



ASX Release

4 April 2012

BlackWall to stand as replacement Responsible Entity for the MacarthurCook Property Securities Fund (ASX: MPS)

BlackWall Property Funds announces that it has agreed to stand as the replacement responsible entity for MacarthurCook's ASX listed property securities fund, MPS. The meeting to replace MacarthurCook has been called by BlackWall associate Pelorus Private Equity Limited. Pelorus is MPS's largest independent investor holding just under 10%.

If appointed BlackWall will undertake an asset sale program and return the net proceeds to MPS unitholders. BlackWall has estimated that the assets sales could generate a distribution of between 14 and 20 cents per unit.

A copy of the proposed notice of meeting is attached. Pelorus has requested a copy of the MPS register and the notice of meeting will be dispatched when the register is received.

For further information contact:

Stuart Brown
Chief Executive Officer
+612 9033 8611

Notice of Meeting And Explanatory Memorandum

MacarthurCook Property Securities Fund

ARSN 111 442 150

Meeting to be held on Friday 29 June 2012 at 10:30am
at WT Serviced Offices, Level 1, 50 Yeo Street, Neutral Bay NSW 2089

**Vote YES to change management,
sell assets and
distribute cash to Investors.**

This document has been prepared and issued by Pelorus Private Equity Limited (Pelorus). Pelorus is an investor in the Fund holding over 17 million MPS Units (or over 9%). Pelorus has called the meeting of Unitholders with the aim of generating the maximum value to all Unitholders under section 601FM(1A)(b) of the Corporations Act (as amended by ASIC CO 01/1591).

**Up to 20 Cents
Per Unit**



KEY DATES

Date of Notice of Meeting and Explanatory Memorandum	4 April 2012
Date for determining eligibility to vote	7pm, Wednesday 27 June 2012
Last day to return proxy forms	10:30am, Wednesday 27 June 2012
Date of Meeting	10:30am, Friday 29 June 2012

CONTACT DETAILS

For further information regarding
this document, please contact:

BlackWall Property Funds
Phone: 1800 789 141
Fax: 02 9033 8600
Email: info@blackwallfunds.com.au

WHY HAS THE MEETING BEEN CALLED?

- ➔ MPS's ASX price[#] is around 7 cents per Unit.
- ➔ On average, MPS trades at a 70% discount to the value of its net assets.*
- ➔ Pelorus proposes to change MPS's responsible entity in order to **sell the assets of the Fund** and **distribute the net proceeds to you** (the "Proposal").
- ➔ The Proposal is estimated to generate a payment to you of between 14 cents per Unit and **20 cents per Unit.**



To support the Proposal sign the attached **yellow Proxy Form** and return it in the **reply paid envelope.**

[#] Volume weighted average price for the 2 months to 13 March 2012.

^{*} Average discount of MPS's daily closing price to published NTA between 31 December 2008 and 13 March 2012.

2. KEY QUESTIONS

Why should MPS Unitholders support the Proposal?

As an MPS Unitholder, Pelorus believes that MPS Units have under-performed the market for an extended period. Specifically, since August 2009:

- MPS's net assets per Unit have dropped by 35.8% from 38.5 cents per Unit to 24.7 cents per Unit.
- MPS has paid no distributions.
- MPS's Trading Price* has dropped 32%.

The Proposal aims to generate more value for your investment than has been available on the ASX.

What is the expected distribution if the Proposal is implemented?

The Proposal is estimated to pay to you between 14 and 20 cents for every MPS Unit you hold.

Who will manage the asset sale process?

The Proposal is to replace the responsible entity of MPS with a BlackWall entity to manage MPS and the asset sale process.

Why replace current management?

AIMS has been in control of the fund for over 2 years. In Pelorus' view, if the current management structure continues MPS will continue to under-perform, specifically:

- AIMS has failed to announce a strategy that will generate value for you.
- AIMS chose to liquidate the Fund's largest investment (in a related fund) at a 41.5% discount to NTA value and has sold other assets at a large discount.
- In the 12 months to 30 June 2011 you have paid roughly \$1,261,000 or 0.65 cents per Unit in funds management fees to AIMS, administration and litigation costs.
- A number of statutory filings and disclosures have been either not filed or filed late, and the Fund was suspended from trading on the ASX for this reason.

