



McGrathNicol

# Receivers and Managers' Supplementary Report regarding growth of Client AuM since 13 December 2023

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<b>Court</b>	<b>Federal Court of Australia</b>
<b>Proceeding</b>	<b>WAD 13 of 2024</b>
<b>Plaintiff</b>	<b>ASIC</b>
<b>Defendant</b>	<b>Brite Advisors Pty Ltd</b>

23 July 2025

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## Glossary

Term	Meaning
\$'000	Thousands of Australian Dollars
9 November Orders	Court orders dated 9 November 2023 in Federal Court Proceedings WAD 262 of 2023 as varied by subsequent orders
13 December Orders	Court orders dated 13 December 2023 in Federal Court Proceedings WAD 262 of 2023
13 December 2023 Data	The raw export of the historic AutoRek data which held data set of all Beneficiary positions up to October 2023 which has been updated to report the value of each Beneficiaries' investment that they ought to have had with Brite Advisors as at 13 December 2023
21 December Orders	Court orders dated 21 December 2023 in Federal Court Proceedings WAD 262 of 2023
6 February Orders	Court orders dated 6 February 2024 in Federal Court Proceedings WAD 262 of 2023 and WAD 13 of 2024
5 June Orders	Court orders dated 5 June 2024 in Federal Court Proceedings WAD 13 of 2024
2 September Orders	Court orders dated 2 September 2024 in Federal Court Proceedings WAD 13 of 2024
29 October 2024 Orders	Court orders dated 29 October 2024 in Federal Court Proceedings WAD 13 of 2024
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
Administrators	Pension scheme administrators, as defined by the Finance Act 2004 (UK), acting on behalf of the Beneficiaries
ASIC	Australian Securities and Investment Commission
Asset Preservation Orders	Asset Preservation Orders made by the Federal Court of Australia on 25 October 2023
AUD / AU\$ / \$	Australian Dollar
Beneficiaries / Beneficiary	Individuals whose superannuation and pension funds are under management by Brite Advisors
BML	BML Funds Management Pty Ltd (AUS) (Company number 664 470 991)
Brite Advisors	Brite Advisors Pty Ltd (AUS) (Company number 135 024 412)
Brite Group	BHKL and its subsidiaries and related/associated entities including Brite Advisors
c.	circa
Categories of Beneficiaries	Six categories of Beneficiaries for the purposes of the Distribution Methodology as set out in the Explanatory Memorandum.
CBA	Commonwealth Bank of Australia
CBA term deposit account	Multi-currency bank accounts set up by the Receivers to accrue interest on client funds
Client AuM or Trust Assets	Client assets under management by Brite Advisors, being all property, assets and undertakings held by Brite Advisors on trust for another
Corporate Trustees	Pension scheme administrators (in their capacity as the representatives appointed by trustees of pension schemes) purportedly acting on behalf of the Beneficiaries
Court	Federal Court of Australia

Term	Meaning
Court Orders	9 November Orders, 13 December Orders, 21 December Orders, 6 February Orders and 5 June Orders, 21 August Orders, 2 September Orders, 29 October 2024 Orders
Date Application	The Receivers' application to Court in May 2024 to determine the Entitlement Reference Date
December Report	The Investigative Accountants' Report to the Federal Court dated 8 December 2023
Deficient Mixed Fund	Comprising the assets set out at section 2.1.2 of the Explanatory Memorandum
Distribution Methodology	The Receivers' proposed methodology to distribute the Client AuM to Beneficiaries as outlined in the Explanatory Memorandum, the Supplementary Explanatory Memorandum, and the Distribution Methodology Application
Distribution Methodology Application	The Receivers' minute of proposed orders to be filed with the Court on 23 July 2025, and the hearing scheduled for 15 September 2025, in relation to the Distribution Methodology
EUR	Euro
Entitlement Holdings	The mix of assets which Brite Advisors should have held on behalf of Beneficiaries (although did not necessary hold) in accordance with their dealing instructions as at 13 December 2023
Entitlement Reference Date	The relevant date at which to assess Beneficiaries' entitlements as 13 December 2023 per 5 June Orders
Explanatory Memorandum / EM	The Receivers' Explanatory Memorandum dated 4 December 2024
Excluded Moventum Assets	Comprising the assets set out at section 2.1.7(a) of the Explanatory Memorandum
Excluded Assets	Comprising the assets set out at section 2.1.7 of the Explanatory Memorandum
Fifth Report	The Receivers' Supplementary Report to the Federal Court of Australia dated 4 December 2024
Fourth Report	The Receivers' Report to the Federal Court of Australia dated 9 August 2024
Frontier Economics	Frontier Economics Pty Ltd
FX	Foreign exchange rate
FYXX	Financial year ended 30 June 20XX
GBP	Great British Pound
HSBC	The Hongkong and Shanghai Banking Corporation Limited
IB Accounts / IB Platform	All identified accounts held by the Brite Group with IBA and IBHK
IBA	Interactive Brokers Australia Pty Ltd
IBA Accounts	Identified accounts held by Brite Advisors with IBA
i-Convergence	i-Convergence Ltd
Interactive Brokers / IB	IBA, IBHK and affiliates
Interim Fund Manager	BML appointed as interim fund manager
Interested Parties	The Corporate Trustees and the Beneficiaries, as well as any other person with a legal or equitable interest in the Client AuM
Investigative Accountants	Linda Smith and Robert Kirman of McGrathNicol in their former capacity as investigative accountants of Brite Advisors
January Report	The Receivers' Report to the Federal Court dated 24 January 2024

Term	Meaning
Late Investors	Beneficiaries who deposited cash into Brite Advisors' bank account on or after 16 October 2023 where those funds were not transferred to the Interactive Brokers platform
Liquidators	The Liquidators of Brite Advisors, being Linda Smith and Rob Kirman
m	Millions
March Report	The Receivers' Report to the Federal Court dated 4 March 2024
Minerva	Minerva Lending Plc
Minerva Notes	10 Minerva Notes 6% June 2024 (Sedol: BYVKVX6) and one Minerva Note 6.00% Nov 2020 (Sedol: BF7P303)
Model Portfolio Assets	That portion of the Client AuM that are designated in the 13 December 2023 Data as model portfolio assets per the 13 December 2023 Data
Moventum	Moventum S.C.A.
Moventum Platform	The online system which enables the Receivers to view the assets held by Moventum
p.a.	Per annum
Previous Reports	The reports and orders filed by the Receivers' with the Court which are relevant to this Supplementary Report as set out at section 1.1.3
Property	The property of Brite Advisors as defined in the 13 December Orders
Receivers	The Receivers and Managers of the Trust Assets, being Linda Smith and Robert Kirman of McGrathNicol
SalesForce	SalesForce, Inc.
Structured Notes	Financial notes held by Brite Advisors on trust for certain Beneficiaries, not being the Minerva Notes.
Supplementary Explanatory Memorandum	The Receivers' Supplementary Explanatory Memorandum dated 25 March 2025
Supplementary Report	This report dated 23 July 2025
Supplementary Report on Minerva Notes	Supplementary Report regarding Minerva Notes dated 25 March 2025
Surrender Rebate	A loan offered by Brite Advisors to allow Beneficiaries to discharge the surrender fee payable to their outgoing pension fund.
Trust Assets	The property, assets and undertakings held by Brite Advisors on trust for another
UK	United Kingdom
US / USA	United States / United States of America
USD\$'000	Thousands of United States Dollars
USD\$m	Millions of United States Dollars
USD / USD\$	United States Dollar
Valuation Notice	A notice released to each Beneficiary via SalesForce which sets out investments/money Brite Advisors should have held at 13 December 2023 for that Beneficiary
Verified Entitlement	The entitlement of each Beneficiary as calculated and verified in accordance with the Court Orders dated 2 September 2024
Westpac	Westpac Banking Corporation
Westpac Accounts	Westpac Client Accounts and Westpac Operating Accounts

Term	Meaning
Westpac Client Account(s) / Client Account(s)	Brite Advisors multi-currency bank accounts for managing client funds
Westpac Operating Account(s) / Operating Account(s)	Brite Advisors multi-currency bank accounts for managing operating funds

*Source: McGrathNicol*

# 1 Introduction

## 1.1 Background

- 1.1.1 Linda Smith and Rob Kirman, Partners of McGrathNicol, were appointed to act as Receivers pursuant to orders of the Federal Court of Australia made on 13 December 2023 in the Proceedings (refer **Document 01**).
- 1.1.2 Since their appointment on 13 December 2023, the Receivers have taken steps to secure and preserve the Client AuM and determine Beneficiaries' entitlements. In parallel, the Receivers have continued investigations into the conduct of Brite Advisors prior to their appointment.
- 1.1.3 The Receivers have filed the following reports and orders with the Court which are relevant to this Supplementary Report (collectively **Prior Reports**):
  - (a) Fourth Report to the Court dated 9 August 2024 (refer **Document 02**);
  - (b) Fifth Report to the Court dated 4 December 2024 (refer **Document 03**);
  - (c) Explanatory Memorandum dated 4 December 2024 (refer **Document 04**);
  - (d) Supplementary Explanatory Memorandum dated 25 March 2025 (refer **Document 05**);
  - (e) Addendum to the Supplementary Explanatory Memorandum dated 10 April 2025 (refer **Document 06**);
  - (f) Supplementary Report regarding Minerva Notes dated 2 May 2025 (refer **Document 07**); and
  - (g) A minute of proposed orders setting out the orders that the Receivers propose the Court makes to give effect to our recommended Distribution Methodology (refer **Document 08**).
- 1.1.4 The purpose of this Supplementary Report is to supplement the analysis and findings of the Prior Reports in relation to implications of the recommended Distribution Methodology on Beneficiaries in relation to the proposed distribution of the growth in the Client AuM portfolio (specifically in relation to the Deficient Mixed Fund) since 13 December 2023.
- 1.1.5 In considering feedback the Receivers have received from Beneficiaries and Financial Advisors representing the interests of certain Beneficiaries, since issuing the Prior Reports, the Receivers have undertaken further investigations, which are presented in this Supplementary Report.
- 1.1.6 In particular, several Beneficiaries have expressed a view that they consider themselves to be particularly disadvantaged by the Receivers' recommended Distribution Methodology, advocating that the proposed approach unfairly prejudices Beneficiaries who may have had a higher risk appetite and who would have otherwise experienced higher growth rates during the period from 13 December 2023.
- 1.1.7 It is intended that this Supplementary Report will inform the Court (and those Interested Parties to be heard) in considering both the Explanatory Memorandum, Supplementary Explanatory Memorandum and the recommended Distribution Methodology.
- 1.1.8 This Supplementary Report should be read in conjunction with the Prior Reports and there are certain sections which draw upon and should be considered in the context of the analysis presented in the Prior Reports. Those sections are noted in this Supplementary Report.

## 1.2 Books and records and limitations of Report

- 1.2.1 The books and records that the Receivers have had regard to in preparing this Supplementary Report are set out in **Appendix A** to this Supplementary Report and, where appropriate, specifically identified throughout the relevant sections.
- 1.2.2 The Receivers have issued several requests to the Directors to provide the complete books and records of Brite Advisors. In addition, the Court made orders requiring the Directors to provide the Receivers with unfettered access to the books and records of Brite Advisors in accordance with the 21 December Orders. As the Receivers have previously reported, the Directors have not responded to the Receivers' information requests in a substantive way and have not adequately complied with the 21 December Orders.



