

Investogain Pty Limited

Product Disclosure Statement

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Worthless securities and securities of value - Important information

This document has been prepared by deListed, a division of Investogain Pty Limited (ABN 88 129 443 447). Investogain Pty Limited is the holder of Australian Financial Services Licence No: 334036. The commencement date of the AFS Licence is 25 May 2009. (Our current license effectively superseded an earlier license held by BRG Pacific Pty Limited, the previous owner of deListed). This is the seventh revision of our Product Disclosure Statement, and it is effective 1 July 2019.

This Product Disclosure Statement is important and should be read in its entirety and in conjunction with our Financial Services Guide. In this statement, when the name deListed or the terms, licensee, we, our, or us are used, we are referring to Investogain Pty Limited (ABN 88 129 443 447) holder of AFS Licence No: 334036.

Summary of the information contained in this document

deListed is prepared to buy securities in entities that are no longer quoted on a stock exchange, or if quoted are “illiquid” as defined below. The securities we purchase are generally of no value or of negligible value. We may also acquire securities of value in circumstances where the entity is deListed from a stock exchange or where its securities are no longer quoted. We explain below some of the features that are common to the entities concerned and to the securities we are prepared to buy. Before making any decision in relation to the sale of your securities you should determine whether it is the appropriate decision given your financial circumstances, needs and objectives. Some of the benefits and risks associated with that decision are explained below. Other information, material to your decision, is also provided.

deListed charges an Administration Fee to prepare, execute and email the documents required to give effect to the creation of a trust, the agreement to sell the securities and the off-market transfer of securities. These documents will be emailed to you within seven days. The securities are held on trust until their transfer can be registered. The fees that apply are specified below.

deListed also provides below an overview of our Privacy Policy which informs clients of how we endeavour to keep their information secure and in what manner we use their personal information.

Features of the securities deListed is prepared to buy

We acquire 1) Worthless Securities and 2) Securities of Value (see below).

1) Worthless Securities

We buy securities of entities that are not quoted on a stock exchange, or if quoted, the market in those securities is illiquid and the securities are, in our estimation, of negligible value. That may include securities of entities listed on an exchange but currently suspended from quotation.

We may also purchase securities of unlisted public companies and private entities. Investors wishing to sell securities in private (pty) companies are asked to provide details by email to admin@delisted.com.au before proceeding further.

All securities acquired by deListed are to be fully paid and unencumbered. deListed is entitled to disregard any transaction at any time, (including subsequent to the execution of documents) should securities not be fully paid and unencumbered. In the event that deListed chooses to set aside a transaction, any Administration Fee that has been paid will be refunded in full.

The overriding feature of the securities we are prepared to acquire is that they have little, if any, value and accordingly we pay \$1 only as nominal consideration for the parcel of securities, irrespective of the number of securities involved. The value we place on your securities is of course a matter of opinion and it is therefore important that you obtain independent financial advice and consider your tax position and investment objectives before deciding to sell.

Some of the features common to many of the securities we acquire, include:

- ☑ The issuer of the securities is in external administration.
- ☑ The securities have been suspended from quotation for many years and the market has not been kept informed.
- ☑ The securities have been suspended from quotation for many years and the issuer is no longer operating.
- ☑ The issuer of the securities is regarded as a “shell” and attempts to recapitalise or sell it, have foundered.
- ☑ The most recent financial statements reflect losses, cash haemorrhaging and negative net tangible asset backing.

We acquire securities as principal and not as an agent and we make no recommendation that you should sell your securities to us.

We may decline to acquire securities in any entity at any time and need not provide a reason for so doing. (In that event if any Administration Fee has been paid, it will be refunded in full.)

Many of the securities we acquire are in companies that are in external administration. Securities of such companies are unable to be transferred until they emerge from administration. In all cases the securities are held on trust pending registration of the transfer.

While securities may remain in your name in the register, they have been sold to us and you agree to hold them on trust until we become the registered owner. The securities are therefore no longer able to be otherwise disposed of in any circumstances and we are entitled to receive any distribution or dividend attaching to the securities whether the transfer has been registered or not.

In the event the issuer's name changes or its code changes or the securities are consolidated prior to registration of a transfer, you as the seller agree that as the buyer we may add the new details to the transfer and that they shall be valid for the purposes of registration. In the event the CHES sub-register is closed, you agree to the use of the HIN or SRN as provided by you for identification purposes. You also agree to assist in facilitating the registration of a transfer of securities, including, if necessary, conversion from CHES to Issuer Sponsored and provision of an SRN.

Transactions entered online to our Worthless Shares facility and paid for immediately are regarded to have taken place at that point, notwithstanding that transaction documentation may be executed subsequently.

2) Securities of Value

We also acquire securities of value in entities in circumstances where those entities are either delisted from a stock exchange or where its securities are no longer quoted. Holders of such securities are

advised to contact us at: admin@delisted.com.au if they have grounds for believing their securities have value and they have no other means of disposing of them.

We are not bound to acquire those securities and do not operate a market in them. We give no warranty or undertaking of any sort in relation to such securities.

