



Yarra Capital Management (**YCM**) has become aware of a series of scams where an illegitimate third party is operating a fraudulent comparison website, impersonating staff and making fake investment offers to individuals for non-existent fixed income bond funds under the name of Yarra Capital Management and Nikko Asset Management (**Nikko AM**) (Yarra Capital Management acquired the Australian business of Nikko Asset Management in April 2021). Neither Yarra Capital Management nor Nikko Asset Management have any affiliation with, are involved with, or have endorsed such investment comparison websites or the offering of these fraudulent and fictional offer documents.

How does the scam operate?

We are aware that in most instances individuals find themselves on investment comparison websites after searching for investment options using particular key words, where they are asked to submit details about themselves (including their investment objectives). Such websites are increasingly a front for harvesting the personal information of victims. The scammers then contact individuals via the telephone number or email they provided and purport to be an employee from Nikko AM or YCM.

The scammers have designed professional looking investment documents, including a fake investment prospectus, in an attempt to gain individuals' personal information, obtain an investment and have money deposited into a fraudulent account. We have also seen that scammers will often use slightly modified forms of a Nikko AM email domain in order to make contact with victims under the guise of coming from a legitimate company.

- ▶ **We recommend always taking extra care scrutinising, and if possible, verifying phone numbers, email addresses, and indeed, the legitimacy of any offer documents used to solicit investments.**
- ▶ **The financial products YCM makes available to retail customers are issued under a Product Disclosure Statement (PDS) and not a prospectus. These documents are made available through our website, or via authorised distributors of our products. Neither Nikko AM nor YCM would ever solicit investments from investors in this way.**
- ▶ **These activities are completely unaffiliated with YCM and Nikko AM, and YCM's IT security systems have not been compromised in any way.**

What should I do if I have fallen victim to a scam?

If you think you may be a victim of this scam you should immediately contact the police to report it and contact your bank to stop any direct debit transactions where you have shared your banking details. You can also report the scam to <https://www.scamwatch.gov.au> or <https://www.cyber.gov.au/acsc/report>.

If you would like to verify the authenticity of any materials you may have received, which purport to be sent from us, or you believe you have fallen victim to please do not hesitate to contact us at privacy@yarracm.com.

We strongly advise you to not share any personal information or bank account details with any party you do not recognise.



Things to look out for

Common activities being undertaken by these scammers include:

- ▶ calling individuals and pressuring them to invest;
- ▶ sending professional and realistic looking fake prospectuses which may be difficult for an investor to identify as fake;
- ▶ offering unrealistic investment returns;
- ▶ using language which suggests the scammer has an understanding of financial services and the financial markets in an attempt to gain an individual's trust;
- ▶ claiming the purchase price of the bonds being offered is protected under the Commonwealth Government's Financial Claims Scheme.

Avoiding investment scams

The following are some actions you can take to avoid investment scams:

- ▶ ignore all unsolicited calls, emails, and any other forms of communication which encourage you to invest in a financial product even if the person contacting you appears to be from a well-known company or government authority.;
- ▶ when investing in a financial product for retail clients, ensure the offer document you receive is a genuine PDS and not a prospectus or a combined PDS and prospectus. The financial products YCM makes available to retail customers are issued under a PDS and not a prospectus;
- ▶ ensure any materials you receive are legitimate. You should check that any materials, including websites, display a genuine Australian Business Number and Australian Financial Services number, and uses genuine email, phone and other contact details. If in doubt you should contact the company directly to verify the authenticity of the material; and
- ▶ ignore investment seminars which promote 'exclusive' opportunities to invest; and
- ▶ refer to ASIC's Moneysmart list of companies you should not deal with (<https://moneysmart.gov.au/companies-you-should-not-deal-with>).