

26 February 2025

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

**Keystone Asset Management Ltd
(Receivers and Managers Appointed) (In Liquidation)
ACN 612 443 008 ('KAM' or 'the Company')**

On 28 August 2024, Scott Langdon, John Mouawad and Michael Korda of KordaMentha were appointed as joint and several voluntary administrators of the Company.

On 5 September 2024, as determined by an order of the Federal Court of Australia in proceeding number VID 536 of 2024, pursuant to s447(a)(1) of the Corporations Act 2001 (Act) and / or s90-15 of the Insolvency Practice Schedule (Corporations) (IPS) (being Schedule 2 to the Act), Scott Langdon, John Mouawad and Michael Korda of KordaMentha were removed as the voluntary administrators of the Company and Lucica Palaghia and I were appointed as the joint and several voluntary administrators.

At a meeting of creditors held for the Company on 2 December 2024, creditors resolved to wind up the Company and appointed Glen Kanevsky and I as joint and several liquidators of KAM.

Please find attached the Liquidators' Statutory Report pursuant to s70-40 of the IPS. This report has been prepared for KAM and while certain information is included in relation to assets held by the Company in its capacity as Responsible Entity for the Shield Master Fund, in its capacity as trustee for the Advantage Diversified Property Fund, and in its capacity as trustee for the Quantum PE Fund, this report is not a detailed assessment of the likely returns to investors from these funds. We refer investors to our website established for the purpose of sharing key updates in relation to the external administration and concurrent receivership of KAM and assets under its control:
<https://www.deloitte.com/au/en/services/financial-advisory/notices/keystone-asset-management-ltd.html>

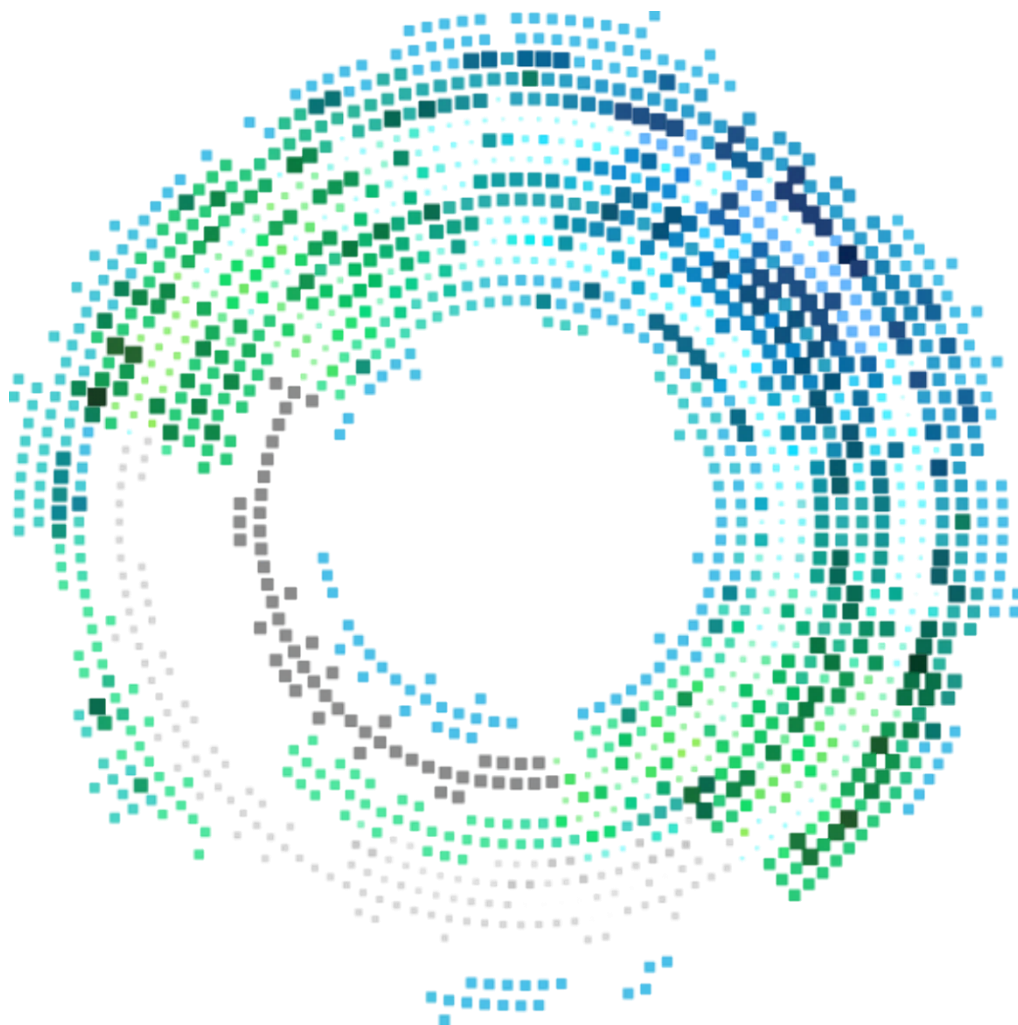
Should you require any further information, please contact us at shieldinvestors@deloitte.com.au.

Yours faithfully



Jason Tracy
Joint and Several Liquidator

Encl.



Statutory Report to Creditors pursuant to section 70-40 of the Insolvency Practice Rules (Corporations)

Keystone Asset Management Ltd
(Receivers and Managers Appointed) (In Liquidation)
ACN 612 443 008

26 February 2025

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Appendix A - Declaration of Independence, Relevant Relationships and Indemnities

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1 Introduction

1.1 Appointment of Voluntary Administrators and Liquidators

On 28 August 2024, Scott Langdon, John Mouawad and Michael Korda of KordaMentha were appointed as joint and several voluntary administrators (**Prior Administrators**) of Keystone Asset Management Ltd (**KAM** or the **Company**)

On 5 September 2024, as determined by an order of the Federal Court of Australia in proceeding number VID 536 of 2024, pursuant to s447(a)(1) of the Corporations Act 2001 (the **Act**) and / or s90-15 of the Insolvency Practice Schedule (Corporations) (being Sch 2 to the Act) (**IPS**), Scott Langdon, John Mouawad and Michael Korda of KordaMentha were removed as the administrators of the Company and Jason Tracy and Lucica Palaghia of Deloitte were appointed as the joint and several voluntary administrators (**Voluntary Administrators**).

At the second meeting of creditors held for the Company on 2 December 2024, creditors resolved to wind up the Company and appointed Glen Kanevsky and I as joint and several liquidators (**Liquidators**) of KAM.

1.2 Concurrent appointment of Receivers and Managers

As detailed in the Voluntary Administrators' report to creditors prepared pursuant to s75-225 of the IPR dated 25 November 2024 (**Voluntary Administrators' Report**), we note that prior to our appointment as Voluntary Administrators, by an order of the Federal Court of Australia in proceeding number VID 536 of 2024, pursuant to s1323(1)(h) of the Act (**27 August Orders**), Lucica Palaghia and I were appointed Receivers and Managers (**Receivers**) of the Property of KAM for the purposes of:

- a. *Identifying, collecting and securing the Property of the First Defendant held in any of its Relevant Capacities;*
- b. *Ascertaining the amount of the Investor Funds received by the [Company];*
- c. *Identifying any dealings with, payments of, distributions of or uses made of the Investor Funds by the [Company];*
- d. *Identifying any property purchased or acquired, directly or indirectly, with Investor Funds; and*
- e. *Recovering Investor Funds.*

For the purpose of the 27 August Orders:

- Property means *all real or personal property, assets or interests in property of any kind, within or outside of Australia including choses in action and, by virtue of s1323(2A) of the Corporations Act, any property held otherwise than as sole beneficial owner;*
- Relevant Capacities means [in relation to the Company] *its capacity as responsible entity of the SMF, its capacity as trustee for the ADPF, and its capacity as trustee for the Quantum PE Fund; and*
- Investor Funds means *monies provided to the [Company] in its capacity as responsible entity of the SMF.*

The 27 August Orders required us to provide the Court with a confidential report on the above matters, as well as the solvency of the Company within 28 days of our appointment as Receivers. This report was submitted to the Court on 25 September 2024.

