vanEyk Three Pillars

TO: COMPANY ANNOUNCEMENTS OFFICE

COMPANY: AUSTRALIAN SECURITIES EXCHANGE LIMITED

FROM: VAN EYK THREE PILLARS LIMITED

DATE: 22 FEBRUARY 2010

NO. OF PAGES: 75

Outcome of Strategic Review and Proposed Capital Return

1. ASX/Media Realise
2. Chairman's Letter
3. Notice of Meeting and Explanatory Memorandum
4. Proxy Form

Brian McGarry
Company Secretary

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vanEyk Three Pillars

ASX/Media Release – 22 February 2010

van Eyk Three Pillars Shareholders to Receive Substantial Cash Return

- Board unanimously recommends the proposal
- Independent expert opinion that VTP shareholders will be better off if the Proposed Capital Return is implemented and the proposal “fair and reasonable”

Shareholders of listed investment company van Eyk Three Pillars Ltd (VTP) are being offered the opportunity to cash out a significant proportion of their investment in the company after a strategic review of capital management initiatives was undertaken by its board of directors.

The plan, which has the unanimous support of the board and is described as being “fair and reasonable to shareholders as a whole” by the independent expert, will be put to a shareholder vote on April 8, 2010. The independent expert states that the proposal treated all shareholders equally and that VTP shareholders would be better off if the proposed capital return was implemented.

“Your board is solely focussed on providing the best result for all shareholders and consider this to be an excellent opportunity for them,” VTP’s chairman Mr Stuart Nisbett said. The board had considered a range of options including a substantial share buyback, capital return, merger/takeover and winding up before agreeing to present this opportunity to shareholders.

“Shareholders elected this board with a mandate to regain control of their capital” Mr Nisbett added.

“Listed investment companies like VTP are quite distinct from operating businesses. They don’t have on-going capital requirements. The Board considers that where an LIC has liquid assets, shareholders can reasonably expect shares to trade at or close to net tangible asset backing, and if a discount persists the board has an obligation to propose options to start giving capital back.”

Directors estimated that the proposed capital return would amount to about 95% of VTP’s gross tangible assets, which would be funded by the sale of shares held in its investment portfolio. The remainder of the assets would remain within the company which will remain listed. Under the proposal a 1-for-20 share consolidation would then be undertaken. The board intends to pursue additional initiatives to enhance VTP’s performance and to reduce its cost structure. The proposal does not contemplate the termination of existing management agreements to which VTP is a party.

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Mr Nisbett is the independent chairman of a board that was elected after VTP shareholders opted to remove former directors at an extraordinary general meeting last September. The change was driven by the need to improve returns to investors by enacting a plan to minimise the discount at which VTP shares had been trading when compared with their asset backing. Shortly after election, the directors implemented a substantial buyback which has already repurchased $17 million of shares while they undertook the strategic review. This buy back was recently temporarily suspended in the context of the strategic review.

The review was undertaken with the aid of VTP's financial advisor, PricewaterhouseCoopers, and its legal advisor, Gilbert + Tobin. The independent expert report was provided by Lonergan Edwards & Associates Ltd.

Mr Nisbett said in a letter to shareholders that the new plan would allow them to realise as cash a very significant proportion of their shares, while allowing the board to consider the available options for maximising the value of their remaining VTP shares. "The Board considers that this is the best way for shareholders to realise their investment in VTP in a fair and timely manner at, or close to, net tangible asset backing," he said.

If the capital return was implemented based on VTP's financial position at December 31, 2009, directors estimated that the cash return would be $0.96-per-share Based on VTP's financial position at January 31, 2010, then the return would be $0.90-per-share. Both amounts were above the VTP share price on the respective dates. Under the Proposal shareholders will also retain their proportional interest in VTP post the capital return.

The proposal is conditional on shareholder approval and confirmation from the ATO that no part of the capital return will be deemed to be an assessable dividend in the hands of shareholders.

Media Enquires

Alan Deans, Partner, Last Word Corporate Communications 0427 490 992 vanEyk **Three Pillars**

22 February 2010

Dear Shareholder,

Since the election of the new Board of van Eyk Three Pillars Limited ("VTP") on 29 September 2009, the Directors have undertaken a strategic review, which as explained previously to shareholders would consider a range of capital management initiatives. The potential capital management initiatives considered included a substantial share buyback, capital return, merger/takeover and potential wind-up. The review was completed with the assistance of VTP's financial advisor, PricewaterhouseCoopers, and our legal advisor, Gilbert + Tobin.

Your Board is solely focussed on providing the best result for all shareholders. An over-riding focus has been to ensure that shareholders are treated equally.

The Directors are very pleased to present a proposal that we are confident provides an excellent result for all shareholders. The proposal provides an opportunity to promptly realise as cash a very significant portion of the value of your investment in VTP, while leaving options for the Board to maximise the remaining value of your shares.

Prior to the Board's election, VTP's share price had significantly under-performed the S&P/ASX300. It had also been trading at an unacceptable discount to the value of its assets (or Net Tangible Asset (NTA) backing) for a considerable time.

The Directors believe that the proposal being put forward in the Explanatory Statement is the best way for shareholders to realise their investment in VTP in a fair and timely manner at, or close to, NTA backing.

Under the proposal, VTP will return cash proceeds to shareholders by way of an equal capital return. It is expected that the capital return would deliver to shareholders approximately 95% of the value of VTP's Gross Tangible Assets (GTA) (net of the costs of the proposal). If the proposal was implemented based on VTP's financial position on 31 December 2009 (based on auditor reviewed half-year accounts), it is estimated that you would receive approximately $0.96 for every share that you hold in VTP. If the proposal was implemented based on VTP's financial position on 31 January 2010 (based on unaudited management accounts), it is estimated that you would receive approximately $0.90 for every share that you hold in VTP. A return of $0.96 or $0.90 per share is above the price the shares were trading at the day of this announcement. Shareholders should note that the actual per share amount they will receive under the proposal may be more or less than the above amounts for a variety of reasons, including due to changes in the value of securities which comprise VTP's investment portfolio.

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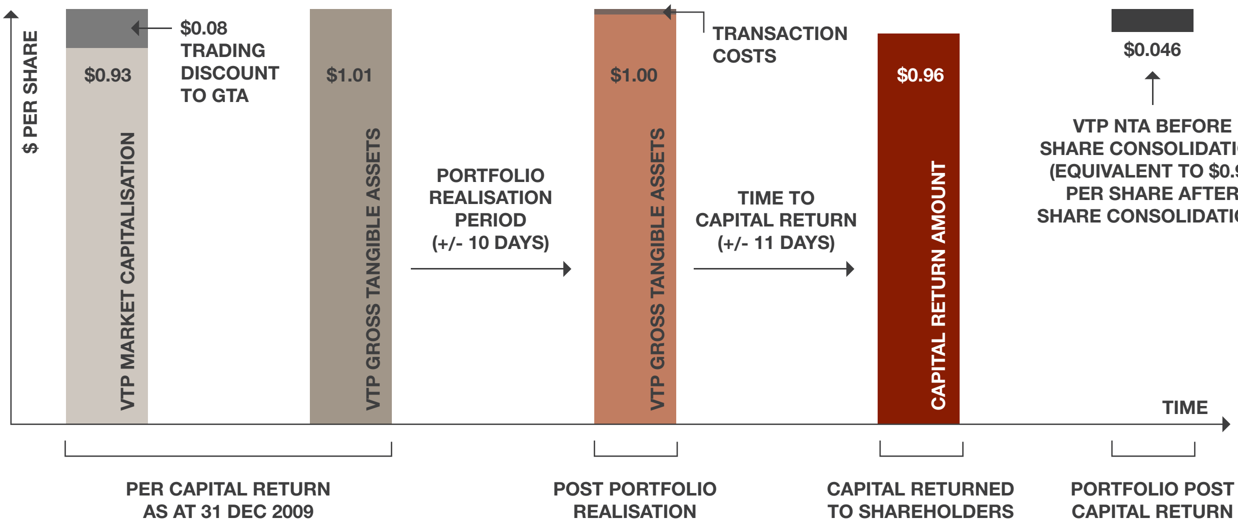
VTP — CAPITAL RETURN PROPOSAL SUMMARY

(Based on financial position at 31 December 2009)



NOTES:

1. GTA principally comprises shares and cash. Other assets and liabilities included GTA represent $0.004 per share as at 31 December 2009.
2. This diagram is indicative only and values and timing may change as a result of prevailing market conditions during the execution of the Proposal.
3. All amounts have been calculated as if the Proposal was implemented on 31 December 2009 and on assumptions further described in the pro-forma balance sheet set out in section 3.1 of the Booklet. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half -year accounts), it is estimated that the Capital Return Amount would be approximately $0.96 per Share. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts), it is estimated that the Capital Return Amount would be approximately $0.90 per Share. The actual amount returned to Shareholders may be more or less than these amounts due to a variety of reasons, including changes in the value of the Portfolio.

The Board unanimously recommends that shareholders vote in favour of all resolutions to approve the proposal.

Once the capital return is undertaken, VTP will continue to hold an investment portfolio representing approximately 5% of VTP's pre capital return GTA. You will continue to hold an exposure to this portfolio through your shareholding in VTP and the Board intends that VTP remain listed on ASX after the proposal has been implemented and that trading in VTP shares continue. However, due to the reduced value of each share, the shares will be consolidated on the basis of 1 share for every 20 held at the record date for the proposal.

The proposal would result in VTP retaining a smaller portfolio of investments, giving the company reduced scale and profitability. In light of this, the Board intends to pursue additional initiatives to enhance VTP's performance and lower its cost structure. The Board aims to maximise the value of the company post the capital return.

The proposal does not contemplate the termination of the existing Management Agreements to which VTP is a party.

In considering the proposal, the Directors requested Lonergan Edwards & Associates Limited to assess the proposal on behalf of all shareholders.

The Independent Expert has concluded that the proposed capital return is fair and reasonable to shareholders as a whole and the proposed capital return would not materially prejudice VTP's ability to pay its creditors.

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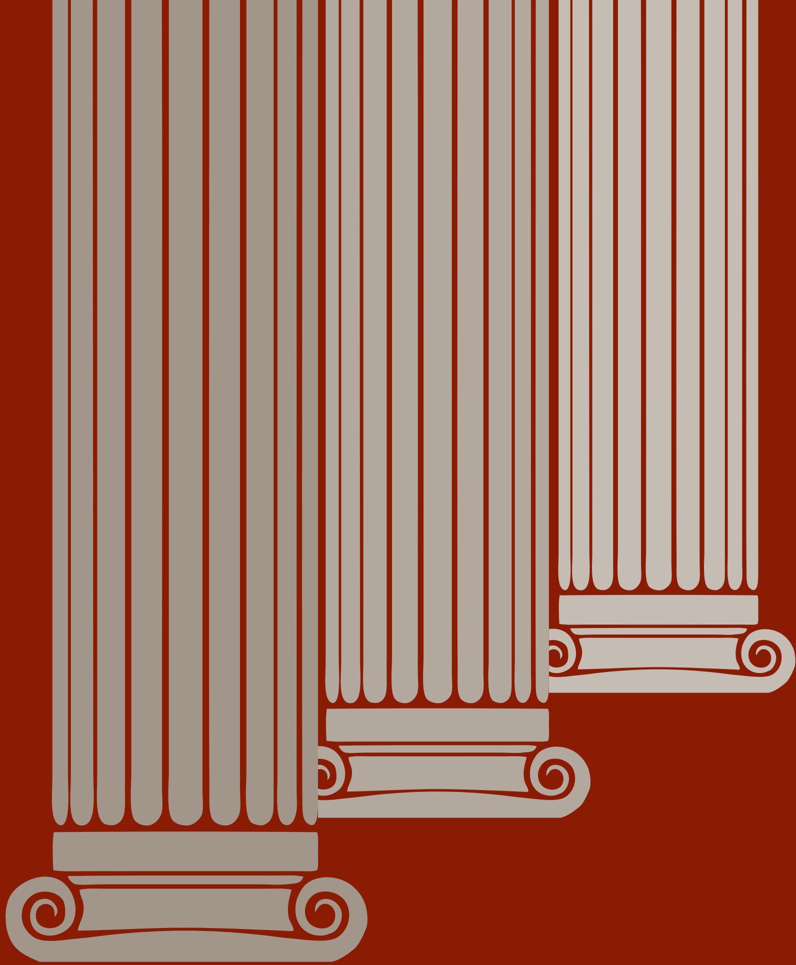
For the reasons set out in the Explanatory Statement, the Board unanimously recommends that shareholders vote in favour of all resolutions to approve the proposal. Directors intend to do so in respect of any shares held or controlled by them.

We strongly encourage you to read the Explanatory Statement and Independent Expert Report in full. Those documents contain important information to assist in your consideration of how to vote on the proposal, including the advantages and disadvantages of the proposal. If you are unsure of how to vote, please speak with your investment or other professional adviser.

In order for the proposal to proceed, shareholders must vote in favour of all resolutions proposed at the general meeting to be held at 12.00pm on 8 April 2010. If you are unable to attend the meeting, please complete the enclosed proxy form and return it in accordance with the instructions provided.

Yours sincerely,

Stuart Nisbett
Chairman



vanEyk Three Pillars

NOTICE OF MEETING AND EXPLANATORY STATEMENT IN RELATION TO A PROPOSED CAPITAL RETURN AND SHARE CONSOLIDATION

YOUR DIRECTORS UNANIMOUSLY RECOMMEND YOU **VOTE IN FAVOUR** OF THE RESOLUTIONS

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS DOCUMENT IN ITS ENTIRETY BEFORE DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE PROPOSAL. IF YOU ARE IN DOUBT AS TO WHAT YOU SHOULD DO, YOU SHOULD CONSULT YOUR LEGAL, INVESTMENT, TAXATION OR OTHER PROFESSIONAL ADVISER.

LEGAL ADVISOR TO
van Eyk Three Pillars

GILBERT + TOBIN
LAWYERS

FINANCIAL ADVISOR TO
van Eyk Three Pillars

PRICEWATERHOUSECOOPERS

IMPORTANT NOTICES

DEFINED TERMS

Capitalised terms used in this Booklet are defined in the Glossary.

READ THIS BOOKLET

You should read this Booklet in its entirety before making a decision as to how to vote on the Resolutions to be considered at the Meeting. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

RESPONSIBILITY FOR INFORMATION

Except as outlined below, the information in this Booklet has been provided by the Company and is the responsibility of the Company.

The Independent Expert, Lonergan Edwards & Associates Limited, has provided and is responsible for the information contained in Attachment A. The Company does not assume any responsibility for the accuracy or completeness of the information contained in Attachment A. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Booklet other than that contained in Attachment A.

INVESTMENT DECISIONS

This Booklet has been prepared without reference to the investment objectives, financial situation, tax situation or particular needs of any Shareholder or any other person. This Booklet should not be relied on as the sole basis for any investment decision. Independent financial and taxation advice should be sought before making any investment decision in relation to your Shares and how you vote on the Resolutions.

ASIC AND ASX INVOLVEMENT

This Booklet (including the Independent Expert's Report) has been lodged with ASIC in accordance with section 256C(5) of the Corporations Act. A copy of this Booklet has also been provided to ASX. Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Booklet.

DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Booklet may contain forward-looking statements in connection with the Company.

Any forward-looking statements in this Booklet are not based on historical facts, but rather reflect the current expectations of the Company concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe the Company's objectives, plans, goals or expectations are or may be forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. Shareholders should review carefully all of the information, including the financial information, included in this Booklet. Any forward-looking statements included in this Booklet are made only as of the date of this Booklet. The Company does not give any representation, assurance or guarantee to Shareholders that any forward looking statements will actually occur or be achieved. Shareholders are cautioned not to place undue reliance on such forward looking statements.

