

**EXTRACT OF SUMMARY OF DEFENCE FROM PUBLICLY FILED AMENDED DEFENCE**  
**NO ADDITIONAL INFORMATION**

**Date of extract:** 17 March 2026

This is an extract of the Summary of Defence from the Amended Defence publicly filed by Equity Trustees Superannuation Limited (ETSL) in its capacity as trustee of the AMG Superannuation Fund and Super Simplifier Superannuation Fund with the Federal Court of Australia on 17 March 2026 relating to the Amended Statement of Claim dated 10 October 2025 filed by the Australian Securities and Investments Commission (ASIC).

This Summary of Defence replaces the extract of the Summary of Defence from the Defence publicly filed by ETSL on 24 December 2025. Changes made to the Summary of Defence as part of this amendment are shown in redline in the Amended Summary of Defence.

It contains no additional information to that available in the publicly filed Amended Defence.

This Summary of Defence (including any updates) is provided in good faith as of the stated date of extract. While we make every effort to provide up to date and accurate information, we accept no liability for any errors or omissions or to update past information.

Further details of the proceedings can be obtained from the website of the Federal Court of Australia [here](#) where you may also apply to the court for a copy of the complete defence by filling in a Request by Non-Party for Access to Court Documents form (available at the link) and submitting it to the Registry at [Document.Inspections@fedcourt.gov.au](mailto:Document.Inspections@fedcourt.gov.au)

**SUMMARY OF DEFENCE**

1. The allegations raised by the Plaintiff, **ASIC**, in its claim concern the approval, increase of holding limits and ongoing monitoring of the Shield Master Fund (**Shield** or **SMF**) by the Defendant, ETSL, during the period from approximately February 2022 to October 2023.

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2. ETSL denies ASIC's claim and denies that it contravened the *Superannuation Industry (Supervision) Act 1993 (Cth)* (**SIS Act**), and *Corporations Act 2001 (Cth)* (**Corporations Act**) as pleaded by ASIC in the ASOC.

**Superannuation platforms**

3. ETSL was the trustee of two superannuation platforms, NQ Super and Pension (**NQ Super**) and Super Simplifier, which offered Shield on their approved products lists (**APLs**). Shield was offered along with a diverse range of other investment options on these platforms. Shield was approved by ETSL for inclusion on the APL for each of NQ Super and Super Simplifier.
4. Superannuation platforms are member-directed superannuation products which provide a diverse and broad range of investment options including managed investment schemes, equities, bonds and other securities, for selection by members on the advice of their financial advisor. Platforms provide members with a personalised investment program that, with guidance from their financial advisor, is customised to their needs. They also provide advisors with an efficient way to offer their clients a wide range of investment options and the ability to easily monitor those investments on behalf of their clients.
5. Platforms offer this service as a superannuation offer or as an Investor Directed Portfolio Service to SMSFs and other investors. They provide a middle ground between self-managed superannuation funds, in which members make all investment decisions, and industry funds, in which the fund's investment managers generally make all investment decisions.
6. The trustee of platform products does not provide financial advice to members, nor does it make investment decisions on behalf of members in the manner of investment managers employed by industry funds. Rather, the trustee conducts due diligence of numerous and diverse investment options against discrete parameters, with a focus on a range of matters, including liquidity and long term investment returns, for the purpose of determining whether the product is appropriate for inclusion on the relevant platform APL. The trustee does not suggest any products for inclusion, nor does it solicit, invite or encourage members to invest in any particular product on a platform.

**Shield**

7. Shield was a managed investment scheme. Its responsible entity was Keystone Asset Management Limited (now in liquidation) (**KAM**).
8. Shield was available for investment through platforms of retail superannuation funds for which ETSL and Macquarie Investment Management Limited (**MIML**) (which was, up until it was recently resolved adverse to MIML, the subject of an investigation and the proceeding referred to at paragraph 18 of the Summary below) were the trustees.

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9. Starting from February 2022 and August 2023, respectively, Shield was on the published APL for NQ Super and Super Simplifier.
10. The Shield PDS for each investment class, which was reviewed by ETSL prior to Shield being onboarded onto either platform by ETSL, indicated that:
  - a. Shield offered a “diversified total return investment strategy”: section 2;
  - b. KAM selected specialist managers in each asset class managed by external managers to “achieve the best path to outperformance”: section 5.2; and
  - c. If liquidity were to be impacted (due to valuation changes or significant redemptions) rebalancing could occur at least weekly to ensure that each Shield class maintained required status as a liquid scheme: section 5.3.
11. The SQM research report, which was reviewed by ETSL prior to Shield being onboarded onto either platform, stated:

The unlisted direct property component (20%) of the Balanced class (Advantage Diversified Property Class) is managed by CF Capital Investments (under Keystone AM), and the listed assets (covering all asset classes) (80%) is managed by... Watershed Funds Management.
12. There was nothing in the documentation concerning Shield that should have indicated to ETSL that it did not meet ETSL’s requirements for liquidity and risk. It appeared to be a moderately higher risk investment, but the members’ interests in having a diverse range of products available on the superannuation platforms for selection on the personalised advice of a financial advisor made that risk acceptable in the circumstances.
13. Watershed Funds Management was (and remains) a legitimate, experienced fund manager with a strong track record, and a significant portion of funds remained under management of Watershed Funds Management at the time liquidators were appointed.