1.2.3 In this Supplementary Report, where the Receivers refer to their knowledge, information or belief as being based on having reviewed the books and records of Brite Advisors, they are referring to the information provided by the Directors and/or sourced from the client systems as set out in section 4.8 of the Fourth Report.

1.2.4 Limitations in respect of the books and records have been addressed in Prior Reports.

### 1.3 Structure of Supplementary Report

1.3.1 The remainder of this Supplementary Report is structured as follows:

- (a) Section 2 – Updated summary of shortfall
- (b) Section 3 – Distribution of growth in portfolio since 13 December 2023

### 1.4 Disclaimer

1.4.1 The information contained in this Supplementary Report has been prepared on the basis of the documents listed in **Appendix A**. The documents used in support of our findings are identified throughout the Report.

1.4.2 We have not carried out an audit, nor have we verified any of the information provided to us, except where expressly stated. We have disclosed the source materials and/or assurances relied upon throughout this Supplementary Report.

1.4.3 The information in this Supplementary Report does not include all possible or relevant information in relation to the matters investigated. In issuing this Supplementary Report, we are not certifying that we have identified all relevant events and information. We have sought to identify all significant events from the information provided but provide no assurance that all such significant events and information have been identified.

1.4.4 For ease of review, the financial information is presented in US Dollars (**USD**) unless otherwise specified. The figures presented are sensitive to movements in foreign currency exchange rates and therefore may change subject to the source and timing of currency conversion.

## 2 Updated summary of shortfall

### Key Findings

- As at 13 December 2023, Brite Advisors held USD\$653.7m in Client AuM. The Receivers' current estimate of the shortfall at 13 December 2023 is USD(\$94.3m) (or 12.6%), excluding the impact of potential taxation liabilities and any further changes which may result from outstanding disputes in the Valuation Notice process.
- As at 4 July 2025, the Receivers estimate Brite Advisors held USD\$759.3m in Client AuM (gross of pension withdrawals and Beneficiary loans to be recovered) and had an estimated USD\$45.7m (or 6.1%) surplus to Beneficiaries' claims as at 13 December 2023, excluding the impact of potential taxation liabilities and any further feedback from the Valuation Notice process. **The Receivers stress that the quantum of the shortfall varies with time and may materially change due to a number of factors.** The primary reason for the decrease in the shortfall to date is the growth in assets held in the IBA Accounts.

### 2.1 Updated shortfall as at 13 December 2023

2.1.1 As at 13 December 2023, Brite Advisors held USD\$653.7m in Client AuM. The Receivers' current estimate of the shortfall at 13 December 2023 is USD(\$94.3m) (or 12.6%), excluding the impact of potential taxation liabilities and any further changes which may result from outstanding disputes in the Valuation Notice process.

2.1.2 The table below summarises the Receivers' estimate of the total shortfall between identified Client AuM (as held on 13 December 2023) and estimated Beneficiary entitlements as at 13 December 2023.

#### Estimated shortfall in Client AuM and Beneficiary entitlements at 13 December 2023

USD\$m	Prior Report	This Report	Total
<b>Client AuM held</b>			
IBA Accounts (including margin loan)	<b>Fourth Report 5.3</b>	<b>n/a</b>	645.0
IBHK Accounts	<b>Fourth Report 5.3</b>	<b>n/a</b>	0.1
Other Client AuM	<b>Fifth Report 4.2</b>	<b>n/a</b>	8.6
Potential tax liabilities	<b>Fifth Report 4.3</b>	<b>n/a</b>	TBD
Total Client AuM at 13 December 2023 (A)			653.7
<b>Beneficiary entitlements</b>			
Beneficiary claims per 13 December 2023 Data (updated)	<b>Fifth Report 4.4</b>	<b>2.4</b>	762.0
Other Beneficiary entitlements	<b>Fifth Report 4.4</b>	<b>n/a</b>	(16.7)
Total Beneficiary entitlements			745.3
Connaught West Limited proof of debt	<b>Fifth Report 4.1.8(h)</b>	<b>2.1.5</b>	2.8
Total Beneficiary entitlements (including other claims) (B)			748.0
<b>Shortfall (A - B)</b>			<b>(94.3)</b>
<i>Shortfall (%)</i>			<i>(12.6%)</i>

Source: Westpac Account Statements, IB Account Statements, Moventum Account Statement, 13 December 2023 Data

2.1.3 The estimated shortfall as at 13 December 2023 has decreased from the USD(\$96.7m) estimate provided in the Fifth Report, primarily as a result of changes to Beneficiary entitlements following the Receivers' verification of the 13 December 2023 Data and the Valuation Notice process, which are detailed in section 2.4 below.

2.1.4 This shortfall excludes a provision for the potential outstanding tax liabilities, both in the USA and Australia, which the Receivers are continuing to investigate.

2.1.5 As set out in 4.1.8(h) of the Fifth Report, Connaught West Limited submitted a proof of debt form in the amount of USD\$2.8m for Global Fiduciary 2 Scheme Client AuM purportedly held by Brite Advisors on behalf of Connaught West Limited, as Trustee of the scheme. The Receivers are investigating the claims asserted by

Connaught West Limited and the proof of debt received. Subject to verification of the proof of debt, this may increase or decrease the quantum of the estimated shortfall.

## 2.2 Updated shortfall as at 4 July 2025

2.2.1 As at 4 July 2025, the Receivers estimate Brite Advisors held USD\$759.3m in Client AuM (gross of pension withdrawals and Beneficiary loans to be recovered) and had an estimated USD\$45.7m (or 6.1%) surplus to Beneficiaries' claims as at 13 December 2023, excluding the impact of potential taxation liabilities. **The Receivers stress that the quantum of the shortfall varies with time and may materially change due to a number of factors.**

2.2.2 The table below summarises the movement in the estimated shortfall to 4 July 2025:

Change in estimated total shortfall to 4 July 2025			
USD\$m	13-Dec-23	Change	4-Jul-25
<b>Client AuM held</b>			
Client AuM at 13 December 2023	653.7		
Add: Growth in portfolio		155.9	
Less: Funds withdrawn to process pension withdrawals		(32.7)	
Less: Withdrawals for trading & Receivers' costs		(17.6)	
Total Client AuM	653.7	105.5	759.3
Add: Funds withdrawn to process pension withdrawals	-	32.7	32.7
Add: Recovery of Beneficiary Loans	-	1.7	1.7
Total Client AuM (gross of pension withdrawals)	653.7	140.0	793.7
<b>Estimated Beneficiary entitlements</b>			
Beneficiary entitlements at 13 December 2023	(748.0)		(748.0)
<b>Estimated total shortfall (USD\$m)</b>	<b>(94.3)</b>	<b>140.0</b>	<b>45.7</b>
<i>Estimated (shortfall) / surplus (%)</i>	<i>(12.6%)</i>		<i>6.1%</i>
<i>Source: Westpac Account Statements, IB Account Statements, Moventum Account Statement, 13 December 2023 Data</i>			

2.2.3 The Receivers note the following in relation to the movement in the estimated shortfall to 4 July 2025:

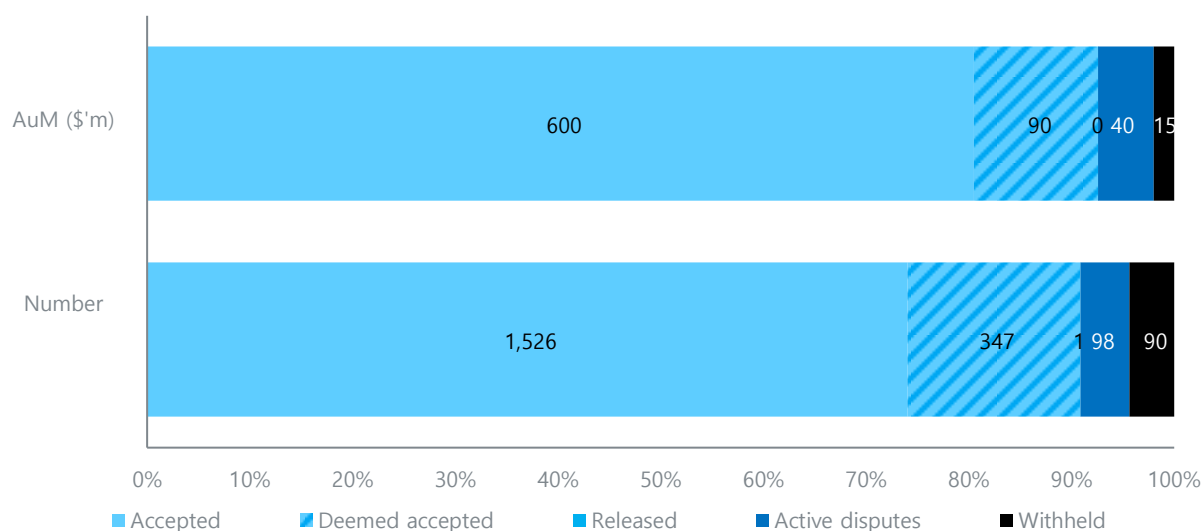
- the shortfall analysis presented above has been conducted on an aggregated basis and does not consider the impact of differing legal entitlements of the various Categories of Beneficiaries to certain Client AuM as set out in the Explanatory Memorandum, Supplementary Explanatory Memorandum or Distribution Methodology Application;
- whilst Client AuM on the IB Platform has performed favourably following aggregated growth in the total Client AuM of USD\$155.9m (or 23.9%) from 13 December 2023 to 4 July 2025 (refer **Document 09** enclosed for Interim Fund Manager's report on the performance of the Client AuM on the IB Platform to 4 July 2025), the Receivers note the portfolio is highly sensitive to global market movements and stress that the estimated shortfall will similarly vary as a result;
- this shortfall excludes a provision for the potential outstanding tax liabilities, both in the USA and Australia, which the Receivers are continuing to investigate. At this stage, the Receivers are unable to estimate the total tax liabilities, but expect this may have a material impact on the timing of any distribution and quantum of shortfall;
- as at 4 July 2025, the Receivers have processed withdrawals from the IB Platform totalling USD(\$50.4m) as follows:
  - funds withdrawn to process pension withdrawals which have been utilised to administer over 1,184 pension withdrawals totalling circa USD(\$31.1m). The balance of the funds (USD\$1.6m) have been withdrawn from the IB Platform in order to pay imminent pension withdrawals and are held on trust in the bank accounts used exclusively for the Brite Advisors receivership. Interest earned on these funds accrues forms part of the Client AuM; and

- (ii) withdrawals totalling USD(\$17.6m) have been utilised to fund both Brite Advisors' trading costs USD(\$3.6m) and the Receivers' costs and expenses USD(\$14.0m). The funds withdrawn have been excluded from the Client AuM figures above as these funds have been utilised for (or the Receivers anticipate these funds being utilised in the short-term for) costs and expenses;
- (e) trading costs referred to in (d)(ii) above and paid to date primarily relate to costs associated with contractors assisting the Receivers with responding to Beneficiary queries and data collection and interpretation, and maintaining access to investment and portfolio management systems; and
- (f) Receivers' costs and expenses referred to in (d)(ii) above and paid to date relate to the Receivers' remuneration and costs incurred by solicitors, Counsel and other professional advisory fees. Prior to payment of any of the Receivers' costs and expenses, approval is obtained from the Court following submission of detailed and itemised remuneration reporting and all Corporate Trustees are notified of the respective amounts.