Subject to any continuing obligations under law or the Listing Rules, the Company does not give any undertaking to update or revise any forward-looking statements after the date of this Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

PRIVACY AND PERSONAL INFORMATION

The Company will need to collect personal information to implement the Proposal. The personal information may include the names, contact details and details of holdings of Shareholders, plus contact details of individuals appointed by Shareholders as proxies, corporate representatives or attorneys at the Meeting. The collection of some of this information is required or authorised by the Corporations Act. Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and can contact the Company Secretary by calling 1300 732 413 if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to the Company and its advisers, to the extent necessary to effect the Proposal. If the information outlined above is not collected, the Company may be hindered in, or prevented from, conducting the Meeting or implementing the Proposal effectively or at all. Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Meeting should inform that individual of the matters outlined above.

NOTICE TO PERSONS OUTSIDE AUSTRALIA

This Booklet and the Proposal are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this document is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

This Booklet has not been filed with or reviewed by any overseas securities commission or any other overseas regulatory authority, nor have any overseas authorities commented upon or endorsed the merits of the Proposal or the accuracy, adequacy or completeness of this Booklet.

DATE

This Booklet is dated 22 February 2010.

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KEY DATES

EVENT	DATE
Date of this Booklet	22 February 2010
Last date and time by which proxy forms for the Meeting can be lodged	6 April 2010 at 12.00pm
Date and time for determining eligibility to vote at the Meeting	6 April 2010 at 7.00pm
Meeting to approve the Proposal	**8 April 2010 at 12.00pm**
Receipt of ATO Class Ruling[1]	
Proposed last date to realise Portfolio to fund Capital Return[2]	10 Trading Days after the Portfolio Realisation Start Date
Date on which the Portfolio Realisation Amount will be announced	1 Business Day after end of Portfolio Realisation Period
Shares trade on "ex" Capital Return and Post-Consolidation basis (initially on a deferred settlement basis)	2 Business Days after end of Portfolio Realisation Period
Record Date for determining entitlements to participate in the Capital Return and Share Consolidation	6 Business Days after end of Portfolio Realisation Period
Day on which the Company will amend the register to reflect the Share Consolidation and issue new holding statements	7 Business Days after end of Portfolio Realisation Period
Despatch date for payment of Capital Return	11 Business Days after end of Portfolio Realisation Period
Normal trading of Shares on a Post-Consolidation basis	12 Business Days after end of Portfolio Realisation Period

All dates following the date of the Meeting are indicative only. Any changes to the above timetable will be announced to ASX and notified on the Company's website at (www.threepillars.vaneyk.com.au). The Board reserves the right to the right to amend or withdraw the Proposal, subject to applicable legal requirements.

Unless otherwise stated all references to time in this Booklet are references to Sydney time.

1. An application for the ATO Class Ruling was lodged by VTP on 19 February 2010. VTP understands that the current average timeframe for receipt of a class ruling is approximately 80 days from the date of application.
2. Assuming the Portfolio Realisation Period is the 10 Trading Days commencing on the Portfolio Realisation Start Date. Note that this period can be shorter than 10 Trading Days or may be extended by up to an additional 10 Trading Days.

PROPOSAL HIGHLIGHTS

		REFER TO SECTION
PROPOSAL	• A Capital Return under which an amount equal to the Portfolio Realisation Amount will be returned to Shareholders; and • A Share Consolidation under which every 20 Shares on issue will be consolidated into 1 Share. • The Proposal is conditional upon confirmation from the ATO that no part of the Capital Return will be deemed to be an assessable dividend in the hands of Shareholders.	2
WHAT WILL I RECEIVE?	• The Capital Return is expected to return approximately 95% of the value of the Company's Gross Tangible Assets to Shareholders. • Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half-year accounts), it is estimated that the Capital Return Amount would be approximately $0.96 per Share. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts), it is estimated that the Capital Return Amount would be approximately $0.90 per Share. The actual amount returned to Shareholders may be more or less than these amounts due to a variety of reasons, including changes in the value of the Portfolio. • You will also retain an interest in the remaining value of the Company. The value of the Remaining Portfolio is expected to be in the range of $5,000,000 to $6,000,000 at the time the Proposal is implemented. • Your remaining Shareholding will be subject to a 1 for 20 Share Consolidation. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half-year accounts) with pro forma adjustments made to reflect the impact of the Capital Return, it is estimated that NTA per Share held immediately following this Share Consolidation would be approximately $0.92. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts) with pro forma adjustments made to reflect the impact of the Capital Return, it is estimated that NTA per Share held immediately following this Share Consolidation would be approximately $0.95[3].The actual NTA per Share immediately following the Share Consolidation may be more or less than these amounts due to a number of reasons including changes in the value of the Remaining Portfolio.	3.1(a)
WHAT ARE THE KEY ADVANTAGES?	• Return of value at a reduced discount to Gross Tangible Asset and Net Tangible Asset backing. • Equality of treatment for Shareholders. • Prompt return of considerable value without retail brokerage costs.	3.2

3 & 4. The change in the value of estimated NTA is due to the impact of changes in working capital accounts reflected in VTP's balance sheet as at 31 January 2010 (unaudited management accounts).

	• Shareholders will retain 5% of their pre Share Consolidation Shareholding. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half-year accounts) with pro forma adjustments made to reflect the impact of the Capital Return, these remaining Shares are expected to have NTA of approximately $0.92 each immediately following the Share Consolidation. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts) with pro forma adjustments made to reflect the impact of the Capital Return, these remaining Shares are expected to have NTA of approximately $0.95 each immediately following the Share Consolidation[4]. The actual NTA per Share immediately following the Share Consolidation may be more or less than these amounts due to a number of reasons including changes in the value of the Remaining Portfolio.	
WHAT ARE THE KEY DISADVANTAGES?	• Reduced scale of the remaining business with increased prospects of the Company incurring losses where the performance of the Remaining Portfolio is unsatisfactory. • Reduced certainty that dividends will be paid in the future. • Deferred tax assets, other than those utilised in the realisation of the Portfolio, may not be able to be utilised in the future. • Remaining Shares on issue may trade at a substantial discount to their NTA backing and may be less liquid. • Some Shareholders may hold unmarketable parcels of Shares after implementation of the Proposal.	3.3
WHAT ARE THE COSTS OF THE PROPOSAL?	• The Costs of the Proposal are not expected to exceed $500,000. • None of the Directors will receive any payment or benefit of any kind as a consequence of the Proposal other than from their Shareholding in the Company, if any.	3.1(a) 6.1
RECOMMENDATION	• The Board unanimously recommends that Shareholders vote in favour of the Proposal. • The Board considers that the advantages of the Proposal outweigh the disadvantages.	3.6
INDEPENDENT EXPERT OPINION	The Independent Expert has concluded that, in its opinion: • the Capital Return is fair and reasonable to Shareholders as a whole; and • the Capital Return will not materially prejudice the Company's ability to pay its creditors.	3.5

INDEPENDENT EXPERT REASONS	The Independent Expert Report summarises the key reasons for determining that the Capital Return is fair and reasonable to Shareholders as a whole as follows: • *"the Proposed Capital Return applies to all shareholders equally having regard to the number of shares they hold as at the Record Date* • *the Proposed Capital Return will not affect the voting or other rights attaching to each VTP share and each shareholder will have the same proportionate interest in VTP before and after implementation of the Proposed Capital Return* • *the advantages of the Proposed Capital Return outweigh the disadvantages from the perspective of VTP shareholders* • *in our opinion VTP shareholders will be better off if the Proposed Capital Return is implemented."*	3.5
RESOLUTIONS	Three Resolutions need to be passed to approve the Proposal, being the Resolutions set out in the Notice of Meeting.	4.2
TIMING	• The Meeting to approve the Proposal has been convened to be held at the Realm Hotel, 18 National Circuit, Barton, Canberra, ACT at 12.00pm on 8 April 2010. • Although ultimately dependant on the timing of receipt of the ATO Class Ruling in a form satisfactory to the Board, it is expected that if the Proposal is implemented, Shareholders will receive a cash payment of the Capital Return Amount within 3 months of the date of this Booklet.	Notice of Meeting Timetable

NOTICE OF MEETING

van Eyk Three Pillars Limited ACN 106 854 175

Notice is hereby given that a general meeting of members of van Eyk Three Pillars Limited will be held as follows:

DATE: 8 April 2010

TIME: 12.00pm

PLACE: The Realm Hotel
18 National Circuit
Barton, Canberra, ACT

Capitalised terms used in this Notice of Meeting have the same meaning as set out in the Glossary.

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement. A proxy form accompanies this Notice of Meeting.

BUSINESS OF THE MEETING

RESOLUTION 1 – CAPITAL RETURN

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

> "That, subject to and conditional upon the passing of Resolutions 2 and 3 and the receipt by the Company of the ATO Class Ruling, for the purposes of section 256C(1) of the Corporations Act approval be given for the share capital of the Company to be reduced, without cancelling any Shares and without giving rise to any unpaid amount on any Shares, by the Capital Return Amount, such reduction of share capital to be effected by the Company paying the Capital Return Amount divided by the number of Shares on issue as at 5.00pm on the Record Date for each Share on issue as at 5.00pm on the Record Date."

RESOLUTION 2 – SHARE CONSOLIDATION

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

> "That, subject to and conditional upon the passing of Resolutions 1 and 3 and the receipt by the Company of the ATO Class Ruling, for the purposes of section 254H(1) of the Corporations Act and for all relevant purposes, approval be given for the Company to convert every 20 Shares into 1 Share with effect on and from 6.00pm on the Record Date (as detailed in the Explanatory Statement accompanying this Notice of Meeting)."

RESOLUTION 3 – CHANGE IN SCALE OF ACTIVITIES

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

> "That, subject to and conditional upon the passing of Resolutions 1 and 2 and the receipt by the Company of the ATO Class Ruling, for the purposes of Listing Rule 11.1.2 and for all relevant purposes, approval be given for the Company to make a substantial change in the scale of its activities as described in the Explanatory Statement accompanying this Notice of Meeting."

BY ORDER OF THE BOARD

Brian McGarry
Company Secretary
22 February 2010

HOW TO VOTE

ENTITLEMENT TO VOTE

If you are registered on the Company register as a Shareholder on 7.00pm on 6 April 2010, then you will be entitled to attend and vote at the Meeting to approve the Resolutions.

If you wish to vote in person, you must attend the Meeting. If you cannot attend the Meeting, you may vote by proxy, attorney, or if you are a body corporate, by appointing a corporate representative.

The Company will disregard any votes cast on a Resolution by:

- any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolutions are passed; and
- any associate of any such person (or persons).

However, the Company need not disregard a vote if:

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

VOTING BY PROXY

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights and an additional form of proxy is available on request from the Company. A proxy need not be a Shareholder.

Where a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.

The form of proxy must be signed by a Shareholder or a Shareholder's attorney. Proxies given by corporations must be signed in accordance with their constituent documents or as authorised by the Corporations Act.

If the form of proxy is executed under power of attorney, an original or a copy of that power of attorney must be lodged together with the form of proxy.

To be valid proxy forms must be lodged with the Registry:

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

- **BY HAND**
  Share Registry – Registries Limited
  Level 7, 207 Kent Street
  Sydney NSW 2000 Australia

- **BY FAX**
  + 61 2 9290 9655

- **BY ELECTRONIC LODGEMENT ONLINE**
  www.registries.com.au/vote/vaneykgm2010 in accordance with the instructions provided on the website. You will need your Holder Identification number (HIN) or Security Reference Number (SRN) to lodge your proxy online;

not less than 48 hours before the time for holding the Meeting, that is by 12.00pm on 6 April 2010.

CORPORATE SHAREHOLDERS

To vote at the Meeting (other than by proxy or attorney), a body corporate that is a Shareholder must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act. The representative must bring to the Meeting evidence of his or her appointment including any authority under which it is signed.

JOINT SHAREHOLDERS

In the case of joint Shareholders, names of the joint Shareholders should be shown on the form of proxy and all of the joint Shareholders should sign the form of proxy.

FURTHER INFORMATION

Shareholders should contact the Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or the VTP Help Line on 1300 732 413 with any queries.

EXPLANATORY STATEMENT

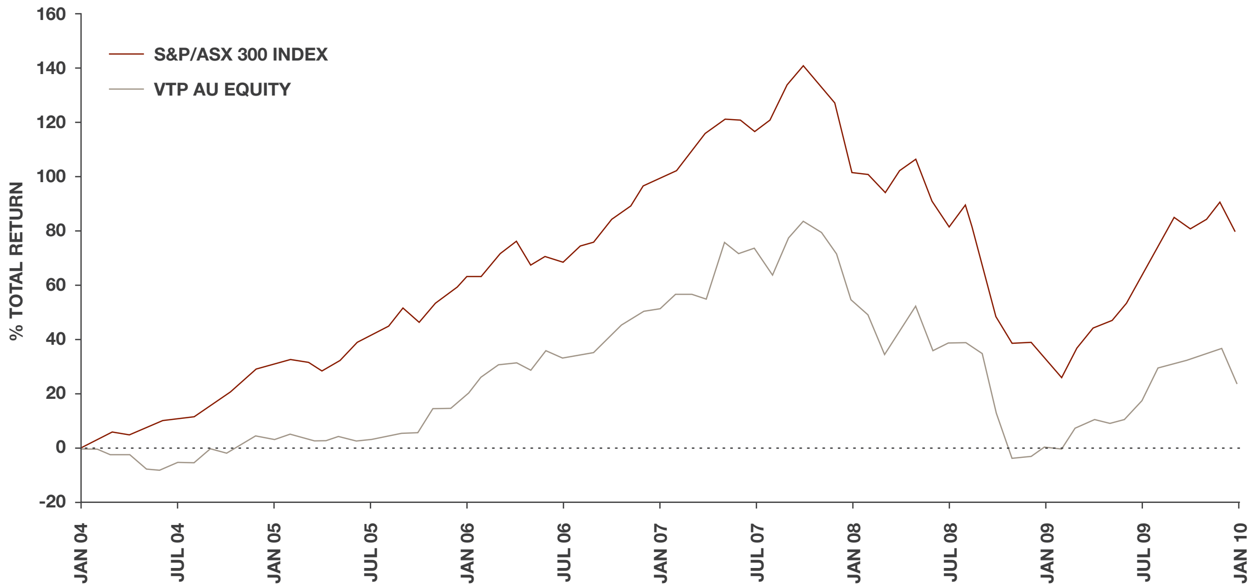
1. BACKGROUND

On 29 September 2009, Shareholders voted to elect a new Board who were mandated to conduct a detailed strategic review which would examine a range of options to achieve the objectives of:

- increasing the value of Shares; and
- providing mechanisms for Shareholders to realise their investment in VTP at, or close to, the value of the Shares' NTA backing in a fair and timely manner including a significant return of capital or winding-up of the Company.

Since inception, the Company's Share price (assuming all dividends were reinvested) has underperformed in comparison to the ASX300 Accumulation Index (which assumes all dividends are reinvested).

