

SANDON CAPITAL

Sandon Capital Investments Limited

ACN 107 772 467

Level 5, 139 Macquarie Street
Sydney NSW 2000

ASX Announcement

29 October 2018

SNC and Samuel Terry Asset Management call for a wind up of AIMS Property Securities Fund

Entities managed by Sandon Capital Pty Ltd, including Sandon Capital Investments Ltd (ASX:SNC) ("**Sandon**"), and Samuel Terry Asset Management Pty Ltd ("**Samuel Terry**") have become associates for certain limited purposes in respect of the units they hold in AIMS Property Securities Fund (ASX:APW). Please refer to the separate announcement of a change in substantial shareholding made on ASX earlier today for details.

Sandon and Samuel Terry now have a collective relevant interest in 18.6% of the units in APW, making them individually and collectively the largest independent unitholders of APW.

Samuel Terry has today served notice on APW of a general meeting of unitholders it is calling under section 252D of Corporations Act. This meeting will be held at 10:00am (AEDT) on 10 December 2018. The meeting will be held at Level 4, 60 Carrington Street, Sydney NSW 2000.

Attached to this announcement is a copy of the Notice of Meeting. It will be despatched to APW unitholders once APW has provided Samuel Terry with a copy of its unitholder register.

If you have questions regarding the general meeting or the proposal to wind up APW, please feel free to call either Gabriel Radzynski (Sandon) or Fred Woollard (Samuel Terry), whose contacts details are listed below.

Contact

Sandon Capital

Gabriel Radzynski

+61 2 8014 1188

+61 (0) 408 936 357

Samuel Terry Asset Management

Fred Woollard

+61 (0) 400 001 976

For personal use only

Meeting Booklet containing Notice of Meeting and Explanatory Memorandum

in relation to a meeting of the members of the

AIMS Property Securities Fund ARSN 111 442 150

Convened under section 252D of the Corporations Act

**Samuel Terry Asset Management Pty Ltd recommends
that all Unitholders eligible to vote on the Resolution**

VOTE IN FAVOUR

**of the Resolution relating to a proposal to wind up the
AIMS Property Securities Fund**

This Meeting Booklet, Notice of Meeting and Explanatory Memorandum is issued by Samuel Terry Asset Management Pty Ltd in relation to a meeting of the members of the AIMS Property Securities Fund.

This is an important document and requires your immediate attention. If you are in any doubt about the action you should take in response to this document, please consult your broker, financial adviser or legal adviser immediately.

Your vote is important. A Proxy Form for the Meeting accompanies this Meeting Booklet. Please complete, sign and return the Proxy Form in accordance with the instructions which appear on the Proxy Form.

The meeting will be held at 10:00am (AEDT) on Monday, 10 December 2018 at Computershare, Level 4, 60 Carrington Street, Sydney, Australia.

For personal use only

Important information

Meeting

Samuel Terry Asset Management, as agent for WO Nominees, has called the Meeting pursuant to section 252D of the Corporations Act. WO Nominees, as custodian for Samuel Terry Asset Management, holds interests carrying more than 5% of the votes that may be cast at a meeting of the members of the Fund. The Resolution is a proposed extraordinary resolution pursuant to section 601NB of the Corporations Act to consider and vote on whether to direct the responsible entity of the Fund to wind up the Fund.

Preparation of Meeting Booklet

This Meeting Booklet has been prepared by, and is issued by, Samuel Terry Asset Management as agent for WO Nominees as custodian for Samuel Terry Asset Management as trustee for the Samuel Terry Absolute Return Fund.

This Meeting Booklet has **not** been prepared by, and is **not** issued by, the responsible entity of the Fund, AIMS Fund Management Limited (ACN 004 956 558). Neither AIMS Fund Management Limited nor any other member of the AIMS Financial Group or any of their affiliates, officers, employees or agents has any responsibility for the accuracy and completeness of any information in this Meeting Booklet.

General

This is an important document and requires your immediate attention. You should read this document completely and carefully before deciding how to vote on the Resolution and, if necessary, consult your investment, tax, legal or other professional adviser.

Investment advice

In preparing this Meeting Booklet, Samuel Terry Asset Management has not taken into account the individual objectives, financial situation or needs of individual Unitholders. Accordingly, before making a decision as to how to vote on the Resolution, you may wish to consult with your financial or other professional adviser.

Disclaimer as to Fund information

The information on the Fund, Units and the AIMS Financial Group contained in this Meeting Booklet has been prepared by Samuel Terry Asset Management using publicly available information.

Information in this Meeting Booklet concerning the Fund, Units and the AIMS Financial Group has not been independently verified by Samuel Terry Asset Management. Accordingly, Samuel Terry Asset Management does not, subject to the Corporations Act, make any representation or warranty, express

or implied, as to the accuracy or completeness of such information.

Forward looking statements

This Notice of Meeting may contain forward looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to vary from those forward looking statements or results express or implied therein.

Variance between actual results and events or results expressed or implied within forward looking statements are typical and expected. Neither Samuel Terry Asset Management, nor any person mentioned within this Notice of Meeting, makes or attempts to make any warranty or representation, express or implied, as to the likelihood, or accuracy of the realisation of those forward looking statements. It is prudent not to place undue reliance on those statements and, if necessary, consult a professional advisor with respect to those statements prior to making any decision relating to the resolutions set out in this Notice of Meeting.

