

28 August 2017

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Off Market Takeover Bid by for all the units in the RNY Property Trust

In accordance with section 633(1) item 5 of the *Corporations Act 2001* (Cth) (**Corporations Act**), we enclose for lodgement a copy of the Bidder's Statement dated 28 August 2017 in relation to the off-market takeover bid by Aurora Funds Management Limited (ACN 092 626 885), as responsible entity of the Aurora Property Buy-Write Income Trust (ARSN 125 153 648) (**Bidder**), for all of the ordinary units in the RNY Property Trust (ARSN 115 585 709) (**Target**).

A copy of the Bidder's Statement was lodged with ASIC and given to the Target today.

For the purposes of sections 633(2) and 633(4) of the Corporations Act, the Bidder has set 7:00pm (Melbourne time) on Monday, 4 September 2017 as the register date.

Yours sincerely



John Patton
Managing Director
Aurora Funds Management Limited as
Responsible entity for
Aurora Property Buy-Write Income Trust
28 August 2017

BIDDER'S STATEMENT

Offer to acquire ALL Units in RNY Property Trust (ARSN 115 585 709) ("RNY")

Offer by Aurora Funds Management Limited (ACN 092 626 885) in its capacity as responsible entity of the Aurora Property Buy-Write Income Trust (ARSN 125 153 648) ("**Bidder**")

to acquire all Your Units in RNY



FOR 1.5 CENTS CASH FOR EACH RNY UNIT

If you have any questions about the Bidder's Statement, please call the Offer Information Line on 1300 556 635 (callers within Australia) or +61 3 9909 9909 (callers outside of Australia).

This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document or have any questions about the offer or how to accept the offer, you should contact your broker, financial adviser, legal adviser or other professional adviser immediately.

Important notices and information

General

This Bidder's Statement is issued by Aurora Funds Management Limited (ACN 092 626 885) (**Aurora**), in its capacity as responsible entity of the Aurora Property Buy-Write Income Trust (**AUP**) (ARSN 125 153 648), (**Bidder**) under Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Bidder's Statement sets out certain disclosures required by the Corporations Act together with the terms and conditions of the Offer to acquire ALL Units in the RNY Property Trust (ARSN 115 585 709) (**RNY** or **Target**).

This Bidder's Statement is dated 28 August 2017. It includes an Offer dated 11 September 2017 on the terms and conditions (including the Conditions) set out in this Bidder's Statement.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on 28 August 2017. Neither ASIC nor ASX nor their officers take any responsibility for the contents of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. Capitalised terms are defined within this document.

Enquiries

If you have any questions in relation to the Offer or this Bidder's Statement, please call the Offer Information Line on 1300 556 635 (callers within Australia) or +61 3 9909 9909 (callers outside of Australia) between 8:00am and 5:00pm (Melbourne Time) Monday to Friday.

How to accept

To accept the Offer you must follow the instructions set out in Section 12 (as summarised in Section 4) of this Bidder's Statement. Acceptances for the Offer must be received in sufficient time to be acted upon before the end of the Offer Period.

Investment decisions

This Bidder's Statement does not take into account the investment objectives, financial situation or particular needs of any person. You should obtain independent financial, taxation or other required professional advice before making a decision as to whether or not to accept the Offer for all or any of your RNY Units.

Forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables, factors and other unknown dependent or independent items.

Actual events, results, performance or achievements may differ materially from the events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any

forward looking statement. Such forward looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

The Bidder or its officers or any persons named in this Bidder's Statement with their consent, or any person involved in the preparation of this Bidder's Statement, does not make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. Except as may be required by law, neither the Bidder nor any of its officers, agents or employees undertakes any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this Bidder's Statement, or to reflect the occurrence of unanticipated events.

Disclaimer as to RNY information

Information about RNY contained in this Bidder's Statement has been prepared by Bidder, for the purposes of this Offer and using predominantly publicly available information and has not been independently verified by the Bidder. Subject to the Corporations Act, the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to RNY's business and investments may be included in the Target Statement which the Target must provide to its Unitholders in response to this Bidder's Statement.

Financial amounts

All financial amounts in this Bidder's Statement are expressed in Australian currency unless otherwise stated.

Privacy

Personal information relating to your holding of Units in RNY will be obtained by the Bidder, or its agents, from RNY, or its agents, in accordance with its rights under the Corporations Act for the purposes of making this Offer, and if accepted, administering your holding of Units and your acceptance of the Offer.

The type of information the Bidder has collected about you includes your name, contact details and information on your holding of Units in RNY. Without this information the Bidder would be hindered in its ability to carry out the Offer. The Corporations Act requires your name and contact details of Unitholders to be held in a public register. The Bidder will utilise this information, and disclose it on a confidential basis to its related bodies corporate, advisers, agents and regulators (such as ASIC) where necessary for the purposes of the Offer or as otherwise required or permitted by law. The Bidder, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer and to assist in any future relationship with you as a Unitholder.

1 Key dates and contact information

| Event | Date |
|---|---|
| Bidder's Statement lodged with ASIC, ASX and the Target: | 28 August 2017. |
| Register Date: | 7:00 pm on 4 September 2017. |
| Date of Offer: | 11 September 2017. |
| Offer opens: | 11 September 2017. |
| Offer closes: | 7:00 pm (Melbourne time) on 11 October 2017 (unless extended or withdrawn). |

Key Contact Information

Registry Direct:

E: aurora@registrydirect.com.au

F: +61 3 9111 5652

Website: www.registrydirect.com.au

Offer Information Line:

1300 555 159 (callers within Australia)

+61 3 9909 9909 (callers outside of Australia)

*Between 8:00am and 5:00pm (Melbourne Time) Monday to Friday. Calls to these numbers may be recorded.

TABLE OF CONTENTS

| | |
|---|----|
| Important notices and information | 1 |
| 1 Key dates and contact information | 2 |
| 2 Managing Director's letter to RNY Unitholders | 4 |
| 3 Why you should accept the Offer | 7 |
| 4 How to accept the Offer | 8 |
| 5 Summary of Offer and frequently asked questions | 9 |
| 6 Profile of Aurora and AUP | 14 |
| 7 Profile of RNY | 16 |
| 8 Post takeover intentions..... | 18 |
| 9 Bidder's Interests in RNY Securities..... | 21 |
| 10 Funding | 22 |
| 11 Taxation Considerations | 23 |
| 12 Formal Terms of the Offer..... | 26 |
| 13 Additional information | 33 |
| 14 Definitions and Interpretation | 34 |
| 15 Approval of Bidder's Statement..... | 38 |
| 16 Corporate Directory..... | 39 |
| 17 Annexure A – Announcements..... | 40 |
| 17 Annexure B – Acceptance Forms..... | 41 |

2 Managing Director's letter to RNY Unitholders



A.B.N. 69 092 626 885
AFSL No. 222110

Suite 613, Level 6, 370 St Kilda Road
MELBOURNE, VIC 3004

PO Box R1695, Royal Exchange NSW 1225

Dear RNY Unitholder,

Offer for all RNY Units

Aurora Funds Management Limited (**Aurora**), on behalf of and as the responsible entity of the Aurora Property Buy-Write Income Trust (**AUP**) (ARSN 125 153 648), (**Bidder**) is pleased to enclose this Offer for the Bidder to acquire all of Your Units in the RNY Property Trust (**RNY** or **Target**) for 1.5 cents per RNY unit.

1. Benefits of the Offer

Aurora believes that the Offer is highly attractive to RNY Unitholders because:

- the Offer price of 1.5 cents per RNY unit represents:
 - a premium of 7.1% in comparison to the trading price of RNY (at close on the last trading day before the date of the Bidder's Statement);
 - a premium of 38.0% in comparison to the 30-day volume weight average price ("**VWAP**")¹; and
 - a premium of 17.3% in comparison to the 60-day VWAP².
- Aurora is offering 100% cash for RNY Units enabling RNY Unitholders to realise a certain cash value by either:
 - accepting the Offer and receiving payment should the Offer become or be declared unconditional; or
 - selling RNY Units on market – Aurora has instructed its broker, Ord Minnett, to immediately commence purchasing RNY Units on-market at or below the Offer Price (Aurora reserves the right to withdraw those instructions at its discretion).

¹ As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this unit price trading data (and other trading data within this Bidder's Statement) has been sourced from Bloomberg L.P. without its consent.

² Each of the VWAPs are calculated for the relevant periods ending 25 August 2017 (being the last trading day before the date of the Bidder's Statement).

If you do not accept the Offer and retain your RNY Units, the amount you will be able to realise for your RNY Units is uncertain and subject to a number of potential risks (both company-specific and market based).

2. Conditions of the Offer

The Offer is conditional only on no “Prescribed Occurrences” occurring (see Section 12 of the Bidder’s Statement). There is no minimum acceptance condition or any other conditions.

Aurora has instructed its broker, Ord Minnett, to purchase RNY Units on-market at or below the Offer Price (but reserves the right to withdraw those instructions at its discretion). This provides RNY Unitholders with the ability to sell some or all of their RNY Units on-market and receive a cash payment on a T+2 basis.

