

SANDON CAPITAL

Sandon Capital Investments Limited

ACN 107 772 467

Level 5, 139 Macquarie Street
Sydney NSW 2000

ASX Announcement

22 November 2018

SNC and Samuel Terry correspondence to unitholders of the AIMS Property Securities Fund

Entities managed by Sandon Capital Pty Ltd, including Sandon Capital Investments Ltd (ASX:SNC) ("**Sandon**"), and Samuel Terry Asset Management Pty Ltd ("**Samuel Terry**") have called a meeting to vote on a resolution to wind up AIMS Property Securities Fund (ASX: APW). This meeting will be held at 10:00am (AEDT) on 10 December 2018. The meeting will be held at Level 4, 60 Carrington Street, Sydney NSW 2000.

Sandon and Samuel Terry now have a collective relevant interest in over 19% of the units in APW, making them individually and collectively the largest independent unitholders of APW.

Attached to this announcement is a copy of a letter and presentation that will be despatched to APW unitholders on Friday 23 November 2018.

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

Contact

Sandon Capital

Gabriel Radzynski

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Samuel Terry Asset Management

Fred Woollard

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SAMUEL TERRY
ASSET MANAGEMENT

SANDON CAPITAL

**SANDON CAPITAL AND SAMUEL TERRY LETTER TO UNITHOLDERS OF THE AIMS PROPERTY
SECURITIES FUND ("APW")**

Vote FOR resolutions to wind up APW and return cash to unitholders

Dear fellow APW unitholder,

You have recently been sent two Notices of Meeting for APW, one being held on the 7th of December, the other on the 10th December. You may be wondering what this is all about, and why there are two separate meetings being held.

Sandon Capital Investments Ltd (ASX:SNC) ("Sandon") and Samuel Terry Asset Management Pty Ltd ("Samuel Terry"), individually and collectively the largest independent unitholders in APW, have called a meeting on 10th December to vote on a resolution to wind up APW. We are paying for this meeting, at no cost to APW. If this resolution is approved, APW's assets are required to be sold in an orderly manner, with the net proceeds paid to unitholders. We believe that a windup will generate cash proceeds substantially greater than the current unit price of \$1.80.

The attached presentation explains in detail why you should support our proposal. In our opinion, APW is severely flawed and serves no purpose except to generate fees for its manager, AIMS. Unless our proposal is successful, we do not expect improvement in either APW or its unit price.

On 15th November, AIMS called a second meeting at unitholders' expense to be held on 7th December. That meeting has two resolutions. The first resolution is redundant as AIMS already has the power to do everything it proposes. It begs the question as to why AIMS needs to be directed to do its job properly. The second resolution is the same as the resolution being voted on three days later.

We believe that the sole intention of AIMS calling the second meeting, and spending your money, is to create enough confusion so that our wind up vote fails and AIMS can continue extracting fees from APW for its own benefit. Is that the kind of manager you want looking after your investment? If not, **you need to vote for the wind up at both meetings.**

Samuel Terry and Sandon encourage you to vote FOR a wind up of APW at both meetings. If you cannot attend the meetings please complete BOTH the blue and green proxy forms attached to this presentation, and return via Reply Paid post BEFORE Monday 3 December 2018.

We will be holding lunch presentations to discuss our presentation with you in Sydney on 27th November, Brisbane on 29th November and Melbourne on 30th November. Unitholders who live in those cities will soon receive an invitation to those events. If you would like to discuss APW, feel free to call us on the numbers below.

Gabriel Radzynski
Managing Director
Sandon Capital
+61 (0) 408 936 357

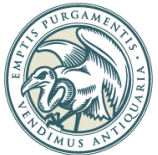
Fred Woollard
Managing Director
Samuel Terry Asset Management Pty Ltd
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AIMS Property Securities Fund (APW)

YOUR VOTE IS IMPORTANT

VOTE FOR

A WIND UP OF
AIMS PROPERTY SECURITIES FUND AT BOTH
UNITHOLDER MEETINGS



SAMUEL TERRY
ASSET MANAGEMENT

SANDON CAPITAL

Samuel Terry and Sandon encourage you to VOTE FOR a wind up of APW at both unitholder meetings. If you cannot attend the meetings please complete BOTH the blue and green proxy forms attached to this presentation, and return via Reply Paid post BEFORE Monday 3 December 2018.

Important Information

The information contained in this presentation (**Information**) is based on publicly available information about AIMS Property Securities Fund ARSN 111 442 150 (**Fund** or **APW**), which has not been independently verified by Samuel Terry Asset Management Pty Ltd (or any entities managed by it) (**Samuel Terry**) or Sandon Capital Pty Ltd (or any entities managed by it) (**Sandon**). Samuel Terry and Sandon recognise that there may be confidential or otherwise non-public information in the possession of APW, its responsible entity (AIMS Fund Management Limited (**AIMS**)) or other members of the corporate group of which AIMS is a member (comprising Great World Financial Group Pty Ltd (ACN 137 063 113) and each entity controlled by it, including AIMS, AIMS Capital Management Pty Ltd (ACN 106 188 916) and AIMS Real Estate Funds Limited (ACN 126 766 167) (**AIMS Financial Group**), that could lead APW, AIMS or the AIMS Financial Group to disagree with our conclusions. This presentation and the Information is not a recommendation or solicitation to buy or sell any securities or to sell or apply for securities or interests in a trust. This presentation does not constitute financial advice. You should not rely on the information or views contained in this presentation.

Nothing in this presentation takes into account any person's investment objectives, financial situation or particular needs. You should seek advice before making any investment decision. If you do not have an adviser, we can put you in touch with someone who can help. Any forward looking statements, in Samuel Terry's view are based on reasonable grounds but future events cannot be predicted. We are not responsible for the statements made by or attributed to others in this presentation. Except where otherwise indicated, the Information speaks of the date hereof. Unless otherwise stated all dollars referred to are Australian Dollars.

Samuel Terry and Sandon manage investment vehicles that are in the business of trading – buying and selling – securities and financial instruments. It is possible that there will be developments in the future that cause Samuel Terry or Sandon to change their positions regarding APW. Samuel Terry and Sandon may buy, sell or otherwise change the form of its investment in APW for any reason. Samuel Terry and Sandon hereby disclaim any duty to provide any updates or changes to the analyses contained herein, including, without limitation, the manner or type of any investment by Samuel Terry or Sandon.

This presentation is neither an offer to purchase nor a solicitation of an offer to sell any investment funds managed by Samuel Terry, Sandon, the AIMS Financial Group or any other person. This presentation relates to Samuel Terry's solicitation of unitholder votes in connection with a meeting of unitholders to be held on 10 December 2018 and a separate meeting of unitholders to be held on 7 December 2018.

Samuel Terry and its associates and Sandon have a relevant interest in APW units. Collectively, they control over 19% of the units in APW. Samuel Terry and Sandon are in favour of the resolutions to wind-up the Fund that are to be voted on at the meetings of unitholders to be held on 7 & 10 December 2018. This is in part because Samuel Terry and Sandon consider a wind-up of APW to be the best outcome for independent unitholders, and a low risk way for a potential value uplift from the last price at 16 November 2018 of \$1.79 – the NTA is at 30 June 2018 of ~\$2.37 per unit is 32% higher. However, a wind up does not guarantee that unitholders will receive a specific distribution amount in respect of their interest in the Fund. The value of the net proceeds received on a winding up of the Fund are likely to differ from the net asset value of the Fund at 30 June 2018. This is because the net proceeds will reflect the net realisation values of the assets comprising the Fund at the time of sale of the assets and the costs of winding up of the Fund.

