

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD SEEK YOUR OWN PERSONAL FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT PROFESSIONAL FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE IN THE UNITED KINGDOM, OR OTHERWISE FROM AN APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

If you have sold or transferred all of your shares, please forward this document with its accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

MATRIX EUROPEAN REAL ESTATE INVESTMENT TRUST LIMITED

(an authorised closed-ended company incorporated in Guernsey with registered number 44115)

**Notice of
Annual General Meeting**

Notice of the Annual General Meeting of Matrix European Real Estate Investment Trust Limited to be held at 10 am on 8 April 2010 at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA (the "**Annual General Meeting**") is set out at the end of this document.

To be valid, the enclosed Form of Proxy for use at the Annual General Meeting must be completed and returned in accordance with the instructions printed on it, to the registrar, Computershare, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW as soon as possible and, in any event, so as to arrive not later than 10 am, on 6 April 2010.

Completion and return of a Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person if you wish to do so.

Your attention is drawn to the section entitled "Action to be taken" on page 4 of this circular.

MATRIX EUROPEAN REAL ESTATE INVESTMENT TRUST LIMITED

(an authorised closed-ended investment company incorporated in Guernsey with registered number 44115)

Directors:
Crispian Collins (Chairman)
Stephen Coe
Robert Tsenin
Jan van der Vlist

Registered Office:
Samia House
Le Truchot
St Peter Port
Guernsey,
GY1 4NA

1 March 2010

Dear Shareholder

Notice of Annual General Meeting

This document contains the notice for the Annual General Meeting of Matrix European Real Estate Investment Trust Limited (the "Company"), which is to be held on 8 April 2010 at 10 am. Enclosed with this document is a Form of Proxy for use at the meeting.

Business at the Annual General Meeting

Details of the items of business to be proposed at the Annual General Meeting are set out below.

Ordinary business

The ordinary business of the meeting includes resolutions to adopt the financial statements of the Company for the year ended 31 December 2009, to approve the reappointment of BDO Novus Limited, as auditors of the Company and to authorise the directors to fix their remuneration and to re appoint Stephen Coe and Crispian Collins as directors of the Company. Robert Tsenin will not be standing for re-election and stands down as a director with our thanks for his considerable contribution.

Special business

The Board also seeks to renew authority for the Company to make market purchases of its own shares, such authority previously having been given at the Extraordinary General Meeting of shareholders held on 14 April 2009.

Special Resolution

The special business of the meeting also includes a special resolution to adopt new memorandum and articles of incorporation (together, the "**New Articles**"). A draft copy of the New Articles is enclosed. A copy of the company's current memorandum and articles, a copy of the New Articles and a comparative document showing the differences between the two will be available at the Annual General Meeting.

The principal reason for adopting the New Articles is that the Companies (Guernsey) Law, 2008 (as amended) (the "**New Law**") was approved by the States of Guernsey on 30 January 2008 and came into force in Guernsey on 1 July 2008 which repealed and replaced the Companies (Guernsey) Law, 1994 (as amended) (the "**Old Law**") in its entirety. The Company is permitted to operate under its present memorandum and articles of association until 1 July 2011, pursuant to the Companies (Transitional Provisions) Regulations, 2008. However, the Directors wish to take this opportunity to recommend that the Company's memorandum and articles be updated to ensure that they comply with the New Law and to allow the Company to take advantage of the full benefits conferred by the New Law at the earliest opportunity.

Taking each of the proposed amendments in turn:

1. Under the New Law, the memorandum and articles of association are to be renamed memorandum and articles of incorporation.
2. The objects clause of the memorandum has been deleted as under the New Law, a company's objects are unrestricted unless restricted by its memorandum – this will provide maximum flexibility.
3. Insert a new article 4.8 as the New Law states that where a company limited by shares has only one class of shares, the directors may exercise the powers of the company (a) to issue shares of that class, or (b) to grant rights to subscribe for or to convert any security into such shares, except to the extent that they are prohibited from doing so by the company's memorandum, articles or any resolution of the company. For the avoidance of doubt therefore, it is proposed to insert an article expressly stating that the directors have authority to allot shares.
4. Amend article 4.9 as the New Law requires that where companies have more than one class of shares, directors are authorised by the company's memorandum or articles to (a) to issue shares in the company, or (b) to grant rights to subscribe for or to convert any security into, shares in the company. The New Law goes on to state that this authorisation must state the maximum amount of shares that may be issued under it and specify the date on which it will expire which must not be more than 5 years after (i) in the case of authorisation contained in the company's memorandum or articles at the time of its original incorporation or (ii) in any other case, the date on which the resolution is passed by virtue of which the authorisation is given.
5. Delete article 4.11 as under the New Law, the minimum subscription shall be one share.

