



ANGAS SECURITIES LIMITED ABN 50 091 942 728  
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 232 479

24 January 2019

## FIRST RANKING DEBENTURES IN RUN-OFF – ANGAS MORTGAGE MANAGEMENT LIMITED

Angas Mortgage Management Limited (**AMML**) was established as a wholly owned subsidiary of Angas Securities Limited (**Angas Securities**) in 2016. The intention was that it replace Angas Securities as the Responsible Entity of Angas Direct Mortgage Fund ARSN 151 979 645 (**Angas Direct**) and Angas Prime Income Fund ARSN 091 887 400 (**Angas Prime**). Angas Securities debenture holders had expressly approved the restructure of these businesses including transferring the operation of them to AMML. The purpose of this proposed restructure was to provide an ability to realise value for these two businesses and the ongoing revenue stream that they offer.

Angas Securities has been involved in ongoing discussions with ASIC in relation to AMML's application to hold an Australian Financial Services Licence (**AFSL**) which is required in order to implement the restructure. The discussions commenced in mid 2016, with Angas providing ASIC with a briefing paper followed by a meeting held on 31 May 2016. Angas Securities has accorded with all of ASIC's requests for further information and provided key details regarding the restructure relevant to the provision of an AFSL for AMML.

No formal decision has been made by ASIC as to whether to grant or refuse the AFSL application lodged by AMML. The purpose of the AFSL application was to realise Angas Prime and Angas Direct to generate funds for the Run-Off. The Run-Off is due to expire on 30 June 2019. As Angas Securities is now unable to realise Angas Prime and Angas Direct ahead of 30 June 2019, AMML has withdrawn its application from ASIC. Nothing arising from the AMML application nor its withdrawal impacts on the ability of Angas Securities to continue to conduct its funds management business to generate revenue to support the Run-Off.

A handwritten signature in black ink, appearing to read 'Andrew Luckhurst-Smith', written over a faint circular stamp.

Andrew Luckhurst-Smith  
Executive Chairman  
Angas Securities Limited

Attachment: Key Events Timeline

ADELAIDE  
Level 14, 26 Flinders Street, Adelaide SA 5000  
GPO Box 2948, Adelaide SA 5001  
Ph [61 8] 8410 4343 Fax [61 8] 8410 4355

SYDNEY  
3 Spring Street, Sydney NSW 2000  
Royal Exchange, PO Box R1835, Sydney NSW 2001  
Ph [61 2] 9259 0777

PERTH  
Suite 12, 448 Roberts Road, Subiaco WA 6008  
PO Box 1602, Subiaco WA 6904  
Ph [61 8] 9380 4983 Fax [61 8] 9380 4480

Email [reception@angassecurities.com](mailto:reception@angassecurities.com)

Web [www.angassecurities.com](http://www.angassecurities.com)

Investor Service Line 1800 010 800

## **KEY EVENTS TIMELINE:**

**31 May 2016** - Meeting at ASIC to discuss Briefing Paper for proposed re-structure.

**11 August 2016** – Debenture holders vote to approve the revisions to the Run-Off Proposal, such as the anticipated AMML restructure, as proposed in the Explanatory Statement.

**25 October 2016** – AMML incorporated as a wholly owned subsidiary of Angas Securities.

**27 October 2016** – Application lodged with ASIC for an AFSL to be issued to AMML to act as Responsible Entity for Angas Prime and Angas Direct together with related relief.

**14 November 2016** – ASIC set out requisitions in relation to the application for AFSL and application for relief from section 601FL (1) of the Corporations Act.

**27 November 2016** – AMML responded to ASIC's request including the provision to ASIC of proposed form of Member Notice to holders of Angas Prime and Angas Direct investments.

**9 May 2017** – ASIC requested further information to assist with the assessment of the application by AMML for an AFSL.

**23 May 2017** – AMML responded to ASIC's request including providing additional information relating to Business Description, Financial Statements, Financial Resources and Conflicts of Interest.

**6 July 2017** – ASIC requested further information to assist with the assessment of the application by AMML for an AFSL.

**15 August 2017** – Debenture Holders voted to amend the Trust Deed and extend the Run-Off to 30 June 2019. A form of Guarantee under the Trust Deed was approved.

**1 September 2017** – Amendments to the Angas Debenture Trust Deed were considered by the Federal Court which directed that the Trustee is justified in proceeding on the basis that the making of the amendments to the Trust Deed approved by the Extraordinary Resolution of Debenture Holders accords with its duties under the Trust Deed, the Corporations Act and at law.

**6 October 2017** – AMML responded to ASIC's request of 6 July 2017, including providing additional information relating to NTA Calculation and Financial Position, the proposed form of AMML Guarantee and Conflicts of Interest.

**29 March 2018** – Following teleconference with ASIC held on 16 March 2018, AMML wrote to ASIC to provide further clarity that contractually limiting or capping liability under a guarantee is common practice.

**18 April 2018** – ASIC advised AMML that it declined to approve the AMML Guarantee in the form proposed. It did not accept the limitation on the AMML Guarantee proposed by Angas Securities.

**29 May 2018** – ASIC declines request that it seek judicial ruling upon the proposed AMML Guarantee. ASIC maintains that it fails to meet its interpretation of the NTA financial requirements under ASIC Class Order 13/670.

**24 October 2018** – AMML requested that ASIC provide AMML with its decision on AMML's October 2016 AFSL application.

**23 January 2019** – Application withdrawn.