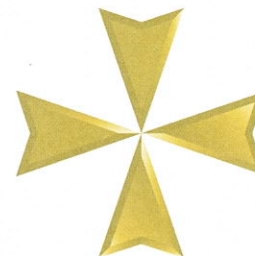


KNIGHTS CAPITAL MANAGEMENT



KNIGHTS

Manager to: Knights Tourist Park Fund
Knights Coastal Land Fund

Level 2, 35 Havelock Street, West Perth WA 6005
PO Box 417, West Perth WA 6872
Tel: +61 8 9324 3888 Fax: +61 8 9322 5564
Email: knightsgroup@iinet.net.au
Web: www.knightsgroup.com.au

20 June 2017

Dear Unitholder

Knights Coastal Land Fund - Final distribution and winding up of Fund

We refer to the sale of the sole remaining asset of the Fund, a 55% interest in the Blue Dolphin Resort at Yamba in NSW.

Unitholders would be aware that there was a change in personnel at Knights Capital Management Pty Ltd in July 2013. Since then considerable efforts were made to improve the return to investors with completion of a redevelopment program and changes to management practices. These works allowed for the recommencement of income distributions from 2014 and now, with the sale having been completed, partial returns of capital were made in late 2016 and again in early 2017.

The following table summarises the returns to investors since July 2013.

Year ending	NTA (cpu)	Income Distribution (cpu)	Return of Capital (cpu)
30/6/13	\$0.2475		
30/6/14		\$0.025	
30/6/15		\$0.0275	
30/6/16		\$0.0275	
30/6/17			\$0.26258057 (11/16)
			\$0.045 (3/17)
			\$0.03267841 (6/17)
TOTAL		\$0.08	\$0.3403

In April 2017, we estimated that the final return of capital would be in the order of \$0.0225cpu but I am pleased to advise that it is actually \$0.03268cpu – 45% more than we expected – and it will be paid to unitholders at or around the time that unitholders receive this letter. **As a result, the total return of capital to unitholders is \$0.3403cpu.** We were also hopeful of being able to wind the fund up by 30 June 2017 and I am pleased to advise that this will be achieved.

A taxation statement for 2016-17 will be prepared and issued to unitholders in the near future.

Future enquiries that you may have in relation to the Fund should be addressed to the Responsible Entity -

Valuestream Investment Management Pty Ltd
Suite 501
210 Clarence Street
SYDNEY NSW 2000

Ph: 02 8012 0638
Email: invest@valuestream.com.au
Web: www.valuestream.com.au

With the winding up of the Fund, the role of Knights Capital Management Pty Ltd as Manager of the Fund ceases to exist. On behalf of the Company, may I thank you for your support of the Fund and for your patience as we dealt with the many issues that confronted management over the last few years.

Yours sincerely,

Knights Capital Management Pty Ltd



Grant B Hodgetts
Director