

## **CVC Property Fund**

ARSN 107 276 184

### **Notice of Meeting of Unitholders**

(incorporating an Explanatory Memorandum)

#### **To be held at**

**Date: Wednesday 30 June 2010**  
**Time: 2.00pm**  
**Place: Level 42, Suncorp Place**  
**259 George Street**  
**SYDNEY NSW 2000**

**The Notice of Meeting and Explanatory Memorandum is dated 7 June 2010**

This is an important document. If you are in any doubt how to deal with this document, please consult your legal, financial or other professional advisor

## Independent Directors' letter to Unitholders

7 June 2010

Dear Unitholder

As announced to ASX today, CVC Property Fund is implementing a recapitalisation strategy to:

- deleverage and strengthen the Fund's balance sheet and reduce its interest costs;
- increase the yield return for Unitholders; and
- increase the attractiveness of the Fund to investors for future investment and growth.

A key element of the recapitalisation strategy is a proposed debt reduction by converting a \$7.1 million loan from CVC Limited (**CVC Term Loan**) into 220,261,651 units at a conversion price of 3.22 cents per unit.

The proposed conversion price represents the net tangible assets per Unit before the Fund acquired the properties located at 357 - 373 Warringah Road, Frenchs Forest, New South Wales and Unit 2 1464 Ferntree Gully Road, Knoxfield, Victoria on 31 March 2010.

Conversion of the CVC Term Loan requires Unitholder approval and this document contains a notice which convenes a meeting of Unitholders to be held on 30 June 2010 to consider and, if thought fit, approve the conversion.

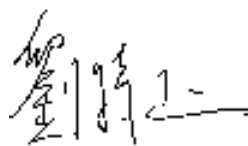
The Fund has obtained an independent expert's report from UHY Haines Norton Corporate Finance Pty Ltd which concludes that the conversion is fair and reasonable for Unitholders who are not associated with CVC.

The conversion proposal has the support of the independent directors of the Fund. Before making any decision on how to vote on the resolution to be put to the meeting, you should read these documents carefully and seek professional advice if required.

Yours sincerely



**KW McGrath**  
Non-executive Director



**JTC Lau**  
Non-Executive Director

## **Notice of General Meeting**

Notice is given that a general meeting of the members of CVC Property Fund ARSN 107 276 184 (the **Fund**) will be held at 2.00pm (Sydney time) on 30 June 2010 at Level 42, Suncorp Place, 259 George Street, Sydney.

The business to be considered at the meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum. A Proxy Form also accompanies this Notice of Meeting.

## **Agenda**

### **Resolution 1 - To approve the issue of 220,261,651 units to CVC Limited**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That for the purposes of section 611, item 7 of the Corporations Act 2001 (as modified by section 604 of the Act), Listing Rule 10.11 and for all other purposes, the issue by the Fund of 220,261,651 units at an issue price of 3.22 cents per unit to CVC Limited on the terms and conditions in the Explanatory Memorandum, is approved."*

### **Voting exclusion statement**

The Fund will disregard any votes cast on resolution 1 by CVC Limited and its associates. However, the Fund will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Notes**

### **Persons entitled to vote**

Under regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the unitholding of each Unitholder for the purposes of ascertaining their voting entitlements at the meeting will be as it appears in the unit register at 7.00pm Sydney time on 28 June 2010.

### **Proxies**

Votes at the Meeting may be given personally or by proxy, attorney or representative.

A Unitholder entitled to attend and vote at the meeting has the right to appoint no more than two proxies.

A Unitholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Unitholder appoints two proxies and the appointment does not specify the proportion or the number of the Unitholder's votes each proxy may exercise, each proxy may exercise one half of the Unitholder's votes. If the Unitholder appoints two proxies, neither proxy may vote on a show of hands.

A proxy need not be a Unitholder of the Fund.

A proxy form must be signed by the Unitholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.

The proxy form (and any Power of Attorney under which it is signed) must be received by the Fund by fax on +612 9087 8088 or by mail or delivery to the Fund's registered office at Level 42, Suncorp Place, 259 George Street, Sydney, New South Wales 2000 no later than 48 hours before the commencement of the meeting, that is by no later than 2.00pm Sydney time on 28 June 2010. Any proxy form received after that time will not be valid for the scheduled meeting.

