



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP12/26

Friday, 20 April 2012

MacarthurCook Property Securities Fund – Panel Receives Application

The Panel has received an application from Laxey Partners Ltd in relation to the affairs of MacarthurCook Property Securities Fund. The application concerns a 13 for 15 non-renounceable rights issue, announced by the responsible entity¹ of MacarthurCook (the **Responsible Entity**) on 20 April 2012, to raise approximately \$5.8 million at 3.5 cents per unit.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings or make any interim orders. The Panel makes no comment on the merits of the application.

Details

The rights issue is fully underwritten by the Responsible Entity, pursuant to an underwriting agreement between the Responsible Entity (in its personal capacity), AIMS Group Holding Pty Ltd (the parent company of the Responsible Entity) and the Responsible Entity (in its capacity as the responsible entity for MacarthurCook). AIMS Group (and therefore the Responsible Entity) has voting power of 12.09% in MacarthurCook.

The rights issue contains a shortfall facility (allowing unitholders to apply for units in excess of their entitlements) and offers to sub-underwrite have been made to the top 5 institutional investors in MacarthurCook, including Laxey Partners and AIMS Group. Unitholders who have been offered the opportunity to sub-underwrite are not entitled to participate in the shortfall facility (even if they elect not to sub-underwrite).

Laxey Partners submits (among other things) that:

- the rights issue is highly dilutionary and has been structured to consolidate the Responsible Entity's control

¹ MacarthurCook Fund Management Limited

- the rights issue has been designed to frustrate a current attempt to remove the Responsible Entity²
- the financial benefits given to the Responsible Entity as part of the underwriting arrangements are unacceptable and
- the underwriting agreement was not entered into on arm's length terms and requires MacarthurCook unitholder approval.

Laxey Partners seeks an interim order that the rights issue be suspended pending the outcome of the Panel proceedings.

Laxey Partners seeks alternative final orders including (among other things) that:

- the Responsible Entity be prevented from proceeding with the rights issue
- the rights issue and underwriting arrangements be approved by MacarthurCook unitholders who are not related to the Responsible Entity, AIMS Group or any of their associates
- that Laxey Partners be permitted to apply for units under the shortfall facility despite being offered sub-underwriting arrangements or
- that Laxey Partners be permitted to sub-underwrite the rights issue on the same terms as the Responsible Entity.

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² On 30 March 2012, a substantial unitholder of MacarthurCook called a meeting of MacarthurCook unitholders to remove the Responsible Entity. The meeting is scheduled to be held on 29 June 2012