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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

ANNOUNCEMENT

Notice of Meeting and Proxy Form

Following the recent announcement of the merger proposal for Abacus Property Group and Abacus Storage Fund, a copy of the Notice of Meeting dispatched to Abacus Property Group securityholders today accompanies this announcement. The meeting will be held in the Adelaide Room, Sydney Sofitel Wentworth, 61-101 Phillip Street, Sydney NSW 2000 at 10.00am Friday 24 February 2012.

The explanatory memorandum was also dispatched to securityholders today.

24 January 2012

Ellis Varejes
Company Secretary

Neil Summerfield
Head of Investor Relations
Abacus Property Group
+61 (2) 9253 8600



Abacus Property Group Notice of General Meeting

Notice is given that general meetings of securityholders of Abacus Group Holdings Limited (ABN 31 080 604 619) and Abacus Group Projects Limited (ABN 11 104 066 104) (**Companies**) will be held concurrently and in conjunction with meetings of Abacus Trust (ARSN 096 572 128) and Abacus Income Trust (ARSN 104 934 287) (**Trusts**) (together, **Abacus Property Group**) at:

Time: 10:00 am

Date: 24 February 2012

Place: Adelaide Room, Sofitel Sydney Wentworth,
61-101 Phillip Street,
Sydney NSW 2000

Abacus Funds Management Limited (ABN 66 007 415 590) (**Responsible Entity**) is the responsible entity of the Trusts.

PART A – CAPITAL MANAGEMENT RESOLUTIONS

1. Amendment to Abacus Trust constitution – Capital management

Resolution 1

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Trust:

“That, subject to the passing of all of the Capital Management Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Trust be amended (in accordance with section 601GC(1)(a) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Capital Management Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

2. Amendment to Abacus Income Trust constitution – Capital management

Resolution 2

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Income Trust:

“That, subject to the passing of all of the Capital Management Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Income Trust be amended (in accordance with section 601GC(1)(a) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Capital Management Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

3. Amendment to Abacus Group Holdings Limited constitution – Capital management

Resolution 3

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Group Holdings Limited:

“That, subject to the passing of all of the Capital Management Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Group Holdings Limited be amended (in accordance with section 136(2) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Capital Management Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

4. Amendment to Abacus Group Projects Limited constitution – Capital management

Resolution 4

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Group Projects Limited:

“That, subject to the passing of all of the Capital Management Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Group Projects Limited be amended (in accordance with section 136(2) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Capital Management Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

5. Consolidation for capital reallocation – Abacus Group Holdings Limited

Resolution 5

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of Abacus Group Holdings Limited:

“That, subject to the passing of all of the Capital Management Resolutions (as defined in the notice accompanying this resolution), immediately following the issue of Capital Reallocation Shares (as defined in the notice accompanying this resolution), all issued capital in the company (including the Capital Reallocation Shares) be consolidated on the basis that the total number of shares on issue after the consolidation is equal to the total number of shares on issue immediately prior to the issue of Capital Reallocation Shares.”

6. Consolidation for capital reallocation – Abacus Group Projects Limited

Resolution 6

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of Abacus Group Projects Limited:

“That, subject to the passing of all of the Capital Management Resolutions (as defined in the notice accompanying this resolution), immediately following the issue of Capital Reallocation Shares (as defined in the notice accompanying this resolution), all issued capital in the company (including the Capital Reallocation Shares) be consolidated on the basis that the total number of shares on issue after the consolidation is equal to the total number of shares on issue immediately prior to the issue of Capital Reallocation Shares.”