3. Background to the Offer: RNY’s current strategy

RNY Australia Management Limited (**RAML**) has engaged in a strategy of selling the assets of RNY over the last two years. The proceeds received on sales of the assets of RNY has typically been below the previous valuations of those assets, and, in many cases, below the debt encumbering these assets. On 30 January 2017, RNY confirmed its estimated returns to unitholders would be in the range of 4-10 cents (AUD) per RNY unit. Most recently, on 11 August 2017 RNY downgraded its estimate to 0-2 cents (AUD) per RNY unit.

Aurora has reviewed the potential cash flows and market characteristics of RNY’s remaining properties and is of the view that better returns may be achieved for Unitholders if RNY deferred the sales of the remaining properties and instead focused on improved tenancy outcomes and cost control. A future recapitalisation proposal may be considered to support this strategy.

4. Upcoming meeting of Unitholders for RNY

Aurora has requisitioned the Unitholder Meeting to consider the replacement of RNY’s current responsible entity, RAML, with Aurora. Should Aurora become responsible entity, it intends to change the current strategy being implemented by RAML for RNY.

5. Bidder’s Offer and intentions

The Bidder is seeking greater ownership of RNY for the following reasons:

- increase the votes that the Bidder is able to cast in the upcoming Unitholder Meeting to consider the replacement of RAML with Aurora. The Bidder has instructed its broker, Ord Minnett, to immediately commence acquiring RNY Units on-market, at or below the offer price, in order to increase the likelihood of our success in replacing RAML with Aurora; and
- in the event that Aurora successfully replaces RAML as responsible entity of RNY, Aurora intends to improve RNY’s financial performance. Greater ownership of RNY will enable the Bidder to accrue a larger portion of the benefits of this improved performance.

At the date of this Bidder’s Statement, the Bidder and associated entities holds 22.11% of RNY’s Units and, as such, we are constrained under the Corporations Act as to the number of additional Units we can acquire without making a takeover bid.

6. Your choice

Essentially your choice as a RNY Unitholder is between:

- the certainty of a cash price at a premium to the prevailing market price; or
- the uncertainty associated with continuing to hold your RNY Units.

The Bidder may or may not achieve a greater holding of Units in RNY under the Offer and Aurora may or may not be successful in giving effect to its intentions. Even if Aurora is able to give effect to its intentions the return on your investment may not be better than the cash price now offered under the Offer, and may not be achieved in a timeframe suitable to you.

If the Bidder's Offer is unsuccessful and Aurora cannot otherwise give effect to its intentions, the return on your investment in RNY Units will be determined by its current responsible entity, RAML. RAML has estimated a 0-2 cent return to Unitholders in the event it continues with its current asset disposal strategy.

7. Conclusion

I encourage you to read this Bidder's Statement for more details about the Offer. The Offer is open for acceptance until 7:00pm (Melbourne time) 11 October 2017, unless extended. If you wish to accept the Offer, please complete and return the Acceptance Form enclosed with this document. Alternatively, you may consider selling your RNY Units on-market at the Offer price.

If you have any questions about the Offer, please do not hesitate to contact the Offer Information Line on 1300 556 635 (callers within Australia) or +61 3 9909 9909 (outside Australia), or consult your legal, financial or other professional adviser.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Hutton', written in a cursive style.

Managing Director
Aurora Funds Management Limited

28 August 2017

3 Why you should accept the Offer

The Board of Aurora highlights the following reasons for RNY Unitholders to accept this Offer:

A. PREMIUM OFFERED FOR RNY UNITS

The Offer price of 1.5 cents per RNY unit represents:

- a premium of 7.1 % premium in comparison to the trading price of RNY (at close on the last trading day before the date of the Bidder's Statement);
- a premium of 38.0% in comparison to the 30-day volume weight average price ("VWAP")³; and
- a premium of 17.3% premium compared to the 60-day VWAP⁴.

B. CASH OFFER PROVIDES CERTAINTY OF VALUE

RNY Unitholders can realise a certain cash value for their RNY Units either:

- by accepting the Offer and receiving payment should the Offer become or be declared unconditional; or
- by selling RNY Units on-market – Aurora has instructed its broker, Ord Minnett, to immediately commence purchasing RNY Units on-market at or below the Offer price (Aurora reserves the right to withdraw those instructions at its discretion).

In contrast, remaining as a RNY Unitholder exposes you to ongoing investment risks and uncertainties.

C. CASH OFFER REMOVES YOUR INVESTMENT RISK AND UNCERTAINTY

- RAML, as responsible entity of RNY, appears to be continuing its current asset disposal strategy that has resulted in estimated returns being reduced from 4-10 cents per unit (on 30 January 2017) to 0-2 cents per RNY unit (on 11 August 2017). Accordingly, RAML has now identified that your eventual returns may be zero.
- Liquidity in RNY Units is now limited, with 58,378,735 RNY Units traded in the last 30 days, for a total consideration of \$634,353.76. The Offer presents an opportunity for Unitholders to exit their investment for a defined cash value.
- Even if Aurora is able to give effect to its intentions of becoming responsible entity of RNY, the eventual return on your investment may not be better than the cash price now offered under the Offer, or may not be achieved in a timeframe suitable to you.

³ As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this unit price trading data (and other trading data within this Bidder's Statement) has been sourced from Bloomberg L.P. without its consent.

⁴ Each of the VWAPs are calculated for the relevant periods ending 25 August 2017 (being the last trading day before the date of the Bidder's Statement).

4 How to accept the Offer

Acceptances of the Offer must be received before the close of the Offer Period.

There are different ways to accept the Offer depending on how you hold Your RNY Units. The following is a summary of the requirements set out in Section 12 of this Bidder's Statement and on the Acceptance Form.

For CHESS Holdings

You may accept the Offer by:

- instructing Controlling Participant (usually your broker) to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period; or
- complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement to direct the Bidder to instruct the Controlling Participant (on your behalf) to accept the Offer.

For Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement.

Where to send your Acceptance Form

By hand:

Level 6, 2 Russell Street
Melbourne
VIC 3000

By facsimile:

+61 3 9111 5652

By mail (a reply-paid envelope is enclosed):

Aurora Funds Management Limited
C/- Registry Direct
PO Box 18366
Collins Street
East Vic 8003

Acceptance Form

The Acceptance Form accompanying this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer in respect of some or all of your RNY Units.

Enquiries

If you are in any doubt about how to deal with this Bidder's Statement, you should consult your broker or your legal, financial or other professional adviser.

If you have any questions about the Offer or how to accept it, please call the Aurora Offer Information Line on 1300 556 635 (callers within Australia) or +61 3 9909 9909 (callers outside of Australia).

5 Summary of Offer and frequently asked questions

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| Important Notice | <p>The information in this section is a summary only of the Offer and is qualified by the information set out elsewhere in this Bidder's Statement.</p> <p>You should read this Bidder's Statement and the Target's Statement (which RAML will provide to all Unitholders) in full prior to making your decision in relation to the Offer.</p> <p>If you have any doubt or queries in terms of how to deal with this Bidder's Statement, please contact and consult with your financial, legal, taxation or other professional adviser.</p> |
| The Bidder | <p>Aurora Funds Management Limited (Aurora), in its capacity as responsible entity of the Aurora Property Buy-Write Income Trust (AUP) (ARSN 125 153 648), (Bidder) is making the Offer for all RNY Units.</p> <p>As the Bidder is listed on the ASX (ASX: AUP) a substantial amount of information is available in relation to it. This information is accessible on the ASX website at www.asx.com.au.</p> <p>For more information about Aurora and the AUP please see Section 6.</p> |
| What is this Bidder's Statement? | <p>This Bidder's Statement sets out the terms of the Offer for Your RNY Units and information relevant to your decision whether or not to accept the Offer.</p> <p>This Bidder's Statement is an important document. If you have any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.</p> <p>For further information, please call the Offer Information Line on 1300 556 635 (callers within Australia) or +61 3 9909 9909 (callers outside of Australia).</p> |
| What will I receive if I accept the Offer? | <p>Subject to the fulfilment or waiver of the conditions of the Offer, the Bidder is offering to acquire all or any of Your RNY Units by way of an off-market takeover bid providing a cash consideration of 1.5 cents per RNY unit (subject to the terms and conditions set out in this Bidder's Statement).</p> |
| What if I am a foreign Unitholder? | <p>Foreign RNY Unitholders will be paid the same cash consideration as stipulated under the Offer. The payment will be made by cheque drawn in Australian currency in your favour (in the name(s) shown on the RNY Unit Register), and, in the case of RNY Unitholders with addresses outside of Australia, will be sent at their risk by airmail within the period required by the Corporations Act.</p> <p>Please read see section 12.8 for further information.</p> |