Privacy

Samuel Terry Asset Management has collected your information from the register of Unitholders for the purpose of issuing this Notice of Meeting. The Corporations Act requires the name and address of Unitholders to be held in a public register. Your information may be disclosed on a confidential basis to Samuel Terry Asset Management's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of Samuel Terry Asset Management is 11 Trahlee Road, Bellevue Hill NSW 2023.

Defined terms

Capitalised terms used in this Meeting Booklet are defined in the Glossary in Section 4 of this Meeting Booklet.

Time

A reference to time is a reference to Australian Eastern Daylight Time in Sydney, Australia, unless otherwise specified.

Date

The Explanatory Memorandum is dated 29 October 2018.

Currency

A reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Important dates and times

Date of this Meeting Booklet	Monday, 29 October 2018
Last time and date for CDP Account Holders (Singapore) to provide their voting instructions to CDP	5.00pm (Singapore Time) on Tuesday, 4 December 2018
Last time and date by which the Proxy Form for the Meeting should be returned to Computershare	5.00pm (AEDT) on Thursday, 6 December 2018
Last time and date by which the Proxy Form for the Meeting can be lodged directly with the Fund RE	10.00am (AEDT) on Saturday, 8 December 2018
Time and date for determining eligibility to vote at this Meeting	7.00pm (AEDT) on Saturday, 8 December 2018
Date of the Meeting	10:00am (AEDT) on Monday, 10 December 2018

For personal use only

For personal use only

This page has been left blank intentionally

Letter from Samuel Terry Asset Management

29 October 2018

WHY YOU SHOULD VOTE IN FAVOUR OF A PROPOSED WIND UP OF THE AIMS PROPERTY SECURITIES FUND

- **APW units have traded at an excessive discount to Net Tangible Asset per Unit (NTA) – currently more than 25%**
- **Weak corporate governance with non-disclosure of fees and related party investments**
- **Deteriorating financial performance**
- **Unitholders are likely to receive significantly more cash per Unit in an orderly wind up than the current market price of \$1.75. The NTA as at 30 June 2017 was \$2.37.**

Dear fellow Unitholders,

On behalf of Samuel Terry Asset Management, I am writing to outline our proposal to wind up the AIMS Property Securities Fund (**APW** or the **Fund**) and distribute the net cash proceeds to all Unitholders.

Samuel Terry Asset Management has ~A\$10.3m invested in APW and is its largest independent Unitholder, owning over 13% of the Fund. We are long-term investors in APW, having owned Units for more than 5 years.

This is the third time an APW Unitholder has sought to wind up the Fund. It is the second time Samuel Terry Asset Management has taken action due to the Fund's weak corporate governance and the failure of AIMS Fund Management Limited, as the responsible entity of APW, to address the excessive trading discount to NTA which is now more than 25%.

On each previous occasion, the AIMS Financial Group has voted its 32% direct holding, as well as 9% held by MacarthurCook Office Property Trust, to protect the fees it earns and its other non-member interests in the Fund. It is these fees – the quantum of which is unclear because AIMS refuses to disclose them – and interests that are largely responsible for the Fund continually trading well below its NTA.

We believe the Fund serves no purpose, except to its responsible entity and the AIMS Financial Group, and should be wound up in an orderly manner. This would involve selling the Fund's assets and returning the net proceeds to Unitholders.

Our proposal is a low risk means of potentially realising significantly more value per Unit. The difference between the last traded price prior to the date of this Booklet and the NTA as at 30 June 2018 is over 35%.

We encourage you to vote in favour of the Resolution to wind up the Fund for the following important reasons:

Persistent discount to NTA

APW has traded at an excessive discount to NTA for more than 10 years. Units are currently trading at \$1.75 but the last reported NTA (as at 30 June 2018) is \$2.37. This represents an unacceptable 26% discount. We believe that the Unit price will continue to trade at a large discount unless the Resolution to wind up the Fund is passed.

AIMS has made many promises to close the persistent gap between APW's Unit price and its NTA but has failed to do so. The discount would be greater still had Samuel Terry Asset Management not been supporting the Unit price by purchasing almost 50% of all Units traded in the last 12 months.

For personal use only

Related party conflicts, poor governance and disclosure of fees

Under AIMS control, Unitholder funds have consistently been allocated to other investment products managed by the AIMS Financial Group, increasing the fees it receives. Since 2010, the proportion of APW's net asset value invested in other funds directly managed by the AIMS Financial Group has increased from 7% to more than 80%.

Despite numerous requests, AIMS refuses to fully disclose the fees and other benefits paid to the AIMS Financial Group for management and other services. This lack of transparency would be illegal if the Fund was a company, not a trust, and is a key reason why Units trade at a large discount to NTA and will probably continue to do so.

Deteriorating financial performance

APW's quarterly distribution per Unit has declined more than 50% over the last two years. Today the yield to NTA is just 1.17%¹, lower than peers and amongst the worst in class.

The Fund's total return on a NTA basis has underperformed the entire property trust sector since the AIMS Financial Group took control in 2009, excluding a one-off court case win². The Fund's total annualised return since July 2009 on this basis has been 10.4% compared to 12.6% from the A-REIT Index to September 2018.

