

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO AXA PROPERTY TRUST LIMITED (THE "COMPANY") ON WHICH YOU ARE BEING ASKED TO VOTE.**

**If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your Shares in the Company, please send this Circular, but not the accompanying Forms of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdiction. If you have sold or transferred only part of your holding of Shares please consult the bank, stockbroker or other agent through which the sale or transfer was effected.

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## **AXA PROPERTY TRUST LIMITED**

*(a closed-ended company incorporated with limited liability under the laws of Guernsey with registered number 43007)*

### **Adoption of New Investment Objective and Policy**

#### **Change to the Company's name**

and

### **Notice of Extraordinary General Meeting ("EGM")**

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The Proposals described in this Circular are conditional on Shareholder approval, which is being sought at an extraordinary general meeting of the Company to be held on at 3:00 p.m. on 28 June 2019 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL or, in the case of CREST members, by utilising the CREST electronic proxy appointment service (details which are contained in this Circular). Notice of the Extraordinary General Meeting is set out at the end of this Circular.

Shareholders are requested to complete, sign and return the Forms of Proxy enclosed with this Circular, in accordance with the instructions printed thereon, so as to be received by post or by hand by the Company's Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, as soon as possible but in any event so as to arrive not later than 3:00 p.m. on 26 June 2019 or, if the EGM is adjourned, 48 hours prior to the time allotted for the adjourned meeting. The lodging of a Form of Proxy for the EGM will not prevent Shareholders from attending, speaking and voting in person at the EGM if they so wish.

The Company is authorised as an authorised closed-ended investment scheme by the Guernsey Financial Services Commission (the "**Commission**") under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Schemes Rules 2008 made thereunder. Notification of the Proposals will be given to the Commission in accordance with and as required by the Authorised Closed-Ended Investment Schemes Rules 2008.

Shore Capital & Corporate Limited ("**Shore**"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to the Company in connection with the matters described herein. Shore is acting for the Company in relation to the matters described herein and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to such matters, the contents of this document or any transaction or arrangement referred to herein. Nothing in the foregoing limits or excludes or seeks to limit or exclude any statutory responsibilities or liabilities that Shore may have by virtue of acting as financial adviser to the Company.

**This Circular should be read as a whole. Your attention is drawn to the letter from the Chair of the Company set out on pages 5 to 11 of this Circular and which recommends that you vote in favour of the Resolutions. Your attention is also drawn to the section entitled "Action to be Taken by Shareholders" on page 10 of this Circular.**

Defined terms used in this Circular have the meanings given to them in the section headed "Definitions" on page 12.

## CONTENTS

EXPECTED TIMETABLE .....	4
PART I - LETTER FROM THE CHAIR .....	5
1. INTRODUCTION AND BACKGROUND .....	5
2. THE PROPOSALS .....	6
3. NEW INVESTMENT OBJECTIVE AND POLICY .....	7
4. CHANGE TO THE COMPANY'S NAME .....	8
5. BENEFITS OF THE PROPOSALS .....	8
6. CHANGE IN MANAGEMENT ARRANGEMENTS .....	8
7. CURNO .....	9
8. COSTS AND EXPENSES ASSOCIATED WITH THE PROPOSALS .....	10
9. MEETINGS .....	10
10. ACTION TO BE TAKEN BY SHAREHOLDERS .....	10
11. DOCUMENTS AVAILABLE FOR INSPECTION .....	10
12. RECOMMENDATION .....	11
<b>PART II – DEFINITIONS .....</b>	<b>12</b>
APPENDIX – ADDITIONAL INFORMATION RELATING TO THE PROPOSED INVESTMENT POLICY .....	15
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING .....</b>	<b>16</b>

## EXPECTED TIMETABLE

Date of publication of this Circular	7 June 2019
Latest time and date for receipt of Form of Proxy for the EGM*	3:00 p.m. on 26 June 2019
Record date for participation and voting at the EGM	6:00 p.m. on 26 June 2019
EGM	3:00 p.m. on 28 June 2019
Announcement of results of the EGM	28 June 2019

Each of the times and dates in the expected timetable of events may be extended or brought forward without notice. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through an RIS provider. All references in this Circular are to London time unless otherwise stated.

