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Sydney NSW 2000

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www.abacusproperty.com.au

Abacus Group Holdings Limited
ACN 080 064 619

Abacus Group Projects Limited
ACN 104 066 104

Abacus Funds Management Limited
ACN 007 415 590

Abacus Property Services Pty Limited
ACN 050 739 001

Kobe Li
Adviser, Issuers (Sydney)
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

12 October 2010

Dear Mr Li

ABACUS PROPERTY GROUP NOTICE OF MEETINGS

We advise that Abacus Property Group's Annual General Meetings will be held on Friday, 12 November 2010 at 10.00am (Sydney time) at the Swissotel Sydney, Blaxland Room, 68 Market Street, Sydney NSW 2000.

In accordance with Listing Rule 3.17 attached are the following documents that have been dispatched to Abacus Property Group securityholders:

- Investor update and Chairman's letter
- 2010 Notice of Annual General Meetings and explanatory notes
- Proxy form
- Securityholder electronic communication election form

Please do not hesitate to contact me if you require any further information.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ellis Varejes".

Ellis Varejes
Company Secretary



Birkenhead Point Shopping Centre and Marina,
Drummoyne, NSW

12 October 2010

Dear Investor

This time last year I wrote to you following the extremely challenging times we all faced during the global financial crisis. While market conditions have remained challenging over the past year, Abacus has executed capital management initiatives and implemented real estate strategies that both strengthens Abacus and positions the Group to take advantage of a still recovering property market.

We stated last year that our short term strategy was to maintain a conservatively geared balance sheet through the devaluation cycle and focus on increasing occupancy in our investment portfolio. I am pleased to say that, as at 30 June 2010, we successfully maintained a very low gearing of approximately 22% and we achieved an increase in portfolio occupancy to 95%.

We also stated that we would continue to focus on acquiring properties that suit Abacus' core plus strategy to deliver enhanced returns while also focusing on realising the maturing assets on balance sheet that no longer meet the Group's investment objectives. This is evidenced by the recent sale of 343 George Street for \$78 million, the acquisition of a 50% interest in Birkenhead Point Shopping Centre and Marina for \$74 million and the sale of \$64 million of mature assets.

The Birkenhead Point acquisition demonstrates Abacus' core plus acquisition strategy of targeting larger scale assets that provide attractive ongoing rental income and embedded capital growth opportunities. The acquisition will settle in late October 2010, and the proceeds of recent sales of mature assets will be available to assist funding the acquisition. The centre provides potential to improve occupancy through the leasing of refurbished vacant areas including the recently improved food court and an improved retail offering through the addition of mini-major retailers. In addition, the centre provides scope for a new council-approved restaurant precinct, while the marina offers redevelopment opportunities including the addition of a fuel depot.

The sale of the recently acquired property at 343 George Street is also a clear validation of Abacus' capital enhancement skills. This asset was originally acquired in July 2009 for \$55 million and its sale in

August 2010 follows a successful re-leasing strategy that transformed the asset. The sale has delivered an equity IRR of approximately 68%. Proceeds will further supplement the Group's liquidity and support its acquisition strategy.

Finally, Abacus recently concluded refinance arrangements for debt facilities totalling \$536 million. The refinancing continues to improve and strengthen our balance sheet extending the Group's debt maturity to over 3 years and the Group has only \$13 million of debt expiring in FY11. Abacus' undrawn aggregate capacity (across all facilities) is now over \$250 million and available liquidity is approximately \$125 million. Consequently Abacus now has the capacity to progressively move towards our preferred group gearing range of 30 to 35% as we take advantage of further acquisition opportunities over the medium term.

FY10 financial results

Abacus Property Group reported a \$64.9 million underlying profit for the year ended 30 June 2010.

The underlying profit achieved was underpinned by recurring income from Abacus' property portfolio, property finance and funds management businesses. Recurring earnings increased by 9% to \$62 million from \$57 million in FY09. After taking into account non-cash fair value adjustments on the valuation of Abacus' investment properties and non recurring items, Abacus recorded an after tax statutory profit excluding minorities for the year of \$25.4 million (a significant improvement on the \$102.4m loss for FY09). The Group generated operating cash flows of \$64.6 million which adequately covered FY10 distributions of \$52.8 million.

As at 30 June 2010, Abacus had net assets of \$1,103 million, with net tangible assets per security of \$0.58.

Operational review

Investment property portfolio

- Direct property investments of \$849 million
- Portfolio cap rate 8.53%
- Occupancy 95%
- Annualised like for like rental growth 3.7%
- Weighted lease expiry profile 4.3 years.

The investment property portfolio delivered gross revenue of \$85 million and an EBITDA contribution of \$64 million. During FY10 Abacus entered into new or renewed leases of approximately 55,000m² of space, while maintaining rental rates on new leases. This resulted in occupancy of 95% as at 30 June 2010, a significant increase from 90% at 30 June 2009. Abacus ensures all assets are independently revalued every 12 months.