6. Delete article 4.12 and 13.5 as under the New Law, there is no concept of authorised share capital.
7. Delete the latter part of article 6.7 given that under the New Law the shareholder register of a company may no longer be closed by the directors of a company.
8. Amend article 14.7 as under the New Law, the Board of a company will be required to convene an extraordinary general meeting upon the requisition in writing of one or more holders representing more than one-tenth of the issued share capital of the company. Under the Old Law, the Board were required to convene an extraordinary annual general meeting upon the requisition in writing of one or more holders representing not less than one-tenth of the issued share capital of a company.
9. Amend articles 17.7, 17.8, 17.9, 17.10 and 17.11 in relation to proxies as the Old Law was silent on the timing of delivery of proxies to the company in the run up to a general meeting. Section 224 of the New Law changes this however by setting a uniform timescale for all companies. It operates by making void any provision of a company's articles which would have the effect of requiring a proxy to be received by the company or another person earlier than:
 - a. in the case of a meeting or adjourned meeting, 48 hours before the time for holding the meeting or adjourned meeting;
 - b. in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll; and
 - c. in the case of a poll taken not more than 48 hours after it was demanded, the time at which it was demanded.
10. Delete the first sentence of article 18.1 given that the first directors of the Company have already been appointed.
11. Delete article 21.2 as it was resolved that this article be deleted from the Company's articles at the AGM of the Company held on 10 August 2007.
12. Insert article 26.2.4 as under the New Law, a company secretary needs to be eligible to act as such.
13. Amend article 29.2 by removing the requirement for payment of dividends out of the profits of the Company and including a reference to payment of dividends in accordance with the New Law which now applies a "solvency test". In addition, under the New Law, a company is no longer required to keep a share premium account.
14. Delete article 30 (Reserves) as reserves are no longer required given that under the New Law, a company may make a dividend so long as the company can pass the new "solvency test".
15. Amend Article 35 (Indemnity) to provide that the Company may indemnify the directors, managers, agents and officers of the Company to the maximum extent permitted by the New Law. The Old Law was less restrictive on the subject of a Guernsey company's ability to exempt persons (most usually directors) from, or indemnify them against, liabilities.

This meant that Guernsey was out of step with other jurisdictions, such as the United Kingdom where the scope of such indemnities had been restricted by statute following high profile cases in which negligent directors and auditors avoided a substantial damages award against them by relying on a widely drawn indemnity in the company's articles.

Section 157 of the New Law provides that "any provision that purports to exempt a director of a company (to any extent) from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void".

The amendment to the existing indemnity provision is intended to recognise the changes brought about by the New Law which limits the scope of the indemnity provision "to the fullest extent permitted by the Companies Law".

16. The Common Signature article has been moved from the memorandum to the articles as under the New Law, a company's common signature need no longer form part of its memorandum.

In addition, it is proposed to delete article 4.2 of the Company's articles of association so as to remove the existing pre-emption rights as the removal of such rights will facilitate any issuance of warrants, options, preference shares or other financial instruments as may be appropriate to raise funds for the Company in line with current market practices. There are also no pre-emption rights provided for in the New Law (there were also no pre-emption rights under the Old Law).

This will be proposed as a separate resolution at the Annual General Meeting.

Under the current articles of association the Board is authorised to issue shares only at or above net asset value unless it resolves to offer them pre-emptively to shareholders. Under the proposed new articles there will be no restriction on issuing shares at any particular price and whether or not shares can only be issued pre-emptively will depend on whether or not shareholders approve resolution 8.

The Board believes it would be in the best interests of the Company for it to have the flexibility to issue shares otherwise than on a pre-emptive basis. This would, for example, allow the issuance of warrants, options, preference shares and other securities as may be appropriate to raise funds for the Company in a short time frame.

