



A meeting of the creditors of Australian Public Custodian Limited (In Liquidation) (ACN 131 251 968) **(the Company)** will be held on 31 March 2020 at 3pm AEST in the meeting rooms at the offices of the Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne, Victoria 3000 **(the Meeting)**.

The Company acted as the responsible entity for two registered managed investment schemes **(MIS)**:

- Future Estate Australian Residential Property Fund (ARSN: 134 516 724) **(FEARPF)**, and
- Future Estate Development Opportunity Fund (ARSN: 164 525 973) **(FEDOF)**
(Collectively the Schemes)

Frequently Asked Questions

1. **I previously dealt with staff at PPB Advisory, why am I being contacted by PricewaterhouseCoopers Australia (PwC)?**

PPB Advisory merged with PwC effective from 1 August 2018. The Liquidator's appointment over the Company is not affected.

2. **What is the purpose of the Meeting?**

The purpose of the Meeting is to provide an update to creditors on the status of the liquidation, to form a Committee of Inspection **(COI)** and to seek approval of the Liquidator's remuneration.

3. **What is a COI and why is one required?**

A COI is a small group of creditors representing the overall creditor group and provides assistance and guidance to the Liquidator regarding certain matters. A COI also has the power to approve the Liquidator entering into agreements and the Liquidator's remuneration.

We consider upcoming matters may require the guidance and approval of creditors.

4. **Why has it taken so long for the Meeting to be convened?**

In a court liquidation, the Liquidator is not required to convene a creditors' meeting unless a matter requires creditor approval.

5. **I am an investor in one or both the Schemes. Do I have to attend the Meeting in person?**

No, attendance at the Meeting is optional. Your existing rights will not be affected if you choose not to attend the Meeting. Teleconference facilities will be available for those who wish to attend via telephone. **Please note, if you intend to attend via telephone please notify Adrian D'Aprano by 23 March 2020.**

6. I am an investor in one or both the Schemes and consider I have a claim against the Company as a creditor. I plan to attend the Meeting in person, what do I need to do?

You will need to carefully read the circular to creditors (**Creditors Circular**) advising of the Meeting and follow the instructions outlined therein. The Creditors Circular has all the forms you will need to provide to attend the Meeting. If your original investment was in your personal capacity (i.e. **not** through a corporate entity, trust or superannuation fund) you will need to provide the following documents:

- a completed Formal Proof of Debt Form; **and**
- adequate details of your claim(s), please provide copies of all relevant documentation to support your claim.

In addition to the above documents, creditors who are not acting in a personal capacity (e.g. a company) will have to provide a Proxy Form or power of attorney nominating a person to attend the Meeting on the creditor's behalf. A Proxy Form or power of attorney must be completed by an authorised person e.g. a director or other officer of a company. The authorised person can direct how the proxy is to vote on a particular resolution and the proxy must vote in accordance with that instruction. This is called a 'special proxy'. Alternatively, you can leave it to the proxy to decide how to vote on each of the resolutions put before the Meeting. This is called a 'general proxy'.

A creditor's proxy (if required), Proof of Debt Form and supporting documentation must be returned to the Liquidator's office by **4pm** on 30 March 2020 by post or email to:

Adrian D'Aprano
GPO Box 1331
MELBOURNE VIC 3001

Or

by email to adrian.daprano@pwc.com

7. I intend to attend the Meeting via telephone. What do I need to do?

Please contact Adrian D'Aprano by **23 March 2020** if you require access to teleconference facilities. Adrian's contact details are included at question 23. You are also required to follow the steps at question 6 of this document.

8. Can I send someone else to attend the Meeting on my behalf?

Yes, you can.

See the answer to question 6 above. An individual can appoint another person (e.g. friend, relative, lawyer etc) as their proxy to attend and vote at the Meeting on their behalf. Use the Proxy Form included in the Creditors Circular. In addition to the Proxy Form, you will also have to provide a Proof of Debt Form and supporting documentation.



All proxies, Proof of Debt Forms and supporting documentation must be returned to the Liquidator by **4pm** on 30 March 2020 by post or email to:

Adrian D'Aprano
GPO Box 1331
MELBOURNE VIC 3001

Or

by email to adrian.daprano@pwc.com

As noted in the response to question 6 above, you can direct how your proxy is to vote on a particular resolution and the proxy must vote in accordance with that instruction. This is called a 'special proxy'. Alternatively, you can leave it to the proxy to decide how to vote on each of the resolutions put before the Meeting. This is called a 'general proxy'.

9. I am unable to attend in person or to send someone to attend on my behalf? Do I have any other options available to vote at the Meeting?

If you are unable to attend the Meeting and you do not have a representative who can attend on your behalf, you may, if you wish, appoint the Chairperson of the Meeting as your proxy. The Chairperson can be appointed as a general proxy or a special proxy. This is entirely your decision.

Please note, a general proxy cannot be used by the Chairperson of the Meeting to vote in favour of a resolution approving payment of the Liquidator's fees.

10. What is considered to be "adequate particulars of your claim(s)" for the Liquidator's review and acceptance?

Please provide written details of the basis and amount of your claim. Please also provide any supporting documentation in your possession e.g. documents which prove your claim. A trade creditor for example would need to provide a copy of their invoice and a proof of delivery.

