

INVESTOR UPDATE

IPO Wealth Fund

28 January 2021

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 4 November 2020.

Liquidation process

Background

As outlined in our earlier Investor Update of 23 September 2020, Justice Robson of the Supreme Court of Victoria (**Court**) ordered on 17 September 2020 that IPO Wealth Holdings Pty Ltd and each of its wholly owned subsidiaries (collectively, the **IPO Wealth Group**) be wound-up.

Hamish MacKinnon and Nicholas Giasoumi (**Liquidators**) of Dye & Co Pty Ltd were appointed by the Court as liquidators to managing the recovery, sale and realisation of the assets of the IPO Wealth Group.

Liquidators report

The Liquidators have made available on their website (<https://core.ips-docs.com/case/3607/IPO170920>) a further report to creditors dated 16 December 2021.

Investors are encouraged to read the report themselves to gain a better understanding of where the liquidation process is up to.

Please note however that this report is a report to creditors of which the Trustee as trustee of the Fund is the primary creditor. Investors in the IPO Wealth Fund are not creditors, it is the Fund which is the creditor.

Further update on liquidation process

The Liquidators have further provided us with information in respect of more recent developments, including these updates in respect of the more significant investments made by the IPO Wealth Group:

- A successful application was made to extend the time for the registration of the security interest granted by AB Credit SPV 1 Pty Ltd (**AB Credit**) to the IPO Wealth Group entity. Subsequently, receivers and managers were appointed to AB Credit on 14 January 2021

- Negotiations were finalised to transfer to the IPO Wealth Group the shares in Okto Holdings Ltd (**Okto Holdings**)(the UK-registered company which holds shares in the Italian entities that own Isola San Spirito)
- Proceedings commenced in the Supreme Court of Victoria on 7 January 2021 against 101 Investments Limited (a company registered in the British Virgin Islands) (**101 Investments**) and Mr James Mawhinney seeking the following:
 - o As against 101 Investments, declarations that a share sale agreement between 101 Investments and an IPO Wealth Group entity for the sale of 21.25 million shares in Accloud PLC was validly terminated, alternatively was a voidable transaction (within the meaning of Section 588FE of the Corporations Act 2001)
 - o As against Mr Mawhinney, a declaration that he breached his statutory duties as a director of the IPO Wealth Group entity that first owned the Accloud PLC shares

The Liquidators noted that Mr Mawhinney had assisted the Liquidators in respect of the following matters:

- The transfer of shares in Okto Holdings referred to above
- Assistance to transfer to the IPO Wealth Group the shares held by Eleuthera Group Pty Ltd in Public Democracy Pty Ltd

However, the Liquidators have further noted that Mr Mawhinney continues to frustrate or actively oppose their claims to the following investments:

- Accloud entity shares which he claims to be owned by 101 Investments
- 101 Investments has disputed the claim of approximately \$12.6m in debt. These monies were advanced to 101 Investments for it to acquire shares in Paymate India and a revenue share agreement with Accloud entities
- Liven Pty Ltd shares held on a non-beneficial basis by Eleuthera Group Pty Ltd

The Liquidators continue to pursue the realisation of other IPO Wealth Group investments, the negotiations of which are at various stages.

Realisation of Asset

The Liquidators have not yet given any clear indication in terms of likely recoverability or ultimate realisable value of the IPO Wealth Group assets, other than to indicate that:

- The value of a significant number of the IPO Wealth Group's investments remains uncertain, given the nature of investments, which are largely in unlisted companies
- Over the next 12 months, three out of approximately 19 investments may be realised, subject to ongoing commercial negotiations. Most of the other investments will likely take two to three years to realise any value

- Some of the monies realised will be required to fund ongoing litigation in respect of many of the investments which are under dispute
- A full return of capital to the Fund is unlikely

As noted in our earlier Investor Updates, our expectation remains that the liquidation process may still take approximately 3 years or more.

Future updates

In future we intend sending Unitholders further updates on a calendar quarterly basis, unless there is something material to bring to Unitholders' attention.

The next update will be in April 2021 for the quarter ending 31 March 2021.

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

Yours faithfully

Vasco Trustees Limited
as trustee for the IPO Wealth Fund