Now is a good time to sell, and may be the last chance to realise full value

In September 2018, AIMS Chairman George Wang himself said: *"we find ourselves in challenging times, with value in the real estate sector being difficult to come by. Most assets are overvalued and sellers come to market with unrealistic expectations of price, which are surprisingly being met by local and foreign buyers... We believe that the real estate cycle is at a high point, with many factors looking to tip it over the edge."*

We agree with Mr Wang. However, AIMS and its associates control over 41% of APW and have been buying more Units. If they continue buying Units, they could force decisions on Unitholders by virtue of the size of their holding.

An orderly wind up, NOT a fire sale

In winding up the Fund, AIMS, as the responsible entity, will remain bound by its statutory and fiduciary obligations to act in the best interests of APW Unitholders. AIMS will have a duty to sell APW's assets in a manner that maximises the return to Unitholders.

If APW Unitholders vote for a wind up, then we will be encouraging the responsible entity to follow an orderly process to maximise the sale proceeds to deliver value for all Unitholders.

Your vote is important. I strongly urge you to carefully consider the information contained in this Meeting Booklet and exercise your right to **VOTE IN FAVOUR** of the Resolution by either attending the Meeting or appointing a proxy, or in the case of bodies corporate, a corporate representative.

Unlike AIMS, our interests are 100% aligned with yours. While we are calling this Meeting at our own expense, we expect that AIMS will spend your money to protect the AIMS Financial Group's fees. We will dedicate significant personal and financial resources to ensuring the **best outcome for ALL Unitholders**.

How to vote

If you wish to vote and are unable to attend the Meeting, we strongly encourage you to vote by proxy. A Proxy Form is included in this pack. This form **MUST** be received by Computershare no later than 5.00pm (AEDT) on Thursday, 6 December 2018 to enable it to lodge them at the Fund's registered

¹ Calculated by dividing the cumulative value of the last 4 announced quarterly distributions by the NAV.

² Calculations exclude the TFML litigation win in 2014 by adjusting the internal rate of return for its unit price impact. The unit price impact is calculated by comparing the difference in volume weighted average price of ASX traded units 10 days before and 10 days after the announcement on 15 May 2014.

For personal use only

office in time. Proxy Forms may also be returned directly to the Fund RE at its registered office by 10.00am (AEDT) on Saturday, 8 December 2018. Please note that we expect that the registered office of APW will not be open on Saturday. No late Proxy Forms will be accepted.

If you are a CDP Account Holder (Singapore Exchange) and you wish to vote, you must provide your voting instructions to CDP by no later than 5:00pm (Singapore time) on Tuesday, 4 December 2018. Instructions on how to lodge your voting instructions with CDP are included in the CDP Voting Instruction Form accompanying this Notice of Meeting.

I encourage you to seek advice from an independent, appropriately licensed and authorised professional adviser. Your own advisers will be able to consider your personal circumstances and investment needs.

If you have any questions, please contact me on +61 (0) 400 001 976 between 8.30am and 5.30pm (AEDT) Monday to Friday.

Yours sincerely



Fred Woollard
Managing Director
Samuel Terry Asset Management Pty Ltd

fred@samuelterry.com.au

For personal use only

Notice of Meeting

Notice is given pursuant to section 252D of the Corporations Act that a meeting (the **Meeting**) of members of AIMS Property Securities Fund (the **Fund**) will be held at Computershare, Level 4, 60 Carrington Street, Sydney NSW 2000 Australia on Monday, 10 December 2018 commencing at 10:00am (AEDT).

The accompanying Explanatory Memorandum forms part of this Notice of Meeting and should be read in conjunction with it. Unless otherwise defined, this Notice of Meeting and terms used in this Notice of Meeting have the same meaning as set out in the Glossary in section 4 of the Explanatory Memorandum.

BUSINESS

The business of the Meeting will consist of the following:

1. **RESOLUTION - To wind up the Fund**

To consider, and, if thought fit, to pass the following Resolution as an extraordinary resolution:

*“That, for the purposes of section 601NE(1)(b) of the Corporations Act 2001 (Cth), and for all other purposes, the responsible entity of the AIMS Property Securities Fund (ARSN 111 442 150) (**Fund**) is directed to wind up the Fund.”*

Samuel Terry Asset Management recommends that all Unitholders eligible to vote on the Resolution VOTE IN FAVOUR of the Resolution.

CONDUCT OF VOTING

Members may vote:

- by attending this Meeting in person; or
- by proxy (see below); or
- by corporate representative in the case of corporate members (see below).

The Resolution is an extraordinary resolution of the Fund. An extraordinary resolution will be passed if it is approved by more than 50% of votes that may be cast by members entitled to vote on the Resolution (including members who are not present in person or by proxy).

Pursuant to section 252S of the Corporations Act, the members present at the Meeting must elect a member present to chair the Meeting.

VOTING AT THE MEETING

Samuel Terry Asset Management intends to call for voting on the Resolution to be conducted by poll. Under the Corporations Act, an extraordinary resolution put to the vote at a meeting must be decided on a poll.

Pursuant to section 253C of the Corporations Act, on a poll, a member (or their nominated proxy or representative) has one vote for each dollar of the value of the total interests the member has in the Fund.

PROXY VOTING (AUSTRALIAN SECURITIES EXCHANGE)

A Proxy Form is included with this Notice of Meeting.

