

Australian Public Custodian Ltd (In Liquidation) ('the Company')

Investor Update – Update No. 2

This was last updated on 22 September 2017.

Insurance claims

The Company's insurer was advised of all potential claims against the Company's professional indemnity insurance policy that were notified to the Liquidator on or before 15 July 2017.

Claims that were notified after this date were also forwarded to the insurer.

The insurer's legal advisors have acknowledged receipt of the claim notifications. We are currently attending to a significant number of queries raised by the insurer's legal advisors into the affairs of the Company. The insurer has not yet made an assessment or determination regarding the claims made.

Please note: Claims submitted will be subject to the specific terms and conditions of the insurance policy.

Future Estate Australian Residential Property Fund

Riviera Mackay Development

There remains six (6) unsold apartments in the Riviera Mackay Development located at 5 – 7 Nelson Street, Mackay, QLD 4740.

We are in the process of establishing the Liquidator's ability to proceed with a sale of the remaining apartments.

We anticipate being in a position to place the remaining properties on the market in the coming weeks.

Driftwood Development

The Driftwood Development consists of an undeveloped block of land located at 33 – 34 Bourke Street, Blacks Beach, QLD 4740. It is our understanding that the land remains undeveloped due to complications in obtaining finance for the development.

Other assets

Other assets including amounts due from related parties were included in the Report as to Affairs signed by the Directors of the Company. We have issued demands in order to recover these monies.

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Future Estate Development Opportunity Fund

Parc Vue Development

The Future Estate Development Opportunity Fund is an investor in the Parc Vue Development, relating to the construction of an apartment complex in Bundoora, Victoria.

We understand that:

- construction of the development is complete and 95 of a total of 131 apartments have now settled
- the timing and quantum of return of capital and/or profits from the development (if any) will be contingent upon:
 - settlement of the remaining apartments, and
 - confirming the financial position of the development and whether any funds are available to distribute to investors. We will be in a position to determine the financial position once the remaining apartments have settled.

It is also our understanding that Future Funds Management recently provided a written update to all investors in the Parc Vue Development. Please contact Patrick Sakowski of our office by email to psakowski@ppbadvisory.com if you did not receive the written update, and wish to obtain a copy.

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Liquidator's investigations into the Company's affairs

As advised in our previous update on 3 July 2017, we are required to investigate the actions of the directors prior to the Liquidator's appointment, including any allegations of director misconduct. Any offences identified are reported to the Australian Securities and Investment Commission (ASIC).

Please note that:

- our investigations are ongoing, and
- our findings will remain confidential between PPB Advisory and the ASIC.

Return to investors

At this stage, it is unknown whether there will be any return to investors. We will not be in a position to ascertain the estimated return (if any) until we have finalised my investigations into the financial position of the Schemes.

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All other enquiries

If you have any further queries that are not addressed above, please contact PPB Advisory on +61 3 9269 4000 or send an email to psakowski@ppbadvisory.com.