Our appointment as Voluntary Administrators and now Liquidators of the Company does not impact our appointment as Receivers pursuant to the 27 August Orders, which appointment continues alongside the liquidation, and is focussed on achieving the purpose of that appointment as set out above.

1.3 Purpose of this report

The purpose of this report to creditors is to provide details about any dividends to be declared and to provide an update on the matters listed below in accordance with s70-40 of the Insolvency Practice Rules (Corporations) 2016 (**IPR**):

- The estimated assets and liabilities of the Company
- Inquiries undertaken to date relating to the liquidation of the Company
- Further inquiries to be undertaken relating to the liquidation of the Company
- What happened to the business of the Company

- Possible recovery actions, and
- The likelihood creditors receiving a dividend before the affairs of the Company are fully wound up.

This report should be read in conjunction with the following reports which were prepared by the Voluntary Administrators:

- The Voluntary Administrators' Report
- The Voluntary Administrators' first supplementary report prepared pursuant to s75-225 of the IPR dated 27 November 2024 (**Voluntary Administrators' First Supplementary Report**), and
- The Voluntary Administrators' second supplementary report prepared pursuant to s75-225 of the IPR dated 30 November 2024 (**Voluntary Administrators' Second Supplementary Report**).

We will refer to the abovementioned reports at various points throughout this report. Creditors who wish to obtain another copy of the abovementioned reports may download a copy from the following website:

<https://www.deloitte.com/au/en/services/financial-advisory/notices/keystone-asset-management-ltd.html>

1.4 Declaration of Independence, Relevant Relationship and Indemnities

We provided an updated Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) dated 10 December 2024 to all known creditors on 16 December 2024. We have subsequently prepared a further updated DIRRI which is dated 25 February 2025 and is attached to this report as **Appendix A**.

1.5 Electronic communication

Section 600G of the Act allows liquidators to make communications and notifications available for creditors to access electronically. Liquidators, however, must notify creditors when information is made available electronically and provide instructions on how it can be accessed. If a creditor has nominated an email address liquidators can send notification of reports or other communication being available electronically by email, otherwise, a notice must be sent by post.

Electronic communication is speedy and cost effective and reduces the expenses incurred in an administration. Creditors have already been notified how to access information via our website for this matter:

<https://www.deloitte.com/au/en/services/financial-advisory/notices/keystone-asset-management-ltd.html>

If you are having difficulty accessing the above website, please contact our office by email at shieldinvestors@deloitte.com.au. Alternatively, if you do not have access to the internet and would like to receive future correspondence by post, please inform us.

2 Liquidators' inquiries to date and future inquiries

2.1 Voluntary Administrators' actions

We refer creditors to Section 6 of the Voluntary Administrators' Report, which provided detail of the actions undertaken by the Voluntary Administrators.

2.2 Liquidators' action to date

As detailed in the Voluntary Administrators' Report, Lucica Palaghia and I have also been appointed as Receivers of the Property of the Company in its capacity as Responsible Entity (**RE**) for the Shield Master Fund (**SMF**), in its capacity as trustee for the Advantage Diversified Property Fund (**ADPF**) and in its capacity as trustee for the Quantum PE Fund. As such, our actions in the Company's liquidation have largely been limited to attending to our statutory obligations and investigations with respect to KAM's affairs. Details of our actions to date are summarised below:

2.2.1 Creditors

- Reviewing and responding to queries from creditors
- Preparing and lodging minutes from the second meeting of creditors with the Australian Securities and Investments Commission (ASIC)
- Preparing the statutory report to creditors
- Reviewing creditor claims

2.2.2 Investigations

- Reviewing books and records provided for the Company
- Preparing and issuing requests for documents to relevant third parties
- Consideration of obligations as RE and trustee of funds
- Liaising with legal advisers regarding obligations as RE and trustee of funds
- Conducting investigations with respect to potential breaches of the Act
- Preparing and lodging reports with ASIC regarding potential breaches of the Act

2.2.3 Assets

- Liaising with legal advisers regarding funds held by Keystone in its own capacity

2.2.4 Administration and statutory compliance

- Reviewing and updating checklists
- Preparing and lodging forms with ASIC including DIRRI and liquidation appointment notifications

2.3 Liquidators' further actions

The Liquidators' further actions will include, but are not limited to, the following:

2.3.1 Creditors

- Reviewing and responding to queries from creditors
- Preparing reports to creditors
- Reviewing creditor claims
- Liaising with legal advisers regarding creditor claims
- Liaising with creditors regarding their claims
- Adjudication of creditor claims
- Preparing for and attending COI meetings
- Preparing for and lodging minutes from COI meetings
- Arranging a distribution to creditors

2.3.2 Investigations

- Reviewing books and records provided for the Company
- Preparing and issuing requests for documents to relevant third parties
- Consideration of obligations as RE and trustee of funds
- Liaising with legal advisers regarding obligations as RE and trustee of funds
- Arranging termination of the funds
- Liaising with respect to our investigations
- Conducting investigations of key personnel to assist in progressing claims with respect to the funds which are being pursued by the Receivers
- Identifying and pursuing any claims for the benefit of creditors and investors

2.3.3 Assets

- Liaising with legal advisers regarding funds held by Keystone in its our capacity
- Considering the recoverability of assets disclosed in the ROCAPs received from KAM's current and former directors and within the Company's balance sheets
- Taking steps to realise assets disclosed in the ROCAPs received from KAM's current and former directors and within the Company's balance sheets

2.3.4 Administration and statutory compliance

- Reviewing and updating checklists
- Preparing and lodging forms with ASIC
- Attending to statutory lodgements with the Australian Taxation Office (ATO)

In light of the abovementioned Liquidators' further actions and the fact that we consider that the liquidation of KAM will be tied to the ongoing receivership, we are of the view that the liquidation will not be completed until June 2028.

2.4 Committee of Inspection for this winding up

At the second meeting of creditors held on 2 December 2024, creditors resolved that a Committee of Inspection (COI) would be formed for the Company. The members of the COI are as follows:

Creditor	Representative
Macquarie Investment Management Limited	Chris Prestwich
Bond Street Custodians Limited	Chris Prestwich
Equity Trustees Superannuation Limited s trustee for AMG Super and Super Simplifier	Asia Lenard
CF Capital Investments Pty Ltd (In Liquidation) (CF Capital)	Simon Milne

At this stage, no meetings of the COI have been held. A liquidator was appointed to CF Capital on 11 February 2025. We are presently liaising with the liquidator of CF Capital to clarify whether Simon Milne has a continuing capacity to act as a representative on the COI.

2.5 Receipts and payments for the liquidation

Outside of cash at bank at appointment there has not been any other receipts and payments over the course of the voluntary administration and now liquidation of the Company up until 15 February 2025. Whilst this is the case, we note that there have been a number of receipts and payments in our role as Receivers of the Property of the Company in its capacity as RE for the SMF, its capacity as trustee for the ADPF and its capacity as trustee for the Quantum PE Fund. Details of the Receivers' receipts and payments will be provided to ASIC as required. The SMF has been meeting some of the costs of CF Capital directly and not via the Company. These costs include the wages and employee entitlements of the Investment Manager and other expenses that the Receivers have determined are essential to maintaining the status quo of the day-to-day operation of the funds.