Members wishing to appoint a proxy to attend and vote at the meeting must complete and return the Proxy Form in accordance with the instructions on it. Please note that the proxy does not need to be a member of the Fund. You are entitled to appoint one or two proxies and specify the number or proportion of votes that each proxy may exercise. If you appoint two proxies, and the appointment does not specify the proportion or number of votes that each proxy may exercise, each proxy will be entitled to exercise half of your votes.

Samuel Terry Asset Management has engaged a professional third party expert, Computershare, to collect and collate Proxy Forms returned to it. Computershare will at all times handle the Proxy Forms with due care and skill and will safeguard the Proxy Forms against tampering, filtering or other inappropriate handling.

Please send completed Proxy Forms and corporate authorised representative forms to:

By mail: **A reply paid envelope is enclosed with this Notice of Meeting**

AIMS Property Securities Fund
c/- Computershare Investor Services Pty Limited
GPO Box 2062
Melbourne VIC 8060
Australia

By fax: (03) 9473 2145 (from within Australia) or
+61 3 9473 2145 (from outside Australia)

By email: votingservices@computershare.com.au

In person: Computershare Investor Services Pty Limited, 452 Johnston Street Abbotsford, Victoria 3067, Australia

Please note that, in order for your appointment of proxy to be effective, Computershare will need to forward your Proxy Form to the Fund RE so that it is received by the Fund RE by no later than 10.00am (AEDT) on Saturday, 8 December 2018. In order for it to do so, please complete, sign and return your Proxy Form to Computershare, in accordance with the details appearing on the Proxy Form, as soon as possible, and in any event no later than 5.00pm (AEDT) on Thursday, 6 December 2018.

While it is the preference of Samuel Terry Asset Management that Unitholders send the Proxy Forms and corporate authorised representative forms to Computershare at the above address, you may also return these documents directly to the Fund RE at the following address:

Level 41, 259 George Street
Sydney NSW 2000
Australia

Any Proxy Forms returned to the Fund RE must be received by the Fund RE by 10.00am (AEDT) on Saturday, 8 December 2018. Please note that we expect that the registered office of APW will not be open on Saturday. No late Proxy Forms will be accepted.

CDP ACCOUNT HOLDERS (SINGAPORE EXCHANGE)

In order to vote, CDP Account Holders must provide their voting instructions to CDP by no later than 5.00pm (Singapore time) on Tuesday 4 December 2018. Instructions on how to lodge your voting instructions with CDP are included in the CDP Voting Instruction Form accompanying this Notice of Meeting.

For personal use only

CDP is the registered holder of all Units traded on the SGX. Legal title to the Units held in a Securities Account is held by CDP and CDP holds the Units (as bare trustee) for and on behalf of CDP Account Holders who maintain, either directly or through Depository Agents, Securities Accounts with CDP. CDP is therefore the Unitholder entitled to vote on the Resolution. CDP Account Holders are not considered Unitholders for the purposes of voting on the Resolution.

Each CDP Account Holder is permitted to attend the Meeting in person, provided that by no later than 10.00am (AEDT) (being 7.00am (Singapore time)) on Saturday, 8 December 2018 the CDP Account Holder has:

- (a) notified the Fund RE of their attendance; and
- (b) provided to the Fund RE evidence which is, in the reasonable opinion of the Fund RE, satisfactory to show that the person is in fact a CDP Account Holder at that time.

Any CDP Account Holder attending the Meeting has the same right to speak at the meeting as a Unitholder. However, a CDP Account Holder does not have any right to vote (either on a show of hands or on a poll), demand a poll, be counted in a quorum, or enjoy any other rights of the kind typically enjoyed by Unitholders.

CORPORATE SECURITYHOLDERS

Corporate members who wish to appoint an individual as a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. A form can be obtained from the Fund's registry, Computershare, for this purpose.

ELIGIBILITY TO VOTE

In accordance with section 1074E(2)(g)(i) of the Corporations Act, and regulation 7.11.37 of the Corporations Regulations 2001, Samuel Terry Asset Management has determined that, for the purpose of determining entitlements to attend and vote at this Meeting, units will be taken to be held by the persons who are the registered holders at 7.00pm (AEDT) on Saturday, 8 December 2018. Accordingly, Unit transfers registered after that time will be disregarded in determining entitlements to attend and vote at this Meeting.

VOTING EXCLUSION STATEMENT

Pursuant to section 253E of the Corporations Act, the responsible entity of a registered scheme and its associates are not entitled to vote their interest on a resolution at a meeting of the scheme's members (other than, in the case of a listed scheme, a resolution to remove and replace the responsible entity) if they have an interest in the resolution or matter other than as a member.

However, a proxy who is not entitled to vote on a resolution as a member may vote as a proxy for another member who can vote if their appointment specifies the way they are to vote on the resolution and they vote that way.

Dated: 29 October 2018



Fred Woollard
 Managing Director
 Samuel Terry Asset Management

For personal use only

Explanatory Memorandum

This Explanatory Memorandum forms part of the Notice of Meeting and should be read in conjunction with it.

1. Background

1.1. Samuel Terry Asset Management

Samuel Terry Asset Management is a fund management firm based in Sydney. We manage a fund, the Samuel Terry Absolute Return Fund, which has total assets of \$126m. The Samuel Terry Absolute Return Fund owns 13.26% of the Fund.