Funds management

Abacus has external assets under management of \$840 million. The funds management business contributed \$14 million to the Group's results, or \$19 million excluding non-recurring \$4.9 million ADIF II debt forgiveness.

Abacus has now dealt with the majority of refinancing in its managed funds. As at August 2010 Abacus had refinanced over \$262 million of debt including:

- a 3 year \$190 million facility maturing August 2013 for Abacus Storage Fund;
- a 3 year \$54 million facility maturing August 2012 completed in H110 for ADIF II Fund; and
- a 2 year \$18 million facility maturing August 2012

for Abacus Wodonga Land Fund.

Abacus has term sheets from two banks for a new 3 year \$50 million facility for ADIF II with documentation and drawdown anticipated in September 2010.

Abacus has also made good progress on a number of its restructuring strategies:

- The sale of three Abacus Hospitality Fund hotels has been achieved including the sale of Swissotel, Sydney for \$90 million.
- ADIF II product restructured. The product provides a capital and income protected offering for a risk adverse market and is now available to over 830 advisers via 10 national groups and five platforms

Property Ventures

Effective 1 July 2010, joint ventures and developments and the property finance divisions merged to create a new property ventures division. The new division will have a combined \$283 million invested in 21 projects and a number of co-investments. It will have a significant weighting to urban infill residential land subdivisions that currently are evenly split between NSW and Victoria.



Westpac House, Adelaide, SA



Virginia Park, Bentleigh East, VIC

Strategy and outlook

Abacus has delivered an underlying profit of almost \$65 million and earnings per security of 3.9c while growing recurring earnings by over 9%. Recent re-financings have strengthened the balance sheet and provided an increase in liquidity. Abacus has articulated a clear strategy to increase its exposure to principal investments (70% of assets) and property ventures (30% of assets) which will drive increased recurring earnings to support distribution to securityholders and a steady pipeline of enhanced returns.

We are pleased with the Group's progress during the last year and believe that with the initiatives and strategies employed has positioned Abacus well with an established portfolio of projects and properties to continue to deliver an increase in recurring earnings and enhanced returns.

The achievements during the year have been a result of the hard work and efforts of Managing Director Frank Wolf, his executive team and all of our staff at Abacus. On behalf of the Board, I would like to thank them all for their dedication and hard work this past 12 months.

Finally, and most importantly, I would like to thank all our investors for your continued support during what has been a difficult period for us all.

Abacus AGM

I take pleasure in inviting you to the annual general meeting of Abacus Property Group to be held on Friday, 12 November 2010. The accompanying notice sets out the meeting details and the items of business. If you are unable to attend the meeting, please complete the enclosed proxy form and return it in the envelope provided or vote on-line by Wednesday, 10 November 2010. If you are attending the meeting, please bring your proxy form with you to assist with registration.

The meeting gives you an opportunity to ask questions about the Group's performance in 2010 and our current activities.

If you have not received a copy and would like the 2010 annual report, this is available through our website. You will find it under Investor Information at www.abacusproperty.com.au or you can ask us to send a printed copy to you.

I hope to see you at the annual general meeting.

Yours faithfully



John Thame
Chairman

Corporate Directory

Abacus Property Group

Abacus Group Holdings Limited

ABN: 31 080 604 619

Abacus Group Projects Limited

ABN: 11 104 066 104

Abacus Funds Management Limited

ABN: 66 007 415 590

Registered Office

Level 34, Australia Square

264-278 George Street

SYDNEY NSW 2000

Tel: (02) 9253 8600

Fax: (02) 9253 8616

Custodian:

Perpetual Trustee Company

Limited

Level 12 Angel Place

123 Pitt Street

SYDNEY NSW 2000

Auditor:

Ernst & Young

Ernst & Young Centre

680 George Street

SYDNEY NSW 2000

Compliance Plan Auditor:

Ernst & Young

Ernst & Young Centre

680 George Street

SYDNEY NSW 2000

Share Registry:

Registries Limited

Level 7, 207 Kent St

SYDNEY NSW 2000

Tel: (02) 9290 9600

Fax: (02) 9279 0664

notice of meetings

abacus property group

The Annual General Meetings of securityholders of Abacus Group Holdings Limited and Abacus Group Projects Limited (the Companies) will be held in conjunction with Meetings of securityholders of the Abacus Trust and the Abacus Income Trust (the Trusts).

Time: 10.00 am (Sydney time)

Date: Friday, 12 November 2010

Venue: Blaxland Room
Swissôtel Sydney
68 Market Street
Sydney, NSW, 2000



ORDINARY BUSINESS

1. Annual Financial Report

To receive and consider the annual financial report, directors' report and auditor's report of Abacus Property Group and its controlled entities for the year ended 30 June 2010.

2. Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of each Company and each Trust:

To adopt the Remuneration Report for the year ended 30 June 2010.

Please note that the vote on this resolution is advisory only and does not bind the directors or the Companies or the responsible entity of the Trusts.

