SCA UNLISTED RETAIL FUND 1 (SURF 1)

SURF 1 provides investors with an investment in an unlisted property fund with a portfolio of five properties anchored by long term leases to Woolworths.

Quarterly Update as at 30 June 2018

The following information has been prepared for SURF 1 for the purposes of ASIC Regulatory Guide 46.

Disclosure Principle
Outcome/Comment (as at 30 June 2018 or for the 12-month period to 30 June 2018).

Gearing Ratio[2]
Gearing of SURF 1 was 40.6% This is less than the required maximum of 60% and the maximum of 55% to make a distribution or additional drawdowns. Gearing also indicates the extent to which SURF 1's assets are funded by interest bearing liabilities.

Interest Cover Ratio (ICR)[2]
ICR was 3.61 times. This is greater than the required minimum of 1.75 times. ICR measures the ability of SURF 1 to service interest expense.

Interest Capitalisation Policy
SURF 1 does not capitalise interest.

SURF 1 Borrowing
SURF 1's borrowings are $29.1m which is less than the facility limit of $30.45m.

Portfolio Diversification
SURF 1 properties are listed including key metrics. SURF 1's valuation policy includes all properties to be valued every 6 months. The June valuations are outlined in this report.

Related Party Transactions
Related party transactions have been disclosed in the financial statements for the period ended 30 June 2018. These are available on line at www.scaproperty.com.au/unlisted/surf1.

Distribution Practices
Distributions are paid with cash from operations. It is anticipated that distributions will continue to be funded by cash from operations.

Withdrawal Practices
Investors are unable to redeem their units. Subject to conditions, investors may privately arrange to transfer their units to third parties at any time using an off market transfer form. Please contact the registry (details page 2) for further information.

Net Tangible Assets (NTA)
NTA is $1.23.

Highlights include:

	Actual	Same Period FY17
FY18 fourth quarter distribution cents per unit (cpu)	2.05	2.04
FY18 annual distribution yield	8.20%	8.16%
Property valuation (as at 30 June)	$71.0m	$67.3m
Net tangible assets per unit (as at 30 June)	$1.23	$1.13

SURF 1 Property Valuation

	State	Tenants	Occupancy	Capitalisation Rate Jun-18	Valuation Jun-18 $'m
Burwood Dan Murphy's	NSW	1	100.0%	5.00%	11.0
Fairfield Heights	NSW	3	100.0%	5.50%	23.0
Griffith North	NSW	1	100.0%	5.75%	11.5
Inverell BIG W	NSW	2	100.0%	9.00%	18.0
Katoomba Dan Murphy's	NSW	1	100.0%	5.75%	7.5
Total			100.0%	6.38%[1]	71.0

1. Weighted average property capitalisation rate.
2. Gearing and ICR are measured in accordance with the definitions within the Finance Agreement between SURF 1 and the debt provider. Required maximum gearing and minimum ICR are also in accordance with the Finance Agreement.

SURF 1 ARSN 606 126 934, Responsible entity and issuer: SCA Unlisted Retail Fund RE Limited. ACN 604 416 284, AFSL 473 459. SCA Unlisted Retail Fund RE Limited is a wholly owned subsidiary of the Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851) as responsible entity of Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788).