MAYFAIR 101

Mayfair 101 Group

Annual Operational Review

August 2019

(DRAFT)

MAYFAIR 101

Contents

Overview

This 'Annual Operational Review' ("**Review**") has been prepared to provide stakeholders in the Mayfair 101 group of companies ("**Mayfair 101**" or the "**Group**") with an understanding of the current operational status of the Group as it relates to its funding sources and portfolio of assets under management.

Review Objectives

The key objectives of this review are to provide the Group's primary stakeholders with an understanding of:

- **sources of capital for the Group**, including setting out the rationale as to why these sources are relevant and sustainable in the current economic climate
- **Group investment strategy** and how the Group creates value for its shareholders and investors
- **valuation methodologies** employed by the Group for various investment structures
- **liquidity profile** of the Group's investments and the options available to create liquidity
- **risk management strategies** employed by the Group for capital preservation
- **relevance of the IPO Wealth Fund** (the "**Fund**")as a source of financing for the Group's asset acquisition activities
- **key Risks and Challenges** the Group must be mindful of and manage appropriately to ensure longevity and protect shareholder and investor interests

Contributors

The Review has included input from the following parties who have a detailed understanding of the Group's operations:

James Mawhinney	Mayfair 101's Group Managing Director
Ewan Laughlin	CEO of IPO Wealth Pty Ltd (ACN 617 039 255) ("**IPO Wealth**"), 28 years banking experience
Charlie Grant	Advisory Board member, 20+ years funds management experience
John Anasis	Advisory Board member, 15+ years investment banking experience
Michael Divens	Incoming Chief Financial Officer, 15+ years CFO experience
Lydia Lee	Group Finance Manager
KHQ Lawyers	Mayfair 101's Australian legal & compliance representatives
Pinnacle Group	Mayfair 101's tax and accounting advisory firm

IPO Wealth's Contribution

This Review has been compiled in conjunction with IPO Wealth as investment manager of the IPO Wealth FundThe Investment Manager acknowledges its key obligations include the implementation of the Fund's investment strategy, administrative and technical procedures necessary to protect the best interests of investors, and to adhere to various regulatory and compliance requirements when carrying out its function as Investment Manager.

The obligations of the Investment Manager, which are typical for a fund manager, typically include the establishment of clear investment evaluation framework, an obligation to put in place suitable accounting, risk management, anti-money laundering, complaints handling, and regulatory compliance processes to support the management of investor funds.

- These obligations have been adhered to through the natural evolution of the Mayfair 101 Group which has meant skilled investment and finance professionals and third party service providers have been engaged to support the group's obligations to its investors.

In addition, the Investment Manager is required to appoint skilled administrative and technical staff, which it has implemented successfully. Staff are required to adhere to internal codes of professional conduct in addition to those required by their professional bodies.

- These obligations have been adhered to through the regular training and compliance undertakings as required to maintain the Group's financial services license authorisations in Australia and the United Kingdom.

Finally, and as is the case with majority of Investment Funds; prudent Investment Managers are required to develop and implement strong liquidity risk and capital management strategy frameworks, which are essential to safeguard the interests of investors, maintain the orderliness and robustness of collective investment schemes, and reduce systemic risk, all in the support of financial stability for investors.

- This document has been prepared to address the capital management strategy as it relates to the Fund and the broader Group.

Overview of Mayfair 101

Mayfair 101 is an international investment and corporate advisory group headquartered in London with Australian offices in Melbourne and Sydney. The Group specialises in providing qualified investors with income-generating investment products to help them keep ahead in the low interest rate environment, whilst making strategic investments that add value to the Group's ecosystem.

Mayfair 101 Ltd (UK co. no. 10527210) is licensed by the Financial Conduct Authority in the United Kingdom as an appointed representative of Sapia Partners LLP (FCA ref. no. 550103). and group members hold assets in 11 countries across industries including financial services, property, fintech, wealth management, corporate bonds and business credit, including a focus on investments that bring about positive social change.

Quick Facts

Year Established	2009 (Online Investments Pty Ltd t/a Mayfair 101)
Office Locations	London, Melbourne, Sydney
Full time staff	28 across Group and controlled subsidiaries
Regulation	FCA and ASIC regulated
Key brands	Mayfair Platinum, IPO Wealth, M12 Global
Customer Satisfaction Rating	90%+ (Trustpilot)
Asset Diversification	11 countries
Top 3 Countries	Australia, UK, India
Asset Sectors	10 sectors
Top 3 Investment Sectors	Financial Services, Technology, Property

Demand for Capital

Since the financial crisis in 2009, banks globally have become less willing to provide credit. This has created a global funding gap that is estimated to be in excess of USD 4 trillion. There is a real opportunity for non-bank alternative credit providers to fill this gap.

Mayfair 101 has forecast demand for credit of over AUD 7 billion from entities within its existing investment portfolio over the next 5 years, with a substantial portion of this expected to be deployed as funding to portfolio companies across a variety of countries.

A sample of existing portfolio companies and their forecast demand for capital over the next 5 years can be seen below:

Company	Jurisdiction	Forecast Demand	Purpose
Accloud PLC (UK co. no. 09847722)	United Kingdom	AUD750m+	SME lending
Paymate India (Pvt) Ltd (Indian corp. ID. no. U72200MH2006PTC205023)	India	AUD1b+	SME lending
Australian Business Credit Pty Ltd (ACN 620 322 296)	Australia	AUD300m+	SME lending

Mission Beach Property	Australia	AUD1b+	Property development
Okto Holdings Ltd (UK co. no. 11570809)	United Kingdom	AUD100m	Property development

Funding Sources

Overview

The Group has sought to identify effective and diversified channels for sourcing low-cost capital at scale in order to fill demand from its portfolio companies and maximise shareholder value.

Mayfair 101 has identified a niche fundraising opportunity currently available due to historically low interest rates and an increasing desire for investors to find alternative investment products providing yield they find acceptable. Over AUD 800 billion is currently held in Australian banks and other authorised deposit-taking institutions ("**ADIs**") in term deposit accounts, which are a form of loan made to financial institutions which they leverage to generate considerable profit margins.

