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IMPLEMENTATION OF NEW TAX SYSTEM FOR MANAGED INVESTMENT TRUSTS FOR ASPEN PROPERTY TRUST SECURITYHOLDERS

Notice pursuant to Section 601GCA of the CORPORATIONS ACT

This notice is published by Aspen Funds Management Ltd (ACN 104 322 278) as the responsible entity (Responsible Entity) for Aspen Property Trust ("Trust") (ARSN 104 807 767) the trust in the Aspen Group Ltd stapled security group.

Securityholders are hereby informed that Under section 601GCA (3) of the Corporations Act as modified by ASIC Instrument 2016/489 ("Class Order") that the Responsible Entity proposes to amend the constitution for the Trust ("Constitution") to allow the Trust to be operated under the new "AMIT Regime", which is explained below.

Reasons for proposing changes to the Constitution

The Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016, together with additional supplemental legislation ("the AMIT Regime"), became law on 5 May 2016. The Responsible Entity is proposing to amend the Constitution so that the Trust can be effectively operated under this new tax regime.

The key difference between the current tax regime which applies to the Trust (Division 6 of the Income Tax Assessment Act 1936) and the new AMIT Regime is that under the AMIT Regime, unit holders are taxed on the taxable income that is allocated or "attributed" to securityholders by the Responsible Entity. The new AMIT Regime effectively requires the Responsible Entity to undertake this allocation or attribution on a fair and reasonable basis. This contrasts with the current taxing regime under Division 6, which provides for unit holders to be subject to tax to the extent, proportionately, that each unit holder is "presently entitled" to the income of the Trust per trust law principles.

The amendments to be made to the Constitution are summarised in the attached table.

Benefits for electing to opt-in to the AMIT Regime

Adopting the AMIT Regime allows the following potential benefits for securityholders:

- the Trust will be deemed a fixed trust, providing certainty for the Trust to be eligible for certain tax concessions such as offsetting trust losses
- The Trust will be allowed to rectify errors made in calculating taxable income by making adjustments in the income year that the errors are discovered (referred to as "unders" and "overs")
- the provision of appropriate cost base adjustments where distributions are greater or less than the amount on which the unit holder is assessed for tax purposes; this removes the potential for double taxation that can otherwise arise in certain circumstances; and

- The elimination of the risk of trustee taxation if unitholders are not presently entitled to all of the income of the Trust.

The Responsible Entity board has resolved to opt-in to the AMIT regime for the year ended 30 June 2017.

How to contact us if you wish to respond to this notice

The Responsible Entity intends to make amendments to the Trust's Constitution to facilitate the Fund's entry into the AMIT regime unless it receives requests from securityholders to call and arrange for a meeting to consider and vote on a special resolution to implement the amendments:

- from securityholders with 5% or more of the total number votes that may be cast on a resolution; and
- by the end of 5:00pm (AEST) on 13 June 2017.

If you are a unitholder and would like to request to call a meeting of unitholders as described above, the request must be made in writing and may be sent to the Responsible Entity at homemail@aspengroup.com.au.

If no meeting is requested as noted above by 5:00pm (AEST) on 13 June 2017, the Responsible Entity is permitted to make amendments to the Constitution without the need for securityholders approval.

Constitution clause	Description of amendment
Clause 11.7	<p>Satisfaction of present entitlement</p> <p>The period within which distributions must be paid is changed from two months to three months. This is in line with AMIT legislation which require securityholder statements to be issued no later than 3 months from the end date of the reporting period.</p>
Clause 31.1	<p>Definitions</p> <p>A specific clause defining the term AMIT is specifically included</p>

END