

18 September 2018

Dear Investors,

### **Annual Investment Managers Report to Investors for the IPO Wealth Fund (“Fund”)**

On behalf of IPO Wealth Pty Ltd, ACN 617 039 255 (“**Manager**”), the investment manager of the Fund, I am delighted to deliver our second Annual Investment Manager’s Report, for the financial year ended 30 June 2018. Following the successful launch of the Fund on the 17<sup>th</sup> of March 2017, this year’s report represents the Fund’s first full financial year of operations.

#### **Principle Activity/Objectives**

As previously outlined to you when you first invested with IPO Wealth, the Fund has one investment, being a secured interest-bearing loan provided to IPO Wealth Holdings Pty Ltd trading as Mayfair 101 Holdings, ACN 618 585 792 (“**Mayfair 101**”) a related entity of the Manager. The loan is secured with a General Security Agreement and Purchase Money Security Interest. The Manager considers that the level of interest charged by the Fund is sufficient to support the various targeted distributions offered by the Fund and cover the Funds operating costs. This has been confirmed by the Fund’s ability to meet its obligations in full for the 2018 Financial Year, including paying its investors the full target returns.

To date Mayfair 101 has invested in a range of private equity and corporate finance transactions designed to provide Mayfair 101 with a level of return which is capable of supporting their loan obligations to the Fund.

Whilst Mayfair 101 retains absolute discretion to determine the nature and style of their investment strategy, during the financial year ended 30 June 2018, their investments have primarily focussed on the provision of debt and equity finance to a diverse range of businesses with strong management teams. These investments of Mayfair 101 now span ten countries and are tightly managed by the Mayfair 101 team in Australia and overseas.

Mayfair 101’s investments have historically been in the financial technology (“**Fintech**”) sector, with a strong emphasis on emerging companies which we believe have strong growth potential. Mayfair 101’s more recent investments include companies specialising in financial services, business lending and blockchain technology.

Notable investments made by Mayfair 101 for the 2018 Financial Year include but are not limited to:



#### **Paymate India Private Limited (“Paymate”) – registered in India**

Paymate is India’s largest B2B payments company having processed over USD 3 billion in payments last financial year by servicing over 20,000 SME businesses. Paymate signed an exclusive 5-year partnership with Visa in November 2017 after an onerous due diligence process. The Visa partnership has substantially boosted

Paymate's client base and transaction volumes making the business an attractive acquisition target. At Visa's request, Paymate is currently in the process of establishing SME lending operations in Dubai and Saudi Arabia. Mayfair 101's management team is assisting Paymate with preparation for an Initial Public Offering on the AIM market in London.

>> Read article - [www.mayfair101.com/media/mayfair-101-facilitates-paymates-expansion-into-credit-for-smes](http://www.mayfair101.com/media/mayfair-101-facilitates-paymates-expansion-into-credit-for-smes)



#### **Accloud PLC ("Accloud") – registered in England and Wales**

Accloud is a fintech accounting and business management platform that facilitates trade between micro and small businesses in developing nations. The Mayfair 101 group of companies has made several investments in Accloud for over the past 3 years. Accloud's Chairman, Mr Bob Wigley, is a former Chairman of Merrill Lynch Europe and is currently Chairman of UK Finance. Mayfair 101's management team is assisting Accloud with its plans to implement blockchain technology in its platform and list on the London Stock Exchange.

>> See video - <https://www.youtube.com/watch?v=687S06aRb10>

#### **Liven Pty Ltd ("Liven") – Australian registered**



Liven is a restaurant and lifestyle payment network with an innovative inbuilt rewards system and charitable donation feature. Liven negotiates favourable wholesale rates with restaurants and other merchants, then shares in this margin with its customers who use the Liven app to settle their bills. Liven has attracted over 250,000 users for its mobile app and 1,000 merchants between Sydney and Melbourne. Mayfair 101's management team has been assisting with Liven's plans to expand into the United Kingdom and United States.

