

Notice of
2019 Annual
General Meeting
and Explanatory Statement

Elanor 

Notice is hereby given that the Annual General Meeting of Elanor Investors Limited (“**EIL**” or “the Company”) and Elanor Investment Fund (“**EIF**”), (together “**Elanor**” or “**the Group**”) will be held:

on **Wednesday 23 October 2019**

at **10.30am Sydney time**

at **Computershare Investor Services
Level 3, 60 Carrington Street, Sydney NSW 2000**

for the purpose of transacting the items of business set out below.

The attached Explanatory Statement is provided to supply shareholders and unitholders (together “**Securityholders**”) with information to enable Securityholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

Items of business

1. Financial Statements and Reports

To receive and consider the annual statements and reports of the Group for the financial year ended 30 June 2019.

2. Adoption of the Remuneration Report

Resolution 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution** of EIL:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Group's annual report for the financial year ended 30 June 2019."

Short explanation: EIL is required to put a resolution to adopt the remuneration report of the Group at each annual general meeting. This is an advisory resolution only and does not bind the Directors or EIL.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

3. Election of EIL Director – Mr. Lim Kin Song

Resolution 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution** of EIL:

"That, for the purpose of the Constitution and for all other purposes, Mr. Lim Kin Song, a non-executive Director who was appointed to fill a casual vacancy, and being eligible, is elected as a non-executive Director of the Company."

Short explanation: Mr. Lim Kin Song is currently a non-executive Director who was appointed on 30 May 2019 to fill a casual vacancy and is now presented for election in accordance with the requirements of EIL's Constitution.

4. Election of EIL Director – Mr. Tony Fehon

Resolution 3

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution** of EIL:

"That, for the purpose of the Constitution and for all other purposes, Mr. Tony Fehon, a non-executive Director who was appointed to fill a casual vacancy, and being eligible, is elected as a non-executive Director of the Company."

Short explanation: Mr. Tony Fehon is currently a non-executive Director who was appointed on 20 August 2019 to fill a casual vacancy and is now presented for election in accordance with the rotation requirements of EIL's Constitution.

5. Approval of Increase in Non-Executive Director Fee Pool

Resolution 4

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That is for the purposes of Clause 23.1 of the Company's Constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate amount per annum available for payment by way of remuneration to Non-Executive Directors be increased from \$500,000 per annum to \$750,000 per annum."

Short explanation: This will provide additional flexibility in ensuring the Company has the ability to attract and retain high calibre Non-Executive Directors.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

6. Ratification of the Issue of Equity Securities

Resolution 5

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution** of each of EIL and EIF:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Securityholders ratify the allotment and issue of 3,500,000 Equity Securities in the Group to certain sophisticated, professional and institutional investors for a price of \$1.85 per security on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short explanation: ASX Listing Rule 7.4 allows eligible entities in a general meeting to subsequently approve an issue of securities for the purposes of ASX Listing Rule 7.1. If approval is granted, the issue of securities is treated as having been made with approval. The Group is seeking Securityholder approval so as to preserve its ability to issue up to 15% of its issued capital, if required, in the next 12-months without Securityholder approval.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

7. Approval of Additional Placement Capacity

Resolution 6

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution** of each of EIL and EIF:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Group to issue Equity Securities up to 10% of the issued capital of the Group (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short explanation: ASX Listing Rule 7.1A permits eligible entities to obtain Securityholder approval to issue an additional 10% of the entities’ issued Equity Securities during a 12-month period. Securityholder approval must be given by a special resolution (at least 75% approval) at an annual general meeting.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

8. Approval of On-Market Buy-Back of Equity Securities

Resolution 7

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of section 257C of the Corporations Act 2001 (Cth) and for all other purposes, Securityholders authorise and approve an on-market buy-back of up to 15,000,000 fully paid Equity Securities in the Company (representing approximately 15% of the Company’s issued Equity Securities as at 19 August 2019) in the 12-month period following the approval of this Resolution, on the terms as described in the Explanatory Statement accompanying this Notice.”

Short explanation: Deploying the Group’s capital to grow funds under management along with delivering strong returns for Elanor capital partners and Securityholders are key elements of the Group’s capital management strategy. In that regard, the Board believes that completing a buy-back could be a beneficial use of the Group’s capital for Securityholders.

9. Grant of Restricted Securities to the Managing Director and Chief Executive Officer

Resolution 8

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution** of each of EIL and EIF:

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval is given for the issue of up to a maximum of 750,000 Restricted Securities to the Managing Director and Chief Executive Officer (in relation to the FY20 deferred STI award) under the Elanor Investors Group Short Term Incentive Plan, on the terms summarised in the Explanatory Statement accompanying this Notice.”

