



**AUSTRALIAN EDUCATION TRUST NON-RENOUCEABLE ENTITLEMENT OFFER –  
LETTER TO INELIGIBLE UNITHOLDERS**

Please find attached the letter dispatched to ineligible Unitholders today.

For further information contact:

Lula Lioffi

Investor Relations Manager, Funds

+61 3 8601 2668

**Further information**

The Australian Education Trust internet site, [www.educationtrust.com.au](http://www.educationtrust.com.au) is a source of information for Unitholders. It includes details of AET and FIML, announcements, current activities and historical information. The site provides access to annual and half-year reports and also AET updates covering matters of relevance to investors.

**About Folkestone**

Folkestone (ASX:FLK) is an ASX listed real estate funds manager, investor and developer. Folkestone's on balance sheet activities focus on value-add and opportunistic real estate investments and its funds management platform, offers listed and unlisted funds to private clients, high net worth individuals and institutional investors. For further information on Folkestone visit, [www.folkestone.com.au](http://www.folkestone.com.au).

21 November 2013

Dear Unitholder

**Notification to Ineligible Unitholders - Accelerated Non-Renounceable Entitlement Offer**

On 15 November 2013, Folkestone Investment Management Limited ACN 111 338 937 in its capacity as responsible entity of the Australian Education Trust ARSN 102 955 939 (**AEU**) (**FIML**) announced its intention to raise AUD\$45 million through a placement to institutional investors (**Placement**) and an accelerated non-renounceable pro-rata entitlement offer to eligible unitholders to subscribe for 1 new unit in AEU (**New Unit**) for every 10.67 existing units at an offer price of \$1.52 per New Unit (**Entitlement Offer**).

The proceeds of the capital raising will be utilised to acquire additional assets including to acquire all units in the Folkestone Childcare Fund ARSN 104 229 861 (an unlisted fund comprising 22 early learning centres), a portfolio of 5 early learning centres in premium Sydney metro locations operated by Only About Children, an early learning centre in Gungahlin, ACT and three development sites with development approval for new early learning centres to be constructed by AEU and held for long term rental.

The Entitlement Offer is being made by FIML without a product disclosure statement in accordance with section 1012DAA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investment Commission Class Order 08/35. Further information in relation to the Entitlement Offer has been disclosed to the ASX.

**Eligibility criteria**

FIML has determined pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make or extend offers to unitholders in certain countries outside of Australia and New Zealand under the Entitlement Offer because of the legal limitations of making or extending an offer of New Units in some countries, the relatively small number of unitholders in those countries, the number and value of units to which those unitholders would otherwise be entitled and the potential cost of complying with regulatory requirements in those countries.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, FIML wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Units under the Entitlement Offer.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements.

# Folkestone

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## Funds Management

**You are not required to do anything in response to this letter.** This notice is to inform you of the Entitlement Offer. This notice is not an offer to issue New Units to you, nor an invitation for you to apply for New Units.

If you have any queries, please call the Folkestone Offer Information Line on +61 3 8601 2668 between 8.30am and 5.00pm (AEDT) Monday to Friday (excluding public holidays).

Yours sincerely



**Victor Cottren**  
**Chairman and Non-Executive Director of Folkestone Investment Management Limited**

*This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities. Neither the entitlements nor the New Units referred to herein have been, or will be, registered under the U.S. Securities Act 1933 (Securities Act) or the securities laws of any other state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Units may not be offered or sold to, persons in the United States or in any other jurisdiction outside Australia or New Zealand.*