

15 December 2016

ASX Code: TAU

For Release to Market

TRUSTEES AUSTRALIA EXECUTES HEADS OF AGREEMENT TO ACQUIRE CASHWERKZ

- **Acquisition by issue of shares in Trustees Australia Limited**
- **Heads of Agreement conditional upon:**
 - **Trustees Australia shareholder approval after Formal Documents executed**
 - **Approval and completion of proposed Queensland Resorts Demerger**
 - **Final due diligence and valuation**

Trustees Australia directors are pleased to advise that Trustees Australia Limited (Trustees Australia) has entered into a Heads of Agreement (HOA) to acquire the issued capital of Cashwerkz Pty Ltd, an innovative Australian *fin-tech* company.

Cashwerkz has developed a *term deposit marketplace* with a powerful and unique technology platform that allows for easy, on-line management of term deposit applications and transactions, while satisfying the numerous KYC (know-your-customer) identification and verification requirements of banks and financial institutions. Cashwerkz allows investors to easily place and switch term deposits at maturity or invest in other fixed interest securities with minimal effort. The ease of transaction benefits both investors and Authorised Deposit-taking Institutions (ADIs).

While legally structured as an acquisition, the transaction is a merger of complementary assets and skills in the fixed interest, financial services market with sophisticated financial on-line technology or *fin-tech*.

The effective combination of the market and transaction experience of personnel and management in Trustees Australia's subsidiaries Rim Securities and RedGate asset Management linked with the impressive financial technology of Cashwerkz is significant in the fixed interest marketplace.

It means the merged companies will allow Australian fixed income investors to find the best term deposit and fixed income solutions to match their investment criteria and to simultaneously and seamlessly transact term deposits on-line between banks and buy / sell fixed interest securities such as small parcel bonds with or without the involvement of intermediaries.

The combination of the automated transaction capacity of Cashwerkz and the depth of market experience of Trustees Australia, Rim Securities and RedGate Asset Management will establish a significant new online transaction engine with fixed interest product development capability.

The proposed transaction requires approval of Trustees Australia shareholders in accordance with Section 611 Item 7 of the Corporations Act 2001 after the execution of Formal Documents. An Extraordinary General Meeting will be convened for this purpose early in 2017 with appropriate independent expert's reporting. The Notice of Meeting for the EGM will contain the full details of the proposed transaction and expected timing.

In addition to the acquisition transaction, the approval of Trustees Australia Shareholders will be sought for the election to the Trustees Australia board of Messers Brook Adcock and John Nantes, who are the Chairman and CEO respectively of Adcock Private Equity Pty Ltd, the primary funding company behind Cashwerkz. The proposed issue of shares for the acquisition will introduce a significant new large shareholder with greater than 20% of the capital of Trustees Australia, which will assist in widening the existing closely held share register of Trustees Australia.

Demerger of Non-financial assets

As Shareholders will be aware, Trustees Australia has already convened an Extraordinary General Meeting to be held on Thursday 22 December 2016 to consider proposals for an in-specie distribution of all of the share capital in Queensland Resort Pty Ltd, on a one for one basis to existing shareholders of Trustees Australia Limited (Demerger).

It is proposed to apply to list the demerged Queensland Resorts on the National Stock Exchange (NSX) after the Demerger. The effect of the Demerger of non-financial services Queensland Resorts assets currently held within the Trustees Australia Group will be that, subject to NSX listing approval, Trustees Australia shareholders registered on the record date (to be advised) will have holdings in two listed public companies with clearly defined separate activity streams.

These will be

- Trustees Australia, a purely financial services entity listed on ASX with Cashwerkz, Rim Securities, and RedGate Asset Management focused on fixed interest products and related services and delivering innovative on-line transaction and reporting capabilities for retail and wholesale investors and their investment advisers; and
- Queensland Resorts a profitable tourism operator and property owners listed on NSX

With this restructure, each entity will have the capacity to expand within its separate activity streams.

Yours faithfully,

Michael Hackett
Chairman and Managing Director

Ends.

Further Details

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**As a policy, TAU does not respond to individual communications regarding the management of the business, the company or in respect to any analysis that is not contained in market releases. We make ASX market releases at times we believe helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to our website: www.trusteesau.com.au*

Trustees Australia Limited

Trustees Australia Limited is an established financial services group, ASX listed since 1987 (ASX: TAU) consisting of several trusted brands, to provide a range of trustee and custodial services. The group's entities have combined their experience, insight, specialist knowledge and resources to provide a range of stable income investment options and competitive execution services suitable for Australian investors of all sizes. Trustees Australia delivers trusted, responsible entity and custodian services to fund managers and investors requiring bespoke solutions.

RIM Securities

RIM Securities is the independent fixed income specialist arm of Trustees Australia with a reputation for searching for value to deliver stable income solutions to all types of investors who require execution services, custom solutions or access to wholesale markets across cash, term deposits and fixed coupon bonds and floating rate notes.

RedGate Asset Management

RedGate Asset Management offers a range of simple and easy to understand fixed interest investment products to retail and wholesale investors and has experience in managing mandates for larger investors seeking an outsourced fixed income specialist.