Short explanation: Elanor Investors Group may issue Restricted Securities (in relation to the FY20 deferred STI award) to incentivise the Managing Director and Chief Executive Officer on the terms summarised in the Explanatory Statement.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

How to Vote

These Voting Notes should be read together with and form part of the Notice of Meeting.

1. Securityholders Eligible to Vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, Elanor has determined that for the purposes of the Meeting, all Securities will be taken to be held by the registered holders at 7pm Sydney time on 21 October 2019.

Accordingly, Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

2. Admission to Meeting

If you will be attending the Annual General Meeting and you will not appoint a proxy, please bring your proxy form (if you still have one) to the meeting to help speed admission. Your proxy form contains identification details that can be scanned upon entry. You will be able to register from 9:30am on the day of the meeting. If you do not bring your proxy form with you, you will still be able to attend and vote at the Annual General Meeting, but representatives from Computershare will need to verify your identity.

3. Proxies

If you are eligible to vote but do not plan to attend the Annual General Meeting, you are encouraged to complete and return a proxy form. You are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes.

A proxy need not be a Securityholder of Elanor. If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the proxy form. If you sign and return a proxy form and do not nominate a person to act as your proxy, the Chairman will be appointed as your proxy by default.

The Constitution provides that on a show of hands, every person present and entitled to vote has one vote. If you appoint a proxy who is also a Securityholder or is also a proxy for another Securityholder, your directions may not be effective on a show of hands. Your directions will however be effective if a poll is taken on the relevant resolution.

4. Where to Lodge Your Proxy

You may lodge a proxy by following the instructions set out on the proxy form accompanying this Notice of Meeting. To be effective, the proxy must be received by Computershare in accordance with the instructions on the proxy form at the postal address, fax number or website below, **not later than 10.30am Sydney time on 21 October 2019:**

Computershare Investor Services Pty Limited

GPO Box 242

Melbourne VIC 3000 Australia

Or to: Fax 1800 783 447
if overseas to: +61 (3) 9473 2555

Or: Online at www.investorvote.com.au
Instructions on how to lodge online can be found on the proxy form

5. Corporate Representatives

A corporate Securityholder wishing to appoint a person to act as its representative at the Annual General Meeting may do so by providing that person with:

- a letter, certificate or form authorising him or her as the corporate Securityholder's representative, executed in accordance with the corporate Securityholder's Constitution; or
- a copy of the Resolution appointing the representative, certified by a secretary or director of the corporate Securityholder.

A form may be obtained from the Computershare website at www.investorcentre.com under the information tab "Downloadable Forms".

6. Appointment of the Chairman or Other Key Management Personnel as Your Proxy

Due to the voting exclusions and requirements referred to in the Notice of Meeting, if you intend to appoint any Director or Key Management Personnel or their Closely Related Parties, **other than the Chairman** as your proxy, you should direct your proxy how to vote on Resolution 1 (Adoption of the Remuneration Report), Resolution 4 (Approval of Increase in Non-Executive Director Fee Pool) and Resolution 8 (Grant of Restricted Securities to the Managing Director and Chief Executive Officer) by marking either "For", "Against" or "Abstain" on the proxy form for the relevant item of business.

If you do not direct such a proxy how to vote on that Resolution, they will **not** be able to vote an undirected proxy and your vote will not be counted on that Resolution. This does not apply to the Chairman, who is able to vote undirected proxies on all Resolutions.

7. How the Chairman Will Vote Undirected Proxies

The Chairman intends to vote any undirected proxies in favour of all eight Resolutions.

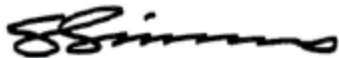
You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.

8. Voting Exclusions

Certain voting exclusions apply to Resolutions 1, 4, 5, 6 and 8 - details are set out in the Explanatory Statement.

By order of the Board



Symon Simmons
Company Secretary

Date: 20 September 2019

Explanatory Statement to the Notice of Annual General Meeting

This Explanatory Statement is intended to provide Securityholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Securityholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. Financial Statements and Reports

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Group for the financial year ended 30 June 2019.

The Group is not required to provide a hard copy of the Group's annual financial report to Securityholders unless a Securityholder has specifically elected to receive a printed copy.

Whilst the Group will not provide a hard copy of the Group's annual financial report unless specifically requested to do so, Securityholders may view the Group's annual financial report on its website at www.elanorinvestors.com

Securityholders will be offered the following opportunities:

- (a) discuss the annual financial report for the financial period ended 30 June 2019;
- (b) ask questions to, and make comments on, the management of the Group; and
- (c) ask the auditor, Deloitte Touche Tohmatsu, questions about the conduct of the audit and preparation and content of the auditor's report.

