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6 December 2019

ASX Market Announcements
20 Bridge Street
Sydney NSW 2000

Chair's address to Scheme Meeting

In accordance with Listing Rule 3.13.3, please find attached a copy of the Chair's address, together with an accompanying slide deck, which is to be given at the URB Investments Limited (ASX: URB) (URB) Scheme Meeting, which is to be held today at 9.00am (Sydney time)

Yours sincerely

A handwritten signature in black ink, appearing to be 'Jaime Pinto', written over a horizontal line.

Jaime Pinto
Company Secretary

For further enquiries:

Warwick Negus
Chairperson
02-9210-7000

Jaime Pinto
Company Secretary
02-9210-7000

URB Investments Limited Scheme Meeting Chairman's Address

Sydney, 6 December 2019: URB Investments Limited (ASX: URB) (**URB** or **Company**) is today holding a Scheme Meeting in Sydney relating to the proposal from 360 Capital FM Limited as responsible entity for 360 Capital Total Return Active Fund and 360 Capital Total Return Passive Fund (ASX: TOT) (**TOT**) to acquire all of the ordinary shares in URB by way of a scheme of arrangement (**Scheme**).

Commentary from URB Chairman Warwick Negus is set out below.

URB Chairman, Warwick Negus:

Good morning Ladies and Gentlemen.

I would like to start by paying my respects to the Traditional Owners of the land on which we meet and their Elders past, present and future.

Thank you for joining me to vote on the merger of URB and TOT.

I am Warwick Negus, Chairman of URB.

On 14 October 2019, URB and TOT announced that they had entered into an agreement by which TOT proposes to acquire the ordinary shares it does not already own in URB via an URB scheme of arrangement. If the Scheme is approved by the requisite majority of URB shareholders and implemented, eligible URB shareholders will receive 0.9833 TOT securities (being a stapled unit in each of the 360 Capital Total Return Active Fund and 360 Capital Total Return Passive Fund) for each URB Share held.

The purpose of this Scheme Meeting is to seek the agreement of shareholders to the merger.

I am advised that a quorum is present and I therefore declare the Scheme Meeting open.

Before I introduce your directors, I will outline the conduct of today's meeting.

I remind everyone that this is a shareholders' meeting and only shareholders, appointed proxies, corporate representatives and attorneys have the right to speak at the meeting. We have allowed visitors into the meeting as observers only.

As outlined in the Scheme Booklet dated 4 November 2019, the resolution to be voted on by shareholders at today's meeting will be decided by a poll.

I would now like to introduce the members of the URB Board. Firstly, my fellow Directors Robert Dungey and Anthony McDonald. Victoria Weekes is unable to attend the meeting today and gives her apologies. I would also like to introduce our Company Secretary Jaime Pinto.

Scheme of arrangement

As you are all aware, the purpose of this meeting is to consider and, if thought fit, to pass the resolution set out in the Notice of Meeting and appearing on the screen behind me.

As an URB Shareholder, you have the opportunity to vote on the Scheme.

For the Scheme to proceed, the Scheme Resolution must be approved by the requisite majority of URB shareholders, which is: a majority in number (more than 50%) of URB shareholders present and voting at this Scheme Meeting (whether in person or by proxy, attorney or corporate representative); and at least 75% of the total number of votes cast.

The proposal has also been outlined in detail in the Scheme Booklet which was provided to URB shareholders in accordance with Court orders.

If the Scheme is approved by the requisite majority of URB shareholders, eligible URB shareholders will receive 0.9833 new TOT securities per URB Share (**Scrip Consideration**).

Based on the closing price of TOT securities of \$1.18 on 11 October 2019, being the last Trading Day prior to the announcement of the Scheme, the implied value of the Scrip Consideration is approximately \$1.16 per URB share. This incorporates a 3.0% premium to the URB adjusted pre-tax NTA per share of \$1.136 as at 30 September 2019 (on an ex dividend basis and allowing for transaction costs).