The following factors contributed to Mayfair 101's decision to position its business to investors as an alternative to bank deposits:

- low interest rates mean many investors are unable to sustain the lifestyles they have enjoyed during higher interest rate periods;
- an increasing dissatisfaction with banks, many of which have cumbersome customer service capabilities due to their size and bureaucratic nature;
- increasing technological changes and the rise of digital bank competitors which would pose a challenge to less nimble financial institutions;
- capital deposited with Australian ADIs is only guaranteed to AUD 250,000 for each customer, which is a smaller amount than what many wholesale investors seek to invest;
- the general public is largely unaware of the AUD 20 billion limit per ADI which applies under the Australian Government's 'Financial Claims Scheme', meaning that the guarantee is considerably less than what members of the public generally believe;
- banks are under pressure from significant shareholder groups to increase shareholder returns, meaning that management is driven to maximise share price and dividend rates rather than providing a high level of return to its deposit holders who ultimately fund a great proportion of the banks' existence;
- larger deposit-holders (e.g. AUD 1m+) have often been offered lower rates than those with smaller deposits;
- a general conception in the minds of the public that money deposited in banks is a means of 'parking' cash, rather than being a means of investing in a product which at its core is an interest-bearing loan;
- banks are effectively commodity businesses with high fixed costs

The Group considers that at a strategic level, competing for bank deposit investment capital by addressing the shortcomings of the banks (the Group's competitors) would be a prudent strategy for attracting:

- low-cost capital (i.e. <6% p.a.);
- considerable volumes of capital (the market opportunity in Australia is assessed as being AUD 800b+); and
- 'wholesale' investors (who are under-serviced relative to their investment capabilities).

By focusing on wholesale investors the Group is able to provide a higher standard of service per investor due to their investment capacity when compared with retail competitors including banks, which are largely geared towards servicing retail customers.

IPO Wealth Fund (AU)

With the above factors in mind, Mayfair 101 developed a product offering which led to the launch of the IPO Wealth Fund in March 2017. The Fund caters to wholesale investors in Australia by providing term-based investment options ranging from 3-60 months, in a similar format to a term deposit product offered by ADI's.

Since March 2017 over $115 million has been invested in the Fund, which has proven the high level of demand for such a product in the Australian market. With the RBA cash rate likely to continue to drop, this demand Is expected to increase.

Promissory Note (AU)

To further increase the Group's Australian funding sources, Mayfair 101 launched a promissory note product ("**Notes**") in Q2 2019. Like holders of units in the IPO Wealth Fund, holders of Notes are provided with term-based investment options with a fixed rate of interest (noting that only "target" returns are quoted for the Fund, whereas returns on the Notes are at fixed rates).

The Note product was developed in close consultation with the Group's advisors, and an additional comprehensive legal review was undertaken by Victorian Barrister John Ribbands to confirm legal advice already received as to the Notes' applicability to the Mayfair 101 Group.

Over AUD 10 million has been raised by Note issues since being launched.

A secured equivalent Note is expected to be released in September 2019, leveraging the Group's existing assets under a Security Trust Deed to provide a pool of collateral to secure returns to the Note holders.

Retail Bonds (UK)

The Group has been working closely with its legal and financial advisors in London to prepare a 'retail' bond offering to help fill the demand for capital across Mayfair 101's portfolio. The bonds will be issued on the ORB section of the London Stock Exchange and may be bought by both retail and institutional investors in the UK and Europe.

This retail bond program is currently being prepared with the Group's UK lawyers, Evershed Sutherland, that will enable Mayfair 101 to obtain finance for its portfolio companies by offering a retail bond with the following features:

- Insured by an A- rated insurance company (Fidelis)
- Capital guaranteed (by the insurer)
- Asset-backed (by the underlying loans)
- Liquid (because it will be available to tradeable on the ORB market of the London Stock Exchange)
- Retail (available to retail investors with minimum of GBP10,000 investment amount)
- Corner-stoned by Mayfair 101 (and possibly other investment groups in London)

This product will supplement the Australian group's investment and financing capabilities and is expected to be launched in Q4 2019. This expansion into the European market is a significant step in the development of the Groups business. Interest rates in Europe are lower than Australia. By offering a regulated, listed, secure product in a market that is hungry for yield presents a major opportunity for the Group to raise significant capital at competitive rates, thereby providing an alternative funding source.

Investment Strategy

Mayfair 101 selectively sources investment opportunities that can add value to its ecosystem (i.e. the Group's whole business) rather than standalone investments. This approach delivers greater value and provides greater downside protection due to the value that can be generated across the Mayfair 101 Group.

The Group manages assets in both mature and growth markets, across a broad spectrum of industries that have compelling investment opportunities. The Group seeks to invest where it can help develop investee entities ("**Investees**") through the provision of capital, expertise and contact networks.

The Group selectively identifies and manages assets that:

- complement Mayfair 101's broader ecosystem of assets
- are comparatively insulated from economic and political changes (due to the focus on
- have strong management teams with requisite experience
- will benefit from the assistance and advice that is provided by the Group
- are capable of delivering strong capital growth and/or cash flow within a 2-5 year horizon
- have the potential to bring about a positive social impact
- align with the best interests of Mayfair 101's investors, management team and Advisory Board

Targeted Investment Focus

Mayfair 101 investment focus is to invest in high-growth companies which are predominantly private companies. These companies are typically earlier than pre-IPO stage, but are more than start-up or seed stage opportunities. Typically, these companies will display some or all of the following characteristics:

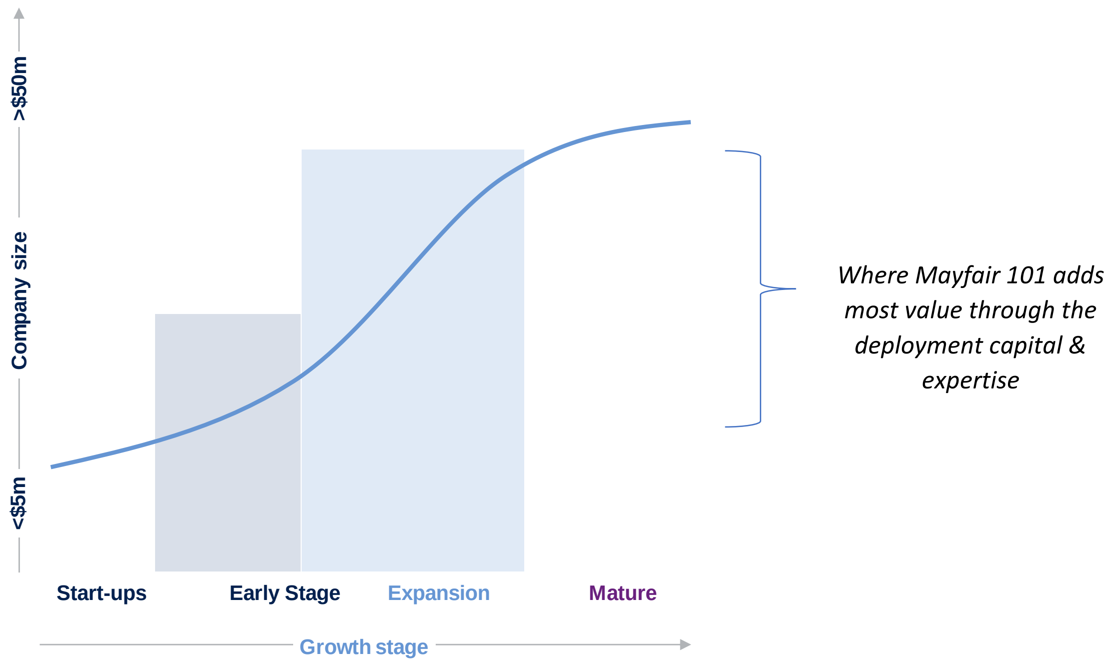
- expansion stage, with high-growth potential and a clear path to sustainable growth and profitability;
- focused on inefficient or emerging markets;
- previous success in raising venture capital financing from sophisticated and / or venture capital investors;
- post-revenue, with secure contracts and reliable cashflow from creditworthy clients;
- developed intellectual property or collateral; and
- experienced management team and stakeholders.

Active Investment Management

Mayfair 101 works closely with most of its portfolio companies to create value by providing a suite of professional and business improvement services including:

- corporate advisory;
- financial modelling;
- management consulting;
- recruitment;
- bookkeeping;
- sales process development;
- CRM implementation;
- marketing strategy; and
- public relations

The Group also has numerous relationships globally to assist management teams with introductions to relevant parties that can assist in creating shareholder value.



Value Creation Strategy

Mayfair 101 will only invest in, or lend to, businesses which our senior management team has carefully evaluated, and where we believe that the capital contributed by, and the skills within, the Group can increase the value and performance of the target Investee's business and deliver appropriate returns.

Members of Mayfair 101's senior management team are likely to be involved with Investees at a non-executive level, seeking to mentor, advise and assist in sourcing external expertise for the Investee, including from Mayfair 101's senior management team and Advisory Board, which is a group of highly experienced investment and business development professionals.

When funding is provided to portfolio companies, the Group has an interest in the company that is the recipient of funding. This arrangement provides the Group with visibility over the operations and financial stability of the company and their use of the Groups funds, meaning greater security for the Group and its investors.

Mayfair 101 Services

The senior management team of Mayfair 101 contributes to the development of the Investee by:

- using the skills, experience and networks of the senior management team and or the advisory board to provide strategic guidance, financial and management discipline and guidance in growing Investees towards a liquidity event;
- implementing governance frameworks usually associated with more mature businesses (for example, strategic planning, board reporting and risk analysis);
- connecting Investees with high calibre third party resources (for example, professional service providers, financial institutions for funding or exits) and personnel (for example, experienced executives);
- connecting Investees with other businesses (for example, other Investees) with a view to achieve synergies between those businesses;
- utilising the knowledge, research, skills and networks from the Manager's other business units to the benefit of Investees (for example, developing business ideas, growth and exit opportunities).
- improving business processes and information systems;
- implementing cost reduction strategies;
- achieving growth through acquisitions and bolt-ons;
- assisting with exit strategies, including IPOs and trade sales via Group member Mayfair Advisory Pty Ltd (ACN 631 523 174) (t/a 'The Public Listing Co.') ("TPLC"). Mayfair 101 and TPLC have a substantial network of brokers and advisers to help educate and prepare Investees for a stock market listing.

Mayfair 101 Advisory Board

In January 2019 Mayfair 101 commenced an international search for candidates to join its Advisory Board. The purpose of the Advisory Board is to have access to skilled and experienced professionals in a variety of business segments that can add value to the Group's broader strategy and that of its portfolio companies.

Advisory Board members are formally appointed and are remunerated through the provision of a shareholding in selected Mayfair 101 portfolio companies at management's discretion. This process has yielded a considerable talent pool of exceptional business leaders in areas that can add considerable value to the Group.

Notable appointments include:

- Mark Cliffe – ING Bank's Chief Economist & Head of Research (London)
- Kirsty Rutter – Barclay Bank's most recent Head of Innovation (London)
- Amit Pau – previous board positions on twelve international companies listed on the Stock Exchanges in London, Madrid and Israel, including Vodafone Spain (London)
- Maureen Jordan – CEO, Switzer Financial Group, Business Review's Business Woman of the Year (Australia)
- Toby Ralph - Business Review Weekly list of '50 Most Influential People in Australian Business' and special External Advisor to the United Nations (Australia)

A full list can be viewed here - https://www.mayfair101.com/advisory-board

Investment Types

Mayfair 101 provides various financing solutions to growth companies and opportunities that meet its investment strategy and due diligence requirements.

The table below outlines the types of investments that are made by the Group:

Product	Description
Common Equity	• Unlimited upside but no downside protection. • No right to contracted or preferred distributions. • Typically, first loss in an insolvency or corporate re-organisation. • Investor has access to public information, more where Investee publicly listed.
Preferred Equity	• Generally limited structural protections or controls. • Receives preferred payments in advance of dividends. • Investor has limited access to non-public information.
Senior Debt	• Superior position in the capital structure. • First-order claim on assets and/or earnings of a borrower. • Can be either secured or unsecured. • If secured, can enforce claims ahead of unsecured creditors. • Lender will have access to non-public information.