2. Information Relating to Resolution 1

Adoption of the Remuneration Report

General

The Corporations Act requires that at a listed Group's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Securityholders. However, such a resolution is advisory only and does not bind the Directors or the Group.

The Remuneration Report sets out the Group's remuneration arrangements for the Directors and senior management of the Group. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Group for the financial year ended 30 June 2019.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Securityholders will be required to vote at the second of those annual general meetings on a resolution (a "**Spill Resolution**") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.

Proxy Restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either “For”, “Against” or “Abstain” on the Proxy Form for Resolution 1.

If you appoint a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention.

Key Management Personnel of the Group are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Remuneration Report identifies the Group’s Key Management Personnel for the financial year to 30 June 2019. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

Voting Exclusion

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the “voter”):

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1; or
- (b) the voter is the Chairman of the Meeting and has been appointed as a proxy (expressly or by default) without being directed how to vote on the Resolution.

3. Information Relating to Resolution 2

Election of EIL Director – Mr. Lim Kin Song

General

The EIL Constitution requires that, while the Group is listed, a Non-Executive Director who is appointed to fill a casual vacancy, must retire at the next annual general meeting, and be presented for election by Securityholders.

Mr. Lim Kin Song is currently a non-executive Director who was appointed on 30 May 2019 to fill a casual vacancy and is now presented for election in accordance with the requirements of EIL’s Constitution.

Details of the qualifications and expertise of Mr. Lim are set out in the 2019 Annual Report of the Group.

Recommendation

The Board (other than Mr. Lim) recommends the election of Mr. Lim as a Director.

Explanatory Statement to the Notice of Annual General Meeting

4. Information Relating to Resolution 3

Election of EIL Director – Mr. Tony Fehon

General

The EIL Constitution requires that, while the Group is listed, a Non-Executive Director who is appointed to fill a casual vacancy, must retire at the next annual general meeting, and be presented for election by Securityholders.

Mr. Tony Fehon is currently a non-executive Director who was appointed on 20 August 2019 to fill a casual vacancy and is now presented for election in accordance with the rotation requirements of EIL's Constitution.

Mr. Fehon has more than 30 years' experience working with some of Australia's leading financial services and funds management businesses. He has broad experience in operational and leadership roles across many industries.

Mr. Fehon is an executive Director of Volt Bank Limited and was previously an executive Director of Macquarie Bank Limited.

Recommendation

The Board (other than Mr. Fehon) recommends the election of Mr. Fehon as a Director.

5. Information Relating to Resolution 4

Approval of Increase in Non-Executive Director Fee Pool

General

In accordance with Clause 23.1 of the Company's Constitution, and ASX Listing Rule 10.17, the maximum aggregate amount payable to Non-Executive Directors as remuneration in any financial year ("**NED Fee Pool**") must not exceed the amount determined by Securityholders in a general meeting.

The current NED Fee Pool is \$500,000 per annum and this was last approved by Securityholders at the 2014 Annual General Meeting. Securityholder approval is being sought to increase the NED Fee Pool from \$500,000 per annum to \$750,000 per annum.

The Board considers it is reasonable and appropriate to seek an increase in the NED Fee Pool at this time for the following reasons:

- The NED Fee Pool has not been increased since 2014; and
- The proposed increase provides additional flexibility in ensuring the Company has the ability to attract and retain high calibre Non-Executive Directors.

Independent external advice, market practice, Board performance and various other factors may be relevant considerations when determining the actual fees payable.

No Equity Securities were issued under ASX Listing Rules 10.11 or 10.14 at any time within the preceding three years to a Non-Executive Director.

Recommendation

As the Non-Executive Directors have an interest in the outcome of the Resolution, the Board does not believe it is appropriate to make a recommendation to Securityholders as to how to vote in relation to the Resolution.

Voting Exclusion

The Company will disregard any votes cast on this resolution by, or on behalf of, a Director or an associate of the person (regardless of the capacity in which the vote is cast).

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions on the voting form, or by the Chairman pursuant to an express authorisation in the voting form to vote as he decides.

The Chairman intends to vote all available proxies in favour of this Resolution.

6. Information Relating to Resolution 5

Ratification of the Issue of Equity Securities

General

ASX Listing Rule 7.1 requires an entity to obtain Securityholder approval if it issues, or agrees to issue, securities in the capital of the entity in a 12-month period that when aggregated, total more than 15% in number of the existing ordinary shares in the capital of the entity.

