

4 September 2020

The Evans Dixon logo consists of the words "EVANS DIXON" in a bold, gold-colored, sans-serif font, enclosed within a thin gold rectangular border.

### **Commencement of proceedings by ASIC against Dixon Advisory & Superannuation Services Ltd**

Evans Dixon Limited (ASX: ED1) announces that ASIC has informed ED1 that it will today commence legal proceedings in the Victorian registry of the Federal Court of Australia against ED1's wholly-owned subsidiary, Dixon Advisory & Superannuation Services Ltd (**DASS**).

ASIC has provided ED1 with a draft concise statement in which it alleges breaches by DASS of certain of the 'best interests obligations' in Division 2 of Part 7.7A of the Corporations Act between 2 September 2015 and 31 May 2019. ED1 expects to receive the final form of the concise statement shortly and a more detailed statement of claim in the coming weeks.

The proceedings relate to recommendations comprising personal financial product advice provided by several of DASS's representatives to retail clients in relation to Units, URF Notes (I, II and III) and CPUs in the US Masters Residential Property Fund (**URF**), an ASX listed managed investment scheme. There are 8 sample clients that have been chosen by ASIC for the purposes of the proceedings.

In the draft concise statement, ASIC alleges that by providing the recommendations, the relevant representatives of DASS:

- ◇ did not act in the best interests of the sample clients and therefore contravened section 961B(1) of the Corporations Act;
- ◇ provided advice in circumstances where it was not reasonable to conclude that the advice was appropriate to the client and therefore contravened section 961G of that Act; and
- ◇ to the extent the recommendations were to buy or sell URF financial products, failed to give priority to the clients' interests where they knew or ought to have known of a conflict of interest between those interests and the interests of DASS due to the various fees paid by or on behalf of URF to DASS or associates of DASS and therefore contravened section 961J of the Act.

ASIC also alleges that each of these contraventions was a separate contravention by DASS as the responsible financial services licensee under section 961K(2) of the Act. A total of 126 such contraventions are alleged. The proceedings seek declarations of contravention, pecuniary penalties and certain other orders against DASS. No relief is sought against the relevant representatives or any other person.

The final form of concise statement may differ from the draft that ED1 has received.



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ED1 is reviewing the draft concise statement. DASS will be defending the proceedings and in due course will file a comprehensive defence after it has received and had a reasonable opportunity to review ASIC's detailed statement of claim. These processes are expected to take a considerable period of time.

Given the allegations are before the Court, ED1 does not propose to make any further commentary in relation to the proceedings at this time.

This announcement has been authorised for release by the CEO of Evans Dixon.

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**ENDS**

**About Evans Dixon Limited**

Evans Dixon is an Australian Securities Exchange listed financial services group. Operating through the Evans & Partners, E&P, Dixon Advisory and Walsh & Company brands, Evans Dixon provides a diverse range of financial services. In Wealth Advice we service approximately 9,200 clients, representing \$20.1 billion in funds under advice. In E&P we are an advisor to many leading Australian institutions through the provision of research, corporate advisory, equity capital market and debt capital market services. In Funds Management, we manage \$6.7 billion of assets across a diverse range of asset classes.



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