SAMUEL TERRY & SANDON STRONGLY ADVISES ALL UNITHOLDERS OF APW TO READ THE NOTICES OF MEETINGS, ANY AMENDMENTS OR SUPPLEMENTS TO SUCH BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

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Samuel Terry and Sandon believe APW serves no purpose, except to the AIMS Financial Group, and should be wound up. This would involve selling the Fund's assets and returning net proceeds to unitholders

- ✘ APW units trade at a persistent and excessive discount to NTA, currently approximately 25%**
- ✘ APW's responsible entity, AIMS, has serious conflicts of interest and provides poor disclosure to unitholders**
- ✘ Through complicated corporate structures, we believe APW unitholder money is being used to advance interests of the AIMS Financial Group**
- ✘ APW's financial performance is deteriorating. Its distribution yield to NTA of 1.17% is amongst the worst in its class***
- ✘ Without URGENT action, we expect that APW's performance will continue to decline and AIMS could gain irrevocable control over all unitholder funds**
- ✔ Samuel Terry and Sandon have spent significant time and money researching APW's assets and believe they can be sold to realise the NTA as at 30 June 2018 of \$2.37 per unit**

Unlike AIMS, Samuel Terry and Sandon's interests are 100% aligned with yours. A wind up of APW is the best outcome for independent unitholders, and a low risk way for a potential value uplift from the last price at 16 November 2018 of \$1.79. The NTA at 30 June 2018 of \$2.37 per unit is 32% higher.

This could be the last chance to receive fair value for your units.

AN ORDERLY WIND-UP OF APW IS THE BEST OUTCOME FOR INDEPENDENT UNITHOLDERS

At its own expense*, Samuel Terry has called a unitholder meeting to be held at 10am on Monday 10 December 2018 at Level 4, 60 Carrington Street, Sydney NSW. At the meeting, unitholders will be asked to vote on a proposed wind up of APW.

✘ IN RESPONSE AIMS HAS CALLED ITS OWN UNITHOLDER MEETING ✘

AIMS has called a separate meeting to be held on 7th December. This meeting has two resolutions. The first is to direct AIMS to “implement strategic initiatives” that aim “to reduce the discount between the price at which Units trade on the ASX and SGX and the underlying NTA value per unit”. The first resolution is redundant as AIMS already has the power to do everything it proposes. The second resolution is also redundant as it is the same as the resolution at the unitholder meeting called by Samuel Terry.

AIMS has called this meeting to create confusion. It is unnecessary and a blatant waste of unitholders’ money. Voting for the first resolution at this meeting does NOT preclude you from voting FOR a wind up.

IT IS IMPORTANT TO VOTE AT BOTH MEETINGS

Samuel Terry and Sandon encourage you to VOTE FOR a wind up of APW at both meetings. If you cannot attend the meetings please complete BOTH the blue and green proxy forms attached to this presentation, and return via Reply Paid post BEFORE Monday 3 December 2018.

* Samuel Terry has called the meeting. Samuel Terry and Sandon are sharing the costs of the meeting.

“Currently, we find ourselves in challenging times, with value in the real estate sector being difficult to come by. Most assets are overvalued and sellers come to market with unrealistic expectations of price, which are surprisingly being met by local and foreign buyers...We believe that the real estate cycle is at a high point”

George Wang
APW 2018 Annual Report

George Wang is Executive Chairman of AIMS Fund Management Limited (**AIMS**), APW’s responsible entity and investment manager, and other members of the AIMS Financial Group. The AIMS Financial Group directly owns 32% of the units in APW, and controls a further 9% owned on behalf of the MacarthurCook Office Property Trust.

Why you should VOTE FOR a wind up of APW

1. *Persistent and excessive discount to NTA*

 ~25% trading discount is NOT acceptable

2. *Related party conflicts and poor disclosure*

 AIMS has allocated over 80% of unitholder money to other funds managed by the AIMS Financial Group, without disclosing all the fees it receives

3. *Investment performance is deteriorating*

 1.17% distribution yield to NTA is amongst the worst in class

4. *Now is a good time to sell*

 “the real estate cycle is at a high point”
(George Wang, October 2018)

This could be your last chance to receive fair value for your units. AIMS and its associates own 41% and have been buying more units. If they keep buying, they could force decisions on unitholders.

A WIND UP DOES NOT MEAN A FIRE SALE.

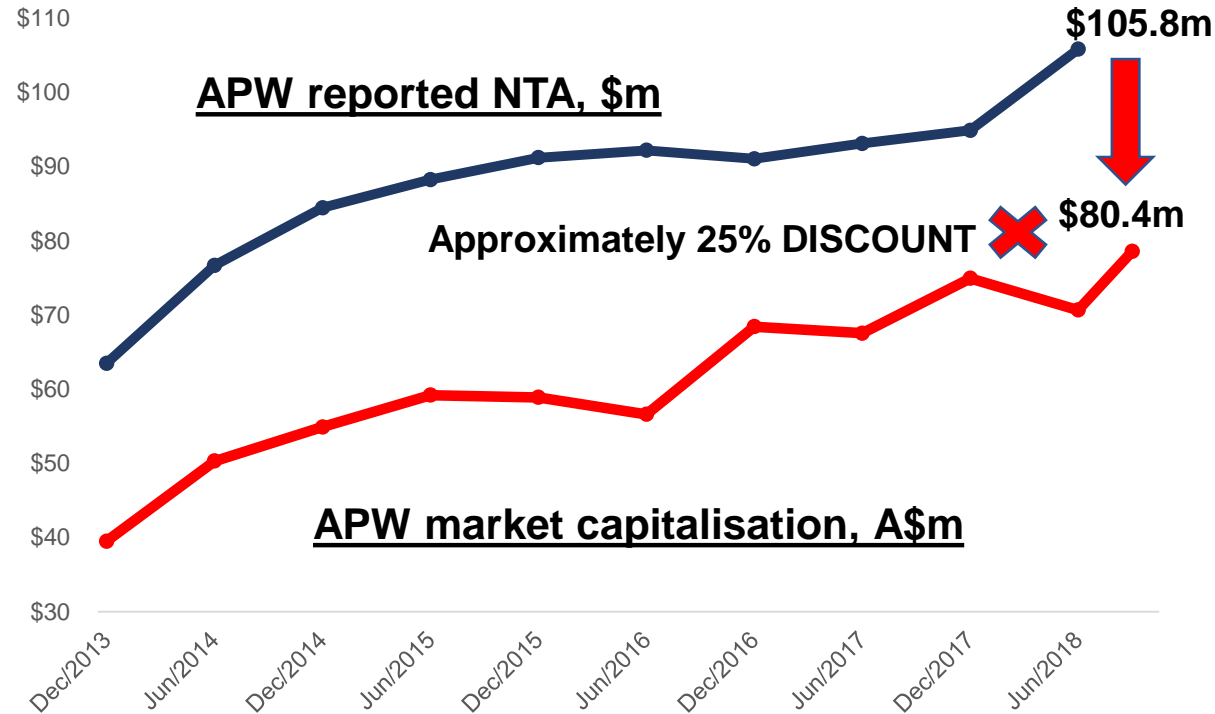
Why you should VOTE FOR a wind up of APW

