

**AUSTRALIAN PROPERTY CUSTODIAN HOLDINGS LTD. ("APCHL") AS RESPONSIBLE ENTITY FOR THE
PRIME RETIREMENT & AGED CARE PROPERTY TRUST ("PRIME TRUST")
(IN LIQUIDATION) ACN: 095 474 436**

**THIS NOTE HAS BEEN UPLOADED ONTO THE PKF WEBSITE TO ASSIST UNITHOLDERS IN
UNDERSTANDING WHAT IS REQUIRED IN RELATION TO LODGING CLAIMS**

RETURN TO UNITHOLDERS:

1. In this matter there will be small return to creditors and to unitholders (who are able to show he, she or it relied on misleading and deceptive conduct in making the investment). Otherwise, a unitholder ranks behind ordinary unsecured creditors and will not be eligible for a dividend.
2. If every known creditor and unitholder lodged an admissible claim the dividend would be as low as 0.3 cent in the dollar. For a unitholding of 10,000 units that equates to \$30. Dividends of less the \$50 are not payable. Present indications show that not all creditors and/or unitholders will lodge a claim.
3. There are 9,613 unitholders who collectively invested \$550 million (approximately). There are unsecured creditors (including banks) owed in the order of \$400 million. There will be approximately \$2.5 million available for dividend distribution. This amount will deteriorate as a result of the costs of dealing with the large number of claims and particularly if questions of proof have to be decided by a court.
4. Last year we applied to court for approval for a "short cut" process to enable us to verify the amounts that each unit holder is entitled to claim for. We proposed that each unit holder be entitled to claim the amount of \$1 per unit because the cost of individually assessing each claim would be considerable (there are 9,613 unitholders holding over 576 million units who may claim). The court refused us this permission, and in a judgment delivered this year, stated that we have to determine every claim on its merits. Therefore, the share registry that we have been relying upon to contact unit holders should be, but is not, sufficient to verify an individual claim.

COMPLETING THE FORM 535 INC. ANNEXURE A

1. When completing the Form 535, please refer to the instructions below, in addition to those provided:

Point 1 is self-explanatory.

Regarding the 'Particulars of the debt are:' section:

1. For "Date" insert the date Prime Trust became indebted to you (18th October 2021);
2. For "Consideration" insert the nature of the debt (i.e., Investment in Prime Trust);
3. For "Amount \$" insert the total loss claimed;
4. "GST Included \$" can be left blank, as it is inapplicable to your debt;
5. For "Remarks", insert 'refer to Unitholder Register'.

Point 2 can be ignored.

Points 3A & 3B are irrelevant if you are the original investor. Refer to the instructions on the back to see if either of these are relevant.

2. In order to make a claim as a creditor / unitholder, you must complete the Form 535 enclosed in our notice dated 22nd November 2021 (a copy is reproduced below for your convenience).
3. When completing the Form 535, you will need to provide details of the:
 1. Date your investment(s) was made
 2. Holding Number (HIN) for your investment(s)
 3. Number of units purchased for the investment(s)
 4. Amount invested for the investment(s)
 5. Distributions received, being dividends paid to you for your investment
 6. Total loss claimed, being the total amount invested, less total distributions received.
4. In completing sections 1-3 of Annexure A, you **must establish** that you relied on particular disclosures made by Prime Trust and/or advice from a financial advisor. So, in addition to providing information regarding the unitholding and any distributions received, you will also need to establish that as the investor you relied upon particular disclosures made by Prime Trust.

In that regard we assume you have received and read the letter to unitholders dated 11th October 2021 (a copy is reproduced below for your convenience) which provides an update; as well as a reference to the decision handed down by Justice Sloss. Hence you must establish that you relied on particular disclosures made by Prime Trust when making your investment and also provide reasoning for why the disclosures were deceptive and/or misleading.

