



## **NOTICE OF ANNUAL GENERAL MEETING 2018**

Notice is hereby given that the Annual General Meeting of Aspen Group Limited ACN 004 160 927 (the "**Company**") and Aspen Property Trust ARSN 104 807 767 (the "**Trust**") (together "**Aspen Group**") will be held at Burke & Wills Room Level 9, 33 Erskine Street, Sydney 2000 at 2:00pm on Friday, 30 November 2018.

**A proxy form is enclosed**

Please read the Notice of Meeting and Explanatory Statement carefully. If you are unable to attend the meeting, please complete and return the enclosed proxy form in accordance with the specified instructions.

## MEETING DETAILS AND IMPORTANT DATES

Date of Notice of Meeting	24 October 2018
Last date and time for receipt of Proxy Forms	2:00pm (AEDT), on Wednesday, 28 November 2018
Date and time of Meeting	2:00pm (AEDT), on Friday, 30 November 2018

### **THIS DOCUMENT DOES NOT CONSTITUTE FINANCIAL PRODUCT ADVICE**

The provision of this document is not, and should not be considered as, the provision of financial product advice. This document is not and should not be construed as a recommendation to you by any of Aspen Group Limited, the proposed new responsible entity of the Trust, or any of their related corporations, directors, employees or agents, nor any other person. The information in this document is of a general nature and does not take into account your individual investment objectives, financial situation or particular needs. Accordingly, before making a decision as to how to vote on the resolutions, you should conduct your own investigations and analysis and seek appropriate legal, financial, tax and other advice.

### **FORWARD LOOKING STATEMENTS**

Forward-looking statements can be identified by the use of forward-looking terminology including, without limitation, “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words. Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Aspen Group, the proposed new responsible entity and their respective directors) which may cause actual results or performance to be materially different from any future results or performance expressed or implied by such forward-looking statements. There can be no assurance that actual outcomes will not materially differ from those predicted or implied by any forward-looking statements and the forward-looking statements should not be relied on as an indication of future value or for any other purpose.

Chairman's Letter

24 October 2018

Dear Securityholders

Aspen Group owns and operates affordable accommodation in the retirement, tourism and workforce accommodation sectors. It has a stapled security corporate structure comprising Aspen Group Limited (**Company**) and Aspen Property Trust (**Trust**), (collectively referred to as **Aspen Group**).

On 28 August 2018, the Board announced a proposal to outsource the responsible entity function of the Trust (**Change of RE**) to Evolution Trustees Ltd.

### **Proposed Change of RE**

Since then, the Change of RE proposal has been finalised and the enclosed Notice of Meeting includes details of a resolution (Resolution 3) to be considered by Securityholders to approve the appointment of Evolution Trustees as the new responsible entity of the Trust.

If the Change of RE is approved by Securityholders, the new responsible entity, Evolution Trustees, will enter into an investment management agreement to appoint AFML as investment manager of the Trust.

### **Advantages of the Change of RE**

The Board believes the proposed Change of RE, if implemented, would result in enhanced deployment of capital, with, as a consequence, the prospect of increased earnings and distributions.

- Post settling the acquisition of Highway 1 Caravan and Tourist Park in October, Aspen Group has approximately \$16 million of net debt and a gearing ratio (net debt / non-cash assets) of 12% on a pro forma basis. This is low relative to most other ASX listed real estate entities and Aspen's competitors. The Change of RE, if implemented, would free up approximately \$9.8 million of cash that currently supports Aspen's AFS Licence, to be redeployed into the business. The Board believes Aspen would therefore be in a stronger position to pursue growth opportunities through development and acquisitions funded with cash that is currently receiving relatively low returns and debt.

### **Disadvantages of the Change of RE**

- **Payments of fees to external service providers:** Aspen Group will have to pay fees of approximately \$80,000 per annum to an external responsible entity service provider, Evolution Trustees and approximately \$70,000 to Perpetual Corporate Trust Limited for custodian services.
- **One-off transaction costs:** In order to implement the Change of RE, Aspen Group has already incurred one-off transaction costs of \$120,000 for legal services.
- **Security price:** There is no certainty that implementation of the Change of RE will improve the security price or financial performance of Aspen Group.

