

19 May 2022

Dear Investor

601 CORONATION DRIVE FUND – NOTICE OF MEETING

We are writing to advise you that a unitholder meeting for the 601 Coronation Drive Fund (ARSN 610 941 654) (**Fund**) is being convened by One Managed Investment Funds Limited (ACN 117 400 987 AFS licence no. 297042) (**RE** or **OMIFL**) as the responsible entity of the Fund, pursuant to this Notice of Meeting (**NoM**).

The purpose of the meeting is to enable investors in the Fund (**Investors**) to consider a proposal to restructure the Fund in order to provide a liquidity strategy for Investors and change the investment strategy of the Fund from a single-asset closed-ended fund to an open-ended fund operating under a mandate strategy (**Restructure Proposal**).

Why are we calling a meeting?

Last year, the RE notified Investors that the initial 5 year term of the Fund since inception in 2016 was coming to an end and in accordance with the original Product Disclosure Statement (**PDS**) dated 6 April 2016 for the Fund, the RE provided Investors with a potential opportunity to exit the Fund.

Under that opportunity, the RE requested that Investors indicate the number of units they would like to either buy or sell in the Fund (if any) via a Buy/Sell Form.

In accordance with the original PDS, if the RE received Buy/Sell Forms containing requests from Investors wishing to sell more than 50% of the units in the Fund on issue (**50% Threshold**), then the Fund would be required to be wound up with an orderly sale of the property located at 601 Coronation Drive, Toowong QLD (**Property**) being undertaken.

We confirm that the 50% Threshold **was not** reached, and as a result, the investment period of the Fund has been extended by two years until on or around August 2023.

On that basis, as previously contemplated in the notification to Investors containing the Buy/Sell Form, Capital Property Funds Pty Limited (ACN 162 323 506 authorised representative no. 000457306) (**Fund Manager** or **CPF**) now considers that Investors should be given the opportunity to vote on the Restructure Proposal.

About the Restructure Proposal

Outlined below is a high level overview of the Restructure Proposal. Further details of the Restructure Proposal are contained in the enclosed NoM and Explanatory Memorandum (**EM**) and we encourage Investors to read those documents carefully.

Enable ongoing processing of withdrawals from the Fund

The Restructure Proposal may provide Investors with limited withdrawals every 6 month period, being the periods ending 30 September and 31 March each year.

Enable the Fund to operate beyond the 2 year extension period

The Restructure Proposal will enable the Fund to operate and own Fund assets beyond the 2 year extension period.

Enable new applications into the Fund

The Restructure Proposal will allow both existing and new Investors the ability to make applications into the Fund. The Responsible Entity expects to issue units on a monthly basis, however it may issue units more regularly or close the Fund to new applications at its discretion.

Enable the Fund Manager to acquire additional property assets

The Restructure Proposal will enable the Fund Manager to acquire additional classes of assets which will diversify the asset base of the Fund beyond the Property and help provide liquidity by enabling the Fund Manager to invest in cash and cash-like products.

If the Restructure Proposal is not approved

If the Restructure Proposal is **not** approved, then the Fund will remain as a closed-ended fund and at the end of the 2 year extension period (on or around August 2023), it is likely that the Property will be sold & the Fund will be wound up.

In addition:

1. There will be limited (if any) ability for Investors to redeem during the 2 year extension period; and
2. There may be limited (if any) ability for Investors to remain invested in the Fund after the 2 year extension period.

Details of the special resolution, the proposed restructured fund and other relevant information are set out in the enclosed documentation.

Summary of your options

There are 2 possible outcomes of the vote for the Restructure Proposal, which are summarised below:

- a) If Investors vote **in favour** of the Restructure Proposal, the Restructure Proposal will be implemented.
- b) If Investors vote **against** the Restructure Proposal, the Fund is likely to be wound up at the end of the 2 year extension period (on or around August 2023). There will be limited (if any) ability for Investors to redeem during the 2 year extension period, however the RE, in consultation with the Fund Manager, will explore alternative liquidity strategies for Investors wishing to exit the Fund during this 2 year extension period.

As a special resolution, the Restructure Proposal will be passed if at least 75% (i.e. three quarters) of the total votes cast by Investors entitled to vote on the resolution are cast in favour of the resolution.

When and where will the meeting be held?

