



McGrathNicol

22 September 2020

McGrathNicol
Partnership

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To the unitholder(s) as addressed

Dear Sir/Madam

**PrimeSpace Property Investment Ltd (In Liquidation) ACN 104 345 317 (PPIL)
as responsible entity for the Prime Access Property Fund (PAPF)**

I refer to my appointment with Tony McGrath as voluntary administrator of PPIL on 23 April 2015 and to our subsequent appointment as Liquidators on 28 May 2015.

The purpose of this letter is to give you notice of my intention to terminate PAPF in accordance with its constitution.

Meeting of Unit Holders

This letter provides notice of a meeting of the ordinary unit holders of PAPF to be held virtually at **11:00AM on Wednesday, 14 October 2020**, at the offices of McGrathNicol, Level 12, 20 Martin Place, Sydney NSW 2000.

The purpose of this meeting is to:

- Provide a general update on the liquidation and winding up of the trust;
- to seek permission from unit holders to permit PPIL as Responsible Entity of PAPF to enter into a deed amending the trust to dispense with the requirement for an independent audit. We consider this amendment is appropriate having regard to the assets of the trust, the costs of an audit for which there are no funds available to pay and the lack of benefit associated with an audit in the circumstances; and
- seek consent from unit holders to permit PPIL as Responsible Entity to terminate PAPF following this meeting.

In accordance with the constitution of the Trust, the meeting of unit holders will be convened and governed by the Corporations Act 2001 (*Cth*).

While the meeting will technically be held at the offices of McGrathNicol Sydney, Level 12, 20 Martin Place, Sydney NSW 2000, the meeting will take place by teleconference only given recent social distancing guidelines.

A teleconferencing facility will be available to unit holders. The login details are as follows

Domestic dial-in: 1800 153 721

Guest PIN: 19762597

D18 - PRIMPRO02 - Letter to PAPF unitholders RWCC final

In association
with



Liability limited by a scheme
approved under Professional
Standards Legislation

Advisory
Forensic
Transactions
Restructuring
Insolvency



Background to termination of the trust

Update on Convertible Note Subscription Agreement

- Creditors will recall that shortly prior to the collapse of PPIL, there was a claim that the PAF Convertible Note Subscription Agreement was drafted in a way that created a personal liability for PPIL in relation to the funds raised from Noteholders for the benefit of investments being made by PAF. It was claimed that this was contrary to the instructions provided to PPIL's lawyers responsible for drafting the Agreement. PPIL did not have the resources to fund the repayment of the liability when that liability became due and payable and this led to the decision by the directors of PPIL to place the Company into Administration.
- The liquidators of PPIL undertook extensive investigations including Public Examinations. Through that process were able to formulate a claim against PPIL's former legal advisors. Prior to any litigation reaching Court, we entered into mediation and were able to settle the claim, recovering a material sum for the benefit of creditors. The settlement funds formed the bulk of assets in the estate of PPIL available for distribution.
- As a result of the above, we were able to pay a distribution of c. \$7.38 million to:
 - Ordinary unsecured creditors of PPIL; and
 - PAF Noteholders whose claim extended to PPIL in its personal capacity.
- On 24 May 2019, the Liquidators declared a first and final dividend to creditors of PPIL and this was paid on 28 June 2019 at a rate of 36 cents in the dollar on admitted claims.

Cancellation of units

- The PAF constitution requires that all assets of PAF be realised prior to PAF's winding up.
- PAF's key assets are its interests in Prime Office Property Fund (**POPF**) and Prime Retail Property Fund (**PRPF**). Accordingly, PPIL through the Liquidators are required to realise, withdraw or disclaim PAF's unit holdings in POPF or PRPF.
- On 11 May 2020, Anthony McDonald (as director of PS Office Pty Ltd and PS Retail Pty Ltd – the responsible entities of POPF and PRPF respectively), advised that:
 - the units in POPF and PRPF have nil value; and
 - Mr McDonald does not intend to formally wind up POPF and PRPF.
- Accordingly, on 18 May 2020 the Liquidators formally disclaimed the units in POPF and PRPF.

Next steps

Now that all assets of the Trust have been realised and there is no further business to be undertaken in relation to the Trust, I propose to terminate the Trust according to its constitution. This requires me to hold a general meeting of unit holders for the purpose of passing resolutions to effect the termination.

In most cases, I have located unitholder contact details based on ASIC searches for the entities appearing on the most recent unitholder registers in PPIL's books and records. In other cases, I have located unitholder contact details from historical circulars, which have been issued during the winding up of PPIL.

