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## INVESTOR UPDATE – 8 September 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

We refer to our previous updates in relation to the distribution process and provide a further update regarding the status of the distributions.

As at the date of this update we have distributed **AUD74.3m** to 3,416 Investors. A summary of the status of claims received, the Liquidators' verification process, and distributions paid as at 8 September 2022 is provided below:

	Note	Number of claims	%	Value of claims AUD \$m	%
Interim distribution paid	1	3,416	73	148.6	83
Verification completed (payment pending)	2	967	20	19.1	11
Verification pending or in progress	3	328	7	10.3	6
<b>Total claims received</b>		<b>4,711</b>	<b>100</b>	<b>178.0</b>	<b>100</b>

#### Notes:

1. The Interim Distributions being paid to Investors are half of the claim amounts 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.

In addition to the above, approximately 3,440 claims with a combined value of **AUD17.9m** remain unclaimed as at the date of this update. The Investor Portal remains open for the submission of late claims and we request all Investors to **finalise their claims as soon as possible**. Please refer to the Investor Update dated 7 June 2022 for claim submission key dates.

Answers to frequently asked questions regarding the Interim Distribution are provided below.



## Investor FAQ – 8 September 2022

### 1. I have received my Interim Distribution, when will I receive a second distribution?

We currently estimate that a second distribution will be paid towards the end of 2022. The timing of subsequent distributions is subject to a range of factors which impact the calculation of distributions payable to Investors, including:

- the finalisation of total investor claims;
- resolution of a small number of Investor disputes; and
- realisation of residual open positions remaining within the Halifax Portfolio.

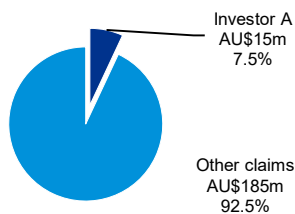
An illustration of how these factors impact the calculation of subsequent distributions is provided below at Question 2.

### 2. Will my next payment be the remaining 50% of my claim amount?

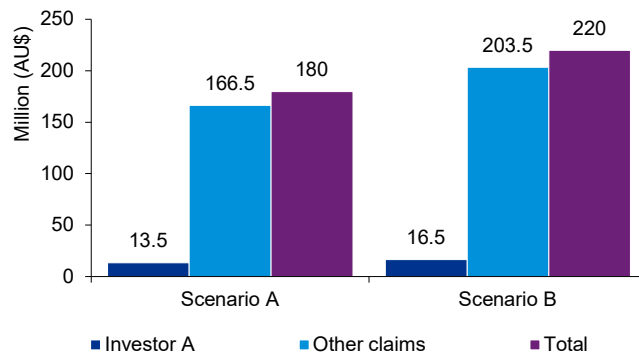
Not necessarily. Pursuant to the orders of the Federal Court of Australia and the High Court of New Zealand, Investors' entitlement to the assets of Halifax AU and Halifax NZ is determined by reference to their proportionate entitlement as at 27 November 2018. Investor account balances as at 27 November 2018 (end of day 26 November 2018) are therefore used to determine each Investors' proportionate entitlement relative to the *total claim pool*, and is **not the amount that each investor will be paid**.

We appreciate that the Liquidation is a complex legal process, and that Investors may be unfamiliar with these concepts. To illustrate:

**Total claims as at 27 November 2018 of AU\$200m**



**Distribution scenarios**



Investor A held an account with Halifax. The balance of Investor A's Account as at 27 November 2018 was AU\$15m.

Investor A accepts this claim amount within the Investor Portal.

The total of all other Investor claims is AU\$185m, resulting in a total claim pool of AU\$200m.

*Please note that the AU\$200m claim pool is merely for illustrative purposes. This does not represent the actual total claim pool of the Investors of Halifax AU and Halifax NZ as this has not been determined as at the date of this Update.*



Investor A is therefore entitled to receive 7.5% of the amount available to Investors. (AU\$15m / AU\$200m = 7.5%). That is, Investor A's proportionate entitlement to the assets of Halifax AU and Halifax NZ available for distribution is 7.5%. That entitlement amount will be different to \$15m since the pool of funds available for distribution now is different to the pool of funds that existed at 27 November 2018.

#### **Scenario A**

In the event that total assets of Halifax AU and Halifax NZ available for distribution equal AU\$180m, Investor A will be entitled to receive distributions totalling AU\$13.5m (7.5% x AU\$180m) which will equate to a 90% return based on their account balance as at 27 November 2018.

Investor A received an Interim Distribution of 50% of their account balance as at 27 November 2018 totalling AU\$7.5m in the June 2022 Interim Distribution. Investor A will receive subsequent distributions totalling AU\$6m and total distributions of AU\$13.5m.