### **Change of RE requires Securityholder Approval**

Implementation of the Change of RE is conditional on being approved by an ordinary resolution of Securityholders at the Annual General Meeting on 30<sup>th</sup> November 2018.

### **Consequences of the Change of RE not being implemented**

If the Change of RE is not implemented, the Trust would continue to operate under its current responsible entity, which is AFML, a wholly owned subsidiary of the Company. AFML may need to maintain a cash balance of up to \$10 million to support its AFS Licence to act as responsible entity of a registered scheme. The returns on this cash are likely to be less than 2% per annum in the current environment.

### **Board Recommendation and Voting Intentions**

The Board recommends that Securityholders vote IN FAVOUR of all of the Resolutions including the Change of RE. The Directors intend to vote IN FAVOUR of all of the Resolutions with respect to all their security holdings in Aspen Group.

## **Mill Hill Capital Proposal**

In considering the Resolutions being put forward to Securityholders at the AGM, Securityholders should note that on 28 August 2018, the Board also announced a proposal to outsource Aspen Group's investment management function to Mill Hill Capital Pty Ltd (**MHC Appointment**).

An Independent Board Committee (**IBC**) comprising Mr Clive Appleton (Chairman) and Mr Guy Farrands (non-executive director) formulated and negotiated the MHC Appointment. The MHC Appointment is still subject to completion of an Independent Expert's report, approval by Securityholders at an Extraordinary General Meeting that is expected to take place in December 2018 (which is after the AGM) and the continuing support of the IBC, amongst other things.

### **Further Information**

The accompanying Notice of Meeting and Explanatory Memorandum contain additional information regarding the proposed Change of RE.

Yours sincerely,

**Clive Appleton**  
**Chairman**

## AGENDA

### ORDINARY BUSINESS

#### 1. Financial Accounts and Reports

To receive and consider the financial report for the year ended 30 June 2018 for Aspen Group, including the Directors' declaration, Directors' report and audit report.

There is no vote on this item.

#### 2. Remuneration Report

##### Resolution 1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

*"That the Company's remuneration report for the year ended 30 June 2018 be adopted."*

The Remuneration Report appears on pages 13 to 24 of the 2018 Annual Report. Additional details about the Company's remuneration policies and practices are included in the Explanatory Statement.

(Note: the vote on this item is advisory only and does not bind the Directors, the Company or the responsible entity of the Trust).

##### **Voting Exclusion Statement**

In accordance with the Corporations Act, the Company will disregard any votes cast **in favour of** Resolution 1 by or on behalf of:

- a member of the Key Management Personnel (**KMP**), details of whose remuneration is included in the 2018 Remuneration Report; or
- a closely related party of a member of the KMP referred to above. A 'closely related party' is defined in the Corporations Act and includes any spouse, dependant and certain other close family members of a member of the KMP, as well as any companies controlled by a member of the KMP.

However, the Company need not disregard a vote if the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman where he has been expressly authorised to vote undirected proxies as he sees fit.

#### 3. Re-election of John Carter as a Director

##### Resolution 2

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*"To re-elect as a Director of the Company, Mr John Carter, who retires in accordance with Rule 7.3(d) of the Company's constitution and, being eligible, offers himself for re-election."*

Details of the qualifications and experience of Mr Carter and the recommendation of the Board are set out in the attached Explanatory Statement.

### SPECIAL BUSINESS

#### 4. Appointment of Evolution Trustees Limited as the new responsible entity of the Trust

##### Resolution 3

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of section 601FL(1) of the Corporations Act, upon the retirement of Aspen Funds Management Limited ACN 104 322 278 as the responsible entity of Aspen Property Trust (ARSN 104 807 767) (the **Trust**), Evolution Trustees Limited (ACN 611 839 519) (**Evolution Trustees**), which has consented to its appointment in writing, be appointed as the responsible entity of the Trust to be effective upon the retirement and appointment being recorded by the Australian Securities and Investments Commission."*

**GENERAL BUSINESS**

To transact any business that may be properly brought before the meeting.

By order of the Board

A handwritten signature in black ink, appearing to read "Mark Licciardo", with a large, sweeping flourish extending to the right.

