

Parliamentary Joint Committee on Corporations and Financial Services

Inquiry into the collapse of Trio Capital and related matters

Questions on Notice to ASIC from Senator Matt Thistlewaite:

- 1. On what date did ASIC begin investigating the Trio Capital fund and on what date did ASIC form the view that there were irregularities or risks for investors regarding Trio?**

ASIC commenced a formal investigation into Trio Capital on 2 October 2009. ASIC previously received a credible complaint concerning Trio Capital and the Astarra Strategic Fund on 21 September 2009, which prompted it to make inquiries about this fund.

- 2. On what date did ASIC publicly declare Trio was being investigated and there may be risks to investors?**

On 14 October 2009 ASIC obtained an ex parte order from the Supreme Court of New South Wales restraining the two directors of Astarra Asset Management Pty Ltd, the investment manager for the Astarra Strategic Fund from leaving or attempting to leave Australia. ASIC did not publicise its investigation prior to this date as to do so would have potentially prejudiced this application.

- 3. Have any of the financial advisers / accountants who encouraged investors to establish self managed superannuation funds (often without their knowledge through explanation) and invest in any of the Trio Capital funds been the subject of investigation by ASIC? If so who are these advisers / accountants?**

ASIC has imposed administrative bans on a number of financial advisers in respect of the advice that they provided to their clients in respect of their investment in Trio Capital funds. These bans prevent these persons from providing financial services for a specified period of time.

- 4. In ASIC's view should the financial advisers / accountants who encouraged investors to establish self managed superannuation funds and invest in any of the Trio Capital funds have identified the risks associated with Trio if they were taking a prudent approach to advising? On what date should such advisers have informed their clients that there may be risks associated with their investments in Trio?**

ASIC expects financial advisers recommending investment in a given financial product to clients, particularly retail clients at the time of giving this advice to point out the risks associated with that investment.