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## INVESTOR UPDATE – 23 November 2022

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

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

#### Second Interim Distribution

We are pleased to announce that a Second Interim Distribution will be paid to eligible Investors, **equal to half of their Account balance as at 27 November 2018**.

As we have previously notified Investors in our Investor updates, eligible Investors will ultimately receive their proportionate entitlement to the available pool of funds, being the value of all of Halifax's assets once liquidated, less the expenses of the liquidation.

The relevance of Investors' account balance as at 27 November 2018 is that, in accordance with directions and judicial advices provided by the courts, it was used to determine eligible Investors' percentage entitlement to the pool of funds ultimately available. Eligible Investors may ultimately receive more than their Account balance as at 27 November 2018.

The Second Interim Distribution will commence on **23 November 2022** with the intention of releasing funds to the majority of eligible Investors (that have submitted their claim via the Investor Portal) before the end of 2022.

Second Interim Distribution payments will be released in batches after administrative processing and review, and eligible Investors will receive a "Payment Advice" email once funds have been released.

As with the First Interim Distribution, we are **unable to provide Investors with an exact payment date**.

Please continue to monitor your inbox and the KPMG website for future updates from the Liquidators:

<https://home.kpmg/au/en/home/creditors/halifax-investment-services.html>

All queries relating to the Interim Distributions and/or Investor Portal should be directed to

[au-fmhalifaxportal@kpmg.com.au](mailto:au-fmhalifaxportal@kpmg.com.au).



## Investor FAQ 23 November 2022

### 1. What is the status of the First Interim Distribution?

The First Interim Distribution is substantially complete. To date, **97%** of eligible Investors (by value) who have submitted their claim and whose claims have been verified by the Liquidators, have received their First Interim Distribution.

We are continuing to work through the verification of approximately 570 submitted Investor claims to finalise the First Interim Distribution.

A contingency of funds has been set aside to respond to a small number of disputed claims.

### 2. Is the Second Interim Distribution the final payment that eligible Investors will receive?

No. We expect to pay a Third Distribution to eligible Investors once the outcome of our recovery actions has been determined.

Both the timing and amount of the Third Distribution are dependent on the outcome of various recovery actions being pursued by the Liquidators, including from claims against former lawyers and auditors.

### 3. What is the current estimated amount of the Third Distribution to eligible Investors?

At this stage we estimate that eligible Investors will receive a further distribution equal to **at least 5% of their Account balance as at 27 November 2018**. The amount of the Third Distribution is dependent on a number of unknowns, including any returns from recovery proceedings and further liquidation expenses.

Eligible Investors will ultimately receive their proportionate entitlement to the available pool of funds, being the value of all of Halifax's assets once liquidated less the expenses of the liquidation. We therefore estimate that eligible Investors will receive a total amount of at least **105% of their account balance as at 27 November 2018**.

### 4. Is it too late to submit a claim?

The Investor Portal remains open for the submission of late claims and we request all Investors to **submit their claims as soon as possible**. Please refer to the Investor Update dated 21 February 2022 regarding the claim submission process:

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-investor-portal-21-february-2022.pdf>

As of 23 November 2022, 3,429 Investors have not yet submitted a claim via the Investor portal.

Further information regarding closure of the Investor Portal will be provided nearer the relevant time.

### 5. What is the status of the proceedings against the former lawyers and auditors?

The Federal Court of Australia and the High Court of New Zealand have approved the Liquidators executing a litigation funding agreement to fund the Liquidators' recovery proceedings against the former auditors and lawyers of Halifax AU. The Liquidators filed a statement of claim in the Federal Court of



Australia on 5 September 2022 and are currently working with their legal team to progress the claim. Further information regarding the claims and other matters being investigated by the Liquidators will be provided in our upcoming report to Investors and Creditors.

In the event of a successful outcome, any recoveries from claims may contribute to the pool of funds of Halifax AU and Halifax NZ available for distribution to eligible Investors, after payment of agreed costs and expenses associated with the proceedings.

#### **6. When will Investors receive further information?**

We intend to issue a detailed report in the short term that will provide further information regarding:

- the status of investigations;
- a detailed Estimated Outcome Statement;
- a summary of assets recovered from the close-out of the Halifax Portfolio;
- the status of distributions and claims; and
- an update regarding the Liquidators' recovery actions.

#### **7. Am I able to access my historic account information for tax purposes?**

In order to minimise ongoing costs, the Liquidators intend to scale down Halifax licences, subscriptions, and platform reporting functionality early next year. We will obtain a complete client account transaction listing, however certain information including daily statements may not be accessible on an ongoing basis.

We encourage Investors with access to their account to download any relevant reports required for their records, or to contact the Halifax Helpdesk team at [helpdesk@halifaxonline.com.au](mailto:helpdesk@halifaxonline.com.au) for assistance. We will provide a further reminder prior to closure of the Halifax platforms.

As previously noted, 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.