

ANGAS ASSET MANAGEMENT FUND

ARSN: 633 454 832

Financial report for the half-year ended 31 December 2020

Directors' report

The directors of Angas Securities Limited (ACN 091 942 728) ("Angas") the Responsible Entity, submit herewith the financial report of Angas Asset Management Fund ("AAMF" or "the Trust" or "the Fund") and its subsidiaries ("the consolidated group" or "consolidated entity") for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors

The names and particulars of the directors of the Responsible Entity during or since the end of the half-year are:

Name	Particulars
Andrew Luckhurst-Smith	Executive Chairman. Lawyer who has practiced principally in the area of banking and finance, member of the Banking and Financial Services Law Association of Australia Limited, joined the Board 29 March 2000.
Matthew John Hower	Non-executive Director. Finance industry experience in area of corporate structured finance, joined the Board 29 March 2000.
Clive Thomas Guthrie	Non-executive Director. Twenty seven years at Westpac principally in the area of general banking, financial services and trust management, followed by 15 years at Trust Company as manager of corporate trusts and head of Structured Finance. Resigned 31 December 2020.
Randal Williams	Non-executive Director. Lawyer with extensive experience in financial services, most recently as Chief Risk Officer and Chief Lending Officer at La Trobe Financial Services, joined the Board 1 March 2019.
Kellie Stocker	Non-executive Director. Qualified lawyer with a diverse economic, legal and business background, joined the Board on 14 September 2020.

The above named directors held office during the whole of the half year and since the end of the half year except for:

- Kellie Stocker – appointed 14 September 2020
- Clive Thomas Guthrie – resigned 31 December 2020

Principal Activities

The Trust is a registered management investment scheme domiciled in Australia. The principal activity of the Trust in the course of the half-year is to realise Legacy Assets transferred from Angas on 3 June 2019 in accordance with the Scheme of Arrangement and return capital to unit holders (this is discussed in more detail under Note 2 Scheme of Arrangement).

The Trust is a closed trust and did not have any employees during the financial year.

Review of Operations

The results of the operations of the Trust are disclosed in the Condensed consolidated statement of profit or loss and other comprehensive income of these financial statements. The loss attributable to the consolidated group after fair value adjustment for the half-year ended 31 December 2020 was \$1,415,269 (Dec 2019: \$4,783,642).

Distributions and unit redemptions

There were no distributions made during the half-year.

In respect of the half-year ended 31 December 2020, there were unit redemptions paid in October 2020, November 2020 and December 2020 totalling \$4,876,053 (Dec 2019: 1,284,002).

Changes in the state of affairs

There was no significant change in the state of affairs of the consolidated entity during the half year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Trust, the results of the Trust, or the state of affairs of the Trust in future financial years.

Future developments

The Board's objective over the next year is to continue to realise Legacy Assets for the benefit of unitholders. AAMF may decide to hold some of the Legacy Assets over the next 1 – 2 years for example, rather than realising them in the short term. This is to allow AAMF time to:

1. Enhance the realisable value of Legacy Assets (for example by seeking subdivision and development approvals); and/or
2. Locate a suitable purchaser to ensure the Legacy Assets are realised for the best possible prices.

Indemnification of officers and auditors

During the half-year, the Fund paid a premium in respect of a contract insuring the directors of the Responsible Entity (as named above), the secretary of the Responsible Entity and all executive officers of the Responsible Entity and of any related body corporate against a liability incurred as such a director, secretary or executive officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the half-year, except to the extent permitted by law, indemnified, or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

Fees paid to and interest held in the Trust by the Responsible Entity

In accordance with the Scheme of Arrangement, no management fees were paid by the Trust to the Responsible Entity. However, as described in note 6, and in accordance with Australian Accounting Standards, a notional management fee was required to be brought to account upon implementation of the Scheme of Arrangement. This was amortised during the half-year ending 31 December 2020 in the amount of \$96,021 (Dec 2019: \$213,775).

No fees were paid by the Trust to the directors of the Responsible Entity during the half-year ending 31 December 2020.

The Responsible Entity or its associates did not hold any interests in the Trust during the half-year ending 31 December 2020.