PART B – STAPLING RESOLUTIONS

7. Amendment to Abacus Trust constitution – Stapling

Resolution 7

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Trust:

“That, subject to the passing of all of the Stapling Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Trust be amended (in accordance with section 601GC(1)(a) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Stapling Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

8. Amendment to Abacus Income Trust constitution – Stapling

Resolution 8

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Income Trust:

“That, subject to the passing of all of the Stapling Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Income Trust be amended (in accordance with section 601GC(1)(a) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Stapling Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

9. Amendment to Abacus Group Holdings Limited constitution – Stapling

Resolution 9

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Group Holdings Limited:

“That, subject to the passing of all of the Stapling Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Group Holdings Limited be amended (in accordance with section 136(2) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Stapling Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

10. Amendment to Abacus Group Projects Limited constitution – Stapling

Resolution 10

To consider and, if thought fit, to pass the following resolution as a special resolution of Abacus Group Projects Limited:

“That, subject to the passing of all of the Stapling Resolutions (as defined in the notice accompanying this resolution), the constitution of Abacus Group Projects Limited be amended (in accordance with section 136(2) of the Corporations Act 2001 (Cth)) as marked in the draft constitution submitted to the meeting, marked Stapling Amendments and signed by the Chairman of the meeting for the purpose of identification, with effect on and from the Effective Time (as defined in the notice accompanying this resolution).”

EXPLANATORY NOTES

1. Capital Management Resolutions

a. Capital reallocation

Securityholder approval is sought to amend the Abacus Property Group constitutions so that capital can be reallocated between different entities within the stapled group. This is important for the proper capital management of Abacus Property Group and is proposed whether or not the Merger is approved.

If the Capital Management Resolutions are approved, it is proposed to reallocate capital from Abacus Trust and Abacus Income Trust to Abacus Group Holdings Limited and Abacus Group Projects Limited as they require further capital to support their activities relating to the 30% Other Property Assets strategy and to reduce gearing. This reallocation of capital should ensure that the companies within Abacus Property Group are appropriately capitalised. The reallocation of capital will not affect distributions, voting, net tangible assets of Abacus Property Group or numbers of securities. The reallocation of capital will occur on the meeting date, 24 February 2012, after the amended Abacus Property Group constitutions are lodged with the Australian Securities & Investments Commission and the Australian Securities Exchange.

The reallocation reduces the cost base of Abacus Trust and Abacus Income Trust units held by Abacus Property Group securityholders but increases the cost base in their Abacus Group Holdings Limited and Abacus Group Projects Limited shares. Further information on the tax consequences is provided in Greenwoods & Freehills' tax report attached to this notice.

It is also proposed to amend the constitutions of the Trusts to allow future flexibility for buy-backs (although no buy-back is currently contemplated). The Company constitutions already contain provisions to this effect.

If these resolutions are passed, and the Merger proceeds, the Abacus Storage Fund constitutions will contain the same capital management provisions.

Rationale

Each of the four stapled entities which comprise Abacus Property Group (Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Trust and Abacus Income Trust) has its own capital structure. Since 2006 new capital has been allocated between Abacus Group Holdings Limited, Abacus Group Projects Limited, Abacus Trust and Abacus Income Trust on the basis of fair value which has resulted in an allocation to Abacus Trust and Abacus Income Trust of approximately 93.6%. Abacus Trust and Abacus Income Trust are consequently capitalised in excess of their needs while Abacus Group Holdings Limited and Abacus Group Projects Limited require further capital to support their activities and to reduce their gearing to more appropriate levels.

Abacus Property Group's investment strategy seeks to have up to 30% of the assets invested in Other Property Assets. These activities have generally been undertaken by Abacus Group Holdings Limited and Abacus Group Projects Limited. However, their current capital structures (high gearing and limited capital) do not facilitate this. In addition, the adoption of AASB 10 for the year ending 30 June 2012 will result in the consolidation of Abacus Hospitality Fund, Abacus Diversified Income Fund II, Abacus Miller Street Holding Trust and Abacus Storage Fund under AASB 10 and an adjustment of approximately \$93m to the retained earnings of Abacus Group Holdings Limited as it is the nominated parent of the stapled group. The investment in these funds has been made at the group level and any resulting adjustment from the application of the new accounting standard should be shared by all members of the stapled group and not just the nominated parent. A reallocation of capital from Abacus Trust and Abacus Income Trust to Abacus Group Holdings Limited and Abacus Group Projects Limited will address the current imbalance.

Reallocation

It is proposed that \$110m of the capital of Abacus Trust and Abacus Income Trust be reallocated to Abacus Group Holdings Limited and Abacus Group Projects Limited. Under the proposal Abacus Trust and Abacus Income Trust would make combined capital payments to securityholders of approximately 28.4 cents for each unit which will then be compulsorily applied as a capital contribution to Abacus Group Holdings Limited and Abacus Group Projects Limited. Securityholders will not receive any cash as part of the capital reallocation proposal nor will their securityholdings increase.

