

16 April 2013

Dear Shareholder,

Stanfield Shareholder Update

I am writing to give you an update on recent activities at Stanfield Funds Management Limited ('Stanfield'), as you are one of our valued shareholders.

Earlier this year, we embraced the Asian century in our pursuit for increased funds under management. We believe there are good opportunities for us in Asia, in addition to continued expansion of our existing businesses in Australia, at better margins, and facing less competition than the crowded Australian funds market.

These are a few highlights from our Asian business development which I would like to bring to your attention:

- Mr William Ng was appointed as a director on 14 February 2013. William has been in Hong Kong for the last 20 years, and recently joined us when he relocated to Melbourne.
- In March 2013, Stanfield was appointed by iProsperity China Opportunities Fund as trustee of a new fund established for the Sophisticated Investor Visa program recently launched by the Federal Government.
- Last week, Singapore-based Aquaint Property signed an agreement to invest in one of our funds management subsidiaries, Stanfield Securities Limited. I note that key benefits of this transaction for Stanfield shareholders are:
 - Stanfield will be able to pay all of its secured debt out, down to zero;
 - Stanfield's remaining holding in Stanfield Securities can be distributed 'in species' to Stanfield shareholders if Stanfield Securities is listed on the ASX, subject to any required approvals, giving Stanfield shareholders upside in any spin-off listing of this business.

For further information, please see our ASX announcement dated 12 April 2013.

- Stanfield has decided to establish a subsidiary in Hong Kong. We are negotiating, through this subsidiary, to establish a joint venture with a Hong Kong property developer which specialises in quality Hong Kong housing developments.

We will continue to keep you informed of these new initiatives at Stanfield. If you have any queries, or you wish to discuss anything with regard to Stanfield's activities, please do not hesitate to call me on 03 8643 4999.

Yours Sincerely

Darren Olney-Fraser
Chief Executive Officer

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