Trustco liability

During the period from 1 January 2013 to 31 December 2018, the former Debenture Trustee of Angas (The Trust Company (Nominees) Ltd referred to as "Trustco") incurred external advisory costs and expenses in relation to overseeing the mortgage debenture business and for various legal proceedings against Angas. Trustco asserted that it was entitled to be reimbursed by Angas in the amount of \$4,397,280.44. Angas disputed aspects of these amounts, and eventually agreed to pay to Trustco the amount of \$3,358,472.96 in full and final settlement of Trustco's claims.

In accordance with the Scheme of Arrangement, Trustco held a security interest over the assets in AAMF to secure the agreed expenses of \$3,358,472.96 which fell due on 30 June 2020. Since implementation of the Scheme of Arrangement on 3 June 2019, it was agreed that Trustco will be paid at least 25% of the net proceeds payable at settlement on the sale of any of the Legacy Assets.

During the half-year ended 31 December 2020, AAMF paid \$1,247,014 to Trustco, including \$21,712 of interest, which extinguished the debt in full. Trustco then released the charge it held over the assets of AAMF.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 10 to the financial statements.

The value of the Trust's assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in Note 2 to the financial statements.

Auditor's independence declaration

The auditor's independence declaration is included after this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Angas Securities Limited



Andrew Luckhurst-Smith
Executive Chairman
Adelaide, 26 February 2021

Auditor's Independence Declaration to the Directors of Angas Securities Limited, the Responsible Entity of the Angas Asset Management Fund.

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Angas Asset Management Fund. As the audit partner for the review of the financial report of the Angas Asset Management Fund for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- a) The auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- b) Any applicable code of professional conduct in relation to the review.

Perks Audit
PERKS AUDIT PTY LTD

P Hill
PETER J HILL

Director

Registered Company Auditor

26 February 2021

Adelaide

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS OF THE ANGAS ASSET MANAGEMENT FUND

Report on the Financial Report

We have reviewed the accompanying half-year financial report of the Angas Asset Management Fund, which comprises the consolidated condensed statement of financial position as at 31 December 2020, the consolidated condensed statement of profit or loss, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies , other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the Angas Asset Management Fund are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Angas Asset Management Fund's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Angas Asset Management Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted on accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Angas Asset Management Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Angas Asset Management Fund is not in accordance with the Corporations Act 2001, including:

- a) Giving a true and fair view of Angas Asset Management Fund's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Perks Audit

PERKS AUDIT PTY LTD

180 Greenhill Road

Parkside

South Australia 5063

P Hill

PETER J HILL

Director

Registered Company Auditor

26 February 2021

Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Angas Securities Limited



Andrew Luckhurst-Smith
Executive Chairman
Adelaide 26 February 2021

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**Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2020**

		Consolidated Half-year ended	
	Note	31 December 2020	31 December 2019
		\$	\$
Income			
Interest income		1	995
Total income		1	995
Expenses			
Administration costs – AAMF implementation and compliance costs		326,088	113,349
Administration costs – management fee	6	96,021	213,775
Finance costs - Trustco		21,712	-
Diminution in fair value of assets	3	971,449	4,457,513
Total expenses		1,415,270	4,784,637
Profit/(Loss) for the year		(1,415,269)	(4,783,642)
Attributable to:			
Equity holders of the parent		(1,420,572)	(4,783,301)
Non-controlling interests		5,303	(341)
		(1,415,269)	(4,783,642)

Notes to the condensed consolidated financial statements have been included in the accompanying pages.

**Condensed consolidated statement of financial position
as at 31 December 2020**

		Consolidated	
		31 December 2020	30 June 2020
		\$	\$
Assets	Note		
Cash and cash equivalents		625,774	669,672
Trade and other receivables	4	210,655	268,227
Loans	5	28,638,139	34,345,537
Other assets	6	288,065	384,086
Investment property	7	-	8,108,000
Total assets		29,762,633	43,775,522
Liabilities			
Trade and other payables	8	1,236,579	3,717,026
Borrowings	9	-	5,227,353
Total liabilities		1,236,579	8,944,379
Net assets		28,526,054	34,831,143
Equity			
Issued units		34,884,679	39,760,732
Retained earnings/(losses)		(6,361,360)	(4,940,788)
Equity attributable to equity holders of the parent		28,523,319	34,819,944
Non-controlling interest		2,735	11,199
Total equity	10	28,526,054	34,831,143

Notes to the condensed consolidated financial statements have been included in the accompanying pages.

**Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2020**

Consolidated

	Issued Capital \$	Accumulated Profit/(Losses) \$	Non- controlling interest \$	Total \$
Balance at 1 July 2019	41,044,734	79,040	8,748	41,132,522
Profit/(loss) for the period	-	(4,783,301)	(341)	(4,783,642)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(4,783,301)	(341)	(4,783,642)
Consolidated gain on acquisition of subsidiaries	-	-	-	-
Redemption of units in AAMF	(1,284,002)	-	-	(1,284,002)
Balance at 31 December 2019	39,760,732	(4,704,261)	8,407	35,064,878
Balance at 1 July 2020	39,760,732	(4,940,788)	11,199	34,831,143
Profit/(loss) for the period	-	(1,420,572)	5,303	(1,415,269)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(1,420,572)	5,303	(1,415,269)
Consolidated loss on disposal of subsidiaries	-	-	-	-
Redemption of units in AAMF	(4,876,053)	-	-	(4,876,053)
Redemption of units in trust	-	-	(13,767)	(13,767)
Balance at 31 December 2020	34,884,679	(6,361,360)	2,735	28,526,054

Notes to the condensed consolidated financial statements have been included in the accompanying pages.

**Condensed consolidated statement of cash flows
for the half-year ended 31 December 2020**

	Consolidated Half-year ended	
	31 December 2020	31 December 2019
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	368,291	307,900
Payments to suppliers	(1,400,557)	(681,517)
Payments to statutory authorities (Legacy asset rates and taxes)	(1,326,575)	(217,574)
Payments to Trustco	(1,225,302)	(712,912)
Interest received	6,617	2
Interest paid	(130,995)	(141,489)
Net cash generated by operating activities	(3,708,521)	(1,445,590)
Cash flows from investing activities		
Proceeds from collection of loans	5,626,759	3,012,903
Proceeds from sale of property	8,155,037	-
Net cash used in investing activities	13,781,796	3,012,903
Cash flows from financing activities		
Repayment of borrowings	(5,227,353)	(110,000)
Redemption of units in trusts	(4,889,820)	(1,284,002)
Net cash generated by/(used in) financing activities	(10,117,173)	(1,394,002)
Net increase/(decrease) in cash and cash equivalents	(43,898)	173,311
Cash and cash equivalents at the beginning of the period	669,672	758,030
Cash and cash equivalents at the end of the period	625,774	931,341

Notes to the condensed consolidated financial statements have been included in the accompanying pages.

Notes to the condensed consolidated financial statement

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's 2020 annual financial report for the financial year ended 30 June 2020. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the consolidated entity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the fair value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, including those involving estimations that the Directors have made in the process of applying the consolidated entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Scheme of Arrangement

A meeting of the Debenture Holders of Angas Securities Limited was held on 30 April 2019 which approved a Scheme of Arrangement. This was ratified by the Federal Court on 17 May 2019 with the implementation date of the Scheme of Arrangement effective 3 June 2019.

The impact of the Scheme was to:

1. Cancel the Debentures, terminate the Trust Deed and the Trustee's existing charge and the Trustee will cease acting as the debenture trustee of Angas;
2. Transfer the remaining assets ("Legacy Assets") currently available to repay Debenture Holders (other than Angas Financial Services and Angas' funds management businesses, being Angas Prime and Angas Direct) to a new closed trust called the Angas Asset Management Fund (AAMF);
3. Issue Debenture Holders with 100% of the units in the Angas Asset Management Fund; and
4. Provide Debenture Holders with 70% of the ordinary capital of Angas. The existing shareholders of Angas retained 30% of the capital of Angas.

The Scheme resulted in Angas reducing its debt to \$1M in respect of the restructured Redeemable preference shares (RPS), the Debenture Trustee retiring, and Angas to manage a third Managed Investment Scheme, the Angas Asset Management Fund.

Angas, as Responsible Entity of the Angas Asset Management Fund will sell the remaining Legacy Assets for the benefit of the unit holders of the Fund. Angas will not charge a management fee for completing this process. However, the Fund will be responsible for payment of direct costs associated with the Fund and realising the Legacy assets.

Immediately prior to the Scheme of Arrangement being implemented, the Legacy Assets of Angas were revalued to fair value and then transferred to AAMF. There were also several liabilities associated with the debenture business, which were transferred to AAMF as part of the Scheme.