**ETSL’s due diligence processes were industry standard**

14. Until recently, regulatory guidance regarding superannuation platforms has consisted of the following:
  - a. APRA Prudential Standard SPS530 Investment Governance first issued in 2012 did not recognise the platform market and was not fit for purpose for superannuation platforms, including because the stress testing in the Standard envisaged a single or small number of diversified, pre-mixed investment options and not a customised individual investment program designed by a member under advice, utilising a range of various investment options to build a diversified portfolio;

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- b. APRA Prudential Practice Guide SPG530 – Investment Governance first issued in 2013 did not recognise the platform superannuation market and was not fit for purpose for superannuation platforms;
  - c. ASIC Report 779 – Superannuation and Choice Products issued in February 2024, after the events the subject of ASIC’s claim, recognised the platform market and advice-led superannuation and covered oversight by trustees of poorly performing investment products, but did not cover onboarding to APLs; and
  - d. APRA memo entitled Strengthening investment governance and member outcomes in Platform Trustees dated 7 October 2025, also after the events the subject of ASIC’s claim, was non-binding and simply noted weaker and better practice in relation to superannuation platforms.
15. Nonetheless, Superannuation platforms have operated successfully for thirty years. In that time, platform trustees have developed industry standards protocols and procedures, including for the onboarding and monitoring of investment options on APLs, with which ETSL has complied ~~(as described at paragraphs 14 above)~~.
16. ETSL has acted consistently with the regulatory guidance that was available, often by creating bespoke solutions, for example a methodology for stress testing superannuation portfolios developed by Atchison for NQ Super and Super Simplifier.
17. In addition, at all relevant times, ETSL had robust Internal Governance Framework and internal policies and procedures, with which it complied in relation to Shield. ETSL has always approached its governance of risk management and internal controls in a serious manner with a focus on continuous improvement.

**ASIC failed to warn the market and ETSL about Shield when it could have done**

18. Only upon resolution of ASIC’s proceedings against MIML in September 2025 did it emerge that in early April or May 2023, ASIC had expressed concerns and issued notices to MIML regarding Shield.
19. As a result, MIML closed Shield to future investments through its platform in June 2023.
20. Although it had its own concerns, as detailed in paragraphs 27 to 32 of the Summary below, unlike MIML, ETSL was not formally advised by ASIC of its concerns about Shield and only became aware of them when ASIC appointed a receiver to Shield in August 2024.
21. The first investment in Shield by a member of either NQ Super or Super Simplifier occurred on 16 June 2023, after MIML ceased accepting investments in Shield.
22. Had ASIC issued a stop order under the Financial Product Disclosure and Other Provisions Relating to Issue, Sale and Purchase of Financial Products Part 7.9 of the

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~~Corporations Act Design and Distribution Obligations Part 7.8A of the Corporations Act~~ (as they have done on many occasions previously) or taken other public enforcement action in May or June 2023, ETSL would have removed Shield from the NQ Super and Super Simplifier platforms and the vast majority, if not all, of the members of NQ Super and Super Simplifier who invested in Shield would not have been able to do so and would not have suffered the losses that are now claimed from ETSL.

**Members' losses-ASIC has not established that the alleged losses were caused by parties other than ETSL**

23. At all relevant times:
  - a. New Quantum Pty Limited was the promoter, DDH Graham was the administrator, and TAG Asset Consulting Group Pty Ltd (**Atchison**) was the investment consultant for NQ Super; and
  - b. DDH Graham was the administrator, Dash was the promoter and investment administrator, and Atchison was the investment consultant for Super Simplifier.
24. Interprac Financial Planning Pty Ltd (**Interprac**) authorised individuals and companies to provide financial advice under its Australian Financial Services Licence (**AFSL**). Authorised representatives of Interprac included Mr Ferras Merhi, ~~and~~ Venture Egg (a corporate partnership), and Financial Services Group Australia Pty Ltd (**FSGA**).
25. Between January 2022 and December 2023, Venture Egg and Merhi advised 2,644 retail clients to invest a total of \$173 million in Shield.
26. ETSL conducted reasonable due diligence before onboarding Shield to the platforms and reasonable monitoring of Shield when it was on the NQ Super and Super Simplifier APLs. In doing so, ETSL reasonably relied on third party service providers to perform certain functions, including:
  - a. KAM's external auditor BDO identified no reportable matters or instances of fraud during the course of their audit of Shield's financial statements and their audit of adherence to Shield's compliance plan;
  - b. SQM Research reported to ETSL that SQM Ratings had rated Shield 3.75 out of 5 stars which meant that the product was investment grade. ETSL reasonably relied on the rating. SQM had approximately 20 years of experience rating real property investments and other investment schemes. As far as ETSL (and the market) was aware, it was a reputable and capable research house. Had SQM not rated Shield as highly as it did, ETSL would not have approved Shield for the onboarding onto platform APLs. ASIC has now commenced proceedings against SQM alleging breaches of its AFSL, and the provision of inappropriate advice in contravention of the ASIC Act and Corporations Act; and

