



19 May 2015

Dear Investor

Arena Property Fund – Important Update

This letter contains important information regarding your investment in the Arena Property Fund (the Fund).

Acquisition by Dorms Pte Ltd

On 13 February 2015, Arena Investment Management Limited (Arena) and Dorms Pte Ltd (Dorms) entered into a binding Implementation Agreement in relation to a proposal (Proposal) for Dorms to acquire all units in the Fund, as outlined in the Explanatory Memorandum dated 27 March 2015 which was sent to all Unitholders. At a meeting of Unitholders on 1 May 2015 the Proposal was strongly supported, with 99.75% of votes cast in favour.

Confirmation of transfer to Dorms

As a consequence, Arena commenced a handover process to Dorms, in accordance with the Scheme Implementation Agreement, with all units in the Fund transferred to Dorms on 12 May 2015. Immediately following implementation of the Proposal on 12 May 2015, Arena applied to the Australian Investments and Securities Commission (ASIC) to deregister the Fund as a managed investment scheme. Deregistration is expected to occur two months after the application for deregistration is gazetted by ASIC in accordance with the *Corporations Act 2001* (Cth).

What does this mean for Unitholders?

Effectively, Unitholders have sold their Units to Dorms, with full liquidity to be provided.

- **Initial distribution payment** - On 19 May Unitholders were paid 0.1060891 cents for each unit held in the Fund. Please refer to the enclosed statement for further details.
- **Potential further payment** - Arena (and the custodian of the Fund) must hold and pay to Unitholders the balance of the following amounts (after deducting the final expenses of the Fund, including the cost of implementing the Proposal) under the Deed Poll:
 - subject to satisfactory completion of the capital works by Arena in accordance with the Smail Street contract of sale, the surplus of the \$1 million (if any) which has been held back from the sale price of the Smail Street Property (after paying for the capital works); and
 - an amount of \$1 million held back to provide for the payment of the final expenses of the Fund, including the cost of implementing the Proposal.

- It is estimated that this second payment will be made to Unitholders sometime between June and September 2015. This will be the last payment of capital from the Fund to Unitholders and no further distributions will be made.

Distributions will be made to Unitholders' previously nominated bank accounts. If your bank details were not provided, then payment will be made via cheque.

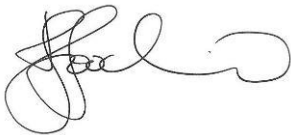
Do I need to do anything?

No. You will receive distribution, tax and exit statements when the process is completed. It is recommended that you speak with your financial adviser or tax professional for advice, if required.

Further information

Please contact Arena Investor Services on 1800 008 494 or info@arenainvest.com.au should you have any queries regarding this information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'James Goodwin', with a stylized flourish at the end.

James Goodwin
Managing Director
Arena Investment Management Ltd