

Important update to all Orchard Unit Holders and Shareholders

7 July 2010

Recapitalisation/sale process

Orchard Funds Limited (**Orchard**) advises that Cromwell Group (**Cromwell**) has today notified the Orchard board that it has withdrawn its proposal for the purchase of the Orchard funds management business.

Cromwell advised that National Australia Bank Limited and BOS International (Australia) Limited, the key financiers to the Orchard Diversified Property Fund, have not accepted its proposals with regards to term, interest rate margins and loan to valuation ratio covenants.

Essential Healthcare Trust

Orchard Capital Investments Limited (**OCIL**) advises that the exclusive dealing period granted to ING Real Estate Healthcare Fund (**IHF**) in relation to the proposed merger with the Essential Healthcare Trust has expired.

IHF has advised that it could not meet certain key conditions within the timeframe provided and IHF has therefore decided to withdraw from the process.

Orchard and OCIL will continue to work positively with key financiers and other interested parties on a range of alternative options with the objective of providing unit holders and shareholders of the business with the best possible outcome.

Orchard Funds Limited ACN 097 125 879

Orchard Capital Investments Limited ACN 077 235 879 AFSL No. 233190

Responsible entity of:

Chevron Renaissance Property Trust ARSN 112 310 380

Commercial Office Fund ARSN 115 845 871

Essential Healthcare Trust ARSN 102 470 333

Orchard Childcare Property Fund ARSN 106 891 641

Orchard Diversified Property Fund ARSN 093 304 379

Orchard Hybrid Property Fund ARSN 096 350 533

Orchard Social Infrastructure Trust ARSN 125 629 058

Sydney Healthcare Trust ARSN 101 067 878

The Barossa Valley Resort ARSN 091 043 864

Orchard Primary Infrastructure Fund ARSN 110 813 851