

**AIMS PROPERTY SECURITIES FUND**  
**ABN 79 004 956 558**

**APPENDIX 4D – PRELIMINARY FINAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**Results for announcement to the market**

	<b>Change from Previous Period (\$'000)</b>	<b>Change from Previous Period (%)</b>	<b>Half-year to 31 December 2014 (\$'000)</b>	<b>Half-year to 31 December 2013 (\$'000)</b>
Revenue from ordinary activities	Up \$1,023	Up 79%	2,313	1,290
Income/(Loss) from ordinary activities before tax attributable to unitholders	Up \$3,487	Up 65%	8,868	5,381
Income/(Loss) from ordinary activities after tax attributable to unitholders	Up \$3,487	Up 65%	8,868	5,381
Net income/(loss) for the period attributable to shareholders	Up \$3,487	Up 65%	8,868	5,381
Basic income/(loss) per unit - cents	n/a	n/a	n/a	n/a
Diluted income/(loss) per unit - cents	n/a	n/a	n/a	n/a
Net Tangible Assets per security (After unrealised losses and adjustment for tax)			0.19	0.13

In respect of the half-year ended 31 December 2014, 0.1088 Australian cents per unit were paid for the quarter of September with an announced distribution for December quarter at 0.1317 Australian cents per unit.

**Explanation of Revenue**

Revenue from ordinary activities of \$2,313,000 for the half-year ended 31 December 2014, consists entirely of the Fund's investment activities and are made up as follows:

	(\$'000)
Distribution revenue from investment funds	1,993
Interest revenue from cash at bank	320
<b>Revenue from operating activities</b>	<u>2,313</u>

This report is based on the half-year Financial Report which has been subject to audit by the Auditors. All the documents comprise the information required by Listing Rule 4.2A

**Attachments forming part of Appendix 4E**

Attachment 1 – Half-year report, including Director's Report

**AIMS PROPERTY SECURITIES FUND**  
**ABN 79 004 956 558**

**APPENDIX 4D – PRELIMINARY FINAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**Commentary on results**

**Significant features of operating performance**

**1. Performance Review**

The comprehensive profit attributable to unitholders for the year ended 30 December 2014 is \$8,868,000 (2013: \$5,381,000). This result includes an unrealised gain on investments of \$7,406,000 (2013: \$4,749,000). The Fund is in a stronger position compared to the last period with total assets of \$85 million and no borrowings.

**2. Fund Investments**

The Fund manager has selected and invested in 14 funds which are a mixture of being listed and unlisted. These funds provide exposure across a number of property markets. As at 31 December 2014, the Fund approximately invested 59% of its total funds.

**Results of segments**

The Fund operates in Australia and has one business segment, that being investing in a portfolio of property related securities diversified by property sectors, geographic locations and fund managers.

**Trends in performance**

The Fund will not report on trends in performance as to do so would be inappropriate due to market fluctuations.

**Other factors that affected results in the period or which are likely to affect results in the future**

The Fund invested into AIMS Australia Property Investment Fund which has indirectly entered into an agreement through the AIMS Property Fund (Felix St) with the Canberra Area Rugby League Club for the acquisition of a commercial property at 10 Felix Street in the Brisbane CBD for \$26 million. During the period, the Fund invested an initial \$1.35 million to fund the 5% deposit of the purchasing price plus transaction costs. In January 2015, the Fund invested \$1.56 million to fund the stamp duty and registration fees of the purchase and in February 2015, the Fund invested a further \$10.98 million for the settlement of the property plus related costs.

**Matters Subsequent to the End of the Financial Year**

The Fund purchased 11,760,083 Ordinary Units and 6,265,808 Preferential Units in the AIMS Property Fund (St Kilda Road) for 43.2 cents per unit which equates to a total consideration of \$7,800,141.92 plus acquisition costs. This brings the ownership of the Fund in APF to 89.96%.

Other than the above and the disclosure in previous sections, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Responsible Entity of the Fund, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.