## 2.3 Update on Valuation Notices

2.3.1 The status of the Receivers' ongoing process to verify Beneficiaries' entitlements, as at 14 July 2025, is set out below:

### Status of Beneficiary verification at 14 July 2025



- 1,526 Beneficiaries with verified entitlements totalling USD\$600m have accepted their Valuation Notice. Of the 1,526 Beneficiaries, 34 Beneficiaries subsequently accepted their Valuation Notice after they had filed a dispute as a result of (i) being satisfied with the Receivers' response to their dispute (18 Beneficiaries), or (ii) for reasons unknown to the Receivers (16 Beneficiaries);
- 98 Beneficiaries with estimated entitlements totalling USD\$40m have active disputes (being the 132 disputes received in total throughout the Valuation Notice process, less the 34 disputes which have been subsequently accepted);
- Currently, there is one Beneficiary who has received access to Salesforce but has not yet accepted or disputed their Valuation Notice. This Beneficiary is still within the 21-day period within which they may respond to the Valuation Notice as per the 2 September Orders;
- 347 Beneficiaries with verified entitlements totalling USD\$90m have not responded to their Valuation Notices within the 21-day period set by the 2 September Orders. As a result, the Receivers will proceed on the basis that the entitlements for these Beneficiaries are as set out in their Valuation Notice; and
- 90 Beneficiaries whose Valuation Notices have been withheld by the Receivers with estimated entitlements totalling USD\$15m, as a result of (i) not having completed their identity verification (41 Beneficiaries), (ii) the Receivers' ongoing investigation as to the appropriate approach to the verification of deceased estates' entitlements (32 Beneficiaries), (iii) the Receivers' ongoing investigations into the valuation of these Beneficiaries'

entitlements (7 Beneficiaries), or (iv) where the Beneficiary has advised they do not wish to be contacted by the Receivers (10 Beneficiaries).

- 2.3.2 The nature of Beneficiary disputes is the same as they were set out at section 4.4.23 of the Fifth Report.
- 2.3.3 The Receivers have considered each of the disputes raised by Beneficiaries on a case-by-case basis and continue to respond to each of them. The status of the 132 disputes received over the course of the Valuation Notice process is set out below:
- (a) The Receivers have responded to 106 disputes received. Of these 106 disputes responded to:
    - (i) Nine disputes were well founded. As a result of the disputes which the Receivers considered to be well founded, these nine Beneficiaries require changes to their Valuation Notices (refer 2.4 below).
    - (ii) 85 disputes were not well founded, and as a result, rejected by the Receivers. These Beneficiaries had 21 days from the date the Receivers notified them of their decision to make an application to the Court to object to the Receivers' determination. To date, no such applications have been made, but there are still seven not well-founded disputes within the 21-day period. Following receipt of the Receivers' response, 18 Beneficiaries accepted their Valuation Notice.
    - (iii) 12 disputes required further information. These Beneficiaries had 21 days from the date the Receivers notified them of their decision to provide additional information. To date, two Beneficiaries have provided this additional information, which the Receivers are reviewing. The remaining eight Beneficiaries had 21 days from the date the Receivers notified them of that decision to make an application to the Court to object to the Receivers' determination. To date, no such applications have been made, however there are still four disputes within the 21-day period.
  - (b) 16 disputes were subsequently closed (i.e. Valuation Notices were subsequently accepted after initially being disputed) by Beneficiaries for reasons unknown to the Receivers. As a result, the Receivers have not engaged in responding to these disputes.
  - (c) 10 disputes were not articulated within the 21-day period. As a result, the Receivers have advised those Beneficiaries that their dispute is not well founded. These Beneficiaries also have 21 days from the date the Receivers notified them of that decision to make an application to the Court to object to the Receivers' determination. To date, no such applications have been made despite the 21-day period having lapsed.

## 2.4 Changes to Beneficiary Entitlement Data

- 2.4.1 As outlined at section 4.4.5 of the Fifth Report, the Receivers interrogated the data which makes up Beneficiaries' Valuation Notices to identify any material errors to ensure, as best as possible, the integrity of the data. As a result of this work the Receivers identified a number of issues with the data. These issues primarily effected valuation of securities and structured notes, dividends, withholding tax and Minerva Notes, but also impacted other areas of the data including withdrawals, coupons, corporate actions, transaction fees, transfers and certain transactions which erroneously appeared in duplicate.
- 2.4.2 The Receivers formed a view as to how the above data integrity issues should be addressed in the best interests of the Beneficiaries. As a result, the Receivers processed changes in the data to rectify the issues identified, before the Valuation Notices were issued in November 2024 for the majority of Beneficiaries.
- 2.4.3 The Receivers have been continuing to interrogate the data which makes up Beneficiaries' Valuation Notices for a small number of Beneficiaries whose Valuation Notices were not yet released. These investigations have now been substantially completed, and the Beneficiaries have been advised of the outcome. The Receivers anticipate issuing Valuation Notices to these Beneficiaries in the coming weeks.
- 2.4.4 As a result of the above investigations, and the disputes which the Receivers determined were well founded (as outlined at section 2.3 above), the Receivers are in the process of changing the 13 December 2023 Data to rectify the issues identified. These changes have the effect of reducing the total entitlements at 13 December 2023 by USD\$3.2m (i.e. from USD\$748.5m to USD\$745.3m after surrender rebates have been applied).
- 2.4.5 The changes made to the 13 December 2023 Data as a result of the well-founded disputes has had the net effect of increasing the total entitlements by USD\$87.8k. This is outlined below:
- (a) A number of Beneficiaries identified incorrect fees charged on their portfolios. The Receivers have corrected this which has increased the total entitlements by USD\$7.9k.

- (b) One Beneficiary identified a withdrawal recorded in their data which the Receivers verified did not occur. The Receivers have corrected this which has increased the total entitlements by USD\$35.1k.
- (c) A number of Beneficiaries identified transactions in their portfolio which were not correct, such as incorrect sale prices and unauthorised dealings. The Receivers have corrected these transactions which has increased the total entitlements by USD\$44.8k.

2.4.6 The changes made to the 13 December 2023 Data as a result of the Receivers' additional entitlement verification work (i.e. since the Fifth Report) has had the net effect of reducing the total entitlements by USD(\$3.3m). This is outlined below:

- (a) Corporate action - The Receivers identified that as a result of a corporate action which occurred on a bespoke security (which was only held by one person) after 13 December 2023, the price reflected in Salesforce for the security was incorrect. The Receivers have corrected this which has reduced the total entitlements by USD\$0.3m.
- (b) Purported Swap agreement - A Beneficiary was invested in Global Fiduciary Scheme 2, a scheme in Hong Kong. The Global Fiduciary Scheme 2 had its asset frozen by the Hong Kong Court and Mr Donnelly's entity, Tribune Limited (company number 1234624, incorporated in Hong Kong), acted as one of three Corporate Trustees. The Beneficiary was provided with an investment account with Brite Advisors equivalent to the value of their frozen investment in Global Fiduciary Scheme 2 and purports that a "swap agreement" took place. The Receivers have formed a view that the arrangement did not constitute a legally binding contract and that the purported swap agreement did not constitute a contribution to the Client AuM, resulting in a USD\$1.0m reduction to this Beneficiary's entitlements.
- (c) STM Life Beneficiaries - As outlined at section 4.2 of the Supplementary Report on Minerva Notes, Mr Donnelly and Mr Couch, acting through Tribune Limited, were financial advisors to five Beneficiaries who had STM Life Assurance PCC Plc (**STM Life**) as their pension plan provider and who at the time did not have assets on the Brite Advisors' platform. Mr Donnelly and Mr Couch made a recommendation to these Beneficiaries to invest in Minerva Notes and STM Life refused to give effect to the dealing instruction. When these five Beneficiaries were subsequently moved to Brite Advisors, it appears that Brite Advisors sought to replicate the transactions which occurred in their STM Life portfolios (between July 2016 and March 2021) in their Brite Advisors' portfolios. The Receivers' investigations concluded that in some instances no cash or securities were transferred to Brite Advisors and the 'replicated' transactions were not recorded consistently or accurately. The incorrectly recorded transactions resulted in the STM Life Beneficiaries' portfolios with Brite Advisors being, essentially, falsified and the STM Life Beneficiaries' portfolios being materially overstated by USD\$0.7m. Accordingly, the Receivers have made an adjustment, reducing these STM Life Beneficiaries' entitlements by USD\$0.7m.
- (d) Tribune Beneficiaries - Mr Donnelly and Mr Couch also acted as financial advisors to two additional Beneficiaries whose Corporate Trustee was Tribune Limited. The Receivers' investigations have revealed that at the time these Beneficiaries were to be onboarded onto the Brite Advisors platform, no cash or securities were received by Brite Advisors in relation to these two Beneficiaries. Instead, the funds were directed to Tribune Australia Pty Ltd, where Mr Donnelly served as a director at the time of the transactions. The Receivers are conducting further investigations into the transactions. From the information currently available, the Receivers' view is that the two Beneficiaries' portfolios have been materially overstated by USD\$1.3 million, resulting in a USD\$1.3m reduction to these Beneficiaries' entitlements.

### 3 Distribution of growth in portfolio since 13 December 2023

#### Key Findings

- Since issuing the Supplementary Explanatory Memorandum, two Beneficiaries requested that the Receivers pay further consideration to and present further analysis to the Court to explain the impact of the current proposed distribution methodology on individual Beneficiaries given certain securities have experienced significantly greater growth since 13 December 2023, in comparison to the portfolio as a whole.
- Assessing Beneficiaries' entitlements at an alternative date after 13 December 2023 (i.e. 4 July 2025) would result in increases and decreases across Beneficiaries' entitlements to the Deficient Mixed Fund.
- Beneficiaries whose holdings have experienced above average growth would receive an entitlement to a larger portion of the Deficient Mixed Fund. Conversely, Beneficiaries whose holdings have experienced below average growth would receive an entitlement to a reduced portion of the Deficient Mixed Fund.
- When the value of Beneficiaries' entitlements as at 4 July 2025 are calculated, the estimated entitlement to the Deficient Mixed Fund does not change by more than plus or minus 2.5% for more than half of Beneficiaries (in comparison to 13 December 2023). Notable exceptions to this include:
  - Beneficiaries with considerable cash holdings have experienced no growth after 13 December 2023 as no interest is attributed to cash holdings on Beneficiaries' individual holdings when calculating entitlements and, therefore, would result in the relevant Beneficiaries' entitlements decreasing relative to other Beneficiaries; and
  - some bespoke securities holdings have varied growth after 13 December 2023 and some of the more volatile securities have experienced substantial growth or substantial decline which has a material impact on Beneficiaries' entitlements.
- Due to the volatility of bespoke securities, determining an alternative Entitlement Reference Date may have a significant impact on the Beneficiaries' returns where a material proportion of their portfolio was in bespoke securities. Based on a 4 July 2025 Entitlement Reference Date and an illustrative liquidated value of the Deficient Mixed Fund of USD\$750m, the maximum increase / (decline) in estimated distribution for individual Beneficiaries is USD\$2.4m and USD(\$1.2m), respectively.