3. Election of Directors

To consider and, if thought fit, to pass the following resolutions as a separate ordinary resolution of each Company:

3.1 To re-elect David Bastian as a director of Abacus Group Holdings Limited and Abacus Group Projects Limited.

3.2 To re-elect William Bartlett as a director of Abacus Group Holdings Limited and Abacus Group Projects Limited.

4. Non-executive directors remuneration

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

That the yearly maximum sum available to non-executive directors of Abacus Property Group as remuneration for their services be increased by \$200,000 to \$800,000, to be divided among them in a manner they may determine.

Votes disregarded – As required by the Listing Rules of the Australian Stock Exchange, the Companies and the Trusts will disregard any votes cast on this resolution by any director of Abacus Property Group or any of their associates. However, the Companies and the Trusts need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance

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

SPECIAL BUSINESS

5. Issue of securities

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of each Company and a special resolution of each Trust:

That the issue of 228,430,000 stapled securities at \$0.40 per stapled security on 21 December 2009, in an institutional placement, be and is hereby ratified for all purposes.

Votes disregarded – For the purposes of ASX Listing Rules 7.1 and 7.4 approval and relief under ASIC Class Order 05/26, the Companies and the Trusts will disregard any votes cast on this resolution by any person, or any associates of any such person, who participated in the issue to which the resolution relates. However, the Companies and the Trusts need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides. In addition, for the purposes of relief under ASIC Class Order 05/26 the Trusts will not count any votes cast by any unitholder in respect of interests which are held for the benefit of another person who obtained beneficial ownership of any of the securities that were issued under the placement.

6-7. Amendment of the Companies' Constitutions

To consider and, if thought fit, to pass the following resolution as a separate special resolution of Abacus Group Holdings Limited (Resolution 6) and Abacus Group Projects Limited (Resolution 7), respectively:

That the amendments to the constitution of the Company as set out in the Explanatory Memorandum to this Notice of Meeting be approved.

8-9. Amendment of the Trusts' Constitutions

To consider and, if thought fit, to pass the following resolution as a separate special resolution of Abacus Trust (Resolution 8) and Abacus Income Trust (Resolution 9), respectively:

That the amendments to the constitution of the Trust as set out in the Explanatory Memorandum to this Notice of Meeting be approved.

Note: Resolutions 10 to 13 (inclusive) proceeding will be subject to approval of Resolutions 6 to 9 (inclusive).

10-11. Consolidation of Securities – Companies only

To consider and, if thought fit, to pass the following resolution as a separate ordinary resolution of Abacus Group Holdings Limited (Resolution 10) and Abacus Group Projects Limited (Resolution 11), respectively:

That, subject to Securityholders passing Resolution 12 and 13 below, for the purposes of section 254H of the Corporations Act 2001 (Cth) and for all other purposes, the issued capital in the Company be consolidated on the basis that every 5 Shares be consolidated into 1 Share, and where this consolidation results in a fraction of a Share being held by a Securityholder, the directors of the Company be authorised under rule 2.9 of the Constitution to round that fraction up to the nearest whole Share (subject to the Board's discretion in rule 2.9), with the consolidation taking effect on 23 November 2010.

12-13. Consolidation of Units – Trusts only

To consider and, if thought fit, to pass the following resolution as a separate ordinary resolution of Abacus Trust (Resolution 12) and Abacus Income Trust (Resolution 13), respectively:

That, subject to Securityholders passing Resolution 10 and 11 above, for the purposes of clause 13 of the Trust's Constitution and for all other purposes, Abacus Funds Management Limited (in its capacity as Responsible Entity of the Trust) consolidate the issued Units of the Trust pursuant to clause 13 of the Trust's Constitution on the basis that every 5 Units be consolidated into 1 Unit, and where this consolidation results in a fraction of a Unit being held by a Securityholder,

the Responsible Entity be authorised under clause 13.2 of the Trust's Constitution to round that fraction up to the nearest whole Unit if the Boards of the Companies also determine to round up the Shares in the Companies which are held by that Securityholder in its capacity as Securityholder (or, if the Boards exercise their discretion in rule 2.9 of the Companies' Constitutions, to take such other actions as may be permitted under clause 13.2 of the Trust's Constitution to ensure consistency of treatment of fractions of Units and Shares held by that Securityholder) with the consolidation taking effect on 23 November 2010.



BY ORDER OF THE BOARDS

Ellis Varejes
Secretary

Date: 5 October 2010

EXPLANATORY NOTES AND MATERIALS

Securityholders are referred to the explanatory memorandum that accompanies and forms part of this notice of meeting.

PROXIES

A securityholder entitled to attend and vote at the meetings is entitled to appoint a proxy. A securityholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or the number of votes each proxy is appointed to exercise. A proxy need not be a securityholder of the Abacus Property Group. Abacus Property Group must receive proxies at least 48 hours before the meetings. A form of proxy is provided with this notice.