3 Estimated assets and liabilities

3.1 Introduction

Set out in the table below is a comparison of the current and former directors' estimated realisable value (ERV) of the Company's assets and liabilities compared to our ERV of KAM's assets and liabilities based on the investigations we have undertaken over the course of the voluntary administration and now liquidation of the Company:

(\$)	Referenc e	Directors’ ROCAP	Liquidators’ ERV / Estimated Claim Value	
			Low	High
Assets				
Bank accounts	3.2.1	Unknown	990,498	990,498
Debtors	3.2.2	Unknown	Nil	Unknown
Total assets		Unknown	990,498	990,498
Liabilities				
Priority creditor employee entitlements	N/A	Nil	Nil	Nil
Secured creditors	N/A	Nil	Nil	Nil
Unsecured creditors	3.3.1	(10,602,640)	(141,684,716)	(141,684,716)
Total liabilities		(10,602,640)	(141,684,716)	(141,684,716)
Estimated surplus / (deficiency)		Unknown	(140,684,716)	(140,684,716)

3.2 Assets

We provide further information regarding the Company's assets below.

3.2.1 Bank accounts

The ROCAPs submitted by the current and former directors' of KAM disclosed three (3) bank accounts with an unknown balance.

In undertaking our investigations, we have identified that the Company held two (2) bank accounts which had a combined balance of \$990k as at the date of the Voluntary Administrators' appointment.

We are undertaking investigations to determine whether there are any further bank accounts held in the name of the Company. We are also taking steps to arrange for these funds to be transferred to post-appointment bank accounts which will be maintained for the liquidation of KAM.

3.2.2 Debtors

The ROCAPs submitted by the current and former directors' of the Company disclosed management fees which were owed to KAM in its capacity as the RE for the SMF.

We are undertaking further investigations with respect to amounts that may be due and payable to KAM including the abovementioned management fees and other loans which may be recoverable from related entities.

3.3 Liabilities

We provide further information regarding the Company's liabilities below.

3.3.1 Unsecured creditors

The ROCAPs submitted by the current and former directors' of KAM disclosed unsecured creditor claims totalling \$10.6m.

Our investigations have identified 31 potential unsecured creditors with claims totalling \$141.7m. A summary of these potential claims is provided in the following table:

Unsecured creditors	Liquidators' Estimated Claim Value (\$)
Investment fund claimants	(139,405,259)
Other unsecured creditors	(1,491,204)
Related entities	(565,005)
Statutory creditors	(223,248)
Total	(141,684,716)

Please be aware that we have not formally adjudicated on any potential unsecured creditor claims over the course of our appointment and as such, the above amounts represent estimates only based on the Company's books and records and information that has been provided to us over the course of the voluntary administration and liquidation of KAM.

4 What happened to the business of the Company

4.1 The Company's business

As detailed in the Voluntary Administrators' Report and throughout this report, as at the date of the Prior Administrators' appointment, KAM was appointed as the RE for the Shield Master Fund which is a registered managed investment funds and the trustee for the ADPF and the Quantum PE Fund which are unregistered managed investment funds. Further information regarding the Company's business is available within the Voluntary Administrators' Report.

4.2 Causes of failure for the Company's business

Information regarding the Company's financial difficulties and by extension, the failure of the Company's business were provided in section 5 of the Voluntary Administrators' Report.

In conducting our investigations over the course of the liquidation to date, we have retained the view that the Company's financial difficulties and subsequent failure were as a result of the following:

- In June 2024, ASIC commenced action to freeze the assets of the SMF as part of its ongoing investigation into the management of investor funds by KAM as RE for the SMF. These actions resulted in our appointment to (amongst other things) control the Company's bank account pursuant to the orders made in the Federal Court of Australia Proceedings No. VID536/2024 (**26 June Orders**), and as Receivers to certain assets pursuant to the 27 August Orders, and
- It appears that the directors formed the view that the Company was or was likely to become insolvent as a result of the 26 June Orders and 27 August Orders, as it became unclear whether the Company could continue to receive an RE or trustee fee and / or rely on the indemnity (as RE and trustee) from the SMF assets to funds its costs, and accordingly whether the Company and its directors could discharge their duties.

4.3 Historical financial performance and financial position of the Company's business

Please refer to the Voluntary Administrators' Report for details of the Company's historical financial performance and financial position.

5 Possible recovery actions

5.1 Introduction

There is a general duty by a liquidator to investigate the Company's business, property, affairs and financial circumstances. There are a number of possible recovery actions that may be brought by a liquidator under Part 5.7B of the Act which may result in more funds available for distribution to the creditors.

The liquidator also has an obligation to report possible director breaches of duties or likely misconduct that comes to our attention to ASIC. ASIC may, as a consequence of such a report, prosecute the directors and a successful prosecution may result in the director(s) being fined or imprisoned. However, any action undertaken in this regard will have no impact on likely dividends to creditors.

An explanation of the possible recoveries that may arise as a consequence of offences by a director and insolvent and voidable transactions is attached at **Appendix B**. This information sheet has been prepared by the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) and is intended to reduce the amount of generic information included as part of the body of this report. Creditors who are not familiar with the nature of offences and liquidator actions should refer to the appendix for explanations. If further explanation is required of the material contained in **Appendix B** or of our investigations, creditors should contact our office.

Whilst we have no reason to doubt any information contained within this report, we reserve the right to alter any of our conclusions should the underlying data prove to be inaccurate or any other material changes occur from the date of this report.

5.2 Summary of investigations and potential claims

We provide the following summary of our preliminary investigations with respect to the Company:

- We have formed the preliminary view that the Company may have been insolvent from 27 July 2024. Our investigations with respect to the quantum of any potential insolvent trading claim are continuing
- We consider that the Company may have entered into a number of unreasonable director-related transactions. As at the date of this report, we have not quantified the value of potential unreasonable director-related transactions claims and note that these claims may overlap with claims being pursued by the Receivers
- We consider that current and former directors of the Company may have breached their duties pursuant to sections 180 to 184 of the Act, and
- We have formed the preliminary view that the Company has not complied with its obligation to maintain books and records consistent with the requirements set out in s286 of the Act. If we are provided with further books and records, we may alter our views with respect to this matter.

5.3 Overview of investigations

As at the date of this report, we have undertaken the following investigations to formulate our opinions:

- ASIC searches
- Searches of the Personal Property Securities Register (**PPSR**)
- Review of the books and records of the Company
- Liaising with stakeholders regarding matters pertaining to the Company and potential misconduct
- Reviewing materials supplied to us by creditors of the Company, and
- ROCAPs provided by financial information provided for the Company.

Liquidators are required to complete and lodge a report pursuant to s533 of the Act with ASIC where it appears:

- A past or present officer of the company may have been guilty of an offence or misconduct in relation to the company, and / or
- The Company may be unable to pay more than 50 cents in the dollar to unsecured creditors.

As detailed throughout this section of the report, we consider that past and present officers of the Company may have been guilty of an offence or misconduct. As a result, we have prepared and lodged a report pursuant to s533 of the Act with ASIC. This report is private and confidential and as such, it not available for public access.

5.4 Insolvent trading

As detailed in the Voluntary Administrators' Report, directors of a company have a positive duty to prevent the company from trading whilst it is insolvent pursuant to s588G of the Act. If a director is found to have contravened s588G of the Act, they may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention.

5.4.1 Assessment of solvency

As detailed in the Voluntary Administrators' Report, we have formed the preliminary view that the Company was insolvent from 27 July 2024. We have formed this preliminary view as a result of a number of factors which include, but are not limited to, the following:

- Lucica Palaghia and Jason Tracy prepared a report on the financial position of the SMF and ADPF. This report which was dated 27 July 2024 identified that the financial position of both the SMF and ADPF had been materially overstated, and
- Our view that the Company may not be entitled to be indemnified from scheme or trust property in circumstances in which it is determined that KAM did not properly discharge its duties as RE and trustee of the registered and unregistered management investment funds.

Further information with respect to our assessment of solvency for the Company is available within the Voluntary Administrators' Report.

5.4.2 Recovery of insolvent trading claims

In the event that a company has traded whilst insolvent, a liquidator may commence action against a company's directors to recover an amount equal to the amount of the loss or damage that has been incurred by the company as a result of the director allowing the company to trade whilst insolvent.