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| <p>Why should I accept the offer?</p> | <ul style="list-style-type: none"> ▪ The Offer provides certainty of value to RNY Unitholders. ▪ The value of the Offer is above the prevailing trading prices of RNY Units. ▪ There are no brokerage charges in accepting the Offer. ▪ You may obtain the same price by selling your RNY Units on the ASX stock market to Ord Minnett but you may have to pay stockbroker's commission or brokerage. ▪ As at the date of this Bidder's Statement, no other person has announced an offer, or an intention to make an offer, for RNY. ▪ The cash offer removes your investment risk and uncertainty. <p>Please see Section 3 for further explanation of why you should ACCEPT this Offer.</p> |
| <p>When does the Offer open and close?</p> | <p>The Offer will open from 11 September 2017.</p> <p>Unless withdrawn or extended in accordance with the Corporations Act, the Offer will close at 7:00pm (Melbourne Time) on 11 October 2017.</p> |
| <p>Can the Bidder extend the Offer Period?</p> | <p>Yes, the Offer can be extended by the Bidder, or otherwise in accordance with the Corporations Act. You will be sent a written notice of any extension, as required by the Corporations Act.</p> |
| <p>What options do I have as a RNY Unitholder?</p> | <p>As a RNY Unitholder, you have the following choices in respect of Your Units:</p> <ul style="list-style-type: none"> ▪ accept the Offer for ALL of Your RNY Units; ▪ accept the Offer for some of Your RNY Units; ▪ sell Your Units on the ASX (unless you have previously accepted the Offer for your Units); or ▪ do nothing. <p>If you do nothing and the Bidder nonetheless acquires sufficient RNY Units to proceed to compulsory acquisition (and the conditions to the Offer are satisfied or waived by the Bidder), then the Bidder may elect to compulsorily acquire your Units.</p> |
| <p>How to accept the Offer?</p> | <p>To ACCEPT this Offer for all or some of Your RNY Units:</p> <ul style="list-style-type: none"> ▪ Issuer sponsored Unitholders: If you hold Your Units in an issuer sponsored subregister (your SRN starts with an 'I'), complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before the Offer closes. ▪ CHESS sponsored Unitholders: If you hold your Units in a CHESS Holding (your HIN starts with an 'X'), you may accept the Offer by either: <ul style="list-style-type: none"> ▪ completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form; or ▪ instructing your Controlling Participant (usually your broker) to accept the Offer on your behalf, before the Offer closes. <p>Please refer to Section 12 and the Acceptance Form for further details regarding the Offer and how to accept the Offer.</p> |

| | |
|---|---|
| <p>What will happen if I accept the Offer?</p> | <p>Once you accept the Offer (even while it remains conditional), you will not be permitted to sell Your RNY Units on the ASX, accept any other offer or otherwise deal with Your RNY Units, subject to you exercising any withdrawal rights which might arise.</p> <p>Once you have accepted the Offer in accordance with section 12, the Bidder will be appointed as your true and lawful attorney to exercise all your powers and rights in relation to your RNY Units for which you have accepted the Offer (including powers and rights to attend and vote in respect of Your RNY Units at all general meetings of RNY) and you also agree not to attend or vote in person at any general meeting of RNY Unitholders or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of Bidder by section 12.6(d).</p> <p>Please read see section 12.9 for further information on the affect of your acceptance of the Offer.</p> |
| <p>Are there any conditions to the Offer?</p> | <p>The Offer is only conditional on there being no “Prescribed Occurrences”.</p> <p>“Prescribed Occurrences” are certain events which, if they occur, will give the Bidder the right not to proceed with the Offer. Some of these events include:</p> <ul style="list-style-type: none"> ▪ RNY converting all or any of its Units into a larger or small number of units; ▪ RNY or a subsidiary buying-back or reducing its capital; ▪ RNY or a subsidiary issuing securities; ▪ RNY or a subsidiary disposing of the whole or a substantial part of its business or property; or ▪ the occurrence of insolvency events in respect of RNY or a subsidiary. <p>This condition is set out in full in Section 12.10 of this Bidder’s Statement.</p> |
| <p>What happens if Conditions are not satisfied or waived?</p> | <p>If the Conditions to the Offer are not satisfied or waived by the relevant time required by the Corporations Act, the Offer will lapse and you will be returned your RNY Units. Please see sections 12.10 and 12.11 for further information.</p> |
| <p>If I accept the Offer, when will I be paid?</p> | <p>In the usual case, if you validly ACCEPT this Offer you will be transferred the required amount of cash under the Offer on or before the earlier of:</p> <ol style="list-style-type: none"> 1. one month after all of the Conditions have been freed or fulfilled (whichever is later); and 2. 21 days after the end of the Offer Period. <p>Should you not accept the Offer and Bidder proceeds to compulsorily acquire any outstanding RNY Units, then you will only receive your consideration in accordance with the timing of the compulsory acquisition provisions of the Corporations Act, which may be more than 2 months after the end of the Offer Period.</p> |
| <p>Can I accept the Offer for part of my holding?</p> | <p>Yes, you may accept the Offer in respect of all or any specified number of Your RNY Units.</p> |

| | |
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| <p>What happens if I do not accept the Offer?</p> | <p>Subject to what is stated below, you will remain the holder of Your RNY Units if you do not accept the Offer.</p> <p>If Bidder becomes entitled to do so, Bidder intends to proceed to compulsorily acquire Your RNY Units (see section 8). You will receive consideration for Your RNY Units sooner if you accept the Offer.</p> <p>If Bidder obtains an interest in less than 90% of RNY Units, Bidder will not be able to proceed to compulsorily acquire your RNY Units. Bidder's intentions if it has an interest in less than 90% of RNY Units are described in section 8 below.</p> |
| <p>Can I withdraw my acceptance?</p> | <p>Once you accept the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a right will arise if, after you have accepted the Offer and the Offer remains conditional, the Bidder varies the Offer in a way that postpones, for more than one month, the time when the Bidder has to meet its obligations under the Offer. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.</p> |
| <p>What if I accept the Offer and the Bidder increases the Offer price?</p> | <p>In accordance with the Corporations Act, if the Bidder increases the Offer price, you will be paid the higher price irrespective of when you accepted the Offer. If you have already received payment in respect of the Offer, you will be paid the difference between the amount you have already received and the higher price.</p> <p>However, if you sell Your Units on the ASX instead of accepting the Offer, you will not receive the benefit of any subsequent increase in the Offer.</p> |
| <p>Are any fees or stamp duty payable if I accept the Offer?</p> | <p>No Australian stamp duty and no brokerage fee is payable by RNY Unitholders on accepting the Offer.</p> <p>If Your RNY Units are held on an issuer sponsored register and you deliver the completed form directly to the Unit Registrar in accordance with Section 12, you will not incur any brokerage fee connected with your acceptance of the offer.</p> <p>However, if your Units are held on a CHESS sub-register or you hold your RNY Units through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker), or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.</p> <p>By making the Offer, the Bidder is not making any recommendation or giving any advice as to whether (or how) you should sell Your RNY Units. Before you decide what to do with Your RNY Units you should obtain independent you should obtain independent financial, taxation, legal or other professional advice as required.</p> |
| <p>Tax considerations</p> | <p>The tax implications of accepting the Offer may vary for each individual investor.</p> <p>Please see section 11 for a general discussion of the Australian taxation implications of the Offer. Additionally, you should consult your financial, tax or other professional adviser on the tax implications of accepting the Offer.</p> |

| | |
|--|---|
| <p>What should I do next?</p> | <p>Step 1: Carefully read this Bidder's Statement in its entirety and consider the information provided.</p> <p>Step 2: Read the Target's Statement to be provided by RNY.</p> <p>Step 3: If you need advice, consult your stockbroker, or your legal, financial or other professional adviser.</p> <p>Step 4: If you wish to accept the Offer follow the instructions in section 12.6.</p> |
| <p>What should I do if I require further information?</p> | <p>Should you have any further queries in relation to how to accept the Offer please contact the Offer Information Line on 1300 556 635 (callers within Australia) or +61 3 9909 9909 (callers outside Australia).</p> <p>If you have any doubts or other queries regarding how to deal with this Bidder's Statement, please contact and consult with your financial, legal taxation or other professional adviser.</p> |

6 Profile of Aurora and AUP

6.1 Overview of Aurora

Aurora acts as responsible entity of the Aurora Property Buy-Write Income Trust (ARSN 125 153 648) (ASX code: AUP).

Aurora is a boutique investment manager that also provides responsible entity services for investors in a number of managed investment schemes, including:

- Aurora Absolute Return Fund: ARSN 110 303 430 (ASX code: ABW);
- Aurora Fortitude Absolute Return Fund: ARSN 145 894 800 (APIR code: AFM0005AU);
- Aurora Global Income Trust: ARSN 127 692 406 (ASX code: AIB);
- HHY Fund ARSN 112 579 129: (ASX code: HHY);
- Aurora Dividend Income Trust (ASX code: AOD); and
- The Bear Real Opportunities Fund (an unregistered wholesale fund),

(collectively, the **Funds**).

Aurora's executives are key stakeholders in Aurora's owner, investing their own money, to ensure an alignment of their interests with interests of the investors in the Funds.

6.2 Aurora Property Buy-Write Income Trust

AUP is a managed investment scheme that is registered under the Corporations Act and is listed on the ASX, accordingly it is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules.

As an ASX listed entity, a substantial amount of information concerning AUP has previously been disclosed to the ASX. This information is accessible on the ASX website at www.asx.com.au.