**Mark Licciardo**  
**Company Secretary**

## **RELATING TO VOTING HOW TO VOTE**

You may vote by attending the meeting in person or by proxy or a body corporate can appoint a corporate representative.

### **VOTING IN PERSON**

To vote in person, you must attend the meeting on Friday, 30 November 2018 at 2:00pm. The meeting will commence at 2:00pm with registrations from 1:30pm.

### **VOTING BY PROXY**

A Securityholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Securityholder. A proxy need not be a Securityholder.

If you intend to appoint the Chairman of the meeting as your proxy, or the Chairman of the meeting becomes your proxy by default, you can direct the Chairman how to vote by either marking the boxes for Resolutions (for example, if you wish to vote 'for', 'against' or to 'abstain' from voting), or you can expressly authorise the Chairman to vote as he sees fit on those Resolutions by marking the Chairman's box on the proxy form. The Chairman intends to vote all available proxies in favour of the Resolutions. Although the Chairman is a member of the Company's KMP, the Chairman of the meeting is permitted to vote undirected proxies on Resolution 1 if the person who is entitled vote on Resolution 1 appoints the Chairman as proxy and expressly authorises the Chairman to vote undirected proxies on Resolution 1.

A Securityholder that is entitled to cast two (2) or more votes may appoint up to two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Securityholder's votes.

**To be effective, proxies must be lodged by 2:00pm (AEDT) on Wednesday, 28 November 2018. Proxies lodged after this time will be invalid.**

Proxies may be lodged using any of the following methods:

- by post to Aspen Group Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- in person to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000;
- by faxing a completed proxy form to +61 2 9287 0309; or
- online – [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
Select 'Investor and Employee Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

The proxy form must be signed by the Securityholder or the Securityholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Securityholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the securities registry of Aspen Group – [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Where the appointment of a proxy is signed by the appointer's attorney, an originally certified copy of the power of attorney, or the power itself, must be received by Aspen Group at the above address by 2.00pm (AEDT) on 28 November 2018.

### **VOTING ENTITLEMENTS**

The Directors have determined that for the purposes of Regulation 7.11.37 of the Corporations Regulations, the persons eligible to vote at the meeting will be those persons who are registered as Securityholders at 7:00pm (AEDT) on 28 November 2018. Accordingly, Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting and contains information about the Resolutions contained in the Notice of Meeting. You should read the Notice of Meeting and this Explanatory Statement carefully, and seek your own independent advice on any issues that you are not certain about.

### ANNUAL FINANCIAL REPORT

The Corporations Act requires:

- *the reports of the Directors and auditors; and*
- *the annual financial report, including the financial statements of Aspen Group for the year ended 30 June 2018,*

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Company's constitution requires a vote of Securityholders on the reports or statements. However, Securityholders will be given ample opportunity to raise questions or comments on the management of Aspen Group.

### CHANGE OF RE

Since its listing, Aspen Group has established a portfolio of assets in the affordable accommodation sector. In the view of the Board, the value of the Portfolio has not been adequately reflected in the Security price and the Securities are trading at a discount to the net asset value of Aspen Group. This is partly because the costs of operating a registered managed investment scheme and managing the Portfolio are too high compared to the benefits or revenue arising from internal management of the Trust.

A strategic review has been undertaken to address these issues and as a result, the Board proposes to change the responsible entity of the Trust from AFML to Evolution Trustees.

While AFML will cease to be the responsible entity of the Trust, AFML will be appointed by Evolution Trustees as investment manager of the Trust. Therefore, the Trust's day-to-day operation and management will be under the direction of AFML.

#### 1. Advantages of the Change of RE

- Regulatory capital held by AFML earns cash-like returns, and cannot be deployed into investments with higher return potential. The retirement of AFML as the responsible entity of the Trust will enable AFML to release approximately \$9.8 million in cash/cash equivalent assets held by AFML (which equates to approximately 8% of the Trust's current balance sheet). Following retirement, AFML intends to release surplus cash (subject to retaining a residual minimum amount required by ASIC) to be used in accordance with the broader business strategy of Aspen Group

#### 2. Disadvantages of the Change of RE

- Aspen Group will have to pay fees of approximately \$150,000 per annum to an external responsible entity service provider, Evolution Trustees and an external custodian service provider, Perpetual Corporate Trust Limited.
- Aspen Group incurs one-off transaction costs to implement the Change of RE although these costs will have been already incurred.
- There is no certainty that the Change of RE will improve the financial performance or the security price of Aspen Group.

