

AIMS PROPERTY SECURITIES FUND
ABN 79 004 956 558

APPENDIX 4D – PRELIMINARY FINAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Results for announcement to the market

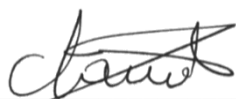
		Movement (\$'000)	Movement (%)	Half-year to 31 Dec 2019 (\$'000)	Half-year to 31 Dec 2018 (\$'000)
Revenue from ordinary activities*	Down	(140)	-10.00%	1,259	1,399
Income from ordinary activities attributable to unitholders	Down	(36)	-3.17%	1,100	1,136
Net income for the period attributable to unitholders	Down	(36)	-3.17%	1,100	1,136
Net tangible assets (NTA) per unit (\$)	Up	0.199	8.34%	2.584	2.385

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

Distributions	Cents Per Unit	Paid/Payable
September Quarter	0.5350	10 December 2019
December Quarter	0.7142	13 March 2020
Total	1.2492	

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 2019 (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 2019 which has been reviewed by Hall Chadwick.



 Claud Chaaya
 Company Secretary

Dated this 27th day of February 2020

AIMS PROPERTY SECURITIES FUND

ARSN 111 442 150

**INTERIM FINANCIAL REPORT
31 DECEMBER 2019**

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

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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 2019.

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 costs for the period ended 31 December 2019 is \$1,100,000 (December 2018: \$1,136,000). This result includes the change in fair value of investments of \$405,000 (December 2018: \$304,000).

From 1 July 2019 to 31 December 2019, the Fund has bought back and cancelled 84,000 Ordinary Units on issue for its unit buy back program.

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 31-Dec 2019	Half-year ended 31-Dec 2018	Half-year ended 31-Dec 2019	Half-year ended 31-Dec 2018
	%	%	%	%
Distribution Return	0.89	0.86	0.87	0.75
Growth Return	3.90	(0.32)	7.19	10.26
Total Return	4.79	0.54	8.06	11.01

AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Results and Review of Operations (cont.)

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 2019 and the closing trade prices on 30 June 2019. The market price of the Fund's Units (as represented by the closing trade price) on the ASX at 31 December 2019 was \$1.4650 (30 June 2019: \$1.41). The market price of the Fund's units on the SGX at 31 December 2019 was SGD\$1.49 (30 June 2019: SGD\$1.39).

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 \$115,403,000 as at 31 December 2019 (30 June 2019: \$115,017,000) in accordance with the accounting policies set out in Note 2 of the interim Financial Report. The net tangible asset value was \$2.58 per ordinary unit (30 June 2019: \$2.57 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 2019, 0.535 Australian cents per unit (September 2018: 1.0681 cents) were paid for the quarter of September with an announced distribution for December quarter at 0.7142 Australian cents per unit (December 2018: 0.2854 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 2019.

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.

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 2019.

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

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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

A handwritten signature in black ink, appearing to be 'G. Wang', written over a faint, illegible stamp or watermark.

Mr George Wang
Executive Chairman

Dated this 27th day of February 2020

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

**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**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of AIMS Property Securities Fund. As the lead audit partner for the review of the financial report of AIMS Property Securities Fund for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 27 February 2020

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

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

		31 Dec 2019	31 Dec 2018
	Note	\$'000	\$'000
Distribution income		1,186	1,372
Interest income		73	27
Net gains on financial assets held at fair value through profit or loss	10	405	304
Gain on foreign exchange		4	14
Net investment income		1,668	1,717
Administration expenses	9	568	581
Total expenses		568	581
Net gain for the half-year before finance costs		1,100	1,136
Finance costs			
Distribution to unitholders	7	556	603
Change in net assets attributable to Unitholders	5	544	533

The 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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Current Assets			
Cash and cash equivalents		1,200	2,649
Trade and other receivables		1,682	1,199
Financial assets held at fair value through profit or loss	4	-	4,000
Total Current Assets		<u>2,882</u>	<u>7,848</u>
Non-Current Assets			
Financial assets held at fair value through profit or loss:			
Listed property securities	4	8,839	10,159
Unlisted property securities	4	99,682	93,010
Other financial assets:			
Loan to Felix St Fund	8	4,000	4,000
Total Non-Current Assets		<u>112,521</u>	<u>107,169</u>
Total Assets		<u>115,403</u>	<u>115,017</u>
Current Liabilities			
Financial liabilities held at amortised cost:			
Trade and other payables		361	395
Total Current Liabilities		<u>361</u>	<u>395</u>
Total Liabilities (excluding net assets attributable to Unitholders)		<u>361</u>	<u>395</u>
Net Assets attributable to Unitholders	5	<u>115,042</u>	<u>114,622</u>

The 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**

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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.