\* Please note that the latest time for receipt of the Forms of Proxy is 48 hours (excluding any part of a day which is not a Business Day) prior to the time allotted for the meeting.

## PART I - LETTER FROM THE CHAIR

### AXA PROPERTY TRUST LIMITED

*(a closed-ended company incorporated with limited liability under the laws of Guernsey with registered number 43007)*

*Directors:*

William Scott (Chair)

Robert Burke

Blake Nixon

*Registered office:*

PO Box 255

Trafalgar Court

Les Banques

St. Peter Port

Guernsey, GY1 3QL

7 June 2019

### ADOPTION BY THE COMPANY OF NEW INVESTMENT OBJECTIVE AND POLICY

#### CHANGE TO THE COMPANY'S NAME

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

Dear Shareholder,

#### 1. INTRODUCTION AND BACKGROUND

As announced on 3 April 2019, following consultation with Shareholders the Board is pleased to propose that AXA Property Trust Limited (the "**Company**") become an investor in undervalued British quoted securities. In connection with this, Worsley Associates LLP ("**Worsley**") has been appointed as the Company's new investment advisor.

I am now writing to you to outline details of these important proposals and to explain why the Board considers them to be in the best interests of Shareholders as a whole.

The Board believes that, if implemented, the new investment policy will provide an attractive alternative to the Company's current policy of winding-down its portfolio and distributing the realisation proceeds to Shareholders.

On 26 April 2013, the Company adopted the investment objective of realising all the Group's remaining real estate assets by the end of December 2015 in a manner which achieved a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders. At that time the Company had a market capitalisation of some £30 million and published consolidated shareholders' funds of £56.4 million.

Since then, all except one of the properties then owned has successfully been disposed of and returns made to Shareholders of £49.3 million, equivalent to over 87 per cent. of the Company's net assets when the managed wind-down of the Company's portfolio commenced.

The managed wind-down having been very substantially completed, the Board considers that the value inherent in the Company's structure is best maximised through its continued operation. In addition, it believes that a materially better outcome could be achieved in respect of the last remaining real estate asset, a multiplex cinema in Curno, Italy (the "**Curno Asset**"), were the Company to discontinue its current policy of winding-down its portfolio.

The Board is therefore proposing that the Company adopt a new investment policy of active investment in undervalued British quoted securities, and believes that Worsley's experience in this area will provide the opportunity to create superior long-term value for Shareholders.

The Board believes that the new investment policy presents an attractive alternative to the existing realisation strategy, in particular because the Board considers it will:

- improve prospects for long-term capital growth in the net asset value of the Company through the implementation of a new investment policy using Worsley's skills and expertise;
- allow the Group to optimise the disposal of the existing Curno Asset over time; and
- avoid the Company incurring costs in connection with the winding-up of its legal structure.

#### *Worsley Investment Strategy*

Worsley's investment strategy allies the taking of influential holdings in British quoted securities of smaller companies priced at a deep discount to their intrinsic value (as determined by a comprehensive and robust research process) with the employment of activism as necessary to drive highly favourable outcomes.

Worsley's principal, Blake Nixon, is a veteran of more than 30 activist campaigns, and has a demonstrated record of producing substantial returns using the strategy.

UK small cap activism is a specialist discipline and Worsley has very few competitors, none of which have comparable experience. The UK environment is highly favourable for activism, with minority shareholders enjoying a multitude of advantageous rights and protections not generally available in other jurisdictions. There are more than 1,000 smaller companies whose shares trade on the London Stock Exchange and they receive relatively limited attention from market participants, with the result that deep value opportunities routinely present themselves across all market cycles.

Worsley has an absolute return focus and believes that the acquisition of a portfolio of investments at a large discount to estimated values provides a margin of safety which can substantially mitigate the likelihood of an overall permanent loss of capital.

