

SUPREME COURT OF QUEENSLAND

REGISTRY Brisbane
NUMBER 8792 of 2013

Applicants **KORDAMENTHA PTY LTD (ACN 100 169 391) AND
CALIBRE CAPITAL LTD (ACN 108 318 985) IN THEIR
CAPACITY AS TRUSTEES FOR THE LM MANAGED
PERFORMANCE FUND**

AND

Respondent **LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (IN
LIQUIDATION) (ACN 077 208 461)]**

AFFIDAVIT

SIMON MICHAEL VERTULLO of Level 14, 12 Creek Street, Brisbane in the State of Queensland, chartered accountant, states on oath:

Introduction

1. I am a partner of KordaMentha and an authorised officer of KordaMentha Pty Ltd and am duly authorised to swear this affidavit on behalf of the applicants in their capacity as trustees of The LM Managed Performance Fund ('MPF').
2. This affidavit is sworn in support of an application by the applicants for directions pursuant to section 96 of the *Trusts Act* 1973 (Qld) ('**Trusts Act**') as to whether they are justified in commencing and maintaining Court proceedings against the first respondent ('**LMIM**') for possible breaches by LMIM during the period it was trustee of MPF. In this affidavit I refer to those potential Court proceedings as 'the claim against LMIM'.

Signed:

Affidavit of Simon Michael Vertullo

Filed on behalf of the applicants

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Taken by:

MINTER ELLISON LAWYERS

Waterfront Place, 1 Eagle Street

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Reference DOB NSB 40-7744031

3. I have previously sworn four affidavits in these proceedings on:
- (a) 19 September 2013, and filed in this proceeding on that date as Court file documents numbered 2, 3, and 4 ('**my 19 September 2013 affidavit**');
 - (b) 12 November 2013, and filed in this proceeding on 13 November 2013 as Court file document numbered 9 ('**my 13 November 2013 affidavit**');
 - (c) 13 June 2014, and filed in this proceeding on 17 June 2014 as Court file document numbered 11 ('**my 13 June 2014 affidavit**'); and
 - (d) 25 September 2014, and filed in this proceeding on 25 September 2014 as Court file document numbered 19 ('**my 25 September 2014 affidavit**').
4. In this affidavit I refer to exhibits from my previous affidavits without annexing them here.
5. Except where otherwise indicated, the matters deposed to in this affidavit are deposed to from my own personal knowledge of the facts and circumstances. Where I depose to matters from information and belief, I believe those matters to be true.

Notice to Unitholders

6. In my 25 September 2014 Affidavit, I said that a Notice to Unitholders (exhibit SMV-49 of my 26 September 2014 Affidavit) would be emailed to each Unitholder.
7. On 25 September 2014, KordaMentha sent an email to each Unitholder attaching the Notice to Unitholders. Exhibit **SMV-53** is a true copy of the email and attachment sent on 25 September 2014.
8. Exhibit **SMV-54** is a true copy of the six responses (out of 4500 investors) received to date from Unitholders.
9. The responses range from supporting the Trustees' application to opposing strongly the claim against LMIM.
10. Kordamentha's records show that as at 25 September 2014, a pdf copy of each of the court documents filed in this proceeding up to and including 25 September

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2014, were uploaded on the KordaMentha website set out in the Notice to Unitholders. Exhibit **SMV-55** is a true copy of the relevant page of the KordaMentha website as at 10 October 2014. I am informed by Max Taylor, a Senior Executive Analyst in the employ of KordaMentha, and verily believe that, the KordaMentha website (under the heading for this matter) has, since 25 September 2014, contained links to a pdf copy of each of the Court documents filed in this proceeding up to and including 25 September 2014.

11. On 1 October 2014, the Trustees informed the Unitholders of their intention that Calibre Capital Limited retire as a Trustee effective January 2015. Exhibit **SMV-56** is a true copy of an email sent on 1 October 2014 to all Unitholders to this effect.

My 25 September 2014 Affidavit

12. The matters sworn to in my 25 September 2014 Affidavit at paragraphs 19 and 20 continue to be accurate.
13. I continue to hold the opinion I swore to at paragraph 29 of my 25 September 2014 Affidavit. To explain why I continue to hold that opinion it is necessary to address some aspects of the affidavit material filed in this Honourable Court by LMIM in proceeding BS 8884 of 2014.
14. I am informed by Nadia Braad, solicitor of Minter Ellison Lawyers and verily believe that at 2:45pm on 8 October 2014, Minter Ellison Lawyers were served with:
- (a) a copy of an Originating Application in proceedings BS8884 of 2014 (**the 8884/14 Proceedings**);
 - (b) a copy of the Affidavit of John Richard Park sworn 2 October 2014 (**Mr Park's Affidavit**); and
 - (c) a copy of the Affidavit Simon Jeremy Tickner sworn 2 October 2014 (**Mr Tickner's Affidavit**).

Meeting with Mr Tickner

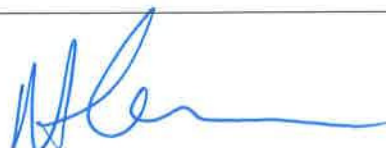
15. I seek leave to refer to paragraph 4 of Mr Tickner's Affidavit which appears to criticise the investigations undertaken by the Trustees.

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16. I attended a meeting with Mr Tickner and others on or about 28 May 2013, at the Oracle development at Broadbeach. I attended that meeting acting in my capacity as an authorised officer of KordaMentha Pty Ltd in its capacity as a trustee of the MPF.
17. I am informed by Jarrod Villani, Executive Director of KordaMentha, and believe that the 28 May 2013 meeting was held on a without prejudice basis at the request of representatives of the respondent. Without revealing the detail of the discussions at that meeting, I spoke at that meeting to Mr Tickner about, among other things, the conduct of the loans lending and management of LMIM atf the MPF.

Mr Tickner's position on MPF Credit Committee

18. I seek leave to refer to paragraph 7 of Mr Tickner's Affidavit and to exhibit JP1 to Mr Park's Affidavit, in particular the "LM Investment Management Limited - Conflict Record" at pages 569 to 571 where it states (on page 571) that '*...Simon Tickner to be excluded from the decision making process MPF Credit Committee*'.
19. Based on my knowledge of the books and records of LMIM atf the MPF that the Trustees currently have in their possession, I am not aware of any documents which record Mr Tickner having been part of the decision making process of the MPF Credit Committee in or about May and June 2012 in relation to the self-dealing transactions referred to the in draft Statement of Claim which is exhibit SMV-52 to my 25 September Affidavit.

Cashflow of LMIM atf the MPF

20. I seek leave to refer to paragraph 21 of Mr Tickner's Affidavit.
21. In the period July 2011 to June 2012, the audited financial statements of LMIM atf the MPF which are exhibit SMV-33 to my 19 September 2013 Affidavit (**the 2012 Financial Statements**) show that the cash inflows from investors totalled \$130,192,011 (my 19 September 2013 Affidavit page 543) which on average was \$10.85M per month.
22. I have located books and records showing the actual monthly cash inflow amounts from investors for the period July 2011 to April 2012. Exhibit **SMV-57** to this

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affidavit is a spreadsheet prepared by Mr Taylor of my firm and settled by me, from those records. In the period July 2011 to April 2012, the lowest amount received from investor cash inflows was \$8.3M and the highest amount was \$13.2M.

23. Investor cash inflows were not the only significant source of cash income of LMIM atf the MPF. In addition to the investor cash inflows, LMIM atf the MPF received cash from other income producing activities. LMIM atf the MPF's 2012 Financial Statements show that in the period July 2011 to June 2012, the MPF's other cash income was \$23,920,896 (my 19 September 2013 Affidavit page 543) which on average was \$2M per month.
24. LMIM atf the MPF's total cash inflows from investors and other cash receipts in the period July 2011 to June 2012 was \$154,112,907 which on average was \$12.84M per month.
25. I seek leave to refer to paragraphs 29, 33 and 37 of Mr Tickner's Affidavit.
26. During the period July 2011 to June 2012, LMIM atf the MPF either did not have cash flow problems or if it did, those cashflow problems were authored by LMIM atf the MPF engaging in conduct including:
 - (a) making optional pre-payments to the related entity LM Administration Pty Limited (ACN 055 691 426) (**LMA**) for management and development management fees. In this regard:
 - (i) LMIM atf the MPF's 2012 Financial Statements show that these pre-paid management fees increased by about \$15.6M, from \$5.2M at the end of the 2011 financial year to \$20.8M at the end of the 2012 financial year (my 19 September 2013 Affidavit page 557); and
 - (ii) located within the books and records of LMIM atf the MPF which have been provided to the Trustees is a spreadsheet showing the balance of the pre-paid management fees on a monthly basis during the 2012 financial year. Exhibit **SMV-58** is a true copy of that spreadsheet, which shows that:

