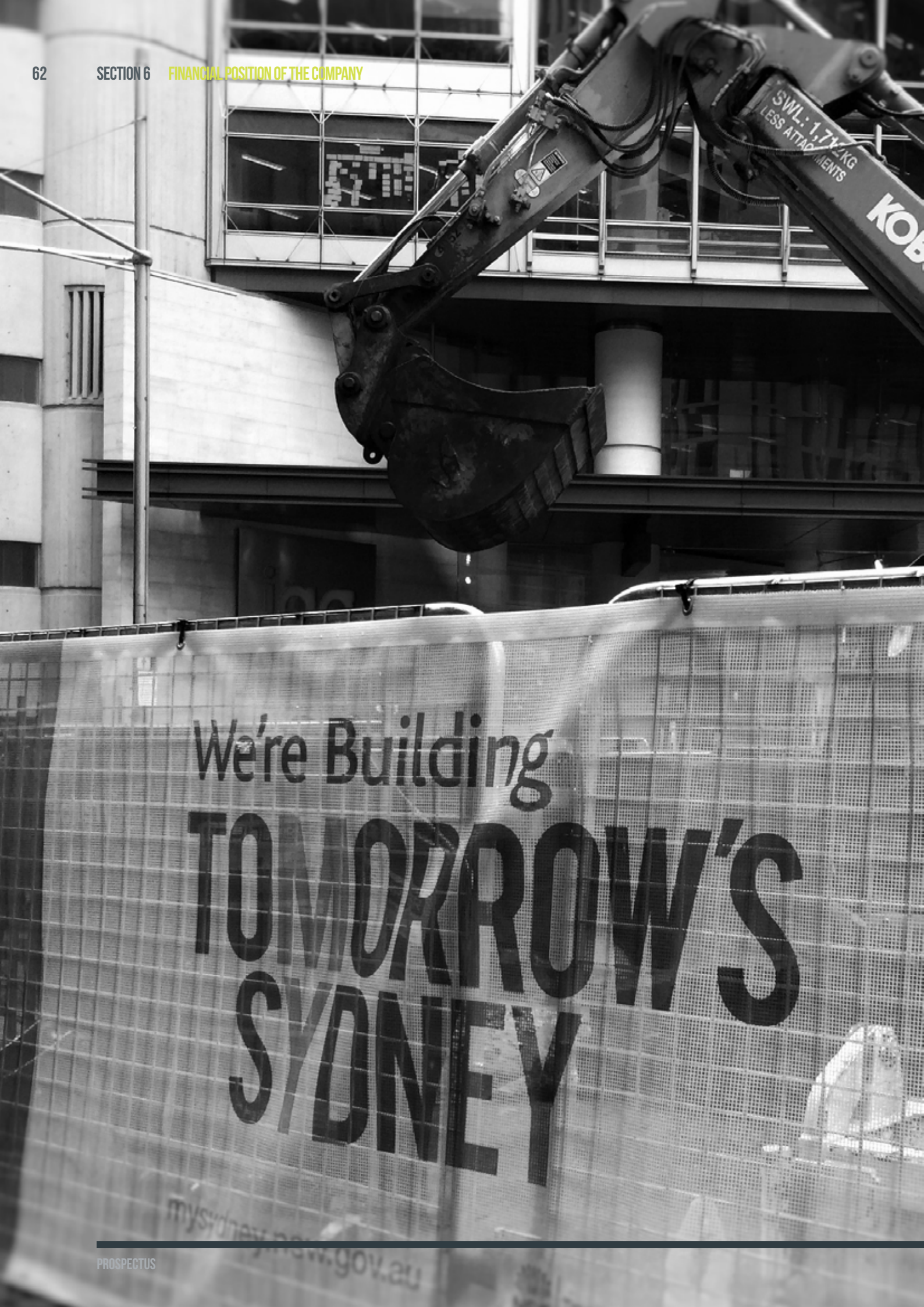
## 5.4 GENERAL RISKS RELATING TO AN INVESTMENT IN LISTED SECURITIES

TYPE OF RISK	DESCRIPTION OF RISK
<b>Market risk</b>	<p>There are general market risks inherent in all securities listed on a stock exchange. Once URB is listed, it will become subject to those general economic and market risks and potentially face fluctuations in the price of the Securities that are beyond the control of URB, including:</p> <ul style="list-style-type: none"> <li>■ general economic conditions, including changes in inflation rates, short-term or long-term interest rates, exchange rates and commodity prices;</li> <li>■ changes in economic, social, technological or political conditions as well as market sentiment;</li> <li>■ movements in domestic and international securities markets;</li> <li>■ variability in foreign exchange rates and interest rates;</li> <li>■ changes in taxation laws and other laws affecting investments and their value; and</li> <li>■ the inclusion or removal of stocks from major market indices.</li> </ul> <p>Securityholders in the Company are exposed to these risks through their holding in Securities in URB as well as through the Equity Portfolio.</p> <p>Whilst the Investment Portfolio will be constructed so as to minimise market and economic risks, they cannot be eliminated entirely. In a strong equity market, the Investment Portfolio may underperform the broader market, as the Investment Portfolio will have limited exposure to market risk. There is no guarantee in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments</p>
<b>Financial market volatility</b>	<p>A fall in global or local equity or bond markets, or the rate of change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may materially affect both the performance of the Equity Portfolio or Equity Assets in which the Company invests and the net tangible asset backing of the Securities.</p> <p>This risk is mitigated to some extent by the Company's investment in the Direct Property Assets; however, the Investment Portfolio will always carry a market volatility risk exposure.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Interest rate risk</b>	<p>The Investment Portfolio will include a range of securities that are exposed to movements in global interest rates. Where these exposures are not effectively hedged, there is a risk that adverse interest rate movements may affect the earnings and investment returns of these securities, both directly (through increased interest rate payments), and indirectly (through the impact on asset carrying values). In addition, an inability to secure new debt facilities at a similar quantum and cost to existing facilities may materially and adversely affect the operations and/or financial performance of these securities.</p> <p>The Investment Manager typically applies normalised interest rate assumptions to its investment and valuation processes, which assist to mitigate the impact of interest rate movements through the investment cycle.</p>
<b>Accounting policy risk</b>	<p>Changes to the Australian Accounting Standards are determined by the AASB. The AASB may, from time to time, introduce new or refined Australian Accounting Standards, which may affect the future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially and adversely affect the financial position reported in URB's financial statements.</p>
<b>Changes in taxation laws and policy</b>	<p>The Company and any future shareholders in the Company are subject to taxation laws, which often change, both prospectively and retrospectively.</p> <p>An interpretation of taxation laws by the relevant tax authority that is contrary to URB's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in URB's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse impact on the level of dividend franking and Securityholder returns.</p> <p>There are tax implications arising from buying and selling Securities, the receipt of dividends (both franked and unfranked) (if any) from the Company and participation in any on-market buy-back of Securities.</p> <p>The Company is not responsible for either taxation or penalties incurred by investors. Investors should carefully consider these tax implications and obtain advice from an accountant or other professional tax advisor in relation to the taxation legislation applicable to an investment in the Company.</p>
<b>Dilution risk</b>	<p>On completion of the Offer, the Company will issue a minimum of 68,181,818 and a maximum of 272,727,273 Shares in the Company at an offer price of \$1.10 per Share. Each ordinary Share is sold together with an Option to acquire one additional Share at \$1.10 per Share. If all the Options on issue are converted into ordinary Shares there will be a dilution so that the original Securityholders will hold 50% of the outstanding issued shares.</p> <p>In addition, URB may, in the future issue additional Shares, Options or other securities. In such a case, the percentage ownership of individual Securityholders may be reduced and consequently their interests may be diluted.</p>
<b>Investment is speculative</b>	<p>In addition, the above list of risks should not be taken as exhaustive of the risks faced by URB or by investors in the Company. Such risks, as well as others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to returns of capital or the market value of those Securities.</p> <p>Investors should consider that an investment in the Company is speculative and consult professional advisors before determining whether to apply for Securities pursuant to this Prospectus.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>Timeframe for investment</b>	<p>The Company's primary objective is to capture long-term value.</p> <p>In line with this, investors are strongly advised to regard any investment in the Company as a long term proposition (7 years or more) and to be aware that the Investment Manager estimates it may take approximately 1-4 months to construct the Investment Portfolio. As with any equity investment, substantial fluctuations in the value of an investment in the Company may occur over that period and beyond.</p>







## SECTION 6

# FINANCIAL POSITION OF THE COMPANY

### 6.1 PROCEEDS OF THE ISSUE

The Board intends to use the funds raised from the Offer for investment consistent with the Investment Objectives and Investment Strategy set out in Section 3.3 and 3.4.

### 6.2 UNAUDITED PRO-FORMA BALANCE SHEET

The pro forma balance sheets set out below have been prepared to illustrate the effects of the pro forma adjustments described below for the different subscription amounts as if they had occurred on 13 October 2016, being the incorporation date of the Company, including:

- Completion of the Offer based on each of the amounts indicated being raised; and
- Payment of expenses (which have been deducted from the cash amount) which consist of the Offer related expenses in accordance with Section 6.6 below.

#### URB Investments Limited

#### Unaudited Pro-forma Balance Sheet – Assumes completion of the Offer

The unaudited pro forma balance sheets are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standards. The information in this Section should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

	Minimum Subscription \$75 million [\$'000]	Maximum Subscription \$300 million [\$'000]
<b>Assets</b>		
Cash	71,427	287,395
Receivables	122	557
Deferred Tax Asset	1,035	3,614
<b>Total Assets</b>	<b>72,584</b>	<b>291,566</b>
<b>Total Liabilities</b>	<b>–</b>	<b>–</b>
<b>Net Assets</b>	<b>72,584</b>	<b>291,566</b>
<b>Equity</b>		
Contributed Equity	75,000	300,000
Less: Capitalised costs of the offer	(2,415)	(8,433)
Costs not eligible to be capitalised	(1)	(1)
<b>Total Equity</b>	<b>72,584</b>	<b>291,566</b>
NAV backing per Share (\$)	1.065	1.069

## 6.3 CAPITAL STRUCTURE

The anticipated capital structure of the Company on completion of the Issue is set out below:

	Minimum Subscription \$75 million	Maximum Subscription \$300 million
Shares on Issue <sup>6</sup>	68,181,918	272,727,373
Options on Issue	68,181,818	272,727,273

## 6.4 CASH

A reconciliation of the pro forma balance sheets for cash is as below:

	Minimum Subscription \$75 million [\$]	Maximum Subscription \$300 million [\$]
Initial Subscriber Share	100	100
Proceeds of Offer	75,000,000	300,000,000
Expenses of Offer (net of tax)	(2,415,788)	(8,433,702)
Deferred Tax Asset	(1,035,338)	(3,614,444)
GST Receivable	(122,344)	(556,875)
<b>Estimated Net Cash Position</b>	<b>71,426,630</b>	<b>287,395,080</b>

## 6.5 ASSUMPTIONS

These unaudited pro forma balance sheets and the information in Sections 6.2, 6.3 and 6.4 have been prepared on the basis of the following assumptions:

- Application of the proposed accounting policies and notes to the accounts set out in Section 6.7.
- In the unaudited pro-forma balance sheet entitled "Minimum Subscription \$75,000,000", the reference is to issuing 68,181,818 Shares and Options to Applicants under this Prospectus.
- In the unaudited pro-forma balance sheet entitled "Maximum Subscription \$300,000,000", the reference is to issuing 272,727,273 Shares and Options to Applicants under this Prospectus.
- The Company will derive income of a sufficient nature and amount to enable recognition of a deferred tax asset for the capital raising costs.
- The costs incurred by the Company in respect of the Offer referred to in this Section are net of deferred tax asset, in accordance with accounting standards and the accounting policy note in Section 6.7. This means that the tax benefit (a 30% tax deduction) is applied to these costs to reduce them by 30%. The cash outlay of an expense is gross of this tax benefit. For example, an outlay described in this Section as \$70 (net of tax) is a cash outlay of \$100 less the tax benefit of a \$30 income tax deduction.
- Expenses of the Offer have been paid and are recognised in equity net of tax (refer to Section 6.7).
- The Company will pay Brokers (including the Joint Lead Managers) a selling fee of 1.5% (exclusive of GST) of the amount equal to the total number of Securities in respect of which the relevant Broker has received or procured valid Applications under the Broker Firm Offer, the Priority Offer or the General Offer, multiplied by the Issue Price.
- For the purpose of the unaudited pro forma balance sheet, it has been assumed that the Broker selling fee of 1.5% (exclusive of GST) will be paid on:
  - 65% of Applications in respect of the Minimum Subscription of \$75,000,000;
  - 85% of Applications in respect of the Maximum Subscription of \$300,000,000.
- The Company will pay Pitt Capital Partners a corporate advisory fee equal to 1.0% (exclusive of GST) of the total proceeds raised under the Offer and the Joint Lead Managers a management fee equal to 1.2% (exclusive of GST) of the total proceeds raised under the Offer (excluding the Chairman's List).

<sup>6</sup> URB was incorporated through the issuance of 100 shares on 13 October 2016.

## 6.6 EXPENSES OF THE OFFER

The Company will pay from the proceeds of the Offer the expenses of the Offer including legal, accounting and taxation, printing and initial ASX listing fees.

These expenses have been estimated at \$2,415,788 (net of tax) assuming the Minimum Subscription is achieved and \$8,433,702 (net of tax) assuming the Maximum Subscription is achieved.

A breakdown of these expenses (including GST), assuming the Minimum Subscription of Applications for \$75,000,000 and Maximum Subscriptions of Applications for \$300,000,000 is provided below:

	Minimum Subscription \$75 million (\$)	Maximum Subscription \$300 million (\$)
JLM Broker Selling Fee	804,375	4,207,500
JLM Management Fee	990,000	3,960,000
Corporate advisory fees	825,000	3,300,000
Legal fees	522,500	522,500
Investigating accountant and tax advisor fees	27,500	27,500
ASX fees	182,875	366,300
ASIC lodgement fees	2,320	2,320
Other expenses	218,900	218,900
<b>Total estimated gross expenses of the Offer</b>	<b>3,573,470</b>	<b>12,605,020</b>
Less: deferred tax asset	(1,035,338)	(3,614,444)
Less: GST Receivable	(122,344)	(556,875)
<b>Total estimated expenses of the Offer</b>	<b>2,415,788</b>	<b>8,433,702</b>

## 6.7 PROPOSED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A summary of significant accounting policies that have been adopted in the preparation of unaudited pro forma balance sheets set out in Section 6.2 or that will be adopted and applied in preparation of the financial statements of the Company for the period ended 30 June 2017 and subsequent periods is set out as follows:

### (a) Basis of Preparation

The pro forma balance sheet has been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the AASB and the Corporations Act, as appropriate for for-profit oriented entities (as modified for inclusion in the Prospectus).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. The pro forma balance sheets have been prepared on the basis of assumptions outlined in Section 6.5.

The pro forma balance sheets have been prepared on an accrual basis and are based on historical costs.

### (b) Investments

#### (i) Classification

##### **Financial assets and liabilities at fair value through other comprehensive income – held for trading**

The Company's Investment Portfolio is comprised of two primary components – an Equity Portfolio and a Property

Portfolio. The Equity Portfolio will contain ASX-Listed equities, or equities in entities that will be listed within twelve months, and it is currently intended that such investments will be retained on a long-term basis. Securities within the Equity Portfolio will be classified as 'financial assets measured at fair value through other comprehensive income', and will be designated as such upon initial recognition.

#### **Financial assets and liabilities at fair value through profit or loss – held for trading**

The Company is classified as an Investment Entity in accordance with paragraph 27 of AASB10 Consolidated Financial Statements, as its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both. Being an Investment Entity, the Company intends to elect to classify its investments in the Property Portfolio as financial assets measured at fair value through profit or loss.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in trade and other receivables within the Balance sheet.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, at call deposits held with banks and other similar financial institutions, other short-term highly liquid investments with original maturities of 3 months or less.

### **(ii) Recognition and Derecognition**

Purchases and sales of financial assets and liabilities are recognised on trade date, which is the date on which the Company commits to purchase or sell the asset or liability. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Gains or losses on financial assets through other comprehensive income will be transferred from the asset revaluation reserve to the capital profits reserve.

### **(iii) Measurement**

At initial recognition, the Company will measure financial assets and liabilities held at fair value through other comprehensive income at fair value, including any transaction costs that are directly attributable to their acquisition.

Subsequent changes in fair value of financial assets and liabilities held at fair value through other comprehensive income will be recognised in the Statement of Comprehensive Income through the asset revaluation reserve, not to be reclassified to profit and loss, after deducting a provision for the potential deferred capital gains tax liability.

At initial recognition, the Company will measure financial assets and liabilities at fair value through profit and loss at fair value, excluding any transaction costs that are directly attributable to their acquisition.

These transaction costs will be expensed in the Statement of Comprehensive Income

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

### **(iv) Determination of Fair Value**

The fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access to at that date. The fair value of a liability reflects its non-performance risk.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure at fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Accounting standards prescribe that if an investment has a bid price and an ask price, the price within the bid ask spread that is more representative of fair value in the circumstances shall be used to measure fair value. Accordingly, the Company uses the last sale price as a basis of measuring fair value for its Equity Portfolio.

### **(v) Income and Expenditure**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of rebates and amounts collected on behalf of third parties.

Revenue is recognised when it is probable that the economic benefit will flow to the entity and can be reliably measured.

All expenses, including Performance fees and Management fees, are recognised in the Statement of Comprehensive Income on an accrual basis.

**(vi) Investment Income**

Profits and losses realised from the sale of financial assets held at fair value through profit and loss and unrealised gains and losses on financial assets held at fair value through profit and loss are included in the Statement of Comprehensive Income in the year they are incurred.

**(vii) Dividends and Trust Distributions**

Dividends and trust distributions are recognised as revenue when the right to receive payment is established.

**(viii) Interest Income**

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

**(ix) Income Tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in profit or loss.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

**(x) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Balance sheet.

**(xi) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(xii) Share Capital**

Ordinary shares will be classified as equity. Costs directly attributable to the issue of ordinary shares will be recognised as a deduction from equity, net of any tax effects.

**(xiii) Asset Revaluation Reserve**

Changes in fair value of investments within the Equity Portfolio are presented in other comprehensive income through the asset revaluation reserve as referred to in Section 6.7(b)(iii).

**(xiv) Capital Profits Reserve**

Upon disposal of Equity Portfolio investments, the net gain or loss is transferred from the asset revaluation reserve to the capital profits reserve.

**(xv) Profits Reserve**

A profits reserve has been created representing an amount allocated from current and retained earnings that is preserved for future dividend payments.





## SECTION 7

# INVESTIGATING ACCOUNTANT'S INDEPENDENT REPORT



**PITCHER PARTNERS**  
ACCOUNTANTS • AUDITORS • ADVISORS

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Pitcher Partners is an association of independent firms  
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

23 February 2017

The Directors  
URB Investments Limited  
Level 2, 160 Pitt Street Mall  
Sydney NSW 2000

Dear Directors

### **PART 1: INDEPENDENT LIMITED ASSURANCE REPORT ON URB INVESTMENTS LIMITED PRO FORMA HISTORICAL FINANCIAL INFORMATION**

## **7.1 INTRODUCTION**

The Directors of URB Investments Limited (the “Company”) have engaged Pitcher Partners Sydney Corporate Finance Pty Ltd (“Pitcher Partners”) to report on the pro forma historical financial information of the Company as at 13 October 2016.

We have prepared this Investigating Accountant’s Report (“Report”) to be included in a Prospectus dated on or about 23 February 2017 and relating to the offer of up to 272,727,273 fully paid ordinary Shares at an offer price of \$1.10 per share to raise up to \$300,000,000 should the Maximum Subscription be raised and all over subscriptions be accepted.

The Minimum Subscription is 68,181,818 fully paid ordinary Shares. The Offer is not underwritten.

Under the Offer, there will also be an entitlement to one Option for every one ordinary Share subscribed for, which will be exercisable at an exercise price of \$1.10 per Option, on or before 7 April 2018.

Unless stated otherwise, expressions defined in the Prospectus have the same meaning in this Report and section references are to sections of the Prospectus.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (“AFSL”) under the Corporations Act. Pitcher Partners holds the appropriate AFSL authority under the Corporations Act. Refer to our Financial Services Guide included as Part 2 of this Report.

Pitcher Partners Sydney Corporate Finance Pty Ltd, ABN 77 122 561 184, is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd, AFS License No. 336950, ABN 85 135 817 766. A member of Pitcher Partners, a national association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.

 an independent member of  
**BAKER TILLY**  
INTERNATIONAL



## 7.2 BACKGROUND

The Company was incorporated on 13 October 2016 and has not traded. As at the date of this Report, the Company has 100 Shares and no Options on issue and has net assets of \$100.

