



16 April 2012

Dr Richard Grant
Acting Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Sent by E-mail

Dear Dr Grant,

Re: Parliamentary Joint Committee (PJC) on Corporations and Financial Services: Inquiry into the Collapse of Trio Capital and related matters

I refer to your email dated 22 March 2012. Thank you for the opportunity to "respond to criticisms made by Mr and Mrs Gammel and Mrs Logan".

I understand that both Mr and Mrs Gammel and Mrs Logan made submissions (**Submissions**) to the PJC Inquiry into the Collapse of Trio Capital and that the Submissions made reference to The Trust Company (Superannuation) Limited's role as trustee of 'Professionals Pensions' (**PPPST**), a pooled superannuation trust.

The Submissions have drawn inferences from the Enforceable Undertaking (**EU**) provided by Tony Maher to the Australian Securities and Investments Commission (**ASIC**) dated 24 January 2012. The references in the Submissions to The Trust Company focus particularly on paragraph 6.3 of the EU which notes that:

"Gresham was subsequently advised by Trust Company that it was reluctant to change the investment strategy of PPPST or to approve investments in such alternative investments".

In response to the comments made in the Submissions regarding the statement made by Mr Maher at paragraph 6.3 of the EU, I note the following:

- The comments made in the EU were not made by The Trust Company, but rather represent statements offered to ASIC by Mr Maher;
- The Trust Company's reluctance to approve an investment in property by PPPST was due to The Trust Company's concern that in its capacity as outgoing trustee that it should not approve an investment that did not have the support of the incoming trustee. The incoming trustee's support for the investment was provided before the investment was approved;
- The EU pertains to the conduct of Mr Maher. We presented information to ASIC as the former trustee of PPPST to support ASIC's inquiry in relation to the conduct of Mr Gresham. Importantly, at no stage has ASIC investigated The Trust Company's conduct or suggested any misconduct on our part. It is inappropriate for the Submissions to draw what are at best speculative inferences from an unrelated investigation.

For these reasons we respectfully submit that it would not be appropriate for the PJC to make any findings in relation to The Trust Company's conduct as trustee of PPPST, as neither the PJC nor ASIC has investigated The Trust Company's conduct.

Whilst we sympathise with those investors who lost money as a result of the collapse of Trio Capital, we reject the suggestions in the Submissions in regard to The Trust Company's conduct.

If you have any questions in regard to this letter, please do not hesitate to contact my colleague Peter Bryant on (02) 8295 8402 or pbryant@thetrustcompany.com.au

Yours faithfully,

John Atkin
Chief Executive Officer
The Trust Company