#### **Scenario B**


In the event that total assets of Halifax AU and Halifax NZ available for distribution equal AU\$220m, Investor A will be entitled to receive distributions totalling AU\$16.5m (7.5% x AU\$220m) which will equate to a 110% return based on their account balance as at 27 November 2018.

Investor A received an Interim Distribution of 50% of their account balance as at 27 November 2018 totalling AU\$7.5m in the June 2022 Interim Distribution. Investor A will receive subsequent distributions totalling AU\$9m and total distributions of AU\$16.5m.

The figures used in the above example are illustrative only.

Further information and an updated Estimated Outcome Statement will be provided in our next report to Investors.

### **3. I received an email with payment advice information, but I have not received the funds in my account. What should I do?**

Please log back into the Investor Portal and review or download your claim submission summary which will include the bank account details nominated by you upon submission of your claim, and confirm that your bank account details are correct. You can access your claim submission summary by clicking the paperclip icon (  ) under the 'Claim (\$)' heading on the Investor Portal home page.

When reviewing the bank account details recorded in the Investor Portal, please ensure that you have:

- entered a valid Bank Account Name (not a bank name or account type);
- entered a valid SWIFT Code or IBAN (where relevant);
- selected the correct Bank Country from the country drop-down box;
- entered an Account Number of a sufficient length; and
- have not entered any hyphens or spaces in the data fields.

If you do not receive payment within 5 business days after the receipt of a payment advice email, and the bank account information recorded in your claim submission summary is correct, please notify our office via email at [au-fmhalifaxportal@kpmg.com.au](mailto:au-fmhalifaxportal@kpmg.com.au), where the Liquidators will provide further instructions.



Please note that international payments with invalid bank account details are taking on average four weeks to bounce back. Where the payment has not bounced back after four weeks has passed, the Liquidators will conduct a bank trace.

**4. I have submitted my claim via the Investor Portal but have not received an Interim Distribution. When will I receive payment?**

As at the date of this update the Liquidators have paid 83% (in value) of eligible claims. 11% (in value) of eligible claims have been allocated to a payment batch for processing, and the remaining 6% (in value) are subject to verification. The Liquidators are processing Interim Distributions in batches of approximately 200-300 payments at a time.

Please note that the tick (✓) shown within the Investor Portal indicates that the identity verification has been submitted for one individual. In circumstances in which two identity verifications are required, and two have been submitted, two ticks will appear. These ticks **do not** indicate that the claim has been verified. A KPMG team member will contact you if there is an issue with your claim.

As at the date of this update, approximately 3,440 Investor claims have not been submitted. Should you require assistance with submitting your claim, please contact this office via email at [au-fmhalifaxportal@kpmg.com.au](mailto:au-fmhalifaxportal@kpmg.com.au).

**5. I'd like to change the bank account details that are currently recorded in the Investor Portal. What should I do?**

Your bank account details can be updated by clicking "*Edit*" on the right-hand side of your claim within the Investor Portal. Once your claim has been verified by the Liquidators, no changes can be made by Investors. If you need to change your bank account details after this period, please contact KPMG via email at [au-fmhalifaxportal@kpmg.com.au](mailto:au-fmhalifaxportal@kpmg.com.au).

**6. Can I claim a tax loss on the difference between the distribution I receive from the Liquidators and the value of my Halifax account?**

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.

The Halifax Helpdesk team at [helpdesk@halifaxonline.com.au](mailto:helpdesk@halifaxonline.com.au) can provide copies of account statements on request.

**7. How much was recovered from the sale of positions recorded in my Halifax account?**

As part of the close out process, the majority of Investor accounts were consolidated into the Halifax master accounts held within the Interactive Brokers AU and Interactive Brokers NZ platforms. We are therefore **unable to provide a close out position for each client account**.

On request, the Liquidators can provide you with a statement as at 30 November 2021 (the last available statement prior to close out) which will set out the market value of shares and currency shortly prior to close out.



**8. When will the Investor Portal be closed and the total value of Investor claims finalised?**

As at the date of this update the Investor Portal remains open and accessible to Investors. There are a small number of Investors that, for various reasons, have not received a Distribution Notice to enable them to submit a claim via the Investor Portal. The Liquidators and their staff are working with these Investors to determine their proportionate entitlement. Once these Investors receive access to the Investor Portal, they will receive 35 days to submit their claim and the Investor Portal will be closed shortly thereafter. The Liquidators will provide at least three days' notice prior to closing the Investor Portal.

Please refer to the investor update dated 7 June 2022 for further information regarding key dates for the submission of claims.

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