

Part 2E of the Corporations Act requires that member approval be obtained unless one of the stated exceptions applies to the transaction. Section 210 provides by way of exception that member approval is not required for the provision of a financial benefit given on terms that:

- would be reasonable in the circumstances if the transaction was at arms length; or
- are less favourable to the recipient of the benefit than such reasonable terms.

The financial benefit in question is the assignment of the loans on the terms proposed and the finance to be provided by FMIF.

It is considered that the section 210 exception will apply in the present case because:

- the assignment would be considered reasonable on an arms length basis from the FMIF's point of view because the FMIF is assigning the loans at valuation. It is considered that the assignment price is a reasonable arm's length price because it represents an independent valuer's assessment of the security value. It is not anticipated that there will be any recovery from guarantors etc, therefore the security value is an appropriate measure of the value of the loans. FMIF would accordingly undertake this transaction with any other unrelated party. In relation to the finance provided by FMIF, the FMIF will have a fixed and floating charge over the assets of the MPF, providing it with more than adequate security, and the finance is otherwise intended to be on commercial terms. It is therefore concluded that the provision of finance would also be reasonable if the transaction was at arm's length. Looking at the transaction from MPF's point of view, MPF would be likely to acquire the subject loans from an unrelated party at valuation where it believed the security properties are good medium to long term holds, as is the case here. Therefore the assignment is also reasonable from MPF's point of view. The same applies in relation to the finance provided by FMIF, which is intended to be on commercial terms; and
- This second point is not applicable as it is proposed that the transaction will not be less favourable to either party than it would be if the transaction was at arms length.

It is therefore concluded that member approval is not required.

Finally it is necessary to consider whether the conflict is such that it can be addressed, or such that the transaction should not proceed at all.

It is considered that the transaction may proceed with appropriate controls. With appropriate controls in place, the transaction is not such that investors of either fund are likely to be disadvantaged.

Accordingly the transaction may proceed, subject to the controls to be discussed below, and subject also to board approval as required by the compliance plan.

Response to conflict

The appropriate control in this instance is that the FMIF and MPF Credit Committees must consider and approve the assignment and finance on an arms length basis.

The FMIF Credit Committee was reminded of the need to ensure that the proposed assignment and finance were acceptable solely from FMIF's viewpoint, without considering the interests of MPF.

The MPF Credit Committee was likewise reminded of the need to ensure that the proposed assignment and finance were acceptable solely from MPF's viewpoint, without considering the interests of FMIF.

Board approval should also be obtained for the transaction.

Prepared by: David Monaghan

Note: This document should be filed in the Conflicts Register

Disclosure in financial accounts? Yes No
2009.

Grant Fisher
CFO



"B"

LM Investment Management Limited - Conflict record

Affected Funds /Transaction:

LM Managed Performance Fund - Loan to Barly Wood Pty Ltd

LM Australian Income Fund (Currency Protected) - Loan to Barly Wood Pty Ltd

Record date: 29 December 2011

Brief description of transaction or relevant circumstances giving rise to conflict:

In December 2011 the Credit Committee (CC) for the AIFCP conditionally approved purchase of a share of the existing first mortgage to Barly Wood Pty Ltd (formerly known as KPG 13th Beach Stage 1 Pty Ltd) up to 75% of the value of the security property.

The terms and conditions of this transaction was acceptable to the AIF CC and following all due diligence having been undertaken, settlement was effected on 29 December 2011.

A short summary of the transaction is set out below:

MPF had been experiencing some short term cash flow issues and AIF, having spare cash within its Fund was desirous of earning a better return than bank rates. Rather than having to wait to source new loans, undertake due diligence and legal processes it decided to qualify an existing loan in one of the other LM Funds for a short term investment with good return. AIF selected the MPF loan to Barly Wood Pty Ltd as a suitable investment:

MPF loan to Barly Wood Pty Ltd

MPF is the first mortgagee/ mortgagee in possession of completed residential units at Barwon Heads Victoria and manages the day to day maintenance of units to ensure good presentation to the market and is undertaking a controlled sales program. There is an established track record to demonstrate sales demand/activity and values of units in the development.

This was supported by a valuation from Nicholas Harvey Valuations dated 23.12.11 to provide independent evidence of the value of the securities.

AIF offered to take up a share of the MPF first mortgage on the following terms:

- AIF to be a participant in the first mortgage and legal documentation be entered into between the Funds to reflect that;
- AIF's participation not to exceed 75% of the current market value of the real estate security;
- Sale proceeds to be paid to AIF to ensure LVR is kept at or below 75%;
- MPF to pay AIF a fee of 1.5% of the initial settlement amount
- Interest at the rate of 14.5% to be paid monthly by MPF
- Maximum loan period 12 months from the date of initial settlement

AIF MPF agreed to these terms with settlement occurring on 29 December 2011.

Subsequent to settlement AIF agreed to allow its establishment fee to be capitalised to its loan and paid from settlement proceeds from an up and coming settlement.

Summary of assessment

There is a possible conflict as LM may prefer the interests of MPF over the interests of AIF.

On this basis LM sought independent advice to consider and to advise on various issues of conflict of interest.

- (a) Independent advice has been obtained from RWG Accountants dated 21 February 2012 which is attached hereto. The advice considers the pricing of the transaction and they consider if they can see any reason why the transaction should not proceed. It concludes that the transaction can be considered arms-length and that the transaction may proceed.

The advice has been considered and accepted by the RE. It is considered that member approval is not required for the provision of this financial benefit.

(b) Independent advice has been obtained from Monaghan Legal dated 2 March 2012, which is attached hereto, such advice discussing the following various issues:

- i. Issues for the RE as trustee of AIFCP
- ii. Issues for the RE as trustee of MPF
- iii. Issues for the RE as RE of a registered scheme
- iv. Issues for the RE as an AFS licensee
- v. Issues for the RE as a public company
- vi. Issues for the directors of the RE

The RE has considered the advice and the assumptions made by WMS and Monaghan legal. Such assumptions are confirmed as having been satisfied.

In considering (a) and (b) above, the RE determines that the requirements of the RG76 have been satisfied with regards to the transaction being "arms-length" and as such have considered that the s210 exemption applies, i.e. member approval is not required.

Finally it is necessary to consider whether the conflict is such that it can be addressed, or such that the transaction should not proceed at all.

It is considered that the related party arrangement may proceed with appropriate controls. With appropriate controls in place, the arrangement is not such that investors in the Fund are likely to be disadvantaged.

Accordingly the transaction may proceed, subject to the controls to be discussed below, and subject also to board approval as required by the compliance plan.

Conclusion

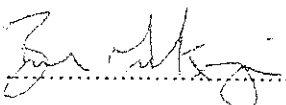
The transaction may proceed subject to:

- The appropriate initial control in this instance being that the Directors of the AIF and MPF must consider and approve the arrangement (including costs) on an arms-length basis.
- The LM Directors having been reminded of the need to ensure that the proposed arrangement is acceptable solely from each individual Fund's viewpoints (i.e. best interests of Investors), and continued vigilance that this remains the case, without putting first the interests of the other Fund (the Directors being Directors of both Funds).
- Proper disclosure is made if recommended/required; and
- Lisa Darcy having been excluded from the decision making for the AIF Credit Committee and Simon Tickner having been excluded from the decision making for the MPF Credit Committee.

Record prepared by Shelley Chalmers

Signed:  Date: 1-5-2012

Record reviewed by Bruce MacKenzie

Signed:  Date: 6/5/2012

DIRECTORS' CIRCULATING RESOLUTION
LM INVESTMENT MANAGEMENT LIMITED ACN 077 208 461

This document is a statement made by the directors pursuant to article 66 of the company's constitution.

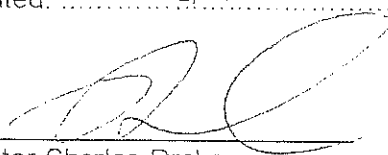
We, Peter Charles Drake, Lisa Maree Darcy, Eghard Van Der Hoven, Francene Maree Mulder, Simon Jeremy Tickner, John Francis O'Sullivan, and Grant Peter Fischer, being all of the directors of the company, state that we are in favour of the following resolution:

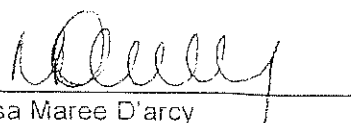
That the transaction described in the attached conflict record headed:

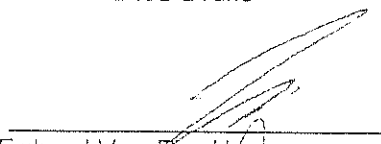
"LM Managed Performance Fund - Loan to Barly Wood Pty Ltd
LM Australian Income Fund (Currency Protected) - Loan to Barly Wood Pty Ltd"

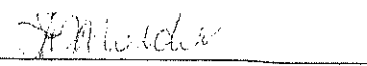
be approved.

Dated: 24/05/2012

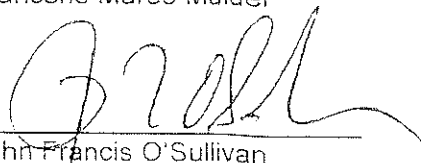

Peter Charles Drake

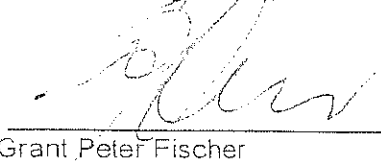

Lisa Maree Darcy


Eghard Van Der Hoven


Francene Maree Mulder


Simon Jeremy Tickner


John Francis O'Sullivan


Grant Peter Fischer

Has this transaction taken place?

☒ Yes/☐ No

Should the transaction be disclosed in the financial accounts?

☒ Yes/☐ No

Should the transaction be disclosed in the IM/PDS or a supplementary IM/PDS?

☒ Yes/☐ No

↓
when
updated

Note: A copy of this resolution should be filed in the conflicts register.

Ref: 225637_1

21 February 2012

Mrs Shelley Chalmers
LM Investment Management Australia Ltd
PO Box 485
SURFERS PARADISE QLD 4217

By email: SChalmers@lmaustralia.com

Dear Shelley

RE: LM INVESTMENT MANAGEMENT LIMITED BARLY WOOD VENTURE

INTRODUCTION

The directors of LM Investment Management Limited ("LM") in its capacity as Responsible Entity ("RE") for LM Management Performance Fund ("MPF") and LM Australian Income Fund ("AIF") have instructed RWG Accountants & Advisors Pty Ltd ("RWG") to prepare an independent expert's report in relation to the transaction summarised below between MPF, AIF and Barly Wood Pty Ltd ("Barly Wood").

This report has been prepared in accordance with Chapter 2E of the Corporations Act 2001 ("the Act") and with specific regard to ASIC Consultation Paper 142 "Related Party Transactions". We understand that the directors and advisors of LM may rely on this report in determining the impact of the ASIC guidelines stated above on the proposed transactions. It must be noted that whilst we have reviewed the relevant loan documentation between the entities stated and the feasibility studies conducted, we are not commenting on the accuracy of the agreements or studies, merely taking account of the terms stipulated and outcomes expected.

SUMMARY OF PROPOSED TRANSACTIONS

From information provided by yourself and LM during our discussion, the relevant transactions are:

MPF and Barly Wood Unit Development

- MPF is the first mortgagee over the unit development known as "Evian Condominiums" Thirteenth Beach Golf Course Estate 110-126 Tomara Drive, Connewarre, Victoria
- The development is owned by Barly Wood

RWG Accountants & Advisors Pty Ltd
ACN 105 313 620
10 Cloyne Road
PO Box 2914
Southport Q 4215
Ph (07) 5531 1288
Fax (07) 5531 4844
info@rwgaccountants.com.au
www.rwgaccountants.com.au

- MPF is mortgagee in possession, managing the units and is undertaking a controlled sales program to gradually exit the arrangement
- There have already been 5 units sold (unit 8, 10, 11, 12 and 19) thereby demonstrating saleability of the development
- 2 further units (Penthouse and unit 2) are under contract, unconditional and detailed to settle late February 2012



AIF advance to MPF

- Loan amount - \$3,933,750
- LVR – 75%
- Term - 12 months
- Interest rate – 14.5%
- Establishment fee – 1.5%
- Borrower and chargor – LM Managed Performance Fund and Barly Wood Pty Ltd
- Security – First Registered Mortgage over Units 2, 13-8 and 21-27 “Evian Condominiums” Thirteenth Beach Golf Course Estate 110-126 Tomara Drive, Connewarre, Victoria

LM has deemed it beneficial for its funds MPF and AIF to enter in to the above transactions for several reasons:

- MPF is in need of short-term cash flow to assist with maintaining other fixed requirements
- LM has experience and expertise in operating similar ventures
- AIF has surplus “dormant” capital that requires utilisation
- LM believes the proposed loans by AIF are financially beneficial for the fund and fall under the investment strategy of the fund’s deed
- LM believes the proposed rate of return is better than otherwise available for AIF dormant funds

RELATED PARTY TRANSACTIONS

ASIC define a related party of an RE to include:

- A company that controls the RE
- Any director of the RE or of the company that controls the RE
- The spouses, parents and children of those directors; and
- Any entity controlled by any of the entities or persons listed above

Where a related party transaction is presented ASIC require under Ch 2E of the Corporations Act, the RE to obtain member approval before proceeding with the transaction. However, relevant to this matter, under the Corporations Act member approval is generally not required for transactions that are on arm’s length terms (s210).

Section 210 of the Act deems an arm’s length transaction to be a situation where there is a financial benefit provided on terms that would be reasonable in the circumstances if the RE and related party were dealing at arm’s length, or on terms that are less favourable to the related party than the terms offered.

ASIC have also recently released Consultation Paper 142 Related Party Transactions (“the Paper”) which provides guidance to experts when assessing related party transactions. We have reviewed and applied the guidance provided in the Paper under RG 111 to the transactions detailed above.



ASSESSMENT OF TRANSACTIONS

Based on our enquiries and investigations we find the following points relevant and supportive to the related party transactions assessed being at arm's length:

Related parties:

- LM is the RE of LM Australian Income Fund
- LM is the Manager of LM Managed Performance Fund

AIF advance to MPF:

- The Fund was holding funds surplus to requirements and sought returns greater than normal bank deposit rates
- The transaction is within the normal scope of the Fund and within the guidelines of its Deed
- The return derived from the transaction is above that generally available within the general banking system
- The security offered is deemed to be normal and commercial when compared to similar arrangements
- The proposed Loan Value Ratio (LVR) of 75% is believed to be within normal commercial levels for the type of transaction
- Valuations have been conducted by a recognised member of the Australian Property Institute – Nicholas Harvey Valuations \$5,245,000
- The proposed interest rate of 14.5% is above that of the sampled "main-stream" banks (see table below), but is below that of an "alternative lender" like Acquire Capital – this is reflective of the nature of the transaction and is deemed to provide a fair cost for MPF and a fair return for the risk taken by AIF
- The short term nature and history of the development would otherwise make it difficult for the borrower to obtain the facility via any other avenues
- The initial settlement fee of 1.5% is within the normal range for private mortgage funds (range of 1% to 3%)
- The initial settlement fee is to be capitalised and will result in a short-term excess of the maximum LVR (76%). This has however been addressed and considered by the Credit Committee and will be brought into line (reduced to 72%) by the end of February 2012 with principle reductions from the sale of two units which are currently unconditionally contracted

Bank / Facility	Market Rate Facility	Applicable Margin	Effective Rate
NAB – Reg.	5.427	4.000	9.427
NAB – Asset Structuring	5.427	12-13.000	18.000
Acquire Capital			18.000



OUR VIEW

Based on our enquiries, it is our opinion that the advance from AIF to MPF of \$3,933,750 is fair and reasonable having regard to available relevant information and comparable arm's length transactions. We note that the capitalisation of the initial settlement fee is relatively commercial and that the Constitution allows for a temporary excess over the maximum LVR up-to 85%. This has also been addressed with the application of a commercial approval process and is being brought into line as an arm's length lender would require.

We therefore see no reason why the proposed transactions should not continue as it is being conducted on an arm's-length basis. It is important to note that our review is limited to the information available at the time of writing the report and should any part of the transaction significantly change or updated ASIC legislation become available, then we recommend you request an updated opinion from us.

Yours faithfully

RWG ACCOUNTANTS & ADVISORS

ZAAK WHEATON

Director

zwheaton@rwgaccountants.com.au

9 March 2012

Mr Simon Tickner
Director
LM Investment Management Limited
Level 4
9 Beach Road
SURFERS PARADISE Q 4217

Liability limited by a scheme approved under
professional standards legislation

ABN 14 288 119 598

A Level 4, 9 Beach Road Surfers Paradise Qld
P PO Box 315 Surfers Paradise Qld 4217
T 07 5584 4550 F 07 5504 5157

Our Reference: ADM

Dear Simon

**AUSTRALIAN INCOME FUND – CURRENCY PROTECTED PARTICIPATION IN LM
MANAGED PERFORMANCE LOAN TO BARLY WOOD PTY LTD – CONFLICT ADVICE**

Background

1. LM Investment Management Limited (*RE*) is the responsible entity of the LM Australian Income Fund – Currency Protected (*AIFCP*) and the trustee of the LM Managed Performance Fund (*MPF*). *AIFCP* is a registered managed investment scheme. *MPF* is an unregistered managed investment scheme.
2. It is proposed that *AIFCP* will participate in an existing loan by *MPF* to Barly Wood Pty Ltd (*Barly Wood*) (the *Barly Wood Loan*).
3. The *Barly Wood Loan* is secured by registered mortgages and registered fixed and floating charges.
4. There is a priority deed between *MPF*'s predecessor in title (The Trust Company (*PTAL*) Limited (*PTAL*)), the *RE*, *Barly Wood* and certain other parties which affects *MPF*'s priority.
5. The *Barly Wood Loan* is in default and the *RE* is in possession of the security property. The security property is being marketed and sold by the *RE*. Several sales have settled to date, other sales have been made, and it is expected that sales will continue, providing a source of repayment for *AIFCP*.
6. *AIFCP*'s participation in the *Barly Wood Loan* is to be effected by way of a security trust deed, by which *PTAL* (*PTAL* is the current custodian for *AIFCP* and has recently been appointed custodian for *MPF*) will hold the securities for the *Barly Wood Loan* on trust for *AIFCP* and *MPF*, subject to certain provisions dealing with the rights of each lender.
7. These provisions will include the following:
 - a. *AIFCP* is to have priority for repayment of its debt with the intention that its initial LVR will not exceed 75%;
 - b. *AIFCP* will charge a fee of 1.5% for its participation in the loan. The fee will be capitalized;
 - c. *MPF* will guarantee the payment of interest to *AIFCP* at the rate of 14.5% per annum, payable monthly in arrears; and

- d. AIFCP will have the right to control the loan for so long, as its debt remains outstanding.
8. The security trust deed is being prepared by Thomson Lawyers.
9. The RE considers these arrangements to be beneficial for both AIFCP and MPF. The benefit to AIFCP is the opportunity to invest in a loan on terms satisfactory to it, and the benefit to MPF is the opportunity to obtain funds it requires for other purposes.
10. The RE (on behalf of both AIFCP and MPF) instructed RWG Chartered Accountants to provide an opinion as to whether the transaction is on arm's length terms. The RE has confirmed that RWG Chartered Accountants is independent from the RE, its directors and controllers.
11. RWG Chartered Accountants provided their report on 21 February 2012. We have relied on the facts as stated in their report. RWG Chartered Accountants concluded:

"Based on our enquiries, it is our opinion that the advance from AIF to MPF of \$3,933,750 is fair and reasonable having regard to the available relevant information and comparable arm's length transactions. We note that the capitalization of the initial settlement fee is relatively commercial and that the Constitution allows for temporary excess over the maximum LVR up-to 85%. This has also been addressed with the application of a commercial approval process and is being brought into line as an arm's length lender would require.