Subordinated Debt	• Junior or second-order claim on assets and/ or earnings of a borrower. • Generally higher yielding than senior debt. • Can benefit from upside via equity investments attached to debt structure (leveraging the return on equity). • May benefit from similar structural features and controls available to senior lenders, including access to non-public information.

Valuation Methodology

Assets held by Mayfair 101 are currently revalued at least annually in line with the Australian Financial Year ending 30 June, with assets purchased with IPO Wealth Fund money being valued on quarterly basis from 31 December 2018 onward for trustee reporting requirements.

Valuations are conducted in accordance with relevant independent guidelines, such as the Australian Investment Council's (AIC, formerly AVCAL) Valuation Guidelines. Generally, assets are recorded at cost for the first 12 months after their acquisition, unless a significant event occurs which the Group believes justifies a revaluation - for example, where an independent third party invests into an Investee at a different valuation, or a significant new tranche of funding is provided by Mayfair 101.

To the extent that information is available, Mayfair 101 may revalue these investments, at what the management team believes to be fair value based on applicable valuation methodologies, any recent sales of interests in the relevant investment, comparable industry transactions or any other method the management team considers appropriate, acting in a reasonable manner.

These valuations are not certain and may differ from the actual realisable value of an investment.

There are typically three types of instruments to be valued within the Mayfair 101 portfolio. The valuation approach is set out below –

Treatment of equity instruments

Equity investments are held at cost for the first 12 months after their acquisition unless a significant event occurs which the manager believes justifies a revaluation.

Following on from the above, there is a quarterly valuation performed. In the event that no significant transaction or documentation can be utilised to determine valuation, management may choose to employ one or more of the following valuation methods:

- comparable analysis (trading multiple / peer analysis)
- discounted cash flows (DCF)
- accounting net asset value (NAV); and
- cost approach

Treatment of debt instruments

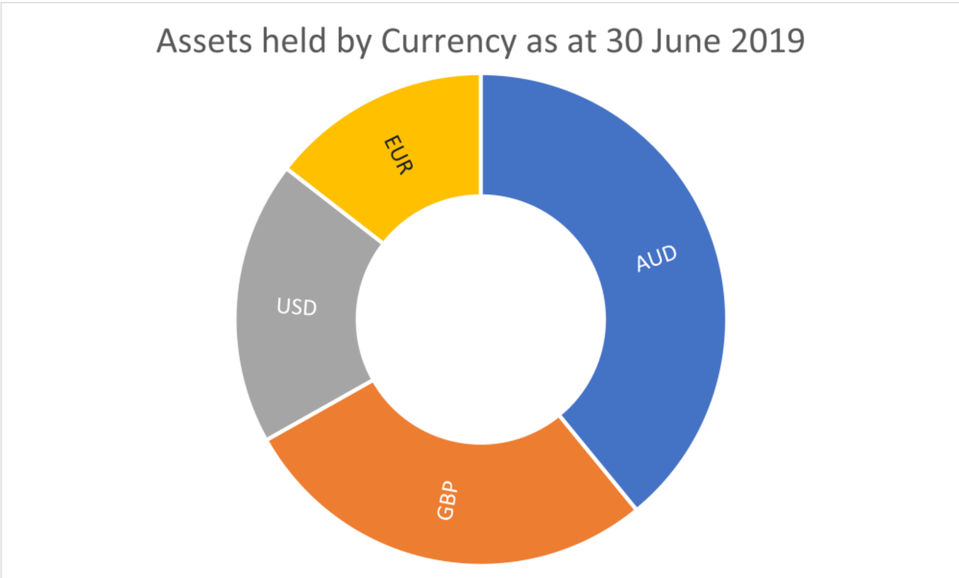
Debt investments are valued using discounted cash flow valuation methodologies and cost approach unless a significant event occurs which the Group believes justifies a revaluation.

Treatment of hybrid instruments

'Hybrid' instruments are convertible loan style investments of the Group. To date, the Group has valued these using discounted cash flow calculations, which does not reflect the Group's ability to convert such instruments to equity. Should an instrument be converted to equity, valuation of the equity component will be determined in the same way as equity instruments, outlined above.

Foreign Exchange Considerations

At the time of this Review the Group's assets are split primarily across the major reserve currencies being AUD, USD and GBP (refer chart below).



It should be noted that Mayfair 101 and the Investment Manager from time to time may choose to undertake transactions that aim to reduce the impact of movements in exchange rates on the value of the Group's assets. However, there is no guarantee that the strategy will be successful or that currency risks will be mitigated. Furthermore, it may not be possible or practicable to hedge successfully against currency exposure in all circumstances.

The Group considers that by closely matching its funding source currencies with the currency of the investments it makes, will provide a 'natural hedge' to any significant fluctuations in the asset value.

It should also be noted that the Group has the option to leave currency in a particular denomination to wait for market corrections if funds are not required locally. This mechanism provides a further practical hedge to minimise exposure to currency fluctuations.

Approach to Risk Management

Risk management is an integral component of Mayfair 101's asset management process. In order to mitigate risks associated with the various investments made by Mayfair 101 to Investee companies, across the Group we seek to ensure:

- the investment strategy principles outlined above are adhered to
- an appropriate rate of interest/return is set relative to the nature and risk of the investment (where applicable);
- an active approach is taken with respect to managing and monitoring the investment including regular contact with management teams;
- that where applicable interest is serviced on a monthly basis, the borrower pays all their interest payments as and when they fall due;
- that where applicable interest is capitalised or prepaid, that the structure, payment terms and exit strategies are appropriate for that form of loan;
- That the borrower complies with the ongoing loan conditions during the loan term; and
- That the borrower repays the full amount of the loan as and when it falls due.

Mayfair 101 closely monitors and administers each of its investments through to maturity. Considerable time and effort continue to be invested in collecting and analysing financial and non-financial reporting from each Investee according to the terms of the underlying documentation. The information is used by the Group to measure and assess the Investee's compliance with financial and non-financial key performance indicators as set out in the investment documentation, and to assess the ongoing performance of the Group's investment.

