

AXA Property Trust Limited

(the "Company")

Dear Shareholder,

NOTICE OF EXTRAORDINARY GENERAL MEETING

On 7 December 2018 the Board of Directors announced that Outline Proposals (the "Outline Proposals") had been submitted to the Company by a member who controls 29.8% of the Company's shares, Mr. Blake Nixon. On 12 December 2018, the Board announced a subsequent receipt of a member's requisition from Mr. Nixon for a General Meeting of the Company to be convened for the purposes of considering a shareholder resolution to appoint Mr. Blake Nixon to the Board (the "Resolution"). As a consequence, please find enclosed a notice of meeting to be held on 23 January 2019 along with the Forms of Proxy required to vote in respect of the Resolution.

The Outline Proposals that were submitted to the Company on 7 December are attached as an appendix hereto for reference. The Company also notes as a separate matter that it is holding its Annual General Meeting on 28 December 2018 which will proceed as previously notified.

CURRENT STATUS

The Board has consulted with the Company's largest shareholders on the Outline Proposals and has also received feedback from other shareholders. The Directors note that whilst opinions vary, based on information currently available and if shareholdings controlled by Mr. Nixon are excluded, more potential votes favour a continuation of the current winding down strategy and a return of remaining capital as soon as possible.

Your Board will continue to work with Mr. Nixon to consider what conditions should be met and what details determined, before any of the Outline Proposals should be submitted to the UK Listing Authority and circulated for consideration to shareholders. The Board will also form a view based on an independent, objective and impartial assessment and provide a recommendation at the same time.

The principal issues that have arisen from the shareholder consultation as well as the Board's own consideration of the Outline Proposals are as follows:

- there would not be any capital returns to shareholders from the proceeds of the eventual disposal of the Curno property;
- there would not be a contribution to costs, or temporary waiver of management fee, by Blake Nixon;
- there is limited certainty on the extent of planned future fundraises and on the future structural features of the Company;
- potential Related Party restrictions under the Listing Rules of the UK Listing Authority may apply; and
- the Outline Proposals are a material change of investment objective and risk profile from that approved by shareholders with over 75% of votes cast previously and as such, should receive an unequivocal mandate from shareholders.

RECOMMENDATION

In considering their recommendation to shareholders regarding the appointment of Mr. Nixon as a Director of the Company, the Board are mindful of the need to retain full independence and objectivity with respect to the Company's future strategy. The Directors believe that whilst discussions on the Outline Proposals continue, and until the above reservations are addressed, this duty of impartiality is best served by retaining the current Board composition.

The Board believes the appointment of Mr. Nixon to the Board at this stage is premature and that it will be able to work co-operatively and efficiently with him without the necessity of appointing him as a Director whilst considering the Outline Proposals.

The Board unanimously considers therefore that the Resolution is not in the best interests of Shareholders as a whole at this stage and recommends that Shareholders vote AGAINST the Resolution.

NEXT STEPS

The Board wishes to work with Mr. Nixon to determine whether final proposals can be determined which are capable of being recommended by Directors as being in the best interests of shareholders as a whole. Once the outcome is confirmed, the Board will re-consider exercising its powers to appoint Mr. Nixon to the Board.

In the meantime, the Board will continue to follow the current managed wind-down strategy until such time as shareholders approve any change. The Board will make a further announcement in due course.

ACTION TO BE TAKEN BY SHAREHOLDERS

If you are a Shareholder, you will find enclosed with this Circular the Forms of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return the Forms of Proxy to the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, to arrive by the time and date specified on the relevant Form of Proxy.

The completion and return of the Form of Proxy for the EGM will not preclude you from attending the EGM and voting in person if you wish to do so.

Yours faithfully

Charles Hunter

Chairman

27 December 2018

APPENDIX 1 – OUTLINE PROPOSALS FOR THE FUTURE STRATEGY OF AXA PROPERTY TRUST
SUBMITTED BY MR. BLAKE NIXON

- the Company revert to a continuing operation;
- the Company's investment policy be modified so as to provide shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities, through active investment in undervalued smaller capitalisation British equities;
- Blake Nixon to be appointed forthwith as a director of the Company;
- the Curno property be taken off the market for the time being;
- the policy of returning capital to shareholders be discontinued;
- Worsley Associates LLP (“WALLP”) to be appointed as Investment Advisor to the Company, to be responsible for the implementation of investment decisions made by the Board and to assume executive management of the corporate structure and affairs, as replacement for AXA Investment Managers UK Limited (“AXAIM”), to the extent this role is not to be fulfilled by Blake Nixon personally;
- the Company's Board structure be reviewed in light of this new focus (and in particular the potential to reduce the number of directors on the board to three);
- an expense reduction exercise be undertaken to reduce the administration and general costs of the Company as an ongoing listed vehicle; and
- the best option for the asset management of the Curno property to be identified as replacement for AXAIM.