We therefore see no reason why the proposed transaction should not continue as it is being conducted on an arm's length basis. It is important to note that our review is limited to the information available at the time of writing the report and should any part of the transaction significantly change or updated ASIC legislation become available, then we recommend you request an updated opinion from us."

Advice sought

12. You have asked us whether it is legally acceptable for the RE to cause AIFCP to participate in the Barly Wood Loan, given that the RE is in a position of conflict (in its capacity as responsible entity for AIFCP and in its capacity as trustee for MPF).

Summary of advice

13. We consider that it is legally acceptable for the RE to cause AIFCP to participate in the Barly Wood Loan, despite the RE being in a position of conflict, subject to the following matters:
 - a. We assume that in its capacity as responsible entity of AIFCP, the RE has considered all other options for the deployment of the subject funds by AIFCP, and is satisfied that the terms of AIFCP's participation in the Barly Wood Loan are in the best interests of AIFCP's members (see paragraphs 21-26 below).
 - b. We assume that in its capacity as trustee of MPF, the RE has considered the terms of AIFCP's participation in the Barly Wood Loan, and is satisfied that those terms are in the best interests of MPF's members (see paragraphs 31-36 below).
 - c. We assume that the decision by the RE in respect of AIFCP's participation in the Barly Wood Loan will not be made in order to benefit the RE (or any of its associates) personally, for example, by the RE receiving more fees or some other

benefit that it would not otherwise have received (see paragraphs 26 and 36 below).

- d. The directors must be satisfied that AIFCP's participation in the Barly Wood Loan would be reasonable in the circumstances if the RE as responsible entity of AIFCP and the RE as trustee of MPF were dealing at arm's length. The RWG Chartered Accountants report makes it clear that the transaction is being conducted on arm's length terms. Consequently, the conclusion in the RWG Chartered Accountants report will be an important factor in the RE's decision in respect of this matter. However, the RE should not rely solely on the report. The directors of the RE must make their own independent assessment of the relevant matters, and the advice from RWG Chartered Accountants does not replace careful judgment by the directors. They should also consider the relevant factors referred to by ASIC in RG 76. See paragraphs 37-66 below.
 - e. The RE should ensure that it complies with any procedures in AIFCP's compliance plan (or with any other procedures it has in place) in respect of conflicts of interest (see paragraphs 71-73 below).
 - f. We assume that the RE has not made any representations to AIFCP's or MPF's members which are inconsistent with the proposed loan participation.
 - g. The directors of the RE must comply with their general law and statutory duties under the Corporations Act (see paragraphs 79-80 below). We are not aware of any reason why AIFCP's participation in the Barly Wood Loan would raise any issues in this regard (assuming the matters in paragraphs a. to f. above are confirmed).
14. We assume that the RE will disclose the conflict to AIFCP's and MPF's members in due course in accordance with its usual conflict disclosure policies.

Details of advice

15. AIFCP's participation in the Barly Wood Loan raises the following possible conflict issues:
- a. issues for the RE as trustee of AIFCP.
 - b. Issues for the RE as trustee of MPF.
 - c. Issues for the RE as responsible entity of a registered scheme.
 - d. Issues for the RE as an AFS licensee.
 - e. Issues for the RE as a public company.
 - f. Issues for the directors of the RE.

The interaction between each of the above matters is not always clear. Note also that satisfaction of one of the relevant principles does not always mean that a similar principle will necessarily be satisfied.

Issues for the RE as trustee of AIFCP

Comply with Constitution

16. The RE will need to comply with AIFCP's constitution when causing AIFCP to participate in the Barly Wood Loan.
17. Clause 29.1 of AIFCP's constitution provides that subject to the Law, nothing in the

constitution restricts the RE from dealing with itself as trustee of another trust, being interested in any contract or transaction with itself as trustee of another trust, or acting in the same or similar capacity in relation to any other trust. We are not aware of any case law on how specific the terms in a trust deed must be to allow a self-dealing. However, the wording in the constitution is consistent with the standard types of provisions which are used to endeavor to allow a trustee to deal with itself, and we consider the better view is that the terms of the constitution would be interpreted to have the intended effect (that is, to allow the RE to deal with itself in two different capacities).

18. Clause 13.1 of AIFCP's constitution confers on the RE all the powers in respect of the Scheme Property that it is possible under the Law to confer on a responsible entity and on a trustee. Clauses 13.2 and 13.5 relevantly provide as follows:

- 13.2 The RE must only invest Members' funds in:
- (a) subject to clause 13.3 and 13.3A, mortgage investments provided that:
 - (i) all mortgages are secured over property and the amount which may be advanced to a Borrower does not exceed an LVR of 75% of the value of the security property on initial settlement;
 - (ii) the type of real estate offered for security is acceptable to the RE;
 - (iii) the value of the property offered as security has been established in accordance with the Mortgage Lending Valuation Policy of the RE;
 - ...
 - (b) Authorised Investments.

- 13.5 To the extent allowed by law:
- (a) any restriction or prohibition imposed upon the RE in relation to the investment from time to time of the Scheme Property or any part thereof is hereby excluded from the obligations imposed;
 - ...

19. Clause 1.1 of the constitution relevantly defines "Authorised Investments" as follows:

- 1.1 "Authorised Investments" means
- ...
 - (h) making loans to any person or company with or without interest, whether secured or unsecured, and for any period whatsoever; and
 - ...

20. Accordingly, AIFCP's constitution does not expressly restrict the RE from causing AIFCP to participate in the Barly Wood Loan, and provides sufficient powers for the RE to undertake such matters (subject to its general law duties, and any other relevant legal requirements). These powers are found either in the wide conferral of power to invest in "Authorised Investments", which include loans of any type, or, assuming that AIFCP's participation in the Barly Wood Loan is itself a "mortgage investment", in the conferral of power to invest in "mortgage investments". We assume that AIFCP's participation in the Barly Wood Loan complies with the conditions referred to in clause 13.2(a).

Comply with General Law Duties

21. The RE as trustee of AIFCP must comply with its general law fiduciary duties as a trustee when causing AIFCP to participate in the Barly Wood Loan.
22. Although such duties take various different forms, and are often inter-related, the fundamental duty of all trustees is that of undivided loyalty to its beneficiaries (or to always act in the best interests of its beneficiaries). In the context of this transaction, the

duties can probably best be summarized as the duty to act in the best interests of the beneficiaries, the no-profit rule, and the no-conflicts rule.

23. The RE therefore needs to always act in the best interests of AIFCP's members when making an investment, and specifically in circumstances where the investment is to be made by way of participation in an existing MPF loan. We assume that the RE has considered all feasible options for the deployment of the subject funds, and is satisfied that participating in the Barly Wood Loan is in the best interests of AIFCP's members.
24. The no-conflict rule provides that trustees must avoid a situation where their own interest may conflict with their duties as trustee, or where two different duties may conflict. The no-profit rule stipulates that a trustee must not obtain an unauthorized profit from the trust.
25. In this case, there are two areas of conflict for the RE as responsible entity of AIFCP. The first is between the RE as responsible entity of AIFCP and the RE as trustee of MPF. We assume that any decision regarding AIFCP's participation in the Barly Wood Loan will be made on the basis of what is in the best interests of AIFCP's members, and not for the purpose of benefitting MPF's members. If the proposed dealings are considered by the RE to be on arm's length terms for the purposes of Chapter 2E/Part 5C.7 (see paragraphs 37-66 below) then this will presumably be an important factor used by the RE in reaching this conclusion.
26. The second area of conflict is between the RE as responsible entity of AIFCP and the RE personally. We assume that the decision by the RE to cause AIFCP to participate in the Barly Wood Loan will not be made in order to benefit the RE (or any of its associates) personally, for example, by the RE receiving more fees or some other benefit that it would not otherwise have received.

Issues for the RE as trustee of MPF

Comply with Constitution

27. The RE will need to comply with MPF's constitution when permitting AIFCP to participate in the Barly Wood Loan.
28. Similar to the terms of AIFCP's constitution, clause 26.1 of MPF's constitution provides that subject to the Law, nothing in the constitution restricts the RE from dealing with itself as trustee or responsible entity of another trust, being interested in any contract or transaction with itself as trustee or responsible entity of another trust, or acting in the same or similar capacity in relation to any other trust or managed investment scheme. The comments in paragraph 17 above also apply to clause 26.1 of MPF's constitution.
29. Clause 12.1 of MPF's constitution confers on the RE all the powers in respect of the Scheme Property that it is possible under the Law to confer on a responsible entity and on a trustee. Clause 12.2 relevantly provides as follows:
 - 12.2 Without limiting the generality of clause 12.1, the Manager may:
 - (a) ... enter into any other agreement or dealing including the surrender or termination of any dealing in relation to any property forming or which is to form part of the Scheme, on any terms the manager thinks fit;
 - ...
30. Accordingly, MPF's constitution does not expressly restrict the RE from permitting AIFCP to participate in the Barly Wood Loan, and provides sufficient powers for the RE

to undertake such matters (subject to its general law duties, and any other relevant legal requirements).

Comply with General Law Duties

31. The RE as trustee of MPF must comply with its general law fiduciary duties as a trustee when permitting AIFCP to participate in the Barly Wood Loan.
32. Our analysis regarding the duties of a fiduciary in paragraphs 21 and 22 above are equally applicable in the context of the RE acting in its capacity as trustee of MPF.
33. The RE therefore needs to always act in the best interests of MPF's members when dealing with scheme property, and specifically in circumstances where the dealing is with AIFCP. We assume that the RE has considered all feasible options for dealing with the Barly Wood Loan, or for securing the same result as is intended to be secured by AIFCP's participation in the Barly Wood Loan, and is satisfied that permitting AIFCP to participate in the Barly Wood Loan is in the best interests of MPF's members.
34. As noted in paragraph 24 above, the no-conflict rule provides that trustees must avoid a situation where their own interest may conflict with their duties as trustee. The no-profit rule stipulates that a trustee must not obtain an unauthorized profit from the trust.
35. In this case, there are two areas of conflict for the RE as trustee of MPF. The first is between the RE as trustee of MPF and the RE as responsible entity of AIFCP. We assume that any decision regarding AIFCP's participation in the Barly Wood Loan will be made on the basis of what is in the best interests of MPF's members, and not for the purpose of benefitting AIFCP's members. If the proposed dealings are considered by the RE to be on arm's length terms for the purposes of chapter 2E/part 5C.7 (see paragraphs 37-66 below) then this will presumably be an important factor used by the RE in reaching this conclusion.
36. The second area of conflict is between the RE as trustee of MPF and the RE personally. We assume that the decision by the RE to permit AIFCP to participate in the Barly Wood Loan will not be made in order to benefit the RE (or any of its associates) personally, for example, by the RE receiving more fees or some other benefit that it would not otherwise have received.

Issues for the RE as responsible entity of a registered scheme

Related Party Transaction — Chapter 2E and Part 5C. 7

37. Chapter 2E of the Corporations Act contains specific provisions where a public company gives a financial benefit to a "related party" of the public company.
38. Section 601LA of the Corporations Act applies the related party restrictions in chapter 2E to responsible entities and members of registered schemes, subject to some modifications to take account of the difference in structure between a company and a registered scheme.
39. Section 208 restricts a public company, or an entity that the public company controls, from giving a financial benefit to a related party of the public company unless the public company has obtained the approval of the public company's members, or the giving of the benefit falls within an exception set out in sections 210 to 216.
40. Section 208 (as modified by section 601LC) restricts a responsible entity from giving a

financial benefit either out of scheme property or that could endanger scheme property, to the responsible entity or a related party, unless the responsible entity has obtained approval of the scheme's members in the way set out in sections 217 to 227, or the giving of the benefit falls within an exception set out in sections 210 to 216.

41. In determining whether a financial benefit is given for the purposes of chapter 2E, section 229(1) requires any consideration that is or may be given for the benefit to be disregarded. Section 229(2) provides that "giving a financial benefit" includes making an agreement that has no binding force and giving a financial benefit that does not involve paying money (for example by conferring a financial advantage).
42. AIFCP participating in the Barly Wood Loan may constitute the giving of a financial benefit.
43. Section 208 therefore applies to financial benefits from the RE as responsible entity of AIFCP given to the RE as trustee of MPF.
44. In our opinion, section 208 does not apply to financial benefits from the RE as trustee of MPF given to the RE as responsible entity of AIFCP.
45. One of the exceptions in section 208 is that member approval is not needed to give a financial benefit on terms that would be reasonable in the circumstances if the responsible entity and the related party were dealing at arm's length, or are less favourable to the related party than such terms. In the context of this transaction, member approval will not be needed if the financial benefit from the RE as responsible entity of AIFCP is on terms that would be reasonable in the circumstances if the RE as responsible entity of AIFCP and the RE as trustee of MPF were dealing at arm's length, or are less favourable to the RE as trustee of MPF than such terms (although if the terms were less favourable, this would raise issues for the RE as trustee for MPF in reaching the conclusions noted in paragraphs 31 to 36 above).
46. ASIC has released a regulatory guide (RG 76) about related party dealings, which includes chapter 2E/part 5C.7 dealings.
47. RG 76 is intended to promote consistent market practice for the application of the arm's length exception from the requirement to seek member approval under chapter 2E.
48. RG 76 states that at a minimum, responsible entities should take into account all of the following factors when deciding whether to seek member approval or whether the arm's length exception applies:
 - a. how the terms of the overall transaction compare with those of any comparable transactions between parties dealing on an arm's length basis in similar circumstances;
 - b. the nature and content of the bargaining process, including whether the entity followed robust protocols to ensure that conflicts of interest were appropriately managed in negotiating and structuring the transaction;
 - c. the impact of the transaction on the registered scheme;
 - d. any other options that may be available to the entity; and
 - e. expert advice received by the entity on the transaction (if any).
49. We deal with each of these requirements below.
50. Comparable transactions: RG 76 states that a good indicator of arm's length terms is whether the terms of the proposed related party transaction are comparable to those of

similar transactions completed in similar circumstances between unrelated parties in a contract for a legitimate commercial bargain. The guide states that entities should seek to establish the contractual terms that prevail in the open market for similar transactions between unrelated parties and that common experience and usual terms of trade can be taken as a guide.

51. We assume that the RE has considered these matters and has concluded that the terms on which AIFCP is to participate in the Barly Wood Loan are usual for transactions of this nature. The RE can take some comfort from the fact that these matters have been considered by RWG Chartered Accountants in their report.
52. Bargaining process: RG 76 states that consideration of the nature and content of the bargaining process, including how the transaction was initiated, structured, negotiated and disclosed to directors, is also relevant in determining whether the terms of a proposed related party transaction are arm's length. The guide states that if the parties have dealt with each other as unrelated parties would normally do, and engaged in a process of real bargaining, it is more likely that the outcome of their dealings can be considered to be on arm's length terms. However, the guide also makes it clear that it is not necessary to show that the parties negotiated on an arm's length basis to decide whether a proposed transaction is on arm's length terms and that in fact, due to their relationship, they may not have done so. Nevertheless, factors relating to how the parties conducted themselves in forming the terms of the transaction will be relevant in assessing whether the outcome of their negotiations could reasonably have been achieved by uninfluenced, self-interested parties in the circumstances.
53. In the present case the RE uses committees to make investment and other decisions on behalf of AIFCP and MPF. There is some overlap in the membership of the relevant committees. It is therefore inevitable that there will not be the same separation in relation to initiating, structuring and negotiating a transaction, and its disclosure to directors (certain directors are members of both committees), than would be the case if the parties were unrelated.
54. However, we note that the RE's practice is that where related party transactions are considered, the investment committees of both funds are reminded of the need to consider the position of each fund independently. We assume this has been done in the present case.
55. Other relevant considerations are as follows:
 - a. the proposed transaction is contractual in nature, and it will be documented in binding form in a way that is normal for such transactions, by independent external lawyers familiar with such transactions;
 - b. RWG Chartered Accountants consider the respective positions of each fund in their report.
56. Impact on registered scheme: RG 76 states that the responsible entity should consider the implications of dealing on the proposed terms on the financial position and performance of the registered scheme. Both short-term and long-term implications will be relevant. This includes considering whether:
 - a. there is a negative effect on the registered scheme's financial position or performance that is not sufficiently balanced by the positive effects;
 - b. the transaction fits within the registered scheme's business plan or affects whether the registered scheme is able to pursue its business plan; and
 - c. the terms are fair, given the expected return on the relevant asset, the risks to

which the asset is exposed and the relative liquidity of the asset.