1. *Persistent and excessive discount to NTA*

✘ *~25% trading discount is NOT acceptable*

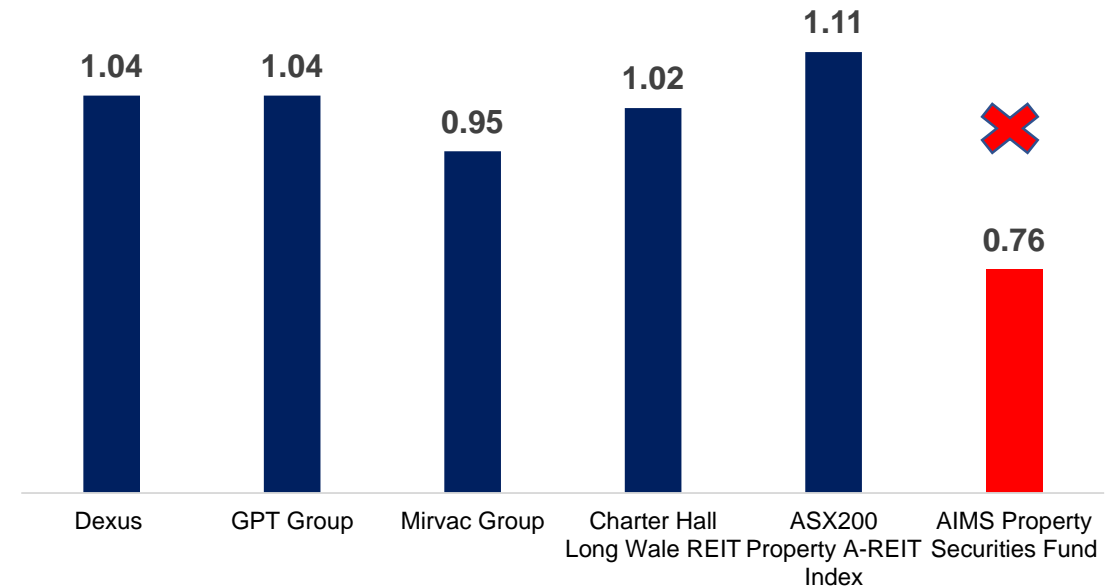
Persistent discount to NTA: 25% trading discount is NOT acceptable

Units have traded at a large discount to NTA for over ten years – currently approximately 25%. Unit price of \$1.79* but the NTA (as at 30 June 2018) is \$2.37 per unit. Such a large discount is NOT present in most other Australian REITs



Source: Bloomberg, APW ASX disclosures. Data to 16 November 2018

Peer comparison: Price to NTA



Source: Bloomberg and various company accounts, 16 November 2018.

- AIMS has made many promises to close the persistent gap between the APW unit price and NTA but has consistently failed to do so
- Over the last 12 months Samuel Terry has bought 49% of all units traded which has helped support the unit price

If our proposal does not succeed, we doubt the gap will ever close. In our opinion, the poor governance and lack of disclosure at AIMS will result in the unit price permanently trading at a wide discount to NTA

Why you should VOTE FOR a wind up of APW

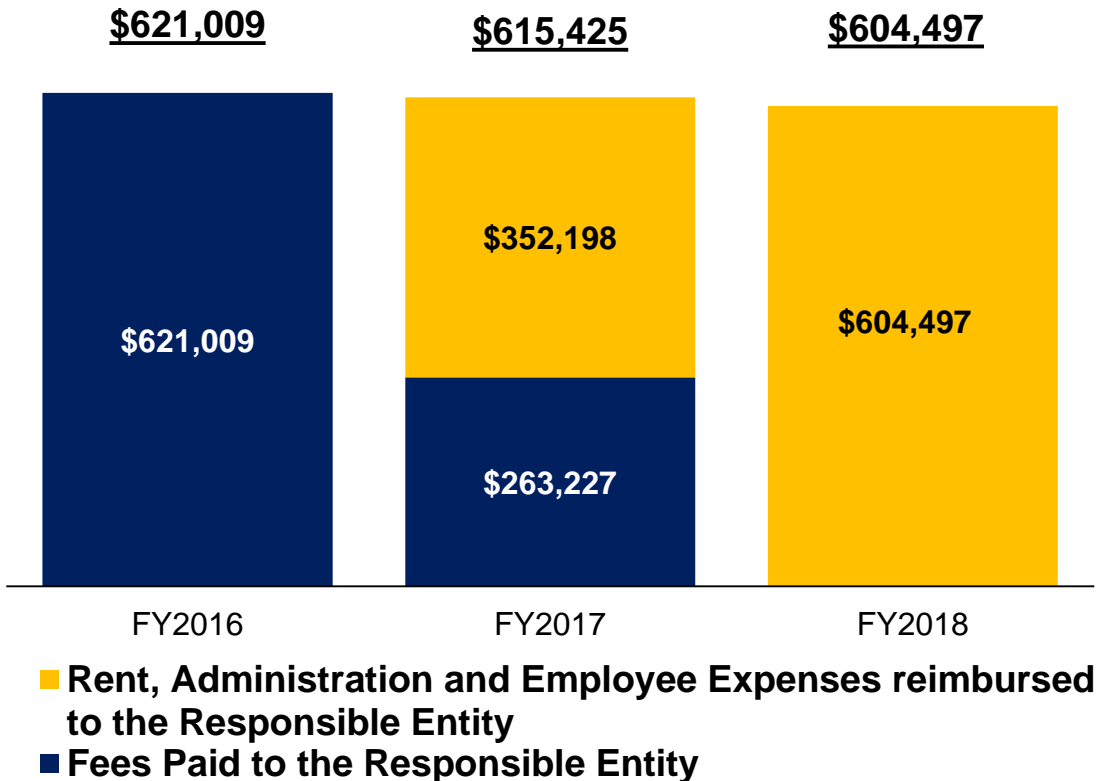
2. Related party conflicts and poor disclosure

✘ *AIMS has allocated over 80% of unitholder money to other funds managed by the AIMS Financial Group, without disclosing all the fees it receives*

Related party conflicts and poor disclosure

In response to criticism, AIMS stopped charging management and performance fees directly to APW in December 2016. However, AIMS continues to be reimbursed for various expenses. When AIMS stopped charging management and performance fees, APW's administration expenses dramatically increased and have remained elevated

APW has seemingly replaced AIMS' management fees with reimbursable expenses



- APW's trust deed was amended in 2016 such that the AIMS no longer receives management and performance fees. However "AIMS Fund Management continues to be entitled to be reimbursed out of the assets of the Fund for reasonable and proper costs and expenses incurred by the Fund in engaging key persons to provide the necessary management services for the on-going management of the Fund"*.
- These "reimbursements" only pertain to APW. The AIMS Financial Group is also entitled to receive fees from other products managed by it in which APW has invested.

