

AUSTRALIAN VALUE FUNDS MANAGEMENT LIMITED

ACN 009 487 674

NOTICE OF ANNUAL GENERAL MEETING

incorporating

PROXY FORM

DATE AND TIME OF MEETING

Thursday 27th October, 2005 at 11:00 am AEST

PLACE OF MEETING

**RACV City Club
Level 2, 501 Bourke Street
Melbourne Vic 3000**

AUSTRALIAN VALUE FUNDS MANAGEMENT LIMITED
(ACN 009 487 674)

NOTICE OF ANNUAL GENERAL MEETING
Thursday, 27th October 2005

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at 11:00am AEST on Thursday, 27th October 2005, at the RACV City Club, Level 2, 501 Bourke Street, Melbourne Victoria.

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Reports

In accordance with section 317 of the Corporations Act, to receive and consider the Directors' Report and Financial Report for the year ended 30 June, 2005 and the Auditor's Report on the Financial Report and the consolidated Financial Report.

2. Remuneration Report

In accordance with section 250R(2) of the Corporations Act, to consider and, if thought fit, to pass (with or without modification) the following as an ordinary resolution:

“That the Remuneration Report forming part of the Director's Report in accordance with section 300A(1) of the Corporations Act be adopted.”

3. Re-election of Mr. Lee IaFrate

To consider and, if thought fit, to pass (with or without modification) the following as an ordinary resolution:

“That Mr. IaFrate, a director retiring by rotation in accordance with the Company's Constitution, and offering himself for re-election be re-elected a director of the Company.”

4. Ratification of Appointment of New Auditor

To consider and, if thought fit, to pass (with or without modification) the following as an ordinary resolution:

“That the Company ratifies the appointment by the directors of Pitcher Partners as the Auditors of the Company.”

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as a special resolution:

5. Change of Name

“That the Company changes its name to AVFM Ltd”.

OTHER BUSINESS

To transact any other business which may be lawfully brought forward.

By Order of the Board.

C. Kennedy
Company Secretary
22nd September, 2005

NOTES

Voting Entitlements

The Board has determined, in accordance with the Company's Constitution and the Corporations Act 2001, that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7:00pm on Tuesday 25th October, 2005.

Proxies

All proxies must be received by the Company by no later than 48 hours before the time for holding the meeting. A proxy form should be completed on the basis of the enclosed proxy form by following the instructions set out on the reverse of the form (which instructions form part of this notice). The completed proxy form may be delivered by mail or by facsimile transmission as follows:

(a) at the Company's share registry:

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001; or

(b) by facsimile:

Share Registry (03) 9473 2555

Australian Value Funds Management Ltd

ABN 70 009 487 674

Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 850 505
 (outside Australia) 61 3 9415 4000
 Facsimile 61 3 9473 2555
 www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001
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 AVU
 MR JOHN SMITH 1
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

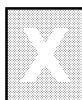
Securityholder Reference Number (SRN)



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Appointment of Proxy

I/We being a member/s of Australian Value Funds Management Ltd 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 to act generally at the meeting 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) at the Annual General Meeting of Australian Value Funds Management Ltd to be held at RACV City Club, Level 2, 501 Bourke Street, Melbourne Victoria on 27th October 2005 at 11.00am AEST and at any adjournment of that meeting.

Voting directions to your proxy - please mark to indicate your directions

	For	Against	Abstain*
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 To re-elect Mr. Lee laFrate as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Ratification of Appointment of new Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Change of Company Name to AVFM Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND

 %

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

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

Individual/Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. 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 securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three 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.

4 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 share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or 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.
- (c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

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 no later than 48 hours before the commencement of the meeting at 11.00am AEST on 27th October 2005. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
BY MAIL Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
BY FAX 61 3 9473 2555