

BRINGING
OPPORTUNITIES
TO LIFE

EILDON CAPITAL LIMITED

ACN 059 092 198

PROSPECTUS

For the issue of up to 9,433,963 shares at an Offer Price of \$1.06 per share to raise a maximum of \$10,000,000. The Offer is subject to a minimum issue of 1,886,793 shares at an Offer Price of \$1.06 to raise \$2,000,000.



ASX CODE: EDC

THIS DOCUMENT IS IMPORTANT. CAREFULLY READ THIS PROSPECTUS IN FULL AND CONSULT YOUR FINANCIAL ADVISER, ACCOUNTANT, STOCKBROKER, LAWYER OR OTHER PROFESSIONAL ADVISER IF YOU ARE IN ANY DOUBT AS TO WHAT TO DO.



IMPORTANT INFORMATION

IMPORTANT NOTICE

This Prospectus is an important document and requires your prompt attention. You should read it carefully. It is important that you consider the risk factors (see Section 6) before deciding on your course of action as these could affect Eildon Capital Limited's (ACN 059 092 198) (**Eildon Capital**) financial performance.

OFFER

The Offer contained in this Prospectus is an invitation to acquire Shares in Eildon Capital.

LODGEMENT AND LISTING

This Prospectus is dated 12 December 2016 and a copy of this Prospectus was lodged with ASIC on that date. It is a replacement prospectus which replaced the prospectus dated 28 November 2016 and lodged with ASIC on that date (**Original Prospectus**).

Eildon Capital has lodged an application with the ASX for admission of Eildon Capital to the official list of the ASX and quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX.

Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. The fact that the ASX may admit Eildon Capital to its official list is not to be taken in any way as an indication of the merits of Eildon Capital or the New Shares offered under this Prospectus.

This Prospectus differs from the Original Prospectus. The changes include more prominent information in the Chairman's letter about the investment strategy of Eildon Capital (including in relation to the types of investments that will be made by Eildon Capital, the role that it will take to actively manage and influence investments, and the investment returns which Eildon Capital is seeking to achieve), as well as giving further prominence in the Chairman's Letter to certain risks of investing in Eildon Capital (including in relation to the risk profile of Eildon Capital's investments and a possible concentration of investments by Eildon Capital).

The Chairman's Letter and Section 1.3 have also been updated to provide clarity about the historical performance of the Manager. In this regard the Prospectus highlights in these sections and in Sections 2.8 and 6.2 that the past performance of the Manager and Eildon Capital is not necessarily an indication of how the Manager and Eildon Capital will perform in the future.

Sections 1.3 and 6.2 have also been updated to give prominence to the specialised nature of Eildon Capital's property investments and to identify that as a result of that specialisation and the risk profile of Eildon Capital's investments Eildon Capital is able to target the returns identified in this Prospectus.

Sections 2.7, 3.9 and 4 have been updated to clarify the types of investments that will be made by Eildon Capital. Further disclosures have also been included in the table in

Section 2.8 to clarify that a column in that table identified the investment fair value as at the date of the Original Prospectus and not as at the pro forma date. A note has also been included at the end of the table in Section 2.8 which provides an explanation of the returns which Eildon Capital is targeting for its debt and equity investments and why those returns may differ between Eildon Capital's investments.

The lodgement of a replacement prospectus has also required certain references to the date of the Prospectus to be amended to refer to the "date of the Original Prospectus" and to reflect the fact that an application has been lodged with ASX for admission of Eildon Capital to the official list of the ASX and for quotation of its shares on the ASX. A definition for "Original Prospectus" has also been included in the Glossary in Section 11.

EXPIRY DATE

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. New Shares offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

EXPOSURE PERIOD

The *Corporations Act* prohibits Eildon Capital from processing the Applications received until after the Exposure Period. The Exposure Period is the 7 day period from the date of the Original Prospectus and may be extended by ASIC by up to a further 7 days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants. That examination may result in the identification of deficiencies in this Prospectus, in which case any Application received may need to be dealt with in accordance with section 724 of the *Corporations Act*.

On 5 December 2016, ASIC gave notice to Eildon Capital that it had extended the Exposure Period for 7 days to end on 12 December 2016.

This Prospectus was lodged with ASIC on 12 December 2016 in response to matters raised by ASIC after lodgement of the Original Prospectus.

JURISDICTION

This Prospectus and the enclosed Application Form (including any electronic prospectus) do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Shares (including the New Shares) have not been, and will not be, registered under the US Securities Act 1933 (US Securities Act) and may not be offered or sold in the United States of America, or to, or for the account or benefit



of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The Shares (including the New Shares) may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. Eildon Capital is under no obligation and has no current intention to register any of the Shares (including the New Shares) in the United States of America.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals for applying for Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by Eildon Capital to constitute a representation and warranty by the Applicant that all approvals necessary in the jurisdiction in which the Applicant resides have been obtained.

REPRESENTATIONS

No person is authorised to give any information or to make any representations in connection with the Offer other than as contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus is not, and may not be relied on as having been, authorised by Eildon Capital (or any of its officers).

FORWARD LOOKING STATEMENTS

Certain statements in this Prospectus are about the future. There are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Eildon Capital to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements or that could cause the future conduct to be materially different from historical conduct. Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

DISCLAIMER

This Prospectus contains general information only, and does not take into account the individual investment objectives, financial situation or particular needs of any person. Nothing in this Prospectus should be construed as a recommendation by Eildon Capital or any other person concerning an investment in Eildon Capital. You should read the entire Prospectus and, in particular, in considering the prospects for Eildon Capital, you should consider the risk factors that could affect the financial performance of Eildon Capital. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues), and if you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in Eildon Capital.

ELECTRONIC PROSPECTUS

This Prospectus may be viewed online at www.eildonfunds.com/investor-info.html. The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus. Persons

who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

Persons having received a copy of this Prospectus in its electronic form may obtain a paper copy of the Prospectus (including any supplementary document and the Application Form) (free of charge) during the life of this Prospectus by contacting Eildon Capital.

DEFINED TERMS AND GLOSSARY

Capitalised words and expressions used in this Prospectus are defined in the Glossary at Section 11 of this Prospectus.

FINANCIAL AMOUNTS

Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by Eildon Capital. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

PRIVACY

Eildon Capital collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in Eildon Capital.

By submitting an Application, each Applicant agrees that Eildon Capital may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, Eildon Capital's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of Eildon Capital, the *Corporations Act* requires Eildon Capital to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of Eildon Capital. Information contained in Eildon Capital's register is also used to facilitate distribution payments and corporate communications (including Eildon Capital's financial results, annual reports and other information that Eildon Capital may wish to communicate to its security holders) and compliance by Eildon Capital with legal and regulatory requirements.

If you do not provide the information required on the Application, Eildon Capital may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that Eildon Capital and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to Eildon Capital.



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KEY OFFER STATISTICS AND IMPORTANT DATES

KEY DATES

Lodgement of Original Prospectus with ASIC	28 November 2016
Lodgement of this Prospectus with ASIC	12 December 2016
Opening date of Offer	13 December 2016
Closing date of Offer	24 January 2017
Expected dispatch of Shareholder holding statements	01 February 2017
Shares expected to commence trading on ASX	02 February 2017

Dates may change:

The above dates are subject to change and are indicative only. Eildon Capital reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.

KEY OFFER STATISTICS

Offer Price for each New Share	\$1.06
Number of existing Shares on issue as at the date of this Prospectus	20,777,245
Minimum number of New Shares to be issued under the Offer	1,886,793
Total number of Shares on issue at completion of the Offer if the minimum number of New Shares are issued under the Offer	22,664,038
Market capitalisation at completion of the Offer if the minimum number of New Shares are issued under the Offer ¹	\$24,023,880
Net assets at completion of the Offer if the minimum number of New Shares are issued under the Offer ²	\$24,622,417
Amount to be raised from the Offer if the minimum number of New Shares are issued under the Offer	\$2,000,000
Maximum number of New Shares to be issued under the Offer if the Offer is fully subscribed	9,433,963
Total number of Shares on issue after completion of the Offer if the Offer is fully subscribed	30,211,208
Market capitalisation at completion of the Offer if the Offer is fully subscribed ¹	\$32,023,880
Net assets at completion of the Offer if the Offer is fully subscribed ²	\$32,335,978
Amount to be raised from the Offer if the Offer is fully subscribed	\$10,000,000

Note

- Market Capitalisation** is calculated by multiplying the total number of Shares on issue on completion of the Offer by the Offer Price. Shares may not trade at the Offer Price after Listing. If Shares trade below the Offer Price after Listing, the Market Capitalisation may be lower.
- Net Assets** represent the balance of total assets minus total liabilities of Eildon Capital and includes deferred tax balances associated with those assets and liabilities.

HOW TO INVEST

Applications for New Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 7.6 and on the back of the Application Form.

QUESTIONS:

If you have any questions about this Prospectus, please contact:
Louise Macklin
lmacklin@eildoncapital.com
+61 2 9087 8000
9:30am to 4:00pm (Sydney time) Monday to Friday

If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in Eildon Capital.

CHAIRMAN'S LETTER

DEAR INVESTOR

It gives me great pleasure to offer you this opportunity to become a shareholder in Eildon Capital Limited (**Eildon Capital**).

Eildon Capital is an active investor in the Australian real estate sector. Eildon Capital will provide its shareholders with exposure to a portfolio of asset backed property investment opportunities that aim to deliver total annualised returns on investments of 14% per annum (pre-tax and pre-management fees) with a dividend yield to Shareholders equivalent to 5% per annum paid quarterly (franked to the maximum extent possible) based on the Offer Price of \$1.06.

This Offer and listing on the Australian Securities Exchange will assist Eildon Capital to fund several investment opportunities. Eildon Capital is seeking to raise between \$2 million to \$10 million under this Offer at an offer price of \$1.06 per New Share to allow funding of its existing opportunities and to meet future pipeline demand.

Eildon Capital will be managed by Eildon Funds Management Limited (**the Manager**). The Manager brings together high calibre individuals, with proven track records and a history of success in investing in property transactions. The management team has invested over \$282 million across 48 property transactions since 2009. Over the past seven years, 25 of those investments have reached completion with a realised pre-tax return of 20.9% per annum. However, investors should understand that past performance of the management team of the Manager is not necessarily an indication of how the team will perform in the future.

At the direction of the Board, the Manager will advise, implement and actively manage the investment portfolio of Eildon Capital.

The Board and Manager aim to construct and actively manage a portfolio of investments that deliver strong capital returns combined with a consistent income yield for Shareholders. Eildon Capital is focused on maintaining a diligent investment process which evaluates investment opportunities presented by the Manager. A core feature of the investment process is to mitigate risk where possible and to preserve capital when investments do not perform as expected.

Eildon's investment strategy aims to participate in a diverse range of property related opportunities and to partner with property participants that have experience in their particular field. Typically, investments structured as debt will be targeted to deliver annualised returns of between 12% to 18% and those that are structured as equity will be targeted to generate annualised returns greater than 18%. Where investments are structured as

debt, where possible, Eildon Capital will seek security for the loans, including registered mortgages and other associated security over the borrowing entity. Equity investments will be sought to be structured in a way which provides Eildon Capital with what it considers appropriate control so that it can actively manage and influence the strategy of the investment.

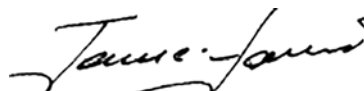
The Board and the Manager through their investment process will seek out what they consider are attractive investments for Shareholders. The Manager will seek to identify attractive investments through a structured due diligence process, ensuring strong asset backing while seeking to manage exit opportunities to improve returns for Shareholders as they become available. These measures are the cornerstone of the Board and the Manager's strategy to deliver strong capital returns combined with consistent income yield for Shareholders.

This Prospectus contains detailed information about the Offer, Eildon Capital's operations, financial performance and information about the Manager. It also outlines the potential risks associated with the Offer (including risks relating to the risk profile of the investments and a concentration of investments by Eildon Capital which may expose the Shareholders to a particular geographic area or to a risk associated with a particular type of investment), noting that there is no guarantee that Eildon Capital will achieve its stated objectives, as well as details of fees and other costs associated with investing in Eildon Capital.

I encourage you to read this Prospectus carefully before making your investment decision. Prospective participants in the Offer should seek relevant professional financial advice before making a decision to apply for New Shares.

On behalf of the Board, I look forward to welcoming you as a Shareholder.

Yours sincerely,



Mr James Davies
Chairman



INVESTMENT OVERVIEW

1

1.1 KEY INFORMATION ABOUT THE INVESTMENT

TOPIC	SUMMARY
What are the key highlights of the Offer?	<p>The offer provides an opportunity for an investment to be made in Eildon Capital which provides Shareholders with exposure to:</p> <ul style="list-style-type: none">• returns on a portfolio of property investments that are targeted to deliver total returns of 14% per annum;• targeted minimum dividend yield of approximately 5% per annum based on the Offer Price of \$1.06;• quarterly payment of dividends;• a return of both income and capital growth on invested funds; and• managed by a highly credentialed and skilled management team with a proven track record and a history of success investing in property transactions. <p>For more information see Section 7.</p>
What are Eildon Capital's investment objectives?	<p>The investment objectives of Eildon Capital are to:</p> <ul style="list-style-type: none">• build a diverse portfolio of actively managed property investments;• hold a portfolio of property investments that deliver a combination of an income stream and capital appreciation by reposition and improvement of the investment prior to realisation;• provide Shareholders with reliable and increasing returns; and• deliver Shareholders a return which comprises dividend income franked to the maximum extent possible and the benefits of capital appreciation arising from the growth in Net Assets. <p>For more information see Section 2.2.</p>
What are the expected benefits of the Offer?	<p>The Offer provides investors with the following potential benefits:</p> <ul style="list-style-type: none">• exposure to an actively managed property investment portfolio;• access to the Manager's disciplined approach to investment;• access to Eildon Capital and the Manager's anticipated market opportunities, based on its relationships and experience in the Australian real estate sector;• the Offer will allow Eildon Capital the opportunity to increase the scale and diversity of its property investment portfolio and to facilitate new property related investments by Eildon Capital; and• an investment in a company with low levels of gearing (as at the date of this Prospectus, Eildon Capital has no external debt) and following the realisation of existing investments on maturity or sale, Eildon Capital should be well placed to capitalise on new investment opportunities that may arise. <p>For more information see Section 7.</p>

1.2 KEY INFORMATION ABOUT EILDON CAPITAL'S INVESTMENT STRATEGY

TOPIC	SUMMARY
What is Eildon Capital's investment strategy?	<p>Eildon Capital's investment strategy is to invest in property investments which meet Eildon Capital's investment objectives as referred to in this Prospectus.</p> <p>The Manager will actively manage Eildon Capital's property investment portfolio and provide recommendations to the Eildon Capital Board on acquisition targets, ongoing management, and repositioning of the property investment portfolio including leasing, refurbishment, rezoning and development, and divestment of the relevant asset.</p> <p>Every investment opportunity and current investment will be subject to review and ongoing supervision by the Eildon Capital Board.</p> <p>For more information see Section 2.3.</p>
What is Eildon Capital's investment focus?	<p>Eildon Capital:</p> <ul style="list-style-type: none"> • will invest in opportunities that are located in Australia, and provide Shareholders the opportunity to gain geographic diversification across Australia; • will have flexibility to participate in opportunities across a variety of property asset classes including, but not limited to, residential, industrial, commercial, and retail asset classes; • will have flexibility to invest in what it considers to be the optimal capital structure for an investment. This may include: <ul style="list-style-type: none"> – registered mortgages; – preferred equity positions; – equity positions; – option positions; and – direct ownership. • will consider a broad range of property related opportunities, including, direct property ownership, senior and mezzanine loans, equity investment in property projects, arrangements to assist property investors to raise capital and other transactions in connection with property (including acting as a joint venture partner, lender, investor or underwriter). <p>For more information see Section 2.4.</p>
How does Eildon Capital propose to achieve its objectives?	<ul style="list-style-type: none"> • Sourcing and investing in investment opportunities that satisfy Eildon Capital's investment criteria as referred to in this Prospectus; • Defining a clear strategy for each investment including an appropriate exit strategy; and • Accessing the Manager's proven expertise in asset management and sourcing new investment opportunities. <p>For more information see Section 2.4</p>
How does Eildon Capital expect to fund its operations?	<p>Eildon Capital's principal sources of funds are expected to be cash flow generated from operations and cash on its balance sheet following completion of the Offer (including existing capital reserves as at the date of this Prospectus).</p> <p>Eildon Capital does not have any debt facilities as at the date of this Prospectus.</p> <p>For more information see Section 3.6.</p>

1.3 KEY INFORMATION ABOUT EILDON CAPITAL AND THE MANAGER

TOPIC	SUMMARY
Who is Eildon Capital?	<p>Eildon Capital is an active investor that primarily invests in the real estate sector in Australia across a diverse range of asset categories.</p> <p>Eildon Capital (formerly CVC Private Equity Limited) has been involved in investing in various sectors including manufacturing, retail, logistics and real estate. From 30 June 1999 to 23 November 2015, Eildon Capital made a number of successful investments in transactions that were largely private equity in nature, including property loans, listed and unlisted shares.</p> <p>Through a process of natural evolution over time and based on the availability of suitable investments, Eildon Capital's portfolio has transitioned from private equity style investments to focus on investments in the real estate sector.</p> <p>In November 2015 at its Annual General Meeting Eildon Capital appointed a new manager, Eildon Funds Management Limited (the Manager) to manage Eildon Capital. The Manager is a specific property focused manager which is suited to Eildon Capital's investment model and future outlook.</p> <p>Eildon Capital only holds investments in the real estate sector as at the date of this Prospectus.</p> <p>For more information see Section 2.6.</p>
Who will be responsible for managing the affairs of Eildon Capital?	<p>Eildon Capital has appointed the Manager to manage the investments of Eildon Capital, including its property investment portfolio, and to manage its administrative affairs.</p> <p>For more information see Section 5.3.</p>
Who is the Manager?	<p>The Manager, and its management team, have been responsible for managing various property investments of CVC Limited and its group entities (CVC Group). The Manager has been responsible for the management of Eildon Capital's investments since 23 November 2015 and since that time has deployed \$13.7 million in real estate investments to 30 June 2016.</p> <p>The management team of the Manager is responsible for the management of property investments. The management team currently comprises:</p> <ul style="list-style-type: none"> • Mark Avery • Alexander (Sandy) Beard • John Hunter • Jufri Abidin • Tom Kellaway <p>Over the past 7 years the team has been responsible for \$282 million of passive and active investments in different property asset classes across 48 different transactions. 25 of the investments have reached completion with a realised pre-tax return of 20.9% per annum. However, investors should understand that the past performance of the management team of the Manager is not necessarily an indication of how the team will perform in the future.</p> <p>For more information see Section 2.3.</p>

