

# AIMS PROPERTY SECURITIES FUND

(ARSN 111 442 150)

## Appendix 4E – Preliminary Final Report

For the year ended 30 June 2021

(The previous corresponding period is the financial year ended 30 June 2020)

### Results for Announcement to the Market

		Movement (\$'000)	Movement (%)	2021 (\$'000)	2020 (\$'000)
Revenue from ordinary activities <sup>1</sup>	Up	16,958	N/A	14,017	(2,941)
Income from ordinary activities attributable to unitholders	Up	17,037	N/A	12,770	(4,267)
Net income for the period attributable to unitholders	Up	17,037	N/A	12,770	(4,267)
Net tangible assets (NTA) per unit (\$)	Up	\$0.28	11.68%	\$2.74	\$2.46

<sup>1</sup> Revenue from ordinary activities comprises investment distribution income and interest income.

Distributions	Cents Per Unit
FY2021	0
<b>Total</b>	<b>0</b>

This Appendix 4E should be read in conjunction with the Annual Financial Report of AIMS Property Securities Fund for the financial year ended 30 June 2021 (in the attachment which forms part of Appendix 4E) and any public announcements made during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

This Appendix 4E is based on the Annual Financial Report of AIMS Property Securities Fund for the financial year ended 30 June 2021 which has been audited by Hall Chadwick.



Claud Chaaya  
Company Secretary  
AIMS Fund Management Limited  
Responsible Entity



**AIMS**

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



# AIMS PROPERTY SECURITIES FUND

ARSN 111 442 150 | ASX Code: APW | SGX Code: BVP

FINANCIAL REPORT  
FOR THE YEAR ENDED  
**30 JUNE 2021**



AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150  
FOR THE YEAR ENDED 30 JUNE 2021

## CONTENTS

<b>Financial Results Summary</b> .....	1
<b>Chairman's Report</b> .....	2
<b>Board of Directors</b> .....	4
<b>Corporate Governance Statement</b> .....	6
<b>Financial Report</b> .....	14
Directors' Report .....	14
Lead Auditor's Independence Declaration .....	20
Statement of Profit or Loss and other Comprehensive Income .....	21
Statement of Financial Position .....	22
Statement of Changes in Equity .....	23
Statement of Cash Flows .....	24
Notes to the Financial Statements .....	25
Directors' Declaration Report .....	37
Independent Auditor's Report .....	38
<b>Stock Exchange Information</b> .....	42
<b>Corporate Directory</b> .....	44



## ABOUT THE FUND

The AIMS Property Securities Fund (“the Fund”) is a diversified real estate securities fund, investing across a wide range of unlisted and listed property trusts. It has exposure to domestic and overseas commercial real estate through specialist property investment managers.

The Fund is listed on the Australian Securities Exchange (ASX code: APW) and the Singapore Exchange Limited (SGX Code: BVP).

## FINANCIAL RESULTS SUMMARY

Financial results summary for the year ended 30 June 2021

Income Statement Year to 30 June 2021	\$Million
Income & Foreign Exchange (A)	1.46
Net Gains On Financial Assets Held At Fair Value Through Profit Or Gain (G)	12.56
Total Expenses (C)	(1.25)
Net Gain For The Year Before Finance Costs (D) = (A) + (B) + (C)	12.77
Finance Costs (E)	0.00
Change In Net Assets Attributable To Unitholders (D) + (E)	12.77

# CHAIRMAN'S REPORT

## Overview

Uncertainty continued in the 2021 financial year. The COVID-19 pandemic has worsened in Australia with the delta variant causing case numbers to rise to their highest levels since the pandemic began in early 2020. This has brought the local economics of New South Wales and Victoria, in particular, to a standstill. The international environment is experiencing a new challenge from the delta variant and the future of the global economy remains uncertain.

Assets with short weighted average lease expiries continue to find it challenging to obtain bank finance and as such valuations for these types of properties may experience sharper drops in the future. Industrial / Logistics assets throughout this period have outperformed other asset classes. This is primarily due to the increase in demand for warehousing, as a result of increases in online purchases, due to work from home arrangements, lockdown measures and a fundamental change in consumer behaviour with an accelerated transition to the online environment. This has had a tremendous impact on our investments in industrial / logistics products, which have performed significantly well over the past financial year.

## Prudential Investment Management

Learning from our experience in the GFC, AIMS has carefully followed its prudent, conservative and patient investment approach, focusing not only on income but also capital growth potential.

We have adhered to the following principles in our investment strategy:

### 1. Power as investor.

Where possible, hold material or majority interest in unlisted investments, such that the Fund is able to influence the strategy and direction of the investment.

### 2. Alignment of investor and fund manager's interest.

Invest in funds where the fund manager holds a material interest in the fund to ensure that the fund manager's interests are aligned with our unitholders.

### 3. Sufficient liquidity for listed investments.

There must be acceptable liquidity if the investment is listed.

### 4. Investment direction.

Underlying assets must typically be in good locations, with value add or long-term development potential. The assets should ideally produce an income stream, to service conservative borrowings and have potential for rental increases through active management.

### 5. Conservative gearing.

Maintained zero gearing since 2013 and also monitor the underlying investments' debt facilities, so as to sustain a conservative look-through gearing level.

The COVID-19 pandemic is causing unpredictable volatility and damage to the local and international investment market. During this uncertain period, with no clear light at the end of the tunnel, we have applied a more conservative investment approach, awaiting the appropriate time to take advantage of the right opportunities in this market.

## Performance Highlights

- Over the past financial year, Net Asset Value (“NAV”) increased from \$109.3 million to \$122.1 million and Net Tangible Assets (“NTA”) per unit increased from \$2.46 to \$2.74 per unit, a significant uplift of 11.4%. This is primarily due to the increase in our investment in the AIMS Property Fund (Laverton), which saw a healthy uplift to the valuation of the underlying asset.
- Since June 2013, the fund has maintained a debt free position, keeping in line with our conservative investment strategy highlighted above.
- Since June 2013, NTA has grown from \$1.17 to \$2.74, representing an increase of 134.2%.
- Since June 2013, share price has risen from \$0.67 to \$1.29 in June 2021, representing an increase of 93.8%.

## Challenge & Opportunity

While this challenging period presents new obstacles to overcome, it also creates many opportunities for a well-prepared organisation. The Asian property market is operating on a different cycle to the Australian real estate environment, due to underlying property factors and the different reaction of each country to the global pandemic. This presents a great opportunity for our Fund, if the right product becomes available to take advantage of the difference in cycles and economic environments.

Asset classes that have proven to be defensive during the pandemic and are likely to perform in the future include: industrial, logistics, data-centres and business parks. This may be a focus for our Fund in the short to medium term investment horizon. Investing into the real estate debt market for short term products is also one of the investment options during these uncertain times. Conservative cash positions are also prudent during this time, in the event that unforeseen circumstances arise. We believe the quality of our investment approach and track record, along with our professional and prudent management team will be key factors in driving the Fund’s long-term sustained performance.

## Management and Staff

I would like to thank the Board, our senior management team and all the staff, for their commitment and contribution over the past financial year. They have all shown great dedication to the performance of the Fund, especially in these uncertain times caused by the global COVID-19 pandemic.

I would also like to thank all of the Unitholders for their continued support during the past year.

Yours faithfully,



George Wang  
Chairman  
AIMS Fund Management Limited

# BOARD OF DIRECTORS



## George Wang

### Executive Chairman

Mr Wang is the founding Executive Chairman of AIMS Financial group. Established in 1991, AIMS Financial Group is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment, private equity, venture capital and high-tech investment. AIMS Financial Group is also a strategic investor in the Sydney Stock Exchange (SSX).

Mr Wang is also a patron of the Taronga Foundation which is affiliated with the Taronga Zoo based in Sydney, Australia which operates wildlife conservation programs.

Mr Wang is the Chairman of AIMS APAC REIT which is listed on the Singapore Exchange Limited (SGX). He is also a Director of the Sydney Stock Exchange.

Mr Wang holds a Bachelor of Environmental Engineering from Donghua University, China.



## Richard Nott AM

### Non-Executive Independent Director Chairman of the Audit Committee

Richard Nott was a former General Manager and Chief Executive of CGU Lenders Mortgage Insurance Ltd, General Manager Corporate Banking at Standard Chartered Bank Australia Ltd, General Manager Banking and Associate Director at Australian Bank. He has also had a twenty-six-year career with CBC/National Australia Bank throughout Australia and Europe. Richard was Managing Director Australia for Mortgage Guaranty Insurance Corporation until April 2016.

Richard's qualifications include a Bachelor of Science (Hons), Master of Business Administration, Master of Commerce and Master of Insurance and Risk Management. He is a Fellow of Australian and New Zealand Institute of Insurance and Finance, the Chartered Insurance Institute (UK), the Chartered Institute of Bankers (UK) and various Accounting, Chartered Secretaries, Governance, HR and Management Institutes. He is also a Senior Fellow and life member of FINSIA.

Richard is President of the Australia-Britain Society and he is Australian Representative of the Friends of St. George's and Descendants of the Knights of the Garter. He is a member of the Cook Society and Fred Hollows Foundation. He was made a Member of the Order of Australia (AM) in 2012 for services to banking, insurance and several major charities.

Richard was appointed as a Non-Executive Independent Director and Chairman of the Audit Committee on 5 August 2010.

During the past five years, Richard has acted as a non-executive director of several entities, including Prime Insurance Group.



## John Love

### Non-Executive Independent Director

John is currently a non-Executive Director. He was the former Chairman of Mortgage Guaranty Insurance Corporation Australia and former Chairman and a member of the Audit, Governance and Risk Management Committee for The Australian Wine Society Cooperative Limited. He was previously the General Manager of an Australian mezzanine property finance company. John was also previously the Head of Corporate Banking Australia and Head of Credit at Standard Chartered Bank Australia Limited.

John's qualifications include a Bachelor of Commerce (Qld), a Master of Business Administration (AGSM) and a Master of Insurance and Risk Management (Dip. Insur.). In addition, he is a Certified Practising Accountant, a Fellow of the Tax Institute of Australia, a Fellow of the Chartered Institute of Secretaries, a Fellow of FINSIA, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian and New Zealand Institute of Insurance and Finance, Certified Insurance Professional and a Fellow of the Australian Mutuals Institute.

John was appointed as a Non-Executive Independent Director on 30 March 2011.

