

19 December 2024

Significant Event Notice

This important notice is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 as trustee for NQ Super and Pension, a division of AMG Super ABN 30 099 320 583 (**we, our, us**).

We refer to the previous notices we sent you about your chosen investment in the Shield Master Fund ARSN 650 112 057 (**Shield**).

We are writing to advise that Deloitte has also issued two Significant Event Notices (**SEN**), the first dated 22 November 2024 (accessible here [Deloitte SEN – 22 November 2024.pdf](#)) and the second dated 13 December 2024 (accessible here [Deloitte SEN – 13 December 2024.pdf](#)). Deloitte has issued the SENs in its capacity as Administrator, Receiver and/or Liquidator of Keystone Asset Management Limited (**Keystone**), which is the Responsible Entity for Shield.

To assist your understanding, we summarise below some important information referenced in Deloitte's SENs, specifically about the financial position of Shield and the outcome of the second creditors' meeting of Keystone, both of which impact your investment in Shield.

You may have seen media reports with estimates of returns to investors in Shield if the scheme is wound up. These are speculative and cannot be relied upon. While Deloitte's investigations continue, it may be some time before an accurate view can be formed.

Financial condition of Shield (refer to the Deloitte SEN dated 22 November 2024)

You should read Deloitte's SEN (accessible here [Deloitte SEN – 22 November 2024.pdf](#)) to understand more about the financial condition of Shield.

In summary, Deloitte identified that \$525 million has been invested in Shield by the current investors and that a portion of this money has been spent as follows:

- Held in listed equity investments: approximately \$180 million
- Paid to Chiodo Corporation Pty Ltd, a company controlled by Mr Chiodo: approximately \$265 million
- Payments then made by Chiodo Corporation out of this \$265 million included:
 - for specific project costs: \$108 million
 - for shared project costs: \$36 million
 - to lead generators, who marketed Shield to new investors: \$65 million
 - to three companies associated with Mr Chiodo and Mr Frolov (Marsi, Malana, Nextform): \$17 million
 - for Mr Chiodo's personal use: \$7 million

Deloitte is taking actions to recover some of these funds for the benefit of Shield investors.

In particular, it has started legal proceedings regarding \$158 million paid by Chiodo Corporation to Robert Filippini and City Built Pty Ltd (of which Filippini is and was at all material times the sole director and shareholder).



Of this \$158 million, bank accounts holding \$110 million have been frozen by the Federal Court.

As liquidator, Deloitte now has significant powers of investigation with the aim of recovering assets of Keystone for the benefit of investors in Shield and Keystone's creditors. Deloitte is not in a position to determine an up-to-date unit price for Shield.

Creditors meeting and outcome of creditors vote (refer SEN dated 13 December 2024)

On 2 December 2024 a meeting was held to end the voluntary administration process. Prior to this meeting, creditors were asked to consider a number of proposals as an alternative to Keystone being placed into liquidation.

Deloitte issued reports to creditors evaluating the proposals and creditors were asked to consider three proposals and vote on them at the creditors' meeting, noting that the alternative to these proposals was for Keystone to be placed into liquidation and wound-up. You can review Deloitte's full assessments of these proposals on Deloitte's webpage at [Deloitte – Keystone Asset Management](#).

Deloitte recommended that creditors vote in favour of the liquidation of Keystone. The majority of creditors, including us, agreed with that recommendation and voted to place Keystone into liquidation (with 12 votes in favour and two against).

Deloitte has issued a SEN dated 13 December 2024 (accessible here [Deloitte SEN – 13 December 2024.pdf](#)) which provides a more detailed update of the outcome of the creditors' meeting.

The liquidation process is complex and may take some time and we'll continue to share any relevant information that becomes available.

The following information has been shared with you in our previous SENs. We will continue to provide updates on new information as it arises. It's important that we continue to reiterate the restrictions on your Shield account, our position regarding the fees payable on your Shield investments and where you can go for further information and assistance.

Restrictions on Shield investments continue to apply

The following arrangements remain in place and will continue to remain in place until further notice:

- no new contributions or inward rollovers are able to be invested in Shield. Any amounts that would otherwise have been invested in Shield have been held in your NQ Super and Pension cash account or invested in accordance with any revised instructions from you or your financial adviser;
- any withdrawal or outward rollover requests received from you in relation to your NQ Super and Pension account will only be processed to the extent that they do not require the redemption of units in Shield; and
- required withdrawals or deductions from your account (for example, minimum annual pension payments and insurance premiums) will, as far as practicable, continue to be paid from your NQ Super and Pension cash account and/or (where necessary) the sell-down of your other asset holdings, based on instructions from you or your financial adviser.



Temporary suspension of fees will continue

We previously suspended the deduction of certain fees that would otherwise be taken from your NQ Super and Pension account. The suspended fees are the ones that are calculated based on a percentage of the amount in your NQ Super and Pension account.

The suspended fees include the following:

- the “percentage-based administration fees and costs”;
- the “portfolio management fees”;
- the “percentage based ongoing advice fees” (if you’ve agreed these with your adviser).

These deductions were suspended because, for reasons relating to the difficulties with Shield, we cannot for the time being accurately determine the total amount in your NQ Super and Pension account.

When an accurate valuation of the Shield investments is determined sometime in the future, we will lift the suspension. At that time, the relevant fees will be recalculated using the accurate valuation and relevant deductions will be backdated from the date of suspension and deducted from your NQ Super and Pension cash account.

Questions and further updates

We will write to you again if we become aware of any other material change or event (including the publication of any updated information from the Court, Deloitte and/or ASIC in relation to Shield).

In the meantime:

- We may publish updates at www.nqsuper.com.au or www.nqpension.com.au including updates relating to the processing of withdrawal requests impacted by the suspension of redemptions.
- ASIC has established a webpage with information about Shield, including a media release following the second creditors meeting. You can access this information via the following link - [ASIC website for Shield Master Fund](#).
- Deloitte has established a webpage to provide updates on its actions. You can access this information via the following link [Deloitte – Keystone Asset Management](#)

General

This notice provides general information only, that does not consider your personal circumstances.

We are unable to provide you with personal financial advice.

You can (and we urge you to) obtain personal advice having regard to your personal circumstances.



You can lodge a complaint with us at supercomplaints@ddhgraham.com.au

The Complaints Officer
NQ Super & Pension
PO Box 3528
Tingalpa DC, QLD 4173
Ph: (07) 3899 7272

If your complaint relates to the financial services provided to you by your financial adviser, you should lodge your complaint with your adviser.

Yours sincerely

For and on behalf of the Trustee, Equity Trustees Superannuation Limited