### **By order of the Directors of the Responsible Entity**

**John Hunter**

Company Secretary

7 June 2010

## Explanatory Memorandum

### 1 Introduction

#### General

This explanatory memorandum has been prepared for the information of Unitholders in connection with the business to be conducted at a meeting of Unitholders to be held at 2.00pm on Wednesday 30 June 2010 at Level 42, Suncorp Place, 259 George Street, Sydney. It forms part of the notice of meeting and must be read together with that notice.

***Unitholders should read this document in full and if they have any questions, obtain professional advice, before making any decision in relation to the resolution to be put to the meeting.***

#### Purpose of the meeting

The purpose of the meeting is to consider a proposed resolution to permit CVC Limited to convert its \$7.1 million loan to the Fund into 220,261,651 Units, and to approve the subsequent increase of CVC and its associates' voting power from 52.59% to 84.63%.

### 2 Background

#### CVC Term Loan

In October 2007 the Fund borrowed a total of \$5 million of mezzanine debt - \$2.5 million each from CVC Limited and Trinity Limited - to assist with the acquisition of the property located at 8 Rodborough Road, Frenchs Forest, New South Wales (the **Ricoh building**). Those loans were secured by a second ranking mortgage over the property.

On 30 September 2008, as part of the separation agreement between CVC Limited and Trinity Group, CVC Limited purchased the loan provided by Trinity Limited together with the entitlement to accrued interest.

On 27 November 2008, CVC Limited made a further advance to the Fund of \$1.05 million as required under the senior loan facility with the National Australia Bank.

The accrued but unpaid interest on the outstanding principal amounts is in the order of \$1.05 million.

The Fund estimates that the total monies owing by the date of the meeting will be in the order of \$7.1 million.

The monies owing by the Fund to CVC Limited in respect of the Ricoh building financing are referred to as the **CVC Term Loan**.

#### CVC Bridging Loan

On 31 March 2010 the Fund announced to ASX that it had acquired properties at 357 - 373 Warringah Road, Frenchs Forest, New South Wales and Unit 2 1464 Ferntree Gully Road, Knoxfield, Victoria for a combined acquisition price of \$43.2 million (**Properties**). The acquisitions were funded by a combination of senior finance from the National Australia Bank and a short term facility provided by CVC Limited (**CVC Bridging Loan**).

### **Debt reduction and recapitalisation strategy**

Today the Fund announced a debt reduction and recapitalisation strategy which has the following elements:

- **(Conversion of CVC Term Loan)** A reduction of \$7.1 million CVC Term Loan by converting the monies owing into 220,261,651 Units at an issue price of 3.22 cents per Unit.
- **(Rights issue)** A renounceable rights issue to raise funds to reduce the CVC Bridging Loan (**Rights Issue**). Under the Rights Issue, Unitholders will be entitled to subscribe for 1.5 new Units for each Unit that they hold on the record date at an issue price of 1.2 cents per Unit. The funds raised will be used to reduce part of the CVC Bridging Loan.

## **3 Regulatory background**

### **Unitholder approval**

The proposed conversion of the CVC Term Loan (**Conversion**) requires the following Unitholder approvals:

- takeover approval (under Chapter 6 of the Corporations Act); and
- related party approval (under Listing Rule 10.11).

### **Takeover approval**

If the Conversion is approved by Unitholders, CVC Limited will be issued with 220,261,651 Units and its relevant interest in Units the Fund will increase from 52.59% to 84.63%.

Subject to a number of exceptions, section 606 of the Corporations Act (as modified by section 604) prohibits a person acquiring a relevant interest in voting interests in a registered managed investment scheme (ie Units in the Fund) if that person's (or someone else's) voting power in the scheme would increase from a starting point that is above 20% and below 90%. One of the exceptions to this general prohibition is where Unitholders approve the increase in accordance with section 611, item 7 of the Corporations Act 2001.

Accordingly, Unitholder approval is required under the Corporations Act to enable CVC Limited's interest in the Fund to increase as a result of the proposed Conversion.