Loan Default Management

For debt investments, the Group intends to manage any loan default in a proactive manner. Mayfair 101 has an ability to control the recovery process of each loan, to ensure that the appropriate steps are taken to protect capital, maximising the probability of a full recovery of principal and any accrued interest in a loan default scenario.

While each investment is unique, the Group will typically consider the following potential actions in any potential or actual loan default:

Phase I (Pre-default): Early warning signs through internal milestones

- The Group will track performance of the borrower on a regular basis against forecast hard and soft covenants to assess the likelihood of a potential loan default, including by exercising information rights, receiving monthly management reports and, if necessary, requiring the provision of other information relevant to the borrower's business under the loan documents.

- The Group will maintain contact and engage with key stakeholders of companies taking on Loans, including founders, executive teams, directors and investors, and discuss business performance and performance against strategy.

- The Group will utilise its widespread network of relationships and information sources to obtain multiple insights as to entity, segment, market and geographical performance. This approach will be complemented by alert-based searches on online publications and public relations materials for announcements, changes to ASIC registrations and credit bureaus in relation to borrowers and known competitors.

Phase II (Post default): Assess repayment options

- Discuss the situation with the borrower entity's management.
- As appropriate, involve the borrower's other owners and/or key stakeholders.
- Require the borrower and its owners and management explore repayment by means of:
  - sweeping cash whilst operating the entity as a going concern;
  - raising new capital from existing owners;
  - raising new capital from new or strategic investors; and
  - a trade sale or divestment of particular assets.

Phase III (Post default): Administration or insolvency

- Engagement with an insolvency practitioner or turnaround advisor

The Group's strategies to manage a loan in default will vary based on the facts and circumstances and options to manage any such loans then subsisting and may include restructuring the loan (amending maturity or scheduled repayments) or converting a portion of the loan to equity. Any strategy is subject to approval from senior management.

The Group may elect to restructure a Loan in order to achieve the best possible outcome for the Group and investors where applicable, according to its best judgement. This may involve executing various restructuring strategies, including extending the maturity date of the loan, amending the principal and interest payments, taking up additional warrants or converting all or part of the borrower's debt into equity interests. To protect its position, the Group may from time-to-time elect to extend further capital to the borrower.

Liquidity Management

Capabilities

The Mayfair 101 senior management team (inclusive of the advisory board) comprises 17 business professionals, each with over 10 years (many 20-30 years) of industry experience across fields including funds management, advising, investing, structured financing, research, company selection, marketing strategies, legal, taxation, portfolio management, and generally assisting companies to achieve positive financial outcomes.

This depth of talent provides the Group with access to considerable expertise for managing the liquidity profile of Mayfair 101 and its portfolio companies.

Importantly, this diverse background allows the Group to be active in a market segment typically overlooked by banks, listed equity funds with restrictive mandates or alternative financiers that may lack depth in working with new economy businesses. Their experience in assessing, advising and providing capital to high-growth companies on their journey to success helps to mitigate and/or minimise the impact from any potential loss.

Exit Strategies

Once Mayfair 101 has successfully implemented its value creation strategies and Investees have grown to a point where an exit is possible, Mayfair 101 will consider all exit options such as IPOs, trade and secondary sales, or a refinancing. The group will evaluate relevant options in light of the prevailing market conditions. A desirable exit would provide certain liquidity for investors, so the Group will give preference to exit plans that enable a full realisation of its investment.

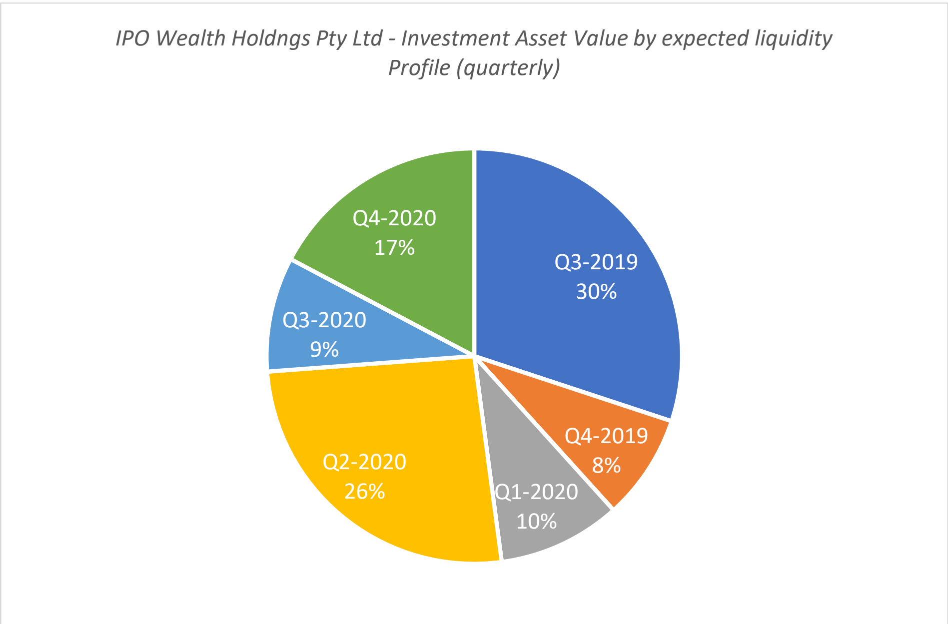
Refinancing

Mayfair 101 has the ability to refinance certain assets with external capital in order to reduce its cost base. The Group has the ability to source additional funding via additional financial products offered by the Group, refinancing existing assets (e.g. property), and the Group's general access to alternate sources of funding. This provides a degree of insulation for the Group against systemic shocks that are experienced in public markets from time to time, and provides Mayfair 101 with greater control over liquidity timing and outcomes to protect investor interests.

Liquidity Timelines

The chart below illustrates the composition of the Mayfair 101 portfolio in terms of expected liquidity events as at 30 June 2019. The chart indicates that liquidity events of a total greater than the existing loan balance ($86.06 million) are expected to occur by 31 December 2020, which is consistent with the Mayfair 101 investment strategy of a 2-5 year liquidity profile

Note: Mayfair 101's first significant investment in line with the current investment strategy, Accloud PLC, was made in November 2015).