ASX ACCUMULATION INDEX* VS VTP PERFORMANCE* SINCE INCEPTION TO 31 JAN 2010



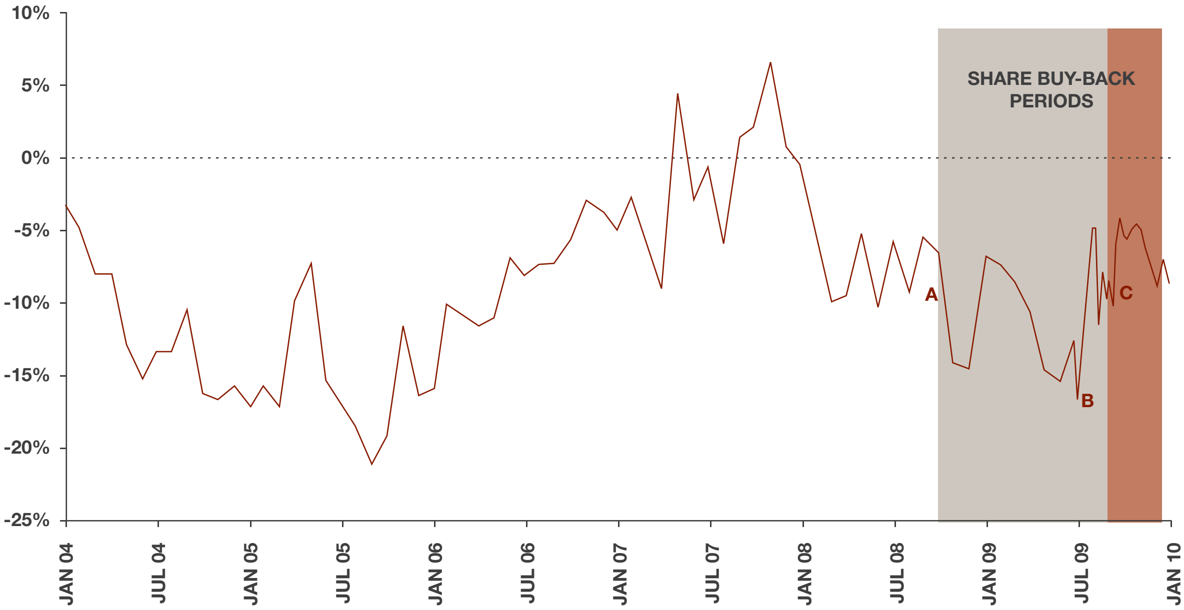
Source: Bloomberg | *Assumes dividends reinvested

A large gap came to exist between the value of the Company's assets (or NTA backing per Share) and the Share price.

In order to address the discount at which Shares were trading to their NTA backing, the new Board quickly moved to implement an on-market buy-back of up to 25% of Shares which was also approved by Shareholders on 29 September 2009. The Directors consider that this buy-back has significantly assisted in reducing the discount at which Shares traded compared to their NTA backing. Importantly, the buy-back has provided additional liquidity for Shareholders to realise their investment in VTP. From the commencement of the buy-back on 18 October 2009 to its suspension on 22 January 2010, buy-back volumes accounted for approximately 90% of the total trade volume in Shares.

A buy-back undertaken by the previous Board commencing 1 December 2008 and running to 14 October 2009 accounted for approximately 58% of total trade volumes during that period.

VTP — SHARE PRICE DISCOUNT TO NTA* PER SHARE SINCE INCEPTION TO 31 JAN 2010



A: Buy-back of 11.6m shares over 12 months announced

B: Requisition of General Meeting to replace Directors

C: Buy-back of 31.8m shares over 12 months announced (suspended 22 January 2010)

*Lesser of NTA including net deferred tax assets or NTA excluding net deferred tax assets
Source: Bloomberg and VTP's Net Tangible Asset Backing statements provided to the ASX

As part of the strategic review, the Board has reviewed a range of capital management initiatives. Capital management initiatives considered by the Board included a substantial share buy-back, a return of capital, a takeover of the Company and a winding-up of the Company.

The conclusion of the strategic review was a recommendation by the Board that the Company return capital to Shareholders equal to the Portfolio Realisation Amount and then consolidate the Shares on a 20 for 1 basis. This Capital Return will treat all Shareholders equally and is supported by the Independent Expert's conclusion that, in its opinion, it considers the Capital Return is both fair and reasonable to Shareholders as a whole. Accordingly, the Company has convened the Meeting to consider the Proposal and this meeting is to be held on 8 April 2010.

2. SUMMARY OF PROPOSAL

2.1 WHAT IS THE PROPOSAL?

The Proposal consists of:

a) **Capital Return:** an amount equal to the Portfolio Realisation Amount will be returned to Shareholders as an equal reduction of capital. It is estimated that the Capital Return would return $0.96 per Share assuming it was implemented on the basis of the Company's financial position as at 31 December 2009 (based on auditor reviewed half-year accounts). It is estimated that the Capital Return would return $0.90 per Share assuming it was implemented on the basis of the Company's financial position as at 31 January 2010 (based on unaudited management accounts). The actual amount returned to Shareholders if the Proposal is implemented may be more or less than these amounts due to a variety of reasons, including changes in the value of the Portfolio.

b) **Share Consolidation:** every 20 Shares on issue after the Capital Return is effected will be consolidated into 1 Share.

2.2 CAPITAL RETURN

It is proposed to reduce the Company's share capital by an amount equal to the Portfolio Realisation Amount by effecting an equal reduction of capital pursuant to the Corporations Act.

The exact amount of capital to be returned to Shareholders under the Capital Return will be known by the Directors at the conclusion of the Portfolio Realisation Period. The Directors will request the Managers to realise the Portfolio during the Portfolio Realisation Period to the extent necessary to fund the capital return of the Portfolio Realisation Amount. The Portfolio Realisation Amount is the amount of the Portfolio held in cash at the conclusion of the Portfolio Realisation Period (or which will be held in cash following the settlement of trades conducted during the Portfolio Realisation Period) for the purpose of funding the Capital Return. The Portfolio Realisation Amount will equal the value of the Portfolio at the conclusion of the Portfolio Realisation Period less the Retention Amount.

The Retention Amount will be equal to the value of the Remaining Portfolio at the conclusion of the Portfolio Realisation Period plus any unpaid Costs of the Proposal. The Remaining Portfolio Value will be in the range of $5,000,000 to $6,000,000 at the conclusion of the Portfolio Realisation Period, with the value of relevant securities comprising the Remaining Portfolio being calculated on the basis of the last price at which those securities trade on ASX during the Portfolio Realisation Period. The Directors will request that the Managers endeavour to ensure that the Remaining Portfolio Value is as close as practicable to $5,500,000, being the mid-point of the $5,000,000 to $6,000,000 range.

The Directors anticipate that a majority of the Costs of the Proposal will have been paid prior to the conclusion of the Portfolio Realisation Period. In the event that there are unpaid Costs of the Proposal at the conclusion of the Portfolio Realisation Period, then an amount equal to these unpaid costs will be included in the Retention Amount.

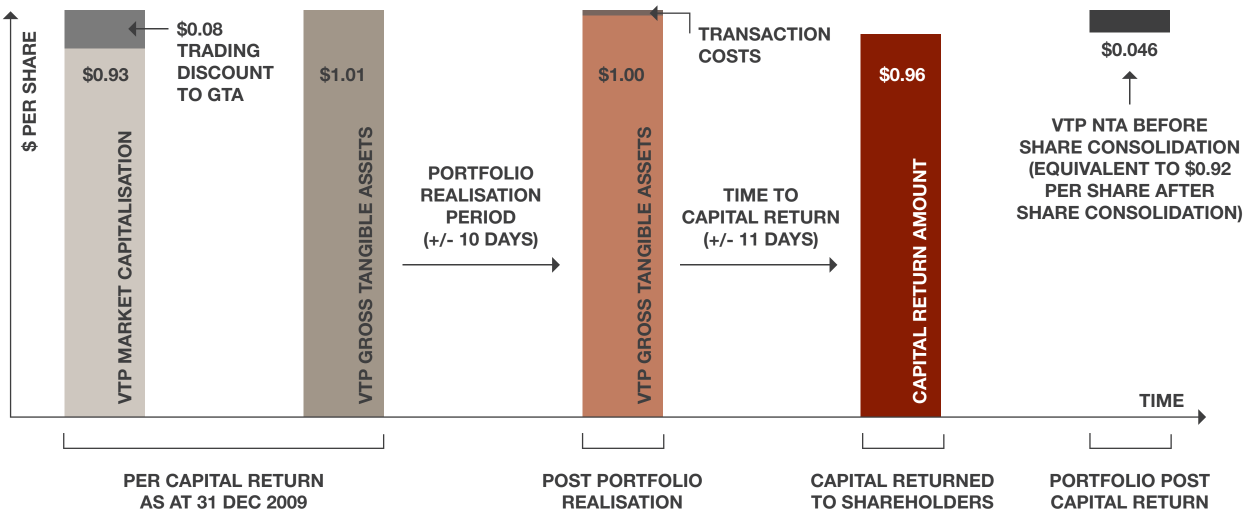
Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half-year accounts), it is estimated that the Capital Return Amount would be approximately $0.96 per Share. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts), it is estimated that the Capital Return Amount would be approximately $0.90 per Share. The actual amount returned to Shareholders may be more or less than these amounts due to a variety of reasons, including changes in the value of the Portfolio.

The Capital Return is conditional on the receipt by the Company of the ATO Class Ruling (see section 5.3 below for further details). Accordingly, it is anticipated that the Portfolio Realisation Period will be the initial 10 Trading Days following the last to occur of the date of receipt by the Company of the ATO Class Ruling and the date that the Resolutions are passed by the required majorities of Shareholders. The Directors, however, have retained a discretion to extend this period by a maximum additional 10 Trading Days. This may be necessary, for example, to ensure an orderly disposal of the Portfolio having regard to market conditions prevailing at that time. The Portfolio Realisation Period may also be less than 10 Trading Days if the required proportion of the Portfolio is realised in a shorter period of time.

The Capital Return can be represented as follows:

VTP — CAPITAL RETURN PROPOSAL SUMMARY

(Based on financial position at 31 December 2009)



NOTES:

1. GTA principally comprises shares and cash. Other assets and liabilities included GTA represent $0.004 per share as at 31 December 2009.

2. This diagram is indicative only and values and timing may change as a result of prevailing market conditions during the execution of the Proposal.

3. All amounts have been calculated as if the Proposal was implemented on 31 December 2009 and on assumptions further described in the pro-forma balance sheet set out in section 3.1 of the Booklet. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half -year accounts), it is estimated that the Capital Return Amount would be approximately $0.96 per Share. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts), it is estimated that the Capital Return Amount would be approximately $0.90 per Share. The actual amount returned to Shareholders may be more or less than these amounts due to a variety of reasons, including changes in the value of the Portfolio.

On the Business Day following the end of the Portfolio Realisation Period, the Company will announce to ASX the Capital Return Amount. From the following Business Day, Shares will trade "ex" the entitlement to receive the Capital Return and also on a post-consolidation basis (initially on a deferred settlement basis).

Subject to all of the Resolutions being passed by the required majorities of Shareholders and the receipt by the Company of the ATO Class Ruling, the Capital Return will become effective from 5.00 pm on the Record Date, which will be the 5th Business Day after the Company announces to ASX the Capital Return Amount.

All Shareholders as at 5.00pm on the Record Date will receive, for each Share they hold at that time, a return of capital equal to the Capital Return Amount divided by the number of Shares on issue as at 5.00 pm on the Record Date. Calculation of the amounts due will occur prior to the Share Consolidation.

2.3 SHARE CONSOLIDATION

The Listing Rules provide that the Company must not "reorganise its capital" if the effect of doing so would be to decrease the price at which its shares would be likely to trade after the reorganisation to an amount less than 20 cents. The Company has taken the view that the Capital Return is a reorganisation of the Company's capital that will likely cause the Share price to trade below 20 cents. In order to seek to prevent the Capital Return resulting in Shares trading at a price below 20 cents, the Company is proposing to consolidate its Shares on a 20 for 1 basis following the Capital Return.

The Corporations Act and the Listing Rules set out the procedure and timing for a consolidation of shares. Subject to all of the Resolutions being passed by the required majorities of Shareholders and the receipt by the Company of the ATO Class Ruling, the Share Consolidation will become effective from 6.00pm on the Record Date.

2.4 SHAREHOLDER APPROVAL FOR CHANGE TO SCALE OF ACTIVITIES

The Capital Return Amount is expected to represent approximately 95% of the value of the Company's Gross Tangible Assets at the conclusion of the Portfolio Realisation Period. So as to fund the Capital Return, it will be necessary for a large proportion of the Portfolio to be sold such that implementation of the Proposal could be considered a significant change to the scale of VTP's activities. Consequently, once the Capital Return has been implemented, the size of the Remaining Portfolio will be significantly less than the size of the Portfolio immediately prior to the Portfolio Realisation Period.

ASX can require a listed entity to obtain the approval of shareholders before it makes a significant change to the scale of its activities. Accordingly, Shareholder approval is being sought in compliance with this requirement.

2.5 CONDITIONALITY AND INTERDEPENDENCE OF RESOLUTIONS

Each of the Resolutions is interdependent upon the other Resolutions being passed by the required majorities of Shareholders. Accordingly the Proposal, constituted by the Capital Return and Share Consolidation, will only proceed if each of the Resolutions are passed.

The Proposal, constituted by the Capital Return and Share Consolidation, is also conditional on the receipt by the Company of the ATO Class Ruling (see section 5.3 below for further details). If each of the Resolutions are passed by the required majorities of Shareholders but the ATO Class Ruling is not received by the Company, the Proposal will not proceed and no capital will be returned to Shareholders and the Shares will not be consolidated on a 20 for 1 basis.

VTP understands that the current average timeframe for receipt of relevant class rulings is 80 days from the date of application. Application for the ATO Class Ruling was made by VTP on 19 February 2010. VTP will not proceed with the Proposal if the ATO Class Ruling is not received by 31 July 2010.

2.6 STATUS OF 25% BUY-BACK

An on-market buy-back of up to 25% of all issued Shares was authorised by Shareholders on 29 September 2009. That buy-back was commenced on 18 October 2009 and was suspended on 22 January 2010. During the period from 18 October 2009 to 21 January 2010, a total of 18,368,679 Shares were bought-back by the Company, representing 14% of the total number of Shares on issue at the commencement of that buy-back. The Company is permitted to buy-back up to a further 13,384,796 Shares under the terms of that buy-back, representing a further 10% of the total number of Shares on issue at the commencement of that buy-back.

As announced on ASX on 22 January 2010, the Company suspended the buy-back until the announcement of the results of the strategic review. Should the Proposal be approved by Shareholders, the Company intends to recommence the buy-back following the date of the Meeting until the commencement of the Portfolio Realisation Period, after which the buy-back will be again suspended to allow for the Proposal to be implemented.

3. MATTERS RELEVANT TO YOUR VOTE ON THE PROPOSAL

3.1 EFFECT OF PROPOSAL ON THE CONTINUED OPERATIONS OF THE COMPANY

a) REALISATION OF THE PORTFOLIO

In order to fund the Capital Return, a large proportion of the Portfolio will need to be realised.

Relevantly, the value of the Remaining Portfolio will, at the conclusion of the Portfolio Realisation Period, be in the range of $5,000,000 to $6,000,000. As the Remaining Portfolio is expected to largely comprise cash and shares in entities listed on ASX, the value of the Remaining Portfolio will change after this date due to the impact of changes in the market value of the Remaining Portfolio's underlying investments.

The pro-forma net asset position of the Company showing the impact of the Proposal as if it was implemented on 31 December 2009 is set out below. The pro-forma net asset position is based on the value of the Portfolio as at 31 December 2009. However, that value will change after 31 December 2009 due to the impact of changes in the market value of the Portfolio's underlying investments and the impact of Shares bought-back by the Company after 31 December 2009. In the period following 31 December 2009 and up to the suspension of the buy-back on 22 January 2010, the Company bought-back 1,133,469 Shares for total consideration of $1,060,442 (average price of $0.94 per Share).

COMMENTARY ON PRO-FORMA ADJUSTMENTS:

(numbers correspond to the **Pro Forma Balance Sheet**)

1. It is intended that a large amount of the investments held in the Portfolio will be sold to fund the proposed Capital Return. The Remaining Portfolio will comprise a mixture of cash and shares in entities listed on ASX. For the purposes of the Pro-forma analysis it is assumed that the Remaining Portfolio Value equals $5,500,000 and comprises $2,000,000 in cash and $3,500,000 in shares. The apportionment of the Portfolio between cash and securities is indicative only and it is possible that the value of the cash components or securities components will be substantially more or less than that which is indicated in the pro-forma column.

   As a large amount of the Portfolio held by the Company will need to be realised to effect the Capital Return, there is risk that the amount of funds realised during the Portfolio Realisation Period which is then returned to Shareholders pursuant to the Capital Return is less than the amounts estimated based on the financial position as at 31 December 2009. This may be the case for a variety of reasons including changes in the value of the Portfolio.