The implied value of the Scrip Consideration of \$1.16 per URB Share represents the following premiums to relevant URB Share price benchmarks:

- 13.2% premium to URB's closing price on 11 October 2019 (being the last Trading Day prior to the announcement of the Scheme);
- 12.3% premium to URB's 30 day VWAP of URB Shares on 11 October 2019;
- 7.2% premium to URB's 3 month VWAP of URB Shares on 11 October 2019; and
- 29.6% premium to the closing share price on 24 May 2019 (being the date prior to TOT commencing to buy URB Shares).

Based on the closing price of TOT securities on 1 November 2019, being the last practicable Trading Day prior to the date of the Scheme Booklet, the implied value of the Scrip Consideration is approximately \$1.14 per URB Share, which represents a 4.1% premium to the closing price of URB Shares on that date.

URB Shareholders are also expected to have an entitlement to the TOT December 2019 quarterly distribution payable by TOT, forecast to be 2.25 cents per TOT unit, on the basis that the Scheme will be implemented prior to the record date for the distribution (which is expected to be 31 December 2019). This TOT distribution does not form part of the Scheme Consideration.

Reasons to vote in favour of or against the Scheme

As set out in the Scheme Booklet and summarised on the screen behind me, the Board identified a number of reasons why you might vote in favour of the Scheme, along with a number of reasons why you might vote against the Scheme.

Board recommendation

In assessing the Scheme, the Directors of URB considered the advantages and disadvantages of the merger. We undertook a comprehensive review of the potential alternatives available to URB including maintaining the status quo.

In the absence of a superior proposal, the Directors of URB consider that the Scheme is in the best interests of URB shareholders and unanimously recommend that URB shareholders vote in favour of the Scheme. No superior proposal has been received to date.

Each Board member of URB intends to vote all eligible URB Shares they own or control in favour of the Scheme.

Independent Expert's opinion

URB commissioned Lonergan Edwards & Associates Limited to prepare an Independent Expert's Report in relation to the Scheme. Lonergan Edwards & Associates Limited has concluded that the Scheme is fair and reasonable to and in the best interests of URB shareholders, in the absence of a superior proposal. No superior proposal has been received to date.

Major shareholder

Washington H. Soul Pattinson and Company Limited who holds 12.35% of the shares in URB, is supportive of the proposed merger and has indicated its intention to vote all URB Shares it holds in favour of the Scheme subject to no superior proposal emerging.

Status of conditions

The Scheme remains subject to a number of conditions, including:

- URB Shareholders passing the resolution by the requisite majority at today's Scheme Meeting to approve the Scheme;
- The Federal Court of Australia approving the Scheme at the Second Court Hearing which is scheduled to be held next Tuesday 10 December 2019 at 10.15am;
- No regulatory intervention to have occurred prior to the 8.00am on the Second Court Date; and
- No material adverse change and no prescribed event to have occurred in respect of TOT or URB.

The Directors are not aware of any circumstance to date which would prevent any of the outstanding conditions from being satisfied.

360 Capital FM Limited Participation

The Scheme is between URB and all URB Shareholders excluding 360 Capital FM Limited. 360 Capital FM Limited as responsible entity for TOT Active Fund will acquire the Scheme Shares if the Scheme Implements. Any URB Shares held by 360 Capital FM Limited are thus excluded from the Scheme and excluded from being voted on the Scheme.

As at 7pm on 4 December 2019 (being the Voting Record Date) 360 Capital Property Limited ACN 146 484 433 (a wholly owned subsidiary of 360 Capital Group Limited (ACN 113 569 136) holds 2,723,217 URB Shares. 360 Capital Property Limited is an Associate of 360 Capital FM Limited and has undertaken to the Company that it will not vote any URB Shares that it controls on the Scheme at the Scheme Meeting due to this association. 360 Capital Property Limited is however a Scheme Shareholder and will participate in the Scheme.

Novation of the Investment Management Agreement

If the Scheme is Implemented, Contact Asset Management Pty Limited (**Contact Asset Management**) will be replaced as the investment manager of URB by 360 Capital Group Limited (the **New Investment Manager**) in accordance with the terms of the Deed of Novation.