6.3 Senior Executives of Aurora

| Name | Biography |
|---|--|
| John Patton <i>B Ec, ACA</i> Managing Director | John Patton is the Managing Director of Aurora. Previously, John was a partner with Ernst & Young in the Transactions Advisory Services division and prior to that was the Chief Financial Officer of the Hastings Diversified Utilities Fund. With over 30 years of professional services and industry experience, Mr Patton has extensive corporate finance credentials being involved in over 150 corporate transactions, including mergers & acquisitions (lead advisory), structuring, debt & equity raisings, IPO's, management buy-outs, valuations (including Independent Expert Reports), due diligence, financial modelling, restructure and corporate advisory. |
| Jeffrey E Schwarz <i>B Ec, MBA</i> Independent Director | Jeffrey E. Schwarz was the co-founder of Metropolitan Capital Advisors, Inc., a New York-based money management firm and has served as its Chief Investment Officer from the firm's inception in 1992 until 2012. Jeffrey serves as the Co-Chairman of the Board of Bogen Corporation, a telecommunications equipment provider (formerly publicly traded, now privately held); and as the Co-Chairman of the Board of Bogen Communications International Inc., which is the ultimate corporate parent of Speech Design GmbH, a global provider of messaging services to telecom carriers. Jeffrey previously served as the Chairman of the Board of Molopo Energy Limited, an Australian Stock Exchange listed oil and gas exploration company, and as a member of the Board of Directors of Cyberonics Inc., a NASDAQ listed medical device company. |

| | |
|--|--|
| <p>Betty Poon <i>B Bus Accounting, CA</i></p> <p>Executive Director, Chief Financial Officer</p> | <p>Betty Poon joined Aurora as Chief Financial Officer in April 2013. She brings over 20 years of financial management experience and expertise to the company, with over 15 years of those in financial services.</p> <p>Prior to joining Aurora, Ms Poon held a number of senior finance roles at ANZ/OnePath, JP Morgan, Aviva Investors and Pitcher Partners. Her responsibilities included providing executives with timely and accurate financial information, ongoing cash flow projections, oversight over accounting and finance operations, as well as design and maintenance of the financial reporting and internal control framework.</p> |
| <p>Ben Norman <i>B Bus (Acc), BBus (Banking & Finance) CA, ARITA</i></p> <p>Chief Operating Officer</p> | <p>Ben Norman is a qualified Chartered Accountant, with over 16 years of professional and industry experience. Prior to joining Aurora, Ben was a Director in global advisory firm Ernst & Young's Transaction Advisory Services practice, where he spent over 9 years and was involved in numerous due diligence, performance improvement, restructuring, turnaround, financial modelling and transaction integration engagements working with clients in all industry sectors.</p> <p>Prior to joining Ernst & Young, Ben held a senior finance position with gas transmission business Epic Energy (which was owned by an ASX listed fund backed by Westpac Banking Corporation) and worked in taxation and advisory services at an accounting firm that later merged with PwC.</p> |
| <p>Victor Siciliano <i>B Bus (Banking & Finance) and Master of Applied Finance (Investment Management)</i></p> <p>Investment Manager</p> | <p>Victor Siciliano joined Aurora as a Portfolio Manager in July 2016.</p> <p>Victor has circa 10 years' equity market experience, most recently as portfolio manager of the HHY Fund at Keybridge Capital Limited. Prior to this, Victor worked as an assistant portfolio manager at boutique fund manager Sterling Equity, as well as an investment advisor at Macquarie Group.</p> <p>Through these roles Victor was responsible for undertaking detailed company analysis on Australian and International listed companies, implementing investment strategies and making investment decisions.</p> |

7 Profile of RNY

7.1 Disclaimer

The following information on RNY has been prepared by Aurora using publicly available information which has not been independently verified. Accordingly, to the maximum extent permitted by law, Aurora does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on RNY in this Bidder's Statement is a brief overview and is not comprehensive. The Corporations Act requires the directors of RNY to provide a Target's Statement to holders of RNY's Units in response to this Bidder's Statement, setting out certain material information concerning RNY. You should read the Target's Statement before deciding whether to accept the Offer.

7.2 Overview of RNY

RNY is a managed investment scheme that is registered under the Corporations Act and is listed on the ASX, accordingly it is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The responsible entity of RNY is RAML.

7.3 RNY's assets

RNY's assets consists of a 75% (indirect) interest in a portfolio of real properties located in New York State, in the USA through its 99.9% ownership of Reckson Australia LPT Corp. (the "US REIT"), a US real-estate investment trust. The US REIT in turn has a 75% interest in Reckson Australia Operating Company LLC which owns the real properties through a series of entities.

7.4 Publicly available information on RNY

RNY is subject to the continuous disclosure requirements of the ASX. A substantial amount of information concerning RNY has previously been disclosed to the ASX and to RNY Unitholders. This information is accessible on the ASX website at www.asx.com.au.

You should also consider any publicly available information regarding RNY including the information available on RNY's website at www.rnypt.com.au.

A description of each announcement made by RNY since the publication of its last Annual Report is set out at Annexure A.

7.5 Directors of RNY

The Directors of RNY's responsible entity RAML are:

- Philip Meagher;
- Mervyn Peacock;
- Scott Rechler;
- Michael Maturo; and
- Jason Barnett.

More information is available on RNY's website.

7.6 RNY's capital structure

As at 7 March 2017, based on RNY's 2016 Annual Financial report, RNY had 263,413,889 units on issue.

Based on information lodged with the ASX or known to Aurora, as at 28 August 2017, the following were substantial holders of RNY:

| Holder | % Held |
|---|--------|
| Citicorp Nominees Pty Ltd | 26.80 |
| Aurora Funds Management Limited | 22.11 |
| JP Morgan Nominees Australia Ltd | 6.55 |
| HSBC Custody Nominees (Aust) Ltd | 6.46 |
| ABN AMRO Clearing Sydney Nominees Pty Ltd | 5.10 |
| One Managed Inv Funds | 3.90 |
| Mr & Mrs Evans (Superfund) | 2.83 |
| National Nominees Ltd | 2.74 |
| Australian Executor Trustees Ltd | 1.89 |
| Mr Mattani | 1.68 |

7.7 RNY's unit price

The last recorded unit price of RNY Units on the ASX before the date on which this Bidder's Statement was lodged with the ASX and ASIC was \$0.014.

8 Post takeover intentions

8.1 Overview

This section sets out the detail of the Bidder's intentions in relation to RNY based on publicly available information and information made available by RAML to Aurora as at the time of the preparation of this Bidder's Statement.

The statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change. The statements set out in this section should be read in this context.

8.2 Upcoming RNY Unitholder Meeting

Aurora has requisitioned the Unitholder Meeting to consider the replacement of RNY's current Responsible Entity, RAML, with Aurora.

8.3 Intentions of the Bidder if successful in replacing RAML as responsible entity of RNY

Should Aurora be successful in replacing RAML as responsible entity of RNY at the Unitholder Meeting it intends to do the following:

(i) During the first six weeks of Aurora being appointed as responsible entity of RNY:

- Engage positively with the existing lenders to maintain existing terms and avoid a security enforcement scenario.
- Conduct an emergency and new strategic review of RNY, including:
 - new valuations of each of the properties and appointing local market advisors;
 - conducting physical asset inspections; and
 - refining RNY's financial model to identify whether an alternate 'hold' strategy would generate greater value to Unitholders.
- Re-engage with alternate financiers that Aurora had previously been in contact with in relation to refinancing options.
- Communicate with unitholders at the end of the first six weeks to share Aurora's findings.

(ii) During the first six months of Aurora being appointed as responsible entity of RNY:

- Commence implementing the strategy identified in the emergency strategic review.
- Perform cost reductions where appropriate.

Given the current status of RNY with its loans in default and recent financial performance, Aurora cannot provide any definitive guidance in relation to activity that it will conduct in the short term, except to the extent that RNY's current strategy of disposing properties on market will be robustly assessed against alternate strategies to generate greater value and return to RNY Unitholders.

Major changes to the operation of RNY

The current strategy of RAML for RNY appears to be to dispose all of RNY's assets in the short term with any residual proceeds (if any, after costs) being returned to the RNY's Unitholders. Subject to the outcome of Aurora's intended activities (as set out above), Aurora intends to implement a 'hold' strategy in relation to RNY's real property assets, progressively improve their tenancy profiles and reduce RNY's costs with the intention of improving the financial outcome for all of RNY's Unitholders.

Intentions if Bidder acquires 90% or more of RNY Units

If the Bidder (and its Associates) ultimately acquires a Relevant Interest in at least 90% of the RNY Units and becomes entitled to proceed to compulsory acquisition of outstanding RNY Units in accordance with Division 2 of Part 6A.1 of the Corporations Act, the Bidder intends to:

- proceed with compulsory acquisition of the outstanding RNY Units in accordance with the provisions of Part 6A.1 of the Corporations Act, including any RNY Units which are issued after the close of the Offer; and
- following completion of the compulsory acquisition of the outstanding RNY Units, apply for termination of official quotation of RNY on ASX and arrange for RNY to be removed from the official list of ASX.

8.4 Intentions of the Bidder if it is NOT successful in replacing RAML as responsible entity of RNY

This subsection sets out the Bidder's current intentions if Unitholders do not pass the relevant resolutions to remove RAML as responsible entity of RNY at the upcoming RNY Unitholder Meeting. The Bidder considers that there are essentially three possible scenarios:

1. Intentions upon acquisition of less than 90% of RNY Units

The Offer is not subject to a minimum acceptance condition. This reflects the fact that the Bidder is comfortable with any level of acquisition of RNY Units.