Our fund has generated total returns, net of fees, of over 16% pa since inception in 2003. We have achieved this return without borrowing any money. We usually hold a high proportion of our fund (average 18%) in cash.

We pride ourselves on open and plain communication with our investors. To learn more, visit our website: www.samuelterry.com.au

1.2. WO Nominees

Some of our units in the Fund are held by our custodian, WO Nominees, on our behalf. WO Nominees has authorised Samuel Terry Asset Management to call and arrange to hold the Meeting as its agent.

This Meeting Booklet has been prepared and issued by Samuel Terry Asset Management as agent for WO Nominees as custodian for Samuel Terry Asset Management as trustee for the Samuel Terry Absolute Return Fund. The opinions in this Explanatory Memorandum are the opinions of Samuel Terry Asset Management and do not reflect the opinions of WO Nominees.

1.3. Samuel Terry Asset Management's power to convene the Meeting

Under section 252D of the Corporations Act, members of a registered scheme who hold interests carrying at least 5% of the votes that may be cast at a meeting of the scheme's members may call and arrange to hold a meeting of the scheme's members to consider and vote on a proposed extraordinary resolution.

For the purposes of section 252D(3) of the Corporations Act, WO Nominees holds interests in the Fund carrying over 5% of the votes that may be cast at a meeting of the Fund's members. The resolution to direct the Fund RE to wind up the Fund is an extraordinary resolution. Accordingly, Samuel Terry Asset Management, as agent for WO Nominees, is entitled to call and arrange to hold a meeting of the Fund's members to consider the Resolution.

2. Resolution

2.1. Outline of the Resolution

Samuel Terry Asset Management has convened the Meeting to consider an extraordinary resolution to direct the Fund RE to wind up the Fund.

Pursuant to section 601NB of the Corporations Act, members of a registered scheme are entitled to convene a meeting to consider and vote on an extraordinary resolution directing the responsible entity to wind up the scheme.

2.2. The wind up process

If the Resolution is passed, under the Corporations Act, the Fund RE must wind up the Fund in accordance with the constitution of the Fund.

This will have the following consequences:

- The Fund RE must give each Unitholder notice of the termination and of its intention to distribute the assets of the Fund.
- No further Units may be issued or redeemed.
- The Fund RE must, as soon as reasonably practicable after giving the notice of termination, sell or realise all of the assets of the Fund in such manner as the Fund RE considers appropriate.
- The proceeds from the sale or realisation of the assets of the Fund, after paying or providing for liabilities of the Fund, any unpaid fees payable to the Fund RE and the expenses of the termination, will be distributed to Unitholders in proportion to the number of Units they hold.
- The Fund RE may transfer assets of the Fund to any Unitholder holding Units with a value in excess of \$10,000 in satisfaction of that Unitholder's entitlement in the assets of the Fund.
- The Fund RE may postpone the sale or realisation of any asset of the Fund for so long as it considers desirable to do so in the interests of Unitholders.
- The Fund RE may retain for so long as it thinks fit sufficient assets of the Fund as, in its opinion, may be required to meet any outgoing or liabilities in respect of the assets of the Fund.

In exercising its powers on winding up of the Fund, the Fund RE remains bound by its statutory and fiduciary obligations, to act in the best interests of Unitholders as a whole and for a proper purpose.

Development of a strategy to realise the assets of the Fund such as to maximise the value distributed to Unitholders will be a matter for the Fund RE.

A wind up does not guarantee that Unitholders will receive a specific distribution amount in respect of their interest in the Fund. The value of the net proceeds received on a winding up of the Fund are likely to differ from the net asset value of the Fund at the date of the Meeting. This is because the net proceeds will reflect the net realisation values of the assets comprising the Fund at the time of sale of the assets and the costs of winding up of the Fund.

2.3. Implications for continued listing of the Fund

The ASX has the power to suspend trading in Units and to delist the Fund. The Fund may also seek suspension of trading and request delisting.

If the Resolution is passed, the Fund RE will need to consult with the ASX as to continuation of trading in Units and the Fund's continued listing.

For personal use only

2.4. Implications if the Resolution is not passed

If the Resolution is not passed, the Fund will not be wound up and it will continue to operate under the direction of the Fund RE.

2.5. Voting and intentions

(a) *Persons entitled to vote at the Meeting*

Subject to the voting restrictions set out in the Notice of Meeting and described in this Explanatory Memorandum, each Unitholder who is on the Fund register of Unitholders at 7.00 pm (AEDT) on Saturday, 8 December 2018 is entitled to attend and vote at the Meeting (in their capacity as a holder of Units) either in person, by proxy or, in the case of a body corporate, by its corporate representative appointed in accordance with section 253B of the Corporations Act.

Samuel Terry Asset Management intends to call for voting on the Resolution to be conducted by poll. Under the Corporations Act, an extraordinary resolution put to the vote at a meeting must be decided on a poll. When voting on a resolution of the Fund determined by poll, each Unitholder present in person or by proxy has one vote for each dollar of the value of the total interest they have in the Fund (held via Units). The value of a Unitholder's total interest in the Fund will be calculated by reference to the last sale price of Units on ASX on Friday, 7 December 2018.

(b) *Voting requirement for the Resolution*

Voting on the Resolution will be by extraordinary resolution.