57. RG 76 also states that responsible entities should consider whether the contract or agreement adequately protects the interests of the entity giving the financial benefit.
58. We assume that the transaction will have no negative effect on AIFCP's financial position or performance, that the transaction fits within AIFCP's business plan and investment mandate, that its terms are fair to AIFCP and that the security trust deed adequately protects AIFCP's interests. We note again that the report by RWG Chartered Accountants deals with these matters to some extent.
59. Alternative options available to the registered scheme: RG 76 states that if the proposed transaction is one of a number of options open to the registered scheme:
 - a. the terms of these options can provide a good comparison of the terms that can reasonably be obtained between unrelated parties in the circumstances; and
 - b. if the terms of the proposed transaction are less favorable to the related party than the terms of these options, the arm's length exception is more likely to apply.
60. As stated in paragraph 23, we assume that on behalf of AIFCP the RE has considered all feasible options for the deployment of the subject funds, and is satisfied that participating in the Barly Wood Loan is in the best interests of AIFCP members.
61. We also assume that the terms of the transaction are not less favorable to AIFCP than arm's length terms, for if that was the case, it would raise issues for the RE as trustee of AIFCP (as the case may be) in reaching the conclusion noted in paragraphs 23 above.
62. Expert advice for directors: RG 76 states that directors should ensure they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and that where necessary, they should obtain appropriate professional and expert advice from any appropriately qualified person. The guide also states that directors will need to be satisfied that it is appropriate to rely on the expert advice, including that the opinion given by the expert is directly relevant to the decision at hand.
63. Importantly, the guide states that:
 - a. directors relying on information, professional advice or expert advice provided by others must make their own independent assessment of the information or advice they obtain; and
 - b. advice does not replace careful judgment by the directors.
64. The RE has (on behalf of both AIFCP and MPF) identified an independent expert, RWG Chartered Accountants, to provide a report on the transaction. RWG Chartered Accountants has referred to RG 76 in some detail in providing its report, and has noted that the report is specifically being provided to the RE for the purposes of chapter 2E of the Corporations Act.
65. The RWG Chartered Accountants report concludes as follows:

"Based on our enquiries, it is our opinion that the advance from AIF to MPF of \$3,933,750 is fair and reasonable having regard to the available relevant information and comparable arm's length transactions. We note that the capitalization of the initial settlement fee is relatively commercial and that the Constitution allows for temporary excess over the maximum LVR up-to 85%. This has also been addressed

with the application of a commercial approval process and is being brought into line as an arm's length lender would require.

We therefore see no reason why the proposed transaction should not continue as it is being conducted on an arm's length basis. It is important to note that our review is limited to the information available at the time of writing the report and should any part of the transaction significantly change or updated ASIC legislation become available, then we recommend you request an updated opinion from us."

66. Consequently, the conclusion in the RWG Chartered Accountants report will be an important factor in the RE's decision in respect of the loans. However, as ASIC makes clear in RG 76, the RE should not rely solely on the report. In particular:
- a. the directors of the RE must make "their own independent assessment" of the relevant matters; and
 - b. advice from RWG Chartered Accountants does not replace "careful judgment by the directors".

Duties of a responsible entity

67. Section 601FC(1) requires the responsible entity of a registered scheme in exercising its powers and carrying out its duties to, amongst other things:
- a. act honestly (s601FC(1)(a));
 - b. act in the best interests of the members of the scheme and, if there is a conflict between the members' interests and its own interests, to give priority to the members' interests (s601FC(1)(c)); and
 - c. comply with the scheme's compliance plan.
68. The statutory duties in section 601FC(1)(a) and (c) are similar to the duties which the responsible entity would have at general law as a fiduciary and trustee (which are discussed in paragraphs 21-26 above).
69. The RE will therefore need to conclude that AIFCP's participation in the Barly Wood Loan is in the best interests of the members of AIFCP's members.
70. The RE will also need to review AIFCP's compliance plan and ensure that any specific procedures set out in the compliance plan to manage conflicts of interest of this nature are followed. We have not reviewed the terms of the compliance plan.

Issues for the RE as an AFS Licensee

71. The RE holds an Australian financial services licence, which is relevant to its capacity as responsible entity and trustee of AIFCP, and as trustee of MPF. As an AFS licensee the RE has the following general obligations under section 912A of the Corporations Act:
- a. to do all things necessary to ensure that the financial services covered by its licence are provided efficiently, honestly and fairly (s912A(1)(a)); and
 - b. to have adequate arrangements in place for managing conflicts of interest (s912A(1)(aa)).
72. The RE will need to be satisfied that the terms of the loans, and the priority arrangements between the funds, does not unfairly put the interests of one client (eg AIFCP) ahead of the interests of its other client (eg MPF) or vice versa.

73. The RE will also need to ensure that it follows any procedures or policies it has established in accordance with section 912A(1)(aa) for managing conflicts of interest.

Issues for RE as public company

74. As noted above, chapter 2E of the Corporations Act contains specific provisions where a public company (such as the RE) gives a financial benefit to a "related party" of the public company.
75. In particular, section 208 restricts such a financial benefit unless the public company has obtained approval of the public company's members in the ways set out in section 217 to 227, or the giving of the benefit falls within an exception set out in sections 210 to 216.
76. One of those exceptions is that member approval is not needed to give a financial benefit on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length, or are less favourable to the related party than such terms.
77. Although the financial benefit in this case is likely to come from the assets of AIFCP or MPF rather than from the RE's personal assets, in the event that the RE's right to indemnity out of the assets of AIFCP/MPF is reduced by the RE's fraud, negligence or wilful default, the benefit will come from its personal assets.
78. However, to the extent there is any separate operation of chapter 2E (beyond its application under part 5C.7) we consider that if the transactions are on arm's length terms for the purposes of part 5C.7, they will also be on arm's length terms for the purposes of chapter 2E.

Issues for Directors of RE

79. The Corporations Act and the general law impose a number of obligations on directors to ensure that they avoid conflicts of interest and act in accordance with their fiduciary responsibilities. These obligations include the following:
- a. Section 180(1), which requires a director to exercise the degree of care and diligence that a reasonable person would exercise if they occupied the same position and had the same responsibilities within the company.
 - b. Section 180(2), which provides that a director who makes a business judgment is taken to meet the requirements of section 180(1) if they make the judgment in good faith for a proper purpose, do not have a material personal interest in the subject matter, inform themselves about the subject matter to the extent they reasonably believe is appropriate, and rationally believe that the judgment is in the best interests of the corporation.
 - c. Section 181(1), which requires the exercise of powers and duties in good faith in the best interests of the corporation, and for a proper purpose.
 - d. Section 182(1), which prohibits a director from improperly using their position to gain an advantage for themselves or someone else, or cause detriment to the corporation.
 - e. Section 191(1), which obliges a director with a material personal interest in a matter that relates to the affairs of the company to give the other directors notice

of the interest, subject to certain exceptions.

- f. Section 195(1), which contains restrictions on a director of a public company with a material personal interest being present while a matter is being considered at a meeting, or voting on the matter, subject to certain exceptions.
 - g. The general equitable principles or fiduciary doctrines that apply to directors, and which are reflected to some extent by the specific statutory rules noted above. These include general rules not to have a personal interest in a matter with which the company is dealing, not misuse their position (for example by making a personal gain) and not appropriate company property for their own or another person's benefit.
80. As the RE is the responsible entity of a registered scheme (in respect of AIFCP), the directors will also be bound by the additional duties of officers set out in section 601FD(1) of the Corporations Act. These duties include the obligations to:
- a. act honestly and in the best interests of the scheme members and, if there is a conflict between the members' interests and the interests of the responsible entity, to give priority to the members' interests;
 - b. not make use of information acquired through being an officer of the responsible entity in order to gain an improper advantage for the officer or another person; and
 - c. not make improper use of their position as an officer to gain, directly or indirectly, an advantage for themselves or for another other person or to cause detriment to the members of the scheme.

It is likely that these statutory duties cannot be overridden by AIFCP's constitution.

81. Generally, the directors of a trustee company do not themselves owe direct fiduciary obligations to the beneficiaries of the trust. However, section 601FD(2) of the Corporations Act provides that the duties outlined in section 601FD(1) override any conflicting duty an officer has under part 2D.1 of the Corporations Act. Although this point has not yet been decided by case law, it is possible that section 601FD(2) will mean that directors of a responsible entity will have a direct fiduciary relationship with members of a registered scheme. This would mean that the directors would owe the scheme members all of the fiduciary duties that arise as between the RE itself and the scheme members.
82. In any event, the fact the RE is a trustee can be relevant when considering the extent of compliance by the directors with their statutory and general law duties as directors. In addition, under the principle of accessory liability, a director of a trustee company may become subject to the same remedies that a member of the trust has against the trustee if the director has assisted the trustee to act in breach of trust.
83. Section 197 of the Corporations Act imposes personal liability on directors of a trustee company in certain circumstances where the trustee has acted in breach of trust, outside the scope of its powers, or where the trustee is denied a right of indemnity from the trust assets.

Previous Representations

84. We assume that the RE has not made any representations to AIFCP's or MPF's

members which are inconsistent with the making of the loans in the manner outlined in the report of RWG Chartered Accountants.

Future Disclosure

85. We assume that the RE will disclose the conflict to AIFCP's and MPF's members in due course in accordance with its usual conflict disclosure policies.

Other Issues

86. We confirm that we have not considered any other issues as part of this advice apart from those matters specifically addressed. For example:

- a. We have not considered the merits of the Barly Wood Loan or the terms on which AIFCP is to participate in the Barly Wood Loan.
- b. We have not considered any taxation implications of AIFCP's participation in the Barly Wood Loan.
- c. We have not considered whether it is possible at law for a trustee of one trust to contract with itself as trustee of another trust (although we note that would clearly be permissible if a third party is also a party to the contract).
- d. We have not considered the correctness of the RWG Chartered Accountants report.

Please contact the writer if you would like to discuss the above.

Yours sincerely


David Monaghan
Principal

Email: dmonaghan@monaghanlawyers.com.au
Direct Line: 5584 4557

THE TRUST COMPANY (PTAL) LIMITED
ACF LM MANAGED PERFORMANCE FUND
GPO BOX 441
BRISBANE QLD 4001

Account Summary

Opening Balance	\$517,037.56
Total Withdrawals	\$18,194,754.41 -
Total Deposits	\$17,879,984.46+
Closing Balance	\$202,267.61

BSB Number 484-799

Account Number 034382579

Statement Period 1/12/2011 - 31/12/2011

Account Transactions

Date	Transaction Details	Withdrawal	Deposit	Balance
	Opening Balance			517,037.56
1 Dec 2011	BUSINESS PAYMENTS CREDIT VENDOR RECEIPT NO 90494462	1,242.60		515,794.96
1 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		239,676.89	755,471.85
1 Dec 2011	RTGS INWARD FEE	2.50		755,469.35
1 Dec 2011	INTERNET TRANSFER CREDIT FROM 163206904 REF NO 64702521 KPG 13TH BEACH PTY		370,000.00	1,125,469.35
1 Dec 2011	RTGS DEPOSIT /520114649011		109,554.99	1,235,024.34
1 Dec 2011	RTGS INWARD FEE	2.50		1,235,021.84
1 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		700,000.00	1,935,021.84
1 Dec 2011	RTGS INWARD FEE	2.50		1,935,019.34
1 Dec 2011	BUSINESS PAYMENTS CREDIT MARGIN CALL RECEIPT NO 21332640	400,000.00		1,535,019.34
1 Dec 2011	BUSINESS PAYMENTS CREDIT MARGIN CALL RECEIPT NO 24437640	625,728.33		909,291.01
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060364	820.61		908,470.40
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060358	1,064.77		907,405.63
	BALANCE CARRIED FORWARD			907,405.63

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			907,405.63
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060353	7,474.87		899,930.76
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060352	15,043.80		884,886.96
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060360	20,343.61		864,543.35
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060366	76,124.81		788,418.54
1 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060355	140,694.47		647,724.07
1 Dec 2011	SWEEP DEPOSIT FROM 34807952		9,947.00	657,671.07
2 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 41849441 MPF MANAGEMENT FEE	333,000.00		324,671.07
2 Dec 2011	RTGS DEPOSIT /520114849011		293,341.32	618,012.39
2 Dec 2011	RTGS INWARD FEE	2.50		618,009.89
2 Dec 2011	BUSINESS PAYMENTS CREDIT MARGIN DEPOS RECEIPT NO 81798512	228,336.00		389,673.89
2 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		19,768.49	409,442.38
2 Dec 2011	RTGS INWARD FEE	2.50		409,439.88
2 Dec 2011	BUSINESS PAYMENTS CREDIT NS CH 02.12 RECEIPT NO 19797590	240.85		409,199.03
2 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		346,782.61	755,981.64
2 Dec 2011	RTGS INWARD FEE	2.50		755,979.14
2 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060534	132.08		755,847.06
	BALANCE CARRIED FORWARD			755,847.06



Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			755,847.06
2 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060533	15,168.79		740,678.27
2 Dec 2011	SWEEP DEPOSIT FROM 34807952		81,508.64	822,186.91
5 Dec 2011	BUSINESS PAYMENTS CREDIT CH NS 05/12 RECEIPT NO 36434462	20,735.35		801,451.56
5 Dec 2011	RTGS DEPOSIT HIFX LIMITED		32,767.61	834,219.17
5 Dec 2011	RTGS INWARD FEE	2.50		834,216.67
5 Dec 2011	RTGS DEPOSIT HIFX LIMITED		6,194.54	840,411.21
5 Dec 2011	RTGS INWARD FEE	2.50		840,408.71
5 Dec 2011	RTGS DEPOSIT /520114849011		287,264.07	1,127,672.78
5 Dec 2011	RTGS INWARD FEE	2.50		1,127,670.28
5 Dec 2011	INTERNET TRANSFER DEBIT TO 451084321 REFERENCE NO 43880562 MPF TO LM CAPALABA	234,267.48		893,402.80
5 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 23557560 MPF MANAGEMENT FEE	220,000.00		673,402.80
5 Dec 2011	MERCHANT SETTLEMENT 315799424356091 LM INVESTMENT MANAG		5,000.00	678,402.80
5 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060640	21,027.54		657,375.26
5 Dec 2011	SWEEP DEPOSIT FROM 34807952		21,697.66	679,072.92
6 Dec 2011	BUSINESS PAYMENTS CREDIT CH NS 0612 RECEIPT NO 79049462	5,566.30		673,504.62
6 Dec 2011	RTGS DEPOSIT HIFX LIMITED		15,340.27	688,844.89
6 Dec 2011	RTGS INWARD FEE	2.50		688,842.39
6 Dec 2011	BUSINESS PAYMENTS CREDIT WPIAS RECEIPT NO 5197502	44,000.00		644,842.39
6 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		298,769.09	943,611.48
6 Dec 2011	RTGS INWARD FEE	2.50		943,608.98
6 Dec 2011	RTGS DEPOSIT /520114849011		488,359.00	1,431,967.98
6 Dec 2011	RTGS INWARD FEE	2.50		1,431,965.48
6 Dec 2011	BUSINESS PAYMENTS CREDIT CH MARGIN DE RECEIPT NO 15202571	995,009.18		436,956.30
	BALANCE CARRIED FORWARD			436,956.30

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			436,956.30
6 Dec 2011	BUSINESS PAYMENTS CREDIT LM MARGIN DE RECEIPT NO 78298602	130,000.00		306,956.30
6 Dec 2011	MERCHANT SETTLEMENT 315799424356091 LM INVESTMENT MANAG		1,500.00	308,456.30
6 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3060755	5,360.90		303,095.40
6 Dec 2011	SWEEP DEPOSIT FROM 34807952		92,154.65	395,250.05
7 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		408,562.67	803,812.72
7 Dec 2011	RTGS INWARD FEE	2.50		803,810.22
7 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 81796510 MPF MANAGEMENT FEE	305,000.00		498,810.22
7 Dec 2011	INTERNET TRANSFER DEBIT TO 163206912 REFERENCE NO 50482600 MPF TO LIFESTYLE	868.47		497,941.75
7 Dec 2011	BUSINESS PAYMENTS CREDIT BELLPAC RECEIPT NO 74392610	27,500.00		470,441.75
7 Dec 2011	BUSINESS PAYMENTS CREDIT CH NS 07.12 RECEIPT NO 92401612	190.51		470,251.24
7 Dec 2011	BUSINESS PAYMENTS CREDIT TX NS 07.12 RECEIPT NO 94295612	29,473.04		440,778.20
7 Dec 2011	BUSINESS PAYMENTS CREDIT FX NS 07.12 RECEIPT NO 80295610	22,450.06		418,328.14
7 Dec 2011	BUSINESS PAYMENTS CREDIT CK INV119303 RECEIPT NO 14004611	1,832.00		416,496.14
7 Dec 2011	SWEEP DEPOSIT FROM 34807952		45,969.50	462,465.64
8 Dec 2011	BUSINESS PAYMENTS CREDIT TRAV NS 0812 RECEIPT NO 70644531	8,667.88		453,797.76
8 Dec 2011	BUSINESS PAYMENTS CREDIT AFEX NS 0812 RECEIPT NO 74161531	21,723.53		432,074.23
8 Dec 2011	RTGS DEPOSIT /520114046013		66,477.77	498,552.00
8 Dec 2011	RTGS INWARD FEE	2.50		498,549.50
	BALANCE CARRIED FORWARD			498,549.50



Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			498,549.50
8 Dec 2011	RTGS DEPOSIT /520114046013		16,128.30	514,677.80
8 Dec 2011	RTGS INWARD FEE	2.50		514,675.30
8 Dec 2011	BUSINESS PAYMENTS CREDIT ATR3030844 RECEIPT NO 39104641	2,304.00		512,371.30
8 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060994	464.42		511,906.88
8 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060995	49,545.22		462,361.66
8 Dec 2011	SWEEP DEPOSIT FROM 34807952		84,481.94	546,843.60
9 Dec 2011	BUSINESS PAYMENTS CREDIT WMS ACCOUNTA RECEIPT NO 59486510	2,639.47		544,204.13
9 Dec 2011	RTGS DEPOSIT /520114849011		83,125.02	627,329.15
9 Dec 2011	RTGS INWARD FEE	2.50		627,326.65
9 Dec 2011	INTERNET TRANSFER DEBIT TO 451080954 REFERENCE NO 37860632 TSF WORK TO HI	500,000.00		127,326.65
9 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3081122	8,807.18		118,519.47
9 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3081125	12,145.92		106,373.55
9 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3081123	21,661.46		84,712.09
9 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3081143	39,600.00		45,112.09
9 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3060996	102,253.23		57,141.14-
12 Dec 2011	RTGS DEPOSIT /520114849011		194,584.91	137,443.77
12 Dec 2011	RTGS INWARD FEE	2.50		137,441.27
12 Dec 2011	INTERNET TRANSFER CREDIT FROM 451080954 REF NO 10860392 TSF HI TO WORKING		500,000.00	637,441.27
12 Dec 2011	PAYMENT HONOUR FEE	10.00		637,431.27
12 Dec 2011	BUSINESS PAYMENTS CREDIT 30.11 DIST RECEIPT NO 50540612	42,526.43		594,904.84
12 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 47053621 MPF MANAGEMENT FEE	100,000.00		494,904.84
	BALANCE CARRIED FORWARD			494,904.84

16646 01:05:10 8

Statement No: 42

Details are continued on the back of this page
Suncorp-Metway Ltd ABN 66 010 831 722 AFSL No 229882 GPO Box 2198 Brisbane Qld 4001.