#### 3.1 Background

- 3.1.1 The Court made orders on 5 June 2024 setting the relevant date at which to assess Beneficiaries' entitlements as 13 December 2023, being the date of the Receivers' appointment (**Entitlement Reference Date**).
- 3.1.2 The Receivers applied for orders from the Court in May 2024 to set the Entitlement Reference Date as 13 December 2023 (**Date Application**) based on the following legal principles:
- (a) A single date must be adopted to value entitlements for the purposes of regulation 7.8.03 of the *Corporations Regulations 2001*;
  - (b) Fairness requires only that the same date be applied to all Beneficiaries and all accounts;
  - (c) The adoption of the appointment date as the relevant date for the purposes of valuing entitlement is consistent with trust law generally as well as insolvency law; and
  - (d) The trust imposed by regulation 7.8.03, which in turn supports the quantification of entitlements under that trust for the purposes of distribution, comes into effect on the appointment date of a receiver.
- 3.1.3 Beneficiaries and Corporate Trustees were given notice of the Date Application by way of a circular issued on 20 May 2024.
- 3.1.4 In response to this notice, two Beneficiaries wrote to the Receivers and two Beneficiaries wrote to the Court directly expressing their views in relation to the Date Application. The Receivers provided the two responses it had received to the Court by way of annexure to the Eighth Affidavit of Linda Smith dated 21 May 2024.
- 3.1.5 The Date Application was set to be heard at a hearing on 27 May 2024, however on the evening prior to the hearing, the Receivers were contacted by the lawyers of a Corporate Trustee to confer on the application and



orders being sought, and as a result, the Receivers requested that the Court adjourn certain aspects of the Date Application to a later date. The hearing of the Date Application was adjourned to 5 June 2024.

- 3.1.6 Following conferral, the Corporate Trustee sought leave to appear at the hearing on 5 June 2024, at which the Corporate Trustee neither consented nor opposed to the orders sought by the Receivers. No other party applied to the Court to be heard on the Date Application.
- 3.1.7 Subsequently, the Court made orders on 5 June 2024 setting the relevant date as the Entitlement Reference Date.
- 3.1.8 As set out in section 4.2.7 of the Explanatory Memorandum, the Receivers' proposed distribution methodology contemplates a distribution to Beneficiaries who have a claim to the Deficient Mixed Fund (i.e. the vast majority of Beneficiaries) determined by the value of their entitlements as at the Entitlement Reference Date as a portion of the total value of Client AuM that forms part of the Deficient Mixed Fund held as at the date of distribution (or shortly before).
- 3.1.9 The practical effect of this approach to distribution means that any growth in the Client AuM from 13 December 2023 to the date of distribution (or shortly before) will be distributed among Beneficiaries in accordance with the value of their entitlements as at 13 December 2023, rather than attributing the growth of the Client AuM based on performance of specific assets which Brite Advisors purported to hold for individual Beneficiaries.
- 3.1.10 As set out in section 2.9 of the Supplementary Explanatory Memorandum, the Receivers received feedback from a number of Beneficiaries that the proposed approach unfairly prejudices Beneficiaries who may have had a higher risk appetite and who would have otherwise experienced higher investment returns during the period from 13 December 2023.
- 3.1.11 The Receivers consulted with the Interim Fund Manager and considered alternate approaches to the allocation/distribution of the growth of the Client AuM since 13 December 2023, however, concluded that it would not be appropriate to take any of these alternate approaches for the reasons set out at section 2.9 of the Supplementary Explanatory Memorandum.
- 3.1.12 Since issuing the Supplementary Explanatory Memorandum, two Beneficiaries requested that the Receivers give further consideration to and present further analysis to the Court to explain the impact of the current proposed distribution methodology on individual Beneficiaries given certain securities have experienced significantly greater growth since 13 December 2023, in comparison to the portfolio as a whole. In their correspondence, these Beneficiaries highlighted that the difference between the valuations of their entitlements as at 13 December 2023 and a more recent date is more than USD\$3.9m and USD\$260k.
- 3.1.13 In considering these requests along with the initial feedback received prior to issuing the Supplementary Explanatory Memorandum, the Receivers agreed it was appropriate for the further analysis to be undertaken, in order that the Court and Interested Parties are informed of the impact in considering the recommended Distribution Methodology.
- 3.1.14 For demonstrative purposes, the Receivers have compared the value of Beneficiaries' entitlements as at 13 December 2023 against the estimated value of their entitlements as at 4 July 2025.
- 3.1.15 The analysis presented below concludes that:
  - (a) Assessing Beneficiaries' entitlements at an alternative date after 13 December 2023 (i.e. 4 July 2025) would result in increases and decreases across Beneficiaries' entitlements to the Deficient Mixed Fund.
  - (b) Beneficiaries whose holdings have experienced above average growth would receive an entitlement to a larger portion of the Deficient Mixed Fund. Conversely, Beneficiaries whose holdings have experienced below average growth would receive an entitlement to a reduced portion of the Deficient Mixed Fund.
  - (c) When the value of Beneficiaries' entitlements as at 4 July 2025 are calculated, the estimated entitlement to the Deficient Mixed Fund does not change by more than plus or minus 2.5% for more than half of Beneficiaries (in comparison to 13 December 2023).
  - (d) The key determining factors of the change in a Beneficiaries' entitlement from 13 December 2023 to 4 July 2025, is the category of asset holdings as follows:
    - (i) Model portfolios have performed consistent with the average growth across Beneficiaries and accordingly do not result in a large change in Beneficiaries' entitlements;



- (ii) Cash holdings have not grown after 13 December 2023 as no interest is attributed to cash holdings on Beneficiaries' individual holdings. This therefore results in the relevant Beneficiaries' entitlements decreasing relative to other Beneficiaries; and
- (iii) Bespoke securities holdings have varied growth after 13 December 2023 and some of the more volatile securities have experienced substantial growth or substantial decline which has a material impact on Beneficiaries' entitlements; and
- (iv) Due to the volatility of bespoke securities, determining an alternative Entitlement Reference Date may have a significant impact on the Beneficiaries' returns where a material proportion of their portfolio was in bespoke securities.

## 3.2 Impact of Entitlement Reference Date on all Beneficiaries with a claim to the Deficient Mixed Fund

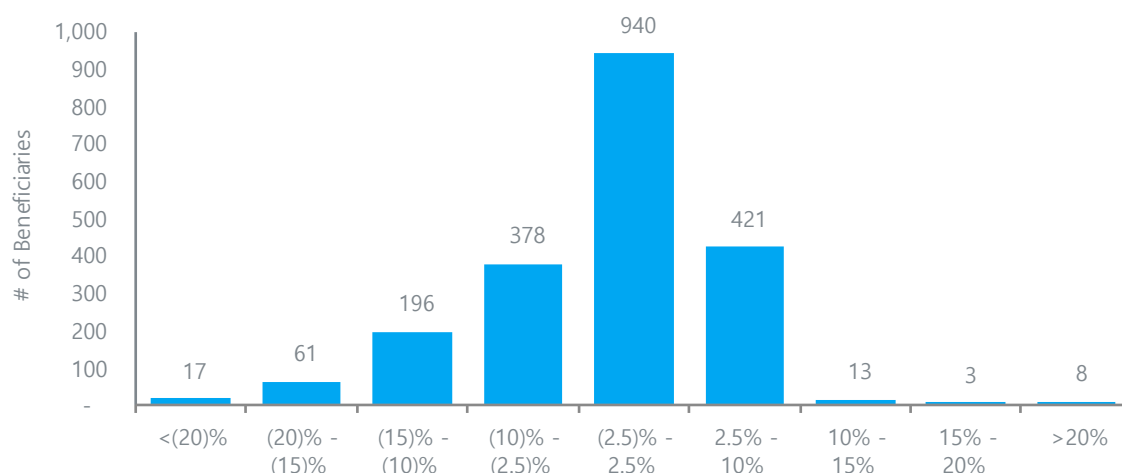
- 3.2.1 As set out in section 2.2 above, between 13 December 2023 and 4 July 2025, the aggregated Client AuM actually held has grown by approximately 24.1%. Whilst the growth in the Client AuM to date is primarily attributable to growth across equity markets during the period, riskier securities held in the portfolio have been more volatile, experiencing a more pronounced change in value. Some securities have exhibited material growth in value and some a material decline in value disproportionate to the balance of investments in the portfolio.
- 3.2.2 Beneficiaries' entitlements as at 13 December 2023 are comprised of a mix of assets which Brite Advisors should have held on behalf of Beneficiaries (although did not necessarily hold) in accordance with their dealing instructions (**Entitlement Holdings**) broadly classified between:
  - (a) model portfolio or bespoke securities; and
  - (b) cash holdings (net of surrender rebates).
- 3.2.3 The value of the underlying assets comprising Beneficiaries' Entitlement Holdings have, in aggregate, grown between 13 December 2023 and 4 July 2025 with disparity in the change in value between individual holdings.
- 3.2.4 The effect of the Receivers' Distribution Methodology Application is that the growth in the Deficient Mixed Fund since 13 December 2023 is distributed rateably among all Beneficiaries with a claim to the Deficient Mixed Fund, regardless of the change in value of Beneficiaries' Entitlement Holdings after 13 December 2023.
- 3.2.5 If the Receivers were to instead assess Beneficiaries' entitlements based on their Entitlement Holdings at a later date, Beneficiaries whose Entitlement Holdings have outperformed the Entitlement Holdings of other Beneficiaries would receive a greater proportion of the value of the Deficient Mixed Fund by way of distribution.

### ***Overall impact on Beneficiaries' entitlements***

- 3.2.6 Comparing the value of Beneficiaries' entitlements as at 13 December 2023 against the estimated value of their entitlements as at 4 July 2025, it is apparent that there is a small portion of Beneficiaries whose entitlements would be materially different if the later date were adopted.
- 3.2.7 In relation to this analysis, the Receivers note:
  - (a) the indicative nature of this analysis along with the limitations set out in the basis of preparation at Appendix B. In particular, the Receivers note the exclusion of 25 of the 2,062 total Beneficiaries due to either (i) the Beneficiaries not having a claim to the Deficient Mixed Fund (i.e. held Excluded Assets only), or (ii) the inability to easily revalue the Beneficiaries' entitlements at a later date based on publicly available market information; and
  - (b) due to the point-in-time nature of this analysis, the outcomes of valuing Beneficiary entitlements at an alternative date may have materially different outcomes for individual Beneficiaries subject to the underlying asset performance.

