

MEDIA RELEASE

29 MAY 2020 – MELBOURNE, AUSTRALIA

IPO WEALTH FUND TRUSTEE MAKES ERROR OF JUDGMENT BY APPOINTING RECEIVERS

Mayfair 101 Group is labelling the appointment of receivers last Friday to its IPO Wealth Holdings division by Vasco Trustees Limited as a serious error of judgment on behalf of the IPO Wealth Fund trustee, citing a raft of deficiencies in the trustee's ability to protect the Fund's unit holders via the appointment.

The Group who manages a significant investment portfolio spanning 10 countries with 7 of those countries represented by the holding companies in receivership says that Vasco's appointment of Dye & Co demonstrates a lack of commercial aptitude to act in the best interests of the unitholders under the circumstances.

Dye & Co is a solely Melbourne-based insolvency practice with just one office and no apparent international affiliations. This contrasts with the Group's national and global portfolio.

Mayfair 101 Group's Managing Director, James Mawhinney, stated "It is complete madness to be appointing receivers in the COVID-19 environment. The only people that will win out of this is Dye & Co and Vasco, which is not in the best interests of IPO Wealth's investors."

"The receiver appointed clearly has minimal understanding of the asset classes IPO Wealth Holdings has invested in and we hold grave concerns that their actions will now cause a loss of capital for the IPO Wealth Fund's investors."

The move to appoint receivers was made without consultation to both IPO Wealth Holdings Pty Ltd and IPO Wealth Pty Ltd, the Fund's Investment Manager. It came following a missed loan repayment which Mayfair 101 advises was due to the liquidity challenges of COVID-19 combined with the recent ASIC proceedings which has forced the Group into commencing a restructure with top-tier specialists. In this environment, a facility falling into arrears by a marginal factor is not uncommon and is no justification for calling in receivers.

Prior to COVID-19 the Mayfair 101 Group had a near-perfect track record of meeting income distributions and redemption payments to investors via its IPO Wealth Fund and Mayfair Platinum fixed income products. The harmful steps taken by ASIC with respect to the Group's advertising has evidently been a key driver for Vasco's decision to appoint receivers, at a time when support for Australian businesses is needed most.

Mayfair 101 Group is currently consulting with its advisers with respect to Dye & Co's appointment and Vasco's capability to act as the Fund's trustee given the circumstances, with the view to protecting the interests of IPO Wealth's investors and the underlying portfolio.

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MEDIA ENQUIRIES

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