Meeting date:	Thursday, 16 June 2022
Meeting time:	3.00 pm AEST
Meeting place:	One Investment Group Level 16, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000

We encourage you to read both the NoM and EM carefully and to be sure to exercise your vote.

HOW DO I VOTE?

Email

Return your completed Proxy Form via email to capital@oneinvestment.com.au. The Proxy Form must be received no later than 48 hours before the time of the meeting (i.e. by 3.00pm AEST Tuesday, 14 June 2022).

Attend the meeting

You can vote at the meeting if attending in person, or you can elect a proxy to attend on your behalf (i.e. your attorney, or in the case of a body corporate, a body corporate representative).

Full details of how to vote are outlined in the NoM.

No advice

The information in this letter, and in the NoM and EM, is not intended to be financial product advice or tax advice. The information has been prepared without taking account of the objectives, financial situation or needs of any Investor. Investors should read the NoM and EM in their entirety and consider their own financial needs before making any decision on how to vote. It is recommended that you seek independent legal, tax, financial, stamp duty and other professional advice if you do not understand any of these documents or the decision to be made.

Please contact the Fund Manager's investor relations team by telephone on 02 8004 6218 or by email at info@capitalpropertyfunds.com.au if you have any questions.

Yours sincerely



Joe Christie
CAPITAL PROPERTY FUNDS



Andrew Kerr
CAPITAL PROPERTY FUNDS

Notice of Meeting

Pursuant to section 252A of the Corporations Act 2001 (Cth) (**Act**) and clause 21.1 of the constitution of the 601 Coronation Drive Fund (ARSN 610 941 654) (**Fund**) dated 23 February 2016 as amended from time to time (**Constitution**), One Managed Investment Funds Limited (ACN 117 400 987 AFS licence no. 297042) (**OMIFL or RE**), as responsible entity of the Fund, gives notice that a meeting of the Fund's members will be held at the following time and place:

Meeting date:	Thursday, 16 June 2022
Meeting time:	3.00 pm AEST
Meeting place:	One Investment Group Level 16, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000

1. General nature of the meeting's business

The meeting is called to consider and, if thought fit, to pass the following resolution as a special resolution of the members of the Fund (**Resolution**):

"THAT:

- (a) *the 601 Coronation Drive Fund (ARSN 610 941 654) (**Fund**) be restructured as an open-ended fund with a mandate strategy as set out in the Explanatory Memorandum and the draft Product Disclosure Statement for the restructured Fund (**Restructure Proposal**);*
- (b) *the constitution of the Fund be amended to facilitate the Restructure Proposal and other amendments as summarised in the Explanatory Memorandum and set out in the supplemental deed tabled at the meeting; and*
- (c) *each director or company secretary of the Responsible Entity be authorised to do all things which it reasonably considers necessary or incidental to give effect to paragraphs (a) and (b)."*

The Resolution will be decided on a poll.

As a special resolution, the Resolution will be passed if at least 75% (i.e. three quarters) of the total votes cast by Investors entitled to vote on the resolution vote in favour of the Resolution.

The Chairperson intends to vote undirected proxies in favour of the Resolution.

2. Notes about the meeting

Special resolution

In accordance with clause 24.1(b) of the Constitution, the Resolution will be passed as a special resolution.

Under subsection 253J(1) of the Act, a special resolution put to the vote at a meeting of members must be decided on a poll. On a poll, each Investor has one vote for each dollar of the value of the total interests they have in the Fund.

Eligibility

Persons on the register of members of the Fund 48 hours before the time of the meeting will be entitled to vote on the Resolution.

Quorum and adjournment

In accordance with clause 21.5 of the Constitution, the quorum for the meeting is at least two members present in person or by proxy holding at least 20% (by value) of the units in the Fund.

If a quorum is not present within 30 minutes from the time set for the meeting, the meeting may be adjourned to such place, date and time as the RE specifies, in accordance with clause 21.5(c) of the Constitution.

If the meeting is adjourned, then in accordance with clause 21.5(d) of the Constitution, the Investors present in person or by proxy at the adjourned meeting constitute a quorum.

Voting

In accordance with section 253E of the Act, the responsible entity of a registered scheme and its associates are not entitled to vote their interest on a resolution at a meeting of the scheme's members if they have an interest in the resolution or matter other than as a member. Accordingly, the RE, Capital Property Funds Pty Limited ACN 162 323 506 (as the investment manager of the Fund) and their associates will not vote their interest (if any) on the Resolution.