1.3 KEY INFORMATION ABOUT EILDON CAPITAL AND THE MANAGER (Cont.)

TOPIC	SUMMARY																																																																																																						
What is Eildon Capital's current property investment portfolio?	<p>At the date of lodgement of this prospectus, Eildon Capital has an existing portfolio of:</p> <ul style="list-style-type: none">• 1 mezzanine finance loan on a property development in Melbourne;• 4 senior finance loans on property developments in Brisbane, the Gold Coast and Cairns; and• 1 equity investment in a property in Brisbane. <p>For more information see Section 2.8.</p>																																																																																																						
Why is the Offer being conducted?	<p>Eildon Capital is undertaking the Offer to raise funds for the purpose of undertaking investments consistent with the investment objectives and guidelines set out in this Prospectus and for paying the expenses of the Offer.</p> <p>The details of how the proceeds of the Offer will be used are set out in Section 7.4.</p>																																																																																																						
Who are the Eildon Capital substantial shareholders and what will be their interest in Eildon Capital on completion of the Offer?	<p>There are three individual Shareholders, namely CVC Limited (and its controlled subsidiary CVC Managers Pty Limited), LJK Nominees Pty Limited and Chemical Trustee Limited, each of whose ownership percentage is above 5% of the total shares on issue in Eildon Capital as at the date of this Prospectus.</p> <p>It is expected that the Offer would result in the below dilution of the shareholding of such Shareholders (assuming these existing Shareholders do not participate in the Offer).</p> <table><tr><th>Significant Shareholdings</th><th>Shares Held</th><th>% Before Raising</th><th>Shares Issued</th><th>Shares Held</th><th>% After Raising</th></tr><tr><td colspan="6">\$2 Million Raising</td></tr><tr><td>CVC Limited</td><td>11,530,865</td><td>55.50</td><td>-</td><td>11,530,865</td><td>50.88</td></tr><tr><td>CVC Managers Pty Limited</td><td>95,354</td><td>0.46</td><td>-</td><td>95,354</td><td>0.42</td></tr><tr><td></td><td>11,626,219</td><td>55.96</td><td>-</td><td>11,626,219</td><td>51.30</td></tr><tr><td>Chemical Trustee Limited</td><td>3,069,377</td><td>14.77</td><td>-</td><td>3,069,377</td><td>13.54</td></tr><tr><td>LJK Nominees Pty Limited</td><td>2,430,000</td><td>11.70</td><td>-</td><td>2,430,000</td><td>10.72</td></tr><tr><td>Other Shareholders</td><td>3,651,649</td><td>17.58</td><td>1,886,793</td><td>5,538,442</td><td>24.44</td></tr><tr><td></td><td>20,777,245</td><td>100.00</td><td>1,886,793</td><td>22,664,038</td><td>100.00</td></tr><tr><td colspan="6">\$10 Million Raising</td></tr><tr><td>CVC Limited</td><td>11,530,865</td><td>55.50</td><td>-</td><td>11,530,865</td><td>38.17</td></tr><tr><td>CVC Managers Pty Limited</td><td>95,354</td><td>0.46</td><td>-</td><td>95,354</td><td>0.32</td></tr><tr><td></td><td>11,626,219</td><td>55.96</td><td>-</td><td>11,626,219</td><td>38.48</td></tr><tr><td>Chemical Trustee Limited</td><td>3,069,377</td><td>14.77</td><td>-</td><td>3,069,377</td><td>10.16</td></tr><tr><td>LJK Nominees Pty Limited</td><td>2,430,000</td><td>11.70</td><td>-</td><td>2,430,000</td><td>8.04</td></tr><tr><td>Other Shareholders</td><td>3,651,649</td><td>17.58</td><td>9,433,963</td><td>13,058,615</td><td>43.31</td></tr><tr><td></td><td>20,777,245</td><td>100.00</td><td>9,433,963</td><td>30,211,208</td><td>100.00</td></tr></table> <p>For more information see Section 10.8.</p>	Significant Shareholdings	Shares Held	% Before Raising	Shares Issued	Shares Held	% After Raising	\$2 Million Raising						CVC Limited	11,530,865	55.50	-	11,530,865	50.88	CVC Managers Pty Limited	95,354	0.46	-	95,354	0.42		11,626,219	55.96	-	11,626,219	51.30	Chemical Trustee Limited	3,069,377	14.77	-	3,069,377	13.54	LJK Nominees Pty Limited	2,430,000	11.70	-	2,430,000	10.72	Other Shareholders	3,651,649	17.58	1,886,793	5,538,442	24.44		20,777,245	100.00	1,886,793	22,664,038	100.00	\$10 Million Raising						CVC Limited	11,530,865	55.50	-	11,530,865	38.17	CVC Managers Pty Limited	95,354	0.46	-	95,354	0.32		11,626,219	55.96	-	11,626,219	38.48	Chemical Trustee Limited	3,069,377	14.77	-	3,069,377	10.16	LJK Nominees Pty Limited	2,430,000	11.70	-	2,430,000	8.04	Other Shareholders	3,651,649	17.58	9,433,963	13,058,615	43.31		20,777,245	100.00	9,433,963	30,211,208	100.00
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	11,626,219	55.96	-	11,626,219	51.30																																																																																																		
Chemical Trustee Limited	3,069,377	14.77	-	3,069,377	13.54																																																																																																		
LJK Nominees Pty Limited	2,430,000	11.70	-	2,430,000	10.72																																																																																																		
Other Shareholders	3,651,649	17.58	1,886,793	5,538,442	24.44																																																																																																		
	20,777,245	100.00	1,886,793	22,664,038	100.00																																																																																																		
\$10 Million Raising																																																																																																							
CVC Limited	11,530,865	55.50	-	11,530,865	38.17																																																																																																		
CVC Managers Pty Limited	95,354	0.46	-	95,354	0.32																																																																																																		
	11,626,219	55.96	-	11,626,219	38.48																																																																																																		
Chemical Trustee Limited	3,069,377	14.77	-	3,069,377	10.16																																																																																																		
LJK Nominees Pty Limited	2,430,000	11.70	-	2,430,000	8.04																																																																																																		
Other Shareholders	3,651,649	17.58	9,433,963	13,058,615	43.31																																																																																																		
	20,777,245	100.00	9,433,963	30,211,208	100.00																																																																																																		

TOPIC	SUMMARY
<p>What are the key strengths of Eildon Capital?</p>	<p>The key strengths of Eildon Capital are:</p> <ul style="list-style-type: none"> • Proven management capacity: The Manager has a successful track record of deal sourcing; analysis and investment selection; investment structuring to enhance investment profiles (reduce risk, increase returns); counterparty diligence; risk mitigation; transaction management; and profitability/return outcomes for investors. <p>The Manager's management team has experience in successfully sourcing, reviewing, managing and realising Australian property investments along with significant industry networks. Over the last 7 years to 30 June 2016 the management team of the Manager has completed 25 investments totalling \$140.3 million generating \$31.0 million in profit and delivering a return of 20.9% per annum. However, investors should understand that the past performance of the management team of the Manager is not necessarily an indication of how the team will perform in the future.</p> <ul style="list-style-type: none"> • Asset backed investments: The Manager will present opportunities to Eildon Capital to undertake investments that balance the requirement to deliver attractive total returns to Shareholders against the security which is afforded by investments, backed by physical assets and structured in a manner which aims to enhance capital protection usually by way of security. • Active management of investments: Eildon Capital's focus is to optimise investment returns. This will be achieved via opportunistic investment in assets, ongoing management, and repositioning including leasing, refurbishment, rezoning and development, and divestment. This includes assessment of: potential future risks; risk mitigation strategies; investment restructuring and repositioning; and optimal timing of exit from investments. • Existing investment portfolio and growth potential: Eildon Capital has an existing portfolio of property investments that provides its Shareholders with income returns. <p>Eildon Capital is targeting a minimum dividend yield of 5% per annum based on the Offer Price to be paid quarterly. Following completion of the Offer Eildon Capital will have capacity to make additional investments. As well as paying a recurring dividend to Shareholders, Eildon Capital is aiming to target total annualised returns of 14% per annum (pre tax and management fees) on investments. On 15 December 2015 Eildon Capital provided its first property loan of \$4.2 million.</p> <ul style="list-style-type: none"> • Proven, experienced, well-credentialed Board: The Board of Eildon Capital is comprised of highly experienced and regarded executives with experience in the real estate sector. The Board also has experience in the management of ASX listed real estate entities, including an understanding and requirements of corporate governance, commercial decision making and investor representation. Two of the Directors, including the Chairman, are independent directors.
<p>What are the key risks facing the Eildon Capital business?</p>	<p>Section 6 describes and refers to some of the potential risks associated with an investment in the Company which may have a material adverse impact on Eildon Capital's business, financial condition or investment performance and the market price of the Shares, should they arise.</p> <p>The key risks that Eildon Capital is exposed (which are identified in Section 6) include:</p> <ul style="list-style-type: none"> • Realisation of existing assets: if any existing property investments fall in value, become distressed or become subject to default terms this may affect Eildon

1.3 KEY INFORMATION ABOUT EILDON CAPITAL AND THE MANAGER (Cont.)

TOPIC	SUMMARY
	<p>Capital's ability to realise those existing investments. If the proceeds received by Eildon on realisation of an investment are reduced this will limit Eildon Capital's ability to use such proceeds from any investment to fund future activities;</p> <ul style="list-style-type: none"> • Breach of debt covenants: if with respect to a loan arrangement with Eildon Capital a borrower does not meet its debt covenants this may require Eildon Capital to enforce its contractual rights, which may result in Eildon Capital realising a reduced value for an investment; • Availability of suitable investment opportunities: Eildon Capital's performance is linked to finding suitable investment opportunities. It may be that the Manager is not able to identify or source appropriate transactions and opportunities; • Risk profile: Eildon Capital undertakes specialised property investments, including investments which may include senior debt finance to levels that may exceed loan to value ratios of 50% and or investments by Eildon Capital where the investment is subordinated by other debt capital. It is as a result of Eildon Capital's investment specialisation that Eildon Capital is able to target the returns identified in this Prospectus. Whilst the Manager and Board have experience in the procurement and management of investments of this nature, that experience is no guarantee of Eildon Capital's future financial performance; • Liquidity: Eildon Capital may not be able to realise its existing investments at the time that it wishes to realise any of them or at the price that it wishes to achieve; • Due diligence: if any investments are made on limited due diligence information, this has the potential to increase the risk of individual investments and could lead to an adverse impact on the investment that may be material; • Refinancing risk and gearing: Eildon Capital may, due to factors including economic factors, political factors and the reputation of Eildon Capital, face difficulty accessing debt or equity financing for transactions which it wishes to undertake. • Manager risk: the performance and profitability of Eildon Capital is in part dependent on the expertise and investment decisions of the Manager and its personnel. As a consequence, loss of the Manager or key personable could have an adverse impact on the management and the financial performance of Eildon Capital; • Compensation fee structure for Manager: the compensation to be paid by Eildon Capital to the Manager is in part based on the performance of Eildon Capital. This may create an incentive for the Manager to make more speculative or higher risk investments than might otherwise be the case in the absence of a fee payable to the Manager based on the performance of Eildon Capital; • Conflict of interest risk: there is a potential for conflicts of interest to arise as a result of common officers between Eildon Capital, the Manager and the CVC Group which may impact the assessment and procurement of investment opportunities. Formal procedures have been put in place to reduce any such risks, details of which are set out in Section 5.5;

TOPIC	SUMMARY
	<ul style="list-style-type: none"> • Ability to make dividend payments: the ability of Eildon Capital to pay dividends is dependent upon Eildon Capital having available cash and retained profits. Any failure of investments to be realised may result in a position where the available cash to pay a dividend is not sufficient; and • Concentration of investments: Eildon Capital will look to build a diversified portfolio of property investments. If Eildon Capital does not build a diversified portfolio of property investments this may result in volatility and exposure to events that may impact the portfolio as a whole. <p>In addition to the above, risks that apply to companies generally may affect the performance of Eildon Capital or the value of its Shares. These risks include those set out in Section 6.3 including:</p> <ul style="list-style-type: none"> • the economy and market conditions; • legal and regulatory matters; and • changes to tax laws. <p>The above is not intended to be an exhaustive list of the risk factors to which Eildon Capital or investors in Eildon Capital are or may be exposed. The factors not specifically referred to above may in the future materially affect the viability, or performance of Eildon Capital and the value of its Shares.</p>
Who is on the Board of Eildon Capital?	<p>The Board of Eildon Capital comprises:</p> <ul style="list-style-type: none"> • James Davies – Independent Director • Michelle Harpur – Independent Director • Alexander Beard – Non-Executive Director • Mark Avery – Managing Director • John Hunter – Company Secretary <p>For more information see Section 5.1.</p>
What are the Directors paid and what are their interests in the Offer?	<p>The Independent Directors receive the following annual remuneration:</p> <ul style="list-style-type: none"> • James Davies – \$40,000.00 per annum. Jellyfish Superannuation Investment Pty Limited ATF Medusa Superfund intends to subscribe for 25,000 shares in the Offer. Following completion of the Offer, Mr Davies will indirectly hold 25,000 shares in Eildon Capital. • Michelle Harpur – \$40,000.00 per annum. Harfred Pty Limited ATF ME Phillips Superannuation Fund intends to subscribe for 10,000 shares in the Offer. Following completion of the Offer, Ms Harpur will indirectly hold 10,000 shares in Eildon Capital. <p>The following Directors are not remunerated by Eildon Capital but are instead remunerated by the Manager and its related bodies corporate:</p> <ul style="list-style-type: none"> • Alexander Beard – holds 400,000 Shares indirectly in Eildon Capital. Alexander Beard and Pascale Beard ATF AD & MP Beard Superannuation Fund intends to subscribe for 200,000 shares in the Offer. Following the completion of the Offer, Mr Beard will indirectly hold 600,000 shares in Eildon Capital; and • Mark Avery <p>An additional fee of \$10,000.00 per annum is payable on appointment to the role of Chairman.</p> <p>For more information see Section 5.7.</p>

1.3 KEY INFORMATION ABOUT EILDON CAPITAL AND THE MANAGER (Cont.)

TOPIC	SUMMARY																				
Related party arrangements	<p>Prior to the Offer, Eildon Capital sold investments that it held in listed shares to CVC Limited on an arm's length basis at market value. The details of the transactions are as follows:</p>																				
	<table><tr><th>Name</th><th>Date</th><th>Shares Sold</th><th>Amount</th></tr><tr><td>MMA Offshore Limited</td><td>19 May 2016</td><td>1,900,000</td><td>\$817,000</td></tr><tr><td>Mitchell Services Limited</td><td>29 July 2016</td><td>21,843,076</td><td>\$655,292</td></tr><tr><td>Prime Media Group Limited</td><td>29 July 2016</td><td>500,000</td><td>\$152,449</td></tr><tr><td>Raptis Group Limited</td><td>29 July 2016</td><td>38,942</td><td>\$1,896</td></tr></table>	Name	Date	Shares Sold	Amount	MMA Offshore Limited	19 May 2016	1,900,000	\$817,000	Mitchell Services Limited	29 July 2016	21,843,076	\$655,292	Prime Media Group Limited	29 July 2016	500,000	\$152,449	Raptis Group Limited	29 July 2016	38,942	\$1,896
	Name	Date	Shares Sold	Amount																	
	MMA Offshore Limited	19 May 2016	1,900,000	\$817,000																	
	Mitchell Services Limited	29 July 2016	21,843,076	\$655,292																	
	Prime Media Group Limited	29 July 2016	500,000	\$152,449																	
	Raptis Group Limited	29 July 2016	38,942	\$1,896																	
	<p>On 23 November 2015, Eildon Capital entered into the Management Agreement with the Manager (details of which are set out in Section 5).</p>																				
	<p>On 16 November 2016, a restructure of the Manager was completed that resulted in a change to the ownership as follows:</p>																				
	<table><tr><th>Entity</th><th>Prior to Restructure</th><th>Post Restructure</th></tr><tr><td>CVC Limited</td><td>100%</td><td>40.0%</td></tr><tr><td>Avery Investment Trust⁽ⁱ⁾</td><td>-</td><td>27.5%</td></tr><tr><td>Virtual Sales Pty Limited⁽ⁱⁱ⁾</td><td>-</td><td>20.0%</td></tr><tr><td>AD & MP Beard Superannuation Fund⁽ⁱⁱⁱ⁾</td><td>-</td><td>12.5%</td></tr><tr><td>Total</td><td>100%</td><td>100%</td></tr></table>	Entity	Prior to Restructure	Post Restructure	CVC Limited	100%	40.0%	Avery Investment Trust ⁽ⁱ⁾	-	27.5%	Virtual Sales Pty Limited ⁽ⁱⁱ⁾	-	20.0%	AD & MP Beard Superannuation Fund ⁽ⁱⁱⁱ⁾	-	12.5%	Total	100%	100%		
Entity	Prior to Restructure	Post Restructure																			
CVC Limited	100%	40.0%																			
Avery Investment Trust ⁽ⁱ⁾	-	27.5%																			
Virtual Sales Pty Limited ⁽ⁱⁱ⁾	-	20.0%																			
AD & MP Beard Superannuation Fund ⁽ⁱⁱⁱ⁾	-	12.5%																			
Total	100%	100%																			
<p>(i) Private entity associated with Mr Mark Avery</p>																					
<p>(ii) Private entity associated with Mr John Hunter</p>																					
<p>(iii) Private entity associated with Mr Alexander Beard</p>																					
<p>For more information see Section 5.7.</p>																					
What is the historical financial performance of Eildon Capital?	<p>On 23 November 2015 Shareholders approved the change in strategic direction and investment focus of the Company from a general private equity focus to a specific property funding and investment focus. Since that date to 30 June 2016, Eildon Capital has invested \$13.7 million in property investments.</p> <p>For more information see Section 2.8.</p>																				

1.4 KEY INFORMATION ABOUT THE OFFER

TOPIC	SUMMARY
What is the Offer?	Eildon Capital is offering New Shares for subscription to raise a minimum of \$2 million and up to \$10 million by offering between 1,886,793 New Shares up to 9,433,963 New Shares at an Offer Price of \$1.06 per share.
Will the Shares be quoted on the ASX?	<p>Within 7 days after the date of this Prospectus, Eildon Capital will lodge an application with the ASX for admission to the official list of the ASX and quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX.</p> <p>Completion of the Offer will be conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Payments received will be refunded without interest, as soon as practicable in accordance with the requirements of the <i>Corporations Act</i>.</p> <p>Eildon Capital will apply for quotation of all Shares on the ASX under the ASX code EDC.</p> <p>For more information see Section 7.1.</p>
Is the Offer underwritten?	The Offer will not be underwritten.
What is the allocation policy applicable to the Offer?	Eildon Capital has absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than applied for, in its absolute discretion.
What is the minimum Application under the Offer?	Applications must be for a minimum of 2,000 New Shares (\$2,120).
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.
What is Eildon Capital's dividend policy?	<p>Depending on available profits and the financial position of Eildon Capital, it is the current intention of Eildon Capital to pay dividends.</p> <p>The minimum dividend yield is targeted at approximately 5% per annum based on the Offer Price, paid quarterly, and franked to the maximum extent possible.</p> <p>The Directors anticipate that the first dividend to Shareholders will be determined following the completion of this Offer with reference to available profits and the financial position of Eildon Capital and will be paid in February 2017.</p> <p>For more information see Section 10.4.</p>

1.4 KEY INFORMATION ABOUT THE OFFER (Cont.)

TOPIC	SUMMARY
How do I apply for New Shares?	<p>If you wish to apply for New Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.</p> <p>To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.</p> <p>The process for applying for New Shares is set out in Section 7.6.</p>
Can the Offer be withdrawn?	<p>Eildon Capital reserves the right not to proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants.</p> <p>If the Offer does not proceed, Application Payments received will be refunded. No interest will be paid on any Application Payments refunded as a result of the withdrawal of the Offer.</p>
Where can I find more information?	<p>Louise Macklin lmacklin@eildoncapital.com +61 2 9087 8000 9:30am to 4:00pm (Sydney time) Monday to Friday</p> <p>If you are unclear in relation to any matter or are uncertain as to whether an investment in Eildon Capital is suitable for you, consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser if you are in any doubt as to what to do.</p>



BUSINESS OVERVIEW

2.1 INTRODUCTION

Eildon Capital will invest in property focused investments in the pursuit of achieving returns for investors. The Company will be listed on the ASX under the code EDC.