ASX Listing Rule 7.4 allows eligible entities in a general meeting to subsequently approve an issue of securities for the purposes of ASX Listing Rule 7.1. If approval is granted, the issue of securities is treated as having been made with approval.

Resolution 5 seeks ratification of the allotment and issue by the Group of 3,500,000 Equity Securities to Rockworth Capital Partners for an issue price of \$1.85 per security (the “**Placement Securities**”).

The Placement Securities were issued within the Group’s existing capacity under ASX Listing Rule 7.1. Accordingly, the Group was entitled to issue the Placement Securities without Securityholder approval. However, the Group is seeking Securityholder approval for the ratification of the Placement Securities so as to preserve its ability to issue up to 15% of its issued capital, if required, in the next 12 months without Securityholder approval.

If Resolution 5 is not approved by Securityholders then, subject to limited exceptions, the number of securities the Group will be able to issue without the approval of Securityholders during the 12 months following the issue of the Placement Securities will be limited.

Terms of Issue of Placement Securities

The terms of issue of the Placement Securities are as follows:

Term	Detail
Principal Amount	\$6,475,000
Class	Fully paid ordinary stapled securities
Ranking	Equally with all other securities from the date of issue
Quotation	The Group has received approval for quotation of the Placement Securities on the ASX
Issue Price	\$1.85 per stapled security

Use of Proceeds

The funds raised by the issue of the Placement Securities were used to fund new funds management initiatives as announced to the ASX on 11 April 2019.

Effect of Issue of Placement Securities

The terms of issue of the Placement Securities are as follows:

Securities	Before issue of Placement Securities on 12 April 2019	After issue of Placement Securities on 12 April 2019
Stapled Securities	95,975,503	99,475,503

Explanatory Statement to the Notice of Annual General Meeting

Regulatory Requirements for the Issue of Securities

ASX Listing Rule 7.4 provides that an issue of securities by a listed entity without Securityholder approval is treated as having been made with Securityholder approval for the purposes of ASX Listing Rule 7.1, if it did not breach ASX Listing Rule 7.1 and is subsequently approved by Securityholders of the entity.

Under ASX Listing Rule 7.5, certain information needs to be disclosed by the Group in connection with obtaining Securityholder approval for the issue of the Placement Securities. Accordingly, the following information is disclosed:

Term	Detail
Securities Issued	3,500,000
Date of Issue	12 April 2019
Issue Price	\$1.85 per security
Persons to whom Securities were issued	Rockworth Investment Holdings Pte Ltd

Recommendation

The Board unanimously recommends that Securityholders vote in favour of Resolution 5. Each of the Directors holding Securities in the Group intend to vote in favour of Resolution 5.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 5.

Voting Exclusion

EIL and EIF will disregard any votes cast on this Resolution 5 by, or on behalf of, Rockworth Investment Holdings Pte Ltd and any associates of this entity. However, EIL and EIF need not disregard a vote cast on this Resolution if:

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

7. Information Relating to Resolution 6

Approval of Additional Placement Capacity

General

ASX Listing Rule 7.1 permits entities to issue 15% of its issued capital without Securityholder approval in a 12-month period, subject to a number of exceptions.

ASX Listing Rule 7.1A permits eligible entities, which have obtained Securityholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12-month period after the annual general meeting (“**Additional Placement Capacity**”).

The Group seeks Securityholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (set out below).

Requirements of ASX Listing Rule 7.1A

- (a) Eligible entities: An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Group is an eligible entity;
- (b) Securityholder approval: Securityholders must approve the Additional Placement Capacity by special resolution at the annual general meeting. A resolution under ASX Listing Rule 7.1A cannot be put at any other Securityholder meeting;
- (c) Equity Securities: Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Securities of the Group that are quoted on ASX. As at the date of this Notice, the Securities that are quoted on ASX are fully paid ordinary shares stapled with fully paid units; and
- (d) Formula for calculating the number of Equity Securities that may be issued under the Additional Placement Capacity.

If this Resolution is passed, the Group may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

(A x D)-E

A	<p>The number of Securities on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> • plus the number of fully paid Securities issued in the 12 months under an exception in ASX Listing Rule 7.2; • plus the number of partly paid Securities that became fully paid in the 12 months, if any; • plus the number of fully paid Securities issued in the 12 months with the approval of Securityholders under ASX Listing Rules 7.1 or 7.4; • less the number of fully paid Securities cancelled in the 12 months, if any.
D	10%
E	The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Securityholders under ASX Listing Rules 7.1 or 7.4.

Note: no Securities were partly paid and no Securities have been cancelled.