Proxies may be lodged using the reply paid envelope or:

BY MAIL: Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX: + 61 2 9290 9655

VOTING ENTITLEMENTS

In accordance with Corporations Regulations 7.11.37, the directors have determined that the security holding of each securityholder for the purposes of ascertaining the voting entitlements for the meetings will be as it appears in the Abacus Property Group Security Register at 7.00 pm (Sydney time) on Wednesday, 10 November 2010. Accordingly, security transfers registered after that time will be disregarded in determining entitlement to attend and vote at the meeting.

EXPLANATORY MEMORANDUM

Resolution 1: Receive and consider the Annual Financial Report and other reports

As required by section 317 of the Corporations Act, the Annual Financial Report and other reports for the financial year ended 30 June 2010 will be laid before the meetings.

Securityholders will have the opportunity to raise questions on the reports and on the performance of Abacus Property Group generally and may ask questions of the Group's external auditor that are relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Group in relation to the preparation of its financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

Questions directed to the auditor may be submitted in writing to Company Secretary, Abacus Property Group, Level 34 Australia Square, 264-278 George Street, Sydney NSW 2000, and must be received by no later than 5.00 pm on 5 November 2010. If written questions are received, the question list will be made available to securityholders attending the meetings. The auditor may answer the questions at the meetings or table written answers. If written answers are tabled, they will be made available to securityholders after the meetings.

There is no vote on this resolution.

Resolution 2: Adoption of Remuneration Report

The Remuneration Report forms part of the Directors' Report set out in the 2010 Abacus Property Group concise annual financial report. The Remuneration Report includes:

- an explanation of the Group's policy for determining the remuneration of directors and executives;
- a discussion of the relationship between the policy and the Group's performance; and
- details of the performance conditions associated with the remuneration of the directors and executives. Securityholders will have the opportunity to ask questions about, or make comments on, the Remuneration Report.

The directors recommend that securityholders vote in favour of this resolution.

Resolution 3: Election of Directors

Resolution 3.1: Re-election of David Bastian

David Bastian retires by rotation in accordance with the constitutions of the Companies and, being eligible, offers himself for re-election.

David has almost 40 years experience in the financial services industry. He was Managing Director of the Group until September 2006, Managing Director of the Canberra Building Society for 20 years and an Executive Director of Godfrey Pembroke Financial Services Pty Ltd for 7 years.

Resolution 3.2: Re-election of William Bartlett

William Bartlett retires by rotation in accordance with the Constitutions of the Companies and, being eligible, offers himself for re-election.

William is a chartered accountant and has strong accounting, financial and corporate credentials. During his 23 year career with Ernst & Young, he held the roles of chairman of Worldwide Insurance Practice, National Director of Australian Financial Services Practice and chairman of the Client Service Board. William is a director of Suncorp-Metway Limited, GWA Limited, Reinsurance Group of America Inc and RGA Reinsurance Company of Australia Limited. He was a director of Arana Therapeutics Limited (2004 to 2007). He is also a director of the Bradman Foundation and Museum.

The directors (other than the director who is the subject of the relevant resolution) recommend that securityholders vote in favour of these resolutions.

Dennis Bluth and Leonard Lloyd have indicated that they will resign as directors of Abacus Group Holdings Limited and Abacus Group Projects Limited effective from Friday 12 November 2010. If William Bartlett and David Bastian are re-elected, the board will then comprise 5 directors with a majority of 3 independent directors including the Chairman. The Chairman and the other members of the Board would like to publicly express their appreciation of the valuable contributions to the Group by both Dennis and Leonard as members of the Board.

The Board is mindful of the recent Corporation and Markets Advisory Committee proposals regarding the composition of the Board. The Board is continuing the process of consideration of its composition, particularly in light of its recommendations on diversity.

Resolution 4: Non-executive directors remuneration

Under the constitutions of the Companies, securityholders approve a fixed sum that may be paid in each financial year as directors' fees. These fees are for the remuneration of non-executive directors of the Companies for their ordinary services as directors (whether or not executive or other paid work is undertaken) of the Companies and, if applicable, any wholly-owned subsidiaries. The directors determine how much of the approved amount will be paid out to non-executive directors for their services. The division of that amount among the non-executive directors is determined by the directors (or, in default of determination, equally).

Abacus Property Group policy is to remunerate non-executive directors at market rates for comparable companies for the time, commitment and responsibilities involved. Where considered appropriate, external advice on market rates is taken.

The aggregate maximum sum that presently may be paid to non-executive directors of the Abacus Property Group as a whole as remuneration for their ordinary services is \$600,000 per financial year. It is proposed that this maximum aggregate sum be increased by \$200,000 to \$800,000 per financial year.

The proposed increase in directors' fees reflects the Board's desire in light of current recommendations on board diversity to increase the number of non-executive directors. The proposed increase will also allow remuneration to be increased over time to reflect market movements, increasing workloads and changing responsibilities, although the Board does not intend to increase non-executive remuneration in the current financial year.