To be approved, an extraordinary resolution must be passed by at least 50% of the total votes that may be cast by members entitled to vote on that resolution (including members who are not present in person or by proxy).

(c) *Voting exclusions*

For the purposes of the Resolution, and in accordance with section 253E of the Corporations Act, the Fund RE and its associates are not entitled to vote their interests if they have an interest in the Resolution other than as a member of the Fund.

AIMS Capital Management Pty Ltd (ACN 106 188 916) holds 31.54% of the Units on issue in the Fund.¹ AIMS Capital Management Pty Ltd is a wholly-owned subsidiary of Great World Financial Group Pty Ltd, which is the parent company of the Fund RE.² As a result, AIMS Capital Management Pty Ltd is an associate of the Fund RE.

AIMS Real Estate Funds Limited (ACN 126 766 167) holds approximately 8.99% of the Units on issue in the Fund.³ The parent company of AIMS Real Estate Funds Limited is Great World Financial Group Pty Ltd, which is also the parent company of the Fund RE.⁴ As a result, AIMS Real Estate Funds Limited is an associate of the Fund RE.

Samuel Terry Asset Management's voting intentions

Samuel Terry Asset Management holds approximately 13.26% of the Units on issue in the Fund and intends to vote its entire interest in the Fund in favour of the Resolution.

¹ Based on the list of top 20 Unitholders included in the Annual Report of the Fund for the 2018 financial year released on the ASX market announcements platform by the Fund on 28 September 2018.

² Based on ASIC records relating to AIMS Capital Management Pty Ltd and the 'Copy of financial statements and reports' lodged by the Fund RE with ASIC on 31 October 2017.

³ Based on the 'Notice of change of interests of substantial holder' released on the ASX market announcements platform by the Fund on 6 July 2018 which states that AIMS Real Estate Funds Limited has voting power of 8.99%. Interests are held by Perpetual Trustee Company Limited on account for the Macarthur Cook Office Property Trust.

⁴ Based on the 'Copy of financial statements and reports' lodged by AIMS Real Estate Funds Limited and the Fund RE with ASIC on 31 October 2017.

For personal use only

3. Tax implications

3.1. Introduction

The comments herein provide a general outline of the Australian income tax implications and GST issues for the Fund and for Australian resident and foreign resident Unitholders that hold their units as a long-term investment on capital account.

These comments are general in nature and are not exhaustive of all Australian tax consequences that could apply in all circumstances of any given Unitholder. The comments are based on the Australian tax laws and administrative practices in effect as at the date of this Meeting Booklet. The tax laws and administrative practices are subject to change. Further the tax treatment applicable to particular Unitholders may differ depending on their circumstances. In particular, the comments may not be applicable to Unitholders who:

- are foreign residents who have used their Units in carrying on a business through a permanent establishment in Australia;
- hold their Units as trading stock or a revenue assets, where they are assessed on their dealings other than under the capital gains tax (CGT) provisions; or
- have made an election under the taxation of financial arrangement (TOFA) provisions for those provisions to apply in relation to the recognition of gains and losses on their Units.

Accordingly, it is recommended that all Unitholders seek their own independent tax advice that takes account of their particular circumstances.

3.2. Taxation of the Fund

It is expected a net capital gain or capital loss will be made by the Fund from the sale or realisation of its assets.

If a net capital gain is made by the Fund, it will be included in determining its taxable net income or tax loss. As the Fund will distribute all its income to its Unitholders, it will be subject to income tax on a “flow through” basis such that:

- no income tax liability will accrue to the Trustee of the Fund; and
- the Unitholders will be subject to income tax on their share of any taxable net income of the Fund.

If a net capital loss or a tax loss is made by the Fund, these cannot be allocated to Unitholders and will be forgone when the Fund is wound up.

3.3. Taxation of Australian resident Unitholders

(a) *Distributions on income and capital gains*

If the Fund has net income for an income year, Australian resident Unitholders will include their share (which is proportionate to their entitlement to distributions of income from the Fund for that year) of the net income in their assessable incomes for that year.

If the net income of the Fund includes a net capital gain, a Unitholder will be taken to have made a capital gain. If the net capital gain includes a discount capital gain, the Unitholder must “gross-up” its share of the discount capital gain by doubling it. The Unitholder then must calculate its net capital gain or capital loss position. This is achieved by the Unitholder totalling its grossed-up discount capital gains and other capital gains and reducing the result by any capital losses. If a net discount capital gain that is attributable to a discount capital gain made by the Fund remains for a Unitholder that is an individual, a trust, a complying superannuation entity or a life insurance company that holds its Units as a complying superannuation/first home savers account asset, and that has held its Units for at least 12 months, the net discount capital gain may be reduced by the CGT discount. The CGT discount is 50%

for individuals or trusts and 33.3% for complying superannuation entities and life insurance companies in respect of complying superannuation/first home savers account assets. The CGT discount is not available to companies.