During the past five years he has acted as a non-executive director or director of the following entities:

- Mortgage Guarantee Insurance Corporation Australia
- The Australian Wine Society Co-operative Limited



# Corporate Governance Statement

## INTRODUCTION

AIMS Property Securities Fund (“the Fund”) is a listed management investment scheme whose units are traded on the Australian Securities Exchange Limited (ASX) and the Singapore Exchange Limited (SGX). The day-to-day functions and investments of the Fund are externally managed by the Responsible Entity, AIMS Fund Management Limited. The parent company of AIMS Fund Management Limited is Great World Financial Group Pty Ltd (formally named AIMS Group Holding Pty Ltd) (“the Group”).

The Directors of the Responsible Entity (“the Board”) recognise the importance of good corporate governance. The corporate governance framework, policies and practices of the Fund are designed to ensure the effective management and operations of the Fund and will remain under regular review.

A description of the Fund’s practices in respect of the 8 Principles and Recommendations from the ASX Corporate Governance Council’s Revised Corporate Governance Principles and Recommendations (4th edition) (ASX Recommendations) are set out below. All these practices, unless otherwise stated, were in place for the entire year.

This statement is accurate and up to date as at 31 August 2021 and has been approved by the board.

## PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- A. the respective roles and responsibilities of its board and management; and
- B. those matters expressly reserved to the board and those delegated to management.

The Fund is an externally managed entity and this recommendation is therefore not applicable.

### Recommendation 1.2

A listed entity should:

- A. undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
- B. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Fund is an externally managed entity and this recommendation is therefore not applicable.

### Recommendation 1.3

A listed entity should have a written agreement with each

director and senior executive setting out the terms of their appointment.

The Fund is an externally managed entity and this recommendation is therefore not applicable.

### Recommendation 1.4

The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Fund is an externally managed entity and this recommendation is therefore not applicable.

### Recommendation 1.5

A listed entity should:

- A. have and disclose a diversity policy;
- B. through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- C. disclose in relation to each reporting period:
  - (1) the measurable objectives set for that period to achieve gender diversity;
  - (2) the entity’s progress towards achieving those objectives; and
  - (3) either:
    - a. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or
    - b. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.

This recommendation is not applicable as the Fund is an externally managed listed entity.

### Recommendation 1.6

A listed entity should:

- A. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- B. disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

This recommendation is not applicable as the Fund is an externally managed listed entity.

### Recommendation 1.7

A listed entity should:

- A. have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- B. disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

This recommendation is not applicable as the Fund is an externally managed listed entity.

## PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

### Recommendation 2.1

The Board of a listed entity should:

- A. have a nomination committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director, and disclose:
    - (3) the charter of the committee;
    - (4) the members of the committee; and
    - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- B. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

This recommendation is not applicable as the Fund is an externally managed listed entity.

### Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Fund is an externally managed entity and this recommendation is therefore not applicable.

### Recommendation 2.3

A listed entity should disclose:

- A. the names of the directors considered by the board to be independent directors;
- B. if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- C. the length of service of each director.

An Independent Director is not a Director that:

- is, or has been, employed in an executive capacity by the Responsible Entity, or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity;
- is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Responsible Entity, or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within the categories described above; or
- has been a director of the Responsible Entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the Directors' capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Fund as a whole rather than in the interests of an individual unitholder or other party.

# CORPORATE GOVERNANCE STATEMENT Continued

Directors are expected to be meticulous in their disclosure of any material personal or family contract or relationship. Directors must also strictly adhere to constraints on their participation and voting in relation to matters in which they may have an interest, in accordance with the Corporations Act and the Fund's policies.

The Board regularly assesses whether Directors are independent, and each Director is required to provide information relative to this assessment. The Board monitors the independence of each Director by requiring all Directors to make a Fit and Proper Declaration annually (usually the first board meeting of the calendar year). All Directors are responsible to disclose any event that may undermine independence throughout the year.

Name	Position	Independent (Yes/No)	Date appointed
George Wang	Chairman	No	14 July 2009
Richard Nott	Director	Yes	5 August 2010
John Love	Director	Yes	30 March 2011

Details of the background, particular qualifications, expertise and period of service of each Director are set out in the Directors' Report of the Annual Report.

Directors may also meet regularly without management present in order to consider matters independently.

## Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

The Fund is an externally managed entity and this recommendation is therefore not applicable.

## Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

This recommendation is not applicable as the Fund is an externally managed listed entity.

## Recommendation 2.6

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

This recommendation is not applicable as the Fund is an externally managed listed entity.

## PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

### Recommendation 3.1

A listed entity should articulate and disclose its values

The Board has approved the values of the Fund in line with the core values of AIMS Group which function as guiding principles and expectations for behaviour and the culture the Board and management are seeking to embed across the Fund to assist in the achievement of the Fund's purpose and strategic objectives.

The Responsible Entity is required to observe the highest level of professional conduct in carrying out its duties in relation to the Fund, in light of the core values of:

- Innovation
- Communication
- Customer Focus
- Trustworthiness
- Change

The Responsible Entity strives for open communication with everyone it engages with, including service providers and unitholders of the Fund. It will always act in the best interests of all unitholders by adopting a customer focus approach, and creating a service culture characterized by professionalism, promptness, honesty, and a genuine desire to cater for unitholders' needs. It also strives to be a reliable and dependable provider of financial services at all times, and it expects no less from its management, staff, service providers and other stakeholders.

### Recommendation 3.2

A listed entity should:

- have and disclose a code of conduct for its directors, senior executives and employees; and
- ensure that the board or a committee of the board is informed of any material breaches of that code.

The Board has adopted a Code of Conduct which can be viewed on the website of AIMS Funds Management Group: [www.aimsfunfunds.com.au](http://www.aimsfunfunds.com.au). The Code of Conduct applies to all Directors, and staff of the Responsible Entity. The Code sets out the core values of the Responsible Entity and the expectations for how employees should conduct their business affairs including:

- acting in the best interests of unitholders over and above their own interests.
- acting honestly and with high standards of personal integrity.
- complying with the laws, regulations and internal policies, including in relation to the conflicts of interest.
- not knowingly participate in any illegal or unethical activity.

- preserving unitholder confidentiality and not misusing information at all times.
- protecting and promoting the integrity of the market.
- avoiding and/or disclosing any real or perceived conflicts of interest.

The Code of Conduct is discussed with each new employee as part of their induction training.

Any breach of the Code of Conduct is to be escalated to the Company Secretary or the Compliance Officer, and any material breaches will subsequently be reported to the Board.

### Recommendation 3.3

A listed entity should:

- have and disclose a whistleblower policy; and
- ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Board has adopted a Whistle-blower Policy which can be viewed on the website of AIMS Funds Management Group: [www.aimsfunfunds.com.au](http://www.aimsfunfunds.com.au). These procedures establish a system for reporting disclosures of misconduct or an improper state of affairs or circumstances (wrongdoing) by AIMS Funds Management Group or its employees. The system enables such disclosures to be made to the Whistle-blower Protection Officer.

The Managing Director will be informed as to the action that must be taken to prevent the wrongdoing from continuing or occurring in the future where an investigation concludes that the wrongdoing has occurred.

### Recommendation 3.4

A listed entity should:

- have and disclose an anti-bribery and corruption policy; and
- ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Board has adopted an anti-bribery and corruption policy which is contained in the Code of Conduct which can be viewed on the website of AIMS Funds Management Group: [www.aimsfunfunds.com.au](http://www.aimsfunfunds.com.au)

## PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTING

### Recommendation 4.1

The board of a listed entity should:

- have an audit committee which:
  - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board,

and disclose:

- the charter of the committee;
- the relevant qualifications and experience of the members of the committee; and
- in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

- if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Board has an Audit, Risk and Compliance Committee.

The role and responsibilities, composition, structure, membership requirements and procedures for the Audit, Risk and Compliance Committee are set out in the Audit, Risk and Compliance Committee Charter.

There are three members of the Audit, Risk and Compliance Committee, two of which are also non-executive directors of the Board.

At least two members of the Audit, Risk and Compliance Committee have senior experience in finance, including in financial accounting and reporting.

The Audit, Risk and Compliance Committee is required to meet a minimum of four times per year. Attendance at the meetings of the Audit, Risk and Compliance Committee for FY2020-21 is shown in the table below.

Audit, Risk and Compliance Committee member	Number of meetings held while the individual was a member of the Committee	Number of meetings attended by the individual
Richard Nott	4	4
John Love	4	4
Claud Chaaya	4	4

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Fund. The Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plans for the Fund.

# CORPORATE GOVERNANCE STATEMENT Continued

## Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

As the Responsible Entity does not have a CFO, the Finance Manager assumes all the functions of CFO.

The CEO and the Finance Manager have declared in writing to the Board that, in their opinions, the financial records of the Fund and its Responsible Entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Fund and its Responsible Entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Non-audited corporate reports, such as Fund updates, receives extensive management review prior to release to the market. This Corporate Governance Statement is reviewed and endorsed by the Audit, Risk and Compliance Committee prior to Board approval.

## PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

### Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1

The fund has a Continuous Disclosure Policy to ensure continuous disclosure and access to information for investors. All employees (including directors and other officers) of the Group and its related bodies corporate must adhere to that Continuous Disclosure Policy.

The general principle that underpins the Continuous Disclosure Policy is that once the Fund becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, it must immediately advise the ASX of that information.

The Continuous Disclosure Policy addresses:

- the roles and responsibilities of directors, officers and

employees in complying with the Fund's disclosure obligations;

- Safeguarding confidentiality of corporate information to avoid premature disclosure;
- Media contact and comment;
- External communications such as analyst briefings and responses to unitholder questions; and
- Measures for responding to or avoiding the emergence of a false market in the Fund's securities.

A copy of the Continuous Disclosure Policy is disclosed on the AIMS Funds Management Group website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

## Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Board and the executive team are included in an email distribution list to receive a copy of all ASX market announcements made by the Responsible Entity to ensure they have visibility of the nature and quality of the information being disclosed to the market, and the frequency of such disclosures.

## Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

All material presentations by the Responsible Entity are released to the ASX and posted on the Fund's website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

## PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

### Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Information about the Fund and its governance arrangements (including copies of board charters and policies) are available on the AIMS website: [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

### Recommendation 6.2

A listed entity should have an investor relations program to facilitate effective two-way communication with investors.