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- (A) in November 2011, when the LMIM atf the MPF knew it may require about \$3.313M in December 2011 to lend to Peregian Beach Pty Ltd (**Peregian Beach**) , LMIM atf the MPF pre-paid \$3.304M to LMA despite being \$14.021M ahead in its pre-payments at the end of October 2011;
- (B) in December 2011, when Stockland provided vendor finance to Peregian Beach instead of LMIM atf the MPF, the latter pre-paid \$1.788M to LMA despite being \$17.325M ahead in its pre-payments as at the end of November 2011;
- (C) in May 2012, when the AIF Credit Committee prepared its lending synopsis, LMIM atf the MPF pre-paid \$2.843M to LMA despite being \$25.809M ahead in its pre-payments as at the end of April 2012. This amount is about \$1.133M more than the \$1.710M the LMIM atf the AIF lent to Peregian Beach in June 2012; and
- (D) in June 2012, the month when LMIM atf the MPF subordinated its lending to LMIM atf the AIF's, the former pre-paid \$1.926M to LMA despite being \$28.319M ahead in its pre-payments as at the end of May 2012 and still being ahead by \$17.952M at the end of June 2012. The \$1.926M pre-paid to LMA in June 2012 is \$0.216M more than the \$1.710M the LMIM atf the AIF loaned to Peregian Beach in June 2012;
- (E) I note that the final balance for June 2012 shown in the spreadsheet of \$17.953M is not the same as the \$20.8M at the end of the 2012 financial year shown in LMIM atf the MPF's 2012 Financial Statements(my 19 September 2013 Affidavit page 557). In the time available I have not been able to determine what the cause of this difference is. However, I consider that the monthly amounts paid to LMA listed in the spreadsheet are likely to be accurate because:
- (I) I am informed by Max Taylor and believe that for each of the transaction amounts on the spreadsheet page entitled

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'LMA Payable to MPF Transaction Schedule' he has confirmed each amount against a bank statement issued by Suncorp. In order to keep this affidavit to a minimum, I have not exhibited copies of these documents to my Affidavit. A copy of them can be produced to the Court if required;

- (II) LMIM atf the MPF's 2012 Financial Statements confirm (my 19 September 2013 Affidavit at page 557) that the average monthly balance of prepayments during the year was \$16,989,994. This is the same monthly average that appears in the spreadsheet as the pre-paid balance.

(b) making optional payments of investor redemptions. In this regard:

- (i) clause 7.4(b)(iii) of the replacement constitution (exhibit SMV-4 of my 19 September 2013 Affidavit) states:

"(b) *The Manager is not obliged to agree to any request for withdrawal of Units for such periods as it in its sole discretion determines where:-*

...

- (iii) *Any other event or circumstances arises which the Manager considers in its absolute discretion may be detrimental to the interests of the Members in the Scheme. "*

- (ii) clause 7.3(b)(iii) of the original constitution of LMIM atf the MPF (exhibit SMV-3 of my 19 September 2013 Affidavit) was in similar terms;

- (iii) both the original constitution at exhibit SMV-3 and the replacement constitution at SMV-4 refer to the terms and conditions of withdrawal being contained in other documents described as 'Offer Document' and 'Information Memorandum'. At this time the editions of these documents I have located are:

(A) Information Memorandum dated 11 November 2002;

(B) Information Memorandum dated 10 May 2004;

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- (C) Information Memorandum dated 2 October 2006;
- (D) Information Memorandum dated 22 June 2007;
- (E) Information Memorandum dated 17 June 2008;
- (F) Supplementary Information Memorandum dated 12 September 2008;
- (G) Information Memorandum dated 25 November 2009; and
- (H) Information Memorandum dated 22 February 2011;

(iv) in order to keep this affidavit to a minimum, I have not exhibited these documents to my Affidavit. A copy of them can be produced to the Court if required. The contents of the Information Memoranda are consistent with the constitution;

(v) by way of example, the 2012 Financial Statements show (19 September 2013 Affidavit page 543) that LMIM atf the MPF paid cash payments of \$46,741,604 in redemptions to investors;

(vi) it is clear that LMIM atf the MPF understood that these were optional and was in fact deciding whether to make payments for the requested redemptions based on its cash flow needs. LMIM atf the MPF's 2012 Financial Statements state (my 19 September 2013 Affidavit page 563):
"During the period, the Manager continued to progress with the various development aspects specific to the underlying assets and balance the cash needs of that asset development with the ongoing payment of investor redemptions."

(vii) LMIM atf the MPF's 2012 Financial Statements state (19 September 2013 Affidavit page 563) that as at 30 June 2012, the redemption requests received but not paid amounted to \$12,733,976.

27. LMIM atf the MPF's financial records show that it did in fact have the cash to make the final payment under the Peregrine Beach loan on 30 June 2012. I say this because:

- (a) LMIM atf the MPF's 2012 Financial Statements show that it had \$17,287,984 cash at bank at the end of the 30 June 2012 (my 19 September 2013 Affidavit page 559). These 2012 Financial Statements note that

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\$14,459,269 of that was held in foreign exchange margin accounts and was not available for use by LMIM atf the MPF. In the time available I have not been able to assess whether this is accurate, but for present purposes accepted (without knowing) that as correct;

- (b) LMIM atf the MPF's 2012 Financial Statements show that it had \$2,828,715 in cash available to it at 30 June 2012, which is over \$1M more than Peregian Beach needed to borrow from LMIM atf the MPF (if LMIM atf the MPF had lent this money to Peregian Beach, the self-dealing transaction with LMIM atf the AIF would have been avoided);
- (c) I have obtained from the books and records of LMIM atf the MPF, a spreadsheet showing LMIM atf the MPF's cash balances at certain dates in the period July 2008 to February 2013. Exhibit **SMV-59** is a true copy of the graph tab of the spreadsheet (the subpages containing the base data of the spreadsheet can be produced to the Court if required). The spreadsheet shows that the remaining \$2,828,715 was made up of:

- (i) 'Working & Investor' \$201,349.00;
- (ii) 'Saver' \$1,003,675.35; and
- (iii) 'Foreign Currency' \$1,623,643.19,

for which I know of no basis to say that LMIM atf the MPF could not have used these funds to fund the Peregian Beach loan.

- 28. At this time, I am not aware of any documents in the books and records of LMIM atf the MPF that the Trustees currently hold that demonstrate that anyone on the MPF Credit Committee considered the cash flow position of LMIM atf the MPF in May or June 2012, with regard to this transaction.
- 29. I seek leave to refer to paragraph 44 Mr Park's Affidavit. I have caused searches to be undertaken of the books and records of LMIM atf the MPF held by the Trustees for the letter by Thomsons Lawyers to the MPF dated 27 June 2012. I am informed by Max Taylor and believe that in the time available he has been unable to locate a copy of that letter.

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Comparison of AIF loan with Stockland loan

30. I seek leave to refer to paragraph 25 of the Affidavit of Mr Tickner and the 9 December 2011 email of Shelley Chalmers exhibited at page 46 of SJT-1. The afternoon of 8 October 2014 was the first time I saw an unredacted version of the 9 December 2011 email. The redacted version is exhibit SMV-19 to my 19 September 2013 Affidavit.
31. The AIF loan was an interest rate of 14% plus an up front fee of 11% and the term was strictly one year. I seek leave to refer to Mr Park's Affidavit and JRP-1 at page 490, which is an email from Mr Tickner to Ms Chalmers and others dated 5 June 2012 at 3:02pm, which states '*AIF term should be for 12 months only*'.
32. Accordingly, the effective interest rate of the AIF loan to Peregrine Beach was 25%, which was 10% more than the Stockland loan. I believe this is why in the email from Lisa Darcy to Bronwyn Kingston dated 20 December 2011 (page 53 of exhibit SJT-1) the rate of the loan to be made by LMIM atf the AIF is stated to be 25%.
33. The loan agreement between LMIM atf the AIF and Peregrine Beach appears at page 502 to 538 to exhibit JRP-1 of Mr Park's Affidavit. The interest rate of 14% and the establishment fee of \$188,100 (being 11% of the loan amount of \$1,710,006) appear at pages 533 and 534.

Consideration of whether LMIM atf the AIF's loan to Peregrine Beach was mezzanine financing

34. I seek leave to refer to Mr Tickner's Affidavit and in particular the exhibit SJT-1 at pages 46-47, which is an email from Shelley Chalmers to '801 Credit Committee' dated 9 December 2011.
35. I am familiar with the concept and practice of mezzanine lending.
36. Based on the information contained in this and other documents, I consider that the finance provided by LMIM atf the AIF to Peregrine Beach was not mezzanine financing. This is because under the terms of the loan, LMIM atf the AIF was to receive a first registered mortgage position for lending \$1.7M on a property valued at \$2.7M, which \$1M more than it was to lend. LMIM atf the AIF was also to

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Taken by:

receive its interest payments guaranteed by LMIM atf the MPF for the period of the loan (indeed LMIM atf the MPF does appear to have paid the interest due to LMIM atf the AIF from Peregian Beach). These circumstances do not satisfy the usual mezzanine finance lending circumstances.

37. As deposed to at paragraphs 42 and 43 of my 19 September 2013 Affidavit, on 10 September 2013 the securities held by LMIM over the property of Peregian Beach were assigned to a third party. Part of the proceeds from that assignment (the sum of \$1,9125,729.92) is being held on trust pending resolution of this dispute. The \$1,9125,729.92 would be sufficient, if paid to LMIM atf the AIF, to repay in full the amount LMIM atf the AIF was owed by Peregian Beach.

LMIM atf the MPF's discretion to lend to Peregian Beach

38. At paragraph 26 of his affidavit, Mr Tickner deposes to his expectation that Peregian Beach could have sued LMIM atf the MPF in the event that it did not advance funds to Peregian Beach.
39. Under clause 2 of the loan agreement between LMIM atf the MPF and Peregian Beach (exhibit SMV-11, page 167, to my 19 September 2013 Affidavit), LMIM atf the MPF had a discretion in relation to advances to Peregian Beach.
40. Whether or not LMIM atf the MPF could have been successfully sued by Peregian Beach if LMIM atf the MPF exercised its discretion not to advance further funds to Peregian Beach raises questions of fact (leaving aside legal matters) that would require further investigation.

