



**VALAD COMMERCIAL MANAGEMENT LIMITED**

ACN 101 802 046, AFS LICENCE NO 223339

AS RESPONSIBLE ENTITY FOR VALAD OPPORTUNITY FUND NO.11

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20 March 2015

## **Valad Opportunity Fund No. 11 (Fund) Investor Update and notice of proposal to wind up**

Dear Investor

We are pleased to be able to provide you with an update about Valad Opportunity Fund No. 11 (Fund) as at 20 March 2015.

In the most recent Investor Update in October 2014, we advised that the rezoning of the Oran Park property from rural to residential had been finalised in January 2014. This resulted in the purchaser of the property paying the Fund the retention sum of \$2.25m and the core curtilage area adjustment of \$0.21m. Therefore, in March 2014 the Fund made a distribution of \$2.30 million, equating to \$0.061 per unit from the rezoning and core curtilage adjustment

Still outstanding at that time was a reimbursement to the Fund by the purchaser of planning costs (circa \$1.46m) incurred by the Fund to progress the rezoning up to the date of sale. This additional reimbursement relied upon the approval of the Minister for Planning and Infrastructure.

In early March 2015 Ministerial approval was formalised and payment from the purchaser of \$1,455,249 for the planning costs was received. This means that all assets of the Fund have been sold or otherwise converted to cash and we can initiate steps to wind up the Fund and make a final distribution of Investors' capital prior to June 2015 in accordance with the stated strategy for the Fund.

### **Financing**

The Oran Park project has no outstanding drawn debt or exit fees payable following the repayment of all debt to the Senior Financier, National Australia Bank (NAB) in 2012.

Under the loan facility documents, the Fund did have an outstanding obligation to pay NAB a 4% share of the net sale proceeds payable by the purchaser upon rezoning of the land. The Fund settled this obligation in March 2015.

### **Capital Position**

At 31 December 2014, the Fund had an audited net tangible asset balance of \$0.61 million or \$0.016 per unit. The position at 31 December 2014 did not reflect any value for the final net proceeds from the sale of the land (of \$1.46 million) which remained contingent upon Ministerial approval at the time of signing the financial statements. As these have since been received, the total net assets, less any costs of operating and winding up the Fund will be available for distribution to members. We estimate a final return of capital of approximately \$2.0 million (\$0.053 per unit) will be available.

### **Winding up of the Fund**

With the realisation of all assets, the purpose of the Fund has now been accomplished. Accordingly, Valad Commercial Management Limited as responsible entity of the Fund ("RE") proposes that the Fund should be wound up. Formal notice of our proposal to wind up the Fund is attached.

You do not need to do anything for the Fund to be terminated, or to receive your final distribution. However, we would be required to call a members' meeting, before the winding up can occur, if at least 100 members or members holding at least 5% of votes that may be cast, request a meeting to consider the proposed winding up and to vote on an extraordinary resolution that members propose about the winding up of the Fund. If the requisite number of members call for such a meeting, members will be notified of the date, time and venue of the meeting. If no meeting is called, Valad will commence the winding up of the Fund 28 days from the date of this letter.

Assuming no meeting is called, and the winding up of the Fund commences on 20 April 2015, we will arrange for the final accounts and tax clearance of the Fund to be confirmed, make the final distribution and lodge the necessary documents with the Australian Securities and Investments Commission.

Once the audit is complete, we will pay the final return of capital, prepare and complete final holding statements and taxation distribution statements and send these to members along with the final audited financial statements.

An electronic copy of the financial report for the period ending 31 December 2014 can be requested by e-mailing:

[managedfunds@linkmarketservices.com.au](mailto:managedfunds@linkmarketservices.com.au)

Please feel free to call Link Market Services should you have any further queries.

Link Market Services - Contact Centre

Phone: 1300 650 320

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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