>> See video – <https://www.youtube.com/watch?v=GKFOagyNjRU&t=410s>



#### **Australian Business Credit Pty Ltd ("ABCredit") – Australian registered**

ABCredit provides credit advances to mortgage brokers at attractive interest rates in exchange for their trailing commissions. ABCredit has a tripartite agreement with the financiers that pay the trailing commissions which substantially reduces the risk associated with the credit advances. At present ABCredit is the only business providing this type of credit and they have experienced substantial demand

through the mortgage broker network. Mayfair 101 is the primary investor and is providing credit to ABCredit to advance to its broker clients.

>> See video - <https://www.youtube.com/watch?v=2dA7gYZYFFU&t=16s>



### **Public-Democracy Pty Ltd (“Public Democracy”) – Australian registered**

Public Democracy controls a data asset comprised of 114 million US citizens cross-matched with the US Democrat voter file, including over 12 years of attitudinal and behavioural data associated with each user, totalling over 6 trillion data points. By comparison, Spotify that listed on the New York Stock Exchange in 2018 at a valuation of \$26.6 billion has only 89 million users and several years less data. Mayfair 101 is the primary investor in Public Democracy and Mayfair 101’s management team has been working closely with the management team on data licencing and acquisition opportunities to capitalise on this substantial data asset.

>> Watch video – <https://www.youtube.com/watch?v=Ft402AZmXH4>

Mayfair 101 continues to invest in education, research and networks that will enable it to support its exciting stable of portfolio companies.

### **Investments Performance**

The Fund’s single investment to 30 June 2018 has been a rolling six-month loan to Mayfair 101. The loan is secured by a General Security Agreement (GSA) and a Purchase Money Security Interest (PMSI).

As noted above, Mayfair 101 either directly or indirectly through a series of wholly-owned special purpose investment companies (“SPVs”), has made a series of investments in investee companies predominantly in the Fintech sector. Each SPV is designed to hold a single investment comprised of all the transactions associated with each investee company and any of their subsidiary companies or each group of related investee companies.

Interest paid by Mayfair 101 during the full financial year ending on 30 June 2018 was \$1,550,863, calculated at 10.0% per annum. As at 30 June 2018, the Fund has lent Mayfair 101 \$32,700,000.

### **Future Investment Strategy**

During the last financial year ended 30 June 2018, the Manager, and Mayfair 101 have identified a number of additional niche investment opportunities consistent with their investment strategy of generating stable and consistent income streams.

In particular, opportunities were identified in the following asset classes: commercial hospitality-related property development and management, blockchain technology, and the provision of wholesale credit to both existing investee company SME lenders and other SME lenders.

The Manager and Mayfair 101 will also continue to invest in and support its existing investee companies with proven, sustainable business models, on investment terms considered to be complementary to and/or consistent with the Managers and Mayfair 101's overall investment strategy.

During the current financial year to 30 June 2019, it is the intention of the Manager and Mayfair 101 to continue to place emphasis on portfolio diversification by investing in some or all the asset classes identified above. An updated Information Memorandum incorporating the possibility of investing in these additional asset classes will be prepared in due course.

As the Manager and Mayfair 101 often find themselves in the unique situation of having both detailed knowledge of trends and opportunities within certain industry sectors as a result of its existing investments; on occasion, companies may be established by Mayfair 101 with the support of the Manager to develop and exploit opportunities in the identified asset classes.

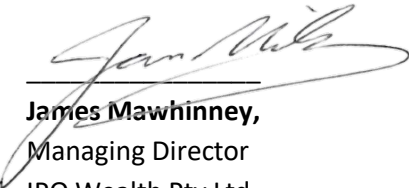
Due to Mayfair 101 already holding investments in SME lenders, the provision of credit to fund these lenders loan books has already commenced, albeit on a very limited scale. Negotiation of a sizeable property development opportunity has also just been finalised which will provide further portfolio diversification.

The current financial year to 30 June 2019 promises to be both a busy and hopefully mutually rewarding period for everyone involved in the Fund.

I would like to take this opportunity to personally thank each and every investor for your continued support of the Fund. Your support enables the Mayfair 101 group to facilitate the growth of some remarkable businesses that create innovation and employment opportunities, and help shape the future of many exciting growth sectors of the economy in many different parts of the world.

Please do not hesitate to contact our office if you have any questions.

Kind regards,



**James Mawhinney,**  
Managing Director  
IPO Wealth Pty Ltd

[www.ipowealth.com.au](http://www.ipowealth.com.au)