On a poll, each Investor has one vote for each dollar of the value of the total interests they have in the Fund, in accordance with subsection 253C(2) of the Act. In accordance with section 253F of the Act, the value of an interest is the amount that the RE determines in writing to be the price that a willing but not anxious buyer would pay for the interest if it was sold on the business day immediately before the date of the meeting. An Investor need not cast all their votes, nor does an Investor need to cast all of their votes in the same way.

If the units are jointly held, only one of the joint members is entitled to vote. In accordance with section 253D of the Act, if more than one member votes in respect of jointly held units, only the vote of the member whose name appears first in the register will be counted.

Any objection made to a vote cast can only be made at the meeting. The Chairperson's decision as to the validity of a vote is final and binding on all members and for all purposes.

How to vote

1) Email

Return your completed Proxy Form via email to capital@oneinvestment.com.au. **Your Proxy Form must be received no later than 48 hours before the time of the meeting (i.e. by 3.00pm AEST Tuesday, 14 June 2022).**

2) Attend the meeting

You can vote at the meeting if attending in person, or you can elect a proxy to attend on your behalf (i.e. your attorney, or in the case of a body corporate, a body corporate representative).

Instructions on how to complete the Proxy Form are included on the Proxy Form.

Completed Proxy Forms, and any authority under which the appointment was signed or a certified copy of the authority, must be received at least 48 hours before the time for the meeting.

Each member has a right to appoint one proxy or two proxies. If a member appoints two proxies, the member may specify the proportion or number of votes each proxy is entitled to exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. Any fractions of votes arising from apportioning the votes will be disregarded.

If the Proxy Form is returned but a member fails to nominate the identity of their proxy, the Chairperson will automatically be the proxy and will vote on behalf of the member as directed in the form. If the Proxy Form does not state how the votes ought to be cast, and the Chairperson is the proxy, the Chairperson will vote in favour of the Resolution. If a member returns their Proxy Form and the nominated proxy does not attend the meeting, then the member's proxy will revert to the Chairperson and the Chairperson will vote in favour of the Resolution.

Corporations

To vote at the meeting (other than by proxy), a body corporate must appoint an individual to act as its representative. Under section 253B of the Act, the appointed person may, subject to the terms of the appointment, exercise all of the powers of the body corporate that the body corporate could exercise at the meeting or in voting on the Resolution.

The body corporate appointment must comply with section 253B of the Act. The representative must bring to the meeting evidence of his or her appointment, including any authority or a certified copy of the authority under which it is signed.

Resolution binding

In accordance with clause 21.10 of the Constitution, a resolution binds all members whether or not the member was present at the meeting.

Explanatory Memorandum

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum accompanying this Notice of Meeting.

Dated 19 May 2022

This Notice of Meeting is given and authorised by OMIFL as responsible entity of the Fund.

Explanatory Memorandum

This Explanatory Memorandum (**EM**) has been prepared by One Managed Investment Funds Limited (ACN 117 400 987 AFS licence no. 297042) (**OMIFL** or **RE**), as responsible entity of the 601 Coronation Drive Fund (ARSN 610 941 654) (**Fund**).

The purpose of this EM is to assist investors in the Fund (**Investors**) to determine whether or not to vote in favour of the resolution as set out in the Notice of Meeting (**NoM**), and to provide a detailed overview to Investors of the proposal to restructure the Fund (**Restructure Proposal**).

This EM accompanies, and is to be read in conjunction with, the NoM given in respect of a meeting of members of the Fund to be held at:

Meeting date:	Thursday, 16 June 2022
Meeting time:	3.00 pm AEST
Meeting place:	One Investment Group Level 16, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000

The draft Product Disclosure Statement (**PDS**) and the supplemental deed (containing the full suite of constitutional amendments) should also be considered carefully and can be accessed at:

https://www.capitalpropertyfunds.com.au/601_coronation_drive_fund. A summary of the constitutional amendments is set out in the annexure to this EM.

Investors may request a hard copy of the draft PDS and supplemental deed by contacting the Fund Manager via phone at 02 8004 6218 or email: info@capitalpropertyfunds.com.au.

An investment in the Fund is subject to many risks, details of which are set out in the draft PDS. You should ensure that you read the draft PDS in its entirety before deciding whether (and how) to cast your vote on the Restructure Proposal.

Fund members should make their own inquiries about the Fund and its commercial prospects.