#### 3. If the Change of RE does not proceed

Should the Change of RE not be approved, the following will occur:

- AFML's AFSL will remain unchanged



- AFML will remain the responsible entity of the Trust;
- AFML will be the investment manager for Aspen Group; and
- the boards of the Company and AFML will continue to investigate ways to realise improved value for all Securityholders.

## PROPOSED RESOLUTIONS

### Resolution 1 - Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2018.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. **A copy of the Remuneration Report appears on pages 13 to 24 of the Annual Report, which is available from Aspen Group or on its website.**

The resolution is advisory only and does not bind the Company or its Directors. However the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must stand for re-election. The Company encourages all shareholders to cast their votes on Resolution 1 (Adoption of the Remuneration Report).

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on Resolution 1 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

**The Directors unanimously recommend that Securityholders vote in favour of Resolution 1.**

### Resolution 2 – Re-election of John Carter as a Non-Executive Director

Rule 7.3(a) of the Company's constitution provides that if the Company has 3 or more Directors, one third of the Directors must retire each year. The Director or Directors who have held their office for the longest period of time since their last appointment will retire.

Accordingly John Carter retires by rotation and offers himself for re-election.

Mr John Carter joined the Board of the Company as a non-executive Director in February 2015.

Mr Carter has over 30 years' experience in real estate and financial markets. In 2004 Mr Carter established Mill Hill Capital Pty Ltd ACN 110 720 226 to pursue private equity opportunities in real estate, agriculture and equities. Prior to this Mr Carter was Managing director, co-head of Equities and on the Australian Executive Committee for UBS in Australasia from 2001 - 2004.

From 1991 - 2001 Mr Carter was head of property and head of real estate research at UBS. While at UBS, Mr Carter led over \$10 billion of M&A and \$20 billion of capital raising transactions for Australia's leading companies including Colonial, Westfield, Stockland, GPT, Mirvac, AMP, Multiplex, Macquarie Airports and Bankers Trust.

Prior to UBS Mr Carter was involved in commercial real estate at two international real estate consultancy groups.

**The Directors (other than Mr Carter) unanimously recommend that Securityholders vote in favour of Resolution 2.**

### **Resolution 3 – Appointment of Evolution Trustees Limited as the new responsible entity of the Trust**

#### **WHY IS THE CURRENT RESPONSIBLE ENTITY RETIRING?**

Aspen Funds Management Limited is the current responsible entity of the Trust and, along with providing responsible entity and custodial services, has provided investment management services to the Trust. Under its AFSL, AFML must maintain and meet the regulatory capital requirement of having at all times a minimum of \$10 million in cash or cash equivalent assets. Regulatory capital held by AFML earns cash-like returns, and cannot be deployed into investments with higher return potential. The retirement of AFML as the responsible entity of the Trust will enable AFML to release approximately \$9.8 million in cash/cash equivalent assets held by AFML (which equates to approximately 8% of the Trust's current balance sheet). Following retirement, AFML intends to release surplus cash (subject to retaining a residual minimum amount required by ASIC) to be used in accordance with the broader business strategy of Aspen Group, thereby allowing it to continue to build Aspen Group's position as an Australian affordable accommodation business.

#### **WHO WILL BE THE NEW RESPONSIBLE ENTITY?**

AFML proposes to retire as responsible entity of the Trust, and it is proposed that Evolution Trustees Limited (ACN 611 839 519, AFSL 486217) takes its place. AFML does not expect the Change of RE to have any material impact on the way the Trust is managed or administered (see below commentary under the heading: Will AFML have an ongoing role?). Information about Evolution Trustees is set out below:

- Evolution Trustees is an independent trustee company located in Sydney and Melbourne with assets under supervision of approximately \$1.7 billion; and
- Evolution Trustees is experienced in providing regulatory infrastructure and supervising third party service providers for wholesale and retail investment schemes.

