

STATEMENT

31 MAY 2020 – MELBOURNE, AUSTRALIA

MAYFAIR 101 GROUP POINTS OUT FACTUALLY INCORRECT MEDIA REPORTS WITH RESPECT TO THE INVESTMENT HOLDINGS OF THE IPO WEALTH FUND

Mayfair 101 Group seeks to clarify various third-party media releases that refer to court submissions that inaccurately depict the investment holdings of the IPO Wealth Fund and allege that investors have been disadvantaged by the Group's internal arrangements.

IPO Wealth Fund investment holdings

The IPO Wealth Fund has two investments as follows:

- Cash; and
- A loan to IPO Wealth Holdings Pty Ltd, secured by a General Security Agreement (GSA) and a Purchase Money Security Interest (PMSI).

The Fund does not, and has never held, any investments in any other assets, nor has it held direct interests in the underlying assets owned by the Mayfair 101 Group.

IPO Wealth Holdings Pty Ltd has utilised monies loaned from the Fund to finance the Group's investment activities, whilst providing a registered security interest over the assets of IPO Wealth Holdings Pty Ltd.

This information has always been disclosed to investors in the Fund's Information Memorandum, which was provided to all investors prior to their decision to invest in the Fund.

Internal transfer of assets

Mayfair 101 Group transfers assets internally from time-to-time to achieve an optimal corporate structure, a standard practice in the investment industry, particularly for international investment groups such as Mayfair 101.

The Group's investors, including unitholders in the IPO Wealth Fund, benefit from such structuring decisions where they are commercially advantageous to the Group. Such decisions are made pursuant to advice from the Group's many qualified advisers, and the best interests of investors are factored into these decisions.

The Group makes the following important clarifying statements with respect to the internal transfer of assets that have been incorrectly referenced in various media reports:

- The assets of IPO Wealth Holdings Pty Ltd are assets of the Mayfair 101 Group. They are not, and have never been, an asset held by the IPO Wealth Fund;
- IPO Wealth Fund investors have never held shares in Accloud, nor did they invest because of any representations that the Fund held shares in Accloud; and

- IPO Wealth Fund investors have not been disadvantaged by any internal asset transfers given the benefit of such decisions results in a stronger Group and therefore capacity to repay investors. The appointment of receivers on the other hand, has now jeopardised the return of capital to the Fund's investors.

Mayfair 101 Group contests any claims and media reports which suggest otherwise. The Group will be providing a detailed explanation supported by documentary evidence in its Court submissions which will comprehensively address the allegations and further highlight an error of judgment on behalf of the Fund's trustee, Vasco Investment Managers, to appoint receivers to IPO Wealth Holdings Pty Ltd and its subsidiaries.

Mayfair 101 Group opposes the appointment of receivers

Mayfair 101 Group and many IPO Wealth Fund investors consider that the appointment of receivers by Vasco Trustees Limited to IPO Wealth Holdings Pty Ltd and its subsidiaries is unwarranted and disadvantageous to unitholders.

Vasco has alleged that assets in IPO Wealth Holdings Pty Ltd have been moved to cause detriment to the Fund's investors, which is not the case.

Mayfair 101 Group acknowledges it had fallen behind in loan repayments due to COVID-19 and the subsequent attack from ASIC on the Group's debenture products, however this is no basis for potentially jeopardising the return of capital to investors.

The Group is best placed to manage the assets of IPO Wealth Holdings Pty Ltd given the nature of the investments, rather than a receiver who is seeking to liquidate the assets, an outcome which is likely to be detrimental to the Fund's investors.

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MEDIA ENQUIRIES

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