

## ASX ANNOUNCEMENT

31 August 2020

One Managed Investment Funds Limited (ACN 117 400 987) (**OMIFL**), as responsible entity for the Agricultural Land Trust (ARSN 096 588 046) (**AGJ** or **Fund**), today announces its results for the year ended 30 June 2020.

The release of the Fund's 30 June 2020 Annual Report ends the voluntary suspension requested by the Fund on 13 July 2020. The voluntary suspension was necessary to allow OMIFL to assess the implications of the receivership of iProsperity Underwriting Pty Ltd (in liquidation) (**IPU**).

The highlights of the Fund's Annual Report include:

- revenue from the sale of timber increased from \$0.9 million to \$1.5 million, despite the current pause in harvesting activities;
- an 11% increase in the value of Linkletter's Place to \$39.6 million;
- the extension of its core debt by a further two years; and
- securing a two-year unsecured facility to assist with paying interest while harvesting activities at Linkletter's Place are paused.

In January 2020, OMIFL announced to the ASX that IPU was in default under its loan agreements and in April 2020, the Fund was the first to appoint an external administrator to an iProsperity company, signalling to others the serious problems within the entities controlled by Michael Gu.

Based on the information provided by IPU's Receiver (David Levi) and its Voluntary Administrator (now liquidator, Cor Cordis), OMIFL believes it is very unlikely that the Fund will receive any further payments from IPU. Therefore, OMIFL has determined to fully impair both the principal and interest due under the loans made by the Fund to IPU. The amount of this impairment is \$132,801,000.

While these IPU loan receivables have been fully impaired, accounting standards do not allow the amount owed by the Fund under the limited recourse debentures issued to the Cornerstone Bond Fund and the Cornerstone New SIV Bond Fund to be written off. Accordingly, the Fund is required to report a significant net asset deficiency. The relevant debentures were issued on limited recourse terms, meaning the debenture holders are only entitled to recover from the Fund, what the Fund recovers from IPU. The net asset deficiency caused by the impairment of the IPU loan receivables is therefore not expected to have a material impact on the performance of the Fund's other investments.

# Agricultural Land Trust

The Fund has previously earned an interest margin equal to the difference between the interest payable to it by IPU under the loan agreements and the interest payable by it under the debentures. OMIFL does not expect to receive any further margin income.

Authorised for release by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (**Responsible Entity**), the responsibility entity of the Agricultural Land Trust.

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