

Brite Advisors Pty Ltd (Receivers and Managers Appointed) (In Liquidation) (Brite Advisors)

Interim Distribution – Guide to calculation

January 2026



McGrathNicol

How your interim distribution was calculated

Background

- There was a shortfall in Brite Advisors' client assets under management (**Client AuM**) likely existing as early as the year ended 30 June 2020. That means Brite Advisors held less assets than it should have on behalf of Beneficiaries.
- The value of the shortfall is the difference between the value of all Beneficiaries' entitlements (i.e. what they thought they held in their accounts with Brite Advisors) and the value of assets which Brite Advisors actually held on the Interactive Brokers Platform to meet those entitlements.
- As at 13 December 2023 that shortfall was estimated to be approximately USD\$96 million.

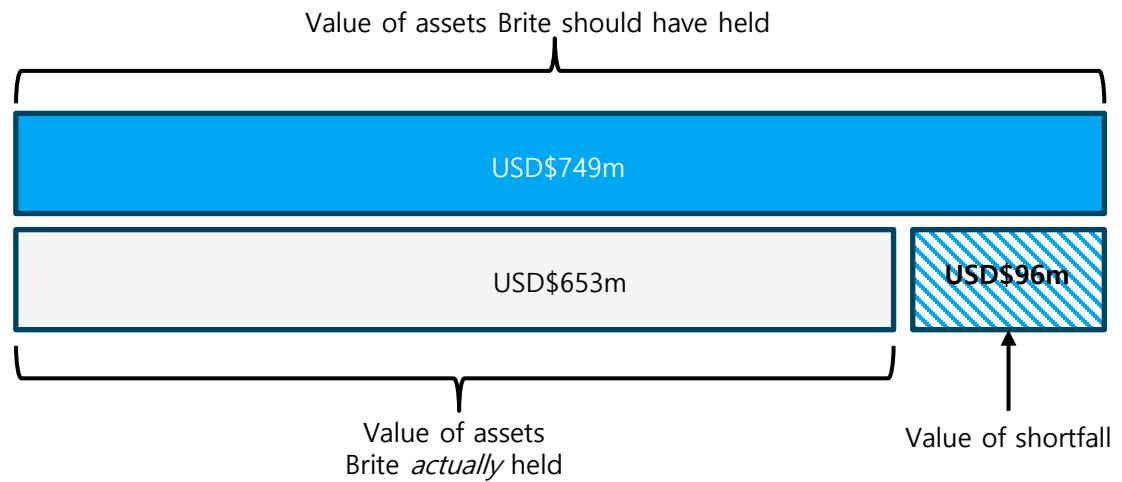


Figure 1. The value of assets Brite Advisors should have held compared with the value of the assets which Brite actually held, as it was understood as at the date of the Receivers' Fourth Report dated 9 August 2024.

- There were significant limitations on the Receivers' ability to trace assets belonging to specific Beneficiaries due to several factors, including poor books and records, and misconduct by Brite Advisors. Basically, the Receivers cannot determine which assets belonged to who.
- The Court endorsed an approach whereby Beneficiaries would all share an entitlement to the group of assets Brite Advisors did actually hold on the Interactive Brokers Platform. This had the effect of determining that the Brite Advisors' Client AuM was a Deficient Mixed Fund (**Deficient Mixed Fund**). This is similar to each Beneficiary owning units in a mutual fund, rather than having rights to specific assets.
- Under this approach, each Beneficiaries' entitlement to the Deficient Mixed Fund would be set by reference to the value of what Brite *should* have held for them as at 13 December 2023.

Overview

The Court endorsed approach to calculating and paying your interim distribution from the Deficient Mixed Fund can be explained in three steps:



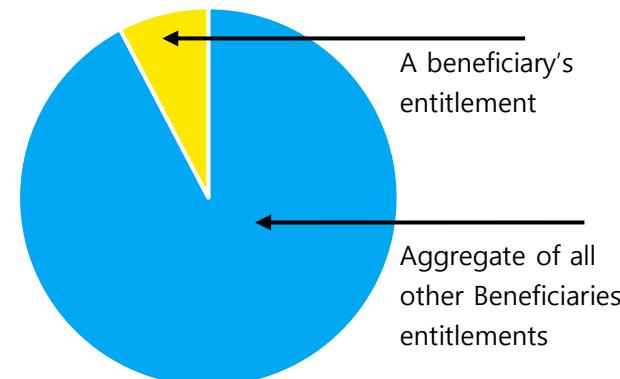
What is my entitlement?