Alan Wong  
Company Secretary

**Dated this 26 February 2015**

**AIMS PROPERTY SECURITIES FUND**

**ARSN 111 442 150**

**INTERIM FINANCIAL REPORT  
31 DECEMBER 2014**

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**CONTENTS**

Directors' Report	3
Auditor's Independence Declaration	6
Condensed Statement of Profit or Loss and other Comprehensive Income	7
Condensed Statement of Financial Position	8
Condensed Statement of Changes in Equity	9
Condensed Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	17
Independent Auditor's Report	18

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**DIRECTORS' REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The Directors of AIMS Fund Management Limited, the Responsible Entity of AIMS Property Securities Fund ("the Fund"), present their report together with the interim Financial Report of the Fund for the half-year ended 31 December 2014.

The Responsible Entity's registered office and principal place of business is Level 16, Central Square, 323 Castlereagh Street, Sydney, NSW 2000.

**Directors**

The Directors of the Responsible Entity at any time during or since the end of the financial year are shown below. Directors were in office to the date of the report unless otherwise stated:

<b>Name</b>	<b>Title/Position Held</b>
Mr George Wang	Executive Chairman
Mr Richard Nott	Non-Executive Independent Director & Chairman of the Audit, Compliance and Risk Committee
Mr John Love	Non-Executive Independent Director

**Principal Activities**

The Fund is a registered management investment scheme domiciled in Australia. The Fund is listed on both the Australian Securities Exchange Limited (ASX) and the Singapore Exchange Limited (SGX). The investment objective of the Fund is to provide investors with regular quarterly income and the potential for long term capital growth. During the year, the Fund held investments in a portfolio of property related securities diversified by property sectors, geographic locations and fund managers.

**Results and Review of Operations**

*Operations*

The comprehensive income before finance cost for the period ended 31 December 2014 is \$8,868,000 (2013: \$5,381,000). This result includes an unrealised gain on investments of \$7,406,000 (2013: unrealised gain \$4,749,000).

*Performance*

The performance of the Fund is represented by the aggregation of the percentage capital growth and percentage distribution of income to Australian registered Unitholders and Singapore registered Unitholders respectively, in the following table:

	<b>ASX listed Units</b>		<b>SGX listed Units</b>	
	<b>Half-year ended 31 December 2014</b>	<b>Half-year ended 31 December 2013</b>	<b>Half-year ended 31 December 2014</b>	<b>Half-year ended 31 December 2013</b>
	%	%	%	%
Distribution Return	2.20	2.14	1.97	1.88
Growth Return	9.09	11.43	(7.69)	(10.00)
<b>Total Return</b>	<b>11.29</b>	<b>13.57</b>	<b>(5.72)</b>	<b>(8.12)</b>

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**DIRECTORS' REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**Results and Review of Operations (cont.)**

*Performance (cont.)*

The distribution return is calculated on the basis of the gross distribution to Unitholders before deducting any withholding tax which may be applicable. The growth return relates to the movement between closing trade prices on the respective ASX and SGX at 31 December 2014 and the closing trade prices on 30 June 2014. The market price of the Fund's Units (as represented by the closing trade price) on the ASX at 31 December 2014 was \$0.12 (30 June 2014: \$0.11). The market price of the Fund's units on the SGX at 31 December 2014 was SGD\$0.12 (30 June 2014: SGD\$0.13).

Returns have been calculated after fees and assuming reinvestment of distributions within Australia, in accordance with IFSA Standard 6.00 *Product Performance - calculation and presentation of returns*. Reinvestment of distributions is not available to Singaporean Unitholders whose registered address with The Central Depository (Pte) Limited is outside Australia.

*Value of the Fund's assets*

The Fund's total assets were valued at \$85,208,000 as at 31 December 2014 (30 June 2014: \$76,947,000) in accordance with the accounting policies set out in Note 1 of the interim Financial Report. The net tangible asset value was 18.53 cents per ordinary unit (30 June 2014: 16.83 cents per unit). The net tangible asset calculation excludes the Deferred Units on issue.

