

**TRUSTEES AUSTRALIA SIGNS FORMAL AGREEMENT TO ACQUIRE CASHWERKZ
NON-FINANCIAL SERVICES ASSETS TO BE DEMERGED AND LISTED ON NSX**

- **Acquisition through the issue of 49.67m shares in Trustees Australia.**
- **Non-financial services assets (Airlie Beach tourism) held in Jimmy Crow, to be listed on NSX following the demerger.**
- **Significant ongoing commitment by major shareholders through equity and debt funding, and escrow arrangements.**
- **Shareholder approval for the demerger and acquisition to be sought at a shareholder meeting to be held on 31 July 2017.**
- **PKF consider the acquisition fair and reasonable to non-associated parties**

Trustees Australia directors are pleased to advise that Trustees Australia Limited (Trustees Australia) has entered a formal agreement to acquire Cashwerkz Pty Ltd, an innovative Australian *fintech* company. A Heads of Agreement was announced on 15 December 2016.

The acquisition will result in Adcock Private Equity acquiring approximately 51% of Trustees Australia's voting shares, and two of its nominees, Brook Adcock and John Nantes joining Trustee Australia's board.

A shareholder meeting will be held on 31 July 2017 to approve both the acquisition of Cashwerkz and of demerger of Trustees Australia's non-financial services assets held by its subsidiary **Jimmy Crow Limited**.

Cashwerkz

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).

This online management platform is highly complementary with the term deposit management and bond advisory services operated by Trustees Australia's subsidiary company Rim Securities Limited, operating since 2004.

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

The effective combination of the market and transaction experience of personnel and management in Trustees Australia's subsidiary Rim Securities Limited linked with the impressive financial

technology of Cashwerkz, is significant in the fixed interest marketplace, as it will establish a significant new online transaction engine with fixed interest product development capability.

It means the merged companies will allow Australian fixed income investors at all levels 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.

Acquisition terms

The material terms of the merger are as follows:

1. The holders of all of the units in the Werkz Trust (which owns all of the shares in Cashwerkz) have agreed to sell their units to Trustees Australia in consideration for the issue of 49,665,197 fully paid ordinary shares in Trustees Australia (**Shares**).
2. Completion is conditional upon the following being satisfied or waived by 31 August 2017:
 - a. Shareholder approval.
 - b. The secured party in respect of each encumbrance affecting the assets of the Sale Entities or the Sale Securities (other than a permitted encumbrance) having confirmed in writing that it will provide a release of that encumbrance at Completion on terms satisfactory to the Company.
 - c. The necessary approvals having been granted under certain contracts.
 - d. Shareholder loans to Cashwerkz, including convertible securities issued by The Werkz Trust, converting to units.
 - e. Mr Hackett and Adcock Private Equity each signing a share subscription agreement to subscribe for Shares with a total subscription amount of \$260,000 and \$390,000 respectively and performing their obligations under those agreements.
3. The Sellers and Mr Hackett have each provided warranties consistent with an agreement on this nature, including as to title to the units acquired, ownership of assets, Cashwerkz's and Company's respective financial position, and accuracy of information provided.
4. The agreement is interdependent with Adcock Private Equity and Mr Hackett agreeing to subscribe for Shares with a collective subscription amount of \$650,000 and provide financial assistance for up to \$4,175,000.

To comply with the Corporations Act, Trustees Australia retained PKF to opine on whether the issue of Shares to Adcock Private Equity is fair and reasonable for non-associated shareholders. PKF has opined that the issue is fair and reasonable to non-associated shareholders.

Demerger of Non-financial assets

As previously announced, the Company has proposed to demerge its non-financial business assets through the listing of Jimmy Crow on NSX. These assets are held by Jimmy Crow Limited (**Jimmy Crow**) and which consist of Magnums Backpackers and adjacent commercial land, and shares in Australian Dairy Farms Limited.

The demerger will occur through an *in specie* capital return of one Jimmy Crow share for every Trustee Australia share held on the record date by shareholders resident in Australia and New Zealand.

The Demerger will create two separate groups:

- 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
- Jimmy Crow, a successful tourism operator and property owner listed on NSX.

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

An application has been made for Jimmy Crow to list on NSX.

In conjunction with listing on NSX, Jimmy Crow will seek to raise between \$200,000 and \$2,000,000 at an issue price of \$0.20 under a public offer. The offer will be made under a prospectus which will be lodged with ASIC and available from Jimmy Crow's website, www.jimmycrow.com.au. Persons wanting to acquire securities will need to complete the application form that will be in or will accompany the prospectus.

Funding Trustees Australia following the transaction

Following completion of the acquisition and demerger and to fund capital primarily for continued development of the Cashwerkz platform and additional features, Trustees Australia will seek to raise up to \$10m at an issue price to be determined (**Placement**). In the meantime, Adcock Private Equity and Mr Hackett, Cashwerkz and Trustees Australia's controlling shareholders respectively, have agreed to:

- subscribe for Shares with a total subscription amount of \$650,000 with the intention of being issued at the same issue price as the Placement; and
- provide loan facilities of up to \$4.175m (subject to adjustments) for working capital for the 12 month period following completion, and to be repaid from the Placement. The loan facilities are unsecured and incur interest at 2% above the Commonwealth Bank's published corporate overdraft rate.

The funding is subject to all required shareholder approvals being obtained.

To facilitate the Placement, Adcock Private Equity and other unitholders in the Werkz Trust, and entities associated with Mr Hackett have agreed, subject to shareholder approval, to voluntarily escrow 75% of the Shares they will hold following completion of the transaction; or approximately 59.85% of Trustees Australia. PKF have opined that the escrow arrangements is reasonable to non-associated shareholders.

Timetable and regulatory requirements

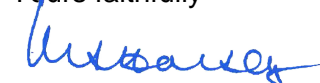
Following is the proposed timetable for the transaction:

Event	Date
Dispatch of Notice of Meeting	30 June 2017
Application for listing of Jimmy Crow on NSX lodged	
Lodge prospectus for Jimmy Crow Public Offer	10 July 2017
Open Jimmy Crow Public Offer	17 July 2017
Close Jimmy Crow Public Offer	28 July 2017
Shareholder Meeting	31 July 2017
Satisfaction of conditions for Demerger and Cashwerkz Acquisition (including conditional approval of NSX listing of Jimmy Crow)	
Completion of Cashwerks Acquisition	1 August 2017
Record Date for Determining entitlements to Jimmy Crow Shares under the Demerger (Record Date)	7 August 2017
Effective date of Demerger and issue of holding statements	9 August 2017
Commencement of trading in Jimmy Crow on NSX	16 August 2017

The dates are indicative only and may change, subject to the Corporations Act and listing rules of ASX and NSX.

Further information on the transactions, including the independent expert's report, is set out in a notice of meeting, which has been announced to ASX and will be sent to shareholders shortly. Shareholders are urged to read the notice of meeting and independent expert's report in full and seek advice if they have any queries.

Yours faithfully



Michael Hackett
Chairman and Managing Director

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 AM

RedGate AM 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.

Further Details

For additional company information or media enquiry matters please contact:

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