## 7.3 SCOPE

This Report deals with the pro forma financial information of the Prospectus ("*Financial Information*"). The Financial Information consists of the pro forma statements of financial positions as at 13 October 2016 and related notes as set out in Section 6 of the Prospectus.

The unaudited pro forma statements of financial position in Section 6.2 have been prepared to illustrate the financial position of the Company on completion of the Offer and have been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events to which the pro forma assumptions relate, as described in Section 6.5 of the Prospectus, as if those events had occurred as at 13 October 2016. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

The pro forma statements of financial position are presented in an abbreviated form insofar as they do not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Pitcher Partners disclaims any responsibility for any reliance on this Report or the financial information to which it relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus and has been prepared for inclusion in the Prospectus.

## 7.4 DIRECTORS' RESPONSIBILITIES

The Directors of the Company are responsible for the preparation and presentation of the pro forma statements of financial position including the selection and determination of pro forma assumptions, accounting policies and the notes included in the pro forma historical financial information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

## 7.5 OUR RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the pro forma historical financial information included in Section 6 of the Prospectus based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on the pro forma historical financial information of the Company.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any financial information used as a source of the financial information.

## 7.6 CONCLUSION

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma historical financial information (being the pro forma statements of financial position of the Company) is not prepared or presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 6.2 of the Prospectus.

## 7.7 RESTRICTION ON USE

Without modifying our conclusions, we draw attention to Section 6 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, this Report and the financial information may not be suitable for use for another purpose.

Investors should consider the statement of investment risks set out in Section 5 of the Prospectus.

## 7.8 LEGAL PROCEEDINGS

To the best of our knowledge and belief, there are no material legal proceedings outstanding or currently being undertaken, not otherwise disclosed in this Report, which would cause the information included in the Report to be misleading.

## 7.9 SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of the Company have come to our attention, that would require comment on, or adjustment to the information referred to in our Report, or that would cause such information to be misleading or deceptive.

## 7.10 SOURCES OF INFORMATION

Pitcher Partners has made enquiries of the Directors, the Manager and other parties as considered necessary during the course of our analysis of the pro forma historical financial information of the Company. We have also referred to the Prospectus and material documents which relate to the proposed operations of the Company.

We have no reason to believe the information supplied is not reliable.

## 7.11 INDEPENDENCE OR DISCLOSURE OF INTEREST

Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

None of Pitcher Partners Sydney Corporate Finance Pty Ltd, Pitcher Partners Sydney Wealth Management Pty Ltd, any director thereof, nor any individual involved in the preparation of the Report has any financial interest in the outcome of this Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.

Our associated partnership, Pitcher Partners Sydney, has been nominated to be auditor of the Company subject to approval from the Australian Securities & Investments Commission and the Company's shareholders. If appointed, Pitcher Partners Sydney will receive fees for performing audit services.

## 7.12 LIABILITY

Pitcher Partners has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

The liability of Pitcher Partners is limited to the inclusion of this Report in the Prospectus. Pitcher Partners has not authorised the issue of the Prospectus. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from, the Prospectus.

## 7.13 FINANCIAL SERVICES GUIDE

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

**Pitcher Partners Sydney Corporate Finance Pty Ltd**



**SCOTT WHIDDETT**

DIRECTOR

## PART 2: FINANCIAL SERVICES GUIDE

### 1. Pitcher Partners Sydney Corporate Finance Pty Ltd

Pitcher Partners Sydney Corporate Finance Pty Ltd ("**Pitcher Partners**") is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd ("**Licence Holder**") in relation to Australian Financial Services Licence No. 336950.

Pitcher Partners may provide the following financial services to wholesale and retail clients as an authorised representative of the Licence Holder:

- Financial product advice in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, deposit and payment products, life products, retirement savings accounts and superannuation (collectively "**Authorised Financial Products**"); and
- Applying for, varying or disposing of a financial product on behalf of another person in respect of Authorised Financial Products.

### 2. Financial Services Guide

The Corporations Act 2001 requires Pitcher Partners to provide this Financial Services Guide ("**FSG**") in connection with its provision of an Investigating Accountant's Report ("**Report**") which is included in the Prospectus provided by URB Investments Limited (the "**Entity**").

### 3. General Financial Product Advice

The financial product advice provided in our Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence ("**AFSL**") to assist you in this assessment.

### 4. Remuneration

Pitcher Partners' client is the Entity to which it provides the Report. Pitcher Partners receives its remuneration from the Entity. Our fee for the Report is based on a time cost or fixed fee basis. This fee has been agreed in writing with the party who engaged us. Neither Pitcher Partners nor its directors and employees, nor any related bodies corporate (including the Licence Holder) receive any commissions or other benefits in connection with the preparation of this Report, except for the fees referred to above.

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of Pitcher Partners or related entities but any bonuses are not directly connected with any assignment and in particular not directly related to the engagement for which our Report was provided.

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connections with the reports that we are licensed to provide.

### 5. Independence

Pitcher Partners is required to be independent of the Entity.

None of Pitcher Partners, Pitcher Partners Sydney Wealth Management Pty Ltd, any director thereof, nor any individual involved in the preparation of the Report has any financial interest in the outcome of this Offer, other than a fee in connection with the preparation of our Report for which professional fees in the order of \$25,000 (excluding GST) will be received. No pecuniary or other benefit, direct or indirect, has been received by Pitcher Partners, their directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

Pitcher Partners Sydney, a chartered accounting partnership associated with Pitcher Partners has been nominated to be the appointed auditor of the Company, for which it will receive fees.



## 6. Complaints Resolution

Pitcher Partners is only responsible for its Report and this FSG. Complaints or questions about the Prospectus should not be directed to Pitcher Partners which is not responsible for that document.

Both Pitcher Partners and the Licence Holder may be contacted as follows:

- By phone: (02) 9221 2099
- By fax: (02) 9223 1762
- By mail: GPO Box 1615  
SYDNEY NSW 2001

If you have a complaint about Pitcher Partners' Report or this FSG you should take the following steps:

1. Contact the Enquiries and Complaints Officer of the Licence Holder on (02) 9221 2099 or send a written complaint to the Licence Holder at Level 22, MLC Centre 19 Martin Place, Sydney NSW 2000. We will try and resolve your complaint quickly and fairly.
2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Industry Complaints Service at PO Box 579 Collins St West, Melbourne, Victoria 8007 or call on 1300 78 08 08. We are a member of this scheme.
3. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

The Licence Holder, as holder of the AFSL, gives authority to Pitcher Partners to distribute this FSG.



## SECTION 8

# BOARD OF DIRECTORS AND GOVERNANCE

### 8.1 INTRODUCTION

The Board of Directors comprises independent and non-independent directors with a broad range of experience in investment management combined with financial and commercial expertise.

The following table provides information regarding the Directors, including their positions:

DIRECTOR	POSITION	INDEPENDENCE
Warwick Negus	Chairman	Non-independent
Victoria Weekes	Director	Independent
Tony McDonald	Director	Independent
Bruce Dungey	Director	Independent

#### Background of the Directors



#### Warwick Negus

Chairman

Mr Negus has more than 30 years' of finance industry experience in Asia, Europe and Australia. His most recent executive roles include Chief Executive Officer of 452 Capital, Chief Executive Officer of Colonial First State Global Asset Management and a Goldman Sachs Managing Director in Australia, London and Singapore. He was also a Vice President of Bankers Trust Australia. Warwick is a Director of Washington H Soul Pattinson and Company, Bank of Queensland Ltd, Terrace Tower Group, Virgin Australia Holdings and FINSIA.



#### Victoria Weekes

Independent Director

Ms Weekes is a professional non-executive director and independent business advisor. Victoria has over 30 years' experience in the investment and financial services industries in senior management and advisory roles working with major listed companies. Having held senior roles in both the private and public sector, Victoria has led a number of large-scale change programs for major organisations. She is currently Chairman of OnePath Funds Management Limited and OnePath Custodians Limited, Non-Executive Director of ANZ Share Investing Limited, Sydney Local Health District, FINSIA and is the Chairman of the Audit and Risk Committee of the Urban Growth NSW Development Corporation.

**Tony McDonald**

Independent Director

Mr McDonald is a professional, non-executive director and an executive with extensive business experience, across a range of disciplines and industries. Tony co-founded and led the Snowball Group (now part of Shadforth within IOOF Ltd) from a start-up to a fully integrated business listed on the ASX. Tony is also an Independent Non-Executive Director of 8IP Emerging Companies Limited and Hub24 Limited. He is also Chairman of a not-for-profit organisation.

**Robert (Bruce) Dungey**

Independent Director

Mr Dungey is a Chartered Accountant with over 40 years' experience providing assurance, taxation and business advisory services to a broad range of enterprises in a variety of industries, notably entrepreneurial growth companies, international private companies and High Net Worth Family offices. Bruce also held a number of leadership roles with two 'Top 4' global accounting firms, namely, Deloitte and Ernst & Young.

## 8.2 COMPANY SECRETARY

The Company has outsourced its accounting and company secretarial function to the Administrator, Corporate & Administrative Services Pty Ltd (which is wholly-owned by Soul Pattinson). These services are provided on commercial terms and are estimated to be \$110,000 per financial year. These services will primarily be provided by Jaime Pinto whose profile is set out below.

**Jaime Pinto**

Company Secretary

Mr Pinto is a Senior Finance Professional and Corporate Governance Executive with over 20 years of industry experience. Jaime is currently Company Secretary of BKI Investment Company Limited, Quickstep Holdings Limited and TPI Enterprises Limited, and is Company Secretary and CFO of a number of unlisted investment and industrial companies.

### 8.3 INDEPENDENT DIRECTORS

The Board considers an Independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director.

In assessing independence, the Board will have regard to the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**ASX Recommendations**). On this basis, Victoria Weekes, Tony McDonald and Bruce Dungey would be considered independent Directors. Warwick Negus is not considered independent given he is a director of Soul Pattinson which owns 20% of the Investment Manager, is party to the Co-Investment Agreement, is co-owner of the Direct Property Seed Assets and will be a substantial shareholder of the Company upon listing. This composition is consistent with the ASX Recommendations which state that a majority of Directors on the Board of a listed entity should be independent.

### 8.4 DIRECTOR DISCLOSURES

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

### 8.5 THE ROLE OF THE BOARD

The Directors will ensure the Company has corporate governance procedures and that those procedures are followed. In addition, the Board will be responsible for reviewing the Investment Manager's performance and ensuring compliance with the Investment Management Agreement terms.

It is expected that Board meetings will be held at least every two months and more frequently as required. The Directors' commitment of time to these activities will depend on a number of factors including the size of the Investment Portfolio, the spread of investments in the Investment Portfolio and the state of investment of the Investment Portfolio.

### 8.6 PARTICIPATION IN THE OFFER BY DIRECTORS

The Directors, and entities associated with them, are permitted to participate in the Offer. At completion of the Offer the Directors are expected to have a Relevant Interest in the following numbers of Securities:

DIRECTOR	SHARES	OPTIONS
Warwick Negus	100,000	100,000
Victoria Weekes	15,000	15,000
Tony McDonald	100,000	100,000
Bruce Dungey	68,182	68,182



## 8.7 INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus:

- no Director or proposed Director holds at the date of this Prospectus or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:
  - the formation or promotion of the Company; or
  - any property acquired or proposed to be acquired by the Company in connection with its formation or in connection with the Offer; or
  - the Offer; and
- no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
  - to a Director or proposed Director to entice him or her to become, or to qualify as, a Director; or
  - for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or in connection with the Offer.

## 8.8 DIRECTORS' REMUNERATION

Under the Constitution, the Board decides the total amount paid to all Non-Executive Directors as remuneration for their services as a Director. However, the total amount paid to all Non-Executive Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. Currently, the aggregate fee cap is \$300,000.

As at the date of this Prospectus, the Company has agreed to pay the following fees:

DIRECTOR	DIRECTOR'S FEES
Warwick Negus	\$60,000
Victoria Weekes	\$40,000
Tony McDonald	\$40,000
Bruce Dungey	\$45,000

For the year ending 30 June 2017, Directors will be paid a pro rata amount calculated by reference to the date of Listing.

All Director's fees are inclusive of superannuation expenses.

The remuneration for Directors will be reviewed by the Board on a periodic basis as the Company develops its business and, subject to the Listing Rules, may be increased.

## 8.9 CORPORATE GOVERNANCE POLICIES

This Section explains how the Board will oversee the management of the Company's business. The Board is responsible for the overall performance of the Company and accordingly takes accountability for monitoring the Company's business and affairs and strategic direction, establishing policies and overseeing the Company's financial position and performance. The Board is committed to maximising performance, generating appropriate levels of returns for Securityholders and sustaining the growth and success of the Company. In conducting business with these objectives, the Board is concerned to ensure that URB is properly managed to protect and enhance Securityholder interests, and that the Company operates in an appropriate environment of corporate governance. Accordingly, the Board has adopted corporate governance policies and practices designed to promote the responsible management and conduct of the Company.

The Company has adopted its corporate governance policies having regard to the ASX Recommendations. As a listed entity, URB will be required to report annually the extent to which it has followed the ASX Recommendations during each financial year. If it has not followed a particular ASX Recommendation during the year, URB must disclose its reasons for not doing so.

Copies of the Company's key corporate governance policies and charters are available at [www.urbinvest.com.au](http://www.urbinvest.com.au).

### (a) Board Charter

The Board Charter formalises the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Company.

### (b) Code of Conduct

The Code of Conduct defines the required standards of behaviour for Directors, employees and other personnel of the Company, the Investment Manager and other and advisors appointed by URB in the performance of their duties.

### (c) Securities Trading Policy

The Securities Trading Policy sets out the Company's policy with regard to trading in Company securities. The policy applies to all Directors, key management personnel and other employees of the Company, the Investment Manager and any property manager and their associates. The policy outlines: the requirements; general prohibition on insider trading; restrictions on trading; additional restrictions on short-term trading; permission to trade; exceptions; required notification of proposed trade in Company securities; and notification of trade in the Company's securities.

### (d) Continuous Disclosure Policy

The Continuous Disclosure Policy has been adopted with a view to ensuring that the Company complies with the requirements of the ASX Listing Rules. The policy highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing this information; and policy review details.

### (e) Securityholder Communication Policy

The Board of Directors aims to ensure that shareholders are informed of all major developments. The Securityholder Communication Policy outlines responsibilities for reports issued to shareholders; ASX announcements; Annual General Meetings; maintenance of the Company website; requests for information; review of shareholder communications; and dealings with the media.

### (f) Diversity Policy

This policy sets out the Company's objectives for achieving diversity and inclusion.

### (g) Risk Management Policy

This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business.

### (h) Director Appointment Policy

The Director Appointment Policy sets out the procedure the Company will follow in determining the composition of the Board and making new director appointments.

## 8.10 BOARD COMMITTEES

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

### (a) Audit and Risk Committee

The Audit and Risk Committee oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor.

The Audit and Risk Committee implements, reviews the effectiveness of and supervises the Company's risk management framework, including making recommendations to the Board on any incident involving fraud or breakdown of internal controls and the Company's insurance program. An Audit and Risk Committee Charter has been established to formalise the functions and responsibilities of the committee.

The Committee comprises Bruce Dungey (Chair), Warwick Negus, Victoria Weekes and Tony McDonald.

### (b) Remuneration and Nominations Committees

The Board of URB has determined that it will not initially establish a Remuneration Committee or Nomination Committee, due to the limited size of the Board and the fact that the Company has no employees. The Board as a whole will review and determine remuneration packages, ensure that the remuneration policies and practices are consistent with the strategic goals of the Board, and ensure that the Company maintains appropriate policies and processes to address board succession and ensure the board has an appropriate balance of skills, knowledge, experience, independence and diversity to effectively discharge its duties and responsibilities.

## 8.11 RELATED PARTY DISCLOSURES

Each Director is a related party of the Company. Each director will be remunerated for their services.

In addition to their annual remuneration, each of the Directors will be entitled to be reimbursed for certain costs and expenses. Full details of Director remuneration are set out in Section 8.8.

The Directors, and entities associated with them, are permitted to participate in the Offer. The Directors and their associates have not determined their exact participation in the Offer at the date of this Prospectus. At Completion of the Offer, the Directors are expected to have relevant interest in the following numbers of Securities:

- (a) Warwick Negus: 100,000 Securities;
- (b) Victoria Weekes: 15,000 Securities;
- (c) Tony McDonald: 100,000 Securities; and
- (d) Bruce Dungey: 68,182 Securities.

Full details of the expected participation by Directors is set out in Section 8.6.

As at the date of this Prospectus, the Investment Manager is the sole Securityholder of the Company and is therefore a related party of the Company. The Company and the Investment Manager have entered into the Investment Management Agreement pursuant to which the Investment Manager is entitled to be paid certain fees by the Company. Further details of the Investment Management Agreement are set out above and in Section 9.1.

Other than as set out above and in this Prospectus, there are no existing or proposed arrangement between the Company and its related parties.

## 8.12 CONSTITUTIONAL INDEMNITY AND DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into a deed of access, indemnity and insurance (Deed) with each Director. The Deed affords each Director a right of access to board papers and certain other documents of the Company while they are a Director and after they cease to be a Director for certain specified purposes, including the defence of claims brought against them.

Pursuant to the Constitution, to the fullest extent permitted by law, the Company must indemnify every Director (or other officer) of the Company and its wholly-owned subsidiaries. The Deed restates and regulates this indemnity for each Director of the Company and of an outside entity (at the request of the Company).

The Deed provides that the Company must advance legal costs reasonably incurred by the Director in conducting or defending legal proceedings where the right of the Director to be indemnified by the Company depends on the outcome of the proceedings.

The Constitution allows the Company to enter into, and pay premiums on contracts of insurance, insuring any liability incurred by a current or former Director and officer of the Company.

The Deed requires the Company to use its best endeavours to ensure that each Director is insured by a Directors' and officers' liability insurance policy during the Director's term of office and for at least seven years thereafter, and longer, if an indemnified claim is ongoing. The Deed also provides that the Company is to pay legal expenses reasonably incurred by the Director in bringing proceedings against the insurer of a directors' and officers' liability insurance policy for indemnity, where the insurer disputes its liability to indemnify the Director.

Section 11.3(r) summarises the provisions of the Constitution authorising indemnities in favour of Directors and officers.



## SECTION 9

# MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisors would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

### 9.1 INVESTMENT MANAGEMENT AGREEMENT

URB has entered into the Investment Management Agreement with the Investment Manager on 23 February 2017 with respect to the management of the Investment Portfolio. A summary of the material terms of the Investment Management Agreement are set out below.

#### (a) Duties of the Investment Manager

The Investment Manager must, among other things:

- act honestly and in good faith in providing certain services to the Company and exercise all due diligence and care in carrying out its functions, powers and duties under the Investment Management Agreement;
- if required by law, hold an AFSL or be an authorised representative such that it is authorised to provide the relevant services;
- keep the Investment Portfolio under review and confer at regular intervals with the Company regarding the investment and management of the Investment Portfolio;
- with the consent of URB, or under force of law and as advised to the Company, give any information and assistance and make available any records relating to the Investment Portfolio reasonably required by the auditors of the Company, ASIC or any other government authority (as required by relevant laws);
- promptly notify the Company where certain changes occur (including changes to key staff) and when certain events occur (including the commencement of litigation or material changes in the financial position of the Investment Manager);
- account to the Company for any soft dollar or monetary benefits or fees or commissions received by the Investment Manager or a related body corporate in relation to the management of the Investment Portfolio;
- keep proper books of account in relation to the Investment Portfolio, recording transactions by the Investment Manager to assist the Company in the preparation of reports required by relevant laws as instructed by the Company; and
- at the request of URB use reasonable endeavours to assist the Company to manage its relations with its Securityholders and the public and to comply with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.



### (b) Services

Under the Investment Management Agreement, the Investment Manager has been appointed as the exclusive manager of the Company in relation to the Investment Portfolio.

The services which the Investment Manager will provide to URB under the Investment Management Agreement include:

- investing and managing the Investment Portfolio for and on behalf of the Company in accordance with the Investment Management Agreement;
- making recommendations, advising on and facilitating investments;
- supervising the management of the Investment Portfolio and the day-to-day administration of the Investment Portfolio including supervising any property manager;
- advising on, and assisting with, the strategy, future capital raisings and financing of the Company as required by the Board;
- ongoing promotion and marketing of the Company;
- providing information to the Company as required to enable the Company to comply with relevant laws, including (but not limited to) the Listing Rules;
- rendering investment, consultation, advisory and management services in relation to investments generally; and
- any other services and upon terms as may be agreed from time to time between the Investment Manager and the Board.