IPO Wealth Fund

As at 30 June 2019 the IPO Wealth Fund had a Gross Asset Value of $97,521,838 funds under management, with a Cash Reserve of $8.608 million and a loan to IPO Wealth Holdings Pty Ltd of $86.08 million. The average cost of this capital has remained less than 7% p.a. representing a relatively low-cost funding source which aligns with the Group's fundraising and capital management strategy.

As the Group has now achieved critical mass with strong balance sheet growth in recent years, it is our intention to use monies raised via IPO Wealth more readily as a means of financing the purchase of more assets, with the view to transition these assets elsewhere in the group as they mature in exchange for liquidity.

The strategy will provide the following benefits to the Fund's unit holders and Trustee:

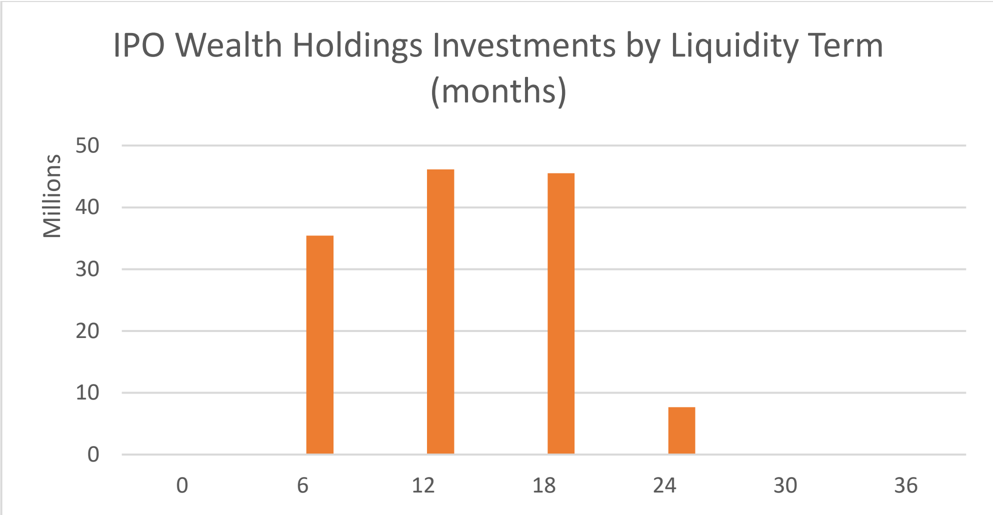
- regular controlled liquidity events without the need to rely on buoyant and or receptive capital markets;
- underlying asset liquidity events allows the borrower to replenish or turnover credit (shorter duration) further enhancing the credit strength of the Borrower;
- enables certain Non-Current Assets to be re-classified as Current Assets when they become the subject of a Share Purchase Agreement or Call Option Agreement, better aligning the borrower's balance sheet with the tenure of the Loan drawdowns; and
- provides the Borrower with an additional source of funding which is managed by a related-party, enabling liquidity to be created as and when is needed to maintain the integrity of the Loan.

The Group considers this to be a significant outcome for all stakeholders and importantly in the best interest of unit holders who will benefit from the improved liquidity profile of the Borrower.

Liquidity Profile

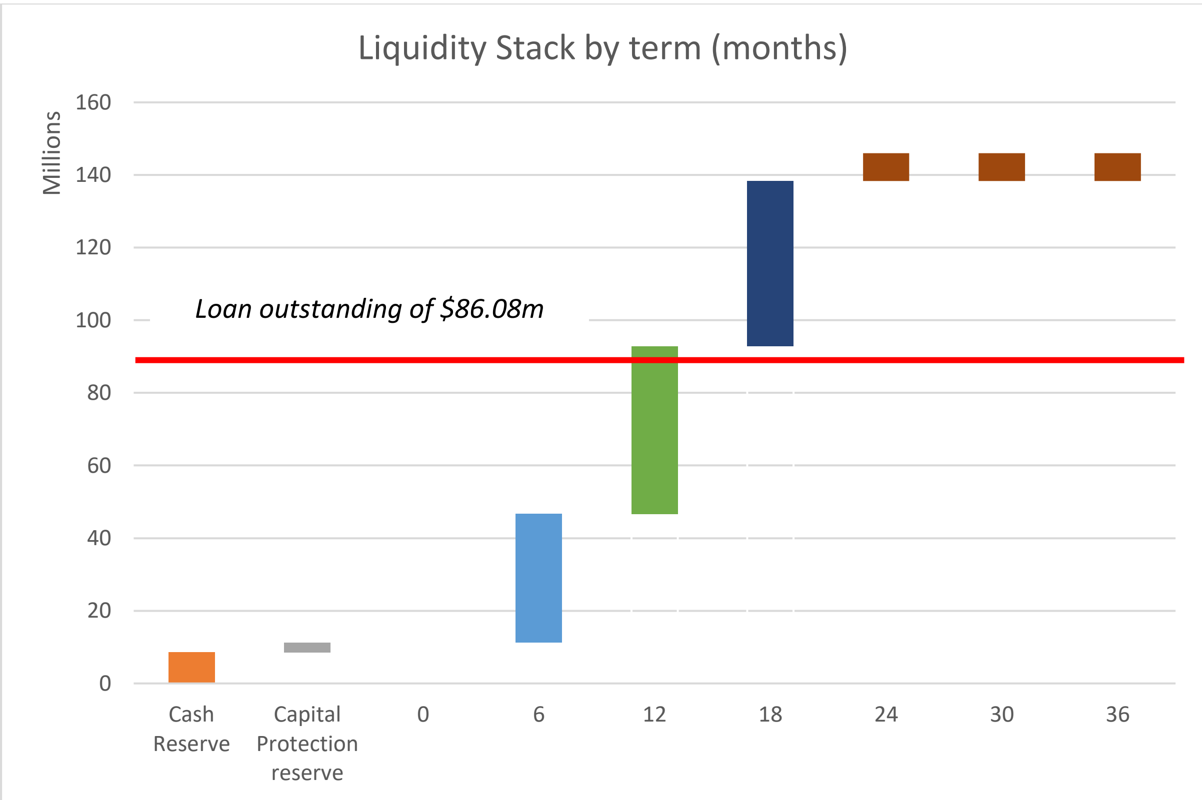
As at the date of this Review the Borrower has made 28 consecutive monthly interest payments in full to the Fund, all within no more than 3 business days of the due date. This strong track record of interest servicing demonstrates the Group's dedication and capability of supporting its obligations to the Fund, the Fund's Trustee and the Fund's unit holders.