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- c. ETSL engaged asset consultant Atchison ~~in~~ on 25 July 2019 (for NQ Super) and 11 November 2022 (for Super Simplifier) to assist with monitoring the performance of the platforms and the investments available on them by conducting quarterly investment performance reviews and annual scenario and liquidity stress testing. Atchison did not flag any issues with Shield until after ETSL had ceased accepting investments into Shield.
27. ETSL took swift and effective action in response to its concerns about the large inflows into NQ Super and Super Simplifier and the conduct of the financial adviser, Venture Egg and its associates, as described in the following paragraphs.
28. In September 2023, following member complaints, ETSL audited the advisors involved and identified unusually large inflows into NQ Super for the period 1 July to 31 August 2023 as part of ETSL's regular review of fund cashflows. This demonstrates that ETSL's system of monitoring was working and did what it needed to do to raise a concern.
29. On 3 October 2023, ETSL ceased accepting investments through Venture Egg and associated advisers onto NQ Super and Super Simplifier by implementing a temporary block, whilst internally investigating the issue.
30. On 3 November 2023, ETSL submitted a breach report to ASIC claiming Venture Egg was likely breaching its AFSL and permanently ceased accepting new members advised by advisors associated with Venture Egg. ASIC did not take action against Venture Egg for 17 months after ETSL's breach report.
31. On 19 December 2023, ETSL instructed the administrator to immediately stop all new flows into Shield, and Shield was removed from internal APLs on that date.
32. On 10 January 2024, Shield was removed from public APLs for NQ Super and Super Simplifier.
33. ASIC has now commenced proceedings ~~against Interprac~~ for misconduct against a range of persons and entities, including Interprac, Merhi and SQM in connection with the SMF, which misconduct (if established) would be causative of any loss suffered by AMG or AMG members. (Venture Egg and Merhi being authorised representations of Interprac) seeking civil penalties and banning orders for, among other things:
- a. ~~contravention of section 961L of the Corporations Act in that Interprac failed to take reasonable steps to ensure that its authorised representatives Ferras Merhi, Venture Egg, Rhys Reilly and Rhys Reilly Pty Ltd complied with the best interests obligations contained in sections 961B, 961G, 961H and 961J of the Corporations Act;~~

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- b. ~~contravention of section 912A(1)(a) and (5A) of the Corporations Act in that Interprac failed to do all things necessary to ensure that financial services provided by the Authorised Representatives, which were covered by Interprac's Australian financial services licence, were provided efficiently, honestly and fairly; and~~
- c. ~~contravention of section 912A(1)(h) and (5A) of the Corporations Act in that Interprac did not have adequate risk management systems.~~
34. ~~Further, ASIC's proceeding against SQM Research indicates that ASIC is concerned that the research house misled those who received its reports and ratings for with respect to Shield.~~
35. ~~In its proceedings against KAM, ASIC has alleged serious misconduct including misuse of investor funds, lack of proper contracts and approvals, an asset shortfall, and a failure to lodge financial statements. [Not used.]~~
36. ~~Similar allegations have been made in reports by the Receivers of KAM and in proceedings brought by the Receivers against the directors of KAM and other related parties. [Not used.]~~
37. In the circumstances, ASIC has not established that L]osses to members were caused by the wrongdoing of the financial advisors, KAM and related parties, and were facilitated by BDO, SQM and Atchison, but ASIC has not sought compensation from any of those parties despite having taken action against most of them in respect of Shield. the alleged contraventions of ETSL and, in bringing the claims for compensation in these proceedings, ASIC has failed to account for its own allegations of contravention brought against other persons with respect to Shield, including Interprac, Merhi and SQM – which allegations, if established, would be causative of loss.

*Further details of the proceedings can be obtained from website of the Federal Court of Australia [here](#) where you may also apply to the court for a copy of the complete defence by filling in a Request by Non-Party for Access to Court Documents form (available at the link) and submitting it to the Registry at [Document.Inspections@fedcourt.gov.au](mailto:Document.Inspections@fedcourt.gov.au)*