Upon completion of the Offer, the Company will hold an existing portfolio of property assets and have additional cash reserves to make further investments based on an existing pipeline of opportunities.

2.2 INVESTMENT OBJECTIVE

The Company's objective is to build a portfolio of property investments which will deliver a combination of:

- income streams; and
- capital appreciation by reposition and improvement of the investment prior to sale.

As such, Eildon Capital aims to deliver Shareholders a total return which comprises dividend income franked to the maximum extent possible and the benefits of capital appreciation arising from the growth in net assets.

2.3 INVESTMENT STRATEGY

Eildon Capital's strategy is to invest in property based investment opportunities. Whilst maintaining a sector focus, the Company proposes to diversify the nature of those investments by investing in varied capacities, including as:

- a landowner;
- a joint venture partner;
- a lender;
- an investor; or
- an underwriter.

The Company will hold a diversified portfolio of property related investments targeting to deliver 14% per annum (pre-tax and pre-management fees). This is anticipated to be achieved from the generation of recurring income and capital growth for its Shareholders.

It is the strategy of the Board to build and develop a diversified portfolio of investments that optimise both the total return for investors by delivering a combination of capital appreciation whilst maintaining a regular dividend yield. The Manager will actively manage the investments in the portfolio to generate returns for Shareholders. These management activities will include;

- structured evaluation of potential investments including analysis of investment risks;

- investment structuring;
- ongoing investment monitoring and management;
- stakeholder management;
- investment strategy development and review during the course of the investment; and
- other tasks that the Company or the Manager determine are appropriate to either reduce risk or add value to an investment.

2.4 BUSINESS MODEL AND OPERATIONS

Eildon Capital has an investment focus of investing in property opportunities. The Company will have flexibility to:

- invest in opportunities located across Australia to gain geographic diversification;
- participate in opportunities across a variety of property asset classes including, but not limited to, residential, industrial, commercial, and retail;
- invest in the most appropriate capital structure to undertake investments, which may include:
 - registered mortgages;
 - preferred equity positions;
 - equity positions;
 - option positions; and
 - direct ownership.

The Company will not invest in opportunities that are outside Australia.

Eildon Capital's investment objective will be achieved through:

- sourcing investment opportunities that are generally not undertaken by institutional investors due to their investment policies and scale of investments;
- conducting structured due diligence in respect of investments to ensure appropriate risk-adjusted returns;
- defining a clear strategy prior to making each investment including an appropriate exit strategy; and
- accessing the Manager's proven expertise in asset management and sourcing new investment opportunities.

The Manager will actively manage Eildon Capital's investment portfolio and provide recommendations to the Board on acquisition, ongoing management,

2.4 BUSINESS MODEL AND OPERATIONS (Cont.)

repositioning (including leasing, refurbishment, rezoning and development), and divestment.

By continuing to maintain a disciplined investment strategy and active management, Eildon Capital believes it will be able to deliver recurring income along with capital growth to achieve the targeted return for Shareholders.

2.5 CHANGES TO INVESTMENT STRATEGY

The above outline of Eildon Capital's investment objective and strategy is not intended to be a forecast, but a statement of the Company's aims only. The Company may not be successful in meeting its investment objectives.

The investment objective and strategy outlined in this Prospectus have already been implemented and presently no material changes are contemplated by the Company. If the Company proposes to make any material changes to its investment objective or strategy, these will be made after consultation between the Board and the Manager, subject to any necessary approvals.

2.6 HISTORY OF EILDON CAPITAL

Since 30 June 1999, Eildon Capital (formerly CVC Private Equity Limited) has been involved in investments in various sectors including manufacturing, retail, logistics and real estate. Eildon Capital made a number of successful investments since 30 June 1999 under the management of CVC Managers Pty Limited in a wide array of transactions that were private equity in nature, including property loans, listed and unlisted shares. Since 2008, the Net Assets of the Company increased significantly but the performance substantially represented the growth in value of investments held at the start of that period with minimal new attractive private equity style investments having been made or identified. As a result, as the original investments had been realised over time, the private equity portfolio had continued to decline in size and the Company's assets had come to be more represented in cash and liquid listed investments.

Over the course of time, opportunities to make property investments have increased. Accordingly a process of investment rotation has seen the investment portfolio transition from private equity style investments to being largely represented by investments in the real estate sector (including providing mezzanine and senior finance to property developers), cash and liquid listed investments.

During the 2016 financial year Eildon Capital completed the sale of its interest in Ron Finemore Transport Pty Limited with the remaining equity-style investment, being a 10% interest in Green's Foods Holdings Pty Limited, which has since been sold on 19 September 2016 with completion on 30 October 2016.

Given the evolution of the investment portfolio from private equity to property investments the Manager was appointed because it had significant expertise in, and access to a pipeline of property focussed investments, and in particular property mezzanine and joint venture funding opportunities.

On 23 November 2015, at the company Annual General Meeting, Shareholders voted to approve the following:

- a change of name from CVC Private Equity Limited to Eildon Capital Limited;
- a change in the strategic direction and investment focus of the Company from a general private equity focus to a specific property funding and investment focus; and
- a change of the manager from CVC Managers Pty Limited to Eildon Funds Management Limited.

On 15 December 2015 Eildon Capital provided its first property loan of \$4.2 million following the appointment of the Manager. In the period from 23 November 2015 to 30 June 2016 Eildon Capital has made a total of \$13.7 million in property related investments with \$2.0 million returned, and has subsequently been reinvested as part of the current investment portfolio. As at 30 June 2016 the investment portfolio of Eildon Capital comprised the following:

Investment type	Amount (\$'000 AUD)
Listed investments (a)	736
Unlisted investments (a)	3,574
Property loans (b)	13,049
Total investment portfolio	17,359

(a) *Listed and Unlisted Investments represent investment holdings held by Eildon Capital prior to the change in the investment focus on 23 November 2015.*

(b) *Property Loans represents new investments of Eildon Capital since the change in focus on 23 November 2015 to a specific property focus*

Since 30 June 2016, all Listed and Unlisted Investments have subsequently been sold resulting in Eildon Capital holding only property related investments.

2.7 OPPORTUNITIES FOR GROWTH

<p>Well positioned for growth</p>	<p>The Company is focused on an investment strategy that utilises the specific expertise of the Manager. However, the Company has deliberately diversified the type of investment activities to enable the Company to pursue total returns in a variety of property investments.</p> <p>Examples of activities Eildon Capital could undertake under its property investment focus include:</p> <ul style="list-style-type: none"> • Debt <ul style="list-style-type: none"> – Senior debt – Mezzanine debt – Bridging finance • Equity <ul style="list-style-type: none"> – Equity – Joint venture and partnerships – Preferred equity • Direct property investment <ul style="list-style-type: none"> – Repositioning via leasing – Repositioning via refurbishment – Rezoning – Development <p>Investment opportunities are available through:</p> <ul style="list-style-type: none"> • Sourcing investment opportunities that are generally not undertaken by institutional investors due to investment policies and scale of investments; • Conducting thorough due diligence in respect of all investments to ensure appropriate risk adjusted returns; • Defining a clear strategy for each investment including an appropriate exit strategy; and • Accessing the Manager's proven expertise in asset management and sourcing new investment opportunities. <p>The return of capital from the existing investments in addition to the proceeds from this Offer position the Company well to capitalise on opportunities as they arise.</p> <p>Eildon Capital has the benefit of the Manager's expertise, experience and transaction sourcing capabilities. This transaction pipeline provides for future growth in the activities of the Company.</p>
<p>Aligned Manager with a focus to enhance Shareholder value</p>	<p>The Manager is incentivised to generate growth in net assets as it is entitled to a performance fee of 20% of the share capital growth in excess of a 9% per annum return target.</p> <p>For further information see Section 5.6.</p>

2.8 EILDON CAPITAL CURRENT PROPERTY INVESTMENT PORTFOLIO

The existing property investment portfolio of Eildon Capital exhibits strong fundamentals with potential realisation in the short term. The property investment portfolio of Eildon Capital is as follows:

Investment Style	Initial Investment Fair Value (\$ millions)	Investment Fair Value 30/06/16 (\$ millions)	Investment Fair Value as at the date of the Original Prospectus (\$ millions)	Maturity Date of Investment	Details
Senior Finance Loan	4.20	3.04	3.86	Dec-16	Provided senior finance on a residential apartment development site in the Gold Coast area. The facility represents a loan-to-value ratio below 65% with a maturity date at the end of 2016. The loan benefits from additional collateral security. Since the loan was provided the borrower has repaid \$2 million in May 2016. An additional \$0.75 million was repaid in November 2016.
Senior Finance Loan	5.00	5.23	4.95	Mar-17	Senior finance facility provided on an approved residential apartment development site (2 buildings of approximately 100 apartments each) in the Gold Coast area. The facility represents a loan-to-value ratio below 65%. The loan benefits from additional collateral security. Since the loan was provided \$0.75 million was repaid in November 2016.
Senior Finance Loan	0.50	0.50	0.50	Apr-17	First mortgage loan to a small development site for the settlement of land for a residential sub division.
Mezzanine Finance Loan	1.65	0.00	1.65	Mar-18	Second mortgage loan to a 20 unit development in south-east bayside suburb of Melbourne. The project is substantially presold with a loan-to-value ratio of 75%.
Commercial Property Investment	3.35	0.00	3.35	N/A	Equity investment to fund the purchase of a commercial property in Brisbane. Purchased with an 8 year lease to an ASX-listed entity, the property provides income and exposure to the residential market as it has full approval as a mixed use residential apartment development. Eildon Capital's ownership is 35%.
Senior Finance Loan (ii)	7.68	0.00	3.73	Aug-17	Joint land and construction loan in conjunction with CVC Limited, provided to a developer to fund the construction of a residential development site in Brisbane with a loan-to-value ratio of 75%.
TOTAL PROPERTY INVESTMENTS	22.38	8.77	18.04		

- (i) On 31 October 2016, a loan with a total investment value of \$4.28 million was fully repaid to Eildon Capital. The loan had a loan-to-value ratio of less than 55% and was an investment by way of mezzanine finance provided to a private developer with a contracted site with planning approvals pre-settlement.

- (ii) The initial investment fair value of the senior finance loan represents the facility limit of \$7.68 million of the land and construction loan. The amount drawn on the loan as at the date of the Original Prospectus is \$3.73 million.
- (iii) The Eildon Capital investments which are structured as debt are targeted by Eildon Capital to deliver annualised returns of between 12% to 18%. The targeted returns reflect the terms negotiated by Eildon Capital for the investment and the risk profile of the investment. For those investments which may result in Eildon Capital assuming more risk (such as a second mortgage or a debt position which is subordinated to other debt capital) Eildon Capital will be targeting a higher return on its investment. In respect of Eildon Capital's investments which are structured as equity, these investments will be targeted to generate annualised returns greater than 18%. The returns which are targeted by Eildon Capital may not be achieved and the past performance of Eildon Capital is not a guarantee of its future performance.

2.9 THE MANAGER

The Manager will source and identify an investment opportunity via a selective and disciplined investment philosophy. An investment opportunity is then placed through a structured due diligence investment review process. Once an investment has been assessed as achieving Eildon Capital's investment objectives it is presented to the Board of Eildon Capital for consideration and approval.

The Manager will be responsible for the management of the investment portfolio, such as:

- deal sourcing;
- analysis and investment selection;
- investment structuring to enhance investment profiles (reduce risk, increase returns);
- ongoing management of investments;
- financial management and administration; and
- regulatory compliance.

The key responsibilities of the Manager in relation to Eildon Capital will be the strategic oversight and management of the investments. The Manager will actively manage Eildon Capital's investment portfolio and provide recommendations to the Board on acquisition, ongoing management, repositioning (including leasing, refurbishment, rezoning and development), and divestment.

The management team of the Manager currently comprises:

- Sandy Beard
- Mark Avery
- John Hunter
- Jufri Abidin
- Tom Kellaway

2.10 REPORTING

For accounting and reporting purposes the Company operates on a financial year basis with a 30 June year end. The Company will formally report to Shareholders on a half yearly basis as at 30 June and 31 December. Amongst other things, the report details:

- any dividends declared for the period;
- the Net Assets per Share at the end of the reporting period;
- the performance of the Company over the period;
- the significant activities during the period; and
- an investment portfolio update (including valuations of any investments).

FINANCIAL INFORMATION

3

3.1 INTRODUCTION

This section contains a summary of historical and pro forma historical financial information for Eildon Capital (**Financial Information**). All Financial Information presented in this Section should be read in conjunction with the risk factors in Section 6, and other information contained in this Prospectus.

The Financial Information comprises:

- Historical Statement of Financial Position as at 30 June 2014, 30 June 2015 and at 30 June 2016 as set out in section 3.3;
- Historical Statement of Financial Performance for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and 6 months to 30 June 2016 as set out in section 3.4;
- Historical Statement of Cash Flows for the years ended 30 June 2014, 30 June 2015 and at 30 June 2016 as set out in section 3.5; and
- Pro forma Statement of Financial Position as at 30 June 2016 (Pro forma Financial Information) as set out in section 3.6.

Together the Historical Statement of Financial Position and Historical Statement of Financial Performance are referred to as the “Historical Financial Information”.

3.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The Financial Information included in this Section 3 has been prepared in accordance with the recognition and measurement principals of Australian Accounting Standards adopted by the Australian Accounting Standards Board and the *Corporations Act*. The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information as required by Australian Accounting Standards as applicable to annual financial reports prepared in accordance with the *Corporations Act*.

The Historical Financial Information has been derived from the audited financial statements of Eildon Capital for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 and half year ended 31 December 2015.

The Pro Forma Financial Information has been prepared in order to give investors a guide as to the financial position as if the Offer had taken place at 30 June 2016 and in the circumstances noted in this Prospectus. It does not mean to state the actual financial performance and position at the time of the completion of the Offer.

HLB Mann Judd Assurance (NSW) Pty Ltd, has undertaken a limited assurance engagement (“Investigating Accountant’s Report”) on the Financial Information in accordance with the Australian Standard on Assurance Engagements ASAE 3450, “Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information”. The Independent Accountant’s Report is contained in Section 8. Investors should note the scope and limitations of this report.

3.3 HISTORICAL STATEMENT OF FINANCIAL POSITION

The Historical Statement of Financial Position has been derived from the audited Statutory Statement of Financial Position as at 30 June 2014, 30 June 2015 and 30 June 2016.

<i>In thousands of AUD</i>	30 June 2016	30 June 2015 Restated ⁽ⁱ⁾	30 June 2014 Restated ^{(i) (ii)}
CURRENT ASSETS			
Cash and cash equivalents	16	7,447	10,946
Trade and other receivables	11	3,213	44
Loans and receivables	13,049	305	305
Financial assets – “available-for-sale”	736	1,531	-
Financial assets – “at fair value through profit or loss”	-	483	-
Asset held for sale	3,574	-	-
Current tax assets	-	307	-
Total current assets	17,386	13,286	11,295
NON-CURRENT ASSETS			
Financial assets – “available-for-sale”	-	4,061	3,741
Trade and other receivables	-	-	3,829
Investments accounted for using the equity method	-	3,975	3,667
Deferred tax assets	1,140	1,268	1,064
Total non-current assets	1,140	9,304	12,301
TOTAL ASSETS	18,526	22,590	23,596
CURRENT LIABILITIES			
Trade and other payables	32	563	74
Current tax liabilities	700	-	-
Total current liabilities	732	563	74
NON-CURRENT LIABILITIES			
Deferred tax liabilities	787	1,674	1,797
Total non-current liabilities	787	1,674	1,797
TOTAL LIABILITIES	1,519	2,237	1,871
NET ASSETS	17,007	20,353	21,725
EQUITY			
Contributed equity	14,885	18,001	18,555
Retained earnings and other reserves	2,122	2,352	3,170
TOTAL EQUITY ^{(iii), (iv)}	17,007	20,353	21,725

(i) Following the restructure of Eildon Capital on 22 December 2015, CVC Limited’s shareholding of Eildon Capital increased to 68.9%. At that time it was determined to be more appropriate to account for the investment in Green’s Foods Holdings Pty Limited (**Green’s**) in accordance with AASB 128 Investments in Associates and Joint Ventures, and to account for the Company’s share of the movement in profits and reserves of Green’s.

(ii) On 3 September 2015, a private ruling was issued by the Australian Tax Office regarding the tax treatment of the Ron Finemore Transport Pty Limited share buy-back. As a

consequence, the dividend received and associated tax in relation to the 30 June 2014 financial year was required to be amended.

(iii) Eildon Capital undertook buy-backs and paid dividends to shareholders as follows:

- Year ended 30 June 2015 - \$2.2 million
- Year ended 30 June 2016 - \$7.0 million

(iv) Eildon Capital issued 2.65 million shares and received \$1.7 million following the exercise of options during the year ended 30 June 2016.

3.4 HISTORICAL STATEMENT OF FINANCIAL PERFORMANCE

The Historical Statement of Financial Performance has been derived from the audited Statutory Statement of Financial Performance for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 and with reference to the period ended 31 December 2015.