**Distributions Paid or Recommended**

In respect of the half-year ended 31 December 2014, 0.1088 Australian cents per unit were paid for the quarter of September with an announced distribution for December quarter at 0.1317 Australian cents per unit.

**Significant Changes in State of Affairs**

Other than as noted in "Results and Review of Operations", there were no significant changes in the state of affairs of the Fund which occurred during the half-year ended 31 December 2014.

**After Balance Date Events**

The Fund invested into AIMS Australia Property Investment Fund which has indirectly entered into an agreement through the AIMS Property Fund (Felix St) with the Canberra Area Rugby League Club for the acquisition of a commercial property at 10 Felix Street in the Brisbane CBD for \$26 million. During the period, the Fund invested an initial \$1.35 million to fund the 5% deposit of the purchasing price plus transaction costs. In January 2015, the Fund invested \$1.56 million to fund the stamp duty and registration fees of the purchase and in February 2015, the Fund invested a further \$10.98 million for the settlement of the property plus related costs.

The Fund purchased 11,760,083 Ordinary Units and 6,265,808 Preferential Units in the AIMS Property Fund (St Kilda Road) for 43.2 cents per unit which equates to a total consideration of \$7,800,141.92 plus acquisition costs. This brings the ownership of the Fund in APF to 89.96%.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Responsible Entity of the Fund, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**DIRECTORS' REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**Auditor's Independence**

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half-year ended 31 December 2014.

Signed in accordance with a resolution of the Directors of AIMS Fund Management Limited:



Mr George Wang  
Executive Chairman

**Dated this 20<sup>th</sup> day of February 2015**



*Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001*

To: the directors of AIMS Fund Management Limited, the responsible entity of AIMS Property Securities Fund

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Andrew Dickinson  
*Partner*

Sydney

20 February 2015



**AIMS PROPERTY SECURITIES FUND**  
**ARSN 111 442 150**

**CONDENSED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
		<b>\$'000</b>	<b>\$'000</b>
Distribution income		1,993	1,153
Interest income		320	137
Change in fair value of investments		7,026	4,869
<b>Net investment income</b>		<u>9,339</u>	<u>6,159</u>
Responsible Entity fees		187	140
Administration expenses		284	638
<b>Total expenses</b>		<u>471</u>	<u>778</u>
<b>Net gain for the half-year before finance costs</b>		8,868	5,381
Finance costs		(1,098)	(756)
<b>Change in net assets attributable to Unitholders</b>		<u>7,770</u>	<u>4,625</u>

The Condensed Statement of Profit or Loss and other Comprehensive Income is to be read in conjunction with the notes to the interim financial statements

**AIMS PROPERTY SECURITIES FUND**  
**ARSN 111 442 150**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2014**

	Note	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		1,527	18,757
Trade and other receivables		626	854
Financial assets held at fair value through profit or loss		33,000	4,937
<b>Total Current Assets</b>		<u>35,153</u>	<u>24,548</u>
<b>Non-Current Assets</b>			
Financial assets held at fair value through profit or loss:			
Listed property securities	2	25,214	21,229
Unlisted property securities	2	24,841	31,170
<b>Total Non-Current Assets</b>		<u>50,055</u>	<u>52,399</u>
<b>Total Assets</b>		<u>85,208</u>	<u>76,947</u>
<b>Current Liabilities</b>			
Financial liabilities held at amortised cost:			
Trade and other payables		753	262
<b>Total Current Liabilities</b>		<u>753</u>	<u>262</u>
<b>Total Liabilities (excluding net assets attributable to Unitholders)</b>		<u>753</u>	<u>262</u>
<b>Net Assets attributable to Unitholders</b>	3	<u>84,455</u>	<u>76,685</u>

The Condensed Statement of Financial Position is to be read in conjunction with the notes to the interim financial statements

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The Fund's net assets attributable to Unitholders are classified as a liability under AASB132 Financial Instruments: Presentation. As such the Fund has no equity, and no changes in equity have been presented for the current or comparative period.