1. Introduction

The Fund is a managed investment scheme that was established under a constitution dated 23 February 2016, as amended from time to time (**Constitution**).

The Fund was registered with the Australian Securities and Investments Commission (**ASIC**) on 2 March 2016.

OMIFL is the responsible entity of the Fund and has been the responsible entity of the Fund since the Fund was registered with ASIC.

Capital Property Funds Pty Limited (ACN 162 323 506 authorised representative no. 000457306) (**CPF** or **Fund Manager**) is the investment manager of the Fund.

OMIFL appointed CPF as investment manager of the Fund under an investment management agreement dated 4 April 2016, as amended from time to time.

OMIFL as responsible entity of the Fund issued a Product Disclosure Statement for the Fund dated 6 April 2016 in relation to the issue of ordinary units in the Fund (**PDS**). The Fund continues to own the property at 601 Coronation Drive, Toowong, QLD (**Property**).

2. Why is the meeting being called?

Last year, the RE notified Investors that the initial 5 year term of the Fund was coming to an end and in accordance with the original PDS dated 6 April 2016, the RE provided Investors with a potential opportunity to exit the Fund.

Under that opportunity, the RE requested that Investors nominate the number of units they would like to either buy or sell in the Fund (if any) via a Buy/Sell Form.

If the RE received Buy/Sell Forms containing requests from Investors wishing to sell more than 50% of the units in the Fund on issue (**50% Threshold**), then the Fund would be wound up with the RE completing an orderly sale of the Property.

If the RE received Buy/Sell Forms containing requests from Investors wishing to sell 50% or less of the units in the Fund on issue, then the Fund would be extended for a further 2 years and the RE would invite Investors to consider the Restructure Proposal.

The 50% Threshold **was not** reached, and as a result, the investment period of the Fund was extended by 2 years until on or around August 2023.

On that basis, as previously contemplated in the notification to Investors containing the Buy/Sell Form, the RE and Fund Manager are now taking steps to facilitate the Restructure Proposal, which includes a liquidity strategy for the Fund.

3. About the Restructure Proposal

As a special resolution, the resolution will be passed if at least 75% (i.e. three quarters) of the total votes cast by Investors entitled to vote on the resolution are cast in favour of the resolution.

If the resolution is passed by Investors, the RE and Fund Manager will implement the Restructure Proposal and effect necessary changes to the Constitution to restructure the Fund as an open-ended fund. The Fund will also be renamed 'CPF Diversified Property Fund'.

The restructured fund will provide the following features:

Provide Investors with periodic limited withdrawals

The Restructure Proposal will provide Investors with limited withdrawal opportunities from the Fund (subject to certain conditions) every six month period, as the Constitution will be amended to enable the Fund to be characterised as liquid on an ongoing basis.

It is proposed that the Fund have two withdrawal periods each year, being the periods ending on the following dates:

1. 31 March; and
2. 30 September (each being a **Withdrawal Period**).

Where a withdrawal request is accepted, it will generally be paid within 4–6 weeks of the end of the applicable Withdrawal Period. However, under the Constitution, the Responsible Entity will have up to 365 days after it accepts a withdrawal request to

satisfy the withdrawal request, if needed, or such longer period specified in the Constitution, and a further 21 days to pay the withdrawal price once the units are redeemed.

The withdrawal price applicable is the unit price on the last Sydney business day of the Withdrawal Period (**Withdrawal Date**).

An Investor wishing to withdraw from the Fund either in whole or in part in respect of a Withdrawal Date must lodge a withdrawal request form prior to 5.00pm (AEST/AEDT) on the second Sydney business day prior to and not including the relevant Withdrawal Date.

The amount available in respect of each Withdrawal Period is subject to available funds (if any) and will be notified to Investors prior to the relevant Withdrawal Date.

Withdrawal requests that are accepted will generally be satisfied from the Fund's cash or cash-like products (including from applications received from other Investors or borrowings), or the realisation of the Fund's investments (including any liquid assets such as listed property funds).

The Fund's assets will be independently valued on a regular basis in accordance with the Responsible Entity's valuation policy and the unit price of the Fund will be determined based on the Fund's net asset value (**NAV**).

