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Australian Stock Exchange
Continuous Disclosure Area

Via: E Lodgement

AR Capital appoints Evergreen Capital as sub-advisor of the Ascot Fund

Please refer to the attached Investor Release advising investors in AR Capital's Ascot Fund of the appointment of Evergreen Capital as sub-advisors for the Ascot Fund.

AR Capital Management Pty Ltd has advised that, as a result of this appointment, it intends to buy back the shares held by the departing AR Capital executive team.

Yours faithfully



Reema Ramswarup
Company Secretary



Capital Management Pty Ltd

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Notice to Investors of Ascot Fund

On 1 December 2011, AR Capital announced the resignation of Craig Connelly and advised that Tony Cooper and the board of AR Capital were considering available options for the restructure of the business.

Having considered a range of restructuring alternatives, AR Capital is pleased to announce that an in-principle agreement has been reached with Evergreen Capital for Evergreen to become sub-advisors for investment management of the Ascot Fund.

Director of AR Capital, Andrew McGill, said Evergreen was chosen as the preferred team over other potential partners because of their strong performance and similarity in investment style to AR Capital. "Our goal was to ensure investors would continue to have access to strong returns for many years to come," he said.

Evergreen is a Melbourne based absolute return fund manager that targets returns of at least 15%pa over the medium to long term with lower volatility than the Australian equity market. Founded by Tim Hannon in 2009, Evergreen has delivered returns of 29% over the past 12 months and 58% since inception (3 May 2010) as at 30 November 2011. Evergreen recently won the **Best Emerging Manager** award at the Australian Hedge fund Awards 2011. For further information about Evergreen and Tim Hannon, please see www.evergreencapital.com.au

AR Capital and Evergreen have commenced work on the transition of investment management to Evergreen. Currently, the parties expect that Evergreen will take over all investment management responsibility from 3 January 2012. The Ascot Fund will continue to be managed by the AR Capital's existing team until that time.

Following completion of the transition to Evergreen, Tony Cooper and other AR Capital staff will resign.

Please note that investors do not need to take any action as a consequence of this change.