The New Investment Manager will pay Contact Asset Management \$2.5 million (exclusive of GST) for novation of the Investment Management Agreement and an additional \$300,000 (exclusive of GST) for transitional services to be provided to the New Investment Manager for a 6 month period following the Implementation Date.

The ownership of Contact Asset Management is as follows:

- (a) 40% indirectly by an entity controlled by Mr Tom Millner, Mr Millner has a relevant interest in 229,995 URB Shares;
- (b) 40% indirectly by an entity controlled by Mr Will Culbert, Mr Culbert has a relevant interest in 258,829 URB Shares; and
- (c) 20% by Washington H. Soul Pattinson and Company Limited, which holds 12.35% of all the URB Shares.

Given that the shareholders in Contact Asset Management also have a relevant interest in URB Shares, the URB Board commissioned the Independent Expert to determine the market value of the existing management rights held by Contact Asset Management in relation to the management of URB's investment portfolio which will be novated to the New Investment Manager.

The Independent Expert has stated that whilst the transaction price under the Deed of Novation is consistent with the top end of the assessed value of the management rights to Contact Asset Management, it exceeds the range of the estimated market value of the management rights. Accordingly, the Independent Expert has concluded that the transaction in respect of the management rights represents the receipt by Contact Asset Management of a net benefit when measured by reference to the market value of the management rights.

Please refer to Sections 5.3, 7.30, 7.43 and 12.5 of the Scheme Booklet for further detail regarding the Payment to Contact Asset Management under the Deed of Novation and Schedule 1 of the Scheme Booklet for the full reasoning of the Independent Expert.

Notwithstanding the finding of a net benefit, the Independent Expert has concluded that the Scheme is fair and reasonable to, and in the best interests of, URB Shareholders.

Mr Millner and Mr Culbert and their respective controlled entities who are Scheme Shareholders have undertaken to the Company to not vote any URB Shares that they control on the Scheme at the Scheme Meeting, because of any indirect benefit that they may receive pursuant to the Deed of Novation.

Timetable to implementation

Subject to approval of the Scheme by the requisite majority of shareholders today, and by the Court at the Second Court Hearing, the merger is expected to be implemented on 20 December 2019.

If the Court approves the Scheme, URB Shares are expected to be suspended from trading on the ASX from 11 December 2019. Trading in New TOT Securities on the ASX is expected to commence on a normal settlement basis on 23 December 2018.

URB Shareholders on the register at 7:00pm on Friday, 13 December 2019 will be entitled to receive the Scheme Consideration in respect of URB Shares they hold on that date. The Scheme will then be Implemented on 20 December 2019.

Formal Business

The agenda of today's meeting is set out in the Notice of Meeting sent to you. I propose to take it as read.

Voting procedure

I would now like to go through some procedural matters for the meeting.

The Scheme Resolution set out in the Notice of Scheme Meeting will be put to a poll. The resolution appears again on the screen behind me.

Each URB Shareholder present in person or by proxy, attorney or corporate representative, may vote on the poll. Voting instructions are printed on your yellow admission card.

If you are voting as a proxy holder, your yellow admission card will have a Summary of Proxy Votes attached. If you have open proxies, you may mark a box to indicate how you wish to cast your vote. If your appointer has directed how you should vote on any item, you must follow that direction and, by completing the voting paper, you are deemed to have voted in accordance with those instructions.

Please complete your yellow admission card where indicated, and lodge it in a ballot box to ensure your votes are counted.

If you need assistance with completing your polling card, please ask one of the Link Market Services team members who are available at the registration desk, or in the room collecting the polling cards.

I appoint Aaron Calder of Link Market Services, URB's share registrar, to act as Returning Officer and Scrutineer.

Q&A opportunity

I will now provide the opportunity to ask questions and comment on the Scheme Resolution.

Only those holding yellow or blue cards are entitled to address the meeting. If you wish to ask a question, please raise your hand and a microphone will be brought to you. Please show your shareholder card, state your name or the name of the shareholder you are representing if relevant.