'Voting power' is calculated by aggregating the voting interests (ie Units) in which a person and their Associates have a relevant interest. In broad terms, a person has a relevant interest in voting interests if the person can control the vote or disposal of those voting interests. A person is also deemed to have the same relevant interest in voting interests held by a company in which the person has at least a 20% holding.

The requirement for Unitholder approval under section 611, item 7 of the Corporations Act 2001 is intended to protect the rights of Unitholders other than CVC and its Associates. In order to obtain Unitholder approval pursuant to section 611, item 7, Unitholders must be provided with all information that is known to the Fund or the CVC Unitholders (or their Associates) that is material to the decision on how to vote on the resolution. In particular, the Corporations Act 2001 requires that Unitholders be informed as to:

- the identity of the person proposing to make the acquisition and their Associates; and
- the voting power and the maximum extent of the increase in voting power of each acquirer and their Associates that would result from the acquisition.

#### **Related party approval**

Listing Rule 10.11 provides that a listed entity must not issue or agree to issue any securities to a related party (which includes an entity that controls the Fund and its directors and their associates) without the approval of Unitholders. Accordingly, Unitholder approval is required under the Listing Rules to enable CVC Limited to be issued with Units in the Fund on the Conversion.

The Fund considers that the proposed Conversion is occurring on reasonable arm's length terms and, accordingly, no separate approval is required under Chapter 2E of the Corporations Act.

## **4 Effect of Conversion and Rights Issue on capital structure and voting power**

### **General**

The Rights Issue and CVC's participation in it does not require shareholder approval. However, as the Conversion is intended to occur in combination with the Rights Issue, the Directors consider it appropriate in the interests of full disclosure to disclose the effect on the Fund of both the Conversion and the Rights Issue.

### **Conversion**

If the Conversion is approved by Unitholders, CVC Limited will be issued with 220,261,651 Units and its relevant interest in Units the Fund will increase from 52.59% to 84.63%.

### **Rights Issue**

CVC Limited's voting power in the Fund may also be increased under the Rights Issue if:

- the CVC Unitholders take up part or all of their entitlements under the Rights Issue and other Unitholders do not participate; and
- not all Unitholders participate in the Rights Issue and take up their entitlements.

CVC has advised the Fund that CVC does not presently intend to hold a relevant interest in 90% or more of the total issued Units in the Fund. Accordingly, CVC has advised that the CVC Unitholders presently intend only to take up such a number of their entitlements under the Rights Issue which, in aggregate, will not give CVC a relevant interest in more than 90% of all of the Units in the Fund. CVC's intentions in relation to the Fund are set out later in this document.

### Pro-forma capital structure

The table below illustrates the potential effect of the Conversion and the subsequent Rights Issue on the capital structure of the Fund, assuming that no non-CVC Unitholders participate in the Rights Issue and CVC Unitholders subscribe for 170,181,041 Units under the Rights Issue (**Proposed Recapitalisation**):

Transaction	Units on issue		Percentage ownership	
	Non-CVC	CVC <sup>1</sup>	Non-CVC	CVC <sup>1</sup>
Units currently on issue	50,089,676	55,558,512	47.41%	52.59%
Units to be issued on Conversion	Nil	220,261,651	15.37%	84.63%
Units to be issued under Rights Issue	Nil <sup>2</sup>	170,181,041 <sup>3</sup>	10.10%	89.90%
<b>Total</b>	<b>50,089,676<sup>2</sup></b>	<b>446,001,204<sup>3</sup></b>	<b>10.10%</b>	<b>89.90%</b>

#### Notes:

1. Relevant interest of CVC.
2. Assuming that no non-CVC Unitholders participate in the Rights Issue.
3. Assuming that CVC Unitholders subscribe for 170,181,041 Units under the Rights Issue

### Pro-forma 5op 5 Unitholders after Proposed Recapitalisation

Assuming that no non-CVC Unitholders participate in the Rights Issue and CVC Unitholders subscribe for 170,181,041 Units under the Rights Issue, the top 5 Unitholders of the Fund would be as follows:

No.	Unitholder	Unitholding percentage
1	CVC Limited	77.99%
2	CVC Mezzanine Finance Pty Ltd	11.92%
3	Balzac Investments Pty Limited	1.70%
4	Mr Trevor Laurence Dean & Barbara Jean Dean	1.16%
5	Melbourne Corporation of Australia Pty Ltd	0.94%

### Compulsory acquisition

Although CVC has advised the Fund that CVC does not presently intend to hold a relevant interest in 90% or more of the total issued Units in the Fund, after the Proposed Recapitalisation, it would be possible for CVC, six months after the Proposed Recapitalisation, to acquire a 90% interest by acquiring additional Units in the Trust without Unitholder approval under the 'creep rule' in section 611, item 9 of the Corporations Act.