### (c) Authorised Investments

When exercising any investment discretion in respect of the Investment Portfolio, the Investment Manager must comply with the Authorised Investment Rules (as that term is defined in the Investment Management Agreement), unless the Company provides its written consent otherwise, in which case the Investment Manager must strictly comply with the terms of that consent.

The Authorised Investment Rules may be amended by the Board from time-to-time and, as at the date of this document, provide for investments in:

- **listed Equity Assets** – securities listed on the ASX, which at the time of acquisition, are assessed by the Investment Manager to be within URB's Investment Strategy;
- **unlisted Equity Assets** – that are that are proposed to be listed on ASX within 12 months and are assessed by the Investment Manager to be within URB's Investment Strategy; and
- **Direct Property Assets** – real property investments that are approved by the Board in accordance with the framework set out in the Investment Management Agreement.

### (d) Reporting

Except with the prior written consent of the Company, the Investment Manager must provide URB with certain reports (monthly report, quarterly report and half year and annual reports) and must take all reasonable steps to ensure that those reports are complete and accurate in all material respects to the extent the necessary information is within the reasonable control or access of the Investment Manager.

The reports must contain certain information including:

- details of transactions effected and accrued during the period;
- a calculation of the investment percentage return on the Investment Portfolio during the period;
- the Base Fee and Performance Fee payable for a period;
- all other information necessary for the Company to meet its legal and ASX listing requirements;
- a statement detailing related bodies corporate approved to provide services to the Investment Manager and a list of the relevant services being provided and any fees paid to the related bodies corporate; and
- a statement regarding the current status of the Investment Manager's AFSL (or authorisation) and details of any changes in the name or capitalisation of the investment management or internal custodian companies.

### (e) Delegation

The Investment Manager may, with the prior approval of the Company (such approval not to be unreasonably withheld), appoint or employ by writing or otherwise any person to be sub-contractor for the Investment Manager to perform any or all of the duties and obligations imposed on it by the Investment Management Agreement.

### (f) Non-exclusivity

The Investment Manager may from time-to-time perform similar investment and management services for itself and other persons to the services performed for URB under the Investment Management Agreement.

### (g) Related Party Protocols

Under the Investment Management Agreement, the Investment Manager may invest with or engage the services of the Investment Manager's related bodies corporate which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business and on arm's length terms.

However, no adjustments to the Performance Fee or the Base Fee are to be made for any fee, brokerage or commission paid to a related body corporate of the Investment Manager.

### (h) Amendment

The Investment Management Agreement may be amended by exchange of letters signed by both the Investment Manager and URB.

### (i) Company Indemnity

URB must indemnify the Investment Manager against any third party liabilities reasonably incurred by the Investment Manager arising in connection with, the Investment Manager or any of its employees, officers or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Investment Manager or its officers except insofar as any third party Liability is caused by the gross negligence, default, fraud or dishonesty of the Investment Manager or its employees, officers or agents. This obligation continues after the termination of the Investment Management Agreement.

### (j) Investment Manager's Indemnity

The Investment Manager must indemnify the Company against any liabilities reasonably incurred by the Company arising out of, or in connection with, any gross negligence, default, fraud or dishonesty of the Investment Manager or its employees, officers or agents. This obligation continues after the termination of the Investment Management Agreement.

### (k) Base Fee

The Base Fee is payable by URB monthly, in arrears and is calculated as follows:

$$\text{Base Fee (for the relevant month) (exclusive of GST)} = R \times V$$

Where:

$$R = 0.50\%$$

**V** = Total Assets (being, the total amount of assets owned by the Company as it appears in the consolidated balance sheet of monthly accounts, half year accounts and full year accounts (as applicable) as at the end of each calendar month, divided by 12.

Total Assets will include any unrealised gains on the Equity Portfolio or Direct Property Portfolio.

As a worked example, assuming an initial value of the Investment Portfolio of \$300,000,000 at 1 July 2017, and nil performance on the Investment Portfolio each month (ie the value of the Investment Portfolio and Total Assets does not change), the Base Fee Payable on the Investment Portfolio for the 12 month period ending 30 June 2018 would be \$1,500,000 (plus GST).

### (l) Performance Fee

The Investment Manager is entitled to a performance fee if the performance hurdle is satisfied at the end of each financial year commencing from 1 July 2017. There is no performance fee payable for the period from listing until 30 June 2017.

The performance hurdle is satisfied if the Company's pre-tax net tangible asset per Share as at the end of a financial year (**CY NTA**) has increased by at least 8% from the Company's pre-tax net tangible asset per Share at the end of the immediately preceding financial year (**PY NTA**).

For the purposes of determining whether the performance hurdle has been satisfied, the calculation of the pre-tax NTA per Share:

- (A) must exclude any accrued performance fee; and
- (B) unless otherwise agreed by the Investment Manager, will be adjusted for the impact of payment of any Special Dividend, issuance of Shares, capital reduction or Share buy-back.

#### **Performance Fee =**

**15% x (CY NTA – (PY NTA x 1.08)) x weighted average number of Shares during the relevant financial year.**

*Worked examples:*

#### **Example 1: Outperformance of 8% investment hurdle**

Assuming an initial value of the Investment Portfolio of \$300,000,000 at 1 July 2017, and a 10% uplift in performance on the pre-tax net tangible asset per Share after payment of all ordinary dividends, the performance fee payable on the Investment Portfolio for the 12 month period ending 30 June 2018 would be \$900,000 (plus GST).

#### **Example 2: Underperformance of 8% investment hurdle**

Assuming an initial value of the Investment Portfolio of \$300,000,000 at 1 July 2017, and a 6% uplift in performance on the pre-tax net tangible asset per Share after payment of all ordinary dividends, the performance fee payable on the Investment Portfolio for the 12 month period ending 30 June 2018 would be \$0 as the performance hurdle would not have been satisfied.

### (m) Expenses

URB is liable for, and may pay out of the Investment Portfolio certain costs, fees and expenses (or URB's proportion of such costs, fees and expenses) incurred in connection with the investment and management of the Investment Portfolio or incurred by the Investment Manager acting under the Investment Management Agreement.

Such costs, fees and expenses may include:

- taxes, costs, charges and expenses (including without limitation all brokerage, stamp duty, withholding tax, financial institutions duty, bank accounts debit tax, commissions, transfer fees, registration fees, custodian and Clearing House fees);
- expenses incurred in connection with an asset acquired or to be acquired; and
- government agency costs (for example, ASIC).

Notwithstanding the above, the Investment Manager is solely responsible for payment of any fee or remuneration payable to any holder of an AFSL and other in-house and office costs.

### (n) Assignment

Neither URB nor the Investment Manager may assign any of its rights and obligations under the Investment Management Agreement without the prior written consent of the other party. However, an exception exists where the assignment is to a Related Body Corporate (as defined in the Corporations Act) in the case of the Investment Manager upon five Business Days' written notice to the other party.

### (o) Term of Agreement

The term of the Investment Management Agreement is ten years. The Investment Management Agreement will continue after this initial period until terminated in accordance with the terms of the Investment Management Agreement.

### (p) Termination Rights

The Investment Management Agreement gives URB certain termination rights, including the right to immediately terminate if:

- the Investment Manager becomes insolvent;
- the Investment Manager ceases to carry on business in relation to its activities as an investment manager;
- the Investment Manager breaches its obligations under the Investment Management Agreement and the breach is not remedied within 30 days of receiving notice of that breach;
- either Tom Millner or Will Culbert cease to be engaged as an officer, consultant or employee of the Investment Manager or cease to be actively engaged in the management of the Investment Portfolio and is not replaced with a replacement that is acceptable to URB (acting reasonably);
- a person (other than an existing holder of shares in the Investment Manager or other than a person (or persons) acceptable to the Company (acting reasonably)) acquires a relevant interest in voting shares in the Investment Manager where because of the acquisition that person's voting power exceeds 50%; or
- the Investment Manager is unable to perform its obligations under the Investment Management Agreement because it has ceased to hold the necessary legal authorisations to provide the relevant services.

URB may also terminate the Investment Management Agreement:

- on the last day of the initial 10 year term, if URB gives the Investment Manager at least two months prior notice;
- after expiration of the initial 10 year term by:
  - giving the Investment Manager three months' prior written notice; or
  - on three months' prior written notice after an ordinary resolution is passed at a general meeting of the Company to terminate the Investment Management Agreement.

The Investment Manager may terminate the Investment Management Agreement:

- with three month's prior written notice if:
  - URB becomes insolvent;
  - URB is in default or breach of its obligations under the Investment Management Agreement in a material respect and fails to remedy, rectify or reasonably compensate for that default or breach within 30 days after receiving notice of that default or breach;
  - on the last day of the initial term; or
  - at any point after expiry of the initial term.

## 9.2 OFFER MANAGEMENT AGREEMENT

The Company and the Investment Manager have entered into an offer management agreement dated 23 February 2017 (**Offer Management Agreement**) with the Joint Lead Managers pursuant to which the Joint Lead Managers will manage the Offer. Under the Offer Management Agreement, the Company appoints the Authorised Intermediary to make offers to arrange for the issue of the Securities under the Offer.

The Company must pay to a Joint Lead Manager a selling fee of 1.5% (exclusive of GST) of the amount equal to the total number of Securities in respect of which that Joint Lead Manager or its affiliates has received or procured valid Applications under the Broker Firm Offer, the Priority Offer or the General Offer, multiplied by the Issue Price.

The Company must also pay the Joint Lead Managers in their respective proportions a management fee of 1.2% (exclusive of GST) of the total proceeds raised under the Offer (excluding any amounts raised under the Chairman's List which include any amounts subscribed for by Soul Pattinson). In order to qualify for the management fee, the Joint Lead Managers and their affiliates must raise between them \$50 million under the Broker Firm Offer, General Offer (excluding the Chairman's List) and Priority Offer.

The Company has agreed to pay or reimburse the Joint Lead Managers for all reasonable legal costs and expenses incurred by them in connection with the Offer, of up to \$27,500 (plus GST and disbursements), as well as other additional out-of-pocket expenses.

The Offer Management Agreement is conditional on a number of things including the Company obtaining any ASX waivers in in-principle form and any ASIC modifications (in a form and substance acceptable to the Joint Lead Managers acting reasonably) to enable the Offer to proceed in accordance with the timetable in the Offer Management Agreement and the Prospectus.

In accordance with the Offer Management Agreement:

- (a) the Company and the Manager have (subject to certain usual limitations) agreed to indemnify the Joint Lead Managers, their related bodies corporate, their directors, officers, advisors and employees against any losses arising directly or indirectly in connection with the Offer (including for publicity, regulatory reviews or non-compliance of the Prospectus), or a breach by the Company and the Manager of any provision, including representation or warranty in, the Offer Management Agreement. Upon completion of the Offer, the Joint Lead Managers release the Manager from all liability under the Offer Management Agreement;
- (b) the Company and the Investment Manager have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer and content of the Prospectus;
- (c) the Joint Lead Managers may, in consultation with the Company, appoint co-lead managers and Brokers to the Offer; and
- (d) Joint Lead Managers may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Offer Management Agreement and be released from their obligations under it on the occurrence of certain events on or prior to the issue of Securities under the Offer, including (but not limited to) where:
  - (i) a statement contained in the Offer materials is or becomes materially misleading or deceptive or likely to mislead or deceive or the Offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);
  - (ii) the ASX does not approve the listing of the Company;
  - (iii) there are changes in the portfolio managers of the Manager or the Board of Directors of the Company;
  - (iv) the S&P ASX 200 Index falls to a level that is 90% or less than the level the business day before the date of the agreement and closes at or below that 90% level on 2 consecutive business days;
  - (v) subject to a materiality threshold, material adverse changes to the financial markets, political or economic conditions of key countries, trading halts on all securities listed on certain security exchanges, banking moratoriums, hostilities commence or escalate in key countries or a major terrorist act is perpetrated in key countries;
  - (vi) there is, or is likely to be, a material adverse change, or event involving a prospective material adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company;
  - (vii) subject to a materiality threshold, a regulatory investigation or legal action is commenced against the Company or the Manager; or
  - (viii) subject to a materiality threshold, a breach of the representations, warranties and undertakings or default of the Offer Management Agreement.

Please note that the above is not an exhaustive list of the termination events in the Offer Management Agreement.

### 9.3 CO-INVESTMENT AGREEMENT

URB has entered into an agreement with Soul Pattinson, Contact (in its capacity as Investment Manager of URB) and PSRE with respect to the management of properties that are considered Co-Investment Opportunities. The Co-Investment Agreement gives URB the same investment opportunities offered by PSRE to Soul Pattinson. A summary of the material terms of the Co-Investment Agreement are set out below.

#### (a) Properties Subject to the Co-Investment Agreement

A property will be considered a Co-Investment Opportunity if it satisfies the “**Property Investment Criteria**” and if PSRE proposes to offer the property to Soul Pattinson as an investment opportunity.

The Property Investment Criteria is any unlisted real property transaction with exposure to urban renewal and regeneration upside including but not limited to commercial properties, industrial properties, residential properties, infrastructure and vacant land.

## (b) Potential Investment Report

If PSRE proposes a Co-Investment Opportunity, it must provide a "Potential Investment Report" to Soul Pattinson, Contact and URB at the same time. The Potential Investment Report must include the following:

- **Location:** assessment of the location of the Co-Investment Opportunity for its ability to benefit from urban renewal and regeneration e.g. proximity to new infrastructure, potential rezoning;
- **Financial modelling:** analysis of the Co-Investment Opportunity's ability to generate both income and capital returns under different scenarios;
- **Detailed scenario analysis:** testing a number of scenarios (e.g. including rezoning or repositioning to suit higher and better uses) to determine its potential future value. The analysis must look at risk/return, probability weighting each potential event and the costs of implementing each strategy;
- **Acquisition amount:** estimate of the purchase price and estimate cost for completing due diligence and transaction execution; and
- **Acquisition Process:** estimated time for completing the Co-Investment Opportunity.

## (c) Investment Consideration Process

Following receipt of the Potential Investment Report, each party must notify PSRE in writing whether the party is or is not interested in exploring the Co-Investment Opportunity.

PSRE will engage relevant third party advisors and experts to conduct due diligence and will prepare a detailed proposal (the **Acquisition Report**) in relation to the Co-Investment Opportunity.

The Acquisition Report must set out, at a minimum:

- confirmation of the matters set out in the Potential Investment Report;
- the basis for the investment in the context of the Property Investment Criteria;
- the acquisition price (within a reasonable range) including transaction costs;
- details of the proposed acquisition structure;
- legal due diligence reports and any other technical reports; and
- the timetable for the acquisition process including execution of relevant transaction documents.

The parties must work together in good faith to negotiate the acquisition terms with the vendor and any other third party investor and complete the acquisition.

The timetable for responses by Soul Pattinson and URB (or Contact on behalf of URB) to Co-Investment Opportunities will be set by PSRE, acting reasonably and having regard to the particular Co-Investment Opportunity.

## (d) Due Diligence Costs to the Account of PSRE

PSRE will be responsible for all due diligence costs (including any third party costs) associated with the preparation of the Potential Investment Report and Acquisition Report.

If the Co-Investment Opportunity completes, PSRE will not be reimbursed for third party due diligence costs but rather will be paid the Structuring Fee (see Section 9.4(a)(iii) for further details).

## (e) Right of Co-Investment

URB will have the equal opportunity to participate in any Co-Investment Opportunity on the same terms as Soul Pattinson including the right to receive the same information and opportunity to assess the opportunity. The Co-Investment Opportunity may also be offered by PSRE to a third party. In such circumstances, Soul Pattinson and URB's percentage interest in the Co-Investment Opportunity will be net of any third party interest.

If either party declines to pursue the Co-Investment Opportunity or chooses to subscribe for less than 50%, the party that is interested in the Co-Investment Opportunity will be offered the opportunity to acquire the remaining interest of the Co-Investment Opportunity subject to any third party interest.

Neither URB or Soul Pattinson will be compelled to consider or approve a Co-Investment Opportunity identified by PSRE.



**(f) Structure**

Any Co-Investment Opportunity will be structured in the following manner, unless the parties agree otherwise:

- a separate trust will be created by PSRE to purchase and own the freehold property;
- each trust will be operated and managed by a subsidiary of Soul Pattinson or any other entity as agreed between the co-owners;
- units in the trust will be issued to Soul Pattinson, URB and any other third parties in proportion to their subscription commitment;
- URB and Soul Pattinson may nominate any related body corporate as the investor; and
- the trustee will manage and operate the trust in accordance with the terms of a Unitholders' Agreement for the trust.

**(g) Appointment of Property Manager**

PSRE, or a related body corporate of PSRE, will be appointed property manager (**Property Manager**) to provide property management services to the parties in respect of each Co-Investment Opportunity that is completed, in accordance with a pro-forma PMA as described in more detail in Section 9.4 below.

No fees of any kind will be payable to PSRE in relation to the identification of the Co-Investment Opportunity (including due diligence costs).

**(h) URB/ Contact Opportunities**

If URB identifies (through itself, Contact or a third party) an unlisted real estate property that is available for purchase and which satisfies the Property Investment Criteria during the term (**URB Identified Property**), URB must also offer Soul Pattinson via PSRE the opportunity to invest in that property in the same proportion and on the same terms as URB.

PSRE will not have any rights to manage any URB Identified Property, unless otherwise agreed by URB. Subject to PSRE's agreement (including with respect to fees) to do so, URB (or Contact on behalf of URB) may engage PSRE to undertake due diligence on any URB Identified Property.

**(i) Term of Agreement**

The term of the Co-Investment Agreement is five years, with a five year extension by mutual agreement unless terminated earlier in accordance with the Investment Management Agreement.

**(j) Termination Rights**

The Co-Investment Agreement gives parties certain mutual termination rights, including the right to immediately terminate if:

- a party breaches a material term of the Co-Investment Agreement that is not remedied or not capable of being remedied;
- a party becomes insolvent;
- a change of control of a party (other than pursuant to a transaction relating to securities listed on a recognised stock exchange) without consent; or
- if Contact ceases to be the Investment Manager of URB.

## 9.4 PROPERTY MANAGEMENT AGREEMENT FOR DIRECT PROPERTY ASSETS SOURCED VIA THE CO-INVESTMENT AGREEMENT

The trustee of each trust that owns property sourced through the Co-Investment Agreement will enter into a Property Management Agreement (PMA) with PSRE.

Pursuant to the PMA, PSRE will provide real estate management services (and where relevant development management services) relating to the trust's property that include:

- rent collection;
- tenant communications;
- property inspections;
- reletting or renegotiation of tenancy arrangements;
- oversight of property maintenance;
- ongoing investor communications;
- ongoing asset management services, including an ongoing assessment of potential exit opportunities and/or redevelopment prospects;
- debt advisory services; and
- where relevant, development management services.

### (a) Fees Payable to PSRE

#### (i) Passive Assets

PSRE will be entitled to the following fees payable by the trust for Passive Assets:

- an asset management fee of 0.75% per annum of the property value (such value to be the purchase price for the first two years after acquisition and for all years subsequent, the latest independent valuation), payable monthly; and
- a performance fee, referable to the annualised rate of return (net of all fees payable to PSRE) achieved by the trust upon:
  - disposal of the property;
  - the 5 year anniversary of the acquisition of the property; or
  - upon termination of the manager (other than for cause).

The performance fee will be 20% of the outperformance of the trust over an annualised rate of return (net of all fees payable to PSRE) hurdle of 8%. The annualised rate of return will be based on the sale price in the case of a disposal of the property or the value of the property based on the average of two independent valuations procured by the trustee and PSRE in the case where the fee is payable upon the five year anniversary of the acquisition of property or termination of the manager.

#### (ii) Development Assets

PSRE will be entitled to the following fees payable by the trust for Development Assets:

- a project management fee equal to 5% of the development costs of the project, payable monthly; and
- a performance fee referable to the annualised pre-tax rate of return (net of all fees payable to PSRE) achieved by the trust upon practical completion of the development or upon a sale of the property if this occurs before practical completion. The performance fee will be 30% of the outperformance of the trust over an annualised pre-tax rate of return (net of all fees payable to PSRE) hurdle of 8% and 50% of the outperformance of the trust over an annualised pre-tax rate of return (net of all fees payable to PSRE) hurdle of 14%. The annualised pre-tax rate of return will be based on the sale price in the case of a disposal of the property or the value of the property based on the average of two independent valuations procured by the trustee and PSRE in the case of practical completion.