Whilst we have identified that the Company may have been trading whilst insolvent from 27 July 2024 to 28 August 2024, we consider that any potential insolvent trading claim may have a value of \$Nil. This is due to the limited period in which we consider that KAM was trading whilst insolvent and the fact that during the period 27 July 2024 to 28 August 2024, Lucica Palaghia and Jason Tracy were required to provide their authority before the Company was able to incur a debt.

Notwithstanding the above, we note that our investigations with respect to claims against the Company's current and former directors are ongoing.

5.5 Voidable transactions

In the Voluntary Administrators' Report, we provided details of our preliminary investigations with respect to potential voidable transactions entered into by the Company. The findings from our investigations to date are summarised in the following table:

Type of voidable transaction	Preliminary assessment of the value of pursuable claims
Unfair preference payments	None identified
Unfair loans	None identified
Uncommercial transactions	None identified
Discharging a debt of a related entity	None identified
Unreasonable director-related transactions	Unknown
Creditor defeating disposition	None identified
Arrangements to avoid employee entitlements	None identified
Transactions with the purpose of defeating creditors	None identified
Circulating security interests created within six months prior to the relation back day	None identified

When considering the voidable transactions that may be pursuable in conducting the liquidation of the Company, it is appropriate to note the following:

- Certain transactions are only voidable if they are insolvent transactions. A transaction is an insolvent transaction if it occurred at a time when the company was insolvent. The onus is on the liquidator to prove the company was insolvent at the time in order to succeed in voiding (recovering) any such transaction. As detailed in the Voluntary Administrators' Report and within this section of this report, we have formed the preliminary view that the Company may have been trading whilst insolvent from 27 July 2024 to 28 August 2024. As a result, there is a limited period of time in which KAM may have entered into any insolvent transactions.
- Whilst we consider that the Company may have entered into a number of unreasonable director-related transactions, we note that some of those claims may overlap with claims being pursued by the Receivers. As a result, our investigations with respect to potential unreasonable director-related transactions claims including both identification and quantification of claims, are ongoing.

5.6 Offences by current and former directors

As detailed within the Voluntary Administrators' Report and within this section of this report, we consider that current and former directors of the Company may have committed offences which are required to be reported to the ASIC. Details of these contraventions of the Act are detailed below.

5.6.1 Directors' duties

Sections 180 to 184 of the Act, impose duties on directors in their capacity as an officer of a company to exercise care and diligence, act in good faith in the best interests of the company and not to misuse their position.

In undertaking our investigations, we have identified actions taken by the Company's current and former directors which we consider to represent breaches of s180 to 184 of the Act regarding the general duties of directors and officers.

We reported these contraventions to ASIC in our report prepared pursuant to s533 of the Act and are undertaking further investigations to determine claims that may be brought against the Company's current and former directors as a result of these contraventions.

5.6.2 Breaches of certain compliance obligations

As detailed within the Voluntary Administrators' Report, our investigations have identified a number of breaches of the laws which apply to Australian Financial Services Licence (AFSL) holders by KAM.

The breaches that have been identified in our investigations occurred prior to the appointment of the Prior Administrators and those breaches have been reported to ASIC.

5.6.3 Books and records

Pursuant to s286 of the Act, a company must keep written financial records that correctly record and explain its transactions, financial position and performance and would enable true and fair financial statements to be prepared and presented in accordance with the accounting standards.

Failure by a company to maintain books and records in accordance with s286 of the Act provides a rebuttable presumption of insolvency of a company which may be relied upon in a liquidator's application for compensation for insolvent trading and other actions for recoveries pursuant to part 5.7B of the Act from related entities.

As detailed within the Voluntary Administrators' Report, we have formed the view that the Company has not complied with its obligations pursuant to s286 of the Act. We reported this contravention to ASIC in our report prepared pursuant to s533 of the Act.

5.7 Limitations on investigations

The opinions outlined above and within the Voluntary Administrators' Report are based on ongoing investigations we have undertaken in respect of the Company's affairs, business and financial position. We reserve the right to alter the opinions expressed throughout this report in the event we are provided with further information pertaining to the Company's affairs, business and financial position and / or further information is provided with respect to KAM's affairs, business and financial position as a result of public examinations which may be conducted with current and former officers of KAM and other relevant parties.

6 Remuneration

As you may be aware, at the second meeting of creditors which was held for the Company on 2 December 2024, creditors approved the following remuneration:

Period	Amount (\$) (excluding GST)
Voluntary Administration – 28 August 2024 to 6 October 2024	100,669.50
Voluntary Administration – 5 September 2024 to 15 November 2024	236,091.00
Voluntary Administration – 16 November 2024 to completion of the voluntary administration	223,220.00
Liquidation – commencement of the liquidation to 31 December 2025	250,000.00
Total Costs of External Administration	809,980.50

We note the following with respect to the above:

- The remuneration approval for the period 28 August 2024 to 6 October 2024 totalling \$100,669.50 plus GST relates to amounts incurred by the Prior Administrators, and
- Whilst the remuneration approval for the liquidation is only for the period from commencement of the liquidation to 31 December 2025, we consider \$250,000 plus GST to represent our current view of the total remuneration for the liquidation. This view may change and we will advise creditors accordingly.

In light of the above, we presently estimate that the total remuneration for the external administration of the Company will be \$809,980.50.

7 The likelihood of a distribution to creditors

7.1 Introduction

In this section of this report, we have prepared an analysis of the potential distribution to creditors of the Company. Our calculations of the potential returns to creditors have been prepared on both an optimistic ('High') and pessimistic ('Low') basis. These different scenarios are detailed:

Estimated return to creditors scenarios	Information regarding the estimated return to creditors
High	These values have been included on the basis that there is potential for an increased recovery or realisation above a pessimistic or low position for specific assets. Where there are two (2) estimates of the value of an asset, the higher value has been included in the optimistic or high calculations. Achieving these values is subject to a number of factors that would arise during the realisation process. This includes various market forces affecting the value of each asset, including the interest in each asset and the general economic status at the time of sale.
Low	The values included in this calculation are considered the lower possible values recoverable from the specific assets. These amounts have been calculated by either discounting for a reduced return or where two (2) values were provided for an asset, the lower value was included.

7.2 Estimated returns to creditors

Our calculation of the potential distribution to creditors of the Company is provided below:

(\$)	Low	High
Assets		
Bank accounts	990,498	990,498
Debtors ⁽¹⁾	Nil	Unknown
Indemnity from funds ⁽²⁾	Nil	Unknown
Total Asset Realisations	990,498	Unknown
Other Realisations		
Claims for insolvent trading, voidable transactions and breaches of directors' duties ⁽³⁾	Nil	Unknown
Total Other Realisations	Nil	Unknown
Total Realisations	Nil	Unknown
Costs of External Administration		
Voluntary administrators' remuneration ⁽⁴⁾	(559,981)	(559,981)
Voluntary administrators' expenses including legal fees ⁽⁵⁾	Unknown	Unknown
Liquidators' remuneration ⁽⁴⁾	(250,000)	(250,000)
Liquidators' expenses including legal fees ⁽⁵⁾	Unknown	Unknown
Total Costs of External Administration	Unknown	Unknown
Funds Available for Distribution to Creditors	Nil	141,684,716
Creditor Claims		
Secured creditors	Nil	Nil
Priority unsecured creditors	Nil	Nil
Unsecured creditors ⁽⁶⁾	(141,684,716)	(141,684,716)
Total Creditor Claims	(141,684,716)	(141,684,716)

(\$)	Low	High
Distribution to Creditors		
Secured creditors	Nil	Unknown
Priority unsecured creditors	Nil	Unknown
Unsecured creditors ⁽⁶⁾	Nil	(141,684,716)
Total	Nil	(141,684,716)

We provide the following notes to assist creditors in reviewing the above estimate of potential returns to creditors:

- (1) As detailed at **section 4** of this report, we are undertaking further investigations with respect to amounts that may be due and payable to KAM including management fees and other loans which may be recoverable from related entities. The outcome of these investigations will influence the total recoveries for the benefit of creditors in the liquidation.
- (2) As detailed in the Voluntary Administrators' Report and in **section 5** of this report, the Company may be entitled to be indemnified from assets held by the funds for which KAM acts as the RE and trustee. In the event that the Company is entitled to be indemnified, all liabilities of KAM may be paid in full. Further investigations are required to be undertaken to ascertain whether KAM is entitled to be indemnified from scheme or trust property in circumstances in which KAM may have failed to properly discharge its duties as RE and trustee of the registered and unregistered management investment funds.
- (3) As detailed at **section 5** of this report, we consider that there may be claims for insolvent trading, breaches of directors' duties and unreasonable director-related transactions that had been entered into by the Company. Our investigations with respect to these potential claims are ongoing and as such, the recoveries from these actions are disclosed as in the range of \$Nil to Unknown for the purposes of assessing the potential returns to creditors.
- (4) The voluntary administrators' remuneration and liquidators' remuneration are as disclosed at **section 6** of this report.
- (5) At this stage, we have not sought to quantify the voluntary administrators' and liquidators' expenses including legal fees. We are in the process of reviewing these costs as part of preparing an urgent court application in relation to the liquidation and receivership of KAM. Further information regarding these costs will be included in subsequent reports which will be lodged with ASIC.
- (6) As detailed at **section 4** of this report, we understand that unsecured creditor claims total \$141,684,716. In a 'High' scenario, we consider that all unsecured creditor claims will be paid in full as KAM will be entitled to be indemnified from assets held by the funds for which KAM acts as the RE and trustee.

8 Conclusion

We trust that creditors find this report informative and useful. In the event that you have any queries regarding the contents of this report, or the liquidation in general, please do not hesitate to contact our team via email to shieldinvestors@deloitte.com.au and we will respond to you as quickly as we are able.

Dated this 26th day of February 2025



Jason Tracy
Joint and Several Liquidator

Appendix A – Declaration of Independence, Relevant Relationships and Indemnities

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Keystone Asset Management Ltd (ACN 612 443 008) (KAM or the Company)

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

1. their independence generally;
2. relationships, including:
 - 1.1 the circumstances of the appointment;
 - 1.2 any relationships with the Company and others within the previous 24 months;
 - 1.3 any prior professional services for the Company within the previous 24 months;
 - 1.4 that there are no other relationships to declare; and
3. any indemnities given, or up-front payments made, to the Practitioners.

This declaration is made in respect of ourselves, our partners and Deloitte Australia. In this document, Deloitte Australia means the Australian partnership of Deloitte Touche Tohmatsu and each of the entities under its control, including Deloitte SRT Pty Limited (formerly known as Deloitte Financial Advisory Pty Limited).

This declaration replaces the DIRRI dated 10 December 2024 which was made by Jason Tracy and Glen Kanevsky. We consider that this DIRRI is required pursuant to section 436DA(5) of the Corporations Act, 2001, as on 18 February 2025,, Jason Tracy and Glen Kanevsky of Deloitte Australia were appointed as receivers and managers of the Warrigal Road Ashburton Pty Ltd (ACN 621 641 165) (Receivers and Managers Appointed) (**Warrigal Road Ashburton**).

Further information with respect to the above matter is provided throughout this DIRRI.

A. Independence

Jason Tracy and Lucica Palaghia of Deloitte Australia undertook a proper assessment of the risks to their independence prior to accepting the appointment by the Court as Voluntary Administrators (replacing Scott Langdon, John Mouawad and Michael Korda of KordaMentha) of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to their independence in light of the orders of his Honour, Justice Moshinsky of the Federal Court of Australia (the **Court**) in *Australian Securities and Investments Commission v Keystone Asset Management Ltd (Receivers*

and Managers appointed) (Administrators appointed) (ACN 612 443 008) and Anor in VID 536/2024 (**Proceedings**) on 5 September 2024 (**5 September Orders**). Jason Tracy and Lucica Palaghia of Deloitte Australia were not aware of any reasons that would prevent them from accepting the appointment.

The Court's reasons for the 5 September Orders are available on the Deloitte website at: <https://www.deloitte.com/au/keystone> and creditors were notified of the 5 September Orders.

At the second meeting of KAM's creditors which was convened and held on 2 December 2024, we, Jason Tracy and Glen Kanevsky of Deloitte Australia were appointed as Joint and Several Liquidators of KAM. The appointment of the Liquidators resulted in the conclusion of the voluntary administration of KAM and as such, Jason Tracy and Lucica Palaghia of Deloitte Australia ceased their role as voluntary administrators of KAM on 2 December 2024.

Prior to providing a consent to act as Joint and Several Liquidators of KAM, we, Jason Tracy and Glen Kanevsky, had undertaken a proper assessment of the risks to our independence in accepting the appointment as Joint and Several Liquidators of the Company. This assessment identified no real or potential risks to our independence and as such, we provided our consent to act. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

Circumstances of appointment

The circumstances leading to Jason Tracy and Lucica Palaghia's appointment by the Court as Voluntary Administrators of KAM initially arose from the work undertaken in respect of KAM and the Relevant Associated Entities as listed in Schedule A. In this regard, in this section of our DIRRI, we have provided details of the circumstances which led to this initial work in relation to KAM and the Relevant Associated Entities as listed in Schedule A up until the date of this declaration. We note that following the initial engagement, the Court appointed Jason Tracy and Lucica Palaghia, with ASIC's consent, to take control of KAM's bank accounts, supervise KAM's payments and produce a report to ASIC (among other things). The Court then appointed Jason Tracy and Lucica Palaghia as Receivers and Managers (**Receivers and Managers**) on ASIC's application and finally, as Voluntary Administrators. The Receivers and Managers' previous interactions with KAM were disclosed to the Court and formed the factual basis upon which the Court made the subsequent appointment orders. Since 26 June 2024, the Receivers and Managers have been under the supervision of the Court and acting in compliance with the Court orders in these Proceedings.

Circumstances of our initial engagement

On 1 February 2024, Jason Tracy was contacted by Samantha Kinsey, Partner of King & Wood Mallesons (**KWM**) who requested that Deloitte Financial Advisory Pty Ltd (now known as Deloitte SRT Pty Limited) (**Deloitte**) undertake conflict searches to determine whether Deloitte could provide services in connection with KAM in its capacity as the Responsible Entity for the Shield Master Fund (**SMF**) and in its capacity as Trustee for the Advantage Diversified Property Fund (**ADPF**). KWM were engaged as KAM's legal advisors in relation to KAM's related party arrangements.

Engagement between Deloitte and KWM (“8 February Engagement”)

On 8 February 2024, Deloitte was engaged by KWM, on a privileged and confidential basis, for the purpose of providing “...an independent review of the related party arrangements (**Arrangements**) entered into by [KAM] as Trustee for the Shield Master Fund ARSN 650 112 057 (**Shield**) and the Advantage Diversified Property Fund (the **Services**) to assist KWM in providing legal advice to KAM. The purpose of the engagement and scope of the Services was set out in the engagement letter as follows:

“The purpose of the Services is to assist you to advise [KAM] in relation to the Arrangements and whether those Arrangements reflect at least arm’s length terms and to extent that those Arrangements do not reflect arm’s length terms, providing recommendations in respect of amendments to the Arrangements to ensure (to the extent possible) that they can be properly characterized as arrangements on arm’s length terms (the Purpose).

...