It is important to note that withdrawals cannot be guaranteed and withdrawals will be limited and are subject to the Fund having available liquid assets. The Responsible Entity also has discretion to cancel, delay or suspend redemptions in certain circumstances, and may determine that other terms and conditions for limited withdrawals (or a different withdrawal mechanism) will apply to withdrawals from time to time. For further information, please refer to the draft PDS and supplemental deed containing the full suite of constitutional amendments, available for download at https://www.capitalpropertyfunds.com.au/601_coronation_drive_fund.

Investors may request a hard copy of the draft PDS and supplemental deed by contacting the Fund Manager via phone at 02 8004 6218 or email: info@capitalpropertyfunds.com.au.

Enable the Fund to continue beyond the 2 year extension period

The Restructure Proposal will enable the Fund to continue to operate beyond the 2 year extension period.

Enable both existing and new Investors to make applications into the Fund

The Restructure Proposal will enable both existing and new Investors to make applications for units in the Fund.

Units are expected to be issued monthly and the application price will be based on the NAV for the Fund and adjusted for any buy spread.

The buy spread (where applied) reflects an estimation of the transaction costs the Fund incurs in acquiring investments, and the administrative costs associated with issuing units.

The prevailing unit price will be published on the Fund Manager's website on a monthly basis.

The RE, in consultation with the Fund Manager, may close the Fund to new applications at its discretion. This may be necessary from time to time in order to avoid excess cash holdings within the Fund.

The RE may, at its discretion, refuse to accept an application or decline to issue units to an applicant.

Enable the Fund to acquire additional property assets

The Restructure Proposal will change the Fund from a closed-ended fund owning a single asset to an open-ended fund and enable the Fund Manager to acquire or invest into a range of property and property-related assets. The indicative weighting of the Fund's property assets is outlined in the table below:

	Asset types	As at date of draft PDS	Indicative weighting
Property Assets	<p>Direct properties, the Fund may acquire and directly hold (subject to loan-to-valuation ratio (LVR) details) office, retail, industrial and other commercial properties including:</p> <ul style="list-style-type: none">(a) Office buildings, primarily located within proximity of major capital cities, metropolitan cities and major regional centres;(b) Industrial buildings, strategically located within proximity to key metropolitan industrial precincts;(c) Other commercial property assets, such as healthcare & social infrastructure; and(d) Fund-through property acquisitions, where the Fund may provide equity or debt funding in order to fund a property development and also to own suitable property assets and/or enjoy development returns	97%	60%-90%
	<p>Listed property funds, where the Fund may invest in ASX listed property funds;</p>	0%	0% - 20%
	<p>Unlisted property funds, where the Fund may invest into unlisted property funds including those that may be controlled by or related to the Responsible Entity and/or the Fund Manager.</p>	0%	0% - 10%

<i>Property debt related assets</i>	Property backed mortgages , where the Fund may invest into property backed mortgage funds including those that may be controlled by, or related to, the Fund Manager, and mortgage investments generally or the Fund may originate property backed mortgage investments.	0%	0% - 20%
<i>Cash and cash-like products</i>	Cash, term deposits, etc.	3%	0% - 20%

If the resolution is passed by Investors, CPF will remain as investment manager of the Fund.

CPF intends to continue to provide Investors with high quality and consistent property-based income combined with potential capital stability and the potential for longer term capital growth.

The Fund will primarily, although not solely, invest in stabilised properties located in proximity to major capital cities, metropolitan cities and major regional town centres.

To assist with liquidity, the Fund will also hold cash, cash-like products and listed property securities.

The Fund targets an LVR ranging from 35% to 55%. On occasions, the Fund may exceed this long term LVR target, for example when a new property asset has been acquired and the Fund is raising equity to complete the purchase. The terms applicable to any debt facilities entered into by the Fund will be set out in the Fund's regular RG 46 disclosures.

The supplemental deed which contains all of the changes that are being made to the Constitution can be accessed at:

https://www.capitalpropertyfunds.com.au/601_coronation_drive_fund

Otherwise, please refer to the summary of amendments that are proposed to be made to the Constitution, as set out in the Annexure to this EM.

4. Reasons in favour of the resolution

The reasons you may vote in favour of the Restructure Proposal may include the following:

Yielding investment: The Fund has met the target income return of 8.00% p.a. since inception in 2016 and has improved the leasing profile of the Property to 100% occupancy. While the Fund's return after the Restructure Proposal is not guaranteed, the Restructure Proposal will permit the Fund to continue to benefit from the strong performance of the Property potentially beyond the two year extension period.

Investments can go up and down. Past performance is not necessarily indicative of future performance.

