



Aspen Group Limited
ABN 50 004 160 927

Aspen Property Trust
ARSN 104 807 767

Level 3, 37 Pitt Street
Sydney NSW 2000

Telephone: 02 9151 7500
Facsimile: 02 9151 7599

Email: homemail@aspengroup.com.au

ASX ANNOUNCEMENT 1 February 2019

ASPEN GROUP LIMITED (ASX: APZ)

Investment Management Proposals - Update

The Independent Board Committee (**IBC**) comprising Clive Appleton (Chairman) and Guy Farrands (Non-Executive Director) confirm that discussions with Discovery Holiday Parks Pty Ltd (**Discovery**) in relation to the management of Aspen Group remain on-going.

Based on those discussions, Discovery has agreed to reduce the base management fee associated with their proposal such that it currently stands at 1.90% per annum of total book equity up to the first \$115 million (versus 2.00% previously) and 1.15% per annum of the total book equity in excess of \$115 million (versus 1.15% in previously). They have also agreed to increase the incentive payment associated with their proposal such that it currently stands at \$350,000 (versus \$250,000 previously).

This compares to a base management fee of 2.25% per annum of total book equity up to the first \$115 million and 1.25% per annum of the total book value in excess of \$115 million and no incentive payment under the Mill Hill Capital Pty Ltd (**Mill Hill**) proposal. However, the IBC notes that (amongst other things) the total costs associated with each proposal differs and so a comparison based on these fees only may be misleading.

In anticipation of the potential for Discovery to be appointed as investment manager of Aspen Group, Evolution Trustees Limited (**Evolution**) in its capacity as responsible entity of Aspen Property Trust has been conducting its own preliminary due diligence assessment in accordance with its internal policies and procedures (and consistent with the assessment it completed in relation to Mill Hill Capital Pty Ltd last year). Whilst this assessment remains on-going, Evolution has now confirmed to the IBC that based on the

preliminary due diligence it has completed to date it has no reason to believe it would be unable to enter an appropriate investment management agreement with Discovery to provide investment management services to Evolution acting as the responsible entity of Aspen Property Trust.

In parallel, the IBC and its advisers have been progressing the documentation of a full form binding investment management agreement with Discovery. Following this confirmation from Evolution, the IBC now intends to exchange the (limited) additional (and reciprocal) due diligence information required to negotiate the remaining terms of that agreement.

There remains no certainty that the discussions with Discovery will lead to a transaction. Any binding proposal which may eventuate from Discovery (if one should eventuate) and/or Mill Hill will be conditional upon the approval of Aspen Group securityholders at an extraordinary general meeting to be held at a future date and which will be the subject of a new notice of meeting and explanatory statement (including independent expert's report and a full evaluation of both proposals and their relative merits) to be provided to Aspen Group securityholders in due course.

As previously stated, the IBC remains firmly committed to delivering the optimum management solution for the Aspen Group within the shortest timeframe realistically achievable.

The IBC will keep the market informed of any material developments as appropriate.

END

For further information please contact:

Clive Appleton Chairman Phone: (+61) 2 9151 7500	Belinda Cleminson Company Secretary Phone: (+61) 3 8689 9997
--	--