	Actual 6 months to 30 June 16 (i)	Actual 30 June 16	Actual 30 June 15 (ii)	Actual 30 June 14 (ii),(iii)
<i>In thousands of AUD</i>				
Dividends received	10	416	180	4,084
Interest income	979	1,170	299	216
Finance income	-	290	881	-
Facility fee income	424	427	-	-
Other income	-	7	10	10
Net gain on sale of equity investments	-	-	26	5,821
Impairment recovery	1,068	1,470	339	285
Total income	2,481	3,780	1,735	10,416
Share of net profit of associate accounted for using equity method	371	399	(253)	2,733
Operating expenses	(175)	(403)	(309)	(288)
Finance costs	-	-	-	(2,222)
Net loss on sale of equity investments	(805)	(855)	-	-
Impairment of financial assets	(181)	(849)	(1,490)	(325)
Total expenses	(1,161)	(2,107)	(1,799)	(2,835)
Earnings before interest and tax (EBIT)	1,691	2,072	(317)	10,314
Income tax benefit/(expense)	(504)	(41)	575	(1,874)
Net profit after tax	1,187	2,031	258	8,440

- (i) The 6 months trading results to 30 June 2016 represents the initial period of time that Eildon Capital has operated with a property funding and investment focus.
- (ii) Following the restructure of Eildon Capital on 22 December 2015, CVC Limited's shareholding of Eildon Capital increased to 68.9%. At that time it was determined to be more appropriate to account for the investment in Green's Foods Holdings Pty Limited (**Green's**) in accordance with AASB 128 Investments in Associates and Joint Ventures, and to account for the Company's share of the movement in profits and reserves of Green's.
- (iii) On 3 September 2015, a private ruling was issued by the Australian Tax Office regarding the tax treatment of the Ron Finemore Transport Pty Limited share buy-back. As a consequence, the dividend received and associated tax in relation to the 30 June 2014 financial year was required to be amended.

3.5 HISTORICAL STATEMENT OF CASH FLOWS

The Historical Statement of Cash Flows has been derived from the audited Statutory Statement of Cash Flows for the years ended 30 June 2014, 30 June 2015 and 30 June 2016.

<i>In thousands of AUD</i>	30 June 2016	30 June 2015	30 June 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations	433	10	9
Cash payments in the course of operations	(934)	(319)	(1,284)
Payment for financial assets at fair value through profit and loss	(809)	(492)	-
Proceeds from disposal of financial assets at fair value through profit and loss	1,132	6	-
Interest received	675	306	101
Dividends received	4,035	2,027	4,089
Income tax refund/(paid)	235	(307)	4
Net cash provided by operating activities	4,767	1,231	2,919
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan repaid	1,859	-	630
Loan provided	(14,081)	-	-
Payments for equity investments	(267)	(5,607)	(1,256)
Proceeds from sale of equity investments	5,668	3,092	6,780
Net cash (used in)/provided by investing activities	(6,821)	(2,515)	6,154
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(2,242)	(1,663)	(191)
Proceeds from exercise of options	1,723	-	-
Payment for option buy-back	(260)	-	-
Payments for share buy-back	(4,540)	(547)	-
Transactions costs of share buy-back	(58)	(5)	-
Net cash used in financing activities	(5,377)	(2,215)	(191)
Net (decrease)/increase in cash held	(7,431)	(3,499)	8,882
Cash and cash equivalents at the beginning of the financial year	7,447	10,946	2,064
Cash and cash equivalents at the end of the financial year	16	7,447	10,946

3.6 PRO FORMA STATEMENT OF FINANCIAL POSITION

The Pro Forma Statement of Financial Position has been derived from the audited Statutory Statement of Financial Position as at 30 June 2016 and has been prepared to reflect the following transactions:

- the sales of Green's Foods Holdings Pty Limited;
- the sale of listed shares;
- certain loan repayments and new loans advanced since 30 June 2016;
- new property investment since 30 June 2016;
- Share placement since 30 June 2016;
- interest earned on existing loans since 30 June 2016; and
- a capital raising of between \$2.0 million and \$10.0 million at the price of \$1.06 pursuant to the Offer.

The Pro Forma Statements of Financial Position of the Company are provided for illustrative purposes and will not necessarily reflect the actual position and balances as at the date of this Prospectus or at the conclusion of this Offer.

3.6 PRO FORMA STATEMENT OF FINANCIAL POSITION (CONT.)

<i>In thousands of AUD</i>	30 June 2016	Pro forma Adjustments	30 June 2016	Pro Forma 30 June 2016 \$2.0 million Offer size		Pro Forma 30 June 2016 \$10 million Offer size	
CURRENT ASSETS							
Cash and cash equivalents	16	6,165	6,181	1,639 (ix)	7,821	9,230 (ix)	15,411
Trade and other receivables	11	-	11	-	11	-	11
Loans and receivables	13,049	1,634 (i)	14,683	-	14,683	-	14,683
Financial assets – “available-for-sale”	736	(736) (ii)	-	-	-	-	-
Asset held for sale	3,574	(3,574) (iii)	-	-	-	-	-
Total current assets	17,386	3,489	20,875	1,639	22,515	9,230	30,105
NON-CURRENT ASSETS							
Investments accounted for using the equity method	-	3,350 (v)	3,350	-	3,350	-	3,350
Deferred tax assets	1,140	(674) (iv)	466	108 (x)	574	231 (x)	697
Total non-current assets	1,140	2,676	3,816	108	3,924	231	4,047
TOTAL ASSETS	18,526	6,165	24,691	1,747	26,438	9,461	34,152
CURRENT LIABILITIES							
Trade and other payables	32	-	32	-	32	-	32
Current tax liabilities	700	1,084 (iv)	1,784	-	1,784	-	1,784
Total current liabilities	732	1,084	1,816	-	1,816	-	1,816
NON-CURRENT LIABILITIES							
Deferred tax liabilities	787	(787) (iv)	-	-	-	-	-
Total non-current liabilities	787	(787)	-	-	-	-	-
TOTAL LIABILITIES	1,519	297	1,816	-	1,816	-	1,816
NET ASSETS	17,007	5,868	22,875	1,747	24,622	9,461	32,336
EQUITY							
Contributed equity	14,885	3,604 (vii)	18,489	1,747 (viii,ix)	20,236	9,461 (viii,ix)	27,950
Retained earnings and reserves	2,122	2,264 (vi)	4,386	-	4,386	-	4,386
TOTAL EQUITY	17,007	5,868	22,875	1,747	24,622	9,461	32,336
Shares on Issue	17,244	3,533 (vii)	20,777	1,887 (viii)	22,664	9,434 (viii)	30,211
Net Assets per share (\$)	0.99	1.02	1.09		1.08		1.06

3.6 PRO FORMA STATEMENT OF FINANCIAL POSITION (CONT.)

- (i) Loan transactions since 30 June 2016, including:
- Receipt of partial loan repayment on existing loan of \$2.0 million in July 2016;
 - Receipt of balance of loan repayment of \$2.481 million in October 2016;
 - Receipt of partial loan repayment of \$1.50 million in November 2016;
 - Interest capitalised on loans outstanding of \$0.99 million;
 - Loan advance of \$1.25 million in September 2016;
 - New construction loan advance of \$2.60 million since November 2016; and
 - New loan advances of \$2.775 million in November 2016.
- (ii) All financial assets – “available-for-sale” sold for a total consideration of \$1.1 million in July and August 2016.
- (iii) Asset held for sale relates to the investment in Green’s Foods Holdings Pty Limited which sold for a total consideration of \$5.48 million on 19 September 2016 with completion on 30 October 2016.
- (iv) Adjustment of deferred tax asset, deferred tax liability and current tax liability in relation to the sale of financial assets – “available-for-sale” and Green’s Foods Holdings Pty Limited and interest income on loans.
- (v) New investment in property in November 2016 of \$3.35 million.

Description	Date of Investment	Property Location	Debt or Equity	Size of Investment
Commercial property investment	November 2016	Brisbane, QLD	Equity	\$3,350,000

- (vi) Recognition of after tax impact of the following:
- Sale of financial assets – “available-for-sale” for \$1.1 million generating profit of \$0.285 million;
 - Sale of Green’s Foods Holdings Pty Limited for \$5.48 million generating profit of \$2.24 million;
 - Interest income on loans outstanding generating profit of \$0.693 million; and
 - Reversal of reserves as a result of the sale of financial assets – “available-for-sale” and Green’s Foods Holdings Pty Limited.
- (vii) Placement of 3,533,073 shares at \$1.02 per share on 30 September 2016 for \$3,603,734.
- (viii) Issue of shares under the Offer at \$1.06 per share.
- (ix) Capital raised from the Offer less Transaction Costs.
- (x) Recognition of a deferred tax asset in relation to the Transaction Costs, to be included as a component of Contributed Equity.

3.7 RECONCILIATION OF RESTATED HISTORICAL FINANCIAL INFORMATION

The Historical Statement of Financial Position and Historical Statement of Financial Performance have both been restated for the years ended 30 June 2014 and 30 June 2015 to reflect the changes in accounting treatment of investments held during those years. An extract of the adjustments to the Statement of Financial Position and Statement of Financial Performance for the years ended 30 June 2014 and 30 June 2015 of Eildon Capital are as follows:

<i>In thousands of AUD</i>	30 June 2015 Restatement (i)	30 June 2014 Restatement (i), (ii)
Statement of Financial Position (Extract)		
Net assets (per financial statement)	18,286	19,523
Financial assets – “available-for-sale”	(1,021)	(1,150)
Investment accounted for using the equity method	3,975	3,667
Deferred tax assets	-	430
Deferred tax liabilities	(887)	(745)
NET ASSETS	20,353	21,725
Statement of Financial Performance (Extract)		
Profit after tax (per financial statement)	858	6,239
Equity accounting income	(253)	2,516
Dividend	(604)	1,051
Finance costs	-	(1,051)
Income tax benefit/(expense)	259	(315)
Profit after income tax	258	8,440

- (i) Following the restructure of Eildon Capital on 22 December 2015, CVC Limited’s shareholding of Eildon Capital increased to 68.9%. It was determined that it would be more appropriate to change the accounting treatment of Green’s Foods Holdings Pty Limited (**Green’s**) from AASB 139 Financial Instruments: Recognition and Measurement to AASB 128 Investments in Associates and Joint Ventures, and to account for the Company’s share of the movement in profits and reserves of Green’s.
- (ii) On 3 September 2015, a private ruling was issued by the Australian Tax Office regarding the tax treatment of the Ron Finemore Transport Pty Limited share buy-back. As a consequence, the dividend received and associated tax in relation to the 30 June 2014 financial year was required to be amended.

3.8 ASSUMPTIONS

The Financial Information is based on the following key best estimate assumptions:

3.8.1 KEY ASSUMPTIONS

- Between \$2.0 million and \$10.0 million of capital is raised under the Offer at the Offer Price per Share of \$1.06 as per the timetable set out in this Prospectus;
- Green’s Foods Holdings Pty Limited is sold on 19 September 2016 with completion on 30 September 2016 for \$5.48 million.

3.8.2 GENERAL ASSUMPTIONS

- No further transactions other than those set out in this Prospectus during the Period;
- No material contract disputes or litigation during the Period;
- No material change in interest rates;
- No material change in the competitive operating environment;
- No material changes to accounting policies of the *Corporations Act* during the Period;
- No material changes in Australian income tax legislation;
- No significant change to legislative or regulatory environment;
- No loss of key management personnel;
- Loan repayments and interest income earned on existing loans outstanding;
- The Company has enough working capital to carry out its stated objectives; and
- There will be no underlying movement in the fair value of financial assets, as the Directors do not believe such movements can be reliably forecast.

3.8.3 SPECIFIC ASSUMPTIONS

- Green's Foods Holdings Pty Limited is sold on 19 September 2016 for consideration of \$5.48 million;
- Placement of 3,533,073 shares on 30 September 2016 for \$3,603,734;
- Drawdown by a borrower of Eildon Capital of an existing loan facility of \$1.25 million;
- Two new property loans drawn to \$5.38 million;
- One new property investment of \$3.35 million;
- Repayment of amounts in relation to loans of \$5.98 million; and
- There is no impairment of assets (including loan receivables).

3.9 SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Financial Information requires estimates, judgments and assumptions that affect the reported amounts of gross revenues, gross expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected. The significant accounting policies outlined below apply estimates, judgments and assumptions which could materially affect the financial results or financial position reported in future periods.

The significant accounting policies are based upon those disclosed in the 30 June 2016 audited statutory general purpose financial statements of Eildon Capital Limited. Policies are consistent with the requirements of the Australian Accounting Standards and International Financial Reporting Standards.

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount as at the end of the financial year.

Sale of non-current assets

The gain or loss on sale of non-current asset sales is included as income at the date control of the asset passes to the buyer, usually when a contract of sale becomes unconditional. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and in the case of "available-for-sale" investments will include any amount attributable to the asset which is included in reserves.

If the equity investment continues to be held as an "available-for-sale" investment, changes in its fair value will be recognised directly in other comprehensive income. This may impact the ability to directly compare financial information.

Fee income

Fees and commissions that relate to the execution of a significant act (for example, advisory or arrangement services, and placement fees) are recognised when the significant act has been completed.

Fees charged for providing ongoing services (for example, managing and administering existing facilities and funds) are recognised as income over the service period.

Dividends

Dividend income is recognised when the Company's right to receive payment is established.

Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other receivables

Trade and other receivables, which generally have 3 – 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, with any difference between cost and recoverable value being recognised in net income over the period on an effective interest basis.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Investments and other financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, "held-to-maturity" investments, or "available-for-sale" investments. The classification depends on the purpose for which the investments were acquired. When financial assets are recognised initially, they are measured at fair value, plus, in case of investments not at fair value through profit or loss, transaction costs. The Company determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial year-end.

The purchase and sale of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or

3.9 SIGNIFICANT ACCOUNTING POLICIES (Cont.)

group of financial assets is impaired. In the case of investments classified as “available-for-sale”, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for “available-for-sale” financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss and other comprehensive income – is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as “available-for-sale” are not reversed through the statement of profit or loss and other comprehensive income.

Associates

Associates are those entities, other than partnerships, over which the Company exercises significant influence but not control. The Company generally deems it has significant influence if it has over 20% of the voting rights, but no more than 50%.

Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Company’s share of net assets in the associates. Following initial recognition the Company assesses whether it is necessary to recognise any impairment loss with respect to the investment in the associate.

The Company’s equity accounted share of the associates’ post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Company’s share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

“Available-for-sale” investments

“Available-for-sale” investments are those non-derivative financial assets that are designated as “available-for-sale”. After initial recognition “available-for-sale” investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the statement of profit or loss and other comprehensive income.

The fair value of equity securities that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques, such as discounted cash flow analysis. Where fair value cannot be reliably measured investments are measured at cost.

“At fair value through profit or loss”

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. After initial recognition “at fair value through profit or loss” assets are measured at fair value with gains or losses being recognised in the statement of financial performance.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

Contributed equity

Issued capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue or cancellation of shares are shown in equity as a deduction, net of tax, from proceeds

Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Profit distribution reserve

Profits transferred to the profit distribution reserve are segregated to facilitate potential future dividend payments that may be declared by the directors.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities on the current period's taxable income at the tax rates enacted by the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and tax losses can be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Income taxes relating to items recognised directly in equity are recognised in equity and not in comprehensive income.

3.10 WORKING CAPITAL STATEMENT

The Company has sufficient working capital to carry out its stated objectives.

	\$2.0 million Raise \$'000's	\$10.0 million Raise \$'000's
Available funds pre raising	6,181	6,181
Funds raised	2,000	10,000
Raising costs	(361)	(770)
Cash balance available for working capital and operating expenses	7,820	15,411
Cash inflows (i)		
- Loan repayments	8,728	8,728
- Operating cash inflows	100	100
Cash outflows		
- Operating cashflows (ii)	(1,742)	(1,833)
- Committed projects (iii)	(3,955)	(3,955)
- Dividends paid (ii)	(1,201)	(1,601)
Cash available for potential investments	9,750	16,850
Uncommitted projects		
Unidentified new investments	(6,500)	(12,500)
Unallocated cash	3,250	4,350

(i) Amounts shown as cash inflows represent expected interest received on existing loans and repayment of loan facilities;

(ii) Amounts shown as cash outflows represent:

- Expected directors fees;
- Expected income tax payments;
- Expected management fees;
- Expected dividend payments; and
- Expected audit and compliance fees.

(iii) Amount relates to the balance of undrawn funds in relation to construction loan facility committed at the date of this Prospectus.

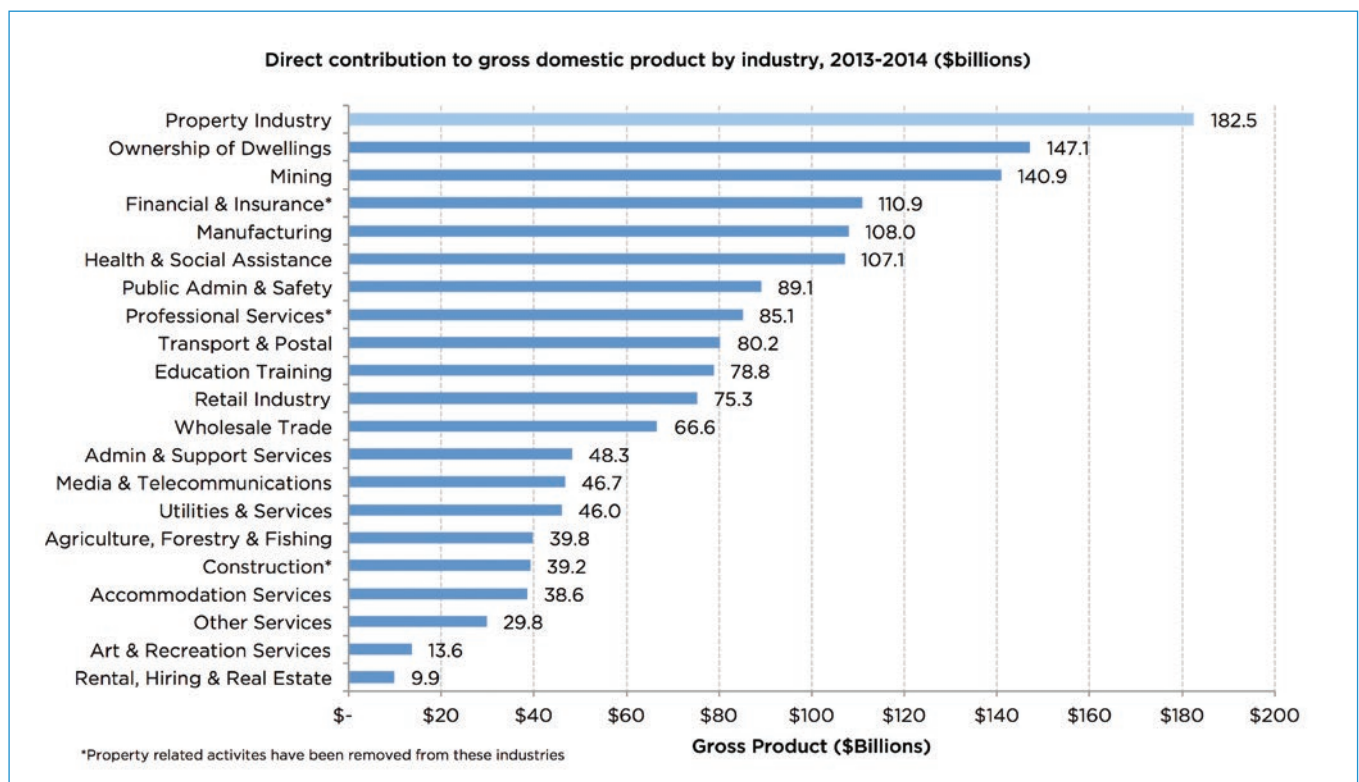
Working Capital shall consist of funds to carry out the ongoing operations and business of the Company, including but not limited to sourcing and undertaking new property investments.