The Board believes that Worsley's appointment as the Company's investment advisor will provide an excellent basis from which to launch the proposed new investment policy. In particular, Worsley has:

- a proven ability to undertake transactions, providing know-how and dependability of execution;
- a successful investment track record, underpinned by proven operating and technical expertise; and
- a differentiated and rigorous approach to quoted equity investments through its activist equity strategy.

## **2. THE PROPOSALS**

Subject to Shareholder approval, it is proposed that:

- (i) the New Investment Objective and Policy, as set out in this Circular, be adopted with immediate effect; and
- (ii) the Company's name be changed from "AXA Property Trust Limited" to "Worsley Investors Limited",

together, the "**Proposals**".

The Proposals set out in this Circular are subject to the approval of Shareholders, and this Circular contains Notice of the Extraordinary General Meeting at which the Resolutions to approve the Proposals will be considered.

In the event that the first Resolution to be proposed at the Extraordinary General Meeting relating to the Proposals is not passed, the realisation strategy approved by Shareholders in April 2013 will continue.

Further details regarding each of the Proposals are set out below.

### 3. NEW INVESTMENT OBJECTIVE AND POLICY

Under the Proposals, the New Investment Objective and Policy would be adopted in the place of the current investment policy of managed wind-down, as approved at an extraordinary general meeting of the Company on 26 April 2013.

#### *New Investment Objective*

The Company's investment objective is to provide Shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities. The existing real estate asset of the Company will be realised in an orderly manner, that is with a view to optimising the disposal value of such asset.

#### *New Investment Policy*

The Company aims to meet its objectives through investment primarily, although not exclusively, in a diversified portfolio of securities and related instruments of companies listed or admitted to trading on a stock market in the British Isles. The majority of such companies will also be domiciled in the British Isles. Most of these companies will have smaller to mid-sized equity market capitalisations (the definition of which may vary from market to market, but will in general not exceed £600 million). It is intended to secure influential positions in such British quoted securities with the deployment of activism as required to achieve the desired results.

The Company and its subsidiary undertakings ("the **Group**") may make investments in listed and unlisted equity and equity-related securities such as convertible bonds, options and warrants. The Group may also use derivatives, which may be exchange traded or over-the-counter.

The Group may also invest in cash or other instruments including but not limited to: short, medium or long term bank deposits in Sterling and other currencies, certificates of deposit and the full range of money market instruments; fixed and floating rate debt securities issued by any corporate entity, national government, government agency, central bank, supranational entity or mutual society; futures and forward contracts in relation to any other security or instrument in which the Group may invest; put and call options (however, the Group will not write uncovered call options); covered short sales of securities and other contracts which have the effect of giving the Group exposure to a covered short position in a security; and securities on a when-issued basis or a forward commitment basis.

The Company pursues a policy of diversifying its risk. Save for the Curno Asset until such time as it is realised, the Company intends to adhere to the following investment restrictions:

- not more than 30 per cent. of the Gross Asset Value at the time of investment will be invested in the securities of a single issuer (such restriction does not, however, apply to investment of cash held for working capital purposes and pending investment or distribution in near cash equivalent instruments including securities issued or guaranteed by a government, government agency or instrumentality of any EU or OECD Member State or by any supranational authority of which one or more EU or OECD Member States are members);
- the value of the four largest investments at the time of investment will not constitute more than 75 per cent of Gross Asset Value;
- the value of the Group's exposure to securities not listed or admitted to trading on any stock market will not exceed in aggregate 35 per cent. of the Net Asset Value;
- the Group may make further direct investments in real estate but only to the extent such investments will preserve and/or enhance the disposal value of its existing real estate asset. Such investments are not expected to be material in relation to the portfolio as a whole but in any event will be less than 25 per cent. of the Gross Asset Value at the time of investment. This shall not preclude its subsidiaries from making such investments for operational purposes;
- the Company will not invest directly in physical commodities, but this shall not preclude its subsidiaries from making such investments for operational purposes;
- investment in the securities, units and/or interests of other collective investment vehicles will be permitted up to 40 per cent. of the Gross Asset Value, including collective investment schemes managed or advised by the Investment Advisor or any company within the Group; and
- the Company must not invest more than 10 per cent. of its Gross Asset Value in other listed

investment companies or listed investment trusts, save where such investment companies or investment trusts have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed investment companies or listed investment trusts.

