

12.9.2011

Our personal situation prior to this fraud where a substantial amount of our money has been stolen.

was employed by various government departments and super payments were put into the same industry super fund but each position was given a separate superannuation account, not the person. Each account had management fees deducted.

In the meantime we were working towards our retirement, setting up investment portfolios, some in our own super fund and also an investment portfolio. These investments were all moving forward and suffered minimally by the financial decline.

The industry super fund did not perform so well. When we were approaching retirement we discussed our options with the industry super fund. Their input was to drum up business for themselves. We could not justify transferring our own fund (which was doing well) into an industry super fund where we didn't know the advisors, nor given any background for their decisions to invest our money.

We retired early due to medical reasons, but also having been reasonably confident of having sufficient money invested to self-fund ourselves without having to rely on the age pension and benefits.

We have earned our money, no gifts, no wins and only a small inheritance. We have been very conservative with our investments – no vineyards, timber plantations, development properties or artefacts, only solid type, cash, blue chip shares or government licensed/regulated managed funds.

Now, because of this fraud we have had to lower our fortnightly payments, from our super fund, reducing our living standards and retirement travel plans, and to seek more casual work. We now estimate our superfund will be depleted in approximately 5 years instead of 20 years.

This means we will have to apply for the age pension which is a cost to the government. It would be in the government's interest to look into the involvement of these private investment institutions and the auditors of this fund, for the publicising false reports and audits. The reports from these institutions, but more importantly licensed by ASIC and approved by APRA as listed below, formed the bases for our decision to invest in Astarra.

TRIO DIRECTORS		ASIC/APRA
TRUSTEE	NAB	ASIC/APRA
CUSTODIAN	ANZ	ASIC/APRA
EXTERNAL AUDITOR	WHR	ASIC/APRA
INTERNAL AUDITOR	KPMG	ASIC/APRA
AEGIS RESEARCH		ASIC
VAN EYK RESEARCH		ASIC
VAN MAC RESEARCH		ASIC
MORNINGSTAR RESEARCH		ASIC
TARRANTS FINANCIAL CONSULTANTS		ASIC

Someone has to be held accountable for this fraud. The government departments responsible for allowing this fund to operate and continue to operate over a long period of time, either through lack of resources or inadequate legislation or both, for these departments to carry out their duties. We hope this will be addressed at this parliamentary inquiry, to prevent this situation recurring.

The government has admitted that this fund was a fraud and was allowed to continue to operate for several years even though APRA, on a number of times, raised doubts on its operation. Neither APRA nor ASIC took any action, or released such information of any doubts.

The government has now levied superannuation funds to compensate some of the people who have lost money in this fraudulent fund, but not those who invested through self managed superannuation funds or investment portfolios, even though they have invested in exactly the same way, in a government licensed and approved investment fund.

Justice Garling said (in the court case involving Shawn Richard) he did not understand the principle by which funds regulated by the Australian Prudential Regulation Authority could receive federal government compensation but self-managed superannuation funds could not.

Who can you trust for information on investing:

- | | |
|--|----|
| 1. An ASIC licensed fund | NO |
| 2. An APRA approved fund | NO |
| 3. An audited fund | NO |
| 4. A fund recommended by leading research houses | NO |
| 5. Any managed fund | NO |

On approaching our retirement we did seek advise from our industry super fund. This fund was not performing as well as our self managed super fund so *why would we transfer this fund to the industry super fund?* To lose money and all control of OUR money?

It is no wonder we feel we should spend OUR money and get a pension as soon as possible. But no we will continue to invest, but only in cash or blue chip shares and definitely no managed funds.

At a meeting at Mascot on 6.9.11 ASIC stated that they had been investigating these type of funds for some time, but had no prior notification of any concerns in regard to Trio and Astarra, however, APRA has stated they had raised issues to ASIC on trio and Astarra on 3 occasions, the first in 2005.

ASIC said at this meeting that “the gatekeepers” had come up ‘short’ on their responsibilities, trying to shift the blame to others not themselves. No, we believe they all have been 100% irresponsible including ASIC and APRA who have failed to do their job.

ASIC/APRA have boasted how they have punished, some of the directors -1or 2 years suspension from boards – not even a slap on the wrist.

21/2 years jail for Shaun Richard, after which he will be able to go to another country and collect his hidden millions. They didn’t mention the life sentence they have given to us and several hundred people. At this point in time there has been no punishment for auditors, financial houses or custodians of the supposed assets.

ASIC and APRA are responsible for allowing this fraud, and the government has to address how this has happened, ASIC has already submitted changes to legislation to stop this situation being repeated.

The government has to act, to strengthen ASIC and APRA powers and safeguards.

The government has to reimburse peoples losses caused by this fraud, whether the investment was from a industry super fund, a self managed super fund or people's individual investment.

Our investment was to make our retirement independent.

Yours sincerely,