On completion of the Offer, the Board believes that the Company will have sufficient Working Capital to carry out its objectives as stated in this Prospectus.

INDUSTRY OVERVIEW

4

The property industry in Australia accounts for 11.5% of the national economic activity and contributes \$182 billion to the total Australian GDP, according to a report released by the Property Council of Australia in 2015.



The scale of the industry provides a wide range of opportunities for investment across multiple property asset categories including but not limited to:

- Retail
- Industrial
- Residential
- Commercial

Proponents involved in the ownership or development of these asset categories often require third party funding to facilitate their business objectives. This form of investment can occur in a variety of ways, some being:

- Senior debt
- Mezzanine debt
- Preferred equity
- Equity

The cyclical nature of the Australian property market and the changing nature of access to finance by

developers creates varying market conditions across property asset categories, investment styles, geographies and time periods.

According to data published by the Reserve Bank of Australia in July 2016, lending institutions have tightened financing conditions for property developers, creating a potential shortage of financing supply. In addition to lending conditions becoming more difficult, some of the larger financial institutions have ceased lending to foreign buyers completely.

Eildon Capital is strategically placed to take advantage of these market conditions, having the capacity to undertake investments across a range of asset classes through debt and/or equity positions. It is the intention of Eildon Capital to utilise these market variations to engage in opportunistic investments, taking into account the return profile, provision of security and risks associated with the position.

THE BOARD AND MANAGEMENT STRUCTURE

5

5.1 BOARD MEMBERS

The Directors of Eildon Capital bring to the Board relevant skills and experience, with a breadth of knowledge across, and a history of experience in, the asset, funds management and property industries. The Board comprises the following Directors:

JAMES DAVIES (Independent Director)

James Davies has over 30 years' experience in investment management across real estate, private equity, infrastructure, natural resources and distressed asset management. Most recently he was Head of Funds Management at New Forests Asset Management overseeing \$2.5 billion worth of investments in broad acre real estate, forestry assets and industrial manufacturing businesses. Prior to that he held Director roles at Hastings Funds Management Limited and Royal Bank of Scotland's Strategic Investments Group. He has sat on numerous Investment Committees and Boards including as Chairman of Timberlink Australia, Forico and Airport Rail Link.

James holds a Bachelor of Computing Science from the University of New England, a Masters of Business Administration from London Business School and is a Graduate of the Australian Institute of Company Directors.

MICHELLE HARPUR (Independent Director)

Michelle Harpur has been a partner in mid-size, large and international law firms since 1992, and has recently established her own practice, Harpur Phillips. She was admitted as a solicitor in 1986. Over many years, her clients have included listed public companies and private companies involved in property development, and in addition to governance and risk management, that industry knowledge and focus is one of the strengths she will bring to the board. She sits on the Governance Committee of Lifeline Northern Beaches. Michelle has developed expertise across areas of governance and risk management, having advised government and executive teams in this area.

She has a BA and LLB from UNSW, completed and passed the Company Directors Course with the AICD in early 2016, and in 2010 also attended a Harvard Business School Executive Education Program "Managing Professional Services Firms".

ALEXANDER (SANDY) BEARD (Non-Executive Director)

Sandy commenced employment with CVC Limited in 1991 and has been its CEO and Managing Director since 2000. He has extensive Board and management experience ranging from early stage businesses to mature organisations across a wide spectrum of industries. Sandy has considerable experience in real estate businesses including Villa World Limited where he was Chairman from November 2011 to July 2012 and a board member from April 2011 until September 2014. Sandy has also overseen all CVC participation in property investments. In his time at CVC, Sandy has needed to successfully navigate business cycles including significant downturns which have greatly affected the real estate sector. Sandy holds a bachelor degree in Commerce from UNSW and is a fellow of the Institute of Chartered Accountants in Australia and New Zealand.

MARK AVERY (Managing Director)

Mark began his professional career at Macquarie Group in 2002 where he was employed for five years in its property finance division as well as its residential development divisions. Mark then moved to a private Melbourne-based developer before joining a subsidiary of Mirvac in the industrial property sector. Since commencing at CVC Limited in 2010, Mark has been responsible for the group's real estate investment activities. In that period CVC has provided investment loans to property developers and investment groups while also participating in joint venture opportunities with well-credentialed partners. Mark is RG146 compliant and holds bachelor degrees in Commerce and Planning & Design from the University of Melbourne.

5.2 COMPANY SECRETARY

John Hunter is the current company secretary of Eildon Capital.

John is the Chief Financial Officer and Company Secretary of CVC Limited and the wider investment vehicles of the CVC Group. John joined CVC in 2006 and has overseen the development and management of a number of investment vehicles with his core responsibility being management of financial and statutory reporting and compliance.

John has extensive experience in ASX-listed and unlisted public reporting and accounting for property, equity trusts, managed investment companies and schemes, due diligence and compliance. Prior to being employed by CVC, John worked at Platinum Asset Management as Finance Manager developing and managing the internal finance function.

5.3 MANAGEMENT TEAM

In addition to Mark, Sandy and John, the management team of the Manager includes:

JUFRI ABIDIN (Investment Manager)

Jufri takes an active role in deal structuring, transaction modelling, due diligence and documentation management for the Manager. Jufri has fund experience gained from his time at APN Property Group an ASX listed real estate fund manager. Jufri has managed the property portfolios of multiple unlisted real estate investment trusts, consisting of up to 60 assets under management, with a combined value of AUD\$500 million. Jufri holds a Bachelor of Mechanical Engineering from the University of Melbourne.

TOM KELLAWAY (Investment Analyst / Finance & Operations)

Tom is responsible for the analysis of potential transactions and the performance of current investments managed by the Manager.

Tom has a background in accounting services and finance, having worked with a large accounting practice and one of the world's largest logistics operators. Tom holds a Masters in Professional Accounting from the University of Technology, Sydney and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

5.4 MANAGEMENT STRUCTURE

The management structure of Eildon Capital is as follows:

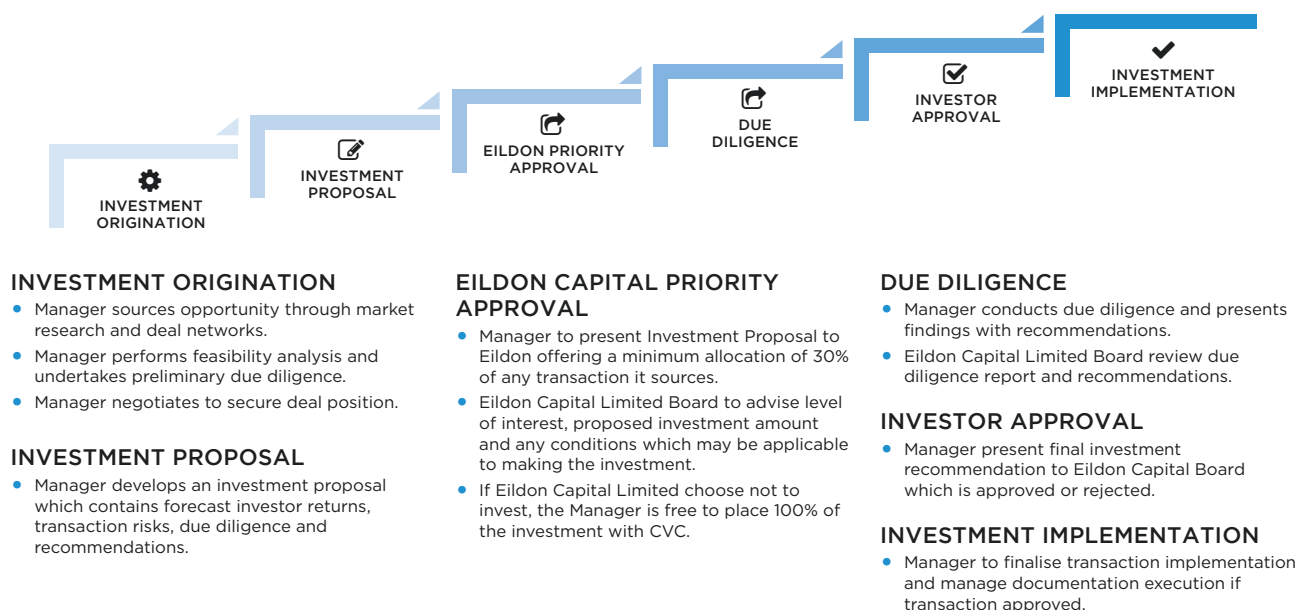
The manager for Eildon Capital is Eildon Funds Management Limited. The Manager is charged with the sourcing of investment opportunities, completion of transactions, as well as sourcing funding for the deals and the management of all aspects of the Company's operation.

Each investment opportunity is placed through the investment approval process set out below. This approval process involves a due diligence process as well as market comparisons and other comparatives to determine the opportunities that represent a best fit for the shareholders, whilst maintaining the integrity of the investment mandate.

5.4 MANAGEMENT STRUCTURE (Cont.)

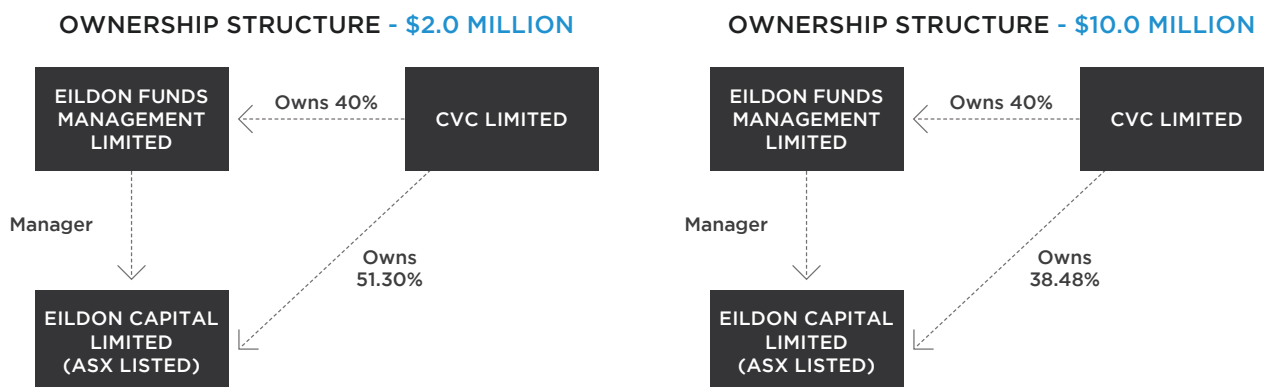
INVESTMENT APPROVAL PROCESS

The Manager will adopt a streamlined investment approval process (**IAP**) to maximize the prospects of successfully and efficiently securing and completing an investment.



The Manager also acts as the manager of the property portfolio of CVC Limited, a related body corporate of Eildon Capital, and also a significant shareholder in Eildon Capital. CVC Limited also owns a 40% shareholding in the Manager. In the event of \$3.15 million in capital being raised under the Offer, it is anticipated that CVC Limited's holding in Eildon Capital would be diluted to less than 49%.

The following organisation charts depicts the ownership structure in the event that Eildon Capital raises \$2.0 - \$10.0 million under the Offer.



	Current Shareholdings		Impact of Capital Raising	
	Eildon Capital Limited	Eildon Funds Management Limited	Eildon Capital Limited \$2.0 million	Eildon Capital Limited \$10.0 million
CVC Limited and subsidiary holdings	55.96%	40.00%	51.30%	38.48%
Other shareholders	44.04%	60.00%	48.70%	61.52%

5.5 ALLOCATION OF INVESTMENTS

In respect of managing any conflict of interest arising between the Manager, Eildon Capital and CVC Limited, the Manager has developed an investment framework for the offering of suitable investments formalised in the Conflict Protocol Deed.

The investment strategy of CVC Limited and Eildon Capital are similar, so to avoid conflict an investment which the Manager sources will be offered to both CVC Limited and Eildon Capital on the following terms:

- The Manager will offer a minimum of 30% of the investment to both CVC Limited and Eildon Capital regardless of the Net Asset position of either party;
- CVC Limited and Eildon Capital will be invited to participate in proportion to their Net Asset position (for example if Net Assets of CVC Limited are \$180 million and the Net Assets of Eildon Capital are \$20 million, CVC Limited will be offered 90% of the investment, and Eildon Capital will be offered 10% of the investment);
- Neither party is compelled to take up their full entitlement; and
- Where a party passes on part or all of their entitlement, the other party is free to take up that allocation.

5.6 FEE CALCULATION

Management fees

The following table shows a breakdown of the ongoing Management Fees payable to the Manager based on the Pro Forma Statement of Financial Position in section 3.6.

Example	%	Amount attributed to an investment of \$53,000 in Eildon Capital ¹	
		\$2.0 million Offer size	\$10.0 million Offer size
Base Fee			
Net Asset Value	0.75% of Net Asset Value	For every \$53,000 invested this will attract a fee of \$398 each year.	For every \$53,000 invested this will attract a fee of \$398 each year.
Invested Capital	1.0% of capital invested	For every \$53,000 invested this will attract a fee of \$388 each year. ²	For every \$53,000 invested this will attract a fee of \$296 each year. ³
Total base fee		Total base fee of \$786 each year	Total base fee of \$694 each year

1. This table assumes that a total of \$53,000 is invested under the Offer (i.e. to acquire 50,000 Shares at \$1.06 each). If you were to invest \$53,000 in Shares subsequent to the Offer, the amount of fees applicable to that investment may differ from the amounts set out in this table if more or less than 50,000 Shares are acquired.
2. Based on the Pro Forma Statement of Financial Position in section 3.6, 73.2% of Total Equity has been invested following the completion of the Offer. Applying this percentage invested to the \$53,000 invested under the Offer this represents Invested Capital of \$38,812 attracting the 1.0% Invested Capital Fee. $\$53,000 \times 73.2\% \times 1.0\% = \388
3. Based on the Pro Forma Statement of Financial Position in section 3.6, 55.8% of Total Equity has been invested following the completion of the Offer. Applying this percentage invested to the \$53,000 invested under the Offer this represents Invested Capital of \$29,553 attracting the 1.0% Invested Capital Fee. $\$53,000 \times 55.8\% \times 1.0\% = \296

5.6 FEE CALCULATION (Cont.)

Performance fee

The Manager is entitled to a performance fee of 20% of the increase in the Share capital growth of Eildon Capital, after taking into account capital returns and dividends paid to Shareholders, above an annualised investment hurdle

of 9% per annum at the end of each financial year. The calculation of the performance fee is as follows:

Performance fee = 20% x (No. of Shares x (Actual Return - Hurdle Return))

This example is included to illustrate the basis for calculation of the performance fee.

Actual results may differ significantly from the figures outlined below.

No. of Shares – Weighted average number of shares on issue during the calculation period

Actual Return – Closing share price – opening share price + dividends

Hurdle Return – Opening share price x 9% per annum

The performance fee below has been calculated based on a shareholding of 50,000 shares. The amount of performance fees applicable to that investment may differ from the amounts set out in this table if more or less than 50,000 Shares are acquired.

Example:

No. of Shares	50,000
Opening Share Price	\$1.0600
Closing Share Price	\$1.1700
Dividend paid on last day of the period	\$0.0500

Performance Fee Calculation based on a full financial year:

Hurdle Return

Opening share price	\$1.0600
Hurdle return at the end of year	\$0.0954

Actual Return

Closing share price	\$1.1700
Dividend paid on last day of the period	\$0.0500
Actual Return at the end of year	\$0.1600

Performance fee =
20% x (50,000 x (\$0.1600 - \$0.0954))

PERFORMANCE FEE = \$646.00

5.7 DIRECTORS' INTERESTS AND KEY MANAGEMENT PERSONNEL

Except as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of that person's association with any company or firm or in any material contract entered into by Eildon Capital) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of Eildon Capital; or
- (b) any property acquired or proposed to be acquired by Eildon Capital in connection with Eildon Capital's formation.

In addition, except as set out below or elsewhere in this Prospectus, no benefits of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director, to any company or firm with which a Director is associated to induce them to become, or to qualify as, a Director, or otherwise for services rendered by them or their company or firm with which the Director is associated in connection with the formation or the promotion of Eildon Capital.

(a) Interest in securities

Director (including associates)	Shares as at the date of this Prospectus	Shares after completion of the Offer
Alexander Beard ^{(i) (v)}	400,000	600,000
Michelle Harpur ⁽ⁱⁱⁱ⁾	Nil	10,000
Elliott Kaplan ⁽ⁱⁱ⁾	145,751	145,751
James Davies ^(iv)	Nil	25,000
John Read ⁽ⁱⁱ⁾	Nil	Nil
Mark Avery ^(v)	Nil	Nil

- (i) Alexander Beard and Pascale Beard ATF the AD & MP Beard Superannuation Fund intends to subscribe for 200,000 shares in the Offer. Following completion of the Offer, Mr Beard will indirectly hold 600,000 shares in Eildon Capital.
- (ii) Messrs Kaplan and Read retired as directors of Eildon Capital on 18 October 2016.
- (iii) Harfred Pty Limited ATF ME Phillips Superannuation Fund intends to subscribe for 10,000 shares in the Offer. Following completion of the Offer, Ms Harpur will indirectly hold 10,000 shares in Eildon Capital.
- (iv) Jellyfish Superannuation Investment Pty Limited ATF Medusa Superfund intends to subscribe for 25,000 shares in the Offer. Following completion of the

Offer, Mr Davies will indirectly hold 25,000 shares in Eildon Capital.

The Directors (and their associates) are entitled to apply for New Shares in the Offer. Other than disclosed above the Directors reserve their rights as at the date of this Prospectus as to whether they will participate further in the Offer. Nothing in this Prospectus will be taken to preclude Directors, officers, employees or advisers of Eildon Capital, from applying for New Shares on the same terms and conditions as Offered pursuant to this Prospectus.

- (v) On 16 November 2016, a restructure of the Manager was completed that resulted in the change to the ownership as follows:

Entity	Prior to Restructure	Post Restructure
CVC Limited	100%	40.0%
Avery Investment Trust ¹	-	27.5%
Virtual Sales Pty Limited ²	-	20.0%
AD & MP Beard Superannuation Fund ³	-	12.5%
Total	100%	100%

1. Private entity associated with Mr Mark Avery
2. Private entity associated with Mr John Hunter
3. Private entity associated with Mr Alexander Beard

(b) Remuneration

The only employees of Eildon Capital will be the Directors. Independent Directors will be remunerated by Eildon Capital. The remuneration costs of the Executive and Non-Executive Directors and Key Management Personnel of the Manager will be remunerated by the Manager and its related bodies corporate.