Notice of Annual General Meeting

At the end of this document, shareholders will find a notice convening the Annual General Meeting of the Company, such meeting to be held at 10 am on 8 April 2010 at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA, at which the resolutions referred to above will be proposed.

Action to be taken

You will find enclosed with this document a Form of Proxy for use at the Annual General Meeting. Whether or not you propose to attend the Annual General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrar, Computershare, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW, as soon as possible but, in any event, so as to arrive no later than 10 am, on 6 April 2010. The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you wish to do so.

Recommendation

Your Board considers that the resolutions to be proposed at the meeting are in the best interests of shareholders as a whole and recommends that shareholders vote in favour of such resolutions, as the directors intend to do in respect of their own beneficial holdings.

Yours faithfully

Crispian Collins

Chairman

MATRIX EUROPEAN REAL ESTATE INVESTMENT TRUST LIMITED

(an authorised closed-ended investment company incorporated in Guernsey with registered number 44115)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Matrix European Real Estate Investment Trust Limited (the “**Company**”) will be held at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA on 8 April 2010 at 10 am for the following business:

Ordinary business

- 1 To receive and adopt the annual report and audited financial statements of the Company for the year ended 31 December 2009, together with the directors’ report and the auditors’ report.
- 2 To re-appoint BDO Novus Limited as auditors of the Company until the conclusion of the next general meeting of the Company at which the financial statements of the Company are laid before the members.
- 3 To authorise the Directors to determine the remuneration of the auditors.
- 4 To re-appoint Crispian Collins as Director of the Company.
- 5 To re-appoint Stephen Coe as Director of the Company.

Special business

- 6 To renew the Company’s authority to make market purchases of its own shares in accordance with Section 315 of the Companies (Guernsey) Law, 2008 (as amended) provided that:
 - (i) the maximum number of shares authorised to be purchased is up to 14.99 per cent. of the shares in issue immediately following the conclusion of the share Issue (rounded to the nearest whole number);
 - (ii) the minimum price which may be paid for a share is £0.01; and
 - (iii) the maximum price which may be paid for a share is not more than the latest published net asset value per share of the Company;

such authority to expire at the annual general meeting of the Company in 2011 unless such authority is varied, revoked or renewed prior to such date by an ordinary resolution of the Company in general meeting and the Company may make a contract to purchase shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration and the Company may make a purchase of shares pursuant to any such contract.

Special Resolutions

- 7 **THAT** the new memorandum and articles of incorporation enclosed with this Notice be and are hereby approved and adopted as the new memorandum and articles of incorporation of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company.
- 8 **THAT**, subject to the passing of resolution 7 above, article 4.2 of the Company’s articles of incorporation adopted under resolution 7 above be and is hereby deleted in its entirety so as to remove the existing pre-emption rights.

By Order of the Board
Praxis Property Fund Services Limited
Secretary

Registered office:
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

Dated: 1 March 2010

Notes relating to the AGM

Notes:

- 1 A Shareholder entitled to attend and vote is entitled to appoint one or more proxies (who need not be shareholders) to attend and vote on their behalf.
- 2 To have the right to attend and vote at the meeting you must hold participating shares in the Company and your name must be entered on the share register of the Company in accordance with note 5 below.
- 3 To be valid, Forms of Proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by the Company's registrar, Computershare, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW, as soon as possible but, in any event, so as to arrive no later than 10 am, on 6 April 2010. A Form of Proxy accompanies this document.
- 4 Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
- 5 The time by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting is 10 am, on 8 April 2010. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 6 The quorum for the meeting is two or more Shareholders present in person or by proxy holding not less than ten percent of the issued shares of the class. The majority required for the passing of an ordinary resolution is 50% or more of the total number of votes cast for and against such resolution. The majority required for the passing of a special resolution is 75% or more of the total number of votes cast for and against such resolution.
- 7 At the Meeting the vote may be taken by poll. On a poll, every Shareholder who is present in person or by proxy shall have one vote for every Share in the Company of which he is the holder. A holder entitled to more than one vote need not, if he votes, use all of his votes or cast all of the votes which he uses in the same way.
- 8 If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable interest under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any person holding 5% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of the voting rights, and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
- 9 As at 1 March 2010, the latest practicable date prior to publication of this document, the Company had 37,738,118 participating shares in issue.