In light of the above, AFML is requesting that Securityholders pass a resolution to approve the appointment of Evolution Trustees as responsible entity to replace AFML. As set out in the Resolution, the change will only become effective once ASIC amends its register to record Evolution Trustees as the new responsible entity of the Trust.

#### **WHEN WILL THE CHANGE OF RESPONSIBLE ENTITY TAKE EFFECT?**

The Resolution is an ordinary resolution and requires at least 50% of the total number of votes cast by Securityholders entitled to vote on the Resolution to be in favour of the Resolution.

Assuming the Resolution is passed, AFML will notify ASIC immediately following the AGM. It is anticipated that ASIC will update the responsible entity register within one or two business days of receiving the notice. The consent of Evolution Trustees to act as responsible entity of the Trust has been received by AFML.

If Evolution Trustees replaces AFML as responsible entity, the Corporations Act will operate to effectively transfer all existing Trust documents from AFML to Evolution Trustees. AFML has recently appointed a professional custodian, Perpetual Corporate Trust Limited, to hold the Trust properties as custodian of the Trust. AFML has obtained the consent of Aspen Group's lender to the proposed change in responsible entity and appointment of the custodian, subject to certain standard documentation and authorisation conditions under the amended finance documents.

AFML and Evolution Trustees intend to work closely together to ensure a seamless transfer of records and

other Trust arrangements to Evolution Trustees.

The Board of the Company will retain control of the corporate governance and management of the Trust, through the management agreement described under the heading: Will AFML have an ongoing role? Securityholders will continue to have the power to control the composition of the Board and to replace Evolution Trustees as the responsible entity of the Trust by ordinary resolution.

#### **WHAT ARE THE COSTS OF THE CHANGE OF RE?**

The externalisation of the responsible entity function involves retaining legal and tax advisors to oversee the project and implement the transition. These costs are likely to be around \$120,000 and will be a one-off expenditure to allow the Trust to free up the regulatory capital and potentially obtain the advantages highlighted above.

#### **WILL AFML HAVE AN ONGOING ROLE?**

As the constitution for the Trust allows the responsible entity to appoint a delegate to act as investment manager for the Trust, if Resolution 3 is approved, Evolution Trustees will appoint AFML as investment manager of the Trust (**AFML Manager**) in accordance with an Investment Management Agreement (**AFML Management Agreement**). A summary of key features of the AFML Management Agreement is outlined below.

#### **AFML MANAGEMENT AGREEMENT**

##### *(a) Parties*

The parties to the AFML Management Agreement are AFML and Evolution Trustees (**Responsible Entity** in this summary).

##### *(b) Services*

The AFML Manager will invest and manage the assets and liabilities of the Trust in accordance with the terms of the AFML Management Agreement.

The AFML Manager will continue to manage the Trust in line with its current strategy.

Other services provided by the AFML Manager under the AFML Management Agreement include providing or procuring administrative support services reasonably required by Evolution Trustees to perform its role. These include, but are not limited to:

- (i) maintaining the corporate, tax and statutory records of the Trust;
- (ii) assisting the Responsible Entity to comply with its obligations under the Corporations Act and the Listing Rules;
- (iii) preparing and arranging for the lodgement of regular reports in a timely manner to enable the Responsible Entity to comply with its reporting requirements under the Listing Rules;
- (iv) preparing the Trust's half-year reports and annual reports, and arranging for the printing and distribution of such reports;
- (v) providing information necessary for the maintenance of financial accounts of the Company to be completed;
- (vi) maintaining business continuity processes; and
- (vii) preparing any necessary promotional and marketing materials for the Trust.

##### *(c) Powers and Discretions of AFML Manager*

For the purpose of carrying out its functions and duties under the AFML Management Agreement, the

AFML Manager has the powers of a natural person to deal with the Portfolio of the Trust and to do all things and execute all documents necessary for the purpose of managing the Portfolio of the Trust.

The Responsible Entity may, at any time, instruct the AFML Manager or vary the investment instructions in which circumstances the AFML Manager will not be responsible for the consequences of that instruction or variation.

*(d) Delegation*

The AFML Manager may not delegate any of its discretionary management powers without the prior written consent of the Responsible Entity. The AFML Manager may delegate its discretionary powers to any subsidiaries of the Aspen Group.

