

LM Managed Performance Fund (‘the Fund’ or ‘MPF’)

20 December 2016 | Update to Unitholders No. 17

This is our seventeenth Update to Unitholders.

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1 Overview

1.1 Purpose of update

The purpose of this update is to provide information to Unitholders in relation to developments in the winding up of the MPF. This includes the following:

- Update on the progress of recovery action and litigation, including:
 - Barly Wood & Lifestyle court proceedings
 - AIIS court proceedings
 - potential auditor action
 - recovery of the Lygon Street loan
 - withholding tax remitted to the Australian Taxation Office (‘ATO’)
- Defence of claims against the MPF by the Receiver of LM Investment Management Limited (Receivers and Managers Appointed) as responsible entity of the LM First Mortgage Income Fund (‘FMIF’)
- Potential settlement of a number of claims by and against the MPF
- Fund management matters

All values in this document are in Australian Dollars.

1.2 Prior update reports

This update to Unitholders should be read in conjunction with prior update reports issued by the Trustee.

1.3 Summary of work undertaken / key developments

Key developments during the last six months are summarised as follows:

- Mediation of the FMIF claim against the Fund and other parties has led to negotiations regarding settlement of all present and future claims against the MPF and most claims by the MPF against LM Investment Management Limited (‘LMIM’), FMIF and the directors of LMIM.
- The Trustee has been successful in defending a strike out application made by a defendant in the Barly Wood and Lifestyle claims. Further action has been suspended in relation to this matter whilst we await the outcome of settlement negotiations referred to above.
- Leave to proceed under Section 500 of the *Corporations Act 2001 (Cth)* (‘the Corporations Act’) has been obtained for the AIIS matter and the claim and statement of claim have been served on LMIM. Further action has been suspended on this matter whilst we await the outcome of the settlement negotiations mentioned above.

- The Trustee has obtained copies of records pertaining to the WPIAS audit of the Fund for the years ended 30 June 2011 and 30 June 2012. Public examinations of three individuals involved in the WPIAS audit of the Fund are scheduled for February and March 2017.
- The Trustee's tax advisors have commenced discussions with the ATO regarding recovery of withholding tax paid to the ATO in the period September 2008 to December 2013.

2 Recovery action and litigation

2.1 Barly Wood and Lifestyle

Background of the matter

In August 2008, LM Investment Management Limited (LMIM) entered into an agreement with FMIF which involved the assignment of a number of loans from FMIF to LMIM. This transaction included the FMIF loans to Barly Wood Pty Ltd (Barly Wood) and The Lifestyle Investment Company Pty Ltd (Lifestyle). The Trustee claims that LMIM breached a number of duties owed to the MPF in the course of these transactions. The facts of each case are very similar and are detailed at a high level in our Update to Unitholders No. 15 which was released on 3 December 2015.

Strike-out application

On 27 April 2016, the Trustee received notice that a strike out application, had been filed by the second defendant (FMIF) in relation to these proceedings. This application was heard by the Court on 31 May 2016, by the Honourable Justice Applegarth.

The judgment was delivered on 19 August 2016. FMIF was unsuccessful in its strike out application against the Fund which means that the MPF has retained its right to proceed with these claims against FMIF and LMIM.

Settlement negotiations

We have been in negotiations with a number of parties regarding the settlement of these claims. These negotiations are confidential at this stage; however further information is contained in Section 4 of this report.

Litigation funding

Due to the expected significant costs of litigation and the ongoing demands on the cash reserves of the Fund, the Trustee entered into a litigation funding agreement for the Barly Wood and Lifestyle matters to support litigation efforts and ensure preservation of claims.

Unitholders should be advised that if the Trustee is successful in its claims for Barly Wood and Lifestyle, a portion of the return to MPF will be paid to IMF Bentham under the litigation funding agreement. Further, a portion of any commercially agreed settlement amount will also be paid to IMF Bentham under the litigation funding agreement.

