



AIMS Funds Management
A Member of AIMS Financial Group

20 June 2014

ASX Code: APW
SGX Code: AIMS Property

ASX Announcement

AIMS Property Securities Fund

Distribution Letter Sent to Unitholders

Please find attached a copy of the Distribution letter for the quarter ended 31 March 2014.

If you have any question in relation to this announcement, please feel free to contact the Responsible Entity on +61 2 9217 2727 or at trust@aims.com.au.

Yours faithfully

Alan Wong
Company Secretary
AIMS Fund Management Limited

Head Office Sydney: Level 16, Central Square
323 Castlereagh Street, Sydney NSW 2000 Australia
PO Box K222 Haymarket NSW 1240 Australia
Client Services: 1300 655 197, 1300 362 117 Fax: +612 9281 7611
Email: mail@macarthurcook.com.au **Website:** www.macarthurcook.com.au

AIMS Funds Management
AIMS Fund Management Limited
ABN 79 004 956 558 AFS Licence No: 258052
AIMS Investment Managers Limited
ABN 45 099 054 074 Licence No: 225357 SEC No: 801-66388
AIMS Real Estate Funds Limited
ABN 32 126 766 167 AFSL No: 318261



AIMS Funds Management
A Member of AIMS Financial Group

20 June 2014

Dear Investor,

Investor Update

Distribution for the quarter ended 31 March 2014

AIMS Fund Management Limited in its capacity as responsible entity for the AIMS Property Security Fund (**Responsible Entity**) has determined that the distribution amount for the quarter ended 31 March 2014 is 0.0901 Australian cents per unit (**March Distribution**). The March Distribution is being paid for the quarter ended 31 March 2014 only. The Singaporean distribution amount has been determined on the Australian/Singaporean Dollar exchange rate on 10 June 2014*.

With regard to future distributions, the Responsible Entity will take into account the condition of financial markets, forecast distribution income from the Fund's investments and the balance sheet position of the Fund, prior to determination of the distribution amount.

** AUD/SGD exchange rate of 1.1705 applied for the payment of Singaporean units*

Distribution Reinvestment Plan (DRP)

The DRP was not in operation for the March 2014 distribution. The Responsible Entity will advise whether the DRP will be made available in relation to any future distribution as part of the relevant market announcement at the appropriate time.

Unit Buy Back Program

As at 11 June 2014, the Fund has bought back and cancelled 42,867,732 units for a total consideration of \$3,789,166 under the on-market buy back program. The average price per unit bought back is 8.84 cents compared to the closing price as at 11 June 2014 of 12 cents per unit. There are 7,760,955 units to be bought back by the Fund before it reaches the maximum number of units able to be bought back under the buy-back program.

The Responsible Entity believes the buy back is an effective and economical use of the Fund's cash. As such, the Fund intends to continue with the buy back program.

Net Tangible Assets (NTA)

The Fund's unaudited NTA as at 30 June 2014 is expected to be approximately 16.06 cents per unit which compared favourably to the Fund's NTA of 12.59 cents per unit as at 30 June 2013.

Head Office Sydney: Level 16, Central Square
323 Castlereagh Street, Sydney NSW 2000 Australia
PO Box K222 Haymarket NSW 1240 Australia
Client Services: 1300 655 197, 1300 362 117 **Fax:** +612 9281 7611
Email: mail@macarthurcook.com.au **Website:** www.macarthurcook.com.au

AIMS Funds Management
AIMS Fund Management Limited
ABN 79 004 956 558 AFS Licence No: 258052
AIMS Investment Managers Limited
ABN 45 099 054 074 Licence No: 225357 SEC No: 801-66388
AIMS Real Estate Funds Limited
ABN 32 126 766 167 AFSL No: 318261

Investment Portfolio

Following a number of changes in 2013/14, the Fund's investment portfolio by asset class as at 30 June 2014 is as follows:

- Unlisted property securities 52% (31 December 2013: 57%);
- Listed property securities 33% (31 December 2013: 28%); and
- Cash 15% (31 December 2013: 15%).

TFML Litigation

The High Court orders dated 14 May 2014 give judgment to the Responsible Entity on behalf of the Fund against TFML Limited in the amount of \$10,809,868 plus interest and costs (**Judgment Debt**). The pre-judgment interest has been agreed by the parties at \$4,859,351.36. The Judgment Debt plus pre-judgment interest is equal to approximately 3.37 cents per Unit. The Fund is also entitled to receive post judgment interest at 8.5% per annum on the total award (including pre-judgment interest) of \$15,669,219.36.

The Responsible entity has agreed that the Judgment Debt payable by TFML Limited as responsible entity of P-REIT may be paid as follows:

- \$10 million on or before 30 June 2014;
- \$2.5 million on or before 31 July 2014;
- \$2.5 million on or before 29 August 2014;
- The balance (expected to be between \$1.6 million and \$2.4 million) on or around 30 September 2014.