In circumstances in which RNY becomes a part-owned entity but the Bidder does not acquire a Relevant Interest in at least 90% of the RNY Units, the Bidder intends:

- that RNY's business will continue substantially in its current form; and
- to seek to implement the intentions set out in Section 8.3 to the extent possible; and
- if it is in a position to do so, the Bidder will again seek to appoint Aurora or another entity as the new responsible entity of RNY; and
- review the ongoing suitability of RNY for listing on the ASX; and
- continue to deal with its stake in RNY with a view to maximising returns for the Bidder Group.

2. Intentions if the Bidder ultimately acquires 90% or more of RNY Units

If Bidder acquires a Relevant Interest in at least 90% of the RNY Units and becomes entitled to proceed to compulsory acquisition of outstanding RNY Units in accordance with Part 6A.1 of the Corporations Act, the bidder intends to:

- proceed with compulsory acquisition of the outstanding RNY Units in accordance with the provisions of Part 6A.1 of the Corporations Act, including any RNY Units which are issued after the close of the Offer; and
- following completion of the compulsory acquisition of the outstanding RNY Units, apply for termination of official quotation of RNY on ASX and arrange for RNY to be removed from the official list of ASX; and
- subject to the Corporations Act, Bidder will replace RAML with Aurora as responsible entity of RNY as soon as practically possible after acquiring 90% of RNY Units. Bidder may vote on the change of responsible entity if a meeting is held.

8.5 Limitations in giving effect to intentions

The intentions expressed in Section 8 and elsewhere in this Bidder's Statement have been formed on the basis of the facts and information concerning RNY, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by the Bidder in light of material information and circumstances at the relevant time. Accordingly, the

statements set out in this section 8 are statements of current intention only and may vary as new information becomes available or circumstances change and / or according to the absolute discretion of the Bidder.

9 Bidder's Interests in RNY Securities

9.1 Bidder's relevant interests in RNY securities

As at the date of the Offer and the date that this Bidder's Statement was lodged with ASIC, the Bidder and its Associates had a Relevant Interest in 58,233,016 RNY Units, or, equivalently, 22.11% of RNY Units.

9.2 Bidder's voting power in RNY

As at the date of the Offer and the date that this Bidder's Statement was lodged with ASIC, Aurora's voting power in RNY was equivalent to the relevant interest it held with respect to RNY Units (as set out in section 9.1 above).

9.3 Aurora Directors' interests in RNY Units

As at the date of this Bidder's Statement none of the directors of Aurora has any direct interest in RNY Units. Directors of Aurora do have an indirect interest as a result of Aurora (which they hold interests in) owning units in AUP.

9.4 Acquisitions of RNY Units by Aurora or its associates during previous 4 months

In the period 24 August 2017 to 25 August 2017, the Bidder acquired 5,662,450 RNY Units on-market for a total consideration of \$76,856.95, increasing the Bidder's Relevant Interest in RNY Units to 22.11%. The maximum price paid for RNY Units during this period was \$0.014 per RNY unit. As at the date of this Bidder's Statement, neither the Bidder nor any of its Associates have provided, or agreed to provide, any other consideration for RNY Units under any purchase or agreement during the four months before the date of this Bidder's Statement.

Following the lodgement of this Bidder's Statement with ASIC and ASX, Aurora will release a *Form 604: Notice of change of interests of substantial holder* in accordance with subsections 671B(1)(b) and (c) of the Corporations Act advising the market of the change in the Bidder's (and its Associates') Relevant Interest in the securities of RNY.

9.5 Dealing in RNY Units

Neither the Bidder nor any of its Associates have, during the period of four months ending on the day immediately before the date of the Offer, given, offered, or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of RNY Units,

and which benefit is not offered to all RNY Unitholders under the Offer.

9.6 No escalation agreements

Neither the Bidder nor any Associate of the Bidder has entered into any escalation agreement in respect of RNY Units, of the kind prohibited by section 622 of the Corporations Act.

10 Funding

10.1 Maximum Amount required

The total maximum cash consideration that the Bidder will be required to pay under the Offer is \$3,077,713.10, calculated as set out below (**Maximum Amount**).

10.2 Aurora's understanding of securities on issue

As at the date of this Bidder's Statement, Aurora understands that there are 263,413,889 RNY Units on issue.

10.3 Maximum Amount

The Maximum Amount has been calculated on the basis that acceptances are received in respect of 205,180,873 RNY Units, being the RNY Units not owned or controlled by the Bidder or its Associates as at the date of this Bidder's Statement.

10.4 Source of funds

The funds required to pay the cash consideration under the Offer will be sourced from existing uncommitted cash reserves of AUP. The amount of uncommitted cash available to AUP exceeds the Maximum Amount payable under the Offer plus expected transaction costs.

10.5 Payment of cash consideration

Having regard to the matters set out above, the Bidder is of the opinion that it has a reasonable basis for forming, and it holds, the view that it will be able to pay the Maximum Amount required for the acquisition of the RNY Units

11 Taxation Considerations

11.1 Introduction

This section provides a general outline of the Australian taxation implications for RNY Unitholders from disposing of their RNY Units in return for cash pursuant to the Offer. The information in this section is based upon Australian taxation law and practice in effect at the date of this Bidder's Statement.

The taxation consequences to RNY Unitholders of disposing of their RNY Units depend on a number of factors and will vary depending on their particular circumstances. The outline provided in this section is of a general nature only, and does not consider any specific facts or circumstances that may apply to particular RNY Unitholders.

RNY Unitholders should not rely on the disclosure of taxation considerations in this Bidder's Statement as being advice on their own affairs and should seek their own specific professional tax advice as to the taxation implications applicable to their circumstances. Neither Aurora nor any of its Directors or advisers accept any liability or responsibility in respect of any statement concerning the taxation consequences to particular RNY Unitholders from disposing of their RNY Units.

The following comments only apply to RNY Unitholders who hold their RNY Units on capital account.

This section does not deal with RNY Unitholders who:

- hold their Units in the course of carrying on a business (e.g. as trading stock) or on revenue account (e.g. as part of a profit-making undertaking or scheme); or
- acquired their RNY Units pursuant to an employee share, rights or option scheme; or
- are subject to the Taxation of Financial Arrangements provisions in Division 230 of the Income Tax Assessment Act 1997 (Cth); or
- dispose of RNY Units under the taxation laws of countries other than Australia.

The tax treatment on disposal of the Units differs as between residents and non-residents of Australia.

11.2 Australian resident unitholders

This section applies to RNY Unitholders who are residents of Australia for Australian income tax purposes.

CGT Event

A disposal by a RNY Unitholders of their RNY Units pursuant to the Offer will constitute a CGT event for the RNY Unitholder. The date of the CGT event will be the date the contract to dispose of the RNY Units is entered into by the RNY Unitholder, or in the case of a compulsory acquisition, the date when the RNY Unitholder ceases to be the owner of the RNY Units.

Calculation of capital gain or capital loss

RNY Unitholders will make a capital gain to the extent that the capital proceeds from the disposal of the RNY Units are more than the cost base of those RNY Units. Conversely, RNY Unitholders will make a capital loss to the extent that the capital proceeds from the disposal are less than their reduced cost base of those RNY Units. Any net capital gain will be included in your calculation of taxable income and taxed at your marginal tax rate. There is no CGT rollover relief for RNY Unitholders in respect of any cash they receive on disposal of the RNY Units.

Cost base

The cost base of the RNY Units generally includes the purchase price paid for the units and certain non-deductible incidental costs of their acquisition and disposal. The reduced cost base of the RNY Units is usually determined in a similar, but not identical, manner.

The reduced cost base of the RNY Units is usually determined in a similar, but not identical, manner.

Capital proceeds

The capital proceeds from a disposal of RNY Units is generally the amount of consideration received by the RNY Unitholder for the disposal, such as brokerage fees, less any capital returns received during the duration of holding your RNY Units, in this case the cash received under the Offer.

Discount

Individuals, complying superannuation entities and trusts that have held the CGT asset to which the capital gain relates for 12 months before the CGT event may be entitled to discount the amount of the capital gain (after application of capital losses) by 50% in the case of individuals and trusts or by 33⅓% for complying superannuation entities. For trusts, the ultimate availability of the discount for beneficiaries of the trust in relation to distributions of capital gains by the trust will depend on the particular circumstances of the beneficiaries.

No discount is available for RNY Unitholders that are companies.

There is no entitlement to indexation of the cost base for RNY Units in these circumstances.

If a RNY Unitholder makes a capital gain from a disposal of their RNY Units, the capital gain is aggregated with other capital gains made by the RNY Unitholder in the same income year. Any available capital losses of the RNY Unitholder from the same or previous income years may then be offset against the capital gains (subject to satisfaction of loss recoupment tests). If there is a capital gain remaining after application of available capital losses, the RNY Unitholder may be entitled to apply a discount (see above). Any net capital gain after applying the discount (if applicable) is included in assessable income of the RNY Unitholder in that income year.

If a RNY Unitholder makes a capital loss from the disposal of their RNY Units, the capital loss may only be used to offset capital gains of the RNY Unitholder in the same or future income years (subject to satisfaction of loss recoupment tests).