The percentage limits above apply to an investment at the time it is made. Where, owing to appreciation or depreciation, changes in exchange rates or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, any limit is breached by more than 10 per cent., the Investment Advisor will, unless otherwise directed by the Board, ensure that corrective action is taken as soon as practicable.

#### *Borrowing and Leverage*

The Group may engage in borrowing (including stock borrowing), use of financial derivative instruments or other forms of leverage provided that the aggregate principal amount of all borrowings shall at no point exceed 50 per cent. of Net Asset Value. Where the Group borrows, it may, in order to secure such borrowing, provide collateral or security over its assets, or pledge or charge such assets.

If Resolution 1 to be proposed at the Extraordinary General Meeting is passed, the Company's existing investment policy will be replaced and the Company will adopt and adhere to the new investment policy stated above with immediate effect.

#### **4. CHANGE TO THE COMPANY'S NAME**

If the New Investment Objective and Policy is adopted the Company's name will no longer be appropriate and in light of that the Board is proposing that the name be changed from "AXA Property Trust Limited" to "Worsley Investors Limited".

On 18 April 2019, AXA Investment Managers UK Limited ("**AXAIM**"), the outgoing investment manager, gave notice, under the terms of the investment management agreement dated 18 April 2005 ("**IMA**") between the Company and AXAIM, to terminate its appointment effective on 31 May 2019, being the date on which Worsley was appointed as the Company's investment advisor (see paragraph 6 below for more details). AXAIM has the right to request, upon termination of the IMA, that the Directors propose a special resolution to change the name of the Company to one which does not include the word "AXA". For this reason, Resolution 2 is not conditional on Resolution 1 being passed.

Shareholders are therefore being asked at the Extraordinary General Meeting to approve the change to the Company's name.

#### **5. BENEFITS OF THE PROPOSALS**

The Directors believe that the Proposals are in the best interests of Shareholders and represent a better alternative to the current plan of liquidation and distribution for the following reasons:

- the successful business and investment track records of Worsley combined with the proposed New Investment Objective and Policy afford the prospect of generating superior risk adjusted returns for Shareholders over the longer term;
- there is no guarantee that the Company will be able to realise the Curno Asset in the next one to two years at a price which represents best value for Shareholders and the New Investment Objective and Policy provides time for the Company to realise such asset without the pressure of requiring such realisation under its current investment policy, which may reduce the Company's negotiating position with counterparties; and
- the New Investment Objective and Policy will avoid the incurrence of the costs of a formal liquidation.

In light of the above, the Board considers that implementing the Proposals is in the best interests of the Company and the Shareholders as a whole.

#### **6. CHANGE IN MANAGEMENT ARRANGEMENTS**

In view of the resignation of AXAIM as investment manager, Worsley has been appointed as the Company's investment advisor with effect from 31 May 2019 and has assumed responsibility for certain of the day-to-day support functions AXAIM previously provided in respect of the corporate structure and affairs of the Company.



Worsley is regulated by the FCA and is authorised to provide investment management and advisory services. Blake Nixon, the principal of Worsley, has a track record of generating long-term investment returns through both listed permanent capital vehicles and unlisted open-ended structures:

- over the four years the strategy was operated at Worsley Investors plc, an unlisted open-ended Irish fund, compound growth in net asset value per share of 31.75 per cent. per annum was generated;
- the UK portfolio of Guinness Peat Group plc (now known as Coats Group plc) ("**GPG**"), a London listed investment company, under Blake Nixon's direction generated an internal rate of return of some 33 per cent. per annum over the last ten years in which it operated the Worsley strategy; and
- employing the strategy internationally, during Blake Nixon's tenure as an executive director, GPG achieved compound net asset value per share growth of 16.4 per cent. per annum from 1990 to 2010.