(b) Tax deferred distributions

If the cash distributed to a Unitholder during an income year that is not in relation to the redemption of its Units exceeds the assessable amounts for a Unitholder for that year, the excess will generally not be included in the Unitholder's assessable income. However, the Unitholder's CGT cost base and reduced cost base of its Units will generally be reduced by the non-assessable amount distributed, except to the extent the non-assessable amount represents the discounted amount of a capital gain. The non-assessable cash distribution that does not relate to the discounted part of a capital gain is commonly referred to as a tax deferred distribution. If a tax deferred distribution exceeds the Unitholder's CGT cost base of its Units, the Unitholder will make a capital gain equal to the excess. Unitholders that are Australian resident individuals, trusts or complying superannuation entities, that have held their units for at least 12 months before the tax deferred distribution was received, may be able to apply the CGT discount to any such capital gain.

3.4. Redemption of Units

On the wind up of the Fund, all of the Units in it will be redeemed, which will be a CGT event for Unitholders.

Australian resident Unitholders will make:

- a capital gain if the amount received in respect of the redemption of the Units exceeds the Unitholders CGT cost base of the Units. The capital gain would be equal to the excess less the amount (if any) of the amount received in respect of the redemption of the Units that is included in the Unitholder's assessable income; and
- a capital loss if the amount received in respect of the redemption of the Units is less than the Unitholder's CGT reduced cost base of the Units. The capital loss would be equal to the shortfall.

A Unitholder that is an individual, trust or complying superannuation entity or a life insurance company that holds its Units as a complying superannuation/first home savers account asset, and held it Units for more than 12 months, may be able to claim the benefit of the CGT discount. Broadly, the CGT discount exempts a portion of the net assessable capital gain from taxable income. The CGT discount is 50% for individuals or trusts and 33.3% for complying superannuation entities and life insurance companies in respect of complying superannuation/first home savers account assets. The CGT discount is not available to companies.

A capital loss can only be used to offset capital gains, it cannot be offset against other assessable income. If a capital loss is not offset against capital gains in the income year in which it is made, it may be carried forward and offset against capital gains in future years.

In determining their CGT cost base and reduced cost base of a Unit, Unitholders will need to take account of reductions due to tax deferred distributions.

3.5. Foreign-resident unitholders

The Australian income tax implications of distributions of income to foreign resident Unitholders will depend on the type of income and whether the Fund is a withholding Managed Investment Trust. Whether the Fund is a withholding MIT will depend on the number and type of the Unitholders.

(a) Distributions of interest income

Irrespective of whether the Fund is a withholding MIT, distributions of net interest income from the Fund will generally be subject to a final interest withholding tax at 10%. The trustee of the Fund will be required to deduct the amount of interest withholding tax from such distributions and remit it to the Australian Taxation Office (ATO).

(b) Distributions of other income if the Fund is a MIT

If the Fund is a withholding MIT, distributions of other income (including net capital gains) will be subject to a final MIT withholding tax to the extent they constitute "fund payments". A distribution will be a fund payment to the extent it represents the taxable net income of the Fund, other than certain amounts such as interest income.

The rate of MIT withholding tax will depend on whether the foreign-resident Unitholder is a resident of an information exchange country. The rate of MIT withholding tax is:

- 15% for residents of exchange of information countries; and
- 30% for other residents.

The Trustee of the Fund will be required to withhold tax from fund payments and remit it to the ATO. The rate at which the Trustee is required to withhold generally depends on whether the address or place of payment of the recipient is in an information exchange country as follows:

- 15% where the address, or place of payment, of the recipient is in an information exchange country; and
- 30% in other cases.

The tax withheld by the Trustee is intended to meet a foreign-resident Unitholder's MIT withholding tax liability. However, if a trustee withholds at 15% because a foreign-resident Unitholder has advised an address in, or for the distribution to be paid to a recipient in, an information exchange country, but the foreign-resident Unitholder is actually a resident of a non-information exchange country, the non-resident Unitholder will remain liable for the 15% shortfall in the MIT withholding tax.

(c) Distributions of other income if the Fund is not a MIT

If the Fund is not a withholding MIT, foreign-resident Unitholders will be taxed on distributions of other income (including net capital gains) on an assessment basis. The assessable income of a foreign-resident Unitholder will include its share of the net taxable income of the Fund (excluding the net interest income) which is proportionate to its share of the distributable income of the Fund for a given income year. Foreign-resident Unitholders are required to gross-up their share of discount capital gains, but they are not eligible for the CGT discount. Foreign resident investors will be required to lodge income tax returns if they receive distributions of other income.

The Trustee of the Fund will be assessed on, and will be liable to withhold from, distributions of other income made to foreign-resident Unitholders. The rates of tax at which the Trustee will be assessed, will depend on the type of entity the foreign-resident Unitholder is.

Any tax assessed and paid by the Trustee in relation to a foreign-resident Unitholder is not a final tax. If a non-resident Unitholder is an individual or company, the Unitholder will include its share of the taxable net income of the Fund in its assessable income and it will be allowed a credit for tax paid by the Trustee. If a non-resident Unitholder is a trustee, the ultimate beneficiaries who are individuals or companies will include their respective shares of the taxable net income of the Fund and they will be entitled to a credit for their share of the tax paid by the Trustee.

In addition to the Australian income tax implications, foreign resident Unitholders should consider the applicable foreign tax implications.

(d) Tax deferred distributions

The comments at section 3.3(b) are equally applicable to foreign-resident Unitholders except that in the event that a tax deferred distribution exceeds a foreign resident Unitholder's CGT cost base of its Units a capital gain will only be made if the Units are taxable Australian property for the Unitholder at the time of the distribution.