The impact of the reallocation of capital on the net asset position of each entity in Abacus Property Group is set out below:

Entity	Capital reallocation (\$m)
Abacus Trust	(66)
Abacus Income Trust	(44)
Abacus Group Holdings Limited	100
Abacus Group Projects Limited	10

The reallocation will move some of the tax cost base from Abacus Trust and Abacus Income Trust to Abacus Group Holdings Limited and Abacus Group Projects Limited. These four entities are treated separately for Australian taxation purposes.

Any fractional number of securities that may result from the issue of Capital Reallocation Shares and subsequent consolidation (in accordance with Resolutions 5 and 6) will be rounded up or down in accordance with the Abacus Property Group constitutions.

Impact on reported profit of the Merged Group

The capital reallocation will have no material impact on the consolidated pre-tax profit of Abacus Property Group. The pre-tax profit of Abacus Group Holdings Limited and Abacus Group Projects Limited should increase by the interest savings which would otherwise be payable on the loans from Abacus Trust and Abacus Income Trust. The profit of Abacus Trust and Abacus Income Trust should reduce by the amount of this interest.

b. Buy-backs

It is also proposed to amend the constitutions of the Trusts to allow future flexibility for buy-backs if this is considered an appropriate capital management strategy at any time. The Company constitutions already contain provisions to this effect. There is no current intention to conduct any buy-back of ABP Stapled Securities, Abacus Storage Fund securities or, if the Merger is approved, New Stapled Securities.

c. Amendments to constitutions

The proposed amendments to the constitutions of the Trusts and the Companies set out in the table below are required to facilitate:

- the ability to reallocate capital from the Trusts to the Companies and from the Companies to the Trusts (with any necessary capital reduction) to ensure that all stapled entities are appropriately capitalised; and
- the flexibility to conduct an on-market buy-back if this is thought fit in the future.

The current Trust and Company constitutions, marked up to reflect the proposed changes, are available for inspection at the registered offices of Abacus Property Group until the time of the meeting. A copy will be made available upon request free of charge by calling the registry on 1300 139 440.

Capital reallocation between stapled entities	Provisions have been included in the Trust and Company constitutions to allow the re-allocation of capital across differing stapled entities to ensure that each stapled entity is appropriately capitalised. For this purpose, AFML as responsible entity of each Trust may issue units (capital allocation units): • to ABP Stapled Securityholders if the stapled entity (or, where the stapled entity is a trust, the trustee of the stapled entity) makes an application for capital allocation units as the agent for ABP Stapled Securityholders and applies a distribution out of the stapled entity towards the amount required for those capital allocation units; or • to a stapled entity if the trustee is satisfied that immediately following the issue of the capital allocation units, they will be distributed pro rata to ABP Stapled Securityholders, so long as immediately following the issue of the capital allocation units, the trustee consolidates the capital allocation units with all other units on issue such that the total number of units then on issue is equal to the number of units on issue prior to the capital reallocation issue. Each Company may issue capital allocation shares in accordance with a mechanism substantially identical to that described above, but subject to the prior approval by the holders of shares in the relevant Company by ordinary resolution.
Reduction of capital in a stapled entity to capitalise another stapled entity	AFML may reduce the capital of a Trust and may, as agent for and in the name of each ABP Stapled Securityholder, apply the amount of the reduction to which the ABP Stapled Securityholder is otherwise entitled to the purchase of securities in any other stapled entity pro rata in proportion to the number of securities held by the ABP Stapled Securityholder in that stapled entity. Each Company may reduce its capital in accordance with a mechanism substantially identical to that described above, but subject to the prior approval by the holders of shares in the relevant Company by ordinary resolution.