The Fund policy for communication with shareholders is set out in its Communications Policy. The aim of the Board is to ensure that investors are informed of all major developments affecting an AIMS Company through:

- the Annual Report;

- disclosures made to the ASX and Singapore Stock Exchange in the form of market announcements and investor updates;
- notices and explanatory memoranda of Annual General Meetings and other Shareholder meetings;
- Shareholder and unitholder meetings;
- responses to enquiries from shareholders and unitholders; and
- occasional letters from the Chairman or the Managing Director to specifically inform Shareholders or Unitholders of key matters of interest.

The Corporate Governance Statement in the Annual Report of each AIMS Company contains an explanation of any departures from the Governance Recommendations in Recommendation 6.

AIMS communicates with Shareholders and Unitholders through releases on the Australian Securities Exchange, direct correspondence and on the AIMS website: [www.aimsfun.com.au](http://www.aimsfun.com.au)

### Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Fund may convene a unitholder meeting during the financial year at a time and place that is considered convenient for the majority of the Fund's unitholders.

Unitholders will receive a notice of meeting and explanatory memorandum in relation to security holder meetings, copies of which will also be available on the Fund's website: [www.aimsfun.com.au](http://www.aimsfun.com.au) and released to ASX.

At any unitholder meeting, the Chairman will ensure that a reasonable opportunity exists for unitholders to ask questions in relation to the resolutions being voted on. Unitholders are encouraged to attend all unitholder meetings.

### Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Resolutions at the meetings are decided by poll rather than by a show of hands, allowing all unitholders to vote based on the number of units held by them. This also gives them the opportunity to register their vote in the event they are not able to attend the meeting through a proxy.

### Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Fund provides all unitholders with the option to receive communications from, and send communications to, the Fund and its security registry electronically.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

### Recommendation 7.1

The board of a listed entity should:

- have a committee or committees to oversee risk, each of which:
  - has at least three members, a majority of whom are independent directors; and
  - is chaired by an independent director, and disclose:
    - the charter of the committee;
    - the members of the committee; and
    - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board has primary oversight of risk management policies and practices and has adopted an appropriate risk management framework and policy.

In accordance with its Charter, the Audit, Risk and Compliance Committee has more direct responsibility for overseeing the risk management framework and risk management practice. The Audit, Risk and Compliance Committee shall provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the financial reporting, internal controls structure, risk identification and management systems and the internal and external audit functions of AIMS Funds Management (AIMS) group of companies. In doing so, it is the responsibility of the Audit, Risk & Compliance Committee to maintain free and open communication between the Audit, Risk & Compliance Committee, the external auditors and the management of the Company.

The Audit, Risk and Compliance Committee shall comprise no less than two (2) Independent Non-Executive Directors or members as selected by the Board. The Board shall appoint one of the Audit, Risk and Compliance Committee members as Chairman. The Company Secretary will act as Audit, Risk and Compliance Committee Secretary.

The Chairman of the Audit, Risk and Compliance Committee is to report to the Board on the activities of the Audit, Risk and Compliance Committee and to formally table the minutes of the intervening Audit, Risk and Compliance Committee meetings.

The role and responsibilities, composition, structure, membership requirements and procedures for the Audit, Risk and Compliance Committee are set out in the Audit, Risk and Compliance Committee Charter.

# CORPORATE GOVERNANCE STATEMENT Continued

There are three members of the Audit, Risk and Compliance Committee, two of which are also non-executive directors of the Board.

The Audit, Risk and Compliance Committee is required to meet a minimum of four times per year. Attendance at the meetings of the Audit, Risk and Compliance Committee for FY 2020-21 is shown in the table below.

Committee member	Number of meetings held while the individual was a member of the Committee	Number of meetings attended by the individual
Richard Nott	4	4
John Love	4	4
Claud Chaaya	4	4

## Recommendation 7.2

The board or a committee of the board should:

- A. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- B. disclose, in relation to each reporting period, whether such a review has taken place.

The Board reviews the effectiveness of the risk management and internal control systems on an ongoing basis through regular certifications and review undertaken by the finance and compliance functions together with a formal annual review.

The risk management framework is reviewed annually to ensure that it deals adequately with contemporary and emerging risks. If the Company is to operate outside the current risk appetite set by the Board, the matter will be brought to the attention of the Board.

## Recommendation 7.3

A listed entity should disclose:

- A. if it has an internal audit function, how the function is structured and what role it performs; or
- B. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

The Fund has an internal audit function.

From the Board's perspective, the broad objectives of the internal audit function include evaluation of the adequacy and effectiveness of the financial and risk management frameworks of the Fund. To fulfil this objective, the internal audit has unfettered access to all the Board's business lines and support functions.

From a risk management perspective, the role of the

internal audit is to provide independent assurance to the Board that key risk mitigation strategies and control mechanisms are in place, are operating effectively, and are adequate for risk mitigation purposes.

Where weakness in risk mitigation strategies or control mechanisms are identified, the internal audit is expected to confirm rectification procedures are in place, actively monitored to completion, and reported to the appropriate levels of senior management and the Audit, Risk and Compliance Committee.

## Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Fund does not have any material exposure to economic, environmental and social sustainability risks.

A copy of the Group's Risk Management Policy is disclosed on the AIMS Funds Management Group website: [www.aimsfunfs.com.au](http://www.aimsfunfs.com.au)

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

### Recommendation 8.1

The board of a listed entity should:

- A. have a remuneration committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director, and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- B. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

This recommendation is not applicable as the Fund is an externally managed listed entity.

### Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

This recommendation is not applicable as the Fund is an externally managed listed entity.

### **Recommendation 8.3**

A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.

This recommendation is not applicable as the Fund is an externally managed listed entity.

### **ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES:**

#### **Alternative to Recommendation 1.1 for externally managed listed entities:**

The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.

The Fund is managed under the supervision and direction of the Board of the Responsible Entity. The structure, responsibilities, roles and functions of the Board and management are set out in the Board Charter. The key responsibilities of the Board include:

- providing leadership and setting the strategic objectives of the Fund;
- appointing the chair and/or the independent director;
- appointing, and when necessary replacing, the CEO;
- approving the appointment, and when necessary replacement, of other senior executives;
- overseeing management's implementation of the entity's strategic objectives and its performance generally;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the Fund's accounting and corporate reporting systems, including the external audit;
- overseeing the entity's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the Fund's units;
- approving the fund's remuneration framework; and
- monitoring the effectiveness of the Fund's governance practices.

The management is responsible for providing the resources to enable the Fund to appropriately and adequately conduct its operations and administer its affairs in relation to the funds management business. In particular, the Fund is responsible for implementing the strategy and performance objectives of the Fund and its daily operations.

The Board has also granted specific delegated authorities to the management, including in respect of project expenditure, operational expenditure, leasing, accounting and treasury.

Directors are advised of these functions and their duties and responsibilities in their letters of appointment and induction material.

The responsibilities and accountabilities of senior executives are defined in position descriptions signed by the senior executives on or about commencement of employment.

The Responsible Entity has outsourced certain aspects of the management of the Fund to external service providers, including registry and custodial services. The Responsible Entity has entered into service agreements with these service providers and is required to regularly monitor the performance of these service providers against the requirements set out in the relevant agreements.

#### **Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:**

An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

The remuneration of the Responsible Entity of the Fund is regulated by the Fund Constitution. Under the Fund Constitution, the Responsible Entity has a right to be reimbursed for expenses from the assets of the Fund in relation to the proper performance of its duties.

The Responsible Entity is not to receive any management fees or performance fees in relation to its role as responsible entity of the Fund.



# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors of AIMS Fund Management Limited, the Responsible Entity of AIMS Property Securities Fund ("the Fund"), present their report together with the Financial Report of the Fund for the financial year ended 30 June 2021.

The Responsible Entity's registered office and principal place of business is Level 41, 259 George Street, Sydney, NSW 2000

## DIRECTORS & COMPANY SECRETARY

The Directors and Company Secretary of the Responsible Entity during the financial year are shown below. The Directors and Company Secretary were in office to the date of the report unless otherwise stated:

NAME, QUALIFICATIONS AND INDEPENDENCE STATUS	EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS
<p><b>George Wang</b> BE</p> <p><b>Executive Chairman</b></p>	<p>Mr Wang is the founding Executive Chairman of AIMS Financial group. Established in 1991, AIMS Financial Group is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment, private equity, venture capital and high-tech investment. AIMS Financial Group is also a strategic investor in the Sydney Stock Exchange (SSX).</p> <p>Mr Wang is also a patron of the Taronga Foundation which is affiliated with the Taronga Zoo based in Sydney, Australia which operates wildlife conservation programs.</p> <p>Mr Wang is the Chairman of AIMS APAC REIT which is listed on the Singapore Stock Exchange (SGX). He is also the Director of the Sydney Stock Exchange.</p> <p>Mr Wang holds a Bachelor of Environmental Engineering from Donghua University, China.</p>
<p><b>Richard Nott AM</b> BSc (Hons), MCom, MBA, MIRM</p> <p><b>Non-Executive Independent Director &amp; Chairman of the Audit Committee</b></p>	<p>Richard Nott is a former General Manager and Chief Executive of CGU Lenders Mortgage Insurance Ltd, General Manager Corporate Banking at Standard Chartered Bank Australia Ltd, General Manager Banking and Associate Director at Australian Bank. He has also had a twenty-six-year career with CBC/National Australia Bank throughout Australia and Europe. Richard was Managing Director Australia for Mortgage Guaranty Insurance Corporation until April 2016.</p> <p>Richard's qualifications include a Bachelor of Science (Hons), Master of Business Administration, Master of Commerce and Master of Insurance and Risk Management. He is a Fellow of Australian and New Zealand Institute of Insurance and Finance, the Chartered Insurance Institute (UK), the Chartered Institute of Bankers (UK) and various Accounting, Chartered Secretaries, Governance, HR and Management Institutes. He is also a Senior Fellow and life member of FINSIA.</p> <p>Richard is President of the Australia-Britain Society and he is Australian Representative of the Friends of St. George's and Descendants of the Knights of the Garter. He is a member of the Cook Society and Fred Hollows Foundation. He was made a Member of the Order of Australia (AM) in 2012 for services to banking, insurance and several major charities.</p> <p>Richard was appointed as a Non-Executive Independent Director and Chairman of the Audit Committee on 5 August 2010.</p> <p>During the past five years has acted as a non-executive director of several entities, including Prime Insurance Group.</p>