If we acquire the securities at an agreed price we do so as principal and not as an agent. We may never acquire the securities and need not provide a reason for either acquiring the securities or not acquiring the securities.

Benefits, risks and other information relative to your decision

One benefit to investors of selling their "worthless securities" is the crystallisation of the capital loss for tax purposes. The Capital Gains Tax - Basics, Capital Losses 2020/21, Loss Declarations and Deregistered Companies sections of our website provide information in relation to the claiming of a capital loss. That information is accurate to the best of our knowledge, but we make no representations in relation to your personal tax position, or as to what capital losses may be claimable by you. Many shareholders are also angry when their company fails. They feel let down by their directors and seek "closure" by getting rid of their shares. We do not provide tax advice or counselling services and recommend that you seek independent professional guidance, relative to your decision.

The risks associated with a decision to sell securities, include the possibility that an administrator or liquidator will issue a loss declaration (a declaration issued pursuant to s 104-145 of the Income Tax Assessment Act 1997) later in the current financial year enabling shareholders to choose to make a capital loss in the income year, without the need to sell their securities. On the other hand, there is also a risk that a company may "progress" from administration to liquidation and the loss thus no longer be capable of being realised by way of disposal. A liquidator may contemplate litigation against directors and not be in a position to issue a Loss Declaration for many years. The shareholder is thus "locked into their loss". In the case of illiquid securities, trading volumes may increase and shareholders may be able to dispose of their securities on the market.

Investors should also consider the risk that the securities may have some residual value. Their company may be recapitalised and regain quotation. This risk, its timing and the possible value of the securities relative to the tax benefit, needs to be considered in the context of the more immediate benefit of claiming a capital loss and the certainty of fixing a tax position. More information relative to recapitalisation can be found at our website.

Fees that apply

An Administration Fee applies to the processing of an off-market transfer of securities and the creation of a trust to hold those securities on trust until their transfer can be registered.

Our Administration Fee (includes a fee of \$55 payable to the registries) for the preparation, execution and mailing of all documents is \$151 (GST included) for each parcel of shares we acquire. That amount is reduced by \$1 for each parcel, being the nominal consideration we pay for "worthless" securities.

In the event, that you are selling more than one parcel of securities to us at the same time, the Administration Fee is reduced to \$70 for each additional parcel and the net payment due by you as the seller of the securities is as detailed:

Parcels	Buyers Admin Fee	Consideration paid by buyer	Net Payment by seller
One	151.00	1.00	150.00
Two	222.00	2.00	220.00
Three	293.00	3.00	290.00
Four	364.00	4.00	360.00
etc			

Other matters relative to our fees:

In a very small number of cases the transfer of securities is subject to stamp duty. In that event there may be an additional charge. That possibility and the amount of the duty payable can only be assessed

on a case-by-case basis. Investors will be given the choice of paying the additional charge (unlikely to be more than \$50) or withdrawing from the transaction. If the latter course is chosen, any fee already paid will be refunded in full.

We provide an online service at the above rates. There is an additional charge of \$10 per transaction for "offline" transactions. Brokers who process transactions on behalf of clients are entitled to a lower "volume" rate, which can be obtained by applying to admin@delisted.com.au. Administration Fees are not refundable in any circumstances, except as stated above, as preparation of the documentation often commences immediately the transaction is initiated.

We receive no other fees or remuneration of any description relative to these transactions, although we may benefit if the company is recapitalised and the securities subsequently have value. (In our experience when a company shell is sold and the company recapitalised, existing holdings are very significantly diluted. Typically, an average shareholder ends up with shares worth a few dollars which still must be sold on-market - involving brokerage - to crystallise the capital loss. More information relative to recapitalization can be found in the Capital Losses section of our website.)

Privacy Policy

Our Privacy Policy informs clients of how we will endeavour to keep their information secure and in what manner we use their personal information. The policy covers personal information that may be gathered via the internet, by email or over the telephone. This information is needed in order to provide clients with our services. If we do not collect this information from you, we will not be able to provide you with our service.

We will be utilising the personal information collected about you to process the immediate transaction or transactions. This information may also be disclosed to your authorised representatives including your legal advisers, organisations required or authorised by law to have access and those you have consented to receive it. We may also use your personal information to let you know about developments and services that may better serve your financial, taxation or investment needs. We assume we have your consent to use the information for this purpose unless you tell us otherwise.

We store your personal information in different ways (both paper and electronic) and have a number of measures in place to maintain the security of this information and to prevent inappropriate access to it. Our privacy policy may be changed or amended at any time. The latest version of it is accessible [here](#).

Complaint handling procedures

Investogain Pty Limited is committed to the provision of a high standard of personal service and to maintaining our reputation for fairness and integrity. If, despite our best endeavours, the level of service fails to meet your expectations we would like you to inform us about your concerns. Our complaint handling process is designed to ensure that your concerns are treated seriously and that your complaint is addressed promptly and fairly.

Your complaint should be in writing to:

Investogain Pty Limited
PO Box 400
Crows Nest NSW 1585

Any complaint will be dealt with in strict confidence and to the very best of our ability.

If you are still not satisfied with our handling of your complaint you may direct your concerns in writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001