If CVC has a relevant interest in 90% or more of the Fund, it will have the right to compulsorily acquire the remaining securities for cash (section 664A of the Corporations Act) in accordance with the following requirements:

- the right to compulsorily acquire the Units exists for the six month period commencing on the date that the person's interest reaches 90% (or more);
- if CVC elects to proceed to compulsory acquisition it must give Unitholders an independent expert's report as to whether its proposed terms of compulsory acquisition give fair value for the Units;

- the Units may be compulsorily acquired if either holders of less than 10% (by value) of the remaining Units object to the compulsory acquisition, or a court approves the compulsory acquisition (which will occur if the court finds that the person offered the remaining Unitholders fair value for their Units).

### **Consolidation**

Due to the large number of Units that will be on issue as a result of the Proposed Recapitalisation, the Responsible Entity intends to consolidate the Units on a 1:20 basis immediately following the Rights Issue (**Consolidation**). Any fractional entitlements to Units of 0.4 and below will be rounded down, while 0.5 and above will be rounded up.

On completion of the Proposed Recapitalisation and the Consolidation, the total number of Units in the Fund will be reduced from 496,090,880 Units to 24,804,544 Units (subject to rounding). The proportional interest that each Unitholder has in the Fund will not change because of the Consolidation.

## **5 Effect of the Proposed Recapitalisation Conversion on financial position**

To illustrate the effect of the Proposed Recapitalisation on the Fund, the following summary unaudited pro forma historical consolidated balance sheet has been prepared based on the Fund's reviewed accounts for the half year ending 31 December 2009, which were prepared in accordance with AIFRS.

The financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act.

However, the accounting policies adopted in the preparation of the summary pro forma historical consolidated balance sheet are consistent with the accounting policies adopted and described in the Fund's annual report for the year ended 30 June 2009 and should be read in conjunction with that report.

The summary pro forma historical consolidated balance sheet reflects the following pro forma adjustments:

- the issue of 220,261,651 Units on Conversion;
- the repayment of the \$7,082,110 CVC Term Loan;
- Rights Issue to raise \$2,042,172 to repay part of the CVC Bridging Loan; and
- the acquisition of the Properties.

The Fund's actual position on completion of the Proposed Recapitalisation Conversion may differ from the position illustrated in the summary pro forma consolidated historical balance sheet due to the factors set out above.

The table below sets out the pro forma historical consolidated balance sheet prepared on the basis described above.

	31 December 2009	Pro-forma
	\$'000	\$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	68,764	68,764
Trade and other receivables	2,028,322	29,322
Current tax assets	17,887	17,887
<b>Total current assets</b>	<b>2,114,973</b>	<b>115,973</b>
<b>NON-CURRENT ASSETS</b>		
Investment property	24,800,000	68,900,000
<b>Total non-current assets</b>	<b>24,800,000</b>	<b>68,900,000</b>
<b>TOTAL ASSETS</b>	<b>26,914,973</b>	<b>69,015,973</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	120,926	120,926
Interest bearing liabilities	23,109,317	-
<b>Total current liabilities</b>	<b>23,230,243</b>	<b>120,926</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest bearing liabilities	-	57,897,786
<b>Total non-current liabilities</b>	<b>-</b>	<b>57,897,786</b>
<b>TOTAL LIABILITIES</b>	<b>23,230,243</b>	<b>58,018,712</b>
<b>NET ASSETS</b>	<b>3,684,730</b>	<b>10,997,261</b>
<b>UNITHOLDERS EQUITY</b>	<b>3,684,730</b>	<b>10,997,261</b>

**Effect on assets per Unit (pre-consolidation)**

The table below provides information about the effect of the acquisition of Properties and the Proposed Recapitalisation on the Fund's gearing and net assets per Unit (pre-consolidation) based on the reviewed accounts at 31 December 2009.