# DIRECTORS' REPORT Continued

FOR THE YEAR ENDED 30 JUNE 2021

NAME, QUALIFICATIONS AND INDEPENDENCE STATUS	EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS
<p><b>John Love</b> BCom, MBA, MIRM, CPA</p> <p><b>Non-executive Independent Director</b></p>	<p>John is currently a non-Executive Director. He was the former Chairman of Mortgage Guaranty Insurance Corporation Australia and former Chairman and a member of the Audit, Governance and Risk Management Committee for The Australian Wine Society Cooperative Limited. He was previously the General Manager of an Australian mezzanine property finance company. John was also previously the Head of Corporate Banking Australia and Head of Credit at Standard Chartered Bank Australia Limited.</p> <p>John's qualifications include a Bachelor of Commerce (Qld), a Master of Business Administration (AGSM) and a Master of Insurance and Risk Management (Deakin). In addition, he is a Certified Practising Accountant, a Fellow of the Tax Institute of Australia, a Fellow of the Chartered Institute of Secretaries, a Fellow of FINSIA, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian and New Zealand Institute of Insurance and Finance, Certified Insurance Professional and a Fellow of the Australian Mutuals Institute.</p> <p>John was appointed as a Non-Executive Independent Director on 30 March 2011.</p> <ul style="list-style-type: none"><li>• During the past five years he has acted as a non-executive director or director of the following entities:<ul style="list-style-type: none"><li>- Mortgage Guaranty Insurance Corporation Australia</li><li>- The Australian Wine Society Co-operative Limited</li></ul></li></ul>
<p><b>Claud Chaaya</b> BCom, LLB</p> <p><b>Company Secretary &amp; Director of Property Funds Management</b></p>	<p>Claud is currently the director of property funds management at AIMS Financial Group. The business unit has over AU \$2 billion in assets under management.</p> <p>With over 14 years' experience in the real estate sector, he has worked in funds management, equity raisings, research, project management and transactions in both domestic and offshore capital markets. He has been involved in real estate transactions totalling over AU \$2 billion, covering both multi-sector and multi-risk portfolios.</p> <p>He has helped raise over half a billion dollars in equity from offshore and domestic capital, including the Australian Federal Government. He has also aided in the establishment of proprietary risk management software for real estate, a first of its kind in the industry.</p> <p>His qualifications include a double degree in Law and Commerce, majoring in Finance, with qualifying subjects in Actuarial Studies and Computer Science. He has taught as a lecturer at the University of Technology Sydney (UTS) and is occasionally invited as a guest lecturer at the Universities of Sydney and New South Wales, given his specialist knowledge in real estate financial modelling and legal real estate structuring.</p> <p>Claud was appointed Company Secretary of AIMS Fund Management Limited, the responsible entity of the AIMS Property Securities Fund on 7 August 2017.</p>

## PRINCIPAL ACTIVITIES

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

# DIRECTORS' REPORT Continued

FOR THE YEAR ENDED 30 JUNE 2021

## REVIEW OF OPERATIONS

### *Summary of Business Model*

The Fund is a listed fund which manages a portfolio of real estate securities investments with the objective of providing regular stable income and the potential for capital growth.

The Fund generates its revenue primarily by 'harvesting' the dividends and distributions received from the companies and trusts in its portfolio. Additional income is derived from interest earned on cash deposits. For the financial year ended 30 June 2021, distribution income decreased by 44.29% from the 30 June 2020 figure. The variance in distribution income from 2021 to 2020 is \$1,323,000 compared to \$2,375,000, respectively.

The Fund offers investors a professionally managed, diversified, and traded exposure to the Australian and Singapore property markets.

### *Investment Process*

The investment team, led by the Chief Executive Officer and overseen by the non-executive Directors, is responsible for constructing and maintaining an appropriately diversified portfolio which generates stable income and the potential for long-term capital growth.

The investment process, which involves the monitoring and review of existing investments as well as analysing potential new investments, includes extensive research, site visits and industry conferences, as well as economic and sector analysis to help identify emerging trends and assist with the timing of transactions.

The structure of a listed fund is ideally suited to building a long-term portfolio, as the Fund does not experience investor redemptions which might otherwise force desirable long-term holdings to be sold. Instead, unitholders wishing to liquidate their holding in the Fund simply sell their units on the stock exchanges. This stability allows the Fund to take advantage of short-term market fluctuations in order to buy or add to long-term holdings when prices trade below the long-term valuations calculated by the investment team. The selling of investments is relatively rare and generally only occurs due to takeovers or when it is perceived that the long-term value of an investment is compromised by deteriorating industry conditions or other concerns.

## REVIEW OF ACTIVITIES AND EVENTS DURING THE YEAR

The Fund's assets are invested in a mix of listed and unlisted property securities. Over the past financial year, the Fund's total return compared to the S&P/ASX 200 Total Return Index was lower being -2% vs 33.24% (35.24% under-performance).

Over the course of the financial year, the Fund's investment portfolio returned 12.05%\* and the Fund's market unit price decreased by 2% for the financial year, however the market unit price is trading at a discount to net tangible asset backing per unit.

*\*Fund's investment portfolio return is equal to total return of investment (distribution income + gain in fair value of investments) is divided by the value of the investment.*

The major changes to the portfolio during the year are as follows:

Sales	No. of Units	Amount (\$)
WOTSO Limited	2,762,000	1,311,950
<b>Total</b>		<b>1,311,950</b>

Purchases	No. of Units	Amount (\$)
WOTSO Property	704,955	1,036,284
<b>Total</b>		<b>1,036,284</b>

# DIRECTORS' REPORT Continued

FOR THE YEAR ENDED 30 JUNE 2021

Overall the number of investments held in the portfolio was 10 (2020: 10).

## COVID-19 DISCLOSURE

It is important to note that this report is prepared with the backdrop of the global Coronavirus pandemic, which has caused economic instability around the world. It is important to note that the figures presented in this report, particularly relating to the value of the Fund's underlying investments in real estate products, are subject to market volatility and uncertainty in these unprecedented times.

## REVIEW OF FINANCIAL POSITION AND PERFORMANCE

A number of key performance indicators are used by the Directors and management in their assessment of the Fund's performance, including profit, earnings per unit, distributions paid to unitholders, unitholders' equity, net tangible asset backing per unit, total portfolio return and control of management costs. The Directors are pleased these indicators were all assessed positively, indicating a very successful year.

The comprehensive gain attributable to unitholders for the year ended 30 June 2021 is \$12,770,000 (2020: loss \$4,267,000). This result includes an unrealised gain on investments of \$12,557,000 (2020: unrealised loss of \$5,439,000). The Fund's distribution income decreased from \$2,375,000 to \$1,323,000 during the year. The Fund decreased its distributions to unitholders from \$901,000 to \$nil during the year.

The Fund's financial position increased from \$109,330,000 to \$122,100,000. The cash or cash equivalent assets at year-end were \$1,981,000, representing 1.62% of the Fund's total assets. Cash on hand fluctuates throughout the year according to the timing of distributions received, distributions paid, and investment purchases or disposals.

The Fund's total assets were valued at \$122,245,000 as at 30 June 2021 (2020: \$109,480,000) in accordance with the accounting policies set out in Note 5 of the Financial Report. The net tangible asset value was \$2.74 per ordinary unit (2020: \$2.46 per unit). The net tangible asset calculation excludes the Deferred Units on issue.

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

	ASX listed Units		SGX listed Units	
	Year ended 30-Jun 2021 %	Year ended 30 June 2020 %	Year ended 30 June 2021 %	Year ended 30 June 2020 %
Distribution Return	0.00	1.43	0.00	1.23
Growth Return	-2.00	-11.35	-13.76	-19.42
<b>Total Return</b>	<b>-2.00</b>	<b>-9.92</b>	<b>-13.76</b>	<b>-18.19</b>

The distribution return is calculated on the basis of the gross distribution to Unitholders before deducting any withholding tax which may be applicable. The growth return relates to the movement between closing trade prices on the respective ASX and SGX at 30 June 2021 and the closing trade prices on 30 June 2020. The market price of the Fund's Units (as represented by the closing trade price) on the ASX at 30 June 2021 was AUD\$1.225 (2020: AUD\$1.250). The market price of the Fund's units on the SGX at 30 June 2021 was SGD\$1.020 (2020: SGD\$1.170).

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

# DIRECTORS' REPORT Continued

FOR THE YEAR ENDED 30 JUNE 2021

## FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Fund has cash available for additional long-term investment opportunities and other capital initiatives. It will continue to focus on producing results in accordance with its stated investment objective.

The results of the Fund's future investment activities will depend primarily on the performance of the unit price, and the distributions received from, the entities in which the Fund has invested. The performance of those entities is influenced by many factors which are difficult to predict, including economic growth rates, inflation, interest rates, exchange rates, regulatory changes and taxation levels. There are also specific issues such as management competence, capital strength, industry trends and competitive behaviour.

The Fund is conservatively managed and the diversification of the investment portfolio holdings helps to reduce overall risk and the volatility of the Fund's earnings and capital fluctuations.

The Fund will continue to focus on controlling costs whilst growing its unitholder funds. The constantly changing nature of markets and other investment conditions requires management and the Directors to diligently appraise any opportunities that may present themselves. The Fund does not envisage any significant changes to its business model.

The Fund will continue to be managed in accordance with the investment objectives and guidelines as outlined in the current product disclosure statement and in accordance with the provisions of the Fund Constitution.

## DISTRIBUTIONS PAID OR RECOMMENDED

	2021		2020	
	\$'000	Cents per unit	\$'000	Cents per unit
Sep quarter distribution paid	-	-	238	0.5350
Dec quarter distribution paid	-	-	318	0.7142
Mar quarter distribution paid	-	-	345	0.7748
Jun quarter distribution paid	-	-	-	-
	-	-	<b>901</b>	<b>2.0240</b>

In May 2020, the Fund announced that due to the uncertainty of the current market conditions as a result of the COVID-19 pandemic, in the best interests of the Fund's unitholders, the prudent course of action is to cease distributions from the June quarter 2020 onwards.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as noted in "Results and Review of Operations", there were no significant changes in the state of affairs of the Fund which occurred during the financial year ended 30 June 2021.

## AFTER BALANCE DATE EVENTS

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

## ENVIRONMENTAL ISSUES

The Fund's operations are not subject to any significant environmental regulation under Commonwealth, State or Territory legislation.