The Investment Advisory Agreement, which is governed by the laws of England and Wales, has an initial term of two years (the "**Initial Term**"), with either Worsley or the Company being able to terminate the agreement by giving 12 months' notice after the first anniversary of the date of the agreement, and thereafter on a rolling 12 months' notice basis. Following the Initial Term, on giving the requisite 12 months' notice there is no compensation on termination (save in respect of any payment made in lieu of notice where Worsley and the Company agree to terminate the Investment Advisory Agreement on less than 12 months' notice). In addition, the Company and Worsley may terminate the Investment Advisory Agreement in certain limited circumstances.

Pursuant to the Investment Advisory Agreement, Worsley is entitled to an annual advisory fee of 1.25 per cent. of the Company's Net Asset Value, to the extent that the Company's Net Asset Value is £40 million or less, but subject to a minimum fee of £150,000 per annum. If the Company's Net Asset Value exceeds £40 million, the Company will pay Worsley a fee equal to 1.25 per cent. of £40 million and 1.00 per cent. of the amount by which the Company's Net Asset Value exceeds £40 million.

Entering into the Investment Advisory Agreement constituted a "smaller related party transaction" for the purposes of the Listing Rules. As set out in the RIS announcement of 3 June 2019, the Board, having been so advised by the Company's sponsor, Shore, considers the terms of the Investment Advisory Agreement to be fair and reasonable so far as the Shareholders are concerned. Shareholders should note that, owing to his role as a principal of Worsley, Blake Nixon did not vote on any Board resolutions relating to, and did not take part in the Board's consideration of this related party transaction.

## **7. CURNÒ**

Despite concerted efforts since April 2013 to complete an orderly realisation of the Company's assets, the Company has not been able to dispose of all of them as quickly as originally anticipated at prices which represent best value to Shareholders and the Company continues to hold one property asset, a multiplex cinema complex, located in Curnò, Italy, the sole tenant of which is UCI Nord Est S.r.L. ("**UCI**").

After an extensive period of negotiation with UCI, which followed it having raised trading concerns, a new lease contract was signed on 13 December 2018. As at 31 December 2018, the Company's independent asset valuer, Knight Frank LLP, valued the Curnò Asset at €9.5 million, and this was adopted in the Company's consolidated accounts for the period then ended.

The marketing process commenced in 2015 and, having failed to elicit sustained interest from buyers, was deferred during 2018 whilst the lease terms were renegotiated. AXAIM in January resumed marketing and approached a targeted list of investor groups considered likely investors for this asset size.

Were the Company to retain its existing strategy of a managed wind-down it would be likely to continue to be regarded as a forced seller of the Curnò Asset and its ability to hold this investment for longer to achieve better value would remain diminished. The impact on the value achieved for Shareholders from continuing with the realisation strategy would therefore be likely to be significantly negative.

By removing the necessity to liquidate the Company's assets in a short time frame, the Board believes that it ought to be possible to extract a better valuation for the Curno Asset than its current carrying value.

The Group plans to retain the Curno Asset until a disposal can be effected at a price which the Board believes properly reflects its prospects.

## **8. COSTS AND EXPENSES ASSOCIATED WITH THE PROPOSALS**

The costs and expenses incurred by the Company in connection with the Proposals will be borne by all Shareholders *pro rata* to their holding of Shares. Such costs and expenses are not expected to exceed £75,000, which equates to approximately 0.4 pence per Share based on the total number of Shares in issue (excluding Shares held in treasury).

## **9. MEETINGS**

The Proposals are subject to Shareholder approval. The Notice convening the meeting to be held at 3:00 p.m. on 28 June 2019 is set out at the end of this Circular. The Notice includes the full text of the Resolutions.