2. The Costs of the Proposal are not expected to exceed $500,000. This includes costs of brokerage and associated selling expenses, legal and financial advisers, the Independent Expert, documentation and meeting costs. A portion of these costs will have been incurred prior to the date that Shareholders will vote on the Proposal and will be payable whether or not the Proposal is approved.

3. If the Portfolio was realised on the basis of the financial position of VTP as at 31 December 2009 (based on auditor reviewed half-year accounts), it is estimated that the Capital Return Amount would equal approximately $106,279,728 representing a return of $0.96 per Share.

   If the effect of Shares bought-back after 31 December 2009 and up to the suspension of the buy-back on 22 January 2010 were adjusted for, it is estimated that the Capital Return Amount would equal approximately $105,219,286 representing a return of $0.96 per Share.

   If the Portfolio was realised on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts), it is estimated that the Capital Return Amount would equal approximately $98,913,007 representing a return of $0.90 per Share.

   The actual amount returned to Shareholders may be more or less than the above amounts due to a variety of reasons, including changes in the value of the Portfolio.

4. Substantial deferred tax assets have been recognised in respect of prior period carry forward losses. It is expected that tax on gains resulting from the realisation of the Portfolio will be able to be offset against these carry forward losses and the benefit of some of these tax assets will accordingly be realised.

5. Notwithstanding the utilisation of the tax losses detailed in point 4 above, a substantial balance of deferred tax assets will remain. Following the Capital Return the Company will have significantly reduced scale and may not generate sufficient taxable gains to utilise these deferred tax assets. Accordingly a portion of the balance has been reversed in the pro-forma analysis.

VAN EYK THREE PILLARS LIMITED – PRO FORMA BALANCE SHEET

			PRO FORMA ADJUSTMENTS					
			1	2	3	4	5	
	AUDITED 30 JUNE 2009	AUDITOR REVIEWED ACCOUNTS 31 DEC 2009	PARTIAL REALISATION OF INVESTMENT PORTFOLIO	ESTIMATED COSTS OF REALISATION AND CAPITAL RETURN	ESTIMATED CAPITAL RETURN	CHANGE IN DEFERRED TAX BALANCES FROM REALISED GAINS	REVERSAL OF REMAINING DEFERRED TAX ASSET BALANCE	PRO FORMA 31 DEC 2009
ASSETS								
Cash assets	5,509,785	12,533,575	96,246,153	(500,000)	(106,279,728)			2,000,000
Trade and other receivables	577,393	53,475						53,475
Trading portfolio (held for trading)	105,844,613	99,746,153	(96,246,153)					3,500,000
Prepayments	30,984	26,624						26,624
Current assets	111,962,775	112,359,827	0	(500,000)	(106,279,728)	0	0	5,580,099
Deferred taxes	10,657,705	7,667,097				(3,313,571)	(4,230,372)	123,154
Total Assets	122,620,480	120,026,924	0	(500,000)	(106,279,728)	(3,313,571)	(4,230,372)	5,703,253
LIABILITIES								
Trade and other payables	1,645,470	552,803						552,803
Deferred tax liabilities	13,232	3,436,725				(3,313,571)		123,154
Total Liabilities	1,658,702	3,989,528	0	0	0	(3,313,571)	0	675,957
Net assets	120,961,778	116,037,396	0	(500,000)	(106,279,728)	0	(4,230,372)	5,027,296
EQUITY								
Share capital	141,540,507	123,295,688		0	(106,279,728)			17,015,960
Accumulated losses	(20,578,729)	(7,258,292)		(500,000)			(4,230,372)	(11,988,664)
Total Equity	120,961,778	116,037,396	0	(500,000)	(106,279,728)	0	(4,230,372)	5,027,296
	Number of shares outstanding up to suspension of Buyback on 22 January 2010							109,758,280
	Pro Forma number of shares Post Share Consolidation							5,487,914
	Pro Forma NTA per share							$0.92

b) COMPANY PROFILE FOLLOWING IMPLEMENTATION OF THE PROPOSAL

The Board intends that the Company will remain listed on ASX after the Proposal has been effected. It is expected that Shares will remain quoted on ASX after the Proposal has been effected, and accordingly that it will be possible for trading in Shares to continue.

The profitability of the Company after the Proposal has been effected will be dependent on the performance of the Remaining Portfolio and the cost of managing the business as an ASX listed company. One consequence of the size of the Remaining Portfolio being less than the size of the Portfolio prior to the implementation of the Proposal is that there is an increased prospect for the Company to suffer a loss in periods where the performance of the Remaining Portfolio is unsatisfactory. Given its significantly reduced scale, the Company intends to undertake a cost optimisation exercise following implementation of the Proposal through which it will seek to reduce costs to levels which better reflect its reduced scale. There can be no assurances that the Company will pay dividends in the future

The Directors do not consider that the Proposal will materially prejudice the Company's ability to pay its creditors. Relevantly, the Directors considerations included the following matters:

- following implementation of the Proposal, the Remaining Portfolio is expected to largely comprise cash and shares in entities listed on ASX, giving the Company an expected NTA level in the range of $4,500,000 to $5,500,000 at the conclusion of the Portfolio Realisation Period;
- whilst the value of the Remaining Portfolio will change after the conclusion of the Portfolio Realisation Period due to, amongst other things, the impact of changes in the market value of the underlying investments in the Remaining Portfolio, the Directors consider that VTP's assets will be sufficient to discharge in full its creditors. The Directors consider that the pro-forma balance sheet set out above supports this conclusion;
- VTP is currently able to pay its debts as and when they become due and payable and the Directors consider that the Proposal will not alter that position; and
- the ongoing level of liabilities owed by the Company in the years following implementation of the Proposal is expected to reduce following implementation of the Proposal given the Company's reduced scale. This is primarily because the fees payable by VTP under the Management Agreements are based on the value of the Portfolio and will therefore reduce broadly in line with the reduction in VTP's net assets following implementation of the Proposal[5].

The Proposal does not contemplate the termination of the existing Management Agreements to which the Company is a party. The Company does not have an express right to terminate the Management Agreements without cause. The Managers are presently permitted to terminate the Management Agreements on 6 months notice. At the date of this Booklet, neither Manager has given notice of its intention to exercise this right.

c) INTENTIONS AS TO FUTURE OPERATIONS OF THE COMPANY

Following the implementation of the Proposal, the Board will actively consider additional initiatives to enhance the performance of the Company and the value of Shares. In particular, the Directors will implement the cost optimisation exercise which will seek to reduce costs to levels which better reflect VTP's reduced scale and potentially further capital management initiatives designed to create value for Shareholders.

3.2 ADVANTAGES OF THE PROPOSAL

The Directors consider that the advantages of the Proposal include the matters set out below.

a) RETURN OF VALUE AT A REDUCED DISCOUNT TO GROSS TANGIBLE ASSET AND NET TANGIBLE ASSET BACKING

It is estimated that the Proposal will allow Shareholders to obtain value for their Shares at a smaller discount to Gross Tangible Assets and NTA than the discount that has historically been the case when Shares have traded on ASX.

Assuming that the Capital Return was implemented on the basis of the financial position of the Company as at 31 December 2009 (based on auditor reviewed half-year accounts), it is estimated that the Proposal would deliver to

5. It is noted that when determining any performance fee payable under the Investment Management Agreement in the financial year in which the Proposal is implemented, changes in the value of the Portfolio as a result of capital reductions undertaken by VTP will be disregarded or adjusted in a manner determined by the auditor of VTP.

Shareholders $0.96 per Share. Assuming that the Capital Return was implemented on the basis of the financial position of the Company as at 31 January 2010 (based on unaudited management accounts), it is estimated that the Proposal would deliver to Shareholders $0.90 per Share. The actual amount returned to Shareholders may be more or less than these amounts due to a variety of reasons, including changes in the value of the Portfolio. In contrast, the Directors consider that Shareholders are likely to realise significantly less than 95% of the Gross Tangible Asset backing of Shares if they sold their Shares on-market in the absence of the Proposal and in the absence of the 25% on-market buy-back.

b) EQUALITY OF TREATMENT FOR SHAREHOLDERS

The Proposal will treat all Shareholders equally – it will apply to all Shareholders on the same terms having regard to the number of Shares held by Shareholders on the Record Date. In comparison, under alternative capital management initiatives such as a buy-back, less active Shareholders may miss the opportunity to participate.

c) PROMPT RETURN OF CONSIDERABLE VALUE

The Capital Return provides an opportunity for Shareholders to promptly realise a substantial portion of the value in their Shares. The prompt realisation of substantial value under the Capital Return is particularly important given the relative illiquidity of Shares. In the 12 months prior to the commencement of the on-market buy-back that began in December 2008, only approximately 12% of all Shares on issue were traded on ASX, which evidences the illiquidity of Shares. Other capital managed initiatives considered by the Board, such as a winding-up, take a greater time period to implement and return funds to Shareholders.

d) SHAREHOLDERS WILL RETAIN SOME OF THEIR SHARES AND SOME VALUE

Immediately after the Proposal is implemented, Shareholders will continue to hold a number of Shares equal to 5% of the number of Shares they held on the Record Date. Assuming that the Capital Return was implemented on the basis of the financial position of the Company as at 31 December 2009 (based on auditor reviewed half-year accounts), with pro forma adjustments made to reflect the impact of the Capital Return, the NTA per Share is expected to be approximately $0.92 immediately after the Proposal has been implemented. Assuming that the Capital Return was implemented on the basis of the financial position of VTP as at 31 January 2010 (based on unaudited management accounts) with pro forma adjustments made to reflect the impact of the Capital Return, the NTA per Share is expected to be approximately $0.95 immediately after the Proposal has been implemented[6]. The actual NTA per Share immediately following the Share Consolidation may be more or less than these amounts due to a number of reasons including changes in the value of the Remaining Portfolio.

e) RETURN OF CONSIDERABLE VALUE WITHOUT RETAIL BROKERAGE COSTS

The Capital Return will return substantial value to Shareholders without Shareholders incurring any retail brokerage costs.

3.3 DISADVANTAGES OF THE PROPOSAL

The Directors consider that the disadvantages of the Proposal include the matters set out below.

a) REDUCED SCALE AND IMPACT ON FUTURE DIVIDENDS

One consequence of the size of the Remaining Portfolio being significantly less than the size of the Portfolio prior to the implementation of the Proposal is that there is an increased prospect for the Company to suffer a loss in periods where the performance of the Remaining Portfolio is unsatisfactory. There can be no assurances that the Company will pay dividends in the future.

b) UNCERTAIN SHARE PRICE AFTER PROPOSAL IS IMPLEMENTED

Following implementation of the Proposal, there is uncertainty as to the price at which Shares will trade on ASX. It is possible that the Shares will trade at a substantial discount to NTA given the reduced scale of the Company after the Proposal is implemented.

6. The change in the value of estimated NTA is due to the impact of changes in working capital accounts reflected in VTP's balance sheet as at 31 January 2010 (unaudited management accounts).

c) RISK OF NEED FOR FURTHER FUNDS

The Board believes that following the Capital Return the Company will be able to meet all existing and expected liabilities of the Company. However, if following the Capital Return, these commitments and liabilities unexpectedly increase beyond the level provided for by the Board, the Company may need to raise further funds (whether through debt or equity or a combination of both) to meet those additional liabilities. There can be no assurance that the Company will be able to raise such funds, on favourable terms or at all. As a result, the Company's financial condition may be adversely affected.

d) LOSS OF EXPOSURE TO A LARGE PART OF PORTFOLIO

A large part of the Portfolio held by the Company will need to be realised to effect the Capital Return. Accordingly, Shareholders will no longer hold any interest in that part of the Portfolio which is realised, and thus Shareholders will not benefit in the event of any future capital growth or income that may have been generated from that part of the investment portfolio. However, there can be no assurances given that any future capital growth or income will be generated.

e) COMPOSITION OF REMAINING PORTFOLIO

It is possible that the Remaining Portfolio will be concentrated in a small number of listed securities and/or cash. This will potentially increase the volatility of the value of the Remaining Portfolio and/or the price at which Shares trade on ASX. The Directors have little ability to control this matter as the Management Agreements confer substantial discretions upon the Managers to make decisions regarding the management of the Portfolio.

f) RISK OF REDUCED LIQUIDITY IN SHARES

Given the reduced size of the Company and the reduction in the number of Shares on issue after the Proposal has been effected, there is a risk that Shares will trade with reduced liquidity which will mean that Shareholders may find it more difficult to realise any of the remaining value in their Shares.

Further, implementation of the Proposal will leave some Shareholders holding less than a marketable parcel of Shares[7]. Such unmarketable parcels of Shares will be more difficult and/or costly to dispose of. In order to address this, following implementation of the Proposal, the Directors will investigate the feasibility of appointing a broker to conduct a sale facility for unmarketable parcels of Shares and it is intended that the Company will meet the expenses of that facility.

g) REDUCTION IN DEFERRED TAX ASSET

The deferred tax asset on the balance sheet of VTP is representative of (among other things) carried forward tax losses.

The extent to which the carried forward tax losses are recouped will depend upon the level of taxable gains derived during the Portfolio Realisation Period.

The recoupment of losses will reduce the deferred tax asset balance of the Company. However, it is possible that losses not otherwise available in the future could be utilised in the current period as a result of the Portfolio realisation.

The ability of VTP to recoup carried forward tax losses in subsequent income years (i.e. following the year of income in which the Portfolio Realisation Period takes place) will be dependant upon satisfaction of the continuity of ownership test, or failing that, the same business test.

7. A marketable parcel of Shares has a minimum value of $500 based on the last closing price of Shares on ASX.

3.4 WHY DID THE BOARD DECIDE NOT TO PROCEED WITH ALTERNATIVE CAPITAL MANAGEMENT INITIATIVES?

The Board principally considered four capital management initiatives against the objectives of the strategic review, namely:

a) a large return of capital;

b) a large share buy-back;

c) a takeover of the Company; and

d) a winding-up of the Company.

The Board concluded that, of the above capital management initiatives, a large return of capital was the most likely to achieve the objectives of the strategic review.

Details of the alternative capital management initiatives considered and a summary of their key advantages and disadvantages which impacted on the Directors' conclusion are included in the table below. A detailed summary of the advantages and disadvantages of the Capital Return component of the Proposal is set out in sections 3.2 and 3.3.

STRATEGY	DESCRIPTION	KEY ADVANTAGES	KEY DISADVANTAGES
Status quo	VTP continues with its operations as currently conducted	VTP will remain a listed investment company and Shareholders will maintain exposure to the Portfolio.	• No capital is returned to Shareholders. • Shares will likely continue to trade at an unacceptable discount to their NTA backing once the 25% on-market buy-back has been exhausted.
Large share buy-back	VTP undertakes a large share buy-back.	Majority of Shareholders' capital is returned (to the extent of Shareholder participation).	• Requires Shareholders to elect to participate and accordingly less active Shareholders may miss the opportunity to participate. • Result is that not all Shareholders receive same outcome as some Shareholders have Shares bought-back and others remain as Shareholders. • VTP will be a listed investment company with considerably less scale and potentially reduced profitability.
Takeover of VTP	A party is sought to takeover VTP.	Potential to deliver Shareholders a return at above the Shares' NTA backing (if a substantial control premium is paid).	• No party has made a proposal to purchase Shares at or close to their NTA backing. • Approaches may be at a significant discount to their NTA backing.
Winding-up	Winding-up of VTP	Return of significant amount of Shareholders' capital.	• Length of time to complete winding-up • Complexity of winding-up • Cost of winding-up

In particular, the Board considered that the option of continuing with the operations of the Company as currently conducted would be unacceptable to Shareholders given that they had sought a catalyst to change through the election of the new Board on 29 September 2009 and mandating that new Board to conduct the strategic review of capital management initiatives.

