

28 February 2017

ASX Code: TAU

HALF YEAR RESULTS COMMENTARY– 31 December 2016

On behalf of the Directors of Trustees Australia, I am pleased to provide the interim Financial Report to 31 December 2016. The report incorporates the results for the half-year and also the proposed changes in the structure of Trustees Australia through the Queensland Resorts demerger.

While these proposed transactions, which were announced to ASX in late 2016 are not complete, the Australian Accounting Standards require that the Financial Report reflect them as though they had been completed. This also means that the comparative figures for the 31 December 2015 half year are amended in the same way. The proposal for Trustees Australia to acquire Cashwerkz subsequent to the Queensland Resorts Demerger is not included in the accounts although it is referred to in the Directors Report.

In late November 2016, the company sent a Notice of Extraordinary General Meeting (EGM) which was to be held on 22 December 2016. This meeting was to consider and seek shareholder approval for the Queensland Resorts Demerger and related transactions.

The meeting was adjourned based on advice regarding a technical deficiency in the Notice of Meeting (NOM). In the interim, the proposal to acquire 100% of the share capital in Cashwerkz has been progressed and the directors now propose to convene an EGM to consider both the Queensland Resorts Demerger and the Cashwerkz Acquisition / Merger and related matters.

The resolutions to be put to the EGM, require shareholders to vote on several important matters that will have a significant change on the structure of the Company and its future if approved and implemented. In respect of the proposed Cashwerkz Acquisition / Merger, shareholders will be asked to approve an issue of greater than 20% of the capital of the Company to the vendor shareholders of Cashwerkz. The Corporation Act at section 611 requires that an independent expert be appointed by the Company to opine whether this is fair and reasonable to existing shareholders of Trustees Australia Limited.

The Independent Expert's Report is being prepared by Mr. Paul Lom of PKF Australia Limited, and ASIC is required to review the completed report prior to its circulation to Trustees Australia Shareholders with the NOM.

With the various necessary steps to be taken and expected timeframes, the NOM for the EGM is likely to be distributed to shareholders in late March 2017 for a meeting to be held in late April 2017. Provided all approvals are given at the meeting, the transactions should complete in the week following the meeting.

The Directors of Trustees Australia, each of whom is a long term director and material shareholder in Trustees Australia, strongly support the Queensland Resorts Demerger and

the Cashwerkz Acquisition. We will be recommending that shareholders vote in favour of all resolutions proposed at the EGM.

Provided the resolutions are approved, existing shareholders in Trustees Australia will retain their existing Trustees Australia shares and will be issued with an equivalent number of shares in Queensland Resorts Limited to the number they currently hold in Trustees Australia. Queensland Resorts is in the process of applying to seek conditional approval to list on the National Stock Exchange (NSX) so that its shares will be quoted on issue. A structure diagram from the NOM for this EGM which was adjourned is attached for your information.

In recent months, Cashwerkz and Trustees Australia have been undertaking due diligence on each other and the management of Rim Securities Limited (Trustees Australia's Fixed Interest Subsidiary) have been working closely with Cashwerkz to develop the synergies expected to be available from the proposed merger.

Cashwerkz is a simple and secure online market place to transact and manage term, deposits and eventually bonds and other fixed interest investments. It offers a unique solution that enables customers to easily switch between cash investments allowing for more effective management and a large choice of term deposit providers. Cashwerkz also enables customers to leverage its financial technology for yield investing. Through its partnership with term deposit providers, Cashwerkz offer transactional capabilities to a range of investment opportunities and strategies that match investors' risk profiles and diversification requirements.

Both Queensland Resorts Limited, after demerger, and Trustees Australia, after the Cashwerkz merger will have separate boards and separate strategies for growth.

Trustees Australia will emerge as a 'fin-tech' company, supported by significant valuable executive experience in all aspects of financial services. It will have a unique transaction platform focusing on defensive assets for seamless and secure management and reporting of investments in one online environment.

Further documents will be circulated to you over the next few weeks including a Notice of Meeting for the Extraordinary General Meeting and all relevant details to assist you to make an informed decision about the future of the Company and your investment.

TRUSTEES AUSTRALIA LIMITED

MICHAEL HACKETT

Chairman