*Trading Price means the volume weighted average price for 60 days to the relevant date, in this case August 2009 and February 2012.

Isn't MPS suing a trust managed by BlackWall?

AIMS and its directors have elected to institute three separate lawsuits against an ASX-listed trust, P-REIT. P-REIT is managed by BlackWall and MPS is a substantial investor in P-REIT. Two of these suits were aimed at stopping P-REIT listing on the ASX. These actions failed, P-REIT listed on the ASX and MPS was ordered to pay P-REIT's legal costs.

AIMS and its directors commenced a third lawsuit relating to transactions entered into in 2007, before AIMS took control of MPS and before BlackWall began managing P-REIT. The facts of this case have been disclosed to the market by both P-REIT and MPS in various ASX announcements. On a number of occasions BlackWall has suggested commercial resolutions to these matters, which have been rejected by AIMS's directors.

In 2009 MPS's previous manager commissioned an independent expert in relation to these matters. That expert concluded that MPS could not expect to recover any amount from P-REIT's responsible entity in its personal capacity.

Pelorus expects AIMS to allege that the Proposal set out in this Notice of Meeting has been put forward because Pelorus and BlackWall are concerned about P-REIT's prospects in the lawsuit explained above. This is not the case. Pelorus has put forward the Proposal to address MPS and its management's poor performance. If MPS's claims against P-REIT are valid the Proposal does not preclude MPS pressing those claims.

Pelorus has requested a breakdown of all legal fees paid since 1 January 2011 and their purpose, along with an estimate of the costs to run the upcoming court case. At the time of dispatch of this Notice of Meeting MPS's management has refused to provide the information requested.

BlackWall questions the validity, propriety and prospects of success of all legal actions commenced by AIMS and its directors. Further, Pelorus contends that by their actions AIMS and its directors have had a negative effect on P-REIT's ASX price which has in turn reduced the value of your investment.

Who is paying for the Meeting?

The cost of dispatching this Notice of Meeting and holding the meeting will be borne by Pelorus and BlackWall and not the Fund.

3 EXPLANATION OF RESOLUTIONS

3.1 Resolutions to change the Responsible Entity

Resolution 1 seeks to remove MacarthurCook Fund Management Limited as responsible entity of MPS. Resolution 2 seeks to appoint TFML Limited ACN 079 608 825, a wholly owned subsidiary of BlackWall Property Funds Limited (ASX Code: BWF) (referred to collectively as "BlackWall") as the new responsible entity of MPS. Resolution 2 can only be passed if Resolution 1 is passed.

3.2 BlackWall's intentions in relation to MPS

If the Resolutions are approved, BlackWall intends to take the necessary steps to sell the Fund's assets at the best possible price and distribute the net proceeds to Unitholders in accordance with the Constitution. BlackWall's intentions are subject to compliance with all relevant laws and the ASX Listing Rules.

3.3 About BlackWall

BlackWall is an ASX listed (ASX Code: BWF) vertically integrated property funds management business engaged in a full range of property related activities including fund establishment, fund management, property leasing, property management and both debt arrangement and management. It controls a portfolio of income producing real estate valued at over \$450 million.

Specifically BlackWall works across three vertically integrated groups:

Fund & Asset Management - Setting and executing the strategic direction of the capital structures invested in real estate – trust and asset management, investor relations and compliance.

Property Management/Administration - Active lease and property expense administration coupled with reporting and analysis.

Development Management - Adding value to income producing real estate. Generation and execution of development opportunities through origination, design, leasing and development management.

BlackWall's funds management activities are undertaken by its wholly owned subsidiary TFML, which is the entity that will stand as the new responsible entity. TFML holds an Australian Financial Services Licence (No. 220242) authorising it to act as responsible entity of the Fund.

