

AIMS PROPERTY SECURITIES FUND
ABN 79 004 956 558

APPENDIX 4D – PRELIMINARY FINAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Results for announcement to the market

		Movement (\$'000)	Movement (%)	Half-year to 31 Dec 2017 (\$'000)	Half-year to 31 Dec 2016 (\$'000)
Revenue from ordinary activities*	Down	(110)	-6.19%	1,667	1,777
Income from ordinary activities attributable to unitholders	Up	1,564	158.46%	2,551	987
Net income for the period attributable to unitholders	Up	1,564	158.46%	2,551	987
Net tangible assets (NTA) per unit (\$)	Up	0.095	4.68%	2.127	2.032

* Revenue from ordinary activities comprises investment distribution income and interest income.

Distributions	Cents Per Unit	Paid/Payable
September Quarter	1.1707	15 December 2017
December Quarter	0.4926	16 March 2018
Total	1.6633	

This Appendix 4D should be read in conjunction with the Interim Financial Report of AIMS Property Securities Fund for the financial period ended 31 December 2017 (in the attachment which forms part of Appendix 4D) 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 4D is based on the Interim Financial Report of AIMS Property Securities Fund for the financial period ended 31 December 2017 which has been reviewed by KPMG. The KPMG review contains an Emphasis of Matter with regards to the fair value of investments held in closed end schemes, and open ended schemes which have no redemption windows. The Directors consider that this value, as per Note 4 to the Interim Financial Report, represents the best estimate of fair value as at 31 December 2017.



Claud Chaaya
Company Secretary

Dated this 26 February 2018

AIMS PROPERTY SECURITIES FUND

ARSN 111 442 150

**INTERIM FINANCIAL REPORT
31 DECEMBER 2017**

AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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**AIMS PROPERTY SECURITIES FUND
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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

The Directors of AIMS Fund Management Limited, the Responsible Entity of AIMS Property Securities Fund ("the Fund"), present their report together with the interim financial report of the Fund for the half-year ended 31 December 2017.

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

Directors

The Directors of the Responsible Entity at any time during or since the end of the financial period are shown below. Directors were in office to the date of the report unless otherwise stated:

Name	Title/Position Held
Mr George Wang	Executive Chairman
Mr Richard Nott	Non-Executive Independent Director & Chairman of the Audit, Compliance and Risk Committee
Mr John Love	Non-Executive Independent Director

Principal Activities

The Fund is a registered management investment scheme domiciled in Australia. The Fund is listed on both the Australian Securities Exchange Limited (ASX) and the Singapore Exchange Limited (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.

Results and Review of Operations

Operations

The net gain before finance cost for the period ended 31 December 2017 is \$2,551,000 (December 2016: \$987,000). This result includes the change in fair value of investments of \$1,364,000 (December 2016: unrealised loss \$222,000).

On 30 November 2017, the Fund made an initial investment of \$15,000,000 to AIMS Real Estate Opportunity Fund by purchasing 15,000,000 ordinary units (\$1 each). On 5 December 2017, the fund purchased additional 4,000,000 units for \$4,000,000 and this brings the ownership of the Fund in AIMS Real Estate Opportunity Fund to 99.01%.

AIMS Real Estate Funds Limited is the trustee of AIMS Real Estate Opportunity Fund. The main business activity of the AIMS Real Estate Opportunity Fund is investing in a variety of real estate assets, unlisted/listed property securities, mortgage assets/securities, financial instruments, cash and fixed income securities. On 1 December 2017, AIMS Real Estate Opportunity fund made an investment of \$3,399,750 to MacarthurCook Office Property Trust by purchasing 7,500,000 wholesale units (\$0.4533 each) which was valued at approximately \$4,700,000, resulting in a gain of 38%. The remaining assets were in the form of cash and cash equivalents.

From 1 July 2017 to 31 December 2017, the Fund has bought back and cancelled 47,540 Ordinary Units on issue for its unit buy back program.

AIMS PROPERTY SECURITIES FUND
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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Results and Review of Operations (cont.)