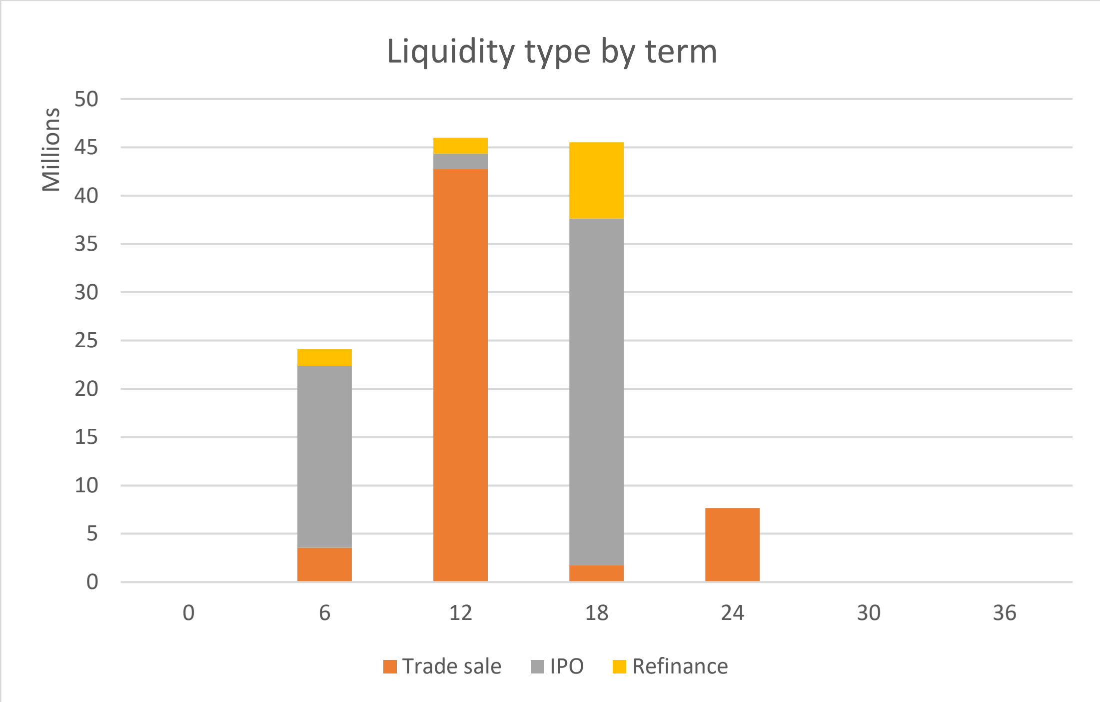
A number of Mayfair 101 assets are held across 17 Special Purpose Companies ('SPVs) as collateral against the current loan from the IPO Wealth Fund. The expected naturla liquidity profile of these assets as at 30 June 2019 is set out in the chart below.



Current Snapshot

The chart below shows the various IPO Wealth Fund investments along with their likely liquidity method and timing. The Loan Outstanding as at 30 June 2019 was $86.08 million and Cash at Bank including reserves was $11.20 million. The chart demonstrates the Borrower's ability to repay the Fund's loan within 12 months should it be called upon by the Trustee. A significant portion of this capability comes from the expected public offerings or 3 portfolio companies in the next 6 months.





Fund Performance

IPO Wealth's core objectives is to generate regular income returns after all fees, costs and other expenses from investing in a diversified portfolio of globally domiciled assets. The benefits of investing in such a portfolio are significant and include:

- yield premium relative to other fixed income products for an equivalent level of risk;
- resilience to margin pressure given the low number of competitors to Mayfair 101;
- applying an investment process that protects downside; and
- enhanced diversity by geography, investment category and industry sector.

At the time of this Review, the IPO Wealth Fund has paid its 'target' returns in full every month since inception.

It is also the Fund's objective to facilitate redemptions when required, which the Fund has successfully facilitated every month since inception without needing to draw upon its Cash Reserve or Capital Protection Reserve.

Trustee Requests

The following items have been requested by the Fund's Trustee, Vasco Investment Managers Limited ('**Vasco**') in the past 12 months -

Additional Fund Reporting Obligations

In November 2018 at Vasco's request we implemented a process of providing a monthly asset allocation and a quarterly asset valuation for the purposes of Vasco having comfort in relation to the loan between the Fund and the Borrower.

Management proposes that the Quarterly Asset Valuation process be performed on an 'exception basis' only given the Borrower and its SPV's are being utilised to finance the purchase of assets it intends on transitioning elsewhere in the Group within a 12 month period. The Group proposes to continue to keep its annual asset valuation policy in place.

Fund Development plan

The Trustee requested that IPO Wealth Pty Ltd agree to a Fund Development Plan to provide the Trustee with comfort that the Borrower would invest in more liquid assets, including considering making direct investments in more liquid assets from the Fund itself. We accepted this plan acknowledging that Vasco did not have oversight of the broader Mayfair 101 group and other activities that were being worked on to address Vasco's liquidity concerns.

The Group considers that the Borrower's liquidity profile is adequate due to:

a) Liquidity profile of existing assets;
b) The Group's capacity to purchase Borrower SPV's in exchange for liquidity (over $6 million of such transactions are currently being documented by the Group's lawyers)
c) Action the Group has taken to acquire a significant holding of Australian residential and commercial property, designed to further improve the liquidity profile and balance sheet of the group

The Group further considers that a departure from its current investment strategy is not in the best interests of the Funds unit holders given the Group's expertise and resources are suited to developing high growth assets.