The directors of BlackWall Property Funds and TFML are:

Richard Hill – Independent Chairman

Richard Hill has extensive investment banking experience and was the founding partner of the corporate advisory firm Hill Young & Associates. Richard has invested in the group's projects since the early 1990's. Prior to forming Hill Young, Richard held a number of senior executive positions in Hong Kong and New York with Hong Kong & Shanghai Banking Corporation (HSBC). He was admitted as an attorney in New York State and was registered by the US Securities & Exchange Commission and the Ontario Securities Commission. He is the Chairman of Calliden Group Limited and Sirtex Medical Limited and a director of Biota Holdings Limited (all listed on the ASX). In addition Richard is Chairman of the Westmead Millenium Institute for Medical Research.

Seph Glew- Non-Executive Director

Seph has worked in the commercial property industry in New Zealand, the USA and Australia. Seph has driven large scale property development and financial structuring for real estate for over 30 years. In addition, since the early 1990's Seph has run many "turn-around" processes in relation to distressed properties and property structures for both private and institutional property owners. While working for the Housing Corporation of New Zealand and then AMP, Seph qualified as a registered valuer and holds a Bachelor of Commerce. In the 1980's he served as an executive director with NZ based property group Chase Corporation and as a non-executive director with a number of other listed companies in New Zealand and Australia. Seph is Executive Chairman of Pelorus Private Equity Limited.

Robin Tedder – Non-Executive Director

Robin has over 35 years experience in investment and financial markets. He has been an investor in the group's projects since 1997. Robin manages private equity interests and is the Chairman of Vintage Capital Pty Ltd. He is a former member of the ASX and has served on the boards of several merchant banks in Australia and overseas, including Rand Merchant Bank Ltd, Kleinwort Benson Australia Ltd, and Australian Gilt Securities Ltd (as CEO 1988-95). He is a director of Italtile Australia Pty Ltd (a national retailer under the CTM brand, and developer of bulky goods stores), Chairman of Apollo Health Management and Australian Ambassador for Singularity University (sponsored by NASA and Google) of Mountain View California. Robin is also a Fellow of the Financial Services Institute of Australasia and a director of Pelorus Private Equity.

Stuart Brown – Director and Chief Executive Officer

Stuart has been involved in real estate investment for over 15 years across funds management, property services and finance. In 2006 he was appointed Chief Operating Officer and Chief Financial Officer of the then ASX listed Pelorus Property Group and later Managing Director. Stuart has run debt and equity raisings in relation to listed and unlisted real estate structures with over a half a billion dollars in value. In his early career Stuart practised as a solicitor in the areas of real estate, mergers and acquisitions and corporate advisory with Mallesons and Gilbert + Tobin. Stuart is also a director of Pelorus Private Equity an unlisted public company.

Pelorus recommends that you vote IN FAVOUR of Resolutions 1 and 2 to appoint TFML (wholly owned by BlackWall Property Funds) as the new responsible entity of MPS.

4 ASSUMPTIONS AND RISK FACTORS

4.1 Assumptions

BlackWall estimates that on the sale of the Fund's assets, repayment of all Debt Costs and satisfaction of Operating Costs, the total distributions (Net Realisation) paid to investors will be between 14 cents per Unit and 20 cents per Unit.

In calculating the Net Realisation BlackWall has made a number of best estimate assumptions. While these assumptions are considered appropriate and reasonable at the time of preparing this Notice of Meeting, Unitholders should appreciate that many factors will affect the actual Net Realisation, which are outside BlackWall's control and may not be capable of being foreseen or accurately predicted.

Accordingly the actual Net Realisation may differ materially from the estimate set out in this Notice of Meeting.

4.2 Risk Factors

Neither Pelorus or BlackWall nor any of their officers, advisers, agents or associates in any way guarantees the Net Realisation. The Proposal set out in this Notice of Meeting is subject to a number of investment risks, including possible delays in repayment and loss of income or capital invested in MPS Units.

These risks include but are not limited to the following and these should be considered by Unitholders when evaluating the Proposal:

- Adverse changes in general economic conditions.
- Adverse changes to government policy or legislation.
- The occurrence of a force majeure event with respect to any of the properties in which MPS holds an economic interest. Force majeure events include, without limitation, such events as acts of god, fire, war, terrorism, civil disorder and industrial disputes.
- Changes in interest rates and the consumer price index and the correlation between them.
- A change in the Australian trading banks' and other lending bodies' credit control policies and lending guidelines.
- The first mortgagee exercising any of its rights under a first mortgage.
- Global or local volatility in the equity capital markets.
- A change to the current taxation regime as tax liabilities are the responsibility of individual Unitholders and the Fund and/or the Responsible Entity are responsible either for taxation or penalties incurred by Unitholders.
- Any arrangements, representations or agreements made or entered into by any current or previous manager of MPS including their officers, advisers, agents or associates.
- The inability to obtain any approval or satisfy any regulatory requirements required to implement the Proposal.