Source: APW Annual Reports 2016, 2017, 2018.

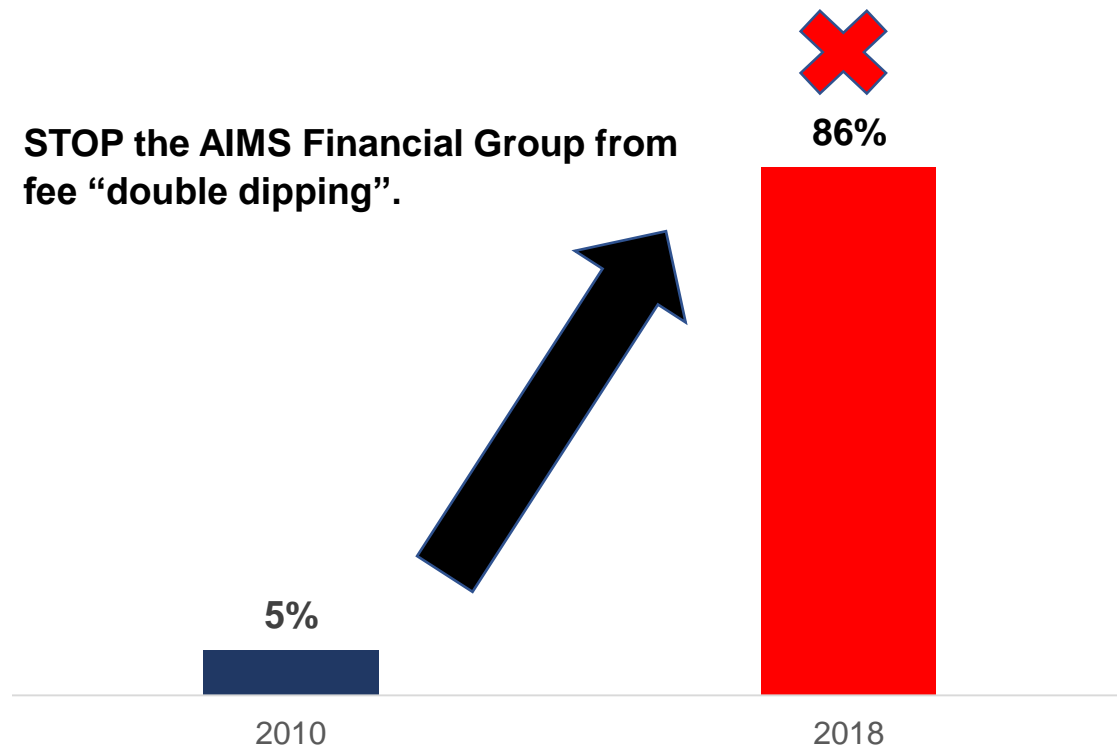
*Source: APW December 31 2016 Accounts, p3.

Related party conflicts and poor disclosure

Samuel Terry and Sandon believe AIMS' investment strategy is to recycle unitholder capital from independent and transparent investment vehicles to related party investments which increases the fees the AIMS Financial Group receives

% of APW's NTA invested in other funds managed by the AIMS Financial Group

STOP the AIMS Financial Group from fee "double dipping".



- Since AIMS took control of APW in 2009, it has consistently allocated unitholder funds to other investment products that the AIMS Financial Group manages.
- **AIMS has a major conflict of interest.** When AIMS invests APW funds into related investment products, the AIMS Financial Group may receive additional financial benefits such as management and performance fees and/or expense reimbursements. Professional investors consider this practice "double dipping".
- **AIMS does not fully disclose all the fees and other benefits paid to the AIMS Financial Group** for management and other services, even where APW owns 100% of a property vehicle.
- **This lack of transparency would be illegal if APW and its related party investments were listed companies instead of listed trusts...**

Related party conflicts and poor disclosure

Samuel Terry and others have persistently requested AIMS disclose ALL the fees the AIMS Financial Group receives from APW

Dec 20 2016 at 5:53 PM
Updated Dec 20 2016 at 6:28 PM

☆ Save article M

George Wang hits back at investors who want AIMS wind up

[First part of article missing]

Several unitholders including Mr Woollard have also questioned why AIMS does not disclose the fees charged by two AIMS trusts in which APW invests, even though one trust (Laverton) is wholly owned by APW and the other (Felix St) is 89 per cent owned by APW.

Mr Wang said he was in discussions with independent directors about whether to disclose the fees.

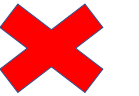
[Article continues]

Source: Australian Financial Review, December 20 2016

What happened to these discussions?

IF AIMS HAS NOTHING TO HIDE, WHY DOESN'T IT DISCLOSE THE FEES?

Peers that consolidate the accounts of material, majority owned entities and disclose all fees paid to management:



APW'S MURKY DISCLOSURE IS NOT NORMAL

Related party conflicts and poor disclosure

APW's investments in murky sub-trusts managed by AIMS Financial Group maximise the fees AIMS receives

Below is a direct extract from APW's 2016 Audited Annual Report

The table below describes the types of structured entities that the Fund does not consolidate but in which it holds an interest.

Type of structured entity	<u>Nature and purpose</u>	Interest held by the Fund
Investment funds	To manage assets on behalf of third party investors and <u>generate fees for the investment manager</u> . These vehicles are financed through the issue of units to investors	Investments in units issued by the funds

Source: APW 2016 Annual Report, p32.

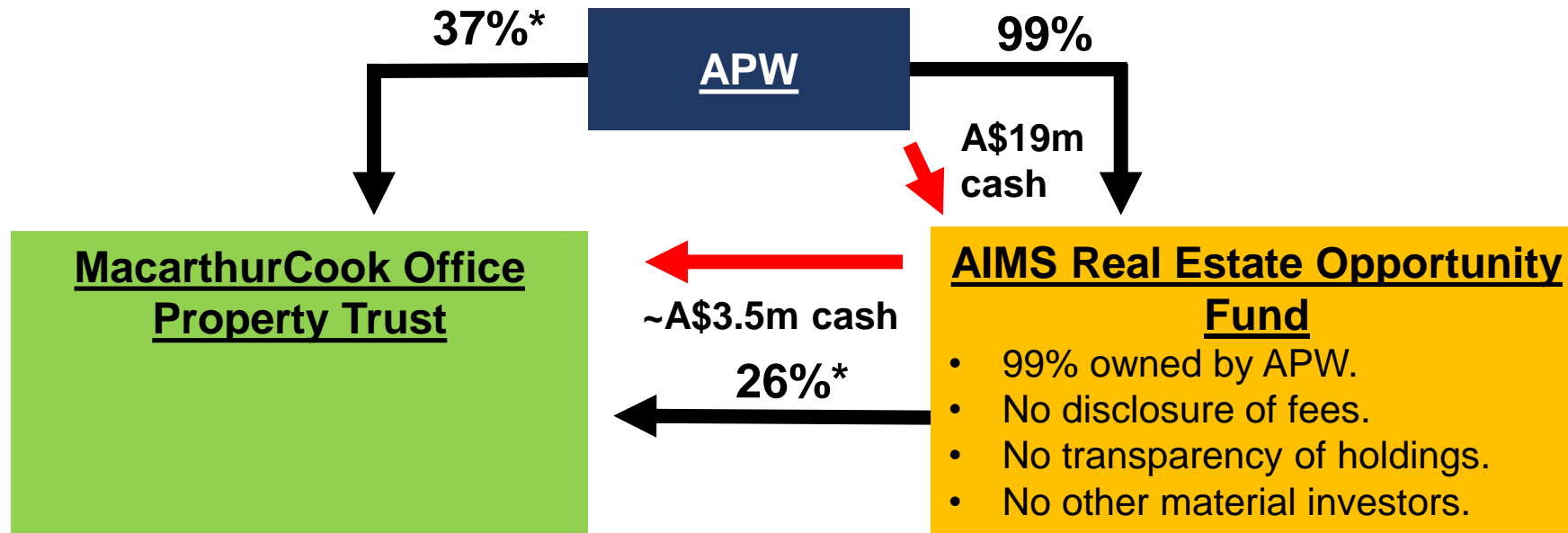
- **AIMS claims not to charge management or performance fees***, however reimbursable expenses have increased to offset foregone management fees ❌
- **Furthermore, AIMS receives fees from some of the sub-trusts. AIMS does not disclose all the fees it receives from related sub-trusts** ❌