SWORN by SIMON MICHAEL VERTULLO on 15 October 2014
at Brisbane

Deponent

in the presence of:

Solicitor/Commissioner for
Declarations/Justice of the Peace

Nicole Helen Hamrosi

SUPREME COURT OF QUEENSLAND

REGISTRY Brisbane
NUMBER 8792 of 2013

Applicants

**KORDAMENTHA PTY LTD (ACN 100 169 391) AND
CALIBRE CAPITAL LTD (ACN 108 318 985) IN THEIR
CAPACITY AS TRUSTEES FOR THE LM MANAGED
PERFORMANCE FUND**

AND

Respondent

**LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (IN
LIQUIDATION) (ACN 077 208 461)**

CERTIFICATE OF EXHIBITS

Exhibit '**SMV-53**' to '**SMV- 59**' to the affidavit of SIMON MICHAEL VERTULLO
sworn on 15 October 2014.

Deponent

Solicitor/Commissioner for
Declarations/Justice of the Peace
Nicole Helen Hammors

Affidavit of Simon Michael Vertullo

MINTER ELLISON

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Reference DOB NSB 40-7744031

SUPREME COURT OF QUEENSLAND

REGISTRY Brisbane
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AND

Respondent **LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (IN
LIQUIDATION) (ACN 077 208 461)**

LIST OF EXHIBITS

Exhibit	Document	Pages
SMV-53	Email KordaMentha to each Unitholder attaching the Notice to Unitholders dated 25 September 2014	1-7
SMV-54	Six responses received from Unitholders	8-17
SMV-55	Page of the KordaMentha website as at 10 October 2014	18-19
SMV-56	Email KordaMentha to each Unitholder sent on 1 October 2014	20
SMV-57	Spreadsheet showing the actual monthly cash inflow amounts from investors for the period July 2011 to April 2012	21
SMV-58	Spreadsheet showing the balance of the pre-paid management fees on a monthly basis during the 2012 financial year	22-28
SMV-59	Graph tab of a spreadsheet showing LMIM atf the MPF's cash balances at certain dates in the period July 2008 to February 2013	29

Nadia Braad

From: lminvestors [lminvestors@kordamentha.com]
Sent: Thursday 25 September 2014 06:04 pm
To: lminvestors
Subject: LM Managed Performance Fund - Peregian Beach Matter
Attachments: Notice to Unitholders 25.9.14.pdf

Dear Unitholder,

Peregian Beach Matter

We refer to our previous correspondence in relation to this matter.

As detailed in our Update to Investors of 4 August 2014, this matter was adjourned on 17 June 2014 so that the Trustees could provide additional explanatory material to Unitholders.

Accordingly, please find attached a Notice to Unitholders providing further detail on the following:

- The nature and purpose of the Trustees' application
- The nature and purpose of the proposed litigation against LMIM
- The Trustees' position on why it is appropriate to prosecute the litigation against LMIM

Please note that this matter is now set down to be heard on 16 October 2014 at 10:00 am.

The attached Notice contains information for Unitholders with respect to attending Court to support or oppose the Trustees' application and otherwise providing feedback to the Trustees.

Please note that you are not obliged to respond or take any action with respect to this notification.

Kind regards



Level 14, 12 Creek Street, Brisbane QLD 4000, Australia

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Introduction

- [1] Unitholders will recall that the Trustees have previously given notice of the Trustees' intention to seek a direction from the Supreme Court of Queensland that the Trustees would be justified in commencing proceedings against the former trustee of the MPF, LM Investment Management Limited (Receivers And Managers Appointed) (In Liquidation) (ACN 077 208 461) ("LMIM").
- [2] The law requires personal service of such an application on all persons interested in it or on such of them as the Court thinks expedient. The Trustees formed the view that they should conserve trust assets by seeking to persuade the Court that it was not expedient for the Trustees to incur the expense of personally serving all 4,500 Unitholders with the many hundreds of pages of material in this matter, but rather the Court should be satisfied with less formal notice having been given of the application.
- [3] That is why the Trustees gave notice to Unitholders by way of the Notice dated 24 September 2013 sent to Unitholders on 25 September 2013 and to the two emails the Trustees sent to Unitholders on 11 and 12 June 2014.
- [4] The application came before the Supreme Court of Queensland on 17 June 2014 but was adjourned after Justice Boddice indicated that –
 - (a) He could be convinced that it would be inappropriate to require personal service of all of the Unitholders;
 - (b) However the Trustees would need to satisfy him that another method of giving notice had adequately brought to the attention of the Unitholders the substance of the application and the pros and cons of the proposed litigation; and
 - (c) He was not satisfied that the Trustees had yet sufficiently done that.
- [5] The purpose of this communication is to address Justice Boddice's concerns as to the need for Unitholders to be given additional explanatory material and also to notify Unitholders of the date of the reconvened hearing and how Unitholders can arrange to have their views put before the Court.
- [6] The structure of this notice is as follows:
 - (a) First, to explain the nature and purpose of the Trustees' application;
 - (b) Second, to explain the nature and purpose of the proposed litigation against LMIM;
 - (c) Third, to set out an explanation of why the Trustees hold the view that it is appropriate to prosecute the proposed litigation against LMIM;
 - (d) Finally to provide Unitholders with the formal information they need if they wish to be heard on the Trustees' application.
- [7] All of the documents which have been filed in Court in relation to the application up to the date of this notice (some of which are referred to in this notice) are indexed and accessible on the KordaMentha website. The link to KordaMentha's website is at <http://www.kordamentha.com/creditor-information/australia/109>. The Trustees will update the website as soon as practicable after any new material is filed.

The nature and purpose of the Trustees' application

- [8] The nature and purpose of the Trustees' application is explained in written submissions filed on behalf of the Trustees and which are to be found on the website – see document number 13. Unitholders wishing more detail are referred to that document, particularly at paragraphs [12] to [22].

- [9] Essentially, the application is made pursuant to a procedure provided by s. 96 of the Trusts Act which authorises the Supreme Court to give judicial advice to trustees. There are two principal functions of the procedure. First, to give personal protection to trustees if they act in accordance with the advice. Second, to protect the interests of the trust (because the Court will consider the interests of the trust when deciding what advice to give).
- [10] By the particular application in this case, the Trustees seek a direction from the Supreme Court as to whether they would be justified in prosecuting a proceeding against LMIM for the relief set out in the draft statement of claim. The nature of the proposed proceeding is explained below.
- [11] In deciding this type of application, the court does not investigate the evidence and decide whether or not the Trustees will win against LMIM. Rather, the court determines whether or not the proceeding should be taken in the best interests of the trust estate. The question is a broad one and can involve the question whether it is practical and fair for trust assets to be used for the proposed purpose.

The nature and purpose of the proposed litigation against LMIM.

- [12] The nature and purpose of the proposed litigation is set out in detail in the statement of claim which the Trustees propose to file against LMIM. A draft of that document is to be found on the website as exhibit SMV-52 to the affidavit of Simon Vertullo dated 25 September 2014 – see document number 19. The following paragraphs seek to set out a summary of the case. Unitholders wishing more detail are referred to the draft statement of claim.
- [13] The Trustees replaced LMIM as trustee of the MPF on 12 April 2013.
- [14] LMIM was a professional trustee and at the time it was the trustee of the MPF it was also the responsible entity for the LM Australian Income Fund (ARSN 133 497 917) (the “AIF”), a scheme registered under the Corporations Act. Under the Corporations Act, LMIM held the scheme property of the AIF on trust for the scheme members.
- [15] It is convenient to refer to LMIM when it was acting as trustee for (“atf”) the MPF as “LMIM atf MPF” and, when it was acting as trustee for the AIF, as “LMIM atf AIF”.
- [16] The business of both LMIM atf MPF and LMIM atf AIF was to use funds obtained from members by entering into property investment and structured loan transactions for the purchase and/or development of Australian real property for the eventual benefit of members.
- [17] The essence of the complaint that the Trustees wish to allege against LMIM is that at a time when LMIM atf MPF had already entered into a loan agreement dated 29 June 2010 (pursuant to which it took on 29 June 2010 fixed and floating charge no. 2010141 and was entitled to and granted on 22 December 2011, through a custodian company, second registered mortgage no. 714236897 over Lot 74, Endeavour Drive, Northlakes, Qld “Property”) with a third party (“Borrower”) the outstanding loan balance of which was about \$1m, LMIM decided to engage in a self dealing transaction (“Self Dealing Transaction”) in which LMIM atf AIF would also lend about \$1.7m to the Borrower but on terms which would entirely subordinate the lending which had already been made and would subsequently be made by LMIM atf MPF, to the lending by LMIM atf AIF.
- [18] The Self Dealing Transaction was subsequently implemented such that between 25 June 2012 and 2 August 2012, the lending of in excess of \$3,236,658.63 that had already been made by LMIM atf MPF to the Borrower was entirely subordinated to the subsequent lending of about \$1,710,006 by LMIM atf AIF.
- [19] The second registered mortgage granted to LMIM atf MPF (through the custodian company) ranked behind first registered mortgage no. 714235916 granted by the Borrower to Stockland North Lakes Pty Ltd (“Vendor”) on 15 December 2011, which provided

vendor finance to the Borrower to enable it to complete the purchase of the Property from the Vendor.