The scope of the work is detailed below:

Phase 1: Review of related party arrangements

- *Understand the current and proposed Arrangements, including:*
 - *Entity, legal and security structures*
 - *Assets held by entity and value of those assets*
 - *Key financing and other contractual agreements, including value of loans and amounts outstanding*
 - *Management agreements*
 - *Value of investor funds and forecast redemption cycles*
 - *Review of public disclosure documents*
- *Review and comment on the key terms of the Arrangements, and the extent to which they reflect at least arm’s length terms and to extent that those Arrangements do not reflect arm’s length terms, providing recommendations in respect of amendments to the Arrangements to ensure (to the extent possible) that they can be properly characterized as arrangements on arm’s length terms.” [Deloitte did not conclude or provide an opinion in relation to this scope item.]*

Variation to the engagement between Deloitte and KWM (“4 March Variation”)

On 4 March 2024, Deloitte and KWM agreed to vary the Services which Deloitte were engaged to provide pursuant to the engagement letter dated 8 February 2024 discussed above. Pursuant to the variation, Deloitte were engaged to provide the following services on a privileged and confidential basis:

“Shield Master Fund | Verification of Sources and Uses of Funds Under Management

Verify the source and uses of Shield funds under management by:

- i. *Agreeing the funds invested in Shield to Boardroom registry records and bank statements*
- ii. *Where funds have been invested by Shield into ADPF:*
 - a) *Agree the amount invested by Shield to ADPF unit registers and verify payment to bank statements*
 - b) *For each of the loans advanced by ADPF to development SPVs, understand the purpose of each drawdown request by agreeing loan drawdowns to:*
 - *The loan draw down notice*
 - *Supporting documentation for each development cost included in the drawdown notice (such as development cost invoices, land acquisition and other contracts, construction claims)*
 - *Agree payment of the drawdown amount by ADPF to the ADPF bank statements*
 - *For each drawdown amount received by the Developer from ADPF, agree payment of the development cost from the Developer's bank statement to third parties.*

- iii. *Agreeing Shield's investment into the SPW Global Growth Fund, Archangle [sic] Ventures 2022, Fiducial SMA Funds and Direct Listed investments to third party statements*
- iv. *All other Shield fund outflows: Agree outflows to supporting documentation (such as invoices, investment management agreements) and verify payment of the outflows to bank statements."*

Engagement between Deloitte and KAM as the Responsible Entity for the SMF ("4 March Engagement")

On 4 March 2024, Deloitte was engaged by KAM in its capacity as the Responsible Entity for the SMF to provide the following services:

"Verification of loan draw down requests

For each loan draw down request:

1. *Verify the loan draw down amount per the draw down notice to third party invoices*
2. *Confirm that the third party invoice relates to the project to which the draw down has been requested*
3. *For construction invoices, independently verify with the Construction Manager amounts owing to each subcontractor and the project to which they relate*
4. *For development invoices, independently verify with the Development Manager amounts owing to each consultant and the project to which they relate*
5. *On a weekly basis, once loan funds have been advanced from ADPF to the related party development entity, reconcile payment of the third party invoices to the Developer bank statements*

The scope of the work contained within our 8 February Engagement, 4 March Variation and 4 March Engagement was provided to the Court before all of our appointments made by Orders of the Court.

Work undertaken pursuant to the Court Orders dated 26 June 2024 in the matter of ASIC -v- Keystone and another, Paul Anthony Chiodo in Proceeding No. VID536/2024 in the Federal Court of Australia ("26 June Orders")

On 17 June 2024, ASIC applied to the Court in the Proceedings for, among other things, appointment of receivers and managers to the property of the SMF, ADPF and Quantum PE Fund.

Pursuant to the 26 June Orders (which were made by the Court with the consent of ASIC), we were:

1. *"... appointed, jointly and severally without giving security, to have full control of any bank account held in the name of the [KAM], the Shield Master Fund, or beneficially held by either, until further order."*
2. *Required to "... validate ..." whether "the First Defendant is permitted to enter into ... transactions as validated ... in accordance with paragraph (a) of the Undertaking above (**Permitted Transactions**)"*
3. *Required to "provide a weekly report to the Plaintiff [ASIC] each Friday listing all Permitted Transactions entered into by the First Defendant during that week and identifying any rejected transactions;"*
4. *Required to "... provide to the Plaintiff [ASIC] by 23 July 2024 a report ... on the financial position of the Shield Master Fund and the Advantage Diversified Property Fund."*

Subsequent to 26 June 2024, in addition to undertaking work to comply with the 26 June 2024 Orders, Deloitte has also undertaken work to:

- Review and respond to queries from ASIC with respect to information disclosed within the report which we prepared with respect to the financial position of the SMF and the ADPF as required by the abovementioned court orders, and
- Collating records to comply with a notice to produce documents which was provided to us by ASIC. This notice requested documents which related to the report which we prepared with respect to the financial position of the SMF and the ADPF as required by the abovementioned court orders.

ASIC's application for appointment of receivers to the property of the Funds was listed for hearing on 27 August 2024.

Work undertaken pursuant to the Court Orders dated 27 August 2024 in the matter of ASIC -v- Keystone and another, Paul Anthony Chiodo in Proceeding No. VID536/2024 in the Federal Court of Australia ("27 August Orders")

At the hearing in the Proceeding on 27 August 2024, ASIC sought orders appointing Jason Tracy and Lucica Palaghia as receivers and managers of KAM in its capacity as the Responsible Entity for the Shield Master Fund, Trustee for the Advantage Diversified Property Fund and Trustee of the Quantum PE Fund (being the **Relevant Capacities**). The application was opposed by KAM who sought a two-week adjournment of the hearing to explore alternative options.

ASIC was successful in its application and the Receivers and Managers were appointed to KAM in its Relevant Capacities pursuant to the Court Orders dated 27 August 2024 in the Proceedings, for the purposes of:

- "a. identifying, collecting and securing the Property of [KAM] held in any of its Relevant Capacities;*
- b. ascertaining the amount of the Investor Funds received by [KAM];*
- c. identifying any dealings with, payments of, distributions of or uses made of the Investor Funds by [KAM];*
- d. identifying any Property purchased or acquired, directly or indirectly, with Investor Funds; and*
- e. recovering Investor Funds".*

For the purpose of attaining the above objectives, the Court granted the Receivers and Managers with the powers set out in Sections 420(1) and (2)(a), (b), (e), (f), (g), (h), (j), (k), (n), (p), (q), (r), (t) and (u) of the Corporations Act 2001 (Cth), and with a power to apply to the Court for directions or further orders. The 27 August Orders did not extend to the sale of any property of KAM without prior leave of the Court.

This appointment is ongoing as at the date of this DIRRI.

Prior professional services in respect of KAM

We have provided the professional services set out in the table below in the 24 months prior to acceptance of this appointment. On the bases set out for each engagement below, we do not consider that these prior services (whether individually or collectively) hamper, impede or influence our capacity to fully discharge the statutory and fiduciary obligations associated with the external administration of KAM in light of the 5 September 2024 Orders.

1. 8 February Engagement and 4 March 2024 Variation

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 8 February Engagement and 4 March Variation described above	<ul style="list-style-type: none"> The engagement involved undertaking an independent review of the related party arrangements entered into by KAM in its role as Responsible Entity for the Shield
Parties	KWM and Deloitte	

Details		Reasons why there is no conflict of interest or duty
Date of commencement and completion	Work commenced on 8 February 2024, and the engagement was terminated on 26 June 2024	<p>Master Fund and the Advantage Diversified Property Fund, and the development of a ‘sources and uses’ analysis of the funds controlled by KAM in its capacity as Responsible Entity of the Shield Master Fund based on company and third-party records (such as bank statements).</p> <ul style="list-style-type: none"> While the 8 February Engagement letter originally anticipated that Deloitte would provide recommendations in respect of amendments to the related party arrangements to ensure that they could be properly characterised as arrangements on arm's length terms, we did not conclude or provide an opinion in relation to this scope item. At no time did Deloitte have any responsibility for any financial and/or management functions of the Company. Deloitte was not responsible for the creation or modification of any related party arrangements. Deloitte was not responsible for the creation or modification of any financial records of the Company. We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement. Deloitte undertakes work from time to time referred to us on behalf of KWM, as do insolvency practitioners from other firms. This includes the appointment of Deloitte registered liquidators to companies as a formal appointment where KWM has asked us to consent to act. We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. This relationship does not impact our independence. Referrals from lawyers, accountants, business advisors and government
Fees	<p>Deloitte billed a total of \$796,075 (excluding GST) to KWM for these services and has since reduced this amount by \$44,649 (excluding GST).</p> <p>Deloitte received \$751,426 (excluding GST) in relation to these services, \$701,075 (excluding GST) of which was received within the last 6 months).</p>	

Details		Reasons why there is no conflict of interest or duty
		agencies are commonplace and do not affect our independence in discharging our duties as voluntary administrators.