As the resolution relates directly to them, the non-executive directors do not make a recommendation to securityholders on this resolution.

Resolution 5: Issue of securities

This resolution is to ratify the issue of 228,430,000 securities in an institutional placement at \$0.40 per security on 21 December 2009 for the purposes of the Corporations Act, ASX Listing Rule 7.4 and ASIC Class Order 05/26. The new securities did not participate in the distribution for the half-year ended 31 December 2009 but ranked equally in all other respects with existing securities from the date of issue.

The \$91 million raised from the issue was used to repay debt, refresh capacity for further acquisitions and for working capital requirements. The securities were issued to professional and other wholesale investors (within the meaning of section 9 of the Corporations Act), who were identified by Australia and New Zealand Banking Group Limited, the lead manager of the institutional placement. The Group, its directors and associates did not participate in the issue.

Under ASX Listing Rule 7.1, listed entities are entitled to issue up to 15% of their issued capital in any 12 month period without securityholder approval. Further, ASIC Class Order 05/26 provides relief under section 601QA(1)(a) and (b) of the Corporations Act so that units in a trust can be issued without unitholder approval at a price determined by the responsible entity provided the issue, together with any issues of units up to one year previously, would not comprise more than 15% of the units of the same class on issue after the issue is included. The issue of securities referred to in this resolution did not require approval under either ASX Listing Rule 7.1 or ASIC Class Order 05/26.

Under ASX Listing Rule 7.4, securityholders may subsequently approve, by ordinary resolution, the issue of securities made without securityholder approval under ASX Listing Rule 7.1 provided the issue did not breach ASX Listing Rule 7.1. The effect of securityholder approval of this resolution would be that this issue of securities would not be counted in determining whether any further issues of securities would breach the 15% limit under ASX Listing Rule 7.1. In other words, the limits under ASX Listing Rule 7.1 would be refreshed to the extent of the approval and Abacus Property Group would not be required to count the issue referred to in this resolution if making an issue of securities in the next 12 months without securityholder approval. Accordingly, securityholders are being requested to ratify the issue of securities as described above under ASX Listing Rules 7.1 and 7.4 to allow Abacus Property Group to retain flexibility to make further placements of securities to raise funds.

The approval of securityholders is also being sought for the purposes of ASIC Class Order 05/26 so that the placement will also not be counted for the purposes of the 15% limit under that Class Order. This requires that approval in relation to the Trusts be given by a special resolution where the resolution is voted on by unitholders who hold at least 25% of the total value of all the units entitled to vote on the question (whether in person or by proxy).

As indicated in relation to Resolution 4, for the purposes of ASX Listing Rules 7.1 and 7.4 approval and relief under ASIC Class Order 05/26, the Companies and the Trusts will disregard any votes cast on this resolution by any person, or any associates of any such person, who participated in the issue to which the resolution relates. However, the Companies and the Trusts need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form, to vote as the proxy decides. In addition, for the purposes of relief under ASIC Class Order 05/26 the Trusts will not count any votes cast by any unitholder in respect of interests which are held for the benefit of another person who obtained beneficial ownership of any of the securities that were issued under the placement.

The directors recommend that securityholders vote in favour of this resolution.

Resolutions 6 and 7: Amendment to the Companies' Constitutions

Resolutions 6 to 9 seek securityholder approval, to amend the Companies' and the Trusts' respective constitutions to deal with fractional entitlements that may arise as a result of the proposed consolidation of shares and units on issue in Abacus Property Group (**Stapled Securities**) under Resolutions 10 to 13.

Resolutions 6 (Abacus Group Holdings Limited) and 7 (Abacus Group Projects Limited) seek securityholder approval pursuant to section 136(2) of the Corporations Act to amend rule 2.9 of each of the Companies' constitutions as follows:

"2.9 Adjustments

The directors may do all things necessary to give effect to any such resolution ~~and in particular, to the extent necessary to adjust the rights of the members among themselves, may determine that fractions or incomplete multiples may be disregarded including where a member becomes entitled to a fraction of a share on consolidation any or all of:~~

- (a) making provision for the issue of fractional certificates;
- (b) making cash payments;
- (c) determining that all or any fractions may be disregarded;
- (d) appointing a trustee to deal with any fractions on behalf of members; and
- (e) round up each fractional entitlement to the nearest whole share,

and may discriminate in the treatment of fractional entitlements of members where the directors consider it to be fair and in the interests of members as a whole in all the circumstances."

The amendment to rule 2.9 will provide the respective Boards of each of the Companies with maximum flexibility to deal appropriately with fractional entitlements resulting from a reorganisation of capital, including differential treatment between securityholders where the Boards consider this to be fair and in the

interests of securityholders as a whole, in all the circumstances.

The directors unanimously recommend that securityholders vote in favour of Resolutions 6 and 7.

Resolution 8 and 9: Amendment to the Trusts' Constitutions

Section 601GC(1)(a) of the Corporations Act provides that the constitution of a Trust can be modified by special resolution of the Unitholders of the Trust.

