



**AIMS Funds Management**  
A Member of AIMS Financial Group

4 July 2016

Dear Unitholder,

### **AIMS Property Securities Fund Unit Consolidation – No Action Required**

On behalf of the Board of Directors of AIMS Fund Management Limited (**AIMS**), as responsible entity of AIMS Property Securities Fund (ASX: APW, SGX: A0P) (the **Fund**), we write to you to advise of a unit consolidation as announced to the ASX and SGX on 4 July 2016 (**Consolidation**).

The Consolidation will be on the basis of one (1) consolidated unit for every (10) pre-consolidated units which means that for every 10 units you hold prior to the Consolidation, you will hold one unit following the Consolidation. Where the Consolidation of a holding results in a fractional unit, that fraction will be rounded up to the next whole number.

Importantly, the Consolidation should not materially change or decrease the underlying value of your aggregate unitholding in the Fund as the impact of rounding of fractional entitlements will be negligible.

#### **Reasons for the Consolidation?**

Following the Consolidation, the number of units on issue in the Fund will decrease from 450,906,537 to approximately 45,090,654, which will result in a number of benefits for unitholders, such as:

- i. **Lower Volatility in the unit price:** The Consolidation has the potential to reduce volatility in the price of units, as units with a lower price can experience undesirable volatility. Currently, a one cent movement in the unit price represents a 7.7% unit price movement. Post Consolidation, a one cent movement will represent a movement of 0.77%;
- ii. **Mandate Restrictions:** The Consolidation should overcome mandate restrictions faced by certain institutional investors covering stocks with unit prices below \$1.00;
- iii. **Alignment with other REITs:** The Fund has a very large number of units on issue which is disproportionate to the Fund's peers. Post Consolidation, the number of units on issue in the Fund will be better aligned with other REITs;
- iv. **Market Perception:** a higher absolute unit price may improve the market perception and potentially broaden the appeal of the Fund to a greater number of investors.

#### **What will be the effect of the Consolidation?**

Unitholders will not receive any additional or new units. All unitholdings will be amended to reflect one (1) consolidated unit for every ten (10) units held pre-Consolidation. Accordingly, the price per unit after the Consolidation should be ten (10) times the price of an existing unit

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if the Consolidation had not occurred (ignoring all other factors which will continue to influence the Fund's unit price). There should be no material change in the total underlying value of your aggregate unitholding post Consolidation.

An example of how the Consolidation will change your unit holding is set out below:

Before Consolidation		After Consolidation	
Units held by investor	Value of unitholding	Units held by investor	Value of unitholding
10,000	\$1,300.00	1,000	\$1,300.00
10,006	\$1,300.78	1,001	\$1,301.30
10,018	\$1,302.34	1,002	\$1,302.60

#### **How will the unit Consolidation affect distributions and what are the tax implications?**

Distributions per unit will change in accordance with the Consolidation ratio however the amount that unitholders are entitled to receive will not be affected by the Consolidation.

On 22 June 2016, AIMS announced a distribution of 0.1829 cents per units to be paid on 16 September 2016. The distribution will be paid after the Consolidation occurs. Therefore, the distribution rate will be 1.829 cents per unit to take into account the effect of the Consolidation. The amount of the distribution will not change.

The Consolidation should not result in a capital gains tax event as it does not involve any disposal of your investment. There should also be no effect on the total cost base of your units. However, you should seek personal tax advice regarding your individual tax position as AIMS does not accept any responsibility for tax consequences.

#### **Will there be any difference in the way I trade my units during the Consolidation process?**

There are no restrictions on trading. 11 July 2016 will be the last day that units will trade on a pre-consolidated basis on ASX and 8 July 2016 will be the last day that units will trade on a pre-consolidated basis on the Singapore Exchange Securities Trading Limited (**SGX**). However, from 12 July 2016 to 20 July 2016 units will trade on a deferred settlement basis on ASX, with deferred settlement trades settling on 25 July 2016. From 11 July 2016 to 20 July 2016 units will trade on a "when ready" basis on SGX, with deferred settlement trades settling on 26 July 2016.

During this time, the Fund's ASX Code will change to APWDA. Units in the Fund will trade on a normal settlement basis from 21 July 2016, at which time its ASX code will revert back to APW.

#### **Are unitholders required to approve the consolidation?**

Unitholders are not required to approve the Consolidation. The Consolidation is in accordance with the Fund's constitution

#### **Key dates**

Announcement of Consolidation on ASX and SGX:	4 July 2016
Letters sent to unitholders:	4 July 2016
Last day for trading pre-consolidated units on SGX:	8 July 2016



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Last day for trading pre-consolidated units on ASX:	11 July 2016
“When ready” basis trading of consolidated units on SGX:	11 July 2016
Deferred settlement trading of consolidated units on ASX:	12 July 2016
Last day to register transfers of pre-consolidated units:	13 July 2016
Implementation of Consolidation:	14 July 2016
First day to register transfer of consolidated units:	14 July 2016
Deferred settlement and “when ready” basis trading ends:	20 July 2016
New holding statements issued:	20 July 2016
Normal trading of consolidated units:	21 July 2016
Settlement of deferred trades on ASX	25 July 2016
Settlement of “when ready” basis trades on SGX	26 July 2016

### What do I need to do?

You are not required to do anything.

The consolidation will occur on 14 July 2016 and you will be issued with a new holding statement on 20 July 2016.

If you have any questions regarding the Consolidation please contact me by email on [michael.goldman@aims.com.au](mailto:michael.goldman@aims.com.au)

Yours sincerely

**Mr. Michael Goldman**  
Head of Property Funds  
AIMS Fund Management Limited

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