Quorum required

In accordance with the PAF constitution, a quorum requires 2 Holders be present in person or by proxy holding between them at least 10% of all units unless the Fund has only one Holder who may vote on a resolution, in which case that one Holder constitutes a quorum.



To ensure a quorum is reached for the meeting, we ask that unitholders either submit a proxy (which may be in favour of the Chairperson of the meeting) or advise us that you intend to participate by notifying Richard Woolf (rwoolf@mcgrathnicol.com) **by 4:00 PM on Tuesday, 13 October 2020**. Unitholders of corporate entities are required to submit a proxy with the Liquidators prior to the meetings.

Next steps

Unitholders may exercise their right to vote by voting at the meetings in person, by appointing a proxy. A proxy form is provided at Annexure A.

If you have any questions about the liquidation of PAPF please contact Richard Woolf of my office on (02) 9248 9924 or at rwoolf@mcgrathnicol.com.

Yours faithfully

Primespace Property Investment Limited (In Liquidation)
as responsible entity of the Prime Access Property Fund

Shaun Fraser

Joint and Several Liquidator



Notice of Meeting

**Primespace Property Investment Ltd (In Liquidation) ACN 104 345 317 (PPIL)
as responsible entity for the Prime Access Property Fund (PAPF)**

NOTICE OF MEETING OF CREDITORS OF COMPANY UNDER EXTERNAL ADMINISTRATION

1. Notice is now given that a meeting of the unit holders of PAPF will be held at **McGrathNicol Sydney, Level 12, 20 Martin Place, Sydney NSW 2000 on Wednesday, 14 October 2020 at 11:00AM.**
2. While the technical meeting location will be at the offices of McGrathNicol Sydney, Level 12, 20 Martin Place, Sydney NSW 2000, this meeting of unit holders will be held via teleconference only and unit holders will not be able to attend in person, given the recent government guidance surrounding the Coronavirus and social distancing measures.

A teleconferencing facility will be available to unit holders. The login details are as follows

Domestic dial-in: 1800 153 721

PIN: 8637 0758

3. The purpose of the meeting is to:
 - Provide a general update on the liquidation and winding up of PAPF;
 - seek permission from unit holders to permit PPIL as Responsible Entity of PAPF to enter into a deed amending the trust to dispense with the requirement for an independent audit (we consider this amendment is appropriate having regard to the assets of the trust, and the costs and lack of benefit associated with an audit in the circumstances); and
 - seek consent from unit holders to permit PPIL as Responsible Entity to terminate PAPF following this meeting.
 - Discuss any other business.
4. Proxies must be submitted by **4:00PM on Tuesday, 13 October 2020.**

Dated: 22 September 2020

Shaun Fraser
Liquidator

McGrathNicol
GPO Box 9986
Sydney NSW 2001
+61 2 9338 2600

PROXY FORM

**PrimeSpace Property Investment Ltd (In Liquidation) ACN 104 345 317 (PPIL)
as responsible entity for the Prime Access Property Fund (PAPF)**

APPOINTMENT OF PROXY

I/We (if a firm, strike out "I" and set out the full name of the firm) _____ of
_____ (insert address)

a unitholder of **PAPF** appoint:

_____ (insert name, address and description of the person appointed)
or in his or her absence

_____ (insert name, address and description of the person appointed)
as my/our (choose one):

general proxy

special proxy

to vote at the meeting of unitholders to be held on 14 October 2020 or at any adjournment of that meeting.

Resolution (only complete where appointing a special proxy)		For	Against	Abstain
Amendment of Constitution				
1	That the unitholder agrees to amend the PAPF Constitution by deleting clause 22.5 in its entirety.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Termination of PAPF				
2	That the unitholder permits PPIL as responsible entity to terminate PAPF on 14 October 2020.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this _____ day of _____ 20

Name _____

Signature _____

Notes:

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert name, address and description of the person appointed.
- (3) If the unitholder is a sole trader, the proprietor must sign the proxy form.
If the unitholder is a partnership, a partner of the partnership must sign the proxy form.
If the unitholder is a company, a director or an authorised representative must sign the proxy form.

Proxy forms should be completed and returned by no later than 13 October 2020 at 4:00 pm to rwoolf@mcgrathnicol.com.

RETURN TO: PrimeSpace Property Investment Ltd (In Liquidation) ACN 104 345 317 (PPIL) as responsible entity
for the Prime Access Property Fund (PAPF)
Address: GPO Box 9986, Sydney NSW 2001, Australia
Phone: +61 2 9338 2600
Fax: +61 2 9338 2699