# DIRECTORS' REPORT Continued

FOR THE YEAR ENDED 30 JUNE 2021

## OTHER RELEVANT INFORMATION

The following is a list of other relevant information required to be reported under the Corporations Act 2001:

- Fees paid to the Responsible Entity – refer to note 16 to the financial statements;
- Units held by the directors of the Responsible Entity – refer to note 16 to the financial statements;
- Units held by the Responsible Entity and Associates – refer to note 16 to the financial statements;

## INDEMNIFYING OFFICERS OR AUDITOR

Under the Fund's constitution, the Responsible Entity is indemnified out of the Fund's assets for any loss, damage expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

Insurance premiums have been paid, during or since the end of the financial year for all of the directors of the Responsible Entity of the Fund. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for the auditor of the Fund.

Total fee paid and expenses reimbursed to the Responsible Entity is \$995,000 (2020: \$995,000). All transactions with related parties are conducted on normal commercial terms and conditions. From time to time, the Responsible Entity or its director-related entities may buy or sell units in the Fund. These transactions are subject to the same terms and conditions as those entered into by other Fund investors and are subject to corporate governance policies of AIMS Financial Group.

Non-audit services paid to the auditor, amounted to \$10,000 (2020: \$10,000). These figures were approved by the Audit Risk & Compliance Committee.

## ROUNDING OF AMOUNTS

The Fund is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191, and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## AUDITOR'S INDEPENDENCE

The auditor's independence declaration is set out on page 20 and forms part of the directors' report for the financial year ended 30 June 2021.

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



Mr George Wang

Executive Chairman

**Dated this 31<sup>st</sup> August 2021**

# LEAD AUDITOR'S INDEPENDENCE DECLARATION

for the year ended 30 JUNE 2021

HALL CHADWICK  (NSW)

AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001 TO  
THE DIRECTORS OF AIMS FUND MANAGEMENT LIMITED, THE RESPONSIBLE  
ENTITY OF AIMS PROPERTY SECURITIES FUND

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of AIMS Fund Management Limited. As the lead audit partner for the audit of the financial report of AIMS Property Securities Fund for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



DREW TOWNSEND  
Partner  
Dated: 31 August 2021

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# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	<b>Note</b>	<b>2021</b> (\$'000s)	<b>2020</b> (\$'000s)
Distribution income	13	1,323	2,375
Interest income		156	131
Other income		-	2
Net (losses)/gains on financial assets held at fair value through profit or gain	13	12,557	(5,439)
Net losses on foreign exchange		(19)	(10)
<b>Net investment income</b>		<b>14,017</b>	<b>(2,941)</b>
Administration expenses	6	1,247	1,326
<b>Total expenses</b>		<b>1,247</b>	<b>1,326</b>
<b>Net profit/(loss) for the year before finance costs</b>		<b>12,770</b>	<b>(4,267)</b>
<b>Finance costs</b>			
Distributions to Unitholders	7	-	901
<b>Change in net assets attributable to Unitholders</b>	12	<b>12,770</b>	<b>(5,168)</b>

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



# STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Note	2021 (\$'000s)	2020 (\$'000s)
<b>Current Assets</b>			
Cash and cash equivalents	8	1,981	1,671
Trade and other receivables	9	517	532
<b>Total Current Assets</b>		<b>2,498</b>	<b>2,203</b>
<b>Non-Current Assets</b>			
Trade and other receivables	9	600	600
Financial assets held at fair value through profit or loss:			
Listed property securities	10	8,633	6,251
Unlisted property securities	10	106,514	96,426
Other financial assets:			
Loan to Felix St Fund	16	4,000	4,000
<b>Total Non-Current Assets</b>		<b>119,747</b>	<b>107,277</b>
<b>Total Assets</b>		<b>122,245</b>	<b>109,480</b>
<b>Current Liabilities</b>			
Financial liabilities held at amortised cost:			
Trade and other payables	11	145	150
<b>Total Current Liabilities</b>		<b>145</b>	<b>150</b>
<b>Non-current Liabilities</b>		-	-
<b>Total Liabilities (excluding net assets attributable to Unitholders)</b>		<b>145</b>	<b>150</b>
<b>Net assets attributable to unitholders (Liability)</b>	12	<b>122,100</b>	<b>109,330</b>

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

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

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Note	2021 (\$'000s)	2020 (\$'000s)
<b>Cash Flows From Operating Activities</b>			
Distributions received		1,337	2,471
Interest received		145	113
Expenses paid		(1,259)	(1,314)
<b>Net Cash Inflows From Operating Activities</b>	8	<b>223</b>	<b>1,270</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from returns of capital		87	167
Proceeds from matured term deposits		-	4,000
Proceeds from sale of financial assets		-	1,386
Acquisition of financial assets		-	(6,500)
<b>Net Cash Flows From/ (used in) Investing Activities</b>		<b>87</b>	<b>(947)</b>
<b>Cash Flows From Financing Activities</b>			
Payments for units bought back	12	-	(124)
Distributions paid		-	(1,177)
<b>Net Cash Flows (used in) Financing Activities</b>		<b>-</b>	<b>(1,301)</b>
Net increase in cash and cash equivalents		310	(978)
Cash and cash equivalents at beginning of the year		1,671	2,649
<b>Cash and cash equivalents at the end of the year</b>	8	<b>1,981</b>	<b>1,671</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 1. GENERAL INFORMATION

These financial statements cover AIMS Property Securities Fund (“the Fund”) as an individual entity domiciled in Australia. The address of the Fund’s registered office is at Level 41, 259 George Street, Sydney, NSW 2000. The Fund is a registered Managed Investment Scheme under Corporations Act 2001 and is listed on both the ASX and SGX. The fund is a for-profit entity. The Responsible Entity of the Fund is AIMS Fund Management Limited.

The annual financial report for the year ended 30 June 2021 was authorised for issue by the Directors of the Responsible Entity on 31 August 2021.

The Fund invests in a portfolio of property related securities diversified by property sectors, geographic locations and fund managers.

## 2. BASIS OF PREPARATION

### (A) Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements also comply with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

### (B) Basis of Measurement

The financial statements have been prepared on an accrual basis and are based on historical cost with the exception of investments in property securities, which are measured at fair value.

## 3. FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Report is presented in Australian dollars, which is the Fund’s functional currency.

The Fund is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) instrument 2016/191, and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

## 4. USE OF ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting of estimates made in determining the fair value of unlisted

property securities are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements at the reporting date and have a significant risk of causing material adjustments to the financial statements in the next annual reporting period include estimates of fair value for unlisted property securities (see notes 10 and 14).

## 5. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies have been applied consistently to all periods presented in these financial statements, except where otherwise stated.

A number of significant accounting policies are presented below. Other significant accounting policies are contained in the notes to the financial statements to which they relate.

### (A) Income and Expenses

Income and expenses are brought to account on an accruals basis except where stated otherwise.

#### *Distribution Income*

For all listed and unlisted securities, distribution income is recognised at the date the securities are quoted ex-distribution.

#### *Interest Income and Expense*

Interest income and expense is recognised in the profit or loss as it accrues, using the effective interest method.

### (B) Income Tax and Other Taxes

Under current income tax legislation, the Fund is not liable to pay income tax provided that the taxable income and taxable realised gains are fully distributed to unitholders.

### (C) Investment Entities

The Fund has determined that it is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

- a. The Fund has obtained funds for the purpose of providing unitholders with investment management services;
- b. The Fund’s business purpose, which is communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- c. The performance of investments made through the Fund are measured and evaluated on a fair value basis.

As a result, the Fund accounts for its investments in investees on a fair value basis.

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## (D) Accounting Standards and Interpretations issued and effective

The Fund has adopted the new or amended Accounting Standards which have become applicable for the current financial reporting period:

### - Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions

AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

### - Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

## 6. ADMINISTRATION EXPENSES

	Note	2021 (\$'000s)	2020 (\$'000s)
Professional fees		67	64
Expenses reimbursement	16	995	995
Listing fees		82	100
Custodian fees		61	63
Share registry fees		25	35
Other expenses		17	69
		<b>1,247</b>	<b>1,326</b>

## 7. DISTRIBUTIONS PAID AND PAYABLE

	2021		2020	
	(\$'000s)	Cents per unit	(\$'000s)	Cents per unit
Sep quarter distribution paid	-	-	238	0.5350
Dec quarter distribution paid	-	-	318	0.7142
Mar quarter distribution paid	-	-	345	0.7748
Jun quarter distribution paid	-	-	-	-
	-	-	<b>901</b>	<b>2.0240</b>

In May 2020, the Fund announced that due to the uncertainty of the current market conditions as a result of the COVID-19 pandemic, in the best interests of the fund's unitholders, the prudent course of action is to cease distributions from the June quarter 2020 onwards.

In accordance with the Fund's constitution and applicable taxation legislation, the Fund distributes its taxable income in full to the Unitholders who are presently entitled to the income. As the Fund fully distributes its taxable income, it is not subject to tax.

Financial assets held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to Unitholders and are retained in the Fund to be offset against any current or future realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to the Unitholders.

Distributions to Unitholders are made, net of any applicable withholding tax.

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## 8. CASH AND CASH EQUIVALENTS

	2021 (\$'000s)	2020 (\$'000s)
Cash at Bank	1,981	1,671
	<b>1,981</b>	<b>1,671</b>
<b>Reconciliation of Cash Flows From Operating Activities</b>		
	2021 (\$'000s)	2020 (\$'000s)
(Loss)/profit for the year before finance costs	12,770	(4,267)
<i>Adjustments for:</i>		
Net unrealised (gains)/losses on investments	(12,557)	6,825
Net realised gain on investments	-	(1,386)
Change in trade and other payables	(5)	31
Change in trade and other receivables	15	67
<b>Cash flows from operating activities</b>	<b>223</b>	<b>1,270</b>

Cash and cash equivalents in the statement of financial position consist of cash at bank and short-term deposits that are readily convertible into known amounts of cash. The Fund considers a short-term deposit to have a maturity of three months or less and be subject to an insignificant risk of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash at bank.