11.3 Non-resident Unitholders

This section applies to RNY Unitholders who are not residents of Australia for Australian income tax purposes.

The disposal of RNY Units will generally only result in Australian CGT implications to a non-resident RNY Unitholder if the RNY Units are 'taxable Australian property' at the time of the CGT Event.

Units that meet the following conditions are 'indirect Australian real property interests' and are included in taxable Australian property:

- where the RNY Unitholder together with its associates held ten percent or more of the total units on issue in RNY at the time of the CGT event or for any 12-month period within two years preceding the CGT event (referred to as a 'non-portfolio interest'); and
- the aggregate market value of RNY assets which is attributable to 'taxable Australian real property' (including interests in Australian real property and leases of Australian real property) exceeds the aggregate market value of RNY assets which are not taxable Australian real property (referred to as satisfying the 'principal asset test').

Non-resident RNY Unitholders who hold a 'non-portfolio interest' in RNY should obtain independent tax advice as to the tax implications to them of the disposal.

11.4 Non-resident CGT withholding rules

From 1 July 2016, broadly, purchasers that acquire indirect Australian real property interests that are units in an off-market acquisition may, subject to certain exceptions, be required to withhold ten percent of the consideration and pay that amount to the Australian Taxation Office (**ATO**). In certain circumstances, the ATO may agree to a lower withholding rate.

The withholding tax is not a final tax, and the Unitholder receives a credit for amounts withheld on filing an Australian tax return and may receive a refund of tax if amounts have been withheld in excess of their actual Australian tax liability.

Aurora may make a withholding at a rate of 12.5% from the cash consideration payable to a RNY Unitholder for the disposal of their RNY Units where:

- Aurora knows or reasonably believes that the RNY Unitholder is a non-resident or the RNY Unitholder has an overseas address or Aurora is authorised to pay the consideration overseas (in a case where Aurora does not reasonably believe that the RNY Unitholder is an Australian resident);
- the RNY Units for that RNY Unitholder are indirect Australian real property interests (as described in previous section this Bidder's Statement); and
- the consideration is more than \$750,000.

If Aurora considers that it has an obligation to make the withholding from the cash consideration payable to a RNY Unitholder for the disposal of their RNY Units, it may withhold the applicable amount from the consideration payable to the relevant RNY Unitholder.

However, in relation to this Offer, based on Aurora's review of publicly available information on RNY, as at the date of this Bidder's Statement, Aurora does not consider RNY to satisfy the 'principal asset test' (as described above), and on that basis, does not consider that withholding under these rules is required. Accordingly, subject to there being no material change in circumstances by the time a RNY Unitholder disposes of their RNY Units and no contrary conclusions reached by RAML in RAML's Target's Statement for RNY, Aurora does not intend to withhold any amount from the cash payable to a RNY Unitholder in accordance with these rules.

11.5 GST & stamp duty

No liability to GST should arise for RNY Unitholders in respect of a disposal of their RNY Units. RNY Unitholders may be charged GST on costs they incur which relate to the disposal (e.g. legal, financial and tax adviser fees). Certain RNY Unitholders may be entitled to claim input tax credits or reduced input tax credits in relation to the GST amount incurred on these costs, but should seek independent tax advice in relation to their individual circumstances.

Aurora will pay any stamp duty payable on its acquisition of RNY Units from RNY Unitholders pursuant to the Offer.

12 Formal Terms of the Offer

12.1 Identity of the Bidder

The Bidder is Aurora Funds Management Limited in its capacity as responsible entity of the Aurora Property Buy-Write Trust (ARSN 125 153 648) (**Bidder**).

12.2 Offer

Bidder offers to acquire all of Your RNY Units together with all Rights attaching to them on the terms and subject to the conditions set out in this section 12 of the Bidder's Statement.

You may accept the Offer for all or any number of Your RNY Units.

If you accept this Offer for only some of Your RNY Units you may still accept the Offer for the balance of your RNY Units at any time during the Offer Period.

If you choose to accept the Offer for all Your RNY Units, you will be taken to have accepted the Offer for all your RNY Units held by you at the date your acceptance is processed (despite any difference between that number and the number of RNY Units specified on your Acceptance Form and accompanying unit certificate(s)).

The Bidder may vary this Offer in accordance with the Corporations Act.

12.3 Date of Offer

The Offer is dated 11 September 2017, being the date on which the first of the Offers are sent to the registered Unitholders of RNY as of the Register Date.

12.4 Offer Period

Unless withdrawn or extended, in either case in accordance with the requirements of the Corporations Act, this Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending at 7:00pm (Melbourne Time) on 11 October 2017.

Subject to the Corporations Act, Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period. If, within the last seven days of the Offer Period any of the following occurs:

- the Offer is varied to improve the consideration offered; or
- Bidder's voting power in RNY increases to more than 50.1%;

the Offer Period is extended so that it ends 14 days after that relevant event (subject to any further extensions made in accordance with the Corporations Act).

12.5 Offerees

The Offer is made in respect of all RNY Units that exist or will exist as at 7:00pm (Melbourne Time) on the Register Date and any RNY Units that are issued during the period from the Register Date to the end of the Offer Period.

Subject to this Bidder's Statement, an Offer in this form is being made to:

- each RNY Unitholder registered in the RNY Unit Register as at the Register Date;
- any person who becomes registered or entitled to be registered as the holder of RNY Units as a result of the conversion or exercise of rights attached to other Units in RNY held by that person, and is extended to any person who is able during the Offer Period to give good title to a parcel of Your RNY Units. If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Units to which this Offer relates:

- a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those RNY Units;
- a corresponding offer on the same terms and condition as this Offer will be deemed to have been made to you in respect of any other RNY Units you hold to which this Offer relates; and
- this Offer will be deemed to have been withdrawn immediately at that time with respect to the RNY Units no longer held by you.

12.6 How to accept this Offer

Acceptance is for all or any of Your RNY Units

You may accept the Offer for all or any number of Your RNY Units.

If you accept this Offer for some of Your RNY Units by specifying that number on the Acceptance Form, you may still accept the Offer for the balance of Your RNY Units at any time during the Offer Period.

If you choose to accept the Offer for all Your RNY Units, you will be taken to have accepted the Offer for all Your RNY Units held by you at the date your acceptance is processed (despite any difference between that number and the number of RNY Units specified on your Acceptance Form and accompanying unit certificate(s)).

CHESS Holdings

If Your RNY Units are in a CHESS Holding (in which case your Holder Identification Number will commence with an 'X') and you are not a Broker or Non-broker Participant, you may:

- (1) instruct your Controlling Participant (this is typically your broker through whom you bought Your Units or ordinarily acquire Your Units on the ASX) to initiate acceptance of this Offer for all or any specific number of Your RNY Units in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for them to accept the Offer on your behalf before the end of the Offer Period; or
- (2) authorise the Bidder to instruct your Controlling Participant on your behalf to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, by completing, signing and returning the enclosed Acceptance Form in accordance with the instructions on it. The Acceptance Form must be received at the address stated on it before the end of the Offer Period in sufficient time to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf before the end of the Offer Period (see the section below entitled 'Acceptance Form and other documents' for further information).

Your RNY Units are in a CHESS Holding if they are sponsored by a broker or other CHESS Participant or if you are a broker or non-broker participant.

Broker or non-broker participant

If Your RNY Units are in a CHESS Holding and you are a Broker or non-broker Participant, acceptance of this Offer may be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Issuer Sponsored Holdings and Certificated Holdings

To accept this Offer for Your Units held on the RNY issuer sponsored subregister (in which case your Security Holder Reference will commence with 'I'), you must:

- (1) complete and sign the Acceptance Form in accordance with the instructions on it; and
- (2) send the Acceptance Form, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period at the address stated on the Acceptance Form.

A reply paid return addressed envelope is enclosed for your use.

Separate Holdings

If Your RNY Units are in separate holdings, you will need to accept the Offer for each holding in respect of which you wish to accept the Offer, and take the relevant action as set out above depending upon which such RNY Units are held in a CHESS Holding and Issuer Sponsored Holding.

Acceptance Form and other documents

The Acceptance Form forms part of this Offer.

If the Acceptance Form (including any document required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted in sufficient time for them to be received by Bidder before the end of the Offer period at the address shown on the Acceptance Form. The postage of the Acceptance Form and other documents is at your own risk.

When using the Acceptance Form to accept this Offer in respect of Units in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instructions on the Acceptance Form) are received by Bidder in time for Bidder to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Powers of attorney

If the Acceptance Form is signed under a power of attorney, that attorney by signing the Acceptance Form declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney as set out in section 12 including section 12.9(d).

Effect of Acceptance

By completing, signing and returning the Acceptance Form or otherwise accepting the Offer in accordance with this section 12 you will be deemed to have:

- (a) accepted the Offer (and any variation of it) in respect of, and subject to all of the Conditions being fulfilled or waived, and agree to transfer to Bidder, such number of Your RNY Units as to which the acceptance relates; and
- (b) agreed that you will be unable to revoke your acceptance, and the contract resulting from your acceptance of the Offer will be binding on you, and you will be unable to withdraw your acceptance of the Offer with respect to the RNY Units for which you accepted the Offer, or otherwise dispose of those Units, save where such withdrawal is permitted in accordance with section 650E of the Corporations Act.