Additional flexibility: The Restructure Proposal will provide Investors in the Fund with the additional flexibility provided by an open-ended fund, such as:

1. limited withdrawals;
2. the ability to increase your unit holding; and
3. the ability to remain invested in the Fund on an ongoing basis.

It may be difficult to replace your investment with a similar quality investment: In the current low interest rate environment, Investors may not be able to replace their investment in the Fund with a similar performing investment.

Potential for capital growth: In the current low interest rate environment, other quality properties that are providing high yields may provide capital growth during the next property market cycle.

Diversified asset base: The Restructure Proposal will enable the Fund to diversify its asset base which will reduce the concentration risk of the Fund.

CPF's property track record: CPF as investment manager of the Fund has a successful track record in providing property-based returns to Investors.

5. Reasons against the resolution

Risk of investment: The normal risks of investing will continue and are as outlined in the original PDS. These risks will apply to the Property, as well any other property-related assets that are acquired by the Fund. These risks include, but are not limited to, the following:

- **Fees risk:** In the longer term as the Fund grows in value, we expect the Fund to enjoy reduced fees as a percentage of the total assets of the Fund. However, in the short term there may be additional fees and charges as a direct consequence of the Restructure Proposal.
- **Valuation risk:** The potential for a decrease in the value of an asset held by the Fund.
- **Tenancy risk:** The ability to meet the target return is largely dependent upon tenants paying rent in accordance with their lease terms for any real property assets held by the Fund.
- **Insurance risk:** The performance of the Fund may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks.
- **Capital expenditure risk:** Capital expenditure on any real property asset held by the Fund could exceed expectations.
- **Economic and market risk:** The overall investment performance of the Fund may be impacted by changing economic or property market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.
- **Disaster risk:** Disasters such as natural phenomena, acts of god and terrorist attacks may damage or destroy any real property assets held by the Fund. It is not possible to insure real property assets against some of these events. Occurrence of

these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected.

- **Interest rate risk:** There is the possibility or risk of some movement in interest rates which may negatively impact earnings.
- **Distribution risk:** The Responsible Entity's ability to pay a distribution from the Fund is contingent on the income the Fund receives from the Fund's property assets. No guarantee can be given concerning the future earnings of the Fund or the return of your investment.
- **Asset selection risk:** An open-ended fund provides CPF, as investment manager of the Fund, discretion to invest in other property and property-related assets. CPF may invest in assets that do not perform and reduce the investment return for Investors or increase the risk exposure of the Fund.
- **Withdrawal risk:** There is a risk that you may not be able to withdraw all or part of your holdings in the Fund under the limited withdrawal facility.

You should take into account these risks and those contained in the draft PDS when deciding how to vote on the resolution.

6. What happens if the resolution is passed?

If the resolution is passed, the RE and Fund Manager will:

- amend the Constitution to enable the Restructure Proposal to be implemented;
- rename the Fund 'CPF Diversified Property Fund'; and
- issue the new PDS to:
 - allow ongoing applications;
 - implement the new investment strategy of the Fund; and
 - reflect the ongoing withdrawal arrangements.

The draft PDS for the Fund and supplemental deed containing the full suite of constitutional amendments are available for download at
https://www.capitalpropertyfunds.com.au/601_coronation_drive_fund.

Investors may request a hard copy of the draft PDS and supplemental deed by contacting the Fund Manager via phone at 02 8004 6218 or email: info@capitalpropertyfunds.com.au.

7. What happens if the resolution is not passed?

If the resolution is **not** passed, then the Fund will not be restructured in accordance with the Restructure Proposal and the RE will continue to operate the Fund for an additional two years (until or around August 2023) in accordance with the current terms of the Constitution. The supplemental deed proposed to give effect to the changes to the Constitution to facilitate the Restructure Proposal will not be executed, and the investment strategy of the Fund will not change.

As the Fund nears the expiration of the two year extension period, in accordance with the original PDS for the Fund, the RE will provide Investors with the opportunity to

realise their investment through the completion of a withdrawal request form. This form will allow each Investor to nominate the number of units (if any) they wish to redeem at the conclusion of the 7 year term (as extended from the initial 5 year term of the Fund).

The term of the Fund cannot be extended beyond this 7 year term, unless the RE:

- receives no withdrawal request forms; or
- is able to provide liquidity for those Investors who want to exit the Fund through a liquidity event.