## 9. TRADE AND OTHER RECEIVABLES

	2021 (\$'000s)	2020 (\$'000s)
<b>Current</b>		
Accrued income	510	513
GST receivable	7	19
	<b>517</b>	<b>532</b>
<b>Non-Current</b>		
Accrued income	600	600
	<b>600</b>	<b>600</b>

### **Recognition and measurement**

Other receivables and other financial assets including loan to Felix St are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses. The measurement of the loss allowance depends upon the Fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The loss allowance is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## 10. FINANCIAL ASSETS

	2021 (\$'000s)	2020 (\$'000s)
<b>Financial Assets at Fair Value</b>		
Listed property securities	8,633	6,251
Unlisted property securities <sup>(1)</sup>	106,514	96,426
<b>Total Financial Assets at Fair Value</b>	<b>115,147</b>	<b>102,677</b>
	2021 (\$'000s)	2020 (\$'000s)
<b>Reconciliation</b>		
Carrying amount at the beginning of the year	102,677	107,169
Additions - cost	-	6,500
Revaluation to fair value	12,557	(5,439)
Term deposit matured	-	(4,000)
Disposals including returns of capital	(87)	(1,553)
	<b>115,147</b>	<b>102,677</b>

<sup>(1)</sup> The fair value of these unlisted property securities as at the end of the reporting periods are estimated based on the net tangible assets of the underlying funds, which are closed-end or open-ended with no redemption windows. As the underlying assets and liabilities of these funds are measured at fair value or their carrying value approximates their fair value, the net tangible asset represents the best estimate of fair value of these investments in unlisted funds. The realisable value and liquidity of the investments are subject to the underlying funds' performance, their ability to comply with loan covenants, and/or their ability to sell down assets. As at 30 June 2021 the fair value of investments in closed end funds and open ended funds with no redemption windows amounted to \$106,514,000 (2020: \$96,426,000).

### Financial Assets at Fair Value Through Profit or Loss

#### Classification

The financial assets at fair value through profit or loss comprise financial instruments designated at fair value through profit or loss upon initial recognition. These financial assets include unlisted property securities that are not held for trading purposes and listed property securities which may be sold and term deposits.

The fair value through profit or loss classification is in accordance with AASB 9 Financial Instruments. The fair value through profit or loss classification is applicable for all of the financial assets held by the Fund as the Fund's performance is evaluated on a fair value basis and information about the Fund is provided on that basis to the directors of the Responsible Entity.

#### Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded. Financial liabilities are not recognised unless one of the parties has performed their part of the contract, or the contract is a derivative contract not exempted from the scope of AASB 9.

#### Measurement

Financial assets at fair value through profit or loss are measured initially at fair value (excluding transaction cost). Transaction costs on financial assets classified at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or losses are measured at fair value with changes in their fair value recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## **Fair Value Measurement Principles**

The fair value of financial instruments is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid price, whilst financial liabilities are priced at current asking price.

Investments in unlisted managed investment schemes are recorded at the exit price or the Net Tangible Asset (NTA) value as reported by the managers of such schemes as at the reporting date if the exit price is not available.

## **Derecognition**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition in accordance with AASB 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

## 11. TRADE AND OTHER PAYABLES

	<b>2021</b> (\$'000s)	<b>2020</b> (\$'000s)
Trade payables	87	89
Accrued expenses	58	61
<b>Total payables</b>	<b>145</b>	<b>150</b>

Trade and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition.

## 12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2021				2020			
	No. of Ordinary Units ('000s)	No. of Deferred Units ('000s)	No. of Total Units ('000s)	\$ ('000s)	No. of Ordinary Units ('000s)	No. of Deferred Units ('000s)	No. of Total Units ('000s)	\$ ('000s)
Opening balance	44,519	1,753	46,272	109,330	44,603	1,753	46,356	114,622
Share buyback	-	-	-	-	(84)	-	(84)	(124)
Change in net assets attributable to Unitholders	-	-	-	12,770	-	-	-	(5,168)
<b>Closing balance</b>	<b>44,519</b>	<b>1,753</b>	<b>46,272</b>	<b>122,100</b>	<b>44,519</b>	<b>1,753</b>	<b>46,272</b>	<b>109,330</b>



# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

All Ordinary Units in the Fund carry equal rights and each unit represents a right to the underlying assets of the Fund. Deferred Units in the Fund carry no right to participate in any distribution of the Fund. Deferred Units are converted to ordinary units on the terms set out in the Fund's constitution. At 30 June 2021, 1,752,605 (2020: 1,752,605) Deferred Units were on issue. Deferred units were issued to the Responsible Entity and are convertible to Ordinary Units to settle performance fees if the performance hurdles were met. However, the supplemental deed of the Fund's constitution removed the payment of performance fees to the Responsible Entity (see Note 16) and as such the Deferred Units will no longer be converted to Ordinary Units.

Non-distributable income, which may comprise unrealised changes in the fair value of investments, net capital losses, tax-deferred income, accrued income not yet assessable and non-deductible expenses, is reflected in the profit or loss as a change in net assets attributable to Unitholders. These items are included in the determination of distributable income in the period for which they are assessable for taxation purposes.

## Capital Risk Management

The Responsible Entity manages the Fund's capital to ensure that it will be able to continue as a going concern with the primary objective being the protection of unitholder value. Capital includes cash and cash equivalents as presented on the statement of financial position.

## 13. OPERATING SEGMENTS

The Fund invests in a portfolio of property related securities diversified by property sectors, geographic locations and fund managers. The performance of the portfolio as a whole and of each investment is reported to and reviewed by the Board of the Responsible Entity at least quarterly. All decisions relating to acquisitions, disposal and asset allocation are made in accordance with the Fund's investment policy and required to be approved by the Board of the Responsible Entity. The Fund has assessed that each investment is considered a reportable segment.

Information related to each reportable segment is set out below. Distribution income and changes in fair value of each investment are used to measure performance because the Board believe that this information is the most relevant in evaluating the results of the respective segments. The accounting policies for distribution income and changes in fair value are disclosed in notes 5(A) and 10.

## Financial Performance

Investments	Sectors	2021			2020		
		Distribution Income \$ ('000s)	Changes in Fair Value (realised and unrealised) \$ ('000s)	Total Segment Income \$ ('000s)	Distribution Income \$ ('000s)	Changes in Fair Value (realised and unrealised) \$ ('000s)	Total Segment Income \$ ('000s)
<b>Listed</b>							
Blackwall Limited	Diversified	124	566	690	113	(1,340)	(1,227)
Arena REIT	Childcare	1	7	8	1	27	28
AIMS APAC REIT	Industrial	334	772	1,106	386	(1,071)	(685)
WOTSO Property	Diversified	-	1,036	1,036			
<b>Unlisted</b>							
AIMS Property Fund (St Kilda Road)	Office	131	(439)	(308)	79	(2,933)	(2,854)
AIMS Total Return Fund	Office	-	(16)	(16)	-	(707)	(707)
AIMS Property Fund (Felix St)	Office	-	(2,054)	(2,054)	-	(760)	(760)
AIMS Property Fund (Laverton)	Industrial	723	13,302	14,025	1,171	1,381	2,552
Waratah Hotel Group	Pubs	10	745	755	(80)	167	87
WOTSO Limited	Diversified	-	(1,312)	(1,312)	-	1,174	1,174
AIMS Real Estate Opportunity Fund	Diversified	-	(50)	(50)	705	(1,377)	(672)
<b>Total by Segments</b>		<b>1,323</b>	<b>12,557</b>	<b>13,880</b>	<b>2,375</b>	<b>(5,439)</b>	<b>(3,064)</b>

## Segment Assets

Investments	Sectors	2021			2020		
		Carrying Value \$ ('000s)	Distribution/ Dividend Income Receivables \$ ('000s)	Total Segment Assets \$ ('000s)	Carrying Value \$ ('000s)	Distribution/ Dividend Income Receivables \$ ('000s)	Total Segment Assets \$ ('000s)
<b>Listed</b>							
Blackwall Limited	Diversified	1,547	-	1,547	981	-	981
Arena REIT	Childcare	18	-	18	11	-	11
AIMS APAC REIT	Industrial	6,032	-	6,032	5,260	-	5,260
WOTSO Property	Diversified	1,036	-	1,036	-	-	-
<b>Unlisted</b>							
AIMS Property Fund (St Kilda Road)	Office	27,047	131	27,178	27,486	-	27,486
AIMS Total Return Fund	Diversified	5,798	-	5,798	5,814	-	5,814
AIMS Property Fund (Felix St)	Office	8,283	630	8,913	10,337	619	10,956
AIMS Property Fund (Laverton)	Industrial	37,361	349	37,709	24,059	259	24,318
Waratah Hotel Group	Pubs	2,728	-	2,728	2,070	-	2,070
WOTSO Limited	Diversified	-	-	-	1,312	-	1,312
AIMS Real Estate Opportunity Fund	Diversified	25,297	-	25,297	25,347	235	25,582
<b>Total by Segments</b>		<b>115,147</b>	<b>1,110</b>	<b>116,257</b>	<b>102,677</b>	<b>1,113</b>	<b>103,790</b>

Reconciliations of segment assets	2021 \$ ('000s)	2020 \$ ('000s)	Reconciliations of segment income	2021 \$ ('000s)	2020 \$ ('000s)
Total segment assets	116,257	103,790	Total segment income	13,880	(3,064)
Cash and cash equivalents	1,981	1,671	Interest income	156	131
Other assets	7	19	Other income	-	2
Term deposit	-	-	Gain on foreign exchange	(19)	(10)
Loan to a related party	4,000	4,000	<b>Net investment income</b>	<b>14,017</b>	<b>(2,941)</b>
<b>Total assets</b>	<b>122,245</b>	<b>109,480</b>			

## 14. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

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

2021	Fair Value				Total \$ ('000s)	Carrying Value \$ ('000s)
	Level 1 \$ ('000s)	Level 2 \$ ('000s)	Level 3 \$ ('000s)			
<b>Financial assets measured at fair value</b>						
Listed property securities	8,633	-	-		8,633	8,633
Unlisted property securities	-	-	106,514		106,514	106,514
	<b>8,633</b>	<b>-</b>	<b>106,514</b>		<b>115,147</b>	<b>115,147</b>
<b>Financial liabilities not measured at fair value</b>						
Net Assets attributable to Unitholders	54,536	-	-		54,536	122,100
	<b>54,536</b>	<b>-</b>	<b>-</b>		<b>54,536</b>	<b>122,100</b>

2020	Fair Value				Total \$ ('000s)	Carrying Value \$ ('000s)
	Level 1 \$ ('000s)	Level 2 \$ ('000s)	Level 3 \$ ('000s)			
<b>Financial assets measured at fair value</b>						
Listed property securities	6,251	-	-		6,251	6,251
Unlisted property securities	-	-	96,426		96,426	96,426
	<b>6,251</b>	<b>-</b>	<b>96,426</b>		<b>102,677</b>	<b>102,677</b>
<b>Financial liabilities not measured at fair value</b>						
Net Assets attributable to Unitholders	55,649	-	-		55,649	109,330
	<b>55,649</b>	<b>-</b>	<b>-</b>		<b>55,649</b>	<b>109,330</b>