- [20] As far as the Trustees can tell without having seen all of LMIM atf AIF's documentation, the funds lent by LMIM atf AIF to the Borrower under the Self Dealing Transaction appear to have been used by the Borrower in June 2012 to repay, in whole or in part, what it owed to the Vendor. On 18 July 2012, the Vendor's first registered mortgage was released and a new mortgage in favour of LMIM atf AIF (through a custodian company) was registered over the Property and given dealing no. 714574199.
- [21] The subordination referred to in [18] above was achieved through registered priority agreement no. 7146029919 and a priority and subordination deed dated 25 June 2012.
- [22] The complaint is that the Self Dealing Transaction was neither for the benefit of the members of the MPF nor could it reasonably have been thought to be for the benefit of the members of the MPF that LMIM atf AIF would participate in the particular loan transaction in terms which entirely subordinated the lending which had already been made by LMIM atf MPF to the subsequent lending by LMIM atf AIF. The Trustees believe that there was a breach of the core duty of LMIM as trustee of the MPF to perform the trust honestly and in good faith for the benefit of the members of the MPF.
- [23] The Trustees believe that by engaging in the Self Dealing Transaction LMIM also placed itself in a position where –
 - (a) the duties which it owed to the members of the MPF conflicted with its interest in its capacity as the responsible entity for AIF; and further or alternatively
 - (b) the duties which it owed to the members of the MPF conflicted with the duties which it owed to the members of the AIF.
- [24] Ultimately the Borrower defaulted. LMIM sold the securities it held over the Borrower's property, but there was a very significant shortfall in the return which was obtained on the loan by LMIM atf MPF.
- [25] In September 2013 a sum of \$429,135.04 was received in respect of the \$3.2m lending which had been made by LMIM atf MPF but on the other hand a sum of \$1,925,729.92 was received in respect of the \$1.7m loan which had been made by LMIM atf AIF.
- [26] Because by the time the monies were received the Trustees had complained of breaches of trust by LMIM when it was acting as trustee of the MPF, the monies received in respect of the loan which had been made by LMIM atf AIF were paid into trust pending the resolution of the dispute concerning the alleged breaches of trust. The monies are currently held by a custodian trustee.
- [27] In the proposed proceeding against LMIM the Trustees seek orders which would ultimately require LMIM to take steps to ensure that the custodian trustee paid to the Trustees the entirety of the \$1,925,729.92 fund ("the Fund") together with any interest which accrued thereon.

Why the Trustees hold the view that it is appropriate to prosecute the litigation against LMIM

- [28] The decision whether to spend trust monies in prosecuting litigation is a commercial one in which the Trustees weigh up the costs of litigation; the benefits which might be obtained in the event of success and the risks of success or failure.
- [29] It should be emphasised that there are no certainties in assessing these matters or in making the estimations on which the assessments are based. The best that can be done is to form a view based on the facts and information known at the time.

- [30] Bearing that caveat in mind, it is the opinion of the Trustees that it is in the commercial interests of the members of the MPF for the Trustees to seek to pursue the claim against LMIM. The principal matters considered by the Trustees in assessing the commerciality of the litigation and forming their opinion, are summarised below.
- [31] As to the costs of the litigation:
- (a) The Trustees estimate that it will cost at least \$479,006 if the Court directs that the Trustees are justified in filing the statement of claim and there is a trial of the proceeding. This estimate consists of:
 - (i) \$88,000 for the Trustees' fees;
 - (ii) \$391,006 for legal fees.
 - (b) As at 30 June 2014, the Trustees' fees associated with this matter are approximately \$28,363 and the billed legal fees are \$188,231.86. From 30 June 2014, up to a determination about the direction, the Trustees' expect their fees will be about \$15,000 and the legal fees will be about \$85,000.
 - (c) If the Trustees' claim is successful, it is likely that the Trustees will obtain a costs order against LMIM. However, based upon the financial information available to the Trustees about LMIM and the fact that LMIM is in liquidation, the Trustees assume that recovery of payment pursuant to any such order would be at risk, although there may be some prospect that LMIM might have an indemnity for its costs against the assets of the AIF.
 - (d) If the Trustees' claim is unsuccessful, it is likely that the Trustees will be ordered to pay LMIM's costs of the proceeding. The Trustees estimate that LMIM's costs might be \$386,547 - \$509,547. This assumes that the custodian trustee takes no active part in the litigation and agrees to abide the order of the Court and the defence of the case does not involve many disputes in the lead up to trial. If the Trustees become aware that the custodian trustee wishes to participate actively in the litigation, they will inform the members of the MPF.
- [32] As to the benefits of the litigation:
- (a) The Fund is being held on trust by the liquidators of LMIM (through the custodian trustee) pending the resolution of this litigation. The Trustees are therefore confident that the Fund will be available to satisfy any judgment for proprietary relief that the Trustees obtain against LMIM.
 - (b) If the litigation is successful, the estimated net benefit after the payments of fees and costs will be approximately \$1,130,129.06 (the amount of the Fund minus \$795,600.86, being the estimated total of the Trustees' fees and legal expenses up to and including a trial) (excluding judgment interest). This would represent a 20-25% increase to the current asset pool of the MPF, from approximately \$4.6 million to \$5.73 million.
 - (c) In the worst-case scenario, there would be no recovery at all, and Trustees would have to pay the total cost of the proceeding (including liability to the other parties for their costs) out of existing trust funds. That net outlay might be as high as \$1,305,147.86, decreasing the asset pool by 25-30% from approximately \$4.6 million to approximately \$3.3 million.
 - (d) The win/lose analysis of the matter, including a mid-case scenario (where the Court directs that the proceeding would not be justified and it is not commenced) is estimated to be as follows:

Event Description	Best	Mid-Case	Worst
	Win	Only s96 application	Loss
Claim	\$1,925,729.92		
Trustees' legal costs to hearing of s96	(\$273,231.86)	(\$273,231.86)	(\$273,231.86)
Trustees' legal costs to trial	(\$391,006.00)		(\$391,006.00)
Trustees' fees	(\$131,363.00)	(\$43,363.00)	(\$131,363.00)
LMIM's legal costs			(\$509,547.00)
TOTAL	\$1,130,129.06	(\$316,594.86)	(\$1,305,147.86)

[33] As to the risks of success or failure of the litigation:

- (a) The Trustees have obtained privileged and confidential legal advice about the claim against LMIM.
- (b) The Trustees are not making the legal advice available on the KordaMentha website or otherwise because they are concerned that to do so might result in a waiver of privilege in that legal advice and that, therefore, LMIM might obtain a copy of the advice. However, the advice will be offered to the Court on a confidential basis.
- (c) The Trustees are presently satisfied that they have reasonable prospects of being successful in the claim against LMIM.
- (d) The question of prospects will, however, be kept under review. For example, it is possible that issues raised by LMIM in the defence of the claim and documentary and other explanatory material shedding light on why LMIM acted in the way it did might alter the Trustees view on prospects of success (whether for the better or the worse).
- (e) In this regard, LMIM's solicitors have indicated that LMIM will allege the following by way of defence to any claim made by the Trustees:
 - (i) the loan by LMIM atf MPF was always intended to be a loan that was second ranking in priority;
 - (ii) the loan made by LMIM atf MPF to the Borrower was in the nature of mezzanine funding;
 - (iii) as at June 2012, the Borrower owed approximately \$1.7 million in vendor finance, which was secured by a first ranking mortgage;
 - (iv) the purpose of the AIF Loan Transaction was to payout this vendor finance;

- (v) LMIM atf MPF was unable to advance further funds to complete the acquisition of the Property (i.e. to retire the vendor finance) as LMIM atf MPF had insufficient funds available to it;
 - (vi) LMIM atf MPF was contractually obliged to advance further funds to the Borrower (which it was unable to do) and a failure to advance such funds, to permit the payout of the vendor finance, would have exposed LMIM atf MPF to litigation by the Borrower for breach of contract. The Vendor would also have been able to move to sell the Property as first mortgagee given the default in failing to payout the vendor finance when it became due for payment;
 - (vii) at the time LMIM atf AIF advanced the \$1.7m to the Borrower, the Property had been valued at \$2.7m.
- (f) The Trustees will consider any such allegations if they are pleaded and particularised and will also consider any evidence which LMIM produces in support of them. Presently, the mere assertion of these propositions by LMIM's solicitors does not cause the Trustees to change their view about commencing proceedings against LMIM.

[34] Other options:

- (a) Given that the Fund is being preserved and the view they currently have of the prospects of success, the Trustees do not consider it is appropriate to give up on the proposed claim. At a minimum, it is appropriate to obtain judicial advice.
- (b) The Trustees conduct of the claim in the future will depend on the advice that is obtained from the Court.
- (c) If the Court gives the direction that the Trustees seek, the Trustees propose to act in accordance with the direction and prosecute the proposed proceeding. That said, the Trustees recognise that litigation is unpredictable. They will keep under review the possibility of resolving the proceeding before trial by alternative means, including the possibility of a negotiated settlement.
- (d) However if the Court disagrees and advises the Trustees that they are not justified in prosecuting the proceeding, then, subject to the possibility of appeal, the Trustees would propose to act in accordance with that direction and would then not prosecute the proposed proceeding.