The Board also considered whether a smaller-scale return of capital would achieve the objectives of the strategic review. The Board concluded that a smaller-scale return of capital was less likely to achieve the objectives of the strategic review due to the potential discount to NTA backing that remaining Shares may trade at following the implementation of such a return of capital.

3.5 INDEPENDENT EXPERT'S OPINION

The Board commissioned the Independent Expert, Lonergan Edwards & Associates Limited, to prepare a report on the Capital Return to ascertain whether it is fair and reasonable to Shareholders as a whole. The Independent Expert's report also considered whether the Capital Return will materially prejudice the Company's ability to pay its creditors.

Attachment A contains a complete copy of the Independent Expert's Report. Shareholders are urged to read the Independent Expert's Report in full.

a) OPINION ON CAPITAL RETURN

The Independent Expert has concluded that, in its opinion, the Capital Return is fair and reasonable to VTP shareholders as a whole.

The Independent Expert Report summarises the key reasons for this opinion as follows:

"a) the Proposed Capital Return applies to all shareholders equally having regard to the number of shares they hold as at the Record Date

b) the Proposed Capital Return will not affect the voting or other rights attaching to each VTP share and each shareholder will have the same proportionate interest in VTP before and after implementation of the Proposed Capital Return

c) the advantages of the Proposed Capital Return outweigh the disadvantages from the perspective of VTP shareholders

d) in our opinion VTP shareholders will be better off if the Proposed Capital Return is implemented."

Also, the Independent Expert considers that:

"VTP shareholders are likely to realise significantly less than 95% of the Gross Tangible Asset backing of VTP shares if they sold their shares on-market in the absence of the Proposed Capital Return"

b) OPINION ON POSITION OF VTP'S CREDITORS

The Independent Expert has concluded that, in its opinion, the Capital Return will not materially prejudice the ability of VTP to pay its creditors.

The Independent Expert Report summarises the key reasons for this opinion as follows:

"While VTP's net assets will reduce significantly if the Proposed Capital Return is implemented (significantly reducing the level of assets available to pay creditors) we note that:

a) VTP is expected to have net assets of around $5.0 million after implementation of the Proposed Capital Return

b) VTP's assets (which largely comprise cash and listed shares) will be more than sufficient to discharge in full its creditors at the date the Proposed Capital Return is implemented

c) VTP is currently able to pay its debts as and when they become due and payable and the Proposed Capital Return will not alter that position

d) the ongoing level of creditors will reduce significantly if the Proposed Capital Return is implemented. This is because investment management and other management fees payable by VTP are based on the value of VTP's portfolio and will therefore fall broadly in line with the reduction in VTP's net assets."

3.6 DIRECTORS' RECOMMENDATION

The Board have considered the potential advantages, and the potential disadvantages, of the Proposal (including the Capital Return) and the Independent Expert's conclusions. Each of the Directors considers himself justified in making a recommendation concerning the Proposal.

The Board unanimously recommends that Shareholders vote in favour of the Proposal. The Board considers that the advantages of the Proposal outweigh the disadvantages.

Each of the Directors intend to vote their Shares, if any, or open proxies they hold in favour of the Proposal.

3.7 INTENTIONS IF PROPOSAL DOES NOT PROCEED

If the Proposal does not proceed the Board of VTP intends to recommence the on-market buy-back as approved by Shareholders on 29 September 2009. The Board will also canvas Shareholders and consider other options to determine the suitability of other capital management initiatives to maximise value for all Shareholders.

4. SHAREHOLDER APPROVALS REQUIRED AND REGULATORY REQUIREMENTS

4.1 REQUIREMENTS FOR A RETURN OF CAPITAL

Under section 256B(1) of the Corporations Act, the Company may reduce its share capital if the reduction:

a) is fair and reasonable to Shareholders as a whole;

b) does not materially prejudice the Company's ability to pay its creditors; and

c) is approved by Shareholders under section 256C of the Corporations Act.

The Board considers that the Capital Return is fair and reasonable to Shareholders as a whole. The key reasons for this are:

- the Capital Return applies to all Shareholders equally having regard to the number of Shares they hold as at the Record Date; and
- the Capital Return will not reduce or otherwise affect the voting or other rights attaching to each Share or its rights on a winding-up, with the result that each Shareholder will have the same proportionate interest in the Company after the Capital Return as held prior to the Capital Return.

The Board also considers that the Capital Return will not materially prejudice the Company's ability to pay its creditors. The Directors have formed this view for reasons which include the following:

- following implementation of the Proposal, the Remaining Portfolio is expected to largely comprise cash and shares in entities listed on ASX, giving the Company an expected NTA level in the range of $4,500,000 to $5,500,000 at the conclusion of the Portfolio Realisation Period;
- whilst the value of the Remaining Portfolio will change after the conclusion of the Portfolio Realisation Period due to, amongst other things, the impact of changes in the market value of the underlying investments in the Remaining Portfolio, the Directors consider that VTP's assets will be sufficient to discharge in full its creditors. The Directors consider that the pro-forma balance sheet set out in section 3.1 above supports this conclusion;
- VTP is currently able to pay its debts as and when they become due and payable and the Directors consider that the Proposal will not alter that position; and
- the ongoing level of liabilities owed by the Company in the years following implementation of the Proposal is expected to reduce following implementation of the Proposal given the Company's reduced scale. This is primarily because the fees payable by VTP under the Management Agreements are based on the value of the Portfolio and will therefore reduce broadly in line with the reduction in VTP's net assets following implementation of the Proposal[8].

4.2 SHAREHOLDER APPROVALS REQUIRED

a) CAPITAL RETURN

The Capital Return is a equal reduction of capital for the purposes of section 256B(2) of the Corporations Act given that it will apply to all Shareholders on the same terms having regard to the number of Shares held by Shareholders on the Record Date. Accordingly, section 256C(1) of the Corporations Act requires that the Capital Return be approved by a resolution passed at a general meeting of the Company. Resolution 1 seeks the approval of Shareholders for the Capital Return as required under section 256C(1) of the Corporations Act.

b) SHARE CONSOLIDATION

Section 254H(1) of the Corporations Act provides that the Company may convert all or any of its Shares into a smaller number of Shares (i.e. consolidation of shares) by resolution passed at a general meeting. Resolution 2 seeks the approval of Shareholders for the Share Consolidation as required under section 254H(1) of the Corporations Act.

c) CHANGE IN SCALE OF ACTIVITIES

As a large part of the Portfolio will need to be realised to effect the Capital Return, it is considered that the Capital Return will constitute a significant change to the scale of the Company's activities. Listing Rule 11.1 relates to proposed

8. It is noted that when determining any performance fee payable under the Investment Management Agreement in the financial year in which the Proposal is implemented, changes in the value of the Portfolio as a result of capital reductions undertaken by VTP will be disregarded or adjusted in a manner determined by the auditor of VTP.

changes in the scale of the Company's activities and allows ASX to require the Company to seek Shareholder approval before such a change is made. Accordingly, approval of the Proposal is being sought from Shareholders for the purposes of Listing Rule 11.1, pursuant to Resolution 3.

d) CONDITIONALITY AND INTERDEPENDENCE OF RESOLUTIONS

Each of the Resolutions are interdependent with all other Resolutions being passed. All Resolutions must be passed by the required majorities for the Proposal to proceed. If any Resolution is not passed by the required majority, the Proposal will not proceed.

The Proposal is also conditional on the receipt by the Company of the ATO Class Ruling (see section 5.3 below for further details). If each of the Resolutions are passed but the ATO Class Ruling is not received by the Company, the Proposal will not proceed.

VTP understands that the current average timeframe for receipt of relevant class rulings is 80 days from the date of application. Application for the ATO Class Ruling was made by VTP on 19 February 2010. VTP will not proceed with the Proposal if the ATO Class Ruling is not received by 31 July 2010.

5. TAX IMPLICATIONS FOR SHAREHOLDERS

5.1 BACKGROUND

The analysis at section 5.2 below is prepared on the basis that the relevant Shareholder:

a) is an Australian resident; and

b) holds their shares on capital account.

The outcome will necessarily be different if a Shareholder is a non-resident, and/or holds their interest in the Company on revenue account.

The analysis at section 5.2 below is general in nature, and the implications that arise to Shareholders will depend on their individual circumstances. Accordingly, the Company recommends that Shareholders consult their own professional advisers based on their specific circumstances.

Neither the Company, nor any of its officers, accept any liability or responsibility with respect to the taxation consequences for Shareholders from the Proposal.

5.2 TAX IMPLICATIONS OF THE CAPITAL RETURN

The following comments are based on taxation laws in force in Australia at the date of this Booklet. This general description is directed to Shareholders who are Australian residents, and who hold their Shares on capital account.

The Capital Return would generally give rise to CGT event G1 "Capital payment for shares". The effect of the CGT Event G1 is that the tax cost base (and reduced cost base) of each Share would be reduced, not below nil, by an amount equal to the Capital Return.

Shareholders will make a capital gain where the amount of capital returned to a Shareholder in respect of a Share is greater than the tax cost base of the Share at that time. The excess capital returned will constitute an assessable capital gain.

No capital loss will arise as a result of the Capital Return.

If the Shareholder is an individual, trust, or a complying superannuation fund, and the Shareholder has held the Share for more than 12 months prior to disposal, then the amount of the capital gain may be discounted. If the Shareholder is an individual or trust, then the discount may be 50%. Shareholders who are complying superannuation funds may be entitled to a one-third CGT discount.

Shareholders that are companies are not entitled to any CGT discount.

5.3 CLASS RULING APPLICATION

It is considered unlikely that all or a part of the Capital Return will be deemed to be an assessable dividend for Australian income tax purposes. In order to provide certainty on this point, the Company will seek clarification from the Australian Taxation Office by way of a Class Ruling regarding the Australian income tax consequences and in particular that no part of the Capital Return will be treated as a dividend for tax purposes.

The Capital Return is conditional on confirmation by the Australian Taxation Office of the income tax consequences through receipt of the ATO Class Ruling.

If it appears that the outcome of the ATO Class Ruling application will not be satisfactory to the Board, then the Company will withdraw the application prior to the issuance of a final ATO Class Ruling by the Commissioner of Taxation. If the application for the ATO Class Ruling is withdrawn, the Proposal will not proceed and no capital will be returned to Shareholders.

VTP understands that the current average timeframe for receipt of relevant class rulings is 80 days from the date of application. Application for the ATO Class Ruling was made by VTP on 19 February 2010. VTP will not proceed with the Proposal if the ATO Class Ruling is not received by 31 July 2010.

5.4 SHARE CONSOLIDATION

As the Share Consolidation will be undertaken in accordance with section 254H of the Corporations Act, no Shares will be cancelled as a result of the proposed Share Consolidation. The Shareholders will not receive any capital proceeds consequent to the reduction in the number of Shares on issue.

The Share Consolidation will not result in any change to the Company's share capital for tax purposes. Further, there will be no change to the proportionate interests held by each Shareholder.

Accordingly, no CGT event should happen as a result of the Share Consolidation.

6. ADDITIONAL INFORMATION

6.1 DIRECTOR INTERESTS

The following table sets out the holdings (direct and indirect) in Shares by Directors as at the date of this Booklet.

DIRECTOR	NUMBER OF SHARES
Stuart Nisbett	None
John Vatovec	None
Chris Brown	45,000
Alan Dixon	1,690,658
Chris Duffield	6,000
Alex MacLachlan	10,000

No Director will receive any payment or benefit of any kind as a consequence of the Proposal, other than in their capacity as a holder of Shares (if any).

6.2 REORGANISATION OF CAPITAL

As at the date of this Booklet, the Company has 109,758,280 Shares on issue. No Shares will be cancelled, issued, consolidated or divided under the Capital Return. There will be no fractional entitlements arising from the Capital Return. All of the Shares will remain fully paid after the Capital Return is effected.

The Share Consolidation may result in fractional entitlements to Shares. Where the Share Consolidation results in a Shareholder being entitled to part of a Share, that entitlement will be rounded up to the nearest whole Share. If the Company reasonably believes that a Shareholder's holdings have been created or manipulated to take advantage of rounding up, then any fractional entitlement will be aggregated or rounded down to the nearest whole number of shares. After the Share Consolidation is effected, the Company will have approximately 5,487,914 Shares on issue (based on the number of Shares on issue as at the date of this Booklet being consolidated on a 20 for 1 basis without any adjustment being made for fractional investments). All of the Shares will remain fully paid after the Share Consolidation is effected.

The Company has no convertible securities (such as options) on issue.

6.3 PAYMENT METHODS FOR RECEIVING THE CAPITAL RETURN

If the Proposal is implemented, the payment methods selected by Shareholders for the payment of dividends will also apply to the Capital Return.

Shareholders who have previously notified the Registry of a bank account for the payment of dividends on their Shares will have the Capital Return on their Shares credited to their nominated bank account. Shareholders who do not have a nominated bank account with the Registry as at the Record Date will be sent a cheque for the Capital Return on their Shares to their address as it is shown on the register at the Record Date.

Shareholders who have not previously notified the Registry of a bank account or would like to change their existing nominated bank account should contact the Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) before the Record Date.

6.4 ASIC AND ASX LODGEMENT

In accordance with section 256C(5) of the Corporations Act, a copy of this Booklet (including the Independent Expert's Report) has been lodged with ASIC. A copy of this Booklet has also been provided to ASX.

6.5 OTHER MATERIAL INFORMATION

Under section 256C(4) of the Corporations Act, this Explanatory Statement must set out all information known to the Company that is material to the decision on how to vote on Resolution 1, except to the extent that this would be unreasonable because the Company has previously disclosed the information to Shareholders.

There is no other information material to the making of a decision by Shareholders whether or not to vote in favour of the Proposal (being information that is known to the Board which has not previously been disclosed to Shareholders) other than as set out in this Booklet.

The Board reserves the right to amend or withdraw the Proposal, subject to applicable legal requirements.

You may wish to review information contained in the following other documents in deciding whether or not to attend and vote at the Meeting or to vote in favour of or against the Proposal:

a) the Company's 2009 Annual Report including the Company's audited financial statements for the year ended 30 June 2009;

b) the Company's interim financial report for the half-year ended 31 December 2009 (as disclosed on ASX on 15 February 2010); and

c) information regarding the Company which is available on the ASX website (www.asx.com.au) and also available at its website (www.threepillars.vaneyk.com.au).

INDEPENDENT EXPERT'S REPORT

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22 February 2010

Subject: Proposed Capital Return

Dear Directors

Background

1 On 22 February 2010 van Eyk Three Pillars Limited (VTP) announced that it intended to implement a large capital reduction, subject to shareholder approval.

2 Under the proposal the Gross Tangible Assets[1] of VTP with the exception of $4.5 million to $5.5 million (which will be retained by VTP) will be returned to VTP shareholders (the Proposed Capital Return).

3 Based on the estimated Gross Tangible Assets of VTP as at 31 December 2009 of 111.82 million approximately 95% of VTP's adjusted Gross Tangible Assets will be returned to shareholders, as shown below:

	Low $m	High $m
Gross Tangible Assets as at 31 December 2009	111.82	111.82
Less cost of shares subsequently bought back	(1.06)	(1.06)
Less estimated additional transaction costs	(0.30)	(0.30)
Adjusted Gross Tangible Assets (a)	110.46	110.46
Less remaining net tangible assets	(5.5)	(4.5)
Amount expected to be returned to shareholders (b)	104.96	105.96
% of Gross Tangible Assets to be returned (b/a)	95.0%	95.9%

4 However, VTP shareholders should note that the actual amount returned to shareholders will vary from the above amount. This is because the actual amount realised and returned to shareholders will depend on, inter alia movements in the market value of the portfolio, stock market conditions and the liquidity of individual portfolio holdings up to the date of realisation.

1 Gross Tangible Assets reflects investments at current market value less associated selling costs plus other assets less liabilities, but is calculated before taking into account deferred tax assets on realised losses and any deferred tax on unrealised investment gains and losses.