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## The different levels have been defined as follows:

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

## Valuation technique and significant unobservable inputs

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

Type	Valuation Technique	Significant Unobservable Inputs	Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement
Listed property securities – Level 1	Market price: Quoted closing market prices at the reporting date	Not applicable	Not applicable
Net Assets attributable to Unitholders – Level 1	Market price: Quoted closing market prices at the reporting date	Not applicable	Not applicable
Term Deposits – Level 2	Discounted cash flow	Not applicable	Not applicable
Unlisted property securities – Level 3	Net Tangible Asset: Investments in unlisted managed investment schemes are recorded at the Net Tangible Asset (NTA) price as reported by the managers of such schemes at the reporting date	As the underlying funds are unlisted and frozen for redemptions, it is uncertain that the investments can be realised at NTA	The estimated fair value would increase/ (decrease) if the NTA of the underlying funds increases/ (decreases)

## Level 3 Fair Values

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

	2021 \$ ('000s)	2020 \$ ('000s)
<b>Level 3 Reconciliation</b>		
Balance at 1 July	96,426	93,010
Change in fair value - unrealised	10,176	(3,055)
Acquisitions	-	6,500
In specie distribution	-	138
Disposals including returns of capital	(88)	(167)
<b>Balance at 30 June</b>	<b>106,514</b>	<b>96,426</b>

## Sensitivity Analysis

For the fair values of investments in closed end funds and open ended funds with no redemption window (see note 10), changes to the NTA, holding other inputs constant, would have the following effects.

	2021 \$ ('000s)	2020 \$ ('000s)
<b>Impact on gain before finance cost</b>		
+10.00% (1,000 basis points) of the NTA	10,651	9,643
- 10.00% (1,000 basis points) of the NTA	<b>(10,651)</b>	<b>(9,643)</b>

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## 15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Overview

The Fund's principal financial instruments are comprised of listed and unlisted property securities, receivables, payables, and cash. The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### Financial risk and risk management network

The board of directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Fund's risk management network. The Fund's risk management policies, including those related to its investment activities is developed and monitored by an Audit and Risk Committee.

In addition to the policies adopted by the Audit and Risk Committee, the Responsible Entity has in place a compliance plan which outlines the processes that will ensure both the Fund and Responsible Entity comply with the requirements of the Australian Securities and Investment Commission (ASIC).

### Credit risk

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Credit risk arises from the financial assets of the Fund, which comprise cash and cash equivalents and trade and other receivables. The Fund's exposure to credit risk arises from potential default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments.

The Fund manages its credit risk from cash and cash equivalents by placing deposits with AA- rated banks. Trade and other receivables as at the balance date primarily relate to distribution income receivables as at 30 June 2021.

### Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The following is the contractual maturity of financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The table excludes the net asset attributable to unitholders liability which is only payable if liquidated.

30 June 2021	Carrying amount \$'000	Contractual cash flows \$'000	3 mths or less \$'000	Above 4 mths \$'000
Accounts payable	145	145	145	-
<b>Total</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>-</b>

30 June 2020	Carrying amount \$'000	Contractual cash flows \$'000	3 mths or less \$'000	Above 4 mths \$'000
Accounts payable	150	150	150	-
<b>Total</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## Market risk

Market risk is the risk that changes in the market prices, such as interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## Price risk

The Fund's exposure to price risk relates primarily to the Fund's investments in listed and unlisted property securities as disclosed in note 10. A change of 10% in price/NTA at the reporting date would be increase (decrease) gain before finance cost by the amounts below. This sensitivity analysis assumes that all other variables remain constant.

	2021 (\$'000)	2020 (\$'000)
<b>Impact on gain before finance cost</b>		
+10.00%	11,515	10,268
-10.00%	<b>(11,515)</b>	<b>(10,268)</b>

## Interest rate risk

The Fund's exposure to market interest rates relates primarily to the Fund's cash and cash equivalents and term deposit investments. A change of 100 basis points in interest rates at the reporting date would increase (decrease) gain before finance cost by the amounts below. This interest sensitivity analysis assumes that all other variables remain constant.

	2021 (\$'000)	2020 (\$'000)
<b>Impact on gain before finance cost</b>		
+1.00% (100 basis points)	20	17
-1.00% (100 basis points)	<b>(20)</b>	<b>(17)</b>

## 16. RELATED PARTIES

### Key management personnel compensation and unitholdings

The fund deems the following Directors and Executives of the responsible entity to be key management personnel (as at 27 August 2021):

<b>George Wang</b>	- Executive Chairman
<b>Richard Nott</b>	- Non-executive Independent Director
<b>John Love</b>	- Non-executive Independent Director
<b>Claud Chaaya</b>	- Company Secretary

As at the reporting date, details of directors who hold units for their own benefit or who have an interest in holdings through a third party and the total number of such units held are listed as follows:

Director	2021		2020	
	No. of units ('000s)	% holding	No. of units ('000s)	% holding
Richard Nott	223	0.50	210	0.42
John Love	310	0.70	310	0.70
George Wang <sup>1</sup>	19,217	43.17	13,496 <sup>2</sup>	30.31

### Responsible Entity Fees and Other Transactions

	2021 (\$)	2020 (\$)
Expenses reimbursed to the Responsible Entity	995,000	995,000
<b>Expenses reimbursed to the Responsible Entity</b>	<b>995,000</b>	<b>995,000</b>

<sup>1</sup> This represents George Wang's relevant interest in the Fund.

<sup>2</sup> This figure does not include holdings through the AIMS Total Return Fund of 4,217,390 units in the Fund.

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## 16. RELATED PARTIES Continued

Total accrued Responsible Entity fees included in trade and other payables as at 30 June 2021 is nil (2020: nil).

From 1 December 2016, the supplemental deed of the Fund's constitution removed the payment of any management fee, performance fee or other remuneration to AIMS Fund Management Limited, as the responsible entity of the Fund. AIMS Fund Management Limited continues to act as Responsible Entity and manager of the Fund but will not be entitled to receive any fees under the Constitution. Under the supplemental deed, AIMS Fund Management Limited continues to be entitled to be reimbursed out of the assets of the Fund for the reasonable and proper costs and expenses incurred by Responsible Entity in engaging key persons to provide the necessary management services for the ongoing management of the Fund.

### Related Party Transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time, the Responsible Entity or its director-related entities may buy or sell units in the Fund. These transactions are subject to the same terms and conditions as those entered into by other Fund investors and are subject to corporate governance policies of AIMS Financial Group.

#### Loan and guarantee to AIMS Property Fund (Felix St)

The loans and guarantee to AIMS Property Fund (Felix St), remain as outlined in the half yearly report (31 December 2020).

Other than as noted above, there have been no significant changes to related party transactions, since disclosure in the last half yearly and annual reports.

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

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

Entity	2021			2020		
	No. of units ('000)	% of units on issue	Distribution received /receivables for the year (\$)	No. of units ('000)	% of units on issue	Distribution received /receivables for the year (\$)
AIMS Total Return Fund	10,781	41.80	-	10,781	41.80	-
AIMS APAC REIT	4,148	0.59	334,478	4,148	0.59	386,091
AIMS Property Fund (St Kilda Rd)	40,672	93.17	130,673	40,672	93.17	78,999
AIMS Property Fund (Felix St)	1,000	99.47	-	1,000	99.47	-
AIMS Property Fund (Laverton)	1,000	99.69	723,092	1,000	99.69	1,171,238
AIMS Real Estate Opportunity Fund	25,058	99.25	-	25,058	99.25	704,565

# NOTES TO THE FINANCIAL STATEMENTS Continued

for the year ended 30 June 2021

## 16. RELATED PARTIES Continued

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

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

Entity	Relationship	2021			2020		
		No. of units ('000)	% of units on issue	Distribution paid/payables (\$)	No. of units ('000)	% of units on issue	Distribution paid/payables (\$)
AIMS Total Return Fund	Other related party	4,217	9.47	-	4,217	9.47	85,360
ACME CO NO2 Pty Ltd	Other related party	8,890	19.97	-	8,890	19.97	179,934
AIMS Investment Group Holdings Pty Ltd	Other related party	6,110	13.72	-	4,606	10.35	67,089
Key Management Personnel	Other related party	533	1.20	-	520	1.17	10,525

At 30 June 2021, the Responsible Entity also held 1,752,605 Deferred Units (2020:1,752,605) issued at \$0.00001 per unit. A Deferred Unit carries no voting rights and no right to participate in any distribution from the Fund until it converts into an Ordinary Unit. However, the supplemental deed of the Fund's constitution removed the payment of performance fees to the Responsible Entity (see Note 12) and as such the Deferred Units will no longer be converted to Ordinary Units.

## 17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES AND ASSETS

Except for the loans to a related party and guarantee disclosed in note 16, the directors of the Responsible Entity are not aware of any other potential liabilities, claims, contingent assets or capital commitments against the Fund as at balance date.

## 18. SUBSEQUENT EVENTS

There have not been any other events of a material and unusual nature likely in the opinion of the Responsible Entity, to significantly affect the operations of the Fund, the results of the operations, or the state of affairs of the Fund, in future financial years.

## 19. AUDITORS' REMUNERATION

	2021 \$	2020 \$
<b>Audit services</b>		
Auditors of the Fund		
Audit and review of the financial reports – Hall Chadwick	42,000	42,000
Other regulatory audit services – Hall Chadwick	6,000	6,000
<b>Total</b>	<b>48,000</b>	<b>48,000</b>
<b>Other services:</b>		
Auditors of the Fund		
Taxation services – Hall Chadwick	10,000	10,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>

# DIRECTOR'S DECLARATION

for the year ended 30 June 2021

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

- (a) The financial report as set out in pages 21 to 36 are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the financial position of the Fund as at 30 June 2021 and of its performance, for the financial year ended on that date;
  - (ii) In compliance with International Financial Reporting Standards as stated in note 2 to the financial statements; and
  - (iii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) The directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.
- (c) As at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 295(5) of the *Corporations Act 2001*:

Signed in accordance with a resolution of directors of the Responsible Entity.