Matrix European Real Estate Investment Trust Limited

Form of Proxy for use by shareholders of Matrix European Real Estate Investment Trust Limited (the "Company") at the Annual General Meeting to be held on 8 April 2010 at 10 am.

As a shareholder of the Company you have the right to attend, speak at and vote at the Annual General Meeting (the "Meeting"). If you cannot, or do not want to, attend the Meeting, but still want to vote, you can appoint someone to attend the Meeting and vote on your behalf. That person is known as a "proxy".

You can use this Form of Proxy to appoint the Chairman of the Meeting, or someone else, as your proxy. Your proxy does not need to be a shareholder of the Company.

I/We (name in full) (in BLOCK CAPITALS)

of.....

being (a) shareholder(s) of the Company entitled to attend and vote at meetings, hereby appoint the Chairman of the Meeting or (see Note 1) as my/our proxy to attend and, on a poll, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 8 April 2010, and at any adjournment thereof.

Resolutions

Resolution	For	Against	Vote withheld	At discretion
Ordinary business				
1 To receive and adopt the annual report and audited financial statements of the Company for the year ended 31 December 2009, together with the directors' report and the auditors' report.				
2 To re-appoint BDO Novus Limited as auditors of the Company until the conclusion of the next general meeting of the Company at which the financial statements of the Company are laid before the members;.				
3 To authorise the Directors to determine the remuneration of the auditors.				
4 To re-appoint Crispian Collins as Director of the Company.				
5 To re-appoint Stephen Coe as Director of the Company.				
Special business				
6 Renewal of the Company's authority to make market purchases of its own shares in accordance with Section 315 of the Companies (Guernsey) Law, 2008 (as amended).				
Special resolution				
7 THAT the new memorandum and articles of incorporation enclosed with the Notice calling the Annual General Meeting be and are hereby approved and adopted as the new memorandum and articles of incorporation of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company.				
8 THAT , subject to the passing of resolution 7 above, article 4.2 of the Company's articles of incorporation adopted under resolution 7 above be and is deleted in its entirety so as to remove the existing pre-emption rights.				

Please indicate with an "X" in the appropriate box opposite the resolutions how you wish your votes to be cast (see Note 4).

Signature(s)

(See Note 6)

Date

2010

Notes:

- 1 If you wish to appoint as a proxy a person other than the Chairman of the Meeting (who need not be a shareholder), please delete the words "the Chairman of the Meeting" and insert the name of the other person. All alterations made to this Form of Proxy must be initialled by the signatory.
- 2 The completion and return of this Form of Proxy will not prevent you from attending in person and voting at the Meeting should you subsequently decide to do so.
- 3 A shareholder may appoint more than one proxy to attend. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is lastly received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was lastly received, none of them shall be treated as valid in respect of that share.
- 4 If you wish your proxy to cast all of your votes for or against a resolution you should insert an "X" in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, insert the relevant number of shares in the appropriate box. In the absence of instructions, your proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, may also vote or abstain from voting as he or she thinks fit on any other business (including on a motion to amend a resolution, to propose a new resolution or to adjourn the Meeting) which may properly come before the Meeting.
- 5 The "Vote Withheld" option is provided to enable you to instruct your proxy to abstain from voting on a particular resolution. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" or "Against" a resolution. The "At Discretion" option is provided to enable you to give discretion to your proxy to vote or abstain from voting on a particular resolution as he or she thinks fit.
- 6 This Form of Proxy must be signed by the shareholder or his/her attorney. Where the shareholder is a corporation, the signature must be under seal or signed by a duly authorised representative. In the case of joint shareholders, any one shareholder may sign this Form of Proxy. The vote of the senior joint shareholder (whether in person or by proxy) will be taken to the exclusion of all others; seniority being determined by the order in which the names stand in the register of members in respect of the joint shareholding.
- 7 To be valid, this Form of Proxy (together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially or in some other way approved by the Board of Directors) must be deposited at the offices of the Company's registrar, Computershare, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW, as soon as possible but, in any event, so as to arrive no later than 10 am on 6 April 2010.
- 8 Any shareholder holding 5% or more of the voting rights in the Company should refer to note 8 of the Notes relating to the AGM before completing this Form of Proxy.