#### (iii) All Direct Property Assets

PSRE will be entitled to the following fees payable by the trust for all Direct Property Assets (whether a Passive Asset or a Development Asset):

- a structuring fee of 0.75% of the net purchase price (gross purchase price, not including costs associated with the acquisition of the property, less any negotiated adjustments), payable upon settlement of property;
- a leasing fee payable whenever a new tenant is secured on terms acceptable to the Trustee, calculated as set out below. If a third-party agent provides assistance in obtaining a new tenant, PSRE will on-pay the leasing fee to the agent, capped at the leasing fee paid by the trustee to PSRE; and

The leasing fee in respect of a Lease executed with a New Tenant will be calculated as follows:

$$C = A \times B$$

Where:

**C** = Leasing Fee

**A** = Average Annual Rent for the Lease

**B** = The relevant percentage factor in accordance with the following scale, having regard to the secure term of the Lease (disregarding any extensions which may be available pursuant to the exercise of an option)

Leases of less than 3 years	12%
Leases of 3 years and greater but less than 5 years	13%
Leases of 5 years or more	14%
Plus 0.5% for each year or part of in excess of 5 years	

- where relevant, a debt advisory fee of 0.45% of the total debt raised.

**(iv) Mixed use asset**

Where a performance fee is paid on practical completion of a Development Asset and that asset continues to be held by the trust as a Passive Asset, performance fees will be payable on the Passive Asset based on an annualised rate of return which is re-set upon payment of the development performance fee.

**(b) Term of PMA**

The term of the PMA is ten years unless terminated earlier on the occurrence of a termination event.

**(c) Termination Rights**

The trustee may terminate the PMA:

- (i) after the term has expired, by giving 90 days written notice to PSRE;
- (ii) if a contract to sell the Property has been entered into, by giving 30 days written notice to PSRE; or
- (iii) immediately if an event of default occurs, which includes;
  - (A) if PSRE does not observe one of its obligations under the PMA and does not remedy the non-observance within 30 days after being requested in writing by the trustee to do so;
  - (B) PSRE does not obtain, loses or fails to renew a licence, consent or authorisation required for its obligations under the PMA;
  - (C) PSRE becomes insolvent;
  - (D) a change of control of PSRE; or
  - (E) PSRE ceases to carry on its business or a material part of it, or threatens to do either of those things except to reconstruct or amalgamate while solvent on terms approved by the trustee.

The PMA gives PSRE the right to terminate:

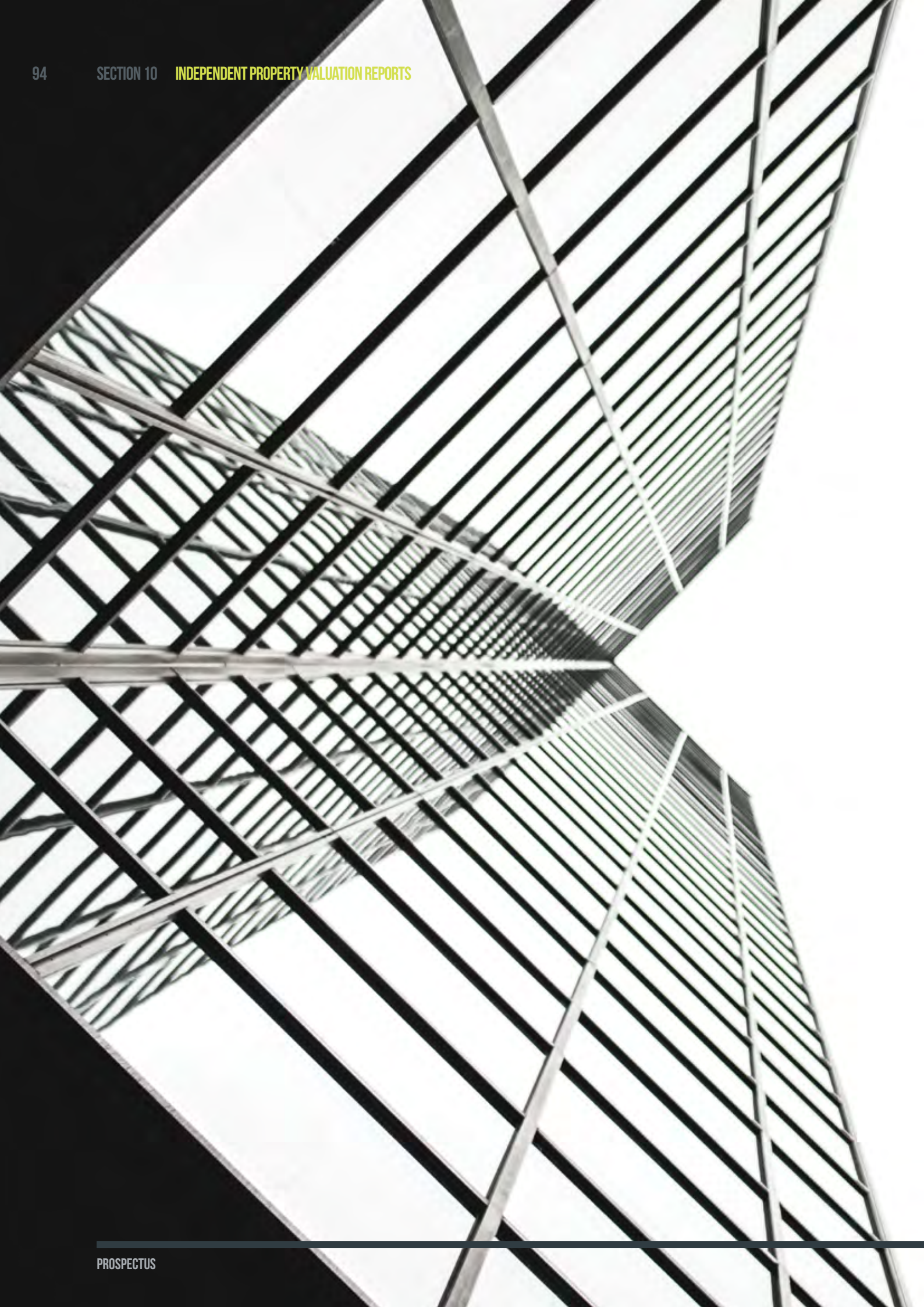
- (i) after the term of the PMA has expired by providing the trustee 90 days written prior notice; or
- (ii) immediately if an event of default occurs being, if the trustee does not observe one of its obligations under the PMA and does not remedy the non-observance within 30 days after being requested in writing by PSRE to do so.

## 9.5 AUTHORISED INTERMEDIARY

The Offer Management Agreement also includes provisions governing Morgan's role as the Authorised Intermediary. The Company has appointed and authorised the Authorised Intermediary to undertake all or any of the following activities:

- make offers in accordance with the Prospectus to arrange for the issue of the Securities by the Company; and
- arrange the issue of the Securities by the Company to Applicants.





# SECTION 10

## INDEPENDENT PROPERTY VALUATION REPORTS



22 February 2017

The Directors  
URB Investments Limited &  
Pitt Street Real Estate #1 Pty Ltd atf PURT 3  
Level 2, 160 Pitt Street,  
SYDNEY NSW 2000

Dear Directors,

**RE: SUMMARY OF VALUATIONS FOR PROSPECTUS  
2 The Crescent Street, Kingsgrove, New South Wales**

We refer to the instructions from URB Investments Limited requesting Knight Frank Valuations to prepare a market valuation of the freehold interest of the abovementioned property for the reliance of URB Investments Limited and the members of the Due Diligence Committee (and their representatives) formed by URB Investments Limited for the purpose of the initial public offering.

This summary letter is subject to the comments within our respective full valuation reports dated 20 February 2017 which contain details of the considerations and assumptions/conditions/qualifications impacting on value and referenced as:

2 The Crescent, Kingsgrove, New South Wales:

Reference S9684

The valuation report can be inspected at the office of Pitt Street Real Estate Partners during normal business hours. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within the valuation report.

### MARKET VALUE

The respective valuations of each property have been completed under the "Market Value" definition as follows.

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:

*"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

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## BRIEF DESCRIPTION OF THE PROPERTY

<b>Property Type</b>	Older-style industrial office / warehouse facility.
<b>Constructed</b>	Early 1960s construction.
<b>External Walls</b>	Brick, cement and metal deck elevations.
<b>Framing</b>	Steel portal frame with two rows of internal supporting columns.
<b>Internal Clearances</b>	Between 5.37 and 9.50 metres (as per survey provided).
<b>Access Doors</b>	3 x roller shutter doors to the eastern, western and southern elevations.
<b>Awnings</b>	Sprinklered awning to the southern elevation roller shutter door.
<b>Sprinkler System</b>	Yes
<b>GLA</b>	11,135m <sup>2</sup> (excluding awnings and hardstand areas)

The Property comprises an older style, industrial office / warehouse facility providing a Gross Lettable Area ("GLA") of approximately 11,135m<sup>2</sup> developed on an 18,480m<sup>2</sup> lot within Kingsgrove, approximately 19 kilometres (by road) south-west of the Sydney GPO.

The improvements comprises office areas totalling 2,796m<sup>2</sup>, warehouse areas totalling 8,339m<sup>2</sup> and awning areas totalling 29m<sup>2</sup> (as per survey provided). Ancillary improvements include secure perimeter fencing, concrete water tank, pump and plant room, concrete sealed hardstand areas to the eastern, western and southern elevations, driveways, and basic landscaping.

The warehouse is of both saw-tooth and A-frame design comprising brick, concrete and metal deck construction. Internal clearances range between 5.37 and 9.50 metres with a low truss area situated to the south-western corner providing 2.75 metres clearances. The warehouse is fully sprinklered and is serviced via three roller shutter doors to the eastern, western and southern alignments.

The office component is annexed to the western elevation of the warehouse and is situated over three levels. The two upper levels provide carpeted open plan office accommodation with perimeter offices with ducted air conditioning, LED and fluorescent lighting, and male & female amenities. The lower level comprises staff breakout / training room with change room facilities providing internal access to the warehouse. The top floor office level was vacant as at the date of valuation.

**We have been made aware of, and sighted on inspection, asbestos containing materials within both the eastern alignment of the warehouse and within the roof cavity of the office block. We have not been provided appropriately qualified advice with regard to the asbestos and our valuation is conditional upon it not impacting upon the current use of the property. Should professional advice indicate otherwise, we reserve the right to review our valuation.**

## TENANCY OVERVIEW

At the date of valuation the property was 100% leased. A detailed tenancy is contained within the valuation report dated 20 February 2017 held by Pitt Street Real Estate #1 Pty Limited atf PURT No.3.

## INCOME PROFILE

We have been advised that the property is fully leased to Air Grilles Pty Ltd expiring 15 August 2017 at a gross rental of \$600,000 + GST p.a. equating to a net passing income of \$303,531 + GST p.a. (\$27/m<sup>2</sup>).

The passing income is based on our review and analysis of the tenancy information provided. We note that should any of the information provided be found erroneous or has varied, we reserve the right to review and if necessary, amend our valuation.

## MARKET COMMENTARY

Market Commentary along with the most relevant recent sales and leasing evidence is summarised within our valuation report dated 20 February 2017 held by Pitt Street Real Estate #1 Pty Limited atf PURT No.3.

## VALUATION METHODOLOGY

In assessing the market value, the appropriate method of assessment is considered to be via reconciliation between summation, term and reversion and the capitalisation methods. The summation method of assessment has regard to the value of the underlying land plus the added value of the existing improvements.

The term and reversion approach to valuation involves the addition of the present value of the net cash flow for the duration of the unexpired lease term together with the present value of the reversionary value of the property deferred until the lease expiry as at 15 August 2017. The approach reflects the certainty of income under the current leases together with the deferred underlying land.

Under the capitalisation approach, the assessed net face market income as at the date of valuation is capitalised at an appropriate

market yield to establish the property's market value fully leased. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.

## VALUATION ANALYSIS

In undertaking our valuation, we have considered relevant sales including but not limited to, the following.

Property	Sale Price	Sale Date	Initial Yield	Core Market Yield	IRR	\$/m <sup>2</sup> of GLA	WALE
<b>63 Britton Street Smithfield</b>	\$10,750,000	Oct-16	10.59%	<b>6.90%</b>	7.86%	\$1,508/m <sup>2</sup>	0.5 yrs
<b>15-21 Britton Street Smithfield</b>	\$19,000,000	Oct-16	6.23%	<b>6.56%</b>	7.83%	\$1,554/m <sup>2</sup>	7.6 yrs
<b>3 The Crescent Kingsgrove</b>	\$15,250,000	Sep-16	–	<b>7.83%</b>	8.33%	\$1,143	0.0 yrs
<b>10-12 Fairfield Road Padstow</b>	\$16,000,000	Jul-16	8.13%	<b>8.13%</b>	8.72%	\$1,105/m <sup>2</sup>	5.0 yrs
<b>64 Biloela Street Villawood</b>	\$32,614,800	Jun-16	5.14%	<b>6.16%</b>	7.38%	\$1,400/m <sup>2</sup>	11.0 yrs
<b>10 Stanton Road Seven Hills</b>	\$12,300,000	Jun-16	7.83%	<b>6.75%</b>	7.91%	\$1,741/m <sup>2</sup>	5.2 yrs
<b>3 Distillers Place Huntingwood</b>	\$15,200,000	Jun-16	7.35%	<b>7.35%</b>	7.88%	\$1,696/m <sup>2</sup>	5.1 yrs
<b>405-407 Victoria Street Wetherill Park</b>	\$17,700,000	Jun-16	7.67%	<b>7.13%</b>	7.69%	\$1,436/m <sup>2</sup>	4.2 yrs

Material variables adopted in undertaking the valuation include, but are not limited to, the following:

- assessed net market income of \$1,155,685 per annum (\$105/m<sup>2</sup>);
- adopted outgoings of \$296,469 p.a. (\$26.62/m<sup>2</sup>); and
- capitalisation rate range of 6.50% to 6.75% in the capitalisation approach.

## VALUATION SUMMARY

Acting under instructions from URB Investments Limited & Pitt Street Real Estate #1 Pty Ltd atf PURT 3 Knight Frank Valuations has undertaken a valuation of 2 The Crescent, Kingsgrove NSW.

Subject to the overriding stipulations contained within the full valuation report dated 20 February 2017, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered freehold interest, with vacant possession, as at 20 February 2017 is **\$15,850,000 (GST Exclusive)**. The assessed value reflects the following investment parameters:

Initial Yield %	Core Market Yield %	Rate/m <sup>2</sup> GLA
2.82%	6.55%	\$1,423

The content prepared by Knight Frank Valuations for the Prospectus is limited to this summary letter. Knight Frank Valuations has not been involved in the preparation of any other part of the Prospectus and has not approved or expressed any opinion contained within the Prospectus other than this letter.

## QUALIFICATIONS & DISCLAIMERS

Knight Frank Valuations have prepared this summary which appears in the Prospectus for URB Investments Limited & Pitt Street Real Estate #1 Pty Ltd atf PURT 3. Knight Frank Valuations were involved only in the preparation of this summary and the valuations referred to therein, and specifically disclaim liability to any party in the event of any omission from, or false or misleading statement included in the Prospectus or other document other than in respect of our valuations and this letter.

Knight Frank Valuations has consented to this summary being included in the Prospectus, but Knight Frank Valuations is not providing advice about a financial product, nor the suitability of the investment set out in the Prospectus. Such an opinion can only be provided by a person that holds an Australian Financial Services Licence. Knight Frank Valuations does not hold such a licence and is not operating under any such licence in providing its opinions of value as detailed in this summary and our valuation reports.

Any forecasts, including but not limited to, financial cash flow projections or terminal value projections noted within the valuations are a valuation tool only, undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining market value only and therefore should not be represented in any way as providing an indication of likely future profit or realisable cash flow.

The valuations are current at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value and we can give no guarantee that the properties or the valuations has not altered since the date of valuation.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where the valuations are relied upon after the expiration of three (3) months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

Knight Frank Valuations has prepared this letter based upon information provided. We have no reason to believe that the information is not fair and reasonable or that material facts have been withheld and for the purpose of the valuations we have assumed that the information is correct.

This valuation does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installation of the improvements both would not reveal any defects or inadequacies requiring significant capital expenditure.

Knight Frank Valuations has received fees of \$8,500 (exclusive of GST) in connection with the preparation of our valuation and this summary. The fee is not in any way linked to nor has it influenced the opinion of value noted and Knight Frank Valuations does not have any pecuniary interest in URB Investments Limited, Pitt Street Real Estate and any associated entities, and has provided this letter solely in its capacity as independent professional advisor.

Yours sincerely

**KNIGHT FRANK VALUATIONS**

**JAMES COX**  
ASSOCIATE DIRECTOR

**DAVID CASTLES**  
NATIONAL DIRECTOR

*Liability limited by a scheme approved under Professional Standards Legislation.*



22 February 2017

The Directors  
URB Investments Limited  
PSRE Penrith Pty Limited atf PURT 4  
Level 2, 160 Pitt Street,  
SYDNEY NSW 2000

Dear Directors,

**RE: SUMMARY OF VALUATIONS FOR PROSPECTUS  
510-536 High Street, Penrith, New South Wales**

**Instructions**

We refer to the instructions from URB Investments Limited requesting Knight Frank Valuations to prepare a market valuation of the freehold interest of the abovementioned property for the reliance of URB Investments Limited and the members of the Due Diligence Committee (and their representatives) formed by URB Investments Limited for the purpose of the initial public offering.

This summary letter is subject to the comments within our respective full valuation report dated 20 February 2017 which contain details of the considerations and assumptions/conditions/qualifications impacting on value and referenced as:

510-536 High Street, Penrith, New South Wales:

Reference S9688

The valuation report can be inspected at the office of Pitt Street Real Estate Partners during normal business hours. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within the valuation report.

**MARKET VALUE**

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law is as follows:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

**BRIEF DESCRIPTION OF THE PROPERTY**

The subject property known as "The Tattersalls Centre" comprises an older style (circa 1980 constructed), mixed-use complex comprising ground floor retail shops (fronting High Street and Station Street), retail arcade, pub and part first floor office accommodation including a function centre facility that can be utilised as a single centre or as two separate centres (as currently configured). Per floor plans and tenancy schedule provided, the gross lettable area (GLA) is approximately 6,463.60m<sup>2</sup> (subject to survey). At the time of valuation, there was 15.5% vacancy within the complex being the function centre component.

Further, the rooftop component comprises a public car park facility providing a mix of parking for tenancies within the complex and metered parking for customers. In accordance with the Car Park Management Agreement and the Parking Map provided, there are 112 marked car spaces in total. Access to the rooftop carpark is provided via a dual directional concrete ramp from Union Road noting that it benefits from a right of carriageway and easement for support over the existing adjoining Council car park.

In accordance with current planning controls under the Penrith Local Environmental Plan 2010 (as amended), the underlying B4 – Mixed Use zoning over the subject property allows shop-top housing and residential flat buildings with permissible floor space ratio and building height of 3.0:1 and 20 metres respectively. As the subject property comprises a site area of 6,398.0m<sup>2</sup> (per Deposited Plans), the site could potentially accommodate a materially higher gross floor area.

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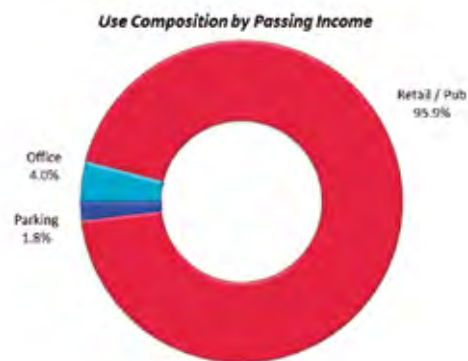
Although Penrith has not traditionally been recognized as a high density residential housing precinct, medium to high density housing has gained traction and appeal in recent years. However, we note that a number of tenancies within the complex have long unexpired lease terms plus multiple options (and majority of Leases do not have 'Demolition Clauses' in place), therefore any potential redevelopment of the site may be impeded / deferred.

## TENANCY OVERVIEW

The property is currently leased to 22 tenancies with initial lease terms varying between 1 and 10 years in duration. As at the date of valuation the property reflects a weighted average lease expiry (WALE) of 4.9 years (by GLA) and 5.1 years (by income). Approx. 4.1% of tenants are occupying on expired terms (i.e. holdover). The tenancy areas demonstrate a significant variance with the smallest tenancy being 12.0m<sup>2</sup> with the largest being 1,238.0m<sup>2</sup> (subject to survey).

## INCOME PROFILE

We have assessed the net passing income for the property as at the date of valuation to be \$1,193,593 per annum plus GST. The passing income is based on our review and analysis of the tenancy information provided. We note that should any of the information provided be found erroneous or has varied, we reserve the right to review and if necessary, amend our valuation.