Formal information for Unitholders

- [35] The hearing of this matter is now set down to be heard by a Justice of the Supreme Court on 16 October 2014 at 10:00am. On the same date, LMIM atf AIF is also applying to the Supreme Court. The Trustees have not been served with the originating application filed by LMIM atf AIF but will update Unitholders about this matter if and when they are served with the originating application and any supporting material.
- [36] If a Unitholder wishes to support or oppose the Trustees' application or to argue that any different order or direction should be made, they can do so by attending before the Court on the date and time mentioned above either personally or by engaging a legal advisor for that purpose. Any Unitholder wishing to retain lawyers should do so promptly to ensure there is sufficient time to brief their legal representatives.
- [37] Alternatively, Unitholders can send emails about this matter to the Trustees addressed to lminvestors@kordamentha.com, and the Trustees will seek to put all of those emails before the Court.

Max Taylor

From: Lamb, Robert <lamb@smis.ac.jp>
Sent: 5 October 2014 9:37 AM
To: Iminvestors
Subject: RE: LM Managed Performance Fund - Notice to Unitholders
Attachments: image001.png; image002.png; image003.png; image004.png; image005.png

Don't people realise that Korda Mentha Pty Ltd is just another one of these corporates that simply take advantage of investors' financial powerlessness. What little money that was left after LM's fraud and corruption will now go into the Korda Mentha pockets who have no problem charging average fees of \$400+ fees an hour even for its juniors. All of these notices are purely justification for their further fleecing of investor's money.

From: Iminvestors [Iminvestors@kordamentha.com]
Sent: Wednesday, 1 October 2014 2:33 p.m.
To: Iminvestors
Subject: LM Managed Performance Fund - Notice to Unitholders

Dear Unitholder

The purpose of this notice is to inform Unitholders of our affiliate firm Calibre Capital Limited's retirement as co-trustee of the Fund.

Unitholders will recall that KordaMentha Pty Ltd ('KordaMentha') was appointed as joint and several trustee of the Fund with our affiliate firm Calibre Capital Limited ('Calibre').

Further, Unitholders are aware that the Fund is being wound down with all material loan and real property assets of the Fund realised and any future recoveries dependent on the outcome of various legal actions.

These more limited activities mean that it is no longer necessary to have Calibre as co-trustee of the Fund.

We hereby provide notice to Unitholders that Calibre is retiring as co-trustee of the Fund with KordaMentha to continue to act as sole trustee. This change will not affect Unitholders or the ongoing management of the Fund and the Trustee will continue recovery efforts and communication with Unitholders in the same way as we have over the last 18 months.

In accordance with clause 23.1(a) of the MPF constitution, Calibre will retire three (3) months from the date of this notice being 5 January 2015.

Kind regards

[cid:image001.png@01CFDD8B.6BADF930]<<http://www.kordamentha.com/>>

Level 14, 12 Creek Street, Brisbane QLD 4000, Australia

[cid:image002.png@01CFDD8B.6BADF930] <<http://www.KordaMentha.com/Restructuring>>

connect with us [cid:image003.png@01CFDD8B.6BADF930] <<http://www.linkedin.com/company/kordamentha>>
[cid:image004.png@01CFDD8B.6BADF930] <<https://twitter.com/KordaMentha>>

[cid:image005.png@01CFDD8B.6BADF930] <<http://www.kordamentha.com/forensic/forensic-spotlight-with-kordamentha>>

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Max Taylor

From: Daniel Dawe <daniel.dawe@gmail.com>
Sent: 29 September 2014 11:57 PM
To: lminvestors
Subject: LM Performance Managed Funds

Reference your email dated 29 Sep 2014, regarding the proposed court action against LMIM. I STRONGLY disagree and DO NOT support any further action. The process has been far too lengthy already. It is a self serving interest on behalf of the trustees to prolong the liquidation process. Finalise the fund, pay the unit holders whatever money we have left, and STOP bleeding the fund dry for your own self gain. We as unit holders have already lost incalculable money from the whole nightmare. Give us what little we have left. Stop dragging this out for your own self gain.

Daniel Dawe
Unitholder MPF

Max Taylor

From: Moodys <ausmoodys@yahoo.com>
Sent: 29 September 2014 8:44 PM
To: lminvestors
Subject: Re: LM Managed Performance Fund - Peregian Beach Matter

Good Day

Further to your correspondence of 25 September 2014, we confirm our support for the trustees application.

Yours sincerely
PR & MA Moody
MPF Capital Guaranteed Investment Unit Holders

On Thursday, 25 September 2014, 16:04, lminvestors <lminvestors@kordamentha.com> wrote:

Dear Unitholder,

Peregian Beach Matter

We refer to our previous correspondence in relation to this matter.

As detailed in our Update to Investors of 4 August 2014, this matter was adjourned on 17 June 2014 so that the Trustees could provide additional explanatory material to Unitholders.

Accordingly, please find attached a Notice to Unitholders providing further detail on the following:

- The nature and purpose of the Trustees' application
- The nature and purpose of the proposed litigation against LMIM
- The Trustees' position on why it is appropriate to prosecute the litigation against LMIM

Please note that this matter is now set down to be heard on 16 October 2014 at 10:00 am.

The attached Notice contains information for Unitholders with respect to attending Court to support or oppose the Trustees' application and otherwise providing feedback to the Trustees.

Please note that you are not obliged to respond or take any action with respect to this notification.

Kind regards

Level 14, 12 Creek Street, Brisbane QLD 4000, Australia

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Max Taylor

From: Paul Friedberg <pf.friedberg@gmail.com>
Sent: 26 September 2014 9:52 PM
To: lminvestors
Cc: 'Monique Campbell'
Subject: RE: LM Managed Performance Fund - Peregian Beach Matter

To Whom it may concern in Korda Mentha.

In my view, spending \$ 500k to gain \$1.3 mill is a poor management of the remaining funds. In court proceedings of this nature the outcome can never be predicted regardless of how good our case is. This meant that there is always a fair chance that one may lose and thus reduce the remaining funds even more.

To be frank, this is throwing good money away and the only people that gains from this are Korda Mentha and the legal councils.

The more I see o this case the more I believe it is a big charade where our so called trustees are creating additional cases within the case to their own benefit. I am sure Korda menthe do not like to hear this, but this is what most of the Unit holders believes.

Thanks and best regards,

Paul Friedberg

From: lminvestors [mailto:lminvestors@kordamentha.com]
Sent: Thursday, September 25, 2014 12:04 PM
To: lminvestors
Subject: LM Managed Performance Fund - Peregian Beach Matter

Dear Unitholder,

Peregian Beach Matter

We refer to our previous correspondence in relation to this matter.

As detailed in our Update to Investors of 4 August 2014, this matter was adjourned on 17 June 2014 so that the Trustees could provide additional explanatory material to Unitholders.

Accordingly, please find attached a Notice to Unitholders providing further detail on the following:

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Please note that you are not obliged to respond or take any action with respect to this notification.

Kind regards



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Max Taylor

From: Gavin Croucher <gavin.croucher@hotmail.com>
Sent: 26 September 2014 4:54 AM
To: Iminvestors
Subject: Hearing of the Supreme Court on 16 October 2014 at 10:00am

Please let it be known that Eileen & Gavin Croucher (MPF investors) wish Kordentha and their legal team to represent our interests at the hearing of the matter now set down to be heard by a Justice of the Supreme Court on 16 October 2014 at 10:00am

Best regards

Gavin Hugh & Eileen Anne Croucher
Cyprus

Max Taylor

From: Matt Farr <mattfarr@mountainquests.com>
Sent: 25 September 2014 7:01 PM
To: lminvestors
Subject: Re: LM Managed Performance Fund - Peregrine Beach Matter
Attachments: DSC04210.JPG; 20130813_124656.jpg; 20130813_124723.jpg; 20130813_124911.jpg; DSC04200 copy.jpg; DSC04203.JPG; DSC04205.JPG; DSC04207.JPG; DSC04209.JPG

Every few weeks I receive one of these emails, each time with news of something I have no idea about and don't really understand. Korda Mentha don't really put anything into plain English, which is to be expected by lawyers, and LMIM of course are no where to be seen.

Normally I calmly and obediently file the update away on my PC and move on with my day. But every time i receive one of these updates, I am reminded of the fact that whatever minuscule money is left behind in this defunct fund, built on lies, ego and greed, with no concern for the "unitholders" (God forbid call us humans, else that might be a horrid reminder that we are indeed human, suffering very real consequences from this disaster - unitholders is much better), is being ebbed away by Korda Mentha in legal fees and court appearances.

After Peter Drake stole our money and placed it into projects where he was a senior board member, breaking not only the investment rules of the fund but general ethics of investment as well, there was about 5% of the "unitholders" investment left. In my case, roughly 2,500 GBP. This was meant to be the yearly expected rate of return on the investment, but is now the expected principle return. With all the court appearance fees and legal fees being charged by Korda Mentha, my expectation is that this final 2,500 GBP will also go. Oh well, compared to my initial investment of 50,000 GBP i guess it doesn't matter.

Although actually it does. It matters very, very much.

I don't want to use this email to focus on my personal losses, both in financial terms, but also the impact it has had on my business and my personal life. It would be as selfish as Korda Mentha are being, picking the last bleached bones of the carcass for any remaining morsels of meat, for me to do that. Instead i want to convert that tiny 5% return that is being ever so calmly eroded away into what it means to real people living in real places.

I run an adventure travel company that takes people to the Himalaya. Both my clients and I derive a huge amount of pleasure from visiting places like Nepal, to go climbing, trekking, white water rafting, bungee jumping and so-forth. Every single person who goes to Nepal (I will use Nepal as an example, but there are many places like it) can't help but notice that away from their personal happiness there is a huge poverty problem. There are many reasons behind this, but one of the main reasons is poor education and child exploitation. Children often grow up with very a less than basic education, leaving them open to abuse by more cunning and underhand people.