The Condensed Statement of Changes in Equity is to be read in conjunction with the notes to the interim financial statements

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 Dec 2014 \$'000	31 Dec 2013 \$'000
<b>Cash flows from operating activities</b>			
Distributions received		1,818	1,937
Interest received		320	137
Other income received		321	-
Management fees paid		(91)	(212)
Other expenses paid		(379)	(815)
<b>Net cash inflows from operating activities</b>		<u>1,989</u>	<u>1,047</u>
<b>Cash flows from investing activities</b>			
Proceeds from returns of capital		3,917	3,994
Proceeds from sale of investments		7,467	2,760
Acquisition of Investments		(30,027)	(6,573)
<b>Net cash inflows from investing activities</b>		<u>(18,643)</u>	<u>181</u>
<b>Cash flows from financing activities</b>			
Payments for share buyback		-	(141)
Unit issue costs paid		-	(30)
Distribution paid		(576)	-
<b>Net cash flows (used in) financing activities</b>		<u>(576)</u>	<u>(171)</u>
Net (decrease)/increase in cash and cash equivalents		(17,230)	1,057
Cash and cash equivalents at beginning of the half-year		18,757	7,925
<b>Cash and cash equivalents at the end of the half-year</b>		<u>1,527</u>	<u>8,982</u>

The Condensed Statement of Cash Flows is to be read in conjunction with the notes to the financial statements

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**1. Basis of preparation of half-year report**

These interim financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Fund. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Fund for the financial year ended 30 June 2014, together with any public announcements made during the half-year.

The financial statements were authorised for issue by the Board of Directors 20 February 2015.

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

**Significant accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied in the Fund's financial statements as at and for the year ended 30 June 2014.

**AIMS PROPERTY SECURITIES FUND**  
**ARSN 111 442 150**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**2. Financial assets**

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>Financial assets at fair value</b>		
Listed property securities	25,214	21,229
Unlisted property securities	24,841	31,170
Term Deposits	33,000	4,937
<b>Total financial assets at fair value</b>	<b>83,055</b>	<b>57,336</b>

The fair value of the unlisted property securities as at the end of the reporting periods are estimated based on the net tangible asset of the underlying funds. This represents the best estimate of fair value of investments in unlisted schemes. The valuation of the investments will vary in line with the changes in the net tangible asset value of the underlying schemes. The liquidity of the investments is subject to the underlying scheme's performance and/or their ability to sell down assets. As at 30 December 2014 fair value of investments in closed end funds and open ended funds with no redemption windows amounted to \$18.69 million (30 June 2014: \$16.88 million).

**3. Net assets attributable to unitholders**

	31 December 2014		31 December 2013	
	No. of Units '000	\$ '000	No. of Units '000	\$ '000
Opening balance	457,411	76,685	508,039	59,033
Units Issue Cost	-	-	-	(30)
Share buyback	-	-	(1,830)	(141)
Change in net assets attributable to Unitholders	-	7,770	-	4,625
<b>Closing balance</b>	<b>457,411</b>	<b>84,455</b>	<b>506,209</b>	<b>63,487</b>

All Ordinary Units in the Fund carry equal rights and each unit represents a right to the underlying assets of the Fund. Deferred Units in the Fund carry no right to participate in any distribution of the Fund. Deferred Units are converted to ordinary units on the terms set out in the Fund's constitution. At 31 December 2014, 1,752,605 (2013: 1,752,605) Deferred Units were on issue. These are included in the totals above.