	<b>Before Proposed Recapitalisation</b>	<b>After Proposed Recapitalisation</b>
Gearing ratio <sup>1</sup>	97.56%	84.28%
Net tangible asset backing per Unit <sup>2</sup>	1.66 cents per Unit	2.21 cents per Unit
Adjusted earnings per Unit <sup>3</sup>	Nil cents per Unit	0.17 cents per Unit

**Notes:**

1. Gearing ratio means net debt (total borrowings less cash and cash equivalents) divided by net debt plus total equity.
2. Net tangible assets per Unit means the Fund's total net tangible assets minus total liabilities as disclosed in the reviewed consolidated balance sheet of the Fund for the half year ending 31 December 2009, divided by the number of Units on issue.
3. Adjusted earnings means the Fund's total income as disclosed in the reviewed consolidated income statement of the Fund for the half year ending 31 December 2009, adjusted for the following transactions:
  - exclusion of the once off expense of \$2,062,562 in relation to the impairment of investment properties; and
  - revenue of \$4.3 million per annum from the Properties and an interest expense of \$2.8 million for the Properties.

**6 Discussion and analysis of Proposed Recapitalisation****Benefits to the Fund and Unitholders**

The advantages of the Conversion and Proposed Recapitalisation generally are as follows:

- it deleverages and strengthens the Fund's balance sheet and reduces its interest costs;
- increases the yield return for Unitholders; and
- increases the attractiveness of the Fund to investors for future investment and growth.

**Disadvantages to the Fund and Unitholders**

The disadvantages of the Conversion and Proposed Recapitalisation generally are as follows:

- the Conversion is highly dilutive to those existing Unitholders;
- the Rights Issue will be highly dilutive to those existing Unitholders who do not participate in the Rights Issue; and
- CVC will increase its interest in the Fund significantly (from 52.59% to 89.9%) and may, 6 months later, be able to acquire sufficient Units to be able to compulsorily acquire the Units of the remaining Unitholders for fair value.

**Current intentions of CVC for the future of the Fund**

In August 2008 CVC advised the Responsible Entity that it did not intend to hold controlling stakes in investment entities which the Responsible Entity manages. CVC also advised that it intended to reduce its percentage holding over time to 37.8% or lower through dilution from future capital raisings and that it would not vote on any resolution in respect of any of its Units in excess of 37.8%.

Market conditions since August 2008 have prevented CVC from reducing its percentage holding in the Fund. This has required CVC to change its investment strategy.

As a result, CVC has now advised the Responsible Entity that whilst it remains CVC's investment philosophy generally not to hold controlling stakes in investment entities which it manages, CVC:

- has withdrawn its undertaking previously given not to exercise its voting power in respect of all of the Units in which it has a relevant interest from time to time in its absolute discretion;
- now reserves the right and is entitled, to exercise all of the rights attaching to any Units in which it has a relevant interest, in its absolute discretion.

However, CVC has advised the Fund that CVC still does not presently intend to hold a relevant interest in 90% or more of the total issued Units in the Fund and that the CVC Unitholders presently intend only to take up such a number of their entitlements under the Rights Issue which, when in aggregate will not give CVC a relevant interest in more than 90% of all of the Units in the Fund.

CVC's present intentions in respect of the Fund are:

- **(implement announced objectives & strategy)** to implement the Fund's recapitalisation, investment objectives and strategy as advised to the market.
- **(grow the Fund)** as part of the implementation of the Fund's recapitalisation, new investment objectives and strategy, to cause the Fund to raise additional equity or debt capital to fund new acquisitions and new investment and development activities as required and dilute its interest.
- **(no other material changes)** except as disclosed, there is no present intention to enter into any related party transactions with the Fund, to materially recapitalise the employment arrangements of the Fund, or to redeploy any of its fixed assets.

### **Independent expert's report**

The Fund has commissioned UHY Haines Norton Corporate Finance Pty Ltd to prepare an independent expert's report on whether the Conversion is fair and reasonable to Unitholders who are not associated with CVC. Haines Norton has concluded that the Conversion is fair and reasonable to Unitholders who are not associated with CVC. A copy of the report is annexed to this Notice of Meeting.