*George Wang comments to the Business Times Singapore 28 October 2018. Available at <<https://www.businesstimes.com.sg/companies-markets/samuel-terry-moves-again-to-wind-up-aims-property-securities-fund>>

Related party conflicts and poor disclosure

SPOTLIGHT ON POOR DISCLOSURE: APW's \$19m investment in AIMS Real Estate Opportunity Fund

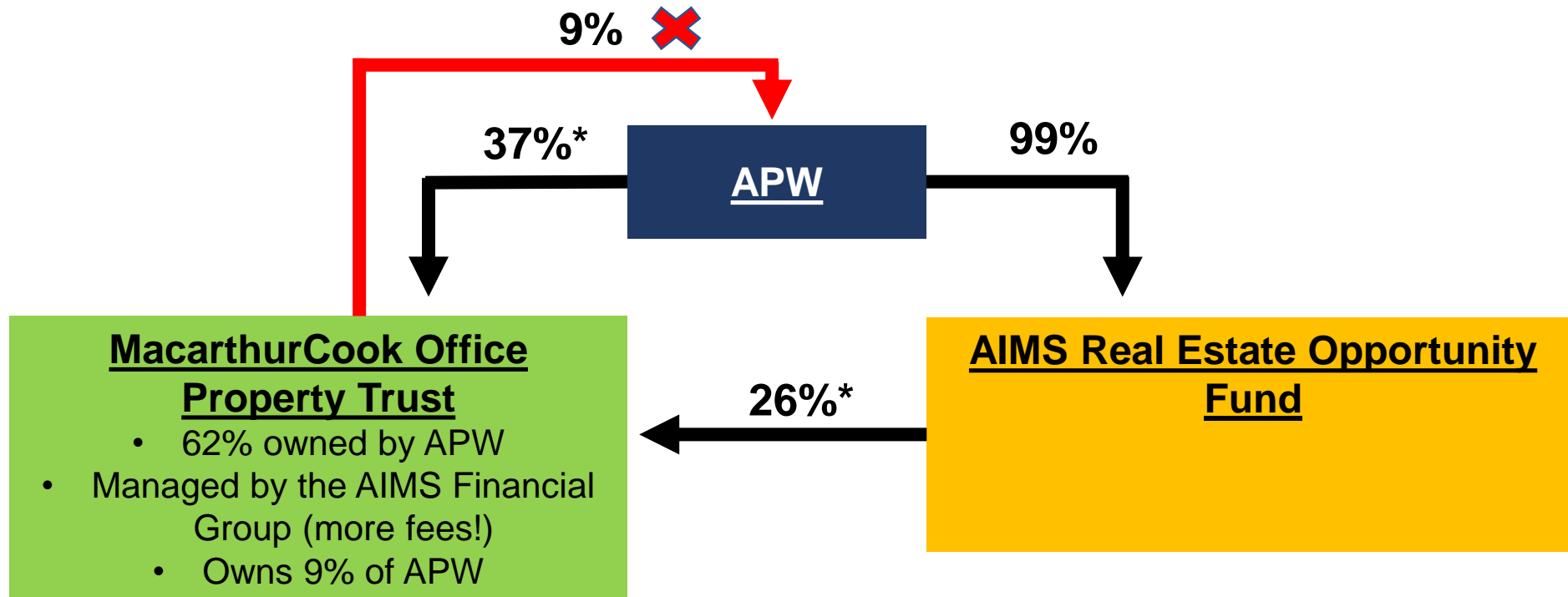
- In December 2017, AIMS invested A\$19m of APW unitholder funds (over 20% of APW's NTA at that time) into a new investment vehicle managed by another member of the AIMS Financial Group, the AIMS Real Estate Opportunity Fund. APW was (and still is) the only major investor in this vehicle, owning 99% of units on issue.
- Within 5 days of APW's investment, AIMS Real Estate Opportunity Fund allocated approximately 18% of proceeds to buy 26% of the MacarthurCook Office Property Trust.



- **APW** already had a large unitholding in MacarthurCook Office Property Trust. Why did AIMS add another level of complexity rather than simply invest APW's funds directly in the MacarthurCook Office Property Trust?
- Why is APW STILL the only major unitholder in AIMS Real Estate Opportunity Fund? If no others have decided to invest, why did AIMS think it would be a good idea to invest APW's funds? If the vehicle is not open for others to invest, what is its purpose?

Samuel Terry & Sandon believe that AIMS is using APW unitholders' money to advance the AIMS Financial Group's own interests and control

As manager of MacarthurCook Office Property Trust, the AIMS Financial Group has invested MacarthurCook Office Property Trust's money back into APW such that it now owns 9% of APW