2.2 AIIS

Background of the matter

In January 2005, the MPF entered into a loan agreement with Australian International Investment Services Pty Ltd (AIIS) where it took a first ranking security position. Subsequently, a deed of priority was entered into where the first ranking security was in effect transferred to FMIF. The Trustee alleges that LMIM breached a number of duties owed to the MPF in the course of these transactions.

It is not expected that the MPF will receive any recovery of the outstanding loan based on the sale price of the property and the amount outstanding to FMIF pursuant to its first ranking security. The expected loss to the MPF in this transaction is approximately \$18.8 million.

A statement of claim for this matter was filed in the Supreme Court on 16 December 2015.

The Trustee did not serve the statement of claim on the defendant at the time of filing in the Supreme Court.

Recent developments

The claim in this proceeding was not served because since about March 2016, there had been a real possibility that the proceeding and a number of related proceedings between the parties, might be settled. As discussed in Section 4 below, the Trustee remains hopeful that the matters will be settled, however it became clear that settlement was unlikely to occur before the claim in this proceeding ceased to have force pursuant to Rule 24(1) of the *Uniform Civil Procedure Rules 1999* (Qld). Therefore, the Trustee filed an application for the Court's leave under Section 500(2) of the *Corporations Act* to proceed on 3 November 2016 in order to preserve the rights of the Fund to make a claim for the alleged breaches.

The application was heard on 22 November 2016 and the Court made orders that the Trustee be granted leave to proceed pursuant to Section 500 of the *Corporations Act*. The statement of claim was served on the defendant on 25 November 2016.

As well as leave to proceed under Section 500 of the *Corporations Act*, the Trustee also sought orders that the defendant is not required to file a defence and any counterclaim until 28 days after the plaintiff gives written notice to certain parties, that a defence and any counterclaim is required to be filed. This order was granted by the Court and will prevent any unnecessary costs being incurred whilst settlement negotiations are ongoing.

The Trustee has not yet obtained a direction from the Court under Section 96 of the *Trust Act 1973 (Qld)* ('the Trusts Act'). If settlement negotiations are unsuccessful, the Trustee expects to apply for directions under the Trusts Act.

2.3 Auditor action

Background of the matter

Williams Partners Independent Audit Specialists (WPIAS) provided audit services to the Fund in 2011 and 2012. The Trustee considers that there is a possible claim against WPIAS relating to audit services provided.

Recent developments

As advised in previous updates to Unitholders, in order to progress investigations to determine whether the Trustee has any actionable claim against WPIAS, the audit files of WPIAS will need to be reviewed by the Trustee and its legal advisors.

Over the course of the last three years, several attempts were made to WPIAS and other parties for access to the audit files. WPIAS had not complied with these requests and as a result, the Trustee has considered other available options to gain access to the audit files and progress the claim.

In order to progress investigations, the Trustee filed an application in the Federal Court of Australia for the following:

1. An order that summonses for examination be issued to:
 - Mr Reginald Lance Williams
 - Ms Andrea Blank
 - Ms Lee-Ann Dippenaar
2. Orders for the production of documents be made with respect to:

- Mr Reginald Lance Williams
 - WPIAS Forensic & Consulting Pty Ltd
 - Williams Partners Independent Audit Specialists
- (the 'Producing Parties')

This application was heard on 21 October 2016. Orders for production and examination summonses were granted following confirmation from ASIC that it does not propose to intervene or object.

The Trustee has now received a number of documents from the Producing Parties and is preparing for examinations of Mr Williams, Ms Blank and Ms Dippenaar. Examinations are scheduled for 13 and 14 February 2017 and 6 March 2017.

Following conclusion of these public examinations, the Trustee will assess its options in relation to any further action against WPIAS or associated parties.

2.4 Lygon Street

Background of the matter

Upon appointment of the Trustee, MPF held a second ranking mortgage over the property 457-459 Lygon Street, Brunswick East, Victoria. At the time of the Trustee's appointment, preliminary earthworks were being undertaken.