As a result of this, I couldn't just take happiness from one of my favourite places to be without giving back somehow. Both my company and me personally, financially and logistically support orphanages and schools in Kathmandu and further afield, to support a better education for kids who have almost nothing.

I invested my personal wealth into the MPF to make a return, that i planned to donate to these schools and orphanages. This return would help buy new clothes, food, books and pencils, and pay the teachers more to make them better motivated (although considering they are paid \$200 a month to teach the kids their motivation is already commendable) to teach the children. Just \$1,000 a year is enough to kit out a school supporting 400 children with the most basic things they need to effectively teach. This means, going back to

the carcass that Korda Mentha is gnawing away at, that 5% principle return could have enabled me to support 4 schools this year, each with 400 kids.

So yes, eeking out the remaining few cents in this disaster of a fund means that 1,600 kids are not going to be supported with any funds this year.

I am not emailing expecting a reply, or an apology or any strategy to help recover the losses that have been made. I am simply emailing in the hope that next time your company goes to court and submits its bill to the MPF, someone sitting at a desk somewhere in your office remembers who will be going without as a result of your actions.

I have attached some photos of two of the schools I am not able to support this year, highlighting the physical conditions that the students face every day. My apologies in advance that several are not pleasant to see

Yours faithfully

Matt Farr

On Thu, Sep 25, 2014 at 12:04 PM, lminvestors <lminvestors@kordamentha.com> wrote:

Dear Unitholder,

Peregrine Beach Matter

We refer to our previous correspondence in relation to this matter.

As detailed in our Update to Investors of 4 August 2014, this matter was adjourned on 17 June 2014 so that the Trustees could provide additional explanatory material to Unitholders.

Accordingly, please find attached a Notice to Unitholders providing further detail on the following:

- The nature and purpose of the Trustees' application
- The nature and purpose of the proposed litigation against LMIM
- The Trustees' position on why it is appropriate to prosecute the litigation against LMIM

Please note that this matter is now set down to be heard on 16 October 2014 at 10:00 am.

The attached Notice contains information for Unitholders with respect to attending Court to support or oppose the Trustees' application and otherwise providing feedback to the Trustees.

Please note that you are not obliged to respond or take any action with respect to this notification.

Kind regards



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Matt Farr

Managing Director



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LM Managed Performance Fund

Appointment Profile

Type of Appointment: Court appointed trustees of the LM Managed Performance Fund (ABN: 95 595 833 174)
Date of Appointment: 12 April 2013
Appointees: KordaMentha Pty Ltd and Calibre Capital Limited

Background Information

KordaMentha and its affiliated firm Calibre Capital were appointed Trustee of the Fund on 12 April 2013.

LM Managed Performance Fund is a Trust that was previously operated by LM Investment Management Limited ('LMIL').

John Park and Ginette Muller of FTI Consulting were on 19 March 2013 appointed as Joint and Several Voluntary Administrators of LMIL. However, in Brisbane on 12 April 2013, the Supreme Court of Queensland removed and replaced LMIL as Trustee of the Fund.

General Information

Please email lminvestors@kordamentha.com to query any of the information below.

Frequently asked questions (updated) 4 February 2014	04/02/2014	79 kb
Notice to Unitholders	01/10/2014	154 kb

Detailed narrations for Twelfth Update to Investors	09/04/2014	183 kb
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Thirteenth Update to Investors (4/08/2014) - removed until further notice due to commercial in confidence
 Twelfth Update to Investors (9/04/2014) - removed until further notice due to commercial in confidence
 Eleventh Update to Investors (10/01/2014) - removed until further notice due to commercial in confidence
 Tenth Update to Investors (16/08/2013) - removed until further notice due to commercial in confidence
 Ninth Update to Investors (05/07/2013) - removed until further notice due to commercial in confidence
 Eighth Update to Investors (03/06/2013) - removed until further notice due to commercial in confidence
 Seventh Update to Investors (17/05/2013) - removed until further notice due to commercial in confidence
 Sixth Update to Investors (13/05/2013) - removed until further notice due to commercial in confidence
 Fifth Update to Investors (07/05/2013) - removed until further notice due to commercial in confidence

Fourth Update to Investors	02/05/2013	243 kb
Third Update to Investors	01/05/2013	747 kb
Second Update to Investors	30/04/2013	317 kb
Initial notification to investors	15/04/2013	236 kb

Applications

Matter Number 6792/2013 - Directions Application

Peregrin Beach - 1 Originating Application	93 kb
Peregrin Beach - 2 SV Affidavit + Exhibits	7120 kb
Peregrin Beach - 3 SV Affidavit + Exhibits	7907 kb
Peregrin Beach - 4 SV Affidavit + Exhibits	8402 kb
05. Affidavit of Nadia Braad	4205 kb
06. Affidavit of David O''Brien	72704 kb
07. Affidavit of Ross Williams	998 kb
08. Affidavit of Simon Vertullo + Exhibits	98753 kb
09. Consent Adjournment of Application	352 kb
10. Affidavit of Simon Vertullo	14909 kb
11. Subpoena for production addressed to Simon Vertullo	1198 kb
12. Affidavit of David O''Brien	26390 kb
13. Applicant's outline of submissions	176 kb
14. Application to set aside subpoena to Simon Vertullo	515 kb
15. Respondent's outline of submissions	1933 kb
16. Affidavit of John Richard Park	855 kb
17. Transcript of Hearing before Boddice J	4871 kb
18. Application	600 kb
19. Affidavit of Simon Vertullo	15684 kb
Notice to Unitholders	25/09/2014 55 kb

Matter Number 3691/2013 - Service Application

Application to Wind Up Fund including order for service on members	18/11/2013	90 kb
Affidavit of Simon Vertullo in respect to Service	18/11/2013	3782 kb
Affidavit of Lisa Gallate and Exhibit LNG-1	18/11/2013	1094 kb
Orders and directions made re service on members	18/11/2013	84 kb

Appointment Contacts

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Matter Number 3691/2013 - Wind Up Application

Application to wind up fund	19/11/2013	86 kb
Affidavit of Simon Vertullo in respect to Wind Up		1058 kb
Exhibit certificates SMV-7		1097 kb
Exhibits SMV-7 1-5		4478 kb
Exhibits SMV-7 6-11		6154 kb
Exhibits SMV-7 12-17		4356 kb
Exhibits SMV-7 18-23		25966 kb
Exhibits SMV-7 24-26		19248 kb
Exhibits SMV-7 27-30		11802 kb
Exhibits SMV-7 31-34		24685 kb
Affidavit of Simon Vertullo regarding Quarantined Funds sworn 2014.01.29		640 kb
Outline of Submissions	07/02/2014	271 kb

Matter Number 3691/2013 - Books and Records Application

Affidavit of Simon Vertullo	18/11/2013	456 kb
Exhibit certificate SMV5 1-14		71 kb
Exhibit Certificate SMV5 15-32		64 kb
Exhibit SMV5 1-100		6044 kb
Exhibit SMV5 201-300		3183 kb
Exhibit SMV5 301-400		3495 kb
Exhibit SMV5 401-489		4182 kb
Index to SMV5		22 kb

Matter Number 11593/2013 - Approval of Settlement Agreement

Originating Application	06/12/2013	58 kb
Affidavit of Simon Vertullo - including exhibit SMV-9		18386 kb
Exhibits SMV-10 Vol 1		13727 kb
Exhibits SMV-10 Vol 2		9242 kb
Exhibits SMV-10 Vol 3		17598 kb
Exhibits SMV-10 Vol 4		16698 kb
Exhibits SMV-10 Vol 5		8408 kb
Second Affidavit of Simon Vertullo sworn 12.12.2013 and Exhibit SMV-11		3434 kb
Application for substituted service filed 17.12.2013		73 kb
Affidavit of Simon Michael Vertullo sworn and filed with leave 17.12.2013		1991 kb
Affidavit of Paul Springthorpe sworn and filed with leave 17.12.2013		1628 kb
s96 Statement	07/02/2014	91 kb

Nadia Braad

From: lminvestors [lminvestors@kordamentha.com]
Sent: Wednesday 1 October 2014 03:34 pm
To: lminvestors
Subject: LM Managed Performance Fund - Notice to Unitholders

Dear Unitholder

The purpose of this notice is to inform Unitholders of our affiliate firm Calibre Capital Limited's retirement as co-trustee of the Fund.

Unitholders will recall that KordaMentha Pty Ltd ('KordaMentha') was appointed as joint and several trustee of the Fund with our affiliate firm Calibre Capital Limited ('Calibre').

Further, Unitholders are aware that the Fund is being wound down with all material loan and real property assets of the Fund realised and any future recoveries dependent on the outcome of various legal actions.

These more limited activities mean that it is no longer necessary to have Calibre as co-trustee of the Fund.

We hereby provide notice to Unitholders that Calibre is retiring as co-trustee of the Fund with KordaMentha to continue to act as sole trustee. This change will not affect Unitholders or the ongoing management of the Fund and the Trustee will continue recovery efforts and communication with Unitholders in the same way as we have over the last 18 months.

In accordance with clause 23.1(a) of the MPF constitution, Calibre will retire three (3) months from the date of this notice being 5 January 2015.