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Interaction between ASX Listing Rules 7.1 and 7.1A

The Group has 99,822,220 Securities on issue as at the date of this Notice. If this Resolution is passed, the Group will be permitted to issue 9,982,222 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Securities that the Group will be permitted to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Group to issue Securities under ASX Listing Rule 7.1A without using the Group's placement capacity under ASX Listing Rule 7.1.

Information for Securityholders as required by ASX Listing Rule 7.3A

- (a) **Minimum price:** The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:
- the date on which the price of the Equity Securities are to be issued is agreed; or
 - if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.
- (b) **Risk of economic and voting dilution:** If this Resolution is passed and the Group issues Securities under the Additional Placement Facility, existing Securityholders' voting power in the Group will be diluted.

There is also the risk that:

- the market price for the Group's existing Securities may be lower or significantly lower on the date of issue of the new Securities than on the date of the Meeting; and
- the new Securities may be issued at a price that is at a discount to the market price of the Group's existing Securities on the issue date or the new Securities may be issued as part of the consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the new Securities.

The table below shows the dilution of existing Securityholders on the basis of the current market price of Securities and the current number of Securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice. The hypothetical table also illustrates:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Securities the Group has on issue. The number of Securities may increase as a result of issues of Securities that do not require Securityholder approval (for example a pro-rata entitlement issue) or future placements under ASX Listing Rule 7.1 that are approved by Securityholders in the future; and
- two examples of where the issue price of Equity Securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution \$1.065 50% decrease in Issue Price	\$2.13 Issue Price	\$4.26 100% increase in Issue Price
Current Variable A	10% voting dilution	9,982,222 Securities	9,982,222 Securities	9,982,222 Securities
99,822,220 Securities	Funds raised	\$10,631,066	\$21,262,133	\$42,524,266
50% increase in current Variable A	10% voting dilution	14,973,333 Securities	14,973,333 Securities	14,973,333 Securities
149,733,330 Securities	Funds raised	\$15,946,600	\$31,893,199	\$63,786,399
100% increase in current Variable A	10% voting dilution	19,964,444 Securities	19,964,444 Securities	19,964,444 Securities
199,644,440 Securities	Funds raised	\$21,262,133	\$42,524,266	\$85,048,531

This table has been prepared on the following assumptions:

- The Group issues the maximum number of Securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Securityholder by reason of placements under the Additional Placement Capacity, based on that Securityholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1. The Group's ability to issue Securities under ASX Listing Rule 7.1A is in addition to its ability to issue Securities under ASX Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Securities for the purpose of calculating the voting dilution effect on existing Securityholders.
- The issue price is \$2.13, being the closing price of the Securities on ASX on 19 August 2019.

(c) **Placement Period:** Securityholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 23 October 2019 (the date of this Meeting) and expires on the earlier of:

- 22 October 2020, which is 12 months after this Annual General Meeting; or
- the date that Securityholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking), or such longer period as allowed by ASX (the "Placement Period").

The Group will only issue and allot new Securities during the Placement Period. The approval will cease to be valid in the event that Securityholders' approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

Explanatory Statement to the Notice of Annual General Meeting

- (d) **Purposes for which the new Equity Securities may be issued:** The Group may seek to issue new Equity Securities for the following purposes:
- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated with such acquisition), continued expenditure on the Group's current assets and for general working capital; or
 - non-cash consideration for acquisition of new assets and investments or for the payment of goods or services provided to the Group. In such circumstances, the Group will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- (e) **Allocation policy:** The Group's allocation policy for the issue of new Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:
- the methods of raising funds that are available to the Group, including but not limited to, a placement or a rights issue;
 - the effect of the issue of new Securities on the control of the Group;
 - the financial situation and solvency of the Group; and
 - advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice, the potential allottees are not known and there is no current intention to issue any new Securities under the Additional Placement Capacity but the Group wishes to maintain maximum flexibility. Potential allottees could include existing substantial Securityholders and/or new Securityholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Securityholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Group will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A on the issue of any new Securities.

- (f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting:** Pursuant to Listing Rule 7.3A.6 (a) and (b) the following information is provided to Securityholders:
- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 23 October 2018) is 7,396,717, which represents 7.9% of the total number of equity securities on issue at the commencement of the 12-month period.