Accordingly, Resolutions 8 (Abacus Trust) and 9 (Abacus Income Trust) seek securityholder approval pursuant to 601GC(1)(a), to amend clause 13 of the constitution of each Trust as follows:

"13 CONSOLIDATION AND SUBDIVISION OF UNITS

13.1 The Responsible Entity may consolidate or subdivide Units provided that the consolidation or subdivision does not alter the ratio of Units held by any Unit Holder to the aggregate number of Units in issue.

13.2 Fractions and splitting

- (a) Units may be issued in fractions at the discretion of the Trustee, and the value of, and all rights and obligations attaching to, a fractional Unit will be in proportion to those of a whole Unit.
- (b) Where a holding comprises more than one fraction of a Unit, the Trustee may consolidate such fractions.
- (c) The Trustee may consolidate or split the Units. The Trustee must in respect of any such consolidation or split:
 - (1) immediately amend the Register to record the consolidation or split;
 - (2) notify the Unitholder within 30 days of the consolidation or split; and
 - (3) ensure that each Unit is consolidated or split on the same basis as each other Attached Security.

(d) The Trustee has the power, in giving effect to any consolidation or split of Units, to:

- (1) make provision for the issue of fractional certificates;
- (2) make cash payments;
- (3) ensure that each Unit is consolidated or split on the same basis as each other Attached Security.
- (3) determine that all or any fractions may be disregarded;
- (4) appoint a trustee to deal with any fractions on behalf of Unit Holders; and
- (5) round up each fractional entitlement to the nearest whole Unit.

The amendment to clause 13 will enable the Responsible Entity to consolidate the units of each Trust and deal with fractional units (including the ability to treat fractional unit entitlements in the same manner as the Companies will treat fractional share entitlements) in the event that securityholders approve the consolidation (see Resolutions 10 to 13 below).

The directors unanimously recommend that securityholders vote in favour of Resolution 8 and 9.

Resolutions 10 to 13: Consolidation of Stapled Securities

Resolutions 10 to 13 seek securityholder and approval to consolidate Abacus Property Group's issued capital by consolidating every 5 pre-consolidation stapled securities into 1 post-consolidation stapled security.

For example, if you held 5,000 stapled securities before the consolidation, you would hold 1,000 stapled securities after the consolidation, but Abacus Property Group's stapled security price and the value of the distribution per stapled security should, all other things being equal, increase to reflect the consolidation and smaller number of stapled securities on issue. Importantly, securityholders will be treated fairly as a whole and will not lose any of their rights and benefits (beyond the negligible impact of rounding fractional entitlements).

While the consolidation entails a reduction in the number of stapled securities on issue, it does not involve a return of capital to securityholders. Accordingly, there is no direct impact on Abacus Property Group's market capitalisation or book value of paid up capital.

The directors unanimously recommend that securityholders vote their shares in favour of Resolutions 10 and 11 and vote their units in favour of Resolutions 12 and 13.

Rationale for consolidation

The consolidation is being proposed to reduce the large number of stapled securities on issue. If securityholders approve the consolidation, the number of stapled securities will reduce from 1,851,992,381 to approximately 370,398,000¹.

¹The number of securities ultimately on issue will depend on the rounding of fractional amounts.

Directors consider the benefits of the consolidation are:

- improves the market perception and attractiveness of Abacus Property Group and the value of its stapled securities;
- reduces administrative costs associated with a large number of stapled securities on issue;
- reduces the volatility of the stapled security price arising from the fact that the minimum security price movement permitted by ASX (being \$0.05) represents a higher proportion of Abacus Property Group security price than it would post-consolidation; and
- potential increased investment from institutional investors who may have been limited by their charters or mandates from investing in stocks with low security prices.

In addition, the directors believe that a consolidation would enable a more appropriate security price for a listed entity of Abacus Property Group's size and market capitalisation.

Fractional Entitlements

Not all Securityholders will hold a number of stapled securities that can be divided evenly by 5. Where a fractional entitlement occurs, the Board proposes rounding that fraction up to the nearest whole stapled security, provided that, in all the circumstances, it considers this to be fair and in the interests of securityholders as a whole to do so.

Tax

Abacus Property Group has obtained advice that the consolidation of stapled securities should not give rise to a capital gains tax (CGT) event based on current interpretation of tax law, including rulings, pronouncements and other materials issued or made public by the Australian Taxation Office regarding similar arrangements.