The resulting impact on the Scheme of Arrangement ("SOA") restructure to AAMF is summarised in the following table:

	\$
<u>Legacy Assets transferred from Angas to AAMF (on 3 June 2019)</u>	
- Loans and receivables	41,342,943
- Investments	1,232,003
- Other assets	250,124
- Cash at bank	1,108,565
- Service fee receivable (i) (refer note 6)	576,129
<u>Liabilities transferred from Angas to AAMF (on 3 June 2019)</u>	
- Trustco liability (ii)	(3,358,473)
- Other liabilities	(106,557)
Net Assets transferred from Angas to AAMF (on 3 June 2019)	41,044,734
	Nos.
Units were issued based on 1 unit for every \$1 debenture debt cancelled	94,411,975

- (i) In accordance with the SOA, Angas, as Responsible Entity of AAMF, will manage the sale of the Legacy Assets, but will not charge a management fee for completing the process. However, AAMF is required to recognise a servicing fee asset at fair value.
- (ii) The former Debenture Trustee of Angas ("Trustco") held a security interest over the assets in AAMF to secure an amount of \$3,358,472.96 as at the date of the commencement of the SOA.

Loans

As described under Scheme of Arrangement above, Legacy Assets were transferred from Angas to AAMF at fair value. Most of these Legacy Assets comprised loans and receivables. Holding costs (eg rates and taxes, legal fees etc) relating to the underlying security associated with the loans are capitalised, with the fair value recalculated at each reporting period.

In terms of fair-valuing loans, the Board meets on a monthly basis and reviews all loans. To determine if there exists objective evidence of any movement in fair value, the Directors of Angas make significant estimates, judgments and assumptions in relation to the method, quantum and timing of cashflows in respect of the repayments and/or the orderly realisation of the securities supporting those facilities.

The Directors have applied their knowledge and experience in the areas of lending, property development and property management, and have sought advice from appropriately qualified professionals. They have also considered information received directly or indirectly from potential purchasers in relation to each property, particularly around uncertainties relating to planning and environmental considerations.

Fair value of loans

In terms of assessing fair value of loans, the Board meets on a monthly basis and reviews all loans.

If there is objective evidence of material change in the fair value, that change is reflected in the accounts.

Fair value of Investment Properties

During the December 2020 half-year, both properties were sold on market.

3. Diminution in fair value of assets

Loss for the year has been arrived at after charging / (crediting):

	<u>Consolidated</u>	
	31 December 2020	31 December 2019
	\$	\$
<u>Diminution in fair value of assets:</u>		
Fair value (gain)/loss on loans	945,486	4,457,513
Fair value (gain)/loss on receivables	(32,000)	-
Fair value (gain)/loss on investment properties	57,963	-
	971,449	4,457,513

4. Trade and other receivables

	31 December 2020	30 June 2020
	\$	\$
Trade Receivables	179,533	170,814
Rent receivables	-	84,584
Goods and services tax recoverable	31,122	12,829
	210,655	268,227

5. Loans

	31 December 2020	30 June 2020
	\$	\$
Loans – at fair value	28,638,139	34,345,537
	28,638,139	34,345,537

6. Other assets

	31 December 2020	30 June 2020
	\$	\$
Prepayments	576,129	576,129
Less: Amortisation of management fee	(288,064)	(192,043)
	288,065	384,086

In accordance with the Scheme of Arrangement, Angas, as Responsible Entity of AAMF, will manage the sale of the Legacy Assets, but will not charge a management fee for completing the process. However, AAMF is required to recognise a servicing fee asset representing the value of the notional management fee remaining.

