

## INVESTOR UPDATE

# IPO Wealth Fund

28 August 2020

Dear Unitholder

We are writing to you as the trustee (**Trustee**) of the IPO Wealth Fund (**Fund**).

This Investor Update follows our Investor Update of 3 July 2020.

### **Provisional liquidators report and next court hearing**

As noted in our previous Investor Update, a further hearing is scheduled to be held on 3 September 2020 at which time the provisional liquidator's report regarding the finding of their investigations to date will be examined and directions provided for a winding-up application to be heard.

Subject to this hearing, our expectation remains that the Supreme Court of Victoria (**Court**) will order the winding-up of IPO Wealth Holdings Pty Ltd (**Borrower**) and each of its wholly owned subsidiaries (collectively, the **IPO Wealth Group**) and that the provisional liquidators will be appointed as liquidators to the IPO Wealth Group.

Following this hearing, we will provide Unitholders with a more comprehensive update in regards to the provisional liquidator's report and outcome of the hearing.

Any Unitholders wishing to observe the hearing can email Justice Robson's Associate, Jane Shaker, and request approval to attend. Her details are as follows:

Jane Shaker  
Associate to the Honourable Justice Robson  
Supreme Court of Victoria  
**Email:** [chambers.robsonj@supcourt.vic.gov.au](mailto:chambers.robsonj@supcourt.vic.gov.au)

### **Proposal from Borrower**

Other than the draft term sheet to a deed of company arrangement (**DDOCA**) referred to in our last Investor Update, we have not received any proposal of substance from the Borrower of how it intends to repay the monies owed to the Fund.

The significant issues with the DDOCA are detailed in our last Investor Update.

We understand that Unitholders have recently received correspondence from Mr James Mawhinney on behalf of Mayfair 101 Group, being parties associated with the IPO Wealth Group.

In that correspondence, Mr Mawhinney provides financial product advice to Unitholders in advocating that Unitholders request Vasco to convene a Unitholders meeting to consider and vote on and/or that Unitholders cast a vote by direction, in favor of various resolutions. The proposed resolutions purport to result in, amongst other things:

- control of the IPO Wealth Group assets to be returned to the effective control of Mr Mawhinney;
- payment of a performance fee to IPO Wealth Pty Ltd, the Fund's Investment Manager also controlled by James Mawhinney; and
- the removal of Vasco as trustee of the Fund to be replaced by an as yet unidentified trustee to be nominated by Mayfair 101 (controlled by Mr Mawhinney) and approved by a Committee (of 3 unitholders who appear to be supportive of Mr Mawhinney's proposal) (and the fact that no replacement trustee who has consented to take on the trusteeship has been identified is, in itself, extraordinary).

Given the extraordinary mismanagement and irregularities identified by the receivers and manager (now appointed as provisional liquidators) to the IPO Wealth Group, we consider any attempt to give control of the investment and divestment of Unitholders money back to entities associated with James Mawhinney should be treated with great skepticism.

It should also be apparent to Unitholders that Mr Mawhinney on behalf of Mayfair 101, has a clear conflict of interest, being the person providing the financial product advice advocating the proposal to Unitholders, and also the person who is the Buyer under the proposal.

We will further consider the validity of any request for a Unitholder meeting and any proposed resolutions for such a meeting on receipt and subject to legal advice.

We note however at this time that the provisional liquidators have been appointed by the Court, not the Trustee, and their removal would therefore need to be made by application to the Court.

## **Distributions**

We are currently finalising the Fund's annual accounts for financial year ending 30 June 2020.

We expect to provide Unitholders with more information next week regarding the anticipated taxable income of the Fund, which will be distributed pro-rata to Unitholders. We expect this payment will be made by 30 September 2020.

We also expect to also provide a copy of the Fund's annual accounts and a tax statement to Unitholder's by 30 September 2020.



We will continue to provide Unitholders with regular updates as more information becomes available to the Trustee.

If you have any further questions, please speak with your financial adviser or contact us by email on [info@vascofm.com](mailto:info@vascofm.com).

Yours faithfully

**Vasco Trustees Limited**  
**as trustee for the IPO Wealth Fund**