5 The following shareholder approvals are required in order to implement the Proposed Capital Return:

(a) shareholder approval for the Proposed Capital Return

(b) shareholder approval to undertake a 1 for 20 share consolidation; and

(c) shareholder approval pursuant to ASX Listing Rule 11.1 for the change in scale of VTP's activities (as the scale of VTP's activities will decline significantly post implementation of the Proposed Capital Return).

6 The Proposed Capital Return is also conditional upon receipt of a favourable Australian Taxation Office (ATO) class ruling relating to the taxation treatment of returned monies.

Scope

7 Whilst there is no regulatory requirement for an IER to be prepared on the Proposed Capital Return, the directors of VTP have requested that we provide our opinion on whether the Proposed Capital Return:

(a) is fair and reasonable to VTP's shareholders as a whole; and

(b) does not materially prejudice VTP's ability to pay its creditors.

Summary of opinion

Opinion on Proposed Capital Return

8 In our opinion, the Proposed Capital Return is fair and reasonable to VTP shareholders as a whole. We are of this opinion because:

(a) the Proposed Capital Return applies to all shareholders equally having regard to the number of shares they hold as at the Record Date

(b) the Proposed Capital Return will not affect the voting or other rights attaching to each VTP share and each shareholder will have the same proportionate interest in VTP before and after implementation of the Proposed Capital Return

(c) the advantages of the Proposed Capital Return outweigh the disadvantages from the perspective of VTP shareholders

(d) in our opinion VTP shareholders will be better off if the Proposed Capital Return is implemented.

9 As stated above, if the Proposed Capital Return is implemented it is expected that VTP shareholders on the Record Date will receive in cash approximately 95% of the Gross Tangible Asset backing per VTP share at the date the realisation of the portfolio is completed.

10 In contrast, in our opinion, VTP shareholders are likely to realise significantly less than 95% of the Gross Tangible Asset backing of VTP shares if they sold their shares on-market in the absence of the Proposed Capital Return. This is because:

(a) VTP shares have generally traded at a discount of more than 5% to the Gross Tangible Asset backing per share while the company has been conducting an on-market buy-back

(b) we expect that this discount will increase significantly once the on-market buy-back is completed (in the absence of the Proposed Capital Return or other capital management initiatives)

(c) transaction costs will also be incurred by VTP shareholders who sell their shares on-market.

11 We therefore believe that VTP shareholders will be better off if the Proposed Capital Return is implemented.

12 We summarise below the advantages and disadvantages of the Proposed Capital Return from the perspective of VTP shareholders:

Advantages

(a) if the Proposed Capital Return is implemented VTP shareholders (taken as a whole) are likely to realise significantly more for their VTP shares (at least in the short to medium term) than we expect they could realise if the Proposed Capital Return is not implemented

(b) the Proposed Capital Return treats all VTP shareholders equally and will not affect their proportional voting interests in VTP

(c) the Proposed Capital Return is a relatively quick and efficient way of returning funds to all VTP shareholders. In contrast, due to the low level of liquidity in VTP shares in the absence of the current buy-back, not all VTP shareholders are likely to be able to realise their holdings on-market

(d) no brokerage commissions will be payable by VTP shareholders under the Proposed Capital Return

Disadvantages

(e) if the Proposed Capital Return is approved the size of VTP will be some 5% of its existing size. Due to the significantly lower size we note that:

   (i) management and administration costs may exceed income from the residual investment portfolio

   (ii) there is unlikely to be any significant investor interest in the listed vehicle

(f) under the Proposed Capital Return each VTP shareholder investment in VTP will largely be returned. Accordingly, VTP shareholders will need to identify alternative investment opportunities[2]

(g) those VTP shareholders who wish to retain their level of investment in VTP will be unable to do so if the Proposed Capital Return is implemented (unless they buy more shares post the Proposed Capital Return)

(h) due to the small size of VTP post implementation of the Proposed Capital Return,[3] the ability of VTP to utilise available tax losses will be significantly constrained.

---

2 In our view this is not a significant disadvantage as there are a number of alternative listed investment companies which VTP shareholders could invest in.

13 On balance, in our opinion, the advantages of the Proposed Capital Return significantly outweigh the disadvantages. Accordingly, we recommend that VTP shareholders vote in favour of the Proposed Capital Return.

Position of VTP's creditors

14 While VTP's net assets will reduce significantly if the Proposed Capital Return is implemented (significantly reducing the level of assets available to pay creditors) we note that:

(a) VTP is expected to have net assets of around $5.0 million after implementation of the Proposed Capital Return

(b) VTP's assets (which largely comprise cash and listed shares) will be more than sufficient to discharge in full its creditors at the date the Proposed Capital Return is implemented

(c) VTP is currently able to pay its debts as and when they become due and payable and the Proposed Capital Return will not alter that position

(d) the ongoing level of creditors will reduce significantly if the Proposed Capital Return is implemented. This is because investment management and other management fees payable by VTP are based on the value of VTP's portfolio and will therefore fall broadly in line with the reduction in VTP's net assets[4].

15 Given the above, in our opinion, the Proposed Capital Return will not materially prejudice the ability of VTP to pay its creditors.

General

16 In preparing this report we have considered the interests of VTP shareholders as a whole. Accordingly, this report does not consider the personal objectives, financial situation or requirements of individual shareholders.

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3 The net assets of VTP post implementation of the Proposed Capital Return will be some 5% of their current level.

4 It should be noted that when determining performance fees payable under the Investment Management agreement in the year of the Proposed Capital Return, changes in the value of VTP's investment portfolio as a result of capital reductions undertaken by VTP will be disregarded or adjusted in a manner determined by VTP's auditor.

17 The ultimate decision whether to approve the Proposed Capital Return should be based on VTP's shareholders' assessment of their own circumstances. If VTP shareholders are in doubt about the action they should take in relation to the Proposed Capital Return or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Proposed Capital Return and the reasons for our opinion, we recommend that VTP shareholders read the remainder of our report.

Yours faithfully

Craig Edwards	Martin Holt
Authorised Representative	Authorised Representative

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I Scope of our report

Purpose

18 Section 256B of the Corporations Act permits a company to reduce its share capital in a way that is not otherwise authorised by law if the reduction:

(a) is fair and reasonable to the company's shareholders as a whole

(b) does not materially prejudice the company's ability to pay its creditors; and

(c) is approved by its shareholders in accordance with the requirements of the Corporations Act.

19 These rules are designed to protect the interests of shareholders and creditors by:

(a) addressing the risk of such transactions leading to the company's insolvency

(b) seeking to ensure fairness between all of the company's shareholders

(c) requiring the company to disclose all material information.

20 A reduction of capital may be either an "equal reduction" or a "selective reduction". The reduction is an equal reduction if:

(a) it relates only to ordinary shares

(b) it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold; and

(c) the terms of the reduction are the same for each holder of ordinary shares.

21 The Proposed Capital Return satisfies these requirements and is therefore an equal reduction of capital.

22 Under section 256C(1) of the Corporations Act, an equal reduction requires the approval of shareholders by ordinary resolution. Accordingly, VTP shareholders are being asked to approve the Proposed Capital Return.

23 Whilst there is no regulatory requirement for an IER to be prepared on the Proposed Capital Return, the directors of VTP have requested that we provide our opinion on whether the Proposed Capital Return:

(a) is fair and reasonable to VTP's shareholders as a whole; and

(b) does not materially prejudice VTP's ability to pay its creditors.

Basis of assessment

24 In preparing our report we have had regard to ASIC Regulatory Guides, particularly ASIC Regulatory Guide 111, *Context of Expert's Reports*.

25 ASIC Regulatory Guide 111 provides guidelines for experts when opining on change of control transactions (such as takeovers) and selective capital reductions.[5] Under ASIC Regulatory Guide 111 a proposal is:

(a) fair if the value of the consideration under the proposal exceeds or is equal to the value of the securities the subject of the proposal

(b) reasonable if it is fair or if there are other reasons why securityholders should approve the proposal in the absence of a superior alternative.

26 However, as stated above the Proposed Capital Return is an "equal reduction" not a "selective reduction". Further, under the Proposed Capital Return:

(a) no VTP shares will actually be cancelled or surrendered as a result of the Proposed Capital Return[6]

(b) all VTP shareholders will be treated equally in proportion to the size of their VTP holding

(c) VTP shareholders will own the same percentage interest in VTP pre and post implementation of the Proposed Capital Return

(d) VTP shareholders will retain the same percentage interest in VTP's residual assets post the Proposed Capital Return.

27 Accordingly, in our opinion a comparison of the Proposed Capital Return price per share with the value of 100% of the shares in VTP (as required under ASIC Regulatory Guide 111) is not a relevant factor for VTP shareholders when voting on the Proposed Capital Return.[7] It follows that the basis upon which "fairness" is required to be assessed pursuant to ASIC Regulatory Guide 111 is not relevant when considering whether the Proposed Capital Return is "fair and reasonable".

28 For the purpose of our report we have therefore adopted the general principle that a proposal which treats all shareholders equally is implicitly fair.

29 In considering the reasonableness of the Proposed Capital Return we have compared the position of VTP shareholders before and after the Proposed Capital Return and have assessed the net benefits inherent in the proposal.

30 Accordingly, for the purpose of our opinion, we have concluded that the Proposed Capital Return is fair and reasonable if the advantages of the Proposed Capital Return outweigh the disadvantages from the perspective of VTP shareholders.

---

5 ASIC Regulatory Guide 111 does not cover equal capital reductions.

6 Following implementation of the Proposed Capital Return VTP intends to consolidate existing shares on a 1 for 20 basis.

7 Notwithstanding our opinion, we have however considered the value of VTP shares for the benefit of VTP shareholders generally.

II Profile of VTP

Overview

31 Van Eyk Three Pillars Limited (VTP) is a listed investment company that aims to generate returns for its shareholders through active investment in selected Australian listed securities. The company's investment management and administration management functions are outsourced under long-term management agreements.

32 VTP's investment portfolio is diversified across up to 36 stocks in 3 sub-portfolios:

(a) Blue Chip – which comprises up to 12 stocks out of the top 100 ASX listed companies by market capitalisation

(b) Growth – which comprises up to 12 high quality companies offering growth at reasonable prices

(c) Special Situations – which comprise up to 12 "value" stocks which have the potential for market re-rating, turnaround or takeover.

33 The allocation between the 3 sub-portfolios as at 31 December 2009 was as follows:

	% of portfolio
Blue Chip portfolio	44.1
Growth portfolio	21.2
Special Situations portfolio	27.7
Cash	7.0
Total portfolio	100.0

Investment Management Agreement

34 VTP has appointed van Eyk Research Limited (van Eyk Research) to manage the investment portfolio under an Investment Management Agreement dated 14 November 2003.

35 The Investment Management Agreement has a term of 25 years (to around 23 January 2029) and can only be terminated by VTP if van Eyk Research:

(a) becomes insolvent

(b) is in default or breach of its obligations under the agreement in a material respect and such default or breach is not rectified within 30 days of notice to do so

(c) no longer holds an Australian Financial Services License issued by ASIC; or

(d) persistently fails to ensure that investments made on behalf of VTP are consistent with VTP's investment strategy.

36 Under the Investment Management Agreement base and performance management fees are payable by VTP to van Eyk Research.

37 The Base Management Fee is payable monthly in arrears and is equal to:

(a) 0.041667% per month[8] of the value of the portfolio at the end of each month (subject to a cap at $41,667 per month); plus

(b) a further 0.03334% per month of the amount by which the value of the portfolio exceeds $100 million.

38 The Performance Fee is calculated annually and is equal to 15% of the extent to which the VTP portfolio exceeds the return on the S&P ASX 300 Accumulation Index over the year to 30 June, subject to the following adjustments:

(a) where the return on VTP's portfolio is positive but the return on the S&P ASX 300 Accumulation Index is negative over the period, the Performance Fee is equal to 15% of the return achieved on the VTP portfolio only

(b) where the return on the VTP portfolio is negative (i.e. the portfolio declined in value) but it still outperformed the S&P ASX 300 Accumulation Index, the Performance Fee is accrued but not paid until such time as the value of the portfolio at a subsequent calculation period is greater than the value of the portfolio at the calculation date

(c) any underperformance by the VTP portfolio relative to the S&P ASX 300 Accumulation Index in a period is deducted from accrued performance fees payable, or if there are no accrued Performance Fees the extent of the underperformance is carried forward indefinitely (and must be recouped by future outperformance before Performance Fees are paid)

(d) when determining performance fees payable in the year of the Proposed Capital Return, changes in the value of VTP's investment portfolio as a result of capital reductions undertaken by VTP will be disregarded or adjusted in a manner determined by VTP's auditor.

39 Total investment management fees paid to van Eyk Research in the years ended 30 June 2008 and 2009 were as follows:

	FY08 $000	FY09 $000
Base fees	757	569
Performance fees	-	83[(1)]
Investment Management Fees	757	652

Note:
1 Performance fee payable has been accrued in FY09 but not yet paid out of the Company

8 Equivalent to 0.5% per annum.

Management Agreement

40 VTP has appointed VTP Management Pty Limited (VTPM) to provide back-office managerial services under a Management Agreement dated 14 November 2003. These services include, inter alia:

(a) maintenance of the corporate and statutory records

(b) liaison with the ASX with respect to compliance of the ASX Listing Rules

(c) liaison with ASIC with respect to compliance with the Corporations Act

(d) liaison with the Share Registrar

(e) preparation of the financial accounts.

41 The Management Agreement has a term of 25 years (to around 23 January 2029) and can only be terminated by VTP if VTPM:

(a) becomes insolvent

(b) is in default or breach of its obligations under the agreement in a material respect and such default or breach is not rectified within 30 days of notice to do so

(c) no longer holds any licences required in order to carry out its obligations under the agreement.

42 A Management Fee is payable to VTPM for undertaking these services equal to:

(a) 0.03334% per month[9] of the value of the portfolio at the end of each month (subject to a cap of $33,334 per month); plus

(b) a further 0.02917% per month of the amount by which the value of the portfolio exceeds $100 million.

43 No performance fees are payable to VTPM.

44 The total management fees paid to VTPM in the years ended 30 June 2008 and 2009 were as follows:

	FY08 $000	FY09 $000
Management fees	624	459

45 The reduction in management fees paid in FY09 reflects a corresponding decline in the value of the VTP investment portfolio during the year.

9 Equivalent to 0.4% per annum.

Financial position

46 The audited financial position of VTP as at 31 December 2009 is set out below:

	31 Dec 09 $000
Assets	
Cash	12,534
Trade and other receivables	53
Investment portfolio (held for trading)	99,746[1]
Prepayments	27
Deferred tax assets	7,667[2]
Total assets	120,027
Liabilities	
Trade and other payables	553
Provision for dividend	-
Current tax liabilities	-
Deferred tax liabilities	3,437
Total liabilities	3,990
Net assets	116,037

Note:
1 Prior to taking into account realisation costs.
2 This largely relates to the tax benefit on realised losses on the investment portfolio.

NTA as at 31 December 2009

47 As at 31 December 2009 the NTA per VTP share[10] was as follows:

	31 Dec 09 Cents
Gross tangible asset backing(1)	100.8
Deferred tax asset on realised tax losses	6.7
NTA after tax on realised income / gains and/or losses	107.5
Deferred tax asset / (liability) on unrealised positions	(3.1)
NTA after tax on unrealised gains and/or losses	104.4

Note:
1 Gross tangible asset backing:
- includes investments at current market value less associated selling costs
- is before deferred tax asset on realised tax losses
- is before any deferred tax on unrealised investment gains / losses.

Source: ASX announcement dated 14 January 2010.

48 As indicated above, the NTA after tax is some 3.6 cents per share greater than the pre-tax NTA reflecting the recognition of future income tax benefits arising from realised losses (net of deferred tax liabilities on unrealised gains) of $4.0 million. This comprised:

(a) a future income tax benefit of $7.4 million (6.7 cents per share) attributable to realised tax losses; less

(b) a deferred tax liability of $3.4 million (3.1 cents per share) representing the deferred tax liability attributable to unrealised gains based on the market value of the portfolio as at 31 December 2009.

