

31 May 2019

Notice to the Creditors

of

Equititrust Limited
(Receiver Appointed) (In Liquidation)
(Receivers and Managers Appointed)
A.C.N. 061 383 944
("the Company")

and

Notice to the unitholders

of the

Equititrust Income Fund ("EIF")

and the

Equititrust Premium Fund ("EPF")

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TAKE NOTICE that the Liquidators of Equititrust Limited (In Liquidation) (Receiver appointed) (Receivers and Managers Appointed) ACN 061 383 944 as the Responsible Entity of the EIF and the Trustee of the EPF (**Equititrust**) have applied to the Federal Court of Australia for:

1. An order, pursuant to section 477(2B) of the *Corporations Act* 2001 (*Cth*) (**Corporations Act**), approving the Liquidators entering into, on Equititrust's behalf, a deed of settlement dated 17 December 2018 (**Settlement Deed**) in relation to the compromise of claims brought by Equititrust in Federal Court of Australia Proceedings no NSD 2028 of 2013 and NSD 2025 of 2013 (**the FCA Proceedings**).
2. A declaration, pursuant to rule 90-15 of Schedule 2 of the Corporations Act, that the Liquidators were justified, and acted reasonably, in causing Equititrust to enter into the Settlement Deed.
3. A declaration, pursuant to rule 90-15 of Schedule 2 of the Corporations Act, that the Liquidators would be justified, and act reasonably, were they to cause Equititrust to give effect to the terms of the Settlement Deed providing for the compromise of the FCA Proceedings.
4. An order that the Liquidators' costs and expenses of this Originating Application and the proceeding commenced by this Originating Application be costs and expenses in the liquidation of Equititrust.

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TAKE NOTICE that Equititrust Limited (In Liquidation) (Receiver Appointed) (Receivers and Managers Appointed) ACN 061 383 944 as the Responsible Entity of the EIF and the Trustee of the EPF (**Equititrust**) have applied to the Federal Court of Australia for:

5. A direction, pursuant to section 96(1) of the *Trusts Act 1973 (Qld)* (**Trusts Act**), that Equititrust was justified, and acted reasonably, in entering into the Settlement Deed.
6. A declaration, pursuant to section 96(1) of the *Trusts Act*, that Equititrust would be justified, and act reasonably, were it to give effect to the terms of the Settlement Deed providing for the compromise of the FCA Proceedings.
7. A direction, pursuant to section 96(2) of the *Trusts Act*, that it is not necessary to serve this application on the beneficiaries of the Equititrust Income Fund or the Equititrust Premium Fund.

TAKE NOTICE that the Liquidators of Equititrust Limited (In Liquidation) (Receiver Appointed) (Receivers and Managers Appointed) ACN 061 383 944 as the Responsible Entity of the EIF and the Trustee of the EPF (**Equititrust**) and Equititrust have applied to the Federal Court of Australia for:

8. An order, pursuant to section 7 of the *Court Suppression and Non-publication Orders Act 2010 (NSW)* and upon the grounds identified in section 8(1)(a) and (e) of that statute, or pursuant to the Court's inherent jurisdiction, that the originals and/or copies of the Confidential Affidavit of Blair Alexander Pleash sworn 21 May 2019 and Confidential Exhibit BAP-25 to that affidavit that are provided to the Court be suppressed and not disclosed to any person other than:
 - a. any judge hearing this proceeding or who is assigned to deal with applications in this proceeding; and
 - b. the Executive Assistant and Associate to any such judge,

and be placed in a sealed envelope on the Court file marked "*Confidential – Not to be opened other than by a judge of this Court*". This order applies throughout the Commonwealth of Australia.

Background

On 27 September 2013, Equititrust in its capacity as responsible entity of the EIF filed an Originating Application and Statement of Claim in the Federal Court of Australia, which commenced proceeding no NSD 2028 of 2013 (the **EIF Proceeding**). That Statement of Claim has since been amended.

On 27 September 2013, Equititrust in its capacity as trustee entity of the EPF filed an Originating Application and Statement of Claim in the Federal Court of Australia, which commenced proceeding no NSD 2025 of 2013 (the **EPF Proceeding**). That Statement of Claim has since been amended.

The EIF Proceeding concerned the failure of Equititrust Limited and two of its directors, Mark and Wayne McIvor, to comply with their obligations in relation to the EIF, and KPMG's alleged failure to comply with its obligations as auditors of the EIF's financial statements and compliance plans.

The EPF Proceeding concerned KPMG's alleged failure to comply with its obligations as auditors of EPF's financial statements and compliance plans.

On 13 September 2018, the parties to the EIF Proceeding and the EPF Proceeding took part in a court ordered mediation. The mediation was successful and the parties entered into a settlement deed on 17

December 2018, the terms of which are confidential but include the possibility of the Court making the directions sought in this application.

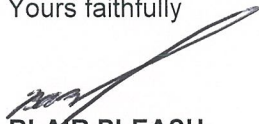
This application is set down to be heard by the Federal Court of Australia at Sydney on 20 June 2019 not before 11.30am.

Copies of the non-confidential court documents in respect of this application will be made available on <http://jobs.hallchadwick.com.au/> (**Hall Chadwick Portal**) progressively as and when they are filed with the Court.

Please email equititrust@hallchadwick.com.au to obtain access details to the Hall Chadwick Portal.

Any creditor or unitholder who reasonably requires a hard copy of the application and supporting material, or a copy of the confidential court documents should put the request in writing to equititrust@hallchadwick.com.au.

Yours faithfully



**BLAIR PLEASH
LIQUIDATOR**