Page 5 of 15

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			494,904.84
12 Dec 2011	BUSINESS PAYMENTS CREDIT LM NS 0712 RECEIPT NO 70859622	20,137.25		474,767.59
12 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		99,521.94	574,289.53
12 Dec 2011	RTGS INWARD FEE	2.50		574,287.03
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061293	105.12		574,181.91
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061295	477.43		573,704.48
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061288	1,472.23		572,232.25
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061285	1,934.67		570,297.58
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061298	5,621.24		564,676.34
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061301	6,474.37		558,201.97
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061299	6,800.84		551,401.13
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061287	12,386.98		539,014.15
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061296	14,869.15		524,145.00
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061291	17,962.50		506,182.50
12 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061302	28,029.68		478,152.82
13 Dec 2011	RTGS DEPOSIT /520114849011		5,299.70	483,452.52
13 Dec 2011	RTGS INWARD FEE	2.50		483,450.02
13 Dec 2011	RTGS DEPOSIT /520114849011		144,552.15	628,002.17
13 Dec 2011	RTGS INWARD FEE	2.50		627,999.67
13 Dec 2011	RTGS DEPOSIT /520114849011		663,296.57	1,291,296.24
13 Dec 2011	RTGS INWARD FEE	2.50		1,291,293.74
13 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		155,614.86	1,446,908.60
13 Dec 2011	RTGS INWARD FEE	2.50		1,446,906.10
13 Dec 2011	RTGS DEPOSIT /520114046013		28,579.30	1,475,485.40
13 Dec 2011	RTGS INWARD FEE	2.50		1,475,482.90
13 Dec 2011	INTERNET TRANSFER DEBIT TO 451084321 REFERENCE NO 80364581 MPF TO LM CAPALABA	43,164.79		1,432,318.11
	BALANCE CARRIED FORWARD			1,432,318.11



Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			1,432,318.11
13 Dec 2011	BUSINESS PAYMENTS CREDIT DIST 1003001 RECEIPT NO 90032591	1,163.71		1,431,154.40
13 Dec 2011	BUSINESS PAYMENTS CREDIT LM DIST RECEIPT NO 43316590	2,812.99		1,428,341.41
13 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		557,970.39	1,986,311.80
13 Dec 2011	RTGS INWARD FEE	2.50		1,986,309.30
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061371	811.00		1,985,498.30
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061366	833.37		1,984,664.93
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061370	2,735.04		1,981,929.89
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061376	3,056.57		1,978,873.32
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061367	5,507.79		1,973,365.53
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061364	5,543.25		1,967,822.28
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061369	5,850.96		1,961,971.32
13 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061368	12,581.21		1,949,390.11
14 Dec 2011	INTERNET TRANSFER DEBIT TO 451081225 REFERENCE NO 63281621 MPF TSF TO KINGOPE	38,803.88		1,910,586.23
14 Dec 2011	BUSINESS PAYMENTS CREDIT AFEX NS 1212 RECEIPT NO 6238632	14,798.50		1,895,787.73
14 Dec 2011	BUSINESS PAYMENTS CREDIT COMMS RECEIPT NO 35470640	17,225.44		1,878,562.29
14 Dec 2011	BUSINESS PAYMENTS CREDIT NS PAYMENT RECEIPT NO 42544642	23,201.78		1,855,360.51
14 Dec 2011	BUSINESS PAYMENTS CREDIT AUDIT FEES RECEIPT NO 30496641	50.00		1,855,310.51
	BALANCE CARRIED FORWARD			1,855,310.51

15556-01/05/10 B

Statement No: 42

Details are continued on the back of this page
Suncorp-Metway Ltd ABN 66 010 831 722 AFSL No 229802 GPO Box 2188 Brisbane Qld 4001.

Page 7 of 15

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			1,855,310.51
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061545	89.82		1,855,220.69
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061524	784.18		1,854,436.51
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061527	5,567.21		1,848,869.30
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061546	5,822.56		1,843,046.74
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061528	11,411.01		1,831,635.73
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061526	25,215.87		1,806,419.86
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061537	50,338.35		1,756,081.51
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061535	72,970.33		1,683,111.18
14 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061533	104,638.23		1,578,472.95
15 Dec 2011	RTGS DEPOSIT HIFX LIMITED		42.41	1,578,515.36
15 Dec 2011	RTGS INWARD FEE	2.50		1,578,512.86
15 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		86,986.38	1,665,499.24
15 Dec 2011	RTGS INWARD FEE	2.50		1,665,496.74
15 Dec 2011	INTERNET TRANSFER DEBIT TO 451084321 REFERENCE NO 18263622 MPF TO LM CAPALABA	50,944.55		1,614,552.19
15 Dec 2011	INTERNET TRANSFER DEBIT TO 602037041 REFERENCE NO 78208620 INVOICE 742	10,071.90		1,604,480.29
15 Dec 2011	BUSINESS PAYMENTS CREDIT CH NS 15.12 RECEIPT NO 70322650	9,306.81		1,595,173.48
15 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061684	2,393.98		1,592,779.50
16 Dec 2011	BUSINESS PAYMENTS CREDIT PERIGIAN BEA RECEIPT NO 1976482	88,376.78		1,504,402.72
16 Dec 2011	INTERNET TRANSFER DEBIT TO 82260975 REFERENCE NO 3868482 021927243	296,339.80		1,208,062.92
	BALANCE CARRIED FORWARD			1,208,062.92



Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			1,208,062.92
16 Dec 2011	BUSINESS PAYMENTS CREDIT NS 16/12 RECEIPT NO 40677491	5,294.80		1,202,768.12
16 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		324,059.52	1,526,827.64
16 Dec 2011	RTGS INWARD FEE	2.50		1,526,825.14
16 Dec 2011	RTGS DEPOSIT /520114849011		26,260.98	1,553,086.12
16 Dec 2011	RTGS INWARD FEE	2.50		1,553,083.62
16 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061758	211.49		1,552,872.13
16 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061759	3,299.23		1,549,572.90
16 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061761	3,524.76		1,546,048.14
16 Dec 2011	SWEEP DEPOSIT FROM 34807952		12,696.00	1,558,744.14
19 Dec 2011	RTGS DEPOSIT /520114849011		316,951.65	1,875,695.69
19 Dec 2011	RTGS INWARD FEE	2.50		1,875,693.19
19 Dec 2011	RTGS DEPOSIT /520114849011		40,304.57	1,915,997.76
19 Dec 2011	RTGS INWARD FEE	2.50		1,915,995.26
19 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 71245621 MPF MANAGEMENT FEE	260,000.00		1,655,995.26
19 Dec 2011	BUSINESS PAYMENTS CREDIT LM NS 19 DEC RECEIPT NO 13467620	3,269.69		1,652,725.57
19 Dec 2011	BUSINESS PAYMENTS CREDIT LM NS 19 DEC RECEIPT NO 74145621	59,283.96		1,593,441.61
19 Dec 2011	INTERNET TRANSFER DEBIT TO 451080954 REFERENCE NO 76928670 TSF WORK TO HI	1,400,000.00		193,441.61
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061884	881.09		192,560.52
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061931	1,016.48		191,544.04
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061885	3,932.68		187,611.36
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061929	5,179.15		182,432.21
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061926	7,395.60		175,036.61
	BALANCE CARRIED FORWARD			175,036.61

15656 D:\MS\108

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			175,036.61
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061887	14,254.92		160,781.69
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061889	20,151.76		140,629.93
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061933	37,595.46		103,034.47
19 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3061886	47,493.00		55,541.47
20 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		101,032.68	156,574.15
20 Dec 2011	RTGS INWARD FEE	2.50		156,571.65
20 Dec 2011	RTGS DEPOSIT /520114849011		775,366.53	931,938.18
20 Dec 2011	RTGS INWARD FEE	2.50		931,935.68
20 Dec 2011	INTERNET TRANSFER CREDIT FROM 451080954 REF NO 59594552 TSF HI TO WORKING		500,000.00	1,431,935.68
20 Dec 2011	INTERNET TRANSFER DEBIT TO 602038226 REFERENCE NO 60471552 MPF TO LM COOMERA	141,165.45		1,290,770.23
20 Dec 2011	INTERNET TRANSFER DEBIT TO 451084321 REFERENCE NO 92186550 MPF TO LM CAPALABA	10,000.00		1,280,770.23
20 Dec 2011	BUSINESS PAYMENTS CREDIT MPF TALL TRE RECEIPT NO 20811590	49,616.04		1,231,154.19
20 Dec 2011	INTERNET TRANSFER DEBIT TO 451080954 REFERENCE NO 81927641 TSF WORK TO HI	994,415.05		236,739.14
20 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062028	4,802.45		231,936.69
20 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062030	22,437.54		209,499.15
20 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062031	113,959.13		95,540.02
21 Dec 2011	INTERNET TRANSFER CREDIT FROM 451080954 REF NO 1763410 TSF HI TO WORK		900,000.00	995,540.02
21 Dec 2011	BUSINESS PAYMENTS CREDIT RED 10008541 RECEIPT NO 80821481	47,500.00		948,040.02
	BALANCE CARRIED FORWARD			948,040.02



Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			948,040.02
21 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 1365511 MPF MANAGEMENT FEE	220,000.00		728,040.02
21 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		880,675.62	1,608,715.64
21 Dec 2011	RTGS INWARD FEE	2.50		1,608,713.14
21 Dec 2011	RTGS DEPOSIT /520114849011		148,072.68	1,756,785.82
21 Dec 2011	RTGS INWARD FEE	2.50		1,756,783.32
21 Dec 2011	BUSINESS PAYMENTS CREDIT 100302009 RECEIPT NO 32190581	31,699.07		1,725,084.25
21 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062234	1,495.33		1,723,588.92
21 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062194	3,187.56		1,720,401.36
21 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062239	4,605.40		1,715,795.96
21 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062267	9,513.62		1,706,282.34
21 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062192	35,346.66		1,670,935.68
21 Dec 2011	SWEEP DEPOSIT FROM 34807952		54,967.00	1,725,902.68
22 Dec 2011	BUSINESS PAYMENTS CREDIT ATO RECEIPT NO 8641410	241,629.00		1,484,273.68
22 Dec 2011	INTERNET TRANSFER CREDIT FROM 451080954 REF NO 50211432 TSF HI TO WORKING		700,000.00	2,184,273.68
22 Dec 2011	BANK CHQ WDL 2595725 293 QUEEN STOCKLAND DEVELOPMENT PTY LTD	803,177.07		1,381,096.61
22 Dec 2011	BANK CHEQUE FEE 2595725	8.00		1,381,088.61
22 Dec 2011	BANK CHQ WDL 2595736 293 QUEEN OFFICE OF STATE REVENUE	126,669.00		1,254,419.61
22 Dec 2011	BANK CHEQUE FEE 2595736	8.00		1,254,411.61
22 Dec 2011	BANK CHQ WDL 2595740 293 QUEEN SHAND TAYLOR	5,775.00		1,248,636.61
22 Dec 2011	BANK CHEQUE FEE 2595740	8.00		1,248,628.61
22 Dec 2011	BANK CHQ WDL 2595751 293 QUEEN REABURN SOLICITORS TRUST ACCOUNT	3,784.00		1,244,844.61
22 Dec 2011	BANK CHEQUE FEE 2595751	8.00		1,244,836.61
	BALANCE CARRIED FORWARD			1,244,836.61

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			1,244,836.61
22 Dec 2011	BANK CHQ WDL 2595762 293 QUEEN DERM	7,267.90		1,237,568.71
22 Dec 2011	BANK CHEQUE FEE 2595762	8.00		1,237,560.71
22 Dec 2011	BANK CHQ WDL 2595773 293 QUEEN DERM	132.50		1,237,428.21
22 Dec 2011	BANK CHEQUE FEE 2595773	8.00		1,237,420.21
22 Dec 2011	BANK CHQ WDL 2595784 293 QUEEN ASIC	144.00		1,237,276.21
22 Dec 2011	BANK CHEQUE FEE 2595784	8.00		1,237,268.21
22 Dec 2011	RTGS DEPOSIT /520114849011		92,778.72	1,330,046.93
22 Dec 2011	RTGS INWARD FEE	2.50		1,330,044.43
22 Dec 2011	BUSINESS PAYMENTS CREDIT NS 22/12 RECEIPT NO 72541512	177,764.18		1,152,280.25
22 Dec 2011	INTERNET TRANSFER CREDIT FROM 451080954 REF NO 76333562 TSF HI TO WORKING		250,000.00	1,402,280.25
22 Dec 2011	BUSINESS PAYMENTS CREDIT LM NS 22/12 RECEIPT NO 14208560	563,782.95		838,497.30
22 Dec 2011	BUSINESS PAYMENTS CREDIT HIFX NS 2312 RECEIPT NO 18222560	535,616.40		302,880.90
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062369	162.52		302,718.38
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062370	213.08		302,505.30
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062372	1,680.16		300,825.14
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062339	2,377.95		298,447.19
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062341	4,698.58		293,748.61
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062344	7,490.15		286,258.46
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062343	8,137.81		278,120.65
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062336	8,808.36		269,312.29
	BALANCE CARRIED FORWARD			269,312.29

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			269,312.29
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062337	46,643.20		222,669.09
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062338	67,839.50		154,829.59
22 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062190	157,563.73		2,734.14-
22 Dec 2011	SWEEP DEPOSIT FROM 34807952		52,921.70	50,187.56
23 Dec 2011	RTGS DEPOSIT /520114849011		120.79	50,308.35
23 Dec 2011	RTGS INWARD FEE	2.50		50,305.85
23 Dec 2011	RTGS DEPOSIT /520114849011		275,696.15	326,002.00
23 Dec 2011	RTGS INWARD FEE	2.50		325,999.50
23 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		203,116.41	529,115.91
23 Dec 2011	RTGS INWARD FEE	2.50		529,113.41
23 Dec 2011	SWEEP DEPOSIT FROM 34807952		309,993.50	839,106.91
28 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 58451461 MPF MANAGEMENT FEE	350,000.00		489,106.91
28 Dec 2011	RTGS DEPOSIT TRAVELEX GBP AUSTR		224,778.00	713,884.91
28 Dec 2011	RTGS INWARD FEE	2.50		713,882.41
28 Dec 2011	MERCHANT SETTLEMENT 315799424356091 LM INVESTMENT MANAG		1,000.00	714,882.41
28 Dec 2011	DIRECT DEBIT TGBP Aus Pty Ltd AOTR3062827	6,454.46		708,427.95
29 Dec 2011	INTERNET TRANSFER DEBIT TO 130252727 REFERENCE NO 34213501 REIMBURSE J SOLOMO	1,051.23		707,376.72
29 Dec 2011	INTERNET TRANSFER CREDIT FROM 34685008 REF NO 14218512 KPG 13TH BEACH STA		3,933,750.00	4,641,126.72
29 Dec 2011	BUSINESS PAYMENTS CREDIT AFEX MARGIN RECEIPT NO 17187512	150,000.00		4,491,126.72
29 Dec 2011	BUSINESS PAYMENTS CREDIT TLX NS 2912 RECEIPT NO 60524511	7,239.14		4,483,887.58
29 Dec 2011	BUSINESS PAYMENTS CREDIT HIFX NS 2912 RECEIPT NO 65956510	42,774.58		4,441,113.00
	BALANCE CARRIED FORWARD			4,441,113.00

Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			4,441,113.00
29 Dec 2011	INTERNET TRANSFER CREDIT FROM 163206904 REF NO 59414580 LOAN REDUT L6 & 20		857,151.09	5,298,264.09
29 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062717	848.34		5,297,415.75
29 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062719	2,790.31		5,294,625.44
29 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062720	7,769.46		5,286,855.98
29 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062898	8,977.90		5,277,878.08
29 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062715	108,000.00		5,169,878.08
29 Dec 2011	SWEEP DEPOSIT FROM 34807952		196,181.62	5,366,059.70
30 Dec 2011	BUSINESS PAYMENTS CREDIT HIFX MARGIN RECEIPT NO 34323460	486,258.42		4,879,801.28
30 Dec 2011	BUSINESS PAYMENTS CREDIT TRAV MARGIN RECEIPT NO 99445461	152,650.53		4,727,150.75
30 Dec 2011	BUSINESS PAYMENTS CREDIT LM100275833 RECEIPT NO 39251460	4,658.56		4,722,492.19
30 Dec 2011	INTERNET TRANSFER DEBIT TO 451080954 REFERENCE NO 42193530 TSF WORK TO HI	4,600,000.00		122,492.19
30 Dec 2011	RTGS DEPOSIT /520114046013		78,553.02	201,045.21
30 Dec 2011	RTGS INWARD FEE	2.50		201,042.71
30 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062788	585.69		200,457.02
30 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062786	845.27		199,611.75
30 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062791	3,436.10		196,175.65
30 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062789	7,197.10		188,978.55
30 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062795	8,406.55		180,572.00
30 Dec 2011	DIRECT DEBIT TGBP Aus Ply Ltd AOTR3062787	40,786.88		139,785.12
	BALANCE CARRIED FORWARD			139,785.12



Account Transactions Continued

Date	Transaction Details	Withdrawal	Deposit	Balance
	BALANCE BROUGHT FORWARD			139,785.12
30 Dec 2011	SWEEP DEPOSIT FROM 34807952		59,423.49	199,208.61
31 Dec 2011	MERCHANT FEES 315799424356091 LM INVESTMENT MANAG	140.25		199,068.36
31 Dec 2011	CREDIT INTEREST		3,312.20	202,380.56
31 Dec 2011	INTEREST CHARGE	92.75		202,287.81
31 Dec 2011	BUSINESS PAYMENTS FEE	20.20		202,267.61
	CLOSING BALANCE			202,267.61

Summary of Transaction Fees and BPAY Service Fees for this period:

Fee Type	Total Items	Items Free	Items Charged	Item Cost	Fee Amount
034382579					
BUSINESS PAYMENTS FEE CHARGED ON 31/12/2011					
CREDIT ITEMS	101	0	101	0.20	20.20
Total					20.20

Summary of Interest, Fees and Charges on this account for period 1 December 2011 - 31 December 2011

Suncorp:	This Period	1 July to date	Government:	This Period	1 July to date
Interest Paid	\$3,312.20	\$14,522.25	Government Duties/Taxes	\$0.00	
Interest Charged	\$92.75	\$180.28	Withholding Tax	\$0.00	
Bank Fees Charged	\$186.20		Other Financial Institutions:		
			ATM Operator Fee	\$0.00	

Notes: Please check all entries on your statement and notify Suncorp Bank immediately of any errors or omissions. Should you have a query about your account please call 13 11 75.

Please retain this statement for taxation purposes.

SUNCORP BANK Internet Banking

My Accounts

Important Alerts

Attention Expiring Token Users

If you can see a "reorder token" alert to the left, you'll need to order a new security token.