5 GLOSSARY

AIMS means AIMS Group Holding Pty Ltd ACN 137 063 113, its subsidiaries and associates.

ASX means ASX Limited ACN 008 624 253 trading as the Australian Securities Exchange.

BlackWall means BlackWall Property Funds and its wholly owned subsidiary TFML.

BlackWall Property Funds means BlackWall Property Funds Limited ACN 146 935 131, a company listed on the ASX (ASX Code: BWF).

Constitution means the constitution of the Fund dated 13 October 2004 (as amended).

Corporations Act means Corporations Act 2001 (Cth).

Debt Costs means the principal, interest and fees associated with Fund bank borrowings.

Explanatory Memorandum means this explanatory memorandum accompanying and forming part of the Notice of Meeting.

Fund or **MPS** means MacarthurCook Property Securities Fund ARSN 111 442 150.

MacarthurCook or **Responsible Entity** means MacarthurCook Fund Management Limited ACN 004 956 558 as the current responsible entity of the Fund.

Meeting means the meeting of Unitholders to be held at 10:30am on Friday 29 June 2012 at WT Serviced Offices, Level 1, 50 Yeo Street, Neutral Bay NSW 2089 and any adjournment of it.

MPS or **Fund** means MacarthurCook Property Securities Fund ARSN 111 442 150.

Net Realisation means the aggregate of sale consideration of the Fund's assets, repayment of all Debt Costs and satisfaction of Operating Costs.

Notice of Meeting means this notice of meeting in relation to the Meeting.

NTA means net tangible assets.

Operating Costs means all costs associated with operating the Fund including but not limited to audit and legal costs, the costs associated with selling assets, registry and listing fees, Responsible Entity and custodian fees.

Pelorus or **Pelorus Private Equity** means Pelorus Private Equity Limited ACN 091 209 639.

Proposal means the proposal set out in this Notice of Meeting and Explanatory Memorandum to change the Responsible Entity in order to sell the assets of the Fund and distribute the net proceeds to Unitholders.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Resolutions means the resolutions set out in the Notice of Meeting.

Responsible Entity or **MacarthurCook** means MacarthurCook Fund Management Limited ACN 004 956 558 as the current responsible entity of the Fund.

TFML means TFML Limited ACN 079 608 825, a wholly owned subsidiary of BlackWall Property Funds.

Unit means a fully paid ordinary unit issued in the Fund.

Unitholder means a holder of a Unit.

NOTICE OF MEETING

Notice is given by Pelorus Private Equity Limited, that a meeting of Unitholders in MacarthurCook Property Securities Fund ARSN 111 442 150 (Fund or MPS) will be held at WT Serviced Offices at 10:30am (Sydney time) on Friday 29 June 2012. This Meeting is called under section 601FM(1A)(b) of the Corporations Act (as amended by ASIC Class Order 01/1541) by Pelorus, being a member of MPS holding at least 5% of the votes that may be cast at a meeting of the Fund's members. At the date of this Notice of Meeting, Pelorus holds over 9% of the votes that may be cast at a meeting of the Fund's members.

The costs of calling this Meeting will be borne by Pelorus and BlackWall and not the Fund.

1. Business

(a) Resolution 1 - Removal of MacarthurCook Fund Management Limited as Responsible Entity of MPS

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, in accordance with section 601FM(1A)(b) of the Corporations Act 2001 (Cth), MacarthurCook Fund Management Limited ACN 004 956 558 be removed as responsible entity of MacarthurCook Property Securities Fund ARSN 111 442 150".