Following further review, the Trustee determined that the best opportunity for a full recovery of monies loaned by the MPF (being approximately \$0.9 million) was to assist in ensuring that the development was funded through to completion. MPF's remaining funding obligations at 8 May 2013 were assumed by LMIM as Responsible Entity for the LM Australian Income Fund ('AIF') in exchange for a new deed of priority ('the Priority and Subordination Deed') being entered into and a release from any breach of trust claims in relation to the development. As a result of these negotiations, the development is now complete.

Recent developments

Despite having received advice from the borrower that the majority of lots were under contract earlier in the year, property settlements began to stagnate from June 2016 and the Trustee considered that in the absence of enforcement action being taken by one of the mortgagees, it would be unlikely that the remainder of the security properties would be sold in an acceptable timeframe.

Further, a winding up application was lodged against the borrower by the ATO earlier in the year. This application was heard on 20 September 2016 and an order was made that the borrower be wound up. At the time of the winding up order being made there were seven unsold lots, comprising 5 residential lots and 2 retail lots.

Prior to the winding up order being made, the Trustee was in discussions with the AIF regarding which party was best suited to take possession of the unsold security property. Under the terms of the Priority and Subordination Deed, MPF was prevented from enforcing its rights under its security without proper written consent of the AIF. On 29 September 2016, AIF provided consent to the MPF:

- accelerating the debt owed to it by the Borrower
- issuing notices of exercise of power of sale to the Borrower in respect of the Security Property
- marketing the security property for sale
- entering into and settling contracts for the sale of the security property.

Following this consent being provided, the Trustee issued necessary enforcement notices and entered into possession of six of the unsold lots on 2 November 2016.

The seventh unsold lot, being retail Shop 2, was under contract at the time of the winding up order being made. This property settled on 25 November 2016 with net settlement proceeds being paid to AIF. Following settlement of Shop 2, the AIF have advised that their debt amount is approximately \$1.2 million.

Based on current estimates, we expect there to be a surplus following repayment of the AIF which will be received by the Fund. We will update Unitholders as the matter progresses over the coming months.

2.5 Withholding tax remitted to the ATO

Background of the matter

The Trustee has been working with a tax advisor in relation to approximately \$4 million which was paid to the ATO as withholding tax for unitholder distributions in the period from July 2011 to March 2013 and a further approximately \$3.5 million which was paid to the ATO for withholding tax for unitholder distributions in the period from September 2008 to June 2011. It is the view of the Trustee that the distributions made during these periods were not distributions of profit. Proper assessment of the carrying values of mortgage loans during the period should have resulted in additional provisions being raised which would have caused a loss in the Fund. Based on this view, some or all of these withholding tax payments may be refundable from the ATO.

Recent developments

Our tax advisors have initiated correspondence with the ATO regarding the withholding tax paid and have advised that the Trustee has identified errors made in the payment of interest withholding tax by the Fund across a number of income years.

Discussions with the ATO are currently ongoing with the Trustee's tax advisor, and the ATO has been provided with documentation to support the claim of the Trustee.

2.6 Other claims against LMIM

Previous updates have contained details of potential claims by the Fund against LMIM, including relating to management fees prepaid to LM Administration Pty Ltd ('LMA')

- As referred to above and in Section 4 below, mediation of the FMIF claim against the Fund has extended to settlement negotiations regarding claims against LMIM. Further action has been suspended on this matter whilst we await the outcome of the settlement negotiations.

3 Defence of FMIF claim against the Fund

Background of the matter

On 23 December 2014, LMIM as responsible entity of the FMIF commenced proceedings in the Supreme Court of Queensland against six current or former directors (Directors) of LMIM, LMIM itself and the Trustee of the MPF. FMIF alleges that the Directors breached duties owed to LMIM and FMIF in relation to the distribution of proceeds of the settlement of a legal action. The FMIF further alleges that LMIM was knowingly involved in those breaches and that the proceeds of the breaches were paid to the MPF. FMIF seeks to recover, from the Directors, LMIM and the MPF, \$15,546,147.85 plus interest on this sum and legal costs.