49 It should be noted that the above tax benefits (net of deferred tax liabilities) represent the potential future tax benefit available to VTP at the corporate tax rate of 30%. Consistent with the basis upon which VTP's financial statements are prepared, the reported NTA figures after tax therefore reflect the aggregate future income tax benefit but do not allow for the time value of money or the risk associated with being able to utilise the tax losses and realise this benefit. As the recoupment of these tax losses in future periods is implicitly dependent on future gains on the investment portfolio, it should be noted that the market value of these tax losses is significantly lower than the values attributed to them for financial and NTA reporting purposes.

Share capital

50 As at 31 December 2009 VTP had 110.9 million shares on issue. No options or other equity securities have been issued.

10 Estimated based on audited financial accounts.

51 VTP has undertaken a number of recent capital management initiatives as summarised below:

(a) on 31 October 2008 VTP announced that it intended to conduct an on-market buy-back of up to 11.57 million VTP shares over a 12 month period commencing on 14 November 2008. As at 18 September 2009 a total of 10.0 million VTP shares had been bought back for a total amount of $7.56 million (an average of $0.753 per VTP share)

(b) on 7 August 2009 VTP received a notice requisitioning a meeting of shareholders to consider, inter alia, the company authorising and approving VTP to undertake an on-market buy-back of up to 25% of its ordinary shares over a 12 month period.[11]

This buy-back was approved at the VTP shareholder meeting on 29 September 2009 and the buy-back period commenced on 15 October 2009. As at 31 December 2009 a total of 17.25 million shares have been acquired under this buy-back. As announced on 15 October 2009 this buy-back targets purchases at around a 5% discount to gross tangible asset backing (being the NTA before deferred tax assets and liabilities).[12]

Share price performance

52 The price of VTP shares from 2 January 2008 to 31 December 2009 is summarised in the table below:

	High $	Low $	Close $	Monthly volume[(1)] 000
Quarter ended				
March 2008	1.27	0.91	0.99	2166
June 2008	1.17	0.94	0.95	1144
September 2008	1.06	0.86	0.95	974
December 2008	0.99	0.60	0.68	783
Month				
January 2009	0.73	0.60	0.70	702
February 2009	0.71	0.66	0.70	1985
March 2009	0.75	0.59	0.75	2501
April 2009	0.83	0.71	0.77	807
May 2009	0.82	0.74	0.76	831
June 2009	0.80	0.72	0.77	1386
July 2009	0.84	0.74	0.82	2433
August 2009	0.89	0.78	0.88	2065
September 2009	0.90	0.80	0.89	3541
October 2009	0.94	0.84	0.91	9530
November 2009	0.94	0.89	0.92	5149

11 The notice requisitioning the shareholder meeting also proposed the removal of all VTP directors and the appointment of 4 new directors. Resolutions effecting these changes were approved by VTP shareholders on 29 September 2009.

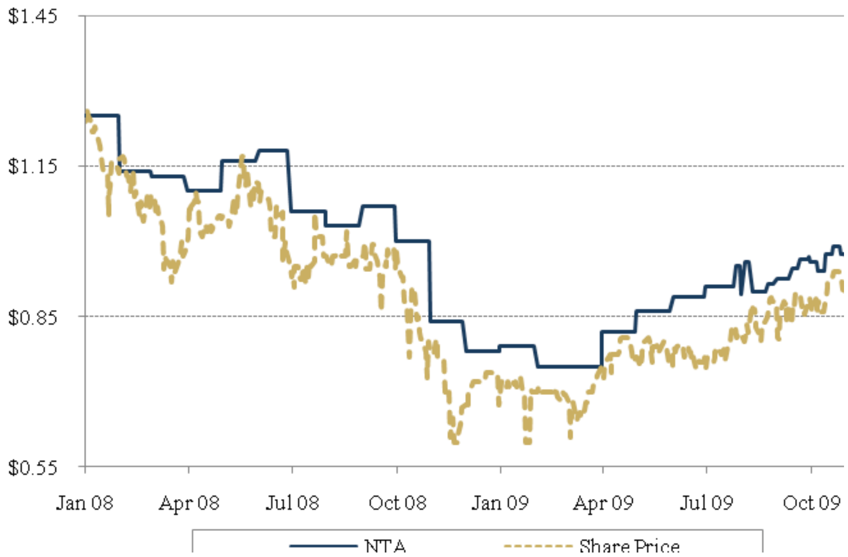
12 On 22 January 2010 VTP announced that it had suspended the buy-back pending the results of its strategic review.

December 2009	0.94	0.91	0.93	4879

Note:
1 Monthly volumes for the quarter ended represent average monthly volumes.
Source: Weblink.

53 The following graph illustrates the movement in the VTP share price from 2 January 2008 to 31 December 2009, as compared to the reported NTA per share:[13]

VTP share price and NTA
2 January 2008 to 31 December 2009



Source: Company announcements Weblink.

13 Due to their uncertainty of recoupment tax benefits on realised and unrealised losses (net of deferred tax liabilities) have been excluded from NTA where the tax benefits exceed deferred tax liabilities.

III Evaluation of the Proposed Capital Return

54 In our opinion, the Proposed Capital Return is fair and reasonable to VTP shareholders as a whole. We are of this opinion because:

(a) the Proposed Capital Return applies to all shareholders equally having regard to the number of shares they hold as at the Record Date

(b) the Proposed Capital Return will not affect the voting or other rights attaching to each VTP share and each shareholder will have the same proportionate interest in VTP before and after implementation of the Proposed Capital Return

(c) the advantages of the Proposed Capital Return outweigh the disadvantages from the perspective of VTP shareholders

(d) in our opinion VTP shareholders will be better off if the Proposed Capital Return is implemented.

Position of VTP shareholders if the Proposed Capital Return is implemented

55 Under the proposal the Gross Tangible Assets[14] of VTP with the exception of $4.5 million to $5.5 million (which will be retained by VTP) will be returned to VTP shareholders (the Proposed Capital Return).

56 Based on the estimated Gross Tangible Assets of VTP as at 31 December 2009 of 111.82 million approximately 95% of VTP's adjusted Gross Tangible Assets will be returned to shareholders, as shown below:

	Low $m	High $m
Gross Tangible Assets as at 31 December 2009	111.82	111.82
Less cost of shares subsequently bought back	(1.06)	(1.06)
Less estimated additional transaction costs	(0.30)	(0.30)
Adjusted Gross Tangible Assets (a)	110.46	110.46
Less remaining net tangible assets	(5.5)	(4.5)
Amount expected to be returned to shareholders (b)	104.96	105.96
% of Gross Tangible Assets to be returned (b/a)	95.0%	95.9%

57 The Gross Tangible Asset backing reflects VTP's investments at current value less estimated selling assets, but does not take into account:

(a) the future costs which will be incurred by VTP under the Investment Management Agreement and Management Agreement discussed in Section II

14 Gross Tangible Assets reflects investments at current market value less associated selling costs plus other assets less liabilities, but is calculated before taking into account deferred tax assets on realised losses and any deferred tax on unrealised investment gains and losses.

(b) any benefit which may arise from recoupment of VTP's tax losses, which as at 31 December 2009 were approximately $7.4 million

(c) deferred tax liabilities on unrealised investment gains.[15]

58 Whilst VTP shareholders will retain their same proportionate interest in VTP's residual assets post implementation of the Proposed Capital Return, for the purpose of this report we have (conservatively) assumed that no value will be realised by VTP shareholders from these residual assets. We have made this assumption because:

(a) due to the small size of VTP post implementation of the Proposed Capital Return[16] the annual costs of managing and administering VTP may exceed the income generated from the portfolio

(b) while the Investment Management Agreement and Management Agreement remain in existence it is likely to be difficult for VTP to pursue proposals to utilise the listed company shell

(c) the costs incurred to wind-up VTP would be high relative to the net assets post implementation of the Proposed Capital Return

(d) due to the above there is unlikely to be significant investor interest in VTP post implementation of the Proposed Capital Return.

59 Thus, for the purposes of this report, we have assumed that VTP shareholders will realise approximately 95% of the Gross Tangible Asset backing of VTP shares if the Proposed Capital Return is implemented. Based on the Gross Tangible Asset backing as at 31 December 2009 of $1.01 per share an amount of approximately 96 cents per share would have been received had the Proposed Capital Return been implemented on that date. However, based on the management accounts as at 31 January 2010 (which reflects declines in equity markets during January 2010) the Proposed Capital Return would fall to approximately 90 cents per share assuming the Proposed Capital Return was implemented on that date.

60 VTP shareholders should note that the actual amount returned to shareholders will vary from the above amounts. This is because the actual amount realised and returned to shareholders will depend on, inter alia movements in the market value of the portfolio, stock market conditions and the liquidity of individual portfolio holdings up to the date of realisation.

Position of shareholders prior to implementing the Proposed Capital Return

61 Since 31 October 2008 VTP has either been conducting an on-market buy-back of VTP shares or there has been an announcement to the effect that it intended to. Accordingly the market price of VTP shares since 31 October 2008 has principally reflected these capital management initiatives.

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15 As at 31 December 2009 potential future income tax benefits exceeded deferred tax liabilities by around $4.0 million.

16 The net assets of VTP post implementation of the Proposed Capital Return will be some 5% of the net assets prior to implementing the Proposed Capital Return.

62 The following table summarises the closing market price of VTP shares on the days VTP calculated the Gross Tangible Asset (GTA) backing since 31 October 2008[17]:

Share price discount to Gross Tangible Assets (GTA)

Date	Share price $	GTA backing $	Discount to GTA %
31 Oct 08	0.785	0.840	(6.5%)
30 Nov 08	0.670	0.780	(14.1%)
31 Dec 08	0.675	0.790	(14.6%)
31 Jan 09	0.700	0.750	(6.7%)
28 Feb 09	0.695	0.750	(7.3%)
31 Mar 09	0.750	0.820	(8.5%)
30 Apr 09	0.770	0.860	(10.5%)
31 May 09	0.760	0.890	(14.6%)
30 Jun 09	0.770	0.910	(15.4%)
27 Jul 09	0.830	0.950	(12.6%)
31 Jul 09	0.820	0.895	(8.4%)
3 Aug 09	0.800	0.960	(16.7%)
10 Aug 09	0.875	0.900	(2.8%)
17 Aug 09	0.815	0.900	(9.4%)
24 Aug 09	0.850	0.915	(7.1%)
31 Aug 09	0.880	0.925	(4.9%)
7 Sep 09	0.880	0.925	(4.9%)
14 Sep 09	0.835	0.945	(11.6%)
21 Sep 09	0.890	0.965	(7.8%)
29 Sep 09	0.875	0.970	(9.8%)
30 Sep 09	0.890	0.960	(7.3%)
6 Oct 09	0.860	0.940	(8.5%)
13 Oct 09	0.875	0.975	(10.3%)
20 Oct 09	0.930	0.990	(6.1%)
27 Oct 09	0.935	0.975	(4.1%)
31 Oct 09	0.905	0.960	(5.7%)
3 Nov 09	0.890	0.940	(5.3%)
10 Nov 09	0.925	0.980	(5.6%)
17 Nov 09	0.940	0.990	(5.1%)
24 Nov 09	0.940	0.985	(4.6%)
30 Nov 09	0.915	0.980	(6.6%)
1 Dec 09	0.935	0.980	(4.6%)
8 Dec 09	0.920	0.970	(5.2%)
15 Dec 09	0.910	0.970	(6.2%)
22 Dec 09	0.905	0.975	(7.2%)
31 Dec 09	0.925	1.010	(8.4%)

17 The Gross Tangible Asset backing is calculated before tax benefits arising from realised and unrealised losses and deferred tax liabilities.

Average 31 Oct 2008 to 31 Dec 2009	(8.2%)
Median 31 Oct 2008 to 31 Dec 2009	(7.2%)

Source: Company announcements.

63 As shown above VTP shares have traded at an average discount to the Gross Tangible Asset backing of 8.2%.

64 However, the current on-market buy-back is for up to 31,753,475 VTP shares, of which 17,246,210 had already been acquired as at 31 December 2009. Existing VTP shareholders (in total) could therefore not sell all their shares under the current on-market buy-back.

65 Further, the discount at which VTP shares trade relative to the Gross Tangible Asset backing per share is likely to increase significantly in the absence of the on-market buy-back. This is principally because VTP has been the main buyer of VTP shares during the on-market buy-back period[18] and their lack of buying support would almost certainly result in the VTP share price falling and the share price discount to GTA increasing (all other variables held constant).

66 In this regard we note that the securities of listed investment companies (LIC) of a comparable size to VTP generally trade at significant discounts to their net tangible asset backing, as shown below:

18 Between 31 October 2008 and 31 December 2009, 37.16 million VTP shares had traded, of which 27.25 million (73.3%) shares traded were the result of VTP buy-backs.

Selected Listed Investment Company discounts to NTA as at 31 December 2009			
Company name	Market capitalisation $m	Discount to pre-tax NTA %	Discount to post-tax NTA %
Australian Shares			
Australian Leaders Fund Limited[1]	76	(23.84)	(19.01)
Amcil	133	(7.43)	(4.86)
Bentley Capital Limited	20	(37.03)	(37.03)
Clime Capital	41	(25.00)	(25.00)
Contango MicroCap[1]	117	(33.11)	(31.51)
Emerging Leaders Investments	40	(16.09)	(13.06)
Fat Prophets Australia[1]	27	(22.93)	(37.79)
Orion Equities Limited	9	(64.88)	(64.05)
Ozgrowth Limited[1]	70	(24.24)	(22.22)
WAM Active Limited	16	(21.40)	(10.25)
WAM Capital	134	(20.86)	(18.72)
Westoz Investment Company Limited[1]	140	(30.06)	(23.26)
Wilson Investment Fund[1]	89	(20.02)	(22.25)
International Shares			
India Equities Fund Limited	46	(45.21)	(47.37)
Peters Macgregor Investments[1]	15	(30.96)	(32.54)
Templeton Globe Growth[1]	124	(16.67)	(16.67)
Private Equity			
ING Private Equity Access	41	(38.78)	(41.18)
Souls Private Equity	65	(43.01)	(43.01)
Specialist			
Adelaide Managed Funds	133	(24.83)	(24.83)
LinQ Resources Fund[1]	150	(37.62)	(37.62)
Multi Fund Manager			
Premium Investors[1]	63	(26.21)	(26.21)
Absolute Return Funds			
Alternative Investment Trust	150	(28.76)	(28.76)
Cadence Capital	22	(27.75)	(27.89)
HFA Accelerator Plus[1]	53	(39.39)	(39.39)
Hastings High Yield Fund	149	(28.19)	(28.19)
Katana Capital[1]	30	(27.36)	(26.56)
Trojan Equity	21	(25.96)	(25.96)
	Average:	(29.38)	(29.08)
	Median:	(27.56)	(27.23)

Note:
1 We note that these companies are currently undertaking buy-backs.
Source: ASX LIC Premiums / Discounts to NTA, December 2009.

67 Transaction costs (such as brokerage commissions) would also be incurred by VTP shareholders who sought to realise their investment in the absence of the Proposed Capital Return.

Relative position of shareholders pre and post implementation

68 Given the above, in our opinion, VTP shareholders are likely to realise significantly less than 95% of the Gross Tangible Asset backing of VTP shares if they sold their shares on-market in the absence of the Proposed Capital Return. In summary this is because:

(a) VTP shares have generally traded at a discount of more than 5% to the Gross Tangible Asset backing per share while the company has been conducting an on-market buy-back

(b) we expect that this discount will increase significantly once the on-market buy-back is completed (in the absence of the Proposed Capital Return or other capital management initiatives)

(c) transaction costs will also be incurred by VTP shareholders who sell their shares on-market.

69 Accordingly, in our opinion, VTP shareholders (taken as a whole) are likely to realise significantly more for their VTP shares (at least in the short to medium term) if the Proposed Capital Return is implemented.