5. Without providing sufficient material in support of your claim to demonstrate why the unitholder claim ought to be treated as a creditor and rank for a dividend, the claim will not be admitted. In particular, careful consideration needs to be given to section 2 and 3 of Annexure A of the Form 535.

COMMON UNITHOLDER QUERIES

In addition to the above we have received questions in relation to various scenarios. We have since obtained legal advice and make comments (in red):

1. unitholder claims where unitholders acquired units through or based on advice from a financial planner;
 - a. Unitholders who solely relied on the advice of their financial planner, without reference to the relevant product disclosure statements (PDS) will not be able to establish a claim, as they cannot establish reliance on those PDS.
 - b. If a unitholder relied on the advice of their financial planner, but can also demonstrate reliance on PDS, they may still make a claim.
2. unitholder claims where unitholders sold before Prime Trust was wound up;
 - a. As long as the unitholder can demonstrate reliance on PDS, they can claim for the amount lost (I.e., if units were purchased for \$1.00 and sold for \$0.50, a unitholder could claim the shortfall, being \$0.50 per unit).
3. unitholder claims where unitholders invested via an entity (e.g. SMSF or private company) which has been wound up in the intervening years;

- a. Unitholders who held their units in an entity which has since been wound-up will not be able to make a claim. Whilst the units can be transferred from this entity, the claim against APCHL for misleading and deceptive conduct in relation to those units cannot.
 - b. Where a super fund or other trust has vested and the units have been distributed to the beneficiaries the original trustee could claim if it still exists but would need to provide evidence of its powers to do so.
4. unitholder claims submitted on behalf of another party, by executors, guardians, attorneys etc. where:
- a. estate is still in the hands of the executors;
 - i. Where an estate is still in the hands of an executor, claims can be made. However, it may be difficult to demonstrate reliance on PDS.
 - b. underlying super fund remains unchanged but for a change of trustee.
 - i. Where an underlying super fund remains unchanged, but for a change of trustee, claims can still be made, unless the trust deed prevents it.

Given the small, estimated rate of dividend unitholders may want to consider whether preparing the material required to establish a claim is worthwhile.

The deadline for submitting a claim is 13th December 2021.

If you have any queries, please do not hesitate to contact Mr. Adam Fruewirth of this office prime.melbourne@pkf.com.au. However, please be aware that there may be delays in responding to your queries due to the large number of inquiries and calls we are receiving.



S.L. HORNE
Joint & Several Liquidator

22nd November 2021

TO THE UNITHOLDER / CREDITOR AS ADDRESSED

Dear Sir / Madam

**AUSTRALIAN PROPERTY CUSTODIAN HOLDINGS LTD. ("APCHL") AS RESPONSIBLE ENTITY FOR THE PRIME RETIREMENT & AGED CARE PROPERTY TRUST ("PRIME TRUST") (IN LIQUIDATION)
ACN: 095 474 436**

I refer to previous correspondence; in particular my letter dated 11th October 2021, providing an update on the status of the liquidation.

Enclosed are the following documents for your attention and completion:

1. Notice of Intention to Declare a First and Final Dividend (Form 548)
2. Formal Proof of Debt Form (Form 535)

Please submit your Formal Proof of Debt Form electronically, if possible, to prime.melbourne@pkf.com.au rather than through post, to ensure it is received by this office on time.

If you have any queries, please preferably email prime.melbourne@pkf.com.au or contact Mr. A. Fruewirth of my staff on (+61) 3 9679 2236.

Yours faithfully



S.L. HORNE
Joint and Several Liquidator

**FORM 548
CORPORATIONS ACT 2001**

Sub-regulation 5.6.65(1)

**NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A CREDITOR
OF INTENTION TO DECLARE A FIRST & FINAL DIVIDEND**

**AUSTRALIAN PROPERTY CUSTODIAN HOLDINGS LTD. AS RESPONSIBLE ENTITY FOR
THE PRIME RETIREMENT & AGED CARE PROPERTY TRUST ("PRIME TRUST")
(IN LIQUIDATION) ACN: 095 474 436**

A first and final dividend is to be declared on 22nd January 2022 for the Prime Trust.