**Mr George Wang**  
Executive Chairman

**AIMS Fund Management Limited**  
Sydney  
Dated this 31<sup>st</sup> August 2021



# INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2021

HALL CHADWICK  (NSW)

AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF  
AIMS PROPERTY SECURITIES FUND

#### SYDNEY

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

#### Report on the Financial Report

##### Opinion

We have audited the financial report of AIMS Property Securities Fund (the Fund), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of AIMS Property Securities Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2021. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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# INDEPENDENT AUDITOR'S REPORT Continued

for the year ended 30 June 2021

HALL CHADWICK  (NSW)

AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF  
AIMS PROPERTY SECURITIES FUND

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Valuation of investment in unlisted property funds</b></p>	
<p><i>Refer to Note 10 Financial assets, Note 4 Use of estimates and judgements and Note 14 Financial instruments – fair value measurement</i></p>	
<p>The Fund holds investments in unlisted property funds with no redemption windows (no exit prices) or quoted prices in an active market. The Fund measured these investments at fair value, which is based on the Net Tangible Asset (NTA) value as reported by the managers.</p> <p>The estimation of fair value of these investments in unlisted property securities is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The size of the balance, being 87% of the Fund's total assets;</li> <li>• The nature of these investments and the judgment involved with valuing them. These investments are classified as Level 3 in the valuation hierarchy. The Fund has determined their estimation of fair value to be based on the exit price or the NTA value as reported by the managers of those funds, if the exit price is not available. We focused our assessment on the reasonableness and authoritativeness of the sources used for inputs to the NTA valuations, given the judgment involved.</li> <li>• There is significant uncertainty on the timing of realising investments in closed end funds and open-ended funds with no redemption windows or quoted prices in an active market. As a result, there is a significant risk that the value currently ascribed to these unlisted property securities is not representative of the value the Fund will be able to realise through a future sale or redemption. The underlying asset value and on-going compliance with debt funding requirements also impacts any assessment of fair values.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We checked NTA per unit to the financial statements of the underlying funds at balance date;</li> <li>• We assessed the audit opinion relevant to the underlying funds' financial statements for existence of modifications impacting valuation;</li> <li>• We reperformed the NTA per unit calculation as at balance date;</li> <li>• We assessed NTA as a proxy for fair value and associated adjustments by reviewing the contractual terms of the investments;</li> <li>• For underlying funds, we assessed quantitatively the significant underlying assets and liabilities and the key assumptions used by the respective fund's managers and adopted by the Responsible Entity in estimating their fair value at balance date. Specifically, for investment properties held by underlying funds, we involved Hall Chadwick's valuation experts to evaluate the key assumptions (i.e. capitalisation rates, discount rates, terminal growth rates and market rents) used in the external valuation reports adopted by the respective fund's managers and Responsible Entity;</li> <li>• We challenged the Responsible Entity on the key assumptions used in the external valuation reports by considering this information and evidence available to us internally and externally;</li> <li>• We assessed the adequacy of the Fund's disclosures in relation to the carrying value of its investments.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT Continued

for the year ended 30 June 2021

HALL CHADWICK  (NSW)

AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AIMS PROPERTY SECURITIES FUND

### ***Information Other than the Financial Report and Auditor's Report Thereon***

The directors of AIMS Fund Management Limited, the Responsible Entity of AIMS Property Securities Fund, are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Directors for the Financial Report***

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

In preparing the financial report, the directors are responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# INDEPENDENT AUDITOR'S REPORT Continued

for the year ended 30 June 2021

HALL CHADWICK  (NSW)

AIMS PROPERTY SECURITIES FUND  
ARSN 111 442 150

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AIMS PROPERTY SECURITIES FUND

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Dated: 31 August 2021

# STOCK EXCHANGE INFORMATION

for the year ended 30 June 2021

## STATEMENT OF QUOTED SECURITIES AS AT 27 AUGUST 2021

- There are 810 unitholders holding a total 44,519,083 ordinary units
- The 20 largest unitholders between them hold 86.31% of the total units on issue

## VOTING RIGHTS

The voting rights attached to each full paid ordinary unit are that each unit is entitled to one vote, when a poll is called.

## DISTRIBUTION OF QUOTED UNITS AS AT 27 AUGUST 2021

Distribution of Unitholders by Category (size of holding)	Number of Unitholders
1 - 1,000	317
1,001 – 5,000	285
5,001 – 10,000	74
10,001 – 100,000	103
100,001 and Over	31
<b>Total</b>	<b>810</b>

## SUBSTANTIAL UNITHOLDINGS AS AT 27 AUGUST 2021

The names of the Fund's substantial unitholders pursuant to the provisions of section 671B of the *Corporations Act 2001* are as follows:

Entity	Unitholdings
CONSOLIDATED AIMS GROUP	19,217,235
ACME CO NO2 PTY LTD <LONG TERM CAPITAL GROWTH PLUS INCOME FUND A/C>	8,890,000
LI LI	4,388,020
AIMIS REAL ESTAT FUNDS LIMITED ACF AIMS TOTAL RETURN FUND	4,217,390
CHI SAN LIU	3,002,033

## DIRECTORS' UNITHOLDINGS

As at 27 August 2021 directors of the Fund held a relevant interest in the following securities on issue by the Fund.

Director	No. of units ('000)
Richard Nott	223
John Love	310
George Wang*	19,217

## RESTRICTED SECURITIES

There are no restricted securities on issue by the Fund.

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\* This represents George Wang's relevant interest in the Fund.

# STOCK EXCHANGE INFORMATION Continued

for the year ended 30 June 2021

## TOP 20 UNITHOLDERS

Top 20 holders of ordinary units at 27 August 2021

Rank	Unitholder Name	Number of Units Held	% of Total
1.	ACME CO NO2 PTY LTD <LONG TERM CAPITAL GROWTH PLUS INCOME FUND A/C>	8,890,000	19.97
2.	AIMS INVESTMENT GROUP HOLDINGS PTY LTD	6,109,845	13.72
3.	LI LI	4,388,020	9.86
4.	CHI SAN LIU	3,002,033	6.74
5.	THE CENTRAL DEPOSITORY (PTE) LIMITED	2,917,873	6.55
6.	PERPETUAL TRUSTEE COMPANY LIMITED <AIMS TOTAL RETURN FUND A/C>	2,263,336	5.08
7.	PERPETUAL TRUSTEE COMPANY LTD <MCKOPT A/C>	1,954,054	4.39
8.	HIU PING LAU	1,445,423	3.25
9.	BAAUER PTY LTD <THE BAAUER FAMILY A/C>	1,170,000	2.63
10.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,106,654	2.49
11.	MR SIMON ROBERT EVANS + MRS KATHRYN MARGARET EVANS <KAMIYACHO SUPER FUND A/C>	1,004,043	2.26
12.	BT PORTFOLIO SERVICES LIMITED <MRS MEREDYTH SAUER APP A/C>	575,000	1.29
13.	MS MONI XINYE AN	574,000	1.29
14.	MR JASON YE JIE WANG	549,370	1.23
15.	MR BENJAMIN YOUNGMAN GRAHAM <GRAHAM FAMILY A/C>	465,000	1.04
16.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	436,226	0.98
17.	MR MICHIEL GEERDINK	415,923	0.93
18.	BT PORTFOLIO SERVICES LIMITED <DR TREVOR SAUER APP A/C>	409,000	0.92
19.	MS YUPING PAN	385,455	0.87
20.	MS JIANFEI YU	364,729	0.82
<b>Totals: Total Held by Top 20 Holders of Ordinary Units</b>		<b>38,425,984</b>	<b>86.31</b>

## ON-MARKET SHARE BUY-BACK

On 14 September 2020, APW announced to end the buy-back programme and there is not a current on-market buy back.

## MANAGEMENT AGREEMENT

Management fees payable to the Responsible Entity are stipulated in the Fund's constitution and are disclosed in Note 16 of the financial report. As at the date of the report, no management agreement is required between the Fund and the Responsible Entity.



# CORPORATE DIRECTORY

for the year ended 30 June 2120

The Fund's units are quoted on the official list of the Australian Securities Exchange Limited (ASX) and the Singapore Exchange Limited (SGX). The ASX code is APW and the SGX code is BVP.

## AIMS PROPERTY SECURITIES FUND

(ABN 79 004 956 558)

Level 41

259 George Street  
Sydney NSW 2000

**Telephone**

+61 2 9217 2727

**Email:** [trust@aims.com.au](mailto:trust@aims.com.au)

**Website:** [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

**Facsimile**

+61 2 9281 7611

## AUDITOR

### HALL CHADWICK

Level 40

2 Park Street  
Sydney, NSW 2000

**Telephone**

+61 2 9263 2600

**Website:** [www.hallchadwick.com.au](http://www.hallchadwick.com.au)

**Facsimile**

+61 2 9263 2800

## RESPONSIBLE ENTITY

### AIMS FUND MANAGEMENT LIMITED

(ABN 79 004 956 558) (AFSL 258 052)

Level 41

259 George Street  
Sydney NSW 2000

**Telephone**

+61 2 9217 2727

**Email:** [trust@aims.com.au](mailto:trust@aims.com.au)

**Website:** [www.aimsfunds.com.au](http://www.aimsfunds.com.au)

**Facsimile**

+61 2 9281 7611

## LEGAL ADVISER

### K&L GATES LLP

Level 31

1 O'Connell St  
Sydney NSW 2000

**Telephone**

+61 2 9513 2300

**Website:** [www.klgates.com/sydney-australia](http://www.klgates.com/sydney-australia)

**Facsimile**

+61 2 9513 2399

## AUSTRALIA UNIT REGISTER MANAGED BY

### COMPUTERSHARE INVESTORS SERVICES PTY LTD

Yarra Falls 452 Johnston Street  
Abbotsford VIC 3067

**Telephone**

+61 3 9415 4349

**Website:** [www.computershare.com.au](http://www.computershare.com.au)

## SINGAPORE UNIT REGISTER MANAGED BY

### BOARDROOM CORPORATE & ADVISORY SERVICES PTE.

Ltd. 3 Church Street #09-01 Samsung Hub  
Singapore 049483

**Telephone**

+65 6536 5355

**Website:** [www.boardroomlimited.com](http://www.boardroomlimited.com)

**Facsimile**

+65 6536 1360







## AIMS Fund Management Limited

ABN 79 004 956 558

📍 Level 41, 259 George Street Sydney NSW 2000 Australia

📞 1300 655 197, 1300 362 117

✉️ trust@aims.com.au

🌐 www.aimsfunds.com.au