Buy back (Trusts only)	Consistent with the ASX Listing Rules and relevant ASIC reliefs, the Trust constitutions will be amended to allow flexibility for potential future buy-backs. No buy-back is contemplated at this stage. For this purpose, the constitution of each Trust is to be amended to allow each Trust to buy back its units while listed. Immediately after registration of a transfer of a unit or stapled security (as the case may be) following a buy-back, the units are cancelled. Where a unit forms part of a stapled security, the trustee may only buy back and cancel units if the securities to which those units are stapled are also the subject of a contemporaneous buy-back and cancellation. The trustee or its nominee may set a range of purchase prices at which buy-backs can be made provided that the maximum purchase price does not exceed 5% more than the average market price for the unit or stapled security (as the case may be) sold on ASX during the last 5 days on which sales in units or stapled securities (as the case may be) were recorded.
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2. The Merger

This notice should be read in conjunction with the Explanatory Memorandum that accompanies this notice. The Explanatory Memorandum contains an explanation of the resolutions and further information about the Merger.

3. Glossary

Unless otherwise defined in this notice, terms used in this notice have the same meaning as set out in the Glossary in the Explanatory Memorandum.

In this notice:

- (a) **“Capital Management Resolutions”** means the resolutions numbered 1 to 6 in this notice;
- (b) **“Capital Reallocation Share”** means an ordinary share in Abacus Group Holdings Limited or Abacus Group Projects Limited (as applicable) issued in connection with a capital reallocation in which:
 - the responsible entity of one or more of the Trusts returns capital to unitholders and applies that capital on behalf of unitholders to purchase ordinary shares in Abacus Group Holdings Limited or Abacus Group Projects Limited (as applicable) under clause 5.11 of the relevant Trust constitution; and
 - on receipt of the application price, the relevant Company issues ordinary shares which are then immediately consolidated with the other issued shares in the Company pursuant to clause 2.10 of the relevant Company constitution;
- (c) **“Effective Time”** means the time at which the amended constitutions of the Abacus Trust and the Abacus Income Trust are lodged with the Australian Securities and Investments Commission; and
- (d) **“Stapling Resolutions”** means the resolutions numbered 7 to 10 in this notice and all of the resolutions in the notice of meeting sent to Abacus Storage Fund securityholders on or about the date of this notice.

4. Other information

Securityholders' meetings

The shares in the Companies and units in the Trusts are stapled together to form stapled securities under the constitutions of the Companies and the Trusts. This means that shareholders of the Companies are also unitholders of the Trusts and, as such, the meetings of the Companies and the Trusts are held concurrently.

Entitlement to vote

It has been determined that under regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of the general meeting, shares in the Companies and units in the Trusts will be taken to be held by the persons who are the registered holders at 7:00 pm on 22 February 2012. Accordingly, transfers of shares and/or units registered after that time will be disregarded in determining entitlements to attend and vote at the meeting. ASF does not hold any ABP Stapled Securities.

Exercise of votes

On a poll:

- in the case of a resolution of one of the Companies, each shareholder present in person has one vote for each share they hold. Also each person present as a proxy, attorney or duly appointed corporate representative of a shareholder, has one vote for each share held by the shareholder that the person represents; and
- in the case of a resolution of one of the Trusts, each unitholder present in person has one vote for each one dollar of the value of the units in the Trust held by the unitholder. Also, each person present as proxy, attorney or duly appointed corporate representative of a unitholder has one vote for each one dollar of the value of the units in the Trust held by the unitholder that the person represents.

Voting of jointly held securities

If any ABP Stapled Securities are jointly held, only one of the joint holders is entitled to vote at the meeting. If more than one securityholder votes in respect of a jointly held security, only the first vote is counted. If it is not practical to determine which was first, the earliest named in the register to exercise such right (to the exclusion of those named later) prevails.

Attendance

If you plan to attend the meetings, we ask that you arrive at the venue at least 30 minutes prior to the time designated for the meetings so that we may check the number of your stapled securities and note your attendance.

Voting by corporations

In order to vote at the meetings (other than by proxy), a corporation that is a securityholder must appoint a person to act as its representative. The appointment must comply with the Corporations Act 2001 (Cth). A letter of representation must be either lodged with the registrar prior to the commencement of the meeting or the representative must bring to the meeting evidence of his or her appointment including any authority under which it is signed.