You are required formally to prove your debt or claim on or before 13th December 2021.

If you do not, I will exclude your claim from participation, and I will proceed to make a first and final dividend without having regard to it.

A Formal Proof of Debt form is enclosed.

DATED this 22nd day of November 2021



S.L. HORNE
Joint & Several Liquidator

**FORM 535
CORPORATIONS ACT 2001**

Sub-Regulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Australian Property Custodian Holdings Ltd. as Responsible Entity for the Prime Retirement & Aged Care Property Trust ("Prime Trust") (In Liquidation) ACN: 095 474 436

1. This is to state that the company was, on 18th October 2010 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾:

.....
(Creditor/Unitholder)

.....
of (full address)

for dollars and cents

Particulars of the debt are:

Date	Consideration ⁽³⁾ (state how the debt arose (refer notes below))	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ / c	Due Date

3A⁽⁵⁾ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B⁽⁵⁾ I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

Dated:

Signature of Signatory(ies)

Name in BLOCK LETTERS

Occupation

Address:

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /20	ADMIT (Voting / Dividend) – Preferential	\$
Entered into POD Register		Reject (Voting / Dividend)	\$
Amount per RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /20		

PROOF OF DEBT FORM DIRECTIONS

- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange". **To assist with unitholder claims – please complete the Annexure A attached hereto.**
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor’s authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

ANNEXURES

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. Reference to an annexure includes a document that is with a form.

**ANNEXURE A - SUPPORTING DOCUMENTATION FORM
(ONLY COMPLETE IF MAKING A CLAIM AS A UNITHOLDER)**

**AUSTRALIAN PROPERTY CUSTODIAN HOLDINGS LTD. ("APCHL") AS RESPONSIBLE ENTITY FOR
THE PRIME RETIREMENT & AGED CARE PROPERTY TRUST ("PRIME TRUST")
(IN LIQUIDATION) ACN: 095 474 436**

The following information is provided to support my/our claim as an unsecured creditor against Australian Property Custodian Holdings Ltd ("APCHL") as responsible entity for the Prime Retirement & Aged Care Property Trust ("Prime Trust") (In Liquidation) ACN: 095 474 436.

QUANTUM OF CLAIM

Date of Purchase	HIN/Identifier	Number of Units	Amount Invested (\$)	Less total Distributions Received (\$)	Total Loss claimed as Unitholder

Please provide proof of purchase and ownership, and any records you hold of distributions received, when submitting this proof of debt.

RELIANCE

- I/We confirm that, in making and/or continuing our investment in Prime Trust, reliance was placed on advice provided by my/our financial advisor as follows:

Advisor Name:

Advisor Firm:

Please provide any copies or records of advice relied upon

2. I/We confirm that, in making and/or continuing our investment in Prime Trust, we received and relied upon on the following Product Disclosure Statement(s) as indicated below with a check mark ✓:

Date	Description	Received & Relied upon
30-May-2002	Supplementary disclosure documents for managed investment scheme	
28-Aug-2002	Short form prospectus for managed investment scheme	
11-Sep-2002	Replacement short form prospectus for managed investment scheme	
15-Aug-2003	Product disclosure statement	
15-Aug-2003	Product disclosure statement – Part 2	
5-Jul-2004	Supplementary product disclosure statement	
30-Aug-2005	Product disclosure statement	
30-Aug-2005	Product disclosure statement – Part 2	
20-Dec-2005	Supplementary product disclosure statement	
12-Jul-2006	Product disclosure statement	
12-Jul-2006	Product disclosure statement – Part 2	
22-Aug-2006	Supplementary product disclosure statement	
12-Apr-2007	Product disclosure statement	
26-Jun-2007	Product disclosure statement – Part 2	

3. I/We believe the above disclosure statements, as indicated, were misleading and deceptive for the following reasons:

.....