[Order a replacement token](#)

[prev](#) | [next](#)

Last Login: 16/09/2013 04:00:04 PM [view recent sessions](#)

My Bank Accounts

Account (click for transaction history)	Account/Card Number (click for account details)	Current Balance	Available Funds/ Available Credit	Balance Alerts (view: all)
FMIF RESTRICTED DEPOSIT BUSINESS SAVER ACCOUNT	451081420	\$1.00	\$1.00	
FMIF RESTRICTED WORKING BUSINESS SAVER ACCOUNT	451081276	\$3,501,731.75	\$3,501,731.75	
FMIF WORKING UNRESTRICTED BUSINESS EVERYDAY	049726640	\$0.00	\$0.00	
FMIF CAPITAL RESTRICTED ACC BUSINESS SAVER ACCOUNT	451085980	\$1,012,204.01	\$1,012,204.01	
AIF INVESTOR ACC BUSINESS BANK MANAGEMENT	034684990	\$26.00	\$26.00	
AIF WORKING ACC BUSINESS INVESTMENT ACCT	034685008	\$2,003,987.90	\$2,003,987.90	
AIIS PTY LTD BUSINESS STANDARD	084736184	\$0.00	\$0.00	
FMIF APOTEL CONTROLLER BUSINESS EVERYDAY	451081179	\$33,104.40	\$33,104.40	
FMIF BRAMBLETON CONTROLLER ACC BUSINESS INVESTMENT ACCT	034850572	\$106,476.59	\$106,476.59	
FMIF BRIDGEWATER ESTATE CONTROLLER ACC BUSINESS EVERYDAY	602038161	\$203,917.58	\$203,917.58	
FMIF CAMEO ESTATES CONTROLLER ACC BUSINESS EVERYDAY	452713691	\$17,962.44	\$17,962.44	
FMIF COULTER AND ROCOLA CONT ACC BUSINESS EVERYDAY	602036045	\$747,397.53	\$747,397.53	
FMIF EDENS CONTROLLER ACC BUSINESS INVESTMENT ACCT	034705475	\$0.00	\$0.00	
FMIF GLENDENNING DEVEL CONT BUSINESS EVERYDAY	503108929	\$0.00	\$0.00	
FMIF GREYSTANES PROJECTS CONTROLLER ACC BUSINESS EVERYDAY	453705684	\$10,638.15	\$10,638.15	
FMIF HIDDEN VALLEY PTY LTD CONTROLLER AC BUSINESS EVERYDAY	452583305	\$2,619.95	\$2,619.95	
FMIF INTER MAIL INTERNATIONAL CONTROLLER BUSINESS EVERYDAY	453706435	\$0.00	\$0.00	
FMIF KEPPEL BAY HOLDINGS PTY LTD BUSINESS EVERYDAY	452583208	\$9,711.73	\$9,711.73	
FMIF KEPPEL VIEWS PTY LTD BUSINESS EVERYDAY	452583259	\$504,914.87	\$504,914.87	

Jasmin Shaw

From: Ben Fisher <BFisher@lmaustralia.com>
Sent: Wednesday, 16 October 2013 5:35 PM
To: David James
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au)
Subject: FW: LM MPF
Attachments: Purchase contract.pdf; Purchase contract.pdf

Hi David,

Please see comments below in regards the Bushland Contracts, and files attached.

Regards,
Ben

Hi Ben,

This is probably all I can provide from electronic records.

As I understand it, the MPF files regarding the purchase of the 2 parcels that comprise this property were delivered to KM as part of the MPF file hand over. This was managed by FTI so I'm unsure when this was done but I do recall they were files I retrieved from our archives and made available to FTI as part of the hand over.

The files are called:

1. LM Managed Performance Fund - purchase from Markina Developments Pty Ltd – Lot 2 Livistonia Place Bushland Beach Qld
2. LM Managed Performance Fund – purchase from JD Goicoechea – Lot 20 Livistonia Place Bushland Beach Qld

Settlement statements and GST tax invoices would be on those files. Alternately the solicitors who acted for the Fund may be able to assist.

Ben Fisher

Chief Information Officer - Information Technology

T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5582 2505 | E bfisher@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217, Queensland, Australia

www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

CONTRACT COMMERCIAL LAND AND BUILDINGS

(SECOND EDITION GST Reprint) © Copyright.

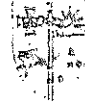


The Real Estate Institute
of Queensland

Member Office

Printed by REALworks

Adopted by The Real Estate Institute
of Queensland Limited and approved by the Queensland Law
Society Incorporated for conveyances of Torrens Title and Crown
Leasehold Title of Commercial Land and Buildings.



Queensland Law
Society Inc

THIS CONTRACT IS MADE BETWEEN THE VENDOR
AND THE PURCHASER. THE VENDOR AGREES TO
SELL AND THE PURCHASER AGREES TO BUY THE
PROPERTY, SUBJECT TO THE CONDITIONS OF THIS
CONTRACT, FOR THE PURCHASE PRICE.

- 1 This Contract comprises the following parts:
 - (a) Items Schedule;
 - (b) Lease Schedule;
 - (c) Service Contract Schedule;
 - (d) Standard Commercial Conditions; and
 - (e) any Special Conditions.
- 2 Where there is any discrepancy or inconsistency between a part of this Contract and any other part, the following descending order of precedence of the parts shall apply to resolve the discrepancy or inconsistency:
 - (a) any Special Conditions;
 - (b) Items Schedule;
 - (c) Lease Schedule;
 - (d) Service Contract Schedule;
 - (e) Standard Commercial Conditions.
- 3 Unless inconsistent with the context or subject matter:
 - (a) "Items Schedule" means the schedule called Items Schedule in this Contract;
 - (b) "Lease Schedule" means the schedule called Lease Schedule in this Contract;
 - (c) "Service Contract Schedule" means the schedule called Service Contract Schedule in this Contract;
 - (d) "Special Conditions" means any written conditions endorsed on or annexed to this form;
 - (e) "Standard Commercial Conditions" means the Standard Commercial Conditions of Sale - Commercial Land and Buildings (Second Edition GST Reprint) adopted by The Real Estate Institute of Queensland Limited and approved by the Queensland Law Society Incorporated.
- 4 The Vendor and the Purchaser each acknowledge having received a copy of the Standard Commercial Conditions at the time of signing this Contract.

ITEMS SCHEDULE

NOTE 1

A Contract Date: The 15th day of January 2004
month year

B Vendor's Agent: PRDnationwide Townsville
Address: 1st Floor, 241 Sturt Street
PO Box 5514, M.C. Townsville Qld 4810
A.B.N. No: 33 010 774 080 Email Address: townsvilleprdncom@prd.com.au
Facsimile: 07-4789 7010 Phone: 07-4789 7000

C Vendor's: Markine Developments P/L as trustee for the Ocean Palms Unit Trust
Address: 2/27 Murray Street, NORTH WARD, QLD, 4810
A.B.N. No: Email Address: Phone:

D Vendor's Solicitor: Wilson Ryan & Grace - Paul Martinez
Address: 15 Sturt Street, Townsville, QLD, 4810
A.B.N. No: Email Address: Facsimile: 07-4772 6017 Phone: 07-4720 7600

E Purchaser's: LM Investment Management Ltd as trustee for The LM Managed Performance Fund
Address: Level 4, 9 Beach Road, Surfers Paradise, QLD, 4217
Phone:

F Purchaser's Solicitor: French Commercial Lawyers - Rob French
Address: PO Box 2656, Southport, QLD, 4215
A.B.N. No: Email Address: Facsimile: 07-5591 7450 Phone: 07-5591 7555

G Stakeholder: PRDnationwide Townsville
Phone: 07-4789 7010

CLAUSE
1.10)**H**

PARTICULARS OF LAND SOLD:

Address: Lot 2, Livistonia Close, Bushland Beach, QLD, 4818

Present Use (if any): Vacant Zoned Special Facilities
Description: L2 SP38540

County: Eppingstone

Title Reference: 50384550

Area: 8921sqm

Type of Holding: Freehold

Local Government: Thuringowa

Parish: Bohle

(more or less)

Lease No:

IMPROVEMENTS INCLUDED IN SALE:

Nature of Buildings: NIL

Unless excluded below the Purchase Price includes all partitions, stoves, hot water systems, wall-to-wall floor coverings, drapes and tracks, blinds, light fittings, clothes lines, hoists, fixed television or satellite antennae or dishes, in-ground shrubs and all fixtures as inspected by the Purchaser.

Exclusions:

NOTE 2
(SEE
WARNING)

NOTE 3

NOTE 4

ITEMS SCHEDULE

J OTHER CHATTELS INCLUDED IN SALE: NIL
(Attach inventory if insufficient space)

K THE LAND IS SOLD AS: Freehold (subject to the reservations, exceptions and conditions in the deed of gift)
(Cross out that which does not apply) ~~Leasehold~~ (subject to the conditions of the lease leasehold title)

L ENCUMBRANCES: (If the Property is sold free from Encumbrances, insert "NIL". If the Property is sold subject to Encumbrances they must be specifically described in this item.)
Easements 704450524, 704450525 & 704450526

M LEASES AND SERVICE CONTRACTS: See Lease Schedule and Service Contract Schedule

N PURCHASE PRICE: \$ 800,000.00

O DEPOSIT: \$ 80,000.00 payable on signing of this Contract

P DEFAULT INTEREST: 10.75 % simple interest per annum.

Q DATE FOR COMPLETION: The 30 days from date of Contract day of month year

R CITY OR TOWN FOR COMPLETION: Townsville
FINANCE

SUBJECT TO FINANCE:
IF THIS CONTRACT IS SUBJECT TO FINANCE THEN ITEMS S, T AND U MUST BE COMPLETED IN EVERY RESPECT AND ITEM V MUST BE DELETED AND INITIALLED.

NOT SUBJECT TO FINANCE:
IF THIS CONTRACT IS NOT TO BE SUBJECT TO FINANCE THEN ITEMS S, T AND U MUST BE DELETED AND INITIALLED AND ITEM V SHALL APPLY.

S LENDER OR CLASS OF LENDER:

T THE APPROVAL DATE: The day of month year

U AMOUNT OF LOAN: \$

V THIS CONTRACT IS NOT SUBJECT TO FINANCE AND CLAUSE 34 OF THE STANDARD COMMERCIAL CONDITIONS DOES NOT APPLY.

ITEMS SCHEDULE

GST

GOODS AND SERVICES TAX - WARNING

Marking the GST items in the Items Schedule may have significant consequences for the Vendor and Purchaser. The Vendor and Purchaser should seek professional advice about completion of the GST items and not rely on the Vendor's agent to complete the GST items.

Notes to Completion:

- A. Only 1 box in the selected item must be marked.
- B. If the Yes box in Item GST 1 is marked:
- > Items GST2 and GST3 must not be marked;
 - > despite any markings of Items GST2 and GST3, clauses 34.4, 34.5 and 34.6 do not apply.
- C. If the Yes box in Item GST2 is marked:
- > Item GST1 and GST3 must not be marked;
 - > despite any marking of Items GST1 and GST3, clauses 34.4, 34.5 and 34.7 do not apply.

GST1

Going Concern:

Warning: There are strict requirements for the sale of a Going Concern under the GST Act. If in doubt about complying with those provisions, seek professional advice before marking this item.

Is this a sale of a Going Concern?

Yes ☐

If yes, clause 34.7 (If the Supply is a Going Concern) applies.

Otherwise clause 34.7 (If the Supply is a Going Concern) does not apply.

If the Yes box is marked, do not complete Items GST2 and GST3.

GST2

Margin Scheme:

Is the Margin Scheme to apply to the sale of the Property? Yes ☐

If yes, clause 34.6 (Margin Scheme) applies.

Otherwise clause 34.6 (Margin Scheme) does not apply.

The Vendor must not apply the Margin Scheme to the Supply of the Property if clause 34.6 does not apply.

GST3

Inclusive or Exclusive Purchase Price:

(Do not complete Item GST3 if Item GST1 (Going Concern) or Item GST2 (Margin Scheme) are marked Yes.)

Mark 1 box only

Does the Purchase Price include GST?

Yes ☐

If Yes, clause 34.4 (Purchase Price includes GST) applies.

No ☐

If No, clause 34.5 (Purchase Price Does Not include GST) applies.

If neither box is marked or if both boxes are marked, clause 34.4 (Purchase Price includes GST) applies.

LEASE SCHEDULE*

See Clause 32 of Standard Commercial Conditions

PROPERTY ADDRESS**LEASE 1**

NAME OF TENANT:

USE:

LOCATION/TENANCY NO:

AREA OF TENANCY (m2 approx.):

CURRENT RENTAL PER ANNUM:

CURRENT LEASE COMMENCEMENT DATE:

CURRENT LEASE TERM:

REMAINING OPTION/S:

Option 1	Term	years
Option 2	Term	years
Option 3	Term	years
No.	Rate \$	per annum/month†

TENANT CARPARK:

LEASE 2

NAME OF TENANT:

USE:

LOCATION/TENANCY NO:

AREA OF TENANCY (m2 approx.):

CURRENT RENTAL PER ANNUM:

CURRENT LEASE COMMENCEMENT DATE:

CURRENT LEASE TERM:

REMAINING OPTION/S:

Option 1	Term	years
Option 2	Term	years
Option 3	Term	years

TENANT CARPARK:

No.	Rate \$	per annum/month†
-----	---------	------------------

* Attach further Schedule if insufficient space.

† Strike out as required.

SERVICE CONTRACT SCHEDULE *

See Clause 32 of Standard Commercial Conditions

PROPERTY ADDRESS

CONTRACT 1

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per annum/quarter/month†

CONTRACT 2

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per annum/quarter/month†

CONTRACT 3

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per month

CONTRACT 4

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per quarter

CONTRACT 5

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per annum

*Attach further Schedule if insufficient space.

†Strike out as required

15/01/2004 12:17

15/01/2004 12:17 +61-7-4765-7650

PRDNATIONWIDE TSVILLE

NO.463 P25
PAGE 11/13

SPECIAL CONDITIONS

SPECIAL CONDITIONS

See attached Special Conditions 1 & 2 ✓

The approval by The Real Estate Institute of Queensland Limited does not extend to any alterations to the printed text of the Standard Commercial Conditions or to any Special Conditions of this Contract. The Standard Commercial Conditions may need to be added to or varied by inserting specifically prepared Special Conditions in this Contract. If the printed text of the Standard Commercial Conditions is altered, or Special Conditions are included, it is recommended that the Vendor and the Purchaser consult their respective legal advisers prior to signing this Contract.

MARKINA DEVELOPMENTS PTY LTD
ACN 077759669 AS TRUSTEE
OF THE OCEAN PALMS UNIT TRUST
J. JACOBSEN
DIRECTOR
VENDOR
B. JACOBSEN
DIRECTOR
PURCHASER

STAKEHOLDER'S ACKNOWLEDGEMENT

NOTE 1 The Stakeholder acknowledges having received \$ _____ as the Deposit or on account of _____
Deposit and agrees to hold that amount and any balance of the Deposit when received as stakeholder for _____
the parties as provided in this Contract.

Stakeholder _____ License No. _____

This form was approved by The Real Estate Institute of Queensland Limited on February 2001.

This form was approved by The Real Estate Institute of Queensland Limited on February 2001.

15/01/2004 13:55

15/01/2004 12:12 +61-7-4799-7858

PROXATIONWIDE TSVLE

PAGE 02/18

NO. 453 P02

NOTICE TO AGENT

This Warning Statement must be:

- Attached to the FRONT of a contract for sale of residential property (vacant land or land and structure existing houses) and;
 - Signed by the buyer BEFORE the attached contract is signed.
- If this is not done, the buyer may terminate the contract.

PAMD Form 30c

This form is effective on and from 6 February 2003.
The Contract attached to this warning is subject to a 5 day cooling-off period.

WARNING

Do NOT sign the attached contract without reading and understanding this warning. Do not sign if you feel pressured.

- You should obtain:
- **Independent legal advice** and
 - **An independent valuation** of the property

Before signing or during the 5 day cooling-off period the Office of Fair Trading strongly recommends you:

- Contact the Queensland Law Society on (07) 3642 5842 or www.qls.com.au for advice on finding a solicitor.
- Contact the Australian Property Institute on (07) 3832 5158 or www.propertyinstitute.com.au or the Valuers Registration Board on (07) 3221 3802 to find a suitable valuer.
- Arrange a search for the property's sales history from your local Department of Natural Resources and Mines or (07) 3227 6628, or for a map of latest sales www.nrm.qld.gov.au/property/valuations/products_services.

House and Land Package Buyers: Is the building contract fairly valued? Seek quotes from several different builders (see note on page 2)

STOP!! Before signing this form or the contract have you read and understood the information about your rights?

Signature of Buyer:

I have read this warning statement and the important information over the page.

INVESTMENT MANAGER MGMT LTD AS TRUSTEE FOR

Signature: PERFORMANCE FUND

Date: 15/01/2004



Queensland Government
Department of Tourism, Racing and Fair Trading
under the Liquor Licensing

This form must be completed and handed to the buyer before the contract for sale of residential property is entered into. Failure to make the required disclosure to the buyer will attract a penalty.

PAMD Form 27b

Property Agents and Motor Dealers Act 2000
This form is effective from 31 May 2002.

Ver. 2

SELLING AGENT'S DISCLOSURE TO BUYER

- what we must tell you before you sign.

TO THE BUYER: The purpose of this Form is to make you aware of relationships that your Selling Agent has with persons to whom they refer you, and of benefits that your Selling Agent and other people receive from the sale.

1. SELLING AGENT

To the Selling Agent: You must complete this Form if you are one or more of the following:

- Real estate agent
- Real estate salesperson acting for a real estate agent
- Property developer
- Property developer salesperson
- Person acting as a real estate agent although not authorised by a licence to do so
- Person acting as a property developer although not authorised by a licence to do so

Selling Agent's Name MALON GRICE

Licence No./Registered No. (delete as appropriate)

2. PROPERTY

Address LOT 20 DIVISTONIA CLOSE

Lot 220 Plan SP132623 Title reference

3. SELLING AGENT'S DISCLOSURE

3.1 If Selling Agent refers Buyer to anyone for professional services associated with the sale:

You MUST complete this section if you have referred the Buyer to anyone for professional services associated with the sale and -

- (a) you have any relationship (personal or commercial) with that person or entity to whom you have referred the Buyer; and/or
- (b) you derive or expect to derive any consideration (whether monetary or otherwise) from that person or entity to whom you have referred the Buyer.

If this does not apply to you, go to section 3.2.

4. DISCLOSURE OF BENEFITS TO THE BUYER

Name of person or entity to whom you have referred the Buyer	Relationship to you	Benefit to you or person or entity to whom you have referred the Buyer

If space is insufficient, attach additional sheet.

If you have disclosed a benefit in this section, you DO NOT need to disclose it again in section 3.2.