- 3.2.8 The Receivers' analysis indicates the average growth in Beneficiaries' Entitlement Holdings (including the estimated impact of dividends) was 21.9%<sup>1</sup> to 4 July 2025, therefore Beneficiaries whose Entitlement Holdings outperformed 21.9% growth over the period to 4 July 2025 would be entitled to a greater proportion of the Deficient Mixed Fund than they would applying the 13 December 2023 date. Under this alternative approach, the additional distributions to these Beneficiaries would be funded by deductions from the distribution entitlements of Beneficiaries whose holdings underperformed the average 21.9% growth (i.e. they would receive less than they would applying the 13 December 2023 date).
- 3.2.9 The graph below shows the impact on Beneficiaries' entitlement to the Deficient Mixed Fund if Entitlement Holdings were valued as at 4 July 2025 rather than 13 December 2025 (i.e. the change in size of Beneficiaries' entitlement). Beneficiaries are grouped based on the percentage increase or (decrease) in their entitlement to the Deficient Mixed Fund:

**Change in Beneficiaries' entitlement to Deficient Mixed Fund from 13 Dec-23 to 4 Jul-25**



- 3.2.10 The Receivers note the following in relation to the graph above:
- The graph above shows the redistribution of the entitlement to the Deficient Mixed Fund between Beneficiaries if there was a change to the valuation date from 13 December 2023 to 4 July 2025. The Beneficiaries are grouped based on the percentage increase or (decrease) in entitlement (i.e. there are 421 Beneficiaries whose entitlement would increase between 2.5% and 10%).
  - Based on a 4 July 2025 valuation date, c.50% of Beneficiaries with an entitlement to the Deficient Mixed Fund would receive a higher distribution to the detriment to the remaining c.50% balance of Beneficiaries.
  - 940 Beneficiaries out of the 2,037 Beneficiaries (or 46%) who have an entitlement to the Deficient Mixed Fund have entitlements which have grown/declined in value between (2.5%) and 2.5%.
  - 1,739 Beneficiaries out of the 2,037 Beneficiaries (or 85%) who have an entitlement to the Deficient Mixed Fund have entitlements which have grown/declined in value (10%) and 10%.
  - The remaining 293 Beneficiaries (or 15%) who have an entitlement to the Deficient Mixed Fund have entitlements which have grown/declined greater than 10%.
- 3.2.11 The Receivers note that the above analysis at section 3.2.9 is indicative only and excludes assets where their updated price or value as at 4 July 2025 is not determinable from publicly available sources, including the Minerva

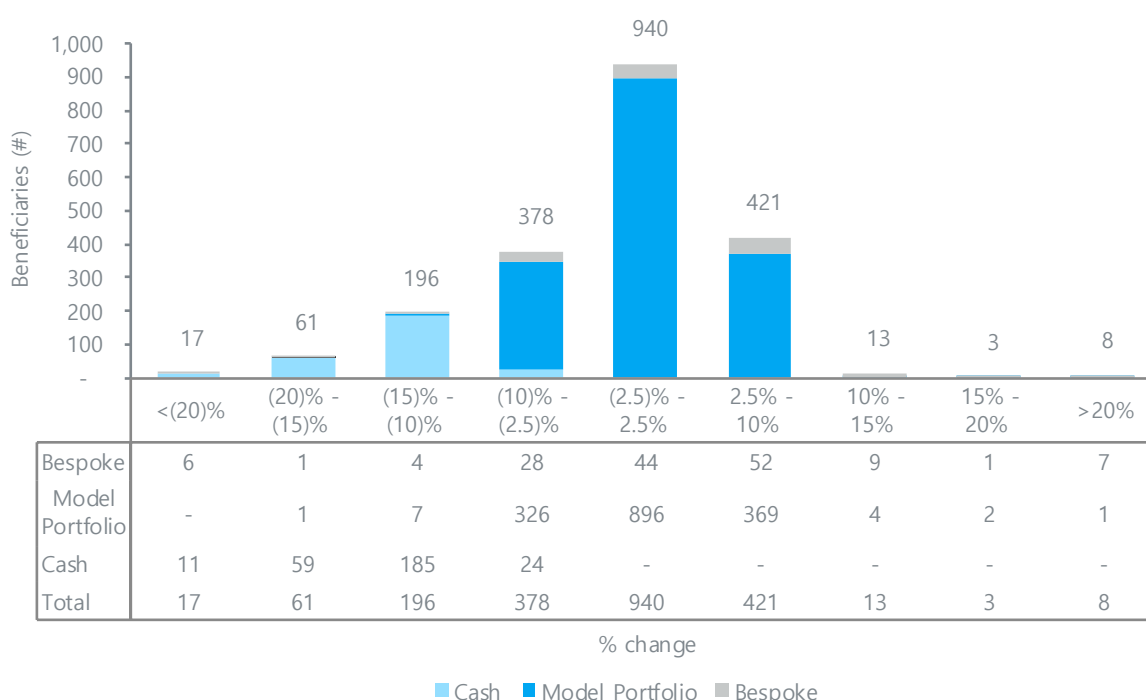
<sup>1</sup> The average growth in Beneficiaries' Entitlement Holdings (21.9%) will not reconcile to the aggregated growth in the Client AuM over the period from 13 December 2023 to 4 July 2025 (being 24.1%) noting (i) the average growth in Beneficiaries' Entitlement Holdings is not calculated on a weighted basis (i.e. does not account for the differing amounts invested across Beneficiaries), (ii) the shortfall between securities actually held by Brite Advisors at 13 December 2023 and securities purportedly per Beneficiaries' Entitlement Holdings, and (iii) the rebalancing of the Client AuM by the Interim Fund Manager.

Notes and Structured Notes assets. Please refer to Appendix B for further information regarding the preparation of these adjustments.

**Key factors impacting changes in Beneficiaries' entitlements**

- 3.2.12 Broadly, the key determining factor of whether a Beneficiaries' entitlement to the Deficient Mixed Fund would increase (or decrease) based on a valuation date at 4 July 2025 is the composition of their Entitlement Holdings.
- Model portfolio holdings: Whilst the model portfolios experienced varying returns over the period, the average growth across the portfolios was 19%. Accordingly, Beneficiaries with larger model portfolio holdings will typically have minor increases or decreases to their Deficient Mixed Fund entitlement.
  - Cash holdings: As Beneficiaries do not accrue interest on their cash holdings, the cash holdings of their entitlements do not change over time (except for movements in FX). Accordingly, Beneficiaries with larger cash holdings will have modest decreases to their Deficient Mixed Fund entitlement.
  - Bespoke holdings: Due to the varying risk profiles of the bespoke securities, Beneficiaries with larger bespoke holdings may have significant increases or decreases in their Deficient Mixed Fund entitlement subject to the performance of the underlying securities.
- 3.2.13 Set out below is the same graph as set out above in section 3.2.9 with further categorisation of Beneficiaries based on which asset category comprises the majority of their Entitlement Holdings:

**Change in Deficient Mixed Fund entitlement by Beneficiary by holding category**



- 3.2.14 The Receivers note the following regarding the graph above which illustrates the change in entitlements to the Deficient Mixed Fund between using a valuation date of 13 December 2023 to 4 July 2025 for different categories of Beneficiaries:
- Beneficiaries' categorisation between bespoke, model portfolio and cash has been determined by which asset category comprised the majority of their Entitlement Holdings by value at 13 December 2023.
  - Beneficiaries whose Entitlement Holdings are predominantly comprised of model portfolio assets generally do not have a material change in their entitlements with 896 (or 56%) of these Beneficiaries estimated to change their entitlement by +/- 2.5%. There are some notable exceptions where there are significant changes, driven by holding particularly volatile bespoke assets.

- (c) The estimated entitlements of Beneficiaries whose Entitlement Holdings are predominantly comprised of cash decrease on average 11% as there is no interest accruing on cash balances and, therefore, no growth in these holdings (except for movements in FX). Without any growth in cash, these Beneficiaries' Entitlement Holdings decrease relative to the majority of other Beneficiaries with more substantial securities holdings (either model portfolio or bespoke).
- (d) In relation to Beneficiaries whose Entitlement Holdings are predominantly comprised of bespoke securities:
- (i) 44 Beneficiaries (or 29%) exhibited similar growth as those Beneficiaries with model portfolio holdings (i.e. between (2.5%) and 2.5%) as the bespoke assets in their Entitlement Holdings substantially overlapped with those of the model portfolios (refer section 5.6.43 of the Fourth Report for further detail regarding the overlap in holdings between model portfolio and bespoke). Accordingly, the entitlements of these Beneficiaries are estimated to change within +/- 2.5%.
  - (ii) 28 (or 18%) exhibited significant changes in their entitlements to 4 July 2025 (greater than 10% movement) as a result of significant changes in value of a small number of bespoke securities. The most significant changes in individual Beneficiary entitlements are estimated at a 156% increase for one Beneficiary and a 56% decrease for another Beneficiary. The security holdings which have had the most significant increase or decrease in value, impacting movements in individual Beneficiary entitlements, are:
    - (A) Palantir Technologies Inc (NASDAQ: PLTR): +651.9%
    - (B) Rocket Lab USA Inc (NASDAQ: RCLB): +623.3%
    - (C) MicroStrategy Inc Class A (NASDAQ: MSTR): +589.4%
    - (D) BioNano Genomics Inc (NASDAQ: BNGO): -96.3%
    - (E) Cibus Inc (NASDAQ: CBUS): -88.9%
    - (F) Stem Inc (NYSE: STEM): -88.1%

3.2.15 As set out at section 3.2.7, the Receivers note the limitations of the above analysis and have set out further detail on the basis of preparation at Appendix B.

***Indicative financial impact***

- 3.2.16 In order to further illustrate the impact of assessing Beneficiaries' Entitlement Holdings after 13 December 2023, the Receivers have prepared an analysis of the change in distribution that would be received by Beneficiaries from a Deficient Mixed Fund indicatively valued at USD\$750m based on their Entitlement Holdings as at 13 December 2023 compared to 4 July 2025.
- 3.2.17 For the purposes of this indicative analysis, we have assumed the liquidated value of the Deficient Mixed Fund which is to be distributed amongst these Beneficiaries is USD\$750m. This number has been used for **illustrative purposes only and is not reflective of the Receivers estimate of funds which will ultimately be available for distribution**. The funds available for distribution from the Deficient Mixed Fund may materially vary as the shortfall is subject to a number of matters, including but not limited to:
- (a) whilst the Deficient Mixed Fund on the IB Platform has performed favourably following aggregated growth, the portfolio is highly sensitive to global market movements and stress the funds available for distribution will continue to be subject to these market movements until distribution; and
  - (b) there has been no provision for the potential outstanding tax liabilities which the Receivers are continuing to investigate.
- 3.2.18 The table below sets out the increase/(decrease) in funds paid to Beneficiaries grouped by their percentage change in Deficient Mixed Fund entitlement, for illustrative purposes only, we have assumed the liquidated value of the Deficient Mixed Fund which is to be distributed amongst these Beneficiaries is USD\$750m.

**Illustrative increase/decrease in potential distribution to Beneficiaries from 13 Dec-23 to 4 Jul-25**

<b>Greater than</b>		<b>(15%)</b>	<b>(10%)</b>	<b>(2.5%)</b>	<b>(2.5%)</b>	<b>2.5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>
<b>Less than</b>		<b>(20%)</b>	<b>(20%)</b>	<b>(15%)</b>	<b>(10%)</b>	<b>2.5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>
Number of Beneficiaries	17	61	197	361	936	434	20	3	8
Increase/(decrease) in distribution (USD'm)	(3.7)	(1.1)	(4.5)	(8.0)	1.2	9.1	1.5	0.5	4.9
Average value per Beneficiary (USD'000s)	(220.4)	(18.5)	(22.8)	(22.1)	1.3	21.0	76.5	174.3	616.1
Maximum decline in distribution (USD'000s)	(1,193.5)	(251.3)	(231.3)	(225.8)	(102.9)				
Maximum increase in distribution (USD'000s)					81.5	542.4	175.4	372.0	2,399.2

3.2.19 The Receivers note the following in relation to the table above:

- across the 936 Beneficiaries whose entitlement is estimated to not change more than +/- 2.5%, the average increase in distribution across these Beneficiaries is USD\$1.3k. The most significant impact is for a Beneficiary with an Entitlement Holdings as at 13 December 2023 valued at greater than USD\$4m and who would have an increase in distribution of approximately USD\$81.5k;
- the average increase / (decrease) in distributions to Beneficiaries within the bands with changes in entitlements between (20%) and 10% is less than USD\$23k; and
- there are 25 Beneficiaries whose entitlements are estimated to increase/(decrease) more than 20% with an average change in distribution of +/- USD\$347k. If the date were changed to 4 July 2025, there are eight Beneficiaries who would benefit substantially and 17 Beneficiaries to whom this would be a substantial detriment.

