

INVESTMENT UPDATE

JUNE 2017



SNAPSHOT



NET TANGIBLE ASSETS PER SHARE \$1.066



FULLY FRANKED DIVIDENDS PAID 4.875 cents



EILDON CAPITAL LIMITED

Eildon Capital Limited (ASX: EDC) paid a 1.375 cent per share fully franked dividend on 24 April 2017. EDC has now paid a total of 4.875 cents per share in fully franked dividends since it listed on the ASX on 28 February 2017.

DELIVERING SHAREHOLDER RETURNS

EDC continues to execute on its strategy of identifying property projects and developers which provide loans and make investments above benchmark returns.

In May, EDC announced that it had advanced \$7.0 million of loans to two separate projects located in Melbourne. EDC has now fully committed its available investment funds forecast to generate a weighted average return of in excess of 18%pa. Significantly the returns being generated on loans are backed by strong



security positions with a weighted average Loan to Value Ratio (LVR) of portfolio of below 67%.

At 31 May 2017 the investment portfolio comprises seven loans and one equity investment.

INVESTMENT PORTFOLIO BREAKDOWN

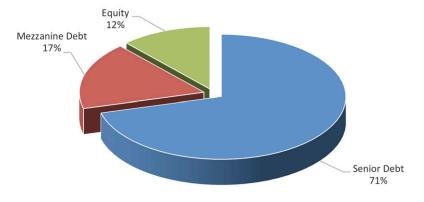


Figure 1: Eildon Capital Investment Portfolio by Instrument



∑ INVESTMENT UPDATE (CONT.)

A brief update on the investment portfolio is provided below -

LOAN PORTFOLIO

- EDC's loan portfolio continues to perform as expected.
- Two existing loans in the Gold Coast have been extended by mutual negotiation to December 2017 against the strength of the security provided and returns being earned.
- Two separate new loans were advanced totalling \$7.0 million as announced to the ASX in May 2017.
- EDC has currently fully committed its available investment funds after factoring in the remaining drawings and capital requirements.

The current residential projects that are under construction have strong pre-sales providing for excellent security. Construction progress on each is within budget and development program.

DEBT INVESTMENT BREAKDOWN

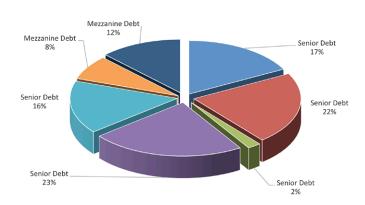


Figure 2: Eildon Capital Debt Portfolio





Figure 3: Images of the Hawthorn development

COMMERCIAL PROPERTY INVESTMENT

- Eildon Capital holds a 35% interest in a commercial/industrial property in Woolloongabba which has an 8 year lease with an ASX listed entity, providing regular income yield to shareholders.
- The precinct which surrounds this property continues to experience a significant amount of development with a number of large residential projects now under construction. The site has an existing residential development approval which provides for potential strong capital growth over the long term.



Figure 4: Artist impression of approved DA scheme for Woolloongabba property



> PIPELINE

A pipeline of opportunities have been identified and are being assessed as prospective investments.

Current market conditions have been advantageous to EDC. Banks have been reducing their exposure to the property development sector while new entrants are focused on providing loans to larger, longer term projects. EDC, which is focused on smaller and shorter timeframe projects, has experienced a significant increase in the demand for finance with the level of enquiry from property developers continuing to increase. We expect that this will continue for the foreseeable future.

The current market has provided the ability to negotiate strong security positions and returns on investments. From management's experience quality due diligence, risk assessment, transaction structuring and project delivery are essential to strong returns and capital protection.



PIPELINE LOAN OPPORTUNITIES

EDC has the opportunity to provide the following loan facilities for development projects:

- A \$4.0 million loan facility for a term of 24 months for the refinance of a 4.35 hectare industrial complex in East Bentleigh, Victoria that is subject to a rezoning process from Industrial to Commercial, allowing for a range of commercial, retail and residential uses.
- A first mortgage loan facility of up to \$7.0 million for construction funding for a 1.12 hectare residential development in Carrara, Queensland. The project contains a combination of apartments and townhouses.

PIPELINE EQUITY OPPORTUNITIES

EDC is in the process of completing due diligence on the following investment opportunities:

- Acquisition of a 25% interest in a development management agreement for the rezoning of an Industrial site in Kingsgrove, New South Wales to Commercial, allowing for a range of commercial, retail and residential uses.
- Acquisition of a 16.6% interest in an option to acquire an industrial site in Turrella, New South Wales that is undertaking a rezoning of the property from Industrial to Commercial, allowing for a range of commercial, retail and residential uses. The exercise of the option will be subject to a successful rezoning of the site.





QUARTERLY DIVIDEND

1.375 Cents per share fully franked, paid on 24 April, 2017.

ANTICIPATED DIVIDENDS PAYMENT CALENDAR

QUARTER	PAYMENT DATE
June, 2017	24 July, 2017
September, 2017	24 October, 2017
December, 2017	24 January, 2018
March, 2018	24 April, 2018



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