Liquidity Management Plan

Whilst Mayfair 101 will continue to actively pursue the traditional avenue of creating liquidity for the Fund (exits by Investees) in conjunction with the Group's portfolio investments, the Group will continue to develop new sources of capital which can insulate it from systemic shocks that can be experienced in public markets and ultimately reduce the ability to create liquidity (generate returns from exits) at any given time.

In addition, the Investment Manager has agreed to implement the following request of the Trustee to better match the liquidity profile of the Fund with the Borrower's investment strategy:

- increasing the Loan term to 12 months or more, given that investor retention rates continue to be high, meaning that investors have their funds invested in the Fund for over 12 months on average, despite the base term of their investments in the Fund generally being shorter (i.e. many investors are electing to roll over their investment for a further term);

- Transitioning the Borrower to invest at least 15% of the Fund's assets in more liquid and secure assets; and
- Updating the Information Memorandum to reflect the Fund's proposed updated investment strategy.

The Group's management team is comfortable with its strategy in relation to liquidity risk management. It is supportive of the changes proposed above and will work with the Fund's Trustee to facilitate such outcomes.

Areas Requiring Attention

Fund Reporting Requirements

Notwithstanding the Investment Manager's proactive approach to maintaining and identifying new liquidity opportunities for collateral (stakes in Investees) provided by the Fund's borrower, IPOWH, the Trustee has continued to increase the level of reporting required - which can become cumbersome and resource draining.

The Investment Manager needs to manage the Fund with investors' interests as priority, but there is a balance to be struck between reporting and active portfolio management. While various requested changes have been implemented as at the date of this Review, we suggest that this balance be considered before any further reporting changes are requested, and that adequate notice be given.

Fund Marketing Activities

In April 2019, the Trustee's position changed in relation to marketing activities and public messaging relating to the Fund, which has led to a significant reduction in inflows to the Fund, both in terms of the number of investors and their average investment size.

For the nearly two years that the Fund has been operating, the Group has successfully marketed the IPO Wealth Fund as an alternative to a range of investment options, including bank deposits, with the requisite disclaimers. Phrases such as "Tired of term deposit?" or "Term deposit rates got you down?" have outlined to investors the fact that the IPO Wealth Fund is an option investors can choose if they are looking for an investment product, *other* than a term deposit, in order to achieve higher yields, which is the value proposition of the Fund.

Despite contrary legal opinion, the Group has removed any reference to term deposits from its materials, which has had a significant negative impact on inflows to the Fund.

The Fund was established with a purpose of providing investors with an alternative to depositing money with Australian ADIs, for which IPO Wealth has received considerable praise from investors in the Fund (reflected by 92% of our customers rating us '5 stars' on Trustpilot). As outlined above, Mayfair 101 considers that banks have fallen short in servicing wholesale investors both in terms of returns and levels of service, and IPO Wealth has delivered consistently in these two areas for over 2 years.

Due to some frustration experienced in having marketing materials reviewed by the Trustee, and the limited scope to use messaging which is consistent with above purpose of the Fund, the Group has decided to discontinue most marketing activity for the 'IPO Wealth' brand due to its ineffectiveness.

The Investment Manager considers the Trustees' offer to meet with Maddocks (the Trustee's lawyers) to discuss marketing would therefore be futile.

The Group's choice to specifically reference the IPO Wealth Fund as being an alternative to a term deposit amongst other investment products is because naturally this provides low-cost capital, which is otherwise harder to achieve elsewhere and would require greater risks to be taken with investor funds – this formed a significant part of the Group's risk mitigation strategy.

Direct Investments by the Fund

The Group acknowledges that minor updates may be required to the Information Memorandum to more comprehensively describe the Fund's investment strategy, given that it has now evolved. However, we do not consider it necessary for the Fund to make direct investments into Investees, in light of the Group's (and the Investment Manager's) capital management strategy outlined in this Review.

Second Ranking Security Consent

Mayfair 101 believes that by utilising or pledging a second ranking charge on IPO Wealth Fund collateral it would benefit from a reduction in the cost in which it can raise capital elsewhere in the Group. We do not see this detracting from the IPO Wealth Fund investor's current collateral position, and if anything, it will further diversify the group assets (due to increased funds raise and subsequent investments thereof).

Risks & Challenges

The Group considers the following items to be the key risks and challenges associated with operating in the Group's current format and environment –

Risk Factor	Weighting	Considerations
Interest Rates	Low	• Low interest rates in developed nations • Further interest rate cuts likely • Beneficial to the Group's capital management strategy
Liquidity	Medium	• Liquidity achieved from investments is lumpy • New investor inflows are consistent across the Group's products • Cash Reserves have been maintained to weather cash flow challenges • Expected divesting and refinancing activities are expected to boost liquidity in the next 6-12 months
Personnel	Low	• Strong, loyal team • Clear leadership and vision • Key person risk exists (Group Managing Director) • Mayfair 101 topco board being actively recruited to create further redundancy
Legal	Low	• Management is mindful of managing legal risks associated with all transactions

		• Corporate structure isolates risks to specific entities to protect the Group
Compliance	Medium	• High visibility marketing campaigns lead to regulator attention • Legal advisors used to review marketing material prior to publication • Increased regulatory environment in financial services naturally brings greater scrutiny
Reputational	Medium	• Being a higher profile, lesser known industry participant leads to public scrutiny • Customer service team comprehensively trained and monitored for maintaining high customer satisfaction ratings
Investment Strategy	Low	• Comfort by virtue of the Group's level of diversification in uncertain economic times • Chosen industries are relatively isolated from key economic drivers that may influence public markets and traditional investment strategies
Competition	Low	• Some competitors starting to copy the Group's messaging • Few will compete the Group's marketing and innovation capabilities
Economic	Low	• Relatively insulated and diversified investment strategy protects against key economic events
Political	Low	• Minimal political exposure to the majority of assets invested in by the Group
Innovation	Medium	• Rate of organisational change and growth can be challenging for personnel and key stakeholders • Management has considerable experience in high growth environments • Considered innovation leads to value creation
Exchange Rate	Low	• Diversification across multiple currencies and geographies provides considerable diversification

Mayfair 101 intends on continuing to work with its management team and advisors in a proactive manner to address current and future risks and challenges to ensure stakeholder interests are protected.