Performance

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 Singaporean registered Unitholders respectively, in the following table:

	ASX listed Units		SGX listed Units	
	Half-year ended	Half-year ended	Half-year ended	Half-year ended
	31-Dec	31-Dec	31-Dec	31-Dec
	2017	2016	2017	2016
	%	%	%	%
Distribution Return	1.14	3.06	1.08	3.18
Growth Return	11.33	17.69	13.46	20.77
Total Return	12.47	20.75	14.54	23.95

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 31 December 2017 and the closing trade prices on 30 June 2017. The market price of the Fund's Units (as represented by the closing trade price) on the ASX at 31 December 2017 was \$1.67 (30 June 2017: \$1.50). The market price of the Fund's units on the SGX at 31 December 2017 was SGD\$1.77 (30 June 2017: SGD\$1.56).

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.

Value of the Fund's assets

The Fund's total assets were valued at \$95,177,000 as at 31 December 2017 (30 June 2017: \$93,910,000) in accordance with the accounting policies set out in Note 1 of the interim Financial Report. The net tangible asset value was \$2.127 per ordinary unit (30 June 2017: \$2.086 per unit). The net tangible asset calculation excludes the Deferred Units on issue.

Distributions Paid or Recommended

In respect of the half-year ended 31 December 2017, 1.1707 Australian cents per unit (September 2016: 2.1443 cents) were paid for the quarter of September with an announced distribution for December quarter at 0.4926 Australian cents per unit (December 2016: 1.4660 cents).

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 half-year ended 31 December 2017.

After Balance Date Events

There has not arisen in the interval between the end of the financial period 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 periods.

**AIMS PROPERTY SECURITIES FUND
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**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

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 6 and forms part of the directors' report for the half-year ended 31 December 2017.

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



Mr George Wang
Executive Chairman

Dated this 26th day of February 2018



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of AIMS Fund Management Limited, the Responsible Entity of
AIMS Property Securities Fund

I declare that, to the best of my knowledge and belief, in relation to the review of AIMS Property Securities Fund for the half-year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Peter Zabaks

Partner

Sydney

26 February 2018

AIMS PROPERTY SECURITIES FUND
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CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

		31 Dec 2017	31 Dec 2016
	Note	\$'000	\$'000
Distribution income		1,514	1,709
Interest income		153	68
Change in fair value of investments		1,364	(222)
Net investment income		3,031	1,555
Responsible Entity fees		-	181
Administration expenses	9	480	387
Total expenses		480	568
Net gain for the half-year before finance costs		2,551	987
Finance costs (attributable to unitholders)		(743)	(1,622)
Change in net assets attributable to Unitholders	5	1,808	(635)

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

AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Current Assets			
Cash and cash equivalents		1,358	1,649
Trade and other receivables		1,462	1,641
Financial assets held at fair value through profit or loss	4	-	11,000
Total Current Assets		2,820	14,290
Non-Current Assets			
Financial assets held at fair value through profit or loss:			
Listed property securities	4	16,621	24,277
Unlisted property securities	4	75,736	55,343
Total Non-Current Assets		92,357	79,620
Total Assets		95,177	93,910
Current Liabilities			
Financial liabilities held at amortised cost:			
Trade and other payables		282	773
Total Current Liabilities		282	773
Total Liabilities (excluding net assets attributable to Unitholders)		282	773
Net Assets attributable to Unitholders	5	94,895	93,137

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

**AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150**

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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 period.

The Condensed Statement of Changes in Equity is to be read in conjunction with the notes to the interim financial statements

AIMS PROPERTY SECURITIES FUND
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CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Cash flows from operating activities			
Distributions received		1,713	1,895
Interest received		153	68
Management fees paid		-	(217)
Other expenses paid		(538)	(420)
Net cash inflows from operating activities		<u>1,328</u>	<u>1,326</u>
Cash flows from investing activities			
Proceeds from returns of capital		66	-
Proceeds from sale of investments		18,560	511
Acquisition of investments		(19,000)	(11,329)
Net cash used in from investing activities		<u>(374)</u>	<u>(10,818)</u>
Cash flows from financing activities			
Payments for share buyback		(50)	(500)
Distribution paid		(1,195)	(1,789)
Net cash flows used in financing activities		<u>(1,245)</u>	<u>(2,289)</u>
Net decrease in cash and cash equivalents		(291)	(11,781)
Cash and cash equivalents at beginning of the half-year		1,649	14,005
Cash and cash equivalents at the end of the half-year		<u>1,358</u>	<u>2,224</u>

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

**AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. Reporting entity

AIMS Property Securities Fund (the "Fund") is a fund domiciled in Australia. These interim financial statements ("interim financial statement") are as at and for the six months ended 31 December 2017. The Fund is primarily involved in listed and unlisted property funds investments.