8. What do you need to do?

You should read the draft PDS, supplemental deed, EM and the NoM and obtain independent professional advice if you consider it necessary. You may then vote on the resolution.

Information about the meeting, including where the meeting is to be held and how to vote on the resolution, is set out in the NoM. You should follow the instructions in the Proxy Form if you wish to vote by proxy.

9. Further information

If you have any questions or require further information, please contact the Fund Manager on 02 8004 6218 or info@capitalpropertyfunds.com.au.

Forward-looking statements

Certain information contained in the letter, the NoM and EM constitutes forward-looking statements that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'aim', 'anticipate', 'foresee', 'estimate', 'target', 'intend', 'likely', 'planned', 'continue', 'potential', or 'believe' or the negatives or other variations of those words or comparable terminology.

Furthermore, any projections or other estimates are 'forward-looking statements' and are based on certain assumptions that may change.

Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements. There can be no assurance that the Fund will achieve the forward-looking results set out in these documents, or that the Fund's investment objectives will be achieved. Neither the RE nor any other person guarantees the performance or success of the Fund, the repayment of capital invested in the Fund, or any particular rate of return on investments in the Fund.

The forward-looking statements involve subjective judgment and analysis and are subject to uncertainties, risks, and contingencies, many of which are outside the control of, or are unknown to, the RE. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned not to place undue reliance on any forward-looking statements.

Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning are forward-looking statements and subject to this cautionary statement.

Confidentiality

The information contained in the NoM and EM is issued by the RE in its capacity as responsible entity of the Fund and on the terms of the Constitution. The information contained in the NoM and EM (including the draft PDS and the supplemental deed) is confidential and commercially sensitive and is provided for the exclusive use of the Investors, and may not be reproduced or distributed (except to an Investor's professional advisers, who must be informed of its confidentiality). By receiving the NoM and EM, each Investor agrees to be bound by and observe these confidentiality restrictions.

Times and dates

All times and dates stated in the NoM and EM are references to those times and dates as they occur in Sydney, New South Wales. This document is dated 19 May 2022.

COVID-19 safe meeting requirements and any other updates

Please be aware that circumstances related to the COVID-19 pandemic or other reasons may result in the need for the RE to change the arrangements detailed in the NoM and EM relating to the meeting. Any updates to this notice of meeting may be provided at <https://www.oneinvestment.com.au/601-coronation-drive-fund/>.

Annexure

Clause reference	Subject matter	Description
Front cover and 2.1(a)	Name of the Fund	The name of the Fund will be amended from '601 Coronation Drive Fund' to 'CPF Diversified Property Fund' to reflect the intended nature of the restructured Fund as a diversified property fund.
3.5(b)	Application price	<p>The formula used to calculate the application price of a unit has been amended to reflect that it is proposed distributions for investors in the restructured Fund will be determined on a 'rolled up' basis (that is, distributions will be based on the number of units held by investors at the end of each distribution period, as opposed to the number of days investors have held their units during each distribution period).</p> <p>As a result of the application price formula reflecting 'rolled up' distributions, the reference to 'Accrued Distribution' has been removed.</p>
3.8(b)	Issue of units	It is proposed that applications for units in the restructured Fund will be processed on a monthly basis. Therefore, the 10 Business Day timeframe against which units issued in the Fund should be void if application monies are not subsequently cleared, or the property given as consideration does not vest, should be calculated from the date of issue of the units, rather than the date of receipt of the relevant application for units (as the units may not be issued within 10 Business Days of receipt of the application).
4.7	Minimum investment and holding amounts	This clause has been amended to expressly provide that OMIFL may waive minimum application amounts or minimum unit holding amounts at its discretion.

