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## UPDATE TO INVESTORS AND CREDITORS – 5 July 2019

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

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

#### Update on results of tracing work undertaken

Further testing conducted during the liquidation has supported our initial view that the majority of investor funds/assets held by both Halifax AU and Halifax NZ are part of a “deficient mixed fund” affected by co-mingling and unlikely to be traceable to individual investors.

Accordingly, given the deficiency and co-mingling of funds across two jurisdictions, the Liquidators of Halifax AU and Halifax NZ are applying to both the Australian and New Zealand Courts seeking directions as to how to proceed.

#### Update on Court applications

We have carefully considered the legal strategy in conjunction with our Australian and New Zealand legal advisors in relation to seeking directions as to how to proceed and to enable distribution to investors as promptly as possible.

We have filed an application with the Federal Court of Australia on 3 July 2019 requesting direction as to how we should proceed to move forward towards a final hearing.

The return date, being the date the Federal Court of Australia will hear the initial application to request co-operation from the High Court of New Zealand is on 29 July 2019. **Please note that investors will not need to appear at this time.**

Once the respective Courts determine the process for hearing the proceedings (including how investors can have their views heard), we will provide a further update to investors.

We anticipate that the application in the High Court of New Zealand will be filed within the next 4 weeks.

#### Seeking Court guidance

Given the co-mingling and deficiency across two jurisdictions, Court direction is required in both Australia and New Zealand to determine (amongst other things):

- How the Liquidators should deal with the fact that the Client Monies are commingled;
- Whether open or unrealised investments should be realised, and if so how;
- The date at which each Client’s entitlement should be calculated; and
- Whether the Administrators’ and Liquidators’ remuneration, costs and expenses should be paid out of trust property.



### **Submissions on Court applications**

The Liquidators expect that, in due course investors and other interested parties will be given an opportunity by the Court to make submissions in the proceedings, either themselves or through a legal representative.

The ultimate aim is to ensure that all relevant arguments are presented to the Court, and that the different interests of all clients and other interested parties are taken into account.

**We will deal with this in more detail in a subsequent communication.**

### **Further information**

Please visit the links to the following websites for a copy of the correspondence issued to investors:

- **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>