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INVESTOR UPDATE – 15 July 2022

Halifax Investment Services Pty Limited (In Liquidation) (Halifax AU)

Halifax New Zealand Limited (In Liquidation) (Halifax NZ) (together the Halifax Group)

Update to Investors regarding distributions

Category 3 and 5 Distributions

The Liquidators have now distributed shares valued at approximately **AUD 24.3m** (at the date of transfer) to eligible Category 3 and Category 5 Investors, with the majority of eligible share transfers having now been completed. We are continuing to work with a small number of Investors and their brokers to resolve remaining transfers.

As noted in previous Investor Updates, Category 3 and Category 5 Investor Accounts were quarantined from the close out process that occurred during December 2021. Following the transfer of eligible shares to Category 3 and Category 5 Investors' nominated accounts, other investments recorded in Category 3 and Category 5 Investor Accounts (that is, those that are not Category 3 and Category 5 shares) are being progressively closed out. Proceeds from the sale of these positions will contribute to the pool of funds to be distributed to all Investors.

Funds distributions

As at the date of this update, we have paid distributions totalling **AUD 46.4m** to 1,710 Investors. A summary of the status of claims received, the Liquidators' verification, and distributions paid is provided below:

	Note	Number of claims	%	Total claim amount as at 27 November 2018 AUD \$m	%
Interim distribution paid	1	1,798	39	92.8	53
Verification completed (payment pending)	2	1,908	41	43.7	25
Verification pending or in progress	3	953	20	39.1	22
Total claims received		4,659	100	175.6	100

Notes:

1. 50% Interim Distribution being paid to Investors on the claim amount shown in the above table.
2. Verification of claim has been completed. Ready to progress to next available payment batch.
3. Verification is either in progress, subject to dispute, or pending receipt of further information from the Investor.



As previously advised, Investors are being paid an interim distribution equal to **50% of their Account balance as at 27 November 2018**. Further distributions will be paid to Investors in due course and once the ongoing costs of the Liquidation are able to be more accurately forecasted, remaining open positions have been closed out and all disputes in respect of Account balances have been resolved. We have adopted a conservative position to avoid any risk of movement in the expected total distribution amount.

We anticipate issuing a detailed report to Investors and Creditors in August 2022 which will provide an updated estimated outcome statement (including an estimate in respect of the total distribution that Investors can expect to receive), a detailed accounting of funds recovered from the close-out of the Halifax Portfolio, the status of distributions and claims, and an update regarding the Liquidators recovery actions.

A total of **4,659** Investor claims have been submitted through the Investor Portal as at 27 June 2022. Of these Investor claims, approximately 80% in volume have been reviewed by the Liquidators and have resulted, or will shortly result, in the payment of an interim distribution as described above.

As noted in the Investor Update dated 7 June 2022, the Liquidators are prioritising the payment of Interim Distributions to Investors that have submitted their claim within 35 days of issuing a Distribution Notice. Whilst our focus at the present time is processing Interim Distributions, we are continuing to verify claims and to assist Investors in submitting their claims.

As at 27 June 2022 there are approximately **3,500** known and eligible claims valued at approximately **AUD 16.3m** that are yet to be submitted by Investors.

We also note that we have received a number of requests from Investors for copies of account statements, information regarding the sale price of shares recorded within client account, and queries regarding the preparation of income tax returns.

The Halifax Helpdesk team is able to provide Investors with copies of reports and statements up to and including 30 November 2021, which will provide summary of positions and the equity value of the account prior to consolidation and close-out of positions which occurred in December 2021. For Category 3 and Category 5 Investors, the Halifax Helpdesk team are also able to provide a listing of any eligible positions as at 30 June 2022. Please continue to contact the Helpdesk team at helpdesk@halifaxonline.com.au for all enquiries regarding account statements.

As noted previously, the Liquidators are unable to provide advice regarding the preparation of tax returns and recommend that Investors seek independent advice from a suitably qualified accountant or legal practitioner.

Please continue to monitor your inbox and the KPMG website for future updates. All queries relating to the Interim Distribution and/or Investor Portal should be directed to au-fmhalifaxportal@kpmg.com.au.