Independent Directors' fees are determined within an aggregate non-executive Directors' fee pool limit. For the financial year commencing 1 July 2016, the maximum aggregate remuneration payable by Eildon Capital to all non-executive Directors of Eildon Capital for their services as Directors including their services on a Board committee or sub-committee and including superannuation was limited to \$105,000.00 per annum (in total).

A resolution was passed by Shareholders of Eildon Capital on 28 November 2016, to increase the limit to \$500,000 effective from that date and in respect of each financial year thereafter and until otherwise determined by a resolution of Shareholders.

Eildon Capital will not pay any other benefits to the Directors of the Company.

(c) Indemnification and Directors and Officers Insurance

Eildon Capital has agreed to indemnify the current Directors and certain current executives of Eildon Capital against all liabilities to another person (other than Eildon Capital or a related body corporate) that may arise from their position as Directors or officers of Eildon Capital, to the extent permitted by law. The indemnity deed stipulates that Eildon Capital will meet the full amount of any such liabilities, including costs and expenses.

Eildon Capital pays a premium to insure Directors and certain officers of Eildon Capital and controlled entities. The officers of Eildon Capital covered by the insurance policy include the current Directors and Company Secretary of Eildon Capital. As the insurance policy operates on a claims made basis, former Directors and officers of Eildon Capital are also covered.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Eildon Capital or controlled entities. The insurance policy outlined above does not contain details of premiums paid in respect of individual Directors and officers of Eildon Capital. The insurance policy prohibits disclosure of the premium paid.

Eildon Capital has not otherwise indemnified or agreed to indemnify an officer of Eildon Capital or of any related body corporate against a liability incurred by such officer.

5.8 INDEPENDENT DIRECTORS

James Davies and Michelle Harpur, being the independent directors, do not have any material personal conflicts that could interfere with, or reasonably be perceived to materially interfere with the exercise of their judgment in their capacity as directors of Eildon Capital.

6.1 OVERVIEW

There are certain risks generally associated with investing in shares of publicly listed companies, some of which are set out in section 6.3. In addition, there are a number of specific risks concerning Eildon Capital of which investors should be aware. These specific risks are set out in section 6.2.

If any of the events or developments described below occurs, Eildon Capital's business, financial condition or investment performance could be adversely affected. In that case, the market price of the securities could decline, and you could lose all or part of your investment.

While Eildon Capital and the Manager have put in place various corporate governance, compliance and risk management systems (see Section 9 for details) to mitigate risks, neither the Company nor the Manager can guarantee that these safeguards and systems will be effective. Some risks are outside the control of the Company, the Directors, the Manager and its directors and employees, and cannot be mitigated.

Before applying for New Shares, you should satisfy yourself that you have a sufficient understanding of the risks described in this section having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus you should seek advice from your broker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding to apply.

6.2 RISKS SPECIFIC TO EILDON CAPITAL

(a) Realisation of existing assets

The existing assets of Eildon Capital represent arm's length loan facilities and investments in respect of property development projects. These investments are subject to term periods which will see a return of capital and additional income to Eildon Capital. These funds may then be deployed onto additional projects within the bounds of Eildon Capital's investment mandate. There is a risk that these investments may become distressed, by which the principal and income components due may not be forthcoming. Any change in the payment schedule of principal or income may adversely affect Eildon Capital and its ability to engage in transactions. If the existing investments fall in value, become distressed or become in default of the terms, the options available to Eildon Capital are to seek a recovery of any costs or losses through the courts, or to engage in a sale of the security or loan facility to another party.

(b) Breach of debt covenants

In the event that the Manager undertakes to fund a project or operation by way of debt funding, it is possible that some unforeseen circumstance or event may cause the covenants imposed by the lender to become in breach. Any breach in the debt covenants imposed by the lender may result in the lender enforcing its security over the relevant assets. A breach in covenants as set by the lender may result in the need to sell the assets at an earlier time to enable a repayment of the facility. This sale may be at a price lower than the optimal sale price. There are a number of other consequences as a result of any default which are not individually outlined in this Prospectus.

(c) Availability of suitable investment opportunities

The performance of Eildon Capital is tied to the real estate sector due to the investment mandate as set by Eildon Capital. The opportunities available to Eildon Capital are to a large extent dependent on the Manager to source and identify suitable investment opportunities. The availability of these opportunities is tied to market conditions and other market factors outside the Manager's control. Any failure by the Manager to identify and/or source appropriate transactions and opportunities will adversely affect any returns available to shareholders.

(d) Capital values

The day-to-day value of an asset is influenced by the market and any changes in market conditions, including supply and demand movements and fluctuations. There are no guarantees on the generation of profits of any investment on its repayment, realisation or sale, or that the investments value will not fall as a result of unfavourable conditions outside of the control of the Manager and Eildon Capital.

(e) Income returns

Any payment to Shareholders will include some degree of reliance upon the income return achieved in connection with the investments made by Eildon Capital. There is a risk that a contract entered into as part of an investment may fall into default, which could result in a reduced amount of income and associated expenditure with any cost recovery action required. Any default may have adverse effects on income earnings, the capacity of Eildon Capital to pay dividends to Shareholders, the capacity to service any debt facilities engaged, the capital value of investments as well as potentially affecting the Net Assets per Share and the trading price of the Shares.

(f) Risk Profile

Eildon Capital undertakes property investments which can be considered specialised in nature based on the structure

and type of investments. The specialisation referred to includes providing senior debt finance to levels that may exceed loan to value ratios of 50% and or investments by Eildon Capital where the investment is subordinated by other debt capital. It is as a result of Eildon Capital's investment specialisation that Eildon Capital is able to target the returns identified in this Prospectus.

Eildon Capital seeks to mitigate the risks from its investments by actively managing each investment and or influencing its investments (including by way of contractual provisions in the relevant investment documentation, board appointments and project group participation (where applicable)), and seeking appropriate registered security collateral security arrangements. The security arrangements may comprise a combination of mortgages, general security agreements, guarantees and indemnities and or priority agreements with other secured parties.

Whilst the Manager and Board have experience in the procurement and management of investments of this nature, that experience is no guarantee of Eildon Capital's future financial performance.

(g) Liquidity

If a circumstance or circumstances arise resulting in a need for Eildon Capital to dispose of an asset for a defined purpose, there is a risk that Eildon Capital may not be able to realise the assets in either a timely manner, or at an optimised sale price. A transaction of this nature may adversely affect the Net Assets per share or trading price of Eildon Capital's Shares.

(h) General fundamental exposures

Underlying risks in investments may include: Australian and international economic conditions, inflation, interest rates, equity market conditions, environmental concerns, regulatory/compliance issues, geopolitical instability or investor sentiment.

(i) Compensation fee structure

The Manager's compensation will in part be based on the performance of Eildon Capital. Performance Fee arrangements may create an incentive for the Manager to recommend more speculative or higher risk investments than might otherwise be the case in the absence of a fee payable to the Manager based on the performance of Eildon Capital.

(j) Due diligence

There is a possibility that some investments may be made on limited due diligence conducted only with the records made available. This has the potential to increase the risk of individual investments and could lead to an adverse impact on the investment that may be material.

(k) Trading price of Shares if Eildon Capital is listed

The market price of Shares will be exposed to fluctuations due to a range of factors including but not limited to general movements in interest rates and borrowing conditions, the Australian and international general investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other unidentified factors that may have some impact on the financial performance of Eildon Capital or its Share price. The trading price of Eildon Capital's Shares is tied to the share market and any factors influencing the market. This includes any potential rerating of Eildon Capital's Shares or other property investments, either listed or unlisted being rerated. There is a risk that the Shares of Eildon Capital may trade on the ASX at a discount to Eildon Capital's Net Assets.

(l) Refinancing risk and gearing

The capacity of Eildon Capital to raise funds, either through debt or equity financing is tied to a number of factors, including but not limited to, general economic conditions, political, capital and credit market conditions and the reputation and performance of Eildon Capital. Any movement or change in these factors could increase the cost of providing funding to Eildon Capital, or reduce the available funding sources the Company has access to. If a debt facility is utilised by Eildon Capital, there is a risk that any potential refinancing of the facility could require Eildon Capital to realise assets at a price that is not optimised, or less than their fair value, which could impact the Net Assets per Share.

(m) Ranking

If Eildon Capital is wound up, Shareholders will rank behind secured and unsecured creditors of Eildon Capital. If there is a shortfall of available funds upon winding up, there is a risk that Shareholders will receive less than the Net Assets per Share.

(n) Manager risk

The Manager is responsible for sourcing opportunities and recommending investments to the Board of Eildon Capital. As a result, the performance and profitability of Eildon Capital is in part dependent on the expertise and investment recommendations of the Manager and the Manager's expertise in sourcing, recommending and managing property investments that increase in value over time. There is no guarantee that the Manager will be able to source appropriate investments for Eildon Capital or that any property investments made by Eildon Capital will generate returns.

6.2 RISKS SPECIFIC TO EILDON CAPITAL (Cont.)

The success and performance of Eildon Capital is also in part dependent on the retention of the Manager as manager of Eildon Capital, the holding of an Australian Financial Services (AFS) licence by the Manager to facilitate the property investments of Eildon Capital, and the retention by the Manager of key personnel that are responsible for managing property investments of Eildon Capital. As a consequence, if the Management Agreement between the Manager and Eildon Capital was terminated, if the Manager ceased to hold its AFS licence, or if key personnel of the Manager resigned, this could have a material adverse impact on the management and the financial performance of Eildon Capital. There can be no guarantee that Eildon Capital will be able to identify an appropriately qualified replacement for the Manager or, if such person or entity is appointed, that they will be able to perform their duties to the standard required by Eildon Capital or to a level that matches or exceeds the performance of the Manager.

(o) Conflict of interest risk

Some of the directors of the CVC Group are the same as the Directors of the Manager and of Eildon Capital. This creates a potential for conflicts of interest to arise. The potential conflicts of interest include, but are not limited to, the assessment and procurement of investment opportunities. Eildon Capital will follow formal procedures to ensure an investment opportunity sourced by the Manager is offered to Eildon Capital in accordance with the investment sharing arrangement set out in section 5.5.

(p) Dilution

Future capital raising and equity-funded acquisitions made by Eildon Capital may create a form of dilution to the holdings of Shareholders. In the normal course of management, the Manager will seek to increase dividend income to Shareholders and provide the potential for capital growth. In order to make this growth available, capital raisings may be required to undertake property investments. In some circumstances, a capital raising may be required in order to reduce debt levels to allow Eildon Capital to maintain its compliance with any imposed debt covenants.

(q) Distributions may vary

The ability of Eildon Capital to pay dividends is dependent upon Eildon Capital having the available cash and retained profits. While a degree of certainty can be placed on the income to be received from the investments, any failure to meet repayment deadlines may result in a position where the available cash to pay a dividend is not sufficient.

(r) Natural phenomena (including flooding, terrorist attacks or force majeure events)

There is a risk that natural phenomena may affect an investment. There are certain events for which insurance cover is not available or for which Eildon Capital does not have cover. If Eildon Capital is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to Eildon Capital's Net Assets and Shareholder returns. This could also result in an increase in insurance premiums applicable to other areas of cover.

(s) Property contamination

Property income, dividends or property valuations could be adversely affected by discovery of an environmental contamination or incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by Eildon Capital or prior owners.

(t) Concentration of investments

Eildon Capital will look to build a diversified portfolio of property investments including senior finance and mezzanine loans, equity positions and other transaction types that both create Shareholder value and diversify against concentration risks.

Eildon Capital's portfolio may consist of a small number of investments which exposes the Company to investment concentration risk. The lower the number of investments the higher the concentration and, in turn, the higher the potential volatility. The strategy of the Manager and its management team, is to actively manage investments to reduce the risk of a decrease in value of an individual investment that could have an impact on the portfolio as a whole.

6.3 GENERAL INVESTMENT RISKS

(a) Economy and market conditions

There is a risk that any change or movement in economic or market conditions may have an effect on the returns and values of Eildon Capital's investment. This may have a negative impact on Eildon Capital's Share price. The performance of the Share may be impacted by changing economic or property market conditions. These changes may include movements in interest rates, exchange rates, securities, markets, inflation, consumer spending, employment and the performance of localised economies at a domestic level, as well as an international level.

(b) Insurance

Although the Company will hold insurance over certain assets of Eildon Capital, the extent of any insurance coverage will be limited to the terms and conditions of

the insurance policy. Any losses that are incurred by Eildon Capital due to uninsured risks may have an adverse effect on the performance of Eildon Capital. Any increase in insurance premiums to mitigate an identified risk may also have a negative impact on Eildon Capital's performance.

An increase in insurance premium may arise from a claim being made by Eildon Capital for any significant loss.

Any failure on the part of Eildon Capital or companies providing insurance may adversely affect the capacity of Eildon Capital to make a claim to recover losses under its policy. All insurance policies have a minimum excess.

(c) Litigation

Whilst under ordinary operation, Eildon Capital or the Manager may become involved in disputes or potential litigation. While the extent of any possible disputes and litigation cannot be ascertained at this time, it is possible that any disputes or litigation may be costly and may adversely affect the income of Eildon Capital or the value of its assets.

(d) Legal and regulatory matters

There is a risk that any changes in law, regulation or government policy affecting the operation of Eildon Capital (which may or may not be enforced retrospectively) will have an impact on the investment portfolio of Eildon Capital and/or its performance. This may include changes to the tax system.

(e) Tax

There is a risk that taxation treatment of companies in general could change. Any change in the general treatment of companies for taxation purposes may impact on investors' returns. There is also a risk that the taxation treatment of Eildon Capital in particular may change, which could in turn impact on the treatment of dividends for income tax purposes and the taxation treatment of capital gains to Shareholders.

(f) Forward looking statements

There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Manager.



DETAILS OF THE OFFER

7.1 IMPORTANT DATES

Lodgement of Original Prospectus with ASIC	28 November 2016
Lodgement of this Prospectus with ASIC	12 December 2016
Opening date of Offer	13 December 2016
Closing date of Offer	24 January 2017
Expected dispatch of Shareholder holding statements	01 February 2017
Shares expected to commence trading on ASX	02 February 2017

Dates may change:

The above dates are subject to change and are indicative only. Eildon Capital reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.

7.2 STRUCTURE OF THE OFFER

This Prospectus relates to an invitation to subscribe for up to a maximum of 9,433,963 New Shares at the Offer Price of \$1.06 per New Share. The Offer is subject to a minimum issue of 1,886,793 New Shares at an Offer Price of \$1.06 to raise a minimum of \$2,000,000.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

THE OFFER COMPRISES

	Opening	\$2.0 million Issue		\$10.0 million Issue	
		Issue	Closing	Issue	Closing ¹
Total Net Asset Value	\$22,738,551	\$2,000,000	\$24,622,417	\$10,000,000	\$32,335,978
Shares on issue	20,777,245	1,886,793	22,664,038	9,433,963	30,211,208
Net Asset Value per share	1.09	1.06	1.08	1.06	1.06

Notes:

1. Assuming the Offer is fully subscribed.

7.3 THE OFFER IS CONDITIONAL – APPLICATION FOR ADMISSION TO THE OFFICIAL LIST OF THE ASX

The Offer set out in this Prospectus is conditional on the minimum subscription being achieved and permission being granted for the quotation of Shares on the ASX.

Eildon Capital is proposing to apply for listing on the ASX. Within 7 days after the date of this Prospectus, Eildon Capital will lodge an application with the ASX for admission of Eildon Capital to the official list of the ASX and quotation of all Shares (including New Shares issued pursuant to this Prospectus) on the ASX.

If Eildon Capital's application for listing is accepted by the ASX, it is anticipated that Eildon Capital will be listed on the ASX in or about February 2017.

It is the responsibility of the Applicants to check their allocation of New Shares prior to trading.

No issue of New Shares will be made until permission is granted for quotation of the New Shares on the ASX.

If the New Shares are not admitted for quotation within 3 months after the date of this Prospectus or if any of the other conditions precedent to the Offer are not met then the Offer will not proceed, no New Shares will be issued pursuant to the Offer and Applications received for New Shares may need to be dealt with in accordance with section 724 of the *Corporations Act*.

7.4 APPLICATION OF PROCEEDS

The funds received from the capital raising will be used to provide funding and financial flexibility to support the investment strategy of Eildon Capital by undertaking qualifying property related investments in the form of:

- direct land ownership;
- senior and mezzanine loans;
- equity investment in property projects;
- assisting property investors to raise capital; and
- enhancing the capabilities and reach of the Company's current investment pool.

The table below further identifies the expected use of funds from the capital raising.

	\$2.0 million Raise \$'000's	\$10.0 million Raise \$'000's
Available funds pre raising	6,181	6,181
Funds raised	2,000	10,000
Raising costs	(361)	(770)
Cash balance available for working capital and operating expenses	7,820	15,411
Net operating cashflows (i) (ii)	7,086	6,995
Dividends paid (ii)	(1,201)	(1,601)
Committed projects (iii)	(3,955)	(3,955)
Unidentified new investments	(6,500)	(12,500)
Unallocated cash	3,250	4,350

(i) Amounts shown as cash inflows represent expected interest received on existing loans and repayment of loan facilities;

(ii) Amounts shown as cash outflows represent:

- Expected directors fees;
- Expected income tax payments;
- Expected management fees;
- Expected dividend payments; and
- Expected audit and compliance fees.

(iii) Amount relates to the balance of undrawn funds in relation to construction loan facility committed at the date of this Prospectus.

7.4 APPLICATION OF PROCEEDS (Cont.)

The Manager has set about identifying projects that fit within the investment framework of Eildon Capital. Given the uncertainty surrounding the closing figure achieved from this capital raising, the Manager has set about sourcing deals without becoming committed as to the nature of the investment quantum or timeframe. Accordingly, it is not reasonable for the Company to estimate the timeframes for the application of the proceeds from the capital raising.

The above provides a statement of the Company's intentions as at the date of the Prospectus. However, the actual use of funds may vary from the intended use of funds and the assumptions contained in the tables above are subject to uncertainty, contingencies and availability of suitable investments.

7.5 UNDERWRITER

The Offer is not underwritten.

7.6 HOW TO APPLY FOR NEW SHARES

To make an investment in Shares you must complete and return the Application Form as set out on page 61 with the requisite Application Monies or pay your Application Monies by following the instructions set out on the Application Form.

Eildon Capital's decision as to the number of Shares to be allocated to you will be final.

Payment by cheque

For payment by cheque, you should complete the Application Form in accordance with the instructions on the Application Form and return it accompanied by a cheque.