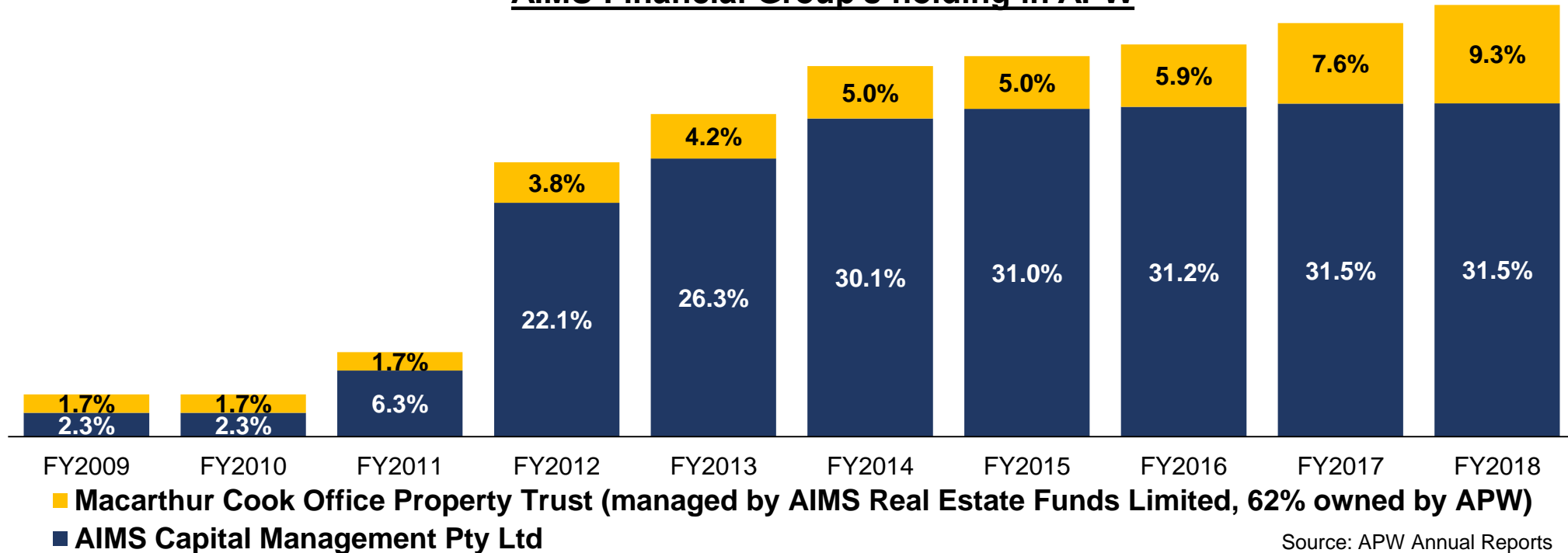
This circular structure gives the AIMS Financial Group control of a further 9% of APW.

- Now that the AIMS Financial Group has solidified control of MacarthurCook Office Property Trust, it has proposed a major change to the trust so that it will be able to invest in non-Australian and non-traditional property assets**, which it will have no obligation to tell you about.
- The AIMS Financial Group is using murky investment vehicles and could invest our money in non-Australian, non-traditional property investments, which could serve to further advance the AIMS Financial Group's own interests.

Related party conflicts and poor disclosure

By using independent unitholder money to gain control of MacarthurCook Office Property trust, the AIMS Financial Group has solidified its own control over APW independent unitholders

AIMS Financial Group's holding in APW



- The AIMS Financial Group owns 41% of APW and has been buying more units. If it continues buying units, it increases the illiquidity of APW and could force decisions on unitholders by virtue of the size of their holding.
- Without URGENT action, Samuel Terry and Sandon believe APW's performance will continue to deteriorate and the AIMS Financial Group could gain irrevocable control over all unitholder funds.

Why you should VOTE FOR a wind up of APW

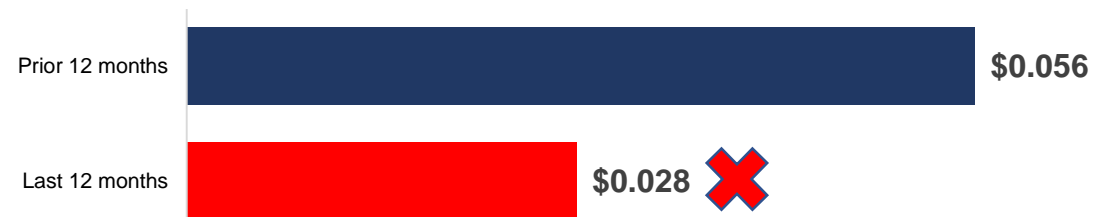
3. Investment performance is deteriorating

✘ *1.17% distribution yield to NTA is amongst the worst in class*

Investment performance is deteriorating...

Despite favourable property market conditions, APW's investment performance is deteriorating...

APW's distributions per unit are down more than 50% year over year



Source: APW ASX Announcements. Distributions 12 months to 30 September 2018.

- According to APW, the decline in distributions is “*primarily due to the sale of units in BlackWall Property Trust, Arena REIT and the freeze in distributions from the AIMS Property Fund (Felix St)*”[^].
- **Samuel Terry and Sandon's Translation:** We believe distributions are declining because APW is allocating funds OUT of higher yielding independently managed investments, INTO low yielding, related party investments.

Long-term performance has been satisfactory, however this was mostly due to a one-off litigation gain in 2014

Total shareholder return*: 2009 - 2018



Source: Bloomberg and Samuel Terry estimates.

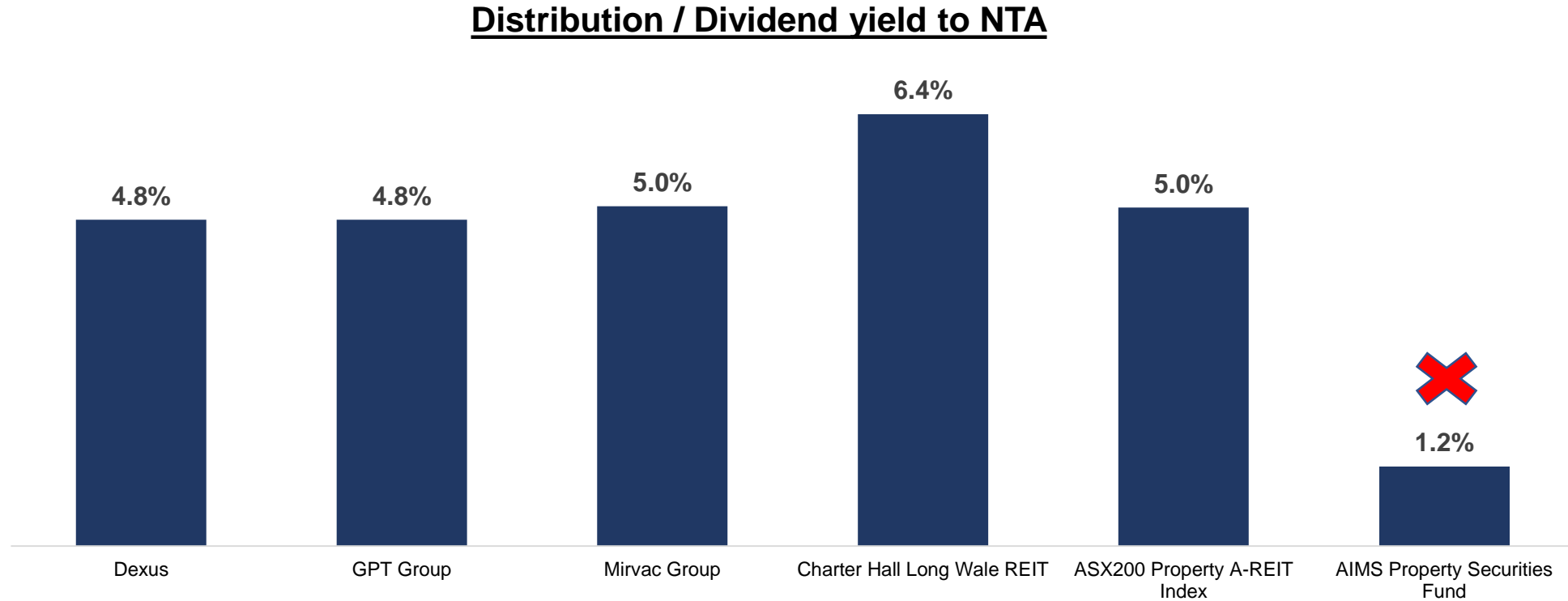
*Please see Appendix One for more detail on calculation of APW's total return. **The ASX200 AREIT Total Return Index is the most commonly used index of major ASX listed Australian property securities.