Date of issue	26 October 2018	12 April 2019	27 June 2019	26 August 2019
Number of Equity Securities	2,800,000	3,500,000	346,717	750,000
Class of Equity Security, and summary of terms	Fully paid ordinary stapled securities (ENN)	Fully paid ordinary stapled securities (ENN)	Fully paid ordinary stapled securities (ENN)	Unquoted Loan Security Awards (ENNAA)
Names of persons who received Securities or basis on which those persons were determined	Mr. Glenn Willis	Rockworth Investment Holdings Pte Ltd	2019 STI – issued pursuant to an employee incentive security plan	2019 LTI – issued pursuant to an employee incentive security plan
Price	\$1.25 per security	\$1.85 per security	\$1.82 per security	\$1.85 per security
For cash issues, Total Cash Consideration Received	\$3,500,000	\$6,475,000	\$631,025	\$1,387,500
Amount of cash consideration used and the purpose of use	Issued pursuant to the Elanor Investors Group Long Term Incentive Plan	New funds management initiatives	Issued pursuant to the Elanor Investors Group Deferred Short Term Incentive Plan	Issued pursuant to the Elanor Investors Group Long Term Incentive Plan
Amount of cash consideration remaining and intended use.	Nil	Nil	Nil	Nil
For non-cash issues, the non-cash consideration paid	N/A	N/A	N/A	N/A

Voting Exclusion

EIL and EIF will disregard any votes cast in favour of this Resolution 6 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, EIL and EIF need not disregard a vote cast on this Resolution if:

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

At the date of this Notice, the Group has not approached any particular existing Securityholder or an identifiable class of existing Securityholder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Securityholder's votes will therefore be excluded under the voting exclusion in the Notice.

Explanatory Statement to the Notice of Annual General Meeting

8. Information Relating to Resolution 7

Approval of On-Market Buy-Back of Equity Securities

General

Deploying the Group's capital to grow funds under management along with delivering strong returns for Elanor capital partners and Securityholders are key elements of the Group's capital management strategy. In that regard, the Board believes that completing a buy-back could be a beneficial use of the Group's capital for Securityholders.

In order to allow the Board the flexibility to undertake a buy-back program, the Board is seeking approval such that the Group may buy-back up to 15% of its Equity Securities as at 19 August 2019, over the 12 months from the date on which Resolution 7 is approved. Approval is required under section 257C of the Corporations Act.

Securityholders should note that this is a permissive Resolution and does not oblige or require the Group to buy-back Equity Securities. The size and timing of any buy-backs will be determined by the Board.

Number of Securities to be bought back	Up to 15,000,000 fully paid Equity Securities (representing approximately 15% of the Group's issued Equity Securities as at 19 August 2019). The number and percentage of Equity Securities to be bought back will be determined based on the security price, market conditions and alternative capital deployment opportunities over the period of the buy-back.												
Number of Securities currently on issue	99,822,220 as at 19 August 2019.												
Offer price	The price to be paid by the Group for Equity Securities purchased under the buy-back will be the then prevailing market price on the ASX. However, the purchase price will not be more than 5% above the volume weighted average market price of the Group's Equity Securities over the last 5 days on which sales in the Group's Equity Securities were recorded before the day at which the purchase under the buy-back was made.												
Recent prices	To provide an indication of the recent market price of the Group's Equity Securities, the closing price on 19 August 2019 was \$2.13. The highest and lowest market sale prices for the Group's Securities on the ASX during the previous 3 months were as follows: <table><thead><tr><th>Month</th><th>Low</th><th>High</th></tr></thead><tbody><tr><td>August 2019</td><td>\$1.88</td><td>\$2.35</td></tr><tr><td>July 2019</td><td>\$1.73</td><td>\$1.95</td></tr><tr><td>June 2019</td><td>\$1.78</td><td>\$1.88</td></tr></tbody></table>	Month	Low	High	August 2019	\$1.88	\$2.35	July 2019	\$1.73	\$1.95	June 2019	\$1.78	\$1.88
Month	Low	High											
August 2019	\$1.88	\$2.35											
July 2019	\$1.73	\$1.95											
June 2019	\$1.78	\$1.88											
Time frame	Over the 12 months from 23 October 2019.												
Particulars of the terms of the buy-back	The usual rules for settlement of transactions which occur on-market on the ASX will apply in respect of the Equity Securities acquired under the buy-back. All Securities which are bought back will be cancelled immediately upon settlement of the trade.												
Financial effect of the buy-back on the Group	Any on-market security buy-back will be funded by the Group's surplus cash and will reduce the Group's cash balance by the aggregate amount paid to buy-back Equity Securities on-market. No adverse tax consequences are expected to arise for the Group and the Group's balance sheet is expected to remain strong.												