12.7 Bidder's discretion regarding incomplete or incorrect acceptance

Subject to this section your acceptance of the Offer will not be valid unless it is made in accordance with this Section 12.

Bidder will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer at the time of receipt of an acceptance of the Offer. Bidder is not required to communicate with you prior to or after making this determination. The determination will be final and binding.

Despite anything in this section, Bidder may at any time and without further communication to you and in its absolute discretion waive any or all of the requirements set out in this section and on the Acceptance Form (even if there is non-compliance with any one or more of the other requirements for acceptance as set out in this section) and deem any Acceptance Form it receives to be a valid acceptance in respect of Your Units, but you may not be transferred your consideration (as set out in this section) until:

- (a) an irregularity or error (if any) has been resolved; and

- (b) the unit certificate (if any), or an acceptable indemnity, and another document required to enable Bidder to be registered as the holder of Your RNY Units, have been given to Bidder.

By completing, signing and returning the Acceptance Form in accordance with section 12.6 you authorise Bidder and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:

- (a) make it an effective acceptance of this Offer for Your RNY Units; and
- (b) enable the transfer of Your RNY Units to Bidder.

12.8 Consideration

The amount of consideration to be paid to you

Subject to this section 12 (including this section 12.8) and the Corporations Act, the Bidder will provide each accepting RNY Unitholder 1.5 cents per RNY Unit, on the following basis:

- (i) the payment of the proceeds calculated in accordance with this section 12.8 will be made by cheque drawn in Australian currency in your favour (in the name shown on the RNY Unit Register) that is sent to you at your risk by ordinary mail (or in the case of RNY Unitholders with addresses outside of Australia, by airmail) to your address (as shown on the RNY Unit Register as at the Register Date) within the period required by the Corporations Act; and
- (ii) under no circumstances, will any interest be paid on or in relation to that payment of proceeds regardless of any delay in the remittance of the amount to you.

12.9 Your agreement

By carrying out the instructions in section 12.6 on how to accept this Offer:

- (a) you accepted this Offer in respect of all or any chosen number of Your RNY Units. If you choose to accept the Offer for all Your RNY Units, you will be taken to have accepted the Offer for all Your RNY Units as held by you on the RNY Unit Register at the date your acceptance is processed despite any difference between that number and the number of RNY Units specified in the Acceptance Form;
- (b) you represented and warranted to Bidder that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in Your Units (including any Rights) to Bidder and that Your RNY Units will be fully paid up at all times from the time of your acceptance of this Offer, and that Bidder will acquire good title to, and beneficial ownership, of Your RNY Units free from any and all Encumbrances;
- (c) your transfer, or consent to the transfer of Your RNY Units to Bidder are subject to the conditions of the RNY Constitution on which they were held immediately before your acceptance of this Offer (and Bidder agrees to take those RNY Units subject to those conditions);
- (d) you have irrevocably appointed Bidder (and each director, secretary or nominee of Bidder) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to your RNY Units for which you have accepted the Offer, including, without limitation, powers and rights to:
 - (i) attend and vote in respect of Your RNY Units at all general meetings of RNY; and
 - (ii) execute all forms, notices, documents (including a document appointing a director of Bidder as a proxy for any of Your RNY Units) and resolutions relating to your RNY Units and generally to exercise all powers and rights which you have as the registered holder of Your RNY Units; and

- (iii) request that the responsible entity of RNY register the RNY Units on the RNY Unit Register, in the name of Bidder or its nominees, with full power of substitution (such as power of attorney being coupled with an interest, being irrevocable); and
- (e) you agree not to attend or vote in person at any general meeting of RNY Unitholders or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of Bidder by section 12.6(d);
- (f) if you signed the Acceptance Form in respect of some or all of your RNY Units which are held in a CHESS Holding, you irrevocably authorise Bidder or its nominee or agent to instruct your Controlling Participant to initiate acceptance of this Offer in respect of those Units in accordance with Rule 14.14 of the ASX Settlement Operating Rules, and to give any other instructions in relation to Your Units to your Controlling Participant, as determined by Bidder or its agents or its nominee acting in its own interest as beneficial owner and intended registered holder of those Units;
- (g) you agree to do all such acts, matters and things that Bidder may require to give effect to the matters of section 12 including this section 12.9 and to execute all such documents, transfers and assurances, and do all such acts, matters and things that Bidder may consider necessary or desirable to convey the RNY Units registered in your name and Rights to Bidder;
- (h) you agree to indemnify Bidder in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security Holder Reference, or in consequence of the transfer of Your RNY Units to Bidder without production of your Holder Identification Number or your Security Holder Reference for Your RNY Units;
- (i) you represent and warrant to Bidder that unless you have notified Bidder in accordance with section, Your RNY Units do not consist of separate parcels of RNY Units; and
- (j) irrevocably authorised Bidder (or any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your RNY Units to Bidder's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under the Offer.

The undertakings and authorities referred to in this section 12.9 will remain in force after you receive the consideration for Your RNY Units and after Bidder becomes registered as the holder of your RNY Units.

12.10 Defeating condition to the Offer

Subject to section 12.10 and the discretion of Bidder, the completion of the Offer and any contract that results from an acceptance of the Offer, is subject to the fulfilment of the following Condition of no Prescribed Occurrences:

No Prescribed occurrences

Between the Announcement Date and the end of the Offer Period, no prescribed occurrences shall have occurred (being the events articulated in subsections 652C(1) and (2) of the Corporations Act).

12.11 Nature and benefit of conditions

- (i) The Condition in section 12.10 is a condition subsequent and will not prevent a contract to sell Your RNY Units resulting from acceptance of this Offer, but any breach or non-fulfilment of the Condition will entitle Bidder to rescind a contract that results from your acceptance of this Offer as if that contract had not been formed.
- (ii) Bidder alone will be entitled to the benefit of the Condition which apply to this Offer and any breach or non-fulfilment of the Condition may be relied on only by the Bidder.

12.12 Clearances for non-Australian residents and others

If at the time you accept this Offer or at the time the consideration is to be provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
 - (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
 - (iii) the *Charter of the United Nations (Sanctions – Iraq) Regulations 2008* (Cth);
 - (iv) the *Autonomous Sanctions Regulations 2011* (Cth);
 - (v) Part 5 of the *Charter of the United Nations Act 1945* (Cth);
 - (vi) the *Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008*; or
 - (c) you are within the class of individuals specified within the *Autonomous Sanctions Regulations 2011* (Cth) which thereby prohibits Bidder from making an asset available to, or for the benefit of, a designated person or entity without authorisation from the Minister for Foreign Affairs or to use or deal with an asset owned or controlled by a designated person or entity without authorisation from the Minister for Foreign Affairs. Designated persons and entities include:
 - (i) specified individuals associated with the Democratic People's Republic of Korea (North Korea);
 - (ii) specified individuals associated with the former government of the Federal Republic of Yugoslavia;
 - (iii) specified entities and individuals who contribute to Iran's proliferation activities or assist Iran to violate United Nations Security Council Resolutions;
 - (iv) specified individuals associated with the former Qadhafi regime;
 - (v) specified individuals in Myanmar associated with the current or former military and government;
 - (vi) specified individuals participating or providing support for the Syrian regime;
 - (vii) specified individuals who have engaged or are engaging in activities that undermine democracy and respect for human rights and rule of law in Zimbabwe; and
 - (viii) specified individuals responsible or complicit in the threat to the sovereignty and territorial integrity of Ukraine; or
 - (d) any other law of Australia or elsewhere that would make it unlawful for Bidder to provide consideration for Your RNY Units,
- then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

12.13 Costs and stamp duty

Bidder will pay all costs and expenses of the preparation and circulation of the Offers and any Australian stamp duty tax payable on the transfer of any RNY Units to Bidder pursuant to the Offer.

If Your RNY Units are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.

If Your RNY Units are registered in a CHESS Holding, or if you become registered in a CHESS Holding, or if you are a beneficial owner whose RNY Units are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charged in connection acceptance of the Offer.

12.14 Withdrawal of Offer

In accordance with section 652B of the Corporations Act, Bidder may withdraw this Offer with the written consent of ASIC and subject to the Conditions (if any) which apply to that consent.

12.15 Foreign laws and foreign Unitholders

This Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). If you are a foreign Unitholder, it is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

12.16 Governing law

This Offer and any contract resulting from acceptance of it are governed by the laws in force in the state of Victoria, Australia.

13 Additional information

13.1 Consents to be named

Ord Minnett has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as the Broker to Bidder in this Bidder's Statement in the form and context in which it is so named.

Atanaskovic Hartnell has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

DUKES Lawyers has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and to the inclusion of each statement it has made and each statement which is said to be based on a statement it has made, in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

The Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of *ASIC Corporations (Consents to Statements) Instrument 2016/72*, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge, during the bid period, please contact the Offer Information Line on 1300 555 159 (toll-free within Australia) or + 61 3 9909 9909 (from outside Australia). Calls to these numbers may be recorded.

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement also contains unit price trading data sourced from Bloomberg L.P. without its consent.