3.2.20 As set out at section 3.2.17, the Receivers note the limitations of the above analysis and have set out further detail on the basis of preparation at Appendix B.

### 3.3 Case studies

3.3.1 To illustrate the impact of changing the Entitlement Reference Date from 13 December 2023 on individual Beneficiaries' distribution entitlements, the Receivers have set out below case studies to which show different outcomes of four de-identified Beneficiaries with varied Entitlement Holdings as follows:

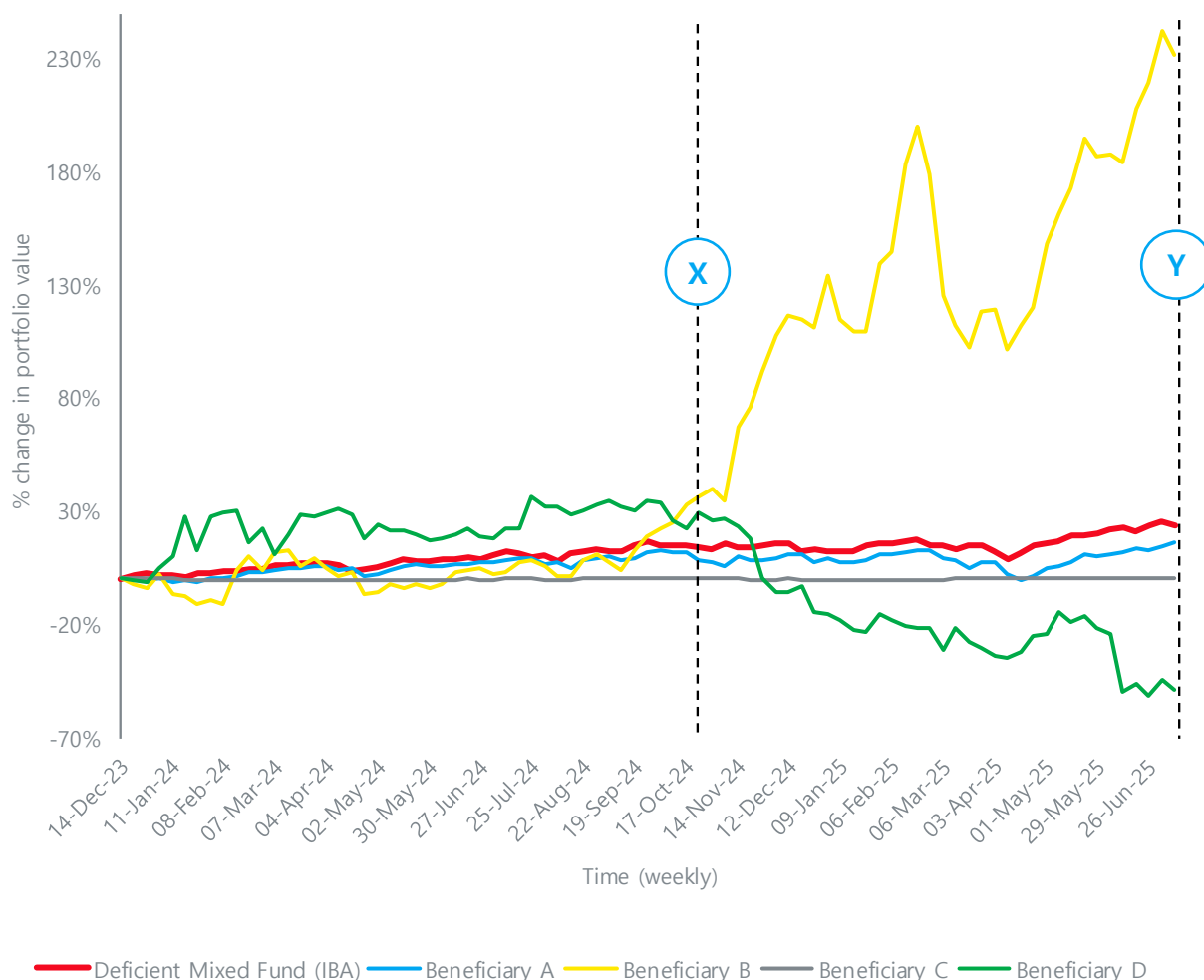
- Beneficiary A – primarily model portfolio security holdings.
- Beneficiary B – primarily bespoke security holdings.
- Beneficiary C – primarily cash holdings.
- Beneficiary D – one material bespoke security holding.

3.3.2 The table below summarises the asset categories comprising each of the four example Beneficiaries' entitlements as at 13 December 2023:

<b>Asset holdings % as at 13 December 2023</b>			
<b>Beneficiary</b>	<b>% cash</b>	<b>% model portfolio</b>	<b>% bespoke securities</b>
Beneficiary A	1.9%	93.9%	4.2%
Beneficiary B	4.0%	0.0%	96.0%
Beneficiary C	93.7%	0.0%	6.3%
Beneficiary D	0.0%	0.0%	100.0%

3.3.3 Set out below is a graph comparing the change in the Entitlement Holdings of each of the four Beneficiaries between 13 December 2023 and 4 July 2025, compared to the growth of the overall Client AuM for reference (red line):

Comparison of growth in entitlements from 13 Dec-23 to 4 Jul-25



3.3.4 The Receivers note the following in relation to the graph above:

- Beneficiary A – Due to the high proportion of their Entitlement Holdings comprising model portfolio securities, the value of their portfolio has grown throughout the period and is substantially correlated with the growth in the Deficient Mixed Fund over the same period.
- Beneficiary B – The value of their bespoke securities has fluctuated significantly over the period from 13 December 2023 to 4 July 2025 resulting in declines in portfolio value during early to mid-2024 followed by material (but volatile) growth from November 2024.
- Beneficiary C – Notwithstanding some growth in the value of their bespoke security, the portfolio has exhibited limited-to-no growth over the period due to the high proportion of cash holdings.
- Beneficiary D – The value of the bespoke security has fluctuated significantly over the period from 13 December 2023 to 4 July 2025.
- Due to the ongoing movements in equity market valuations, the value of Beneficiaries' Entitlement Holdings varies and can be (as is exemplified with Beneficiary B) subject to volatility.
- Whilst Beneficiaries would have provided instructions to Brite Advisors regarding their Entitlement Holdings prior to the Receivers' appointment, Beneficiaries' have not been able to change their Entitlement Holdings to change the risk of their portfolio following the Receivers' appointment.

3.3.5 To demonstrate the impact of differing entitlement reference dates on individual Beneficiaries, the Receivers set out below a comparison of each of the four Beneficiaries' entitlements to a distribution from the Deficient Mixed Fund based on their entitlements valued at different points in time, hypothetical points X and Y as marked on the graph at section 3.3.3 above:

### Change in Beneficiary entitlement to distribution from Deficient Mixed Fund

Beneficiary	Entitlement to Deficient Mixed Fund (%)			Change in entitlement from 13-Dec-23 (%)	
	13-Dec-23	X (Jul-24)	Y (Jul-25)	X (Jul-24)	Y (Jul-25)
Beneficiary A	0.08%	0.08%	0.08%	(0.7%)	(5.7%)
Beneficiary B	0.02%	0.02%	0.04%	(1.2%)	169.0%
Beneficiary C	0.01%	0.01%	0.01%	(8.8%)	(18.5%)
Beneficiary D	0.19%	0.24%	0.08%	24.5%	(58.7%)

3.3.6 The above demonstrates the impact of changing the Entitlement Reference Date on individual Beneficiaries, which is as follows:

- (a) As Beneficiaries with high cash holdings (e.g. Beneficiary C) will see limited-to-no growth in their portfolio (absent favourable FX movements) and therefore will be worse off if the Entitlement Reference Date was moved to a later date as they will not receive any distribution of the growth in the overall portfolio.
- (b) Beneficiaries with significant bespoke holdings (e.g. Beneficiaries B and D) could be significantly better or worse off depending on the Entitlement Reference Date and the value of their securities at that date as demonstrated by the movement in their entitlements between points X & Y.

## 3.4 Other considerations

3.4.1 In addition to the Receivers' findings detailed above on the financial impact to Beneficiaries of assessing Beneficiaries' entitlements at an alternative date after 13 December 2023, the Receivers have identified a number of matters for the Court's consideration as set out below.

### ***Beneficiaries' inability to change or amend their Entitlement Holdings post-appointment***

3.4.2 As set out in section 2.9 of the Supplementary Explanatory Memorandum, the Receivers are cognisant of the fact that Beneficiaries have not been able to adjust their investment risk profile during the Receivership. Accordingly, the risk level and asset selection which existed as at 13 December 2023 was in effect locked in.

3.4.3 Accordingly, assessing Beneficiaries' entitlements at an alternative date after 13 December 2023 would be detrimental to Beneficiaries who, in the ordinary course, may have changed their investment risk profile for example:

- (a) Cash holdings which cannot be invested - A Beneficiary deposited GBP 350k to Brite Advisors in December 2022, and shortly thereafter issued a dealing instruction to Brite Advisors to convert 100% of their GBP cash holdings to EUR. In August 2023, the Beneficiary issued a second dealing instruction to invest 100% of their funds in model portfolio securities. Brite Advisors did not action the Beneficiary's instructions prior to the Asset Preservation Orders coming into effect on 25 October 2023, and accordingly, the Beneficiary's portfolio was still recorded as being held in cash as at 13 December 2023. As a result of the Asset Preservation Orders and the Receivers' appointment, the Beneficiary has been unable to invest their cash holdings in model portfolio securities to align their portfolio with their investment risk profile.
- (b) Bespoke holdings which have declined in value - A Beneficiary holds 95.7% of their total portfolio in 11 bespoke securities, with the balance of their portfolio held in cash. Since 13 December 2023, nine of the 11 bespoke securities have declined in value by (33.4%) in total. The remaining two securities have increased in value by only 7.5% in total. As a result of the Asset Preservation Orders and the Receivers' appointment, the Beneficiary has been unable to adjust their investments since 13 December 2023.

### ***Shortfalls across securities***

3.4.4 As set out in section 2.9 of the Supplementary Explanatory Memorandum, the Receivers are also cognisant of the fact that Brite Advisors did not in fact hold all investments it purported to hold, meaning the aggregate gains on each portfolio which determines a Beneficiary's entitlement will necessarily deviate from the gains made on the assets which were actually held.

3.4.5 The Receivers note the majority of the top 20 performing securities to 4 July 2025 had a shortfall in the securities held in the IBA Accounts and Beneficiaries Entitlement Holdings as at 13 December 2023, by way of example:



- (a) Beneficiaries Entitlement Holdings recorded eight Beneficiaries holding a total of 1,025 shares in NVIDIA Corp (NASDAQ: **NVDA**) valued at c.USD\$0.5m as at 13 December 2023.
- (b) However, Brite Advisors only held 48 shares in NVDA valued at c.USD\$23k in the IBA Accounts as at 13 December 2023.
- (c) As at 5 July 2025, Beneficiaries Entitlement Holdings in respect of the NVDA shares are valued at c.USD\$1.1m whereas the actual value of the 48 NVDA shares which were held in the IBA Accounts at 13 December 2023 was only c.USD\$53k.