(e) *Redemption of Units*

On the wind up of the Fund, all of the Units in it will be redeemed, which will be a CGT event for Unitholders.

A foreign-resident Unitholder will only make a capital gain or capital loss if its Units are taxable Australian property for the Unitholder. One of the requirements for Units to be taxable Australian property for a foreign-resident Unitholder is that the Unitholder's, together with its associates', percentage holding in the Fund is 10% or greater at either:

- the time of the CGT event (i.e. the time the Units are redeemed); or
- throughout a 12 month period in the 24 months before the time of the CGT event.

Foreign resident Unitholders who do not exceed the 10% holding threshold will not make a capital gain or a capital loss on the redemption of their Units.

Foreign resident Unitholders who do exceed the 10% holding threshold will need to contact the Fund for further information to determine if the Units are taxable Australian property.

3.6. GST

No GST liability should arise for a Unitholder as a consequence of receiving any distribution, regardless of whether a particular Unitholder is registered for GST. Any initial distribution should not be regarded as consideration for any taxable supply for GST purposes.

GST should not be payable in respect of the cancellation of Unitholders' Units on winding up of the Fund.

3.7. Stamp duty

No stamp duty is expected to be payable by Unitholders in respect of the receipt of distributions or on the disposal or cancellation of their Units.

For personal use only

4. Glossary

The following terms used in this Meeting Booklet have the meanings given to them below.

AEDT	Australian Eastern Daylight Time
AIMS	AIMS Fund Management Limited (ACN 004 956 558)
AIMS Financial Group	Great World Financial Group Pty Ltd (ACN 137 063 113) and each entity controlled by it, including the Fund RE, AIMS Capital Management Pty Ltd (ACN 106 188 916) and AIMS Real Estate Funds Limited
APW	the Fund
ASIC	Australian Securities & Investment Commission
ASX	ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it
CDP	The Central Depository (Pte) Limited
CDP Account Holder	a person whose Securities Account is credited with Units and whose Units are registered in the name of CDP (or its nominee)
CGT	capital gains tax
Computershare	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Corporations Act	<i>Corporations Act</i> 2001 (Cth)
Depositor	has the meaning given in section 81SF of the SFA
Depository Agent	has the meaning given in section 81SF of the SFA
Explanatory Memorandum	the explanatory memorandum contained in the body of this Meeting Booklet, and which forms part of the Notice of Meeting
Fund	AIMS Property Securities Fund (ARSN 111 442 150)
Fund RE	the responsible entity of the Fund from time to time, being, at the date of this Meeting Booklet, AIMS
Meeting	the meeting of Unitholders convened by the Notice of Meeting
Meeting Booklet	this booklet
Notice of Meeting	the notice of meeting included in this Meeting Booklet
NTA	net tangible asset per Unit
Proxy Form	the proxy form for the Meeting accompanying this Meeting Booklet
Resolution	the resolution set out in the Notice of Meeting
Samuel Terry Asset Management	Samuel Terry Asset Management Pty Ltd (ACN 108 611 785) as trustee for the Samuel Terry Absolute Return Fund
Securities Account	the securities account maintained by a Depositor with CDP but does not include a securities sub-account
SFA	the Securities and Futures Act (Chapter 289) of Singapore
SGX	the Singapore Exchange Securities Trading Limited or the market operated by it (as the context requires)
Unitholder	a holder of Units from time to time
Units	fully paid ordinary units in the capital of the Fund
WO Nominees	WO Nominees A/C Fund Pty Ltd (ACN 601 942 330)

For personal use only

This page has been left blank intentionally



SAMUEL TERRY
ASSET MANAGEMENT

STAG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your proxy:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2062 Melbourne
Victoria 8060 Australia

In Person:

Computershare Investor Services Pty Limited,
452 Johnston Street Abbotsford
Victoria 3067 Australia

By Email:

votingservices@computershare.com.au

Alternatively you can fax your form to
(within Australia) (03) 9473 2145
(outside Australia) +61 3 9473 2145

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

**PROXY FORM - FOR A MEMBER CONVENED MEETING OF MEMBERS OF
AIMS PROPERTY SECURITIES FUND (ARSN 111 442 150)**

XX

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of AIMS Property Securities Fund.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Turn over to complete the form →



Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of AIMS Property Securities Fund hereby appoint

PLEASE NOTE: You may name the Chairman here if you wish. If you do not name anyone in this box, you will be appointing Gabriel Radzyninski, or failing him, Fred Woollard as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, Gabriel Radzyninski, or failing him, Fred Woollard, 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, and to the extent permitted by law, as the proxy sees fit) at the meeting of members of AIMS Property Securities Fund to be held at Computershare Sydney, Level 4, 60 Carrington Street, Sydney NSW on Monday, 10 December 2018 at 10.00am (AEDT) and at any adjournment or postponement of that meeting.

Gabriel Radzyninski and Fred Woollard intend to vote undirected proxies in favour of the resolution.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 That, for the purposes of section 601NE(1)(b) of the Corporations Act 2001 (Cth), and for all other purposes, the responsible entity of the AIMS Property Securities Fund (ARSN 111 442 150) (Fund) is directed to wind up the Fund.

For Against Abstain

Samuel Terry Asset Management Pty Ltd recommends you vote **FOR** the resolution

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /

STAQ

999999A

Computershare +