(b) Resolution 2 - Appointment of TFML as Responsible Entity of MPS

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, subject to members approving Resolution 1, in accordance with section 601FM(1A)(b) of the Corporations Act 2001 (Cth), TFML Limited ACN 079 608 825 be appointed as responsible entity of MacarthurCook Property Securities Fund ARSN 111 442 150".

2. Quorum

The quorum for a meeting of the Fund's members is two members and the quorum must be present at all times during the meeting.

3. Entitlement to Vote

For the purposes of regulation 7.11.37, Pelorus has determined that all Unitholders recorded on the register of Unitholders as at 7pm (Sydney time) on Wednesday 27 June 2012 will be entitled to attend and vote at the Meeting.

4. Voting in Person

Individuals: If you plan to attend the Meeting we ask that you arrive at the venue at least 30 minutes before the time designated for the Meeting. This gives time for us to note your attendance and to check the value of your Units against the register of members.

Corporations: To vote at the Meeting, a Unitholder that is a corporation must appoint an individual to act as its representative. The appointment must comply with section 253B of the Corporations Act. The representative should bring evidence of his or her appointment, including any authority under which it is signed to the Meeting. Alternatively, a corporation may appoint a proxy.

5. Voting by Proxy

A Unitholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. Where 2 proxies are appointed, the Unitholder may specify the proportion or number of the Unitholder's voting rights each proxy is appointed to exercise.

A proxy need not be a Unitholder of the Fund and may be an individual or body corporate. A body corporate-appointed proxy may appoint a representative to exercise the powers that the body corporate may exercise as the Unitholder's proxy.

The proxy form must be signed by the Unitholder or the Unitholder's attorney. Proxies given by corporations must be signed either under seal or under the hand of a duly authorised officer or attorney.

To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or notarially certified copy of it) must be lodged at the registered office of the Responsible Entity in accordance with clause 31.3(c) of the Constitution.

Proxy Forms and any accompanying documentation must be received at least 48 hours before the opening of the Meeting in accordance with the instructions set out on the Proxy Form.

6. Voting Thresholds

Resolutions 1 and 2 – Ordinary Resolution

Resolutions 1 and 2 are ordinary resolutions, which may be passed by the majority on a show of hands unless a poll is demanded. If a poll is demanded, the resolution will be passed on a poll if passed by at least 50% of the votes cast by Unitholders entitled to vote on the resolution.

Value of Units on a Poll

On a poll, each Unitholder has 1 vote for each dollar of the value of the total interests they have in the Fund. The value of each Unitholder's interest will be calculated on the last sale price of Units on the ASX on the trading day immediately before the poll is taken.

By Order of the Board of Pelorus Private Equity Limited, being a member holding at least 5% of the votes that may be cast at a meeting of the Fund's members.

Dated 4 April 2012



Joseph (Seph) Glew
Executive Chairman
Pelorus Private Equity Limited

4 April 2012

Michael Goldman
MacarthurCook Fund Management Limited as RE for
Macarthurcook Property Securities Fund
ARSN 111 442 150
By Hand

Dear Michael

Request for register of holders of MacarthurCook Property Securities Fund ARSN 111 442 150 (MPS).

Pelorus Private Equity Limited is a member of MPS holding over 9% of the fund.

Pursuant to subsection 173(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we request a copy of the MPS register. For the avoidance of doubt we request the register of members with respect to MPS units trading on both the Australian and Singapore exchanges.

If the MPS register is kept on a computer, we request that a complete copy be sent to us in the prescribed form of a CD-ROM or USB portable memory device. The format must be a delimited Microsoft Excel file and contain the name, address, SRN/HIN and balance of shares. The purpose for which we are accessing the register is to call a meeting of members of MPS.

We confirm that this purpose is not a prescribed purpose as set out in Division 2C.1.03 of the Corporations Amendment Regulations 2010 (No.10). We enclose a cheque made payable to Macarthurcook Fund Management Limited as responsible entity of MPS for \$300 in payment of the associated fee. This amount is the maximum prescribed fee and accordingly we request a prompt refund of the difference. Please send the copy of the register, a tax invoice and the refund to:

Pelorus Private Equity Limited
Level 1, 50 Yeo Street Neutral Bay NSW 2089

Yours faithfully
Pelorus Private Equity Ltd



Seph Glew
Chairman