*(e) Fees*

For the term of the AFML Management Agreement, an annual management fee will be payable to the AFML Manager comprising:

- (i) in respect of that part of the value of the Trust assets that is less than \$10,000,000, a fee of 0.5% per annum of the value of the Trust assets; and
- (ii) in respect of that part of the value of the Trust assets that exceeds \$10,000,000 a fee of 0.25% per annum of the value of the Trust assets,

calculated daily and payable quarterly in arrears from the date of the appointment of the AFML Manager. Although fees are payable to the AFML Manager, it is noted that the AFML Manager is wholly owned by the Company and therefore interests in AFML are ultimately, held by Securityholders.

*(f) Retirement of Responsible Entity*

The AFML Management Agreement provides that on receipt of notice from the AFML Manager that the AFML Manager wishes the Responsible Entity to cease acting as responsible entity of the Trust, subject to the Corporations Act, the Constitution, the obligations of the Responsible Entity as responsible entity of the Trust and subject to no outstanding issues where the Responsible Entity needs to act in the best interests of Securityholders, following appointment of a replacement responsible entity the Responsible Entity is released from all obligations in relation to the Trust.

*(g) Expenses*

The Trust must pay all taxes, costs, charges and expenses properly incurred in connection with the investment and management of the Portfolio of the Trust (excluding in-house administration costs of the AFML Manager in the nature of rent for the AFML Manager's premises, computer charges, salaries and research costs) or in acting under the AFML Management Agreement and the AFML Manager may cause them to be deducted from the Portfolio of the Trust.

*(h) Term*

The AFML Management Agreement commences on the date that ASIC updates its register to record Evolution Trustees as the new responsible entity, and continues until terminated in accordance with the terms of the agreement (see section '*Termination*' below for more information).

*(i) Termination by the Responsible Entity*

The AFML Management Agreement gives the Responsible Entity the right to terminate the AFML Management Agreement and remove the AFML Manager by written notice on the occurrence of any one of the following events:

- an insolvency event occurs with respect to the AFML Manager (although the legal right of the Responsible Entity to terminate solely for this reason is limited);

- the AFML Manager breaches any provisions of the AFML Management Agreement, or fails to observe or perform any representation, warranty or undertaking given by AFML Manager under the AFML Management Agreement and the AFML Manager fails to rectify such breach or failure within a reasonable period specified by the Responsible Entity in a notice to do so (not less than 60 days);
- the AFML Manager ceases to carry on business in relation to its activities as an investment manager;
- relevant law requires the AFML Management Agreement to terminate; or
- an ordinary resolution is passed by the securityholders of the Trust at a meeting properly convened directing the Responsible Entity to terminate the appointment of the AFML Manager in respect of the Trust.

The Responsible Entity must not terminate the AFML Manager unless it has received approval from Securityholders or AFML has consented for its related body corporate to be appointed as its successor.

*(j) Termination by the AFML Manager*

The AFML Management Agreement gives the AFML Manager the right to terminate the AFML Management Agreement on the occurrence of any one of the following events:

- the Responsible Entity materially breaches any provisions of the AFML Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by Responsible Entity under the AFML Management Agreement and the Responsible Entity fails to rectify such breach or failure within 60 days of receiving notice in writing from the Responsible Entity specifying such breach or failure; or
- if the AFML Manager provides not less than three months' written notice to terminate the AFML Management Agreement.

The AFML Manager is also entitled to terminate the AFML Management Agreement on not less than three months' written notice after the expiry of the initial term of the AFML Management Agreement.

*(k) Amendment*

The AFML Management Agreement may only be altered by the agreement via exchange of letters signed by the parties.

*(l) Responsible Entity Indemnity*

The Responsible Entity must indemnify the AFML Manager out of the assets of the Trust against any losses or liabilities reasonably incurred by the AFML Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the AFML Manager or any of its officers or agents acting under the AFML Management Agreement or on account of any bona fide investment decision made by the AFML Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, fraud or dishonesty of the AFML Manager or its officers or supervised agents. This obligation continues after the termination of the AFML Management Agreement.