Voting by proxy

- 1 A securityholder entitled to attend and vote at the meetings may appoint a proxy to attend and vote on their behalf.
- 2 A proxy need not be a securityholder and can be either an individual or a body corporate. If a securityholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
 - appoints an individual as its corporate representative to exercise its powers at the meetings, in accordance with section 250D of the Corporations Act 2001 (Cth); and
 - provides satisfactory evidence of the appointment of its corporate representative.
- 3 A form of proxy is enclosed with this Notice of Meeting (**Proxy Form**).
- 4 A securityholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the securityholder's votes.
- 5 Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using the enclosed proxy form, an additional form of proxy is available on request from the Registry.
- 6 The securityholder (or securityholder's attorney) must sign the proxy form. Proxies given by a body corporate must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer of attorney.
- 7 A representative of a body corporate attending the meetings must present satisfactory evidence of his or her appointment to attend on its behalf, unless previously lodged with the Registry. If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.
- 8 The Proxy Form, together with any authority under which the Proxy Form is executed or a certified copy of that authority, must be received no later than 10:00 am on 22 February 2012 at:

Registry – Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

Facsimile: 61 2 9290 9655

BY ORDER OF THE BOARD



Ellis Varejes

Company Secretary

Date: 13 January 2012

Greenwoods & Freehills

The Directors
Abacus Funds Management Limited
Abacus Group Holdings Limited
Abacus Group Projects Limited
Level 34, Australia Square
264-278 George Street
SYDNEY NSW 2000

16 December 2011
27551

Dear Sirs

Australian Taxation Report - Recapitalisation

We have been asked by Abacus to prepare a taxation report on the Australian taxation issues arising in relation to the transactions described in detail in the Explanatory Notes to the notice of meeting to be sent to Abacus Property Group ("ABP") Stapled Securityholders ("ABP Notice of Meeting") and summarised below (the "Recapitalisation Proposal") whereby Abacus Group Holdings Limited ("AGHL") and Abacus Group Projects Limited ("AGPL") are recapitalised with further share capital.

The information contained in this report is of a general nature only. It does not constitute tax advice and should not be relied upon as such. This report outlines the general Australian taxation implications for ABP Stapled Securityholders in respect of their participation in the Recapitalisation Proposal.

This taxation report considers the taxation consequences for the Recapitalisation Proposal for ABP Stapled Securityholders who are individuals, complying superannuation entities and companies holding their investments in ABP on capital account. We have not considered the taxation consequences for:

- ABP Stapled Securityholders who hold their securities on revenue account such as banks and other trading entities;
- non-resident ABP Stapled Securityholders who hold, together with associates, an interest of 10% or more in ABP;
- non-resident ABP Stapled Securityholders who currently hold ABP Stapled Securities (or who will hold those securities) through a permanent establishment in Australia;
- non-resident ABP Stapled Securityholders who made an election to treat their securities as taxable Australia property when they ceased to be Australian residents; or
- securityholders whose gains and losses on their securities are subject to the taxation of financial arrangement ("TOFA") rules in Division 230 of the *Income Tax Assessment Act 1997*.

All investors should seek independent professional advice on the consequences of their participation in the Recapitalisation Proposal, based on their particular circumstances. ABP Stapled Securityholders who are not resident in Australia should obtain advice on the taxation implications arising in their local jurisdiction of participating in the Recapitalisation Proposal.

Doc 510178981.21

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Greenwoods & Freehills Pty Limited ABN 60 003 146 852

Greenwoods & Freehills

Unless otherwise stated, terms used in this report are defined in the same way as they are in the ABP Notice of Meeting.

This report is based on the provisions of the *Income Assessment Act 1936*, the *Income Tax Assessment Act 1997*, the *A New Tax System (Goods and Services Tax) Act 1999* and related acts, regulations and Australian Taxation Office ("ATO") rulings and determinations applicable as at the date of this letter.

1 Background

The Recapitalisation Proposal involves Abacus Income Trust ("AIT") and Abacus Trust ("AT") making a capital distribution to ABP Stapled Securityholders ("ABP Recapitalisation Distribution") and applying that capital on behalf of those securityholders to acquire recapitalisation shares in AGHL and AGPL.