Kind regards



Level 14, 12 Creek Street, Brisbane QLD 4000, Australia

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SMV-57

KM Summary

Cash receipts
Inflows
Cash Deposit Interest
Loan Interest Cash
Total cash receipts

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Cash receipts	13,180,769.00	12,298,851.87	9,500,418.06	11,735,816.13	10,264,380.87	10,001,245.00	12,705,262.82	9,533,623.97	8,286,367.47	9,865,992.00	10,000,000.00	10,000,000.00
Inflows	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00	21,000.00
Cash Deposit Interest	2,721,382.24	2,797,574.65	2,926,000.94	3,032,812.32	3,110,454.74	3,295,766.29	3,516,234.85	3,620,504.33	3,745,398.50	3,819,133.61	3,968,196.15	4,068,594.40
Loan Interest Cash	15,923,101.24	15,117,426.52	12,447,419.00	14,789,628.45	13,393,835.61	13,316,011.29	16,242,497.67	13,173,128.30	12,052,765.97	13,706,125.61	13,989,196.15	14,068,594.40

Notes:

Actuals July 11 to April 12
May 12 & June 12 are Budget figures

Monthly Averages July 11 - Dec 11
Investor Inflows
Total receipts

11,163,580.16
14,165,237.02

Monthly Averages Jan 12 - Apr 12
Investor Inflows
Total receipts

10,097,811.57
13,794,129.39

SMV-58

LMA Payable to MPF Monthly Balance Schedule

Running Balance

		18%		
Opening Balance	\$ 5,167,309.75			
Cash payments from MPF to LMA	\$500,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$500,000.00		31-Jul-11 \$	5,667,309.75
Cash payments from MPF to LMA	\$2,309,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$2,309,000.00		31-Aug-11 \$	7,976,309.75
Cash payments from MPF to LMA	\$2,739,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$2,739,000.00		30-Sep-11 \$	10,715,309.75
Cash payments from MPF to LMA	\$3,306,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$3,306,000.00		31-Oct-11 \$	14,021,309.75
Cash payments from MPF to LMA	\$3,304,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$3,304,000.00		30-Nov-11 \$	17,325,309.75
Cash payments from MPF to LMA	\$1,788,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	(\$5,000,000.00)			
Less: Repayments by LMA	\$0.00			
Movement in balance	(\$3,212,000.00)		31-Dec-11 \$	14,113,309.75
Cash payments from MPF to LMA	\$2,794,000.00			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$2,794,000.00		31-Jan-12 \$	16,907,309.75
Cash payments from MPF to LMA	\$3,816,901.62			
Less: Mgmt Fees Expensed during month	\$0.00			
Less: Dev Mgmt Fees Expensed during month	\$0.00			
Less: Repayments by LMA	\$0.00			
Movement in balance	\$3,816,901.62		29-Feb-12 \$	20,724,211.37

LMA Payable to MPF
Monthly Balance Schedule

Cash payments from MPF to LMA	\$3,622,907.96		
Less: Mgmt Fees Expensed during month	\$0.00		
Less: Dev Mgmt Fees Expensed during month	\$0.00		
Less: Repayments by LMA	\$0.00		
Movement in balance	\$3,622,907.96	31-Mar-12 \$	24,347,119.33
Cash payments from MPF to LMA	\$2,796,028.91		
Less: Mgmt Fees Expensed during month	\$0.00		
Less: Dev Mgmt Fees Expensed during month	(\$1,333,333.33)		
Less: Repayments by LMA	\$0.00		
Movement in balance	\$1,462,695.58	30-Apr-12 \$	25,809,814.91
Cash payments from MPF to LMA	\$2,843,490.40		
Less: Mgmt Fees Expensed during month	\$0.00		
Less: Dev Mgmt Fees Expensed during month	(\$333,333.33)		
Less: Repayments by LMA	\$0.00		
Movement in balance	\$2,510,157.07	31-May-12 \$	28,319,971.98
Cash payments from MPF to LMA	\$1,926,000.00		
Less: Mgmt Fees Expensed during month	(\$15,000,000.00)		
Less: Dev Mgmt Fees Expensed during month	\$2,706,666.63		
Less: Repayments by LMA	\$0.00		
Movement in balance	(\$10,367,333.37)	30-Jun-12 \$	17,952,638.61

**LMA Payable to MPF
Transaction Schedule**

Running Balance

Opening Balance 1 July 2011 **\$5,167,309.75**

Cash payments from MPF to LMA **\$500,000.00**
 Less: Mgmt Fees Expensed during month **\$0.00**
 Less: Dev Mgmt Fees Expensed during month **\$0.00**
 Less: Repayments by LMA **\$0.00**
Movement in balance \$500,000.00

Jul-11 \$5,667,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
22/07/2011	Mgmt Fee to LMA	500,000.00
		500,000.00

August 2011

Cash payments from MPF to LMA **\$2,309,000.00**
 Less: Mgmt Fees Expensed during month **\$0.00**
 Less: Dev Mgmt Fees Expensed during month **\$0.00**
 Less: Repayments by LMA **\$0.00**
Movement in balance \$2,309,000.00

Aug-11 \$7,976,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
08/08/2011	Mgmt Fee to LMA	189,000.00
10/08/2011	Mgmt Fee to LMA	277,000.00
11/08/2011	Mgmt Fee to LMA	233,000.00
16/08/2011	Mgmt Fee to LMA	224,000.00
19/08/2011	Mgmt Fee to LMA	900,000.00
24/08/2011	Mgmt Fee to LMA	48,000.00
29/08/2011	Mgmt Fee to LMIM	157,000.00
31/08/2011	Mgmt Fee to LMA	281,000.00
		2,309,000.00

September 2011

Cash payments from MPF to LMA **\$2,739,000.00**
 Less: Mgmt Fees Expensed during month **\$0.00**
 Less: Dev Mgmt Fees Expensed during month **\$0.00**
 Less: Repayments by LMA **\$0.00**
Movement in balance \$2,739,000.00

Sep-11 \$10,715,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
05/09/2011	Mgmt Fee to LMA	346,000.00
07/09/2011	Mgmt Fee to LMIM	314,000.00
08/09/2011	Mgmt Fee to LMIM	100,000.00
12/09/2011	Mgmt Fee to LMIM	341,000.00
14/09/2011	Mgmt Fee to LMIM	314,000.00
15/09/2011	Mgmt Fee to LMIM	131,000.00
19/09/2011	Mgmt Fee to LMIM	200,000.00
21/09/2011	Mgmt Fee to LMIM	365,000.00
22/09/2011	Mgmt Fee to LMIM	157,000.00
23/09/2011	Mgmt Fee to LMIM	20,000.00
28/09/2011	Mgmt Fee to LMIM	451,000.00
		2,739,000.00

October 2011

Cash payments from MPF to LMA **\$3,306,000.00**
 Less: Mgmt Fees Expensed during month **\$0.00**
 Less: Dev Mgmt Fees Expensed during month **\$0.00**
 Less: Repayments by LMA **\$0.00**
Movement in balance \$3,306,000.00

Oct-11 \$14,021,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
03/10/2011	Mgmt Fee to LMIM	287,000.00
05/10/2011	Mgmt Fee to LMA	314,000.00
06/10/2011	Mgmt Fee to LMIM	164,000.00
10/10/2011	Mgmt Fee to LMA	285,000.00
12/10/2011	Mgmt Fee to LMA 12.10.11	344,000.00
12/10/2011	Mgmt Fee to LMA 12.10.11	200,000.00
13/10/2011	Mgmt Fee to LMA	202,000.00
17/10/2011	MPF - Mgmt Fee to LMA	262,000.00
19/10/2011	MPF - Mgmt Fee to LMA	337,000.00
20/10/2011	MPF - Mgmt Fee to LMA	241,000.00
24/10/2011	MPF - Mgmt Fee to LMA	196,000.00
26/10/2011	MPF - Mgmt Fee to LMA	414,000.00
31/10/2011	MPF - Mgmt Fee to LMA	60,000.00
		3,306,000.00

**LMA Payable to MPF
Transaction Schedule**

November 2011

Cash payments from MPF to LMA	\$3,304,000.00
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	\$0.00
Less: Repayments by LMA	\$0.00
Movement In balance	\$3,304,000.00

Nov-11 \$17,325,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
02/11/2011	MPF - Mgmt Fee to LMA	327,000.00
03/11/2011	MPF - Mgmt Fee to LMA	125,000.00
07/11/2011	MPF - Mgmt Fee to LMA	307,000.00
09/11/2011	MPF - Mgmt Fee to LMA	350,000.00
10/11/2011	MPF - Mgmt Fee to LMA	103,000.00
14/11/2011	MPF - Mgmt Fee to LMA	277,000.00
16/11/2011	MPF - Mgmt Fee to LMA	360,000.00
17/11/2011	MPF - Mgmt Fee to LMA	100,000.00
21/11/2011	MPF - Mgmt Fee to LMA	262,000.00
23/11/2011	MPF - Mgmt Fee to LMA	463,000.00
25/11/2011	MPF - Mgmt Fee to LMA	30,000.00
28/11/2011	MPF - Mgmt Fee to LMA	230,000.00
30/11/2011	MPF - Mgmt Fee to LMA	370,000.00
		3,304,000.00

December 2011

Cash payments from MPF to LMA	\$1,788,000.00
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	(\$5,000,000.00)
Less: Repayments by LMA	\$0.00
Movement In balance	(\$3,212,000.00)