Recent developments

On 12 July 2016 a mediation was held to attempt to settle this action. As no settlement was reached, the mediation was adjourned to 3 August 2016 (which has since lapsed). Since this time, the parties have been negotiating amongst themselves outside of the Court process. Further details regarding the negotiations and impact on other matters is discussed in Section 4 below.

4 Settlement negotiations

The mediation held on 12 July 2016 (as discussed in Section 3 above) has resulted in ongoing settlement negotiations which have expanded to potentially encompass all actions between a number of parties including: LMIM, FMIF, MPF, the directors of LMIM.

A draft (presently confidential) settlement agreement has been proposed. That draft settlement agreement is still being negotiated by numerous parties and their insurers.

These settlement negotiations impact the majority of current litigation between the parties, including:

- FMIF claim against the Fund
- Barly Wood and Lifestyle
- AIIS

The settlement negotiations also impact most potential future litigation between the parties, including in respect to prepaid management fees.

The Trustee considers that a settlement is likely in the best interests of all parties, including the MPF, and is hopeful of a settlement being reached early in the new year.

5 Fund management

5.1 Unitholder details

As advised in our previous update to Unitholders, the Trustee had made the decision to continue the hold on changes to the investor database for the following reasons:

- The monthly cost would represent a minimum of approximately \$72,000 per year in additional costs to the Fund, and would likely be significantly higher.
- There is still a high degree of uncertainty regarding timeframe for conclusion of the winding up due to ongoing litigation. Once the investor database update process is commenced, it would need to run until finalisation of the winding up; resulting in the monthly cost being incurred until conclusion which could have a material impact on any potential return to Unitholders.
- Any return to Unitholders remains dependent on the outcome of litigation. The investor database update process will become redundant if there is no distribution made to Unitholders at the conclusion of the winding up.
- In the interests of preserving the remaining value of the Fund so that recovery actions may be pursued.

There has been no significant change to the above factors, and for this reason, the hold on changes to the investor database continues. The Trustee will continue to review this decision and before making any distribution from the Fund (subject to sufficient funds being held), will provide Unitholders with the opportunity to change certain details associated with their unit holdings. It is highly likely that once the Trustee is in a position to commence this process, that it will be facilitated through a third party registry service for efficiency.

5.2 Return of monies to Unitholders

In line with previous updates and comments above, the Trustee advises that the likelihood of a return to Unitholders is dependent on the outcome of recovery actions and litigation outlined above. In particular, Unitholders should be aware that the claim by the FMIF against the MPF puts at serious risk the potential of any return to MPF Unitholders. It is emphasised that a distribution, if one is to be made, will not be made until substantially all possible recovery actions and litigation is complete. Unitholders should be aware that if litigation is unsuccessful there is unlikely to be a return to Unitholders.

5.3 Management fees

During the period 1 November 2015 to 14 August 2016, the trustee's role was focussed on:

- Investigations and legal claims with respect to recovery of monies from the former trustee, directors, auditors and other LM funds
- Monitoring of realisations of remaining underlying assets which were held as security for the Fund's loans (including Lygon Street)
- Mediation and settlement negotiations regarding the FMIF claim against the fund
- Review of the Fund's current income tax and withholding tax positions
- Preparation of materials for the ATO to assist with withholding tax matter
- Continuation of the forensic investigation into the previous affairs of the fund
- Preparatory work and attendance in court for matters referred to above

Fees for this period total \$479,227 plus disbursements of \$3,662.

A summary of fees by task area, by week and by employee is included at Appendix B and a copy of detailed narrations is included at Appendix C.

An application to Court for fee approval was heard on 6 October 2016 and orders were made approving payment of \$479,227 from the assets of the MPF.

We will provide details in relation to fees for the period from 14 August 2016 in our next update to Unitholders.

5.4 Investor communication

The Trustee will continue to communicate to Unitholders significant changes to the status of the Fund or any recovery actions.