The annual financial statements of the Fund as at and for the year ended 30 June 2017 are available on the website of the Responsible Entity, AIMS Fund Management Limited, at www.aimsfunfs.com.au.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Fund. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Fund for the financial year ended 30 June 2017, together with any public announcements made during the half-year ended 31 December 2017.

2. Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last annual statements as at and for the year ended 30 June 2017.

These interim financial statements were authorised for issue by the Fund's Board of Directors on 26 February 2018.

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

The accounting policies applied in these interim financial statements are the same as those applied in the Fund's financial statements as at and for the year ended 30 June 2017.

3. Use of judgements and estimates

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

The significant judgements made by Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2017.

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

4. Financial assets

	31 Dec 2017	30 Jun 2017
	\$'000	\$'000
Financial assets at fair value		
Listed property securities	16,621	24,277
Unlisted property securities ⁽¹⁾	75,736	55,343
Term Deposits	-	11,000
	<u>92,357</u>	<u>90,620</u>

⁽¹⁾ The fair value of the unlisted property securities as at the end of the reporting periods are estimated based on the net tangible assets of the underlying funds. This represents the best estimate of fair value of these investments in unlisted schemes. The valuation of the investments will vary in line with the changes in the net tangible asset values of the underlying schemes. The liquidity of the investments is subject to the underlying schemes' performance and/or their ability to sell down assets. As at 31 December 2017 the fair value of investments in closed end funds and open ended funds with no redemption windows amounted to \$75,736,000 (30 June 2017: \$55,343,000).

	31 Dec 2017	30 Jun 2017
	Financial assets at fair value	Financial assets at fair value
	\$'000	\$'000
Opening Balance	90,620	58,032
Purchase during the period	19,000	31,329
Disposal during the period	-18,627	-569
Change in the Fair Value	1,364	1,828
Closing Balance	<u>92,357</u>	<u>90,620</u>

5. Net assets attributable to unitholders

	31 Dec 2017				31 Dec 2016			
	No. of Ordinary Units	No. of Deferred Units	No. of Total Units	\$	No. of Ordinary Units	No. of Deferred Units	No. of Total Units	\$
	'000	'000	'000	'000	'000	'000	'000	'000
Opening balance	44,659	1,753	46,412	93,137	450,907	1,753	452,660	92,192
Consolidated (1 for 10)	-	-	-	-	(405,816)	-	(405,816)	-
Unit buyback	(48)	-	(48)	(50)	(270)	-	(270)	(500)
Change in net assets attributable to Unitholders	-	-	-	1,808	-	-	-	(635)
Closing balance	<u>44,611</u>	<u>1,753</u>	<u>46,364</u>	<u>94,895</u>	<u>44,821</u>	<u>1,753</u>	<u>46,574</u>	<u>91,057</u>

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

5. Net assets attributable to unitholders (cont.)

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, issued with no proceeds, are convertible to ordinary units on the terms set out in the Fund's constitution. At 31 December 2017, 1,752,605 (December 2016: 1,752,605) Deferred Units were on issue. These are included in the totals above. Deferred units were issued to the Responsible Entity and will be converted 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 9) and as such the Deferred Units will no longer be converted to Ordinary Units.

6. Financial Instruments – Fair value measurement

The following table shows the fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy.

31 Dec 2017		Fair Value (\$'000)		
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Listed property securities	16,621	-	-	
Unlisted property securities	-	-	75,736	
Term Deposits	-	-	-	
	16,621	-	75,736	

30 Jun 2017		Fair Value (\$'000)		
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Listed property securities	24,277	-	-	
Unlisted property securities	-	-	55,343	
Term Deposits	-	11,000	-	
	24,277	11,000	55,343	

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 2 and 3 fair values, as well as the significant unobservable inputs used.