2. 4 March Engagement

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 4 March Engagement described above	<ul style="list-style-type: none"> The engagement involved certain matching and confirmation procedures relating to draw-down requests received by KAM in its capacity as Responsible Entity for the Shield Master Fund to third party invoices and other documents supporting the draw-down amount. Deloitte was not responsible for the creation or modification of any financial records of the Company. We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement. We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. The relationship has not impacted our independence.
Parties	KAM and Deloitte	
Date of commencement and completion	Work commenced on 4 March 2024, and work was completed by 6 March 2024	
Fees	<p>Deloitte billed a total of \$5,113 (excluding GST) to KAM for these services.</p> <p>Deloitte received \$5,113 (excluding GST) in relation to these services (all of which was received within the last 6 months).</p>	

3. 26 June Orders

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 26 June Orders as noted above.	<ul style="list-style-type: none"> This engagement was undertaken by Order of the Federal Court of Australia in Proceeding No. VID536/2024. Full disclosure of our prior work and relationship to the KAM and the Relevant Associated Entities listed in Appendix A was provided to the Court and the Plaintiff (ASIC) prior to the Orders being made. The Orders were consented to by ASIC and were pursuant to the Court hearing. The Orders provided us with control over certain bank accounts operated by KAM and required us to independently report to ASIC on the financial position of the
Parties	Deloitte	
Date of commencement and completion	Work commenced immediately upon the Court orders being made on 26 June 2024. Deloitte's report to the Court was delivered on 27 July 2024. Our control of the relevant bank accounts remained in place until 4pm on 28 August 2024.	
Fees	Under the terms of the 26 June Orders, Deloitte fees are required to be approved by the Court prior to payment.	

Details		Reasons why there is no conflict of interest or duty
	At this stage, we have not sought approval of our fees in this engagement from the Court however this will be done in due course.	<p>Shield Master Fund and the Advantage Diversified Property Fund.</p> <ul style="list-style-type: none"> While Deloitte had control over certain bank accounts, we were not responsible for management of the business and its affairs, but rather, we were responsible to the Court. Deloitte was not responsible for the creation or modification of any financial records of the Company. We do not expect any of the work done would be subject to review or challenge during the course of the Administration or in the event of the Company's liquidation, due to the nature of the engagement. We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. The relationship has not impeded our independence.

4. 27 August 2024 Orders

Details		Reasons why there is no conflict of interest or duty
Services	Services rendered in relation to the 27 August Orders described above	<ul style="list-style-type: none"> This engagement was undertaken by Order of the Federal Court of Australia in Proceeding No. VID536/2024. The Receivers and Managers' appointment pursuant to the Orders was sought by ASIC. Full disclosure of the Receivers and Managers' prior relationship to KAM and the Relevant Associated Entities listed in Appendix A was provided to the Court and the Plaintiff (ASIC) prior to the orders being made. The Orders provided the Receivers and Managers with control over KAM in its Relevant Capacities. The purpose and scope of the engagement is aligned to the Voluntary Administration process in terms of identifying, protecting and securing KAM's assets.
Parties	Deloitte	
Date of commencement and completion	Work commenced immediately upon the stay on the 27 August Orders being lifted at 4pm on 28 August 2024 and now continues in parallel to the Voluntary Administration appointment.	
Fees	<p>Under the terms of the 27 August Orders, Deloitte's fees are required to be approved by the Court prior to payment.</p> <p>At this stage, we have not sought approval of our fees in this engagement from the Court however expect this will be done in due course.</p>	

Details		Reasons why there is no conflict of interest or duty
		<ul style="list-style-type: none"> We do not expect any of the work done would be subject to review or challenge during the course of the Administration or the Company's liquidation, due to the nature of the engagement. We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of the Company. The relationship has not impeded our independence.

Relevant relationships (excluding Professional Services to the Company)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with KordaMentha, the firm of which the former Voluntary Administrators of the Company are Partners. Details of the nature of this relationship and the reasons it does not result in a conflict of interest are below:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
KordaMentha	<p>Partners of KordaMentha were formerly appointed as Voluntary Administrators of the Company.</p> <p>Deloitte Australia has undertaken a number of GST advisory engagements referred to us by KordaMentha in the usual course of business.</p>	<p>We do not consider previous GST advisory engagements for KordaMentha to present a conflict as there is no connection between these engagements and the Company.</p> <p>The provision of GST advisory services to KordaMentha brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Company.</p> <p>Deloitte Australia are not paid any commissions, inducements or benefits to undertake any engagements for KordaMentha and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore, there is no relationship with KordaMentha which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>

As detailed earlier in the DIRRI prepared by Jason Tracy and Lucica Palaghia which was dated 30 November 2024, on 28 November 2024, Jason Tracy and Glen Kanevsky were appointed as receivers and managers of 75 Port Douglas. Jason Tracy and Glen Kanevsky are Partners of Deloitte Australia. Glen Kanevsky is one of the appointed liquidators of KAM. Jason Tracy is also one of the appointed liquidators of KAM and one of the appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders. Details of the nature of this relationship and the reasons it does not result in a conflict of interest are below:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
75 Port Douglas	<p>On 28 November 2024, Jason Tracy and Glen Kanevsky were appointed as receivers and managers of 75 Port Douglas (75 Port Douglas Receivers and Managers).</p> <p>Jason Tracy and Glen Kanevsky are Partners of Deloitte Australia. Glen Kanevsky is one of the appointed liquidators of KAM. Jason Tracy is also one of the appointed liquidators of KAM and one of the appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders.</p> <p>The books and records of the Advantage Diversified Property Fund (ADPF) disclose that a convertible note had been provided to 75 Port Douglas by KAM as trustee for the ADPF prior to the appointment of Receivers and Managers to KAM. The draft management account balance sheet for the ADPF (Unity accounts) disclosed that an amount of \$175,860,958.97 was owed to the ADPF by 75 Port Douglas as at 31 May 2024.</p> <p>Jason Tracy and Glen Kanevsky were appointed as Receivers and Managers of 75 Port Douglas by KAM in its capacity as trustee for the ADPF as part of the Receivers and Managers' actions to recover the assets of the ADPF pursuant to the 27 August Orders.</p>	<p>We do not consider the appointment of Partners of Deloitte Australia as privately appointed receivers and managers to 75 Port Douglas whilst Partners of Deloitte Australia are simultaneously acting as Court-appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders, to represent a conflict.</p> <p>The Receivers and Managers, by causing KAM to appoint the 75 Port Douglas Receivers and Managers, are acting in accordance with the 27 August Orders in securing and preserving loans made by KAM as trustee for the ADPF.</p> <p>It is our view that the simultaneous appointments described above, will have practical benefits as efficiencies may be gained by virtue of the knowledge of 75 Port Douglas' affairs which have been attained over the course of the Receivers and Managers' appointment to KAM in its Relevant Capacities.</p> <p>In the event that there are any disputes with respect to any dealings between 75 Port Douglas, KAM, the ADPF or any other relevant entity, which give rise to a conflict, we will disclose any such conflicts to creditors and, if appropriate, seek Court directions or other relief as may be necessary.</p> <p>In light of the above, we do not consider that the appointment of Jason Tracy and Glen Kanevsky as receivers and managers of 75 Port Douglas on 28 November 2024 prevents us from properly exercising our judgment and duties in relation to our appointment as liquidators of KAM and the Receivers and Managers' duties under the 27 August Orders.</p>

As detailed in our DIRRI dated 10 December 2024, on 3 December 2024, Jason Tracy and Glen Kanevsky were appointed as receivers and managers of the following entities:

- Red Hill Terraces
- Nicholson Street Bentleigh
- Augustine Terrace Glenroy
- 33 Davidson Port Douglas, and
- 33 Davidson Street.

together 'the SPVs'.