In the interim, Unitholders are able to obtain further information by:

- accessing the KordaMentha website at <http://www.kordamentha.com/creditor-information/australia/109>
- if you are unable to find the answer to your query in any of our Updates or Frequently Asked Questions listing then you may email linvestors@kordamentha.com; (In order to manage the ongoing management costs of the Fund, due to the high volume of enquires made via email the Trustee will only review and respond to emails on a fortnightly basis).

Please note that the Trustee makes every attempt to answer your enquiries on a regular basis however due to the number of queries received and our focus on managing costs of the Fund there may be some delay in responding to your individual requests. We appreciate your patience whilst we manage the large volume of emails and telephone calls received during this time.

Yours sincerely



KordaMentha
Trustee of the Fund

Appendix A - Detailed fee summaries

Fees by task area - hours

For the period 1 November 2015 to 14 August 2016

Task Area	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Risk management (litigation and legal), investigations and administration	58.2	45.2	109.9	60.3	55	28.5	123.8	30.2	38.9	11.2
Assets	22.8	16.9	3.1	8.1	11.9	10.9	14.6	4.5	0.5	0.7
Investors	59.8	21.8	18.2	27.7	19.8	5.5	28.1	3.3	4.8	0.5
Investigations	4.8	2.1	4.4	2.7	19.6	15.3	2.4	12.2	1.7	2.2
Fund trading management and other	14.6	7.1	7.6	18.5	57.9	40.7	8	10.9	4.3	1.2
	160.2	93.1	143.2	117.3	164.2	100.9	176.9	61.1	50.2	15.8

Fees by task area - amount (\$)

For the period 1 November 2015 to 14 August 2016

Task Area	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Risk management (litigation and legal), investigations and administration	25,235	22,387	51,517	29,718	24,603	14,913	53,656	15,230	21,696	6,168
Assets	8855	7692.5	1516	3756	5769	4869	7,188	2227.5	247.5	347
Investors	26,090	7,208	7,969	9,700	7,381	1,723	12,538	1,146	1,616	150
Investigations	1,335	595	1,530	790	5,705	4653	685	5,649	500	1,089
Fund trading management and other	5,763	2,765	2,822	7,093	25,917	19,679	3,049	4,857	1,290	360
	67,278	40,647	65,353	51,055	69,375	45,836	77,115	29,109	25,348	8,114

Fees by week

	Week ended	Hours	Fee value (\$)
Week 136	8-Nov-15	31.5	13,709
Week 137	15-Nov-15	32.2	14,480
Week 138	22-Nov-15	51.4	19,908
Week 139	29-Nov-15	40.4	16,428
Week 140	6-Dec-15	32.8	13,070
Week 141	13-Dec-15	31.4	13,653
Week 142	20-Dec-15	18.7	8,973
Week 143	27-Dec-15	14.9	6,985
Week 144	3-Jan-16	0	0
Week 145	10-Jan-16	47.2	22,721
Week 146	17-Jan-16	27.5	11,358
Week 147	24-Jan-16	37	17,326
Week 148	31-Jan-16	31.5	13,948
Week 149	7-Feb-16	31.4	14,235
Week 150	14-Feb-16	45.5	19,540
Week 151	21-Feb-16	20.8	9,166
Week 152	28-Feb-16	17.3	7,211
Week 153	6-Mar-16	26.6	10,773
Week 154	13-Mar-16	38	15,783
Week 155	20-Mar-16	25.1	9,758
Week 156	27-Mar-16	48	20,892
Week 157	3-Apr-16	35.3	16,058
Week 158	10-Apr-16	31.4	14,202
Week 159	17-Apr-16	17.2	7,823
Week 160	24-Apr-16	27.5	12,306
Week 161	1-May-16	18.3	8,432
Week 162	8-May-16	15.8	6,798
Week 163	15-May-16	51	22,209
Week 164	22-May-16	62	27,020
Week 165	29-May-16	36.3	14,918
Week 166	5-Jun-16	21.8	11,057
Week 167	12-Jun-16	8.5	3,882
Week 168	19-Jun-16	26.7	13,272
Week 169	26-Jun-16	11.1	4,783
Week 170	3-Jul-16	8.8	4,339
Week 171	10-Jul-16	12.6	6,368
Week 172	17-Jul-16	19.8	9,969
Week 173	24-Jul-16	2.8	1,394
Week 174	31-Jul-16	11	5,430
Week 175	7-Aug-16	15.1	7,904
Week 176	14-Aug-16	0.7	1,155

Fees by person

For the period 1 November 2015 to 14 August 2016

Name	Position	Hourly Rate (\$)	Month hours										Total hours	Total (\$)
			Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16		
Jarrold Villani	Partner	575	23.4	29.5	38.9	30.0	32.8	28.1	26.9	21.7	30.5	7.8	269.6	155,020
Brendan Read	Director	550	4.5	0.0	0.0	3.5	0.0	0.0	14.0	0.0	0.0	0.0	22.0	12,100
Stacey Clisby	Associate Director	Various	78.0	34.5	55.4	26.5	51.7	40.8	60.7	24.4	9.9	6.3	388.2	187,097
Vishka Peiris	Executive Analyst	325	7.9	0.0	7.2	10.0	20.0	0.0	50.9	4.0	0.0	0.0	100.0	32,500
Rebecca Clark	Senior Business Analyst	300	7.4	4.9	6.1	6.9	8.5	3.2	6.0	6.2	4.7	1.2	55.1	16,530
Zachary Voll	Senior Business Analyst	Various	12.3	5.0	21.6	2.0	1.0	1.4	0.2	0.0	0.0	0.0	43.5	12,618
Melissa Lourens	Senior Business Analyst	Various	10.1	16.0	7.5	14.3	35.6	23.6	8.8	3.5	3.9	0.5	123.8	36,488
Other - professional staff	Various	Various	16.3	2.8	6.5	24.1	14.5	3.4	9.2	1.2	1.2	0.0	79.2	26,680
Other - administration	Various	Various	0.3	0.4	0.0	0.0	0.1	0.4	0.2	0.1	0.0	0.0	1.5	195
			160.2	93.1	143.2	117.3	164.2	100.9	176.9	61.1	50.2	15.8	1,082.9	479,227

Fee summary

		\$
Professional fees (excl. GST)		479,226.50
Disbursements		
Searches	1,538.68	
Courier	29.84	
Taxi	29.89	
Meals	34.55	
Postage	1,296.81	
Storage of B&R	732.14	
		3,661.91
GST on professional fees and disbursements		48,288.84
Total professional fees and disbursements (incl. GST)		531,177.25

Appendix C - Detailed narrations

Task Area	Sub Category	Description
Risk Management (Litigation/Legal) & Administration	<i>Forensic & Investigations</i>	Forensic review and capture of file server data and email server data. Forensic input into various legal matters and discovery processes. Investigations for various legal matters.
	<i>Litigation/Legal</i>	Ongoing discussions with legal advisors with respect to, but not limited to: - obligations and processes to be undertaken to release security over certain property - enforcement options against non-performing loans - planned dealings of assets by first mortgagors and ability to secure value of such assets to the Fund - ongoing research of historic fund documentation in light of breach of trust claims. Detailed discussion internally and legal advisors regarding claims and required supporting documentation. - current and potential litigation, including: - Barly Wood and Lifestyle - AIIS - Bellpac FMIF Receiver's action Discussions with various parties regarding the potential claim against the Directors and Officers insurance policy Undertake detailed forensic analysis of certain loans for evidence preparation regarding breach of trust claims. Correspondence and meetings with the Australian Securities and Investments Commission (ASIC) regarding the conduct of the former trustee's directors, various breaches of trust and ongoing investigations. Correspondence with FMIF regarding breach of trust claims. Issue various instructions to the Fund's custodian regarding various legal matters. Attendance in Chambers and in Court for various matters where attendance required. Correspondence with various parties regarding Peregrine Beach settlement and Section 96 application. Correspondence and review of documentation regarding Bellpac defence and disclosure process. Investigations to support prepaid management fees statement of claim. Review of loan statements and supporting documentation to support AIIS statement of claim. Review of various documentation regarding Barly Wood and Lifestyle claims, detailed review of flow of funds. Ongoing correspondence with IMF Bentham regarding Barly Wood and Lifestyle claims. Investigations and correspondence with solicitors regarding potential auditor claim and access to audit files. Correspondence with solicitors and forensic team to enable review of potentially privileged documentation in ASIC's claim against Peter Drake. Detailed analysis of impact of litigation on the MPF's financial position. Review of various affidavit materials for ongoing litigation. Preparation for and attendance at Bellpac (FMIF Receivers' Action) mediation. Settlement negotiations with various parties regarding Bellpac claim and other claims between the parties.
	<i>Media</i>	Correspondence with media outlets as required.
	<i>Investor Information Management</i>	Ongoing update and maintenance of the Fund's dedicated website.

