



Australian Government

Takeovers Panel

MEDIA RELEASE

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Hastings Diversified Utilities Fund 02 – Panel Receives Application

The Panel has received an application from Australian Foundation Investment Company Limited (AFIC), a unit holder in Hastings Diversified Utilities Fund (HDF), in relation to the affairs of HDF.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

HDF is composed of three stapled trusts.¹ Hastings Funds Management Limited (Hastings Funds) is the responsible entity of the trusts. HDF is the subject of competing bids from APT Pipelines Limited (APT) and Pipeline Partners Australia Pty Ltd (PPA).

AFIC submits, among other things, that:

- holders of HDF securities are entitled to a proper and full evaluation of internalisation of management in the context of a takeover bid in which they must decide whether to sell or hold their securities
- AFIC was informed that the board of Hastings Funds was not pursuing an internalisation of management of HDF
- by Takeover Bid Implementation Deed dated 13 July 2012 between Hastings Funds and PPA, under which Hastings Funds has recommended PPA's bid, Hastings Funds is precluded from portraying internalisation of management favourably and

¹ HDUF Epic Trust, HDUF Finance Trust and HDUF Further Investments Trust

- not providing unit holders in HDF a proper and full evaluation of internalisation of management before they decide whether to accept PPA's bid is contrary to the principles in s602(a) (an efficient, competitive and informed market) and s602(b)(iii) (enough information to assess the merits of a proposal).

AFIC seeks final orders, including:

- that Hastings Funds and PPA amend the Takeover Implementation Deed to allow Hastings Funds to obtain a proper and full evaluation of internalisation of management and to distribute it to unit holders
- that Hastings Funds obtain a proper and full evaluation of internalisation of management prepared by an independent party and
- that acceptances of PPA's bid received before the 11th business day following dispatch to unit holders of a proper and full evaluation of internalisation of management be cancelled.

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