Source of funds	Any buy-back will be funded by working capital.
Advantages and disadvantages of the buy-back	<p>On-market buy-backs have the following advantages:</p> <ul style="list-style-type: none"> (i) Purchasing Equity Securities at lower than their intrinsic value creates Securityholder value. (ii) Improves Earnings Per Share (EPS). (iii) Returns excess funds to Securityholders. (iv) Reduces excess cash holdings. <p>Disadvantages can be:</p> <ul style="list-style-type: none"> (i) The possibility of paying too high a price for Equity Securities. (ii) Artificially supporting the price of Equity Securities.

The Board is not aware of any other information that is material to Securityholders' decision on how to vote on this Resolution.

Recommendation

The Board unanimously recommends that the Securityholders vote in favour of Resolution 7.

9. Information Relating to Resolution 8

Grant of Restricted Securities to the Managing Director and Chief Executive Officer

The Group is proposing to grant Restricted Securities (as described below) to the Managing Director and Chief Executive Officer, Mr. Glenn Willis, under the Elanor Investors Group Deferred Short Term Incentive Plan ("**Plan**") on the terms and conditions outlined below.

Overview of the Plan

The Group established the Plan to enable a portion of executives' annual cash STI bonus to be delivered as a grant of Restricted Securities in the Group, which may vest subject to satisfaction of the relevant vesting conditions over the vesting period.

Why is Securityholder approval being sought?

ASX Listing Rule 10.14 requires Securityholder approval in order for a Director to be issued Securities in the Group under an employee incentive scheme.

In order to provide the Board with the flexibility to make the grant to Mr. Glenn Willis using either securities acquired on-market or newly issued securities, as considered appropriate at the time of grant, approval is being sought for the proposed grant of Restricted Securities to Mr. Glenn Willis.

Securityholders are therefore being asked to approve the grant of Restricted Securities, up to a maximum of 750,000 Restricted Securities, to Mr. Glenn Willis under the Elanor Investors Group Deferred Short Term Incentive Plan, on the terms and conditions set out below.

Approval of this resolution will not be required under ASX Listing Rule 7.1, in accordance with exception 14 of ASX Listing Rule 7.2.

Further details of Mr. Glenn Willis' total remuneration package can be found in the Annual Report.

Explanatory Statement to the Notice of Annual General Meeting

Key terms of the grant to Mr. Glenn Willis

A brief overview of the key terms of the proposed Restricted Securities grant to Mr. Glenn Willis is set out below.

Term	Detail
Details of the proposed Restricted Securities grant	<p>The total maximum number of Restricted Securities proposed to be granted to Mr. Glenn Willis in relation to the FY20 STI award, is 750,000.</p> <p>The actual number of Restricted Securities that will be granted to Mr. Glenn Willis will be calculated by dividing 50% of his actual FY20 STI award outcome by the Volume Weighted Average Price (“VWAP”) of the Group’s securities over the 5 trading days immediately prior to the date of grant. Mr. Glenn Willis’ actual FY20 STI award outcome has not yet been determined. The actual FY20 STI award outcome will be determined by the Board based on their assessment of the Group’s profit performance for FY20.</p> <p>The Group may issue new Securities, procure the acquisition of securities on-market or transfer Securities from an employee share trust, in making the grant of Restricted Securities.</p>
Entitlements	<p>Each Restricted Security is a security in the Group that is subject to trading restrictions from the time of allocation until satisfaction of the vesting conditions set out below. Upon vesting, the securities will not be subject to any further restrictions, subject to compliance with the Securities Trading Policy that applies to the Group.</p> <p>Mr. Glenn Willis will be entitled to receive distributions and dividends on the Restricted Securities from the date of grant, including during the vesting period.</p> <p>Restricted Securities are non-transferable, except in limited circumstances or with the consent of the Board.</p> <p>Trading restrictions may be imposed either by way of a holding lock or through use of an employee share trust.</p>
Date of grant	<p>If Securityholder approval is obtained, the Restricted Securities will be granted to Mr. Glenn Willis no later than 12 months after the meeting.</p>
Vesting period and conditions	<p>Restricted Securities will vest, and no longer be subject to trading restrictions, if Mr. Glenn Willis remains employed by the Group until the end of the two year vesting period, which commences on the date the securities are granted.</p>
Price payable for securities	<p>No amount will be payable in respect of the allocation of Restricted Securities to Mr. Glenn Willis, or upon lifting of the trading restrictions.</p>
Cessation of employment	<p>Where Mr. Glenn Willis ceases employment with the Group prior to his Restricted Securities vesting, the treatment will depend on the circumstances of his cessation.</p> <p>Where employment ceases due to resignation or termination for cause (including gross misconduct), all unvested Restricted Securities will lapse at cessation.</p> <p>Where employment ceases for any other reason prior to vesting, all unvested Restricted Securities will generally continue on-foot and remain subject to restrictions (i.e. remain restricted until two years from grant).</p> <p>However, the Board has a broader discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of Restricted Securities may vest either at cessation or at the end of the original vesting date, or that some or all of the Restricted Securities will be forfeited).</p>

Other information

No Director of the Group, other than the Managing Director and Chief Executive Officer, is eligible to participate in the Plan or any other employee incentive scheme of the Group.