Task Area	Sub Category	Description
		Uploading documents in relation to various court applications for service of notice on unitholders.
	<i>Engagement Planning</i>	Engagement planning and management meetings. Ongoing review and update of task lists. Ongoing maintenance of priority investigations and allocation of resources. Ongoing management of cash flow forecasts and expense accruals.
	<i>Other Administration</i>	Word processing and finalisation of formal correspondence.
Assets	<i>Loans/Property</i>	Ongoing review and monitoring of current status with realisation of security property. Liaising with various parties regarding releases of mortgage security. Monitoring of sale and settlement of Lygon Street security property. Correspondence with the borrower regarding timely repayment of Lygon Street facility and negotiations regarding applicable fees. Correspondence with various parties regarding recovery action against guarantors of impaired loans. Correspondence with Trustee of Peter Drake bankrupt estate. Correspondence with Trustee of David Hawes bankrupt estate.
	<i>Bank accounts</i>	Reconciliation of bank accounts and management of the Fund's cash flow. Various correspondence with banks regarding account maintenance.
	<i>Withholding tax recovery</i>	Correspondence with taxation advisers regarding withholding tax recovery. Investigations and analysis to support withholding tax recovery.
Investors/Creditors	<i>Reports/Circulars</i>	Finalise and distribute update 15 to Unitholders. Preparation, finalisation and distribution of update 16 to Unitholders.
	<i>Investor Communication</i>	Continued communication support for Unitholders and investor support groups via email and telephone. Various correspondence with investors regarding current litigation. Mail out of correspondence for those investors where emails undeliverable. Review of investor responses regarding various litigation for inclusion in affidavit material. Consideration of correspondence from Unitholders regarding compensation schemes.
	<i>Investor Information</i>	Ongoing refinement of internal model for Unitholder data. Maintenance of Unitholder email distribution list. Consideration of process for allowing update to investor register and discussions with internal technology team. Correspondence with third party registry service regarding options for investor register.
	<i>Advisor Communication</i>	Ongoing dealings and support to financial advisors regarding current progress of the winding up of the Fund.
Statutory Compliance	<i>ASIC Correspondence</i>	Ongoing correspondence with ASIC and compliance with various requests.
	<i>ATO</i>	Review of overall tax position of the Fund.

Task Area	Sub Category	Description
Trading		Ongoing correspondence with the ATO regarding lodgement requirements. Preparation and lodgement of Business Activity Statements for current periods.
	<i>Books and Records</i>	Books and records management and archiving.
	<i>Trade-on Management</i>	Review, approval and payment of invoices payable by the Fund Ongoing cash flow management. Correspondence with various creditors of the Fund. Ongoing calculation and accrual of loan balances due to the Fund.
	<i>Fund Accounting</i>	Maintenance of cash book for the Fund. Review of carrying value of loan assets and assessment of appropriate amount and timeframe for provisioning and write-offs.