***Conflict with Orders obtained to facilitate Beneficiary pension withdrawals and hardship requests***

- 3.4.6 The Court made orders on 21 December 2023 (as amended on 2 September 2024 and 19 February 2025) which provided the Receivers discretion to process payments from the Client AuM to Beneficiaries for regular pension withdrawals and/or hardship requests.
- 3.4.7 Broadly speaking, Beneficiaries' entitlement to withdraw funds is based on a percentage of the quantum of their entitlements at 13 December 2023. The Receivers' proposed distribution methodology treats these withdrawals as interim distributions to the respective Beneficiaries.
- 3.4.8 Whilst the withdrawal limits sought by the Receivers account for some potential downside risk for adverse movements in the Client AuM, the withdrawal limit is based on the Beneficiaries' Entitlement Holdings at 13 December 2023 and does not account for any adverse movements in the individual Beneficiaries' Entitlement Holdings after this date.
- 3.4.9 In the event Beneficiaries' entitlements to distributions from the Deficient Mixed Fund were to be determined based on their Entitlement Holdings after 13 December 2023, there may be small number of Beneficiaries primarily holding bespoke securities who may have already received greater withdrawals than their final distribution entitlement. This would arise in circumstances where their Entitlement Holdings had substantial adverse market movements between 13 December 2023 and the date of distribution.

***Impact of adverse market movements***

- 3.4.10 In respect of the analysis presented at section 3.2, the Receivers note that equity markets have performed favourably from 13 December 2023 as noted by the 36.2% growth in the S&P 500 during the period from 13 December 2023 to 4 July 2025.
- 3.4.11 In the event of significant adverse movements in equity markets, the findings presented at sections 3.2 would likely be inverted. Beneficiaries with larger cash holdings and/or lower risk securities (i.e. bonds / bond ETFs) would likely be entitled to a larger portion of the Deficient Mixed Fund if Beneficiaries' Entitlement Holdings were valued after 13 December 2023.

***Requirement to obtain updated structured notes valuations***

- 3.4.12 As noted by the Receivers in the Prior Reports, there are a number of securities (primarily structured notes) which the Receivers are unable to value based on publicly available market information. Whilst the majority of these securities have matured since 13 December 2023 (providing reliable valuation values), 11 securities will not mature until at least September 2025.
- 3.4.13 In order to value these securities at 13 December 2023, the Receivers were required to engage Frontier Economics to provide an independent valuation report.
- 3.4.14 In the event the Beneficiaries' entitlements to distributions from the Deficient Mixed Fund were to be determined based on their Entitlement Holdings after 13 December 2023, the Receivers would likely be required to engage Frontier Economics to provide a further independent valuation report. We have not engaged with Frontier Economics to discuss how this would work in practice, we note however this may present some logistical challenges and/or delays in processing distribution(s).



## A Schedule of documents relied upon

### Schedule of documents relied upon

Document number	Document name	Details
01	Document 01 - 13 December Court Orders	Court Orders made by the Federal Court of Australia on 13 December 2023 appointing Linda Smith and Robert Kirman as Receivers and Managers of Brite Advisors.
02	Document 02 - Receivers' Fourth Report dated 9 August 2025	The Receivers' Report to the Federal Court of Australia dated 9 August 2024
03	Document 03 - Receivers' Fifth Report dated 4 December 2024	The Receivers' Supplementary Report to the Federal Court of Australia dated 4 December 2024
04	Document 04 - Receivers' Explanatory Memorandum dated 4 December 2024	The Receivers' Explanatory Memorandum dated 4 December 2024
05	Document 05 - Receivers' Supplementary Explanatory Memorandum dated 25 March 2025	The Receivers' Supplementary Explanatory Memorandum dated 25 March 2025
06	Document 06 - Addendum to the Supplementary Explanatory Memorandum dated 10 April 2025	The Receivers' Supplementary Explanatory Memorandum dated 10 April 2025
07	Document 07 - Supplementary report regarding Minerva Notes dated 2 May 2025	The Receivers' Minerva Report to the Federal Court of Australia dated 2 May 2025
08	Document 08 - Minute of proposed orders - Proposed Distribution Methodology	Minute of proposed orders setting out the orders that the Receivers propose the Court makes to give effect to the proposed Distribution Methodology
09	Document 09 - Interim Fund Manager's report	Interim Fund Manager's report regarding the performance of the Client AuM dated 6 July 2025

## B Basis of preparation

### B.1 Overview

The purpose of this appendix is to set out the key sources of information, basis of preparation and key assumptions / limitations of the analysis presented in section 3 of this Supplementary Report.

### B.2 Sources of information

The Receivers note the key sources of information for the analysis presented in section 3 of this Supplementary Report are set out in the table below along with the limitations.

Source	Description and limitations
<b>13 December 2023 Data</b>	<p><b>Overview</b></p> <ul style="list-style-type: none"> <li>Brite Advisors utilised AutoRek in order to reconcile Client AuM held by Brite Advisors with data received from Interactive Brokers. AutoRek acts as a tool to assist with the maintenance and reconciliation of the significant volume of financial data at a Beneficiary level, which is then displayed and stored via Salesforce.</li> <li>The Receivers obtained a raw export of the updated Beneficiary investment data set which included all Beneficiary positions up to 13 December 2023.</li> <li>This data set includes a transaction record of each Beneficiaries' interactions with Brite Advisors including deposits, withdrawals, security purchases and sales, dividends, coupons, fees, Surrender Rebates Fees and other corporate actions by date. This represents the transactions which would comprise what Beneficiaries' considered Brite Advisors <i>should</i> have held on their behalf.</li> <li>The Receivers processed amendments to the raw export of the 13 December 2023 Data to address data integrity issues identified during the verification of the data.</li> </ul> <p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>Whilst the 13 December 2023 Data is the most accurate record of what Brite Advisors <i>should</i> have held on each Beneficiaries behalf, there is a material shortfall between Client AuM held at 13 December 2023 and Beneficiaries' entitlements. The Receivers' investigations indicate that this shortfall likely existed as early as the year ended 30 June 2020. The Receivers' investigations into the reason for the shortfall in Client AuM is ongoing, however, this shortfall does bring into question the veracity of the 13 December 2023 Data. In the absence of a more accurate record of Beneficiaries' interactions with Brite Advisors, the Receivers have utilised the information available. Discrepancies in the 13 December 2023 Data may alter the findings presented in this Supplementary Report.</li> <li>The Receivers have undertaken a verification of various aspects of the 13 December 2023 Data to verify the accuracy of the data including, but not limited to, verification of Brite Advisors' bank account transaction listings (as extracted from Brite Advisors' accounting system) against both the IB Account Statements and Beneficiary deposit and withdrawal information disclosed in the 13 December 2023 Data. As a result of this verification, the 13 December 2023 Data has been amended to rectify issues identified with the integrity of certain aspects of the data.</li> <li>The Receivers have undertaken (and continue to undertake) the Valuation Notice process which enabled Beneficiaries to review their entitlements and confirm or dispute what the 13 December 2023 Data records as their entitlements. As a result of undertaking this process, the Receivers have made several amendments to the 13 December 2023 Data, as set out in section 3.3 of this Supplementary Report.</li> <li>The transactions in the 13 December 2023 are recorded in 13 different currencies. The Receivers have converted these transactions to USD for the purposes of providing digestible analysis for the Court, however, the analysis presented is therefore sensitive to movements in foreign currency exchange rates.</li> </ul>
<b>IB Account Statements</b>	<p><b>Overview</b></p> <ul style="list-style-type: none"> <li>The majority of Client AuM was held on the IB Platform in an omnibus structure across four master accounts, comprising of 12 sub-accounts. In addition, BHKL held Client AuM in one master account, comprising of three sub-accounts, with IBHK.</li> <li>The Receivers continue to hold the Client AuM in the IBA Accounts (albeit all securities have been consolidated into the one IBA sub-account).</li> <li>The Receivers have retrieved copies of the statements for these accounts during the period from 13 December 2023 to 4 July 2025 for the purposes of conducting the analysis set out in section 3 of this Supplementary Report.</li> </ul>

Source	Description and limitations
<b>Price/dividend information</b>	<p><b>Overview</b></p> <ul style="list-style-type: none"> <li>The Interim Fund Manager, BML, has provided the Receivers with a list of current pricing as at 4 July 2025 of all available securities which Brite Advisors purported to hold for Beneficiaries on 13 December 2023.</li> <li>The Interim Fund Manager also provided the Receivers with a list of dividends paid and corporate actions which occurred for all securities which Brite Advisors purported to hold for Beneficiaries for the period from 13 December 2023 to 4 July 2025.</li> </ul> <p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>Certain securities are not able to be priced (or dividend/corporate action information extracted) using publicly available market information (i.e. Structures Notes).</li> <li>The Court will be aware that the Receivers undertook the significant task of verifying the 13 December 2023 Data (including security pricing, historical dividends and corporate actions) for the purposes of valuing Beneficiary entitlements as at 13 December 2023 (further details set out in sections 3.4 of the Fourth Report and 4.4 of the Fifth Report). The analysis presented in this Supplementary Report is intended to provide the Court with an illustration of the impact of the potential change in date of valuing Beneficiaries' entitlements to a distribution from the Deficient Mixed Fund, and as such, the Receivers have not incurred the significant time costs in undertaking the same extensive verification of the price/dividend information as at 4 July 2025.</li> </ul>
<b>S&amp;P Global Capital IQ</b>	<p><b>Overview</b></p> <ul style="list-style-type: none"> <li>The Receivers have utilised the S&amp;P Global Capital IQ system to extract historical daily prices of securities purported to be held by Brite Advisors on behalf of Beneficiaries.</li> </ul>

### B.3 Basis of preparation

Set out below is the basis of preparation of the analysis presented in section 3 of this Supplementary Report utilising the sources of information set out in section B2 above.

#### B.3.1 Change in Deficient Mixed Fund entitlement by Beneficiary by holding category

Set out below is the basis of preparation for the analysis presented at sections 3.2.9 and 3.2.13 utilising:

- 13 December 2023 Data;
- Price information; and
- IB Account Statements.

#### **Basis of preparation**

- The Receivers utilised the 13 December 2023 Data to determine the quantity of each asset holding that was purported to be held by Brite Advisors on behalf of Beneficiaries and the price of each asset as at 13 December 2023. This was used to determine the value of each Beneficiaries' entitlements as at 13 December 2023 (consistent with the amounts provided in Beneficiaries' Valuation Notice).
- For the purposes of this exercise, the Receivers excluded the following:
  - Excluded assets (i.e. the value of cash for Late Investors and Moventum assets) were excluded as this analysis relates to the impact of the Entitlement Reference Date on Beneficiaries with an entitlement to the Deficient Mixed Fund only.
  - Structured notes and Minerva notes holdings were excluded as these could not be valued as at 4 July 2025 based on publicly available sources.
  - Beneficiaries with a negative entitlement balance as at 13 December 2023 were excluded.

This resulted in the exclusion of 25 of the 2,062 Beneficiaries for the purposes of this analysis.

- The Receivers then applied the updated asset pricing as at 4 July 2025 per the price information to the quantity of each respective asset purported to determine the value of Beneficiaries' entitlements as at 4 July 2025.
- The Receivers utilised the price/dividends information provided by the Interim Fund Manager to determine the rates of dividends paid for each security actually held in IBA Accounts over the period from 13 December 2023 to 4 July 2025. These dividends were applied to the quantity of securities purported to be held by Beneficiaries to

adjust their entitlement values as at 4 July 2025 for the impact of dividends. The value of the estimated dividends was converted into USD using the FX rates extracted from IB Account Statements as at 13 December 2023.