## Recommendations of the Independent Directors

The Independent Directors (with Messrs Beard and Gould not voting, owing to their personal interests), believe that the Conversion and Proposed Recapitalisation generally is in the best interests of the Existing Unitholders (excluding CVC) as a whole (refer to paragraph 7 for further information).

## 7 Directors' recommendations

### Directors

The Directors of the Fund are Messrs V Gould (Chairman), KW McGrath, ADH Beard and JTC Lau. The Independent Directors are KW McGrath and J Lau.

### Disclosure of material personal interests

Mr Gould also has or could be regarded as having a material personal interest in the Conversion because he is the chairman of and shareholder in CVC.

Mr Beard has or could be regarded as having a material personal interest in the Conversion because he is a non-executive director of and shareholder in CVC.

Accordingly, neither Mr Beard nor Mr Gould have participated in nor had any involvement, as a Director of the Responsible Entity, in the Responsible Entity's consideration of the Conversion and do not make any recommendation in relation to any of the resolutions to be put to the meeting.

### Disclosure of interests in Units

The interests in Units held by the Directors directly or by director-related entities are as follows:

Director	Number of Units held
Mr Gould	4,687,500
Mr Beard	1,250,000
Mr McGrath	Nil
Mr Lau	Nil

### Payments to Directors

Except as disclosed in this document, in connection with the Conversion:

- no payment or other benefit has been given or is proposed to be given to any Director or to any Associate of the Director as compensation for the loss of or as consideration for or in connection with his or her retirement from office in the Fund; and
- no agreement or arrangement has been made between any Director or to any Associate of the Director in connection with or conditional upon the outcome of the vote on the proposed resolutions.

### Dealings in Units in the Fund by the Directors or their associates over the past 4 months

There have been no dealings in Units by the Directors or any of their associates or CVC or any of its associates over the past four months.

**Other interests**

Other than as stated in this document, the Directors have no interest in the resolution to be considered by Unitholders.

**Recommendations**

The Independent Directors (with Messrs Beard and Gould not voting, owing to their personal interests), believe that the Conversion is in the best interests of the Existing Unitholders (excluding CVC) as a whole for the reasons set out in this document.

In making their recommendations, the Independent Directors advise Unitholders to read this document in its entirety and to seek their own legal and financial advice.

**8 Specific information in respect of the Conversion****Prescribed information- section 611, item 7 of the Corporations Act**

In accordance with section 611, item 7 of the Corporations Act, the Fund provides the following information:

**(The persons making the acquisition)** CVC Limited will be making the acquisition under the Conversion. Its associate is its wholly owned subsidiary, CVC Mezzanine Finance Pty Limited.

**(Full particulars of the Units in the Fund to which the CVC and its associates are or will be entitled immediately before and after the Conversion)**

Acquirer	Pre- Rights Issue and Conversion		Post Rights Issue and Conversion	
	Relevant Interest	Voting power (%)	Relevant Interest	Voting power (%)
CVC Limited	18,996,012	17.98%	386,879,641	77.98%
CVC Mezzanine Finance Pty Ltd	36,562,500	34.61%	59,121,563	11.92%

**(Increase in voting power of CVC and its associates as a result of the Rights Issue and Conversion)** If the Conversion and the Rights Issue proceed CVC Limited may increase its voting power in the Fund, which includes its indirect interest through CVC Mezzanine, from 52.59% to a maximum of 89.9%.

**(The intentions of CVC regarding the future of the Fund if Unitholders agree to the Conversion)** CVC has advised the Independent Directors that its current intentions for the future of the expanded Fund if the Conversion proceeds are those set out in section 4.

**Prescribed information- Listing Rule 10.13**

In accordance with Listing Rule 10.13, the Fund provides the following information:

<b>Number of Conversion Units to be issued:</b>	220,261,651 Units
<b>Issue price of Conversion Units:</b>	The issue price for the Conversion Units is 3.22 cents per Unit.
<b>Name of the allottee:</b>	CVC Limited
<b>Relationship between the allottee and the Fund</b>	CVC Limited has a relevant interest in 52.59% of the Fund.
<b>The terms of the Conversion Units:</b>	All of the Units to be issued will be fully paid ordinary Units in the Fund that rank pari passu with all other Units on issue.
<b>The use (or intended use) of the funds raised from the issue of Conversion Units:</b>	Funds raised will be used to repay in full the debt owing to the allottee.
<b>Date of allotment and issue:</b>	No later than one month after the date of this meeting.