Queensland Government
Department of Tourism, Racing and Fair Trading

NOTES TO COMPLETING SECTIONS 3.1-3.2

In Section 3.1:

1. "Relationship" includes, but is not limited to, the following types of relationship:
 - Family
 - Business (other than a casual business relationship)
 - Fiduciary
 - Relationship in which one person is accustomed, or obliged, to act in accordance with the directions, instructions, or wishes of the other
2. In Column 3 of the table you must disclose the amount (\$) or value (%) of consideration which you derive or expect to derive from the person or entity to whom you have referred the buyer.
3. In Column 4 of the table you must disclose the amount, value or nature of any benefit, which the person or entity to whom you have referred the buyer has received, receives or expects to receive in connection with the sale, or for promoting the sale, or for providing a service in connection with the sale, of the property.
4. For guidance on what to disclose as a "benefit" see note below for Section 3.2.

In Section 3.2:

What you should disclose as a "benefit"

Remember:

It is your obligation to disclose any benefit, to your knowledge, which any person has received, receives, or expects to receive in connection with the sale, or for promoting the sale, or for providing a service in connection with the sale, of the property. The following lists are not exhaustive.

You NEED to disclose:

- your fees, commissions and remuneration
- fees, commissions and remuneration to be paid to financial institutions, finance brokers, financial advisers, financiers, valuers, marketing agents and promoters
- all benefits dependent on a successful sale (e.g. a commission or fee paid to any person as a success fee)
- marketing, advertising and promotion costs, where their payment is contingent on the sale of the lot ("the lot" is the property described in Item 2 on page 1 of this Form)

Examples:

- (a) where a marketing company will receive money or another benefit because the lot has sold – DO disclose
- (b) where a marketing company will receive money or another benefit for the sale of three lots, and the lot is one of those – DO disclose, even where the other two lots have not yet sold

(c) where a marketing company will receive money or another benefit for marketing services in relation to the lot, regardless of whether or not the lot is sold – you NEED NOT disclose this, as the fee is not contingent on the sale of the lot.

As a general rule, you need to disclose any benefits contingent on the sale of the property.

You NEED NOT disclose:

- mortgage pay-outs
- performance bonuses
- expenses incurred prior to the sale in preparation of the property for sale (such as painting or maintenance) and in developing the land (such as professional fees and disbursements paid to engineers, surveyors, architects and town planners)
- vendor's profit or net proceeds of sale
- property developer's profit or development fees
- non-monetary benefits, where the total value of those benefits in any 12 month period does not exceed \$100
- solicitors' professional fees and ordinary disbursements in relation to the developing, selling or purchasing of the property
- amounts payable to local, State or Federal Government.

"Amount, value or nature" of the benefit

You must provide the amount, value or nature of the benefit as accurately as is possible at the time of the disclosure. You should express the benefit as follows:

- (1) an amount (\$). If you can not do this, then –
- (2) a value (%). If you can not do this, then –
- (3) describe the nature of the benefit. You should ONLY do this if the benefit can not be described as an amount or value.

If you do not know the exact amount or value of the benefit, provide a reasonable estimate of the final amount or value, based on the purchase price at the time of disclosure.

Selling Agent's Commission

If you are a real estate agent – you are only required to disclose the total commission paid to your agency. You are not required to disclose how the commission is distributed to persons involved in the sale. If you are a property developer – you must disclose the total commission paid on sale to your employees and/or salespersons. You are not required to disclose how the commission is distributed to persons involved in the sale.

THIS PAGE IS PART OF THE APPROVED FORM AND MUST NOT BE DETACHED.

CONTRACT COMMERCIAL LAND AND BUILDINGS

(SECOND EDITION GST Reprint) © Copyright.



The Real Estate Institute
of Queensland

Adopted by The Real Estate Institute
of Queensland Limited and approved by the Queensland Law
Society Incorporated for conveyances of Torrens Title and Crown
Leasehold Title of Commercial Land and Buildings.



Queensland Law
Society Inc

Member Office

Printed by REALworks

THIS CONTRACT IS MADE BETWEEN THE VENDOR
AND THE PURCHASER. THE VENDOR AGREES TO
SELL AND THE PURCHASER AGREES TO BUY THE
PROPERTY, SUBJECT TO THE CONDITIONS OF THIS
CONTRACT, FOR THE PURCHASE PRICE.

- 1 This Contract comprises the following parts:
 - (a) Items Schedule;
 - (b) Lease Schedule;
 - (c) Service Contract Schedule;
 - (d) Standard Commercial Conditions; and
 - (e) any Special Conditions.
- 2 Where there is any discrepancy or inconsistency between a part of this Contract and any other part, the following descending order of precedence of the parts shall apply to resolve the discrepancy or inconsistency:
 - (a) any Special Conditions;
 - (b) Items Schedule;
 - (c) Lease Schedule;
 - (d) Service Contract Schedule;
 - (e) Standard Commercial Conditions.
- 3 Unless inconsistent with the context or subject matter:
 - (a) "Items Schedule" means the schedule called Items Schedule in this Contract;
 - (b) "Lease Schedule" means the schedule called Lease Schedule in this Contract;
 - (c) "Service Contract Schedule" means the schedule called Service Contract Schedule in this Contract;
 - (d) "Special Conditions" means any written conditions endorsed on or annexed to this form;
 - (e) "Standard Commercial Conditions" means the Standard Commercial Conditions of Sale - Commercial Land and Buildings (Second Edition GST Reprint) adopted by The Real Estate Institute of Queensland Limited and approved by the Queensland Law Society Incorporated.
- 4 The Vendor and the Purchaser each acknowledge having received a copy of the Standard Commercial Conditions at the time of signing this Contract.

ITEMS SCHEDULE

NOTE 1	A	Contract Date:	The 14th 15 TH	Day of January	2004
				month	year
	B	Vendor's Agent:	PRDnationwide Townsville		
		Address:	1st Floor, 241 Sturt Street PO Box 5514, M.C. Townsville Qld 4810		
		A.B.N. No:	23 010 774 080	Email Address:	townsvilleprocom@prol.com.au
			Facsimile: 07-4788 7010	Phone:	07-4788 7060
	C	Vendor's:	JANIS DESLE GOICOECHEA		
		Address:	2/27 Murray Street NORTH WARD, QLD. 4810		
		A.B.N. No:		Email Address:	
	D	Vendor's Solicitor:	WILSON, RYAN & GROSS - Paul Martinez		
		Address:	15 Sturt Street, Townsville, QLD, 4810		
		A.B.N. No:		Email Address:	
			Facsimile: 07-4772 6017	Phone:	07-4720 7600
	E	Purchaser's:	LM Investment Management Ltd's trustee for The LM Managed Performance Fund		
		Address:	Level 4, 8 Beach Road, Surfers Paradise, QLD, 4217		
	F	Purchaser's Solicitor:	Firench Commercial Lawyers - Rob Firench		
		Address:	PO Box 2655, Southport, QLD, 4215		
		A.B.N. No:		Email Address:	
			Facsimile: 07-5591 7450	Phone:	07-5591 7555
	G	Stakeholder:	PRDnationwide Townsville		
				Phone:	07-4788 7010
	H	PARTICULARS OF LAND SOLD:			
		Address:	Lot 20, Livistonia Close, Bushland Beach, QLD, 4815		
		Present Use (if any):	Vacant Zoned Residential 3		
		Description:	L20 SP132025 AND EASEMENTS TO 460528 R 704592310		
		County:	Elphinstone		
		Title Reference:	50250202		
		Area:	4012sqm		
		Type of Holding:	Freehold		
		Local Government:	Thuringowa		
			(more or less)		
			Lease No:		
		IMPROVEMENTS INCLUDED IN SALE:			
		Nature of Buildings:	NIL		
		Unless excluded below the Purchase Price includes all partitions, stoves, hot water systems, wall-to-wall floor coverings, drapes and tracks, blinds, light fittings, clothes lines, hoists, fixed television or satellite antennae or dishes, in-ground shrubs and all fixtures as inspected by the Purchaser.			
		Exclusions:			

CLAUSE 1.1(V)

NOTE 2
(SEE
WARN-
ING)

NOTE 3

NOTE 4

15/01/2004 13:55

NO. 463 0014

15/01/2004 12:12 +61-7-4765-7868

PRIVATIONWIDE TS/LL

PAGE 00/10

ITEMS SCHEDULE

J OTHER CHATTELS INCLUDED IN SALE: *NIL*
(Attach inventory if insufficient space)

K THE LAND IS SOLD AS: *Freehold* (subject to the reservations, exceptions and conditions in the deed of grant)
(Cross out that which does not apply) ~~Leasehold~~ (subject to the conditions of the Crown Leasehold Sale)

L ENCUMBRANCES: (If the Property is sold free from Encumbrances, insert "NIL". If the Property is sold subject to Encumbrances they must be specifically described in this item.)
NIL

M LEASES AND SERVICE CONTRACTS: See Lease Schedule and Service Contract Schedule

N PURCHASE PRICE: \$ 1,200,000.00

O DEPOSIT: \$ 120,000.00 payable on signing of this Contract

P DEFAULT INTEREST: 10.75 % simple interest per annum.

Q DATE FOR COMPLETION: The 35 days from date of Contract Day of month year

R CITY OR TOWN FOR COMPLETION: *Townsville*
FINANCE

SUBJECT TO FINANCE:
IF THIS CONTRACT IS SUBJECT TO FINANCE THEN ITEMS S, T AND U MUST BE COMPLETED IN EVERY RESPECT AND ITEM V MUST BE DELETED AND INITIALED.

NOT SUBJECT TO FINANCE:
IF THIS CONTRACT IS NOT TO BE SUBJECT TO FINANCE THEN ITEMS S, T AND U MUST BE DELETED AND INITIALED AND ITEM V SHALL APPLY.

S LENDER OR CLASS OF LENDER:

T THE APPROVAL DATE: The day of month year

U AMOUNT OF LOAN: \$

V THIS CONTRACT IS NOT SUBJECT TO FINANCE AND CLAUSE 31 OF THE STANDARD COMMERCIAL CONDITIONS DOES NOT APPLY.

ITEMS SCHEDULE
GST

GST

GOODS AND SERVICES TAX - WARNING

Marking the GST items in the Items Schedule may have significant consequences for the Vendor and Purchaser. The Vendor and Purchaser should seek professional advice about completion of the GST items and not rely on the Vendor's agent to complete the GST items.

Notes to Completion:

- A. Only 1 box in the selected item must be marked.
- B. If the Yes box in Item GST 1 is marked:
- > Items GST2 and GST3 must not be marked;
 - > despite any markings of Items GST2 and GST3, clauses 34.4, 34.5 and 34.6 do not apply.
- C. If the Yes box in Item GST2 is marked:
- > Item GST1 and GST3 must not be marked;
 - > despite any marking of Items GST1 and GST3, clauses 34.4, 34.5 and 34.7 do not apply.

- B. If the Yes box in Item GST 1 is marked:
- > Items GST2 and GST3 must not be marked;
 - > despite any markings of Items GST2 and GST3, clauses 34.4, 34.5 and 34.6 do not apply.
- C. If the Yes box in Item GST2 is marked:
- > Item GST1 and GST3 must not be marked;
 - > despite any marking of Items GST1 and GST3, clauses 34.4, 34.5 and 34.7 do not apply.

- C. If the Yes box in Item GST2 is marked:
- > Item GST1 and GST3 must not be marked;
 - > despite any marking of Items GST1 and GST3, clauses 34.4, 34.5 and 34.7 do not apply.

CST:

Going Concern:

Warning: There are strict requirements for the sale of a Going Concern under the GST Act. If in doubt about complying with those provisions, seek professional advice before marking this item.

Is this a sale of a Going Concern?

Vag

If yes, clause 34.7 (if the Supply is a Going Concern) applies.

Otherwise clause 34.7 (If the Supply is a Going Concern) does not apply.

If the Yes box is marked, do not complete items GST2 and GST3.

634

Margin Scheme:

Is the Margin Scheme to apply to the sale of the Property? Yes ☒ X

If yes, clause 34.6 (Margin Scheme) applies.

Otherwise clause 34.6 (Margin Scheme) does not apply.

The Vendor must not apply the Margin Scheme to the Supply of the Property if clause 34.6 does not apply.

575

**Inclusive or Exclusive
Purchase Price:**

(Do not complete Item GST3 if Item GST1 (Going Concern) or Item GST2 (Margin Scheme) are marked Yes.)

Mark 7 box only

Does the Purchase Price include GST?

202

If Yes, clause 34.4 (Purchase Price includes GST) applies.

No

If No, clause 34.5 (Purchase Price Does Not Include GST) applies.

If neither box is marked or if both boxes are marked, clause 24.4 (Purchase Price Includes GST) applies.

LEASE SCHEDULE*

See Clause 32 of Standard Commercial Conditions

PROPERTY ADDRESS**LEASE 1**

NAME OF TENANT:

USE:

LOCATION/TENANCY NO:

AREA OF TENANCY (m2 approx.):

CURRENT RENTAL PER ANNUM:

CURRENT LEASE COMMENCEMENT DATE:

CURRENT LEASE TERM:

REMAINING OPTION/S:

Option 1 Term years

Option 2 Term years

Option 3 Term years

TENANT CARPARK:

No. Rate \$ per annum/month†

LEASE 2

NAME OF TENANT:

USE:

LOCATION/TENANCY NO:

AREA OF TENANCY (m2 approx.):

CURRENT RENTAL PER ANNUM:

CURRENT LEASE COMMENCEMENT DATE:

CURRENT LEASE TERM:

REMAINING OPTION/S:

Option 1 Term years

Option 2 Term years

Option 3 Term years

TENANT CARPARK:

No. Rate \$ per annum/month†

* Attach further Schedule if insufficient space.

† Strike out as required.

SERVICE CONTRACT SCHEDULE *

See Clause 32 of Standard Commercial Conditions

PROPERTY ADDRESS

CONTRACT 1

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per annum/quarter/month†

CONTRACT 2

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per annum/quarter/month†

CONTRACT 3

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per month

CONTRACT 4

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per quarter

CONTRACT 5

SERVICE CONTRACTOR:

SERVICE PERFORMED:

COST: \$ per annum

*Attach further Schedule if insufficient space.

†Strike out as required

SPECIAL CONDITIONS
JD GOICOECHEA CONTRACT

1.

1.1 Contemporaneous settlements

- (a) Subject to clause 1.2, the parties acknowledge that Settlement of this Contract, and of the "Markina" Contract, is intended to occur contemporaneously.
- (b) Despite any other provision of this Contract, or of the Markina Contract, but subject to clause 1.2, the parties will not be required to effect Settlement under this Contract except contemporaneously with the Markina Contract.
- (c) Nothing in this clause expressly contained or implied prejudicially affects the parties' rights to default interest under any other provision of this Contract.

1.2 Default

- (a) A default by the vendor under the Markina Contract that entitles the purchaser to terminate the Markina Contract, will be deemed to be a default by the vendor under this Contract.
- (b) A default by the purchaser under the Markina Contract that entitles the vendor under the Markina Contract to terminate the Markina Contract, will be deemed to be a default by the purchaser under this Contract.

1.3 The Other Contract

The Markina Contract means a contract of even date with this contract between the purchaser as purchaser and Markina Developments Pty Ltd (as Trustee) as vendor for certain land contiguous to this property, contained in Certificate of Title 50384550 described as Lot 2 on SP139540, subject to the easements described in the Markina Contract.

2. DUE DILIGENCE

- 2.1 The Purchaser acknowledges after signing this Contract it will, within fourteen (14) days of the date of this Contract, have carried out its due diligence searches, investigations and enquiries. If the Purchaser gives written notice before 5.00pm on the fourteenth day after this Contract that the due diligence is not satisfactory, the deposit will be refunded to the Purchaser absolutely, provided the Purchaser provides the Vendor with copies of all its searches, investigations and enquiries and the reasons why they are not satisfactory.

Jasmin Shaw

From: Ben Fisher <BFisher@lmaustralia.com>
Sent: Thursday, 17 October 2013 4:41 PM
To: David James
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au); Poppy Potter
Subject: RE: LM Managed Performance Fund

Hi David,

I'm working on some other items at the minute, but quickly found some older MYOB files which I've put up on the FTP site under [Added post image taken 10102013/KM – MYOB].

There doesn't appear to be any earlier Quickbooks' files in the directories so will have to have a look at this when I get the opportunity.

Regards,
Ben

Ben Fisher

Chief Information Officer | Information Technology

T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5592 2505 | E bfisher@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217, Queensland, Australia

www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [<mailto:djames@kordamentria.com>]
Sent: Thursday, 17 October 2013 3:04 PM
To: Ben Fisher
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au); Poppy Potter
Subject: LM Managed Performance Fund

Hi Ben

We have tried to drill into the Quickbooks we have been provided for Maddison Estate / LM Coomera however we are running into the same issues > the data appears to be written on at 30 June 2008, refer below:

LM Coomera Pty Ltd Transaction Detail by Account All Transactions

Type	Date	Name	Source	Description	Debit	Credit	Split	Debit	Credit	Balance
Coomera JV Investment										
Investment in Coomera JV										
General Journal	30/06/2008	LM		Transfer	10,000.00			10,000.00		10,000.00
General Journal	30/06/2008	LM		Bank		10,000.00			10,000.00	20,000.00
General Journal	30/06/2008	LM		Interest from		10,000.00			10,000.00	40,000.00
General Journal	30/06/2008	LM		Dividend		10,000.00			10,000.00	60,000.00
General Journal	30/06/2008	LM		Draw to LM	10,000.00			10,000.00		40,000.00
General Journal	30/06/2008	LM		Draw to LM	10,000.00			10,000.00		20,000.00
General Journal	30/06/2008	LM		Draw to LM	10,000.00			10,000.00		10,000.00

The entries are journals and don't appear to be 'rollovers' from previous years. Accordingly we are unable to see anything prior to 1 July 2009. Also the data gets very patchy in 2010. Are there additional LM Coomera QB files that we have not been supplied with? The file we have been provided with is as follows:

 LM Coomera Pty Ltd (backup Oct 10, 2011...)	10/10/2011 10:10:10 AM	Q:\LM Coomera Pty Ltd\10/10/2011	0.14 KB
 LM Coomera Pty Ltd	27/10/2011 10:10:10 AM	Q:\LM Coomera Pty Ltd\27/10/2011	0.14 KB
lm coomera pty ltd ch...nd	27/10/2011 10:10:10 AM	Q:\LM Coomera Pty Ltd\27/10/2011	0.14 KB

We have located the attached two spread sheets from the FTP site at:

[ftp://ftp.lmaustralia.com/MaddisonEstate/Proforma%20%26%20Historical%20Financials%20\(PL%20BS%20%26%20CFY](ftp://ftp.lmaustralia.com/MaddisonEstate/Proforma%20%26%20Historical%20Financials%20(PL%20BS%20%26%20CFY)

To my mind those summary exports come from MYOB. Are you aware of LM Coomera / Maddison Estate MYOB files?