Dec-11 \$14,113,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
02/12/2011	MPF - Mgmt Fee to LMA	333,000.00
05/12/2011	MPF - Mgmt Fee to LMA	220,000.00
07/12/2011	MPF - Mgmt Fee to LMA	305,000.00
12/12/2011	MPF - Mgmt Fee to LMA	100,000.00
19/12/2011	MPF - Mgmt Fee to LMA	260,000.00
21/12/2011	MPF - Mgmt Fee to LMA	220,000.00
28/12/2011	MPF - Mgmt Fee to LMA	350,000.00
31/12/2011	Loan Draw - Dev Mgt Fees	-5,000,000.00
		-3,212,000.00

January 2012

Cash payments from MPF to LMA	\$2,794,000.00
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	\$0.00
Less: Repayments by LMA	\$0.00
Movement In balance	\$2,794,000.00

Jan-12 \$16,907,309.75

Transaction Schedule for the month

Date	Transaction Text	Amount
03/01/2012	MPF - Mgmt Fee to LMA	255,000.00
09/01/2012	MPF - Mgmt Fee to LMA	130,000.00
10/01/2012	MPF - Reclassify prepaid mgt fees to dev mgt fees in advance	103,000.00
11/01/2012	MPF - Reclassify prepaid mgt fees to dev mgt fees in advance	694,000.00
13/01/2012	MPF - Prepaid Development Management Fee to LMA	40,000.00
16/01/2012	MPF Management Fee to LMA	85,000.00
18/01/2012	MPF Development Management Fee to LMA	150,000.00
19/01/2012	MPF Development Mgmt Fees to LMA	504,000.00
20/01/2012	MPF Development Management Fees to LMA	354,000.00
25/01/2012	MPF Development Management Fee	200,000.00
27/01/2012	MPF Development Management Fee	279,000.00
		2,794,000.00

**LMA Payable to MPF
Transaction Schedule**

February 2012

Cash payments from MPF to LMA	\$3,816,901.62
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	\$0.00
Less: Repayments by LMA	\$0.00
Movement In balance	\$3,816,901.62

Feb-12 \$20,724,211.37

Transaction Schedule for the month

Date	Transaction Text	Amount
01/02/2012	MPF Development Management Fee to LMA	185,000.00
03/02/2012	MPF Development Management Fees to LMA	385,000.00
03/02/2012	MPF Development Management Fees to LMA	18,000.00
06/02/2012	MPF Development Mgmt Fee to LMA	150,000.00
08/02/2012	MPF Development Management Fees	254,000.00
09/02/2012	MPF Development Management Fees to LMA	30,000.00
10/02/2012	MPF Development Management Fees to LMA	75,000.00
13/02/2012	MPF Development Management Fees to LMA	290,000.00
14/02/2012	MPF Development Management Fees to LMA	280,000.00
15/02/2012	MPF Development Management Fees to LMA	400,000.00
16/02/2012	MPF Development Management Fee to LMA	235,964.80
16/02/2012	MPF Development Management Fee to LMA	215,000.00
20/02/2012	MPF Development management Fee to LMA	35,000.00
21/02/2012	MPF Development management Fee to LMA	100,000.00
22/02/2012	MPF Development management Fee to LMA	200,000.00
22/02/2012	MPF Development Management fee to LMA	276,603.86
22/02/2012	MPF Development Management fee to LMA	87,785.86
23/02/2012	MPF Development Management Fee to LMA	200,000.00
24/02/2012	TSF To correct account-MPF Development Management Fee to LMA	364,547.10
27/02/2012	MPF Development Management Fee to LMA	35,000.00
		3,816,901.62

March 2012

Cash payments from MPF to LMA	\$3,622,907.96
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	\$0.00
Less: Repayments by LMA	\$0.00
Movement In balance	\$3,622,907.96

Mar-12 \$24,347,119.33

Transaction Schedule for the month

Date	Transaction Text	Amount
01/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	460,385.16
02/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	62,452.14
02/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	55,000.00
02/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	60,000.00
05/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	4,872.50
06/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	100,000.00
06/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	50,000.00
07/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	199,759.59
07/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	120,000.00
08/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	200,000.00
09/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	40,000.00
12/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	288,000.00
14/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	130,000.00
15/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	50,000.00
16/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	36,000.00
16/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	184,000.00
19/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	130,000.00
20/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	150,000.00
21/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	185,000.00
22/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	125,000.00
23/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	185,000.00
26/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	150,000.00
26/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	263,438.57
28/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	287,000.00
30/03/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	107,000.00
		3,622,907.96

**LMA Payable to MPF
Transaction Schedule**

April 2012

Cash payments from MPF to LMA	\$2,796,028.91
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	(\$1,333,333.33)
Less: Repayments by LMA	\$0.00
Movement in balance	\$1,462,695.58

Apr-12 \$25,809,814.91

Transaction Schedule for the month

Date	Transaction Text	Amount
02/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	150,000.00
03/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	106,000.00
04/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	236,000.00
05/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	120,000.00
10/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	180,000.00
11/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	265,000.00
12/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	233,000.00
13/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	100,000.00
16/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	200,000.00
17/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	150,000.00
18/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	225,000.00
19/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	80,000.00
24/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	220,000.00
26/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	250,000.00
30/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	40,158.26
30/04/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	240,870.65
30/04/2012	Development Management Fee	<u>-1,333,333.33</u>
		<u>1,462,695.58</u>

May 2012

Cash payments from MPF to LMA	\$2,843,490.40
Less: Mgmt Fees Expensed during month	\$0.00
Less: Dev Mgmt Fees Expensed during month	(\$333,333.33)
Less: Repayments by LMA	\$0.00
Movement in balance	\$2,510,157.07

May-12 \$28,319,971.98

Transaction Schedule for the month

Date	Transaction Text	Amount
01/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	131,000.00
02/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	116,000.00
04/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	226,000.00
08/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	107,000.00
09/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	223,000.00
10/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	233,000.00
11/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	90,000.00
14/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	250,000.00
15/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	70,000.00
16/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	235,000.00
18/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	192,000.00
21/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	115,000.00
23/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	245,000.00
24/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	50,000.00
28/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	83,000.00
30/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	205,000.00
31/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	39,175.38
31/05/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	233,315.02
31/05/2012	Development Management Fee	<u>-333,333.33</u>
		<u>2,510,157.07</u>

June 2012

Cash payments from MPF to LMA	\$1,926,000.00
Less: Mgmt Fees Expensed during month	(\$15,000,000.00)
Less: Dev Mgmt Fees Expensed during month	\$2,706,666.63
Less: Repayments by LMA	\$0.00
Movement in balance	(\$10,367,333.37)

Jun-12 \$17,952,638.61

Transaction Schedule for the month

Date	Transaction Text	Amount
01/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	143,000.00
04/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	125,000.00
05/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	250,000.00
06/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	328,000.00
12/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	110,000.00
13/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	250,000.00
14/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	291,000.00
18/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	179,000.00
19/06/2012	Reverse DM fee	3,036,333.63
19/06/2012	Adjustment DMfee	333.00
20/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	200,000.00
22/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	5,000.00
22/06/2012	MPF - Cash Pymt to LMA Prepaid Dev Mmgt Fees (IC Jnl to LMA IIA)	45,000.00
30/06/2012	Fee Draw	-330,000.00
30/06/2012	Management Fees Expensed	<u>-15,000,000.00</u>
		<u>-10,367,333.37</u>

LMA Payable to MPF Interest Schedule

Interest Rate 17.0% p.a.
NOT CAPITALISING

Date	Days	Balance	Interest Payable
31-Jul-11	31	\$5,667,309.75	\$81,603.07
31-Aug-11	31	\$7,976,309.75	\$114,850.14
30-Sep-11	30	\$10,715,309.75	\$149,311.69
31-Oct-11	31	\$14,021,309.75	\$201,891.54
30-Nov-11	30	\$17,325,309.75	\$241,418.25
31-Dec-11	31	\$14,113,309.75	\$203,216.24
31-Jan-12	31	\$16,907,309.75	\$243,446.78
29-Feb-12	29	\$20,724,211.37	\$279,153.99
31-Mar-12	31	\$24,347,119.33	\$350,571.91
30-Apr-12	30	\$25,809,814.91	\$359,644.96
31-May-12	31	\$28,319,971.98	\$407,776.65
30-Jun-12	30	\$17,952,638.61	\$250,159.72

\$2,883,044.94

MPF - Journal entry required at the end of the month:

DEBIT 13006 Interest Receivable - LMA Prepaid Line
CREDIT 41009 Interest Income - LMA Prepaid Line

LMA - Journal entry required at the end of the month:

DEBIT 62510 Interest Expense - LMA Prepaid Line
CREDIT 20510 Interest Payable - LMA Prepaid Line

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Cash Assets	31-Jul-08	31-Dec-08	30-Jun-09	30-Jun-10	30-Jun-11	28-Feb-12	30-Jun-12	31-Dec-12	28-Feb-13
Working & Investor	62,440.21	1,744.75	1,063,345.53	618,501.31	540,906.52	483,865.49	201,349.00	736,819.02	6,592.65
Saver	128,015.82	608.74	2,325,932.98	5,390,459.92	5,511,979.46	221.92	1,003,675.35	1,000,445.20	-
Foreign Currency	-	-	1,350,987.27	1,576,943.32	2,957,281.31	1,224,941.59	1,623,643.19	1,288,232.83	877,095.61
Margin	-	-	2,304,738.55	4,307,126.40	10,463,632.47	17,491,663.35	14,459,268.54	16,549,480.37	21,203,132.06
Total	190,456.03	2,353.49	7,045,004.33	11,893,030.95	19,473,779.76	19,210,692.35	17,287,936.08	19,574,977.42	22,086,820.32
	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE