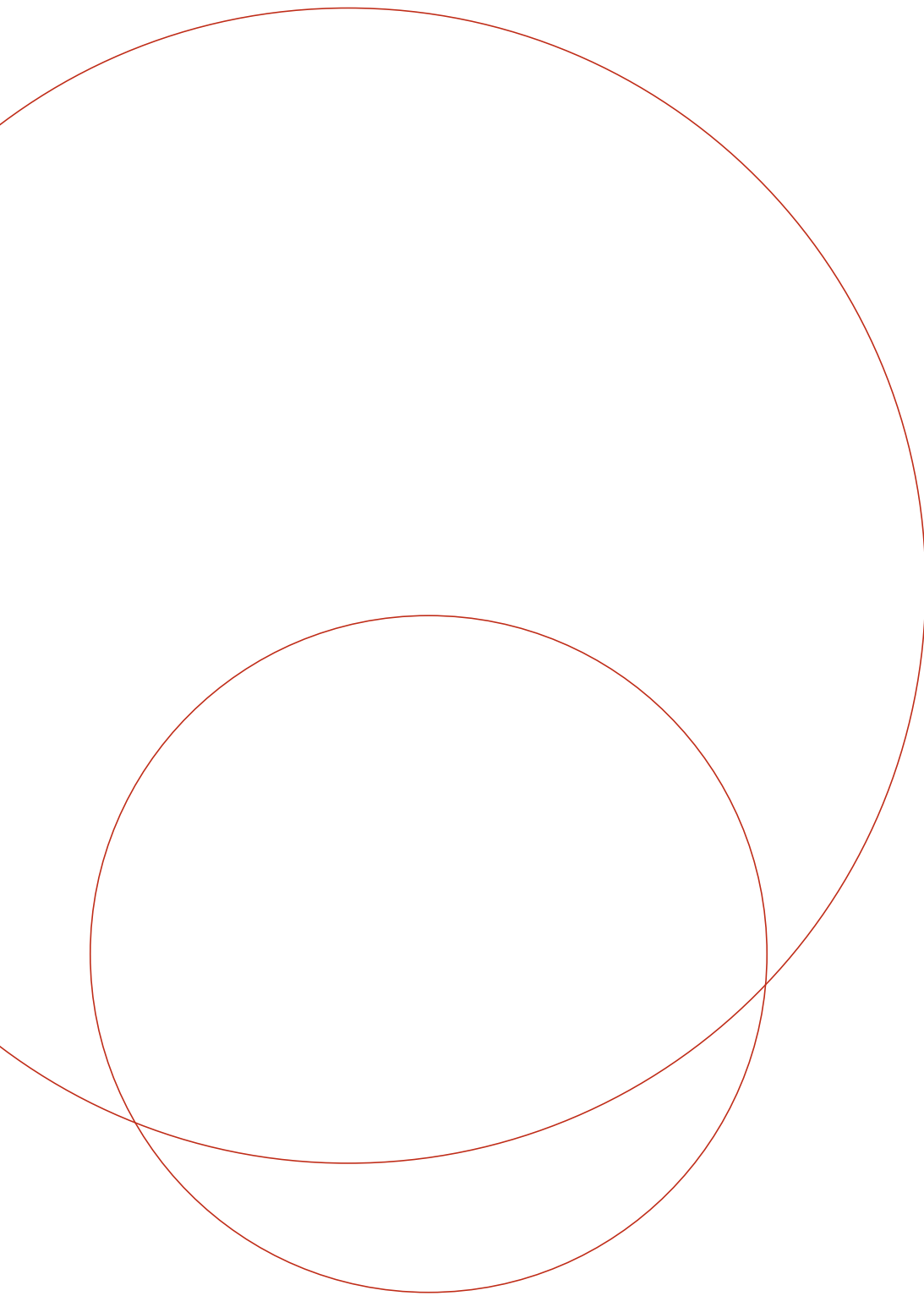
Abacus Property Group will provide a summary of the key tax principles on its website that may need to be applied in determining the CGT implications for securityholders if they dispose of some or all of their stapled securities following the consolidation.

Neither Abacus Property Group nor its directors accept any responsibility for the tax consequences arising from the consolidation, and securityholders are urged to seek their own tax advice on the effect of the consolidation having regard to their personal circumstances.

Indicative Timetable

Event	Date
Eligibility to vote at the Meeting	7.00pm, 10 November 2010
Annual General Meeting to approve consolidation resolutions	10.00am, 12 November 2010
Abacus Property Group announces to ASX that securityholders have approved the consolidation	12 November 2010
Last day for ASX trading of stapled securities on a pre-consolidated basis	15 November 2010
Trading in consolidated stapled securities on a deferred settlement basis, starts	16 November 2010
Last day for Abacus Property Group to register stapled security transfers on a pre-consolidated basis (Record Date)	22 November 2010
First day for Abacus Property Group to register stapled security transfers on a consolidated basis	23 November 2010
Stapled securities consolidated	
Deferred settlement trading ends	29 November 2010
Abacus Property Group announces to ASX that despatch of the new holding statements has occurred	
Normal (T+3) ASX trading in consolidated stapled securities commences	30 November 2010
Settlement of first ASX stapled security trades conducted on a normal (T+3) basis	3 December 2010
First settlement of ASX stapled security trades conducted on a deferred settlement basis	

These dates are indicative only and may be subject to change.