Please call me should you wish to discuss.

Regards,
David

David James | Executive Analyst
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3336 0281 | m +61 416 206 260
e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

Jasmin Shaw

From: Simon Tickner <STickner@lmaustralia.com>
Sent: Wednesday, 23 October 2013 5:19 PM
To: David James
Cc: Ben Fisher; vtran@cloutsinsolvency.com.au; James King
Subject: RE: LM MPF

David

I am responding to your enquiry below.

Estate Master feasibility studies were only adopted internally by LM staff from mid-2010 for asset management/development management purposes and I am trying to establish (from the dates and figures you have provided) which financial models may have formed the basis of those figures.

In the period 2007 to 2009 LM's joint venture partner at that time, Youngland Corporation, was involved in the project and it is possible certain of their books and records, kept as the project's Development Manager, may contain information which would assist with your requests. They did use Estate Master software for some if not all of that time but we are not able to obtain this information as they subsequently went into liquidation and ceased trading in or around 2010.

As you know LMA now no longer hold any hard copy files (neither current nor archived) and I am finding it difficult to locate everything you have requested in soft copy as LM's protocol at the time did not require everything be scanned and saved electronically.

I hope to have everything we are able to source available for you by Friday.

Regards

Simon Tickner

T +61 7 5584 4500 | D | F +61 7 5538 1965 | E stickner@lmaustralia.com
A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217, Queensland, Australia
www.LMAustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: Ben Fisher
Sent: Wednesday, 16 October 2013 4:15 PM
To: Simon Tickner
Subject: FW: LM MPF

Hi Simon,

Who would be the best person to help with the below from KM?

Thanks,
Ben

Ben Fisher

Chief Information Officer | Information Technology

T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5592 2505 | E bfisher@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia : P PO Box 923, Surfers Paradise, 4217, Queensland, Australia

www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [<mailto:djames@kordamentha.com>]

Sent: Wednesday, 16 October 2013 2:37 PM

To: Ben Fisher

Cc: Vinh Tran (vtran@cloutsinsolvency.com.au); James King

Subject: RE: LM MPF

Hi Ben

Another request, this one again is quite urgent.

Can you please provide the following EstateMaster feasibility models (refer to the dates in the first instance - additional info. provided where possible in support). Could you export in Excel where possible.

Date	Gross Realisable Value projection (incl. GST)	Expected net cash profit	Net development profit	Development margin	IRR	Residual land value	File name (if known)
11/9/2007	\$577.8m	\$65.0m					
17/9/2008	\$824.0m		\$195.0m	35.0%	30.0%	\$125.0m	
5/8/2009	\$750M		\$125.0m	30%	30%	\$100.0m	
25/2/2010						\$120M	
28/7/2010	\$826M		\$179.0m	30.94%	24.06%	\$87.8M	
10/8/2012							June 2012 Land & Medium Density Units Full Recovery Variable Discount Rate 05082012.emdf

Thanks. Regards,
David

David James | Executive Analyst

KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000

t +61 7 3338 0281 | m +61 416 206 260

e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Ben Fisher [<mailto:BFisher@lmaustralia.com>]

Sent: Wednesday, 16 October 2013 1:14 PM

To: David James
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au)
Subject: RE: LM MPF

Hi David,

I don't mind the requests coming through, I'll just copy Vinh in on it as well.
I've been told we have this but will take a couple of days to retrieve and get to you.

Also, the lockdown of remote access is taking a little longer than expected but will continue to try and provide this to you ASAP.

Regards,
Ben

Ben Fisher
Chief Information Officer | Information Technology
T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5592 2505 : E bfisher@lmaustralia.com
A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia : P PO Box 923, Surfers Paradise, 4217
Queensland, Australia
www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [<mailto:djames@kordamentha.com>]
Sent: Tuesday, 15 October 2013 3:07 PM
To: Ben Fisher
Subject: LM MPF

Hi Ben

Can you please try and locate the settlement statement(s) / original contract(s) for the LM Bushlands (Townsville) property purchase.

They would be from around 2003 however we need it for an upcoming settlement (GST status of the property).

Do you mind me making requests for documents in this form (ad hoc)? Otherwise we might need to make a protocol for urgent requests. Let me know

Cheers,
David

David James | Executive Analyst
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3335 0281 | m +61 416 206 260
e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

Jasmin Shaw

From: Simon Tickner <STickner@lmaustralia.com>
Sent: Thursday, 24 October 2013 11:11 AM
To: David James
Cc: vtran@cloutinsolvency.com.au; Ben Fisher
Subject: FW: Feasibility studies and DCFs

David

The electronic files I just tried to email you are extremely large and have been rejected as such by your email system, as you can see below.

I copied the text of my email so you can see what we are able to provide now so please advise whether you would like us to:

- a. Save them onto a USB and send Express Post to you or
- b. Place them into the data room

Regards

Simon

Good morning David

Further to previous emails as attached herewith are the following items as requested:

Coomera 100% Build 11 Feb 2010 – I assume this is the study you refer to as the only information you state is a \$120M residual land value and this analysis shows a very similar statistic based upon the inputs selected. (It is worth noting that many variations of the studies are saved in the system on a “work in progress” basis and I am trying to best identify which version aligns with your request)

June 2010 – LM 100% Build - I have also attached the discounted cash flow analysis (Coomera DCF 2010) which I believe formed the basis of the June 2010 accounts of the Fund.

June 2012 Land & Medium Density Units Full Recovery Variable Discount Rate – I have also attached the discounted cash flow analysis Copy of Maddison DCF – June 2012 which I believe formed the basis of the June 2012 audited accounts of the Fund.

Date	Gross Realisable Value projection	Expected net cash	Net development	Development margin	IRR	Residual land value	File name (if known)
------	-----------------------------------	-------------------	-----------------	--------------------	-----	---------------------	----------------------

	(incl. GST)	profit	profit				
11/9/2007	\$577.8m	\$65.0m					
17/9/2008	\$824.0m		\$195.0m	35.0%	30.0%	\$125.0m	
5/8/2009	\$750M		\$125.0m	30%	30%	\$100.0m	
25/2/2010						\$120M	
28/7/2010	\$826M		\$179.0m	20.94%	24.06%	\$87.8M	
10/9/2012							June 2012 Land & Medium Density Units Full Recovery Variable Discount Rate 05062012 em/h

I will continue to try and trace more information of the aged financial models but this will not be available by tomorrow.

The retrieval of emails as now requested will need to be managed by Ben Fisher (IT) as it is system related but Ben is not in the office today.

Regards

Simon Tickner

T +61 7 5584 4500 | D | F +61 7 5538 1965 | E slickner@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217, Queensland, Australia
www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: Microsoft Exchange
Sent: Thursday, 24 October 2013 10:05 AM
To: Simon Tickner
Subject: Undeliverable: Feasibility studies and DCFs

Received: from ing-ex02.limausalle.local ([192.162.1.55]) by ingce02
([192.162.1.55]) with mapi; Thu, 24 Oct 2013 10:03:04 +1000
From: Simon Tidner <Stidner@lmaustralia.com>
To: "James@kordementis.com" <djames@kordementis.com>
Cc: "Luan@clarkinsolvency.com.au" <luan@clarkinsolvency.com.au>, "Ben
Fisher" <BFisher@lmaustralia.com>, "James King" (jtking@332realestate.com)"
<jtking@332realestate.com>
Date: Thu, 24 Oct 2013 10:02:59 +1000
Subject: Feasibility studies and DCFs
Thread-Topic: Feasibility studies and DCFs
Thread-Index: Ac7QSD18YUing8UHL6w3XyG150Q==
Message-ID: <2d7673da-0251-4730-8595-4f3db52a22eb@ingce02.lmaustralia.local>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach: yes
X-MS-TNEF-Correlator:
acceptlanguage=en-US
Content-Type: multipart/mixed;
boundary="102_2d7673da0251473085954f3db52a22eb@ingce02.lmaustralia.local"
MIME-Version: 1.0

Jasmin Shaw

From: Ben Fisher <BFisher@lmaustralia.com>
Sent: Wednesday, 30 October 2013 10:47 AM
To: David James
Subject: RE: LM MPF | General Ledgers

Hi David,

Sorry, haven't had much of a chance to work on this of late, but will start looking at today.
I've downloaded the files and all looks pretty self-explanatory, so I'll get a base file together as a sample to send you and then we can discuss from there.

Regards,
Ben

Ben Fisher

Chief Information Officer- Information Technology
T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5592 2505 | E bfisher@lmaustralia.com
A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217
Queensland, Australia
www.LMAustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [<mailto:djames@kordamentha.com>]
Sent: Wednesday, 23 October 2013 3:44 PM
To: Ben Fisher
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au); Jarrod Villani
Subject: LM MPF | General Ledgers

Hi Ben

As previously discussed, we need to extract the General Ledgers for the MPF. I believe they will be extracted from AX for periods post 1 July 2011.

Someone previously supplied our office with a GL for FY2013 however we had to undertake significant manipulation to make it functional. Whilst we were in the LMA office we discussed a possible opportunity for you to be able to export in a different format to save us from having to cut the data.

I have organised both the original export GL and our cut of the GL to be placed on our cloud server (they are ~30mb and therefore unsuitable for email). To access the shared files click on the link below. You will be prompted for a password. Your password to access the files is: **impassword**

<https://kmccloud.kordamentha.com/public.php?service=files&t=b9ba3c39230dd42e5c585d4dc677a0c4>

You can download the files by hovering over the file and then clicking on the download link.

Can you let me know when you are available for a conversation regarding this information? It will probably be easiest to run through it on the phone. We will require GL's from the inception of the Fund.

Regards,
David

Jasmin Shaw

From: Ben Fisher <BFisher@lmaustralia.com>
Sent: Wednesday, 30 October 2013 12:04 PM
To: David James
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au); Simon Vertullo
Subject: RE: LMA (In Liq) (Contr Appt) and LM MPF

Hi David,

I've searched for the below documents and have placed what I could in the FTP site as per below;

Maddison

2012 Balance Sheet + Tax Return – not prepared

2009 Signed Financials (including PL and BS) - uploaded to FTP: \Added post image taken 10102013\Maddison CR Financial Statements\LM Coomera Pty Ltd - FS 2009- SIGNED.pdf

Coomera Ridge Pty Ltd

I was only available to find 2010 information related to Coomera Ridge and consisted of the following.

2010 MYOB file – uploaded to FTP site: \Added post image taken 10102013\KM - MYOB\LM Coomera MYOB 2010\Coomera Ridge Pty Ltd.MYO

2010 Financials – uploaded to FTP site: \Added post image taken 10102013\Maddison CR Financial Statements\LM Coomera PL & CRDC PL 2010 FS - Signed.pdf

2010 Tax Return – uploaded to FTP site: \Added post image taken 10102013\Maddison CR Financial Statements\LM Coomera PL & CRDC PL - ITR-2010-Signed.pdf

Regards,
Ben

Ben Fisher

Chief Information Officer | Information Technology

T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5592 2505 | E bfisher@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 928, Surfers Paradise, 4217, Queensland, Australia

www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [mailto:djames@kordamentha.com]
Sent: Wednesday, 23 October 2013 4:46 PM
To: Ben Fisher
Cc: Vinh Tran (vtran@cloutsinsolvency.com.au); Simon Vertullo
Subject: RE: LMA (In Liq) (Contr Appt) and LM MPF

Hi Ben

Further to our earlier emails, I have inserted below a table with a small matrix of financial information we require. Of the documents required (green), can you please let me know what you can provide and a timeframe for their delivery?

Regards,
David

Entity	Profit and Loss	Balance Sheet	Tax Returns	Notes
Maddison Estate Pty Ltd (LM Coomera PL)				
2013				Tax return not prepared
2012				Tax return not prepared
2011				Maddison Estate
2010				LM Coomera
2009				LM Coomera
Coomera Ridge Pty Ltd				
2013				
2012				
2011				
Key:				Documents already supplied
				Documents unavailable
				Documents required

David James | Executive Analyst
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0281 | m +61 416 205 260
e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Ben Fisher [<mailto:BFisher@lmaustralia.com>]
Sent: Monday, 14 October 2013 3:19 PM
To: David James
Cc: vtran@doutinsolvency.com.au; Jarrod Villani; Brendan Read
Subject: RE: LMA (In Liq) (Contr Appt) and LM MPF

Hi David,

I have located and attached ITR's for 2008 – 2011. I've also placed under a new folder [Added post image taken 10102013/Maddison Income Tax Returns] in the data room.
Just checking with external accountants on 2012 ITR.

Regards,
Ben

Ben Fisher
Chief Information Officer | Information Technology
T +61 7 5584 4500 | D +61 7 5584 4548 | F +61 7 5592 2505 | E bfisher@lmaustralia.com
A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 925, Surfers Paradise, 4217, Queensland, Australia
www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [<mailto:djames@kordamentha.com>]
Sent: Monday, 14 October 2013 2:35 PM
To: Ben Fisher
Cc: vtran@doutinsolvency.com.au; Jarrod Villani; Brendan Read
Subject: RE: LMA (In Liq) (Contr Appt) and LM MPF

Hi Ben

Are you able to supply by email the Maddison Estate tax returns? We require these urgently. The three most recent will suffice for the time being if that is easier.

Any problems, please give me a call.

Regards,
David

David James | Executive Analyst
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3336 0251 | m +61 416 206 250
e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: David James
Sent: Thursday, 10 October 2013 5:20 PM
To: 'BFisher@lmaustralia.com'
Cc: 'ltran@cloutinsolvency.com.au'; Jarrod Villani; Brendan Read
Subject: LMA (In Liq) (Contr Appt) and LM MPF
Importance: High

Hi Ben

Thank you for taking the time to meet with us this morning. By way of summary, can you please arrange for the following data/documents to be made available (in the first instance preferably on a hard drive with Brendan, where appropriate):

1. Data room / FTP

- All data currently located on FTP.

2. LM Administration

- All information available through the AX system via a remote login directly into the AX system.
- All pre-AX financial data (e.g. Quickbooks). I understand from our meeting this morning that this data can be loaded into the AX.
- All the above data should also be copied to our hard drive

3. LM Administration at the Ekard Trust

- All information available through the AX system via a remote login directly into the AX system.
- All pre-AX financial data (e.g. Quickbooks). I understand from our meeting this morning that this data can be loaded into the AX.
- All the above data should also be copied to our hard drive

4. LM Administration Trust

- All information available through the AX system via a remote login directly into the AX system.
- All pre-AX financial data (e.g. Quickbooks). I understand from our meeting this morning that this data can be loaded into the AX.
- All the above data should also be copied to our hard drive

5. Maddison Estate (LM Coomera Pty Ltd / Arrowtown Pty Ltd / Coomera Ridge Pty Ltd / Maddison Estate Pty Ltd)

- MYOB/Quickbooks dating back to commencement (Albeit that we may already have these documents, I don't think it hurts to include again)
- Income Tax returns for all years.
- Creditor committee meeting minutes that increased borrowing limit to \$40m. This was conducted between September 2007 and September 2008.
- Creditor committee meeting minutes that increased borrowing limit to \$70m.
- All the above data should also be copied to our hard drive

6. MPF

- All financial records captured within Quickbooks files used prior to AX system
- All financial records contained within the Composer System.
- We will discuss the general ledger extracts from AX in the coming days. This will be based on the file which I will send you once I have discussed with Brendan how we get it to you as it is 30+MB
- All the above data should also be copied to our hard drive

7. Other

- Financial data pertaining to the MPF not listed above (e.g. MPF SPV's Quickbooks and related files)

Thank you for your assistance. Please call myself (details below) if you have any queries.

Regards,
David

David James | Executive Analyst
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3336 0281 | m +61 416 206 260
e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

Jasmin Shaw

From: David James <djames@kordamentha.com>
Sent: Monday, 11 November 2013 5:11 PM
To: Steve Hannan
Cc: Jarrod Villani
Subject: RE: MPF

Hi Steve

Being unsure of the procedures LM undertook to lodge their BAS's, it is difficult to request specific documents.

The MPF lodged BAS's on a monthly basis so we need to review the document trail used to justify the numbers lodged with the ATO. On this issue, I would hope there would be a file with a copy of the lodged BAS's and the working papers utilised to compile each monthly BAS. Otherwise the numbers provided to the ATO are problematic insofar that there is no basis for us to confirm or dispute them. The ITAA 1936 requires businesses to keep tax related records for 5 years subsequent to the reported activity.

The MPF may have a significant debt with the ATO resulting from BAS lodgements occurring before the change of trustees and prior to Administrators being appointed which requires detailed investigation. We would appreciate confirming whether the BAS working papers can be supplied to ourselves by COB Friday, 15 November 2013.

Regards,
David

David James | Executive Analyst
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0281 | m +61 416 206 260
e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Steve Hannan [<mailto:shannan@lmaustralia.com>]
Sent: Monday, 11 November 2013 9:52 AM
To: David James
Cc: Jarrod Villani
Subject: RE: MPF

Hi David,

To be honest I don't recall where this finished up. From memory I wasn't able to locate any working papers (lodgement docs etc).

I think I discussed with David at the time that the major difficulty was that we no longer have a finance department with any of this background knowledge.

If you want to send through exactly what you are chasing I am happy to try and dig this back up again in conjunction with my current workload.

Thanks.

Steve

Steve Hannan

Investment Services Manager | Investment Services

T +61 7 5584 4500 | D +61 7 5584 4569 | F +61 7 5592 2505 | E shannan@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217, Queensland, Australia

www.LMaustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David James [<mailto:djames@kordamentha.com>]

Sent: Wednesday, 6 November 2013 2:53 PM

To: Steve Hannan

Cc: Jarrod Villani

Subject: RE: MPF

Hi Steve

Was there any update on the BAS lodgements further to the below? Were you able to locate more working papers for the FY2013 BAS lodgements?

This might be easiest on a phone call. If you agree, can you please let me know a time you are free and we can discuss?

Regards,
David

David James | Executive Analyst

KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000

t +61 7 3336 0251 | m +61 416 206 260

e djames@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Steve Hannan [<mailto:shannan@lmaustralia.com>]

Sent: Wednesday, 25 September 2013 2:02 PM

To: David Johnstone

Subject: RE: MPF

Hi David,

I've been playing around this morning and am still trying to come to terms with the data and how you'll be able to reconcile it.

I've attached the first month (July 2012) which is two sheets, the Distribution Payables Ledger and the Withholding Tax Payable Ledger.