**4. Financial Instruments – Fair value measurement**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

**AIMS PROPERTY SECURITIES FUND**  
**ARSN 111 442 150**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**4. Financial Instruments – Fair value measurement (cont.)**

**31 December 2014**

		Fair Value (\$'000)		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Listed property securities	2	25,214	-	-
Unlisted property securities	2	-	-	24,841
Term Deposits	2	33,000	-	-
		58,214	-	24,841

**31 December 2013**

		Fair Value (\$'000)		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>				
Listed property securities	2	18,146	-	-
Unlisted property securities	2	-	-	36,805
		18,146	-	36,805

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Valuation technique and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 1 and 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Listed property securities – Level 1	Market price: Quoted market bid prices at the reporting date	Not applicable	Not applicable
Term Deposits – Level 1	Market price: Confirmation provided by banks at the acquisition of term deposits.	Not applicable	Not applicable
Unlisted property securities – Level 3	<ul style="list-style-type: none"> <li>• Net Tangible Asset: Investments in unlisted managed investment schemes are recorded at the Net Tangible Asset (NTA) price as reported by the managers of such schemes at the reporting date</li> <li>• Exit unit price provided by the fund managers</li> </ul>	<ul style="list-style-type: none"> <li>• As the underlying funds are unlisted and frozen for redemptions, it is uncertain that the investments can be realised at NTA</li> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• The estimated fair value would increase/ (decrease) if the NTA of the underlying funds increases/(decreases)</li> <li>• Not applicable</li> </ul>

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**4. Financial Instruments – Fair value measurement (cont.)**

**Transfers between Level 1 and 2**

There have been no transfers between level 1 and 2 during the period.

**Level 3 fair values**

The following table shows reconciliation from the opening balances to the closing balances for Level 3 fair values.

<b>Level 3 Reconciliation</b>	<b>Unlisted property securities 31 Dec 2014 (\$'000)</b>	<b>Unlisted property securities 30 June 2014 (\$'000)</b>
Balance at 1 July 2014	31,170	38,148
Change in fair value - unrealised	3,999	484
Change in fair value - realised	(421)	-
Acquisitions	1,477	4,653
Disposals including returns of capital	(11,384)	(12,115)
Balance at 31 December 2014	24,841	31,170

**Sensitivity analysis**

For the fair values of investments in in closed end funds and open ended funds with no redemption window, reasonably possible changes to the NTA, holding other inputs constant, would have the following effects.

	<b>31 Dec 2014 \$ '000</b>	<b>30 June 2014 \$ '000</b>
<b>Impact on profit or (loss)</b>		
+10.00% (1000 basis points) of the NTA	1,869	1,688
-10.00% (1000 basis points) of the NTA	(1,869)	(1,688)

**5. Related parties**

***Responsible Entity Fees and other transactions***

	<b>31 December 2014 \$</b>	<b>31 December 2013 \$</b>
Management fee expense	186,856	140,495
Fund expenses reimbursed to the Responsible Entity	84,669	64,416

Total accrued Responsible Entity fees included in trade and other payables as at 31 December 2014 is \$139,289 (30 June 2014: \$117,822).

***Related party investments held by the Fund***

The Fund may purchase and sell units in other approved funds managed by the Responsible Entity in the ordinary course of business at application and redemption prices calculated in accordance with the constitution of those Funds. Details of the Fund's investments in other funds operated by the Responsible Entity are set out below.



**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**5. Related parties (cont.)**

Entity	31 December 2014			30 June 2014		
	No. of units ('000)	% of units on issue	Distribution received /receivables (\$)	No. of units ('000)	% of units on issue	Distribution received /receivables (\$)
MacarthurCook Office Property Trust (Wholesale units)	10,768	36.81	-	10,258	35.10	-
AIMS AMP Capital Industrial REIT Management Ltd	3,935	0.63	181,989	3,488	0.60	156,913
AIMS Property Fund (St Kilda Road)	22,491	49.90	199,372	22,491	49.90	216,710
AIMS Australian Property Investment Fund <sup>(*)</sup>	1,350	47.36	-			

<sup>(\*)</sup> The Fund invested into AIMS Australia Property Investment Fund which has indirectly entered into an agreement through the AIMS Property Fund (Felix St) with the Canberra Area Rugby League Club for the acquisition of a commercial property at 10 Felix Street in the Brisbane CBD for \$26 million. During the period, the Fund invested an initial \$1.35 million to fund the 5% deposit of the purchasing price plus transaction costs. In January 2015, the Fund invested \$1.56 million to fund the stamp duty and registration fees of the purchase and in February 2015, the Fund invested a further \$10.98 million for the settlement of the property plus related costs.