## MARKET COMMENTARY

The retail market within the Penrith precinct has seen a moderate level of compression in yields and growth in sale rates (\$/m<sup>2</sup>) over the last 6-12 months, mainly driven by the low official cash rate, high levels of foreign investment as well as the shifting asset diversification away from the residential market. The investor appetite for retail space within close proximity to services including bus / rail transport nodes remains stable and given the proximity to Westfield Shopping Centre, demand would be expected to remain fairly steady.

Demand for retail assets is mainly centred toward established operators who have long term lease agreements in place and with attractive rental growth. New fringe retail space is yet to be properly tested by the market, with the majority of new space available situated within the main retail trade areas fronting pedestrian malls / arcades and within close proximity to major infrastructure.

Whilst currently comprising a retail asset, the property is also considered to have a strong underlying land value component, albeit any redevelopment potential is deferred by the current leases.

Further commentary is contained within our valuation report.

## VALUATION METHODOLOGY

The valuation has been determined via the Capitalisation of Net Income method of valuation, with support from Direct Comparison methodology.

Under the Capitalisation of Net Income approach, the assessed net face market income as at the date of valuation is capitalised at an appropriate market yield to establish the property's market value fully leased. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.

The Direct Comparison approach identifies comparable sales on a dollar rate per square metre of GLA and compares the equivalent rates to the subject to establish the property's market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

## VALUATION ANALYSIS & ASSUMPTIONS

In undertaking our valuation, we have considered relevant sales including but not limited to, the following.

Property	Price	Date	\$/m <sup>2</sup> GLA	Yield
9-13 Aspen Street, South Penrith	\$5,600,000	Feb-17	\$2,425	6.68% net
76 Henry Street, Penrith *	\$2,710,000	Aug-16	\$3,566	5.51% net
78-80 Henry Street, Penrith *	\$2,350,000	Aug-16	\$3,028	6.05% net
80-82 Mulgoa Road, Penrith	\$14,350,000	Jan-16	\$5,315	6.47% net
93-101 Woodriff Street, Penrith	\$8,850,000	Jun-15	\$3,899	5.85% net
478-482 High Street, Penrith	\$2,200,000	Mar-15	\$3,520	5.97% gross

\* Sold to same buyer

Material variables adopted in undertaking the valuation include, but are not limited to, the following:

- assessed net market income of \$1,431,916 per annum;
- adopted outgoings of \$432,055 (\$66.84/m<sup>2</sup> of GLA);
- capitalisation rate range of 5.75% to 6.25%; and
- where tenancies remain on monthly holdover, we have allowed for a remaining term of 3 months and made allowance for leasing downtime and incentives.

## SUMMARY OF VALUE

The assessed value of **\$23,100,000 (GST exclusive)** reflects the following investment parameters:

Initial Yield %	Core Market Yield %	Rate/m <sup>2</sup> GLA	Rate/m <sup>2</sup> Site Area
5.17%	6.04%	\$3,574	\$3,611



## QUALIFICATIONS & DISCLAIMERS

Knight Frank Valuations have prepared this summary which appears in this Prospectus for URB Investments Limited & PSRE Penrith Pty Limited atf PURT 4. Knight Frank Valuations were involved only in the preparation of this summary and the valuations referred to therein, and specifically disclaim liability to any party in the event of any omission from, or false or misleading statement included in, the Prospectus or other document, other than in respect of our valuations and this letter.

Knight Frank Valuations has consented to this summary being included in this Prospectus, but Knight Frank Valuations is not providing advice about a financial product, nor the suitability of the investment set out in this Prospectus. Such an opinion can only be provided by a person that holds an Australian Financial Services Licence. Knight Frank Valuations does not hold such a licence and is not operating under any such licence in providing its opinions of value as detailed in this summary and our valuation reports.

In the case of information contained within the valuation which is of a projected nature, we must emphasise that specific assumptions have been made which appear reasonable based upon current market perceptions. It follows that any one of the assumptions set out in the text of this summary may be proved incorrect during the course of time and no responsibility can be accepted in this event and regular update valuations should be obtained to determine the effect on value associated with any movements in the market.

Any forecasts, including but not limited to, financial cash flow projections or terminal value calculations noted within this report are a valuation tool only undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining the market value only and therefore should not be represented in any way as providing an indication of likely future profit or realisable cash flow.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Knight Frank Valuations has prepared this letter based upon information provided. We have no reason to believe that the information is not fair and reasonable or that material facts have been withheld and this valuation is conditional upon this information being correct. This valuation does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, our valuation is conditional upon any detailed reports with respect to the structure and service installation of the improvements not revealing any defects or inadequacies requiring significant capital expenditure.

Knight Frank Valuations has received fees of \$15,000 (exclusive of GST) in connection with the preparation of our valuation and this summary. The fee is not in any way linked to nor has it influenced the opinion of value noted and Knight Frank Valuations does not have any pecuniary interest in URB Investments Limited, Pitt Street Real Estate and any associated entities, and has provided this report solely in its capacity as independent professional advisor.

Yours faithfully

**KNIGHT FRANK VALUATIONS**

**JAMES POPOVIC**  
SENIOR VALUER

**DAVID CASTLES**  
NATIONAL DIRECTOR

**LUKE DORAN**  
ASSOCIATE DIRECTOR

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22 February 2017

The Directors  
URB Investments Limited &  
PSRE Prestons Pty Ltd atf PURT 5  
Level 2, 160 Pitt Street,  
SYDNEY NSW 2000

Dear Directors,

**RE: SUMMARY OF VALUATIONS FOR PROSPECTUS  
55 Yarrunga Street, Prestons, New South Wales**

**Instructions**

We refer to the instructions from URB Investments limited requesting Knight Frank Valuations to prepare a market valuation of the freehold interest of the abovementioned property for the reliance of URB Investments Limited and the members of the Due Diligence Committee (and their representatives) formed by URB Investments Limited for the purpose of the initial public offering.

This summary letter is subject to the comments within our full valuation report dated 20 February 2017 which contain details of the considerations and assumptions/conditions/qualifications impacting on value and referenced as:

55 Yarrunga Street, Prestons, New South Wales: Reference S9685

The valuation report can be inspected at the office of Pitt Street Real Estate Partners during normal business hours. This correspondence is subject to and should be read in conjunction with all qualifications, assumptions, conditions and disclaimers contained within the valuation report.

**MARKET VALUE**

The respective valuations of each property have been completed under the "Market Value" definition as follows.

Market Value as defined by the International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:

*"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

**BRIEF DESCRIPTION OF THE PROPERTY**

The property is located within Prestons which is approximately 6.5 kilometres south west of the Liverpool CBD and 45 kilometres south west of the Sydney CBD with good access to Sydney's major road arteries including the Hume Highway, Bringelly Road, Camden Valley Way and the M5 and M7 Motorway's. Surrounding development is predominantly of an industrial character, comprising of a variety of modern industrial warehouse buildings and strata title unit developments

More specifically the property is situated to the western side of Yarrunga Street and bordered to the western boundary by a natural water course. The property comprises an irregular shaped 6.88 ha predominately vacant parcel of IN3 Heavy Industrial zoned land which is currently being utilised for agricultural purposes.

Improvements to the site are limited and comprise a dilapidated residence and various dated storage sheds. All improvements are considered to be at the end of their economic life and are not considered to add any value to the property.

The highest and best use of the property is considered to be industrial development in line with the underlying industrial zoning of the property.

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## TENANCY OVERVIEW

At the date of valuation and with reference to clause 47 (occupancy) in the provided Contract For Sale we note that the property is currently occupied by tenants on a holding over basis in accordance with provisions of the following expired lease agreements.

- Residential Tenancy agreement dated 12 November 1999; and
- Commercial Lease dated 8 February 2005.

**Our valuation is conditional upon the current tenants vacating the property as at the settlement date therefore we have valued the property subject to vacant possession.**

## MARKET COMMENTARY

Market Commentary along with the most relevant recent sales and leasing evidence is summarised in our valuation report dated 20 February 2017 held by URB Investments Limited.

## VALUATION METHODOLOGY

The valuation has been determined utilising the direct comparison methodology.

This approach identifies comparable sales on a dollar rate per square metre of land area and compares the equivalent rates to the subject to establish the property's market value.

## VALUATION ANALYSIS & ASSUMPTIONS

In undertaking our valuation, we have considered relevant sales including but not limited to, the following.

Vacant Land Sales						
Address	Suburb	Zone	Land Area	Sale Price (Ex GST)	Sale Date	\$/m <sup>2</sup>
<b>55 Yarrunga Road (SUBJECT)</b>	Prestons	IN3	68,790m <sup>2</sup>	\$20,000,000	Jan-17	\$291/m <sup>2</sup>
<b>36 Kookaburra Road</b>	Prestons	IN3	20,200m <sup>2</sup>	\$6,870,000	Oct-16	\$340/m <sup>2</sup>
<b>Cnr Kookaburra Road &amp; Yarrunga Street</b>	Prestons	IN3	20,200m <sup>2</sup>	\$10,115,000	Oct-16	\$501/m <sup>2</sup>
<b>52 Bernera Road</b>	Prestons	IN3	21,400m <sup>2</sup>	\$5,200,000	Sep-16	\$243/m <sup>2</sup>
<b>Yarrunga, Bernera &amp; Kurrajong Roads</b>	Prestons	IN3	207,200m <sup>2</sup>	\$48,540,000	Aug-16	\$234/m <sup>2</sup>
<b>24 Bernera Road</b>	Prestons	IN3	18,300m <sup>2</sup>	\$7,000,000	May-16	\$383/m <sup>2</sup>
<b>14 Yarrunga Street</b>	Prestons	IN3	20,300m <sup>2</sup>	\$5,475,000	Nov-15	\$270/m <sup>2</sup>
<b>16 Bernera Rad</b>	Prestons	IN3	20,200m <sup>2</sup>	\$5,600,000	Jan-16	\$277/m <sup>2</sup>
<b>290 Kurrajong Road</b>	Prestons	IN3	149,970m <sup>2</sup>	\$38,992,200	May-15	\$260/m <sup>2</sup>
<b>402 Hoxton Park Road</b>	Prestons	B6	44,200m <sup>2</sup>	\$13,755,000	Aug-15	\$311/m <sup>2</sup>
<b>63-73 Jedda Road</b>	Prestons	IN3	42,700m <sup>2</sup>	\$13,000,000	Jul-16	\$304/m <sup>2</sup>

Material variables adopted in undertaking the valuation include, but are not limited to, the following.

- Adopted rate per square metre of site area of [\$291/m<sup>2</sup>].

## VALUATION SUMMARY

Acting under instructions from URB Investments Limited & Pitt Street Real Estate #1 Pty Ltd atf PURT 5 Knight Frank Valuations has undertaken a valuation of 55 Yarrunga Street, Prestons NSW.

Subject to the overriding stipulations contained within the full valuation report dated 20 February 2017, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered freehold interest, with vacant possession, as at 20 February 2017 is **\$20,000,000 (GST Exclusive)**. The assessed value reflects \$291/m<sup>2</sup> of site area.

The content prepared by Knight Frank Valuations for the Prospectus is limited to this summary letter. Knight Frank Valuations has not been involved in the preparation of any other part of the Prospectus and has not approved or expressed any opinion contained within the Prospectus other than this letter.

## QUALIFICATIONS & DISCLAIMERS

Knight Frank Valuations have prepared this summary which appears in the Prospectus for URB Investments Limited & PSRE Prestons Pty Ltd atf PURT 5. Knight Frank Valuations were involved only in the preparation of this summary and the valuations referred to therein, and specifically disclaim liability to any party in the event of any omission from, or false or misleading statement included in the Prospectus or other document other than in respect of our valuations and this letter.

Knight Frank Valuations has consented to this summary being included in the Prospectus, but Knight Frank Valuations is not providing advice about a financial product, nor the suitability of the investment set out in the Prospectus. Such an opinion can only be provided by a person that holds an Australian Financial Services Licence. Knight Frank Valuations does not hold such a licence and is not operating under any such licence in providing its opinions of value as detailed in this summary and our valuation reports.

Any forecasts, including but not limited to, financial cash flow projections or terminal value projections noted within the valuations are a valuation tool only, undertaken for the purpose of assisting to determine the market value. No party may rely upon any financial projections or forecasts within this report on the understanding that they are undertaken for the specific purpose of determining market value only and therefore should not be represented in any way as providing an indication of likely future profit or realisable cash flow.

The valuations are current at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value and we can give no guarantee that the properties or the valuations has not altered since the date of valuation.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where the valuations are relied upon after the expiration of three (3) months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

Knight Frank Valuations has prepared this letter based upon information provided. We have no reason to believe that the information is not fair and reasonable or that material facts have been withheld and for the purpose of the valuations we have assumed that the information is correct.

This valuation does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installation of the improvements both would not reveal any defects or inadequacies requiring significant capital expenditure.

Knight Frank Valuations has received fees of \$6,500 (exclusive of GST) in connection with the preparation of our valuation and this summary. The fee is not in any way linked to nor has it influenced the opinion of value noted and Knight Frank Valuations does not have any pecuniary interest in URB Investments Limited, Pitt Street Real Estate and any associated entities, and has provided this letter solely in its capacity as independent professional advisor.

Yours sincerely

**KNIGHT FRANK VALUATIONS**

**JAMES COX**  
ASSOCIATE DIRECTOR

**DAVID CASTLES**  
NATIONAL DIRECTOR

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# SECTION 11

## ADDITIONAL INFORMATION

### 11.1 INCORPORATION

The Company was incorporated in Victoria on 13 October 2016.

### 11.2 BALANCE DATE AND COMPANY TAX STATEMENT

The accounts for the Company will be prepared up to 30 June annually.

The Company will be taxed as a public company.

### 11.3 RIGHTS ATTACHING TO THE SHARES

#### (a) General

The rights attaching to ownership of the Shares are detailed in the Constitution of the Company (which may be inspected during normal business hours at the registered office of the Company) and in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a summary of the major provisions of the Constitution. This summary is not intended to be exhaustive and is qualified by the terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Securityholders.

This summary assumes that Listing occurs.

#### (b) Voting at a General Meeting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held (with adjusted voting rights for partly paid Shares). Where there are two or more joint holders of a Share and more than one joint holder tenders a vote, the vote of the holder named first in the register who tenders the vote will be accepted to the exclusion of the votes of the other joint holders.

Voting at any meeting of members is by a show of hands unless a poll is demanded. A poll may be demanded by at least five members entitled to vote on the resolution, members with at least 5% of the votes that may be cast on the resolution on the poll, or the chairperson. The chairperson does not have a second or casting vote. If an equal number of votes are cast for or against a resolution at a meeting of members, the matter is decided in the negative.

#### (c) Meetings of Members

Each member is entitled to receive notice of, attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to the members under the Constitution or the Corporations Act. At least 28 days' notice of a meeting must be given to each member.



**(d) Dividends**

Subject to the Corporations Act, other requirements in the Constitution and the terms of issue of shares, the Board may resolve to pay any dividend (including an interim dividend) it thinks appropriate and fix the time for payment. The Directors may fix the amount and the method of payment of the dividends. The payment of a dividend does not require any confirmation by a general meeting.

Subject to the terms of issue of shares, the Company may pay a dividend on one class of Shares to the exclusion of another class (if there is more than one class of Shares). Subject to the Constitution, each Share of a class on which the Board resolves to pay a dividend carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the Share bears to the total issue price of the Share.

**(e) Issue of Shares**

Subject to the Constitution, the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue, grant options or otherwise dispose of unissued shares on the terms, with the rights, and at the times, that the Directors decide.

**(f) Variation of Class Rights**

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied or cancelled only:

- with the written consent of the holders of 75% of the issued shares of the affected class; or
- by a special resolution passed at a separate meeting of the holders of shares of the affected class.

Subject to the terms of issue of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.

**(g) Transfer of Shares**

Subject to the Constitution, a member may transfer a Share by any means permitted by the Corporations Act or by law. Unless permitted by the ASX Listing Rules, the Company must not charge any fee on transfer of a Share.

All transfers must comply with the Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act as applicable and, subject to these requirements, the Directors may refuse to register a transfer of Shares in circumstances permitted by the ASX Listing Rules or the Corporations Act. The Directors must refuse to register a transfer of Shares if the Corporations Act, the ASX Listing Rules or the ASX Settlements Operating Rules forbid such registration.

**(h) Winding Up**

Subject to the Constitution and the terms of the issue of shares, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the number of fully paid Shares held by them. For this purpose, a partly paid Share is counted as a fraction of a fully paid Share equal to the proportion which the amount paid on it bears to the total issue price of the Share.

**(i) Unmarketable Parcels**

The Directors may sell the Shares of a member if that member holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. An unmarketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

**(j) Share Buy-backs**

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Directors.

**(k) Dividend Re-investment Plans**

The Constitution contains a provision allowing Directors to implement a dividend re-investment plan (under which an eligible member may elect that the dividends payable by the Company be retained by the Company and applied in payment for fully paid Shares).

## **(l) Alteration of Share Capital**

Subject to the ASX Listing Rules, the Constitution and the Corporations Act, the Company may alter its share capital.

## **(m) Preference Shares**

The Company may issue preference shares including preference shares which are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution.

## **(n) Directors – Powers and Duties**

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company to the exclusion of the Company in general meeting.

## **(o) Directors – Appointment and Rotation**

The minimum number of Directors is three and the maximum is to be fixed by the Directors but may not be more than eight Directors. The Board may from time to time determine to increase the maximum number of Directors but the maximum applying at any time cannot be reduced except by the Company in a general meeting.

Subject to the Constitution, the Board may appoint a person to be a Director at any time except during a general meeting. Any Director so appointed automatically retires at the next annual general meeting and is eligible for election by that general meeting. A Director (other than the CEO) must retire from office at the third annual general meeting after the Director was elected or last re-elected.

## **(p) Directors – Voting**

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the chairperson has a second or casting vote, unless there are only two Directors entitled to vote or the chairperson is not entitled to vote, in which case the proposed resolution is taken as having been lost.

## **(q) Directors – Remuneration**

The Directors, other than the CEO or any other executive Director, are entitled to be paid by way of Directors' fees for services, provided that the total fees do not exceed the maximum aggregate sum approved from time to time by the Company in general meeting or include costs of a commission on, or percentage of, operating revenue. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties. Remuneration of the CEO or any other executive Directors will be the amount that the Directors decide.

## **(r) Indemnities**

To the fullest extent permitted by law, the Company must indemnify every officer of the Company and may indemnify its auditor against any liability incurred as such an officer or auditor to a person (other than the Company or a related body corporate).

The indemnity provided by the Company in the Constitution is subject to the terms of any agreement or deed entered into between the Company and an officer of the Company or of its wholly-owned subsidiaries.

## **(s) Amendments**

The Constitution can only be amended by a special resolution, being a resolution passed by at least three quarters of members present and entitled to vote on the resolution. The Company must give at least 28 days' written notice of its intention to propose the resolution.

## 11.4 RIGHTS ATTACHING TO THE OPTIONS

A summary of the terms and conditions of the Options are as follows:

### (a) Register

The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.

### (b) Transfer / Transmission

Options may be transferred or transmitted in any manner approved by the ASX.

### (c) Exercise

On exercise, the Company will issue a Share for each Option exercised. Options may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options, signed by the registered holder of the Options, together with payment to the Company of \$1.10 per Option being exercised.

An Option may be exercised on any Business Day from issue to 7 April 2018 but not thereafter.

A Notice of Exercise of Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

### (d) Dividend Entitlement

Options do not carry any dividend entitlement. Shares issued on exercise of Options rank equally with other issued Shares of the Company on and from issue.

### (e) Participating Rights

For determining entitlements to the issue, Option holders may only participate in new issues of Securities to holders of Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date. The Company must give at least 4 business days' notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.

If, between the date of issue and the date of exercise of an Option, the Company makes 1 or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue), the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E[P - (S + D)]}{(N + 1)}$$

Where:

**NE** is the new exercise price of the Option;

**OE** is the old exercise price of the Option;

**E** is the number of underlying Shares into which 1 Option is exercisable;

**P** is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);

**S** is the subscription price for a Share under the rights issue;

**D** is the dividend due but not yet paid on each Share at the relevant time; and

**N** is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

### **(f) Reconstruction and Alteration of Capital**

Any adjustment to the number of outstanding Options and the exercise price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

### **(g) ASX Listing**

Options are expected to be quoted on the ASX.

The Company must make an application for quotation of Shares issued on exercise of the Options on the ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company.