AIMS PROPERTY SECURITIES FUND
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STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Cash flows from operating activities			
Distributions received		836	676
Interest received		36	27
Other expenses paid		(737)	(634)
Net cash inflows from operating activities		135	69
Cash flows from investing activities			
Proceeds from returns of capital		167	-
Proceeds from matured term deposit		4,000	-
Proceeds from sale of investments		1,386	-
Payment for acquisition of investments		(6,500)	-
Net cash used in from investing activities		(947)	-
Cash flows from financing activities			
Payments for share buyback		(124)	-
Payments for loan to Felix St Fund		-	(2,000)
Distributions paid		(513)	(655)
Net cash flows used in financing activities		(637)	(2,655)
Net decrease in cash and cash equivalents		(1,449)	(2,586)
Cash and cash equivalents at beginning of the half-year		2,649	4,822
Cash and cash equivalents at the end of the half-year		1,200	2,236

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

**AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. Reporting entity

AIMS Property Securities Fund (the "Fund") is a fund domiciled in Australia. These interim financial statements ("interim financial statements") are as at and for the six months ended 31 December 2019. 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 2019 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 2019, together with any public announcements made during the half-year ended 31 December 2019.

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 2019.

These interim financial statements were authorised for issue by the Fund's Board of Directors on 27 February 2020.

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 rounded 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 2019.

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

- AASB 16: Leases

As indicated in the 30 June 2019 financial report, there is no significant impact from the adoption of this standard.

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 were the same as those that applied to the financial statements as at and for the year ended 30 June 2019.

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

4. Financial assets

	31 Dec 2019	30 Jun 2019
	\$'000	\$'000
Financial assets at fair value		
Listed property securities	8,839	10,159
Unlisted property securities ⁽¹⁾	99,682	93,010
Term Deposits	-	4,000
	108,521	107,169

⁽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 2019 the fair value of investments in closed end funds and open ended funds with no redemption windows amounted to \$99,682,000 (30 June 2019: \$93,010,000).

	31 Dec 2019	30 Jun 2019
Movements in financial assets at fair value	Financial assets at fair value	Financial assets at fair value
	\$'000	\$'000
Opening Balance	107,169	98,185
Additions - cost	6,500	4,000
Revaluation to fair value	405	8,493
Term deposit matured	(4,000)	-
Disposals including returns of capital	(1,553)	(3,509)
Closing Balance	108,521	107,169

5. Net assets attributable to unitholders

	31 Dec 2019				31 Dec 2018			
	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	44,603	1,753	46,356	114,622	44,606	1,753	46,359	105,828
Unit buyback	(84)	-	(84)	(124)	(3)	-	(3)	-
Change in net assets attributable to Unitholders	-	-	-	544	-	-	-	533
Closing balance	44,519	1,753	46,272	115,042	44,603	1,753	46,356	106,361

**AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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 2019, 1,752,605 (December 2018: 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 2019

	Fair Value (\$'000)		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Listed property securities	8,839	-	-
Unlisted property securities	-	-	99,682
	8,839	-	99,682

30 Jun 2019

	Fair Value (\$'000)		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
Listed property securities	10,159	-	-
Unlisted property securities	-	-	93,010
Term Deposits	-	4,000	-
	10,159	4,000	93,010

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 2019.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unlisted property securities – Level 3	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • As the underlying funds are unlisted and frozen for redemptions, it is uncertain that the investments can be realised at NTA 	<ul style="list-style-type: none"> • 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.

Level 3 Reconciliation	Unlisted property securities 31 Dec 2019 (\$'000)	Unlisted property securities 30 Jun 2019 (\$'000)
Opening balance	93,010	86,104
Change in fair value - unrealised	339	6,985
Additions - cost	6,500	-
Disposals including returns of capital	(167)	(79)
Closing balance	99,682	93,010

Sensitivity analysis

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

Impact on profit or (loss)	31 Dec 2019 \$'000	30 Jun 2019 \$'000
+10.00% (1000 basis points) of the NTA/unit	9,968	9,301
-10.00% (1000 basis points) of the NTA/unit	(9,968)	(9,901)

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

7. Distributions paid and payable

	\$'000	31 Dec 2019 Cents per unit	\$'000	31 Dec 2018 Cents per unit
Sep quarter distribution paid	238	0.5350	476	1.0681
Dec quarter distribution payable	318	0.7142	127	0.2854
	556	1.2492	603	1.3535

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

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

Loan and guarantee to AIMS Property Fund (Felix St)

AIMS Property Fund (Felix St), the Fund's investee has a loan facility of 14,190,000 with a bank which was due to renew on 30 June 2018. The bank required AIMS Property Fund (Felix St) to provide a financial guarantee and a security deposit as conditions for renewing the loan until 16 December 2020. To support the investee to obtain the loan renewal, the Fund:

- signed a Guarantee and Indemnity with the bank on 12 June 2018, which guarantees repayment (up to \$1,500,000) by the Fund for any interest or expenses shortfall by AIMS Property Fund (Felix St) for the full term of the loan; and
- provided an interest free loan of \$2,000,000 to AIMS Property Fund (Felix St), to be placed in the bank's security deposit account, as additional equity for the loan. This loan does not offset the original overall loan amount of \$14,190,000 but is rather placed in term deposit alongside the original loan. The amount was placed with the bank as at 30 June 2018 by AIMS Property Fund (Felix St). The deposit is required to be maintained with the bank until the maturity of the loan.

**AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

8. Related parties (cont.)

- provided a further interest-bearing loan of \$2,000,000 to AIMS Property Fund (Felix St), to be placed in the bank's security deposit account, as additional equity for the loan. This loan does not offset the original overall loan amount of \$14,190,000 but is rather placed in term deposit alongside the original loan. The amount was placed with the bank as at 31 December 2018 by AIMS Property Fund (Felix St). The deposit is required to be maintained with the bank until the underlying asset at 10 Felix St, Brisbane QLD reaches an occupancy rate (by income) of 75%.

Other than as noted above, there have been no significant changes to related party transactions disclosed in the last annual report.

9. Administrative Expenses

	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
Professional fees	19	96
Rent, admin and employee expenses reimbursed to the Responsible Entity*	410	339
Listing fees	52	53
Custodian fees	31	30
Share registry fees	21	35
Other expenses	35	28
	568	581

*Prior to 30 November 2016, the Responsible Entity was entitled to a responsible entity fee and an 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 the 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 2019

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 2019, 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	Distribution income	31/12/2019	Total segment income	31/12/2018		Total segment income
			Changes in fair value (realised and unrealised)		Distribution income	Changes in fair value	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Listed</i>							
Blackwall Limited	Diversified	58	83	141	58	(304)	(246)
APN Regional Property Fund	Office	-	-	-	116	219	335
AIMS AMP Capital Industrial REIT	Industrial	201	(47)	154	192	78	270
Arena REIT	Childcare	-	30	30	34	130	164
<i>Unlisted</i>							
AIMS Property Fund (St Kilda Road)	Office	58	89	147	260	77	337
AIMS Total Return Fund (Formerly known as MacarthurCook Office Property Trust)	Office	-	83	83	-	12	12
AIMS Property Fund (Felix St)	Office	-	(377)	(377)	-	99	99
AIMS Property Fund (Laverton)	Industrial	654	243	897	539	171	710
Waratah Hotel Group	Pubs	(80)	167	87	43	(147)	(104)
AIMS Real Estate Opportunity Fund	Diversified	295	134	429	130	(31)	99
Total by segments		1,186	405	1,591	1,372	304	1,676

AIMS PROPERTY SECURITIES FUND
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

10. Operating segments (continued)

Segment assets

Investments	Sectors	31/12/2019			30/06/2019		
		Carrying value	Accrued income	Total segment assets	Carrying value	Accrued income	Total segment assets
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed							
Blackwall Limited	Diversified	2,541	-	2,541	2,458	-	2,458
AIMS AMP Capital Industrial REIT	Industrial	6,283	-	6,283	6,330	-	6,330
Arena REIT	Childcare	14	-	14	1,370	17	1,387
Unlisted							
AIMS Property Fund (St Kilda Road)	Office	30,508	36	30,544	30,419	58	30,477
AIMS Total Return Fund (Formerly known as MacarthurCook Office Property Trust)	Office	6,605	-	6,605	6,522	-	6,522
AIMS Property Fund (Felix St)	Office	10,720	600	11,320	11,098	600	11,698
AIMS Property Fund (Laverton)	Industrial	22,921	566	23,487	22,678	332	23,010
Waratah Hotel Group	Pubs	2,071	43	2,114	2,070	44	2,114
AIMS Real Estate Opportunity Fund	Diversified	26,858	295	27,153	20,224	141	20,365
Total by segments		108,521	1,540	110,061	103,169	1,192	104,361

	31/12/2019	30/06/2019		31/12/2019	31/12/2018
	\$'000	\$'000		\$'000	\$'000
Reconciliations of segment assets			Reconciliations of segment income		
Total segment assets	110,061	104,361	Total segment income	1,591	1,676
Cash and cash equivalents	1,200	2,649	Interest income	73	27
Other assets	142	7	Gain on foreign exchange	4	14
Term deposit	-	4,000	Net Investment income	1,668	1,717
Loan to Felix St Fund	4,000	4,000			
Total assets	115,403	115,017			

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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 2019

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 6 to 18 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 2019 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 27th day of February 2020

AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF
AIMS PROPERTY SECURITIES FUND

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AIMS Property Securities Fund, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of AIMS Property Securities Fund's financial position as at 31 December 2019 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the 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 a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

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AIMS PROPERTY SECURITIES FUND
ARSN 111 442 150
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF
AIMS PROPERTY SECURITIES FUND

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AIMS Property Securities Fund is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of AIMS Property Securities Fund's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend

DREW TOWNSEND

Partner

Dated: 27 February 2020