The AFML Manager may enforce its rights under the AFML Management Agreement against the Responsible Entity only to the extent of the Responsible Entity's right of indemnity out of the assets of the Trust and the Responsible Entity cannot be held liable in its personal capacity except to the extent that any liability arises from the fraud, negligence or a breach of trust by the Responsible Entity as responsible entity of the Trust.

*(m) AFML Manager Indemnity*

The AFML Manager must indemnify the Responsible Entity against any losses or liabilities reasonably incurred by the Responsible Entity arising out of, or in connection with, and any costs, charges and

expenses incurred in connection with, any negligence, fraud or dishonesty of the AFML Manager or its officers or supervised agents. This obligation continues after the termination of the AFML Management Agreement.

*(n) Management of potential conflicts*

The AFML Manager may invest in or deal with the AFML Manager's related bodies corporate or other divisions of the AFML Manager engaged in separate business activities. The AFML Manager has policies and procedures in place to manage any potential conflicts of interest. Any fees, brokerage and commissions may only be charged by the AFML Manager's related bodies corporate if they are engaged in the ordinary course of business, are arm's length terms and are first approved by the Responsible Entity. The AFML Manager must first notify the Responsible Entity when it proposes to invest in, deal with or engage the services of its related body corporate.

Where fees are paid or payable from the Trust to the AFML Manager's related body corporate (such as to the Investment Advisers), the fee otherwise payable to the AFML Manager under the AFML Management Agreement will be reduced by such amount, except where the AFML Manager bears the fee itself.

**The Directors unanimously recommend that Securityholders vote in favour of Resolution 3.**

## GLOSSARY

Capitalised terms used in this Notice of Meeting and Explanatory Statement have the following meanings.

<b>Term</b>	<b>Meaning</b>
<b>\$</b>	Australian dollars.
<b>AFML</b>	Aspen Funds Management Limited ACN 104 322 278 in its capacity as the responsible entity of the Trust as at the date of this Notice of Meeting.
<b>AFML Manager</b>	Aspen Funds Management Limited ACN 104 322 278 in its capacity as the investment manager of Aspen Group.
<b>AFML Management Agreement</b>	the investment management agreement to be entered into between AFML Manager and the responsible entity of the Trust if the Change of RE is approved (Resolution 3).
<b>AFSL or AFS Licence</b>	Australian financial services licence
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Aspen Group</b>	the Company and the Trust.
<b>ASX</b>	ASX Limited.
<b>Board</b>	the board of Directors of the Company.
<b>Change of RE</b>	the proposed transaction to change the responsible entity of the Trust from AFML to Evolution Trustees
<b>Company</b>	Aspen Group Limited (ACN 004 160 927).
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Evolution Trustees</b>	Evolution Trustees Limited ACN 611 839 519 AFSL486217.
<b>Explanatory Statement</b>	the explanatory statement forming part of this Notice of Meeting.
<b>FY</b>	financial year.
<b>KMP</b>	the key management personnel of the Company.
<b>Listing Rules</b>	the Listing Rules of the ASX.
<b>Meeting</b>	the meeting of Securityholders convened by the Notice of Meeting.
<b>Notice of Meeting</b>	the notice convening a meeting of Securityholders to be held on 30 November 2018.
<b>Portfolio</b>	all of the assets and associated liabilities of Aspen Group including all income and accretions.
<b>Remuneration Report</b>	the Company's remuneration report for the year ended 30 June 2018.

<b>Resolutions</b>	the resolutions proposed to be put to Securityholders as set out in the Notice of Meeting.
<b>Securityholder</b>	a person registered as the holder of Stapled Securities.
<b>Stapled Security or Security</b>	a fully paid ordinary share in the Company and a fully paid unit in the Trust stapled and traded together in accordance with the constitutions of the Company and the Trust as amended from time to time.
<b>Trust</b>	Aspen Property Trust (ARSN 104 807 767).




**LODGE YOUR VOTE**

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Aspen Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X99999999999**

**PROXY FORM**

I/We being a member(s) of Aspen Group Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

**STEP 1**

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm on Friday, 30 November 2018 at Wills Room Level 9, 33 Erskine Street, Sydney 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**


**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an .**

**Resolutions**

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of John Carter as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of Evolution Trustees Limited as the new responsible entity of the Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 2**

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**STEP 3**



## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Wednesday, 28 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Aspen Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**