## **11.5 DIVIDEND REINVESTMENT PLAN**

The Company intends to establish a dividend reinvestment plan under which an eligible member may elect that the dividends payable by the Company be retained by the Company and applied in payment for fully paid Securities.

Details of the Company's Dividend Reinvestment Plan once finalised will be accessible at [www.urbinvest.com.au](http://www.urbinvest.com.au) and will be announced to ASX.

## **11.6 ASIC RELIEF**

The Company's first financial year will end on 30 June 2017.

The Corporations Act requires that a company's half year be the first six months of each financial year and imposes certain reporting requirements with respect to that period.

The Company's first half-year commenced on its incorporation on 13 October 2016 and would ordinarily end on or around 13 April 2017. Without relief, the Corporations Act would require the Company to prepare and lodge half-year accounts for the half-year ending 13 April 2017 and the ASX Listing Rules would require the Company to also provide half-year accounts for this period.

The Company has been granted ASIC relief to permit the Company to end its reporting period and first half-year on 31 December 2016. The Company will prepare audited full-year accounts for the period from incorporation to 30 June 2017.

## **11.7 ASX WAIVER**

Listing Rule 15.16 sets a maximum term of five years for an Investment Management Agreement. URB has obtained an 'in-principle' waiver of ASX Listing Rule 15.16 to allow for an initial term of 10 years.

Additionally, URB has obtained in-principle advice from ASX that, it will be considered an "investment entity" for the purposes of the ASX Listing Rules.

## **11.8 INVESTOR CONSIDERATIONS**

Before deciding to participate in this Offer, you should consider whether the Shares and Options to be issued are a suitable investment for you. There are general risks associated with any investment in an entity listed on the ASX. The value of Securities listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional advisor immediately.

The potential tax effects relating to the Offer will vary between Investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax advisor.

## 11.9 TAX CONSIDERATIONS

### (a) Introduction

The tax implications provided below only relate to Australian resident Securityholders or Option holders who hold their Securities on capital account. Different tax implications apply to Securityholders and Option holders who are non-residents or whose Securities are held on revenue account.

The comments in Section 11.9 are based on the Income Tax Assessment Act 1936, and the Income Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999 and the relevant stamp duties legislation as at the date of this Prospectus.

The comments in this Section 11.9 are general in nature on the basis that the tax implications for each Securityholder may vary depending on their particular circumstances. As such, it is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. Accordingly, it is recommended that each Securityholder seek their own professional advice regarding the taxation implications associated with the Offer.

If you are in doubt as to the course you should follow, you should seek independent tax advice.

### (b) Income Tax Position of the Company

As a company, URB's income (including any realised gains on the disposal of assets) is generally subject to income tax at the prevailing company tax rate, which is currently 30%.

The Company's Direct Property Assets will be owned by a trust and therefore any disposal of Direct Property Assets will be by the trust. Whilst distributions from the trust may include capital gains on disposal of Direct Property Assets that are held on a capital account for income tax purposes and may qualify for concessional taxation treatment for certain unitholders of the trust, the Company is not eligible for such concessional treatment and any gains will be taxed at the prevailing company tax rate, which is currently 30%. The distributions from the Company, whether sourced from capital gains or from other income, will typically be taxable as dividends in the hands of Shareholders. As noted below, the Company will not be able to distribute LIC capital gains to Shareholders.

The Company will be required to maintain a franking account and may declare franked dividends to Securityholders. The Directors intend to frank distributions at 100%, or to the maximum extent possible.

A general outline of the tax implications associated with the Offer for Australian resident Securityholders who hold their Shares or Options on capital account are set out below.

### (c) Issue of Shares and Options for Australian Resident Securityholders

The Offer comprises the issue of Shares and Options in the Company. The issue of Shares and Options involves the acquisition of two Capital Gains Tax (CGT) assets, Shares and Options, but should not give rise to a taxing event for the Securityholder or Option holder at the time of issue.

Fees incurred for brokers services, and other incidental acquisition costs borne by Securityholders or Option holders, will be included in the tax cost base of the relevant Securities issued. Accordingly, these expenses will be included in the tax cost base of those Securities and will decrease (or increase) any subsequent gain (or loss) realised for capital gains tax purposes upon the event of any disposal of those Securities at a later date.

### (d) Disposal of Shares by Australian Resident Securityholders

The disposal of Shares will be a taxing event for Securityholders. Securityholders should derive a taxable capital gain where the capital proceeds that are received as a result of the disposal exceed the cost base of the Shares. Likewise, Securityholders should generally incur a capital loss where the reduced cost base of the Shares exceeds the capital proceeds.

Generally, the capital proceeds that are received as a result of the disposal of the Shares will be equal to the consideration received on disposal. The cost base of the Shares will generally be equal to the amount paid in respect of the acquisition of the Shares plus any incidental costs of acquisition or disposal. For example, if the cost base of the Shares is \$1.10 per Share and a Shareholder receives \$2.00 per Share upon disposal of the Shares, the capital gain should be \$0.90 per Share.

Provided Securityholders (other than corporate Securityholders) have held their Shares for 12 months prior to the disposal, the CGT discount concession may be available in relation to any capital gain arising as a result of the disposal. Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following discount percentages:

- 50% for an individual or trust; or
- 33.33% for a complying superannuation fund.

### **(e) Exercise or Disposal of Options by Australian Resident Securityholders**

The exercise of an Option should not give rise to a tax liability for the Option holder. The cost base of the Shares acquired by the Option holders on exercising their Options will have a cost base equal to the cost base of the Options (if any) plus the consideration paid to exercise the Options plus any incidental costs. For example, if the cost base of the Options is nil and \$1.10 per Share has been paid for the Shares acquired upon exercising the Options, and the cost base based on which capital gain is calculated at the time of disposal of the Shares should be \$1.10 per Share.

Where Options are not exercised but are disposed of, the disposal of the Options will give rise to a taxing event. An Option holder should derive a capital gain where the capital proceeds that are received as a result of the disposal exceed the cost base of the Options. Likewise, an Option holder should generally incur a capital loss where the reduced cost base of the Options exceeds the capital proceeds. If ownership of the Options ends by the Options being redeemed, cancelled or by expiring, an Option holder may derive a capital gain if the capital proceeds from the cancellation or expiration of the Option is greater than the cost base of the Option. An Option holder may derive a loss if the capital proceeds from the cancellation or expiration of the Option is less than the reduced cost base of the Option. For example, if the cost base of the Options is nil and an Option holder receives \$0.50 per Option upon disposal of the Options, the capital gain should be \$0.50 per Option.

Where there is a capital gain, provided an Option holder (other than a corporate Option holder) has held their Options for 12 months prior to the disposal, the CGT discount concession may be available in relation to any capital gain arising as a result of the disposal. Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following discount percentages:

- 50% for an individual or trust; or
- 33.33% for a complying superannuation fund.

### **(f) Dividends Received by Australian Resident Securityholders**

Dividends received by Securityholders should be included in the assessable income of Securityholders. Generally, Securityholders will be taxed on the dividends at their relevant marginal rate. If the Securityholder is a company, the Securityholder will be taxed at the prevailing company tax rate.

Generally, to the extent that the dividends are franked, an amount equal to the franking credits attaching to the dividends will be included in the assessable income of the Securityholder. Further, Securityholders will generally be entitled to a tax offset equal to the amount of the franking credits on the dividend (i.e. Securityholders will effectively get a tax credit for the corporate tax paid in respect of the dividends).

Certain Securityholders (including individuals and complying superannuation funds) may be entitled to a refund of "excess franking credits" where their tax offset in respect of the franked dividends exceeds their tax liability. The income tax rate for complying superannuation funds is 15%. Complying superannuation funds generally obtain a tax offset from franked dividends against the fund's income tax liability, and any excess franking credits may be fully refunded.

A complying superannuation fund 100% in pension phase would be entitled to a full refund of franking credits, as all income of the fund would be attributable to the fund's liability to pay current pensions, and are therefore exempt from income tax.

### **(g) Status as a Listed Investment Company (LIC)**

As noted in Section 3.13 of this Prospectus, the Company will not qualify as a LIC under Australian taxation laws as the permitted investments will be less than 90% of the portfolio value. Consequently, the Company will not be able to distribute LIC capital gains to Securityholders.



**(h) New Zealand Resident Investors**

New Zealand resident Securityholders and Option holders will not be subject to Australian Capital Gains Tax on a capital gain (or loss) on the disposal of shares in the Company unless:

- The New Zealand resident holds more than 10% of the company or has held more than 10% for at least 12 months in the prior two years; and
- More than 50% of the Company's assets (by market value) are represented by "taxable Australian real property". When assessing a company's assets, it is necessary to trace through other entities in which the company has a 10% or greater interest.

On the basis that New Zealand does not impose taxation on capital gains, capital gains made by New Zealand resident Securityholders or Option holders in respect of their Shares or Options in the Company are not subject to taxation in New Zealand.

Dividends received by New Zealand resident Securityholders from the Company would be subject to taxation in New Zealand. However, the Shares held by New Zealand resident Securityholders in the Company should be exempted from the foreign investment fund rules in New Zealand on the basis that the Shares would be listed in Australia.

New Zealand resident Securityholders and Option holders should seek their own professional advice regarding the New Zealand taxation implications associated with the Offer.

**(i) Goods and Services Tax (GST)**

Securityholders and Option holders should not be liable to GST in Australia in respect of the acquisition of Securities under the Offer. Securityholders and Option holders may not be entitled to input tax credits (GST credits) for GST incurred on costs associated with the acquisition of Securities under the Offer.

**(j) Stamp duty**

Securityholders and Option holders should not be liable to stamp duty in Australia in respect of the acquisition of Securities under the Offer.

**11.10 LEGAL PROCEEDINGS**

So far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

**11.11 CONSENTS TO BE NAMED AND STATEMENT OF DISCLAIMERS OF RESPONSIBILITY**

Each of the parties referred to in the following table (except as discussed below):

- has given, and has not withdrawn prior to lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made, and does not purport to make, any statement in the Prospectus or any statement on which a statement made in this Prospectus is based; and
- does not cause or authorise the issue of this Prospectus, and to the maximum extent permitted by law, expressly disclaims, makes no representation regarding, and takes no responsibility for any statements or material in or omissions from this Prospectus, other than a reference to its name and excludes and disclaims all liability or damage, loss (whether direct, indirect or consequential), cost or expense that may be incurred by an applicant for, or investor in, the Securities as a result of this Prospectus being inaccurate or incomplete in any way for any reason.

ROLE	CONSENTING PARTY
<b>Australian Legal Advisor</b>	Ashurst Australia
<b>Authorised Intermediary</b>	Morgans Financial Limited ACN 010 669 726
<b>Financial Advisor</b>	Pitt Capital Partners ACN 000 651 427
<b>Independent valuer</b>	Valuations Services (NSW) Pty Limited ACN 079 862 990 trading as Knight Frank Valuations
<b>Industry expert</b>	URBIS Pty Limited ACN 105 256 228
<b>Investigating Accountant and Taxation advisor</b>	Pitcher Partners Sydney Corporate Finance Pty Limited ACN 122 561 184
<b>Investment Manager</b>	Contact Asset Management Pty Limited ACN 614 316 262
<b>Joint Lead Managers</b>	Bell Potter Securities Limited ACN 006 390 772 Commonwealth Securities Limited ABN 60 067 254 399 Morgans Financial Limited ACN 010 669 726
<b>N/A</b>	Washington H Soul Pattinson and Company Limited ACN 000 002 728
<b>Property Manager</b>	Pitt Street Real Estate Partners Pty Limited ACN 147 011 970
<b>Share Registry</b>	Link Market Services ACN 083 214 537

Soul Pattinson has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included in this Prospectus.

Contact has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to those statements) in this Prospectus.

PSRE has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to those statements) in this Prospectus.

Pitcher Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, including the Investigating Accountant's Report in Section 7, the Taxation Considerations in Section 11.9 and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report, those considerations and those statements) in this Prospectus.

URBIS Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, including the Report in Section 3.2(a) and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report, those considerations and those statements) in this Prospectus.

Knight Frank Valuations has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, including the Independent Property Valuation Report in Section 10 and the statements specifically attributed to them in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report, those considerations and those statements) in this Prospectus.

## 11.12 EXPENSES OF THE OFFER

If the Offer proceeds, the total estimated costs in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees, the Joint Lead Managers' fees, Prospectus design and printing, advertising, marketing, Share Registry and other expenses) are currently estimated to be \$2,415,788 (net of tax) assuming the Minimum Subscription and \$8,433,702 (net of tax) assuming the Maximum Subscription. These costs are payable by the Company or to the extent that the costs have been paid by the Investment Manager, will be reimbursed by the Company to the Investment Manager. Please see Section 6.6 for a breakdown of the expenses of the Offer.

## 11.13 INTERESTS AND BENEFITS OF EXPERTS AND ADVISORS

Other than as set out in this Prospectus, no expert nor any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by the Company.

Ashurst Australia acted as Australian legal advisor to the Company in relation to the Offer. The Company has agreed to pay approximately \$380,000 (plus a 25% success component) (excluding disbursements and GST) for services provided in relation to the Offer if the Offer is successful. Further amounts may be paid to Ashurst Australia in accordance with its normal time-based charges.

Quigg Partners has acted as New Zealand legal advisor to the Company in relation to the Offer. The Company has paid, or agreed to pay approximately \$2,500 (excluding disbursements and GST) for services provided in relation to the Offer.

Pitt Capital Partners Limited has acted as Financial Advisor in relation to the Offer. The Company has paid, or has agreed to pay a corporate advisory fee equal to 1.0% (exclusive of GST) of the total proceeds raised under the Offer for these services provided in relation to the Offer.

Morgans Financial Limited ACN 010 669 726 has acted as Authorised Intermediary in relation to the Offer. The Company has paid, or has agreed to pay \$1 (excluding disbursements and GST) for these services provided in relation to the Offer.

Pitcher Partners Sydney Corporate Finance Pty Ltd has acted as Investigating Accountant and taxation advisor in relation to the Offer. The Company has paid, or has agreed to pay \$27,500 (excluding disbursements and GST) for services provided in relation to the Offer.

The Company will pay the Joint Lead Managers fees pursuant to the Offer Manager Agreement as described in Section 9.2.

Certain partners and employees of the above firms may subscribe for Shares and Options in the context of the Offer.

## 11.14 RESTRICTIONS ON DISTRIBUTION

No action has been taken to register or qualify this Prospectus, the Securities or the Offer or otherwise to permit a public offering of the Securities in any jurisdiction outside Australia and New Zealand.

This Prospectus does not constitute an offer or invitation to subscribe for Securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

## 11.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Application Forms and bids under this Prospectus are governed by the laws applicable in New South Wales, and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

## 11.16 AUTHORISATION

This Prospectus is authorised by each Director of the Company. Each Director of the Company has consented to the lodgement of this Prospectus with ASIC and its issue.

## 11.17 STATEMENT OF DIRECTORS

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

## 11.18 INTERPRETATION AND GLOSSARY INTERPRETATION

In this Prospectus the following rules of interpretation apply unless the context otherwise requires:

- words and phrases not specifically defined in this Prospectus have the same meaning that is given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- the singular includes the plural and vice versa;
- a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, company, state or government and vice versa;
- a reference to any gender includes both genders;
- a reference to clause, Section, annexure or paragraph is to a clause, Section, annexure or paragraph of or to this Prospectus, unless the context otherwise requires;
- a reference to "dollars", "AUD" or "\$" is to Australian currency;
- in this document, headings are for ease of reference only and do not affect its interpretation; and

Except where specifically defined in the Prospectus, terms defined in the Corporations Act have the same meaning in this Prospectus.



## SECTION 12

# GLOSSARY

<b>\$ or A\$</b>	Australian dollars.
<b>AASB</b>	Australian Accounting Standards Board.
<b>AFSL</b>	Australian Financial Services Licence.
<b>Applicant</b>	A person who submits an Application Form.
<b>Application Form</b>	The application form which accompanies this Prospectus (and includes a copy of the application form printed from the website at which the Electronic Prospectus is located) under which an investor may apply for Securities under the Offer.
<b>Application Monies</b>	The amount of money accompanying an Application Form submitted by an Applicant.
<b>Application</b>	An application to subscribe for, or acquire, Securities under this Prospectus.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the market operated by ASX.
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>ASX Recommendations</b>	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition).
<b>ASX Settlement</b>	ASX Settlement Pty Limited ABN 49 008 504 532.
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement.
<b>Australian Accounting Standards</b>	means the accounting standards issued by the AASB.
<b>Authorised Intermediary</b>	Morgans Financial Limited ACN 010 669 726.
<b>Authorised Investment Rules</b>	as that term is defined in the Investment Management Agreement.
<b>Authorised Representative</b>	A person who is an authorised representative of a person holding an Australian Financial Services Licence (AFSL) and who can provide financial services on behalf of the licensee.



<b>Base Fee</b>	<p>Base Fee is the fee payable monthly, in arrears by URB to the Investment Manager, calculated as follows:</p> <p><b>Base Fee (for the relevant month) = R x V</b></p> <p>Where:</p> <p><b>R</b> = 0.50%</p> <p><b>V</b> = Total Assets (being, the total amount of assets owned by the Company as it appears in the consolidated balance sheet of monthly accounts, half year accounts and full year accounts) as at the end of each calendar month, divided by 12.</p>
<b>BKI</b>	BKI Investment Company Limited ACN 106 719 868.
<b>Board or Board of Directors</b>	The board of Directors of URB.
<b>Broker</b>	All brokers who have introduced Applicants to the Broker Firm Offer, the Priority Offer or the General Offer.
<b>Broker Firm Application Form</b>	The application form which accompanies this Prospectus (and includes a copy of the application form printed from the website at which the Electronic Prospectus is located) under which an investor may apply for Securities under the Broker Firm Offer.
<b>Broker Firm Offer</b>	<p>The offer open to Applicants who have received a firm allocation from their Broker and:</p> <ul style="list-style-type: none"> <li>■ are Retail Applicants who have a registered address in Australia or New Zealand; or</li> <li>■ are Institutional Applicants who have a registered address in Australia, New Zealand, Hong Kong or Singapore;</li> </ul>
<b>Broker Firm Offer Closing Date</b>	5:00PM AEST on 27th March 2017.
<b>Chairman's List</b>	Selected investors in Australia nominated by the Chairman of URB to participate in the Offer on a firm basis up to the allocation of Securities nominated by the Chairman of URB.
<b>CHESS</b>	Clearing House Electronic Subregister System.
<b>Closing Date</b>	5:00PM AEST on 30th March 2017.
<b>Co-Investment Agreement</b>	The agreement under which URB will have the right to co-invest on an equal basis with Soul Pattinson in all urban renewal and regeneration Direct Property Assets opportunities originated by PSRE and presented to Soul Pattinson as an investment opportunity as described in Section 9.3.
<b>Contact</b>	Contact Asset Management Pty Limited ACN 614 316 595.
<b>Contact Management Team</b>	The managers of Contact Asset Management Pty Limited being Tom Millner and Will Culbert.
<b>Company</b>	URB Investments Limited ACN 615 320 262.
<b>Completion of the Offer</b>	Completion in respect of the issuance of Securities under the Offer.
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>CRN</b>	Customer Reference Number.
<b>Deed</b>	The deed of Access, Indemnity and Insurance entered into by the Company and each Director to regulate certain matters between them, both during the time the Director holds office and after the Director ceases to be an officer of the Company and or a wholly-owned subsidiary.
<b>Development Assets</b>	Direct Property Assets where the primary investment objective is to create value through a re-rating of the property by undertaking a development project.
<b>Direct Property Asset</b>	Direct Australian property or real estate.