11. Who will decide if my claim is accepted and if I can vote at the Meeting?

The Chairperson of the Meeting decides whether or not to accept a debt or claim for voting purposes.

In the circumstances where an investor considers he/she has a claim against the Company, any such claim will be considered a contingent creditor until such time as the Liquidator has been provided with sufficient information to allow him to properly value the claim. A creditor must not vote in respect of a contingent debt or claim unless a just estimate of its value has been made by the Liquidator. For the purpose of the Meeting contingent claims will be admitted for voting purposes at a nominal value of \$1.

12. Who will the Chairperson of the Meeting be?

The Chairperson will be the Liquidator or a partner of PwC who is also a registered Liquidator.

13. How are the Liquidator's costs paid? Are they allocated between the Schemes and the Company?

The Liquidator's costs of administering the Company's liquidation are paid from the Company's assets once approved by the creditors or the Court. The costs of dealing with the Schemes will be paid from the Schemes' assets, once approved by the Court.

Where possible, the Liquidator has allocated tasks dealing with the Schemes to the relevant scheme, otherwise the Liquidator has used an apportionment methodology (which will be subject to Court review).

The costs of administering the Schemes will be payable in priority to any payment to investors and will include:

- Remuneration of the Liquidator and his staff (including, but not limited to, the costs of investigation, realising assets, dealing with the pre-appointment insurer, communications with investors etc)
- Relevant legal costs incurred by the Liquidator

The Scheme costs allocated to a particular scheme will only be paid from the assets of that scheme. Unless the relevant scheme's costs are paid in full, investors will not receive a return.

If the costs of administering the Schemes exceed the estimated funds available, the shortfall is payable by the Company (to the extent Company assets are available). If there are no Company assets available, the Liquidator will bear the shortfall on these costs. Based on actual and expected realisations, the Liquidator is likely to bear a significant fee write off.

14. I am an investor in one or both the Schemes, why do the Liquidator's costs get paid before the return of my investment?

The Company is the responsible entity of the Schemes. Subject to the Court's approval, where the Liquidator undertakes work on behalf of the Schemes those costs are payable in priority to the investors' claims.

15. I am unable to attend the Meeting and do not intend to send a proxy. How can I find out what was discussed and or agreed at the Meeting?

The Liquidator is obliged to lodge a copy of the minutes of the Meeting with the Australian Securities and Investments Commission (**ASIC**) within one month following the date of the Meeting. A copy of the minutes of the Meeting will also be made available on the PwC creditor portal. Please refer to:

<https://www.pwc.com.au/business-restructuring/insolvency-cases/australian-public-custodian-ltd.html>

16. I am an investor in one or both the Schemes and I provided details of a claim against the Company to the Liquidator in June 2017. What is the status of my claim?

The Company's professional indemnity insurance policy (**PI Policy**) expired on 31 May 2017 and a grace period of 45 days from 31 May 2017 was in place to enable claims against the

Company (or its directors) to be notified to the insurer regarding events that occurred prior to the appointment of the Liquidator. Please note I had insufficient funds available to renew and/or continue the PI Policy.

The Company's pre-appointment insurer was notified of potential claims against the PI Policy provided to me and my staff before and after the expiration of the grace period.

The Liquidator is unable to provide any further information in regard to these claims and as outlined at question 18 cannot provide details of the PI Policy. Investors should seek advice from their own financial/legal advisor if they wish.

- 17. I am an investor in one or both the Schemes and unable to attend or send a proxy. I believe I have a claim against the Company's PI Policy. Will I jeopardise this claim if I do not attend the Meeting?**

Whether you attend the Meeting or not will not jeopardise your existing rights. However, the Liquidator is not in a position to determine whether or not you have a claim against the Company's PI Policy. Only the Company's insurer can make this determination.

- 18. I have sought independent legal advice regarding my claim against the Company and my solicitor has requested a copy of the PI Policy. Why has this request been refused by the Liquidator and his staff?**

As is often the case, the Company's insurer has not consented to the PI Policy being made available. In order to preserve the PI Policy the Liquidator is unable to provide a copy.

- 19. I consider I was misled by the Company and its representatives and that my investment monies were not used as set out in the Product Disclosure Agreement. Can ASIC take any action against the respective individuals?**

The Liquidator has been in contact with ASIC in relation to this matter and has submitted a confidential report to ASIC outlining investigations undertaken to date. The liquidation is without funding and the Liquidator has been liaising with ASIC to secure funding to conduct further investigations. All discussions with ASIC remain confidential.

- 20. Will I receive the return of my initial investment?**

Unfortunately, it is unlikely there will be sufficient funds in the Schemes to enable a distribution to the Schemes' investors.

- 21. What is the impact of this failed investment on my superannuation?**

The consequences will depend on individual circumstances. You may wish to seek advice from your lawyer, personal financial or taxation advisor.

- 22. Can I obtain any tax allowances for my loss of investment?**

See answer to question 21 above.

- 23. I have another query about the Meeting that is not dealt with here, who can I contact?**



For any queries please contact Adrian D'Aprano on +61 3 8603 2308 or by email adrian.daprano@pwc.com