- Beneficiaries' purported cash holdings remained unchanged from 13 December 2023 to 4 July 2025.
- The value of Beneficiaries' entitlements as at 13 December 2023 and 4 July 2025 were converted into USD using the FX rates extracted from IB Account Statements as at 13 December 2023 and 4 July 2025.
- The Receivers calculated for each Beneficiary what asset type (either cash, model portfolio securities, or bespoke securities) comprised the majority of their portfolio as at 13 December 2023 by calculating the percentage of each asset type purportedly held against the value of their total portfolio. If the percentage was more than 50% then the Receivers categorised those Beneficiaries as holding a majority of that particular asset type.
- The Receivers compared (i) the value of each Beneficiary's entitlement as a percentage of total Beneficiaries' entitlements as at 13 December 2023, against (ii) the value of each Beneficiary's entitlement as a percentage of total Beneficiaries' entitlements as at 4 July 2025.
- The Receivers calculated the percentage change in each Beneficiary's entitlement to a distribution from the Deficient Mixed Fund from 13 December 2023 to 4 July 2025 by using the following formula:

$$\frac{\text{Beneficiary's \% Entitlement to distribution from Deficient Mixed Fund at 4 Jul25}}{\text{Beneficiary's \% Entitlement to distribution from Deficient Mixed Fund at 13 Dec23}} - 1$$

- Beneficiaries were grouped based on similar percentage change in each entitlement to a distribution from the Deficient Mixed Fund and plotted by number per the graph in section 3.2.9. Further detail for the purposes of the graph in section 3.2.13 whereby the Beneficiaries were further grouped based on the asset type which comprised the majority of their portfolio as at 13 December 2023.

### **Limitations**

- As the analysis presented has converted multiple currencies to USD, the outputs are sensitive to movement in foreign currency exchange rates.
- As set out above, the analysis is indicative only as it excludes Beneficiaries' entitlements to a distribution from the Deficient Mixed Fund for entitlements based on Structured Notes or Minerva Notes holdings. These have been excluded from the above analysis as the values of these assets are not publicly available.
- The dividends adjustments have been based on the rates of dividends for each security per the price information provided by the Interim Fund Manager. The Receivers note that as the purpose of the analysis presented in this Supplementary Report is illustrative only, the Receivers have not incurred the significant time costs in undertaking verification of this data (as was undertaken for the 13 December 2023 Data).
- The Receivers have indicatively chosen the date of 4 July 2025 to present this indicative analysis however note that the analysis is sensitive to market movements and could be entirely different based on a different chosen date.

### **B.3.2 Illustrative increase/(decrease) in potential distribution to Beneficiaries from 13 Dec-23 to 4 Jul-25**

Set out below is the basis of preparation for the analysis presented at section 3.2.18 utilising:

- 13 December 2023 Data;
- BML's pricing information; and
- IB Account Statements.

### **Basis of preparation**

- The Receivers calculated the percentage change in each Beneficiary's entitlement to a distribution from the Deficient Mixed Fund from 13 December 2023 to 4 July 2025, as set out in section B.3.1 above.
- This percentage change was then multiplied by an indicative value of the Deficient Mixed Fund assets as at 4 July 2025 of USD\$750m to illustrate the estimated value of the change in entitlement to a distribution from the Deficient Mixed Fund.
- The illustrative value of the percentage change in each Beneficiary's entitlement to a distribution from the Deficient Mixed Fund was then summarised in a table which showed:

- Increase/(decrease) in distribution (USD\$m) – calculated as the total indicative value increase/decrease of all Beneficiaries' potential distributions between 13 December 2023 and 4 July 2025 within certain percentage change brackets.
- Average value per Beneficiary (USD\$'000s) – calculated as the average indicative value increase/decrease on a per Beneficiary basis within certain percentage change brackets (total increase/(decrease) in distribution divided by the number of Beneficiaries within each percentage change bracket).
- Maximum decline in distribution (USD\$'000s) – calculated as the largest indicative amount that a Beneficiary's indicative distribution amount declined between 13 December 2023 and 4 July 2025 within certain percentage change brackets.
- Maximum increase in distribution (USD\$'000s) – calculated as the largest indicative amount that a Beneficiary's indicative distribution amount increased between 13 December 2023 and 4 July 2025 within certain percentage change brackets.

### ***Limitations***

- As the analysis presented has converted multiple currencies to USD, the outputs are sensitive to movement in foreign currency exchange rates.
- As set out above, the analysis is indicative only as it excludes Beneficiaries' entitlements to a distribution from the Deficient Mixed Fund for entitlements based on Structured Notes or Minerva Notes holdings. These have been excluded from the above analysis as the values of these assets are not publicly available.
- The dividends adjustments have been based on the rates of dividends for each security per the price information provided by the Interim Fund Manager. The Receivers note that as the purpose of the analysis presented in this Supplementary Report is illustrative only, the Receivers have not incurred the significant time costs in undertaking verification of this data (as was undertaken for the 13 December 2023 Data).
- The Receivers have indicatively chosen the date of 4 July 2025 to present this indicative analysis however note that the analysis is sensitive to market movements and could be entirely different based on a different chosen date.

### **B.3.3 Comparison of growth in entitlements from 13 Dec-23 to 4 Jul-25**

Set out below is the basis of preparation for the analysis presented at section 3.3.3 utilising:

- 13 December 2023 Data; and
- S&P Global Capital IQ.

### ***Basis of preparation***

- The Receivers selected four Beneficiaries from the 13 December 2023 Data who fit the following criteria:
  - Beneficiary who holds primarily model portfolio security holdings.
  - Beneficiary who holds primarily bespoke security holdings which have significantly increased in value from 13 December 2023 to 4 July 2025.
  - Beneficiary who holds primarily bespoke security holdings which have significantly decreased in value from 13 December 2023 to 4 July 2025.
  - Beneficiary who holds primarily cash holdings.
- The Receivers utilised the S&P Global Capital IQ software to recreate these four Beneficiaries' portfolios as at 13 December 2023 using quantities of assets purportedly held from the 13 December 2023 Data, which produced the estimated market value of each of the portfolios on a daily basis for each of the Beneficiaries.
- The Receivers calculated the percentage gain or loss on a weekly basis for each of the four Beneficiaries based on the estimated market value changes of their portfolios and plotted this data on a line graph.
- The Receivers obtained the estimated market value of the Client AuM on the IBA Platform in USD on a daily basis from the Interim Fund Manager, calculated the gain or loss of the Client AuM on a weekly basis utilising this data, and plotted this data on a line graph.

### ***Limitations***

- As the analysis presented has converted multiple currencies to USD, the outputs are sensitive to movement in foreign currency exchange rates.
- The Receivers have indicatively chosen the date of 4 July 2025 to present this indicative analysis however note that the analysis is sensitive to market movements and could be entirely different based on a different chosen date.

## C Receivers' CVs

# Linda Smith

## Partner in Perth

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Linda is a highly skilled restructuring and insolvency professional, with extensive experience in leading complex restructuring matters and conducting independent business reviews.

Linda's experience includes leading a number of high-profile formal insolvency appointments, managing business trade on scenarios and recovery actions.

She has also led significant forensic investigations, providing reports to regulators such as ASIC and the ATO. Linda provides practical advice to companies experiencing financial difficulties, conducting independent business reviews and implementing turnaround strategies.

Recent engagements include being appointed by the Federal Court as Receiver and Liquidator of Brite Advisors Pty Ltd, managing Client Assets under Management totaling over \$1bn. During her career, Linda has worked across a broad range of industries including financial services, mining, property and construction in Australia and the United Kingdom.

## Engagement Experience —

- Receiver and Manager of Brite Advisors Pty Ltd, appointed in Federal Court proceedings to undertake significant investigations, manage and distribute over \$1bn of Client Assets under Management.
- Administrator of Catalano Seafood, successful restructure via DOCA for ASX listed food retailer.
- AMIP for Iris Terrace Claremont Pty Ltd, appointed AMIP in respect of substantial property development in WA.
- Chris Marco Scheme, managed the winding up of one of Australia's largest Ponzi Schemes.
- Continental Coal Limited, managed the winding up of ASX listed Continental Coal Limited.
- Conducts independent business reviews for lenders, assessing the financial position of borrowers and determining strategies for restructuring or reducing debt. Recent assignments include a review of ASX listed mining operations.
- Managed a range of Liquidator recovery actions for the benefit of creditors, with experience in director examinations, voidable transactions and transfer of assets to phoenix companies.
- Voluntary administration of gold producer GMK Exploration Pty Ltd, including the trade on and business sale.
- Voluntary administration of Midwest Vanadium, an ASX listed mine in remote WA.



## Qualifications & Memberships —

- Registered Liquidator
- Member, CA ANZ
- Member, ARITA
- ARITA, WA Division Committee Member
- Member, Institute of Chartered Accountants Scotland
- Certified Proficiency in Insolvency (Insolvency Practitioners Association, UK)
- BA (Hons) in Finance and Marketing

## Board Roles —

- Board Member, Cystic Fibrosis WA



McGrathNicol



# Rob Kirman

## Partner in Perth

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Rob has over 25 years' of restructuring experience and is the Partner in charge of the McGrathNicol Perth office. Prior to joining McGrathNicol in 2004, Rob worked for an international advisory and restructuring firm in the UK.

As a national firm with representation on the panel of each of Australia's big four banks, McGrathNicol is known for its commercial acumen exceptional leadership and our highly regarded specialists.

Rob has a proven reputation for providing his clients with strategic and innovative solutions to challenging situations and is highly skilled at considering issues from the perspective of different stakeholders.

He has led teams in financial assignments such as restructuring, insolvency, business improvement and transactions. He has also conducted numerous business reviews, assisted companies with business improvement, strategic planning, working capital management and capital reorganisation.

Rob has been an appointee in relation to a range of recent high-profile matters including The Chris Marco Scheme, the related entities of Alan Caratti, Tiger Resources Ltd, Alita Resources Ltd and MZI resources Ltd.

Rob's sector experience is broad and includes mining, property, construction, hospitality, transport and logistics, agribusiness and manufacturing.

## Engagement Experience —

- Numerous business reviews and restructurings including performance improvement, strategic planning, working capital management and capital reorganisation.
- Due diligence and transaction services support.
- Voluntary Administrator of Tiger Resources Ltd, an ASX listed company with an investment in a copper mine in the Democratic Republic of Congo.
- Voluntary Administrator of Alita Resources Ltd, an SGX listed company with an investment in a lithium mine in WA.
- Voluntary Administrator of MZI Resources, an ASX listed company Mineral Sands producer.
- Liquidator and Receiver & Manager of the Chris Marco Scheme, an unregistered and alleged 'ponzi' scheme of more than 300 investors.
- Liquidator of the related entities of Alan Caratti, an appointment that has included the investigation of a number of significant contraventions of the Corporations Act.

## Qualifications & Memberships —

- Registered Liquidator
- Member, ARITA
- Member, TMA
- Member, CA ANZ
- Bachelor of Science (Honours) in Special Mathematics

## Board Roles —

- Board Member, McGrathNicol



McGrathNicol

## D Key staff and qualifications

Assisting staff		
Name	Position	Years' experience
Linda Smith	Partner, Receiver	19
Robert Kirman	Partner, Receiver	27
James Clark	Director	11
Amber Kirkbright	Senior Manager	10
Annie Purbrick	Manager	7
Victor Gillet	Assistant Manager	3