Resolution 1 to approve the New Investment Objective and Policy is proposed as an Ordinary Resolution. For an Ordinary Resolution to be passed, more than half of the total number of votes cast by Shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.

Resolution 2 to approve the change of the Company's name is proposed as a Special Resolution (as required by section 25 of the Companies (Guernsey) Law, 2008 (as amended)). For a Special Resolution to be passed, it must be approved by a majority of not less than seventy-five per cent. of the votes cast by Shareholders present and entitled to vote at the EGM.

The quorum for the EGM shall be two or more Shareholders, present and entitled to vote in person or by proxy, representing not less than 5 per cent. of the voting rights. If within 30 minutes of the time appointed for the EGM a quorum is not present, it shall stand adjourned for 7 Clear Days at the same time and place or to such other day and at such other time and place as the Board may determine (or if that day is not a Business Day in the location of the meeting, to the next Business Day). No notice of adjournment need be given unless: (i) the meeting is adjourned for more than 30 days; or (ii) new business is to be proposed at the adjourned meeting, in either of these circumstances notice of the adjourned meeting must be given in same manner as notice has been provided for this EGM.

On the resumption of an adjourned meeting, those Shareholders present, in person or by proxy, shall constitute the quorum.

## **10. 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 EGM. Whether or not you intend to be present at the EGM, you should ensure your Form of Proxy is returned to the Company's Registrar by one of the following methods:

- by post;
- by courier;
- by hand; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the EGM.

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.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM). This Circular will also be available on the Company's website: <https://www.worsleyinvestors.com>.

## 12. RECOMMENDATION

The Board unanimously considers that the Proposals are in the best interests of the Company and its Shareholders as a whole. The Board accordingly recommends that Shareholders vote in favour of the Resolutions to be proposed at the EGM.

The Directors intend to vote their own beneficial holdings in favour of the Resolutions in respect of their aggregate holding of 6,188,380 Shares (representing approximately 29.8 per cent. of the total voting rights in the Company). Irrevocable undertakings or written indications of intent to vote in favour of Resolutions have been received from Shareholders representing, in aggregate, a further 15.2 per cent. of the Company's issued Share capital.

Yours faithfully

**William Scott**

*Chair*

7 June 2019

## PART II – DEFINITIONS

<b>"Articles"</b>	the Company's articles of incorporation, as amended from time to time
<b>"AXAIM"</b>	AXA Investment Managers UK Limited
<b>"Board" or "Directors"</b>	the board of directors of the Company whose names are set out on page 5 of this Circular
<b>"British Isles"</b>	means: (i) the United Kingdom of Great Britain and Northern Ireland; (ii) the Republic of Ireland; (iii) the Channel Islands; and (iv) the Isle of Man
<b>"British quoted securities"</b>	securities of companies listed or admitted to trading on a stock exchange within the British Isles;
<b>"Business Day"</b>	any day (other than a Saturday or a Sunday) on which banks are open for general business in London and Guernsey
<b>"Channel Islands"</b>	the Bailiwick of Guernsey and the Bailiwick of Jersey
<b>"Circular"</b>	this document
<b>"Commission"</b>	Guernsey Financial Services Commission
<b>"Company"</b>	AXA Property Trust Limited
<b>"CREST"</b>	the system for paperless settlement of trades and the holding of uncertificated securities administered by Euroclear UK & Ireland
<b>"Clear Days"</b>	means that period excluding the day when notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>"Curno Asset"</b>	the Group's real estate asset (a multiplex cinema) located in Curno, Italy
<b>"Extraordinary General Meeting" or "EGM"</b>	the extraordinary general meeting of the Company convened for 3:00 p.m. on 28 June 2019 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL (or any adjournment thereof), notice of which is set out at the end of this Circular
<b>"FCA"</b>	the Financial Conduct Authority of the United Kingdom
<b>"Form of Proxy"</b>	the form of proxy for use at the EGM
<b>"GPG"</b>	Coats Group plc, a public company registered in England and Wales with company registered number 00103548 (formerly known as Guinness Peat Group plc until change of name in February 2015)