[^]APW 2018 Results Presentation.

- Excluding the TFML litigation win in 2014, APW's total unitholder return has underperformed the ASX200 AREIT Total Return Index** since AIMS took control in 2009*.
- **Although theoretical, this calculation is important to your decision.**

Investment performance is deteriorating...

APW's distribution yield to NTA is amongst the WORST IN CLASS



The above chart displays the trailing 12 month distribution yield to NTA. Source: Bloomberg and APW ASX Announcements. Data as at 16 November 2018.

- **There are many larger, more diversified, and transparent A-REITs which offer a better yield.**
- **If you wish to retain your investment in Australian property you could VOTE FOR the wind up resolutions, realise a potential value uplift, and reinvest the proceeds in a higher yielding A-REIT.**

Why you should VOTE FOR a wind up of APW

4. Now is a good time to sell

✓ *“the real estate cycle is at a high point”
(George Wang, October 2018)*

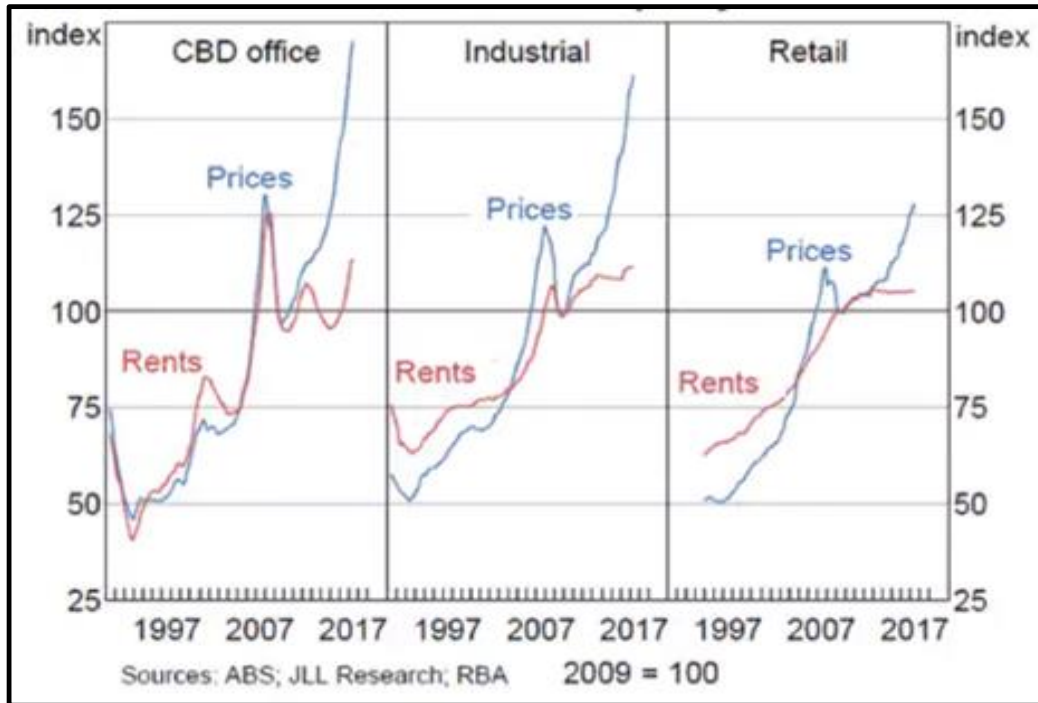
Samuel Terry and Sandon have spent significant time and money researching APW’s assets, and believe they can be sold to realise the NTA as at 30 June 2018 of \$2.37 per unit vs the current price of \$1.79, at 16 November 2018.

In winding up APW, the responsible entity (AIMS) will have a duty to sell APW’s assets in a manner that maximises the return to unitholders, rather than conducting a fire sale.

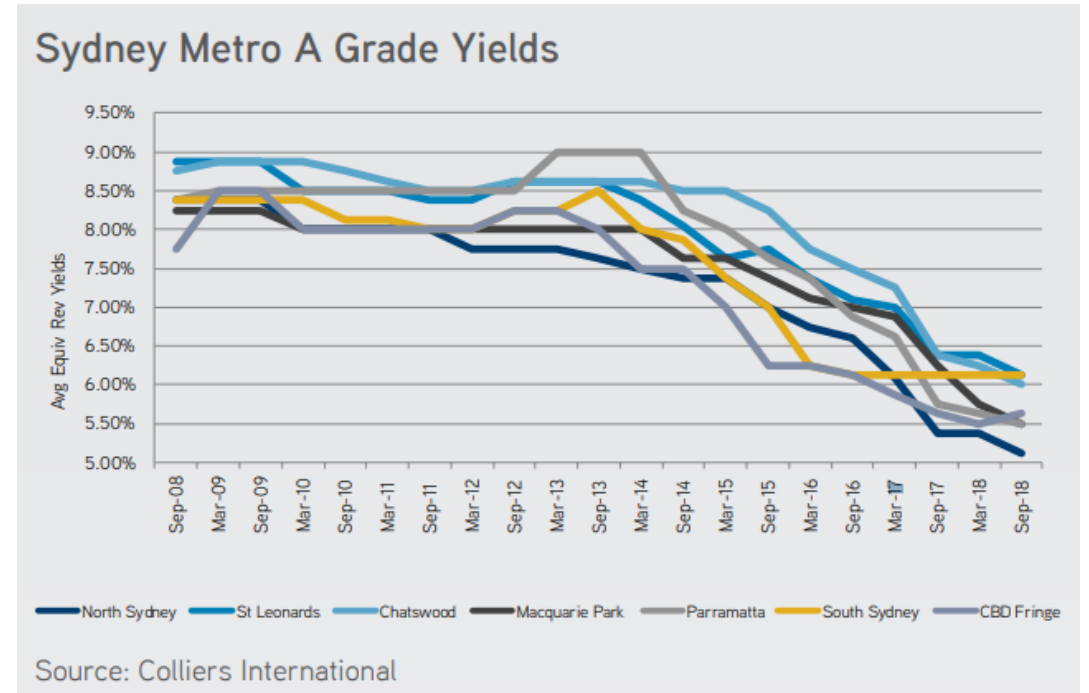
Now is a good time to sell

Commercial property prices have risen substantially in recent years, and we believe it is a good time to sell. However, this will not last forever...

Prices are HIGH



Yields are LOW



“Currently, we find ourselves in challenging times, with value in the real estate sector being difficult to come by. Most assets are overvalued and sellers come to market with unrealistic expectations of price, which are surprisingly being met by local and foreign buyers...We believe that the real estate cycle is at a high point”

Mr George Wang, Chairman of AIMS. APW 2018 Annual Report.

Why you should VOTE FOR a wind up of APW

Unlike AIMS, Samuel Terry and Sandon's interests are 100% aligned with yours. Samuel Terry and Sandon are calling this meeting at their own expense and will dedicate significant personal and financial resources to ensuring the best outcome for ALL unitholders.