I ask that you be courteous and respectful to those attending the meeting and keep your questions to a reasonable length. Please ensure your questions and comments are relevant to the matter before the meeting and to shareholders as a whole.

Would any shareholder like to speak to the resolution?

Thank you.

Scheme Resolution put to the Scheme Meeting

If there are no further questions, I now formally propose the Scheme Resolution which is set out in the Notice of Scheme Meeting.

On the screen behind me are the details of the total valid proxies on the Scheme Resolution received prior to this Scheme Meeting.

I now declare the poll on the Scheme Resolution open.

As this is the only resolution to be considered and voted on at this meeting, please complete your yellow admission card, if you have not already done so, by marking your vote in the 'for', 'against' or 'abstain' box next to the resolution. If you have any questions concerning the voting process, please do not hesitate to ask one of the team from Link Market Services.

Does any shareholder require more time to complete their voting card?

Representatives from Link Market Services will now collect your completed voting cards.

I now declare the poll on the Scheme Resolution closed.

The results of the poll will be released to the ASX via the Company Announcements Platform, and placed on the URB website, as soon as possible after the Returning Officer advises the Company.

Thank you

As there is no further business, that concludes the formal proceedings of the Scheme Meeting and I now declare this meeting closed.

Thank you for your attendance today



URB INVESTMENTS LIMITED

2019 SCHEME MEETING

DECEMBER 2019

SCHEME RESOLUTION

"That pursuant to, and in accordance with, section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed to be entered into between URB Investments Limited and the holders of its fully paid ordinary shares, excluding 360 Capital FM Limited, as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia)."

OVERVIEW OF SCHEME

The Board announced on the 14th October 2019 that URB had entered into a Scheme Implementation Deed with 360 Capital FM Limited as responsible entity for 360 Capital Total Return Active Fund and 360 Capital Total Return Passive Fund (ASX: TOT) (TOT) under which the ordinary shares TOT does not already own in URB (**Scheme Shares**) will be acquired by TOT (**Proposed Transaction**). The Proposed Transaction will be Implemented through an URB scheme of arrangement (**Scheme**).

On the 4th November 2019 URB announced that ASIC had registered the Scheme Booklet in relation to the Scheme. The Scheme Booklet was subsequently distributed to shareholders on 7th November 2019 setting out the information shareholders require to evaluate the Scheme, along with an associated Notice of Scheme Meeting and proxy form.

Under the Scheme, eligible URB shareholders will receive 0.9833 TOT units for each Scheme Share held at the Scheme Record Date (**Scrip Consideration**).

INDEPENDENT EXPERT'S OPINION

The URB Board commissioned the Independent Expert, Lonergan Edwards & Associates Limited, to prepare an Independent Expert's Report to opine on the Scheme. The Independent Expert concluded that:

"the acquisition of URB shares by 360 Capital Total Return Fund under the Scheme is fair and reasonable to, and in the best interests of URB Shareholders, in the absence of a Superior Proposal."

The Independent Expert assessed the value of URB to be in the range of \$1.07 to \$1.11 per share and the value of the Scrip Consideration to be in the range of \$1.05 to \$1.16 per share.



NOVATION OF MANAGEMENT AGREEMENT

If the Scheme is Implemented, Contact Asset Management Pty Limited (**Contact**) will be replaced as the investment manager of URB by 360 Capital Group Limited (the **New Investment Manager**) in accordance with the terms of the Deed of Novation.

The New Investment Manager will pay Contact \$2.5 million (exclusive of GST) for novation of the Investment Management Agreement (**Management Rights**) and an additional \$300,000 (exclusive of GST) for transitional services to be provided to the New Investment Manager for a 6 month period following the Implementation Date.

The Independent Expert has concluded that the transaction in respect of the Management Rights represents the receipt by Contact of a net benefit when measured by reference to the market value of the Management Rights and the transitional services fee is also likely to provide a net benefit to Contact.

Notwithstanding the finding of a net benefit, the Independent Expert has concluded that the Scheme is fair and reasonable to, and in the best interests of, URB Shareholders.



