

19 December 2019

Response to recent media articles

In an age where the cracks in the banking system are evident, interest rates are at historical lows, and traditional investment strategies are outdated, Mayfair 101 is **emerging as a catalyst for positive change**. We take our reputation seriously and are steadfast in our objective to lead the shift in the non-bank finance sector, for we consider that businesses like ours may one day be the banks of the future.

Mayfair 101 is proud of the fact that it is challenging the status quo of the financial services and banking industry to benefit Australian investors. [98% of our Mayfair Platinum customers rate us 4 star or more](#) and we are backing projects with significant positive social impact, like our investment in Dunk Island and Mission Beach which is estimated to create over 10,000 jobs and is already revitalising the Mission Beach community.

A couple of individual journalists are attempting to protect the incumbent financial institutions by painting our Group and our Managing Director in a negative light.

We believe journalism should be balanced and not a blatant attack on a business that has **always met its obligations to its investors** and is motivated by purpose rather than just profit.

Below is Mayfair 101's response to various topics raised:

Topics raised	Mayfair 101's response
Advertising strategy	<ul style="list-style-type: none"> We manage our advertising spend diligently and find this an effective means of attracting qualified customers. The same day that the media outlet took issue with us running full page ads, Latrobe Financial had a large front page advertisement in The Australian, and other financial institutions ran large advertisements in other leading publications around Australia. The banks, other financial institutions and investment companies generally are not criticised for their advertising spend.
Online Reviews	<ul style="list-style-type: none"> Trustpilot is an independent reviews website. All reviews are genuine and from current or past customers.
Risk/reward	<ul style="list-style-type: none"> Media outlets have failed to reference the fact that the Mayfair 101 Group absorbs the first loss should an investment we have chosen to make not work out. This is a significant structural difference between Mayfair 101's products and other offerings. We believe it provides a far greater alignment of interests.

Topics raised	Mayfair 101's response
Dunk Island, Mission Beach investment	<ul style="list-style-type: none"> • Our investment in Mission Beach and Dunk Island is set to revive a community that has suffered hardship for over 10 years. The benefits are already being felt. • One media outlet (the AFR) failed to report the announcement of Mayfair 101's investment in Dunk Island and Mission Beach. Every other major news outlet recognised it was a story of significant national interest.
<p>Quote by NAB Director to discredit Mayfair Platinum:</p> <p><i>"Unfortunately I think in five years' time we will see permanent loss of capital for those members of our community who can least afford it."</i></p>	<ul style="list-style-type: none"> • The quote made by Peeyush Gupta of NAB was inserted as a stand-out, bolded quotation to imply that he was speaking about Mayfair Platinum's products. • Mr Gupta has contacted us to confirm he was "speaking generally" at a conference and not in relation to Mayfair Platinum's products.
Cryptocurrency	<ul style="list-style-type: none"> • Our investor returns were not impacted by the rise and fall of the cryptocurrency industry in 2018 as our Group had minimal exposure to it. • Like many investment managers, we took a detailed look at digital currency as an asset class to educate our portfolio companies on the Initial Coin Offering process and help them navigate a rapidly expanding industry. • Our Group has never invested directly in cryptocurrencies.
Reeltime Media	<ul style="list-style-type: none"> • Our Managing Director reported inappropriate conduct at Reeltime Media to ASIC as a whistleblower. This led to ASIC winding up Reeltime Media and the subsequent prosecution of the Managing Director, Mr Gabriel Ehrenfeld. • Gabriel Ehrenfeld was served with the maximum penalty by ASIC for his conduct whilst running Reeltime. • No allegations nor prosecutions were made against our Managing Director.
Fair Work Case	<ul style="list-style-type: none"> • Our Managing Director had to take significant cost-cutting action in an attempt to rescue Reeltime after he was re-hired by the company in a consulting capacity. • Whilst engaged as a consultant he terminated an underperforming staff member who had not met his

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	<p>sales targets for 4 months straight. These KPIs were clearly spelled out.</p> <ul style="list-style-type: none"> • This was a prudent move under the circumstances to protect the company.
Blue Bull (Aust) Pty Ltd	<ul style="list-style-type: none"> • This company was owed considerable fees from Reeltime Media for services provided. However, these were not paid due to ASIC's winding up application, which resulted in the subsequent prosecution of the former head of the company, Gabriel Ehrenfeld. • Any outstanding tax debts have been settled with the ATO.
Transparency	<ul style="list-style-type: none"> • We operate a compliant, regulated business. • We are a private group and are not required to disclose our investment portfolios. • We publish content on many of our assets on our website to provide investors with insights to the types of assets held. • Our investment strategy and chosen assets are our intellectual property. • Our group has the oversight of two independent trustees, qualified accountants, legal advisers and a high calibre Advisory Board. • We are working internally on strategies to provide investors with greater insights to the Group in way that does not jeopardise our intellectual property.

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