AIMS has called an additional unitholder meeting to create confusion. This additional meeting is unnecessary and a blatant waste of unitholders' money.

When deciding on your vote, remember, we are spending our money to fight for the benefit of ALL UNITHOLDERS. AIMS is spending your money to secure its job.

Rebuttal of responses from AIMS

The Responsible Entity has demonstrated a track record of creating value for the Fund. ❌

- Excluding the TFML litigation win in 2014, APW's total shareholder return has underperformed the ASX200 A-REIT index since AIMS took control in 2009.
- Over the last 12 months Samuel Terry has bought 49% of all units traded on ASX and Singapore Exchange which has helped support the price. The trading discount would be considerably wider if Samuel Terry had not been buying units on market.

A wind up of the Fund may result in a fire sale and realisable value will be significantly less than expected ❌

- In winding up APW, the responsible entity will remain bound by its statutory and fiduciary obligations, to act in the best interests of unitholders in APW. The responsible entity will have a duty to sell APW's assets in a manner that maximises the return to unitholders.
- **If APW unitholders vote for a wind-up, then Samuel Terry and Sandon will be encouraging the Responsible Entity to follow an orderly process to maximise the sale proceeds and drive maximum value for all investors.**

A wind up of the Fund may result in a loss of a huge opportunity to realise development upside and value add potential from the Fund's underlying assets ❌

- If APW unitholders vote for a wind-up and the Responsible Entity follows an orderly process, then the development upside is likely to be accounted for in the consideration paid by potential buyers such that unitholders receive fair value.
- Australia's institutional property investors are sophisticated and are very likely to value any development upside efficiently.
- AIMS Chairman, George Wang has said "the real estate cycle is at a high point". We agree and believe it is a good time to sell.

Stamp duty and other costs to sell properties mean NTA per unit is unlikely to be realised ❌

- These are likely to be immaterial. Stamp duty is not applicable on sales in Australia. Other selling costs are estimated to be less than 1 year of "cost recoveries" paid by APW to AIMS.
- **An orderly wind up is the best outcome for independent unitholders.**

Rebuttal of responses from AIMS

Samuel Terry and Sandon are opportunistic investors who have tried this before. If unitholders voted in favour of previous wind up resolutions, they would have missed out on APW's recent returns. ❌

- Samuel Terry and Sandon combined have approximately A\$16m invested in APW and are its largest independent unitholders, owning over 19% of the trust. Samuel Terry and Sandon are long-term investors in APW, Samuel Terry having owned units for over 5 years. Samuel Terry and Sandon's interests are 100% aligned with all independent unitholders and are proposing a wind-up because we believe it is the best outcome for all independent unitholders.
- APW's distributions have been declining. Unitholders are now able to earn a better return by investing in an Australian 3 month term deposit.

The AIMS Financial Group's interests are aligned with unitholders by virtue of its large holding in APW. ❌

- **AIMS FINANCIAL GROUP'S INTERESTS ARE NOT ALIGNED WITH ALL UNITHOLDERS.**
- The AIMS Financial Group receives fees for managing your money and seems to have adopted an investment strategy of allocating as much of your capital as possible to related party investments.
- If APW is wound-up, the AIMS Financial Group will no longer receive expense reimbursements and other financial benefits from APW or management fees from the sub-trusts that own the properties.

AIMS is no longer making a profit from managing APW. A year ago AIMS cut its Responsible Entity Fees and is now only operating on a cost-recovery basis. ❌

- Although AIMS no longer receives management fees directly from APW, in 2018 the amount of "expense reimbursements" increased to a level that almost matches the 2017 management fees.
- The AIMS Financial Group also receives other fees from managing the sub-trusts where it has allocated unitholder money. **But AIMS does not disclose all these fees.**
- **AIMS interests are NOT aligned with independent unitholders.**

AN ORDERLY WIND-UP OF APW IS THE BEST OUTCOME FOR ALL UNITHOLDERS

Samuel Terry and Sandon believe APW serves no purpose, except to the AIMS Financial Group, and should be wound up. This would involve selling the Fund's assets and subsequently returning the net proceeds to unitholders.

Samuel Terry and Sandon have spent significant time and money researching APW's assets and believe they could be sold to realise the NTA at 30 June 2018 of \$2.37 per unit vs the current price at 16 November 2018 of \$1.79.

YOUR VOTE IS IMPORTANT

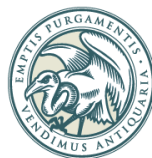
VOTE FOR

**A WIND UP OF
AIMS PROPERTY SECURITIES FUND AT BOTH
UNITHOLDER MEETINGS**

IT IS IMPORTANT TO VOTE AT BOTH MEETINGS

Samuel Terry and Sandon encourage you to VOTE FOR a wind up of APW at BOTH meetings. If you cannot attend the meetings please complete BOTH the blue and green proxy forms attached to this presentation and return via Reply Paid post BEFORE Monday 3 December 2018.

Samuel Terry Asset Management Pty Ltd (Samuel Terry) and Sandon Capital Pty Ltd (Sandon) collectively own over 19% of AIMS Property Securities Fund (APW). They have agreed to work together with respect to the meeting of APW members called by Samuel Terry.



SAMUEL TERRY
ASSET MANAGEMENT

Samuel Terry is fund management firm based in Sydney. We manage a single fund, the Samuel Terry Absolute Return Fund, which has total assets of A\$123m. Our fund has generated total returns (net of fees) over 28% p.a over the past 5 years, and over 16% p.a since inception almost 15 years ago. We have achieved these returns without borrowing any money. We usually hold a high proportion of our fund (average 18%) in cash. We run a concentrated portfolio and pride ourselves on plain communication and transparency. For more information about us please visit: www.samuelterry.com.au

Samuel Terry has approximately A\$11m invested in APW and is its largest independent unitholder, owning over 13% of the Fund. Samuel Terry is a long-term investor in APW, having owned units for over 5 years.

SANDON CAPITAL

Sandon Capital is an Australian-based activist investment firm. We devise and implement active engagement strategies that seek to unlock value inherent in listed companies, securities and trusts in our investment portfolios. Sandon Capital is the investment manager of the ASX-listed Sandon Capital Investments Limited, an unlisted investment company and two other wholesale funds. We have the sole focus of generating attractive risk-adjusted returns for our investors using the combination of our devised activist engagement strategies and our 'deep value' investment philosophy. For more information about us please visit: www.sandoncapital.com.au

Sandon has approximately A\$5m invested in APW and is its second largest independent unitholder, owning over 5% of the Fund. Sandon Capital has a proven track-record of creating value through activism.

Appendix

Appendix One: APW Total Return Calculation

We have calculated APW's total return since inception excluding the TFML litigation win by comparing the 10 day volume weighted average price on the ASX 10 days before and after its announcement on 15 May 2014. In determining the IRR we detract this result from the relevant year in the calculation. Furthermore, we assume all unitholders participated in APW's rights issues in 2012 and 2013.

The ASX200 A-REIT total return calculation was sourced directly from Bloomberg.

Both calculations have a start date of 8 August 2009, which is the day after Mr George Wang was appointed Chairman of APW's management vehicle, and end date of 30 September 2018.