There are no changes in valuation technique compared to 30 June 2017.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

6. Financial Instruments – Fair value measurement (cont.)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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 - Exit unit price provided by the fund managers	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)

Transfers between Level 1, 2 and 3

There have been no transfers between level 1, 2 and 3 during the period.

Level 3 fair values

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

	Unlisted property securities	Unlisted property securities
Level 3 Reconciliation	31 Dec 2017	30 Jun 2017
	(\$'000)	(\$'000)
Opening balance	55,343	35,170
Change in fair value - unrealised	1,459	(1,016)
Change in fair value - realised	-	(13)
Acquisitions	19,000	329
Acquisitions - receipt of capital return	-	943
Reclassified from financial assets at cost	-	20,000
Disposals including returns of capital	(66)	(70)
Closing balance	75,736	55,343

Sensitivity analysis

For the fair values of investments in closed end funds and open ended funds with no redemption window (see note 4), reasonably possible changes to the NTA, holding other inputs constant, would have the following effects.

Impact on profit or (loss)	31 Dec 2017	30 Jun 2017
	\$'000	\$'000
+10.00% (1000 basis points) of the NTA/unit	7,574	5,534
-10.00% (1000 basis points) of the NTA/unit	(7,574)	(5,534)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

7. Distributions paid and payable

	31 Dec 2017		31 Dec 2016	
	\$'000	Cents per unit	\$'000	Cents per unit
Sep quarter distribution paid	523	1.1707	965	2.1443
Dec quarter distribution payable	220	0.4926	657	1.4660
	743	1.6633	1,622	3.6103

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. Distributions to Singapore Unitholders are the Singapore dollar (SGD) equivalent of the Australian distribution.

8. Related parties

On 30 November 2017, the Fund made an initial investment of \$15,000,000 to AIMS Real Estate Opportunity Fund by purchasing 15,000,000 ordinary units (\$1 each). On 5 December 2017, the fund purchased additional 4,000,000 units for \$4,000,000 and this brings the ownership of the Fund in AIMS Real Estate Opportunity Fund to 99.01%.

AIMS Real Estate Funds Limited is the trustee of AIMS Real Estate Opportunity Fund. The main business activity of the AIMS Real Estate Opportunity Fund is investing in a variety of real estate assets, unlisted/listed property securities, mortgage assets/securities, financial instruments, cash and fixed income securities.

On 1 December 2017, AIMS Real Estate Opportunity fund made an investment of \$3,399,750 to MacarthurCook Office Property Trust by purchasing 7,500,000 wholesale units (\$0.4533 each) which was valued at approximately \$4,700,000, resulting in a gain of 38%. The remaining assets were in the form of cash and cash equivalents.

During the period, the MacarthurCook Office Property Trust (the Trust) acquired 155,337 units in the Fund for \$248,858, bringing the total holding of the Trust in the Fund to 3,560,656 units which occupied 7.98% of APW units.

Other than as noted above, there have been no significant changes to related party transactions disclosed in the last annual report. All transactions with related parties are conducted on normal commercial terms and conditions. From time to time Directors of the Responsible Entity, or their director related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other investors and are subject to corporate governance policies of the AIMS Group.

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

9 Administrative Expenses

	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
Professional fees	54	104
Administration fee (paid up to 30 November 2016) *	-	82
Rent, admin and employee expenses reimbursement (from 1 December 2016) *	302	50
Listing fees	50	57
Custodian fees	29	32
Share registry fees	21	42
Other expenses	24	20
	480	387

* Prior to 30 November 2016, the Responsible Entity was entitled to responsible entity fee and administration fee as disclosed in the Fund's Product Disclosure Statement.

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.

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

10. 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 during the year ended 30 June 2017, the Fund has reassessed that each investment is considered a reportable segment. Comparatives have been revised to comply with the current period presentation.

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.