Your cheque must be:

- for an amount equal to the full Application Monies (being \$1.06 multiplied by the number of Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution; and made payable to "Eildon Capital Limited – Share Offer Account" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in any relevant account(s) to cover the full amount of the Application Monies. If the amount of your payment for Application Monies is insufficient to pay in full for the number of Shares you have applied for in your Application Form, you will be taken to have applied

for such lower number of whole Shares as your cleared Application Monies will pay for (and to have specified that number of Shares on your Application Form). Alternatively, your Application will not be accepted.

To participate in the Offer, your payment must be received no later than the Closing Date. Shareholders who make payment via cheque should return their completed Application Form together with Application Monies:

- BY MAIL to the following address:

Suite 3703
Level 37, Gateway
1 Macquarie Place
SYDNEY NSW 2000

Applications will only be accepted by mail. Applications will not be accepted in person.

7.7 ISSUE OF NEW SHARES

Conditional on the matters referred to in Section 7.3 of this Prospectus, Eildon Capital expects to issue the New Shares in accordance with the indicative timetable set out in Section 7.1.

The New Shares, from the time they are issued, will be fully paid Shares and will rank equally with existing Shares. Full details of the rights attaching to the New Shares are contained in the *Corporations Act* and Eildon Capital's Constitution. A summary of Eildon Capital's Constitution is set out in Section 10.2.

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

7.8 CHESS

Eildon Capital will apply to participate in the Securities Clearing House Electronic Subregister System (**CHESS**), and will maintain an electronic CHESS sub-register and an electronic issuer sponsored sub-register.

As soon as practicable after allocation, successful Applicants will receive a holding statement that sets out the number of Shares that have been allocated to them pursuant to this Prospectus. The holding statement will also set out each successful Applicant's unique "Holder Identification Number" in the case of a holding on the CHESS sub-register, or "Securityholder Reference Number" in the case of a holding on Eildon Capital's issuer sponsored sub-register. Accordingly, Eildon Capital will not issue Share certificates.

Shareholders will be provided with periodic holding statements showing any changes in their holdings of Shares. Shareholders may request a holding statement at any time (although an administration fee may be charged

for these additional statements). It is the responsibility of Shareholders to determine their holding prior to trading in any Shares.

7.9 PROFESSIONAL ADVICE

If you are in any doubt as to whether to accept the Offer, please consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser.

Eildon Capital, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or investors. As a result, Shareholders and investors should consult their professional tax adviser in connection with any aspect of the Offer and/or applying for New Shares under this Prospectus. No information in this Prospectus is intended as a substitute for investors obtaining independent tax advice.

7.10 DISPUTES

The Board may settle, in any manner it thinks fit, any disputes or anomalies which may arise in connection with or by reason of the operation of the Offer, whether generally or in relation to any Shareholder, investor, Applicant or Application. The decision of the Board will be conclusive and binding on all persons to whom the determination relates.

7.11 CHANGE TO THE TERMS OF THE OFFER

Eildon Capital reserves the right to waive strict compliance with or vary any provision of the Terms of the Offer, or to vary, suspend or terminate the Offer at any time without notice. If the Offer does not proceed, Application Payments will be refunded. No interest will be paid on any Application Money refunded as a result of the withdrawal or termination of the Offer.

Failure to notify Shareholders or investors of changes to, suspension or termination of the Offer or the Terms of the Offer will not invalidate the change, suspension or termination.

Eildon Capital reserves the right to issue no New Shares or fewer New Shares than an Applicant applies for under the Offer if the Board believes the issue of those New Shares would contravene an ASIC Class Order, requirements or policies, any law or any ASX Listing Rule.

7.12 PRIVACY DISCLOSURE

Eildon Capital collects information in relation to each Applicant as provided on an Application Form (**Information**) for the purposes of processing the

Application Form and, should the Application be successful, to administer the Applicant's security holding in Eildon Capital (**Purposes**).

Eildon Capital may use the Information for the Purposes and Eildon Capital may disclose the information for the Purposes to the Share Registry, Eildon Capital's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the Share Register, including bidders for your securities in the context of takeovers, licensed securities dealers, mail houses, and regulatory bodies including the Australian Taxation Office.

You may request access to your personal information held by or on behalf of Eildon Capital. You can request access to your personal information or obtain further information about Eildon Capital's privacy practices by contacting the Share Registry. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. Eildon Capital aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you have provided change.

In accordance with the requirements of the *Corporations Act*, information on the Shareholder register will be accessible by members of the public.

7.13 GOVERNING LAW

This Offer is governed by the law in force in New South Wales. By accepting the Offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales.

INVESTIGATING ACCOUNTANTS' REPORT

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12 December 2016

The Directors
Eildon Capital Limited
Suite 3118
Level 31
120 Collins Street
MELBOURNE VIC 3000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON EILDON CAPITAL LIMITED'S HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

HLB Mann Judd Assurance (NSW) Pty Ltd ("HLB Assurance") has been engaged by Eildon Capital Limited ACN 059 092 198, ("the Company") to prepare this report for inclusion in the prospectus dated on or about 28 November 2016 ("Prospectus"), and to be issued by the Company, in respect of the proposed public offering of shares in the Company ("Proposed Offer").

Expressions defined in the Prospectus have the same meaning in this report.

Scope

You have requested HLB Assurance to perform a limited assurance engagement in relation to the historical and pro forma historical financial information ("the Financial Information") described below and disclosed in the Prospectus.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Historical Financial Information

You have requested HLB Assurance to review the following historical financial information of the Company (the responsible party) included in the Prospectus which comprises:

- Historical Statement of Financial Position as at 30 June 2014, 30 June 2015 and 30 June 2016;
- Historical Statement of Financial Performance for the years ended 30 June 2014, 2015 and 2016 and the six month period ended 30 June 2016; and
- Historical Statement of Cash Flows for the years ended 30 June 2014, 2015 and 2016.

referred to as the "Historical Financial Information".

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

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in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information of the Company has been extracted from and with reference to, the financial reports of the Company for:

- the years ended 30 June 2014, 2015 and 2016, which were audited by HLB Mann Judd in accordance with Australian Auditing Standards; and
- the half-year ended 31 December 2015, which was reviewed by HLB Mann Judd in accordance with Australian Standards on Review Engagements.

HLB Mann Judd issued unmodified audit opinions for the years ended 30 June 2014, 2015 and 2016 financial reports and an unmodified review conclusion for the half-year ended 31 December 2015.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested HLB Assurance to review the Consolidated Pro Forma Historical Statement of Financial Position as at 30 June 2016 referred to as "the Pro Forma Historical Financial Information" as included in the Prospectus.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company, after adjusting for the effects of pro forma adjustments described in section 3.6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 3 of the Prospectus, as if those event(s) or transaction(s) had occurred as at 30 June 2016. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Directors' responsibilities

The directors of the Company are responsible for the preparation of the Historical and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the pro forma Historical Financial Information.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Historical and Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450: *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the

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Historical Financial Information, as described in section 3 of the Prospectus, and comprising:

- Statement of Financial Position as at 30 June 2014, 30 June 2015 and 30 June 2016;
- Statement of Financial Performance for the years ended 30 June 2014, 2015 and 2016 and the six month period ended 30 June 2016; and
- Statement of Cash Flows for the years ended 30 June 2014, 2015 and 2016.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in section 3.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, being the statement of financial position as at 30 June 2016, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 3 of the Prospectus.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company have been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

HLB Assurance does not have any interest in the outcome of the proposed public offering, other than in connection with the preparation of this report and being a member of the Due Diligence Committee for which normal professional fees will be received. From time to time, entities related to HLB Assurance have provided the Company with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

HLB Assurance has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, HLB Assurance makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

M D Muller
Director

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CORPORATE GOVERNANCE

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9.1 CORPORATE GOVERNANCE

All ASX listed entities are required to disclose in their annual reports the extent of their compliance with the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council (**ASX CG Principles**). The ASX CG Principles are not mandatory. However, if a listed company does not comply with a particular ASX CG Principle, it must explain why it has not complied.

9.2 COMPLIANCE WITH ASX CG PRINCIPLES

As at the date of admission to the ASX, Eildon Capital is compliant with all of the ASX CG Principles except as set out below. Full details of Eildon Capital's corporate governance framework will be included in Eildon Capital's first annual report following listing on the ASX.

Given its size, scale and nature, Eildon Capital:

- (a) does not have a nomination committee as provided for by ASX Recommendation 2.1. Instead the Board considers succession issues and seeks to create a balanced Board that will effectively fulfil its responsibilities. When selecting and appointing Directors, the Board considers (amongst other matters):
 - (i) the candidate's competencies, qualifications and expertise, their addition to the Board's diversity and his/her fit with the current membership of the Board;
 - (ii) the candidate's knowledge of the industry in which Eildon Capital operates;
 - (iii) directorships previously held by the candidate and his/her current commitments to other boards and companies;
 - (iv) existing and previous relationships with Eildon Capital and Directors;
 - (v) the candidate's independence, including the term of office currently served by the Director;
 - (vi) criminal record and bankruptcy history (for new candidates);
 - (vii) the need for a majority or equal balance on the Board; and

(viii) requirements of the *Corporations Act*, ASX Listing Rules, the Company's Constitution and Board Charter;

- (b) does not have an internal audit function as recommended by ASX Recommendation 7.3. Instead, the Audit and Risk Committee receives and reviews reports from the Manager regarding material business risks as part of its risk management and internal control processes; and
- (c) does not have a remuneration committee as recommended by ASX Recommendation 8.1. Instead, the full Board considers the issues which would otherwise be considered by a remuneration committee, including ensuring that remuneration is appropriate and that the level of remuneration is supported by the Company's shareholders.

In addition to the above:

- (d) the Company does not have any senior executives or management staff. Therefore, the Company does not comply with ASX Recommendation 1.7 which requires a process of periodically evaluating the performance of its senior executives as this recommendation is not applicable to the Company;
- (e) the Company's Board currently has 2 of 4 directors who it considers are independent. ASX Recommendation 2.4 recommends that a majority of the Board of a listed entity should be independent directors. The Board is currently seeking to appoint a further independent director that complements the existing skills of the Board. However given the size, scale and nature of Eildon Capital, the Board considers that the appointment of an additional independent director at this time is desirable but not essential and this will be reviewed by the Board on an ongoing basis. The Chairman of the Board is James Davies, who is an Independent Director; and
- (f) the Company does not currently have any persons holding the positions of Chief Executive Officer and Chief Financial Officer and accordingly it does not comply with ASX Recommendation 4.2 which provides that the Board should receive declarations about financial information from its Chief Executive Officer and Chief Financial Officer. The Company currently receives financial information from the Manager which is reviewed and approved by the Board.

9.3 CORPORATE GOVERNANCE POLICIES

Eildon Capital has adopted the following policies, which each have regard to the ASX CG Principles:

- (a) **Code of Conduct** – This policy sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of its business and people, taking into account its legal and other obligations and responsibilities.
- (b) **Board Charter** – This document sets out the functions and responsibilities of the Board of Directors within the governance structure of the Company.
- (c) **Audit and Risk Committee Charter** – This document sets out the functions and responsibilities of the Company's audit and risk committee within the governance structure of the Company.
- (d) **Trading Policy** – This policy sets out the insider trading laws and Company's policy on buying and selling any securities of the Company that are able to be traded on a financial market.
- (e) **Diversity Policy** – This policy addresses the Company's commitment to promoting and effecting workplace diversity at all levels of its business.
- (f) **Disclosure and Communications Policy** – This document sets out the Company's policy with regard to effective communication with shareholders, encouraging participation at the Company's general meetings, and providing full and timely disclosure of the Company's activities to shareholders and the market.

ADDITIONAL INFORMATION

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10.1 CORPORATE STATUS

Eildon Capital was originally incorporated in New South Wales on 23 February 1993.

10.2 CONSTITUTION AND RIGHTS ATTACHING TO NEW SHARES

Eildon Capital's constitution (**Constitution**) is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the company is listed on the ASX.

A summary of the rights attaching to Shares under the Constitution is set out below.

Shares issued under this Offer will rank equally in all respects with all other Shares on issue. The rights attaching to Shares are derived through a combination of statute, the Constitution, common law and other applicable legislation. The following is a broad summary (though not an exhaustive or definitive statement) of the rights which are attached to Shares.

Voting rights

At a general meeting each Shareholder present in person or by proxy, company representative or attorney is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each fully paid Share that the Shareholder holds.

General meetings

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at a general meeting of Eildon Capital. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution or the *Corporations Act*.

Dividend rights

There is no entitlement to a dividend other than that determined by Directors from time to time. The Shares issued under the Offer will rank equally with all other issued Shares for the purposes of participation in any dividend paid out of profits of Eildon Capital.

Capitalisation of profits and conversion of Shares

Subject to the Listing Rules, the Directors may capitalise any profits and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled in a distribution by Dividend. The Company in a general meeting may convert its Shares into a larger or smaller number of Shares by resolution.

Rights on winding-up

Subject to any special rights or restrictions attached to Shares if on a winding up there are enough assets to repay all capital to Shareholders, all capital must be repaid to the Shareholders and any surplus must be distributed among the Shareholders in proportion to the amounts paid on their respective Shares before the winding up began. If there are not enough assets to repay all capital to Shareholders, the available assets must be distributed among the Shareholders in proportion to the amounts paid on their respective Shares before the winding up began (without the necessity of a call up).

Offer of Shares

Subject to the *Corporations Act* and the Listing Rules, the Company may issue Shares and grant options over unissued Shares on any terms, with any rights or restrictions attached to the Shares, at any time and for any consideration the Directors decide.

Transfer of Shares

Subject to the Constitution and the *Corporations Act*, Shares are freely transferable. A shareholder may transfer a share:

- in the case of CHESS securities if the Company is listed, in accordance with the CHESS rules;
- by an instrument of transfer in any common form or other form approved by the Directors; and
- by any other method of transferring securities recognised by the *Corporations Act 2001* and ASX (if the Company is listed) and approved by the Directors.

Variation of rights

The Company may only modify or vary the rights attaching to any class of shares with the consent in writing of the Shareholders with at least 75% of the votes in the class or the sanction of a special resolution passed at a meeting of the holders of the issued Shares of that class.

10.2 CONSTITUTION AND RIGHTS ATTACHING TO NEW SHARES (Cont.)

Directors

The minimum number of Directors is three and the maximum is ten unless the Company in a general meeting determines otherwise. A Director is not required to hold any Shares. The following Directors automatically retire at the end of each annual general meeting:

- any Director appointed by the Directors since the last annual general meeting;
- one third of the other Directors (not counting the managing Director); and
- any Director (not counting the managing Director) for whom this would be the third annual general meeting since their last appointment or three years since their last appointment (whichever is the longer).

Officers' indemnity

To the extent permitted by the *Corporations Act*, Eildon Capital must indemnify each person who is or has been an officer of Eildon Capital against any liability incurred by the person as an officer of Eildon Capital; and may pay a premium for a contract insuring an officer of the Company against that liability.

10.3 ESCROW

The Company is not presently aware of what, if any, restriction obligations will be imposed on existing Shareholders, and will not know the extent of escrow of existing Shares until determined by ASX.

Restriction periods are usually up to two years from listing for shares that were issued to or are held by related parties (principally directors and their associates), or one year from the issue of such shares if not issued to or held by related parties.

Prior to listing, the escrow requirements for the existing Shareholders will be confirmed with the ASX, and Eildon Capital will announce details of what, if any, restrictions are applied before official quotation on the ASX commences.

For the avoidance of doubt, none of the New Shares to be issued pursuant to the Offer will be subject to escrow.

10.4 DIVIDENDS

Eildon Capital is targeting a minimum dividend yield of approximately 5% per annum based on the issue price franked to the maximum extent possible, paid quarterly.

10.5 LITIGATION

To the knowledge of Directors, there is no litigation threatened against Eildon Capital and no litigation threatened by Eildon Capital. The Directors are not presently aware of any circumstances likely to give rise to any of the above.

10.6 EMPLOYEE INCENTIVE PLAN

As at the date of this Prospectus, Eildon Capital does not have an employee incentive plan.

10.7 MATERIAL CONTRACTS

Set out below is a brief summary of certain contracts which have been entered into by Eildon Capital. These are important contracts for Eildon Capital and have accordingly been identified as material and relevant information of which an investor in Eildon Capital should be aware.

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

1. Management Agreement

On 23 November 2015, Eildon Capital entered into a management agreement with Eildon Funds Management Limited (ACN 066 092 028) **(the Manager) (the Management Agreement)**.

Under the Management Agreement, Eildon Capital appointed the Manager as Eildon Capital's sole and exclusive investment manager to provide management services (including the management of its property investment portfolio) on behalf of Eildon Capital, in accordance with the Company's investment objectives.

The table below provides a summary of the key terms of the Management Agreement.

KEY TERMS	DETAILS
Services to be provided to Eildon Capital	<p>The Services provided by the Manager to Eildon Capital include:</p> <ul style="list-style-type: none"> • making recommendations on investment opportunities for Eildon Capital; • exploring opportunities for Eildon Capital to realise or wind up investments and advice on exit opportunities; • providing consultation and management services in relation to Eildon Capital's authorised investments; • the identification and implementation of appropriate risk management policies and procedures; and • attendance to statutory or legal matters.
Fees and expenses	<p>The details of the management fee and the performance fee payable by the Company to the Manager are set out in section 5.6 of this Prospectus.</p> <p>The Manager is also entitled to be reimbursed for expenses properly incurred in connection with providing services to Eildon Capital.</p>
Assignment and delegation	<p>Neither party may assign or otherwise part with any interest in the Management Agreement without prior written consent of the other.</p> <p>Notwithstanding the above, the Manager may at any time assign its rights and transfer its obligations to any of its related bodies corporate.</p> <p>The Manager may delegate any of its functions or responsibilities under the Management Agreement to any related bodies corporate without Eildon Capital's consent. The Manager remains liable for any functions or responsibilities delegated to the related bodies corporate.</p>
Indemnity	<p>Subject to certain exceptions, Eildon Capital indemnifies the Manager against any losses, liabilities, costs, charges or expenses suffered or reasonably incurred by the Manager arising out of or in connection with the Manager or any of its officers, employees or agents acting under the Management Agreement or in account of any bona fide investment decisions made by the Manager or any of its officers, employees or agents.</p> <p>Subject to certain exceptions, the Manager indemnifies Eildon Capital against any losses, liabilities, costs, charges or expenses suffered or reasonably incurred by Eildon Capital or any of its officers, employees or agents which have been finally determined by a court as arising out of, or in connection with any deliberate material breach, gross negligence fraud or dishonesty of, the Manager in relation to or in connection with the Management Agreement.</p>
Warranties	<p>The Management Agreement contains certain standard representations, warranties and undertakings by Eildon Capital and the Manager. The mutual representations and warranties include but are not limited to matters such as power and authorisations, licences, and title to property.</p>

10.7 MATERIAL CONTRACTS (Cont.)

KEY TERMS	DETAILS
Limitations on liability	<p>The Manager is not liable to Eildon Capital for any loss or damage resulting from its delivery of the services under the Management Agreement or a breach of the Management Agreement:</p> <p>(a) which does not arise naturally or in the usual course;</p> <p>(b) which constitutes or arises in connection with, consequential loss, a loss of revenue, profit or opportunity, loss of goodwill or loss of business reputation, even if that loss arises naturally or in the course of things,</p> <p>except where the loss arises as a result of the gross negligence, fraud or dishonesty of the Manager.</p>
Exclusivity	<p>The Manager is not precluded from acting as the manager for other persons or entities.</p>
Term and termination	<p>The Management Agreement commenced on 23 November 2015 and it will continue until terminated in accordance with its terms.</p> <p>The Management Agreement gives Eildon Capital certain termination rights, including the right to terminate the Management Agreement where the Manager is insolvent, materially breaches its obligations under the Management Agreement, where there is a judicial determination of gross negligence or fraud by the Manager or where the Manager ceases to hold or be able to rely on an exemption from holding an Australian Financial Services licence. No termination fee is payable by Eildon Capital to the Manager if the Management Agreement is terminated in accordance with these rights.</p> <p>Eildon Capital may also terminate the Management Agreement if its shareholders pass a special resolution to terminate the Management Agreement. If Eildon Capital terminates the Management Agreement in this way, it must pay to the Manager within 10 business days of termination a fee equal to the sum of:</p> <p>(c) 12 times the amount of the base fee payable to the Manager in the month immediately preceding the month in which the termination occurred;</p> <p>(d) the performance fee calculated to the date of termination; plus</p> <p>(e) all expenses which the Manager is entitled to have reimbursed under the Management Agreement which have not yet been recovered.</p> <p>This fee must be paid by the Company to the Manager in addition any accrued but unpaid base fees and performance fees as at the termination date.</p> <p>The Manager may terminate the Management Agreement at any time by giving the Company at least three months' written notice or 1 month's written notice if the Company has failed to pay any monies due and payable for a period of 30 days after demand in writing.</p>

2. Conflict Protocol Deed

The Company's major shareholder, CVC Limited (**CVC**), has previously appointed CVC Managers Pty Limited (**CVC Managers**) to be the manager of its investments. CVC Managers has appointed the Manager to take responsibility for the investment management of the property investments of CVC, and certain of its related companies.

