

SCA Unlisted Retail Fund 1

(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 SCA Property Group¹



Quarterly Update | 31 March 2016

On 1 October 2015, SURF 1 successfully completed the allotment of units and the purchase of the properties from the SCA Property Group¹. This update covers the second operational quarter for SURF 1 being the period 1 January 2016 to 31 March 2016.

Quarterly highlights included:

- Distribution for the quarter ended 31 March 2016 of **2.02** cents per unit, paid 19 April 2016. This is an increase from the PDS² forecast of 2.00 cents per unit.
- FY 16 annualised distribution yield forecast to be **8.08%**. This is an increase from the PDS forecast for FY 16 of 8.00%.
- Property valuations remain at **\$62.2** million. This is an increase from the valuations in the PDS of \$60.9 million.
- Net Tangible Assets increased by 4.2% from \$0.95 at time of allotment to **\$0.99** as at 31 March 2016.

SURF 1 Distribution – 2.02 cents per unit

During the quarter the properties have been performing as expected. The administration costs associated with SURF 1 have been slightly lower than expected and the fund has also managed the drawn debt balance tightly resulting in a lower finance charge compared to the PDS. These factors have enabled the cash from operations available for distribution for the second operational quarter to be slightly increased from the forecast 2.00 cents per unit (cpu) to **2.02** cpu. This is equivalent to an annualised yield of **8.08%** based on the cost of a unit of \$1.00. The next distribution will be for the period 1 April 2016 to 30 June 2016. We expect that the distribution for this period will also be **2.02** cpu and will be paid by the end of August 2016. Annual tax statements for the year ended 30 June 2016 will also be sent by the end of August 2016.

SURF 1 Property Valuation and Net Tangible Assets (NTA)

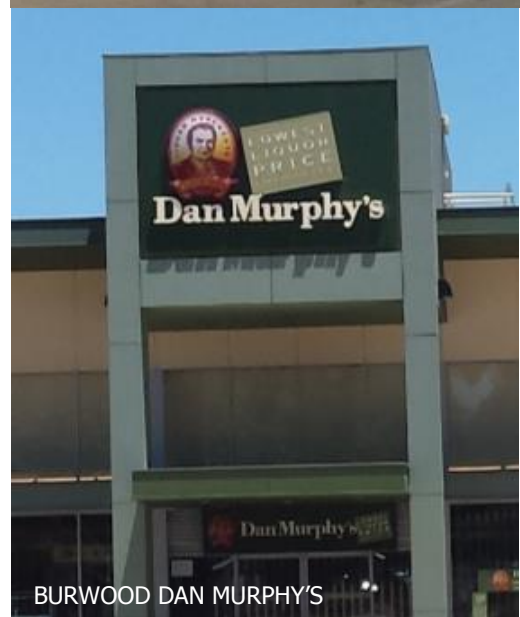
The SURF 1 properties were first valued in June 2015 at \$60.9 million. During December 2015, the properties were revalued by the Directors' upward to \$62.2 million. These values have not been changed since December 2015. This has led to an increase in NTA of SURF 1 to \$0.99 per unit from \$0.95 at time of allotment.

Property	State	Tenants	Occupancy	Capitalisation Rate Dec-15	Valuation Jun-15	Valuation Dec-15
Burwood Dan Murphy	NSW	1	100.0%	6.0%	8.6	9.1
Fairfield Heights	NSW	3	100.0%	6.5%	18.0	18.6
Griffith North	NSW	1	100.0%	6.5%	9.2	9.2
Inverell BIG W	NSW	2	100.0%	8.5%	18.4	18.4
Katoomba Dan Murphy	NSW	1	100.0%	6.5%	6.7	6.9
					60.9	62.2

Regards,
 Greg Inkson
 Fund Manager, SURF 1, SCA Property Group

1. 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).
 2. Refer the SURF 1 Product Disclosure Statement (PDS) dated 16 July 2015.

GRIFFITH NORTH WOOLWORTHS



BURWOOD DAN MURPHY'S



INVERELL BIG W

ASIC Regulatory Guide 46 – Improving Disclosure

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

Disclosure Principle	As at 31 March 2016 or for the period from allotment on 1 October 2015 to 31 March 2016
Gearing ratio ³	Gearing of SURF 1 was less than 50%. This is less than the required maximum of 60% and the required 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) ³	ICR was greater than 3.2. This is greater than the required minimum of 1.75. 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 \$29.60 million which is less than the facility limit of \$30.45 million.
Portfolio diversification	SURF 1 properties are listed above including key metrics. SURF 1's valuation policy includes all properties to be independently valued at least every three years. The properties were last independently valued in June 2015.
Related party transactions	Related party transactions have been disclosed in the PDS dated 16 July 2015.
Distribution practices	Distributions are paid from 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 below) for further information.
Net tangible assets (NTA)	NTA is \$0.99.

3. 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.

ABOUT SCA PROPERTY GROUP

SCA Property Group comprises two internally managed real estate investment trusts, the units of which are stapled together to form a stapled listed vehicle. SCA Property Group owns and manages quality sub-regional, neighborhood and freestanding retail properties. As at 31 December 2015 the SCA Property Group owned and managed over 86 retail assets in Australia and New Zealand valued at over \$2.0 billion focused on convenience based retail. As at 31 March 2016, SCA Property Group has a market capitalisation of around \$1.6 billion.

CONTACT OUR REGISTRY

Contact our registry, Boardroom Limited, for enquiries regarding your account details, banking instructions, distribution payment notices or changing your address or contact details. They can be contacted on:

Investor Services: 1300 780 316 (local call cost) +61 2 8016 2885 (from outside Australia)

Email: SURF1@boardroomlimited.com.au

Website: www.boardroomlimited.com.au



KATOOMBA DAN MURPHY'S



FAIRFIELD HEIGHTS WOOLWORTHS



Important Information

This document has been prepared by and issued by SCA Unlisted Retail Fund RE Limited (ACN 604 416 284, AFSL 473 459) (SURF RE) for general information purposes only. It does not take into account your investment objectives, financial situation, or your particular needs. We recommend that before an investment decision is made you should consult your financial or other professional advisor. SURF RE or other entities which are part of the SCA Property Group do not receive fees in respect of general financial advice they may provide, however they will receive fees from SURF 1. These fees are detailed in the Product Disclosure Statement (PDS) dated 16 July 2015. The PDS and this document contain information which may include statements that include or consider forward looking statements. Forward looking statements are subject to known and unknown risks which may cause the actual results or performance of SURF 1 to differ materially from this expressed or implied.