REGISTRY

Registries Limited - ABN 14 003 209 836
GPO BOX 3993, Sydney NSW 2001
Level 7, 207 Kent Street, Sydney NSW 2000
T 1300 139 440
F +61 2 9279 0664
E registries@registries.com.au
www.registries.com.au

Abacus Group Holdings Limited ACN 080 604 619
Abacus Group Projects Limited ACN 104 066 104

Abacus Trust* ARSN 096 572 128
Abacus Income Trust* ARSN 104 934 287

*Responsible Entity: Abacus Funds Management Limited
ACN 007 415 590
AFSL 227 819



YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10.00AM
WEDNESDAY, 10 NOVEMBER 2010



Your Address

This is your address as it appears on the register.
If this is incorrect, please mark the box with an "X"
and write the correct address on the proxy form
overleaf. Securityholders sponsored by a broker
should advise your broker of any changes. Please
note, you cannot change ownership of your
securities using this form.

TO VOTE ONLINE

«SRNHIN»



STEP 1 : VISIT www.registries.com.au/vote/abacusagm2010

STEP 2: Enter your holding/Investment type

STEP 3: Enter your SRN/HIN and VAC: «VAC»

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form must be signed

In the spaces provided you must sign this form as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. Please indicate the office held by signing in the appropriate place.

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at 10.00am on Friday, 12 November 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Registry – Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.registries.com.au/vote/abacusagm2010

or turnover to complete the Form ➔

Abacus Property Group

<Address 1>
<Address 2>
<Address 3>
<Address 4>
<Address 5>
<Address 6>

<BARCODE>

I/We being a member/s of **Abacus Group Holdings Limited and Abacus Group Projects Limited (the Companies) and Abacus Trust and Abacus Income Trust (the Trusts)** and entitled to attend and vote hereby appoint

☐ the Chairman of the Meeting (mark with an 'X') OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meetings of the Companies and General Meetings of members of the Trusts to be held at the Blaxland Room, Swissotel, 68 Market Street, Sydney, NSW 2000 on Friday, 12 November 2010 at 10.00am** and at any adjournment of those meetings, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

Ordinary Business		For	Against	Abstain*
Resolution 2	Adoption of Remuneration Report	☐	☐	☐
Resolution 3.1	Re-election of David Bastian	☐	☐	☐
Resolution 3.2	Re-election of William Bartlett	☐	☐	☐
Resolution 4	Increase in non-executive directors remuneration	☐	☐	☐
Special Business				
Resolution 5	Issue of securities	☐	☐	☐
Resolution 6	Amendment to Abacus Group Holdings Limited constitution	☐	☐	☐
Resolution 7	Amendment to Abacus Group Projects Limited constitution	☐	☐	☐
Resolution 8	Amendment to the Abacus Trust constitution	☐	☐	☐
Resolution 9	Amendment to the Abacus Income Trust constitution	☐	☐	☐
Resolution 10	Consolidation of shares in Abacus Group Holdings Limited	☐	☐	☐
Resolution 11	Consolidation of shares in Abacus Group Projects Limited	☐	☐	☐
Resolution 12	Consolidation of units in Abacus Trust	☐	☐	☐
Resolution 13	Consolidation of units in Abacus Income Trust	☐	☐	☐

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/

/2010



Registries

All Correspondence to:

Registries Pty Ltd
GPO Box 3993
SYDNEY NSW 2001

Tel: 1300 139 440 (within Aust)

Tel: + 61 2 9290 9600 (outside Aust)

Fax: + 61 2 9290 9655

Website: www.registries.com.au

Email: abacus@registries.com.au

Abacus Property Group Stapled Securities Email Notification

As an investor with Abacus, you can now play your part and assist Abacus with our commitment to reduce our carbon footprint on the environment. Investors now have the option of receiving investor communications electronically. By electing to receive your communications online, you will now receive timely, cost effective and greener online communications.

When we have information to send you, we will email you a link to our secure site giving you the choice of what you want to read, such as your distribution statements, tax statements, annual report and shareholder news without the need to download files on your computer.

If you take no action, we will continue to mail you our regular communications and will advise you when the annual report is available online. A printed version of the annual report will only be posted to you if you have elected to receive a hard copy.

If you wish to receive investor communications via email, please insert your email address below.

Privacy Statement:

The personal information provided in this form is collected by Registries Pty Limited ('Registries'), as registrar for the issuer of the securities you hold. Registries' privacy policy can be viewed on our website (www.registries.com.au).

Your personal information is required for administration of the register of securityholdings. Should some or all of the requested information not be provided correct administration of your securityholding may not be possible. Your personal information may be disclosed to the issuer of the securities you hold, its or our related bodies corporate, external service companies such as print or mail service providers or otherwise as permitted by law. If, in accordance with the provisions of the Corporations Act the issuer of the securities you hold approves, you may be sent marketing material in addition to general corporate communications. You may elect not to receive marketing material by contacting Registries.

You can obtain access to your personal information and (if required) advise of any incorrect, inaccurate or out of date information held, by contacting Registries on 1300 139 440.