Fund Strategy

The Fund's strategy remains as follows:

- The Fund will continue to assess withdrawal and/or redemption offers as and when they arise;
- The Fund intends to continue to pay regular income distributions at or around a payout ratio of 80% of net operating cash flow;
- The Fund intends to continue to acquire units under the buy-back program up to the maximum amount of Units that may be bought back under the on market buyback program; and
- The Fund intends to make new investments that meet the Fund's investment criteria preferably into vehicles in which the Responsible Entity has significant influence and/or control;

Further Information

If you have any questions in relation to the Fund, please feel free to contact Michael Goldman on +61 2 9217-2773 or email michael.goldman@aims.com.au

Yours sincerely



Michael Goldman
Head of Property Funds
AIMS Fund management Limited

About AIMS Fund Management Limited:

AIMS Fund Management Limited (formerly known as MacarthurCook Fund Management Limited) is a wholly owned subsidiary of the AIMS Financial Group (AIMS), which specialises in the investment management of direct property, real estate securities and mortgage assets.

AIMS manage approximately A\$1.5 billion on behalf of over 20,000 Investors/borrowers as at 21 December 2012 and are the investment managers for MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund and MacarthurCook Property Securities Fund. AIMS also manages, in a joint-venture arrangement with AMP Capital, the AIMS-AMP Capital Industrial REIT in Singapore.

The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore Exchange. The AIMS-AMP Capital Industrial REIT is listed on the Singapore Exchange.

About AIMS Financial Group:

Established in 1991, AIMS Financial Group (AIMS) is a diversified financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets in Australia, active in the areas of lending, securitisation, investment banking, funds management, property investment, stock exchange ownership and high-tech investment.

Since 1999, AIMS has raised approximately A\$4 billion in funds from the capital markets. Of this, AIMS has issued approximately A\$3 billion residential mortgage-backed securities, with most of them rated AAA by both Standard & Poors and Fitch Ratings, and has originated over A\$5 billion of high quality prime home loans since 1997.

AIMS has actively introduced a number of international investors into the Australian markets and to date. AIMS has also attracted over A\$1 billion of investments into Australia from overseas investors.

AIMS is also the investment manager for AIMS' funds, which amount to approximately A\$1.5 billion fund as at 1 November 2012.

AIMS' head office is in Sydney, Australia, and it has businesses across Australia, China, Hong Kong and Singapore. Our highly qualified, professional and experienced cross-cultural teams enable AIMS to bridge the gap between Australia and China across various sectors.

AIMS Financial Group Expands During GFC

During the global financial crisis, AIMS expanded its business in a time when many other businesses were experiencing immense difficulties.

In October 2008, AIMS acquired the Asia Pacific Stock Exchange (APX), which is the only Western Securities Exchange 100% owned by a private company.

In April 2009, AIMS became the largest shareholder (15.8%) of the ASX listed fund manager, MacarthurCook Limited (MCK). In August 2009, AIMS' holding increase to 54% and by November 2009, AIMS' became the 100% owner of MCK which was subsequently delisted from the ASX.

MacarthurCook Turnaround Story

At the time of acquisition, MacarthurCook's fund management business was severely distressed with each of the 4 listed funds and a number of unlisted funds starved of capital and management expertise. Under AIMS' leadership, MacarthurCook's funds have been turned around, stabilised and improved outcome for investors, for example:

A. The MacarthurCook Industrial REIT (MI-REIT) listed on the SGX (now known as AIMS AMP Capital Industrial REIT). At the time of the AIMS acquisition of MacarthurCook in 2009, MI-REIT was a vehicle which was in distress. MI-REIT had an obligation to refinance S\$220.8million and purchase a S\$90.2million property which previous management had entered into in 2007 without finance in place. As at 31 March 2009, MI-REIT's market capitalisation was approximately S\$60.2 million and total assets were S\$544.0 million. In December 2009, MI-REIT

was renamed to AIMS AMP Capital Industrial REIT (AA-REIT). Under the new management of AIMS AMP Capital Industrial REIT Management Limited, a joint venture REIT management company owned 50 percent each by AIMS and AMP Capital, AA-REIT has grown significantly with a market capitalisation S\$707.8 million and S\$1.06 billion total assets as at 31 March 2013.

B. The MacarthurCook Property Securities Fund (MPS) which is listed on the ASX and SGX. Since the takeover of MacarthurCook, through AIMS management, MPS has been able to significantly reduce its debt from A\$44.5 million with a gearing ratio of 38% to nil as 31 May 2013. MPS is now uniquely positioned to access the capital markets in Australia and Asia through its dual listing on the ASX and SGX.

C. The privatisation of the MacarthurCook Industrial Property Fund (MIF) which was formerly listed on the ASX and was distressed at the time of acquisition. The share price of the fund at the time AIMS took over MacarthurCook was \$0.16. AIMS reduced vacancy in the MIF portfolio and improved the weighted average lease expiry to more than 5 years. In October 2010, unitholders voted in favour of accepting an offer from a US fund at A\$0.44 per unit representing a 42.0% premium to the pre-announcement trading price.