



ASX Announcement

31 March 2015

New Funds Management Initiative

Elanor Investors Group ("ENN") is pleased to announce the establishment of a new managed fund (the "Auburn Central Syndicate") that has agreed to acquire Auburn Central, a sub-regional shopping centre located directly opposite the busy Auburn railway station in Sydney's metropolitan area.

Constructed in 2004, Auburn Central forms the "town centre" of a significant mixed use development that benefits from 450 apartments located above it. Auburn Central is anchored by a strongly trading 3,650m² Woolworths supermarket and a 7,159m² Big W Discount Department Store, both leased to June 2024. These anchor tenants are complemented by 46 specialty stores with very low vacancy and strong representation by national chain and local retailers. Current annual foot traffic through the centre is estimated at 10.8 million.

Auburn Central will be acquired for a purchase price of \$68 million, which reflects a fully leased initial yield of 8.04% per annum. Settlement is scheduled to occur in May 2015.

ENN CEO, Glenn Willis, said: "We are very pleased to have secured Auburn Central. We believe the centre represents an exciting opportunity for investors in the Auburn Central Syndicate. The transaction is the third funds management initiative following our IPO in July 2014 and increases ENN's owned and managed assets to over \$400 million."

ENN's Head of Real Estate, Michael Baliva, added: "Auburn Central is a mature shopping centre generating stable cash flow by providing convenient access to non-discretionary everyday goods and services for its densely populated and growing trade area. The Auburn Central Syndicate provides its investors with strong income returns and opportunities for capital growth."

Overview of Auburn Central Syndicate

Asset	Auburn Central Shopping Centre, a 18,460m ² sub-regional shopping centre situated directly opposite the Auburn railway station in Sydney's metropolitan area
Anchor Tenants	Woolworths, Big W (both leases expire June 2024)
Investment Size	\$74.85 million (\$68.0m purchase price + stamp duty, transaction costs (incl. fees to Elanor) and capital expenditure totalling \$6.85 million)
Equity	\$33.15 million
Borrowings	\$41.7 million (60% of purchase price + capital expenditure)
Forecast Distributions	Year 1 8.50% p.a., average 9.25% p.a. over 5 years
Expected Term	5 years from settlement, scheduled for May 2015
Manager	Elanor Funds Management Limited AFSL 398196 / ACN 125 903 031



Syndicate Funding

Total acquisition, stamp duty and transaction costs of \$74.85 million will be funded via debt (\$41.7 million) and syndicate equity (\$33.15 million).

Equity investor interest in the new syndicate has been very positive and ENN is in the process of finalising allocations.

Consistent with its strategy of aligning interests with syndicate investors, ENN will subscribe for equity of approximately \$2 million in the syndicate.

Management Fee Arrangements

The management fees payable to ENN as manager of the syndicate are:

- Arrangement and acquisition fee: 1.0% of purchase price, payable at settlement
- Ongoing base management fee: 1.0% of gross asset value per annum, payable quarterly
- Performance fee: 25% of fund return (after all fees and expenses) above an IRR of 10.5%

ENDS.

For further information regarding this announcement please contact:

Glenn Willis
Managing Director and Chief Executive Officer
Elanor Investors Group
Phone: (02) 9239 8400
Email: gwillis@elanorinvestors.com