The effect of obtaining Unitholder approval is that the issue of the Conversion Units, will not be counted towards the Fund's 15% placement capacity under Listing Rule 7.1.

## 9 Glossary

The following words and expressions used in the notice of meeting and this Explanatory Statement have the following meanings unless the context requires otherwise:

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given to that expression for the purposes of Division 2 of Part 1.2 of the Corporations Act.

**ASX** means ASX Limited ACN 98 008 624 691.

**Conversion** means the conversion of the CVC Loan into 220,261,651 Units.

**Corporations Act** means the Corporations Act 2001 and the Corporations Regulations.

**CVC** means CVC Limited ACN 002 700 361.

**CVC Bridging Loan** means a \$24.0 million short term facility provided by CVC to the Fund to part fund the acquisition of the Properties.

**CVC Mezzanine** means CVC Mezzanine Finance Pty Ltd ACN 110 359 692.

**CVC Term Loan** means a \$7.1 million loan from CVC to the Fund.

**CVC Unitholders** means CVC Limited and CVC Mezzanine Finance Pty Ltd.

**Director** means a director of the Responsible Entity.

**Fund** means CVC Property Fund ARSN 107 276 184.

**Independent Directors** means Mr KW McGrath and Mr JTC Lau.

**Listing Rules** means the Listing Rules of the ASX.

**Proposed Recapitalisation** means the Conversion and proposed Rights Issue assuming that no non-CVC Unitholders take up their entitlements and the CVC Unitholders take up 170,181,041 Units

**Properties** means Unit 2 1464 Ferntree Gully Road, Knoxfield, Victoria and 357 - 373 Warringah Road, Frenchs Forest, New South Wales.

**Responsible Entity** means CVC Property Managers Limited ACN 066 092 028.

**Rights Issue** means the Fund's 1.5: 1 renounceable rights issue, with an issue price of 1.2 cents per Unit.

**Trinity Group** means a stapled entity comprising the Trinity Stapled Security Trust and Trinity Limited and its controlled entities.

**Unit** means a fully paid unit in the Fund.

# CVC PROPERTY FUND

ARSN 107 276 184

Registered Office: Level 42 Suncorp Place, 259 George Street Sydney NSW 2000, Australia  
Phone: (02) 9087 8000 Fax: (02) 9087 8088

## PROXY FORM

I, .....

(FULL NAME, BLOCK LETTERS)

of .....

being a member of the CVC Property Fund.

### SECTION A

HEREBY APPOINT .....

of .....

or, failing him/her, the Chair of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Fund to be held at 2.00pm (Sydney time) on Wednesday 30 June 2010 (Sydney time), or at any adjournment thereof. The proxy so appointed shall represent all my/our voting rights except those (if any) specified in B below.

### SECTION B (DO NOT COMPLETE THIS SECTION UNLESS YOU WISH TO APPOINT TWO PROXIES)

AND I FURTHER APPOINT .....

of .....

as my proxy to vote for me/us and on my/our behalf at the said meeting or at any adjournment thereof. The proxy, appointed by this Section B, shall represent my/our voting rights in respect of ..... Units.

I/ we instruct my/our proxy to vote as indicated below in respect of the resolutions:

	A			B		
	For	Against	Abstain	For	Against	Abstain
<b>Resolution 1 –</b> Approval of issue of 220,261,651 units to CVC Limited						

If you do not wish to direct your proxy how to vote, please place a mark in the box:

By marking this box you acknowledge that the Chair of the Meeting may exercise your proxy even if he/ she has an interest in the outcome of the resolutions and votes cast by him/ her other than as proxy holder will be disregarded because of that interest. The Chair of the Meeting will vote all undirected proxies in favour of all resolutions.

Signed this.....day of .....2010.

.....

Signature of Unitholder(s)

.....

Signature of Witness