<b>"Gross Asset Value"</b>	the value of all consolidated assets of the Group determined in accordance with the accounting principles adopted by the Company from time to time
<b>"Group"</b>	the Company and its subsidiary undertakings
<b>"IMA"</b>	the investment management agreement dated 18 April 2005 between the Company and AXAIM, as amended
<b>"Initial Term"</b>	has the meaning given in paragraph 6 of Part I of this Circular
<b>"Investment Advisor"</b>	the Company's investment advisor (or, if relevant, its investment manager) appointed from time to time
<b>"Investment Advisory Agreement"</b>	the investment advisory agreement dated 31 May 2019 between the Company and Worsley, pursuant to which Worsley has been appointed as the Company's investment advisor
<b>"Listing Rules"</b>	the listing rules made by the FCA pursuant to Part VI of the UK Financial Services and Markets Act 2000, as amended from time to time
<b>"NAV" or "Net Asset Value"</b>	the value of the consolidated assets less the consolidated liabilities of the Group determined in accordance with the accounting principles adopted by the Company from time to time
<b>"New Investment Objective and Policy"</b>	the revised investment objective and policy which will be adopted in the place of the current investment policy should Resolution 1 be passed by Shareholders
<b>"Ordinary Resolution"</b>	a resolution which requires a majority of more than half of the total number of votes cast by Shareholders who, being entitled to vote, are present in person or by proxy and entitled to vote and voting at the appropriate meeting
<b>"Proposals"</b>	has the meaning given in paragraph 2 of Part I of this Circular
<b>"Registrar"</b>	Computershare Investor Services (Guernsey) Limited
<b>"Resolutions"</b>	the resolutions to be proposed at the EGM in relation to the Proposals, being one Ordinary Resolution and one Special Resolution
<b>"RIS"</b>	regulatory information service, being one of the service providers listed in Schedule 12 of the Listing Rules
<b>"Shareholders"</b>	holders of Shares
<b>"Shares"</b>	ordinary shares of no par value in the capital of the Company
<b>"Shore"</b>	Shore Capital & Corporate Limited
<b>"Special Resolution"</b>	a resolution which requires a majority representing not less than seventy-five per cent. of the Shareholders present in person or by proxy and entitled to vote and voting at the appropriate meeting

**"UCI"**

UCI Nord Est S.r.L.

**"Worsley"**

Worsley Associates LLP

## **APPENDIX – ADDITIONAL INFORMATION RELATING TO THE PROPOSED INVESTMENT POLICY**

### **1. RISK FACTORS**

Risks associated with the change to Investment Objective and Policy

- Following the adoption of the New Investment Objective and Policy, proceeds from the realisation of the Group's remaining property, the Curno Asset, would not be returned to Shareholders in accordance with the existing investment policy but would, instead, be re-invested, together with the Company's existing cash balances in investments in accordance with the proposed investment policy. There can be no assurance that any such new investments would ultimately be realised for a sum exceeding the amount invested by the Company.
- Adopting the New Investment Objective and Policy would result in the Company becoming reliant on the ability of Worsley to identify, recommend and oversee new investments made in accordance with the proposed investment policy.
- The activity of identifying, acquiring and realising attractive deep value equity investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions.
- There can be no assurance that the Group's investments would meet their target returns, or any other level of return, or that the Company would achieve or successfully implement its new investment objective; and
- The Company believes that its success and the success of its investments would depend upon the experience of Worsley, and its continued involvement as the Company's investment advisor. If Worsley were to terminate its Investment Advisory Agreement that could prevent the Company from achieving its new investment objective.

### **2. CONFLICTS OF INTEREST**

The activities of Worsley (in its capacity as the Company's investment advisor) will be subject to the overall discretion and review of the Board. Further, decisions to make any significant investments in accordance with the New Investment Objective and Policy will be made by the Board. The Board will aim to ensure that any conflicts are resolved fairly and in the interests of the Shareholders as a whole to the fullest extent possible.

