

13 March 2024

Dear Investor

**Elanor Property Income Fund – Outcome of Strategic Review
Orderly Wind Up and Initial Return of Capital of \$0.27 per security**

Further to our communication on 29 January 2024, we are pleased to provide you with an update on the outcome of the strategic review of the Elanor Property Income Fund (EPIF or Fund), undertaken by the Responsible Entity.

As indicated in our earlier communication, the Responsible Entity's strategic review of EPIF considered a range of options to maximise value for Fund investors, including:

- continuing to manage the Fund with its current portfolio;
- a recapitalisation of the Fund; and
- an orderly wind-up of the Fund, to realise its four assets and return capital to investors as assets are sold (after repayment of debt and transaction costs).

Given the broader economic and market outlook, the Responsible Entity has formed the view that the Fund's investment objectives (in terms of portfolio composition, capital growth and income distributions) are now not achievable in the timeframes and manner contemplated by the Fund.

Having concluded that the Fund's underlying purpose and investment objectives are not achievable, and having considered a range of options, the Responsible Entity has determined that it is in the best interests of the Fund, and securityholders as a whole, to proceed with an orderly wind-up of the Fund, incorporating the realisation of the Fund's assets (namely Gladstone Square, Glenorchy Plaza, Manning Mall and Northway Plaza) and returning of capital to investors as the assets are realised in accordance with the Fund's Product Disclosure Statement and the Fund Constitution. The process to realise the Fund's assets is expected to be completed over a 12-18 month period, subject to market conditions.

The Responsible Entity recognises that, since the Fund's inception, a considerable number of investors have sought to redeem their units in the Fund each quarter under the Fund's liquidity facility. In response, and as part of the Strategic Review, the Responsible Entity has identified a mechanism to respond to the clear desire of many investors to receive liquidity through a return of capital. The Responsible Entity proposes to provide an initial return of capital to EPIF investors of approximately \$0.27 per security, subject to certain conditions, by way of increased drawn debt in the Fund, from its existing 42% LVR to 62% LVR initially, with the proceeds of the debt drawdown to fund the initial return of capital.

To enable EPIF members to consider and vote on the proposed wind-up and on the initial return of capital, the Responsible Entity has determined to call a meeting of EPIF members. The Responsible Entity will issue a formal Notice of Meeting, which will be communicated to investors according to their communication preferences held by Automic Registry and made available on the EPIF website at www.elanorinvestors.com/EPIF

The initial return of capital of \$0.27 per security is conditional upon members voting in favour of both the wind-up of the Fund and the increased gearing at the EPIF members meeting. If the resolutions are passed by EPIF members, it is expected that the initial return of capital will be paid to investors within 14 days of the meeting.

Notwithstanding the above, in accordance with Section 601NC of the Corporations Act 2001 (Cth) (**Act**) the Responsible Entity is required to hereby notify investors that, as members of the Fund, they are entitled to take action for the calling of a members' meeting to consider the proposed winding up of the Fund referenced in this letter, as well as the return of capital by way of increasing drawn debt in the Fund, and to vote on any extraordinary resolution which members may propose about the winding-up of the Fund. Under the Act, the Responsible Entity is permitted to wind up the Fund if no such meeting is called to consider the proposed winding up of the Fund within 28 days from the date of this notice.

As outlined in the earlier communication, certain Fund facility features (such as the redemption facility, redemption requests and subscription applications) will remain suspended and, subject to receipt of a valid notice seeking a member meeting, will permanently cease on the date that is 28 days after the date of this letter, being 10 April 2024.

Fund investors will continue to receive monthly distributions and regular Quarterly Updates providing details on the performance of the Fund and progress on the wind-up strategy.

If you have any questions please contact us at 1800 ELANOR or Automic on 1300 803 870 or elanor@automicgroup.com.au.

Yours faithfully



Michael Baliva



David Burgess

EPIF Fund Managers
Elanor Funds Management Limited (Responsible Entity)