14 Definitions and Interpretation

14.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

| Term | Meaning |
|----------------------------------|--|
| \$ or A\$, dollars, or cents | is a reference to the lawful currency of the Commonwealth of Australia. |
| Acceptance Form | the acceptance form enclosed with the Bidder's Statement. |
| ASIC | Australian Securities and Investments Commission. |
| Associate | has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Bidder's Statement. |
| ASX | Australian Securities Exchange Ltd and the securities market operated by it. |
| ASX Listing Rules | the Listing Rules published from time to time by ASX. |
| ASX Settlement | ASX Settlement Pty Limited ACN 008 504 532. |
| ASX Settlement Operating Rules | the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System. |
| AUP | Aurora Property Buy-Write Income Trust (ARSN 125 153 648). |
| Aurora | Aurora Funds Management Limited (ACN 092 626 885) (AFSL 222110). |
| Bidder | Aurora Funds Management Limited as the responsible entity of Aurora Property Buy-Write Income Trust (ARSN 125 153 648). |
| Bidder's Statement | this document, being the statement made by Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Takeover Bid. |
| CHESS | Clearing House Electronic Sub-register System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities. |
| CHESS Holding | a holding of Units on the RNY register of members administered by ASX Settlement which records uncertificated holdings of Units. |
| Closing Date | means the date and time at which the Offer Period expires unless otherwise extended. |
| Condition or Defeating Condition | each condition set out in section 12.10. |

| Term | Meaning |
|---------------------------------------|--|
| Controlling Participant | the same meaning, in relation to RNY Units, as in the ASX Settlement and Operating Rules. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth) as modified by any relevant exemption or declaration by ASIC. |
| Encumbrance | <p>(a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;</p> <p>(b) security interest as defined by section 12 of the <i>Personal Property Security Act 2009</i> (Cth);</p> <p>(c) a notice under section 255 of the <i>Income Tax Assessment Act 1936</i> (Cth), subdivision 260-A in schedule 1 to the <i>Taxation Administration Act 1953</i> (Cth) or any similar legislation;</p> <p>(d) any other interest or adverse interest in, or right over, RNY Units (including a right to set off or withhold payment of a deposit or other money);</p> <p>(e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or</p> <p>(f) an agreement to create anything referred to above or to allow any of them to exist.</p> |
| Foreign Law | a law of a jurisdiction other than an Australian jurisdiction. |
| Government Agency | any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including the Australian Takeovers Panel, ASIC and the Australian Competition and Consumer Commission), or any minister of the Crown in right of the Commonwealth of Australia or any State, any other federal, state, provincial, or local government, and including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange. |
| GST | the same meaning as in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). |
| Holder Identification Number or 'HIN' | has the same meaning as in the ASX Settlement Operating Rules. |
| Marketable Parcel | has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of securities, the value of which is not less than \$500. |
| Offer | the Offer and each of the other offers made on the same terms for RNY Units as set out in this Bidder's Statements and includes a reference to those offers as varied in accordance with the Corporations Act. |
| Offer Date | the date of the Offer as indicated in section 12. |

| Term | Meaning |
|------------------------------------|---|
| Offer Period | the period for which the Offer remains capable of being accepted by RNY Unitholders as set out in section 12 (unless otherwise extended). |
| Offer Price | the consideration provided for under the Offer as set out in section 12. |
| Ord Minnett | Ord Minnett Limited (ACN 002 733 048). |
| Prescribed Occurrences | the events articulated in subsections 652C(1) and (2) of the Corporations Act. |
| RAML | RNY Australia Management Limited (ACN 114 294 281) (AFSL 289224) |
| Register Date | 7:00 pm (Melbourne Time) on 4 September 2017 as the date set by Bidder under section 633(2) of the Corporations Act, notice of which will be given to the ASX in accordance with section 633(4)(a) of the Corporations Act. |
| Relevant Interest | the same meaning given in the Corporations Act. |
| Rights | all accretions and rights or benefits of whatever kind attaching or arising from RNY Units (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for units, notes or options issued by RNY, and which includes, for the avoidance of doubt, any dividend or distribution declared or announced since the Announcement Date, whether or not such dividend or distribution relates in whole or in part to a period prior to that date). |
| RNY | RNY Property Trust (ARSN 115 585 709). |
| RNY Constitution | the consolidated constitution of the RNY dated 12 March 2012. |
| RNY Units or Units in RNY | the fully paid ordinary units in RNY. |
| Security Holder Reference or 'SRN' | has the same meaning of Security Holder Reference Number as in the ASX Settlement Operating Rules. |
| Takeover Bid | the off-market takeover bid by Bidder constituted by the Offer for the Units of RNY. |
| Takeover Transferee Holding | has the same meaning as in the ASX Settlement Operating Rules. |
| Target | RNY Property Trust (ARSN 115 585 709). |
| Target's Statement | the target's statement that will be issued by the Target in relation to the Takeover Bid in accordance with items 10, 11, 12, 13 and 14 of section 633 of the Corporations Act. |
| Takeover Transferee Holding | the same meaning as in the ASX Settlement Operating Rules. |
| Units | according to the context, a fully paid ordinary unit in RNY Fund. |

| Term | Meaning |
|--|---|
| Unitholder | a holder of one or more of the relevant Units. |
| Unitholder Meeting | Extraordinary meeting of RNY Unitholders scheduled for 12 pm on 12 September 2017 (as at the date of this Bidder's Statement). |
| Unit Register | the register of persons listed as holding one or more Units in RNY. |
| Unit Registrar | the Unit Registrar as set out in the Corporate Directory in section 16 of this Bidder's Statement. |
| Unmarketable Parcel Unitholder | a RNY Unitholder to whom, if they accept the Offer, hold units which would not constitute a Marketable Parcel. |
| Your Units (including 'Your RNY Units'). | <p>the Units:</p> <ul style="list-style-type: none"> (a) of which you are registered or entitled to be registered as the holder in the Unit Register for the relevant fund at the Register Date; (b) in relation to all new RNY Units of which you are named as the registered holder on the RNY Unit Register from the Register Date to the end of the Offer Period as a result of a any issuance of RNY Units during the Offer Period, or as a result of a conversion of, or exercise of rights attached to, other securities; and (c) in relation to all other RNY Units, to which you are able to give good title at the time you accept this Offer during the Offer Period. |

14.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words defined or otherwise defined or capitalised throughout this Bidder's Statement have that meaning;
- (b) words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning;
- (c) headings are for convenience only and do not affect interpretation;
- (d) a singular word includes the plural, and vice versa;
- (e) a word which suggests one gender includes the other genders;
- (f) unless otherwise stated, references in this Bidder's Statement to annexures, sections, paragraphs and sub-paragraphs are to annexures, sections, paragraphs and subparagraphs of this Bidder's Statement;
- (g) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to time is a reference to time in Melbourne, Australia;

- (i) a reference to a person includes a body corporate; and
- (j) a reference to 'dollars', '\$', or 'cents' is to the lawful currency in Australia unless otherwise stated.

15 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of Aurora Funds Management Limited on 28 August 2017.

Signed by JOHN PATTON for and on behalf of Aurora Funds Management Limited in accordance with section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to read 'John Patton', with a large, sweeping flourish at the bottom.

John Patton
Managing Director
28 August 2017

16 Corporate Directory

Directors of Bidder

Mr. John Patton

Mr. Jeffrey Schwarz

Ms. Betty Poon

Legal Adviser to the Offer

Atanaskovic Hartnell
Level 10, 75 - 85 Elizabeth Street
SYDNEY NSW 2000
AUSTRALIA
www.ah.com.au

Tax Adviser to the Offer

Dukes Lawyers
31/351 Edgecliff Road
EDGECLIFF NSW 2027
AUSTRALIA
www.dukeslawyers.com.au

Unit Registrar to the Offer

Registry Direct Limited
Level 6, 2 Russell Street
MELBOURNE VIC 3000
AUSTRALIA
<http://www.registrydirect.com.au>

17 Annexure A – Announcements

RNY announcements made since the announcement of its 2016 Annual Report

| Date | Description of Announcement |
|-------------------|---|
| 30/03/2017 | Annual Report to shareholders |
| 10/04/2017 | Change in substantial holding from AUP and AIB |
| 1/05/2017 | RNY - Appendix 4G |
| 18/07/2017 | Amended change in substantial holder notice for AUP and AIB |
| 18/07/2017 | RNY asset marketing update |
| 20/07/2017 | RNY- request to call a unitholder mtg |
| 28/07/2017 | AUP: Requisition of Unitholder Meeting |
| 28/07/2017 | AIB: Requisition of Unitholder Meeting |
| 4/08/2017 | Letter to RNY Shareholders |
| 4/08/2017 | RNY asset sale update |
| 7/08/2017 | Notice of Extraordinary General Meeting/Proxy Form |
| 11/08/2017 | RNY supplemental data 1H'17 |
| 11/08/2017 | RNY US dollar accounts 1H'17 |
| 11/08/2017 | RNY slideshow re 1H results |
| 11/08/2017 | RNY press release re 1H results |
| 11/08/2017 | Half Yearly Report and Accounts |
| 14/08/2017 | Director resignation |
| 17/08/2017 | Final Director's Interest Notice |
| 18/8/2017 | AUP: Letter to RNY Property Trust Unit Holders |
| 23/08/2017 | Update to unitholders |

Announcements released as RNY may be viewed at www.asx.com.au.