<b>Direct Property Seed Assets</b>	The Kingsgrove Property, the Penrith Property and the Prestons Property.
<b>Directors</b>	The directors of URB.
<b>Dividend Reinvestment Plan</b>	The plan to be adopted by the Company under which it is currently proposed that an eligible member may elect that the dividends payable by the Company be retained by the Company and applied in payment for fully paid Securities.
<b>Electronic Prospectus</b>	The electronic copy of this Prospectus located at URB's website at <a href="http://www.urbinvest.com.au">www.urbinvest.com.au</a> .
<b>Equity Asset</b>	Equities listed on ASX (including unlisted securities on the condition that they are proposed to be listed on ASX within 12 months of acquisition) that form part of URB's Investment Portfolio.
<b>Equity Portfolio</b>	The portion of the Investment Portfolio comprising all Equity Assets.
<b>Expiry Date</b>	23 March 2018, the date which is 13 months after the Prospectus Date, after which no Securities will be issued under this Prospectus.
<b>Exposure Period</b>	The period of 7 days after the date of lodgement of the Original Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the <i>Corporations Act</i> .
<b>Financial Advisor</b>	Pitt Capital Partners Limited ACN 000 651 427.
<b>Franking Credits</b>	Franking credits also known as imputation credits are a type of tax credit that allows Australian companies to pass on tax paid at the company level to shareholders. The benefits are these franking credits can be used to reduce income tax paid on dividends or potentially be received as a tax refund.
<b>General Offer</b>	Is the offer of Securities open to all Applicants with a registered address in Australia or New Zealand.
<b>General Offer Application Form</b>	The application form which accompanies this Prospectus (and includes a copy of the application form printed from the website at which the Electronic Prospectus is located) under which an investor may apply for Securities under the General Offer.
<b>HIN</b>	The Holder Identification Number for CHESS holders.
<b>Income Tax Assessment Act</b>	<i>Income Tax Assessment Act 1997</i> .
<b>Independent Property Valuation Report</b>	The Independent Property Valuation Report for each Direct Property Seed Asset, as set out in Section 10.
<b>Institutional Applicant</b>	an Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under Section 708 of the <i>Corporations Act</i> (disregarding Section 708AA).
<b>Investigating Accountant</b>	Pitcher Partners Sydney Corporate Finance Pty Limited ACN 122 561 184.
<b>Investigating Accountant's Report</b>	The report prepared by Pitcher Partners Sydney Corporate Finance Pty Limited ACN 122 561 184.
<b>Investment Manager</b>	Contact Asset Management Pty Limited ACN 614 316 595.
<b>Investment Management Agreement</b>	The agreement URB has entered into with the Investment Manager with respect to the management of the Investment Portfolio.
<b>Investment Objectives</b>	The objectives with respect to the Company's Investment Portfolio as detailed in Section 3.3.
<b>Investment Portfolio</b>	The portfolio of Equity Assets, Direct Property Assets and cash and cash equivalents to be managed in accordance with the Investment Management Agreement by the Investment Manager pursuant to the investment mandate and strategy set out in this Prospectus.

<b>Investment Strategy</b>	The strategy to be used by the Investment Manager in relation to the Investment Portfolio (as amended from time-to-time) as described in Section 3.4 in accordance with the guidelines described in Section 3.6.
<b>Issue Price</b>	\$1.10 per Security.
<b>Joint Lead Managers</b>	Commonwealth Securities Limited ABN 60 067 254 399 and Bell Potter Securities Limited ACN 006 390 772 and Morgans Financial Limited ACN 010 669 726.
<b>Kingsgrove Property</b>	2 The Crescent, Kingsgrove NSW.
<b>Legal Advisor</b>	Ashurst Australia.
<b>LIC</b>	Listed Investment Company.
<b>Link Market Services</b>	The Company's share registry service provider.
<b>Listing</b>	Admission of the Company to the official list of ASX and quotation of the Securities on ASX.
<b>Maximum Subscription</b>	The Securities that may be issued under the Prospectus to raise a maximum of \$300,000,000.
<b>Minimum Subscription</b>	The Securities that may be issued under the Prospectus to raise a minimum of \$75,000,000.
<b>Net Operating Profits</b>	After tax, but before Special Investment Revenue, net gains on Equity Assets held at fair value through profit and loss, and realised profits on disposal of Direct Property Assets.
<b>Offer</b>	The offer of Securities under this Prospectus to investors at the Issue Price and, where the context requires, the issue of those Securities to Applicants.
<b>Official List</b>	The official list of the ASX.
<b>Opening Date</b>	3 March 2017.
<b>Option</b>	An option to acquire one Share for every Share issued.
<b>Original Prospectus</b>	The prospectus issued by the Company and dated 23 February 2017, replaced in full by this Prospectus.
<b>Passive Asset</b>	Direct Property Assets where the primary investment objective is to generate passive income without undertaking a development project.
<b>Penrith Property</b>	510-536 High Street, Penrith NSW
<b>Prestons Property</b>	55 Yarrunga Street, Prestons NSW
<b>Priority Offer</b>	The offer of up to 75,000,000 Securities open to Priority Participants allocated at the Directors' discretion.
<b>Priority Offer Application Form</b>	The application form which accompanies this Prospectus (and includes a copy of the application form printed from the website at which the Electronic Prospectus is located) under which an investor may apply for Securities under the Priority Offer.
<b>Priority Participants</b>	Shareholders in Soul Pattinson or BKL with registered addresses in Australia or New Zealand.
<b>Property Management Agreement</b>	An agreement between the trustee of the relevant trust that owns a Direct Property Asset and PSRE outlining the duties of the PSRE and the fees payable to PSRE.
<b>Property Portfolio</b>	The portion of the Investment Portfolio comprising all Direct Property Assets.
<b>Prospectus</b>	This document (including the electronic form of this document), any supplementary or replacement prospectus in relation to this document.
<b>Prospectus Date</b>	The date on which a copy of the Original Prospectus was lodged with ASIC, being 23 February 2017

<b>PSRE</b>	Pitt Street Real Estate Partners Pty Limited ACN 147 011 970, the real estate advisory division of Soul Pattinson.
<b>Record Date</b>	7:00PM AEST on 28th February 2017.
<b>Retail Applicant</b>	An Applicant who is not an Institutional Applicant.
<b>Securities</b>	Shares and Options.
<b>Securityholder</b>	A person registered from time to time on the Company's Share and Option registers as a holder of one or more Share or Option.
<b>Soul Pattinson</b>	Washington H Soul Pattinson and Company Limited ACN 000 002 728.
<b>Shares</b>	The fully-paid ordinary shares to be issued in URB under this Prospectus.
<b>Share Registry</b>	Link Market Services Limited ACN 083 214 537.
<b>Special Dividend</b>	Means any dividend which is determined to be paid by the Board other than a half yearly or annual dividend that is paid in the ordinary course consistent with past practice and the Company's dividend policy.
<b>Special Investment Revenue</b>	Dividends and distributions received from the Investment Portfolio that have been designated by an underlying investee entity as not an ordinary dividend or distribution, for example special dividends or capital returns.
<b>Total Assets</b>	The total amount of assets owned by the Company as it appears in the consolidated balance sheet of monthly accounts, half year accounts and full year accounts
<b>URB</b>	URB Investments Limited ACN 615 320 262.
<b>URB Offer Information Line</b>	The URB Offer Information Line, which can be reached on 1300 420 406 (within Australia) or +61 1300 420 406 (outside Australia) between 8.30am and 5.30pm (AEST), Monday to Friday.
<b>Urban Renewal Universe</b>	Has the meaning given to it in clause 3.4(b)(iii).
<b>Urbis Report</b>	Is the report prepared by Urbis Pty Ltd as detailed in section 3.2(a).
<b>US Persons</b>	The meaning given to that term by regulations made under the <i>US Securities Act 1933</i> (as amended).







## SECTION 13

# MORGANS FINANCIAL SERVICES GUIDE

### A GUIDE TO OUR RELATIONSHIP WITH YOU AND OTHERS

Please refer to our website [www.morgans.com.au](http://www.morgans.com.au) for the most up to date version of our FSG.

This Financial Services Guide (FSG) is an important document for retail investors. It provides you with information about Morgans Financial Limited (ABN 49 010 669 726; AFSL 235410) ('Morgans', 'we', 'us' or 'our') to help you to fully understand the financial services we offer.

This guide contains important information about:

- The services we offer you
- How we and our associates are paid
- Any potential conflict of interest we may have
- Our internal and external dispute resolution procedures and how you can access them.

This FSG relates only to financial services provided by Authorised Representatives of Morgans Financial Limited to retail investors. Morgans Financial Planning Pty Ltd has its own FSG.

If we provide personal Financial product advice about a product (other than securities such as listed shares) or if we offer or arrange to issue a financial product, we will generally provide you with a Product Disclosure Statement (PDS) or other disclosure document in relation to the financial product. The PDS will contain information about the particular product including the features, benefits, fees and risk associated with that product to assist you in making an informed decision.

#### Who is responsible for the financial services provided?

Our advisors are Authorised Representatives of Morgans Financial Limited (ABN 49 010 669 726; AFSL 235410), which trades as Morgans. Morgans is responsible for the financial services provided to you. Details of your individual advisor are included in the advisor profile.

Morgans has an Australian Financial Services Licence (AFSL) and is a Participant of ASX Group (ASX), Chi-X Australia Pty Limited (Chi-X), a Broker Participant in the CHESS system operated by ASX Settlement (a group company of ASX), a Clearing Participant of ASX Clear, and a Professional Partner

of the Financial Planning Association of Australia Limited. Morgans is also a Participant of the National Stock Exchange of Australia Ltd (NSXA). As a Participant of ASX Group and NSXA, all transactions are issued subject to the ASIC Market Integrity Rules and the Rules, directions, decisions and requirements of ASX, Chi-X, NSXA, the Clearing Rules and the Settlement Rules.

Morgans Financial Limited is licensed to provide financial services under the Corporations Act 2001. You should also note that Morgans is obligated under the Anti-Money Laundering and Counter Terrorism Financing Act not to execute any trades for a client unless the client has been properly identified and verified to our satisfaction.

#### What financial services and products do we offer?

Morgans is authorised under its AFSL to provide the following financial services:

- Financial Products advice, both general and personal
- Deal in financial products by issuing securities
- Underwriting securities
- Deal in Financial Products on behalf of others

Morgans and its related companies are committed to providing advice appropriate to your personal circumstances and based on our comprehensive market and financial knowledge. Our aim is to work with you to determine, develop and maintain a tailored personal investment strategy.

We offer a comprehensive range of products and services to assist you to achieve your financial goals. These include:

- Strategic planning advice, including consideration of social security, estate planning, insurance, wealth protection, taxation and superannuation issues
- Stockbroking services, including quality research on a wide range of Australian companies and access to corporate issues
- Equity finance (margin lending) advice
- Advice on the use of derivatives (such as options and warrants) within your overall investment strategy



- Advice in relation to managed investment products, structured products, cash deposits and fixed interest investments, including government bonds, debentures and stocks
- A managed portfolio service (Wealth+) that provides effective, efficient and timely reports (including taxation reports) and qualifies participants to reduced brokerage rates.

Morgans offers a Managed Discretionary Account ("MDA") service to a limited number of approved clients. Such clients will be mandatory enrolled in Wealth+ and agree on an investment strategy, any exclusions, operating fees etc. as part of the discretionary agreement. Refer to a separate section later in this FSG.

Morgans is also authorised to deal in foreign exchange in order to facilitate settlement of international transactions and to provide a custodial or depository service for its nominee company services, which is operated as part of its stockbroking business.

### Best Execution Policy

There are multiple exchange markets operating in Australia. As a market participant, we must take reasonable steps when handling and executing an order in equity market products to obtain the best outcome for our clients. We have a Best Execution Policy that outlines how we will execute and deal with orders to ensure that we adhere to our best execution obligation. This policy is publicly available on our website.

### What information should you provide to receive personalised advice?

You need to provide us with details of your personal objectives, risk profile, your current financial situation and any other relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to provide this information. However, if you choose not to provide any or all of the information requested, the advice you receive from us will be limited accordingly and may not be appropriate to your needs, objectives and financial situation.

In these circumstances you should consider the appropriateness of our advice in the light of your own objectives, financial situation or needs prior to making any investment decision. If the advice relates to the acquisition of an unlisted Financial Product, you should consider the relevant Product Disclosure Statement before making a decision.

### Statement of Advice

Whenever we provide you with any personal financial advice, you may be entitled to receive a Statement of Advice (SOA) from us. The SOA will tell you:

- The advice
- The basis on which the advice has been provided
- Our fees and commissions
- The basis of the remuneration received by your advisor
- Any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you.

### Further Advice

However, whenever we provide you with further advice, which takes into account your relevant personal circumstances, a SOA generally will not be provided. In these circumstances, we will maintain brief details of the basis of advice and you may request, for a period of seven (7) years from when the advice is provided, a copy of the record of advice.

A record of your 'relevant personal circumstances' will be maintained and a SOA, detailing these personal circumstances and any agreed investment strategy and advice, will be provided to new retail clients. Thereafter, a new SOA will only be provided if you advise that your circumstances have changed materially.

### Product Disclosure Statement

If we recommend to you a particular Financial Product (other than securities such as listed shares), we will provide you with information about the particular Financial Product in a Product Disclosure Statement to help you make an informed decision about the Financial Product.

### The Morgans Network

All Morgans advisors are Authorised Representatives of Morgans under our AFSL. Morgans has a network of offices around Australia which are operated in one of two ways. Each office is either:

- An 'Owned Office' where the staff and Authorised Representatives are all employees of Morgans Holdings (Australia) Ltd. Morgans Financial Limited is the operating company and a wholly owned subsidiary of Morgans Holdings (Australia) Ltd.
- A 'Managed Office' where a service entity has entered into a Management Agreement with Morgans to manage the office of Morgans in a geographical location. The service entity employs all staff including Authorised Representatives for that office.

### What will Morgans be paid for providing financial services and how are any commissions, fees or other benefits calculated?

Generally the payment we receive will be based on the amount you pay. It may vary from one Financial Product Issuer to another. Details of the payment we receive are contained in the Product Disclosure Statements for most Financial Product Issuers available from your advisor.

We will advise you about any commissions, fees and any other benefits, where possible, in actual dollar amounts prior to the transaction. This information will be provided verbally and/or, where a SOA is issued, in the written SOA or confirmation.

When personal advice is given, if the remuneration (including commission) or other benefits are not calculable at that time, the manner in which the remuneration (including commission) or other benefits are to be calculated will be disclosed at the time the personal advice is given or as soon as practicable after that time.

There are a number of ways we may be remunerated for our services depending on the type of advice you receive.

## Payments you make to us

- Brokerage is payable by you when we buy or sell securities, such as shares, warrants and options, on an authorised market. The amount of brokerage you pay will be determined in consultation with your advisor. A minimum charge may also apply to transactions. You will also have to pay GST on brokerage.
- We may charge you a fee, depending on the time we spend developing your plan, or depending on the value of funds you invest. This fee will be determined in consultation with your advisor but would normally be based on an hourly rate.
- We may charge you a management fee annually or in instalments, based on the value of your portfolio. This fee will normally be based on the amount under management.
- We may charge you administrative or miscellaneous fees covering (not fully inclusive) off market transfers, cancellations & rebooking, nominee fees, international custody, SRN enquiries, fail fees, late settlement or early settlement, bond custody and settlement etc.

## Payments and other benefits we may receive from Financial Product Issuers (including GST)

- We may receive a payment called commission which is paid to us by the Financial Product Issuer(s) (e.g. fund manager, CMA provider, or Life Insurance Company). This can be paid in the following manner:
  - We may receive a one off payment from the Financial Product Issuer at the time you invest or contract. These generally are calculated as a percentage of the amount you have invested, typically between 0% and 5.5%, and are deducted from the amount invested. Life insurance company first year commissions (upfront) range between 0% and 121%
  - We may receive ongoing payments, called trailing commissions, from a Financial Product Issuer during the time you hold an investment product. On investment products these trails typically range between 0% and 1.1%.
- Renewal commissions on life insurance products range between 0% and 33%
- Example – If you invested \$10,000 in an unlisted investment product and we charged you an initial commission of 1.65% and received an ongoing commission of 0.55% from the Financial Product issuer, then
  - Morgans would receive \$165 as an initial commission; and
  - Morgans would receive \$55 per annum as an ongoing commission for the period you continue to own the product.
- We do not charge clients any brokerage in connection with subscriptions for shares in IPOs. We may, however, receive a fee from the issuer for handling the application as disclosed in the relevant prospectus and/or allocation letter

- In connection with on-market warrant purchases from warrant issuers, we may receive incentive fee payments from those warrant issuers as disclosed in the relevant Issuer Offering Circulars. As a guide these fees may range between 1.1% and 2.2% of the on-market transaction value.
- Morgans does not provide its own margin lending facilities. Where clients borrow through margin lending arrangements facilitated by our business connections, we may receive a trailing commission of up to 0.275%, and potentially an 'override commission' of up to 15 basis points, of the outstanding balance of such loans. As members of the financial services industry, staff members of Morgans are entitled to receive a discount on personal margin loans they may hold from such suppliers. These discounts (depending on the issuer) may vary between 50 and 100 basis points and are not related to any client business.
- On cash deposit products we will receive a commission which is distributed to the service entity and the advisor as per the following example
  - If we receive a commission of \$100, the service entity may receive \$85 from Morgans. Out of the amount the service entity receives, an advisor remunerated by commission will receive a share which is typically around 35%, or \$35.
- We may receive fees, normally determined as a percentage of revenue, from external parties where we have referred you to them for expert advice (e.g. insurance or mortgage agent/ broker).
- We may receive payments or benefits from Financial Product Issuers to assist in training of advisors or marketing of their products
- We may be paid volume bonuses and other incentives directly from Financial Product Issuers, although the amount or percentage will vary from Issuer to Issuer
- We may earn interest, at prevailing bank deposit rates, on the aggregate balance of any funds retained within our trust account.

## Schedule of Fees (including GST)

### Equities and Warrants brokerage

Depending on volume and size of orders, flat rates may be negotiated with your advisor, but as a guide minimum rates are (selling/buying per transaction).

<b>Up to \$1,800</b>	Minimum small transaction rate*
<b>Over \$1,800</b>	\$5.50 plus 2.75% on first \$5,000* 2.20% on next \$10,000 1.65% on next \$35,000 1.10% on the remainder

\* Minimum small transaction brokerage rates may vary on an office by office basis. Clients should check with their advisor. As a guide the minimum rate may range from \$55 to \$110 per transaction. Brokerage is payable on or before the settlement date referred to in the confirmation.

### Option brokerage and charges

When you trade an option, the value of the trade is generally lower than if you were to trade the same number of the underlying shares.

Because of this, options are generally a cost efficient way to trade your view of a stock or an index. The costs involved in trading an option are:

#### Brokerage

Brokerage is payable by you when Morgans buy or sell exchange traded options on your behalf on a sliding scale subject to a minimum of \$75:

Premium Value Brokerage

<b>\$0 – \$5,000</b>	2.75%
<b>\$5,001 – \$15,000</b>	2.20%
<b>\$15,001+</b>	1.75%

The brokerage charged by Morgans for LEPO's is 0.5% of the Premium Value subject to a minimum of \$75.

A different rate of brokerage may be negotiated with your advisor. Consideration will be given to a negotiated rate and could for instance, be dependent on the volume and size of option transactions that occur on your account. All brokerage charges are shown on your Trade Confirmation / Contract Note.

#### ASX Clear (AC) – Fees

AC charges a transaction fee of \$0.143 per share option contract, including GST. If you are exercised or are assigned a share option, AC charges an exercise fee of \$0.55 per contract and in the case of index options, AC charges \$0.50 per contract, including GST, for both the transaction fee and the exercise fee. Please note that these charges are subject to change at any time by the AC.

#### Fixed Interest Products

Our remuneration depends on the duration and value of the investment and is usually without charge to the client.

For fixed term and short term money market investments arranged on behalf of clients, Morgans may receive a commission payment from the deposit taker of up to 0.44% which does not reduce the interest received by the client or the principal investment. In addition, some money market providers pay Morgans an 'override commission' of up to 15 basis points which may be volume related and may be partly distributed to the management entity employing the Authorised Representative.

### Financial Planning Fees

#### Transaction based services

<b>Entry Fees, including commissions</b>	0%-5.5%
<b>Ongoing commission</b>	0%-1.1%

Clients may choose to have all entry fees/commissions rebated and pay for services on a fee basis.

### Fee Based Services

<b>Initial consultation</b>	Nil or as agreed at interview
<b>Written report</b>	Negotiated fee**
<b>Ongoing portfolio service</b>	Negotiated fee**
<b>Administration services</b>	Negotiated fee**

\*\*Quoted in Statement of Advice

#### Private superannuation Services

Written investment strategy up to a maximum of \$550

Hourly rates for professional time in attendance vary and will depend on the seniority and experience of the advisor and will be quoted in the Statement of Advice or other written report.

#### International Investments and Custody Fees

Morgans, in conjunction with the relationships it has with international brokers, can enable its clients to access approximately 22 select exchanges including in North America, Europe, Asia and New Zealand. For clients already holding International Investments, Morgans can also offer a Custody service to assist in managing those holdings.

Outlined below is a summary of the International transaction and custody related fees associated with these services which may be charged, in conjunction with the standard brokerage charges outlined earlier in the FSG. The fees outlined below are negotiable with your advisor, taking into account factors like the value of your overall portfolio, existing international holdings and / or frequency of international transactions.

Please note: majority of the fees outlined below are subject to change due to exchange rate fluctuations and / or at the discretion of international exchanges and brokers.