I'm no accountant but from what I'm looking at it's not going to be as simple matching off the withholding tax amount total against the total dist payable for the period.

I'll keep trying to decipher the trans to narrow down what should and shouldn't be considered for this.

Cheers,

Steve

Steve Hannan

Investment Services Manager | Investment Services

T +61 7 5584 4500 | D +61 7 5584 4569 | F +61 7 5592 2505 | E shannan@lmaustralia.com

A Level 1, 38 Cavill Ave Surfers Paradise, 4217, Queensland, Australia | P PO Box 923, Surfers Paradise, 4217, Queensland, Australia

www.LMAustralia.com

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the recipient to whom it is addressed. If you are not the intended recipient or the person responsible for delivering this e-mail to the intended recipient, you are advised that any use, dissemination, forwarding, printing, or copying of this e-mail and any file attachments is strictly prohibited. If you have received this e-mail in error, you must destroy the original transmission and any attachments and immediately notify the sender by reply e-mail.

From: David Johnstone [<mailto:djohnstone@kordamentha.com>]

Sent: Wednesday, 25 September 2013 12:56 PM

To: Steve Hannan

Subject: MPF

Hi Steve

Have you had any success with the interest income distribution/withholding tax issue?

Regards,

David

David Johnstone | Senior Executive Analyst

KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000

t +61 7 3338 0283 | m +61 402 723 868

e djohnstone@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

Davina Holland

From: Alterator, Christine <Christine.Alterator@fticonsulting.com>
Sent: Monday, 17 June 2013 4:03 PM
Subject: RE: Follow-up

Jarrold

Ben Pascoe has advised he is available tomorrow from 12pm our time. Could you please let me know your availability for a teleconference tomorrow.

Regards

Christine Alterator
Director
Corporate Finance/Restructuring

FTI Consulting
1117.322.14050 direct
1117.322.4843 fax
Christine.Alterator@fticonsulting.com

24 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

Victor joined FTI Consulting. [Click here](#) to learn more.

[View the full email conversation between Christine Alterator and Jarrold](#)

From: Alterator, Christine
Sent: 13 June 2013 10:06 AM
To: Jarrold Villani; Trenfield, Kelly-Anne
Cc: Brendan Read
Subject: RE: Follow-up

Jarrold

Ben has advised he is not available until Tuesday next week and we have been investigating an alternative i.e. a report detailing the technical aspects of the work undertaken (as discussed at the meeting) or an alternative contact person.

The reports prepared by Ben do not detail the technical aspects of the work undertaken and as such if you are wanting to discuss this with the person that undertook the work he will be available Tuesday.

Regards

Christine Alterator
Director
Corporate Finance/Restructuring

FTI Consulting
1117.322.14050 direct
1117.322.4843 fax
Christine.Alterator@fticonsulting.com

24 Market Street
Brisbane QLD
4000
Australia

www.fticonsulting-asia.com

We've joined FTI Consulting – click [here](#) to learn more.

Website: www.fticonsulting-asia.com | Email: info@fticonsulting-asia.com

From: Jarrod Villani [<mailto:jvillani@kordamentha.com>]

Sent: Wednesday, June 12, 2013 11:26 PM

To: Trenfield, Kelly-Anne; Alterator, Christine

Cc: Brendan Read

Subject: Re: Follow-up

It has already taken a week to organise a call.. Nothing is that difficult.

From: Trenfield, Kelly-Anne [<mailto:Kelly-Anne.Trenfield@fticonsulting.com>]

Sent: Wednesday, June 12, 2013 10:44 PM

To: Jarrod Villani; Alterator, Christine <Christine.Alterator@fticonsulting.com>

Cc: Brendan Read

Subject: RE: Follow-up

Hi JV – Unfortunately Ben isn't available this week. We're trying to see if there is someone else, but as we all have other things on this might take a little longer.

Cheers

Kel

Kelly Trenfield

Senior Managing Director

Corporate Finance/Restructuring

FTI Consulting

10/11/31/20/10/10 10/10

01/1/2013/13/13/13

Kelly.Trenfield@fticonsulting.com

25 Market Street

Brisbane QLD

4000

Australia

www.fticonsulting-asia.com

We've joined FTI Consulting – click [here](#) to learn more.

Website: www.fticonsulting-asia.com | Email: info@fticonsulting-asia.com

From: Jarrod Villani [<mailto:jvillani@kordamentha.com>]

Sent: Wednesday, June 12, 2013 6:59 PM

To: Alterator, Christine; Trenfield, Kelly-Anne

Cc: Brendan Read

Subject: RE: Follow-up

Christine,

We need this call to take place this week? Please confirm today/tomorrow morning.

Thanks

Jarrold

Jarrold Villani | Director

KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0285 | m +61 481 436 348
e jvilliani@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Alterator, Christine [<mailto:Christine.Alterator@fticonsulting.com>]
Sent: Wednesday, 12 June 2013 10:31 AM
To: Jarrod Villani; Trenfield, Kelly-Anne
Subject: RE: Follow-up

Hi Jarrod

I have emailed Ben Pascoe and I am currently awaiting a response. Once I hear back from him I will update you accordingly.

Regards

Christine Alterator
Director,
Corporate Finance/Resourcing

FTI Consulting
t +61 7 3223 4931 direct
t +61 7 3223 4992 fax
Christine.Alterator@fticonsulting.com

22 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

Wolva joined FTI Consulting – click [here](#) to learn more

FTI Consulting is an Equal Opportunity Employer. Minorities and women are encouraged to apply.

From: Jarrod Villani [<mailto:jvilliani@kordamentha.com>]
Sent: 12 June 2013 9:45 AM
To: Trenfield, Kelly-Anne; Alterator, Christine
Subject: FW: Follow-up

Kel and Christine,

Need a response on this morning.

Thanks

JV

Jarrod Villani | Director
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0285 | m +61 481 436 348
e jvilliani@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Jarrod Villani
Sent: Tuesday, 11 June 2013 8:52 AM
To: Alterator, Christine (Christine.Alterator@fticonsulting.com); kelly.trenfield@fticonsulting.com
Subject: FW: Follow-up

Hi Christine and Kelly,

Hope you both enjoyed the long weekend.

Following up on the below, we really need to get moving on our investigation and a discussion with Ben Pascoe is the starting point to this. Could you please respond this morning and let me know when a teleconference will be possible?

If you wish to discuss please call me.

Best regards

Jarrold

Jarrold Villani | Director
Kordamentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0285 | m +61 481 438 348
e jvillani@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Jarrold Villani

Sent: Thursday, 6 June 2013 1:33 PM

To: Alterator, Christine (Christine.Alterator@ficonconsulting.com)

Cc: kelly.trenfield@ficonconsulting.com; Brendan Read

Subject: Follow-up

Hi Christine,

Thanks for your time yesterday, it was good seeing you again.

Confirming our discuss from this meeting, you agreed to:

- Organise for us to speak with Ben Pascoe (FTI, HK) as a matter of urgency to better understand the work undertaken by him on LM and avoid any unnecessary overlap of work, where it can be avoided
- Ask Eryn whether historical (the life of the Fund) Bank Statements were held electronically (if so where and can we have access to them) or in hard copy only (if so, do we have a copy of them?)
- Ask Eryn what Quickbooks was used for and whether this information was migrated across to Dynamix AX 2009 platform.
 - o If so how can it be identified?
 - o If not where is the quickbooks information held?

In terms of timing, the f-tech imaging process is the first step in our detailed investigation process which we would like to commence immediately. With this in mind, we would like to speak with Ben today or tomorrow and then meet with you and/or Kelly to discuss next steps.

Look forward to hearing from you.

Best regards

Jarrold

Jarrold Villani | Director
Kordamentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0285 | m +61 481 438 348
e jvillani@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

On: 6/6/2013 11:03 AM

This email and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, we advise that any

Disclosure, copying, distribution or use of the e-mail or any Attachment is prohibited. If you have received this e-mail in error, please notify us immediately by replying to the sender and then delete this copy and the reply from your system. Thank you for your cooperation.

Davina Holland

From: Alterator, Christine <Christine.Alterator@fticonsulting.com>
Sent: Friday, 21 June 2013 3:32 PM
Subject: FW: Forensic Image Documents
Attachments: ASIC LMI Service.pdf; 11404986_1 LMI- s30 notice to-uce- receipt of harddrives.pdf; LM_Mallesons_Chain of Custody_11Apr2013.pdf; Forensic Backup Status.xlsx; Disaster Recovery Plan - Public Release.docx

Jarrold

I refer to your email below and the teleconference on Tuesday.

Please find attached the following documents:

- ASIC production order;
- Chain of custody documents;
- Listing of servers imaged; and
- Draft Business Continuity Plan as prepared by LM.

Regards

Christine Alterator
Director,
Corporate Finance/Restructuring

FTI Consulting
+61 7 3225 4900 (local)
+61 7 3225 4999 (int)
Christine.Alterator@fticonsulting.com

22 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

We've joined FTI Consulting – click [here](#) to learn more.

FTI Consulting is an Equal Opportunity Employer. Minorities and women are encouraged to apply.

From: Jarrod Villani [<mailto:jvillani@kordamentha.com>]
Sent: 21 June 2013 9:30 AM
To: Alterator, Christine
Cc: Brendan Read; ben.pascoe@fticonsulting.com
Subject: Forensic Image Documents

Christine,

Per our teleconference earlier this week we agreed that you would obtain permission to provide the following documents:

1. ASIC production order
2. FTI Chain of custody documents
3. FTI Spread sheet which outlined which computers were imaged
4. LM Continuity document.

Can you please advise if/when this information will be made available?

Thanks

Jarrold

Jarrold Villiani | Director
KordiaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0285 | m +61 481 438 346
e jvilliani@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

Confidentiality Notice:

This email and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the email or any attachment is prohibited. If you have received this email in error, please notify us immediately by replying to the sender and then delete this copy and the reply from your system. Thank you for your cooperation.

Davina Holland

From: Alterator, Christine <Christine.Alterator@ficonconsulting.com>
Sent: Thursday, 27 June 2013 1:39 PM
Subject: RE: Forensic Image Documents

I will arrange and send invites shortly.

Christine Alterator
Director
Corporate Forensic Consulting

FIT Consulting
+61 7 3328 4559 direct
+61 7 3328 4000 fax
Christine.Alterator@ficonconsulting.com

27 Market Street
Brisbane QLD
4000
Australia
www.ficonconsulting-asia.com

We've joined FIT Consulting – [click here](#) to learn more

This email and any files transmitted with it are confidential and intended solely for the individual named.

From: Brendan Read [<mailto:bread@kordamentha.com>]
Sent: 27 June 2013 1:02 PM
To: Alterator, Christine
Cc: Jarrod Villani
Subject: RE: Forensic Image Documents

That would be great. Thanks Christine.

Would you be able to setup the meeting from your end or would you like me to do it from our end?

Regards
Brendan

Brendan Read | Associate Director
Kordamentha Forensic | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0254 | m +61 410 883 590
e bread@kordamentha.com | w www.kordamentha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Alterator, Christine [<mailto:Christine.Alterator@ficonconsulting.com>]
Sent: Thursday, 27 June 2013 12:53 PM
To: Brendan Read
Subject: RE: Forensic Image Documents

Brendan

Ben said he is in meetings this afternoon but he has offered to stay on at the office tomorrow and meet at 12pm our time (10am his time)?

Regards

Christine Alterator

Director
Corporate Finance/Restructuring

FTI Consulting
+61 7 3323 4059 direct
+61 7 3323 4099 fax
Christine.Alterator@fticonsulting.com

22 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

We've joined FTI Consulting - click [here](#) to learn more

Linking email to KordaMentha.com - please email christine.alterator@kordamentha.com

From: Brendan Read [<mailto:bread@kordamentha.com>]
Sent: 27 June 2013 12:07 PM
To: Alterator, Christine
Cc: Jarrod Villani
Subject: Re: Forensic Image Documents

Thanks Christine

Brendan Read | Associate Director
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0254 | m +61 410 883 590
e bread@kordamentha.com | w www.kordamentha.com

On 27/06/2013, at 11:58 AM, "Alterator, Christine" <Christine.Alterator@fticonsulting.com> wrote:

Hi Brendan

I will contact Ben now to see if he is free this afternoon.

Regards

Christine Alterator
Director
Corporate Finance/Restructuring

FTI Consulting
+61 7 3323 4050 direct
+61 7 3323 4099 fax
Christine.Alterator@fticonsulting.com

22 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

We've joined FTI Consulting - click [here](#) to learn more

Linking email to KordaMentha.com - please email christine.alterator@kordamentha.com

From: Brendan Read [<mailto:bread@kordamentha.com>]
Sent: 27 June 2013 11:49 AM
To: Alterator, Christine
Cc: Jarrod Villani
Subject: RE: Forensic Image Documents

Hi Christine

That would be great if you could set up another meeting for later today. Please feel free to give me a call to discuss a time but I will make myself available if Ben is free.

Regards
Brendan

Brendan Read | Associate Director
Kordamantha Forensic | Level 14, 12 Creek Street, Brisbane QLD 4000
t +61 7 3338 0254 | m +61 410 883 590
e bread@kordamantha.com | w www.kordamantha.com

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Alterator, Christine [<mailto:Christine.Alterator@fticonsulting.com>]
Sent: Wednesday, 26 June 2013 2:35 PM
To: Brendan Read
Col Jarrod Villani
Subject: FW: Forensic Image Documents
Importance: High

Dear Brendan

I refer to your previous queries below:

- ? What was imaged – The spread sheet *attached provides a description of the server, the type of data stored on each particular server and the cross indicates if the server was imaged. The colour coding in column C indicates the inter-dependency of the servers on the VM System;
- ? What hasn't been imaged – As discussed in the teleconference, servers that are listed as "No Data" were not imaged as they did not contain data and the handsets used by employees as all the data resides on the servers; and
- ? The approach used in capturing the data – this may require a further teleconference if you still have questions surrounding the method.

Ben has advised he may be available Thursday for a teleconference.

Please note all future requests should be directed to me and not directly to Ben Pascoe as he is regularly outside of Mania where mobile reception is not available. Accordingly, Ben did not receive any of your email requests until late Monday night.

Regards

Christine Alterator
Director
Corporate Finance/Restructuring

FTI Consulting
+61.7.3225.4959 direct
+61.7.3225.4999 fax
Christine.Alterator@fticonsulting.com

22 Market Street
Brisbane QLD
4000

Australia
www.fticonsulting-asia.com

We've joined FTI Consulting – click here to learn more
Liability limited by a scheme approved under Professional Standards Legislation

-----Original Message-----

From: Brendan Read (<mailto:bread@kordamentha.com>)
Sent: 25 June 2013 12:10 PM
To: Alterator, Christine
Cc: Jarrod Villani; Ben Pasco
Subject: FW: Forensic Image Documents
Importance: High

Hi Christine,

Just following on from our conversation this morning, have you had any luck contacting Ben Pasco to arrange a time for a further discussion?

As I mentioned previously we really need to have a further conversation with Ben at the earliest opportunity.

Regards
Brendan

-----Original Message-----

From: Brendan Read
Sent: Monday, 24 June 2013 8:12 PM
To: Ben.Pasco@fticonsulting.com
Cc: Jarrod Villani; Christine.Alterator@fticonsulting.com
Subject: FW: Forensic Image Documents

Ben

I have yet to receive a response in relation to my email from last week. Can you please advise a time tomorrow when you will be free to discuss the documents provided.

Furthermore, can you advise if you have completed any other documentation other than the provided spreadsheet which relates to the forensic capture for this matter?

I look forward to hearing from you.

Regards
Brendan

Hi Ben

We received the following documents from Christine Alterator this afternoon,

The main document of interest was 'Forensic Backup Status.xlsx' which I was hoping would give an outline of the following;

- What was imaged,
- What hasn't been imaged and
- The approach used in capturing the data.

The provided spread sheet just doesn't contain enough information to be able to answer those questions.

I really need to have a further discussion with you in relation to this as soon as possible. When would you be available?

Regards
Brendan

Brendan Read | Associate Director
KordaMentha Forensic | Level 14, 12 Creek Street, Brisbane QLD 4000 t +61 7 3338 0254 | m +61 410 883 590 e bread@kordamentha.com<mailto:bread@kordamentha.com> | w www.kordamentha.com<http://www.kordamentha.com>

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

From: Alterator, Christine [mailto:Christine.Alterator@fticonsulting.com]
Sent: Friday, 21 June 2013 3:32 PM
To: Jarrod Villani
Cc: Brendan Read
Subject: FW: Forensic Image Documents

Jarrod

I refer to your email below and the teleconference on Tuesday.

Please find *attached the following documents:

- ASIC production order;
- Chain of custody documents;
- Listing of servers imaged; and
- Draft Business Continuity Plan as prepared by LM.

Regards

Christine Alterator
Director
Corporate Finance/Restructuring

FTI Consulting
+61.7.3225.4959 direct
+61.7.3225.4999 fax
Christine.Alterator@fticonsulting.com<mailto:Christine.Alterator@fticonsulting.com>

22 Market Street
Brisbane QLD
4000
Australia
www.fticonsulting-asia.com

We've joined FTI Consulting – click here<<http://www.fticonsulting.com/global2/press-releases/united-states/fti-consulting-announces-agreement-to-acquire-kordamentha.aspx>> to learn more Liability limited by a scheme approved under Professional Standards Legislation

From: Jarrod Villani [mailto:jvillani@kordamentha.com]
Sent: 21 June 2013 9:30 AM
To: Alterator, Christine
Cc: Brendan Read; ben.pascoe@fticonsulting.com<mailto:ben.pascoe@fticonsulting.com>
Subject: Forensic Image Documents

Christine,

Per our teleconference earlier this week we agreed that you would obtain permission to provide the following documents:

1. ASIC production order
2. FTI Chain of custody documents
3. FTI Spread sheet which outlined which computers were imaged
4. LM Continuity document.

Can you please advise if/when this information will be made available?

Thanks
Jarrod

Jarrod Villani | Director
KordaMentha | Level 14, 12 Creek Street, Brisbane QLD 4000 t +61 7 3338 0285 | m +61 481 438 348 e jvillani@kordamentha.com<mailto:jvillani@kordamentha.com> | w
www.kordamentha.com<<http://www.kordamentha.com>>

Notice: The information in this email is confidential. If you are not the intended recipient, you must not distribute, copy, disclose or use the information or attached files in this email in any way. We do not guarantee that the integrity of this communication has been maintained. Liability limited by a scheme approved under Professional Standards Legislation.

Confidentiality Notice:

This email and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the e-mail or any attachment is prohibited. If you have received this email in error, please notify us immediately by replying to the sender and then delete this copy and the reply from your system. Thank you for your cooperation.