Both AGHL shares and AGPL shares will then be consolidated to form the existing number of shares in each of these companies.

The general taxation consequences for ABP Stapled Securityholders of participating in the Recapitalisation Proposal are outlined below.

2 General Tax Consequences of the Recapitalisation Proposal for Australian resident ABP Stapled Securityholders

2.1 Tax treatment of ABP Recapitalisation Distribution

The ABP Recapitalisation Distribution paid to ABP Stapled Securityholders will be wholly tax deferred (non-assessable) to those securityholders. That is, unless a capital gain arises as discussed below, the ABP Recapitalisation Distribution will not be included in the assessable income of the ABP Stapled Securityholders.

ABP Stapled Securityholders should reduce the cost base of their units (but not below zero) in AIT and AT by the amount of the ABP Recapitalisation Distribution that is paid by AIT and AT respectively.

An ABP Stapled Securityholder whose cost base in its AIT or AT units is less than the amount of the capital return paid by AIT or AT respectively will make a capital gain to the extent of that difference.

If an ABP Stapled Securityholder is an individual, a complying superannuation entity or a trustee and acquired (or is taken to have acquired) for CGT purposes their ABP Stapled Securities at least 12 months prior to the date of the ABP Recapitalisation Distribution, the amount of the securityholder's capital gain that may arise from the ABP Recapitalisation Distribution can be reduced by the relevant CGT discount. In calculating the ABP Stapled Securityholder's capital gain, the cost base must not be indexed.

If an ABP Stapled Securityholder who is an individual or trustee applies the CGT discount method, that securityholder's taxable capital gain (after offsetting any current year capital losses or carry forward net capital losses from previous years) will be reduced by one-half (or one-third if the securityholder is a complying superannuation entity).

If the securityholder is a company, the CGT discount is not available.

2.2 Acquisition of shares in AGHL and AGPL

An ABP Stapled Securityholder's cost base in the AGHL and AGPL shares it acquires as a result of the ABP Recapitalisation will include the ABP Recapitalisation Distribution paid to that ABP Stapled Securityholder and applied to acquire the relevant AGHL or AGPL shares.

An ABP Stapled Securityholder will not receive any rights to acquire shares in AGHL or AGPL that should be included in an ABP Stapled Securityholder's assessable income.

2.3 Consequences of Consolidating the Shares

No taxable event for CGT purposes will happen for ABP Stapled Securityholders when AGHL and AGPL shares are consolidated under the Recapitalisation Proposal.

However, the sum of an ABP Stapled Securityholder's cost base in the relevant shares that are consolidated into each consolidated share, as at the time of consolidation, should be the ABP Stapled Securityholder's cost base of each new consolidated share. The date of acquisition of the consolidated security will be the same as the original shares which are consolidated. Where a securityholder has acquired their original shares over a number of dates, the acquisition date of the consolidated share should be apportioned over those acquisition dates on a reasonable basis.

2.4 Value Shifting

There will be no consequences for an ABP Stapled Securityholder under the Direct Value Shifting or Indirect Value Shifting provisions in Divisions 725 or 727 of the *Income Tax Assessment Act 1997* from the Proposed Recapitalisation.

2.5 Future tax deferred (non-assessable) distributions

As outlined above, the ABP Recapitalisation Distribution will be a wholly tax deferred (non-assessable) distribution. Securityholders that receive these distributions should reduce the cost base of their units in AT and AIT by the amount of the distribution that relate to those units (but not below zero). As a result, a securityholder may have a lower cost base in each of the units that they hold in AT and AIT.

Consequently, if additional tax deferred (non-assessable) distributions are made to securityholders subsequent to the Recapitalisation Proposal by ABP (including the Stapling Distribution), a securityholder may have a capital gain where their cost base in a unit is less than any such additional tax deferred (non-assessable) distributions paid to the securityholder in respect of the relevant unit.