### Transaction related fees

**Overseas Agent brokerage charge:** Between 0.12% - 0.80% of the value of the transaction, based on the exchange.

**Morgans International Brokerage charge:** Between 0.20% - 0.40% of the value of the transaction, based on the exchange.

**Foreign Exchange Costs:** up to 0.5% over the spot rate, charged by Morgans on the day of the trade.

**International Exchange market fees/taxes:** vary from exchange but will be passed on where applicable.

### Custody related Fees

**Security Transfer Fees:** Charged by overseas exchanges these fees can range from USD\$35 to USD\$150 per transfer, depending if International Equity Securities, Managed Funds or Interest Rate securities.

**Certificate Lodgement:** min. AUD\$90

**Invalid Certificate Lodgement:** min. AUD\$100

**Request to Certificate Holding:** min. AUD\$150

The above fees include the cost of certificate, any fees charged by companies and overseas registries and any associated courier costs.

**Bond Custody Fees:** min. fee of \$550 up to \$2,750 including GST, where Bond portfolio value around \$2million. Fees are negotiable if Bond portfolio above \$2million.

**Annual Custody fee:** Morgans also reserves the right to charge an annual custody fee.

**Taxation:** different taxation rules apply in international markets, as such, you may be required to complete additional forms to avoid additional taxes being applied (e.g. W- 8BEN form for US investments to avoid withholding taxes). Any such fees are not payable to Morgans nor does Morgans receive any benefit of these.

### Managed Portfolio Service (Wealth+)

Wealth+ is offered under a fee-for-service arrangement. The Wealth+ fee structure is determined in consultation with your advisor to ensure that a cost effective, total solution is tailored to your specific requirements and may be dependent on many factors such as the level of service required, type and number of investments held as well as the nature and cost of other services you require.

The fee structure for the Wealth+ service will be clearly detailed in a personalised Statement of Advice (where personal advice is provided) and confirmed in your Wealth+ Client Agreement.

As a guide the minimum annual fees (incorporating the administration and advisor fees) will be:

- 1.32% on the first \$250,000 of portfolio value
- 0.66% on the next \$250,000 of portfolio value
- 0.44% on the value of the portfolio exceeding \$500,000.

These fees are inclusive of GST and are charged to your account in arrears. In most cases the fees are tax deductible. A minimum annual fee, establishment fee and/or exit fees may also apply and will be negotiated with your advisor.

Please note that brokerage and other fees may also apply.

### Life Insurance Products

When we arrange Life Insurance products on your behalf we will receive commission on the placement of these products. The commission we receive on these products will vary between different insurance companies. Commission paid in the first year will vary between 0% and 121% of the first year's premium depending on the type of product recommended. Upon renewal of your insurance in subsequent years we receive commission between 0% and 33% of the yearly premium.

If you have any queries regarding remuneration, fees or charges, you may request from your advisor full details of the calculation of a particular commission, fee or other benefit for providing a specific financial service.

## How are our service entities, advisors and referral sources paid?

### Service Entities

For our Managed Offices, the service entities are paid monthly in accordance with the Management Agreement between Morgans and the service entity. The amount that the service entity is paid depends on the various products, volume levels,

agreed commission distribution, and fixed costs associated with the business written by advisors at the relevant managed office. For example, on a brokerage charge to the client of \$100, the service entity may receive around \$85 from Morgans. Out of the amount the service entity receives, the service entity will then pay its fixed costs and remunerate its employees in accordance with their employment contracts.

If your advisor is employed by a service entity, this manner of calculation will be disclosed at the time that personal advice is given to you or as soon as practicable afterwards.

### Advisors

Advisors are remunerated by their employer by way of salary and/ or a percentage share of commissions earned by Morgans from business written by the advisor (ranging from 33 1/3% to 55% depending on the products and volume levels) and/or a share of any profits of the service entity or Morgans Holdings (Australia) Ltd where the advisor is a shareholder or unit holder of such entity. Advisors may also earn bonus payments based on the individual and the company's performance.

### Referral Services

If a third person such as a financial planner or an accountant has referred you to us, we may pay to that person a part of any fees or commissions we receive from you. This will be disclosed to you at the time of transacting business.

## What information do you hold on my file and can I access it?

We maintain a record of your personal and other information including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you and details of specific transactions.

We are committed to implementing and promoting a Privacy Policy, which will ensure the privacy and security of your personal information. A copy of our Privacy Policy is available from your advisor and on our website.

If you wish to examine your file please ask us. We will make arrangements for you to do so.

## Managed Discretionary Accounts ('MDA') Only

For select clients we may offer the ability to access our MDA service. You must first enter into an MDA Agreement ("the MDA Agreement") with us before we can provide those services to you. Before entering into the MDA Agreement it is essential that you consider the significance of the risks associated with investing through the MDA service.

### Risks

Generally, there are a number of inherent risks associated with any investment in the stock market. These include, but are not limited to, movements in domestic and international markets, the current and future economic environment, company liquidity, investor sentiment, interest rates and market volatility. As a consequence of these risks, a MDA client should be prepared for falls in the market and the possibility of a negative return on their investment.

Please note that Morgans does not guarantee the maintenance of capital or a specific rate of return on any MDA portfolio or any other products, including those in an MDA portfolio.

### Our obligations to MDA clients

As an MDA client we will provide you with the following:

- The manner in which you may give instructions to us on how rights relating to your portfolio are to be exercised
- An investment program or SOA prepared in accordance with the Corporations Act 2001. This program will include the following:
  - Information about the nature and scope of the discretions you will authorise and require us to exercise on your behalf
  - Any significant risks associated with the MDA
  - The basis on which the MDA is considered to be suitable for your relevant circumstances
  - Any warnings that the program may not be suitable for you if you have provided us with limited or inaccurate information about your personal circumstances, and
  - A warning that the program may cease to be suitable for you if your relevant personal circumstances change
- An annual review of the investment strategy for the MDA, and
- Any other information that could reasonably be expected to have a material influence on your decision whether to use the MDA service.

### What should you do if you have a complaint?

If you are not happy with the service you receive from us you are entitled to complain. We have established procedures in place to ensure that all enquiries and complaints are properly dealt with.

To save yourself valuable time, gather all the facts and documents about the complaint, think about the questions you want answered and decide what action you want us to take.

The following process has been established to address your concerns as quickly as possible:

- Contact your advisor or their immediate superior and explain the problem. Most issues can be resolved quickly in this way.
- If you are unable to resolve the issue within three (3) days, please contact the Complaints Officer on (07) 3334 4888 or send your details in writing to:  
GPO Box 202,  
Brisbane QLD 4001.
- If we are unable to resolve the matter to your satisfaction, you can refer your case to an independent complaint handling body. Morgans is a member (Member No 10690) of Financial Ombudsman Service (FOS) Australia GPO Box 3, Melbourne VIC 3001.

They can be contacted on 1800 367 287 (1800 FOS AUS) or facsimile (03) 9613 6399.

For complaints above \$500,000 contact: ASX Complaints Officer (PO Box H224, Australia Square, 1215) or; Australian Securities and Investment Commission (ASIC) operates an info line on 1300 300 630.

### What compensation arrangements do we have?

We are required by the Corporations Act 2001, ASX Operating Rules and Chi-X Operating Rules to have adequate compensation arrangements in place. Morgans Holdings (Australia) Ltd has a comprehensive Professional Indemnity insurance policy to cover claims in relation to the conduct of Authorised Representatives/ employees at the time of the relative incident that gave rise to the claim. This professional indemnity policy includes Morgans.

### Any questions?

Please contact your advisor if you have any further questions about the financial services we provide. This document should be retained for your future reference.

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#### Morgans Financial Limited

ABN 49 010 669 726 AFSL 235410

A Participant of ASX Group | A Professional Partner of the Financial Planning Association of Australia

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## QUEENSLAND

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Stockbroking, Corporate Advice,  
Wealth Management

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**Brisbane** – Tynan +61 7 3152 0600

Partners

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**Cairns** +61 7 4222 0555

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**Gladstone** +61 7 4972 8000

**Gold Coast** +61 7 5581 5777

**Ipswich/Springfield** +61 7 3202 3995

**Kedron** +61 7 3350 9000

**Mackay** +61 7 4957 3033

**Milton** +61 7 3114 8600

**Mt Gravatt** +61 7 3245 5466

**Noosa** +61 7 5449 9511

**Redcliffe** +61 7 3897 3999

**Rockhampton** +61 7 4922 5855

**Spring Hill** +61 7 3833 9333

**Sunshine Coast** +61 7 5479 2757

**Toowoomba** +61 7 4639 1277

**Townsville** +61 7 4725 5787

**Yeppoon** +61 7 4939 3021

## VICTORIA

**Melbourne** +61 3 9947 4111

Stockbroking, Corporate Advice,  
Wealth Management

**Brighton** +61 3 9519 3555

**Camberwell** +61 3 9813 2945

**Domain** +61 3 9066 3200

**Farrer House** +61 3 8644 5488

**Geelong** +61 3 5222 5128

**Richmond** +61 3 9916 4000

**South Yarra** +61 3 8762 1400

**Southbank** +61 3 9037 9444

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**Balmain** +61 2 8755 3333

**Bowral** +61 2 4851 5515

**Chatswood** +61 2 8116 1700

**Coffs Harbour** +61 2 6651 5700

**Gosford** +61 2 4325 0884

**Hurstville** +61 2 9570 5755

**Merimbula** +61 2 6495 2869

**Neutral Bay** +61 2 8969 7500

**Newcastle** +61 2 4926 4044

**Newport** +61 2 9998 4200

**Orange** +61 2 6361 9166

**Port Macquarie** +61 2 6583 1735

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## AUSTRALIAN CAPITAL TERRITORY

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## NORTHERN TERRITORY

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## TASMANIA

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## WESTERN AUSTRALIA

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Stockbroking, Corporate Advice,  
Wealth Management

**Perth** +61 8 6462 1999

[www.morgans.com.au](http://www.morgans.com.au)

Morgans and CIMB – Please visit [www.morgans.com.au](http://www.morgans.com.au) to understand the products and services within our alliance.

Personal Information held by Morgans Financial Limited may have been used to enable you to receive this publication. If you do not wish your

personal information to be used for this purpose in the future please contact us, either at your local Branch or to GPO Box 202 Brisbane Qld 4001.

Our privacy policy is available online at [www.morgans.com.au](http://www.morgans.com.au)



## SECTION 14

# APPLICATION FORMS





# Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares & Options to which this Application Form relates are URB Investments Limited ("URB") Shares & Options. Further details about the Shares & Options are contained in the Prospectus dated Thursday, 23 February 2017 (or any supplementary or replacement prospectus) (Prospectus) issued by URB Investments Limited. The Prospectus will expire 13 months after 23 February 2017. While the Prospectus is current, URB Investments Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares & Options. You should read the Prospectus before applying for Shares & Options.

- A** Insert the number of Shares & Options you wish to apply for. The Application must be for a minimum of 2,000 Shares (A\$2,200) and thereafter in multiples of 100. You may be issued all of the Shares & Options applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares & Options. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, URB Investments Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from URB Investments Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares & Options will be issued to URB Investments Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.  
Make your cheque or bank draft payable to "URB Investments IPO" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.  
If you receive a firm allocation of Shares & Options from your Broker please use the Broker Firm Offer Application Form.

## LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (Sydney Time) on 30 March 2017 at:

### Mailing Address

URB Investments Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

### Hand Delivery

URB Investments Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
**(do not use this address for mailing purposes)**

## PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

## CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares & Options. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
<b>Individual</b> Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
<b>Company</b> Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
<b>Joint Holdings</b> Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
<b>Trusts</b> Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
<b>Deceased Estates</b> Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
<b>Partnerships</b> Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
<b>Clubs/Unincorporated Bodies/Business Names</b> Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

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## PRIORITY OFFER APPLICATION FORM

**A**

**Entitlement Number:**

**Offer Opens:**

**3 March 2017**

**Issue Price per Share:**

**A\$1.10**

**Offer Closes**

**5:00pm (Sydney Time):**

**30 March 2017**

## PERSONALISED APPLICATION FORM FOR ELIGIBLE INVESTORS

This is an Application Form for Shares & Options in URB Investments Limited under the Offer on the terms set out in the Prospectus dated Thursday, 23 February 2017 (or any supplementary or replacement prospectus) (Prospectus). You may apply for a minimum of 2,000 Shares & Options (A\$2,200) and in multiples of 100 thereafter. For every one Share under the Offer, investors will receive one attaching Option. The Option will be exercisable at \$1.10 at any time before 7 April 2018. This Application Form and your cheque or bank draft must be received by **5:00pm (Sydney Time) on 30 March 2017**.

By returning this Application Form, you are deemed to accept the Offer. There is no need to sign this Application Form.

### PAYMENT OPTIONS

#### Option 1: Paying by BPAY®

If paying by Bpay®, you do **NOT** need to complete or return the acceptance slip attached to this Application Form below. Payment must be received by the Share Registry by Bpay® by 5:00pm (Sydney Time) on 30 March 2017. By paying by Bpay®, you will be deemed to have completed an Application Form for the number of Shares & Options subject of your application payment.

If you make a payment by Bpay® and URB Investments Limited receives an amount which is not applied for to the maximum number of Shares & Options you can apply for then URB Investments Limited will round down the number of Shares & Options applied for to the maximum number of Shares & Options you can apply for. Your payment must be for a minimum of 2,000 Shares & Options (A\$2,200).



**Biller Code:** [XXXXXX]

**Ref:**

#### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)

© Registered to BPAY Pty Ltd ABN 69 079 137 518

#### Option 2: Paying by Cheque or Bank Draft

If paying by cheque or bank draft, complete and return the acceptance slip attached to this Application Form with your application payment.

Complete the number of Shares and Options you wish to apply for at the Issue Price of A\$1.10 per Share.

Enter your cheque or bank draft details. The amount of your Application Monies should be equal to the amount applied for in section D of the Acceptance Form multiplied by the Issue Price of A\$1.10 per Share. Cheques or bank drafts must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "URB Investments IPO" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or bank draft for an amount that is not equal to your application amount URB Investments Limited will round down the number of Shares & Options that you are applying for equal to your payment. Your payment must be for a minimum of 2,000 Shares & Options (A\$2,200).

Enter your contact telephone number at which we may contact you regarding your application for Shares & Options, if necessary.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**

**URB INVESTMENTS LIMITED**

ACN 615 320 262

*Please detach and enclose with payment*

**SRN/HIN:**

**Entitlement Number:**



**B** Number of Shares & Options applied for

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at

Price per Share

**A\$1.10**

**C** I/We lodge full Application Money

**A\$**

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(minimum 2,000 Shares & Options (A\$2,200), thereafter in multiples of 100. Each share purchased comes with an attaching Option)

**D** Make your cheque or bank draft payable to "URB Investments IPO" and crossed "Not Negotiable"

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

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<b>A\$</b>		<b>.00</b>
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**E** Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

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( )
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## GUIDE TO THE APPLICATION FORM

This Application Form is important. If you are in doubt as how to deal with it, please contact your accountant, financial advisor, stockbroker, lawyer or other professional advisor without delay. You should read the Prospectus carefully and in full before completing the form. Any person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Prospectus.

### A Registration Name and Postal Address

Shares will be registered in the name(s) printed on the Application Form and the name(s) cannot be changed. If you wish to change your address for this holding, please contact Link Market Services Limited at the address below or alternatively you may call the URB Offer Information Line on 1300 420 406 for an appropriate form, or download a change of address notification form from [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### B Number of Shares applied for

Please enter the number of Shares & Options you wish to apply for. The Application must be for a minimum of 2,000 Shares (A\$2,200) and thereafter in multiples of 100. For every one Share under the Offer, investors will receive one fee attaching Option. Options will be exercisable at \$1.10 at any time before 7 April 2018.

### C Application Money

Insert the relevant amount of Application Monies. The Offer Price is A\$1.10 per Share. Amounts should be in Australian dollars. Please make sure the amount of your payment equals this amount.

### D Application Payment

Please provide application payment as follows:

- the total application payment must be the same as the amount shown in section C;
- your cheque(s) or bank draft(s) must be drawn on an Australian branch of a financial institution in Australian currency and made payable to "URB Investments IPO" and crossed "not negotiable";
- sufficient cleared funds should be held in your bank account, as any cheque(s) returned unpaid are likely to result in your Application being rejected; and
- cash payments will not be accepted.

### E Contact Details

Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

## Acknowledgements

**By returning this Application Form, I/we agree to the following statements. I/We:**

- have personally received a paper or electronic copy of the Prospectus that this Application Form accompanies and have read it in full;
- am/are at least 18 years of age if I/we am/are an individual(s);
- have completed this Application Form correctly;
- acknowledge that once the issuer receives this Application Form, I/we may not withdraw it;
- apply for the number of Shares & Options at the Australian dollar amount shown on the front of this Application Form;
- agree to being allotted the number of Shares & Options that I/we apply for or a lower number allotted in a way allowed under the Prospectus or no Shares & Option at all;
- authorise the Issuer, the Joint Lead Managers, URB Investments Limited and their respective officers or agents, to do anything on my/our behalf necessary for Shares & Options to be allotted to me/us, including without limitation to sign any documents necessary for Shares & Options to be allotted to me/us, and to act on instructions received by the Share Registry using the contact details in section E and my/our registered address;
- acknowledge that the information contained in the Prospectus is not investment advice or a recommendation that Shares & Options are suitable to me/us, given my/our investment objectives, financial situation or particular needs;
- represent and warrant that I/we have received the Prospectus in Australia; and
- represent and warrant that I am/we are not in the United States and I am/we are not a United States person (and not acting for the account or benefit of a United States person), and I/we will not offer, sell or resell Shares in the United States to, or for the account or benefit of, any United States person.

## Personal Information Collection Notification Statement

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

## How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance slip and Application payment. No postage stamp is required if it is posted in Australia.

Acceptance slip and the payment for new Shares must be received by the Share Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry by the close of the offer.

### Mailing Address

URB Investments Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

or

### Hand Delivery

URB Investments Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your acceptance slip and Application Form allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney Time) on 30 March 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. URB Investments Limited reserves the right not to process any acceptance slips and Application Forms received after the Closing Date.

**If you require information on how to complete this Acceptance Form please contact the URB Offer Information Line on 1300 420 406 if calling within Australia or +61 1300 420 406 if calling from outside of Australia.**





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- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, URB Investments Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
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## CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares & Options. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
<b>Individual</b> Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
<b>Company</b> Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
<b>Joint Holdings</b> Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
<b>Trusts</b> Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
<b>Deceased Estates</b> Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
<b>Partnerships</b> Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
<b>Clubs/Unincorporated Bodies/Business Names</b> Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

# SECTION 15

## CORPORATE DIRECTORY

### URB INVESTMENTS LIMITED

#### Directors

<b>Mr Warwick Negus</b>	Chairman
<b>Ms Victoria Weekes</b>	Independent Director
<b>Mr Tony McDonald</b>	Independent Director
<b>Mr Bruce Dungey</b>	Independent Director

#### Company Secretary

**Mr Jaime Pinto**

#### Registered Office

Level 2, 160 Pitt Street Mall  
Sydney NSW 2000

Telephone +61 2 9210 7000  
Facsimile +61 2 9210 7099

#### Website

[www.urbinvest.com.au](http://www.urbinvest.com.au)

### JOINT LEAD MANAGERS

#### Bell Potter Securities Limited

Level 38, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

**BELL POTTER**

#### Commonwealth Securities Limited

Ground Floor, Tower 1,  
201 Sussex Street,  
Sydney NSW 2000

**CommSec**

#### Morgans Financial Limited

Level 21, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

**Morgans** IN ALLIANCE WITH **CIMB**

### INVESTMENT MANAGER

#### Contact Asset Management

Level 1, 160 Pitt Street Mall  
Sydney NSW 2000

**CONTACT**  
ASSET MANAGEMENT

### CORPORATE ADVISORS

#### Pitt Capital Partners

Level 2, 160 Pitt Street Mall  
Sydney NSW 2000

**PittCapital**  
PARTNERS

### LEGAL ADVISORS

#### Ashurst Australia

Level 11, 5 Martin Place  
Sydney NSW 2000

**ashurst**

### INVESTIGATING ACCOUNTANT

#### Pitcher Partners Sydney Corporate Finance Pty Limited

Level 22, MLC Centre  
19 Martin Place  
Sydney NSW 2000

**PITCHER**  
**PARTNERS**



**urb.**  
Investments  
Limited

Level 2, 160 Pitt Street Mall  
Sydney NSW 2000

Telephone +61 2 9210 7000  
Facsimile +61 2 9210 7099

[www.urbinvest.com.au](http://www.urbinvest.com.au)