Advantages and disadvantages

70 We summarise below the advantages and disadvantages of the Proposed Capital Return from the perspective of VTP shareholders:

Advantages

(a) if the Proposed Capital Return is implemented VTP shareholders (taken as a whole) are likely to realise significantly more for their VTP shares (at least in the short to medium term) than we expect they could realise if the Proposed Capital Return is not implemented

(b) the Proposed Capital Return treats all VTP shareholders equally and will not affect their proportional voting interests in VTP

(c) the Proposed Capital Return is a relatively quick and efficient way of returning funds to all VTP shareholders. In contrast, due to the low level of liquidity in VTP shares in absence of the current buy-back not all VTP shareholders are likely to be able to realise their holdings on-market

(d) no brokerage commissions will be payable by VTP shareholders under the Proposed Capital Return

Disadvantages

(e) if the Proposed Capital Return is approved the size of VTP will be some 5% of its existing size. Due to the significantly lower size we note that:

(i) management and administration costs may exceed income from the residual investment portfolio

(ii) there is unlikely to be any significant investor interest in the listed vehicle

(f) under the Proposed Capital Return each VTP shareholder investment in VTP will largely be returned. Accordingly, VTP shareholders will need to identify alternative investment opportunities[19]

(g) those VTP shareholders who wish to retain their level of investment in VTP will be unable to do so if the Proposed Capital Return is implemented (unless they buy more shares post the Proposed Capital Return)

(h) due to the small size of VTP post implementation of the Proposed Capital Return,[20] the ability of VTP to utilise available tax losses will be significantly constrained.

71 On balance, in our opinion, the advantages of the Proposed Capital Return significantly outweigh the disadvantages. Accordingly, we recommend that VTP shareholders vote in favour of the Proposed Capital Return.

19 In our view this is not a significant disadvantage as there are a number of alternative listed investment companies which VTP shareholders could invest in.

20 The net assets of VTP post implementation of the Proposed Capital Return will be some 5% of their current level.

IV Position of VTP's creditors

72 As stated in Section I we have also been asked to provide our opinion on whether the Proposed Capital Return materially prejudices VTP's ability to pay its creditors.

73 VTP's actual financial position as at 31 December 2009 and VTP's pro-forma financial position assuming the Proposed Capital Return was implemented on that date is shown below:

Balance sheet as at 31 December 2009	Audited $000	Pro Forma $000
Assets		
Cash assets	12,534	2,000
Trade and other receivables	53	53
Trading portfolio (held for trading)	99,746	3,500
Prepayments	27	27
Gross tangible assets	112,360	5,580
Deferred taxes	7,667	123
Total assets	120,027	5,703
Liabilities		
Trade and other payables	553	553
Provisions for dividend	-	-
Current tax liabilities	-	-
Deferred tax liabilities	3,437	123
Total liabilities	3,990	676
Net assets	116,037	5,027

Note:

1 For details of the assumptions underlying the pro-forma balance sheet refer to the Notice of Meeting and Explanatory Statement in relation to a proposed capital return and share consolidation.

74 While VTP's net assets will reduce significantly if the Proposed Capital Return is implemented (significantly reducing the level of assets available to pay creditors) we note that:

(a) VTP is expected to have net assets of around $5.0 million after implementation of the Proposed Capital Return

(b) VTP's assets (which largely comprise cash and listed shares) will be more than sufficient to discharge in full its creditors at the date the Proposed Capital Return is implemented

(c) VTP is currently able to pay its debts as and when they become due and payable and the Proposed Capital Return will not alter that position

(d) the ongoing level of creditors will reduce significantly if the Proposed Capital Return is implemented. This is because investment management and other management fees payable by VTP are based on the value of VTP's portfolio and will therefore fall broadly in line with the reduction in VTP's net assets[21].

75 Given the above, in our opinion, the Proposed Capital Return will not materially prejudice the ability of VTP to pay its creditors.

[21] It should be noted that when determining performance fees payable under the Investment Management agreement in the year of the Proposed Capital Return, changes in the value of VTP's investment portfolio as a result of capital reductions undertaken by VTP will be disregarded or adjusted in a manner determined by VTP's auditor.

Appendix A

Financial Services Guide

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532.

Financial Services Guide

3 The Corporations Act 2001 authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Explanatory Memorandum to be sent to VTP shareholders in connection with the Proposed Capital Return.

4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

5 Our Australian financial services licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

General financial product advice

6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this IER our fees are based on a time cost basis using agreed hourly rates.

9 Neither LEA nor its directors and officers receive any commissions or other benefits, except for the fees for services referred to above.

10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other

benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.

13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Services Limited (FOS), an external complaints resolution service. You will not be charged for using the FOS service.

Contact details

14 LEA can be contacted by sending a letter to the following address:

Level 27
363 George Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

Appendix B

Qualifications, declarations and consents

Qualifications

1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared more than 100 Independent Expert's Reports to shareholders.

2 This report was prepared by Mr Edwards and Mr Holt, who are each authorised representatives of LEA. Mr Edwards and Mr Holt have over 16 years and 20 years experience respectively in the provision of valuation advice.

Declarations

3 This report has been prepared at the request of the Directors of VTP to accompany the Explanatory Memorandum to be sent to VTP shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not:

(a) the Proposed Capital Return is fair and reasonable to VTP shareholders

(b) the Proposed Capital Return materially prejudices VTP's ability to pay its creditors.

Interests

4 At the date of this report, neither LEA, Mr Edwards nor Mr Holt have any interest in the outcome of the Proposed Capital Return. LEA is entitled to receive a fee of $35,000 plus GST for the preparation of this report. With the exception of the above fee, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

5 LEA has had no prior business or professional relationship with VTP prior to the preparation of this report.

Indemnification

6 As a condition of LEA's agreement to prepare this report, VTP agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of VTP which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

7 LEA consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

Appendix C

Limitations and reliance on information

1 Our opinions are based on the economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.[22]

2 Our report is also based upon financial and other information provided by VTP. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion on the Proposed Capital Return from the perspective of VTP shareholders. However, in assignments such as this, time is limited and we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. None of these additional tasks have been undertaken.

3 We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards.

4 An important part of the information base used in forming an opinion of the kind expressed in this report is the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

5 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.

22 This has been particularly the case throughout 2008 and 2009, although market conditions appear more stable at the date of this report.

Appendix D

Glossary

Abbreviation	Definition
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
Corporations Act	Corporations Act (2001)
FOS	Financial Ombudsman Services Limited
FSG	Financial Services Guide
FY	Financial year
IER	Independent expert's report
LEA	Lonergan Edwards & Associates Limited
NTA	Net tangible asset
Proposed Capital Return	The proposal described in paragraph 1.
van Eyk Research	van Eyk Research Limited
VTP	van Eyk Three Pillars Limited
VTPM	VTP Management Pty Limited

GLOSSARY

In this Booklet:

ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
ATO Class Ruling	means publication of a public determination by the Commissioner of Taxation confirming the Australian income taxation implications of the Capital Return to Shareholders in a form satisfactory to the Board, including a confirmation that no part of the Capital Return Amount will be a deemed assessable dividend.
Board	means the board of directors of the Company.
Booklet	means this booklet, including the Notice of Meeting, Explanatory Statement and proxy form.
Business Day	has the meaning given in the Listing Rules.
Capital Return Amount	means the total amount of capital determined by the Directors to be returned to Shareholders under the Capital Return, being an amount equal to the Portfolio Realisation Amount.
Capital Return	means the return to Shareholders of an amount equal to the equal to the Capital Return Amount under the equal reduction of capital the subject of Resolution 1.
CGT	means capital gains tax.
Company or **VTP**	means van Eyk Three Pillars Limited (ACN 106 854 175).
Corporations Act	means the Corporations Act 2001 (Cth).
Costs of the Proposal	means the costs of undertaking the Capital Return, including all brokerage costs and selling expenses incurred in realising the Portfolio Realisation Amount, all fees payable to professional advisers and the Independent Expert in connection with the Proposal and all documentation, meeting and other costs incurred in connection with the Proposal.
Director	means a director of the Company.
Explanatory Statement	means the explanatory statement contained in this Booklet in relation to the Resolutions to be considered at the Meeting.
Gross Tangible Assets or GTA	includes cash and cash equivalents, trade and other receivables, prepayments and investments at current market value net of liabilities. It excludes any deferred tax assets on realised tax losses and excludes any deferred tax on unrealised investment gains or losses.
Independent Expert	means Lonergan Edwards & Associates Limited.
Independent Expert's Report	means the report prepared by the Independent Expert, a copy of which is set out in Attachment A.
Listing Rules	means the official listing rules, from time to time, of ASX.
Managers	means van Eyk Research Limited and VTP Management Limited.
Management Agreements	means the Management Agreement between the Company, VTP Management Pty Limited and van Eyk Research Limited dated 14 November 2003 and the Investment Management Agreement between the Company, van Eyk Research Limited and White Funds Management Pty Limited dated 14 November 2003.

Meeting	means the general meeting of the Company to which the Notice of Meeting relates.
Meeting Date	means the date on which the Meeting is held, anticipated as at the date of this Booklet to be 8 April 2010.
Notice of Meeting	means the notice of meeting contained in this Booklet.
Net Tangible Assets or **NTA**	means cash and cash equivalents, trade and other receivables, prepayments and investments at current market value and deferred tax assets on realised tax losses net of liabilities and deferred tax on unrealised investment gains or losses.
Portfolio	means the portfolio of investments of the Company from time to time (and includes, to avoid doubt, cash and cash equivalents).
Portfolio Realisation Amount	means the amount of the Portfolio held in cash at the conclusion of the Portfolio Realisation Period (or which will be held in cash following the settlement of trades conducted during the Portfolio Realisation Period) for the purposes of the funding the Capital Return, being an amount equal to the value of the Portfolio at the conclusion of the Portfolio Realisation Period less the Retention Amount.
Portfolio Realisation Period	means the period of 10 Trading Days commencing on the Portfolio Realisation Start Date during which time the Portfolio is to be sold to realise an amount equal to the Portfolio Realisation Amount, or such longer or period (not exceeding an additional 10 Trading Days) that the Directors determine to be appropriate in the circumstances or such shorter period that may be necessary for the Portfolio Realisation Amount to be realised.
Portfolio Realisation Start Date	means the first Trading Day after the last to occur of: a) the date that the Company receives the ATO Class Ruling; and b) the date that the Resolutions are passed by the required majorities of Shareholders.
Proposal	means the Capital Return and the interdependent Share Consolidation, as described in this Booklet.
Remaining Portfolio	means the portion of the Portfolio which is retained at the conclusion of the Portfolio Realisation Period and not applied to fund the Capital Return.
Remaining Portfolio Value	means an amount equal to value of the Remaining Portfolio at the conclusion of the Portfolio Realisation Period (with the value of relevant securities comprising the Remaining Portfolio calculated on the basis of the last price at which those securities trade on ASX during the Portfolio Realisation Period), which will be in the range of \$5,000,000 to \$6,000,000.
Record Date	means the 5th Business Day after the Capital Return Amount is notified to ASX, or such other date as many be notified by the Company.
Registry	means Registries Limited (ACN 003 209 836).
Resolution 1	means the first resolution set out in the Notice of Meeting.
Resolution 2	means the second resolution set out in the Notice of Meeting.
Resolution 3	means the third resolution set out in the Notice of Meeting.
Resolutions	means Resolution 1, Resolution 2 and Resolution 3.

Retention Amount	means an amount equal to the aggregate of the Remaining Portfolio Value and the Unpaid Costs Amount.
Share	means a fully paid ordinary share in the Company.
Share Consolidation	means the Share consolidation on a 20 to 1 basis the subject of Resolution 2.
Shareholder	means a holder of Shares.
Trading Days	has the meaning given in the Listing Rules.
Unpaid Costs Amount	means the amount of Costs of the Proposal which are or are anticipated to be incurred but remain unpaid as at the conclusion of the Portfolio Realisation Period.

CORPORATE DIRECTORY

DIRECTORS

Stuart Nisbett
John Vatovec
Chris Brown
Alan Dixon
Chris Duffield
Alex MacLachlan

COMPANY SECRETARY

Brian McGarry

REGISTERED OFFICE

Level 37, 2 Park Street
Sydney NSW 2000

VTP HELP LINE

T 1300 732 413

INVESTMENT MANAGER

Three Pillars Portfolio Managers Pty Limited
(an authorised representative of van Eyk Research Limited)
Level 10, 9 Castlereagh Street
Sydney NSW 2000

ACCOUNTING & ADMINISTRATION

White Outsourcing Pty Limited
(as engaged by VTP Management Pty Limited)
Level 7, 20 Hunter Street
Sydney NSW 2000

GPO Box 5482
Sydney NSW 2001

AUDITORS

MNSA
Level 2, 333 George Street
Sydney NSW 2000

SHARE REGISTRY

Registries Limited
Level 7, 207 Kent Street
Sydney NSW 2000

GPO Box 3993
Sydney NSW 2001 Australia

T 1300 737 760 (within Australia)
T +61 2 9290 9600 (outside Australia)

WEBSITE

www.threepillars.vaneyk.com.au

AUSTRALIAN SECURITIES EXCHANGE (ASX) CODE

VTP (Ordinary Shares)

ADVISERS IN RELATION TO THE PROPOSAL

Gilbert + Tobin
Level 37, 2 Park Street
Sydney NSW 2000

PricewaterhouseCoopers
Level 15, 201 Sussex Street
Sydney NSW 1171

INDEPENDENT EXPERT

Lonergan Edwards & Associates Limited
Level 27, 363 George Street
Sydney NSW 2000

van Eyk Three Pillars Limited | ABN 91 106 854 175
Level 37, 2 Park Street, SYDNEY NSW 2000
T 1300 732 413 | vaneyk.com.au | threepillars.vaneyk.com.au

van Eyk Three Pillars Limited
ACN 106 854 175

FOR ALL ENQUIRIES CALL:
1300 737 760 (within Australia) | +61 2 9290 9600 (outside Australia)

FACSIMILE +61 2 9290 9655

ALL CORRESPONDENCE TO:
Registries Limited
GPO Box 3993 SYDNEY NSW 2001 Australia

YOUR VOTE IS IMPORTANT

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

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 12.00PM TUESDAY 6 APRIL 2010

TO VOTE ONLINE

STEP 1 : VISIT www.registries.com.au/vote/vaneykgm2010
STEP 2: Enter your holding/Investment type
STEP 3: Enter your SRN/HIN and VAC:

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

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

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

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

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

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

STEP 3 Sign the Form

The form **must** be signed

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

Individual: This form is to be signed by the securityholder.
Joint Holding: where the holding is in more than one name, all the securityholders must sign.
Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **12.00pm on Thursday, 8 April 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.
Proxies may be lodged using the reply paid envelope or:

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

BY FAX + 61 2 9290 9655

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

Vote online at:
www.registries.com.au/vote/vaneykgm2010
or turnover to complete the Form ➔

van Eyk Three Pillars Limited
ACN 106 854 175
General Meeting

STEP 1 - Appointment of Proxy

I/We being a member/s of **van Eyk Three Pillars Limited** and entitled to attend and vote hereby appoint

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **General Meeting of van Eyk Three Pillars Limited to be held at the Realm Hotel, 18 National Circuit, Barton, Canberra, ACT on Thursday the 8th of April 2010 at 12.00pm** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

Ordinary Business		For	Against	Abstain*
Item 1	To approve the Capital Return	☐	☐	☐
Item 2	To approve the Share Consolidation	☐	☐	☐
Item 3	To approve the change in scale of activities	☐	☐	☐

Note: All Resolutions are subject to and conditional on the passing of each other Resolution and the recept of the ATO Class Ruling (as further described in the Notice of Meeting and Explanatory Statement)

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

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

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

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name …………………………………….. **Contact Daytime Telephone** ………………………………….. **Date** / /2010