.....

.....

.....

.....

.....

.....

.....

Dated this _____ day of _____ 20

Signature of Signatory(ies):

Name(s) in BLOCK LETTERS:

Contact Number:

Email:

Bank Account Details - Bank:

- **Account Name:**

- **BSB:**

- **Account Number:**

11th October 2021

TO THE UNITHOLDER / CREDITORS AS ADDRESSED

Dear Sir/Madam

**AUSTRALIAN PROPERTY CUSTODIAN HOLDINGS LTD. ("APCHL") AS RESPONSIBLE ENTITY FOR THE PRIME RETIREMENT & AGED CARE PROPERTY TRUST ("PRIME TRUST") (IN LIQUIDATION)
ACN: 095 474 436**

I refer to my previous correspondence dated 16th July 2019 in relation to the application to seek directions with respect to the treatment of the claims by unitholders as unsecured claims in the liquidation of APCHL in its own capacity and in its capacity as Responsible Entity for the Prime Trust.

It was proposed to the Court that the unitholder claims be dealt with in the most pragmatic and cost-efficient manner as follows:

1. Value the claim of each unitholder on the basis each unit is worth \$1.00.
2. Adjudicate on a global proof of debt in respect of all unitholder claims, to be lodged by the Prime Trust Action Group ("PTAG").

The matter was heard at a contested hearing involving various related party creditors and the representation of PTAG which supported the above proposed submission.

The court ultimately determined that unitholders could submit claims in the liquidation of APCHL in its own capacity and in its capacity as Responsible Entity for the Prime Trust for losses incurred in respect of misleading and deceptive conduct, however, that reliance on such conduct would need to be proven to establish a claim. The court therefore did not allow the pragmatic approach of allowing each unitholder claim to be assessed at \$1.00 per unit. Moreover, the court did not accept an adjudication based on a single global proof of debt on behalf of all unitholder claims. As a result of the court's decision, unitholders are individually required to submit their claims to me as liquidator for assessment together with sufficient evidentiary material to prove their claim as indicated above.

As the court did not accept the most pragmatic approach, there will now necessarily be significant costs incurred in respect to reviewing and assessing each unitholder claim despite the cost being disproportionate to the rate/amount of dividend. The estimated cost of approximately \$1.4 million was put to the court for its consideration but did not sway the court's determination. On the assumption that all 9,600 unitholders submit a claim and each of those claims were to be admitted to rank for a dividend, current estimates indicate unitholders / creditors would receive approximately a dividend of a fraction of a cent per dollar of debt, being 0.003 or 0.3 cents in the dollar (less than half a cent). It is also noted that in accordance with the relevant legislation, any dividends of less than \$50 are not required to be paid. Using the same assumption as above, unitholders / creditors with claims of approximately \$16,000 or less may not receive a dividend payment at all.

It is difficult to predict the number of unitholders who will ultimately submit a claim and also the extent to which each claim is accepted based on the information received. Shortly I propose to send to all unitholders and creditors a notice of declaring a first and final dividend which will enclose a formal proof of debt from to be submitted. Please consider the above information if you intend to lodge a claim.

A full copy of the judgment is available at <https://pkf.com.au/locations/melbourne/apchl/>. The document password is apchjudgment

Alternatively, you may access the document by taking the following steps:

1. Visit the website pkf.com.au
2. Click on the heading 'Locations' and select "Melbourne"
3. Select the heading 'APCHL' on the right-hand side - ensure you are in full screen
4. Then scroll down and click on the link as instructed
5. Insert the above password

In order to receive future reports and notices in a timelier and cost-effective manner please provide this office with a current email address by completing the enclosed "Notification of Email Address" form.

If you have any queries or require further information in relation to the court decision, please email prime.melbourne@pkf.com.au or contact A. Fruewirth of my staff on 03-9679 2236.

Yours faithfully



S.L. HORNE
Liquidator