

UPDATE TO INVESTORS AND CREDITORS – 13 June 2019

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

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

Our focus since the commencement of the Liquidation has been:

1. Preparing Court applications (in Australia and New Zealand) for directions to enable the distribution to investors of the funds held on their behalf as soon as possible; and
2. The pursuit of antecedent transactions to seek to maximise the return to investors and creditors.

Additional funds tracing work undertaken

We have extended the scope of our testing and undertaken the review of over 35,000+ additional transactions. The objective is to provide detailed documentary evidence to support an application to Court for direction on the treatment of client monies.

This further testing has supported our initial view that the majority of investor funds/assets held by both Halifax AU and Halifax NZ are affected by co-mingling and unlikely to be traceable to individual investors.

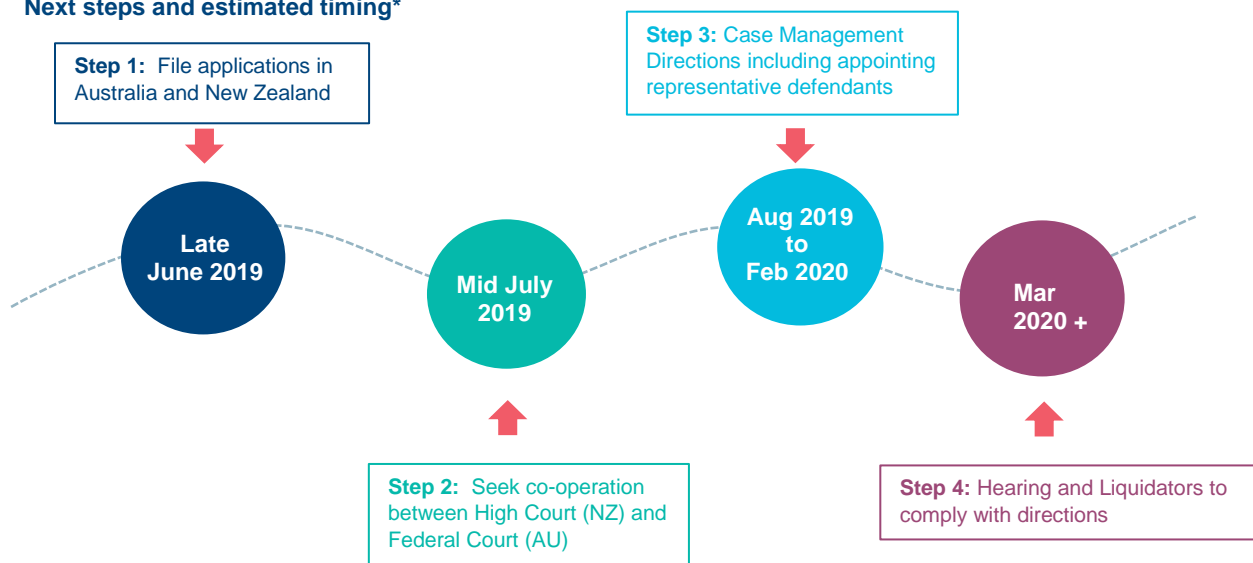
Update on Court applications

The legal strategy is necessarily very complex given the deficiency and co-mingling of funds across two jurisdictions, requiring direction to the Liquidators from Courts in both Australia and New Zealand as to how to proceed.

We have carefully considered the legal strategy in conjunction with our Australian and New Zealand legal advisors. Whilst this has taken longer than foreshadowed, we believe that the aligned legal strategy between Australia and New Zealand which has now been achieved will ultimately result in a quicker resolution for investors.

We now anticipate that the application in the Federal Court of Australia will be filed within the next 2 weeks requesting co-operation between the respective Courts and requesting direction as to how we should move forward towards a final hearing. The application in the High Court of New Zealand will follow immediately after that.

Next steps and estimated timing*



**timeframe will be determined by the Courts and is outside of our control as Liquidators*

Submissions on Court applications

Investors and other interested parties will be given an opportunity to be represented and have submissions made on their behalf in the applications to Court and it will be the Courts that will ultimately determine those matters.

Once the applications have been filed, we will be issuing a further update to investors to outline the orders being sought and the process for making submissions.

Statutory Report to creditors – Halifax AU

The Liquidator's three-month Statutory Report will be available to investors and creditors from 4pm (AEST) on 14 June 2019 at the following link:

<https://www.ferrierhodgson.com/au/creditors/halifax-investment-services-pty-ltd>

Update on Liquidators' investigations

We are continuing to investigate potential voidable transactions involving Halifax AU's director, former director and other third parties.

We are exploring options for funding recovery actions against various parties.

Merger of Ferrier Hodgson and KPMG

In March 2019, it was announced that Ferrier Hodgson will merge with KPMG Australia, with the majority of partners and staff joining the combined business. The merger is expected to complete within the next seven days.

The merger will not impact the ongoing progress of the liquidation of the Halifax Group – the appointees and professional staff managing the Halifax Group liquidation will remain unchanged.

Further information

Please visit the Ferrier Hodgson website for a copy of the correspondence issued to investors and an updated Frequently Asked Questions document:

— **Halifax Australia:** <https://www.ferrierhodgson.com/au/creditors/halifax-investment-services-pty-ltd>

— **Halifax New Zealand:** <https://www.ferrierhodgson.com/au/creditors/halifax-new-zealand-limited>