



ASX Announcement

Hastings High Yield Fund (HHY)

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13 May 2015

Notification of Net Tangible Asset backing and Update

The unaudited net tangible asset backing of HHY as at 30 April 2015 was \$0.113 per unit after taking into account taxation on realised and unrealised gains where applicable.

Further to its announcement on 5 May 2015, Hastings Funds Management Ltd as responsible entity of HHY (Hastings), wishes to update HHY unit holders on its proposed strategy with respect to HHY, since receiving the requisition to convene a meeting of HHY unit holders from Keybridge Capital Limited. Hastings will advise unit holders of the time and place of the general meeting of HHY unit holders in a notice of meeting and explanatory memorandum within the next two weeks.

While proceeding to convene the meeting as it is required to do, Hastings wishes to confirm its intention to proceed with its previously announced strategy of distributing surplus cash to HHY unit holders. Hastings expects to announce further details of the interim distribution as soon as practicable, including the amount and timing of the payment, once the sale proceeds from Hyne Timber have been received.

As at 11 May 2015, HHY has accumulated tax losses of approximately \$28m, which comprises both carried forward and current year losses, including losses in relation to the write down and disposal of Cory Environmental. This amount excludes potential losses to be realised on the disposal of Hyne Timber. The ability of HHY to utilise some or any of the tax losses will depend on the particular facts and circumstances and applicable law at the time and is subject to HHY being able to satisfy the relevant statutory tests. Hastings will provide further information on this in the notice of meeting and explanatory memorandum.

In the event HHY unit holders do not approve the resolutions to replace Hastings with Aurora Funds Management Limited as responsible entity of HHY, Hastings will continue with its strategy of winding up HHY.

Hastings management intends to retain approximately \$1.5m of cash within HHY as a conservative provision for the costs associated with the wind up of HHY, as well as to provide for any other unforeseen event that might arise prior to winding up. Any cash remaining within the fund that is not used as part of the wind up process shall be distributed to HHY unit holders.

For further enquiries, please contact:

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