Worsley has contracted, pursuant to the Investment Advisory Agreement, with the Company that it will not (and will procure that its members and employees will not) without the Company's prior consent, undertake for itself or for any other client any investment, wherever located, of the type reasonably considered to be within or consistent with the investment objective and/or policy of the Company without offering the Company a right of first refusal in respect of the same.

Any direct or indirect dealings between the Company and Worsley or its associates will be on arms' length terms only and must be approved by the Board. Blake Nixon, a Director and substantial Shareholder in the Company is a founding partner, principal and a designated member of Worsley.

The Management Engagement Committee, which consists of William Scott and Robert Burke, will review Worsley's appointment on an ongoing basis.

## **AXA PROPERTY TRUST LIMITED**

*(a closed-ended investment company incorporated with limited liability under the laws of the Island of Guernsey with registration number 43007)*

(the "**Company**")

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an extraordinary general meeting of the Company ("**EGM**") will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL on 28 June 2019 at 3:00 p.m. to consider and, if thought fit, pass the Resolutions set out below, which will be proposed as an Ordinary Resolution and as a Special Resolution.

### **ORDINARY RESOLUTION**

#### **IT IS HEREBY RESOLVED THAT:**

- (i) the New Investment Objective and Policy, as set out in this Circular, be and is approved and adopted with immediate effect as the Investment Objective and Policy of the Company, to the exclusion of the Existing Investment Objective and Policy.

### **SPECIAL RESOLUTION**

#### **IT IS HEREBY RESOLVED THAT:**

- (ii) the Company's name be changed from "AXA Property Trust Limited" to "Worsley Investors Limited".

Terms defined in the Circular shall have the same meanings in these Resolutions and this Notice, save where the context otherwise requires.

#### **By order of the Board**

Northern Trust International Fund Administration Services (Guernsey) Limited, for and on behalf of AXA Property Trust Limited, Company Secretary

Registered office: PO Box 255 Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL

Date: 7 June 2019



#### Notes:

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the EGM may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the EGM. A member can appoint more than one proxy in relation to the EGM, provided that each proxy is appointed to exercise the rights attaching to different Shares held by him.
2. A proxy does not need to be a member of the Company but must attend the EGM to represent you. Your proxy could be the Chair, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chair or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the EGM for your vote to count. Appointing a proxy or proxies does not preclude you from attending the EGM and voting in person.
3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same EGM, the one which is last sent shall be treated as replacing and revoking the other or others.
5. To be entitled to attend and vote at the EGM (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two Business Days prior to the EGM (the 'specified time'). If the EGM is adjourned to a time not more than 48 hours after the specified time applicable to the original EGM, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned EGM. If, however, the EGM is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two Business Days prior to the adjourned EGM or, if the Company gives notice of the adjourned EGM, at the time specified in that notice.
6. Entry to the EGM will be restricted to Shareholders, with guests admitted only by prior arrangement.
7. A corporation, which is a Shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the EGM (see instructions given on the proxy form). In accordance with the provisions of the Articles, each such representative(s) may exercise the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same Shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.
8. The Company must cause to be answered at the EGM any question relating to the business being dealt with at the EGM which is put by a member attending the meeting; no answer need be given if it is undesirable in the interests of the Company or the good order of the meeting.
9. The contents of this notice of meeting, details of the total number of Shares in respect of which members are entitled to exercise voting rights at the EGM, the total voting rights members are entitled to exercise at the EGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website <https://www.worsleyinvestors.com>
10. The register of interests of the Directors and connected persons in the share capital of the Company is available for inspection at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG and at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the EGM.
11. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
12. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your Voting ID, TaskID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Instruction Form).
13. As at 5 June 2019 (being the latest Business Day prior to the publication of this Notice), the Company's issued share capital (less Shares held in treasury) consists of 20,758,441 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company are 20,758,441.

#### Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.