STATUS OF CONDITIONS

The Scheme remains subject to a number of conditions, including:

- URB Shareholders passing the resolution by the requisite majority at today's Scheme Meeting to approve the Scheme;
- The Federal Court of Australia approving the Scheme at the Second Court Hearing, which is scheduled to be held next Tuesday 10 December 2019 at 10.15am;
- No regulatory intervention to have occurred prior to the 8.00am on the Second Court Date; and
- No material adverse change and no prescribed event to have occurred in respect of TOT or URB.

The URB Directors are not aware of any circumstance to date which would prevent any of the outstanding conditions from being satisfied.



INDICATIVE KEY DATES

Key Dates	
Scheme Meeting	Friday 6 December 2019 (9:00am Sydney time)
Second Court date for approval of the Scheme	Tuesday 10 December 2019
Record Date for determining entitlements to Scheme consideration	Friday 13 December 2019 (7:00pm Sydney time)
Implementation Date Scrip Consideration to be issued	Friday 20 December 2019
Commencement of trading of new TOT securities on the ASX on a normal settlement basis	Monday 23 December 2019

All dates following the date of the Scheme meeting are indicative only, and, among other things, are subject to all necessary approvals from the Court and other regulatory authorities.

REASONS TO VOTE IN FAVOUR OF OR AGAINST THE SCHEME

REASONS TO VOTE FOR	REASONS TO VOTE AGAINST
<ul style="list-style-type: none"> ✓ The URB Directors unanimously recommend the Scheme ✓ The implied value of the Scrip Consideration of \$1.16 per URB Share based on the closing price of TOT Securities at \$1.18 per TOT Security on 11 October 2019, the last practicable Trading Date prior to the announcement of the Scheme, represents an attractive price for URB Shares relative to historical trading prices and incorporates a premium to 30 September 2019 adjusted pre-tax NTA (on an ex-dividend basis following the transaction costs) per URB Share ✓ Distribution accretion (increase in projected distributions) ✓ Increase in market capitalisation and ownership base and expected increase in stock market liquidity ✓ Diversification of portfolio to include primarily direct and indirect real estate and real estate debt investments ✓ Experienced and dedicated property investment and real estate management team ✓ Conclusion of the Independent Expert ✓ No Superior Proposal has emerged ✓ The URB Share Price quoted on the ASX may fall if URB Shareholders do not vote in favour of the Scheme and no Superior Proposal emerges ✓ No brokerage or stamp duty is payable on transfer of URB Shares pursuant to the Scheme 	<ul style="list-style-type: none"> ✗ You may disagree with the unanimous recommendation of the URB Directors' and the Independent Expert's conclusion and believe the Scheme is not in your best interest ✗ You may have a preference to maintain an investment in URB and not to be exposed to the investment strategy of the Combined Group ✗ You may not believe the Scheme Consideration adequately reflects URB's long-term growth potential or current market conditions ✗ You may have an expectation that a Superior Proposal will emerge ✗ The taxation consequences ✗ Increase in base management fees

SCHEME RESOLUTION

"That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between URB Investments Limited and the holders of its fully paid ordinary shares, excluding 360 Capital FM Limited, as contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia)."

SCHEME RESOLUTION - PROXIES

	Number of Shares voted by Proxy	% of Valid Available Votes	Number of Shareholders	% of Shareholders
For	17,460,731	85.23%	286	72.59%
Against	948,892	4.58%	43	10.91%
Open*	2,107,451	10.18%	65	16.50%
Total	20,697,074		394	
Abstain [#]	20,335		2	
Requisite majorities for Resolution to pass	At least 75% for		More than 50% for	

* Open Proxies in favour of the Board (representing 1,893,690 votes cast and 56 shareholders) will be voted in favour of the Resolution

Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities



CONCLUSION OF THE MEETING

The results of the poll on the Scheme Resolution will be released to ASX and on URB's website as soon as possible after the Returning Officer advises the Company.

Thank you for your participation.

I declare the meeting closed.