Clause reference	Subject matter	Description
4.8	Date units are issued	To align with the application process for the restructured Fund, this clause has been amended to provide that units are taken to be issued on the date that OMIFL records the unit issue in the register, after accepting the application for units and receiving the application monies.
5.1(b)	Withdrawal price	<p>The formula used to calculate the withdrawal price of a unit has been amended to reflect that it is proposed distributions for investors in the restructured fund will be determined on a 'rolled up' basis.</p> <p>As a result of the withdrawal price formula reflecting 'rolled up' distributions, the reference to 'Accrued Distribution' has been removed.</p>
5.2(a), 6.2, 6.3(a), 6.4, 6.8(a), 6.9	Withdrawal mechanism while the Fund is liquid	<p>Various provisions have been amended to reflect a proposed withdrawal mechanism in the restructured Fund while the Fund is liquid. In particular, a periodic limited withdrawal facility has been expressly provided for in the constitution whereby:</p> <ul style="list-style-type: none"> ■ in respect of each 6-monthly period, OMIFL will determine the amount of available funds to satisfy withdrawal requests for the period (if any), which will be notified to investors; ■ OMIFL will consider all withdrawal requests received in respect of a withdrawal period in the order that the requests have been received; ■ any withdrawal requests that are not accepted in whole or in part in respect of a withdrawal period will be cancelled; and ■ the withdrawal price will be calculated on the last Business Day of each withdrawal period. <p>Under the proposed limited withdrawal facility, OMIFL has up to 365 days to effect a withdrawal request and 21 days to pay a withdrawal request that has been accepted. An investor will also be unable to withdraw a withdrawal request except with the consent of OMIFL.</p>

Clause reference	Subject matter	Description
6.5(g)	Compulsory withdrawals	This clause has been amended to expressly provide that OMIFL may compulsorily redeem an investor from the Fund where, in the opinion of OMIFL, the investor is suffering from hardship or experiencing financial difficulties.
6.8 (in previous constitution), 6.9(f)	Periodic liquidity events when the Fund is liquid	The current liquidity mechanism is based on the closed-ended nature of the Fund prior to the restructure, so it is proposed that the previous periodic liquidity events in the constitution be removed (and replaced with the limited withdrawal facility as explained above).
6.11	Timing of withdrawal of units	It is proposed that a new clause be inserted into the constitution which clarifies the timing of the withdrawal of units. That is, units are taken to be redeemed when the withdrawal price is calculated and the withdrawal request is accepted (where a withdrawal request is submitted), or otherwise when the withdrawal price is calculated and the withdrawal is recorded in the register.
10.2(p)-(s), 13.2(e), 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 13.11, 15.1(a)	Attribution managed investment trust (AMIT) regime	A number of amendments are proposed to be made to the constitution to allow OMIFL to elect into the AMIT regime, which allows eligible managed investment trusts to use an attribution method of tax whereby OMIFL attributes amounts of trust components of a particular character to investors on a fair and reasonable basis.
12.2(a)	Ongoing management fee	The quantum of the minimum management fee has been amended in the constitution to reflect the current minimum at the time the supplemental deed is executed.

Clause reference	Subject matter	Description
12.3 (in previous constitution)	Retirement or removal fee	It is proposed to remove the retirement or removal fee from the constitution on the basis that the terms only provided for the payment of such a fee up to the third anniversary of the date of issue of the Fund's first disclosure document, which has now passed.
12.3	Custody fee	The quantum of the minimum custody fee has been amended in the constitution to reflect the current minimum at the time the supplemental deed is executed. The provision has also been amended to reflect that the custody fee is accrued daily and payable monthly in arrears.
13.10(b)	Distributions	This clause has been amended to reflect that it is proposed distributions for investors in the restructured Fund will be determined on a 'rolled up' basis.
21.4A	Virtual unitholder meetings	It is proposed to specifically provide for virtual meetings of investors, following the introduction of the <i>Corporations Amendment (Meetings and Documents) Act 2022</i> (Cth) which only allows for registered schemes to hold virtual-only meetings if it is expressly required or permitted by the constitution of the registered scheme.
23.3(a), 23.6, 23.8	Complaints handling	It is proposed to amend the provisions relating to complaints handling so that the complaints process is instead guided by OMIFL's internal policy, which is periodically reviewed and amended for compliance with the <i>Corporations Act 2001</i> (Cth) and ASIC's policy relating to complaints handling.
Schedule 4	Underwriting units	<p>The provisions relating to underwriting units have been amended to accommodate the ongoing issue of underwriting units as and when needed to fund the acquisition of assets, as opposed to the issue of underwriting units at specific periods of time. The proposed terms of issue for the underwriting units are that:</p> <ul style="list-style-type: none"> ■ underwriting units may be redeemed in priority to other classes of units; ■ the withdrawal price of underwriting units is the same as the withdrawal price of ordinary units; and

Clause reference	Subject matter	Description
		<ul style="list-style-type: none"><li data-bbox="586 330 1956 398">■ underwriting units may be converted to ordinary units on transfer of the underwriting units to a third party investor.