7. Investment property

	31 December 2020	30 June 2020
	\$	\$
Balance at beginning of year	8,108,000	6,627,353
Sale of property	(8,155,037)	-
Capitalisation of holding costs	484,660	435,588
Fair value gain/(loss)	(57,963)	1,681,599
Loss on disposal of property	(95,952)	-
Less: rent received	(283,708)	(636,540)
	-	8,108,000

The properties summarised above, which were sold during the December 2020 half-year, are detailed in the following table:

Consolidated

30 June 2020

Property location	Fair Value
Lot 71 Coral Cove QLD	\$ 343,000
Mannum Green Shopping Centre SA	\$7,765,000
TOTAL	\$8,108,000

8. Trade and other payables

	31 December 2020	30 June 2020
	\$	\$
GST payable	-	5,018
Other payables and accrued expenses	1,236,579	2,486,706
	1,236,579	2,491,724
Trustco payable – secured (i)	-	1,225,302
	1,236,579	3,717,026

- (i) In accordance with the Scheme of Arrangement, Trustco held a security interest over the assets of AAMF to secure the agreed Debenture Trustee expenses. During the half-year ended 31 December 2020, AAMF paid \$1,247,014 to Trustco, including \$21,712 of interest, which extinguished the debt in full. Trustco also released the charge it held over the assets of AAMF

9. Borrowings

	31 December 2020 \$	30 June 2020 \$
Secured – at amortised cost		
Bank loan (i)	-	5,227,353
	-	5,227,353

- (i) This loan was discharged at settlement of the sale of one of the investment properties (refer Note 7)

10. Unitholders' equity

	31 December 2020 Units	31 December 2020 \$	30 June 2020 Units	30 June 2020 \$
Opening balance	91,416,345	39,760,732	94,411,975	41,044,734
Unit redemptions (ii)	(12,567,025)	(4,876,053)	(2,995,630)	(1,284,002)
Retained earnings/(losses)	-	(6,361,360)	-	(4,940,788)
Non-controlling interest	-	2,735	-	11,199
Closing balance	78,849,320	28,526,054	91,416,345	34,831,143

- (i) The Fund is a closed membership base, with units only issued to Angas debenture holders in accordance with the Scheme of Arrangement. The Responsible Entity can not issue any more units.
- (ii) Three unit redemptions were made during the period. A unit redemption of 0.0140 cents per unit was made in October 2020; a unit redemption of 0.0136 cents per unit was made in November 2020; and a unit redemption of 0.0282 cents per unit was made in December 2020.

11. Related party disclosures

The Responsible Entity of AAMF is Angas Securities Limited (ACN 091 942 728).

There were no transactions during the year or amounts receivable/payable at the end of the year between the AAMF and the Responsible Entity.

The following entities related to Matthew Hower, a Non-executive Director of Angas who holds subsequent mortgages behind current AAMF loans:

Entity	No. of Loans	Total Value of Loans
KWS Capital Pty Ltd	1	1,145,930
Cardiff Capital Pty Ltd	1	2,358,504
Mortgage Funds Management Pty Ltd	1	51,107,052
		54,611,486

12. Contingent liabilities and contingent assets

There remains on foot two court cases brought against Angas Securities Limited as Responsible Entity of AAMF. The Directors report these cases as possible contingent liabilities but consider them to be without merit and make no allowance for these claims in determining the value of AAMF units.

There is a claim for unspecified damages against the Responsible Entity in the Supreme Court of South Australia brought in the name of two corporate borrowers (both in receivership) by their directors. The subject matter covers similar claims brought in two earlier proceedings, both of which were dismissed including one which was appealed to the Full Court and dismissed. The Responsible Entity has been provided with sixteen versions of a Statement of Claim so far. A Defence has been filed. Meanwhile, the borrower companies have been directed to provide security for the Responsible Entity's costs of \$480,000 before the claim can proceed. This amount has been paid.

There is a claim for unspecified damages against the Responsible Entity in the Supreme Court of Queensland brought by the assignee of the holder of a General Security Agreement held over the assets of a defaulting borrower asserting rights superior to the first registered mortgage held by the Responsible Entity. An Amended Statement of Claim has been served and an Amended Defence filed. \$60,000 security for the costs of the Responsible Entity has been paid into Court. If the proceedings are not resolved by mediation to be held in April 2021 then a further \$190,000 must be paid into Court to provide security for the costs of the Responsible Entity before the claim can proceed.

The Liquidator of a defaulting borrower, in reliance solely on the assertions of the formerly bankrupt director of that borrower, is investigating whether there is a claim against the Responsible Entity for improperly appointing a Receiver and Manager to the borrower and the sale of the borrower's assets at undervalue. The Directors consider these assertions to be without foundation.

As at the date of this report, the Directors of the Responsible Entity are unaware of any assets, contingent or otherwise, that were not already disclosed elsewhere in this report.

13. Subsequent events

There were no subsequent events to report.