



Property Group

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22 July 2015

ASX ANNOUNCEMENT

LAUNCH OF SCA UNLISTED RETAIL FUND NO.1 (ASX: SCP)

SCP announces the launch of SCA Unlisted Retail Fund No. 1 ("SURF 1"). SURF 1 will comprise five non-core assets to be acquired from SCP for \$60.9m, a 12% premium to SCP's book value as at 31 December 2014.

Please see attached letter from SCP's Chairman, Philip Clark AM, together with a summary of the investment opportunity.

A copy of the SURF 1 PDS can be obtained from the link provided on our website at www.scaproperty.com.au or by contacting the SURF 1 information line on 1300 780 316.

ENDS

Media, Institutional investor and analyst, contact:

Mark Fleming
CFO
SCA Property Group
(02) 8243 4900

Potential investors should contact the SURF 1 information line on 1300 780 316 with any queries or to request a copy of the PDS.

July 2015

Dear Unitholder

**INVESTMENT OPPORTUNITY:
LAUNCH OF SCA UNLISTED RETAIL FUND – “SURF 1”**

I am writing to you to inform you of SCA’s intention to create a funds management business, initially comprising the SCA Unlisted Retail Fund No.1 (“SURF 1”).

SURF 1 will provide an opportunity for SCA unitholders to invest in a well secured fund yielding 8% per annum.

SCA has identified a number of assets that it considers to be “non-core” because they are either freestanding stores or have only one or two specialty stores. SURF 1 will contain five (5) of these non-core assets all located in New South Wales, being Woolworths Fairfield, Woolworths Griffith North, Dan Murphy’s Burwood, Dan Murphy’s Katoomba, and Inverell Big W.

The creation of SURF 1 provides benefits for all of our unitholders, whether they decide to invest in SURF 1 or not. Some of those benefits are as follows:

- the assets have been jointly valued by independent valuers and the proposed sale price at valuation represents a 12% premium to SCA’s book value as at 31 December 2014;
- SCA will derive an ongoing income stream through fees payable for the ongoing management of SURF 1; and
- SCA will have the benefit of a new funds management business which, it is anticipated, will grow in value over time.

The key features of SURF 1 are fully described in the Product Disclosure Statement (“PDS”) including:

- an initial forecast distribution yield of 8.0% per annum;
- 96% of rental income from long term leases to Woolworths Limited;
- long-term weighted average lease expiry (“WALE”) of over 13 years;
- 100% occupancy;
- Gearing at 49.5%;
- 5 year initial fund term; and
- management by SCA.

A summary of the investment is set out in the attached flyer.

If you are interested in exploring an investment in SURF 1, I encourage you to obtain a copy of the PDS from the link provided on our website at www.scaproperty.com.au.

The detailed offer and the risks associated with the investment are set out fully in the PDS.

Yours sincerely



Shopping Centres Australasia Property Group
Philip Marcus Clark AM
Chairman

Offer closes
on or before 9th September 2015
Preference will be given to early applications

Introducing

SCA Unlisted Retail Fund 1

ARSN 606 126 934

Responsible entity and issuer: SCA Unlisted Retail Fund RE Limited ACN 604 416 284, AFSL 473 459

8%
forecast
distribution
yield

100%
occupied, with
over 13 yrs
WALE

96%
income from
Woolworths
Limited

Investment Overview

SCA Unlisted Retail Fund 1 (the Fund or SURF 1) will own a Property Portfolio consisting of five properties in NSW anchored by Woolworths Limited: two Supermarkets, two Dan Murphy's and one BIG W.

The Properties were developed by Woolworths Limited with an average age of 4 years.

The Properties were valued by independent valuer CBRE at \$60.9m, which reflects a weighted average cap rate of 7.2%.

The Fund will be managed by SCA Property Group. The Fund's investment objective is to provide Unitholders with secure and sustainable income through the ownership of the Property Portfolio.

Key Investment Features

- ▶ Strong distribution yield expected to be at least 8% per annum
- ▶ 96% of rental income from Woolworths Limited
- ▶ 100% occupied, with WALE (weighted average lease expiry) in excess of 13 years
- ▶ Initial gearing of 49.5%
- ▶ Five-year debt facility, cost of debt approximately 4.0% per annum
- ▶ NTA of \$0.95 per unit
- ▶ Quarterly income distributions
- ▶ Minimum investment of \$20,000
- ▶ 5 year fund term





Diversified property portfolio anchored by Woolworths Limited

Property	Burwood Dan Murphy's	Fairfield Heights Woolworths	Katoomba Dan Murphy's	Griffith North Woolworths	Inverell BIG W
Building Completion Date	Nov 2009	Dec 2012	Dec 2011	Apr 2011	Jun 2010
Location	Sydney Metro	Sydney Metro	Regional NSW	Regional NSW	Regional NSW
Anchor Tenant Lease Expiry	Nov 2027	Jul 2033	Oct 2027	Oct 2027	Jan 2028
WALE	12.4 yrs	16.1 yrs	12.3 yrs	12.3 yrs	12.4 yrs
GLA	1,400 sqm	3,703 sqm	1,420 sqm	2,560 sqm	7,689 sqm
Independent Valuation	\$8.6 m	\$18.0 m	\$6.7 m	\$9.2 m	\$18.4 m
Other Retailers	0	2	0	0	2
Occupancy	100%	100%	100%	100%	100%

About the Manager, SCA Property Group

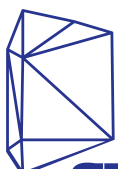
SCA Unlisted Retail Fund RE Limited (the RE) is the responsible entity of the Fund and the issuer of units in the Fund. The RE is a wholly owned subsidiary of SCA Property Group. SCA Property Group is listed on the Australian Stock Exchange (SCP). SCA owns and manages 82 convenience based retail shopping centres in Australia and New Zealand valued at in excess of \$1.9 billion as at 30 June 2015. SCA has a market capitalisation of around \$1.5 billion.

For further information, including risks associated with an investment in the Fund, you may download a copy of the Product Disclosure Statement (PDS) and Application Form by visiting www.scaproperty.com.au or call 1300 780 316

Offer closes 9th September 2015 (unless closed earlier due to investor demand)

Important Information

SCA Unlisted Retail Fund RE Limited ACN 604 416 284, AFSL 473 459 is the responsible entity of SURF 1 and the issuer of the Product Disclosure Statement (PDS) dated 16 July 2015. This flyer is not an offer, or invitation to apply for units in SURF 1. The offer of units in SURF 1 will be made in, or accompanied by, the PDS. Anyone wishing to acquire units in SURF 1 will need to complete the application form in or accompanying the PDS. You should consider whether investing in SURF 1 is appropriate for you in light of your investment objectives and financial circumstances. In deciding whether to apply for units in SURF 1 you should read and consider the PDS and seek advice from your financial adviser. An investment in SURF 1 is subject to risks which are disclosed in the PDS.



SURF.1

SCA
Property Group