In addition, if subsequent to the Recapitalisation a securityholder disposes of a New Stapled Security, that securityholder will dispose of a unit in each of AT and AIT at that time. Since a securityholder's cost base of their units in AT and AIT will have been reduced by the ABP Recapitalisation Distribution, that securityholder should have a lower cost base in these units for the purposes of calculating the securityholder's capital gains on disposal of the units. Conversely, a securityholder's cost base in its AGPL and AGHL shares will have increased by the amount of the Recapitalisation Distribution.

3 General Tax Consequences of the Recapitalisation Proposal for non-resident ABP Stapled Securityholders

The ABP Recapitalisation Distribution paid to ABP Stapled Securityholders will be wholly non-assessable to the non-resident ABP Stapled Securityholders.

Any capital gain or loss made by a foreign resident ABP Stapled Securityholder in relation to an ABP Stapled Security as a consequence of the Recapitalisation Proposal will be disregarded on the basis that ABP Stapled Securities should not be 'taxable Australian property'.

4 Australian withholding tax

No amount should be withheld from the Recapitalisation Distribution payable to an Australian resident ABP Stapled Securityholder, whether or not that entity has quoted a tax file number to AIT or AT, as no part of the distribution would represent ordinary income of the entity.

No amount should be withheld from the Recapitalisation Distribution payable to a non-resident ABP Stapled Securityholder, as no part of the distribution will represent a distribution of taxable income by AT or AIT.

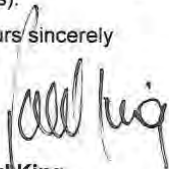
5 Goods and Services Tax ("GST")

No GST should generally be payable in respect of the transactions outlined above. As these all involve dealings with securities, the various supplies will be input taxed (i.e. not subject to GST).

**Greenwoods
& Freehills**

There may be an indirect GST cost for securityholders who are registered for GST as input tax credits will generally not be available for GST charged to the acquirer in respect of supplies relating to the dealings with these securities (e.g. legal and other adviser fees).

Yours sincerely



Paul King
Director
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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 22 FEBRUARY 2012
TO VOTE ONLINE



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

Reference Number:



STEP 1 : VISIT www.boardroomlimited.com.au/vote/abacusegm2012

STEP 2: Enter your holding/Investment type

STEP 3: Enter your Reference Number and 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 to the extent that they are able to do so. 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 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 **10.00 am on Friday, 24 February 2012**. 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 – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

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

Vote online at:

www.boardroomlimited.com.au/vote/abacusegm2012
or turnover to complete the Form →

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Abacus Property Group

STEP 1 - Appointment of Proxy

I/We being a member/s of **Abacus Property Group** and entitled to attend and vote hereby appoint

☐	the Chairman of the Meeting (mark with an 'X')	OR	
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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 general meeting of shareholders of **Abacus Group Holdings Limited** and **Abacus Group Projects Limited (Companies)** which will be held concurrently and in conjunction with general meetings of the unitholders of **Abacus Trust** and **Abacus Income Trust (Trusts)** (together **Abacus Property Group**) to be held at the **Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney, NSW 2000 on Friday, 24 February 2012 at 10.00am** and at any adjournment of that meeting, 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

		Type	For	Against	Abstain*
Resolution 1	Amendment to Abacus Trust constitution	Special	☐	☐	☐
Resolution 2	Amendment to Abacus Income Trust constitution	Special	☐	☐	☐
Resolution 3	Amendment to Abacus Group Holdings Limited constitution	Special	☐	☐	☐
Resolution 4	Amendment to Abacus Group Projects Limited constitution	Special	☐	☐	☐
Resolution 5	Consolidation for capital reallocation – Abacus Group Holdings Limited	Ordinary	☐	☐	☐
Resolution 6	Consolidation for capital reallocation – Abacus Group Projects Limited	Ordinary	☐	☐	☐
Resolution 7	Amendment to Abacus Trust constitution – Stapling	Special	☐	☐	☐
Resolution 8	Amendment to Abacus Income Trust constitution – Stapling	Special	☐	☐	☐
Resolution 9	Amendment to Abacus Group Holdings Limited constitution - Stapling	Special	☐	☐	☐
Resolution 10	Amendment to Abacus Group Projects Limited constitution - Stapling	Special	☐	☐	☐

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 / / 2012