- The Receivers undertook a process, endorsed by the Court, to calculate the value of what Brite Advisors should have held for each Beneficiary as at 13 December 2023. This was confirmed with each Beneficiary through a Valuation Notice.
- Each Beneficiary could review, accept or dispute their Valuation Notice on Salesforce.
- The amount of your entitlement is **not** what you will receive by way of distribution from Brite Advisors.
- The assets which underpin the valuation given in your Valuation Notice were not necessarily held by Brite Advisors, nor are they assets which belong to you.
- The entitlement is what determines your proportionate share of the assets *actually* held by Brite Advisors on the Interactive Brokers Platform, which has been referred to as the Deficient Mixed Fund.

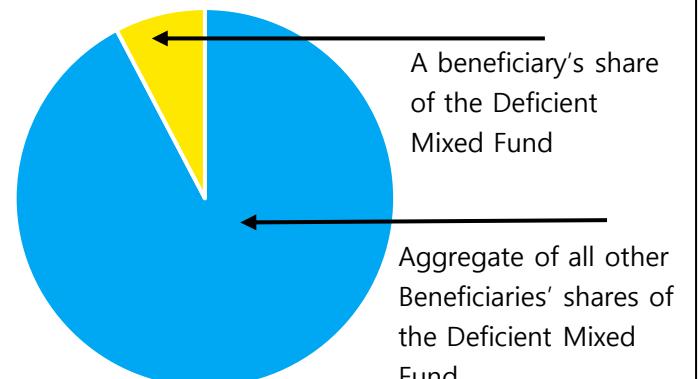
How your interim distribution was calculated (continued)

What is my proportionate share of the Deficient Mixed Fund?

- The Court endorsed approach means that each Beneficiary has a proportionate share in the Deficient Mixed Fund.
- Their share in that fund is determined by the value of their entitlement as at 13 December 2023 **as a proportion** of the total value of all Beneficiaries' entitlements.
- That is, a Beneficiary's share of the Deficient Mixed Fund will be equal to their share of the total entitlements. If their entitlement is 1% of the total entitlements, they will have a 1% share in the Deficient Mixed Fund.



**Breakdown of verified entitlements
(as at 13 December 2023)**



**Breakdown of share in the
Deficient Mixed Fund**

Figure 2. How verified entitlements determine a Beneficiary's share of the Deficient Mixed Fund

Some points to note:

- This comparison of all Beneficiaries' entitlements as at 13 December 2023 was conducted in USD. This was necessary because entitlements must be compared in a single currency.
- This comparison did not involve the actual conversion of any cash or assets from one currency to another. The calculation of entitlements does not impact what assets are actually held in the Deficient Mixed Fund.
- The choice of USD as the comparison currency had no impact on any Beneficiaries' calculated entitlement or the distribution they ultimately received. The comparison could have been done in GBP, AUD, EUR, or any other currency, and the result would have been the same.
- The reason for this is that what matters is *relative* value (i.e. what one Beneficiary was entitled to as compared to what all other Beneficiaries were entitled to) on 13 December 2023. The process is ultimately determining what share, as a percentage, each Beneficiary receives from the Deficient Mixed Fund.

What is my interim distribution from the Deficient Mixed Fund?

The Deficient Mixed Fund:

- The Deficient Mixed Fund is a collection of assets, for the most part held on the Interactive Brokers Platform. It is managed by a professional fund manager and was rebalanced to broadly align with the collective risk appetite of Beneficiaries as a whole and to be appropriate as a pension fund.
- The fund has a high USD exposure. That means a large portion of the Deficient Mixed Fund's assets are priced in or earn returns in US dollars. As a result, the Deficient Mixed Fund's value will be significantly affected by movements in the USD exchange rate relative to other currencies. To illustrate, the fund manager reported on 23 November 2025 that since 13 December 2025, the fund had returned 28.09% measured in USD and 23.39% measured in GBP.

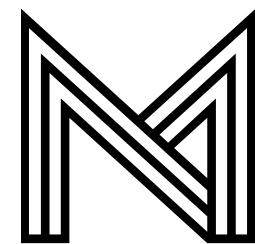
The Interim Distribution

- The Court endorsed an interim distribution being made from the Deficient Mixed Fund. This involves identifying a certain value from the fund which is to be kept in the Deficient Mixed Fund, and then liquidating the remainder for distribution.

Non-distributable amount USD\$188m	Amount liquidated and available for distribution USD\$594m	Withdrawals previously paid (treated as an advance on distribution) USD\$40m
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Figure 3. The Deficient Mixed Fund as at 9 December 2025.

- The liquidated amount is distributed in accordance with each Beneficiary's share of the Deficient Mixed Fund (see Figure 2).
- Where a Beneficiary has received withdrawals, these are treated as advances on the interim distribution. For the purposes of calculating the total amount available for distribution, the amount of those withdrawals are added to the total amount available for liquidation.
- Where a Beneficiary opted to receive their distribution in a currency other than USD, those conversions were calculated according to FX rates as at 9 December 2025 (being the end of the liquidation window).



McGrathNicol