Jason Tracy and Glen Kanevsky are Partners of Deloitte Australia and are the appointed joint and several liquidators of KAM. Jason Tracy is also one of the appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders. Details of the nature of this relationship and the reasons it does not result in a conflict of interest are below:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
The SPVs	<p>On 3 December 2024, Jason Tracy and Glen Kanevsky were appointed as receivers and managers of the SPVs (SPVs' Receivers and Managers).</p> <p>Jason Tracy and Glen Kanevsky are Partners of Deloitte Australia. Glen Kanevsky is one of the appointed liquidators of KAM. Jason Tracy is also one of the appointed liquidators of KAM and one of the appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders</p> <p>The books and records of the ADPF disclose that loans have been provided to the SPVs by KAM as trustee for the ADPF prior to the appointment of the Receivers and Managers to KAM. The draft management account balance sheet for the ADPF (Unity accounts) disclosed that:</p> <ul style="list-style-type: none"> - \$3,691,840.32 was owed to the ADPF by Red Hill Terraces as at 31 May 2024; 	<p>We do not consider the appointment of Partners of Deloitte Australia as privately appointed receivers and managers to the SPVs whilst Partners of Deloitte Australia are simultaneously acting as Court-appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders, to represent a conflict.</p> <p>The Receivers and Managers, by causing KAM to appoint the SPVs' Receivers and Managers, are acting in accordance with the 27 August Orders in securing and preserving loans made by KAM as trustee for the ADPF.</p> <p>It is our view that the simultaneous appointments described above, will have practical benefits as efficiencies may be gained by virtue of the knowledge of the SPVs' affairs which have been attained over the course of the Receivers and Managers' appointment to KAM in its Relevant Capacities.</p> <p>In the event that there are any disputes with respect to any dealings between the SPVs, KAM, the ADPF or any other relevant entity, which give rise to a conflict, we will disclose any such conflicts to creditors and, if appropriate, seek Court directions or other relief as may be necessary.</p> <p>In light of the above, we do not consider that our appointment as the SPVs' Receivers and Managers on 3 December 2024 prevents us from properly exercising our judgment and duties in relation to our appointment as</p>

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
	<ul style="list-style-type: none"> \$8,110,098.28 was owed to the ADPF by Nicholson Street Bentleigh as at 31 May 2024; \$2,412,957.63 was owed to the ADPF by Augustine Terrace Glenroy as at 31 May 2024; and \$1,809,146.53 was owed to the ADPF by 33 Davidson Port Douglas as at 31 May 2024. <p>Jason Tracy and Glen Kanevsky were appointed as the SPVs' Receivers and Managers by KAM in its capacity as trustee for the ADPF as part of the Receivers and Managers' actions to recover the assets of the ADPF pursuant to the 27 August Orders.</p>	liquidators of KAM and the Receivers and Managers' duties under the 27 August Orders.

As detailed earlier in this DIRRI, on 18 February 2025, Jason Tracy and Glen Kanevsky were appointed as receivers and managers of Warrigal Road Ashburton. Jason Tracy and Glen Kanevsky are Partners of Deloitte Australia and are the appointed joint and several liquidators of KAM. Jason Tracy is also one of the appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders. Details of the nature of this relationship and the reasons it does not result in a conflict of interest are below:

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
Warrigal Road Ashburton	<p>On 18 February 2025, Jason Tracy and Glen Kanevsky were appointed as receivers and managers of Warrigal Road Ashburton.</p> <p>Jason Tracy and Glen Kanevsky are Partners of Deloitte Australia. Glen Kanevsky is one of the appointed liquidators of KAM. Jason Tracy is also one of the appointed liquidators of KAM and one of the appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders.</p> <p>The books and records of the Advantage Diversified Property</p>	<p>We do not consider the appointment of Partners of Deloitte Australia as privately appointed receivers and managers to Warrigal Road Ashburton whilst Partners of Deloitte Australia are simultaneously acting as Court-appointed Receivers and Managers of KAM in its Relevant Capacities pursuant to the 27 August Orders, to represent a conflict.</p> <p>The Receivers and Managers, by causing KAM to appoint the Warrigal Road Ashburton Receivers and Managers, are acting in accordance with the 27 August Orders in securing and preserving loans made by KAM as trustee for the ADPF.</p> <p>It is our view that the simultaneous appointments described above, will have practical benefits as efficiencies may be gained by virtue of the knowledge of Warrigal Road Ashburton's affairs which have been attained over the</p>

Name	Nature of relationship	Reasons why this relationship does not result in a conflict of interest
	<p>Fund (ADPF) disclose that a loan had been provided to Warrigal Road Ashburton by KAM as trustee for the ADPF prior to the appointment of Receivers and Managers to KAM. The draft management account balance sheet for the ADPF (Unity accounts) disclosed that an amount of \$2,839,242 was owed to the ADPF by Warrigal Road Ashburton as at 31 May 2024.</p> <p>Jason Tracy and Glen Kanevsky were appointed as Receivers and Managers of Warrigal Road Ashburton by KAM in its capacity as trustee for the ADPF as part of the Receivers and Managers' actions to recover the assets of the ADPF pursuant to the 27 August Orders.</p>	<p>course of the Receivers and Managers' appointment to KAM in its Relevant Capacities.</p> <p>In the event that there are any disputes with respect to any dealings between Warrigal Road Ashburton, KAM, the ADPF or any other relevant entity, which give rise to a conflict, we will disclose any such conflicts to creditors and, if appropriate, seek Court directions or other relief as may be necessary.</p> <p>In light of the above, we do not consider that the appointment of Jason Tracy and Glen Kanevsky as receivers and managers of Warrigal Road Ashburton on 18 February 2025 prevents us from properly exercising our judgment and duties in relation to our appointment as liquidators of KAM and the Receivers and Managers' duties under the 27 August Orders.</p>

No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been provided with any indemnities, other than any indemnities which may be available to us under statute, and we have not received any up-front payments in respect of our remuneration or disbursements.

DATED this 25th day of February 2025



Jason Tracy
Partner
Deloitte



Glen Kanevsky
Partner
Deloitte

Notes:

1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 (Cth) and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of Components 1, 2 and 3 of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Schedule A – Details of KAM and its Relevant Associated Entities

Company Name	ACN / ARSN
Keystone Asset Management Ltd	612 443 008
Keystone Asset Management Ltd in its capacity as the Responsible Entity for the Shield Master Fund	650 112 057
Keystone Asset Management Ltd in its capacity as the trustee for the Advantage Diversified Property Fund	-
Keystone Asset Management Ltd in its capacity as the trustee for the Quantum PE Fund	-

Appendix B – Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

Creditor Information Sheet Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by liquidators or administrators:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation, or three months if a simplified liquidation process is adopted. The company must have been insolvent at the time of the transaction or become insolvent because of the transaction.

Where a creditor receives a preference*, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

**Must be greater than \$30,000 for unrelated creditors in a simplified liquidation*

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.



Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim 'unreasonable payments' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest within six months of the liquidation, unless it secures a subsequent advance
- unregistered security interests
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The director may also be able to avail themselves of safe harbour, if they meet certain conditions.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the external administration should be directed to the insolvency practitioner's office.