In recognition of the possible conflicts of interest where the Company and its major shareholder have the same manager, and where as at the date of the Prospectus there are common directors and other officers between Eildon Capital, CVC, CVC Managers and the Manager, those parties entered into a conflict protocol deed on 1 November 2016 (**CPD**) to set out a process to govern how possible conflicts of interests between the parties will be resolved.

KEY TERMS	DETAILS
Conflict protocol process	<p>If the Manager identifies an investment opportunity which:</p> <ul style="list-style-type: none"> • is reasonably related to or in connection with property; • on a preliminary review could satisfy the investment policy of CVC; and • on a preliminary review could satisfy the investment policy of Eildon Capital, <p>the Manager is to give notice to Eildon Capital and CVC, which amongst matters, provides the details of the property investment opportunity.</p> <p>Each of Eildon Capital and CVC have 10 business days after receipt of the Manager's notice relating to the possible investment to notify the Manager, amongst other matters, whether it wishes to participate in the identified investment. Despite notifying the Manager that a party wishes to proceed with the investment this does not bind them to complete the investment and they may withdraw their acceptance at any time.</p> <p>If both Eildon Capital and CVC wish to participate in the investment, then such parties will participate:</p> <ul style="list-style-type: none"> • in accordance with the allocation agreed between Eildon Capital and CVC; or • if no agreement is reached each party will be entitled to participate in the investment so that their interest in the investment will be the higher of: <ul style="list-style-type: none"> (i) 30% of the allocation for the investment; or (ii) the amount calculated as their participation percentage, which will be calculated as their Net Assets as a proportion of the combined Net Assets of CVC and Eildon Capital. For this purpose the Net Assets will be calculated with reference to the most recent audited full year accounts or the most recent half year audit reviewed accounts (as the case maybe) that CVC or Eildon Capital provided to the ASX or ASIC. <p>If only one of Eildon Capital or CVC wish to proceed with the investment opportunity, the Manager will proceed to just deal with that party.</p>
Termination	<p>The CPD will terminate by written agreement if all parties agree to terminate the CPD; if the Management Agreement between Eildon Capital and the Manager is terminated; or if the management agreement between the Manager and CVC Managers is terminated.</p> <p>Eildon Capital or CVC may also terminate the CPD if either of its Shareholders pass a special resolution to terminate the CPD.</p>

10.7 MATERIAL CONTRACTS (Cont.)

KEY TERMS	DETAILS
Warranties	The CPD contains certain standard representations, warranties and undertakings by each party. The mutual representations and warranties include but are not limited to matters such as power and authorisations, compliance with law, and solvency.
Assignment	No party may assign its interests without the prior written consent of the other parties.

3. Property investment portfolio

As described in Section 2.8 of this Prospectus, Eildon Capital has 5 loans, and 1 equity investment as at the date of the Prospectus.

Eildon Capital has a structured investment process for each asset in its property investment portfolio so that they are consistent with the investment objectives described in this Prospectus.

Loan Investments

Eildon Capital endeavours, to the extent practicable, to ensure that for each of its loan arrangements the transaction documents contain undertakings and obligations which are standard for these types of arrangements, including:

- that the loan facility will only be used for a specific purpose (e.g. acquisition of a specific property);
- that the loan is supported with appropriate registered security collateral security arrangements. The security arrangements may comprise a combination of mortgages, general security agreements, guarantees and indemnities and / or priority agreements with other secured parties;
- that the borrower has restrictions in respect of the encumbrances it can grant over its assets;
- that there is an obligation for Eildon Capital to be provided with the borrower's annual reports and financial statements and access to the borrower's books and records;
- limits on distributions which may be made by the borrower while funds are due to Eildon Capital;
- standard representations, warranties and undertakings by the borrower, including matters relating to power and authorisations, solvency and compliance with law;
- standard termination rights for non-payment or material breach of the loan document; and
- rights being granted to Eildon Capital upon any actual or potential default, which include the full amount of any loan being due and payable in full and the ability of Eildon Capital to exercise its rights under its registered security arrangements which include the sale of

the property asset which has been obtained by the borrower with funding from Eildon Capital.

Equity Investments

Eildon Capital has one equity investment as at the date of this Prospectus which is a 35% interest in a trustee and unit trust which has been established to purchase a commercial property in Brisbane. As at the date of this Prospectus it is intended that this property will be held by the trustee over a 5 to 7 year period and that strategies will be implemented to achieve the parties objectives of maximising the rental income from the property, improving and maximising the future development potential of the property, and developing an exit strategy.

The transaction documents for this investment include the following key provisions:

- Eildon Capital is entitled to appoint 2 out of 6 directors to the Board of the trustee;
- subject to certain exceptions, all parties are restricted from disposing of their equity interests in this investment for a period of 12 months from the date that the trustee has entered into an agreement to acquire the property;
- a project control group will be established to achieve the parties objectives for the property, and Eildon Capital may appoint 2 out of 6 members of this group. All decisions of this group are required to be unanimous;
- a working group will be established and granted authority to autonomously manage the day to day operations in respect of the property and the implementation of the business plan and budget approved by the project control group. Eildon Capital is entitled to attend any of the meetings of this group;
- if additional funds are required to achieve the parties objectives for the property the unitholders are to fund such monies in proportion to their unitholding, which in the case of Eildon Capital, is 35% of the funding which may be required as at the date of the Prospectus. If a unitholder does not meet its funding obligation,

amongst other matters, this may be determined to be a material breach of the transaction documents or the non-funding unit holder's interest in the property may be diluted;

- the transaction documents for the investment include default events, including the right to purchase a defaulting parties equity interest where the party is insolvent, or materially breaches its obligations under the transaction documents; and
- the transaction documents for the investment contain certain standard representations, warranties and undertakings by each party. The mutual representations and warranties include but are not limited to matters such as power and authorisations.

4. Officer's Indemnity, Insurance and Access Deed

The Company has entered into Officer's Indemnity, Insurance and Access Deeds with each Director and the Company Secretary. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each officer in respect of certain liabilities that they may incur as an officer of Eildon Capital. The Company has also agreed to maintain a director's and officers policy of insurance for the period that they are officers on usual terms and for a level of cover which is commercially prudent in all the circumstances. The Deeds also permit access to the papers, documents and other information relating to Eildon Capital's affairs.

10.8 EXISTING HOLDERS

The table below sets out the interests of the top 20 Shareholders as at the date of this Prospectus. The table does not reflect any Shares which the relevant Shareholders may subscribe for under the Offer.

No	Shareholder	Shares held at the date of this prospectus	Proportion of total issued Shares at the date of this prospectus
1	CVC Limited	11,530,865	55.50%
2	Chemical Trustee Limited	3,069,377	14.77%
3	LJK Nominees Pty Limited ATF JD Ross Family Trust	2,430,000	11.70%
4	JPR Holdings Pty Limited ATF JPR Holdings Pension Fund	500,000	2.41%
5	Ms Marnie Ross	500,000	2.41%
6	Alexander Beard & Pascale Beard ATF AD & MP Beard Superannuation Fund	400,000	1.93%
7	Tyroc Pty Limited ATF The Beard Pension Fund	160,417	0.77%
8	G&G Millar Pty Limited <Superannuation Fund>	154,589	0.74%
9	Mr Elliot Kaplan & Mrs Brenda Kaplan ATF The Kaplan Family Super Fund	145,751	0.70%
10	Syvest Pty Limited	103,073	0.50%
11	Bytenew Pty Limited	100,000	0.48%
12	Syvest Pty Limited ATF Syvest Superannuation Fund	96,927	0.47%
13	CVC Managers Pty Limited	95,354	0.46%
14	Mr Luigi Scarpato	89,732	0.43%
15	Mr Robert Slade	69,200	0.33%
16	Mr Michael Edward Cassin & Beverley Day-Cassin ATF Cassin Superannuation Fund	66,666	0.32%
17	Mr David Sillar	61,073	0.29%
18	KG Starch Pty Limited <Superannuation Fund>	57,609	0.28%
19	DH Herbert Teow Soon & Dr Pauline Yeo Ai ATF Yeo Superannuation Fund	50,000	0.24%
20	Mr William Highland ATF The Highland Family Superannuation Fund	50,000	0.24%
Total		19,730,633	94.97%

10.9 INTERESTS OF NAMED PERSONS

Set out below are the benefits that have been, or have been agreed to be, given to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (together, **Prescribed Persons**).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last 2 years has held, any interests in:

- (a) the formation or promotion of Eildon Capital;
- (b) any property acquired or proposed to be acquired by Eildon Capital in connection with Eildon Capital's formation or the promotion, or the Offer; or
- (c) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind, (whether in cash,

Shares or otherwise) have been paid or agreed to be paid to a Prescribed Person in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of Eildon Capital, or the Offer.

Thomson Geer has acted as the legal advisers to the Company for the purposes of the Offer, and has performed work including in relation to preparing the due diligence and the Prospectus. The Company estimates that it will pay a total amount of approximately \$100,000 (plus GST and disbursements) to Thomson Geer for work done in respect of this Prospectus.

HLB Mann Judd (consisting of HLB Mann Judd (NSW Partnership) and HLB Mann Judd Assurance (NSW) Pty Ltd) has prepared the Investigating Accountant's Report included in this Prospectus and undertaken financial due diligence services in relation to the Offer. The Company estimates that it will pay a total amount of approximately \$18,500 (plus GST and disbursements) to HLB Mann Judd.

10.10 CONSENTS

Each of the parties named in the table below in this Section 10.10 has consented to being named in this Prospectus in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with the ASX:

CAPACITY IN RELATION TO EILDON CAPITAL	CONSENTING PARTY
Auditor	HLB Mann Judd (NSW Partnership)
Investigating Accountant	HLB Mann Judd Assurance (NSW) Pty Ltd
Legal adviser	Thomson Geer
Share registry	Next Registries

To the maximum extent permitted by law, each of the parties named in this Section 10.10:

- (a) states that it has not authorised or caused the issue of this Prospectus;
- (b) is not taken to have made, or purported to have made, any representation or warranty in relation to Eildon Capital either express or implied or any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (c) expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by such party.

10.11 EXPENSES OF THE OFFER

All expenses connected with the Offer are being borne by Eildon Capital.

Based on the Offer being fully subscribed, the estimated costs of the Offer, which have been paid or are payable by Eildon Capital are as follows:

EXPENSES OF THE OFFER	AMOUNT INCLUDING GST (\$)
Legal costs	100,000
Investigating Accountant's Report	18,500
ASX Listing Fees	111,445
Meeting costs	5,000
Prospectus preparation and printing	30,000
Advisory Fees	500,000
ASX fees for in-principle advice	5,000
Total	769,945

10.12 SUPPLEMENTARY INFORMATION

A supplementary prospectus will be issued if Eildon Capital becomes aware of any of the following between the issue of this Prospectus and the date the Shares are quoted:

- (a) a material statement in this Prospectus is misleading or deceptive;
- (b) there is a material omission from this Prospectus;
- (c) there has been a significant change affecting a matter included in this Prospectus; or
- (d) a significant new circumstance has arisen and it would have been required to be included in this Prospectus.

10.13 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours free of charge at the registered office of Eildon Capital for a period of not less than 12 months from the date of this Prospectus:

- (a) each Director's consent for the lodgement of this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 10.10 of this Prospectus.

10.14 AUTHORISATION BY DIRECTORS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statement made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in the Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

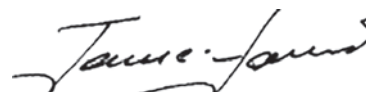
Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

This Prospectus is authorised by each of the Directors of Eildon Capital, pursuant to a resolution of the Board.

Signed for and on behalf of:

Eildon Capital Limited

James Davies
Chairman



GLOSSARY

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In this Prospectus, unless the context or subject matter otherwise requires:

APPLICANT	A person who returns an Application.
APPLICATION	An application for New Shares under the Offer.
APPLICATION FORM	The entitlement and acceptance form attached to this Prospectus.
APPLICATION PAYMENT	The payment of the Offer Price under the Offer submitted by an Applicant for the purposes of making an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the stock exchange on which it operates, as the context requires.
ASX LISTING RULES	The official Listing Rules of ASX.
BOARD	The board of Directors.
CHAIRMAN	Mr James Davies.
CLOSING DATE	5.00pm (Sydney time) on 24 January 2017 (unless varied).
COMPANY OR EILDON CAPITAL	Eildon Capital Limited (formerly CVC Private Equity Limited) ACN 059 092 198.
CORPORATIONS ACT	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
CVC	CVC Limited ACN 002 700 361.
DIRECTORS	The directors of Eildon Capital.
EXPOSURE PERIOD	The period during which Eildon Capital cannot accept Applications as described in Section 727(3) of the <i>Corporations Act</i> .
GST	Has the meaning given to that term in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) and includes goods and services tax.
MANAGER	Eildon Funds Management Limited ACN 066 092 028.
MANAGEMENT AGREEMENT	The management agreement between Eildon Capital and the Manager dated 23 November 2015.
NET ASSETS	Represents the balance of total assets minus total liabilities of Eildon Capital and includes deferred tax balances associated with those assets and liabilities.
NEW SHARES	The Shares to be issued pursuant to this Prospectus.
OFFER	The offer of New Shares under this Prospectus, subject to and on the Terms of the Offer.
OFFER PRICE	The subscription price per New Share under the Offer (i.e. \$1.06 per New Share).
ORIGINAL PROSPECTUS	The original prospectus lodged by Eildon Capital with ASIC on 28 November 2016.
PROSPECTUS	This replacement prospectus which replaces the Original Prospectus.
SHARE REGISTRY	Next Registries of Level 16, 1 Market Street, Sydney NSW 2000.
SHAREHOLDER	Holder of Shares.
SHARES	Ordinary shares in the capital of Eildon Capital.
TERMS OF THE OFFER	The terms and conditions set out in this Prospectus, including any modifications made by Eildon Capital.

APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor. You should read this Prospectus dated 12 December 2016 and any relevant supplementary Prospectus (if applicable), carefully before completing this Application Form. The *Corporations Act* prohibits any person from passing on this Application Form unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

To fill in this application form, please:

- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

A Number of shares you are applying for

Minimum of 2,000 Shares to be applied for

x \$1.06 per share =

B Total amount payable

C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

Important please note if the name and address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details – PIN CHEQUE(S) HERE

Please enter details of the cheque(s) that accompany this application

Name of drawer of cheque

Cheque No.

BSB No.

Account No.

Cheque Amount A\$

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

H Contact telephone number (daytime/work/mobile)

I Email address

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Eildon Capital Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

GUIDE TO APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than 2,000 shares). Multiply by **\$1.06** AUD to calculate the total for Shares and enter the **\$amount** at **B**.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete cheque details as requested. Make your cheque payable to Eildon Capital Limited – Share Offer Account, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- I. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	CORRECT Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

LODGEMENT

Application Forms must be received by Eildon Capital Limited no later than 5.00pm on 24 January 2017.

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

Suite 3703
Level 37, Gateway
1 Macquarie Place
SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Eildon Capital Limited on (02) 9087 8000.

Privacy Statement

Eildon Capital Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website <http://www.eildonfunds.com/investor-info.html>



CORPORATE DIRECTORY

DIRECTORS

James Davies
Michelle Harpur
Mark Avery
Alexander Beard

COMPANY SECRETARY

John Hunter

REGISTERED OFFICE

Suite 3118
Level 31
120 Collins Street
MELBOURNE VIC 3000
Tel: +61 3 9225 5010

WEBSITE

www.eildonfunds.com

SHARE REGISTRY

Next Registries
Level 16
1 Market Street
SYDNEY NSW 2000
Tel: +61 2 9276 1700
Fax: +61 2 9251 7138

INVESTIGATING ACCOUNTANT

HLB Mann Judd Assurance (NSW) Pty Ltd
Level 19
207 Kent Street
SYDNEY NSW 2000
Tel: +61 2 9020 4000
Fax: +61 2 9020 4190

AUDITOR

HLB Mann Judd (NSW Partnership)
Level 19
207 Kent Street
SYDNEY NSW 2000
Tel: +61 2 9020 4000
Fax: +61 2 9020 4190

LEGAL ADVISER

Thomson Geer
Level 25
1 O'Connell Street
SYDNEY NSW 2000
Tel: +61 2 8248 5800
Fax: +61 2 8248 5899

ENQUIRIES

Louise Macklin
Eildon Capital Limited
Tel: +61 2 9087 8000
E: lmacklin@eildoncapital.com

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EILDON CAPITAL LIMITED

MELBOURNE OFFICE

Suite 3118
Level 31
120 Collins Street
Melbourne VIC 3000
P +61 3 9225 5010

SYDNEY OFFICE

Suite 3703
Level 37, Gateway
1 Macquarie Place
Sydney NSW 2000
P +61 2 9087 8000

E info@eildoncapital.com
W www.eildonfunds.com

