Australian Government

Takeovers Panel

MEDIA RELEASE

RNY Property Trust – Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 27 September 2017 from Aurora Funds Management Limited (**Aurora**) as responsible entity of the Aurora Property Buy-Write Income Trust in relation to the affairs of RNY Property Trust (**RNY**).

RNY is currently the subject of an off-market takeover bid for all the units in RNY not owned by Aurora. The application concerned, among other things, whether the implementation by RNY of its cash distribution strategy would constitute an unacceptable frustrating action and whether disclosure in the target's statement was adequate (see TP17/49).

The Panel considered that it was unlikely to find that taking steps in implementing RNY's cash distribution strategy would be a frustrating action giving rise to unacceptable circumstances since details of the strategy had been announced prior to the announcement of Aurora's bid.

The Panel was concerned that the risk that RNY unitholders may not receive any cash distribution, following implementation of RNY's cash distribution strategy, was not given sufficient prominence in RNY's target statement. However in the exceptional circumstances of this case, the Panel decided not to conduct proceedings on this issue. The Panel noted that if RNY fails to address the issue in a supplementary target's statement, Aurora could highlight this deficiency in a supplementary bidder's statement.

The Panel concluded there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

The sitting Panel was Yasmin Allen, Richard Hunt (sitting President) and Rebecca Maslen-Stannage.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3597
takeovers@takeovers.gov.au