***Units in the Fund held by related parties***

Details of holdings in the Fund by the Responsible Entity, other funds operated by the Responsible Entity and other related parties are set out below:

Entity	Relationship	31 December 2014			30 June 2014		
		No. of units ('000)	% of units on issue	Distribution paid /payables (\$)	No. of units ('000)	% of units on issue	Distribution paid /payables (\$)
MacarthurCook Office Property Trust	Other related party	22,633	4.97	58,304	22,633	4.97	55,337
AIMS Capital Management Limited	Other related party	140,697	30.88	334,458	137,097	30.09	348,943

At 31 December 2014, the Responsible Entity also held 1,752,605 Deferred Units (2013: 1,752,605) issued at \$0.00001 per unit. A Deferred Unit carries no voting rights and no right to participate in any distribution from the Fund until it converts into an Ordinary Unit. The Deferred Units will only convert into Ordinary Units on the terms set out in the Fund's Constitution. Performance fees are paid to the Responsible Entity by converting a number of Deferred Units into Ordinary Units.

**6. Capital commitments and contingent liabilities and assets**

The directors of the Responsible Entity are not aware of any other potential liabilities, claims, contingent assets or capital commitments against the Fund as at balance date.

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**7. Subsequent events**

In January 2015, the Fund purchased 11,760,083 Ordinary Units and 6,265,808 Preferential Units in the AIMS Property Fund (St Kilda Road) (APF) for 43.2 cents per unit which equates to a total consideration of \$7,800,141.92 plus acquisition costs. This brings the ownership of the Fund in APF to 89.96%.

Other than the above and the disclosure in note 5, there has not been any event of a material and unusual nature likely in the opinion of the Responsible Entity, to significantly affect the operations of the Fund, the results of the operations, or the state of affairs of the Fund, in future financial years.

**AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150**

**DIRECTORS' DECLARATION**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The directors of the Responsible Entity for AIMS Property Securities Fund ("the Fund") declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (b) In the directors' opinion, the attached interim financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 303(5) of the *Corporation Act 2001*.

On behalf of the Directors



Mr George Wang  
Executive Chairman

**Dated this 20<sup>th</sup> day of February 2015**



## **Independent auditor's review report to the unitholders of AIMS Property Securities Fund**

### **Report on the financial report**

We have reviewed the accompanying interim financial report of AIMS Property Securities Fund, (the Fund) which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### *Directors' responsibility for the financial report*

The directors of AIMS Fund Management Limited (the Responsible Entity) are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of AIMS Property Securities Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of AIMS Property Securities Fund is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Fund's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Emphasis of matter - Uncertainty regarding the valuation of unlisted investments*

Without modifying our conclusion, we draw attention to note 2 to the interim financial statements. The amount of \$18.69 million as at 30 December 2014 represents the best estimate of the fair value of investments in closed end funds and open ended funds with no redemption windows. The valuation of these investments will vary in line with the changes in the net tangible asset value of the underlying schemes. The liquidity of the investments is subject to the underlying schemes' performance and/or their ability to sell down assets.

As such, although the directors of AIMS Fund Management Limited, the Responsible Entity of the Fund, consider this amount to represent the best estimate of fair value as at 31 December 2014, it should be noted that uncertainty exists as to the timing of the cash flows and whether the full amount of the investments will be realised.

KPMG

Andrew Dickinson  
*Partner*

Sydney

20 February 2015