At the Annual General Meeting held on 23 October 2018, Securityholders approved the grant of up to a maximum of 700,000 Restricted Securities to Mr. Glenn Willis in respect of the FY19 financial year.

Since the last approval at the Annual General Meeting held on 23 October 2018, 58,244 Restricted Securities at a price of \$1.82 per security were granted to Mr. Glenn Willis in respect of the FY19 financial year.

There is also no loan scheme in relation to the grant of Restricted Securities under the Plan.

Recommendation

The Board (other than Mr. Glenn Willis who abstains from making a recommendation because of his interest in the resolution) recommends that Securityholders vote in favour of Resolution 8.

Voting Exclusion

EIL and EIF will disregard any votes cast in favour of Resolution 8 by, or on behalf of, Mr. Glenn Willis (being the only Director of either EIL or EFML who is eligible to participate in the Elanor Investors Group Short Term Incentive Plan), or any of his associates.

Further, a vote must not be cast on Resolution 8 by any member of the Key Management Personnel of the Group, or a Closely Related Party of any member of the Key Management Personnel, that is appointed as proxy, if their appointment does not specify the way in which the proxy is to vote.

However, EIL and EIF need not disregard a vote on Resolution 8 if:

- (a) it is cast by a person for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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 decided.

Important: if you appoint the Chairman of the meeting as your proxy

If you appoint the Chairman of the Annual General Meeting as your proxy on Resolution 8 and you do not direct your proxy how to vote on Resolution 8, you will be expressly authorising the Chairman of the Annual General Meeting to exercise your proxy, even if the resolution is connected, directly or indirectly, with the remuneration of the Key Management Personnel.

Important Information

Enquiries

Securityholders may contact Computershare on 1300 850 505 (or if overseas, on +61 (3) 9415 4000) if they have any queries in respect of the matters set out in these documents.

Defined Terms

In the Notice of Meeting and in this Explanatory Statement, unless the context otherwise requires:

Annual General Meeting or **AGM** means the general meeting to be held at Computershare, Level 3, 60 Carrington Street Sydney, NSW, 2000 on Wednesday 23 October 2019 at 10.30am.

ASX means ASX Limited or the securities market which it operates, as the case may be.

Board or **Board of Directors** means the board of Directors of Elanor.

Closely Related Party means, as defined in the Corporations Act, a closely related party of a member of the Key Management Personnel being:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Constitution means the constitution of Elanor.

Director means a Director of Elanor.

Dollar or **\$** means Australian dollars, the lawful currency of the Commonwealth of Australia.

Elanor or **Group** means, together, Elanor Investors Limited and Elanor Funds Management Limited, as responsible entity of Elanor Investment Fund.

Equity Securities has the meaning given in the ASX Listing Rules.

Financial Statements means the financial statements of Elanor for the year ended 30 June 2019.

Key Management Personnel or **KMP** are those people described as Key Management Personnel in Elanor's Remuneration Report and includes all Directors.

Listing Rule means a Listing Rule of the ASX.

Notice of Meeting or **Notice** means the notice of meeting for the Annual General Meeting which accompanies this Explanatory Statement.

Security means a fully paid ordinary stapled security in Elanor, comprising a fully paid ordinary share in Elanor Investors Limited and a fully paid unit in Elanor Investment Fund.

Securityholder means a holder of Securities.

VWAP means the volume weighted average price of Elanor's Securities.

Singular includes plural and vice versa.

Corporate Directory

Elanor Investors Group (ASX Code: ENN)

Elanor Investors Limited (ACN 169 308 187) and Elanor Investment Fund (ARSN 169 450 926) (Elanor Funds Management Limited (ACN 125 903 031) is the Responsible Entity)

Level 38,
259 George Street
Sydney NSW 2000
T: +61 2 9239 8400

Directors of the Responsible Entity and Elanor Investors Limited

Paul Bedbrook (Chairman)
Glenn Willis (Managing Director and CEO)
Nigel Ampherlaw
Kin Song Lim
Anthony (Tony) Fehon

Company Secretary of the Responsible Entity and Elanor Investors Limited

Symon Simmons

Security Registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Auditors

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Custodian

The Trust Company (Australia) Limited
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Sydney NSW 2000

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