Financial performance

Investments	Sectors	31/12/2017			31/12/2016		
		Distribution income	Changes in fair value	Total segment income	Distribution income	Changes in fair value	Total segment income
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed							
Blackwall Limited	Diversified	100	55	155	50	249	299
Blackwall Property Trust	Diversified	380	(42)	338	234	1,470	1,704
APN Regional Property Fund	Office	116	268	384	144	-	144
AIMS AMP Capital Industrial REIT	Industrial	171	(403)	(232)	187	(585)	(398)
Arena REIT	Childcare	167	27	194	156	(294)	(138)
Unlisted							
AIMS Property Fund (St Kilda Road)	Office	166	(144)	22	301	476	777
MacarthurCook Office Property Trust	Office	-	167	167	-	342	342
Arena Office Fund	Office	-	-	-	-	-	-
APGF Real Estate Investment	Diversified	-	-	-	-	-	-
Australian Unity Office Property Fund	Office	-	-	-	-	-	-
AIMS Property Fund (Felix St)	Office	-	(29)	(29)	302	(2,703)	(2,401)
AIMS Property Fund (Laverton)	Industrial	403	391	794	302	470	772
Pelathon Pub Fund	Pubs	11	(186)	(175)	33	353	386
AIMS Real Estate Opportunity Fund	Diversified	-	1,260	1,260	-	-	-
Total by segments		1,514	1,364	2,878	1,709	(222)	1,487

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

10. Operating segments (continued)

Segment assets

Investments	Sectors	31/12/2017			30/06/2017		
		Carrying value	Accrued income	Total segment assets	Carrying value	Accrued income	Total segment assets
Listed		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Blackwall Limited	Diversified	2,541	50	2,591	2,486	-	2,486
Blackwall Property Trust	Diversified	-	-	-	7,602	-	7,602
APN Regional Property Fund	Office	2,660	58	2,718	2,392	58	2,450
AIMS AMP Capital Industrial REIT	Industrial	5,398	90	5,488	5,803	99	5,902
Arena REIT	Childcare	6,021	82	6,103	5,995	82	6,077
Unlisted							
AIMS Property Fund (St Kilda Road)	Office	19,677	110	19,787	19,821	-	19,821
MacarthurCook Office Property Trust	Office	6,695	-	6,695	6,528	-	6,528
AIMS Property Fund (Felix St)	Office	10,415	600	11,015	10,444	600	11,044
AIMS Property Fund (Laverton)	Industrial	16,542	403	16,945	16,150	765	16,915
Pelathon Pub Fund	Pubs	2,148	44	2,192	2,399	33	2,432
AIMS Real Estate Opportunity Fund	Diversified	20,260	-	20,260	-	-	-
Total by segments		92,357	1,437	93,794	79,620	1637	81,257

	31/12/2017	30/06/2017
	\$'000	\$'000
Reconciliations of segment assets		
Total segment assets	93,794	81,257
Cash and cash equivalents	1,358	1,649
Other assets	25	4
Term Deposits	-	11,000
Total assets	95,177	93,910

	31/12/2017	31/12/2016
	\$'000	\$'000
Reconciliations of segment income		
Total segment income	2,878	1,487
Interest income	153	68
Net Investment income	3,031	1,555

**AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

11. Capital commitments and contingent liabilities and assets

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.

12. 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.

**AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150**

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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

- (a) the interim financial statements and notes set out on pages 7 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance, for the half-year ended on that date;
 - (ii) complying with Australian Accounting Standard AASB 134 *interim financial reporting* and the Corporations Regulations 2001; and
- (b) 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 Directors.



Mr George Wang
Executive Chairman

Dated this 26th day of February 2018



Independent Auditor's Review Report

To the unitholders of AIMS Property Securities Fund

Conclusion

We have reviewed the accompanying **Interim Financial Report** of AIMS Property Securities Fund (the Fund).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of AIMS Property Securities Fund is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed Statement of financial position as at 31 December 2017
- Condensed Statement of profit or loss and other comprehensive income for the half-year ended on that date
- Condensed Statement of changes in equity and Condensed Statement of cash flows for the half-year ended on that date
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The half-year period is the 6 months ended on 31 December 2017.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Responsible Entity, AIMS Fund Management Limited are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of AIMS Property Securities Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Peter Zabaks

Partner

Sydney

26 February 2018